

CITY OF
SALMON ARM

**STATEMENT OF
FINANCIAL INFORMATION**
December 31, 2021

**C. Van de Cappelle, CPA
Chief Financial Officer**

PO Box 40, Salmon Arm, BC V1E 4N2
Telephone (250) 803-4000 Fax (250) 803-4041

Statement of Financial Information
Table of Contents
For the Year Ended December 31, 2021

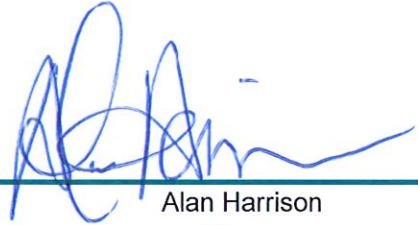
Statement of Financial Information Approval	i
Consolidated Financial Statements	
Management's Responsibility for Financial Reporting	1
Independent Auditor's Report	2 - 3
Consolidated Statement of Financial Position	4
Consolidated Statement of Operations	5
Consolidated Statement of Change in Net Financial Assets (Debt)	6
Consolidated Statement of Cash Flows	7
Summary of Significant Accounting Policies	8 - 11
Notes to Consolidated Financial Statements	11 - 20
Schedule 1 - Long Term Debt	21
Schedule 2 - Consolidated Schedule of Tangible Capital Assets	22 - 23
Schedule 3 - Grants from Federal and Provincial Governments	24
Schedule 4 - Trust and Reserve Funds Statements	25 - 26
Schedule 5 - Consolidated Schedule of Segment Disclosure	27 - 28
Schedule 6 - COVID-19 Safe Restart Grant	29
Statement of Council Indemnities & Expenses	30
Statement of Employee Remuneration and Expenses	31
Reconciliation of Remuneration	32
Statement of Payments Made for the Provision of Goods and Services	33 - 35
Statement of Payments for the Purpose of Grants or Contributions	36
Reconciliation of Payments Made for the Provision of Remuneration, Expenses, Goods and Services	37
Statement of Guarantee and Indemnity Agreements	38
Statement of Severance Agreements	39

**Statement of Financial Information Approval
For the Year Ended December 31, 2021**

The undersigned, as authorized by the Financial Information Regulation, Schedule 1, subsection 9(2), approves all the statements and schedules included in this Statement of Financial Information, produced under the Financial Information Act.



Chelsea Van de Cappelle
Chief Financial Officer
May 9, 2022



Alan Harrison
Mayor
May 9, 2022

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of the City of Salmon Arm (the "City") are the responsibility of management and have been approved by the Chief Financial Officer on behalf of Council.

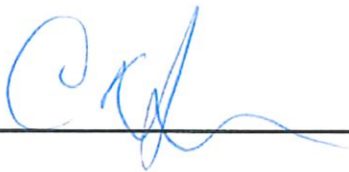
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Certain amounts used in the preparation of the consolidated financial statements are based on management's best estimates and judgments. Actual results could differ as additional information becomes available in the future. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The City maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the City's assets are appropriately accounted for and adequately safeguarded.

The City's Chief Financial Officer and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and are ultimately responsible for reviewing and approving the financial statements.

Chief Financial Officer and Council members meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the consolidated financial statements and the external auditor's report.

The consolidated financial statements have been audited by BDO Canada LLP Chartered Professional Accountants in accordance with Canadian generally accepted auditing standards on behalf of the members. The independent auditor's report expresses their opinion on these consolidated financial statements. The auditors have full and free access to the accounting records and the Chief Financial Officer and Council of the City.



Chief Financial Officer



Tel: 250-832-7171
Fax: 250-832-2429
www.bdo.ca

BDO Canada LLP
571 6th Street NE
Suite 201
Salmon Arm BC V1E 1R6 Canada

Independent Auditor's Report

To the Mayor and Council of the City of Salmon Arm

Opinion

We have audited the consolidated financial statements of the City of Salmon Arm (the "City") and its controlled entities (the "Consolidated Entity"), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statements of operations, change in net financial assets, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Consolidated Entity as at December 31, 2021, and its results of operations, its change in net financial assets (debt), and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Consolidated Entity in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter – Unaudited Information

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of Schedule 6 of the City's financial statements.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Consolidated Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Consolidated Entity's financial reporting process.



Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants


Salmon Arm, British Columbia

April 11, 2022

The City of Salmon Arm

Consolidated Statement of Financial Position

As at December 31	2021	2020
Financial Assets		
Cash	\$ 2,568,494	\$ 2,001,975
Investments	77,344,118	77,635,118
Accounts Receivable		
Property Taxes	552,805	842,201
Trade	2,770,115	1,120,459
Water and Sewer Levies	343,600	337,525
Inventories for Resale	92,165	35,953
M.F.A. Debt Reserve - Note 5	1,565,400	1,555,790
Loan Receivable - Note 4	168,000	170,333
	<u>85,404,697</u>	<u>83,699,354</u>
Liabilities		
Accounts Payable and Accrued Liabilities	5,613,205	5,183,265
Deposits and Performance Bonds	2,143,125	1,363,101
Prepaid Property Taxes and Levies	3,309,023	3,130,786
Deferred Revenues - Note 6	20,554,235	18,093,212
M.F.A. Debt Reserve - Note 5	1,565,400	1,555,790
Long Term Liability	207,659	230,732
Long Term Debt - Note 2 and Schedule 1	22,813,105	24,652,434
	<u>56,205,752</u>	<u>54,209,320</u>
Net Financial Assets	<u>29,198,945</u>	<u>29,490,034</u>
Non-Financial Assets		
Tangible Capital Assets - Schedule 2	227,894,194	220,855,881
Inventories of Supplies	661,778	486,823
Prepaid Expenses	305,493	188,099
	<u>228,861,465</u>	<u>221,530,803</u>
Accumulated Surplus	<u>\$ 258,060,410</u>	<u>\$ 251,020,837</u>


 _____ Chief Financial Officer
 Chelsea Van de Cappelle, CPA

The accompanying notes to consolidated financial statements and schedules are an integral part of these consolidated financial statements.

The City of Salmon Arm

Consolidated Statement of Operations

For The Year Ended December 31

	2021	2021	2020
	Actual	Budget (Note 7)	Actual (Note 13)
Revenues			
Taxation - Net - Note 8	\$ 19,306,833	\$ 19,310,720	\$ 18,977,526
Transportation Parcel Tax - Note 8	1,226,250	1,222,000	1,210,200
Frontage Tax - Note 8	2,438,988	2,442,435	2,422,956
Grants - Schedule 3	1,822,840	7,265,382	5,216,754
Grants - Other	186,302	191,599	188,057
Sales of Services	8,124,053	7,314,290	7,135,252
Licences, Permits and Fines	876,199	800,875	834,915
Rentals, Leases and Franchises	961,933	691,435	1,022,172
Return on Investments	769,013	224,515	1,053,431
Penalties and Interest	256,844	182,500	170,626
Other Revenue from Own Sources	42,964	10,100	66,786
Developer and Other Contributions	5,381,703	3,904,280	616,619
Gain (Loss) on Disposal of Capital Assets	(44,173)	-	2,617
	<u>41,349,749</u>	<u>43,560,131</u>	<u>38,917,911</u>
Expenses			
General Government Services	5,700,081	4,726,425	5,171,196
Protective Services	6,118,831	5,980,245	5,342,258
Transportation Services	9,695,360	5,715,035	9,436,810
Public Health Services	1,183,841	1,298,845	1,245,794
Development Services	1,422,508	1,495,190	1,269,852
Recreation and Cultural Services	3,712,276	3,883,755	3,311,274
Water and Sewer Services	6,477,279	4,646,403	5,961,968
	<u>34,310,176</u>	<u>27,745,898</u>	<u>31,739,152</u>
Annual Surplus	7,039,573	15,814,233	7,178,759
Accumulated Surplus, Beginning of Year	251,020,837	251,020,837	243,842,078
Accumulated Surplus, End of Year	\$ 258,060,410	\$ 266,835,070	\$ 251,020,837

The accompanying notes to consolidated financial statements and schedules are an integral part of these consolidated financial statements.

The City of Salmon Arm

Consolidated Statement of Change in Net Financial Assets

For The Year Ended December 31	2021	2021	2020
	Actual	Budget	Actual
Annual Surplus	\$ 7,039,573	\$ 15,814,233	\$ 7,178,759
Acquisition of Tangible Capital Assets	(15,461,881)	(27,656,743)	(5,477,731)
Amortization of Tangible Capital Assets	8,196,573	-	7,897,010
Disposal of Tangible Capital Assets	226,993	-	2,040
	1,258	(11,842,510)	9,600,078
Acquisition of Inventories of Supplies	(661,778)	-	(486,823)
Acquisition of Prepaid Expenses	(305,491)	-	(188,099)
Usage of Inventories of Supplies	486,823	-	449,612
Usage of Prepaid Expenses	188,099	-	29,667
Net Change in Net Financial Assets (Debt)	(291,089)	(11,842,510)	9,404,435
Net Financial Assets, Beginning of Year	29,490,034	29,490,034	20,085,599
Net Financial Assets, End of Year	\$ 29,198,945	\$ 17,647,524	\$ 29,490,034

The accompanying notes to consolidated financial statements and schedules are an integral part of these consolidated financial statements.

The City of Salmon Arm

Consolidated Statement of Cash Flows

For The Year Ended December 31

2021

2020

Cash Flows From Operating Activities

Annual Surplus	\$ 7,039,573	\$ 7,178,759
Items Not Involving Cash		
Amortization Expense	8,196,573	7,897,010
Developer Contributed Capital Assets	(4,019,260)	(290,645)
Loss (Gain) on Disposal of Capital Assets	44,173	(2,617)
Changes in Non-Cash Operating Items		
Inventories for Resale	(56,212)	38,391
Accounts Receivable	(1,366,334)	(203,874)
Accounts Payable	429,940	2,166,570
Long Term Liability	(23,073)	230,732
Loan Receivable	2,333	-
Deferred Revenues	2,461,023	1,843,142
Deposits and Performance Bonds	780,024	104,506
Prepaid Property Taxes and Levies	178,237	(181,635)
Inventories of Supplies	(174,956)	(37,211)
Prepaid Expense	(117,392)	(158,432)
	13,374,650	18,584,696

Cash Flows From Investing Activity

Decrease (Increase) in Investments	291,000	(10,949,138)
------------------------------------	---------	--------------

Cash Flows From Capital Activity

Proceeds on Disposal of Capital Assets	182,820	4,657
Acquisition of Tangible Capital Assets	(11,442,620)	(5,187,086)
	(11,259,800)	(5,182,429)

Cash Flows from Financing Activities

Actuarial Adjustments	(635,171)	(573,060)
Issuance of Long Term Debt	-	845,000
Repayment of Long Term Debt	(1,204,159)	(2,007,896)
	(1,839,330)	(1,735,956)

Increase In Cash During Year

	566,519	717,173
Cash, Beginning of Year	2,001,975	1,284,802
Cash, End of Year	\$ 2,568,494	\$ 2,001,975

The accompanying notes to consolidated financial statements and schedules are an integral part of these consolidated financial statements.

The City of Salmon Arm

Notes to the Consolidated Financial Statements

December 31, 2021

1. Summary of Significant Accounting Policies

Nature of Business

The City of Salmon Arm (the "City") is incorporated under the laws of British Columbia and is engaged in the operation of a municipality.

Basis of Presentation

It is the City's policy to follow Canadian generally accepted accounting principles. The consolidated financial statements include the accounts of all funds of the City. All inter fund transactions have been eliminated. The consolidated statements have been prepared by management using guidelines issued by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

Accrual Accounting

The accrual method for reporting revenues and expenses has been used. Revenues are recognized in the period in which the transactions or events occur that give rise to the revenues. Expenses are recognized in the period in which the goods or services are acquired and a liability is incurred.

Revenue Recognition

Taxation revenues, net of collections for other governments, are recognized at the time of issuing the property tax notices for the fiscal year. Sale of services and user fee revenues are recognized when the service or product is provided by the City.

Investments

Investments of \$77,044,118 (2020 - \$77,335,118) are deposited with the Municipal Finance Authority (the "M.F.A.") and are held in a money market fund. The interest rate as at December 31, 2021 was approximately 0.15% (2020 - 0.85%). The City holds three \$100,000 Royal Bank debenture bonds due in 2083 with a floating interest rate. All investments are recorded at cost; the fair market value at December 31, 2021 was \$77,344,118 (2020 - \$77,635,118).

Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

Inventories

Inventories are stated at cost. Cost is generally determined on a first-in, first-out basis. Inventories for resale are classified as financial assets. Inventories of supplies are classified as non-financial assets.

The City of Salmon Arm

Notes to the Consolidated Financial Statements

December 31, 2021

1. Summary of Significant Accounting Policies - Continued

Tangible Capital Assets and Amortization

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all cost directly attributable to the acquisition or construction of the tangible capital asset, including transportation, site preparation, design, engineering, and legal fees. Contributed tangible capital assets are recorded at fair value at the time of donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Buildings	10 to 50 years
Machinery and Equipment	5 to 25 years
Vehicles	10 to 25 years
Information Technology Infrastructure	3 to 10 years
Parks Infrastructure	10 to 100 years
Utility Infrastructure	20 to 70 years
Transportation Infrastructure	10 to 75 years

Intangible Assets

Intangible assets include works of art and historic assets located throughout City Hall. They are not reflected in these consolidated financial statements.

Long Term Debt

Long term debt is recorded net of any sinking fund balances. Debt charges, including interest and foreign exchange, are charged to current operations. Interest charges are accrued for the period from the date of the last interest payment to the end of the year.

Reserves

Reserves for future expenditures represent amounts set aside for future operating and capital expenditures.

Grants and Government Transfers

Unrestricted government grants or transfers are recognized as revenue in the year that the grant or transfer is approved by the issuing government. Restricted government transfers, in the way of grants or other transfers, are recognized as revenue in the year in which related expenses are incurred, except where the grant or transfer is received for which the expense has not yet been incurred, then the grant or other transfer is included in deferred revenue. Transfers made to other organizations are expensed in the current year.

Deferred Revenue

Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the consolidated statement of financial position. The revenue is recognized in the consolidated statement of operations in the year in which it is used for the specified purpose.

The City of Salmon Arm

Notes to the Consolidated Financial Statements

December 31, 2021

1. Summary of Significant Accounting Policies - Continued

Budget Figures

The budget figures are from the Annual Budget Bylaw adopted by May 15 of each year. They have been reallocated to conform to PSAB financial statement presentation. Subsequent amendments have been made by Council to reflect changes in the budget as required by law.

Commitments

The City has entered into various agreements and contracts for services for periods ranging from one to five years.

Employee Future Benefits

The City and its employees make contributions to the Municipal Pension Plan. These contributions are expensed as incurred.

Contaminated Sites

Effective January 1, 2015, the City adopted the new Public Sector Accounting Standard PS3260 Contaminated Sites. The new standard can be applied retroactively or prospectively, and the City has elected to apply it prospectively.

Under PS3260 governments are required to accrue a liability for the costs to remediate a contaminated site. Liabilities are recognized when an environmental standard exists, contamination exceeds the standard, the government has responsibility for remediation, future economic benefits will be given up and a reasonable estimate can be made.

Management has assessed its potential liabilities under the new standard including sites that are no longer in productive use and sites which the City accepts responsibility. There were no such sites that had contamination in excess of an environmental standard which required remediation at this time, therefore no liability was recognized as at December 31, 2021.

Loan Guarantees

The City has guaranteed a loan to assist the Salmon Arm Tennis Club in the financing and construction of an Indoor Tennis Facility. When it is determined that a loss is likely, a provision for loss is recorded. The provision is determined using the best estimates available and taking into consideration the principal amount outstanding, any guaranteed accrued and unpaid interest, any amounts recoverable from the borrower and from the sale of assets pledged as security, and all known circumstances. The provision for loan losses is reviewed by management on an annual basis.

The City of Salmon Arm

Notes to the Consolidated Financial Statements

December 31, 2021

1. Summary of Significant Accounting Policies - Continued

Use of Estimates

The preparation of the consolidated financial statements, in accordance with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Significant estimates in these consolidated financial statements include the valuation of accounts receivable and amortization of tangible capital assets.

2. Long Term Debt

Future principle requirements, not including sinking fund additions, on existing debt:

	General Fund	Water Fund	Sewer Fund	Total
2022	\$ 622,152	\$ 431,319	\$ 150,688	\$ 1,204,159
2023	622,152	431,319	150,688	1,204,159
2024	446,079	431,319	63,650	941,048
2025	446,079	431,319	63,650	941,048
2026	446,079	431,319	63,650	941,048
2027 and thereafter	5,154,091	917,384	572,850	6,644,325
	7,736,632	3,073,979	1,065,176	11,875,787
Actuarial Adjustment	7,618,270	2,571,733	747,315	10,937,318
Total Long Term Debt	\$ 15,354,902	\$ 5,645,712	\$ 1,812,491	\$ 22,813,105

3. Contingent Liabilities and Commitments

Pension Liabilities

The City and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2020, the plan has about 220,000 active members and approximately 112,000 retired members. Active members include approximately 42,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The City of Salmon Arm

Notes to the Consolidated Financial Statements

December 31, 2021

3. Contingent Liabilities and Commitments - Continued

Pension Liabilities - Continued

The most recent valuation for the Municipal Pension Plan as at December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The City paid \$695,051 (2020 - \$655,637) for employer contributions while employees contributed \$599,022 (2020 - \$572,151) to the plan in fiscal 2021.

The next valuation will be as at December 31, 2021, with results available in 2022.

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the plan.

Columbia Shuswap Regional District

Columbia Shuswap Regional District (the "Regional District") debt is, under the provisions of the Local Government Act, a joint and several liability of the Regional District and each member municipality within the Regional District, including the City. The loan agreements with the Regional District and the M.F.A. provide that, if at any time the scheduled payments provided for in the agreements are not sufficient to meet the M.F.A.'s obligations with respect to such borrowing, the resulting deficiency becomes a liability of the member municipalities.

Contractual Obligation

The City has entered into a contract with the Shuswap Recreation Society to manage the Recreation and Shaw Centres and is contingently liable for deficits incurred when expenses exceed revenues. The City provides an annual provision for the operation and maintenance of these facilities.

Other

The City is the defendant in various lawsuits. In the opinion of management, the overall estimation of loss is not determinable. These claims have not been provided for in the consolidated financial statements. Settlement, if any, made with respect to these actions, would be expected to be accounted for as a charge to expenditures in the period in which realization is known.

Equipment Leases

The City is the lessee of a postage machine and computer servers valued at approximately \$14,363 excluding taxes. The lease terms are March 2019 to February 2024. The City has no equity in the leased equipment, and the lease payments are disclosed as operating expenses of the year in which they are paid.

Future annual lease payments are as follows:

2022	\$	2,873
2023		2,873
2024		478
		<u>6,224</u>

The City of Salmon Arm

Notes to the Consolidated Financial Statements

December 31, 2021

3. Contingent Liabilities and Commitments - Continued

Guarantor Agreement

The City has entered into an agreement to act as a loan guarantor to assist the Salmon Arm Tennis Club (the "Tennis Club") in the financing of an Indoor Tennis Facility at 3440 Okanagan Avenue SE, Salmon Arm, BC. The outstanding balance at December 31, 2021 was \$746,949 (2020 - \$763,226). The loan bears interest at 4.47% (2020 - 4.47%) repayable in monthly instalments of \$4,156. The loan has a term of 25 years and is secured by the assets of the Tennis Club and an indemnity agreement from the City.

Police Contract Negotiations

The City is responsible for the compensation of its police force. Police force compensation is determined through negotiations between the Royal Canadian Mounted Police (RCMP) and the Government of Canada, and independent from the City.

On August 6, 2021, the RCMP members ratified a new six-year collective agreement (April 1, 2017 – March 31, 2023). As part of this settlement the City anticipates that there will be retroactive compensation paid to RCMP members. An estimated liability of \$744,000 has been accrued for in the current year financial statements.

Modification of Licence Agreements

The City has entered into Modification of Licence Agreements with seventeen (17) Campsite Licensees occupying the City owned property at 4203 78 Avenue NE. This agreement modified the existing License for Use and Occupation Agreements such that upon expiration of the License Agreements (October 31, 2021), the Licensees shall surrender the Campsite to the City and the City shall carry out the work necessary to remove the cabin and any other improvements from the lands for a specified fee.

As a result, the City anticipates that there will be restoration work expenditures incurred in 2022. A reasonable estimate of the liability cannot be determined at the date of the financial statements.

4. Loan Receivable

The City has entered into a loan agreement with the Tennis Club to assist in the financing of an Indoor Tennis Facility at 3440 Okanagan Avenue SE, Salmon Arm, BC. The outstanding balance at December 31, 2021 was \$168,000 (2020 - \$170,333). The loan bears interest at 0%, with monthly payments of \$583 re-commencing January 15, 2024 until December 2047.

The City of Salmon Arm

Notes to the Consolidated Financial Statements

December 31, 2021

5. Reserves – Municipal Finance Authority

The City issues the majority of its debt instruments through the M.F.A.. As a condition of these borrowings, a portion of the debenture proceeds are withheld as cash deposits by the M.F.A. as a Debt Reserve Fund. The City also executes demand notes in connection with each debenture whereby the City may be required to loan certain amounts to the M.F.A.. These demand notes are contingent in nature.

The details of the cash deposits and demand notes at the year end are as follows:

	Demand Notes	Cash Deposits	Total
General Fund	\$ 488,419	\$ 315,933	\$ 804,352
Water Fund	369,407	185,419	554,826
Sewer Fund	132,947	73,275	206,222
Total Long Term Debt	\$ 990,773	\$ 574,627	\$ 1,565,400

6. Deferred Revenue

	2020	Inflow	Outflow	Interest	2021
BC Buildings Corporation	\$ 1,000,000	\$ -	\$ (308,183)	\$ -	\$ 691,817
Community Works Fund	5,183,695	1,637,915	(92,036)	7,776	6,737,350
Development Cost Charges	11,245,300	996,441	(87,539)	21,123	12,175,325
Recycling User Fee Rebate	241,469	245,757	(241,469)	-	245,757
Unspent Grant Funding	112,500	100,000	(12,500)	-	200,000
Other	310,248	503,985	(310,247)	-	503,986
Total Deferred Revenues	\$ 18,093,212	\$ 3,484,098	\$ (1,051,974)	\$ 28,899	\$ 20,554,235

Included in deferred revenue is a prepayment amount of \$691,817 (2020 - \$1,000,000) received from British Columbia Buildings Corporation for future rental of the Law Courts facility to be used for annual rent payments. Deferred revenue amounts of \$6,737,350 (2020 - \$5,183,695) have been received under the Community Works Fund for future restricted capital projects.

The City of Salmon Arm

Notes to the Consolidated Financial Statements

December 31, 2021

7. Budget

The City's 2021 to 2025 Financial Plan Bylaw No. 4456 (Financial Plan Bylaw) was adopted by Council on April 12, 2021. The Financial Plan Bylaw was prepared utilizing a budget method consistent with Local Governments while the actual operating results have been prepared in accordance with the requirements of Public Sector Accounting Standards ("PSAS"). The Financial Plan Bylaw was prepared on a modified accrual basis while the actual operating results utilizing PSAS requirements were prepared on a full accrual basis. The Financial Plan Bylaw projected the use of Reserve Fund transfers and prior year surpluses to balance the Financial Plan. PSAS requires that the actual operating results capitalize all tangible capital expenditures and that an amortization expense for tangible capital assets be included. The Financial Plan Bylaw expenses all tangible capital expenditures as opposed to including an amortization expense. As a result, the Financial Plan Bylaw figures presented in the Statements of Operations and Change in Net Financial Assets represent the Financial Plan Bylaw adopted by Council on April 12, 2021 with adjustments as follows:

Financial Plan Bylaw	\$ -
Add:	
Capital Grants	6,358,682
Capital Expenditures	37,506,492
Debt Repayment	1,204,180
Transfer to Reserve Accounts	2,059,724
Transfer to Reserve Funds	1,088,700
Transfer from DCC Reserve Funds	1,662,750
Other Developer Contributions	2,241,530
Less:	
Transfer from Prior Year Surplus	(588,620)
Transfer from Reserve Accounts	(1,950,463)
Transfer to Capital Reserve Accounts	<u>(33,768,742)</u>
Budget Surplus as per Statement of Operations	<u>\$ 15,814,233</u>

The City of Salmon Arm

Notes to the Consolidated Financial Statements

December 31, 2021

8. Taxation

Taxation revenue comprises the following amounts raised less transfers to other governments:

	2021	2020
Taxes Collected:		
Property Taxes	\$ 31,666,229	\$ 29,775,302
Transportation Parcel Tax	1,226,250	1,210,200
Frontage Tax - Water	1,468,830	1,461,983
Frontage Tax - Sewer	970,158	960,973
1% Utility Tax	317,463	316,543
	35,648,930	33,725,001
Collections for Other Governments		
Province of BC (School Taxes)	8,895,657	7,332,380
BC Assessment Authority	207,261	204,007
Regional Hospital District	1,549,439	1,537,453
Columbia Shuswap Regional District	1,071,463	1,086,349
Okanagan Regional Library	756,341	764,990
Municipal Finance Authority	939	910
Downtown Improvement Area	195,759	188,230
	12,676,859	11,114,319
Net Taxes Available for Municipal Purposes	\$ 22,972,071	\$ 22,610,682

9. Trust Funds

In accordance with PSAS recommendations for local governments, trust funds are not included in the City's Consolidated Financial Statements. The City administers a Cemetery Maintenance Fund for the perpetual care and maintenance of the City owned and operated cemeteries. As at December 31, 2021, the Trust Fund balance is \$442,861 (2020 - \$415,265) (Schedule 4).

10. Fire Training Centre Function

The City participates jointly with the Columbia Shuswap Regional District and other local governments to construct a Fire Training Centre. This function is not reflected in the financial statements of the City.

Investments	\$ 106,272
Due from the City of Salmon Arm	76,882
Capital Assets	596,396
	\$ 779,550
Operating Surplus	\$ 183,154
Equity in Capital Assets	596,396
	\$ 779,550

The City of Salmon Arm

Notes to the Consolidated Financial Statements

December 31, 2021

11. Segment Reporting

The City is a municipal government that provides a range of services to its citizens. The City is governed by an elected Council comprised of a Mayor and six (6) Councillors whose authority is set out in the Community Charter and Local Government Act. For management reporting purposes, the City's operations and activities are organized and reported by Fund. The General Fund has been further segmented for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

City services are provided by departments and their activities are reported in these funds. Certain departments have been separately disclosed in the segmented information, along with the services they provide, as follows:

General Government Services – Legislative Services, Information Services, Customer Service, Financial Services and Human Resources. Legislative Services is responsible for the statutory obligations under the Community Charter and Local Government Act and provides the legal and administrative support to City Council. It is responsible for recording resolutions, decisions and minutes of Council to allow the direction and policies of Council to be carried out. Legislative Services manages the City's property and liability insurance portfolio, freedom of information inquiries, municipal elections and referendums, the corporate document management system, City Policy Manual and completion of the City's Annual Report and Civic Calendar. The role of the Information Services is to provide reliable, stable and current technology systems to all City departments. Information Services maintains all servers, workstations, firewalls, printers, digital cameras, scanners, telephones, cellular phones, pagers, security systems, Geographic Information Systems (GIS) and the corporate website. Customer Service recognizes the importance of its customers and endeavours to provide quality services in a timely and efficient manner to reflect the growing and changing needs of our citizens. Customer Service representatives provide information and service in building inspection, cash payments, taxation, transit, pet and business licensing, etc. Financial Services provides financial expertise, information, guidance and advice on day-to-day operational matters to internal and external customers. Financial Services develops financial policies and procedures which assist Council and guide staff in shaping the direction of the City. Financial Services provides accurate and full disclosure on the financial affairs of the City as set out in the Community Charter and Local Government Act. This information includes annual municipal reporting forms, operational and capital budgets, setting of annual property tax and water and sewer rates, annual financial statements, long term financial plan, investments, public bodies report, etc. Long term growth management strategies such as the Long Term Financial Plan, Five (5) Year Capital Plan, and the Long Term Equipment and Infrastructure Replacement Plans are developed and implemented to better plan for our community. Human Resources is responsible for all issues surrounding the employees of the City. It represents the City in union negotiations and is key in setting human resource policies and procedures. Human Resources encourages and coordinates staff development, training and recognition programs to better and more efficiently deliver services to the community and plays a major role in recruiting, transferring, promoting and retaining the best people for the job.

The City of Salmon Arm

Notes to the Consolidated Financial Statements

December 31, 2021

11. Segment Reporting - Continued

Protective Services – Fire Prevention and Suppression, Police Protection, Bylaw Enforcement, Building Inspection, Business Licensing and Animal Control Services. The City provides community-based fire prevention and suppression services and responds to a geographical area of 84 square miles. It provides fire protection services to approximately 8,550 properties (residential, commercial, etc.) and inspection services to approximately 850 buildings. Fire Prevention and Suppression encompasses a Rescue Team designed, pursuant to WorkSafe BC, to provide rescue services to municipal employees who work in areas where identifiable hazards are present and manages the City Safety Program. The Police Department strives to provide a quality service to the community which includes calls for service, proactive enforcement and interaction with the community to gain insight into community concerns so that policing priorities may be set. Salmon Arm is policed by the Royal Canadian Mounted Police. Bylaw Enforcement encompasses all matters relating to the enforcement of City bylaws, and for the maintenance and accuracy of all files on matters relating to court actions on behalf of the City. Building Inspection addresses residential, commercial, institutional and industrial building construction within the City. The focus is to provide the public and the building industry with high quality service such that the structural integrity of the buildings constructed conform to the requirements of the BC Building Code and zoning, building and servicing bylaws and are safe for their intended purpose. Business Licensing is responsible for reviewing and issuing business licenses within the City. Business applications and premises are inspected to ensure that they are safe for the public and that they meet zoning bylaw requirements. Animal Control enforces the Animal Control regulations within the City and the issuance of dog licenses.

Transportation Services – This function is comprised of engineering, public works (transit, roadway systems, bridge repair, storm drainage, sidewalks, boulevards, street lighting, airport, downtown parking, etc.) utilities, parks, municipal facilities, marina/wharf, garage, vehicle and equipment fleet and cemeteries and provides a broad spectrum of services to the community. These services are provided in a participative fashion between City Council, the public, management and employees in a safe, effective, efficient and financially responsible manner. Transportation Services is responsible for the maintenance of over 226 kilometres (excluding the Trans Canada Highway and Highway 97B) of roadway, 69 kilometres of sidewalk, as well as, 126 kilometres of storm sewer complete with retention ponds and currently operates a +/- 70 unit municipal fleet of major vehicles and equipment.

Environmental and Development Services – Development Services, Community Development Services and Public Health and Welfare Services. Development Services provides community planning, subdivision and development application facilitation. Taking into account various Council approved policies, bylaws, and procedures, it provides Council with professional advice on land use planning issues and is the coordinating department for the processing and approval of development applications to meet the community's objectives. It also provides advice to other city departments, community and business groups, developers, property owners, and citizens. It is responsible for the creation and recommendation of bylaws, policies and procedures to maintain the community's quality of life. Community Development Services provides services regarding environmental concerns, heritage matters, etc. Public Health and Welfare Services provides cemetery services to the citizens of the City.

The City of Salmon Arm

Notes to the Consolidated Financial Statements

December 31, 2021

11. Segment Reporting - Continued

Recreational and Cultural Services – Recreational and Leisure Services (Multi-Use Facility, Auditorium and Pool), and Park and Wharf Services. Recreational and Leisure Services' mandate is to provide diverse family and adult oriented recreational activities with a view of promoting active living and quality of life in the community. The City strives to maximize the productivity of resources, to provide good cost recovery of the taxpayers' dollars and provide affordable recreational opportunities for the citizens of Salmon Arm. The Multi-Use Facility promotes community events and concerts, in addition to, hockey, ringette, speed skating, and figure skating. The Recreation Centre provides a wide range of services from pool and facility rentals, racquetball and squash, weight training, programming, etc. to promote the health and wellness of our citizens. Recreational programming such as scuba diving, summer French and music lessons, canoeing, babysitter courses, and summer soccer camps are all components of this function. The Parks and Wharf Services is proud to promote community pride in parks through the use and enjoyment of our many green spaces and natural amenities through carefully managed maintenance and improvement of park facilities. It projects a positive impression for citizens and visitors by ensuring that facilities, parks and playing fields are safe, clean and well-maintained while at the same time protecting the environment for future generations. The City maintains seven hundred twenty one (721) hectares of park land; this includes developed, natural, and passive parks, marinas, wharves, beaches, walking trails, lawn bowling, horseshoes and playing fields. Parks receive ongoing maintenance such as turf management, hanging flower baskets, downtown flower planters, irrigation systems, general park maintenance (bathrooms, garbage control), parkland design and construction, special events and sports field construction. The City works closely with community groups to achieve localized objectives such as neighbourhood parks where the efforts and contributions of local business owners, property owners, volunteers and the City come together to enhance and build new parks.

Utilities

The Utilities function, through a schedule of systematic new improvements, upgrades and replacements, strives to maintain and improve the efficient delivery and the high quality of water and sanitary sewer services to the community. It plays an integral role in maintaining the health, safety and well-being of the community.

The Water and Sewer Utilities are self-liquidating funds which must provide for their own revenues through fees, taxes and other charges to support the expenditures required to operate and maintain infrastructure into the future.

Water Utility Services – This Utility function provides for the delivery of safe drinking water to the citizens of Salmon Arm. The municipal water system consists of two main raw water sources, chlorine treatment systems for the water sources and an extensive water pumping, distribution and storage system. The City's water supply is by way of three (3) sources: East Canoe Creek at Metford Dam, Shuswap Lake at Canoe Beach and a minor water supply from Rumball Creek for irrigation at the Mt. Ida Cemetery. Treatment of the water sources (except Rumball Creek) is by primary disinfection with chlorine. The distribution system includes approximately 204 km of watermain varying in diameter from 100mm to 1000mm. The City waterworks system provides quality water through a gravity and pump system. The primary water sources are from Shuswap Lake – 80% and East Canoe Creek – 20%. The waterworks system is relatively complex and is comprised of eight (8) zones, eight hundred twenty nine (829) hydrants, seven (7) pumping stations, fourteen (14) reservoirs, and one (1) dam with a total storage capacity of 33,144 cubic metres and over 6,100 connections. The treatment process utilizes chlorination for the purposes of disinfection. The water supply consistently meets the Canadian Drinking Water Guidelines, BC Drinking Water Protection Act and the Safe Drinking Water Regulations.

The City of Salmon Arm

Notes to the Consolidated Financial Statements

December 31, 2021

11. Segment Reporting - Continued

Sewer Utility Services – The City provides effective collection and treatment of waste water to meet the guidelines set by the Ministry of Environment to protect the public and the environment. It operates both the treatment plant and seven (7) lift stations safely and at optimum efficiency. The sanitary sewer system has approximately 126 kilometres of mainline and 5,185 service connections.

The accounting policies used in these segments are consistent with those followed in preparation of the consolidated financial statements as disclosed in our Basis of Presentation Policy. For additional information, see the Consolidated Schedule of Segment Disclosure (Schedule 5).

12. Subsequent Events

The impact of COVID-19 in Canada and on the global economy is still uncertain. As the impacts of COVID-19 continue, there could be further impact on the City, its citizens, employees, suppliers and other third party business associates that could impact the timing and amounts realized on the City's assets and future ability to deliver services and projects.

At this time, the full potential impact of COVID-19 on the City is not known. Given the dynamic nature of these circumstances, the related financial impact cannot be reasonably estimated at this time. The City's ability to continue delivering non-essential services and employ related staff, will depend on the legislative mandates from various levels of government.

The City will continue to focus on collecting receivables, managing expenditures, and leveraging existing reserves and available credit facilities to ensure it is able to continue providing essential services to its citizens. The City will use COVID-19 Safe Restart Grant funding when it is appropriate (see Schedule 6).

13. Comparative Figures

Certain comparative figures have been reclassified to conform to current year's presentation.

The City of Salmon Arm

Schedule 1 - Long Term Debt

As at December 31

Description	Bylaw Number	Maturity Date	Interest Rate	Balance Outstanding 2021	Balance Outstanding 2020
General Fund					
Fire Hall and Little Mountain	3184	2022	2.250	\$ 44,761	\$ 65,556
City Hall and Law Courts	3334	2034	5.950	6,049,548	6,374,816
City Hall and Law Courts	3479	2035	1.750	449,570	471,159
Blackburn Park	3569	2027	2.250	121,769	139,421
Underpass 20/21 Street	3758	2029	2.250	1,238,518	1,367,762
New Cemetery	4048	2040	2.750	848,468	879,570
Blackburn Park Improvement	4072	2035	2.750	384,190	405,189
Drainage Improvements	4244	2023	P - 1.0	334,000	501,000
Airport Taxiway Charlie	4289	2040	1.990	810,223	845,000
Ross Street Underpass	4500	2049	2.240	5,073,854	5,188,598
				<u>\$ 15,354,901</u>	<u>\$ 16,238,071</u>
Water Fund					
Water	3458	2025	1.750	\$ 170,338	\$ 200,577
Water	3551	2026	1.750	348,865	410,798
Water	3576	2028	2.650	3,974,775	4,458,664
Water	3816	2030	1.280	1,113,719	1,217,500
Water	3793	2041	3.250	38,015	39,243
				<u>\$ 5,645,712</u>	<u>\$ 6,326,782</u>
Sewer Fund					
Sewer	3207	2023	2.250	\$ 429,409	\$ 628,902
Sewer	4051	2035	2.750	1,383,083	1,458,679
				<u>1,812,492</u>	<u>2,087,581</u>
				<u>\$ 22,813,105</u>	<u>\$ 24,652,434</u>

The gross interest paid relating to the above noted debt was \$1,257,658 (2020 - \$1,304,747).

The City of Salmon Arm

Schedule 2 - Consolidated Schedule of Tangible Capital Assets

As at December 31	2021	2020
General Fund		
Land	\$ 40,190,839	\$ 40,190,839
Buildings	22,063,630	22,639,875
Machinery and Equipment	4,505,548	4,152,147
Vehicles	2,404,588	2,503,211
Information Technology Infrastructure	391,114	280,128
Parks Infrastructure	5,492,948	5,474,872
Utility Infrastructure	13,274,023	13,582,526
Transportation Infrastructure	70,209,409	68,391,015
Work in Progress	6,008,368	1,528,473
	<u>164,540,467</u>	<u>158,743,086</u>
Water Fund		
Buildings	\$ 12,496,680	\$ 12,822,056
Machinery and Equipment	1,483,617	1,437,434
Information Technology Infrastructure	115,461	114,203
Utility Infrastructure	20,775,276	20,734,662
Work in Progress	647,298	189,314
	<u>35,518,332</u>	<u>35,297,669</u>
Sewer Fund		
Buildings	\$ 12,852,358	\$ 13,215,018
Machinery and Equipment	149,665	138,691
Information Technology Infrastructure	47,744	39,230
Utility Infrastructure	13,886,149	13,267,513
Work in Progress	899,479	154,674
	<u>27,835,395</u>	<u>26,815,126</u>
	<u>\$ 227,894,194</u>	<u>\$ 220,855,881</u>

The City of Salmon Arm

Schedule 2 - Consolidated Schedule of Tangible Capital Assets

For The Year Ended December 31	Land	Buildings	Machinery and Equipment	Vehicles	Information Technology Infrastructure	Parks Infrastructure	Utility Infrastructure	Transportation Infrastructure	Work In Progress	2021 Total
Cost										
Balance, Beginning of Year	\$ 40,190,839	\$ 74,712,103	\$ 9,702,696	\$ 5,682,168	\$ 1,876,106	\$ 11,361,510	\$ 75,271,726	\$ 132,271,271	\$ 1,872,461	\$ 352,940,880
Additions	-	73,282	1,253,587	199,794	211,112	325,110	1,249,059	5,848,891	6,301,044	15,461,879
Work In Progress Completed	-	223,031	-	-	-	-	395,329	-	(618,360)	-
Disposals	-	-	(375,627)	(48,324)	-	-	-	-	-	(423,951)
Balance, End of Year	40,190,839	75,008,416	10,580,656	5,833,638	2,087,218	11,686,620	76,916,114	138,120,162	7,555,145	367,978,808
Accumulated Amortization										
Balance, Beginning of Year	-	26,035,154	3,974,424	3,178,957	1,442,545	5,886,638	27,687,025	63,880,256	-	132,084,999
Amortization	-	1,560,594	616,036	298,417	90,354	307,034	1,293,641	4,030,497	-	8,196,573
Disposals	-	-	(148,634)	(48,324)	-	-	-	-	-	(196,958)
Balance, End of Year	-	27,595,748	4,441,826	3,429,050	1,532,899	6,193,672	28,980,666	67,910,753	-	140,084,614
Net Book Value, End of Year	\$ 40,190,839	\$ 47,412,668	\$ 6,138,830	\$ 2,404,588	\$ 554,319	\$ 5,492,948	\$ 47,935,448	\$ 70,209,409	\$ 7,555,145	\$ 227,894,194
For the Year Ended December 31										
	Land	Buildings	Machinery and Equipment	Vehicles	Information Technology Infrastructure	Parks Infrastructure	Utility Infrastructure	Transportation Infrastructure	Work In Progress	2020 Total
Cost										
Balance, Beginning of Year	\$ 40,190,839	\$ 74,548,809	\$ 8,386,862	\$ 5,620,027	\$ 1,847,723	\$ 11,234,458	\$ 74,417,759	\$ 129,528,999	\$ 1,751,808	\$ 347,527,284
Additions	-	163,294	1,329,442	87,871	38,580	127,052	843,756	2,395,945	491,791	5,477,731
Work In Progress Completed	-	-	14,600	-	-	-	10,211	346,327	(371,138)	-
Disposals	-	-	(28,208)	(25,730)	(10,197)	-	-	-	-	(64,135)
Balance, End of Year	40,190,839	74,712,103	9,702,696	5,682,168	1,876,106	11,361,510	75,271,726	132,271,271	1,872,461	352,940,880
Accumulated Amortization										
Balance, Beginning of Year	-	24,485,262	3,463,386	2,886,313	1,372,103	5,591,133	26,420,592	60,031,295	-	124,250,084
Amortization	-	1,549,892	539,246	318,374	78,599	295,505	1,266,433	3,848,961	-	7,897,010
Disposals	-	-	(28,208)	(25,730)	(8,157)	-	-	-	-	(62,095)
Balance, End of Year	-	26,035,154	3,974,424	3,178,957	1,442,545	5,886,638	27,687,025	63,880,256	-	132,084,999
Net Book Value, End of Year	\$ 40,190,839	\$ 48,676,949	\$ 5,728,272	\$ 2,503,211	\$ 433,561	\$ 5,474,872	\$ 47,584,701	\$ 68,391,015	\$ 1,872,461	\$ 220,855,881

Tangible capital assets that are either under construction or being developed are included in Work In Progress.

Tangible capital assets that were contributed by developers for various infrastructure projects were \$4,019,260 (2020 - \$290,645).

Due to the age of some City-owned lands such as parklands and land beneath roads and sidewalks, a nominal value \$1.00 has been assigned.

Interest capitalized in the year was \$Nil (2020 - \$Nil).

The City of Salmon Arm

Schedule 3 - Grants From Federal and Provincial Governments

For The Year Ended December 31

	2021	2021	2020
	Actual	Budget	Actual
General Fund - Grants in Lieu of Taxes			
Federal Government	\$ 19,234	\$ 15,600	\$ 15,642
Province of British Columbia	27,248	26,500	26,416
Provincial Government Agencies	118,829	85,000	85,099
	<u>\$ 165,311</u>	<u>\$ 127,100</u>	<u>\$ 127,157</u>
General Fund - Current Operating Grants			
Province of British Columbia			
Arterial Street Lighting	\$ 3,076	\$ 3,100	\$ 3,076
Municipal Regional District Tax	257,025	174,000	150,692
Small Communities Protection	191,000	190,000	191,566
Traffic Fine Revenue Sharing	168,750	160,000	167,891
Food Hub Grant	315,000	165,000	250,000
Destination BC Grant	12,500	12,500	-
Municipal Asset Management Program Grant	40,000	40,000	-
Poverty Reduction Grant	24,800	25,000	-
Community Child Care Grant	-	-	10,135
Food Hub Feasibility Grant	-	-	14,000
Crosswalk Safety Grant	-	-	14,977
COVID-19 Safe Restart Grant	-	-	3,598,000
	<u>\$ 1,012,151</u>	<u>\$ 769,600</u>	<u>\$ 4,400,337</u>
Water Fund - Operating Grant			
Province of British Columbia			
Infrastructure Planning Grant	\$ 10,000	\$ 10,000	\$ -
	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ -</u>
General Fund - Capital Grants			
Federal Government and Province of British Columbia			
Community Works Fund	\$ 92,036	\$ 4,782,002	\$ 395,937
BC Air Access Program	61,969	226,680	293,323
BC Active Transportation Infrastructure	481,373	-	-
BC Rural Dividend	-	100,000	-
Community Economic Recovery Infrastructure Program	-	825,000	-
	<u>\$ 635,378</u>	<u>\$ 5,933,682</u>	<u>\$ 689,260</u>
Sewer Fund - Capital Grant			
Province of British Columbia			
Community Economic Recovery Infrastructure Program	\$ -	\$ 425,000	\$ -
	<u>\$ -</u>	<u>\$ 425,000</u>	<u>\$ -</u>
Total Operating Grants	1,187,462	906,700	4,527,494
Total Capital Grants	635,378	6,358,682	689,260
Total Grants	<u>\$ 1,822,840</u>	<u>\$ 7,265,382</u>	<u>\$ 5,216,754</u>
Total Federal Grants	\$ 65,252	\$ 2,406,601	\$ 213,611
Total Provincial Grants	1,757,588	4,858,781	5,003,143
Total Grants	<u>\$ 1,822,840</u>	<u>\$ 7,265,382</u>	<u>\$ 5,216,754</u>

The City of Salmon Arm
 Schedule 4 - Trust and Reserve Funds Statements
 Balance Sheet

As at December 31	2021	2020
Assets		
Trust Funds		
Cash and Investments	\$ 442,861	\$ 415,265
Reserve Funds		
Restricted Cash and Investments	23,737,746	22,592,962
	\$ 24,180,607	\$ 23,008,227
Liabilities		
Trust Funds		
Perpetual Care Fund	\$ 438,521	\$ 410,933
Klahani Park Playground Equipment	4,340	4,332
	\$ 442,861	\$ 415,265
Reserve Funds		
Development Cost Charge Reserve Funds	\$ 12,175,325	\$ 11,245,301
Other Statutory Reserve Funds	11,562,421	11,347,661
	\$ 23,737,746	\$ 22,592,962
	\$ 24,180,607	\$ 23,008,227

The City of Salmon Arm
Schedule 4 - Trust and Reserve Funds Statements
Transactions

For The Year Ended December 31	2020 (Note 13)	Interest	Contributions	Inter-Fund Transfers	Expenditures	2021
Trust Funds						
Perpetual Care	\$ 410,933	\$ 747	\$ 26,841	\$ -	\$ -	\$ 438,521
Klahani Playground Equipment	4,332	8	-	-	-	4,340
Total Trust Funds	415,265	755	26,841	-	-	442,861
Reserve Funds						
Development Cost Charges						
Sewer	3,314,914	6,176	289,304	-	-	3,610,394
Water	3,481,274	6,613	338,778	-	-	3,826,665
Drainage	1,940,799	3,623	136,118	-	-	2,080,540
Parks	569,644	1,062	52,772	-	-	623,478
Highways	1,851,290	3,490	179,468	-	-	2,034,248
Underpass	87,380	159	-	-	(87,539)	-
Total Development Cost Charges	11,245,301	21,123	996,440	-	(87,539)	12,175,325
Other Statutory Reserves						
Equipment Replacement	2,355,022	4,777	-	560,000	(632,075)	2,287,724
General Capital	667,153	1,212	-	100,000	(118,586)	649,779
Fire Department Building and Equipment	297,267	562	10,000	152,900	-	460,729
Emergency Apparatus	1,532,834	2,978	-	240,000	(25,000)	1,750,812
Police Vehicle Replacement	261,525	528	-	60,000	(79,077)	242,976
Landfill Site Repurchase	228,350	415	-	-	-	228,765
Cemetery Development	159,713	290	-	20,000	(18,519)	161,484
Water Major Maintenance	1,311,066	2,506	-	240,000	(196,054)	1,357,518
Sewer Major Maintenance	3,190,372	5,794	-	50,000	(175,000)	3,071,166
Community Centre Major Maintenance	727,048	1,343	-	75,000	-	803,391
Cemetery Columbarium	73,929	134	-	-	-	74,063
Parks Development	543,382	1,002	27,130	10,000	(107,500)	474,014
Total Other Statutory Reserves	11,347,661	21,541	37,130	1,507,900	(1,351,811)	11,562,421
Total Reserves Funds	22,592,962	42,664	1,033,570	1,507,900	(1,439,350)	23,737,746
	\$ 23,008,227	\$ 43,419	\$ 1,060,411	\$ 1,507,900	\$ (1,439,350)	\$ 24,180,607

The City of Salmon Arm

Schedule 5 - Consolidated Schedule of Segment Disclosure

For the Year Ended December 31	General Government Services	Protective Services	Transportation Services	Environmental Development Services	Recreation and Cultural Services	Sewer Utility Services	Water Utility Services	2021 Total
Revenue								
Taxation - Net	\$ 19,306,833	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,306,833
Transportation Parcel Tax	-	-	1,226,250	-	-	-	-	1,226,250
Frontage Tax	-	-	-	-	-	970,158	1,468,830	2,438,988
Grants	1,005,636	168,750	638,454	-	-	-	10,000	1,822,840
Grants - Other	-	-	119,452	2,250	64,600	-	-	186,302
Sales of Services	67,042	270,083	1,526,696	1,111,027	20,193	2,227,860	2,901,152	8,124,053
Licences, Permits and Fines	11,647	740,608	-	123,944	-	-	-	876,199
Rentals, Leases and Franchises	729,765	41,402	30,989	-	120,827	22,000	16,950	961,933
Return on Investments	277,313	15,791	53,409	5,754	12,713	140,247	263,786	769,013
Penalties and Interest	226,111	-	-	-	-	13,846	16,887	256,844
Other Revenue from Own Sources	-	709	42,255	-	-	-	-	42,964
Developer and Other Contributions	81,408	10,000	4,019,408	-	92,130	605,055	573,702	5,381,703
Gain (Loss) on Disposal of Capital Assets	-	8,025	(60,768)	1,070	7,500	-	-	(44,173)
Total Revenue	21,705,755	1,255,368	7,596,145	1,244,045	317,963	3,979,166	5,251,307	41,349,749
Expenses								
Wages and Benefits	2,384,330	1,727,492	1,776,526	813,874	1,879,866	813,172	1,073,677	10,468,937
Insurance	219,236	20,506	79,286	108	54,873	42,370	34,183	450,562
Community Grants	744,318	-	-	-	-	-	-	744,318
Professional and Legal Fees	71,930	-	-	1,391	-	-	-	73,321
Utilities and Property Taxes	66,497	70,174	254,722	(20)	30,284	268,637	403,383	1,093,677
Repairs and Maintenance	-	73,744	1,200,699	23,354	520,355	342,253	626,394	2,786,799
Contracts	274,843	3,711,649	785,041	1,417,054	793,914	67,990	54,244	7,104,735
Operating Expenses	361,719	356,129	562,159	322,538	41,929	333,733	136,064	2,114,271
Collections for Other Governments	12,553	-	-	-	-	-	-	12,553
Amortization	957,672	159,137	4,841,850	-	363,452	817,381	1,057,080	8,196,572
Interest and Debt Issue Expenses	606,983	-	195,077	28,050	27,603	114,255	292,463	1,264,431
Total Expenses	5,700,081	6,118,831	9,695,360	2,606,349	3,712,276	2,799,791	3,677,488	34,310,176
Net Surplus (Deficit)	\$ 16,005,674	\$ (4,863,463)	\$ (2,099,215)	\$ (1,362,304)	\$ (3,394,313)	\$ 1,179,375	\$ 1,573,819	\$ 7,039,573

The City of Salmon Arm
Schedule 5 - Consolidated Schedule of Segment Disclosure

For the Year Ended December 31	General Government Services	Protective Services	Transportation Services	Environmental Development Services	Recreation and Cultural Services	Sewer Utility Services	Water Utility Services	2020 Total (Note 13)
Revenue								
Taxation - Net	\$ 18,977,526	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,977,526
Transportation Parcel Tax	-	-	1,210,200	-	-	-	-	1,210,200
Frontage Tax	-	-	-	-	-	960,973	1,461,983	2,422,956
Grants	4,356,526	167,891	692,336	-	-	-	-	5,216,753
Grants - Other	2,597	-	118,610	2,250	64,600	-	-	188,057
Sales of Services	58,884	97,336	1,172,539	1,070,109	3,798	2,153,064	2,579,521	7,135,251
Licences, Permits and Fines	1,475	722,544	-	110,898	-	-	-	834,917
Rentals, Leases and Franchises	738,584	85,692	28,764	-	145,782	22,000	1,350	1,022,172
Return on Investments	490,681	25,784	60,590	7,823	19,558	176,350	272,645	1,053,431
Penalties and Interest	144,588	-	-	-	-	12,093	13,945	170,626
Other Revenue from Own Sources	66,373	413	-	-	-	-	-	66,786
Developer and Other Contributions	338,213	-	106,517	-	27,951	71,575	72,363	616,619
Gain (Loss) on Disposal of Capital Assets	(434)	-	3,051	-	-	-	-	2,617
Total Revenue	25,175,013	1,099,660	3,392,607	1,191,080	261,689	3,396,055	4,401,807	38,917,911
Expenses								
Wages and Benefits	2,232,364	1,535,349	1,750,367	670,681	1,606,540	756,602	977,476	9,529,379
Insurance	202,618	24,831	108,962	104	52,253	40,213	32,503	461,484
Community Grants	471,069	-	-	-	-	-	-	471,069
Professional and Legal Fees	62,645	532	-	2,330	-	563	563	66,633
Utilities and Property Taxes	66,485	61,737	259,143	3,426	28,896	264,260	358,474	1,042,421
Repairs and Maintenance	-	60,352	1,273,591	18,082	456,461	330,130	477,799	2,616,415
Contracts	239,994	3,188,922	811,703	1,489,899	740,807	10,442	10,000	6,491,767
Operating Expenses	348,320	304,741	386,088	303,074	70,215	265,899	153,153	1,831,490
Collections for Other Governments	9,660	-	-	-	-	-	-	9,660
Amortization	928,128	165,794	4,637,078	-	328,499	801,212	1,036,299	7,897,010
Interest and Debt Issue Expenses	609,913	-	209,878	28,050	27,603	114,255	332,125	1,321,824
Total Expenses	5,171,196	5,342,258	9,436,810	2,515,646	3,311,274	2,583,576	3,378,392	31,739,152
Net Surplus (Deficit)	\$ 20,003,817	\$ (4,242,598)	\$ (6,044,203)	\$ (1,324,566)	\$ (3,049,585)	\$ 812,479	\$ 1,023,415	\$ 7,178,759

The City of Salmon Arm

Schedule 6 - COVID-19 Safe Restart Grant

For The Year Ended December 31

In response to COVID-19, the Province of British Columbia provided COVID-19 Safe Restart Grants to support local governments with increased operating costs, lower revenues and fiscal pressures related to COVID-19. The City received \$Nil in 2021 (2020 \$3,598,000).

The COVID-19 Safe Restart Grant is unconditional and has been accounted for as an unrestricted government transfer; recognized as revenue in the year received. The following schedule outlines how the City has utilized the grant funding.

	2021	2020
COVID-19 Safe Restart Grant, Funds Received	\$ -	\$ 3,598,000
Interest Income	5,388	-
Revenue Shortfalls:		
Recreation and Cultural Services	(122,650)	(20,000)
General Government Services	(900)	-
Protective Services	-	(23,495)
Expenditures:		
General Government Services	(110,000)	(110,056)
Community Grants	(200,933)	-
Recreation and Cultural Services	(163,696)	-
Protective Services	(100,700)	-
Transportation Services	(84,230)	-
Replenishment of Emergency Reserve	-	(470,460)
Net Surplus (Deficit)	(777,721)	2,973,989
Balance, Beginning of Year	2,973,989	-
Balance, End of Year	\$ 2,196,268	\$ 2,973,989

Statement of Council Indemnities & Expenses (Unaudited)
For the Year Ended December 31, 2021

A statement showing remuneration and expenses paid to each Elected Official during the Year 2021.

Name	Position	Remuneration	Expenses	Life & Health Benefit	Total
Harrison, Alan	Mayor	\$ 67,988	\$ 1,657	\$ 2,600	\$ 72,245
Cannon, Debbie	Councillor	27,196	475	2,682	30,353
Eliason, Chad	Councillor	26,997	475	1,145	28,617
Flynn, Kevin	Councillor	26,928	675	2,600	30,203
Lavery, Timothy	Councillor	27,115	795	2,600	30,510
Lindgren, Sylvia	Councillor	27,115	475	2,600	30,190
Wallace-Richmond, Louise	Councillor	27,114	1,275	2,600	30,989
Total		<u>\$ 230,453</u>	<u>\$ 5,827</u>	<u>\$ 16,827</u>	<u>\$ 253,107</u>

Statement of Employee Remuneration and Expenses (Unaudited)
For the Year Ended December 31, 2021

A statement showing the gross remuneration, bonuses, gratuities and expenses paid to each employee whose total remuneration exceeded \$75,000.00 during the Year 2021.

Name	Position	Remuneration	Expense	Total
Arvay, Mervin	Utility Person III	\$ 83,092	\$ 99	\$ 83,191
Bannister, Carl	Chief Administrative Officer	142,192	1,742	143,934
Bux, Adam	Building Inspector III	82,247	671	82,918
Collens, Joseph	Road Sign & Maintenance Technician	75,331	-	75,331
Colonna, Bianca	Accountant	76,319	2,169	78,488
Frese, Hart	Chief Operator of Waste Water Treatment Plant	99,486	398	99,884
Gerow, Darin	Manager of Roads & Parks	100,676	1,531	102,207
Gienger, Matthew	Engineering Assistant II	78,233	2,745	80,978
Graham, Kirk	Supervisor of Roads & Transportation	89,921	1,747	91,668
Hansen, Kevin	Supervisor of Parks & Facilities	89,546	-	89,546
Jackson, Erin	Director of Corporate Services	131,457	5,484	136,941
Kipp, Larry	Supervisor of Utilities	90,189	99	90,288
Larson, Chris	Senior Planner	84,136	1,321	85,457
Lebeter, Gary	Deputy Fire Chief	90,776	-	90,776
Miller, Marcus	Operator III of Water Treatment Plant	85,761	298	86,059
Moore, Christopher	Engineering Assistant II	84,363	1,295	85,658
Niewenhuizen, Robert	Director of Engineering & Public Works	129,792	1,769	131,561
Pearson, Kevin	Director of Development Services	125,795	1,421	127,216
Perepolkin, Tim	Capital Works Supervisor	89,750	575	90,325
Purves, Allan	Mechanic	82,745	20	82,765
Rasmuson, John	Manager of Utilities	101,119	649	101,768
Reidford, Joseph	Operator III of Water Treatment Plant	77,656	99	77,755
Roy, Maurice	Manager of Permits & Licensing	100,517	671	101,188
Shirley, Brad	Fire Chief	116,564	1,765	118,329
	Prior Years Vacation Pay	2,222	-	2,222
Smyrl, Melinda	Planner III	76,362	1,446	77,808
Stalker, Doug	Operator III of Waste Water Treatment Plant	85,073	692	85,765
Struch, Donna	Building Inspector III	81,674	671	82,345
Tulak, Tracy	Manager Financial Services	100,617	1,564	102,181
Turley, Samuel	Carpenter II	77,225	-	77,225
Van De Cappelle, Chelsea	Chief Financial Officer	124,989	2,174	127,163
Warnock, Daryl	Operator III of Waste Water Treatment Plant	76,722	1,421	78,143
Webb, Rick	Chief Operator of Water Treatment Plant	102,925	298	103,223
Wilson, Jennifer	City Engineer	109,447	1,621	111,068
Wood, Susan	Manager of Human Resources	100,417	680	101,097
Employee Wages Over \$75,000.00		3,245,336	37,135	3,282,471
Employee Wages Under \$75,000.00		4,836,116	20,346	4,856,462
Volunteer Fire Department Wages		356,181	2,787	358,968
Total		\$ 8,437,633	\$ 60,268	\$ 8,497,901

Reconciliation of Remuneration (Unaudited) For the Year Ended December 31, 2021

A reconciliation of the difference between wages and benefits listed on the Consolidated Financial Statements and the total remuneration and expenses listed.

Page	Description	Amount
Page 30	Council Indemnity and Expenses	\$ 253,107
Page 31	Employees Wages	8,497,901
	Revenue Canada Agency (Employers CPP and EI)	465,394
	Pension	695,051
	Workers' Compensation	223,275
	Employer Health Tax	114,199
	Other (including accrual versus cash basis and labour capitalized)	220,010
	Wages and Benefits Per Schedule 5 (Page 27)	<u>\$ 10,468,937</u>

**Statement of Payments Made for the Provision of Goods and Services
(Unaudited)
For the Year Ended December 31, 2021**

A statement of supplier accounts paid \$25,000.00 or more during the Year 2021.

Name	Amount
0127494 BC Ltd.	\$ 44,390
478868 BC Ltd. a/o McDiarmid Construction	206,692
A & D Asphalt Solutions	123,151
All Phase Electric Ltd.	259,471
Andrew Sheret Limited	35,247
Aqua-Aerobic Systems Inc.	157,500
Aquacoustic Remote Technologies Inc.	65,005
Archer Separation Inc.	148,932
Atlantic Industries Limited	29,134
BC - Employer Health Tax	114,199
BC Hydro & Power Authority	962,270
BC Transit	470,607
BDO Canada LLP	30,870
Bernd Hermanski Architect Inc.	42,082
Black Press Group Ltd.	32,962
Blackburn Excavating Ltd.	30,836
Braby Motors Ltd.	50,128
Brandt Tractor Ltd.	40,121
Brooke Downs Vennard LLP in Trust	28,000
Canadian Pacific Railway Company	26,566
Capricmw Insurance Services Ltd.	167,025
Centralsquare Canada Software Inc.	56,100
Centrix Control Solutions LP.	252,356
Chance's Bulk Unloading Ltd.	111,328
Cheap Garbage Service Ltd.	25,761
Columbia Shuswap Regional District	225,360
Commissionaires BC	31,718
D Webb Contracting Ltd.	116,039
Digital Postage On Call	29,400
East West Transportation (2000) Corp.	140,723
EECOL Electric ULC	127,527
Electric Motor and Pump Service Ltd.	95,718
ESRI Canada	36,602
Fletcher Paine Associates Ltd.	49,246
Fort Garry Industries	249,567
Fortis BC - Natural Gas	96,659
Fountain Tire	27,808
Fred Surridge Ltd.	113,580

**Statement of Payments Made for the Provision of Goods and Services
(Unaudited)
For the Year Ended December 31, 2021**

A statement of supplier accounts paid \$25,000.00 or more during the Year 2021.

Name	Amount
Fulton & Company LLP	32,311
General Assembly Excavating (1994) Ltd.	79,957
Gentech Engineering Inc	37,908
Green Roots Play Equipment Inc.	150,769
Grizzly Curb & Concrete Ltd.	41,414
Group Health Global - Trust	486,077
IC Infrastructure Corp.	56,792
ICBC	94,581
Ironman Directional Drilling Ltd.	50,775
Jacobson Ford Sales Ltd.	26,253
Kimco Controls Ltd.	74,178
Kingston Construction Ltd.	2,287,275
Landmark Solutions Ltd.	357,025
Lidstone & Company	29,533
Line West Ltd.	48,472
Lordco Parts Ltd.	40,806
MADA Contracting	119,013
McElhanney Consulting Services Ltd.	25,068
Mearl's Machine Works Ltd.	34,302
Metro Motors Ltd.	107,884
Minister of Finance	463,852
Mounce Construction Ltd.	39,604
Mountain Side Earthworks Ltd.	264,438
Municipal Insurance Association of BC	353,414
Municipal Pension Plan - Employers Portion	695,051
Nor-Val Equipment Sales	94,019
Okanagan Aggregates Ltd.	2,088,705
Okanagan Traffic Control Inc.	57,464
Onsite Engineering Ltd.	66,422
Petrovalue Products Canada Inc.	471,316
R.F. Binnie & Associates Ltd.	636,766
Ramtech Environmental Products	56,719
Receiver General for Canada	2,901,957
Receiver General for Canada - Employers CPP and EI	465,394
RMA Fuel Ltd.	243,291
Salmon Arm Economic Development Society	533,941
Salmon Arm Gravel Products Ltd.	31,275
Salmon Arm Janitorial Ltd.	112,211

**Statement of Payments Made for the Provision of Goods and Services
(Unaudited)
For the Year Ended December 31, 2021**

A statement of supplier accounts paid \$25,000.00 or more during the Year 2021.

Name	Amount
Salmon Arm Museum & Heritage Association	131,004
Salmon Arm Ready Mix Ltd.	35,638
Salmon Arm Security Inc.	44,100
SCV Contractors	707,690
Sealtec Industries Ltd.	43,260
Shaw Business A Division of Shaw Telecom GP	41,844
Shaws Enterprises Ltd.	31,602
Shuswap Hut and Trail Alliance	53,976
Shuswap Recreation Society	717,839
SkySail Technologies	264,858
Spartan Controls	47,194
Standard Roofing (2016) Ltd.	72,960
Stantec Consulting Ltd.	35,574
Telus Communications and Services Ltd.	42,050
Tomko Sports Systems Inc.	67,075
Urban Systems Ltd.	41,230
W.H. Laird Holdings Ltd.	47,661
Warner Rentals Ltd.	31,032
Waterhouse Environmental Services Corporation	200,289
Western Road Distribution Inc.	102,664
Western Water Associates Ltd.	63,323
Wholesale Fire & Rescue Ltd.	55,553
Win & Chris Excavating Ltd.	51,141
Wolseley Canada Inc.	135,365
Worksafe BC	223,275
WSP Canada Group Limited	108,655
Zappone Aggregate Processors	266,220
	<hr/>
Supplier Accounts Over \$25,000.00	22,269,988
Supplier Accounts Under \$25,000.00	2,067,408
	<hr/>
Total	<u>\$ 24,337,396</u>

**Statement of Payments for the Purpose of Grants or Contributions
(Unaudited)
For the Year Ended December 31, 2021**

A statement of organizations paid grants or contributions of \$25,000.00 or more during the Year 2021.

Name	Funding	Amount
S.A.F.E. Society	Victims Assistance Program	\$ 27,000
Salmon Arm Curling Club	Operating	40,000
Salmon Arm Economic Development Society	Food Hub	315,000
Salmon Arm Folk Music Society	Generator Reduction Program	64,000
	Operating	50,000
Shuswap Community Foundation	Annual Funding	46,928
	Endowment Fund	15,572
Shuswap District Arts Council	Operating	42,247
Shuswap Hut and Trail Alliance	Operating	44,352
	Website Upgrade	<u>25,000</u>
Grants or Contributions Over \$25,000.00		670,099
Grants or Contributions Under \$25,000.00		<u>107,457</u>
Total		<u>\$ 777,556</u>

**Reconciliation of Payments Made for the Provision of
Remuneration, Expenses, Goods and Services (Unaudited)
For the Year Ended December 31, 2021**

A reconciliation showing the gross remuneration and expenses paid to employees and suppliers during the Year 2021, compared to total expenses on the Consolidated Financial Statements.

Page	Description	Amount
Page 30	Council Indemnity and Expenses	\$ 253,107
Page 31	Employees Wages and Expenses	8,497,901
Page 33 - 35	Payments Made for the Provision of Goods and Services	24,337,396
Page 36	Grants or Contributions	777,556
	Total Disbursements	33,865,960
	Total Expenses Per Schedule 5 (Page 27)	34,310,176
	Difference	(444,216)
	Amortization, Not a Cash Expense	8,196,572
	Capital Purchases (Page 7), Not Included in Expenses on Schedule 5 (Page 27)	(11,442,620)
	Interest and Debt Issuance Expense, Not Included in Payments to Suppliers	1,264,431
	Increase in Accounts Payable (Net of Taxes Payable)	2,502,050
	Variance (0.22%)	<u>\$ 76,217</u>

The variance occurs for the following reasons:

- The financial statements are prepared on an accrual basis and this report is on a cash basis
- GST is included in the payments made to suppliers, but is net of rebate in the financial statement total

Statement of Guarantee and Indemnity Agreements (Unaudited) **For the Year Ended December 31, 2021**

The City of Salmon Arm has one (1) guarantee and indemnity agreement, outlined below.

The City has entered into an agreement to act as a loan guarantor to assist the Salmon Arm Tennis Club (the "Tennis Club") in the financing of an Indoor Tennis Facility at 3440 Okanagan Avenue SE, Salmon Arm, BC. The outstanding balance at December 31, 2021 was \$746,949 (2020 - \$763,226). The loan bears interest at 4.47% (2020 – 4.47%) repayable in monthly instalments of \$4,156. The loan has a term of 25 years and is secured by the assets of the Tennis Club and an indemnity agreement from the City.

Statement of Severance Agreements (Unaudited)
For the Year Ended December 31, 2021

There was one (1) severance agreement under which payment commenced between the City of Salmon Arm and its non-unionized employees during the fiscal year 2021. This agreement represents 18 months of salary and benefits.