



CITY OF
SALMON ARM

Statement of Financial Information

City of Salmon Arm, British Columbia
For the fiscal period ending December 31, 2022

Statement of Financial Information
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For the Year Ended December 31, 2022

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**Statement of Financial Information Approval
For the Year Ended December 31, 2022**

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 19, 2023



Alan Harrison
Mayor
May 19, 2023

Management's Responsibility for Financial Reporting

The accompanying financial statements of the City of Salmon Arm are the responsibility of management and have been approved by the Chief Financial Officer and Council.

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Certain amounts used in the preparation of the 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 of Salmon Arm 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 of Salmon Arm's assets are appropriately accounted for and adequately safeguarded.

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

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Chief Financial Officer

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Mayor

Independent Auditor's Report

To the Mayor and Council of the City of Salmon Arm

Opinion

We have audited the financial statements of the City of Salmon Arm (the "City") which comprise the statement of financial position as at December 31, 2022, and the statements of operations, change in net financial assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2022, 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 Financial Statements* section of our report. We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the 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 Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the City'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 City or to cease operations, or has no realistic alternative but to do so.

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



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 City'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 City'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 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 City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 24, 2023

The City of Salmon Arm

Statement of Financial Position

As at December 31	2022	2021
Financial Assets		
Cash	\$ 819,278	\$ 2,568,494
Investments - Note 2	73,854,610	77,344,118
Accounts Receivable		
Property Taxes	696,127	552,805
Trade	4,088,381	2,770,115
Water and Sewer Levies	362,950	343,600
Inventories for Resale	87,264	92,165
M.F.A. Debt Reserve - Note 3	1,578,235	1,565,400
Loan Receivable - Note 4	168,000	168,000
	81,654,845	85,404,697
Liabilities		
Accounts Payable and Accrued Liabilities	5,781,490	5,613,205
Deposits and Performance Bonds	2,331,351	2,143,125
Prepaid Property Taxes and Levies	3,590,627	3,309,023
Deferred Revenues - Note 5	3,302,736	8,378,910
Deferred Development Cost Charges - Schedule 4	13,076,954	12,175,325
M.F.A. Debt Reserve - Note 3	1,578,235	1,565,400
Long Term Liability	184,585	207,659
Long Term Debt - Note 6 and Schedule 1	21,634,358	22,813,105
	51,480,336	56,205,752
Net Financial Assets	30,174,509	29,198,945
Non-Financial Assets		
Tangible Capital Assets - Schedule 2	239,707,523	227,894,194
Inventories of Supplies	627,317	661,778
Prepaid Expenses	75,655	305,493
	240,410,495	228,861,465
Accumulated Surplus	\$ 270,585,004	\$ 258,060,410

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Chelsea Van de Cappelle, CPA

Chief Financial Officer

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

The City of Salmon Arm

Statement of Operations

For The Year Ended December 31	2022	2022	2021
	Actual	Budget (Note 8)	Actual (Note 14)
Revenues			
Taxation - Net - Note 9	\$ 20,391,047	\$ 20,395,220	\$ 19,306,833
Transportation Parcel Tax - Note 9	1,234,350	1,229,000	1,226,250
Frontage Tax - Note 9	2,470,163	2,451,695	2,438,988
Grants - Schedule 3	7,241,941	8,237,289	1,822,840
Grants - Other	198,422	200,355	186,302
Sales of Services	8,301,926	7,391,610	8,124,053
Licences, Permits and Fines	930,887	811,200	876,199
Rentals, Leases and Franchises	1,056,610	737,945	961,933
Return on Investments	1,858,524	196,195	769,013
Penalties and Interest	235,473	192,500	256,844
Other Revenue	75,615	800	42,964
Developer and Other Contributions	3,451,779	3,332,750	5,381,703
Gain (Loss) on Disposal of Tangible Capital Assets	272,535	-	(44,173)
	47,719,272	45,176,559	41,349,749
Expenses			
General Government Services (Schedule 5)	5,373,222	4,631,265	5,700,081
Protective Services	6,044,078	7,250,615	6,118,831
Transportation Services	10,690,169	5,772,335	9,695,360
Environmental, Health and Development Services	2,686,337	2,775,835	2,606,349
Recreation and Cultural Services	4,102,886	4,400,000	3,712,276
Water and Sewer Services	6,297,986	4,877,920	6,477,279
	35,194,678	29,707,970	34,310,176
Annual Surplus	12,524,594	15,468,589	7,039,573
Accumulated Surplus, Beginning of Year	258,060,410	258,060,410	251,020,837
Accumulated Surplus, End of Year	\$ 270,585,004	\$ 273,528,999	\$ 258,060,410

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

The City of Salmon Arm

Statement of Change in Net Financial Assets

For The Year Ended December 31	2022	2022	2021
	Actual	Budget (Note 8)	Actual
Annual Surplus	\$ 12,524,594	\$ 15,468,589	\$ 7,039,573
Acquisition of Tangible Capital Assets	(20,506,125)	(36,427,365)	(15,461,881)
Amortization of Tangible Capital Assets	8,608,968	-	8,196,573
Disposal of Tangible Capital Assets	83,829	-	226,993
	711,266	(20,958,776)	1,258
Acquisition of Inventories of Supplies	(627,317)	-	(661,778)
Acquisition of Prepaid Expenses	(75,654)	-	(305,491)
Usage of Inventories of Supplies	661,778	-	486,823
Usage of Prepaid Expenses	305,491	-	188,099
Net Change in Net Financial Assets	975,564	(20,958,776)	(291,089)
Net Financial Assets , Beginning of Year	29,198,945	29,198,945	29,490,034
Net Financial Assets , End of Year	\$ 30,174,509	\$ 8,240,169	\$ 29,198,945

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

The City of Salmon Arm

Statement of Cash Flows

For The Year Ended December 31

2022

2021

(Note 14)

Cash Flows From Operating Activities

Annual Surplus	\$ 12,524,594	\$ 7,039,573
Items Not Involving Cash		
Actuarial Adjustments	(704,466)	(635,171)
Amortization Expense	8,608,968	8,196,573
Developer Contributed Tangible Capital Assets	(1,284,769)	(4,019,260)
(Gain) Loss on Disposal of Tangible Capital Assets	(272,535)	44,173
Changes in Non-Cash Operating Items		
Accounts Receivable	(1,480,937)	(1,366,334)
Accounts Payable	168,281	429,940
Deferred Revenues	(5,076,175)	1,530,999
Deferred Development Cost Charges	901,629	930,024
Deposits and Performance Bonds	188,226	780,024
Inventories for Resale	4,901	(56,212)
Inventories of Supplies	34,462	(174,956)
Loan Receivable	-	2,333
Long Term Liability	(23,074)	(23,073)
Prepaid Expense	229,837	(117,392)
Prepaid Property Taxes and Levies	281,603	178,237

14,100,545 12,739,478

Cash Flows From Investing Activity

Decrease in Investments	3,489,509	291,000
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Cash Flows From Capital Activity

Acquisition of Tangible Capital Assets	(19,221,356)	(11,442,620)
Proceeds on Disposal of Tangible Capital Assets	356,364	182,820

(18,864,992) (11,259,800)

Cash Flows from Financing Activities

Issuance of Long Term Debt	730,000	-
Repayment of Long Term Debt	(1,204,278)	(1,204,159)

(474,278) (1,204,159)

(Decrease) Increase In Cash During Year

(1,749,216) 566,519

Cash, Beginning of Year

2,568,494 2,001,975

Cash, End of Year

\$ 819,278 \$ 2,568,494

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

December 31, 2022

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 financial statements include the accounts of all funds of the City. All inter fund transactions have been eliminated. The statements have been prepared by management using guidelines issued by the Public Sector Accounting Board (PSAB).

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

Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. Levies imposed by other taxing authorities are not included as taxes for municipal purposes.

As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions, could result in a change in the amount of tax revenue recognized. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts. Sale of services and user fee revenues are recognized when the service or product is provided by the City.

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities traded in active markets and derivatives are reported at fair value, with any unrealized gains or losses reported in income. All other financial instruments are subsequently recorded at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in the circumstances indicate the assets could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on the acquisition or issue. These costs are amortized using the straight-line method or effective interest rate method.

December 31, 2022

1. Summary of Significant Accounting Policies - Continued

Grants and Government Transfers

When the City is the recipient, government transfers are recognized as revenue when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

When the City is the transferor, government transfers are recognized as an expense when they are authorized and all eligibility criteria have been met by the recipient.

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 statement of financial position. The revenue is recognized in the statement of operations in the year in which it is used for the specified purpose.

Development Cost Charges

Development cost charges (DCC) collected to pay for capital costs due to development are recorded as deferred revenue. DCC's are recognized as revenue during the period in which the related development costs are incurred.

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.

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 contribution, 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

December 31, 2022

1. Summary of Significant Accounting Policies - Continued

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.

Intangible Assets

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

Reserves

Reserves for future expenditures are non-statutory reserves which represent an appropriation of surplus for specific purposes. Transfers to reserves for future expenditures represent amounts set aside to finance future projects and accumulations for specific purposes.

Statutory reserve funds are restricted by the Community Charter and associated Municipal Bylaws. Statutory reserve funds are funded 100% by cash and investments.

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.

Long Term Debt

Long term debt is recorded net of any sinking fund balances. Debt charges, including interest, 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.

Employee Future Benefits

The City participates in a multi-employer defined benefit pension plan, however, sufficient information is not available to use defined benefit accounting. Therefore, the City accounts for the plan as if it were a defined contribution plan. As such, no pension liability is included in the City's financial statements and contributions are recognized as an expense in the year to which they relate. All full-time employees are eligible to participate in the plan. Contributions are a defined amount based upon a set percentage of salary.

December 31, 2022

1. Summary of Significant Accounting Policies - Continued

Contaminated Sites

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, 2022.

Budget Figures

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

Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the 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 financial statements include the valuation of accounts receivable, useful life and amortization of tangible capital assets and contingent liabilities.

2. Investments

Investments of \$73,554,609 (2021 - \$77,044,118) are deposited with the Municipal Finance Authority and are held in a money market fund. The interest rate as at December 31, 2022 was approximately 1.93% (2021 – 0.15%). 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, 2022 was \$73,854,610 (2021 - \$77,344,118).

The City of Salmon Arm

Notes to the Financial Statements

December 31, 2022

3. Reserves – Municipal Finance Authority

The City issues the majority of its debt instruments through the Municipal Finance Authority. As a condition of these borrowings, a portion of the debenture proceeds are withheld as cash deposits by the Municipal Finance Authority 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 Municipal Finance Authority. 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	\$ 322,990	\$ 811,409
Water Fund	369,407	189,561	558,968
Sewer Fund	132,947	74,911	207,858
Total Long Term Debt	\$ 990,773	\$ 587,462	\$ 1,578,235

4. Loan Receivable

The City has entered into a loan agreement with the Salmon Arm 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, 2022 was \$168,000 (2021 - \$168,000). The loan bears interest at 0%, with monthly payments of \$583 commencing January 15, 2024 until December 2047.

5. Deferred Revenue

	2021	Inflow	Outflow	Interest	2022
BC Buildings Corporation	\$ 691,817	\$ -	\$ (401,492)	\$ -	\$ 290,325
Community Works Fund	6,737,350	837,156	(5,574,516)	130,031	2,130,021
Recycling User Fee Rebate	245,757	256,193	(245,757)	-	256,193
Grants	200,000	195,378	(100,000)	-	295,378
Other	503,986	330,819	(503,986)	-	330,819
Total Deferred Revenues	\$ 8,378,910	\$ 1,619,546	\$ (6,825,751)	\$ 130,031	\$ 3,302,736

Included in deferred revenue is a prepayment amount of \$290,325 (2021 - \$691,817) 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 \$2,130,021 (2021 - \$6,737,350) have been received under the Community Works Fund for future restricted capital projects.

The City of Salmon Arm

Notes to the Financial Statements

December 31, 2022

6. Long Term Debt

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

	General Fund	Water Fund	Sewer Fund	Total
2023	\$ 729,405	\$ 471,439	\$ 150,688	\$ 1,351,532
2024	553,332	471,439	63,650	1,088,421
2025	553,332	471,439	63,650	1,088,421
2026	553,332	471,439	63,650	1,088,421
2027	553,332	418,212	63,650	1,035,194
2028 and thereafter	4,708,010	540,962	509,199	5,758,171
	<u>7,650,743</u>	<u>2,844,930</u>	<u>914,487</u>	<u>11,410,160</u>
Actuarial Adjustment	7,320,982	2,292,922	610,294	10,224,198
Total Long Term Debt	<u>\$ 14,971,725</u>	<u>\$ 5,137,852</u>	<u>\$ 1,524,781</u>	<u>\$ 21,634,358</u>

7. Contingent Liabilities and Commitments

Pension Liabilities

The City of Salmon Arm 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, 2021, the plan has about 227,000 active members and approximately 118,000 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 most recent valuation for the Municipal Pension Plan as at December 31, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The City of Salmon Arm paid \$623,409 (2021 - \$695,051) for employer contributions while employees contributed \$571,317 (2021 - \$599,022) to the plan in fiscal 2022.

The next valuation will be as at December 31, 2024, with results available in 2025.

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.

December 31, 2022

7. Contingent Liabilities and Commitments - Continued

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 of Salmon Arm. The loan agreements with the Regional District and the Municipal Finance Authority provide that, if at any time the scheduled payments provided for in the agreements are not sufficient to meet the Authority'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 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:

2023	\$	2,873
2024		478

Guarantor Agreement

The City has entered into an agreement to act as a loan guarantor to assist the Salmon Arm Tennis Club in the financing of an Indoor Tennis Facility at 3440 Okanagan Avenue SE, Salmon Arm, BC. The outstanding balance at December 31, 2022 was \$729,929 (2021 - \$746,949). The loan bears interest at 4.47% (2021 - 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.

The City of Salmon Arm

Notes to the Financial Statements

December 31, 2022

8. Budget

The City of Salmon Arm 2022 to 2026 Financial Plan Bylaw No. 4524 (Financial Plan Bylaw) was adopted by Council on April 25, 2022. 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 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 Debt represent the Financial Plan Bylaw adopted by Council on April 25, 2022 with adjustments as follows:

Financial Plan Bylaw	\$ -
Add:	
Capital Grants	7,399,839
Capital Expenditures	36,427,365
Debt Repayment	1,304,380
Transfer to Reserve Accounts	2,058,145
Transfer to Reserve Funds	1,095,000
Transfer from DCC Reserve Funds	768,750
Other Developer Contributions	2,564,000
Less:	
Transfer from Prior Year Surplus	(397,680)
Transfer from Reserve Accounts	(2,736,945)
Transfer to Capital Reserve Accounts	<u>(33,014,265)</u>
Budget Surplus as per Statement of Operations	<u>\$ 15,468,589</u>

The City of Salmon Arm

Notes to the Financial Statements

December 31, 2022

9. Taxation

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

	<u>2022</u>	<u>2021</u>
Taxes Collected:		
Property Taxes	\$ 33,241,163	\$ 31,666,229
Transportation Parcel Tax	1,234,350	1,226,250
Frontage Tax - Water	1,484,444	1,468,830
Frontage Tax - Sewer	985,719	970,158
1% Utility Tax	316,974	317,463
	<u>37,262,650</u>	<u>35,648,930</u>
Collections for Other Governments		
Province of BC (School Taxes)	9,345,759	8,895,657
BC Assessment Authority	227,169	207,261
Regional Hospital District	1,533,230	1,549,439
Columbia Shuswap Regional District	1,089,786	1,071,463
Okanagan Regional Library	766,363	756,341
Municipal Finance Authority	1,194	939
Downtown Improvement Area	203,589	195,759
	<u>13,167,090</u>	<u>12,676,859</u>
Net Taxes Available for Municipal Purposes	<u>\$ 24,095,560</u>	<u>\$ 22,972,071</u>

10. Trust Funds

Trust funds are not included in the City's 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, 2022, the Trust Fund balance is \$479,900 (2021 - \$442,861).

December 31, 2022

11. Segment Reporting

The City of Salmon Arm 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 of Salmon Arm. 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.

December 31, 2022

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 185 square kilometres. It provides fire protection services to approximately 6,559 properties (residential, commercial, etc.) and inspection services to approximately 1,050 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 of Salmon Arm. 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 224 kilometres (excluding the Trans Canada Highway and Highway 97B) of roadway, 71 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, Health 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.

December 31, 2022

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 fifty four (754) 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 205 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 sixty one (861) hydrants, seven (7) pumping stations, fourteen (14) reservoirs, and one (1) dam with a total storage capacity of 33,144 cubic metres and over 6,200 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.

December 31, 2022

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 130 kilometres of mainline and 5,316 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. Commitments

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

13. Future Accounting Changes

Effective January 1, 2023, the City will be required to apply the new PSAS standard PS 3280 Asset Retirement Obligations. Under this standard, a liability for an asset retirement obligation is recognized when there is a legal obligation to incur retirement costs in relation to a tangible capital asset; the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up and a reasonable estimate of the amount can be made. To ensure these obligations are captured, the City will continue its work on establishing reliable estimates of the future liabilities related to these obligations.

14. 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 2022	Balance Outstanding 2021
General Fund					
Fire Hall and Little Mountain	3184	2023	2.250	\$ 22,926	\$ 44,761
City Hall and Law Courts	3334	2034	5.950	5,708,016	6,049,548
City Hall and Law Courts	3479	2035	0.973	427,118	449,570
Blackburn Park	3569	2027	1.421	103,411	121,769
Underpass 20/21 Street	3758	2029	2.250	1,104,104	1,238,518
New Cemetery	4048	2040	2.750	816,277	848,468
Blackburn Park Improvement	4072	2035	2.750	362,456	384,190
Drainage Improvements	4244	2023	P - 1.0	167,000	334,000
Airport Taxiway Charlie	4289	2040	1.990	774,750	810,223
Ross Street Underpass	4500	2049	2.240	4,955,667	5,073,854
Property Acquisition	4549	2026	P - 1.0	530,000	-
				\$ 14,971,725	\$ 15,354,901
Water Fund					
Water	3458	2025	1.530	\$ 138,889	\$ 170,338
Water	3551	2026	1.530	284,455	348,865
Water	3576	2028	2.650	3,471,531	3,974,775
Water	3816	2030	1.280	1,006,305	1,113,719
Water	3793	2041	1.470	36,671	38,015
Water	4502	2026	P - 1.0	200,000	-
				\$ 5,137,851	\$ 5,645,712
Sewer Fund					
Sewer	3207	2023	2.250	\$ 219,941	\$ 429,409
Sewer	4051	2035	2.750	1,304,841	1,383,083
				1,524,782	1,812,492
				\$ 21,634,358	\$ 22,813,105

The gross interest paid relating to the above noted debt was \$1,261,464 (2021 - \$1,257,658).

The City of Salmon Arm

Schedule 2 - Schedule of Tangible Capital Assets

As at December 31	2022	2021
General Fund		
Land	\$ 40,127,936	\$ 40,190,839
Buildings	21,620,292	22,063,630
Machinery and Equipment	6,383,875	4,505,548
Vehicles	2,370,849	2,404,588
Information Technology Infrastructure	450,081	391,114
Parks Infrastructure	5,973,306	5,492,948
Utility Infrastructure	12,965,584	13,274,023
Transportation Infrastructure	69,084,430	70,209,409
Work in Progress	17,304,490	6,008,368
	176,280,843	164,540,467
Water Fund		
Buildings	\$ 12,176,811	\$ 12,496,680
Machinery and Equipment	1,475,927	1,483,617
Information Technology Infrastructure	99,362	115,461
Utility Infrastructure	20,645,522	20,775,276
Work in Progress	1,277,509	647,298
	35,675,131	35,518,332
Sewer Fund		
Buildings	\$ 12,484,022	\$ 12,852,358
Machinery and Equipment	173,840	149,665
Information Technology Infrastructure	42,895	47,744
Utility Infrastructure	13,756,702	13,886,149
Work in Progress	1,294,090	899,479
	27,751,549	27,835,395
	\$ 239,707,523	\$ 227,894,194

The City of Salmon Arm

Schedule 2 - 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	2022 Total
Balance, Beginning 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
Additions	20,926	236,401	2,614,516	273,200	150,344	17,703	543,454	3,099,536	13,550,046	20,506,126
Work In Progress Completed	-	207,367	-	-	-	795,489	208,550	17,696	(1,229,102)	-
Disposals	(83,829)	-	(179,158)	(226,498)	-	-	-	-	-	(489,485)
Balance, End of Year	40,127,936	75,452,184	13,016,014	5,880,340	2,237,562	12,499,812	77,668,118	141,237,394	19,876,089	387,995,449
Accumulated Amortization	-	27,595,748	4,441,826	3,429,050	1,532,899	6,193,672	28,980,666	67,910,753	-	140,084,614
Balance, Beginning of Year	-	1,575,311	719,704	306,939	112,325	332,834	1,319,644	4,242,211	-	8,608,968
Amortization	-	-	(179,158)	(226,498)	-	-	-	-	-	(405,656)
Disposals	-	-	-	-	-	-	-	-	-	-
Balance, End of Year	-	29,171,059	4,982,371	3,509,491	1,645,224	6,526,506	30,300,310	72,152,964	-	148,287,926
Net Book Value, End of Year	\$ 40,127,936	\$ 46,281,125	\$ 8,033,642	\$ 2,370,849	\$ 592,338	\$ 5,973,306	\$ 47,367,808	\$ 69,084,430	\$ 19,876,089	\$ 239,707,523

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
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	-	26,035,154	3,974,424	3,178,957	1,442,545	5,886,638	27,687,025	63,880,256	-	132,084,999
Balance, Beginning of Year	-	1,560,594	616,036	298,417	90,354	307,034	1,293,641	4,030,497	-	8,196,573
Amortization	-	-	(148,634)	(48,324)	-	-	-	-	-	(196,958)
Disposals	-	-	-	-	-	-	-	-	-	-
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

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 \$1,284,769 (2021 - \$4,019,260). Due to the availability of historical information, some City-owned lands, such as parklands and land beneath roads and sidewalks, have been assigned a nominal (\$1.00) value. Interest capitalized in the year was Nil (2021 - Nil).

The City of Salmon Arm

Schedule 3 - Grants From Federal and Provincial Governments

For The Year Ended December 31	2022	2022	2021
	Actual	Budget	Actual
General Fund - Grants in Lieu of Taxes			
Federal Government	\$ 19,109	\$ 19,200	\$ 19,234
Province of British Columbia	35,176	27,250	27,248
Provincial Government Agencies	122,176	122,900	118,829
	<u>\$ 176,461</u>	<u>\$ 169,350</u>	<u>\$ 165,311</u>
General Fund - Operating Grants			
Federal Government and Province of British Columbia			
Arterial Street Lighting	\$ 3,076	\$ 3,100	\$ 3,076
Municipal Regional District Tax	323,189	200,000	257,025
Small Communities Protection	236,000	190,000	191,000
Traffic Fine Revenue Sharing	147,209	160,000	168,750
Destination BC	15,000	15,000	12,500
Poverty Reduction Grant	10,122	50,000	24,800
BC Active Transportation Planning	49,777	50,000	-
CRI FireSmart Community Funding	6,781	-	-
Canada Summer Jobs	6,577	-	-
Local Government Climate Action	149,921	-	-
Public Safety Canada - BSCF	17,685	-	-
Food Hub	-	-	315,000
Municipal Asset Management Program	-	-	40,000
	<u>\$ 965,337</u>	<u>\$ 668,100</u>	<u>\$ 1,012,151</u>
Water Fund - Operating Grant			
Province of British Columbia			
Infrastructure Planning	\$ -	\$ -	\$ 10,000
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,000</u>
General Fund - Capital Grants			
Federal Government and Province of British Columbia			
Community Works Fund	\$ 5,574,516	\$ 6,248,912	\$ 92,036
BC Active Transportation Infrastructure	518,627	878,627	481,373
ICBC - Road Improvement Program	7,000	88,300	-
BC Rural Dividend	-	100,000	-
Canada Community Revitalization Fund	-	84,000	-
BC Air Access Program	-	-	61,969
	<u>\$ 6,100,143</u>	<u>\$ 7,399,839</u>	<u>\$ 635,378</u>
Total Operating Grants	1,141,798	837,450	1,187,462
Total Capital Grants	6,100,143	7,399,839	635,378
Total Grants	<u>\$ 7,241,941</u>	<u>\$ 8,237,289</u>	<u>\$ 1,822,840</u>
Total Federal Grants	\$ 2,824,052	\$ 3,143,656	\$ 127,221
Total Provincial Grants	4,417,889	5,093,633	1,695,619
Total Grants	<u>\$ 7,241,941</u>	<u>\$ 8,237,289</u>	<u>\$ 1,822,840</u>

The City of Salmon Arm

Schedule 4 - Reserve Funds Statements

For The Year Ended December 31	2021 (Note 14)	Interest	Contributions	Inter-Fund Transfers	Expenditures	2022
Reserve Funds						
Development Cost Charges						
Sewer	\$ 3,582,385	\$ 72,875	\$ 154,245	\$ -	\$ -	\$ 3,809,505
Water	3,854,674	78,777	227,116	-	-	4,160,567
Drainage	2,080,540	42,190	93,874	-	-	2,216,604
Parks	623,478	13,092	56,786	-	-	693,356
Highways	2,034,248	41,587	121,087	-	-	2,196,922
Total Development Cost Charges	12,175,325	248,521	653,108	-	-	13,076,954
Other Statutory Reserves						
Equipment Replacement	2,287,724	54,411	-	565,000	(947,218)	1,959,917
General Capital	649,779	17,412	312,200	162,500	(73,738)	1,068,153
Fire Department Building and Equipment	460,729	9,922	-	50,000	-	520,651
Emergency Apparatus	1,750,812	38,111	-	265,000	(1,585,336)	468,587
Police Vehicle Replacement	242,976	5,779	-	60,000	(60,836)	247,919
Landfill Site Repurchase	228,765	4,523	-	-	-	233,288
Cemetery Development	161,484	3,193	-	-	-	164,677
Water Major Maintenance	1,357,518	29,116	-	455,000	(203,946)	1,637,688
Sewer Major Maintenance	3,071,166	60,727	-	220,000	-	3,351,893
Community Centre Major Maintenance	803,391	16,292	-	225,000	(92,028)	952,655
Cemetery Columbarium	74,063	1,464	-	-	-	75,527
Parks Development	474,014	9,865	33,650	-	-	517,529
Total Other Statutory Reserves	11,562,421	250,815	345,850	2,002,500	(2,963,102)	11,198,484
Total Reserves Funds	23,737,746	499,336	998,958	2,002,500	(2,963,102)	24,275,438
	\$ 23,737,746	\$ 499,336	\$ 998,958	\$ 2,002,500	\$ (2,963,102)	\$ 24,275,438

The City of Salmon Arm

Schedule 5 - Schedule of Segment Disclosure

For the Year Ended December 31	General Government Services	Protective Services	Transportation Services	Environmental, Health and Development Services	Recreation and Cultural Services	Sewer Utility Services	Water Utility Services	2022 Total
Revenue								
Taxation - Net	\$ 20,391,047	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,391,047
Transportation Parcel Tax	-	-	1,234,350	-	-	-	-	1,234,350
Frontage Tax	-	-	-	-	-	985,719	1,484,444	2,470,163
Grants	934,955	153,990	6,152,996	-	-	-	-	7,241,941
Grants - Other	-	-	113,228	2,250	82,944	-	-	198,422
Sales of Services	55,070	92,214	1,637,206	1,142,626	187,219	2,363,413	2,824,178	8,301,926
Licences, Permits and Fines	7,415	782,222	-	141,250	-	-	-	930,887
Rentals, Leases and Franchises	773,514	165,084	32,500	-	41,012	22,000	22,500	1,056,610
Return on Investments	983,530	66,573	112,350	15,185	37,967	272,736	370,183	1,858,524
Penalties and Interest	200,937	-	-	-	-	15,860	18,676	235,473
Other Revenue	20,000	1,190	52,951	56	1,418	-	-	75,615
Developer and Other Contributions	233,359	-	2,822,497	-	33,650	134,458	227,815	3,451,779
Gain (Loss) on Disposal of Tangible Capital Assets	225,171	-	47,364	-	-	-	-	272,535
Total Revenue	23,824,998	1,261,273	12,205,442	1,301,367	384,210	3,794,186	4,947,796	47,719,272
Expenses								
Wages and Benefits	2,260,464	1,676,408	1,887,467	839,305	1,973,118	822,756	1,043,408	10,502,926
Insurance	232,905	26,617	82,528	131	58,134	43,703	35,288	479,306
Community Grants	276,671	-	-	-	-	-	-	276,671
Professional and Legal Fees	101,870	-	-	8,591	-	-	-	110,461
Utilities and Property Taxes	65,289	73,296	224,511	798	32,905	251,887	371,521	1,020,207
Repairs and Maintenance	-	64,081	1,473,932	28,061	929,461	265,920	481,108	3,242,563
Contracts	283,861	3,618,901	984,711	1,467,856	636,894	53,033	64,600	7,109,856
Operating Expenses	519,948	397,471	724,629	313,545	43,532	366,013	180,167	2,545,305
Collections for Other Governments	12,626	-	-	-	-	-	-	12,626
Amortization	991,946	187,304	5,116,254	-	400,220	837,676	1,075,568	8,608,968
Interest and Debt Issue Expenses	627,642	-	196,137	28,050	28,622	114,255	291,083	1,285,789
Total Expenses	5,373,222	6,044,078	10,690,169	2,686,337	4,102,886	2,755,243	3,542,743	35,194,678
Net Surplus (Deficit)	\$ 18,451,776	\$ (4,782,805)	\$ 1,515,273	\$ (1,384,970)	\$ (3,718,676)	\$ 1,038,943	\$ 1,405,053	\$ 12,524,594

The City of Salmon Arm

Schedule 5 - Schedule of Segment Disclosure

For the Year Ended December 31	General Government Services	Protective Services	Transportation Services	Environmental, Health and Development Services	Recreation and Cultural Services	Sewer Utility Services	Water Utility Services	2021 Total (Note 14)
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	-	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 Tangible 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	520,530	342,253	626,394	2,786,974
Contracts	274,843	3,711,649	785,041	1,417,054	793,739	67,990	54,244	7,104,560
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 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 \$3,598,000 in 2020.

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.

	2022	2021
Interest Income	\$ 43,427	\$ 5,388
Revenue Shortfalls:		
Recreation and Cultural Services	(150,000)	(122,650)
General Government Services	-	(900)
Expenditures:		
General Government Services	(82,838)	(110,000)
Community Grants	(90,046)	(200,933)
Recreation and Cultural Services	-	(163,696)
Protective Services	(125,000)	(100,700)
Transportation Services	(267,191)	(84,230)
Community Grant Returned	20,000	-
Net (Deficit)	(651,648)	(777,721)
Balance, Beginning of Year	2,196,268	2,973,989
Balance, End of Year	\$ 1,544,620	\$ 2,196,268

Statement of Council Indemnities & Expenses (Unaudited) For the Year Ended December 31, 2022

A statement showing remuneration and expenses paid to each Elected Official during the Year 2022.

Name	Position	Remuneration	Expenses	Life & Health Benefit	Total
Harrison, Alan	Mayor	\$ 70,171	\$ 6,085	\$ 2,732	\$ 78,988
Cannon, Debbie	Councillor	30,407	8,563	2,847	41,817
Eliason, Chad	Councillor	23,879	6,074	1,096	31,049
Flynn, Kevin	Councillor	30,485	8,559	2,732	41,776
Gonnella, James	Councillor	6,669	2,570	-	9,239
Lavery, Timothy	Councillor	30,485	3,155	2,732	36,372
Lindgren, Sylvia	Councillor	30,292	8,368	2,732	41,392
Wallace-Richmond, Louise	Councillor	30,485	8,525	2,732	41,742
Total		\$ 252,873	\$ 51,899	\$ 17,603	\$ 322,375

Statement of Employee Remuneration and Expenses (Unaudited) For the Year Ended December 31, 2022

A statement showing the gross remuneration, bonuses, gratuities and expenses paid to each employee whose total remuneration exceeded \$75,000.00 during the Year 2022.

Name	Position	Remuneration	Expense	Total
Adams, Kenneth	Mechanic	\$ 82,141	\$ -	\$ 82,141
Arvay, Mervin	Utility Supervisor	95,499	758	96,257
Bux, Adam	Building Inspector III	82,819	692	83,511
Clarkson, Mary	Health, Safety & Human Resources Coordinator	80,544	677	81,221
Collens, Joseph	Mechanic	75,094	1,591	76,685
Frese, Hart	Chief Operator of Waste Water Treatment Plant	102,132	-	102,132
Gerow, Darin	Manager of Roads & Parks	105,193	774	105,967
Graham, Kirk	Supervisor of Roads & Transportation	94,199	-	94,199
Greencorn, Jamie	Roads & Transportation Sub Foreman	78,419	-	78,419
Hansen, Kevin	Supervisor of Parks & Facilities	93,994	1,978	95,972
Jackson, Erin	Chief Administrative Officer	165,390	9,572	174,962
Kendall, Michelle	Accountant	76,539	-	76,539
Larson, Chris	Senior Planner	86,441	1,164	87,605
Lebeter, Gary	Deputy Fire Chief	93,018	1,874	94,892
Miller, Marcus	Operator III of Water Treatment Plant	81,769	1,459	83,228
Moore, Christopher	Engineering Assistant II	81,556	-	81,556
Niewenhuizen, Robert	Director of Engineering & Public Works	138,066	1,683	139,749
Patterson, Gregg	GIS Coordinator	83,226	994	84,220
Pearson, Kevin	Director of Development Services	117,305	1,164	118,469
Perepolkin, Tim	Capital Works Supervisor	91,991	392	92,383
Purves, Allan	Mechanic	83,378	-	83,378
Rasmuson, John	Manager of Utilities	106,169	934	107,103
Shirley, Brad	Fire Chief	119,461	3,064	122,525
Smyrl, Melinda	Planner III	81,279	1,323	82,602
Stalker, Doug	Operator III of Waste Water Treatment Plant	86,348	99	86,447
Struch, Donna	Building Inspector III	82,760	692	83,452
Tulak, Tracy	Manager Financial Services	102,925	1,235	104,160
Turley, Samuel	Carpenter II	77,534	-	77,534
Van De Cappelle, Chelsea	Chief Financial Officer	128,108	2,197	130,305
Webb, Rick	Chief Operator of Water Treatment Plant	98,108	407	98,515
Wilson, Jennifer	Service Delivery Management Coordinator	106,629	4,900	111,529
Wood, Susan	Director of Corporate Services	123,190	1,587	124,777
Employee Wages Over \$75,000.00		3,101,224	41,210	3,142,434
Employee Wages Under \$75,000.00		5,080,173	18,771	5,098,944
Volunteer Fire Department Wages		325,707	11,985	337,692
Total		\$ 8,507,104	\$ 71,966	\$ 8,579,070

Reconciliation of Remuneration (Unaudited) For the Year Ended December 31, 2022

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 29	Council Indemnity and Expenses	\$ 322,375
Page 30	Employees Wages	8,579,070
	Revenue Canada Agency (Employers CPP and EI)	501,137
	Pension	623,409
	Workers' Compensation	163,502
	Employer Health Tax	125,789
	Other (including accrual versus cash basis and labour capitalized)	187,645
	Wages and Benefits Per Schedule 5 (Page 26)	<u>\$ 10,502,926</u>

**Statement of Payments Made for the Provision of Goods and Services
(Unaudited)
For the Year Ended December 31, 2022**

A statement of supplier accounts paid \$25,000.00 or more during the Year 2022.

Name	Amount
1261694 BC Ltd.	85,713
478868 BC Ltd. a/o McDiarmid Construction	681,209
A & D Asphalt Solutions	115,629
All Phase Electric Ltd.	80,903
Alumichem Canada Inc.	135,779
Andrew Sheret Limited	25,749
ASI Group Ltd.	29,243
Associated Engineering (BC) Limited	54,027
BC - Employer Health Tax	125,789
BC Hydro & Power Authority	1,003,950
BC Transit	643,271
Bernd Hermanski Architect Inc.	25,738
Black Press Group Ltd.	40,307
Blackburn Excavating Ltd.	352,488
Braby Motors Ltd.	131,132
Canadian Pacific Railway Company	1,157,114
Canadian Ramp Company	39,490
Canoe Procurement Group of Canada	368,133
CB Process Instrumentation & Controls	38,576
Centralsquare Canada SoftwareInc.	53,024
Centrix Control Solutions LP.	87,729
Chance's Bulk Unloading Ltd.	137,403
City Electric Supply Corporation	27,059
Clear Tech Industries Inc.	36,162
Columbia Shuswap Regional District	228,667
Commissionaires BC	33,393
Comtex Micro Systems Inc.	35,833
D Webb Contracting Ltd.	128,001
Digital Postage On Call	36,750
East West Transportation (2000) Corp.	80,365
Electric Motor and Pump Service Ltd.	73,811
EMCO Waterworks	63,925
ESRI Canada	37,251
Fletcher Paine Associates Ltd.	34,082
Fort Garry Industries	246,404
Fortis BC - Natural Gas	130,259
Fountain Tire	28,513
Fraser Basin Council	40,000

**Statement of Payments Made for the Provision of Goods and Services
(Unaudited)
For the Year Ended December 31, 2022**

A statement of supplier accounts paid \$25,000.00 or more during the Year 2022.

Name	Amount
Fred Surridge Ltd.	103,663
Fulton & Company LLP	38,296
General Assembly Excavating (1994) Ltd.	122,259
Great West Equipment	308,637
Grizzly Curb & Concrete Ltd.	74,524
Group Health Global - Trust	522,654
Hack Sales & Service Canada LP.	44,087
Home Building Centre	29,404
ICBC	95,990
Inskip Electric Ltd.	29,473
ISL Engineering and Land Services Ltd.	112,713
Kendrick Equipment (2003) Ltd.	220,641
Kimco Controls Ltd.	117,882
Kingston Construction Ltd.	9,577,547
KS2 Management Ltd.	59,760
Landmark Solutions Ltd.	366,519
Larratt Aquatic Consulting Ltd.	26,962
Line West Ltd.	46,681
Little Projects Ltd.	175,661
Lordco Parts Ltd.	46,776
MADA Contracting	120,945
Mearl's Machine Works Ltd.	37,238
Metro Motors Ltd.	125,399
Milestone Fabrication Ltd.	41,989
Minister of Finance	39,669
Mountain Side Earthworks Ltd.	145,188
Municipal Insurance Association of BC	374,901
Municipal Pension Plan - Employers Portion	623,409
Okanagan Aggregates Ltd.	1,475,361
Okanagan Traffic Control Inc.	28,364
Onsite Engineering Ltd.	31,125
Petrovalue Products Canada Inc.	533,651
R.F. Binnie & Associates Ltd.	1,238,147
Ramtech Environmental Products	40,318
Receiver General for Canada	3,770,402
Receiver General for Canada - Employers CPP and EI	501,137
Rite-Way Fencing Inc.	58,468
Rocky Mountain Phoenix	1,513,027

**Statement of Payments Made for the Provision of Goods and Services
(Unaudited)
For the Year Ended December 31, 2022**

A statement of supplier accounts paid \$25,000.00 or more during the Year 2022.

Name	Amount
Salmon Arm Economic Development Society	630,863
Salmon Arm GM	41,173
Salmon Arm Gravel Products Ltd.	29,606
Salmon Arm Janitorial Ltd.	112,698
Salmon Arm Museum & Heritage Association	142,892
Salmon Arm Ready Mix Ltd.	33,260
Salmon Arm Security Inc.	60,124
Savoy Equipment	45,936
SCV Contractors	748,530
Sealtec Industries Ltd.	36,270
Shaw Business A Division of Shaw Telecom GP	43,280
Shaws Enterprises Ltd.	33,626
Shuswap Hut and Trail Alliance	32,534
Shuswap Recreation Society	765,167
SkySail Technologies	250,852
Standard Roofing (2016) Ltd.	45,695
Stewart McDannold Stuart Barristers & Solicitors	30,524
Sybertech Waste Reduction Ltd.	39,848
Telus Communications and Services Ltd.	41,632
Urban Systems Ltd.	119,734
W.H. Laird Holdings Ltd.	51,341
Waterhouse Environmental Services Corporation	129,224
Wayside Press Ltd./Wayside Express	26,641
Western Road Distribution Inc.	74,235
Wolseley Canada Inc.	118,684
Work Truck West a Division of West Coast	37,925
Worksafe BC	163,502
WSP Canada Group Limited	194,285
Zappone Aggregate Processors	40,250
	<hr/>
Supplier Accounts Over \$25,000.00	33,612,067
Supplier Accounts Under \$25,000.00	<hr/> 1,918,313
Total	<hr/> \$ 35,530,380 <hr/>

**Statement of Payments for the Purpose of Grants or Contributions
(Unaudited)
For the Year Ended December 31, 2022**

A statement of organizations paid grants or contributions of \$25,000.00 or more during the Year 2022.

Name	Funding	Amount
S.A.F.E. Society	Victims Assistance Program	27,000
Salmon Arm Agricultural Association	Lighting	39,046
Salmon Arm Folk Music Society	Operating	51,000
Shuswap Community Foundation	Annual Funding	57,500
	Endowment Fund	19,549
Shuswap District Art Council/Shuswap Art Gallery Assoc.	Operating	43,430
Shuswap Hut and Trail Alliance	Operating	45,232
		<hr/>
Grants or Contributions Over \$25,000.00		282,757
Grants or Contributions Under \$25,000.00		48,421
		<hr/>
Total		<u>\$ 331,178</u>

Reconciliation of Payments Made for the Provision of Remuneration, Expenses, Goods and Services (Unaudited) For the Year Ended December 31, 2022

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 29	Council Indemnity and Expenses	\$ 322,375
Page 30	Employees Wages and Expenses	8,579,070
Page 32 - 34	Payments Made for the Provision of Goods and Services	35,530,380
Page 35	Grants or Contributions	331,178
	Total Disbursements	44,763,003
	Total Expenses Per Schedule 5 (Page 26)	35,194,678
	Difference	9,568,325
	Amortization Per Schedule 5, Not a Cash Expense (Page 26)	8,608,968
	Capital Purchases (Page 7), Not Included in Expenses on Schedule 5 (Page 26)	(19,221,356)
	Interest and Debt Issuance Expense, Not Included in Payments to Suppliers	1,285,789
	Increase in Accounts Payable (Net of Taxes Payable)	145,817
	Variance (1.1%)	<u>\$ 387,542</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, 2022**

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, 2022 was \$727,168 (2021 - \$746,949). The loan bears interest at 0%, with monthly payments of \$583 re-commencing January 15, 2024 until December 2047.

Statement of Severance Agreements (Unaudited)
For the Year Ended December 31, 2022

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 2022. This agreement represents 8 weeks of salary and benefits.