

CITY OF
SALMON ARM

2025 Annual Report

For the fiscal period ending December 31, 2025





CITY OF **SALMON ARM**

The City of Salmon Arm 2025 Annual Report has been prepared by the Communications & Financial Services Departments, pursuant to Section 98 of the *Community Charter*.

Box 40 500 2 Avenue NE

Salmon Arm, BC

V1E 4N2

250.803.4000

cityhall@salmonarm.ca

 www.salmonarm.ca



@CityOfSalmonArm



@cityofsalmonarmbc



@SalmonArmBC



@cityofsalmonarmbc



The City of Salmon Arm gratefully acknowledges that we are located on the traditional territory of the Secwepemc people, with whom we share these lands and where we live and work together.



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Message from the Mayor



Despite ongoing global uncertainty, Salmon Arm continues to move forward with purpose and stability. Council understands that these broader challenges can create financial pressure for residents and families. With that in mind, we remained focused on balancing community priorities with responsible decision-making, giving careful consideration to the City's most important needs.

Strong municipal infrastructure remains essential to a healthy and growing community. In 2025, we made meaningful progress in key areas, including planning for the expansion of our Pollution Control Centre, advancing the Lakeshore Road project, and completing important upgrades to water infrastructure and transportation networks.

We also celebrated the completion of several valued community projects. The synthetic play field is now in place, with lighting still to come, while the Ross Street shade sails and the Eric Christmas Memorial Walkway are now complete. These projects were made possible through strong partnerships, and we are grateful to everyone who helped bring them to life.

Development activity continued at a steady and manageable pace, with more than \$60 million in completed construction value. We also saw the ongoing shift toward multi-unit housing, alongside more than 150 new market rental units added to the community. This growth helps meet housing demand and supports a broader range of housing options in Salmon Arm.

2025 was also a year of successful community events and memorable gatherings. Favourable weather through the spring and summer contributed to a strong season, and thousands of residents and visitors enjoyed outstanding events across the city. Highlights included performances by Burton Cummings and Colin James at the Roots and Blues Festival, as well as popular events such as the Demolition Derby, Salmon Arm Fair, and the Dragon Boat Festival. These celebrations continue to reflect the energy, spirit, and hospitality of our community.

Even as global events continue to shape the world around us, Salmon Arm's future remains bright. We are fortunate to live in a community where people work together, support one another, and take pride in where they live. That spirit is what continues to make Salmon Arm such a special place. Thank you for the part you play in making our community strong.

Sincerely,

Alan Harrison, Mayor
City of Salmon Arm

Council Committees

- Development and Planning Services Committee
- Council Select Parking Committee
- Columbia Shuswap Regional District Rep. II
- Downtown Salmon Arm (DSA)
- Fire Department Liaison
- RCMP Liaison
- First Nations Partnership / West Bay Connector
- Rail Trail Liaison
- SEP Executive Committee Liaison (CSRD Bylaw 5690)
- Shuswap Community Foundation
- Shuswap Agricultural Association

Message from the CAO

2025 marked an important chapter in Salmon Arm's continued growth as a thriving, sustainable, and welcoming community. Guided by Council's strategic priorities, the City advanced several major initiatives while continuing to deliver the high standard of service residents rely on.

One of the year's most important accomplishments was the adoption of the City's new Official Community Plan (OCP). This milestone reflects a multi-year effort shaped by extensive research, planning, and community engagement. The OCP sets a clear long-term vision for how Salmon Arm will grow and evolve, guiding decisions on housing, transportation, economic development, environmental protection, and public amenities.

The OCP directly supports Council's priority of planning for sustainable growth. It reflects a thoughtful approach to change—balancing the need for housing and development with the preservation of Salmon Arm's unique character, environmental assets, and livability. It also provides a strong foundation for future neighbourhood planning, infrastructure investment, and coordinated land use decisions.

Community well-being and livability also remained central to the City's work. Continued efforts in housing, public safety, recreation, and infrastructure helped support the quality of life that residents value and help make Salmon Arm such a welcoming place to live.

The City delivered several visible improvements that enhanced daily life in the community. Pump Station 5 at the Little Mountain reservoir became fully operational, and back-up generators were installed at all eight pump stations to help protect water service during outages. A new synthetic playing field opened at Blackburn Park, while a new multi-user path along 11 Avenue and 16 Street NE and evening lighting at McGuire Lake improved accessibility and safety.

At the organizational level, the City remained focused on strengthening capacity and service delivery. Staff across departments advanced major initiatives, including the Water Pollution Control Centre upgrade, while continuing to deliver the core municipal services residents depend on every day.

This year also underscored the importance of public engagement and collaboration. The development of the OCP reflected the value of community input in shaping a shared vision for the future, and the participation of residents and community partners helped strengthen both the plan and the process.

I would like to thank Mayor and Council for their leadership and direction throughout the year, and City staff for their dedication and adaptability in advancing key initiatives while continuing to serve the community each day.

My sincere thanks as well to the residents of Salmon Arm, whose engagement, feedback, and support continue to shape our work. Building a strong and resilient community is a shared effort.

As we look ahead, Salmon Arm is well positioned to build on this momentum. The work undertaken this year has laid a strong foundation for the future, and the City will continue striving to deliver practical results that reflect Council's priorities and the community's aspirations.

Sincerely,



Erin Jackson, Chief Administrative Officer
City of Salmon Arm





Meet Your Council (2022 - 2026)



- Development & Planning Services Comm.
- Council Select Parking Committee
- First Nations Partnerships, West Bay Conn.
- Shuswap Recreation Society
- MIABC Voting (2nd Alt)
- Rail Trail Liaison
- Salmon Arm Fall Fair Liaison

Debbie Cannon



- Development & Planning Services Committee
- Council Select Parking Committee
- Active Transportation Advisory Committee
- Greenways Liaison Committee
- Columbia Shuswap Regional District Rep. II
- Fire Smart Liaison

Tim Lavery



- Development & Planning Services Comm.
- Council Select Parking Committee
- Columbia Shuswap Regional District Rep. I
- Downtown Salmon Arm (DSA)
- MIABC Voting Delegate
- SEP Executive Committee Liaison
- Salmon Arm Economic Development Society

Kevin Flynn



- Development & Planning Services Committee
- Council Select Parking Committee
- Environmental Advisory Committee
- Okanagan Regional Library Board
- Columbia Shuswap Regional District (Alt.)
- Salmon Arm Roots and Blues Festival Liaison
- Salmon Arm Bay Nature Enhancement Society

Sylvia Lindgren



- Development & Planning Services Comm.
- Council Select Parking Committee
- Agricultural Advisory Committee
- Chamber of Commerce
- Community Heritage Commission
- Salmon Arm Museum/Heritage Association Advisory
- Shuswap Community Futures

David Gonella




- Development & Planning Services Committee
- Council Select Parking Committee
- District Arts Council
- Housing Task Force
- Social Impact Advisory Committee
- Shuswap Regional Airport Commission
- Kelowna Airport Committee
- MIABC Voting Delegate and Alternate (1st Alt)
- Okanagan Regional Library (Alt)
- Public Art Advisory Committee

**Louise Wallace
Richmond**

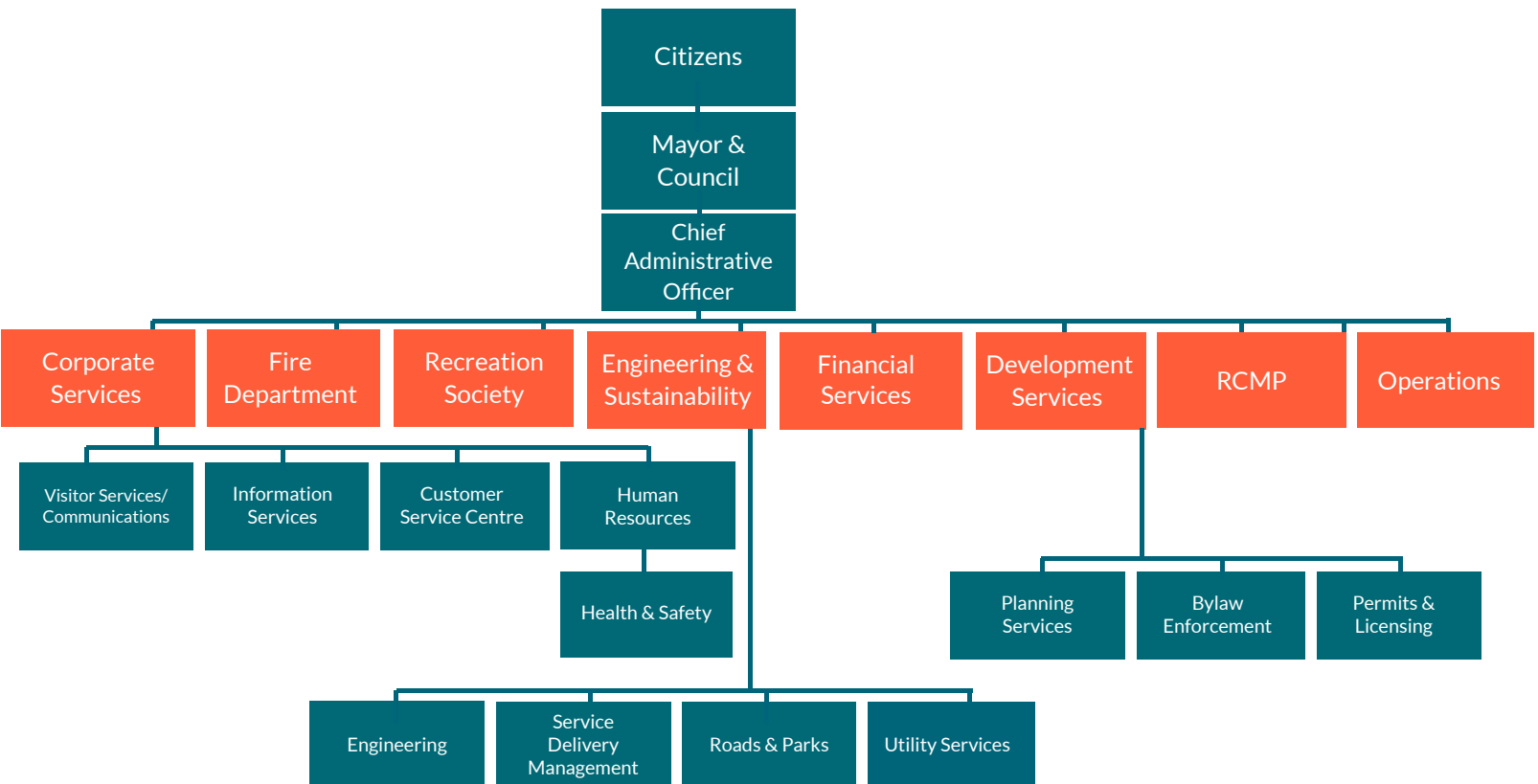


Meet Your City Leadership Team



 (L-R) S/Sgt Simon Scott (Detachment Commander, Salmon Arm RCMP), Patrick Gramiak (Chief Financial Officer), Darin Gerow (Director of Operations), Brad Shirley (Fire Chief), Jenn Wilson (Director of Engineering & Sustainability), Gary Buxton (Director of Planning & Community Services), Erin Jackson (Chief Administrative Officer)

Our Organizational Chart









Our Vision

Salmon Arm is a community that has a comfortable, safe lifestyle and a vibrant feeling. The community deeply values the city's magnificent natural setting with its healthy ecosystems. The city is nestled between mountains and the shore of Shuswap Lake, offering beautiful scenery, greenery, rich agricultural land, and a desirable climate.

As the regional center of the Shuswap, Salmon Arm has an abundance of recreational, educational, commercial, tourism, health care, and cultural opportunities and services. The strong and growing economy supports varied employment and shopping, and innovative businesses and industry.

The community is spirited, diverse and inclusive, with housing for residents of all ages and needs. Everyone works together towards a shared vision of a good quality of life for all.

In the vibrant city center, people live, work, visit, meet, shop and spend time enjoying diverse artistic and cultural activities. Downtown's unique urban identity combines heritage preservation, a walkable environment, and high quality, mixed use developments.

Green space extends throughout the city, including active recreation sites and natural parks with trails. The city abounds with safe walking and cycling opportunities connecting neighborhoods, the city centre, natural areas and parks.



Our Values

- ✓ Commitment to pragmatic leadership
- ✓ Facilitate flexible and balanced planning processes
- ✓ Foster trusted relationships with our partners
- ✓ Respect what makes us unique
- ✓ Enable future generations to inherit a city that is vibrant, prosperous and sustainable
- ✓ Encourage citizen participation and input
- ✓ Ensure an efficient government
- ✓ Excellence in service delivery

Our Guiding Principles



We will support a prosperous, vibrant and welcoming community. We share in the pride of our community as a "Small City with Big Ideas".

We will ensure responsible stewardship of city resources. We are committed to the responsible management of our assets which include our infrastructure, finances, environment, recreation, health and safety.

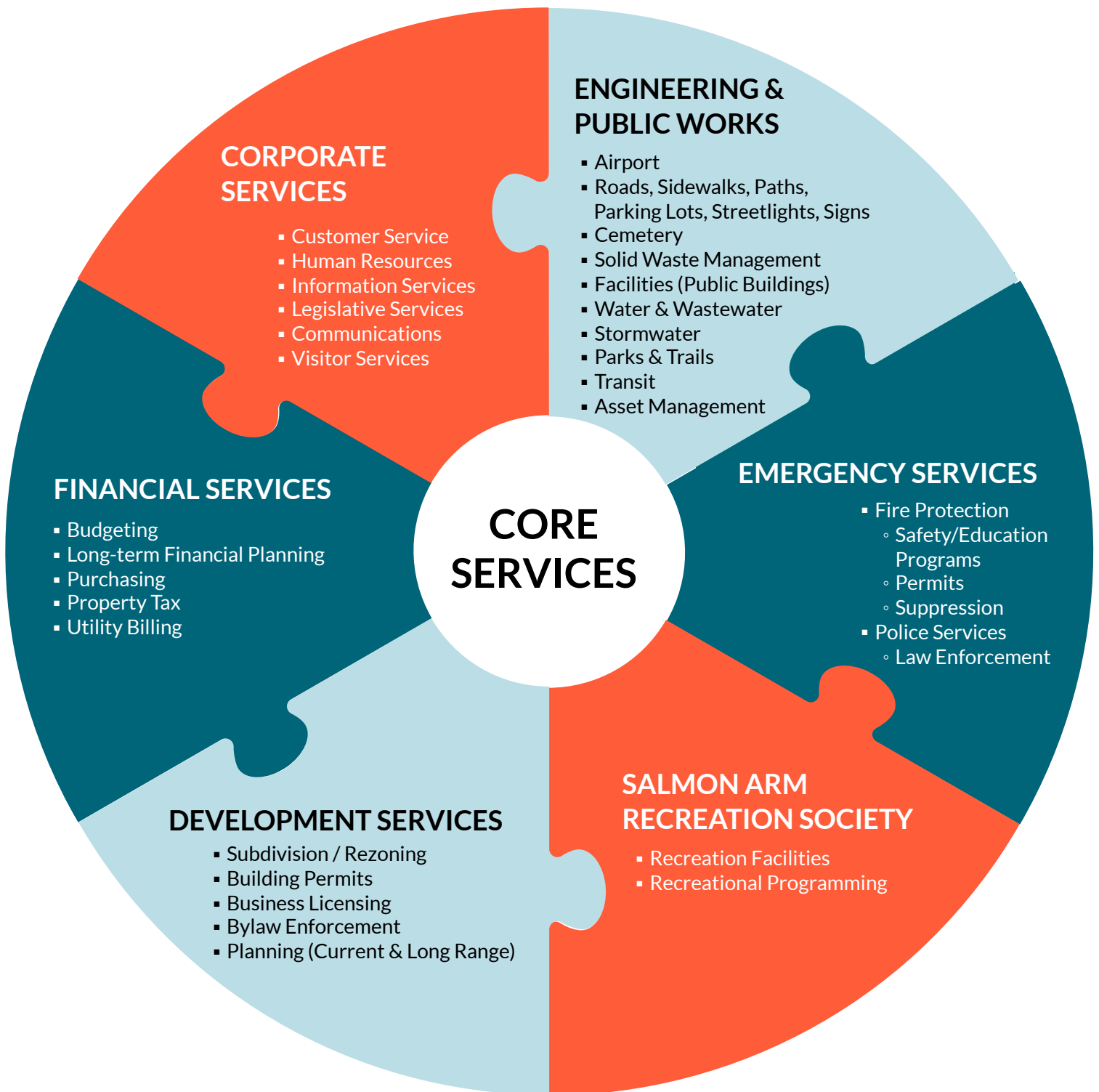
We will clarify expectations for ourselves and the community. Council and staff are committed to creating a common understanding with the community about where the city's time, energy and financial resources will be focused while balancing multiple interests and expectations.

We will convene community partners to leverage knowledge and expertise. We work nimbly to determine where the city may be better positioned to lead, or convene and support community partners who may be better equipped to provide leadership or implement projects outside the scope of core city services.

We will provide excellence in service delivery. We are committed to a high standard of service delivery in all areas of service while also aspiring to meet community needs and expectations within a framework that can realistically respond to growth and changes in society.



Our Core Services



In Salmon Arm, we're dedicated to delivering essential services that enhance community life. Our core departments include: Corporate Services, Engineering & Public Works, Financial Services, Emergency Services, and Salmon Arm Recreation. Corporate Services ensure smooth governance and administrative support, while Engineering & Public Works maintain crucial infrastructure. Financial Services manage resources for sustainable growth, and Emergency Services provide swift, reliable protection. Meanwhile, Salmon Arm Recreation offers diverse programs promoting health and community engagement. Together, these services form the foundation of our city, fostering progress and resilience.

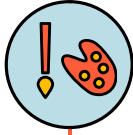
Our Support Services



Economic Development



Affordable Housing



Arts & Culture



Heritage



Health Care/Hospital



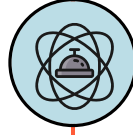
Regional Transportation



Regional Library



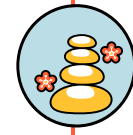
Emergency Planning



Senior Services



Education



Social Well-Being



Tourism

Salmon Arm is not just a city; it's a community thriving on diverse support services catering to all aspects of life. From robust economic development initiatives nurturing businesses to the provision of affordable housing ensuring everyone has a place to call home, the city is committed to fostering growth and inclusivity.

Moreover, its vibrant arts and cultural scene, rich heritage, and access to quality healthcare at the local hospital enhance residents' quality of life. With a well-connected regional transportation network and a comprehensive library system, knowledge and mobility are at everyone's fingertips. Additionally, meticulous emergency planning ensures safety during unforeseen events.

Tailored services for seniors, comprehensive education opportunities, and a focus on social well-being underline Salmon Arm's dedication to holistic community development. Lastly, the city's promotion of tourism showcases its unique charm, inviting visitors to experience the warmth and hospitality that define this remarkable locale.

#SMALLCITYBIGIDEAS

EXIT
LAW COURTS

SALMON
#SAbig

EXPERIENCES
What are your
favourite Salmon
Arm experiences?
SALMON ARM

EXPERIENCES

GAMERPINUS

SALMON ARM
#SoCityAdvent



Five Strategic Drivers



PEOPLE

We will make Salmon Arm a great place to live.



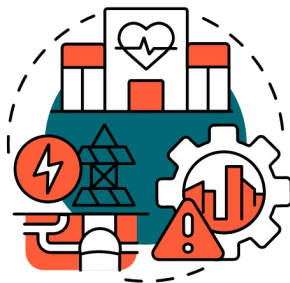
PLACES

We will continue to foster our 'small city' lifestyle in the heart of the Shuswap.



ENVIRONMENT

We will protect and enhance our natural environment.



ASSETS

We will diligently invest in infrastructure which serves as the foundation of the community over the long term.



ECONOMY

We will support initiatives which encourage and enable economic prosperity.

Our Corporate Strategic Plan

The City of Salmon Arm's Corporate Strategic Plan provides a clear sense of what the community is striving for over the next ten (10) to fifteen (15) years, and it sets direction for policies that exist within the Official Community Plan. The main objective of the Corporate Strategic Plan is to translate the City's vision and policies into actions that are necessary to ensure tangible outcomes that provide real benefit to the community. Through a series of discussions with City Council and staff, as well as a comprehensive survey of residents and community organizations, five key themes emerged that drive the City towards its vision.

These strategic drivers represent several long term objectives that need to be achieved if Salmon Arm is to realize its community vision. The strategic drivers provide a balanced framework for ensuring that the City considers its investments and projects from a holistic perspective rather than unintentionally advancing one objective at the expense of another. Keeping these strategic drivers in mind during planning help the City balance aspirational objectives with operational considerations, and ensure that only those priorities deemed to be of the highest benefit to the community are undertaken. One of the main benefits of considering projects through the lens of multiple strategic drivers is that it brings more clarity to the issues at hand and allows greater collaboration between City Council, staff, and the community. Core Supplementary Service Achievements and goals are identified by their strategic drivers. Please visit City Hall, the City website at salmonarm.ca or scan the QR code to view the Corporate Strategic Plan.

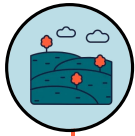


www.salmonarm.ca/292/Corporate-Strategic-Plan

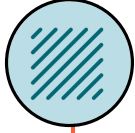




Community Profile



Elevation 358 m



Area 18,541 ha



Population 21,192

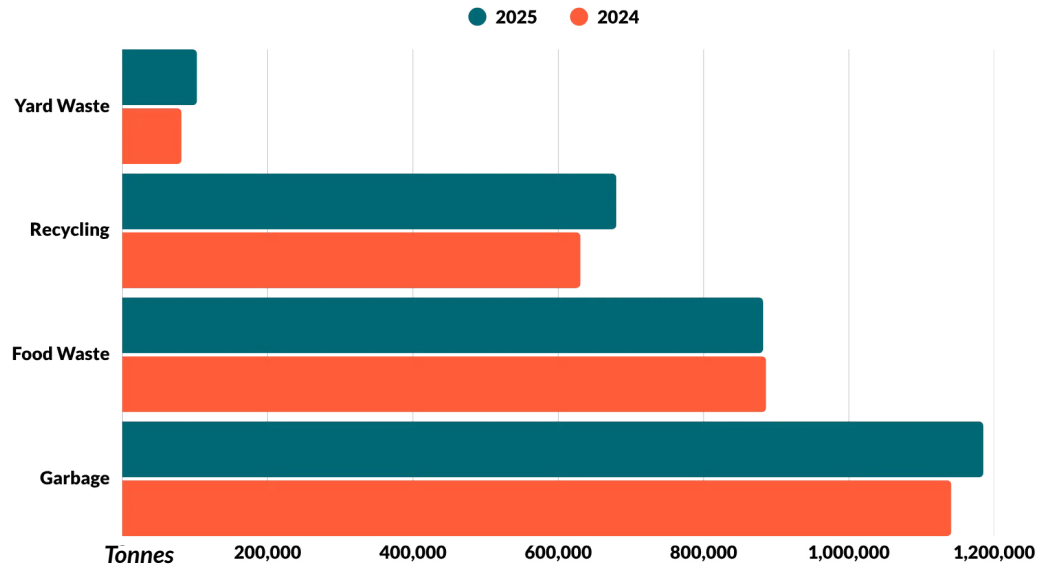


Approx. # of Voters 15,619



Water Mains 204 km

Curbside Collection



Bylaw Services

- 631 incident reports in 2025 vs 651 in 2024



Downtown Parking Enforcement

- 1,200 tickets issued 2025 vs 1,140 tickets issued in 2024



Roads

- 5,652 tonnes of asphalt placed
- 153 km of line paint applied
- 30 km of crack seal applied
- 14 street lights converted from HPS to LED (98% of City converted)



Fields

- Open 200 days (April - October)
- Fields booked for 7,500 hours
- 100,000 visits per season



Rogers Rink

- 92,000 sq/ft w/ 1,500+ seating
- 2,100+ total capacity
- 5,390 bookings per year
- 365,000+ visitors per year



Surfaced Roads: 194 km



Active Transportation: 266 km



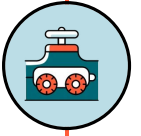
of Active Business Licenses



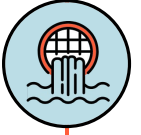
5,508 Sanitary Service Connections



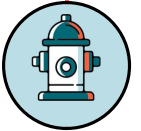
6,451 Water Service Connections



263.3 km Storm & Sanitary Mains



881 Water Hydrants



Fire Services

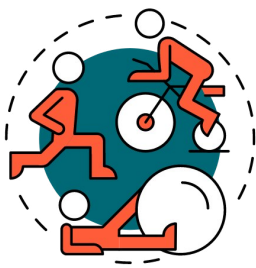


- 5 engines, 3 tenders, 1 aerial ladder, 1 platform tower
- 1 rescue unit, 2 bush units, 3 admin vehicles
- 529 calls for service

Parks



- 16,400 annual plants planted
- 382 hanging baskets planted & hung
- 12 city owned & maintained playgrounds



SASCU Recreation Centre

- 54,000 participants in dry land activities
- 91,000 visitors to Aquatic Centre
- 145,000 visitors to Rec Centre



Visitor Services

- 9,021 mobile outreach visitors
- 1,629 visits to the Visitor Centre
- 4 DT Pillars, 3 Digital Kiosks, 2 Outdoor Kiosks & 1 Wharf Info Hub



Police Services

- 7,943 calls for service
- 6,113 within Salmon Arm
- 306 PBVS incidents
- 457 PBVS clients supported

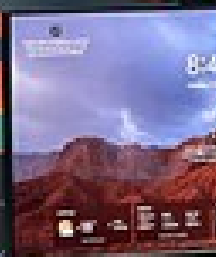
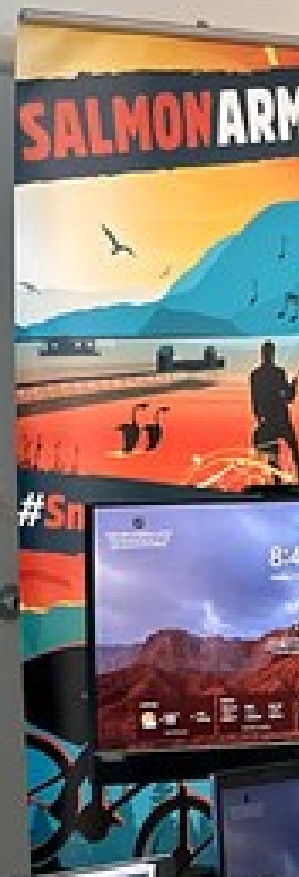


Building Permits Issued: 158



Value of Building Permits: \$61,900,000

CITY OF
SALMON ARM





Who Does What?

| MUNICIPAL GOVERNMENT | REGIONAL DISTRICT | PROVINCIAL GOVERNMENT | FEDERAL GOVERNMENT |
|--|--|--|---|
| <ul style="list-style-type: none"> ▪ Road & Sidewalk Maint. ▪ Snow Removal ▪ Water Supply ▪ Sewer System Mgt. ▪ Storm Water Mgt. ▪ Airport ▪ Solid Waste Collection ▪ Parks, Trails and Playgrounds ▪ Cemetery ▪ Recreational Facilities ▪ Bylaws ▪ RCMP Budget Allocation ▪ Fire Rescue ▪ Business Licenses ▪ Community Planning and Development ▪ Municipal Property Tax | <ul style="list-style-type: none"> ▪ Solid Waste Management (landfill, recycling depot and transfer stations) ▪ Residential Services Outside City Boundaries ▪ Regional Parks and Recreation ▪ Rural Area Planning & Development ▪ 911 Operation ▪ Fire Dispatch ▪ Emergency Management | <ul style="list-style-type: none"> ▪ Schools ▪ Provincial Parks ▪ Crown Land Resource Extraction ▪ Health Care ▪ Social Services ▪ WorkSafe ▪ ICBC ▪ Subsidized Housing ▪ Post-Secondary Education ▪ Highway Maintenance (including highways within city boundaries) ▪ Provincial Income Tax ▪ Provincial Property Tax ▪ Sales Tax ▪ Heritage Conservation | <ul style="list-style-type: none"> ▪ Income Tax ▪ Employment Insurance ▪ Child Tax Benefits ▪ Student Loans ▪ Military ▪ National Parks ▪ International Travel ▪ Banking ▪ Criminal Law ▪ Foreign Affairs ▪ Railways |







Departmental Report: Corporate Services



Appointed under the Community Charter, the Chief Administrative Officer (CAO) implements the Council's direction guided by the Corporate Strategic Plan and leads service excellence across city operations and programs by providing leadership and direction to Senior Managers.

Corporate Services: Corporate Services supports legislative procedures of council meetings and ensures decision-making and record keeping is followed and accessible under the *Freedom of Information and Protection of Privacy Act*. Legal and administrative services provided by this department include: the preparation and execution of leases, agreements and the development of bylaws, policies and procedures. This department manages insurance and is responsible for municipal elections, corporate document management and the City's Annual Report.

Human Resources: The Human Resources Department provides strategic direction, vision, and leadership to the City's management team and unionized employees, CUPE Local 1908. The department is responsible for recruitment and selection of staff, performance management, disability management, labor relations, collective bargaining, health and safety, training and development.

Customer Service: As a first point of contact for information and support to the public, Customer Service at City Hall is a wealth of knowledge about the latest city services, operations and programming.

Information Services: The role of Information Services is to ensure reliable, stable and up-to-date technology systems to support municipal services and serve the public. This ever changing environment requires ongoing review for new and innovative technology solutions.

Geographic Information Services: Our spatial Geographic Information Systems (GIS) provides support to all departments for reporting and map generation. In addition, a public interactive mapping system is available on the city's website with the capability to search for addresses, zoning and various utility services.

Visitor Services: Since its launch in 2021, the Visitor Services framework has continued to provide strong support to both residents and visitors through three primary channels: the physical Visitor Centre located at City Hall, mobile outreach that travels throughout the community during peak seasons and events, and digital outreach delivered through online platforms and resources.

In 2025, Visitor Services welcomed 1,529 visitors at the City Hall Visitor Centre and connected with 9,021 individuals through its mobile outreach program. The strategy also includes weekly mobile deliveries to businesses and accommodations, three digital kiosks, two outdoor kiosks, the Wharf Info Hub in Marine Peace Park, and four downtown visitor information pillars – all designed to enhance accessibility and strengthen connections with both visitors and local residents.

Building on these efforts, the City of Salmon Arm has launched a new Destination Marketing Organization (DMO) in partnership with the Salmon Arm Economic Development Society's Municipal and Regional District Tax Program (MRDT). This two-year pilot program aims to attract visitors and position Salmon Arm as a year-round destination through coordinated marketing and partnerships.



Achievement: New columbarium niche in Shuswap Memorial

Goal:
First Council Select Parking Committee Meeting



Achievement:
Implementation of Board Manager

Goal: Host FIFA World Cup Watch Party



Achievement: 28 Bylaws adopted

Goal: Community to Community Forum



Departmental Report: Financial Services



The Financial Services Division, led by the Chief Financial Officer, helps support the delivery of City services and programs through responsible financial management, planning, and reporting. The division provides financial expertise and information to Council, City departments, residents, businesses, and customers to support accountability, informed decision-making, and responsible stewardship of public funds.

Financial Services is responsible for preparing and coordinating the City's five-year financial plan, long-term financial and capital planning, equipment and infrastructure replacement planning, annual financial statements, legislated financial reporting, and related financial bylaws, policies, and procedures. The department also maintains financial controls to help protect City assets.

The department's core responsibilities also include purchasing, accounts payable, accounts receivable, payroll and benefits administration, property taxation, utility billing, grant administration, and treasury functions such as financing and investing.



Achievement: Increased the use of electronic pay statements, improving convenience for employees and reducing paper-based processes.

Goal: Implement online timesheets to improve payroll processing and reduce manual administration.



Achievement: Improved the budget development process to support more efficient planning, review, and coordination across departments.

Goal: Improve the City's accounting structure to support clearer financial reporting and better decision-making.



Achievement: Strengthened the way financial information is transferred between systems, supporting more efficient operations and reporting.

Goal: Expand electronic billing for utilities and property taxes to provide more convenient service options.



550
COURTS

BYLAW ENFORCEMENT

BYLAW

Departmental Report: Development Services



Development services consists of land use policy planning and development approvals, bylaw enforcement services, building inspection and business licensing and the health and safety program. This department provides reports to City Council and routinely interacts with the public, the development industry, numerous committees and higher-level government agencies.

Planning and Development: The Planning Department processes a steady flow of current planning activities and applications, involving development, subdivision, and land use proposals. Fifty two (52) planning applications were processed, down from 72 in 2024, with many of those submitted to Council for decisions (there were 73 in 2022). Fifteen (15) of the applications were development or variance permits. Nine (9) of the applications were for zoning or Official Community Plan (OCP) amendments. Development levels therefore remain at significant levels, but at lower levels than recent years. Twenty (20) new single-family lots were approved for registration through 10 subdivision applications, activity levels that were all lower than in 2023 and 2024, and indicating a move toward multi family developments. Significant staff time was spent in 2025 on the completion of the review of the OCP that was adopted in December. Planners continued with their support roles on the City's Agricultural Advisory, Greenways, Active Transportation Advisory Committees, Design Review Panel and Heritage Commission.

Bylaw Enforcement: Bylaw staff continue to work closely with the RCMP, Interior Health and the Canadian Mental Health Association (CMHA) homeless outreach workers on homelessness issues and encampments, and this continues to be a significant source of work for the Department. The Downtown parking enforcement program operated in the summer months, with over 1,200 tickets issued (compared to 1,140 in 2024 and 818 for 2023). The Department recorded an overall total of 631 incident reports through the year. Animal control services were brought in house in 2025; previously those services had been provided by a private contractor. A new Animal Control Bylaw to replace the Pound and Animal Control Bylaw was introduced in 2025, and adopted in early 2026.

Building Department: Building staff provide the construction industry with professional and timely inspections services and plan and permit review, with the objective being to ensure the safety and structural integrity of new buildings. Inspection services range from building, plumbing, signage and business occupancy. The construction industry remained strong in 2025, specifically in the residential sector. The total number of building permits issued trended down in 2025; however the total value of construction remain at near record levels. The number of new housing units did decrease in 2025.

Business Licensing: Business license review requires that new applications are checked for compliance with City requirements, such as the Zoning Bylaw, and business premises are inspected for fire prevention and public safety. The number of active licenses provides an indicator of current commercial activity. The number of active business licenses increased from 1,493 in 2024 to 1,520 in 2025, continuing the recent trend that has seen licensing numbers grow in parallel with the overall community. The City participates in the Okanagan-Similkameen intercommunity business licensing and information sharing program.

Health & Safety: The Health and Safety Program is responsible for developing and overseeing the overall safety program at the City to ensure that our work is conducted safely at all times, and is consistent with the requirements of the Workers Compensation Act and the Occupational Health and Safety Regulation. The department works closely both with WorkSafeBC and all managers and supervisors at the city to ensure safe work practices are followed.



Achievement: Adoption of the Official Community Plan (OCP)

Goal: Completion of an updated Building Bylaw



Achievement: Review of the Development Cost Charge (DCC) Bylaw

Goal: Start Zoning Bylaw comprehensive review



Achievement: New Animal Control Bylaw

Goal: Completion of the updated Development Cost Charge (DCC) Bylaw



Departmental Report: Engineering Services



Engineering and Sustainability Services oversees the safe use, planning, design and construction of City assets including: utilities, (sewer, water and storm), transportation (roads, sidewalks, parking lots), service delivery management and environmental programs. The overall role of the department is to provide proactive planning, expansion, renewal, and maintenance advice for both developer contributed and City owned assets. The department also prepares technical documents which accompany regulatory bylaws (such as water, sewer, subdivision and development servicing, highway and traffic control). The department plays an integral role through its Service Delivery Management responsibilities for the long-term planning of infrastructure design and costing and managing the City's infrastructure to promote sustainability.

Capital Works Program: The Engineering and Sustainability team administers the annual Capital Works program consisting of replacement and expansion of water, sewer, drainage and transportation assets. In 2025, there were 84 active capital works, studies or assessment projects managed by the Engineering Department valued at over \$28 million. This division also provides technical support to the Operations teams.

Development Support: The Engineering and Sustainability team ensures that development within the City is completed in a safe and efficient manner that meets engineering best practices and City bylaws. This division supported 11 subdivision files, 142 Building Permits, eight Development Permits, 12 Variance Permits, seven rezoning Applications and three ALC applications in 2025.

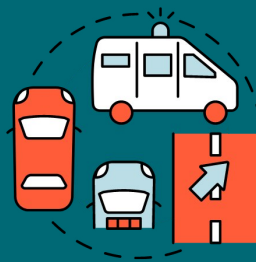
Environmental: The Engineering and Sustainability team continues to deliver and enhance environmental programming such as curbside collection services, water conservation programs, source protection control action, LED street lighting conversions, tree planting and xeriscaping efforts as well as improvements to policies and bylaws. The City continued work on a Climate Resiliency plan in 2025 lead cooperatively by the Engineering and Sustainability and Planning Departments. The Climate Resiliency Plan will be complete in 2026 and provide strategic direction for adaptation and mitigation actions throughout the organization.

Service Delivery Management: The Service Delivery Management program was created to advance the City's asset management priorities as identified within the Corporate Strategic Plan. The Engineering and Sustainability team is responsible for completing, overseeing, and implementing the City's Service Delivery Management Plans, which will include the full scope of municipal services as opposed to traditional asset management planning around core infrastructure. Service Delivery Management reviews how services are currently being provided to the community then evaluates and plans for potential risks of service interruption, such as: funding levels, changes in community needs, extreme weather events or asset conditions. Proactive planning and risk management helps to ensure sustainable delivery of city services and plays a key role in achieving the city's strategic goals and objectives.



Achievement: Sanitary Dump Station opening, serving 899 customers in the first year

Goal: Technology selection and preliminary design completion for the Stage IV WPCC Upgrade



Achievement: Progressed the Climate Resiliency Plan – providing strategic guidance for sustainability and community resilience

Goal: Construction of the 30 Street and 11 Avenue NE Round-about

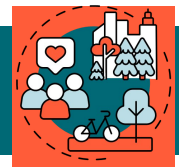


Achievement: Creation and commencement of a storm and sanitary condition inspection program

Goal: Transportation Master Plan completion – providing strategic guidance for growth



Departmental Report: Public Works



Public Works is comprised of Roads, Transportation, Parks and Utilities (including water and wastewater treatment facilities). The role of the department is to ensure that pro-active planning and maintenance of the City's infrastructure takes place to maximize the life span and realized value of the assets that/which support our services. This department seeks to foster good communications with the community, while working together to achieve the best balance between cost and benefit.

Roads and Transportation: This division provides a wide range of services to the community including the snow removal on over 400 lane kilometers of roads as well as the construction, paving, concrete works and maintenance of all municipal roads and sidewalks. The roads department also performs grading and dust control of gravel roads, maintains signs and traffic markings, parking lots, street lighting, bridges and culverts, catch basins

Parks: The Parks Department is responsible for the maintenance, safety, and enhancement of the City's recreational spaces, including parks, sports fields, playgrounds, wharfs, and beaches. our team ensures that all park equipment and public spaces meet safety standards, while also provide ongoing beautification and upkeep of green spaces and the downtown core. We support long-term community needs by planning and implementing service expansions identified in the City's Parks Master Plans, ensuring our parks and open spaces remain vibrant, accessible, and welcoming for residents and visitors.

Facilities and Fleet: This department oversees a portfolio of over 185 vehicles and equipment and over 87 buildings and structures. The department is working on gathering asset inventories, including conditions for buildings and structures and is focused on proactive maintenance programs for both facilities and fleet.

Drainage: The City of Salmon Arm, under both the utilities and roads divisions, is responsible for the maintenance and ongoing development of the storm water collection system. The storm lines, ditches, catch basins, inlet/outlet structures, culverts, and retention ponds are maintained within the limits of available budgets to ensure there are no issues with run-off water.

Utilities: The Utilities division provides for the efficient treatment and delivery of high-quality water and the collection and treatment of sanitary sewer through a schedule of systematic maintenance, upgrades, and replacements. The water and sewer utilities have self liquidating funds that 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.

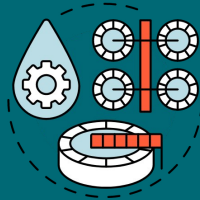
Sanitary Sewer System: The City of Salmon Arm's sanitary sewer collection system consists of 127 km of gravity and force main sanitary sewer pipes. There are seven sewer lift stations that collect and pump sewerage to the Lakeshore Sewer Interceptor located along the foreshore where it connects to Wharf Street Pump Station which then pumps the sewerage directly to the Water Pollution Control Centre (WPCC). The WPCC provides an enhanced tertiary level of treatment of the wastewater, meeting the guidelines set by the Ministry of Environment to protect the public and the environment.

Water Treatment/Distribution System: The City of Salmon Arm's water is supplied by way of two primary sources: East Canoe Creek at Metford Dam (approximately 10%) and Shuswap Lake at Canoe Beach (approximately 90%). The distributed water, after treatment, consistently meets the Canadian Drinking Water Guidelines, the BC Drinking Water Protection Act and the Safe Drinking Water Regulations. The City's waterworks system provides water throughout the community by both gravity and pump systems. The network is complex and is comprised of 204 km of water mains, eight pressure zones, 888 hydrants, seven pumping stations, 14 reservoirs and one dam.



Achievement: Install new Generator for the Water Treatment Plant

Goal: Parks and Recreation Master Plan update



Achievement: : Blackburn Park Synthetic Field construction

Goal: Crack Seal - parking lots and roadways (in-house operations - first time)



Achievement: Installed two large capacity culverts: 30 Street SW & 50 Street NW

Goal: Complete process selection for the Water Pollution Control Center future expansion



Departmental Report: Recreation Services



The Shuswap Recreation Society, through a lease and operating agreement with the City of Salmon Arm, is responsible for providing recreational and leisure services to the community and operates as Salmon Arm Recreation.

With a focus on promoting active living, safety, and personal development in a cost effective manner Salmon Arm Recreation works on creating an inclusive and accessible atmosphere. To help increase accessibility, Salmon Arm Recreation offers an Access Program which helps to breakdown financial barriers for those that need additional assistance.

Salmon Arm Recreation is also responsible for the scheduling of Rogers Rink, SASCU Recreation Centre, Little Mountain Field House, and various fields, parks, and gazebo's throughout the community.

SASCU Recreation Centre: The SASCU Recreation Centre offers a wide range of spaces for hosting meetings, events, activities, and programming that helps promote the health and wellness of our citizens. The 5800sq.ft Auditorium is busy with registered, drop-in, and private sports and activities while providing a great venue for community events. This facility also houses a pool with an indoor lap pool, wading pool, hot tub, and sauna. The aquatics staff work hard to create a warm and inviting atmosphere for all that attend the pool. Swim lessons have increased to encourage safety around the water for all ages. Further training opportunities are also available for those interested in improving their skills on safety. General public access to public swims, lane swimming, and the newly popular "Heat Retreat" times make accessing the pool easier than ever.

Programming Services: Salmon Arm Recreation programs range in age from toddlers to senior with something for everyone in between. Whether you're looking to attend a drop-in or registered program with a programming assistants or local contractor leading the way, there is always an opportunity to stay active. If the activity you are looking for is not being offered in the seasonal "Fun Guide", Salmon Arm Recreation also offers the "Get Active Guide", a free information guide to all the community organizations or businesses for you to find the activity that fits your needs.

SASCU Sports Complex at Little Mountain: The Little Mountain Fieldhouse is part of the SASCU Sports Fields at Little Mountain complex consisting of three regulation size soccer fields next to Little Mountain Park. It is a great venue for meetings, birthday parties, small weddings or any other function at a reasonable rate. Little Mountain Fieldhouse has a seating capacity up to 60 people with a warm and inviting atmosphere.

Rogers Rink: Rogers Rink provides two NHL regulation sized ice surfaces. The 1500+ seating layout on Spectator Arena is home to the BCHL's Salmon Arm Silverback's. It is also home to minor hockey, adult rec hockey, hockey schools, ringette, speed skating, figure skating, and lacrosse. Rogers Rink provides the ability to host a variety of events for the community on and off the ice. From International Skating shows, BC Hockey's - U16 BC Cup, Home Shows, concerts, and community fundraiser's, Rogers Rink is a pivotal piece of Salmon Arm's Recreational foundation.



Achievement: Decommissioning Memorial Arena

Goal: Spectator Lighting Upgrade



Achievement: Energy Conservation Measure, Ammonia Desuperheater - Rogers Rink

Goal: Fitness Room Improvement Project



Achievement: Transition to new scheduling software

Goal: SASCU Recreation Centre - Exterior Painting Project



Departmental Report: Police Services



The Salmon Arm Royal Canadian Mounted Police (RCMP) Detachment is committed to ensuring the safety of the community. As the policing environment becomes more complex, preserving the peace, upholding the law and providing quality service is achieved by focusing on the strategic priorities set through consultation with City Council and our community. The detachment provides specific programs and services to achieve these priorities, including: public education, enforcement, prevention and protection activities.

Salmon Arm is policed by the RCMP. The Staff Sergeant in charge of the Salmon Arm Detachment reports to the District Officer at the Royal Canadian Mounted Police Southeast District Headquarters, in Kelowna. The Southeast District RCMP Headquarters provides assistance and asset support to the Salmon Arm Detachment. RCMP Specialized Response Teams, Police Dog Services, RCMP Rotary and Fixed wing aircraft and additional investigative teams are deployed through this hub. The Salmon Arm Detachment is responsible for policing within the City of Salmon Arm as well as the regional area of Columbia Shuswap Regional District and three First Nations Communities: Adams Lake Band, Neskonlith Band, and Little Shuswap Lake Band which are part of the Secwepemc Nation.

There are 26 regular member police officers who staff the Salmon Arm Detachment. Twenty-one of these officers are financially supported by the City of Salmon Arm. The remaining five officers are financially supported by the provincial government. These members are supported in their duties by six municipal employees, two public service employees, a Police Based Victim Services unit, and volunteer Salmon Arm Citizens Patrol as well as Blind Bay Citizens Patrol.

Members of the Salmon Arm Detachment are involved in community policing initiatives, youth mentorship, and crime reduction with a mandate to enforce municipal bylaws, provincial statutes, and Federal Acts. In 2025, members and support staff handled 7,943 calls for service and investigations. 6,113 of these calls for service were within the City of Salmon Arm. The balance were calls for service in the Columbia Shuswap Regional District which this detachment of the RCMP serves.

The detachment encompasses three sections: General Duty, which includes day to day policing, traffic enforcement and community policing measures; a Traffic Member position; and General Investigation Section, which targets specific crimes and individuals involved with drugs, major thefts and other high-profile cases. The Detachment has a close working relationship with many government agencies including Provincial and Federal Crown Counsel, Youth and Adult Probation Services, all Provincial Ministries, Work Safe BC, Interior Health Authority, CMHA, the British Columbia Coroner's Service, City of Salmon Arm Bylaw Enforcement, and the SAFE Society. In strategic partnership with community groups and these agencies (and other agencies) the detachment worked together to achieve common goals.

Police-based Victim Services (PBVS) is based in the RCMP Detachment and consists of one position which is shared by two employees. The PBVS unit provides support and information to victims of crime, persons affected by family tragedies, supports victims through the court process, and refers clients to local Community-based Victim Services at the "Safe Society" as required. The PBVS unit responded to 306 incidents in the last fiscal year and supported 457 clients in that time

Another important support to the local detachment is the Salmon Arm Citizens Patrol (SACP) and the Blind Bay Citizens Patrol (BBCP). These Citizen Patrol groups are comprised of a dedicated group of volunteers who act as extra sets of eyes and ears for the local RCMP Detachment. The groups patrol designated areas in Salmon Arm, Canoe and the Blind Bay areas. Both groups also staff the "Speed Watch" speed-display boards within their respective areas. SACP members also staff information booths at local events and venues, and are of assistance to local response teams during civil emergencies.



Achievement: Increased proactive patrols in high-crime areas

Goal: Target prolific property offenders



Achievement: Increased traffic enforcement throughout Salmon Arm

Goal: Focus traffic enforcement on impaired driving, driving offences, and high-collision areas



Achievement: Strengthened relationships with community partners

Goal: Continue building community partnerships and maintaining a visible community presence



Departmental Report: Fire Services



The Salmon Arm Fire Department provides comprehensive emergency response, fire suppression, and rescue services while actively promoting fire prevention, public education, and community preparedness. Through ongoing training, equipment upgrades, and collaboration with regional partners, the department ensures the safety and resilience of the community it serves.

Since 1913, the Salmon Arm Fire Department has been committed to serving the residents of Salmon Arm professionally and efficiently.

In 2025, the Department responded to 524 calls for service, reflecting its continued commitment to protecting life, property, and the environment within the community. As in past years, career and paid on-call members demonstrated dedication, professionalism, and readiness across a wide range of incidents.

Paid on-call membership remained consistent with the previous year, totaling 64 members, including seven who completed the year-long recruit training program and achieved Provincial Full Service certification through College of the Rockies. The paid on-call model continues to rely on highly committed individuals balancing emergency response duties with work and family commitments.

In addition to regular weekly training, members completed numerous specialized courses, including Hazardous Materials (Haz-Mat) Operations Level certification, made possible through funding received through the 2025 Community Emergency Preparedness Fund grant. Training at the Regional Fire Training Centre also continued throughout 2025.

The Department's four strategically located fire halls continue to serve Salmon Arm well, with the expansion of Fire Hall No. 2 expected to be completed in early 2026. No new apparatus was purchased in 2025.

The Department continues to take a proactive approach to FireSmart, Fire Prevention, and Public Education activities. FireSmart initiatives in 2025 included participation in the Salmon Arm Home Show and Fall Fair, presentations to community groups, collaboration with five neighbourhoods participating in the Neighbourhood Recognition Program, Plant Program assistance, local school education programs, home assessments, and fuel mitigation work on Little Mountain. Approximately 250 people attended FireSmart presentations and public sessions throughout the year.

Public education events involved partnerships with organizations including Pivot Point Alternative Education, Okanagan Regional Library Story Time, Shuswap Immigration Services, Scouts Canada, elementary schools, daycares, City staff orientations, McHappy Day events, and the Fire Chief for the Day program. Approximately 400 attendees participated in public education activities throughout 2025.

In 2025, the Fire Department completed more than 900 safety inspections, working with local business owners and merchants to help meet BC Fire Code requirements. The Prevention Division also reviewed building plans, fire alarm systems, emergency access and egress, and sprinkler system plans for new commercial developments, while continuing the Smoke Alarm Program and pre-incident planning for new six-storey residential and other large buildings throughout the community.

The Department's response to 524 calls in 2025 highlights the essential role firefighters play within the community. Members remain committed to continuous improvement, public safety, and serving with professionalism and pride.



Achievement: Secured \$40,000 Community Emergency Preparedness Fund Grant

Goal: Complete Fire Hall 2 Expansion



Achievement: Members completed HazMat Operations Level training

Goal: Continue FireSmart mitigation and neighbourhood outreach



Achievement: Seven recruits achieved Full Service accreditation

Goal: Complete Community Wildfire Resiliency Plan and pursue grants

Message from the CFO



CITY OF SALMON ARM

May 25, 2026

I am pleased to present the City of Salmon Arm's 2025 Annual Report, which includes the audited financial statements and a summary of the City's financial and operational activities, pursuant to Sections 98 and 167 of the Community Charter.

The Financial Services Division is responsible for the preparation of the financial statements in accordance with Canadian Public Sector Accounting Standards. Management maintains a system of internal controls designed to safeguard assets and provide reasonable assurance that reliable financial information is produced.

The City's financial statements have been independently audited by BDO Canada LLP in accordance with Canadian generally accepted auditing standards. In their opinion, the financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2025, and the results of operations, changes in net financial assets, and cash flows for the year then ended.

The City continued to strengthen its financial position in 2025, with net financial assets increasing to \$48.9 million (2024 - \$41.9 million), primarily reflecting growth in investment balances partially offset by a planned reduction in cash. The City's accumulated surplus increased to \$301.5 million, supported by an annual surplus of \$8.2 million.

Investment in tangible capital assets remained a priority, with total additions of \$12.1 million in 2025. These investments support critical infrastructure renewal and expansion, helping to meet the needs of a growing community while reducing long-term risks and maintenance costs.

The City continues to demonstrate prudent debt management. Long-term debt decreased to \$17.2 million (2024 - \$19.9 million) as repayments exceeded new borrowing. The City remains well within its legislated borrowing limits, maintaining flexibility to respond to future capital requirements.

Revenues for 2025 totaled \$49.3 million, an increase from \$47.0 million in 2024. The increase was primarily driven by higher taxation revenues and development-related contributions, partially offset by lower returns on investments reflecting changing market conditions.

Expenses for 2025 totaled \$41.1 million, compared to \$40.5 million in 2024. The increase was mainly attributable to wage and benefit pressures, along with higher costs associated with maintaining and operating the City's infrastructure and delivering core services.

The City continues to maintain strong reserve balances and financial flexibility to support future capital investments, respond to emerging priorities, and manage financial risks. Careful long-term financial planning remains essential to balancing infrastructure demands, service levels, and affordability.

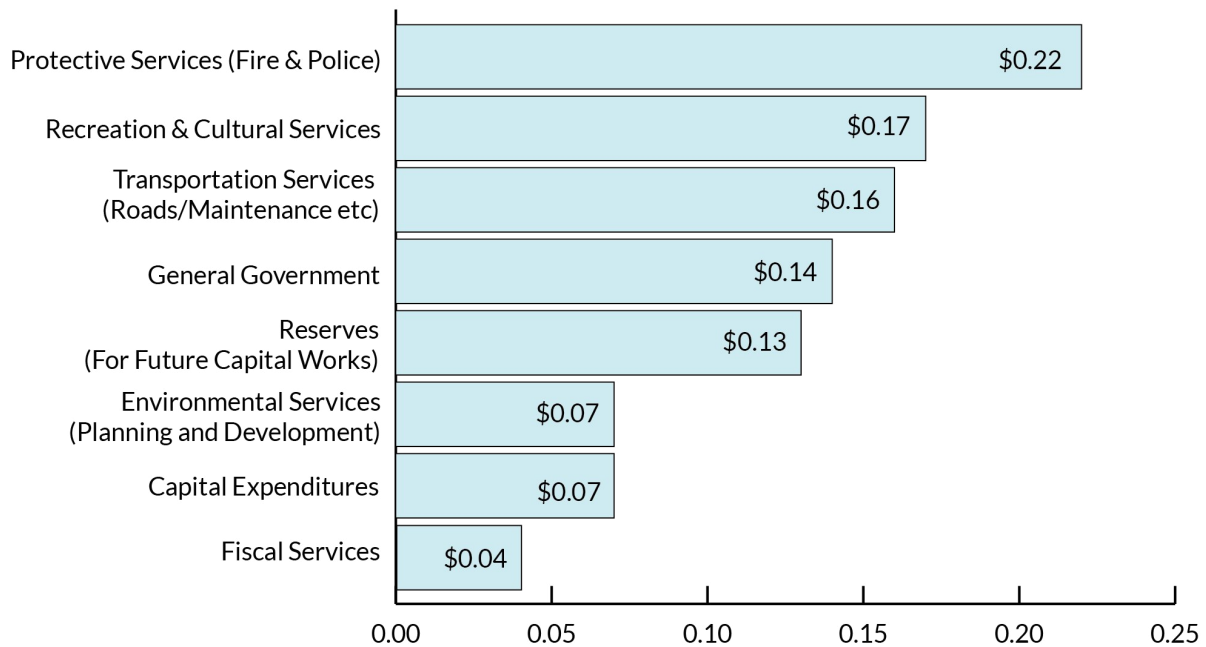
It has been a privilege to continue serving the City of Salmon Arm and this community. I remain committed to supporting Council's strategic priorities through responsible financial management and transparent reporting.

Sincerely,



Patrick Gramiak, CPA, CA
Chief Financial Officer
City of Salmon Arm

Distribution of Municipal Tax Dollar



This graph reflects the portion of each municipal tax dollar that funds each function with the city's annual budget. For example \$0.17 of each dollar levied funds Recreation and Cultural Services.



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SALMON ARM

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MULTICAST

Eko
MULTICAST

Annual Budget



The City is responsible for delivering a wide range of services to residents and the business community. The core services provided by the City are outlined in greater detail on page X of the annual report. These services account for the majority of the City's resources. Salmon Arm taxpayers also contribute to a number of regional services, such as the Shuswap Emergency Program, through the Columbia Shuswap Regional District.

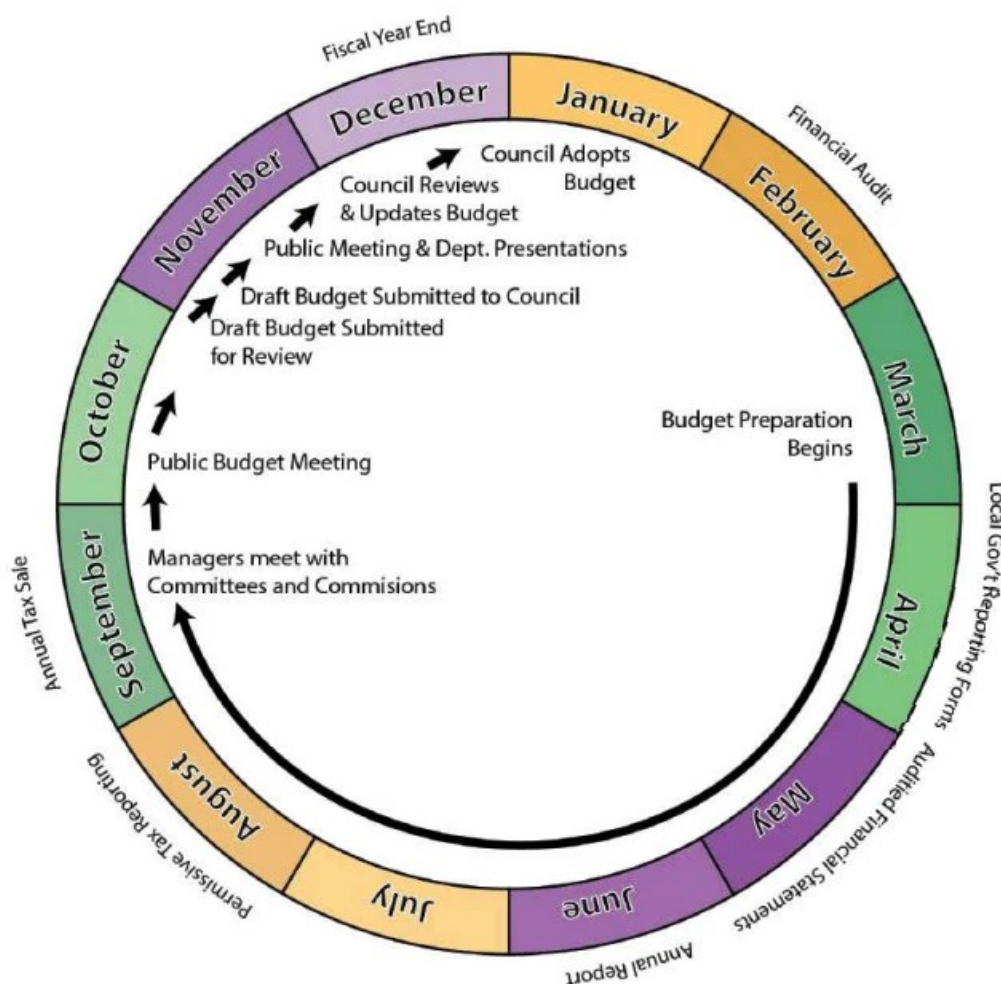
Each year, the City begins preparation of its annual budget to help ensure that financial resources are aligned with Council's priorities and community needs. Public input is sought as part of the budget process, generally through public consultation held in the fall, and Council places significant value on the feedback received through consultation. Council is presented with the proposed budget for the upcoming year following review by staff, and the budget is ultimately adopted by bylaw.

The budget serves as both a financial plan for the upcoming year and a longer-term planning tool that reflects the goals, objectives, and priorities of the community. The operating budget projects revenues and expenditures for the current year, while the capital budget identifies the capital projects approved by Council and is updated on an ongoing basis as new information becomes available. The budget supports the ongoing operation and maintenance of key service areas, including water and sewer systems, transportation networks, parks and recreation, fire protection and policing services, the airport, cemetery, development services, and legislative services.

Like many municipalities, Salmon Arm continues to face significant long-term infrastructure renewal and replacement pressures. With just over \$429 million in assets at the end of 2025, the City must continue to balance current service delivery needs with long-term planning for the maintenance, renewal, and replacement of infrastructure in a financially sustainable manner. This long-term approach is important to preserving service levels, supporting responsible financial stewardship, and maintaining infrastructure for future generations.

The 2026 budget includes a 3.88% property tax increase for all property classes, together with 1.1% in taxation revenue from new construction. This additional revenue will help support operating cost increases associated with inflationary pressures, wages and benefits, and infrastructure renewal and replacement. The budget also reflects continued investment in protective services, transportation, and recreation and cultural services, while maintaining core service levels across the organization.

Many City staff contribute to the budget development process each year. Senior staff are responsible for helping to ensure that financial and operational resources are used for their intended purposes and that departmental activities are managed within approved budget targets.





2024 - 2028 Financial Plan

Schedule A - Bylaw #4716

City of Salmon Arm

2025 - 2029 Financial Plan

| | 2025 Budget | 2026 Budget | 2027 Budget | 2028 Budget | 2029 Budget |
|--|---------------------|---------------------|----------------------|----------------------|----------------------|
| Consolidated Revenues | | | | | |
| Property and MRDT Taxes - Net | \$23,826,691 | \$24,303,226 | \$ 24,789,291 | \$ 25,285,077 | \$ 25,790,779 |
| Frontage & Parcel Taxes | 4,422,633 | 4,511,086 | 4,601,308 | 4,693,334 | 4,787,201 |
| Sales of Service | 11,334,431 | 11,561,120 | 11,792,342 | 12,028,189 | 12,268,753 |
| Revenue From Own Sources | 4,589,567 | 4,681,358 | 4,774,985 | 4,870,485 | 4,967,895 |
| Rentals | 610,145 | 622,348 | 634,795 | 647,491 | 660,441 |
| Federal Government Transfers | 614,500 | 626,790 | 639,326 | 652,113 | 665,155 |
| Provincial Government Transfers | 1,205,600 | 1,229,712 | 1,254,306 | 1,279,392 | 1,304,980 |
| Other Government Transfers | 463,555 | 472,826 | 482,283 | 491,929 | 501,768 |
| Transfer From Prior Year Surplus | 1,263,210 | 1,288,474 | 1,314,243 | 1,340,528 | 1,367,339 |
| Transfer From Reserve Accounts | 3,444,357 | 3,513,244 | 3,583,509 | 3,655,179 | 3,728,283 |
| Transfer From Reserve Funds | 1,184,000 | 1,207,680 | 1,231,834 | 1,256,471 | 1,281,600 |
| Total Consolidated Revenues | \$52,958,689 | \$54,017,864 | \$ 55,098,222 | \$ 56,200,188 | \$ 57,324,194 |
| Consolidated Expenditures | | | | | |
| General Government Services | \$ 5,493,491 | \$ 5,603,361 | \$ 5,715,428 | \$ 5,829,737 | \$ 5,946,332 |
| Protective Services | 8,394,602 | 8,562,494 | 8,733,744 | 8,908,419 | 9,086,587 |
| Transportation Services | 5,960,059 | 6,079,260 | 6,200,845 | 6,324,862 | 6,451,359 |
| Environmental Health Services | 423,000 | 431,460 | 440,089 | 448,891 | 457,869 |
| Environmental Development Service | 3,937,842 | 4,016,599 | 4,096,931 | 4,178,870 | 4,262,447 |
| Recreation and Cultural Services | 6,394,005 | 6,521,885 | 6,652,323 | 6,785,369 | 6,921,076 |
| Fiscal Services - Interest | 1,676,344 | 1,709,871 | 1,744,068 | 1,778,949 | 1,814,528 |
| Fiscal Services - Principal | 1,756,300 | 1,791,426 | 1,827,255 | 1,863,800 | 1,901,076 |
| Capital Expenditures | 7,406,050 | 7,554,171 | 7,705,254 | 7,859,359 | 8,016,546 |
| Transfer to Surplus | - | - | - | - | - |
| Transfer to Reserve Accounts | 4,132,295 | 4,214,941 | 4,299,240 | 4,385,225 | 4,472,930 |
| Transfer to Reserve Funds | 1,260,450 | 1,285,659 | 1,311,372 | 1,337,599 | 1,364,351 |
| Water Services | 3,277,716 | 3,343,270 | 3,410,135 | 3,478,338 | 3,547,905 |
| Sewer Services | 2,846,535 | 2,903,467 | 2,961,538 | 3,020,771 | 3,081,188 |
| Total Consolidated Expenditures | \$52,958,689 | \$54,017,864 | \$ 55,098,222 | \$ 56,200,188 | \$ 57,324,194 |

2024 - 2028 Financial Plan



Schedule A - Bylaw #4716

2025 - 2029 Financial Plan

City of Salmon Arm

Capital Projects

Finances Acquired

| | 2025 Budget | 2026 Budget | 2027 Budget | 2028 Budget | 2029 Budget |
|------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| General Operating Fund | \$ 2,607,955 | \$ 6,138,601 | \$ 5,307,650 | \$ 4,739,650 | \$ 4,500,000 |
| Water Operating Fund | 2,704,000 | 1,172,390 | 808,890 | 540,390 | 600,000 |
| Sewer Operating Fund | 2,100,000 | 614,656 | 1,043,156 | 29,031 | 170,000 |
| Developer Contributions | 591,810 | - | - | - | - |
| Long Term Debt | 15,326,850 | 6,170,000 | 7,543,000 | 13,364,000 | 10,451,550 |
| Short Term Debt | - | - | - | - | - |
| Prior Year Surplus | 103,962 | - | - | - | - |
| Federal Government Grants | - | - | - | - | - |
| Provincial Government Grants | 935,000 | - | - | - | - |
| Other Grants | 210,000 | - | - | - | - |
| Reserve Accounts | 13,165,358 | 954,402 | 1,978,500 | 2,077,500 | 1,345,000 |
| Reserve Funds | 9,080,145 | 2,421,000 | 2,136,000 | 469,500 | 250,000 |
| Development Cost Charges | 782,000 | 363,451 | 472,500 | 412,500 | 250,000 |
| Total Funding Sources | \$47,607,080 | \$17,834,500 | \$19,289,696 | \$21,632,571 | \$17,566,550 |

Finances Applied

| | | | | | |
|-------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Transportation Infrastructure | \$ 17,533,195 | \$ 9,627,454 | \$ 5,313,650 | \$ 14,418,650 | \$ 12,110,450 |
| Buildings | 9,057,545 | 538,000 | 358,000 | 330,000 | 130,000 |
| Land | - | - | - | - | - |
| IT Infrastructure | 266,600 | - | - | - | 171,600 |
| Machinery and Equipment | 3,833,265 | 896,000 | 1,086,000 | 604,500 | 761,500 |
| Vehicles | 301,000 | 95,000 | 110,000 | 180,000 | 722,000 |
| Parks Infrastructure | 2,407,435 | 2,014,000 | 1,607,500 | 2,760,000 | 2,186,000 |
| Utility Infrastructure | 14,208,040 | 4,664,046 | 10,814,546 | 3,339,421 | 1,485,000 |
| Total Capital Expense | \$47,607,080 | \$17,834,500 | \$19,289,696 | \$21,632,571 | \$17,566,550 |

Departmental Summary:

| | 2025 Budget | 2026 Budget | 2027 Budget | 2028 Budget | 2029 Budget |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| General Government Services | \$ 280,210 | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 271,600 |
| Protective Services | 1,695,000 | 267,000 | 687,000 | 437,000 | 187,000 |
| Transportation Services | 20,260,645 | 10,391,454 | 5,842,650 | 14,686,150 | 13,361,950 |
| Environmental Health Services | 119,715 | 210,000 | 60,000 | 60,000 | 60,000 |
| Environmental Development Services | - | - | - | - | - |
| Recreation and Cultural Services | 5,208,620 | 2,172,000 | 1,755,500 | 2,980,000 | 2,171,000 |
| Water Services | 9,328,786 | 4,079,390 | 1,306,390 | 3,340,390 | 1,345,000 |
| Sewer Services | 10,714,104 | 614,656 | 9,538,156 | 29,031 | 170,000 |
| Total by Department | \$47,607,080 | \$17,834,500 | \$19,289,696 | \$21,632,571 | \$17,566,550 |



Tax Exemptions

Tax Exemptions Provided By Council For the Year Ended December 31, 2025

| | Municipal Taxes | Other Taxes | Total Taxes |
|--|--------------------|----------------|----------------|
| 1. Properties Used for Public Worship* | | | |
| Broadview Evangelical Free Church | \$ 33,515 | \$ 18,470 | 51,985 |
| Canoe United Church | 649 | 673 | 1,322 |
| Church of Jesus Christ of Latter-day Saints in Canada | 4,462 | 4,612 | 9,074 |
| Cornerstone Christian Reformed Church | 3,882 | 4,026 | 7,908 |
| Deo Lutheran Church of Salmon Arm | 1,832 | 1,896 | 3,728 |
| First United Church | 2,891 | 2,990 | 5,881 |
| Five Corners Pentecostal Church | 2,725 | 3,333 | 6,058 |
| Lakeside Community Church | 1,439 | 1,490 | 2,929 |
| Little Mountain Bible Chapel | 2,286 | 2,366 | 4,652 |
| Living Waters Community Church | 953 | 984 | 1,937 |
| Mt Ida Congregation of Jehovah's Witnesses | 3,592 | 3,712 | 7,304 |
| Salmon Arm Mennonite Church | 1,436 | 1,212 | 2,648 |
| Seventh Day Adventist Church (British Columbia Conference) | 2,876 | 2,973 | 5,849 |
| Shuswap Community Church | 16,121 | 11,512 | 27,633 |
| St. Andrew's Presbyterian Church | 2,061 | 2,137 | 4,198 |
| St. John the Evangelist Anglican Church of Canada | 2,237 | 2,315 | 4,552 |
| St. Joseph's Catholic Church | 4,058 | 4,192 | 8,250 |
| The Salvation Army New Hope Community Church | 1,465 | 1,519 | 2,984 |
| | 88,480 | 70,412 | 158,892 |
| 2. Properties Used for Charitable Purposes | | | |
| (SPCA) The British Columbia Society for the Prevention of Cruelty to Animals | 4,929 | 2,578 | 7,507 |
| Canadian Mental Health Association | 69,988 | 41,065 | 111,053 |
| Churches of Salmon Arm Used Goods Society | 20,760 | 10,611 | 31,371 |
| Gleneden Community Association | 4,717 | 2,412 | 7,129 |
| Good Samaritan Canada (Lutheran Social Service Organization) Inc | 47,381 | 32,860 | 80,241 |
| Nature Trust of BC | 2,225 | 2,313 | 4,538 |
| Royal Canadian Legion Branch 62 | 12,362 | 5,422 | 17,784 |
| Salmar Community Association | 38,055 | 17,017 | 55,072 |
| Shuswap Agricultural Association | 109,339 | 56,134 | 165,473 |
| Salmon Arm Elks Recreation Society | 9,805 | 5,986 | 15,791 |
| Salmon Arm Folk Music Society | 3,234 | 2,087 | 5,321 |
| Salmon Arm Masonic Holding Society | 4,132 | 2,108 | 6,240 |
| Salmon Arm Museum & Heritage Association | 38,148 | 19,615 | 57,763 |
| Salmon Arm Rescue Unit | 4,796 | 2,457 | 7,253 |
| Scout Properties (BC/Yukon) | 1,125 | 1,166 | 2,291 |
| Shuswap Area Family Emergency Society | 4,394 | 3,049 | 7,443 |
| Shuswap Association for Community Living | 4,803 | 3,334 | 8,137 |
| Shuswap Paddling Club / Salmon Arm Rowing Club | 8,938 | 4,592 | 13,530 |
| Shuswap Day Care Society | 1,529 | 1,064 | 2,593 |
| Shuswap District Arts Council | 6,861 | 3,020 | 9,881 |
| Shuswap Family Resource and Referral Society | 17,104 | 7,634 | 24,738 |

Tax Exemptions



Tax Exemptions Provided By Council For the Year Ended December 31, 2025

| | Municipal Taxes | Other Taxes | Total Taxes |
|---|--------------------|-------------------|---------------------|
| Shuswap Housing Society | 12,661 | 8,790 | 21,451 |
| Shuswap Recreation Society | 11,360 | 9,364 | 20,724 |
| Shuswap Theatre Society | 3,816 | 1,681 | 5,497 |
| Shuswap Volunteer Search & Rescue Society | 13,645 | 6,950 | 20,595 |
| The Elks Recreation Children's Camp Society of BC | 19,951 | 18,152 | 38,103 |
| The Governing Council of the Salvation Army | 9,176 | 4,711 | 13,887 |
| | <u>485,234</u> | <u>276,172</u> | <u>761,406</u> |
| 3. Properties Used for Senior Recreation Purposes | | | |
| Canoe Senior Citizen Association, Branch 92 | 3,223 | 1,652 | 4,875 |
| Seniors' Fifth Avenue Activity Centre Association | 9,622 | 4,908 | 14,530 |
| | <u>12,845</u> | <u>6,560</u> | <u>19,405</u> |
| 4. Properties Used for Recreation and Other Purposes | | | |
| Salmon Arm Curling Club | 18,788 | 9,564 | 28,352 |
| Salmon Arm Fish & Game Club | 4,562 | 4,038 | 8,600 |
| Salmon Arm Horseshoe Club | 1,604 | 823 | 2,427 |
| Salmon Arm Lawn Bowling Club | 1,944 | 996 | 2,940 |
| Salmon Arm Tennis Club | 18,956 | 10,402 | 29,358 |
| Shuswap Recreation Society | 275,484 | 140,232 | 415,716 |
| | <u>321,338</u> | <u>166,055</u> | <u>487,393</u> |
| Total Taxes Exempted by Council in 2025 | <u>\$ 907,897</u> | <u>\$ 519,199</u> | <u>\$ 1,427,096</u> |

* A portion is statutorily exempt.



Financial Statistics

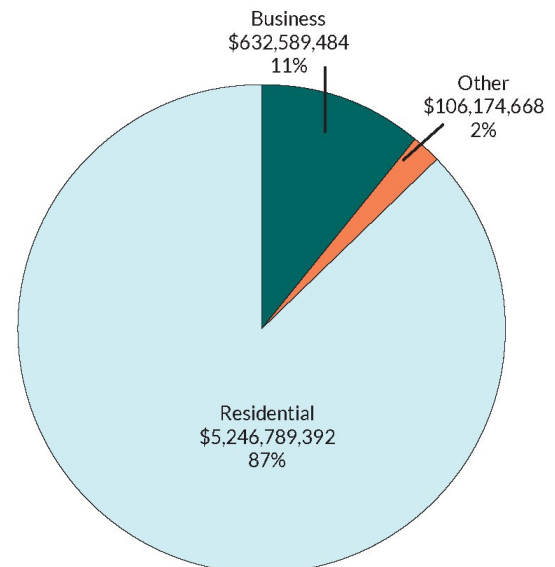
Taxes Levied and Collected

| Jurisdictions | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General Municipal | 23,828,768 | 22,420,930 | 21,559,496 | 20,594,644 | 19,503,113 | 19,167,197 | 18,806,903 |
| Frontage and Parcel Taxes | 5,024,516 | 4,610,314 | 3,659,694 | 3,704,513 | 3,665,239 | 3,633,156 | 3,592,321 |
| School District | 11,140,113 | 10,736,334 | 10,152,228 | 9,345,759 | 8,895,657 | 7,332,380 | 8,166,378 |
| Regional District | 1,316,263 | 1,423,036 | 1,201,713 | 1,089,890 | 1,071,237 | 1,085,978 | 1,017,339 |
| Regional Hospital District | 1,648,857 | 1,615,042 | 1,604,925 | 1,533,201 | 1,549,289 | 1,536,753 | 1,240,110 |
| Municipal Finance Authority | 1,428 | 1,408 | 1,361 | 1,194 | 939 | 909 | 870 |
| BC Assessment Authority | 271,754 | 259,972 | 246,371 | 227,175 | 207,241 | 203,925 | 183,537 |
| Okanagan Regional Library | 896,022 | 845,355 | 802,436 | 766,274 | 756,217 | 764,703 | 757,311 |
| | 44,127,721 | 41,912,391 | 39,228,223 | 37,262,651 | 35,648,932 | 33,725,001 | 33,764,769 |
| Total Current Taxes Levied | 44,127,721 | 41,912,391 | 39,228,223 | 37,262,651 | 35,648,932 | 33,725,001 | 33,764,769 |
| Current Taxes Collected | 43,191,763 | 40,835,712 | 38,604,809 | 36,707,426 | 35,246,100 | 33,166,049 | 33,146,109 |
| Percentage Collected | 97.88% | 97.43% | 98.41% | 98.51% | 98.87% | 98.34% | 98.17% |
| Outstanding at Beginning of Year | 981,588 | 1,013,950 | 696,127 | 551,879 | 842,201 | 822,856 | 765,568 |
| Arrears/Delinquent Collected | 753,251 | 796,382 | 467,990 | 410,977 | 693,153 | 539,607 | 561,373 |
| Percentage Collected | 76.74% | 78.54% | 67.23% | 74.47% | 82.30% | 65.58% | 73.33% |
| Total Tax Collections | \$ 43,945,014 | \$ 41,632,094 | \$ 39,072,799 | \$ 37,118,403 | \$ 35,939,253 | \$ 33,705,656 | \$ 33,707,482 |

This table reflects the amount of taxes collected for general municipal purposes and for other jurisdictions (i.e. School District, Regional District, etc.). The table also outlines the City's property taxation collection percentages.

Assessment Base by Property Class (General Net Taxable Values)

| Class | Assessed Value | % of Total |
|-----------------------|-------------------------|------------|
| Residential | \$ 5,246,789,392 | 87 |
| Business | 632,589,484 | 11 |
| Other | 106,174,668 | 2 |
| | \$ 5,985,553,544 | 100 |
| Other Includes: | | |
| Utilities | \$ 8,666,165 | |
| Supportive Housing | - | |
| Major Industry | \$ 9,256,500 | |
| Light Industry | 66,019,400 | |
| Managed Forest Land | 223,500 | |
| Recreation Non Profit | 12,948,600 | |
| Farm | 9,060,503 | |
| | \$ 106,174,668 | |



This graph reflects that 87% of the assessment base in Salmon Arm is residential. Typically, business and industry provide the assessment base that is required to financially support services.

**Statement of Financial Information Approval
For the Year Ended December 31, 2025**

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.



Patrick Gramiak
Chief Financial Officer
5/30/2026



Alan Harrison
Mayor
5/30/2026

Statement of Financial Information
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For the Year Ended December 31, 2025

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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.

The 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 The City of Salmon Arm.

Signed by:



Chief Financial Officer

71C0CDE8D42F4FE...

Signed by:



Mayor

0D7BCA622CBB464...

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, 2025, and the statements of operations, changes 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, 2025, and the results of its operations, changes in its net financial assets, 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.

Unaudited Information

We draw attention to the fact that the supplementary information included in Schedules 1 through 3 does not form part of the financial statements. We have not audited or reviewed this supplementary information and, accordingly, we do not express an audit opinion, a review conclusion or any other form of assurance on this supplementary information.

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
May 12, 2026

The City of Salmon Arm
Statement of Financial Position

| As at December 31 | 2025 | 2024 |
|--|----------------------|----------------------|
| Financial Assets | | |
| Cash | \$ 3,467,128 | \$ 3,964,360 |
| Investments (Note 2) | 93,873,798 | 90,302,839 |
| Accounts Receivable | | |
| Property Taxes | 1,162,755 | 977,090 |
| Trade | 1,906,679 | 2,213,147 |
| Water and Sewer Levies | 489,721 | 616,399 |
| Land Held for Sale | - | 500,798 |
| Inventories for Resale | 75,365 | 98,140 |
| M.F.A Debt Reserve (Note 3) | 571,565 | 1,449,934 |
| Loan Receivable (Note 4) | 154,000 | 161,000 |
| | 101,701,011 | 100,283,707 |
| Liabilities | | |
| Accounts Payable and Accrued Liabilities | 7,543,252 | 10,187,670 |
| Assets Retirement Obligation (Note 5) | 5,347,244 | 5,955,689 |
| Deposits and Performance Bonds | 1,482,869 | 1,801,579 |
| Prepaid Property Taxes and Levies | 3,387,337 | 3,380,588 |
| Deferred Revenues (Note 6) | 351,235 | 832,721 |
| Deferred Development Cost Charges (Note 7) | 17,417,610 | 16,113,359 |
| Long Term Obligations | 115,366 | 138,439 |
| Long-Term Debt (Note 8) | 17,177,040 | 19,931,587 |
| | 52,821,953 | 58,341,632 |
| Net Financial Assets | 48,879,058 | 41,942,075 |
| Non-Financial Assets | | |
| Tangible Capital Assets (Note 9) | 251,413,206 | 250,344,353 |
| Inventories of Supplies | 881,339 | 928,997 |
| Prepaid Expenses | 296,696 | 33,154 |
| | 252,591,241 | 251,306,504 |
| Accumulated surplus (Note 10) | \$301,470,299 | \$293,248,579 |

Signed by:



Chief Financial Officer

Patrick Gramiak, CPA, CA

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 | Budget 2025 (Note 15) | Actual 2025 | Actual 2024 |
|---|-----------------------------|----------------------|----------------------|
| Revenues | | | |
| Taxation - Net (Note 11) | \$ 24,210,502 | \$ 24,130,799 | \$ 22,667,107 |
| Transportation Parcel Tax (Note 11) | 1,179,300 | 1,184,250 | 1,171,050 |
| Frontage Tax (Note 11) | 2,876,695 | 2,889,375 | 2,507,054 |
| Government Transfers (Note 12) | 5,203,700 | 3,289,392 | 3,793,783 |
| Grants - Other | 379,405 | 430,135 | 123,627 |
| Sales of services | 10,026,810 | 9,727,893 | 9,070,216 |
| Licenses, Permits and Fines | 938,050 | 801,585 | 946,960 |
| Rentals, Leases and Franchises | 963,105 | 931,982 | 1,004,654 |
| Return on Investments | 2,040,681 | 3,277,408 | 4,412,594 |
| Penalties and Interest | 314,000 | 357,510 | 312,784 |
| Other Revenue | 48,300 | 446,085 | 47,654 |
| Development and Other Contributions | 1,373,810 | 1,737,082 | 917,929 |
| Loss on Disposal of Tangible Capital Assets | - | (253,840) | - |
| Gain on Asset Retirement Obligation Settlements | - | 338,442 | - |
| | <u>49,554,358</u> | <u>49,288,098</u> | <u>46,975,412</u> |
| Expenses | | | |
| General Government Services | 8,205,466 | 6,544,992 | 5,957,073 |
| Protective Services | 8,225,952 | 7,120,130 | 7,672,886 |
| Transportation Services | 6,116,880 | 11,134,372 | 11,293,948 |
| Environmental, Health and Development Services | 4,363,767 | 3,865,434 | 3,754,195 |
| Recreation and Cultural Services | 5,219,185 | 4,825,371 | 4,652,794 |
| Water and Sewer Services | 5,861,861 | 7,576,079 | 7,137,097 |
| | <u>37,993,111</u> | <u>41,066,378</u> | <u>40,467,993</u> |
| Annual Surplus | 11,561,247 | 8,221,720 | 6,507,419 |
| Accumulated Surplus, Beginning of Year | 293,248,579 | 293,248,579 | 286,741,160 |
| Accumulated Surplus, End of Year | <u>\$304,809,826</u> | <u>\$301,470,299</u> | <u>\$293,248,579</u> |

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 | Budget 2025 (Note 15) | Actual 2025 | Actual 2024 |
|--|-----------------------------|----------------|----------------|
| Annual surplus | \$ 11,561,247 | \$ 8,221,720 | \$ 6,507,419 |
| Acquisition of Tangible Capital Assets | - | (12,056,045) | (10,815,230) |
| Amortization of Tangible Capital Assets | - | 9,946,737 | 9,758,926 |
| Disposal of Tangible Capital Assets | - | 1,040,455 | - |
| | 11,561,247 | 7,152,867 | 5,451,115 |
| Acquisition of Inventories of Supplies | - | (881,339) | (928,997) |
| Acquisition of Prepaid Expenses | - | (296,696) | (33,152) |
| Usage of Inventories of Supplies | - | 928,997 | 582,285 |
| Usage of Prepaid Expenses | - | 33,154 | 30,888 |
| Net Change in Net Financial Assets | 11,561,247 | 6,936,983 | 5,102,139 |
| Net Financial Assets, Beginning of Year | 41,942,075 | 41,942,075 | 36,839,936 |
| Net Financial Assets, End of Year | \$ 53,503,322 | \$ 48,879,058 | \$ 41,942,075 |

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

2025

2024

| Cash Flows from Operating Activities | | |
|--|---------------------|---------------------|
| Annual Surplus | \$ 8,221,720 | \$ 6,507,419 |
| Items Not Involving Cash | | |
| Actuarial Adjustments on Long-Term Debt | (757,873) | (692,109) |
| Amortization Expense | 9,946,737 | 9,758,926 |
| Accretion Expense | 226,316 | 150,924 |
| Developer Contributed Tangible Capital Assets | (1,067,176) | (397,806) |
| Loss on Disposal of Tangible Capital Assets | 253,840 | - |
| Gain on Settlement of Asset Retirement Obligation | (338,442) | - |
| Changes in Non-Cash Operating Items | | |
| Accounts Receivable | 247,481 | (980,829) |
| Accounts Payable | (1,194,484) | 3,534,187 |
| Deferred Revenues | (481,486) | 33,817 |
| Deferred Development Cost Charges | 1,304,251 | 2,179,209 |
| Deposits and Performance Bonds | (318,710) | (133,923) |
| Inventories for Resale | 22,775 | 16,397 |
| Inventories of Supplies | 47,658 | (346,712) |
| Loan Receivable | 7,000 | 7,000 |
| Long Term Liability | (23,073) | (23,073) |
| Prepaid Expense | (263,542) | (2,266) |
| Prepaid Property Taxes and Levies | 6,749 | (486,903) |
| | 15,839,741 | 19,124,258 |
| Cash Flows From Investing Activity | | |
| Increase in Investments | (3,570,959) | (6,332,984) |
| Cash Flows From Capital Activity | | |
| Acquisition of Tangible Capital Assets | (10,988,869) | (10,417,420) |
| Proceeds on Disposal of Tangible Capital Assets | 995,264 | - |
| Retirement of Asset Retirement Obligations | (502,757) | - |
| | (10,496,362) | (10,417,420) |
| Cash Flows from Financing Activities | | |
| Issuance of Long Term Debt | - | 125,000 |
| Repayment of Long Term Debt | (2,269,652) | (1,048,421) |
| | (2,269,652) | (923,421) |
| (Decrease) Increase In Cash During Year | (497,232) | 1,450,433 |
| Cash, Beginning of Year | 3,964,360 | 2,513,927 |
| Cash, End of Year | \$ 3,467,128 | \$ 3,964,360 |

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

The City of Salmon Arm
Notes to the Financial Statements

December 31, 2025

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 | The financial statements include the accounts of all funds of the City. All inter fund transactions have been eliminated. The statements have been prepared in accordance with Canadian Public Sector Accounting Standards (PSAS). |
| Accrual Accounting | The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or creation of a legal obligation to pay. |
| Revenue Recognition | <p>Revenues from transactions with performance obligations are recognized when (at a point in time) or as (over a period of time) the City satisfies the performance obligations, which occurs when control of the benefits associated with the the promised goods or services has passed to the payor.</p> <p>The City recognizes revenue from users of the water, sewer, solid waste disposal, building permits, and rentals of City property services on a straight-line basis over the period of time that the relevant performance obligations are satisfied by the City.</p> <p>The City recognizes revenue from administrative services, development permits, sales of goods and other licenses and permits at the point in time that the City has performed the related performance obligations and control of the related benefits has passed to the payor.</p> <p>Revenue from transactions without performance obligations is recognized at realizable value when the City has authority to claim or retain an inflow of economic resources received or receivable and there is a past transaction or event that gives rise to the economic resources.</p> <p>The City recognizes revenue from tax penalties and interest, parking fines, and other revenue without associated performance obligations at the realizable value at the point in time when the City is authorized to collect these revenues.</p> |

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. 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.

Government grants and transfers, which include legislative grants, are recognized in the financial statements in the period in which events giving rise to the transfer occur, providing the transfers are authorized, eligibility criteria has been met and reasonable estimates on the amount can be made.

The accounts are maintained on an accrual basis except for temporary borrowing of the City. Grants in lieu of taxes are also recorded on a cash basis because it is not possible to estimate the amounts receivable.

Restricted Revenue

Contributions, other than government transfers, are deferred when restrictions are placed on their use by the external contributor, and are recognized as revenue when used for the purpose specified.

Financial Instruments

Cash and equity instruments quoted in an active market are measured at fair value. All other financial instruments, are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the statement of financial position.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

When investment income and realized and unrealized gains and losses from changes in the fair value of financial instruments are externally restricted, the investment income and fair value changes are recognized as revenue in the period in which the resources are used for the purpose specified.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. For investments measured at cost, the cost method records the initial investment at cost and earnings from such investments are recognized only to the extent received or receivable. When an investment is written down to recognize an impairment loss, the new carrying value is deemed to be the new cost basis for subsequent accounting purposes.

Financial Instruments

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

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.

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.

Deferred Revenue

The City recognizes deferred revenue for amounts received in advance for services that will be provided or obligations that will be fulfilled in future periods. Deferred revenue includes amounts collected for business licenses, recycling fees, and conditional grants received from government and non-government entities. Various fees collected in advance for these services are recognized as revenue over the period in which the related service or regulatory oversight is provided. Any amounts received for multi-year licenses or permits are recognized on a performance basis over the applicable license or permit period. Conditional grants are recognized as revenue when all criteria have been met.

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 their fair value on the date of contribution, except in unusual circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Tangible capital assets are written down when conditions indicate that they no longer contribute to the organization's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations. Various works of art and historic assets located throughout City Hall. They are not reflected in these financial statements. 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 |
| Information Technology infrastructure | 3 to 10 years |
| Machinery and Equipment | 5 to 25 years |
| Parks Infrastructure | 10 to 100 years |
| Transportation infrastructure | 10 to 75 years |
| Utility infrastructure | 20 to 70 years |
| Vehicles | 10 to 25 years |

Inventories

Inventories for resale are classified as financial assets and are measured at the lower of cost and net realizable value. Inventories of supplies are classified as non-financial assets and are measured at the lower of cost and replacement cost.

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.

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.

Asset Retirement Obligations

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- 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.

Liabilities are recognized for statutory, contractual, or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development, or normal operation of the assets. The liability is initially recorded at fair value, which is an amount that is the best estimate of the expenditure required to retire a tangible capital asset determined using present value calculation, and the resulting costs are capitalized as part of the carrying amount of the related tangible capital asset. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. The changes in the liability for the passage of time are recorded as accretion expense in the Statement of Operations and all other changes are adjusted to the tangible capital asset. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

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, 2025.

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, asset retirement obligations, and contingent liabilities.

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 Financial Statements

December 31, 2025

2. Investments

| | 2025 | 2024 |
|--------------------------------------|---------------------|----------------------|
| Guaranteed Investment Certificate | \$ - | \$ 3,000,000 |
| MFA Pooled Investment Funds | 94,336,194 | 87,707,072 |
| Debenture Bonds | 300,000 | 300,000 |
| Less amounts held in trust (Note 16) | (762,396) | (704,233) |
| | \$93,873,798 | \$ 90,302,839 |

Investments are carried at cost or amortized cost.

MFA pooled investment funds earn rates of return that are based on the market performance of a basket of securities with no fixed rate of return. The 2025 annual rate of return was 2.88% (2024 - 4.82%).

Debenture bonds have a floating interest rate of interest per annum, with a maturity date of October 2083.

3. Municipal Finance Authority (M.F.A) Debt Reserve

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 | \$ 478,581 | \$ 348,777 | \$ 827,358 |
| Water Fund | 358,128 | 199,641 | 557,769 |
| Sewer Fund | 35,575 | 23,147 | 58,722 |
| | \$ 872,284 | \$ 571,565 | \$ 1,443,849 |

December 31, 2025

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, 2025 was \$154,000 (2024 - \$161,000). The loan is non-interest bearing with monthly payments of \$583, and is scheduled to mature in December 2047.

5. Asset Retirement Obligations

The City's asset retirement obligation consists of the following obligations:

a) Buildings

The City owns and operates several buildings that are known to have asbestos and lead paint which represents a health hazard upon remediation, that creates a legal obligation to remove it. The buildings all have an estimated useful life of 10 to 50 years from the date of completion of construction, of which various numbers of years remain. Estimated costs have been discounted to the present value using a discount rate of 3.8% per annum (2024 - 2.6%). The undiscounted remediation costs is estimated to be \$2,259,533.

b) Leases

The City has entered into various lease agreements for land use for parks, IT, and transportation infrastructure. The lease terms create legal obligations for the City to remove structures upon termination of the agreements. The lease terms range from 3 to 100 years. Estimated costs have been discounted to present value using a discount rate of 3.8% per annum (2024 - 2.6%). The undiscounted remediation costs is estimated to be \$1,175,755.

c) Utility Infrastructure

The City owns underground pipes used for utility delivery that contain asbestos. There is a legal obligation to remove any portions of the pipes that are exposed. The pipes all have an estimated useful life of 20 to 70 years from the date of completion of construction, of which various numbers of years remain. Estimated costs have been discounted to the present value using a discount rate of 3.8% per annum (2024 - 2.6%). The undiscounted remediation costs is estimated to be \$2,320,500.

d) Other Hazardous Assets

The City owns several other assets that have a legal obligation to remediate due to hazardous substances. These assets include fuel tanks and transformers containing PCBs. The assets all have an estimated useful life of 40 to 55 years from the date of completion of construction, of which various numbers of years remain. Estimated costs have been discounted to the present value using a discount rate of 3.8% per annum (2024 - 2.6%). The undiscounted remediation costs is estimated to be \$26,884.

The City of Salmon Arm
Notes to the Financial Statements

December 31, 2025

5. Asset Retirement Obligations (continued)

Changes in the asset retirement obligation in the year are as follows:

| Asset Retirement Obligation | General | Sewer | Water | 2025 |
|--------------------------------|---------------------|---------------------|-------------------|---------------------|
| Opening Balance | \$ 3,679,112 | \$ 1,391,179 | \$ 885,398 | \$ 5,955,689 |
| Additions | 6,228 | - | - | 6,228 |
| Settlements | (330,318) | (4,653) | (3,261) | (338,232) |
| Change in Estimate | (250,126) | (154,112) | (98,519) | (502,757) |
| Accretion Expense | 139,806 | 52,865 | 33,645 | 226,316 |
| Closing Balance | <u>\$ 3,244,702</u> | <u>\$ 1,285,279</u> | <u>\$ 817,263</u> | <u>\$ 5,347,244</u> |

| Asset Retirement Obligation | General | Sewer | Water | 2024 |
|--------------------------------|---------------------|---------------------|-------------------|---------------------|
| Opening Balance | \$ 3,585,879 | \$ 1,355,925 | \$ 862,961 | \$ 5,804,765 |
| Additions | - | - | - | - |
| Settlements | - | - | - | - |
| Change in Estimate | - | - | - | - |
| Accretion Expense | 93,233 | 35,254 | 22,437 | 150,924 |
| Closing Balance | <u>\$ 3,679,112</u> | <u>\$ 1,391,179</u> | <u>\$ 885,398</u> | <u>\$ 5,955,689</u> |

The City of Salmon Arm
Notes to the Financial Statements

December 31, 2025

6. Deferred Revenue

Deferred revenue consists primarily of business licenses, prepaid recycling fees, and conditional grants received from government and non-government sources. Business licenses are recognized in the year in which they are valid. Recycling fees are recognized when recycling services are provided. Conditional grants are recognized as revenue when all criteria have been met.

| | 2024 | Received | Recognized in Revenue | 2025 |
|-------------------------------|-------------------|-------------------|--------------------------|-------------------|
| Recycling User Fee Rebate | \$ 268,215 | \$ 297,103 | \$ (565,318) | \$ - |
| Grants | 193,931 | 160,073 | (232,453) | 121,551 |
| Other | 370,575 | 495,516 | (636,407) | 229,684 |
| Total Deferred Revenue | \$ 832,721 | \$ 952,692 | \$ (1,434,178) | \$ 351,235 |

7. Development Cost Charges

Development cost charges ("DCC's") are imposed by the City for the purposes of providing funds to pay the capital costs of providing, constructing, altering or expanding infrastructure, as well as acquiring and improving parkland. The funds are recorded as restricted revenues when received and are recognized as revenue when the related expenses are incurred.

| | 2024 | Interest | Contribution from Developers | Transfers | 2025 |
|----------|---------------------|------------------|---------------------------------|---------------------|---------------------|
| Drainage | \$2,522,825 | \$78,708 | \$132,456 | \$ - | \$ 2,733,989 |
| Parks | 1,018,641 | 32,481 | 129,093 | - | 1,180,215 |
| Water | 4,973,703 | 155,768 | 321,812 | (211,468) | 5,239,815 |
| Sewer | 4,854,661 | 152,124 | 328,725 | - | 5,335,510 |
| Highways | 2,743,529 | 85,928 | 178,360 | (79,736) | 2,928,081 |
| | \$16,113,359 | \$505,009 | \$1,090,446 | \$ (291,204) | \$17,417,610 |

The City of Salmon Arm
Notes to the Financial Statements

December 31, 2025

8. Long Term Debt

| | Bylaw | Maturity Date | Interest Rate | Balance Outstanding 2025 | Balance Outstanding 2024 |
|----------------------------|-------|---------------|---------------|--------------------------|--------------------------|
| General Fund | | | | | |
| City Hall and Law Courts | 3334 | 2034 | 5.950 | \$ 4,556,358 | \$ 4,972,868 |
| City Hall and Law Courts | 3479 | 2035 | 0.973 | 344,551 | 379,485 |
| Blackburn Park | 3569 | 2027 | 3.900 | 42,727 | 64,167 |
| Underpass 20/21 Street | 3758 | 2029 | 2.250 | 651,872 | 818,932 |
| New Cemetery | 4048 | 2040 | 2.750 | 710,133 | 748,475 |
| Blackburn Park Improvement | 4072 | 2035 | 2.750 | 290,793 | 316,679 |
| Airport Taxiway Charlie | 4289 | 2040 | 1.990 | 659,400 | 701,661 |
| Ross Street Underpass | 4500 | 2049 | 2.240 | 4,574,490 | 4,708,551 |
| Property Acquisition | 4549 | 2026 | 4.050 | 212,000 | 318,000 |
| | | | | <u>\$ 12,042,324</u> | <u>\$ 13,028,818</u> |
| Water Fund | | | | | |
| Water | 3458 | 2025 | 1.530 | \$ 23,235 | \$ 72,167 |
| Water | 3551 | 2026 | 1.530 | 67,432 | 147,802 |
| Water | 3576 | 2028 | 3.790 | 1,639,969 | 2,403,846 |
| Water | 3816 | 2030 | 1.280 | - | 780,068 |
| Water | 3793 | 2041 | 1.470 | 32,227 | 33,840 |
| Water | 4644 | 2028 | 4.050 | 100,000 | 100,000 |
| Water | 4543 | 2026 | 4.050 | 2,225,000 | 2,225,000 |
| | | | | <u>\$ 4,087,863</u> | <u>\$ 5,762,723</u> |
| Sewer Fund | | | | | |
| Sewer | 4051 | 2035 | 2.750 | 1,046,853 | 1,140,046 |
| | | | | <u>1,046,853</u> | <u>1,140,046</u> |
| | | | | <u>\$ 17,177,040</u> | <u>\$ 19,931,587</u> |

The gross interest paid relating to the above noted debt was \$1,430,460 (2024 - \$1,436,285).

The City of Salmon Arm
Notes to the Financial Statements

December 31, 2025

8. Long Term Debt (Continued)

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

| | General Fund | Water Fund | Sewer Fund | Total |
|-----------------------------|----------------------|---------------------|---------------------|----------------------|
| 2026 | \$ 440,633 | \$ 399,193 | \$ 63,650 | \$ 903,476 |
| 2027 | 440,633 | 345,966 | 63,650 | 850,249 |
| 2028 | 428,779 | 345,965 | 63,650 | 838,394 |
| 2029 | 428,779 | 43,730 | 63,650 | 536,159 |
| 2030 | 344,824 | 43,730 | 63,650 | 452,204 |
| 2031 and thereafter | 3,443,259 | 1,079,494 | 318,250 | 4,841,003 |
| | 5,526,907 | 2,258,078 | 636,500 | 8,421,485 |
| Actuarial Adjustment | 6,389,578 | 1,949,179 | 416,798 | 8,755,555 |
| Total Long Term Debt | \$ 11,916,485 | \$ 4,207,257 | \$ 1,053,298 | \$ 17,177,040 |

The City of Salmon Arm
Notes to the Financial Statements

December 31, 2025

9. Tangible Capital Assets

| For the Year Ended December 31 | Machinery and Equipment | | | | | | | | | | 2025 Total |
|--------------------------------|-------------------------|---------------|-------------------------|--------------|---------------------------------------|----------------------|------------------------|-------------------------------|------------------|------------------|------------|
| | Land | Buildings | Equipment | Vehicles | Information Technology Infrastructure | Parks Infrastructure | Utility Infrastructure | Transportation Infrastructure | Work In Progress | Work In Progress | |
| Cost, Beginning of Year | \$40,060,338 | \$ 81,766,456 | \$14,518,590 | \$ 6,712,725 | \$ 2,539,768 | \$ 13,156,569 | \$ 83,314,440 | \$ 171,613,731 | \$ 4,775,876 | \$ 418,458,493 | |
| Additions | 251,000 | 23,650 | 2,525,548 | 262,948 | 183,316 | 333,829 | 2,270,230 | 1,007,758 | 5,197,766 | 12,056,045 | |
| Work In Progress Completed | - | 100,853 | - | - | 1,696 | 122,596 | 108,887 | 59,920 | (393,952) | - | |
| Disposals | (315,000) | (913,917) | (49,724) | (94,456) | - | - | (1,305) | (5,779) | - | (1,380,181) | |
| Assets Held for Resale | - | - | - | - | - | - | - | - | - | - | |
| Balance, End of Year | 39,996,338 | 80,977,042 | 16,994,414 | 6,881,217 | 2,724,780 | 13,612,994 | 85,692,252 | 172,675,630 | 9,579,690 | 429,134,357 | |
| Accumulated Amortization | | | | | | | | | | | |
| Balance, Beginning of Year | - | 32,943,426 | 6,498,667 | 4,055,501 | 1,891,842 | 7,439,671 | 33,489,574 | 81,795,459 | - | 168,114,140 | |
| Amortization | - | 1,709,526 | 936,708 | 323,609 | 157,300 | 352,492 | 1,434,275 | 5,032,827 | - | 9,946,737 | |
| Disposals | - | (202,901) | (40,312) | (94,456) | - | - | (901) | (1,156) | - | (339,726) | |
| Balance, End of Year | - | 34,450,051 | 7,395,063 | 4,284,654 | 2,049,142 | 7,792,163 | 34,922,948 | 86,827,130 | - | 177,721,151 | |
| Net Book Value, End of Year | 39,996,338 | 46,526,991 | 9,599,351 | 2,596,563 | 675,638 | 5,820,831 | 50,769,304 | 85,848,500 | 9,579,690 | 251,413,206 | |
| For the Year Ended December 31 | Land | Buildings | Equipment and Machinery | Vehicles | Information Technology Infrastructure | Parks Infrastructure | Utility Infrastructure | Transportation Infrastructure | Work In Progress | 2024 Total | |
| Cost, Beginning of Year | \$40,561,136 | \$ 78,413,411 | \$13,806,442 | \$ 6,096,691 | \$ 2,271,887 | \$ 13,136,759 | \$ 81,248,765 | \$ 166,885,410 | \$ 5,763,548 | \$ 408,184,049 | |
| Additions | - | 67,294 | 645,307 | 644,049 | 244,812 | 19,810 | 315,049 | 2,331,550 | 6,547,359 | 10,815,230 | |
| Assets Held for Resale | (500,798) | - | - | - | - | - | - | - | - | (500,798) | |
| Work In Progress Completed | - | 3,285,751 | 78,814 | - | 23,069 | - | 1,750,626 | 2,396,771 | (7,535,031) | - | |
| Disposals | - | - | (11,973) | (28,015) | - | - | - | - | - | (39,988) | |
| Balance, End of Year | 40,060,338 | 81,766,456 | 14,518,590 | 6,712,725 | 2,539,768 | 13,156,569 | 83,314,440 | 171,613,731 | 4,775,876 | 418,458,493 | |
| Accumulated Amortization | | | | | | | | | | | |
| Balance, Beginning of Year | - | 31,220,036 | 5,694,369 | 3,751,600 | 1,762,813 | 7,088,161 | 32,080,527 | 76,797,696 | - | 158,395,202 | |
| Amortization | - | 1,723,390 | 816,271 | 331,916 | 129,029 | 351,510 | 1,409,047 | 4,997,763 | - | 9,758,926 | |
| Disposals | - | - | (11,973) | (28,015) | - | - | - | - | - | (39,988) | |
| Balance, End of Year | - | 32,943,426 | 6,498,667 | 4,055,501 | 1,891,842 | 7,439,671 | 33,489,574 | 81,795,459 | - | 168,114,140 | |
| Net Book Value, End of Year | 40,060,338 | 48,823,030 | 8,019,923 | 2,657,224 | 647,926 | 5,716,898 | 49,824,866 | 89,818,272 | 4,775,876 | 250,344,353 | |

Tangible capital assets that were contributed by developers for various infrastructure projects were \$1,067,176 (2024 - \$397,806).

The City of Salmon Arm
Notes to the Financial Statements

December 31, 2025

10. Accumulated Surplus

| | 2025 | 2024 |
|--|-----------------------|-----------------------|
| Surplus | | |
| Invested in Tangible Capital Assets | \$ 228,888,912 | \$ 224,957,870 |
| Accumulated General Surplus | 42,761,949 | 38,728,095 |
| Accumulated Water Surplus | 4,052,843 | 3,311,741 |
| Accumulated Sewer Surplus | 5,161,616 | 3,945,096 |
| | 280,865,320 | 270,942,802 |
| Unexpended Capital | | |
| General Operating | 1,000,212 | 1,205,109 |
| Water Operating | 1,117,697 | 1,332,941 |
| Sewer Operating | 539,413 | 1,659,800 |
| | 2,657,322 | 4,197,850 |
| Statutory Reserves | | |
| Cemetery Columbarium | 85,629 | 83,081 |
| Cemetery Development | 169,747 | 164,696 |
| Community Centre Major Maintenance | 1,457,692 | 1,360,238 |
| Emergency Apparatus | 1,014,352 | 758,009 |
| Equipment Replacement | 2,563,460 | 2,689,707 |
| Fire Department Building and Equipment | 265,801 | 193,535 |
| General Capital | 2,248,811 | 1,337,978 |
| Growing Communities Fund | 4,022,569 | 4,740,352 |
| Landfill Site Repurchase | 264,490 | 256,621 |
| Parks Development | 605,302 | 587,292 |
| Police Vehicle Replacement | 237,464 | 276,043 |
| Sewer Major Maintenance | 3,012,401 | 3,899,919 |
| Water Major Maintenance | 1,999,939 | 1,760,456 |
| | 17,947,657 | 18,107,927 |
| | \$ 301,470,299 | \$ 293,248,579 |

The City of Salmon Arm
Notes to the Financial Statements

December 31, 2025

11. Taxation

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

| | 2025 | 2024 |
|--|----------------------|----------------------|
| Taxes Collected: | | |
| Property Taxes | \$ 39,240,788 | \$ 37,381,370 |
| Transportation Parcel Tax | 1,184,250 | 1,171,050 |
| Frontage Tax - Water | 1,689,544 | 1,502,432 |
| Frontage Tax - Sewer | 1,199,830 | 1,004,622 |
| 1% Utility Tax | 351,649 | 354,553 |
| | 43,666,061 | 41,414,027 |
| Collections for Other Governments | | |
| Province of BC (School Taxes) | 11,109,752 | 10,698,214 |
| BC Assessment Authority | 270,437 | 259,371 |
| Regional Hospital District | 1,642,308 | 1,615,296 |
| Columbia Shuswap Regional District | 1,316,813 | 1,428,982 |
| Okanagan Regional Library | 891,890 | 845,344 |
| Municipal Finance Authority | 1,428 | 1,408 |
| Downtown Improvement Area | 229,009 | 220,201 |
| | 15,461,637 | 15,068,816 |
| Net Taxes Available for Municipal Purposes | \$ 28,204,424 | \$ 26,345,211 |
| As presented for financial statement purposes: | | |
| Taxation - Net | \$ 24,130,799 | \$ 22,667,107 |
| Transportation parcel tax | 1,184,250 | 1,171,050 |
| Frontage tax | 2,889,375 | 2,507,054 |
| | \$ 28,204,424 | \$ 26,345,211 |

The City of Salmon Arm
Notes to the Financial Statements

December 31, 2025

12. Government Transfers

| | Budget 2025 | Actual 2025 | Actual 2024 |
|---|---------------------|---------------------|---------------------|
| General Fund - Grants in Lieu of Taxes | | | |
| Federal Government | \$ 18,600 | \$ 18,400 | \$ 18,598 |
| Province of British Columbia | 30,000 | 39,464 | 29,763 |
| Provincial Government Agencies | 171,000 | 192,621 | 170,180 |
| | <u>\$ 219,600</u> | <u>\$ 250,485</u> | <u>\$ 218,541</u> |
| General Fund - Operating Grants | | | |
| Federal Government and Province of British Columbia | | | |
| Arterial Street Lighting | \$ 3,100 | \$ 3,076 | \$ 3,076 |
| Municipal Regional District Tax | 300,000 | 385,841 | 379,063 |
| Small Communities Protection | 135,000 | 146,000 | 172,500 |
| Traffic Fine Revenue Sharing | 155,000 | 136,000 | 155,000 |
| Destination BC | 15,000 | 19,044 | 21,456 |
| Indegenous Engagement | - | 82,000 | - |
| BC Active Transportation Planning | - | 102,750 | - |
| CRI FireSmart Community Funding | 200,000 | 235,913 | 62,128 |
| Canada Summer Jobs | - | - | 9,682 |
| Local Government Climate Action | 145,000 | - | - |
| Public Safety Canada - BSCF | 197,000 | 201,922 | 303,326 |
| UBCM Disaster Risk Reduction | 150,000 | 149,665 | - |
| UBCM Complete Communities | - | - | 147,836 |
| Local Government Housing Initiative | - | - | 241,158 |
| Next Generation 911 Grant | - | 891 | 445 |
| Community Emergency Preparedness Fund | - | 34,843 | 27,940 |
| Plan H Grant - Anti-Racism Strategy | - | 24,240 | 5,760 |
| | <u>\$ 1,300,100</u> | <u>\$ 1,522,185</u> | <u>\$ 1,529,370</u> |
| General Fund - Capital Grants | | | |
| Federal Government and Province of British Columbia | | | |
| Community Works Fund | \$ 835,000 | \$ 948,226 | \$ 948,226 |
| BC Active Transportation Infrastructure | 480,000 | 212,342 | 411,000 |
| BC Rural Dividend | - | - | 100,000 |
| Canada Community Revitalization Fund | - | - | 68,491 |
| Clean BC Communities | 309,000 | 299,975 | 36,787 |
| Local Government Climate Action Plan | 60,000 | 56,179 | 430,960 |
| Adams Lake Indian Band | - | - | 50,408 |
| | <u>\$ 1,684,000</u> | <u>\$ 1,516,722</u> | <u>\$ 2,045,872</u> |
| Total Operating Grants | \$ 1,519,700 | \$ 1,772,670 | \$ 1,747,911 |
| Total Capital Grants | 1,684,000 | 1,516,722 | 2,045,872 |
| Total Grants | <u>\$ 3,203,700</u> | <u>\$ 3,289,392</u> | <u>\$ 3,793,783</u> |
| Total Federal Grants | \$ 1,050,600 | \$ 1,168,548 | \$ 1,348,323 |
| Total Provincial Grants | 2,153,100 | 2,120,844 | 2,445,460 |
| Total Grants | <u>\$ 3,203,700</u> | <u>\$ 3,289,392</u> | <u>\$ 3,793,783</u> |

December 31, 2025

13. 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, 2025, the plan has about 286,000 active members and approximately 138,000 retired members. Active members include approximately 49,000 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, 2024, indicated a \$2,675 million funding surplus for basic pension benefits on a going concern basis.

The City of Salmon Arm paid \$766,619 (2024 - \$729,579) for employer contributions while employees contributed \$702,776 (2024 - \$657,028) to the plan in fiscal 2025.

The next valuation will be as at December 31, 2027, with results available in 2028.

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 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.

December 31, 2025

13. Contingencies Liabilities and Commitments - (continued)

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.

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, 2025 was \$671,576 (2024 - \$690,991). The loan bears interest at 5.99% (2024 - 4.47%) repayable in monthly installments of \$4,936. 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, 2025

14. Commitments

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

15. Budget

The City of Salmon Arm 2025 to 2029 Financial Plan Bylaw No. 4716 (Financial Plan Bylaw) was adopted by Council on May 5, 2025. 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 May 5, 2025 with adjustments as follows:

| | | |
|---|-----------|-------------------|
| Financial Plan Bylaw | \$ | - |
| Add: | | |
| Capital Grants | | 1,684,000 |
| Capital Expenditures | | 47,607,080 |
| Debt Repayment | | 1,756,300 |
| Transfer to Reserve Accounts | | 4,132,295 |
| Transfer to Reserve Funds | | 1,260,450 |
| Transfer from DCC Reserve Funds | | 782,000 |
| Other Development Contributions | | 591,810 |
| Less: | | |
| Transfer from Prior Year Surplus | | (542,515) |
| Transfer from Reserve Accounts | | (3,444,357) |
| Transfer to Capital Reserves Accounts | | (42,265,816) |
| Budget Surplus as per Statement of Operations | <u>\$</u> | <u>11,561,247</u> |

December 31, 2025

16. 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, 2025, the Trust Fund balance is \$656,823 (2024 - \$601,957). The City holds investments on behalf of the Fire Training Centre. As at December 31, 2025, the Fire Training Centre investment balance is \$105,573 (2024 - \$102,276).

17. Comparative Figures

Certain comparative figures have been updated to conform to current year presentation.

18. Financial Instrument Risk

The City is exposed to credit risk, liquidity risk, and interest rate risk from its financial instruments. This note describes the City's objectives, policies, and processes for managing those risks and the methods used to measure them. Further qualitative and quantitative information in respect of these risks is presented below and throughout these financial statements.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The City is exposed to credit risk through its cash, accounts receivable, and investments.

The City manages its credit risk by holding cash at federally regulated chartered banks with cash accounts insured up to \$100,000. The City measures its exposure to credit risk based on how long amounts have been outstanding, and historical experience regarding collections. The maximum exposure to credit risk at the financial statement date is the carrying value of its cash and accounts receivable. Accounts receivable arise primarily as a result of trade, taxes and utilities receivable. Based on this knowledge, credit risk of cash and accounts receivable are assessed as low.

The City manages exposure to credit risk for portfolio investments by ensuring adequate diversification and by maintaining its investments in the Municipal Finance Authority (MFA) which meets the investment requirements of Section 183 of the *Community Charter* of the Province of BC. As a result, the City has reduced exposure to market or value risk. The maximum exposure to credit risk on portfolio investments is outlined in Note 2.

Liquidity risk

Liquidity risk is the risk that the City will encounter difficulty in meeting obligations associated with financial liabilities. The Municipality is exposed to liquidity risk through its accounts payable and accrued liabilities, long-term debt and investments.

December 31, 2025

18. Financial Instrument Risk (Continued)

The City manages this risk by maintaining highly liquid investments, staggering maturity dates of investments, and by closely monitoring cash flow activities. Also to help manage the risk, the City has in place a planning, budgeting and forecasting process to help determine the funds required to support the normal operating requirements. The City's five-year financial plan is approved by the Mayor and Council, which includes operational activities and capital investments. The City measures its exposure to liquidity risk based on the results of cash forecasting and expected outflows and extensive budgeting.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The City is exposed to interest rate risk through its long-term debt and investments.

The City manages interest rate risk on its long-term debt by holding all debt through MFA at a fixed rate, with refinancing typically being completed at the five or ten year mark. Therefore, fluctuations in market interest rates would not impact future cash flows and operations relating to long-term debt. See Note 8 for interest rates and maturity dates for long term debt.

Investments that are subject to interest rate risk are MFA pooled investment funds (see Note 2). The risk is caused by changes in interest rates. As interest rates rise, the fair value of the MFA pooled investment funds notes decrease and, as interest rates fall, the fair value of these investments increase.

As a result of diversification by security type, only a portion of the overall investment portfolio is exposed to interest rate risk. As at December 31, 2025 the amount of the investment portfolio exposed was \$94,336,194 (2024 - \$87,707,072) per Note 2. To mitigate interest rate risk and market risk on its investments, the City holds its MFA long term pooled investment funds for 10 years or longer.

19. 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) Councilors 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:

December 31, 2025

19. Segment Reporting (Continued)

General Government Services

General Government Services includes 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, 2025

19. Segment Reporting (Continued)

Protective Services

Protective Services includes 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 183 square kilometres. It provides fire protection services to approximately 6,631 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 225 kilometres (excluding the Trans Canada Highway and Highway 97B) of roadway, 80 kilometres of sidewalk, as well as, 130 kilometres of storm sewer complete with retention ponds and currently operates a +/- 167 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, 2025

19. 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 five hundred seventy one (292) 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.

December 31, 2025

19. Segment Reporting (Continued)

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 600mm. The City waterworks system provides quality water through a gravity and pump system. The primary water sources are from Shuswap Lake - 93% and the Metford Dam - 7%. The waterworks system is relatively complex and is comprised of ten (10) zones, eight hundred seventy three (873) hydrants, eight (8) pumping stations, fourteen (14) reservoirs, and one (1) dam with a total storage capacity of 34,148 cubic metres and over 6,451 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.

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 5,508 service connections.

The City of Salmon Arm
Notes to the Financial Statements

December 31, 2025

19. Segmented Reporting (Continued)

| For the Year Ended December 31 | General Government Services | | Environmental, Health, and Development Services | | | | Recreation and Cultural Services | | Sewer Utility Services | | Water Utility Services | | 2025 Total | |
|--|-----------------------------|----------------------|---|-----------------------|----|-----------------------|----------------------------------|-----------------------|------------------------|---------------------|------------------------|---------------------|------------|---------------------|
| | | | | | | | | | | | | | | |
| Revenue | | | | | | | | | | | | | | |
| Taxation - Net | \$ | 24,130,799 | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | 24,130,799 |
| Transportation Parcel Tax | | - | | - | | - | | - | | - | | - | | 1,184,250 |
| Frontage Tax | | - | | 1,184,250 | | - | | - | | - | | - | | - |
| Grants | | 2,136,026 | | 372,804 | | 106,240 | | 299,975 | | 1,199,830 | | 1,689,545 | | 3,289,392 |
| Grants - Other | | 257,480 | | 81,805 | | 2,250 | | 88,600 | | - | | - | | 430,135 |
| Sales of Services | | 87,788 | | 96,400 | | 1,540,610 | | 3,843 | | 2,922,283 | | 4,058,282 | | 9,727,893 |
| Licenses, Permits and Fines | | 23,534 | | 689,400 | | 88,651 | | - | | - | | - | | 801,585 |
| Rentals, Leases and Franchises | | 789,025 | | 32,812 | | - | | 45,670 | | 24,000 | | 4,950 | | 931,982 |
| Return on Investments | | 2,159,058 | | 42,567 | | 24,971 | | 75,683 | | 274,188 | | 522,525 | | 3,277,408 |
| Penalties and Interest | | 299,947 | | - | | - | | - | | 24,770 | | 32,793 | | 357,510 |
| Other Revenue | | 3,000 | | 320 | | 237,684 | | 186,018 | | 74,544 | | 422,334 | | 446,085 |
| Developer and Other Contributions | | 23,279 | | 861,502 | | - | | 355,423 | | - | | - | | 1,737,082 |
| Gains on Disposal of Tangible Capital Assets | | 170,600 | | (424,440) | | - | | - | | - | | - | | (253,840) |
| Gain on Disposal on ARO Settlement | | - | | 338,442 | | - | | - | | - | | - | | 338,442 |
| Total Revenue | | 30,080,536 | | 1,234,303 | | 2,000,406 | | 1,055,212 | | 4,519,615 | | 6,730,429 | | 49,288,098 |
| Expenses | | | | | | | | | | | | | | |
| Wages and Benefits | | 2,848,051 | | 2,120,904 | | 1,184,329 | | 2,886,731 | | 999,454 | | 1,249,617 | | 13,554,214 |
| Insurance | | 275,653 | | 45,619 | | 146 | | 74,960 | | 56,243 | | 67,564 | | 625,822 |
| Community Grants | | 308,381 | | - | | 55,643 | | - | | - | | - | | 308,381 |
| Professional and Legal Fees | | 123,459 | | 69,286 | | 869 | | 39,443 | | 275,431 | | 375,407 | | 1,036,246 |
| Utilities and Property Taxes | | 64,186 | | 111,282 | | 47,398 | | 725,345 | | 92,327 | | 169,351 | | 1,724,422 |
| Repairs and Maintenance | | - | | 4,085,030 | | 2,130,949 | | (46,743) | | 294,102 | | 304,967 | | 8,519,589 |
| Contracts | | 612,125 | | 440,412 | | 417,346 | | 614,642 | | 433,798 | | 464,612 | | 3,435,703 |
| Operating Expenses | | 502,827 | | - | | - | | - | | - | | - | | 14,644 |
| Collections for Other Governments | | 14,644 | | - | | - | | - | | - | | - | | - |
| Amortization | | 1,049,737 | | 247,597 | | 6,014,228 | | 460,869 | | 949,089 | | 1,225,218 | | 9,946,738 |
| Interest and Debt Issue Expenses | | 656,034 | | - | | 28,754 | | 33,595 | | 50,743 | | 481,646 | | 1,495,200 |
| Accretion Expenses | | 89,895 | | - | | - | | 36,529 | | 52,865 | | 33,645 | | 226,317 |
| Total Expenses | | 6,544,992 | | 7,120,130 | | 3,865,434 | | 4,825,371 | | 3,204,052 | | 4,372,027 | | 41,066,378 |
| Net Surplus (Deficit) | | \$ 23,535,544 | | \$ (5,885,827) | | \$ (1,865,028) | | \$ (3,770,159) | | \$ 1,315,563 | | \$ 2,358,402 | | \$ 8,221,720 |

The City of Salmon Arm

Notes to the Financial Statements

December 31, 2025

19. Segmented Reporting (Continued)

| 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 | 2024 Total |
|---|-----------------------------|-----------------------|-------------------------|---|----------------------------------|------------------------|------------------------|---------------------|
| Revenue | | | | | | | | |
| Taxation - Net | \$ 22,667,107 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | 22,667,107 |
| Transportation Parcel Tax | - | - | 1,171,050 | - | - | - | - | 1,171,050 |
| Frontage Tax | - | - | - | - | - | 1,004,622 | 1,502,432 | 2,507,054 |
| Grants | 2,900,688 | 217,572 | 414,076 | 5,760 | 255,685 | - | - | 3,793,781 |
| Grants - Other | - | - | 60,777 | 2,250 | 60,600 | - | - | 123,627 |
| Sales of Services | 68,385 | 173,197 | 1,165,823 | 1,192,842 | 6,829 | 2,716,923 | 3,746,217 | 9,070,216 |
| Licenses, Permits and Fines | 79,995 | 749,488 | - | 117,478 | - | - | - | 946,961 |
| Rentals, Leases and Franchises | 834,280 | 54,756 | 35,009 | - | 44,459 | 24,000 | 12,150 | 1,004,654 |
| Return on Investments | 2,999,739 | 69,358 | 198,720 | 32,244 | 87,778 | 411,797 | 612,956 | 4,412,592 |
| Penalties and Interest | 270,908 | - | - | - | - | 18,193 | 23,683 | 312,784 |
| Other Revenue | 4,628 | 1,140 | 30,692 | - | 11,198 | - | - | 47,658 |
| Developer and Other Contributions | 37,950 | - | 355,757 | - | 154,700 | - | 369,521 | 917,928 |
| Gains (loss) on Disposal of Tangible Capital Assets | - | - | - | - | - | - | - | - |
| Loss on Disposal on ARO Settlement | - | - | - | - | - | - | - | - |
| Total Revenue | 29,863,680 | 1,265,511 | 3,431,904 | 1,350,574 | 621,249 | 4,175,535 | 6,266,959 | 46,975,412 |
| Expenses | | | | | | | | |
| Wages and Benefits | 2,373,191 | 1,981,546 | 2,115,621 | 1,049,803 | 2,553,436 | 954,712 | 1,185,010 | 12,213,319 |
| Insurance | 273,902 | 46,450 | 93,840 | 133 | 67,717 | 52,877 | 42,140 | 577,059 |
| Community Grants | 257,384 | - | - | - | - | - | - | 257,384 |
| Professional and Legal Fees | 99,707 | - | - | 15,531 | - | - | - | 115,238 |
| Utilities and Property Taxes | 62,630 | 70,994 | 201,230 | 910 | 35,183 | 268,598 | 384,682 | 1,024,227 |
| Repairs and Maintenance | - | 109,699 | 819,160 | 20,845 | 639,457 | 89,780 | 162,533 | 1,841,474 |
| Contracts | 578,315 | 4,932,234 | 1,059,614 | 2,065,919 | 449,156 | 174,397 | 299,810 | 9,559,445 |
| Operating Expenses | 464,970 | 289,240 | 849,707 | 573,004 | 409,428 | 484,119 | 356,099 | 3,426,567 |
| Collections for Other Governments | 13,696 | - | - | - | - | - | - | 13,696 |
| Amortization | 1,063,559 | 242,723 | 5,944,055 | - | 440,808 | 907,236 | 1,160,547 | 9,758,928 |
| Interest and Debt Issue Expenses | 709,770 | - | 201,796 | 28,050 | 33,250 | 49,500 | 507,366 | 1,529,732 |
| Accretion Expenses | 59,949 | - | 8,925 | - | 24,359 | 35,254 | 22,437 | 150,924 |
| Total Expenses | 5,957,073 | 7,672,886 | 11,293,948 | 3,754,195 | 4,652,794 | 3,016,473 | 4,120,624 | 40,467,993 |
| Net Surplus (Deficit) | \$ 23,906,607 | \$ (6,407,375) | \$ (7,862,044) | \$ (2,403,621) | \$ (4,031,545) | \$ 1,159,062 | \$ 2,146,335 | \$ 6,507,419 |

The City of Salmon Arm
Schedule 1 - COVID-19 Safe Restart Grant
(Unaudited)

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.

| | 2025 | 2024 |
|----------------------------------|------------|------------|
| Interest Income | \$ 19,635 | \$ 35,924 |
| Revenue Shortfalls: | | |
| General Government Services | - | - |
| Protective Services | - | - |
| Recreation and Cultural Services | - | - |
| Transportation Services | - | (45,000) |
| Expenditures: | | |
| Community Grants | - | - |
| Recreation and Cultural Services | - | (51,040) |
| Transportation Services | (480) | (45,000) |
| Net (Deficit) | 19,155 | (105,116) |
| Balance, Beginning of Year | 640,288 | 745,404 |
| Balance, End of Year | \$ 659,443 | \$ 640,288 |

The City of Salmon Arm
Schedule 2 - Growing Communities Fund
(Unaudited)

For the Year Ended December 31

The Province of British Columbia distributed conditional Growing Community Funds (GCF) grants to communities at the end of March 2023 to help local governments build community infrastructure and amenities to meet the demands of population growth. The GCF provided a one-time total of \$1 billion in grants to all 161 municipalities and 27 regional districts in British Columbia. The City received \$6,089,000 in 2023.

The GCF Grant has been accounted for as an unrestricted government transfer; recognized in the year received. The grant has been placed to the credit of a dedicated reserve fund. The following schedule outlines how the City has utilized the grant funding.

| | 2025 | 2024 |
|--|--------------|--------------|
| Interest Income | \$ 145,367 | \$ 266,163 |
| Expenditures: | | |
| Municipal or Regional Capital Projects | (13,767) | - |
| Storm Water Management | (42,069) | - |
| Local Road Improvements and Upgrades | (98,718) | (807,367) |
| Sidewalks, Curbing, and Lighting | - | (241,128) |
| Active Transportation Amenities | (102,750) | - |
| Parks - Additions, Maintenance, and Upgrades | (305,871) | - |
| Recreation Amenities | (299,975) | - |
| Net Deficit | (717,783) | (782,332) |
| Balance, Beginning of Year | 4,740,352 | 5,522,684 |
| Balance, End of Year | \$ 4,022,569 | \$ 4,740,352 |

The City of Salmon Arm
Schedule 3 - Local Government Housing Initiative
(Unaudited)

For the Year Ended December 31

The Government of British Columbia has provided \$51 million in grant-based funding to help facilitate implementation and support local governments to meet new legislative requirements of Housing Statutes (Residential Development) Amendment Act (Bill 44), Housing Statutes (Transit-Oriented Areas) Amendment Act (Bill 47) and Housing and Municipal Affairs Statutes Amendment Act (Bill 25) and to adopt new authorities under Housing Statutes (Development Financing) Amendment Act (Bill 46) and Housing Statutes Amendment Act (Bill 16).

A total of \$51 million has been distributed to 160 municipalities, 27 regional districts and the Islands Trust. The grant amounts are based on a formula with two components: a flat funding amount and a per-capita amount. For municipalities, the flat amount is \$150,000 and the per-capita amount is \$4.39. The LGHI Grant has been accounted for as an unrestricted government transfer; recognized in the 2024 year received. The following schedule outlines how the City has utilized the grant funding:

| | <u>2025</u> | <u>2024</u> |
|----------------------------|-------------------|-------------------|
| Funding received | \$ - | \$ 241,158 |
| Expenditures: | | |
| Contracted services | 6,609 | 61,622 |
| Salaries | - | 7,266 |
| Total expenditures | <u>6,609</u> | <u>68,888</u> |
| Balance, Beginning of Year | 172,270 | 241,158 |
| Balance, End of Year | <u>\$ 165,661</u> | <u>\$ 172,270</u> |

Statement of Council Indemnities & Expenses (Unaudited)
For the Year Ended December 31, 2025

A statement showing remuneration and expenses paid to each Elected Official during the Year 2025.

| Name | Position | Remuneration | Expenses | Life & Health Benefit | Total |
|--------------------------|------------|-------------------|------------------|--------------------------|-------------------|
| Harrison, Alan | Mayor | \$ 77,047 | \$ 8,634 | \$ 3,498 | \$ 89,179 |
| Cannon, Debbie | Councillor | 30,515 | 12,062 | 3,498 | 46,075 |
| Flynn, Kevin | Councillor | 30,727 | 11,423 | 3,498 | 45,647 |
| Gonnella, James | Councillor | 30,515 | 12,995 | 3,498 | 47,008 |
| Lavery, Timothy | Councillor | 30,727 | - | 3,498 | 34,225 |
| Lindgren, Sylvia | Councillor | 30,727 | 6,487 | 3,687 | 40,901 |
| Wallace-Richmond, Louise | Councillor | 30,727 | 14,476 | 3,498 | 48,700 |
| Total | | \$ 260,985 | \$ 66,076 | \$ 24,676 | \$ 351,736 |

Statement of Employee Remuneration and Expenses (Unaudited)
For the Year Ended December 31, 2025

A statement showing the gross remuneration, including vacation and overtime banks, and expenses paid to each employee whose total remuneration exceeded \$75,000 during the Year 2025.

| Name | Position | Remuneration | Expense | Total |
|---------------------------|---|--------------|---------|-----------|
| ADAMS, KENNETH C | Mechanic | \$ 86,445 | \$ 155 | \$ 86,600 |
| ANDERSON, REECE | Wastewater Treatment Plant Operator III | 94,562 | 189 | 94,751 |
| ARMSTRONG, REBECCA | Manager, Financial Services | 101,037 | 4,548 | 105,585 |
| BAKER, JASON | Utility Person III | 81,677 | 1,397 | 83,075 |
| BARTLETT, JAMES | Bylaw Enforcement Officer II | 76,885 | 694 | 77,579 |
| BENNETT, HUGH | Gardener II | 77,242 | 170 | 77,412 |
| BOYD, SCOTT | Equipment Operator III | 75,518 | 354 | 75,872 |
| BUXTON, MICHAEL GARY | Director Planning & Community Services | 155,767 | 1,142 | 156,909 |
| CARTER, DONALD | Arena Iceman / Parks Labourer II | 76,518 | 145 | 76,663 |
| COLLENS, JOSEPH | Mechanic | 91,093 | 95 | 91,188 |
| COWAN, GREG | Service Delivery Management Coordinator | 90,150 | 1,427 | 91,577 |
| CROWE, JERID | Wastewater Treatment Plant Operator I | 82,635 | 708 | 83,344 |
| CUNNINGHAM, TREVOR | Supervisor of Bylaw & Safety | 95,974 | 3,254 | 99,228 |
| DAY, CORY | Capital Works Supervisor | 108,112 | 805 | 108,917 |
| FLINKMAN, HOLLY | Human Resources Manager | 96,389 | 2,405 | 98,794 |
| FRESE, HART | Chief Operator of Waste Water Treatment Plant | 113,150 | 385 | 113,535 |
| GAMES, ALEXANDRA SAPPHIRE | Visitor Services and Communications Coordinator | 76,610 | 1,188 | 77,798 |
| GEROW, DARIN | Manager of Roads & Parks | 160,230 | 2,364 | 162,594 |
| GRAHAM, KIRK | Supervisor of Roads and Transportation | 114,104 | 505 | 114,609 |
| GRAMIAK, PATRICK | Chief Financial Officer | 138,507 | 6,489 | 144,996 |
| GREENCORN, JAMIE | Roads & Transportation Sub Foreman | 84,549 | 155 | 84,704 |
| GUIDOS, CARMEN SPENCER | Fire Fighter | 103,216 | 328 | 103,544 |
| HARRIS, COREY | Supervisor Fleet & Facilities | 101,208 | 1,176 | 102,384 |
| HASKELL, TROY | Equipment Operator IV | 75,010 | 255 | 75,265 |
| HAY, JONATHAN R. | Parks Sub Foreman | 104,201 | 3,544 | 107,745 |
| HOCKMAN, COREY | Utility Person III | 78,119 | 711 | 78,831 |
| JACKSON, ERIN | Chief Administrative Officer | 219,479 | 5,607 | 225,086 |
| JAMIESON, MICHAEL | Equipment Operator V | 83,204 | 155 | 83,359 |
| JEFFREY, AUBREE | Planner I | 78,689 | 209 | 78,898 |
| JOVICIC, DUSAN | Building Inspector III | 87,860 | 1,335 | 89,195 |
| KAWAGUCHI, GLEN | Irrigation Technician | 77,096 | 274 | 77,370 |
| KNUDSON, DEBBIE | Bylaw Enforcement Officer II | 85,497 | 819 | 86,317 |
| LARSON, CHRIS | Senior Planner | 93,970 | 4,148 | 98,118 |
| LEWIS, GRAHAM | Labourer II / Gardener II | 76,216 | 100 | 76,316 |
| MCKEN, DENISE | Road Surface & Sign Maintenance Technician | 74,848 | 195 | 75,043 |
| MILLS, JONATHAN R. | Engineering Assistant I | 75,204 | 254 | 75,459 |
| MOORE, CHRISTOPHER | Engineering Assistant II | 91,893 | 144 | 92,037 |
| MULLER, RAYMON | Utility Person III | 80,760 | 1,147 | 81,907 |
| NADEAU, KATHY | Accounting Clerk IV | 80,401 | 674 | 81,076 |
| NIEWENHUIZEN, ROBERT | Director of Engineering & Public Works | 152,912 | 948 | 153,859 |
| ORR, RYAN | Accountant | 96,348 | 1,164 | 97,512 |

| | | | | |
|----------------------------|---|---------|-------|---------|
| PAIEMENT, MORGAN | Planner I | 78,035 | 865 | 78,900 |
| PATTERSON, GREGG | GIS / IT Coordinator | 92,662 | 1,079 | 93,740 |
| PHILPS, JASON | Utility Sub Foreman | 101,044 | 846 | 101,890 |
| PUDDIFANT, BARBARA | Deputy Corporate Officer | 79,055 | 2,637 | 81,691 |
| RASMUSON, JOHN G. | Manager of Utilities | 129,559 | 177 | 129,736 |
| ROMYN, BRENT | Water Treatment Plant Operator III | 77,868 | 45 | 77,913 |
| RYCROFT, CODY | Equipment Operator IV | 78,201 | 382 | 78,583 |
| SCARBOROUGH, CHRISTOPHER W | Firefighter | 79,947 | 708 | 80,655 |
| SHIRLEY, BRAD W. | Fire Chief | 142,415 | 2,391 | 144,806 |
| SHOLINDER, CINDY | Accounting Clerk IV | 76,985 | 82 | 77,067 |
| SMYRL, MELINDA | Manager of Planning & Building | 107,013 | 1,452 | 108,465 |
| SPENCER, JORY | Arena Attendant / Labourer II | 77,729 | 239 | 77,968 |
| STALKER, DOUG | Wastewater Treatment Plant Operator III | 94,786 | 349 | 95,136 |
| STEFANYK, KYLE | Equipment Operator IV | 82,083 | 45 | 82,128 |
| STEVENSON, TYLER | Fire Prevention Public Education | 92,292 | 3,350 | 95,642 |
| TOMSON, RICHARD | Tradesman Certified Fabricator Millwright | 90,878 | 45 | 90,923 |
| TULAK, DEVON | Wastewater Treatment Plant Operator III | 116,105 | 643 | 116,748 |
| TURLEY, SAMUEL | Carpenter II | 85,924 | 155 | 86,079 |
| WAGNER, EMMA | GIS Technician | 78,523 | 144 | 78,667 |
| WEBB, RICK G. | Wastewater Treatment Plant Chief Operator | 122,326 | 600 | 122,926 |
| WEST, RHONDA | Deputy Corporate Officer | 98,948 | 1,346 | 100,295 |
| WILSON, JENNIFER C | City Engineer | 133,804 | 3,384 | 137,188 |
| YOUNG, LINDEN | Mechanic | 91,266 | 886 | 92,151 |
| YURKOWSKI, JOSHUA | Sub-Foreman Utility | 84,502 | 1,365 | 85,866 |
| ZAKREET, MUSTAFA | Engineering Assistant II | 92,393 | 2,366 | 94,759 |

| | | | |
|---------------------------------|-----------|--------|-----------|
| Employee Wages Over \$75,000.00 | 6,377,629 | 77,344 | 6,454,973 |
|---------------------------------|-----------|--------|-----------|

| | | | |
|----------------------------------|-----------|--------|-----------|
| Employee Wages Under \$75,000.00 | 4,103,464 | 19,906 | 4,123,370 |
|----------------------------------|-----------|--------|-----------|

| | | | |
|-------|---------------|-----------|---------------|
| Total | \$ 10,481,092 | \$ 97,251 | \$ 10,578,343 |
|-------|---------------|-----------|---------------|

Reconciliation of Remuneration (Unaudited)
For the Year Ended December 31, 2025

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

| Description | Amount |
|---|-----------------------------|
| Council Indemnity | \$ 260,985 |
| Employees Wages | 10,481,092 |
| Revenue Canada Agency (Employers CPP and EI) | 675,030 |
| Pension | 358,592 |
| Work Safe B.C. | 277,522 |
| Employer Health Tax | 145,907 |
| Other (including accrual versus cash basis* and labour capitalized) | 1,355,086 |
| | <hr/> |
| Wages and Benefits Per Note 20 - Segmented Reporting | <u><u>\$ 13,554,214</u></u> |

*The variance between the Schedule of Remuneration and Expenses and the Salaries and benefits expenses reported on the consolidated financial statements of the City are due to various factors including:

- The Remuneration and Expenses schedule is based on actual cash payments made during the fiscal year (including payouts of vacation and overtime banks) whereas the consolidated financial statement figure is determined on an accrual basis; and,
- The Salaries and benefits includes benefits that are recorded at full cost on the consolidated financial statements and includes items such as employer portions of federal deductions, retirement benefits and medical benefits.

**Statement of Payments Made for the Provision of Goods and Services
(Unaudited)
For the Year Ended December 31, 2025**

A statement of supplier accounts paid \$25,000 or more during the Year 2025.

| Name | Amount |
|--|------------|
| 478868 BC LTD O/A MCDIARMID CONSTRUCTION | \$ 624,859 |
| ACCURATE FENCE & MANUFACTURING INC | 31,893 |
| ACERA INSURANCE SERVICES LTD | 119,586 |
| ALL PHASE ELECTRIC LTD. | 145,507 |
| ALUMICHEM CANADA INC | 273,819 |
| ANDREW SHERET LIMITED | 66,562 |
| ASSOCIATED ENGINEERING (BC) LIMITED | 206,213 |
| BC - EMPLOYER HEALTH TAX | 145,907 |
| BC DIESEL GENERATORS LTD | 91,896 |
| BC HYDRO & POWER AUTHORITY | 898,597 |
| BC TRANSIT | 740,988 |
| BDO CANADA LLP | 102,458 |
| BEDROC GREENHOUSES INC | 31,786 |
| BLACK PRESS GROUP LTD. | 33,890 |
| BLACKBURN EXCAVATING LTD. | 43,863 |
| BOLT ELECTRIC | 109,098 |
| BRIGHTLY SOFTWARE CANADA INC | 27,963 |
| BROWN AND CALDWELL CONSULTANTS CANADA LTD. | 472,809 |
| CANADA POWER GENERALTOR INC | 134,659 |
| CANADA REVENUE AGENCY | 672,286 |
| CANADIAN PACIFIC RAILWAY COMPANY | 56,115 |
| CARO ANALYTICAL SERVICES LTD | 32,379 |
| CENTRALSQUARE CANADA SOFTWARE INC A | 128,183 |
| CENTRIX CONTROL SOLUTIONS LP | 280,116 |
| CHANCE'S BULK UNLOADING LTD. | 164,612 |
| CITY ELECTRIC SUPPLY CORPORATION | 65,537 |
| CLEAR TECH INDUSTRIES INC. | 40,149 |
| COLUMBIA SHUSWAP REGIONAL DISTRICT | 283,463 |
| COOL CREEK ENERGY LTD. | 281,333 |
| COSH PROPERTY APPRAISALS | 26,085 |

**Statement of Payments Made for the Provision of Goods and Services
(Unaudited)**

For the Year Ended December 31, 2025

A statement of supplier accounts paid \$25,000 or more during the Year 2025.

| Name | Amount |
|---|---------|
| D WEBB CONTRACTING LTD. | 291,520 |
| DOMINION GOVLAW LLP | 59,254 |
| DUKA ENVIRONMENTAL SERVICES LTD | 29,468 |
| ELECTRIC MOTOR & PUMP SERVICE LTD | 183,392 |
| ESCRIBE SOFTWARE LTD | 45,169 |
| ESRI CANADA | 43,154 |
| EXO CONTRACTING INC | 124,011 |
| EXTROPIC ENERGY INC | 25,212 |
| FIT LOCAL GOVERNMENT CONSULTING INC | 25,255 |
| FLOWSYSTEMS DISTRIBUTION INC | 111,160 |
| FORTIS BC | 153,869 |
| FRED SURRIDGE LTD | 35,169 |
| FULTON & COMPANY LLP - KAMLOOPS | 51,500 |
| GENERAL ASSEMBLY EXCAVATING (1994) LTD. | 70,610 |
| GENTECH ENGINEERING INC | 52,454 |
| GORGE CREEK LOGGING LTD | 37,448 |
| GRAY MATTER SYSTEMS CANADA INC | 29,393 |
| GREEN ROOTS PLAY EQUIPMENT INC. | 113,700 |
| GRIZZLY CURB & CONCRETE LTD. | 48,997 |
| GROUP HEALTH GLOBAL - TRUST | 696,949 |
| HACH SALES & SERVICE CANADA LP | 39,795 |
| HOME BUILDING CENTRE - SALMON ARM | 32,426 |
| INDUSTRIAL MACHINE INC | 120,877 |
| INSKIP ELECTRIC LTD. | 38,725 |
| ISL ENGINEERING AND LAND SERVICES LTD. | 169,982 |
| KENDRICK EQUIPMENT (2003) LTD | 284,633 |
| KIMCO CONTROLS LTD | 149,447 |
| KS2 MANAGEMENT LTD | 130,480 |
| LARRATT AQUATIC CONSULTING LTD | 25,554 |
| LAWSON ENGINEERING LTD. | 62,065 |
| LESSARD EXCAVATING LTD. | 802,273 |
| LINE WEST LTD | 64,776 |
| LORDCO PARTS LTD. | 76,173 |
| MADA CONTRACTING | 115,981 |
| METRO MOTORS LTD | 72,085 |

**Statement of Payments Made for the Provision of Goods and Services
(Unaudited)
For the Year Ended December 31, 2025**

A statement of supplier accounts paid \$25,000 or more during the Year 2025.

| Name | Amount |
|---|-----------|
| MICHELS CANADA CO. | 1,569,373 |
| MODUS PLANNING DESIGN & ENGAGEMENT INC | 38,875 |
| MUNICIPAL INSURANCE ASSOCIATION OF BC | 488,954 |
| MUNICIPAL PENSION PLAN | 358,592 |
| NSC MINERALS LTD | 62,939 |
| OAKCREEK GOLF & TURF LP | 50,541 |
| OKANAGAN AGGREGATES LTD | 1,354,173 |
| OKANAGAN TRAFFIC CONTROL INC. | 45,390 |
| ONSITE ENGINEERING LTD | 31,927 |
| PARKWORKS SOLUTIONS CORP | 34,596 |
| PAVEMENT SOLUTIONS INC. | 84,653 |
| PEAK AIR INDUSTRIAL | 68,067 |
| PETROVALUE PRODUCTS CANADA INC | 354,634 |
| PINCHIN LTD | 38,077 |
| RECEIVER GENERAL FOR CANADA | 4,769,454 |
| RISE UP INDIGENOUS WELLNESS | 28,270 |
| RJAMES MANAGEMENT GROUP LTD | 481,187 |
| ROCKWELL ZARA | 25,358 |
| ROGERS WIRELESS INC | 30,532 |
| SALMON ARM DOWNTOWN IMPROVEMENT ASSOCIATION | 244,650 |
| SALMON ARM ECONOMIC DEVELOPMENT SOCIETY | 955,651 |
| SALMON ARM FLYING CLUB | 28,975 |
| SALMON ARM GRAVEL PRODUCTS LTD | 45,621 |
| SALMON ARM JANITORIAL LTD. | 122,928 |
| SALMON ARM READY MIX LTD | 48,703 |
| SCOTIABANK VISA - ERIN JACKSON | 67,814 |
| SCOTIABANK VIST - PATRICK GRAMIAK | 51,669 |
| SCV CONTRACTORS CORPORATION | 788,306 |
| SEGO CANADA INC. | 106,580 |
| SHAW BUSINESS A DVISION OF SHAW TELECOM GP | 40,645 |

**Statement of Payments Made for the Provision of Goods and Services
(Unaudited)
For the Year Ended December 31, 2025**

A statement of supplier accounts paid \$25,000 or more during the Year 2025.

| Name | Amount |
|---|----------------------|
| SHAWS ENTERPRISES LTD | 35,856 |
| SHOESMITH DAVID | 39,811 |
| SHUSWAP HUT AND TRAIL ALLIANCE | 63,466 |
| S-I IPVF CANADA INC. DBA CAC INDUSTRIAL EQUIPMENT | 30,375 |
| SKYSAIL TECHNOLOGIES | 293,237 |
| STANTEC CONSULTING LTD | 99,800 |
| SYBERTECH WASTE REDUCTION LTD | 50,199 |
| TALEDI ENTERPRISE DEVELOPMENTS INC. | 41,503 |
| THE ROC DOC VENTURES LTD. DBA SCOTT CONTRACTING & | 404,976 |
| TOTAL OFFICE SUPPLY LTD. | 27,485 |
| TRANSCAN LEASING CORP | 268,640 |
| TURN-KEY CONTROLS LTD | 26,602 |
| UPTIME INDUSTRIAL INC | 111,748 |
| VADIUM SECURITY INC. | 74,941 |
| WESTCOMM PUMP & EQUIPMENT LTD | 68,479 |
| WESTERRA EQUIPMENT LP | 410,964 |
| WHOLESALE FIRE & RESCUE LTD | 33,393 |
| WOLSELEY CANADA INC | 137,534 |
| WORKING ENTERPRISES CONSULTING & BENEFITS | 156,173 |
| WORKSAFE BC | 277,522 |
| WSP CANADA INC | 62,305 |
| YETI REFRIGERATION INC. | 349,883 |
| Supplier Accounts Over \$25,000.00 | 26,227,587 |
| Supplier Accounts Under \$25,000.00 | 1,192,791 |
| Total | <u>\$ 27,420,379</u> |

**Statement of Payments for the Purpose of Grants or Contributions
(Unaudited)
For the Year Ended December 31, 2025**

A statement of organizations paid grants or contributions of \$25,000 or more during the Year 2025.

| Name | Amount |
|---|--------------------------|
| S.A.F.E. Society | \$ 27,000 |
| Salmon Arm Elks #455 | 34,516 |
| Salmon Arm Folk Music Society | 54,000 |
| Salmon Arm Museum and Heritage Association | 180,480 |
| School District No. 83 | 29,012 |
| Shuswap Community Foundation | 62,500 |
| Shuswap District Art Council/Shuswap Art Gallery Assoc. | 60,000 |
| Shuswap Hut and Trail Alliance | 51,300 |
| <hr/> | |
| Grants or Contributions Over \$25,000.00 | 498,808 |
| Grants or Contributions Under \$25,000.00 | <u>121,961</u> |
| Total | <u><u>\$ 620,769</u></u> |

Reconciliation of Payments Made for the Provision of Remuneration, Expenses, Goods and Services (Unaudited) For the Year Ended December 31, 2025

A reconciliation showing the gross remuneration and expenses paid to employees and suppliers during the Year 2025, compared to total expenses on the Financial Statements.

| Description | Amount |
|--|--------------|
| Council Indemnity and Expenses | \$ 351,736 |
| Employees Wages and Expenses | 10,578,343 |
| Payments Made for the Provision of Goods and Services | 27,420,379 |
| Grants or Contributions | 620,769 |
| Total Disbursements | 38,971,227 |
| Total Expenses Per Note 19 - Segemented Information | 41,066,378 |
| Difference* | (2,095,151) |
| Amortization per Note 19, Not a Cash Expenses | 9,946,738 |
| Interest and Debt Issurance Expense per Note 19, Not Included in Payments to Suppliers | 1,495,200 |
| Accretion per Note 19, Not a Cash Expense | 226,317 |
| Capital Purchases per Statement of Cash Flows, Not included in Note 19 | (10,988,869) |
| Other Adjustments (Changes in Accounts Payable, Inventory, & Prepaid Expenses) | 732,852 |
| Variance (-1.66%) | \$ (682,914) |

*The difference between the Schedule of Payments Made for the Provision of Goods and Services and the Total Expenses for the Audited Financial Statements are due to:

- The financial statements are prepared on an accrual basis and this report is on a cash basis. This would include adjustments for opening and closing balances of inventory, prepaid expenses and accounts payables; and,
- 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
For the Year Ended December 31, 2025**

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 gaurantor to assist the Salmon Arm Tennis Club in the financing of an Indoor Tennis Facility at 3440 Okanagan Avenue SE, Salmon Arm, BC. 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. Loan details are described below:


| | <u>2025</u> |
|-----------------------------------|---------------|
| Outstanding Principal | \$ 671,576.00 |
| Annual Interest Rate | 5.990% |
| Repayable in Monthly Installments | \$ 4,936.00 |
| Final Year of Loan | 2047 |


Statement of Severance Agreements (Unaudited)
For the Year Ended December 31, 2025


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 2025. This agreement represents 5 weeks of salary and benefits.





Photo Credits

 **Front Cover:** Great Canadian Landmark Contest
Treble Clef
November 13, 2025


 Lachlan Labere, Salmon Arm Observer


 **Inside Cover:** BCHL All-Star Weekend
Rogers Rink
January 17, 2025


 BCHL


 **Page 4:** Mini PowWOW
Marine Peace Park
August 27, 2025


 Salmon Arm Observer


 **Page 8:** Installation of Synthetic Field
Blackburn Park
December 13, 2025


 Shuswap Youth Soccer Association

 **Page 10:** New Lighting at McGuire Lake
McGuire Lake
June 24, 2025

 Allan Harrison


 **Page 12 & 13:** Multi Use Path Grand Opening
21 Street & 11 Avenue NE
May 22, 2025

 City of Salmon Arm


 **Page 14:** Downtown Salmon Arm Aerial
Hudson Avenue
September 2025


 BC Ale Trail


 **Page 18:** Salmon Arm Tourism Stakeholder
Engagement Session
City Hall
April 2, 2025


 City of Salmon Arm


 **Page 22:** Tech Meet Up
Sullivan Campus - Salmon Arm Secondary
February 11, 2025


 City of Salmon Arm


 **Page 24 & 25:** New Sani Dump Station
1100 20 Street SW


 City of Salmon Arm


 **Page 26:** Name the Snow Plow Contest Entries & Winner
December 2025


 City of Salmon Arm


 **Page 28:** City of Salmon Arm Sign - Engineering
Students & Staff
Trans Canada Highway
June 19, 2025


 City of Salmon Arm


 **Page 28:** Foreshore Sanitary Main Relining Project
Foreshore/Raven Trail
February, 2025


 City of Salmon Arm

 **Page 30:** New Animal Control Van w/ Bylaw Team
City Hall
May, 2025


 City of Salmon Arm


 **Page 32:** West Bay Connector Engagement Meetings
Song Sparrow Hall / Pierres Point Log Building
March 8, 2025


 City of Salmon Arm

 **Page 34:** Road Paving/Zone 5 Booster Pump Station
Salmon Arm /Little Mountain Park
2025

 City of Salmon Arm

 **Page 33:** Canada Day Celebration/New Playground
Rogers Rink /SASCU Sports Complex
July 1, 2025/May 26, 2025

 City of Salmon Arm

 **Page 38:** RCMP Detachment/New EV Truck
Salmon Arm Legion
November, 2025/July 9, 2025

 Salmon Arm RCMP



Photo Credits



Page 40: Spring Street and Parking Lot Cleaning Fundraiser

The Mall at Piccadilly

April, 2025



Salmon Arm Fire Department



Page 44: Rock Pit Installation

28 Street NE

August, 14 2025



City of Salmon Arm



Back Cover: Salmon Arm Wharf

Marine Peace Park

2025



BC Ale Trail

