

# **The Corporation of the Village of Salmo**

## **2022 STATEMENT OF FINANCIAL INFORMATION**

**Statement of Financial Information (SOFI)**  
**THE CORPORATION OF THE VILLAGE OF SALMO**  
**Fiscal Year Ended December 31, 2022**

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**Statement of Financial Information (SOFI)**

**THE CORPORATION OF THE VILLAGE OF SALMO**

**Fiscal Year Ended December 31, 2022**

**STATEMENT OF FINANCIAL INFORMATION APPROVAL**

We, the undersigned, approve the attached statements and schedules included in this Statement of Financial Information, produced under the Financial Information Act.



Diana Lockwood  
Mayor



Nathan Russ, CPA, CMA  
Chief Financial Officer

Prepared as required by *Financial Information Regulation*, Schedule 1, section 9

## Statement of Financial Information (SOFI)

### THE CORPORATION OF THE VILLAGE OF SALMO

Fiscal Year Ended December 31, 2022

#### MANAGEMENT REPORT

The Financial Statements contained in this Statement of Financial Information under the *Financial Information Act* have been prepared by management in accordance with generally accepted accounting principles and the integrity and objectivity of these statements are management's responsibility.

Management is also responsible for all other schedules of financial information and for ensuring this information is consistent, where appropriate, with the information contained in the financial statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Mayor and Council are responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and for approving the financial information included in the Statement of Financial Information.

The external auditors, Grant Thornton, Chartered Professional Accountants, conduct an independent examination, in accordance with generally accepted auditing standards, and express their opinion on the financial statements. Their examination does not relate to the other schedules of financial information required by the *Financial Information Act*. Their examination includes a review and evaluation of the City's system of internal control and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly.

On behalf of The Corporation of the Village of Salmo



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Nathan Russ, CPA, CMA  
Chief Financial Officer  
June 28, 2023

**THE CORPORATION OF THE VILLAGE OF SALMO**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

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**THE CORPORATION OF THE VILLAGE OF SALMO**  
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For the Year Ended December 31, 2022

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# THE CORPORATION OF THE VILLAGE OF SALMO

## MANAGEMENT REPORT

For the Year Ended December 31, 2022

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### RESPONSIBILITY FOR FINANCIAL REPORTING

Management is responsible for the preparation of the accompanying financial statements. The financial statements have been prepared in accordance with the accounting principles disclosed in Note 1 to the financial statements and include amounts that are based on estimates and judgments. Management believes that the financial statements fairly present The Corporation of the Village of Salmo's financial position and results of operations. The integrity of the information presented in the financial statements, including estimates and judgments relating to matters not concluded by fiscal year-end, is the responsibility of management. The financial statements have been approved by Council.

Management has established and maintained appropriate systems of internal control including policies and procedures, which are designed to provide reasonable assurance that The Corporation of the Village of Salmo's assets are safeguarded and that reliable financial records are maintained to form a proper basis for preparation of the financial statements.

The independent external auditors, Grant Thornton LLP, Chartered Professional Accountants, have been appointed by Council to express an opinion as to whether the financial statements present fairly, in all material respects, The Corporation of the Village of Salmo's financial position, results of operations, and changes in net financial assets are in conformity with the accounting principles disclosed in Note 1 to the financial statements. The report of Grant Thornton LLP, Chartered Professional Accountants, follows and outlines the scope of their examination and their opinion on the financial statements.



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Nathan Russ, CPA, CMA  
Financial Officer

# Independent auditor's report

To the Mayor and Council of  
The Corporation of the Village of Salmo

## Opinion

We have audited the financial statements of The Corporation of the Village of Salmo ("the Village"), which comprise the statement of financial position as at December 31, 2022, and the statements of operations, change in net debt and cash flow 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 Corporation of the Village of Salmo as at December 31, 2022, and its results of operations, its changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## Basis for Opinion

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

## Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. Exhibit 1 is presented for the purposes of additional information and is not a required part of the financial statements. Such information has not been subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion thereon.

## 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 Village's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Village or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Village'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 Village'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 Village'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 Village 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.

The signature of Grant Thornton LLP is written in a cursive, handwritten style.

Chartered Professional Accountants

Trail, Canada  
May 9, 2023

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**THE CORPORATION OF THE VILLAGE OF SALMO**  
**STATEMENT OF FINANCIAL POSITION**

As at December 31, 2022

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	<u>2022</u>	<u>2021</u>
<b>Financial Assets</b>		
Cash and cash equivalents (Note 2)	\$ 2,230,248	\$ 2,408,849
Accounts receivable (Note 3)	198,922	194,759
MFA deposits (Note 4)	<u>14,657</u>	<u>14,336</u>
	<u>2,443,827</u>	<u>2,617,944</u>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities (Note 5)	142,483	104,520
Deferred revenue (Note 6)	103,032	72,837
Accrued future payroll benefits (Note 7)	30,504	32,578
Debt (Note 8)	<u>692,635</u>	<u>757,849</u>
	<u>968,654</u>	<u>967,784</u>
<b>Net Financial Assets</b>	1,475,173	1,650,160
<b>Non-Financial Assets</b>		
Tangible capital assets (Note 9)	8,814,449	8,538,747
Inventory	8,946	11,501
Other assets (Note 10)	17,317	17,317
Prepaid expenses	<u>23,505</u>	<u>13,910</u>
	<u>8,864,217</u>	<u>8,581,475</u>
<b>Accumulated Surplus (Note 11)</b>	<u>\$ 10,339,390</u>	<u>\$ 10,231,635</u>

Trust Funds (Note 12)  
Commitments and Contingencies (Note 15)



Diana Lockwood  
Mayor



Nathan Russ, CPA, CMA  
Financial Officer

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**THE CORPORATION OF THE VILLAGE OF SALMO**  
**STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**  
For the Year Ended December 31, 2022

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	<u>2022 Budget</u> (Note 16)	<u>2022</u>	<u>2021</u>
<b>Revenue</b>			
Taxes	\$ 447,212	\$ 446,830	\$ 440,853
Sale of services	102,585	101,339	100,740
Other revenue from own sources	170,040	123,700	118,162
Investment income	19,950	59,291	52,922
Government transfers- unconditional	466,000	593,000	473,000
Government transfers - conditional	388,205	282,434	428,164
Water user fees	182,036	182,726	178,610
Sewer user fees	286,496	287,210	278,150
	<u>2,062,524</u>	<u>2,076,530</u>	<u>2,070,601</u>
<b>Expenses</b>			
General government	578,508	526,300	564,826
Protective services	134,395	102,067	98,350
Transportation services	385,284	324,776	275,711
Environmental health services	107,991	99,132	104,270
Public health and welfare services	11,675	12,030	16,350
Parks, recreation and cultural services	83,600	53,015	48,131
Interest and other debt charges	22,473	22,552	24,791
Water utility operations	151,269	146,643	148,263
Sewer utility operations	234,336	293,043	256,365
Amortization	<u>400,492</u>	<u>389,217</u>	<u>394,587</u>
	<u>2,110,023</u>	<u>1,968,775</u>	<u>1,931,644</u>
Annual surplus	(47,499)	107,755	138,957
Accumulated surplus, beginning of the year	<u>10,231,635</u>	<u>10,231,635</u>	<u>10,092,678</u>
<b>Accumulated surplus, end of the year</b>	<u>\$ 10,184,136</u>	<u>\$ 10,339,390</u>	<u>\$ 10,231,635</u>

The accompanying summary of significant accounting policies and notes form an integral part of these financial statements

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**THE CORPORATION OF THE VILLAGE OF SALMO**  
**STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**

For the Year Ended December 31, 2022

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	<u>2022 Budget</u>	<u>2022</u>	<u>2021</u>
Annual surplus	\$ (47,499)	\$ 107,755	\$ 138,957
Acquisition of tangible capital assets	(1,045,000)	(664,917)	(293,681)
Amortization of capital assets	<u>400,492</u>	<u>389,217</u>	<u>394,587</u>
	(692,007)	(167,945)	239,863
Acquisition of prepaid expenses	-	(9,597)	(6,863)
Acquisition (consumption) of supply inventory	<u>-</u>	<u>2,555</u>	<u>(2,116)</u>
	-	(7,042)	(8,979)
Increase (decrease) in net financial assets	(692,007)	(174,987)	230,884
Net financial assets, beginning of year	<u>1,650,160</u>	<u>1,650,160</u>	<u>1,419,276</u>
<b>Net financial assets, end of the year</b>	<b>\$ <u>958,153</u></b>	<b>\$ <u>1,475,173</u></b>	<b>\$ <u>1,650,160</u></b>

The accompanying summary of significant accounting policies and notes form an integral part of these financial statements

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**THE CORPORATION OF THE VILLAGE OF SALMO**  
**STATEMENT OF CASH FLOWS**  
For the Year Ended December 31, 2022

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	<u>2022</u>	<u>2021</u>
<b>Cash Provided by (Used In)</b>		
<b>Operating Activities</b>		
Annual surplus	\$ 107,755	\$ 138,957
<b>Items not involving cash:</b>		
Amortization of tangible capital assets	389,217	394,587
Actuarial adjustments	<u>(12,632)</u>	<u>(11,684)</u>
	484,340	521,860
<b>Increase (decrease) in non-cash working capital balances:</b>		
Accounts receivable	(4,166)	182,077
MFA deposits	(321)	(239)
Accounts payable and accrued liabilities	37,963	(12,382)
Deferred revenue	30,195	(12,183)
Accrued future payroll benefits	(2,074)	4,950
Inventory	2,555	(2,116)
Prepaid expenses	<u>(9,595)</u>	<u>(6,863)</u>
	<u>538,897</u>	<u>675,104</u>
<b>Financing Activities</b>		
Debt repayment	<u>(52,581)</u>	<u>(52,042)</u>
<b>Capital Activities</b>		
Acquisition of tangible capital assets	<u>(664,917)</u>	<u>(293,681)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(178,601)	329,381
<b>Cash and cash equivalents, beginning of year</b>	<u>2,408,849</u>	<u>2,079,468</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 2,230,248</u>	<u>\$ 2,408,849</u>

The accompanying summary of significant accounting policies and notes form an integral part of these financial statements

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# THE CORPORATION OF THE VILLAGE OF SALMO

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

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### 1. Significant Accounting Policies

The Corporation of the Village of Salmo (the "Village") is a local government in the Province of British Columbia. The financial statements have been prepared in accordance with Canadian public sector accounting standards.

The following is a summary of the Village's significant accounting policies:

(a) Basis of Presentation

The Village's resources and operations are segregated into General, Water and Sewer funds and Statutory and Non-statutory reserve funds and Reserves for future capital expenditures for accounting and financial reporting purposes. These financial statements include the accounts of all the funds of the Village. Inter-fund transactions and balances have been eliminated.

(b) Revenue Recognition

Sources of revenue are recorded on the accrual basis and include revenue in the period in which the transactions or events occurred that give rise to the revenues. Taxation revenues are recognized at the time of issuing the property tax notices for the fiscal year. Sale of services and user fee revenues are recognized when the service or product is rendered by the Village.

Grant revenues are recognized when the funding becomes receivable. Revenue unearned in the current period is recorded as deferred revenue.

(c) Deferred Revenue

Deferred revenue represents funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes as well as licenses, permits, other fees and grants which have been collected, but for which the related services have not been performed and or projects have not been constructed. These amounts will be recognized as revenues in the fiscal year in which it is used for the specified purpose, the services are performed and or the projects are constructed.

(d) Government Transfers

Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates can be made.

(e) Financial Instruments

The Village's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, accrued future payroll benefits and debt. It is management's opinion that the Village is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values.

(f) Accrued Future Payroll Benefits

The Village records the cost of future payroll benefits over the employee's term of employment.

(g) Interest and Actuarial Gains on Long Term Debt

The Village records interest expense on long-term debt on an accrual basis and actuarial gains when realized as a reduction of the principal balance.

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# THE CORPORATION OF THE VILLAGE OF SALMO

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

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### 1. Significant Accounting Policies (continued)

(h) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, balances with banks and highly liquid temporary money market instruments.

(i) Tangible Capital Assets

Tangible capital assets, comprised of capital assets and capital assets under construction, are recorded at cost and are classified according to their functional use. Amortization is recorded on a straight-line basis over the estimated useful life of the asset commencing the year the asset is put in to service. Donated tangible capital assets are reported at fair value at the time of donation. Estimated useful lives are as follows:

Land Improvements	15 to 20 years
Buildings	40 years
Fixtures, Furniture, Equipment and Vehicles	6 to 10 years
Roads and Paving	20 to 40 years
Bridge and Other Transportation Structures	40 to 50 years
Water Infrastructure	20 to 60 years
Sewer Infrastructure	20 to 60 years

(j) 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.

(k) Statutory Reserves

Statutory reserves are funds that have been restricted by council. Formal establishing bylaws have been adopted pursuant to the Community Charter, which define how these reserves are to be used.

(l) Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use and all of the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the Village is directly responsible, or accepts responsibility;
- it is expected that a future economic benefit will be given up; and
- a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance, and monitoring that are an integral part of the remediation strategy for a contaminated site.

There are no liabilities to be recorded as at December 31, 2022.

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# THE CORPORATION OF THE VILLAGE OF SALMO

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

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### 1. Significant Accounting Policies (continued)

#### (m) Use of Estimates

The preparation of the financial statements in accordance with with Canadian public sector accounting standards 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 revenues and expenses during the reporting period. Significant areas requiring estimates include the useful lives of tangible capital assets for amortization, future employee benefits, allowance for doubtful accounts and provision for contingencies. Actual results could differ from management's best estimates as additional information becomes available in the future.

#### (n) Budget

Budget data presented in these financial statements is based on the Village's Five Year Financial Plan for the years 2022-2026, adopted by Council on May 12, 2022.

### 2. Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position are comprised of:

	<u>2022</u>	<u>2021</u>
Cash	\$ 2,088,868	\$ 2,270,154
MFA bond and money market funds	<u>141,380</u>	<u>138,695</u>
	<u>\$ 2,230,248</u>	<u>\$ 2,408,849</u>

Municipal Finance Authority (MFA) pooled investment funds are considered equivalent to cash because of their liquidity.

### 3. Accounts Receivable

	<u>2022</u>	<u>2021</u>
Property taxes	\$ 85,972	\$ 80,672
Utility billings	36,165	40,020
Other governments	26,809	10,096
Trade and other receivables	<u>49,976</u>	<u>63,971</u>
	<u>\$ 198,922</u>	<u>\$ 194,759</u>



# THE CORPORATION OF THE VILLAGE OF SALMO

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

### 4. Municipal Finance Authority Debt Reserve Fund

The Municipal Finance Authority of British Columbia provides capital financing for regional districts and their member municipalities. As a condition of this financing, a portion of the debenture proceeds is withheld by the Municipal Finance Authority as a Debt Reserve Fund. The Municipal Finance Authority must then use this fund if at any time there are insufficient funds to meet payments on its obligations. Upon maturity of the debt issue, the unused portion is discharged to the municipality. The Village recognizes these cash deposits on the financial statements.

The Village also executes demand notes in connection with each debenture whereby the Village may be required to loan certain amounts to the Municipal Finance Authority. These demand notes are contingent in nature and are not recorded in the financial statements.

As at December 31, 2022, the total of the Debt Reserve and Demand Note balances are as follows:

	2022 Cash Deposit	2022 Demand Note	2021 Cash Deposit	2021 Demand Note
General fund	\$ 14,657	\$ 22,711	\$ 14,336	\$ 22,711

### 5. Accounts Payable and Accrued Liabilities

	2022	2021
Trades payable	\$ 120,944	\$ 84,009
Accrued wages and benefits	21,539	20,511
	<u>\$ 142,483</u>	<u>\$ 104,520</u>

### 6. Deferred Revenue

	Opening Balance	Contributions Received	Revenue Recognized	Ending Balance
Federal Gas Tax grant*	\$ -	\$ 108,098	\$ (108,098)	\$ -
Other grants and contributions	55,780	197,235	(174,336)	78,679
Prepaid taxes, licenses, & fees	17,057	24,353	(17,057)	24,353
	<u>\$ 72,837</u>	<u>\$ 329,686</u>	<u>\$ (299,491)</u>	<u>\$ 103,032</u>

\* The Federal Gas tax grant is recognized into revenue and immediately transferred into the Community Works fund reserve.

### 7. Accrued Future Payroll Benefits

	2022	2021
Holiday Pay	\$ 7,970	\$ 8,221
Sick Leave	15,698	18,323
Banked Overtime	6,836	6,034
	<u>\$ 30,504</u>	<u>\$ 32,578</u>

The Village accrues holiday pay and banked overtime as they are earned by the employee, however, it is expected that these substantially funded liabilities will be met on a continuous basis over the long-term. Payment of these amounts will be funded from revenues of the period in which they are settled.

# THE CORPORATION OF THE VILLAGE OF SALMO

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

### 8. Debt

Debt Bylaw #	Purpose of Bylaw	Interest rate %	Year of Maturity	Original Issue	2022 Balance	2021 Balance
<b>General Purposes:</b>						
311	John Deere loader	2.60%	2023	\$ 137,000	\$ 21,141	\$ 49,891
549	Wellness centre	4.13%	2039	885,000	622,634	647,898
610	Public works shop	4.20%	2026	150,000	48,860	60,060
Total Debt					\$ 692,635	\$ 757,849

Principal payments and expected actuarial additions for the next 5 years and thereafter are as follows:

	Total
2023	\$ 59,007
2024	39,323
2025	40,836
2026	42,407
2027	30,737
Thereafter	480,325
	\$ 692,635

### 9. Tangible Capital Assets

	Cost	Accumulated Amortization	2022 Net Book Value	2021 Net Book Value
Land	\$ 1,256,899	\$ -	\$ 1,256,899	\$ 1,256,899
Buildings	2,820,625	1,192,587	1,628,038	1,541,182
Vehicles, equipment & furniture	2,466,771	1,727,880	738,891	744,467
Transportation infrastructure	3,424,246	1,869,281	1,554,965	1,516,487
Water infrastructure	2,262,344	946,481	1,315,863	1,341,987
Sewer infrastructure	3,825,594	1,505,801	2,319,793	2,137,727
	\$ 16,056,479	\$ 7,242,030	\$ 8,814,449	\$ 8,538,749

See Schedule A - Schedule of tangible capital assets for more information.

### 10. Other Assets

	2022	2021
Property acquired for taxes	\$ 17,317	\$ 17,317

# THE CORPORATION OF THE VILLAGE OF SALMO

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

### 11. Accumulated Surplus

	2022	2021
<b>Reserves</b>		
Ambulance service	\$ 12,489	\$ 12,291
Community works fund	421,609	786,168
Curling rink	18,560	18,240
Employee sick leave	10,000	10,000
Fire department equipment	117,328	85,603
Jaws of life	215,003	192,628
Machinery & equipment	148,870	199,901
Parks	7,256	4,814
Sewer infrastructure	6,444	31,381
Water infrastructure	321,201	278,225
Wellness centre	<u>114,330</u>	<u>105,463</u>
	1,393,090	1,724,714
<b>Operating surplus</b>	824,486	726,021
<b>Invested in tangible capital assets</b>	<u>8,121,814</u>	<u>7,780,900</u>
<b>Total Accumulated Surplus</b>	<u>\$ 10,339,390</u>	<u>\$ 10,231,635</u>

### 12. Trust Funds

The Cemetery Care Trust Fund is not reported in these financial statements. The following is a summary of Trust Fund transactions for the year:

	2022	2021
Balances, beginning of year	\$ 25,157	\$ 24,420
Contributions received	438	316
Interest earned	<u>439</u>	<u>421</u>
Balances, end of year	<u>\$ 26,034</u>	<u>\$ 25,157</u>

### 13. Taxes Levied For Other Paid Authorities

In addition to taxes levied for municipal purposes, the Village is legally obligated to collect and remit taxes levied for the following authorities. These collections and remittances are not recorded as revenue and expenses.

	2022	2021
Provincial Government - School taxes	\$ 331,495	\$ 325,951
Provincial Government - Police taxes	54,325	56,227
Regional District of Central Kootenay	312,483	305,344
West Kootenay Boundary Hospital District	35,398	35,998
British Columbia Assessment Authority	7,830	7,518
Municipal Finance Authority	<u>39</u>	<u>32</u>
	<u>\$ 741,570</u>	<u>\$ 731,070</u>

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# THE CORPORATION OF THE VILLAGE OF SALMO

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

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### 14. Pension Plan

The Village of Salmo and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2021, the plan has about 227,000 active members and approximately 118,000 retired members. Active members include approximately 42,000 contributors from local governments.

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

The most recent actuarial valuation of the Municipal Pension Plan at December 31, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

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

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

The Village of Salmo paid \$39,385 (2021 - \$39,667) for employer contributions to the plan in fiscal 2022.

### 15. Commitments and Contingencies

#### Regional District Debt

Regional District debt is under the provisions of the Community Charter of BC a direct, joint and several liability of the District and each member municipality within the District including the Village of Salmo.

#### Claims for Damages

In the normal course of a year the Village is faced with lawsuits and claims for damages of a diverse nature. The outcome of these claims cannot be reasonably determined at this time.

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# THE CORPORATION OF THE VILLAGE OF SALMO

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

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### 15. Commitments and Contingencies (continued)

#### Reciprocal Insurance Exchange Agreement

The Village is a subscribed member of the Municipal Insurance Association of British Columbia (The "Exchange") as provided by Section 3.02 of the Insurance Act of British Columbia. The main purpose of the Exchange is to pool the risks of liability so as to lessen the impact upon any subscriber. Under the Reciprocal Insurance Exchange agreement, the Municipality is assessed a premium and specific deductible based on population and claims experience. The obligation of the Municipality with respect to the Exchange and/or contracts and obligations entered into by the Exchange on behalf of its subscribers in connection with the Exchange are in every case several and not joint and several. The Village irrevocably and unconditionally undertakes and agrees to indemnify and save harmless the other subscribers against liability losses and costs which the other Subscriber may suffer.

### 16. Budget Data

The reconciliation of the approved budget for the current year to the budget figures reported in these financial statement is as follows:

	2022
Budget surplus per Statement of Operations	\$ (47,499)
Less: Capital expenditures	1,045,000
Debt principal repayments	52,832
Budgeted transfers to reserves	189,050
Add: Budgeted transfers from surplus & reserves	933,889
Amortization	400,492
Debt proceeds	-
Net annual budget	<u>\$ -</u>

### 17. Segmented Information

The Village is a diversified municipal government institution that provides a wide range of services to its citizens. Village services are provided by departments and their activities are reported in these service areas. Departments disclosed in the segmented information, along with the services they provide, are as follows:

#### General Government Services

The Departments and Divisions within General Government Services are responsible for adopting bylaws & administrative policy; levying and collecting taxes and utilities; acquiring, disposing and managing Village assets; ensuring effective financial management and communication; administering Village grants; emergency planning; economic development; preparing land use plans, bylaws and policies for sustainable development of the Village; monitoring and reporting performance; and ensuring that high quality Village service standards are met. The general revenue reported under the department includes revenues associated with taxation, business tax revenues and senior government payments in lieu of taxes. These revenues have not been apportioned to other departments supported by the general fund.

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**THE CORPORATION OF THE VILLAGE OF SALMO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2022

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**17. Segmented Information (continued)**

**Protective Services**

Protective Services comprises of fire protection and bylaw enforcement. Bylaw is responsible for parking and other bylaw enforcement, as well as domestic animal control.

The mandate of the Fire and Rescue Services is to protect life, property and the environment through the provision of emergency response, inspections, code enforcement and public education, ensuring safety for the public.

**Transportation Services**

Transportation Services is responsible for planning, building, operating and maintaining the Village's physical infrastructure including roads and sidewalks, civic buildings and facilities. In addition, the divisions provide services for storm sewer services, and fleet services.

**Environmental Health**

Environmental Health is responsible for the Village's solid waste collection services.

**Public Health and Welfare**

Public Health and Welfare maintains the cemetery grounds and operations for the Village.

**Parks, Culture and Recreation Services**

Parks, Culture and Recreation is responsible for providing, facilitating the development of, and maintaining high quality parks, recreation facilities and cultural services.

**Water and Sewer Utility Operations**

The Water Utility is responsible for planning, designing, building and maintaining the Village's drinking water distribution system including the reservoir, water mains and pump stations. The Sewer and Drainage Utility collects, treats and disposes sanitary sewage and drainage through the wastewater treatment plant and the network of sewer mains and pump stations.

**THE CORPORATION OF THE VILLAGE OF SALMO**  
**SCHEDULE A - SCHEDULE OF TANGIBLE CAPITAL ASSETS**

For the Year Ended December 31, 2022

	Additions & reallocation		Disposals	Closing Balance	Accumulated Amortization		Reduction on Disposals	Amortization Expense	Accumulated Amortization Closing Balance	Net Carrying Amount End of year
	Opening Balance	Construction			Opening balance					
Tangible Capital Assets										
Land	\$ 1,256,899	\$ -	\$ -	\$ 1,256,899	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,256,899
Buildings	2,666,080	154,545	-	2,820,625	1,124,898	-	-	67,689	1,192,587	1,628,038
Vehicles, equipment & furniture	2,374,625	92,146	-	2,466,771	1,630,158	-	-	97,722	1,727,880	738,891
Transportation infrastructure	3,304,453	119,793	-	3,424,246	1,787,966	-	-	81,315	1,869,281	1,554,965
Water infrastructure	2,243,314	19,030	-	2,262,344	901,327	-	-	45,154	946,481	1,315,863
Sewer infrastructure	3,546,191	279,403	-	3,825,594	1,408,464	-	-	97,337	1,505,801	2,319,793
Total	\$ 15,391,562	\$ 664,917	\$ -	\$ 16,056,479	\$ 6,852,813	\$ -	\$ -	\$ 389,217	\$ 7,242,030	\$ 8,814,449

# THE CORPORATION OF THE VILLAGE OF SALMO

## SCHEDULE B - SCHEDULE OF SEGMENTED INFORMATION

For the Year Ended December 31, 2022

### Revenues

	General Government	Protective Services	Transportation Services	Environmental Health Services	Public Health Services	Parks & Recreation	Water Utility	Sewer Utility	2022 Total
Taxes	\$ 446,830	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 446,830
Sales of Service	-	-	-	93,659	4,516	-	2,184	980	101,339
Other revenue from own services	32,631	16,927	6,356	-	54,945	12,841	-	-	123,700
Investment income	59,291	-	-	-	-	-	-	-	59,291
Government transfers-unconditional	593,000	-	-	-	-	-	-	-	593,000
Government transfers-conditional	167,638	82,925	128	6,540	10,000	15,203	-	-	282,434
Water user fees	-	-	-	-	-	-	182,726	-	182,726
Sewer user fees	-	-	-	-	-	-	-	287,210	287,210
	<u>1,299,390</u>	<u>99,852</u>	<u>6,484</u>	<u>100,199</u>	<u>69,461</u>	<u>28,044</u>	<u>184,910</u>	<u>288,190</u>	<u>2,076,530</u>

### Expenditures

Wages and benefits	259,278	15,990	156,466	4,432	6,764	13,623	88,433	166,502	711,488
Supplies and services	267,023	86,078	168,310	94,700	5,265	39,392	58,210	126,541	845,519
Interest and other debt charges	-	-	2,639	-	19,912	-	-	-	22,551
Amortization	7,028	63,500	113,693	507	39,126	22,872	45,154	97,337	389,217
	<u>533,329</u>	<u>165,568</u>	<u>441,108</u>	<u>99,639</u>	<u>71,067</u>	<u>75,887</u>	<u>191,797</u>	<u>390,380</u>	<u>1,968,775</u>

### Annual Surplus (Deficit)

	\$ 766,061	\$ (65,716)	\$ (434,624)	\$ 560	\$ (1,606)	\$ (47,843)	\$ (6,887)	\$ (102,190)	\$ 107,755
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**THE CORPORATION OF THE VILLAGE OF SALMO**  
**EXHIBIT 1 - COVID-19 PROVINCE OF BC RESTART GRANT (UNAUDITED)**  
December 31, 2022

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Province of BC Restart Grant reconciliation

	<u>2022</u>
COVID-19 Restart Grant received - Opening Balance	\$ 169,667
Less grant recognition:	
Revenue shortfalls	-
Facility reopening & operating costs	-
Emergency planning & response costs	-
Computer & other electronic technology costs	-
Grants to Non-profits	<u>34,200</u>
Remaining grant	<u>\$ 135,467</u>

**Statement of Financial Information (SOFI)**

**THE CORPORATION OF THE VILLAGE OF SALMO**

**Fiscal Year Ended December 31, 2022**

**SCHEDULE OF DEBT**

Information on all long term debt is included in the Audited Financial Statements of The Corporation of the Village of Salmo.

Prepared as required by *Financial Information Regulation*, Schedule 1, section 4

**Statement of Financial Information (SOFI)**

**THE CORPORATION OF THE VILLAGE OF SALMO**

**Fiscal Year Ended December 31, 2022**

**SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS**

The Corporation of the Village of Salmo has not given any guarantees or indemnities under the Guarantees and Indemnities Regulation.

Prepared under the Financial Information Regulation, Schedule 1, section 5

**Statement of Financial Information (SOFI)**

**THE CORPORATION OF THE VILLAGE OF SALMO**

**Fiscal Year Ended December 31, 2022**

**STATEMENT OF SEVERANCE AGREEMENTS**

There were no severance agreements made between The Corporation of the Village of Salmo and its non-unionized employees during the fiscal year ended December 31, 2022.

Prepared under the Financial Information Regulation, Schedule 1, subsection 6(8)

**The Corporation of the Village of Salmo**  
**PAYMENT TO FINANCIAL STATEMENT RECONCILIATION**  
**Fiscal Year Ended December 31, 2022**

**S.O.F.I. Report Scheduled Payments**

Remuneration	\$ 617,022	
Employee Expenses	7,722	
Employer CPP/EI	<u>38,408</u>	\$ 663,152

Payments for Goods and Services	<u>1,661,916</u>
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<b>Total of Scheduled Payments</b>	<b><u>\$ 2,325,068</u></b>
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<b>Total of Financial Statement Expenditures</b>	<b><u>\$ 1,968,775</u></b>
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The difference between the Total of Scheduled Payments and the Total Financial Statements Expenditures are due to:

- Adjustments to account for the difference between payments made on a cash basis, and the audited financial statements reporting expenditures on an accrual basis of accounting. This would include adjustments for opening and closing balances of inventories, prepaid expenses, and accrued liabilities.
- List of payments to suppliers include 100% GST while the expenditures in the financial statements are net of the applicable GST rebate.
- Capital expenditures are shown as payments to the vendor in this report. However, the total financial statement expenditures do not reflect these payments as they report amortization of all the capital assets.
- The Schedule of Payments of Goods and Services includes payments made on behalf of third parties, which are recovered from these parties and the expense is excluded from the Financial Statements.
- Payments to some suppliers are reported directly to the Balance Sheet and therefore are not reported as expenditures

THE CORPORATION OF THE VILLAGE OF SALMO  
SCHEDULE OF REMUNERATION AND EXPENSE  
YEAR ENDED DECEMBER 31, 2022

NAME		REMUNERATION	EXPENSE
<b>ELECTED OFFICIALS</b>	<b>POSITION</b>		
Cox, Melanie	Councillor	\$ 1,062	\$ 108
Heatlie, Jonathon	Councillor	5,311	-
Huser, Jacqueline	Councillor	5,311	
Lins, Jennifer	Councillor	6,373	108
Lockwood, Diana	Mayor	11,196	2,133
Neil, Kenzie	Councillor	1,062	108
Segall, Farell	Councillor	5,311	596
Wallance, Todd	Councillor	531	108
<b>TOTAL ELECTED OFFICIALS</b>		<u>36,155</u>	<u>3,162</u>
<b>DETAILED EMPLOYEES &gt; \$75,000</b>			
Paton, Fred		79,422	1,005
		<u>79,422</u>	<u>1,005</u>
<b>TOTAL EMPLOYEES &lt;= \$75,000</b>		<u>501,445</u>	<u>3,556</u>
<b>TOTAL</b>		<u>\$ 617,022</u>	<u>\$ 7,722</u>
<b>TOTAL EMPLOYER PREMIUM FOR CPP/EI</b>			\$ 38,408

Prepared under the Financial Information Regulation, Schedule 1, section 6 to subsection 6(6)

**THE CORPORATION OF THE VILLAGE OF SALMO**  
**SCHEDULE OF PAYMENTS TO SUPPLIERS OF GOODS AND SERVICES**  
**YEAR ENDED DECEMBER 31, 2022**

**DETAILED SUPPLIERS >\$25,000**

<u>SUPPLIER NAME</u>	<u>EXPENSE</u>
Alumichem Canada Inc.	\$ 30,765
City of Nelson	37,800
Clean Harbors Lodging Services LP	160,447
Custom Dozing Ltd.	61,888
Fortis BC Inc.	73,837
Fuhrious Construction Ltd.	139,531
GFL Environmental Inc. 2020	109,826
Imperial Oil Esso	35,642
Kendrick Equipment (2003) Ltd.	100,300
M.O'Connor Contracting	29,957
Manulife Financial	44,398
Mountain Logic Solutions Inc.	50,668
Municipal Insurance Association of BC	69,391
Municipal Pension Plan	81,973
Ninco Construction Ltd.	28,891
Promag Enviro Systems Ltd	68,499
Terus Construction Ltd.	40,009
<b>TOTAL DETAILED SUPPLIERS &gt;\$25,000</b>	<b>1,163,823</b>
<b>TOTAL SUPPLIERS &lt;= \$25,000</b>	<b>498,093</b>
<b>TOTAL SUPPLIERS</b>	<b>1,661,916</b>
<b>GRANTS AND CONTRIBUTIONS &gt;\$25,000</b>	<b>0</b>
<b>TOTAL PAYMENTS, GRANTS AND CONTRIBUTIONS</b>	<b>\$ 1,661,916</b>

Prepared under the Financial Information Regulation, Schedule 1, section 7(1) and (2)