



**CONSOLIDATED FINANCIAL
STATEMENTS**
YEAR ENDED DECEMBER 31, 2024

CASTLEGAR



CITY OF CASTLEGAR

2024 STATEMENT OF FINANCIAL INFORMATION

- 2024 Financial Statements
- Schedule of Guarantee and Indemnity Agreements
- Schedule of Elected Official Remunerations
- Schedule of Employee Remuneration
- Schedule of Severance Agreements
- Schedule of Suppliers of Goods and Services
- Reconciliation of Payments to Financial Statements
- Schedule of Financial Information Approval

The City of Castlegar
Management Report
For the Year Ended December 31, 2024

RESPONSIBILITY FOR FINANCIAL REPORTING

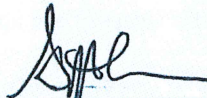
Management is responsible for the preparation of the accompanying financial statements. The financial statements have been prepared in accordance with the accounting principles disclosed in Note 1 and include amounts that are based on estimates and judgments. Management believes that the financial statements fairly present the City of Castlegar'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 City of Castlegar'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, Doane Grant Thornton LLP, have been appointed by Council to express an opinion as to whether the financial statements present fairly, in all material respects, the City of Castlegar's financial position, results of operations, and changes in net financial assets in conformity with the accounting principles disclosed in Note 1 to the financial statements. The report of Doane Grant Thornton LLP follows and outlines the scope of their examination and their opinion on the financial statements.



Chris Barlow
Chief Administrative Officer



Steffan Klassen
Director of Finance and IT

Independent Auditor's Report

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To the Mayor and Council of
City of Castlegar

Opinion

We have audited the financial statements of City of Castlegar (the "City"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations, change in net financial assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of City of Castlegar as at December 31, 2024, and its results of operations, its 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.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. Schedules 1 – 3 are presented for purposes of additional analysis and are not a required part of the financial statements. Such supplemental information has not been subject to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

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.

Independent Auditor's Report (continued)

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.

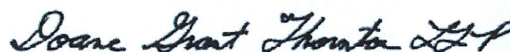
Auditor's Responsibilities for the Audit of the Financial Statements

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.



Castlegar, Canada
August 25, 2025

Chartered Professional Accountants

CITY OF CASTLEGAR
Statement of Financial Position

As at December 31, 2024

	2024	2023
FINANCIAL ASSETS		
Cash and investment deposits, note 1	\$ 21,385,443	\$ 22,119,192
Taxes and accounts receivable, note 2	7,034,754	4,831,411
Deposit - municipal finance authority, note 3	110,902	110,902
	28,531,099	27,061,505
LIABILITIES		
Accounts payable and accrued liabilities, note 5	4,658,286	3,199,337
Deferred revenue, note 6	3,397,159	3,240,770
Holdbacks, refundable, and other deposits	966,692	719,949
Equipment financing loans, note 7	2,976,032	-
Reserve - municipal finance authority, note 3	110,902	110,902
Long term debt, note 7	12,741,178	11,951,852
Asset retirement obligations, note 21	1,321,156	1,321,156
	26,171,405	20,543,966
NET FINANCIAL ASSETS	2,359,694	6,517,539
NON FINANCIAL ASSETS		
Tangible capital assets, note 13	87,944,575	79,679,698
Work in progress, note 14	1,708,762	3,601,695
Inventory of supplies	124,073	124,073
Prepaid expenses	282,319	213,104
	90,059,729	83,618,570
ACCUMULATED SURPLUS, note 9	\$ 92,419,423	\$ 90,136,109
Contingencies, note 4		
Commitments, note 17		
Segmented Information, note 18		
Contractual Rights, note 20		

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

CITY OF CASTLEGAR
Statement of Operations

For the Year Ended December 31, 2024

	Budget 2024 note 19	Actual 2024	Actual 2023
REVENUES			
Taxation, note 10	\$ 12,600,207	\$ 12,890,855	\$ 12,083,707
Government transfers, note 16	8,775,444	3,250,477	6,730,802
Fees and service charges, note 10	5,477,774	7,044,300	6,377,075
Community works funding	585,000	443,073	429,851
Developer contributions	-	2,094,807	166,195
Other revenue	1,307,800	1,383,464	1,128,229
Gain on sale of tangible capital assets	-	64,634	4,710
Interest and other investment income	130,760	1,229,975	1,230,552
	<u>28,876,985</u>	<u>28,401,585</u>	<u>28,151,121</u>
EXPENSES, note 15			
General government	3,990,538	3,860,525	3,578,291
Environmental development	1,042,151	674,852	831,207
Transportation and civic works	3,812,763	4,085,150	3,501,218
Waste disposal and recycling	1,293,547	1,170,033	1,280,045
Protection	3,558,867	4,467,776	3,620,517
Public health and welfare	230,810	179,795	308,462
Recreation and culture	1,725,461	1,871,201	1,502,049
Water system	1,593,471	1,431,719	1,350,242
Sewer system	1,439,067	1,383,152	1,486,466
Storm system	193,132	196,728	113,476
Airport	1,599,918	1,670,707	1,579,082
Interest on long term debt and agreements payable	3,000	604,981	530,077
Amortization	3,862,000	4,521,652	4,414,957
Accretion, note 21	-	-	56,892
	<u>24,344,725</u>	<u>26,118,271</u>	<u>24,152,981</u>
Annual surplus	4,532,260	2,283,314	3,998,140
Accumulated surplus, beginning of year	90,136,109	90,136,109	86,137,969
Accumulated surplus, end of year, note 9	\$ 94,668,369	\$ 92,419,423	\$ 90,136,109

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

CITY OF CASTLEGAR

Statement of Change in Net Financial Assets

For the Year Ended December 31, 2024

	Budget 2024 note 19	Actual 2024	Actual 2023
Annual surplus	\$ 4,532,260	\$ 2,283,314	\$ 3,998,140
Acquisition of tangible capital assets	(19,090,042)	(12,956,409)	(2,570,252)
Work in progress, construction of tangible capital assets	-	1,892,933	(1,669,534)
Amortization of tangible capital assets	3,862,000	4,521,652	4,414,957
Proceeds on sale of tangible capital assets	-	234,514	10,369
(Gain) on disposition of tangible capital assets	-	(64,634)	(4,710)
Change in prepaid expense	-	(69,215)	(78,844)
Increase (Decrease) in Net Financial Assets	(10,695,782)	(4,157,845)	4,100,126
Net Financial Assets, beginning of year	6,517,539	6,517,539	2,417,413
Net Financial Assets, end of year	\$ (4,178,243)	\$ 2,359,694	\$ 6,517,539

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

CITY OF CASTLEGAR
Statement of Cash Flows

For the Year Ended December 31, 2024

	2024	2023
Cash provided by (used for) :		
Operating Activities		
Annual surplus	\$ 2,283,314	\$ 3,998,140
Change in non cash items:		
Amortization	4,521,652	4,414,957
Gain on disposition of tangible capital assets	(64,634)	(4,710)
Increase in pre-paid expenses	(69,215)	(78,844)
Change in financial assets and liabilities:		
Increase in taxes and accounts receivable	(2,203,343)	(2,404,982)
Increase (decrease) in accounts payable and accrued liabilities	1,458,949	(1,178,804)
Increase in deferred revenue	156,389	524,239
Increase in holdbacks, refundable and other deposits Increase	246,743	169,720
Increase in asset retirement obligations	-	56,892
	6,329,855	5,496,608
Investing Activities		
Acquisition of tangible capital assets and work in progress	(11,063,476)	(4,239,786)
Proceeds from sale of tangible capital assets	234,514	10,369
	(10,828,962)	(4,229,417)
Financing activities		
Proceeds from temporary borrowing	5,000,000	-
Repayment of temporary borrowing	(5,000,000)	-
Proceeds from long-term borrowing	1,000,000	-
Repayment of long-term borrowing	(210,674)	(205,139)
Proceeds from equipment financing	3,054,018	-
Repayment of equipment financing	(77,986)	-
	3,765,358	(205,139)
(Decrease) increase in cash	(733,749)	1,062,052
Cash and investment deposits, beginning of year	22,119,192	21,057,140
Cash and investment deposits, end of year	\$ 21,385,443	\$ 22,119,192

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

CITY OF CASTLEGAR

Notes to the Financial Statements

For the Year Ended December 31, 2024

Nature of Operations

The Corporation of the City of Castlegar (the "City") is incorporated by Letters Patent under the laws of British Columbia and its principal activities include the provision of local government services to residents of the incorporated area. These include administrative, protective, infrastructure, environmental, planning, building, recreational, waterworks, sanitary sewer and storm services.

Significant Accounting Policies

The following is a summary of significant accounting policies of the City:

a) Basis of Presentation

The financial statements of the City of Castlegar are the responsibility of, and prepared by, management in accordance with Canadian Public Sector Accounting Standards (PSAS). The financial statements include the result of operations for all functions.

b) Investment deposits are recorded at cost.

c) Inventories are recorded at the lower of cost, determined on a first in, first out basis, or replacement cost.

d) Tangible capital assets

Purchased or constructed tangible capital assets are recorded at cost in the period they are put into use. The cost of a tangible capital asset includes the purchase price and other acquisition costs such as installation costs, design and engineering fees, legal fees, survey costs, site preparation costs, freight charges, transportation, insurance costs, and duties. Contributed tangible capital assets are recorded at fair value at the date of the contribution. Amortization is provided on a straight-line basis over their estimated useful lives, as follows:

Asset	Rate
Buildings	10 - 70 years
Roads and road features	15 - 50 years
Water	10 - 60 years
Storm sewers	40 - 50 years
Parks and recreation	5 - 25 years
Traffic control and lighting including airport hazard beacons	15 years
Vehicles and equipment	6 - 25 years
Sanitary sewers	5 - 50 years
Fibre optics cable	20 years
Furniture and office equipment	10 years
Technology and computer equipment	5 - 10 years
Other	5 - 40 years

Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset and enhance the service potential of capital assets are capitalized.

When a tangible capital asset no longer contributes to the City's ability to provide services, its carrying amount is written down to its residual value with no reversals of such write downs in subsequent periods.

The City holds and maintains a collection of nineteen sculptures as works of art. Works of art, artifacts, cultural and historical assets are not recorded as assets in the financial statements.

e) Use of Estimates

The preparation of financial statements in accordance with Canadian Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses as well as disclosure of contingent assets and liabilities in the financial statements. Actual results may differ from these estimated amounts. Significant areas requiring the use of management estimates include the determination of the estimated useful life of tangible capital assets, asset retirement obligations, and accrued liabilities included in accounts payable and accrued liabilities.

CITY OF CASTLEGAR

Notes to the Financial Statements

For the Year Ended December 31, 2024

Significant Accounting Policies (continued)

f) Financial Instruments

All financial instruments are recorded at their cost or amortized cost except for portfolio investments in equity instruments quoted in an active market and derivatives which are recorded at their fair value with unrealized remeasurement gains and losses recorded in the statement of remeasurement gains and losses (if applicable). Once realized, remeasurement gains and losses are transferred to the statement of operations. Changes in the fair value on restricted assets are recognized as a liability until the criterion attached to the restrictions has been met, upon which the gain or loss is recognized in the statement of operations.

Transaction costs related to financial instruments measured at cost or amortized cost are added to the carrying value of the financial instrument. Transaction costs related to financial instruments recorded at their fair values are expensed as incurred.

Financial liabilities (or part of a financial liability) are removed from the statement of financial position when, and only when, they are discharged, cancelled or expire.

The City's financial instruments consist of cash and investment deposits; taxes and accounts receivable; accounts payable and accrued liabilities; holdbacks, refundable, and other deposits; long term debt; and asset retirement obligations.

g) Expenses

Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the creation of a legal obligation to pay.

h) Budget Figures

The budget figures are from the Annual Five Year Financial Plan Bylaw adopted by May 15 of each year. Subsequent amendments to the Five Year Financial Plan may have been made by Council to reflect budgetary changes as required by Council.

i) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting.

j) Revenue recognition

Unrestricted grants and contributions are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted grants or contributions received under funding agreements which relate to a subsequent period are recognized as revenue in the period in which the resources are used for the purpose or purposes specified. Funding received before this criterion has been met, is reported as deferred revenue on the statement of financial position until the period in which the specified purpose or related expense is incurred.

Taxation revenue is recognized as revenue in the year it is levied. Fees and service charges and other revenue are recognized when the services are rendered.

Community works funding is recognized when received or receivable.

Interest and other investment income is recorded on the accrual basis and recognized when earned.

Transactions where goods or services are provided for consideration include performance obligations to a specific payor. Revenue from these transactions is recognized as the performance obligations are satisfied. Transactions without performance obligations are recognized when the revenue is received or receivable.

k) Government transfers

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

l) Contaminated sites

Accrued liabilities for the costs to remediate a contaminated site are recognized when an environmental standard exists, contamination exceeds the standard, the City has responsibility for remediation, future economic benefits will be given up and a reasonable estimate can be made.

Management has assessed its potential liabilities including, sites that are no longer in productive use and sites which the City accepts responsibility. There are 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, 2024.

CITY OF CASTLEGAR
Notes to the Financial Statements

For the Year Ended December 31, 2024

Significant Accounting Policies (continued)

m) Asset Retirement Obligation

A liability is recognized when, as at the financial reporting date:

- (a) there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- (b) the past transaction or event giving rise to the liability has occurred;
- (c) it is expected that future economic benefits will be given up; and
- (d) a reasonable estimate of the amount can be made.

The liability for the removal of asbestos and other hazardous material in several of the buildings owned by the City has been initially recognized using the modified retroactive method. The liability has been measured using a discount rate equal to MFA's long term lending rate. The resulting costs have been capitalized into the carrying amount of tangible capital assets and are being amortized on the same basis as the related tangible capital asset. Assumptions used in the calculations are reviewed annually.

1 Cash and Investment Deposits

Cash and investment deposits are held in Canadian Chartered Bank current bank accounts earning interest at a rate of prime minus 1.75% and in a short-term Municipal Finance Authority (MFA) money market fund. Included in cash and investment deposits is \$2,771,883 (2023 - \$2,199,752) held for statutory reserves.

The Canada Deposit Insurance Corporation (CDIC) insures each of the Canadian Chartered Bank current accounts up to \$100,000. The aggregate funds held in one account may exceed the CDIC insured limit from time to time and funds held by the institution may not be covered by CDIC insurance. The MFA money market funds are not insured. Management does not anticipate any material effect on the financial position of the City as a result of this concentration.

2 Taxes and Accounts Receivable

	2024	2023
Taxes, current	\$ 441,418	\$ 668,764
Taxes, arrears	224,885	168,829
Province of British Columbia	(7,583)	(7,271)
Federal Government	263,374	166,273
Other Receivables	6,112,660	3,834,816
	\$ 7,034,754	\$ 4,831,411

3 Deposit and Reserve - Municipal Finance Authority

The City issues its debt instruments through the MFA. As a condition of these borrowings, a portion of the debenture proceeds are withheld by the MFA 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 MFA. The details of the cash deposits and demand notes at year end are as follows:

	2024	2023
Demand notes	\$ 69,387	\$ 69,387
Cash deposits	41,515	41,515
	\$ 110,902	\$ 110,902

4 Contingencies

Regional District of Central Kootenay Debt

Regional District debt is, under the provisions of the *Local Government Act* and the *Community Charter*, a direct joint and severable liability of the District and each City within the District, including the City of Castlegar.

Claims for Damages

Certain claims, suits, and complaints arising in the ordinary course of operations have been filed or are pending against the City of Castlegar. The City cannot predict, with any certainty, the outcome of such litigation. Management is of the opinion, based upon information presently available, that it is unlikely that any liability, to the extent not provided through insurance or otherwise, would be material in relation to the City's financial position.

CITY OF CASTLEGAR
Notes to the Financial Statements

For the Year Ended December 31, 2024

5 Accounts Payable and Accrued Liabilities

	2024	2023
Province of British Columbia	\$ 63,094	\$ 28,841
Regional and other levels of government	31,880	210,636
Other payables	3,506,152	1,971,700
Wages, vacation, sick and banked liabilities	1,057,160	988,160
	\$ 4,658,286	\$ 3,199,337

6 Deferred Revenue

a)

	2024	2023
Development cost charges, note 11	\$ 2,160,618	\$ 2,117,108
Prepaid taxes	1,004,183	1,020,081
Prepaid utility rates	78,884	47,273
Other	153,474	56,308
	\$ 3,397,159	\$ 3,240,770

b) Restricted flows

In "Other" Deferred Revenue is certain government transfers with certain restrictions that have not been realized in fiscal 2024. Deferred Revenues will be recognized in the year that the approved project is undertaken. The following provides a summary of funds received that are included in "Other" Deferred Revenue on the Statement of Financial Position.

	FireSmart Community	Next Generation 911	Local Government Housing Initiative	Various small grants
December 31, 2023	\$ 26,126	\$ 22,500	-	\$ 7,682
Externally restricted inflows	-	-	189,154	4,800
Revenue earned	(26,126)	-	(67,952)	(2,710)
December 31, 2024	\$ -	\$ 22,500	\$ 121,202	\$ 9,772

7 Equipment Financing Loans, Long-Term Debt and Temporary Borrowing

a) Equipment Financing Loans

Equipment financing loans are demand loans payable to the MFA in monthly installments with an interest rate based on the Canadian Dealer Offered Rate, which at December 31, 2024 was 4.05%. They are repayable in blended monthly principal and interest payments and are approved under section 175 of the Community Charter. The following equipment loans are outstanding:

	2024	2023
Monthly installments of \$2,769, maturing in 2029	\$ 133,984	-
Monthly installments of \$2,621, maturing in 2029	134,782	-
Monthly installments of \$8,936, maturing in 2029	460,625	-
Monthly installments of \$11,952, maturing in 2029	645,018	-
Monthly installments of \$11,453, maturing in 2029	1,601,623	-
	\$ 2,976,032	-

CITY OF CASTLEGAR
Notes to the Financial Statements

For the Year Ended December 31, 2024

7 Equipment Financing Loans, Long-Term Debt and Temporary Borrowing (continued)

b) Long-Term Debt and Temporary Borrowing

The City issues debt instruments through the MFA, pursuant to loan security issuing bylaws under the authority of section 179 of the Local Government Act, to finance certain capital expenditures. Debenture debt principal is disclosed net of sinking fund balances managed by the MFA. Interest on long-term debt is charged on the original issue amount of the loan throughout the term of the loan.

The City has temporary borrowing through the MFA. Temporary borrowing financing agreements provide cash flow for ongoing projects, with a maximum term of five years during which the regular principal payments are not required. These loans must either be repaid or converted to long-term borrowing through a debenture issue at maturity, with interest at a variable rate calculated daily and payable monthly. The interest rate as at December 31, 2024 was 4.05% (2023 - 5.61%).

	2024	2023
Temporary borrowing repayable to MFA, matures in the year 2026	\$ 6,200,000	6,200,000
Debenture debt repayable to the MFA through semi annual payments of \$41,790 in April (principal & interest) and \$9,648 in October (interest only). The existing debenture matures in the year 2041 and annual interest payable is \$19,297	702,089	735,694
Debenture debt repayable to the MFA through semi annual payments of \$40,267 in April (principal & interest) and \$13,608 in October (interest only). The existing debenture matures in the year 2042 and annual interest payable is \$27,216	767,720	799,553
Debenture debt repayable to the MFA through semi annual payments of \$124,884 in April (principal & interest) and \$40,782 in October (interest only). The existing debenture matures in the year 2044 and annual interest payable is \$81,564	2,619,791	2,714,449
Debenture debt repayable to the MFA through semi annual payments of \$67,658 in April (principal & interest) and \$19,280 in October (interest only). The existing debenture matures in the year 2046 and annual interest payable is \$38,560	1,451,578	1,502,156
Non-interest bearing grant repayable to Columbia Basin Trust through annual payments of \$40,000 beginning in October 2026. The repayable grant matures in the year 2050	1,000,000	-
	\$ 12,741,178	\$ 11,951,852

c) Future Payments

Future minimum principal payments and actuarial additions on the equipment financing loans, long-term debt and temporary borrowing for the next five years and thereafter, including actuarial adjustments, are due as follows:

	Principal
2025	\$ 570,640
2026	6,831,582
2027	650,345
2028	669,537
2029	1,755,829
Thereafter and actuarial	5,239,277
	\$ 15,717,210

CITY OF CASTLEGAR
Notes to the Financial Statements

For the Year Ended December 31, 2024

8 Reserve Funds

	2024	2023
<u>Statutory reserves, note 9</u>		
Cemetery Maintenance Fund	\$ 449,270	\$ 422,741
Regional Infrastructure	603,850	512,800
Property Tax Sale	(3,612)	(3,613)
Equipment Replacement	1,309,193	954,710
Parkland Acquisition	389,721	426,442
Cemetery Replacement Fund	14,146	18,906
Community Works Fund	672,322	1,435,576
Land Sale	388,069	210,107
	<u>3,822,959</u>	<u>3,977,669</u>
<u>Operating reserves, note 9</u>		
General fund	9,155,652	8,889,636
Water fund	5,268,692	4,659,230
Sewer fund	866,045	1,506,185
Storm fund	2,246,927	1,864,182
Airport fund	707,902	(29,205)
	<u>18,245,218</u>	<u>16,890,028</u>
	<u>\$ 22,068,177</u>	<u>\$ 20,867,697</u>

Statutory reserves funds represent amounts that are restricted by the Community Charter and associated Municipal Bylaws. The funds are set aside for the specific purpose stipulated and can only be used for this purpose.

Operating reserves represent amounts that are set aside for anticipated future expenditures. The funds are not governed by bylaw and are not restricted.

9 Accumulated surplus

	2024	2023
Equity in tangible capital assets	\$ 72,614,971	\$ 70,008,385
Statutory reserve funds, note 8	3,822,959	3,977,669
Operating reserve funds, note 8	18,245,218	16,890,028
Current funds	(2,263,725)	(739,973)
	<u>\$ 92,419,423</u>	<u>\$ 90,136,109</u>

Equity in tangible capital assets represents the net book value of total tangible capital assets, plus work in progress, less long term debt obligations assumed to acquire tangible capital assets and asset retirement obligations.

CITY OF CASTLEGAR
Notes to the Financial Statements

For the Year Ended December 31, 2024

10 Taxation and Fees and Services Revenues

Taxation and fees and services revenues comprise the following amounts raised:

	2024		2023		
Collection for City purposes:					
General	\$	11,376,540	38%	\$ 10,613,075	38%
Parcel Tax		537,150	2%	537,979	2%
Grants in lieu of taxes		977,165	3%	932,653	3%
		12,890,855	44%	12,083,707	44%
Waste disposal fees		970,742	3%	509,573	2%
Other fees and service charges		704,352	2%	837,627	3%
Water utility fees		2,352,333	8%	2,291,512	8%
Sewer utility fees		1,826,953	6%	1,719,459	6%
Airport fees		1,189,920	4%	1,018,904	4%
		7,044,300	23%	6,377,075	23%
Total for City purposes	\$	19,935,155	67%	\$ 18,460,782	67%

The City is required to collect taxes on behalf of and transfer to the following government agencies:

Province of BC - School taxes					
Residential	\$	2,770,661	9%	\$ 2,725,020	10%
Non-residential		2,409,620	8%	2,264,625	8%
		5,180,281	17%	4,989,645	18%
Regional District of Central Kootenay		4,041,964	14%	3,650,938	13%
Regional Hospital Districts		452,676	2%	448,661	2%
B.C. Assessment Authority		161,947	1%	155,731	1%
Municipal Finance Authority		578	0%	559	0%
		4,657,164	16%	4,255,889	15%
Total for Other Governments		9,837,445	33%	9,245,534	33%
Total Taxation	\$	29,772,600	100%	\$ 27,706,316	100%

11 Development Cost Charges

The City collects development cost charges in accordance with the Local Government Act and the City's Development Cost Charge Bylaw. These funds must be used for specific purposes as stipulated by the Local Government Act and the Municipal Development Cost Charges Bylaw.

	Total	Road	Water	Sewer	Drainage	Open Space
Balance, beginning of year	\$ 2,117,108	\$ 1,110,488	\$ 303,474	\$ 614,407	\$ 60,877	\$ 27,862
Interest earned	77,934	41,187	11,255	22,786	2,258	448
Contributions	43,039	26,205	5,670	10,058	73	1,033
Expenditures	(77,463)	(77,463)	-	-	-	-
Balance, end of year	\$ 2,160,618	\$ 1,100,417	\$ 320,399	\$ 647,251	\$ 63,208	\$ 29,343

CITY OF CASTLEGAR

Notes to the Financial Statements

For the Year Ended December 31, 2024

12 Pension Liability

The City of Castlegar 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 are based on a formula. As at December 31, 2023, the plan has about 256,000 active members and approximately 129,000 retired members. Active members include approximately 45,000 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 actuarial valuation for the Municipal Pension Plan as at December 31, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

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

The City of Castlegar paid \$545,045 (2023 - \$473,879) for employer contributions to the plan in fiscal 2024.

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.

CITY OF CASTLEGAR
Notes to the Financial Statements

For the Year Ended December 31, 2024

Note 13: Schedule of Tangible Capital Assets - As at December 31, 2024

COST	Land	Buildings	Equipment /	Engineering Structures				Other Tangible Capital Assets	2024 Total
			Furniture / Vehicles	Water	Sewer	Roads	Drainage		
Opening Balance	\$ 14,551,410	\$ 18,598,762	\$ 15,278,517	\$ 32,716,070	\$ 26,760,272	\$ 45,699,501	\$ 9,466,190	\$ 7,031,276	\$ 170,101,998
Add: Additions	102,000	134,530	1,373,105	617,958	1,749,960	6,923,611	245,481	1,809,764	12,956,409
Less: Disposals	76,716	-	166,869	-	-	-	-	-	243,585
Closing Balance	14,576,694	18,733,292	16,484,753	33,334,028	28,510,232	52,623,112	9,711,671	8,841,040	182,814,822
ACCUMULATED AMORTIZATION									
Opening Balance	-	11,387,163	10,421,551	18,298,287	17,056,030	22,839,662	5,929,228	4,490,379	90,422,300
Add: Amortization	-	739,427	988,005	720,438	540,824	1,040,774	128,526	363,658	4,521,652
Less: Acc. Amortization on Disposals	-	-	73,705	-	-	-	-	-	73,705
Closing Balance	-	12,126,590	11,335,851	19,018,725	17,596,854	23,880,436	6,057,754	4,854,037	94,870,247
Net Book Value for year ended December 31, 2024	\$ 14,576,694	\$ 6,606,702	\$ 5,148,902	\$ 14,315,303	\$ 10,913,378	\$ 28,742,676	\$ 3,653,917	\$ 3,987,003	\$ 87,944,575
Net Book Value year ended December 31, 2023	\$ 14,833,054	\$ 7,576,987	\$ 4,298,508	\$ 15,336,048	\$ 10,950,612	\$ 23,464,397	\$ 3,500,384	\$ 3,206,991	\$ 79,679,698

CITY OF CASTLEGAR
Notes to the Financial Statements

For the Year Ended December 31, 2024

Note 13: Schedule of Tangible Capital Assets - As at December 31, 2023

	Land	Buildings	Equipment / Furniture / Vehicles	Engineering Structures				Other Tangible Capital Assets	2023 Total
				Water	Sewer	Roads	Drainage		
COST									
Opening Balance	\$ 14,551,410	\$ 18,420,668	\$ 13,805,557	\$ 32,200,827	\$ 26,760,272	\$ 45,646,481	\$ 9,466,190	\$ 7,031,276	\$ 167,882,681
Add: Additions	-	297,730	1,549,417	670,085	-	53,020	-	-	2,570,252
Less: Disposals	-	119,636	76,457	154,842	-	-	-	-	350,935
Closing Balance	14,551,410	18,598,762	15,278,517	32,716,070	26,760,272	45,699,501	9,466,190	7,031,276	170,101,998
ACCUMULATED AMORTIZATION									
Opening Balance	-	10,922,327	9,584,764	17,555,012	16,398,397	21,910,637	5,816,816	4,164,666	86,352,619
Add: Amortization	-	578,813	913,244	898,117	657,633	929,025	112,412	325,713	4,414,957
Less: Acc. Amortization on Disposals	-	113,977	76,457	154,842	-	-	-	-	345,276
Closing Balance	-	11,387,163	10,421,551	18,298,287	17,056,030	22,839,662	5,929,228	4,490,379	90,422,300
Net Book Value for year ended December 31, 2023	\$ 14,551,410	\$ 7,211,599	\$ 4,856,966	\$ 14,417,783	\$ 9,704,242	\$ 22,859,839	\$ 3,536,962	\$ 2,540,897	\$ 79,679,698
Net Book Value year ended December 31, 2022	\$ 14,551,410	\$ 7,223,039	\$ 4,220,793	\$ 14,639,170	\$ 10,362,143	\$ 23,735,844	\$ 3,649,374	\$ 2,866,610	\$ 81,530,062

CITY OF CASTLEGAR
Notes to the Financial Statements

For the Year Ended December 31, 2024

14 Work in progress

Work in progress are tangible capital assets that are not being amortized because they are under construction. Work in progress will be included in the tangible capital asset inventory and amortized when the project is complete and operating at full capacity. The book values of work in progress and their expected in-service dates are as follows:

	2024	2023	Expected in-service date
Airport Required Navigational Performance	\$ 895,047	\$ 896,045	2025
Columbia Ave Phase III	269,336	267,404	2029
South Sewage Treatment Plant N. Train Reinstatement	201,694	44,328	2025
Airport Terminal Expansion	70,480	9,859	2027
Brandson Memorial Park Upgrades	62,892	-	2025
Blueberry Fire System Upgrades	37,290	37,290	2026
Airport Groundside Entrance Improvement	36,696	-	2028
North Sewer Lagoon Safety Fence	33,760	33,760	2025
2nd and 5th Avenue Storm Sewer	24,603	24,603	2025
2nd Ave Wall and Road Upgrade	20,921	20,921	2025
SCADA Upgrades	11,029	-	2025
Airport Land Plan	10,007	10,007	2025
Schulte Crescent Storm Project	9,011	9,011	2025
Highland Booster	7,568	7,568	2025
Civic Works Washbay & Pipe Racks	6,173	6,173	2025
Carpenters' Bay Vacuum System	6,000	6,000	2025
South Sewage Treatment Plant Cover All Building	3,780	3,780	2025
Irrigation Upgrades	1,565	1,565	2025
Drainage Improvements	910	910	2025
Millennium Park & Ponds Upgrade Phase III	-	1,368,870	
Park Pumphouse MCC Upgrades	-	227,364	
Airport Apron Expansion	-	167,332	
Orchard Avenue Phase II	-	109,062	
Lift Station Kiosk	-	105,710	
Ventilation Upgrades	-	66,150	
Taxiway B Expansion	-	61,052	
Geotubes Construction	-	60,029	
North Lagoon UV Disinfection System	-	56,902	
	\$ 1,708,762	\$ 3,601,695	

15 Expenses by Object

	2024	2023
Salary, wages and taxable employee benefits	\$ 8,537,655	\$ 7,400,631
Materials, goods, utilities, services, contracts	12,453,983	11,750,424
Accretion	-	56,892
Amortization	4,521,652	4,414,957
Interest on long term debt and agreements payable	604,981	530,077
Total Expenses	\$ 26,118,271	\$ 24,152,981

CITY OF CASTLEGAR
Notes to the Financial Statements

For the Year Ended December 31, 2024

16 Government Transfers

In 2024, the City received and recorded as revenue the following transfers:

	2024	2023
Provincial Unconditional Transfers		
Small Community Grant	\$ 493,100	\$ 450,000
Climate Action Revenue Incentive Program	281,527	96,082
Traffic Fine Revenue Sharing Grant	71,000	62,000
	<u>845,627</u>	<u>608,082</u>
Provincial Conditional Transfers		
Airports Capital Assistance Program	\$ 1,660,069	-
Canada Community-Building Fund	90,781	9,859
Local Government Housing Initiative	67,952	-
FireSmart	47,374	-
UBCM - ADU Program	45,000	-
Indigenous Engagement Requirements Funding	40,000	-
Investing in Canada Infrastructure Program	39,633	1,408,714
Canada Day Fund	4,000	-
Growing Communities Fund	-	3,094,000
2022 Strengthening Communities' Services	-	106,289
Strengthening Communities' Services	-	18,915
Housing Needs Report	-	10,834
	<u>1,994,809</u>	<u>4,648,611</u>
Federal Conditional Transfers		
Municipal Asset Management Program	\$ 11,880	29,304
Airports Capital Assistance Program	-	167,333
	<u>11,880</u>	<u>196,637</u>
Regional and Other External Conditional Transfers		
Other Conditional Transfers	\$ 398,161	381,639
Clean BC - Organic Infrastructure and Collection Program	-	895,833
	<u>398,161</u>	<u>1,277,472</u>
Total Government Transfers	\$ 3,250,477	\$ 6,730,802

17 Contracts and Commitments

a) West Kootenay Regional Airport

In October 2021, the City of Castlegar and Dexterra Integrated Facilities Management entered into a five year agreement to operate and maintain the West Kootenay Regional Airport.

The terms of the contract require that Dexterra Integrated Facilities Management provide all labour, materials, superintendence and other services necessary to provide operations and maintenance services at the Airport.

Minimum payments required under the contract with Dexterra Integrated Facilities Management are as follows:

Year	Amount
2025	\$ 687,563
2026	583,962

c) Capital Projects

The City has purchase and service contracts related to current capital projects, valued at \$251,012, plus taxes.

CITY OF CASTLEGAR

Notes to the Financial Statements

For the Year Ended December 31, 2024

18 Segmented Information

The City of Castlegar is a diversified municipal government institution that provides a wide range of services to its citizens such as police, fire, water, sewer and roads maintenance. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

General Government Services:

This item is related to the revenues and expenses that relate to the operations of the Municipality itself and cannot be directly attributed to specific segments.

Protection Services:

Protection Services is comprised of police services, fire protection, municipal emergency programming, building inspection and animal control. The police services department is responsible for ensuring the safety of the lives and property of citizens, preserving the peace and good order, preventing crimes from occurring, detecting offenders, and enforcing the law. Police services are contracted, under a Municipal Police Service Agreement with the Province of British Columbia, to the Royal Canadian Mounted Police. The Fire Department is responsible for providing fire suppression services, fire prevention programs, training and education. The members of the fire department consist of a Fire Chief, a Deputy Fire Chief and a number of volunteer fire fighters. Building inspection ensures an acceptable quality of building construction and maintenance of properties through enforcement of construction codes, building standards, and by-laws for the protection of occupants.

Transportation and Civic Works:

The Department of Transportation and Civic Works is responsible for the delivery of municipal public works services relating to the development and maintenance of roadway systems, the maintenance and development of parks and open space, street lighting, and storm sewer systems.

Waste Disposal and Recycling:

Waste disposal and recycling consists of providing waste disposal services to citizens.

Public Health and Welfare:

Public Health and Welfare consists of the operation, maintenance, and development of a public cemetery and community health care initiatives.

Environmental Development Services:

The Environmental Development Services Department provides a diverse bundle of services such as city planning, urban development for business interests, environmental concerns, and downtown planning. It facilitates economic development by providing services for the approval of all land development plans, and the application and enforcement of zoning by-laws. It processes building permits and business licenses, develops the City's geographic information systems and provides by-law enforcement services.

Recreation and Cultural Services:

The municipality owns facilities which house The Castlegar and District Heritage Museum, The Kootenay Gallery of Arts, The Doukhobor Discovery Centre and The Castlegar and District Public Library. The City also provides funding to these organizations. The Recreation and Cultural Services also provides maintenance of City parks.

Water, Sewer and Storm:

The Water Service provides the City's drinking water. The Sewer Service processes and cleans sewage. The Storm Services provides storm water drainage.

Airport:

The City owns and operates the West Kootenay Regional Airport. Operation and maintenance of the Airport is contracted to a third party (note 17).

CITY OF CASTLEGAR
Notes to the Financial Statements

For the Year Ended December 31, 2024

Note 18: Schedule of Segment Disclosure - For the Year Ended December 31, 2024

	General Government Services	Protection Services	Transportation and Civic Works	Waste Disposal and Recycling	Public Health and Welfare	Environmental Development Services	Recreation and Cultural Services	Water, Sewer & Storm	Airport	2024 Total
Taxation	\$ 2,857,794	\$ 4,075,611	\$ 3,903,488	\$ -	\$ 109,868	\$ 75,854	\$ 1,868,240	\$ -	\$ -	\$ 12,890,855
Government grants	-	611,475	43,580	-	14,799	434,479	393,633	-	1,752,511	3,250,477
Community works funding	443,073	-	-	-	-	-	-	-	-	443,073
Fees and charges	261,651	69,432	3,528	1,135,026	40,938	164,519	-	4,179,286	1,189,920	7,044,300
Other revenue	1,345,283	74,560	2,108,872	-	14,190	-	-	-	-	3,542,905
Interest, actuarial, other income	1,000,754	-	-	-	-	-	-	205,086	24,134	1,229,975
	5,908,555	4,831,078	6,059,468	1,135,026	179,795	674,852	2,261,873	4,384,374	2,966,565	28,401,585
Salaries and benefits	2,423,275	1,436,360	1,828,479	32,975	127,218	405,838	682,809	1,418,485	182,215	8,537,655
Goods and services	1,437,250	3,031,416	2,256,671	1,137,058	52,577	269,014	1,188,392	1,593,114	1,488,492	12,453,983
Interest and other charges	51,903	213,865	339,212	-	-	-	-	-	-	604,981
Accretion	-	-	-	-	-	-	-	-	-	-
Amortization	729,011	149,437	1,635,106	-	-	-	390,672	1,389,788	227,638	4,521,652
	4,641,439	4,831,078	6,059,468	1,170,033	179,795	674,852	2,261,873	4,401,387	1,898,345	26,118,271
Annual Surplus (Deficit)	\$ 1,267,115	\$ -	\$ -	\$ (35,007)	\$ -	\$ -	\$ -	\$ (17,013)	\$ 1,068,220	\$ 2,283,314

CITY OF CASTLEGAR
Notes to the Financial Statements

For the Year Ended December 31, 2024

19 Budget

The Financial Plan (Budget) By-Law adopted by Council on February 20, 2024 was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The budget figures anticipated use of surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues to \$nil. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense. As a result the budget figures presented in the statements of operations and change in net financial assets (debt) represent the Financial Plan adopted by Council on February 20, 2024 with adjustments as follows:

	2024
Financial Plan (budget) Bylaw surplus for the year	\$ -
Budgeted Transfers	(2,437,311)
Amortization	(3,862,000)
Debt Proceeds	(7,482,171)
Capital expenditures	19,090,042
Internal Recharges	(776,300)
Budgeted surplus per statement of operations	\$ 4,532,260

20 Contractual Rights

The City has leased multiple properties to third parties with the following terms:

Lease Expiry Date	Minimum Annual Lease Payment
June 30, 2027	\$ 477,243
November 30, 2027	44,396
February 28, 2025	39,440
April 1, 2054	38,244
July 31, 2025	12,968

CITY OF CASTLEGAR
Notes to the Financial Statements

For the Year Ended December 31, 2024

21 Asset Retirement Obligations

Legal liabilities exist for the removal and disposal of asbestos and other environmentally hazardous materials within some City owned buildings that will undergo major renovations or demolition in the future. The obligation has been measured at a discount rate of 4.45% (2023 - 4.50%), MFA's long term lending rate. These costs have been capitalized as part of the assets' carrying value and are amortized over the assets' estimated useful lives.

	2024	2023
Opening balance	\$ 1,321,156	\$ -
Initial recognition of expected discounted cash flows	-	1,264,264
Adjustment to present value (accretion)	-	56,892
Asset Retirement Obligations, closing balance	\$ 1,321,156	\$ 1,321,156

The liability is estimated using a present value technique that discount the expected future expenditures. The discount rate used was based on the average Municipal Finance Authority's long term borrowing rate of 4.45% (2023 - 4.50%). The total undiscounted expenditures and the time period over which they are expected to be incurred is as follows:

2025 - 2030	\$ 1,023,495
2031 - 2040	459,705
2041 and beyond	282,520
Asset Retirement Obligations, undiscounted	\$ 1,765,720

22 Financial Instruments

a) Credit Risk

Credit risk is the risk of financial loss to the City if a debtor fails to discharge their obligation (e.g., pay the accounts receivable owing to the City). The City is exposed to this risk arising from its cash, investments, grants receivable and accounts receivable. The City holds its cash accounts with a federally regulated chartered bank who is insured by the Canadian Deposit Insurance Corporation. In the event of default, the City's cash accounts are insured up to \$100,000 (2023 - \$100,000).

Accounts receivable is primarily due from government, corporations and individuals. The City mitigates credit risk by regular submission of reporting requirements for grant installments to be paid within six months to a year of the grant approval. Property tax receivable risk is mitigated by regular notification to the residents of outstanding amounts and ultimately tax sale for recovery, if necessary. If an accounts receivable is held for a long period of time, an impairment allowance is setup to offset the receivable. There were no changes in exposures to credit risk during the period. The amounts outstanding at year end were as follows:

	2024	2023
Due from other governments (current)	\$ 255,791	\$ 159,002
Taxes receivable (current)	666,303	837,593
Other receivables (current)	6,112,660	3,834,816
Total	\$ 7,034,754	\$ 4,831,411

CITY OF CASTLEGAR
Notes to the Financial Statements

For the Year Ended December 31, 2024

Financial Instruments (continued)

b) Liquidity Risk

Liquidity risk is the risk that the City will not be able to meet all cash outflow obligations as they come due. The City mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining investments that may be converted to cash in the near-term if unexpected cash outflows arise. The following table sets out the expected maturities, representing undiscounted cash-flows of its financial liabilities:

	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Accounts payable \$	4,309,792 \$	- \$	- \$	348,494 \$	4,658,286
Debt	570,640	6,831,582	1,319,882	6,995,106	15,717,210
Total	\$ 4,880,432 \$	6,831,582 \$	1,319,882 \$	7,343,600 \$	20,375,496

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The City operates within the constraints of the investment guidelines in section 183 of the Community Charter, which puts limits on the types of investments the City may invest in. The Section permits the City's funds to be invested in securities of the Municipal Finance Authority; specified pool investments; securities issued by the Government of Canada, a Canadian province, municipality, or regional district; improvements guaranteed by a chartered bank; and deposits in savings institutions or non-equity membership shares of a credit union.

d) Currency risk

During the year, the City became exposed to currency risk when it entered into transactions in United States Dollar (USD). Management monitors exchange rates and the markets and may make use of derivative contracts if it expects the exchange rates to fluctuate significantly.

e) Interest rate risk

Interest rate risk is the potential for financial loss caused by fluctuations in the fair value or future cash flows of financial instruments because of changes in market interest rates. The City is exposed to this risk through its interest-bearing investments and debt. There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

f) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial statement will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk). The City is not exposed to other price risk as the City does not have any investments or equity instruments.

CITY OF CASTLEGAR

Notes to the Financial Statements

For the Year Ended December 31, 2024

23 Change in Accounting Policy

Effective January 1, 2024, the City adopted new Public Sector Accounting Standards PS 3400 Revenue. This section establishes standards on how to account for and report on revenue. The standard was applied prospectively and had no impact on the comparative figures.

CITY OF CASTLEGAR
Reserve Fund Balance Sheets
Unaudited
As at December 31, 2024

Schedule 1

	Regional Infrastructure		Community Works Fund		Equipment Replacement		Parkland Acquisition		Land Sales	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
ASSETS										
Cash and deposits	\$ 537,619	\$ 478,708	\$ -	\$ -	\$ 995,084	\$ 748,809	\$ 447,714	\$ 413,558	\$ 329,410	\$ 170,428
Due from other funds	66,231	34,092	672,321	1,435,575	314,109	205,901	(57,993)	12,884	58,658	39,679
	603,850	512,800	672,321	1,435,575	1,309,193	954,710	389,721	426,442	388,069	210,107
LIABILITIES AND FUND BALANCES										
Fund Balances										
Balance, beginning of year	512,800	426,334	1,435,575	1,391,169	954,710	1,049,199	426,442	392,841	210,107	(48,396)
Contributions	50,000	50,000	443,073	429,851	947,066	337,300	-	-	291,642	252,437
Interest on investments	41,050	36,466	114,918	118,993	40,373	37,797	34,137	33,601	11,204	6,066
Sale of Assets	-	-	-	-	-	-	-	-	-	-
Transfers to operating funds	-	-	-	-	-	-	-	-	-	-
Transfers to capital funds	-	-	(1,321,245)	(504,438)	(632,956)	(469,586)	(70,858)	-	(124,884)	-
Balance, end of year	\$ 603,850	\$ 512,800	\$ 672,321	\$ 1,435,575	\$ 1,309,193	\$ 954,710	\$ 389,721	\$ 426,442	\$ 388,069	\$ 210,107

CITY OF CASTLEGAR

Schedule 1 (continued)

Reserve Fund Balance Sheets

Unaudited

As at December 31, 2024

	Property Tax Sale		Cemetery Maintenance		Cemetery Replacement		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
ASSETS								
Cash and deposits	25 \$	24 \$	442,923 \$	388,045 \$	19,107 \$	178 \$	2,771,883 \$	2,199,750
Due from other funds	(3,637)	(3,637)	6,348	34,696	(4,960)	18,728	1,051,077	1,777,919
	(3,612)	(3,613)	449,271	422,741	14,146	18,906	3,822,960	3,977,669
LIABILITIES AND FUND B								
Fund Balances								
Balance, beginning of year	(3,613)	(3,614)	422,741	396,211	18,906	12,252	3,977,668	3,615,996
Contributions								
Interest on investments	1	1	19,585	19,585	200	8	261,468	252,517
Sale of Assets	-	-	6,945	6,945	7,245	6,965	14,190	13,910
Transfers to operating funds	-	-	-	-	-	-	-	-
Transfers to capital funds	-	-	-	-	(12,205)	(319)	(2,162,148)	(974,343)
Balance, end of year	\$ (3,612)	\$ (3,613)	\$ 449,271	\$ 422,741	\$ 14,146	\$ 18,906	\$ 3,822,959	\$ 3,977,668

CITY OF CASTLEGAR
Growing Communities Fund Grant

Schedule 2

For the Year Ended December 31, 2024

	Actual 2024	Actual 2023
Opening Balance	\$ 3,219,875	\$ -
Grant funding received	-	3,094,000
Interest earned	163,785	125,875
Airport Required Navigational Performance License	(206,441)	-
South Sewage Treatment Plant Geotube System	(616,385)	-
Closing Balance	\$ 2,560,835	\$ 3,219,875

CITY OF CASTLEGAR
Local Government Housing Initiatives Grant

Schedule 3

For the Year Ended December 31, 2024

		Actual 2024	Actual 2023
Opening Balance	\$	-	\$ -
Grant funding received		189,154	-
Zoning Bylaw		(59,252)	-
Parking Regulatory Review		(8,700)	-
Closing Balance (deferred revenue)	\$	121,202	\$ -

Schedule of Guarantees and Indemnity Agreements

A Schedule of Guarantees and Indemnity Payments has not been prepared because this organization has not given any guarantees or indemnities under the Guarantees and Indemnities Regulation.

Schedule of Elected Official Remuneration

Name	Office Held	Payroll	Expenses
MCFADDIN, MARIA	Mayor	41,856	8,652
BOGLE, BRIAN	Councillor	18,528	7,576
BOJECHKO, SANDRA	Councillor	18,528	1,535
BELL, DARCY	Councillor	18,528	375
FALSTEAD, SHIRLEY	Councillor	18,528	6,664
HEATON-SHERSTOBITOFF, SUE	Councillor	18,528	1,012
MCLEOD, CHERYL	Councillor	18,528	6,392
Total		\$ 153,024	\$ 32,206

Schedule of Employee Remuneration

Schedule of Employee Remuneration 6(2)(b) and (c)

Name	Position	2024 Payroll	Expenses
AHLFELD, NICK	Acting Fire Chief	\$ 140,357	\$ 4,308
ANDERSON, MICHELLE	Administrative Assistant	80,772	3,402
BANKERT, DARREN	Journeyman Carpenter	87,900	230
BARLOW, CHRISTOPHER	Chief Administrative Officer	194,398	17,876
BARTLETT, GREG	Operations Worker, Parks	79,645	1,257
BATE, STEVE	Working Foreperson, Roads	90,986	1,505
BAZAR, CRYSTAL	Assistant Manager - Operations	108,046	1,865
BAZGIER, MIROSLAV	Treatment Plant Operator I	84,544	1,549
BERESFORD, FRANK	Heavy Equipment Operator	84,630	1,381
BLAIS, CHRISTOPHER	Mechanic	83,319	1,426
BOJECHKO, DARREL	Heavy Equipment Operator	75,133	1,328
BOONE, DANA	Maintenance Person Water/Sewer	79,311	1,648
BRAZEAU, KYLER	Mechanic	100,235	925
BRISTOW, DAVID R	Information Technology Manager	141,992	6,181
BROWN, NICOLE	Manager of Legislative Services	133,520	4,590
CHAHLEY, TODD	Working Foreperson, Water/Sewer	91,077	947
CORDEIRO, NELSON	Operations Worker, Roads	78,777	1,185
DRINKWATER, MAXWELL	Working Foreperson, Facilities	88,821	460
DUDLEY, IAN	Head Treatment Plant Operator	95,372	732
DURAND, MEERI	Manager of Planning, Development & Sustainability	126,766	2,071
GECK, AARON	Assistant Manager - Utilities	98,734	2,179
HABRYCH, MACIEJ	Airport Manager	139,558	3,504
HALLAM, CHRIS	Director of Municipal Services	159,232	7,924
HESKETH, CHARLES	Maintenance Person Water/Sewer	78,601	1,699
JAGO, PHILIP ANDREW	Treatment Plant Operator II	84,275	358
KANIGAN, JOHN	Working Foreperson, Mechanical Shop	91,225	892
LATTANZIO, SAM M	Fire Chief	157,304	691
LINDSEY, GRAHAM	Maintenance Person Water/Sewer	90,660	1,219
MARTIN, SARAH	Planner - Policy	90,722	1,395
MONSEN, CYNTHIA	Operations Worker, Parks	77,171	1,639
MONSEN, DUANE	Deputy Fire Chief	152,666	1,469
NIDDERY, RYAN	Manager of Engineering and Infrastructure	117,844	3,786

OLADELE, OLA	Director of Finance & Information Technology	108,680	3,489
POSTNIKOFF, JAKE	Building Official	96,594	1,440
ROBERTSON, KELLY	Acting Senior Financial Analyst	103,271	2,885
SEABROOK, BREE	Director of Corporate Services	137,105	2,921
SHINE, SAMUEL	Operations Manager	107,101	231
SIMONEN, ANNE	Project Manager	105,669	2,665
STITZENBERGER, MCKENNA	Health & Safety Specialist	121,474	3,485
THOMPSON, DOUG	Operations Worker	76,147	2,383
THOMSON, KURT	Treatment Plant Operator II	92,778	352
UHLENBRAUCK, AIMEE	Manager of Financial Services	114,369	4,424
VERIGIN, RYAN	Heavy Equipment Operator	77,042	1,425
VLASIC, JOSHUA	Working Foreperson, Parks	89,652	2,980
WEINRAUCH, BRYAN	Heavy Equipment Operator	76,968	2,174
ZANUSSI, CURTIS	Parks Technician	80,292	3,011

Total Employees earning \$75,000 or more	4,770,735	115,487
Total Employees earning less than \$75,000	1,803,994	50,197

Total Employees	\$ 6,574,729	\$ 165,684
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Remuneration Reconciliation

	<u>Remuneration</u>
Total Elected Officials	\$ 153,024
Total Employees	<u>\$ 6,574,729</u>
Subtotal	\$ 6,727,753
<u>Total</u>	<u>\$ 6,727,753</u>

Included in Statement of Revenues and Expenditures

Schedule of Severance Agreements

There was one severance agreement between the City of Castlegar and an employee during fiscal year 2024. The employee received 6 months of compensation.

* "Compensation" means the employee's base salary and benefits.

Schedule of Payments

Supplier	AMOUNT PAID
1022117 AB LTD (DYNAMIC)	\$ 42,240
AM FORM SALES LTD.	128,329
AARDVARK PAVEMENT MARKING	109,063
ABLE BUILDING MAINTENANCE	59,357
ACERA INSURANCE	214,344
ANDREW SHERET LIMITED	27,354
ARROW TRANSPORTATION SYSTEMS INC.	105,084
BAKER NATHAN	62,026
BANK OF MONTREAL	286,521
BC ASSESSMENT AUTHORITY	162,190
BC SPCA WEST KOOTENAY BRANCH	43,370
BLACK PRESS GROUP LTD.	33,830
BRANDT TRACTOR LTD	150,342
BRUCE NELSON	136,041
CANADA REVENUE AGENCY	1,929,985
CANADIAN PACIFIC RAILWAY COMPANY	115,236
CASTLEGAR & DISTRICT HERITAGE SOCIETY	46,605
CASTLEGAR & DISTRICT PUBLIC LIBRARY	338,690
CASTLEGAR CHAMBER OF COMMERCE	150,170
CASTLEGAR SCULPTURE WALK	91,724
CINTAS LOCATION 889	33,624
CLEARTECH INDUSTRIES INC.	46,041
COLUMBIA BASIN BROADBAND CORPORATION	55,152
COPCAN CIVIL LP	4,517,416
COLLIERS PROJECT LEADERS INC	51,908
COVER ARCHITECHURAL COLLABORATIVE INC	27,825
CUPE LOCAL 2262	65,524
DANDELION RENEWABLES	49,820
DELL CANADA INC.	40,218
DEXTERRA INTEGRATED FACILITIES MANAGEMENT	606,458
DGH CONTRACTING	38,220
DHC COMMUNICATIONS INC	42,372
DOANE GRANT THORNTON LLP	58,284
EMPLOYER HEALTH TAX - PROV OF BC	134,679
FALCON EQUIPMENT	44,421
FAMILY TREE GARDENING	61,686
FORTIS BC - ELECTRICITY	554,504
FORTISBC-NATURAL GAS	82,682
GE FLIGHT EFFICIENCY SERVICES LLC	247,667
GFL ENVIRONMENTAL INC.	43,670

GLACIER VALLEY TREE CARE LTD.	71,224
GROUP SOURCE	364,764
HACH SALES & SERVICE CANADA LP	26,041
ICBC (INSURANCE CORPORATION OF BC)	57,411
INLAND TRUCK AND EQUIPMENT LTD.	54,717
INSIGHT CANADA INC	53,281
ION BRAND DESIGN	44,567
KENDRICK EQUIPMENT (2003) LTD.	139,620
KOOTENAY DIRTY DIGGERS (0954170 BC LTD)	36,729
KOOTENAY DOUKHOBOR HISTORICAL SOCIETY	46,575
KOOTENAY GALLERY OF ART HISTORY AND SCIENCE	58,470
KOOTENAY WEED CONTROL	35,874
KOOTENAY GROUND MAINTENANCE	45,690
LIN & MIKE PLUMBING & HEATING SERVICES LTD.	96,799
LORDCO PARTS LTD.	79,179
MARLOWE-YEOMAN LTD.	33,000
MARTECH ELECTRICAL SYSTEMS LTD.	223,635
MARWEST INDUSTRIES LTD.	2,778,153
MERCER CELGAR	81,433
MINISTER OF FINANCE – BC MAIL PLUS	26,980
MITCHELL SUPPLY LIMITED	31,986
MUNICIPAL INSURANCE ASSOCIATION OF BC	73,282
MUNICIPAL PENSION PLAN	1,085,288
MVH URBAN PLANNING & DESIGN INC.	57,319
NACHURS ALPINE SOLUTIONS	44,226
NSC MINERALS LTD	26,463
ON THE EDGE HR	32,801
PARKWORKS SOLUTIONS CORP	405,858
QUESTICA GTY SOFTWARE	30,438
RDM JANITORIAL	57,577
RECEIVER GENERAL FOR CANADA - CONTRACT	1,571,089
REGIONAL DISTRICT OF CENTRAL KOOTENAY	4,805,558
REGIONAL DISTRICT OF KOOTENAY BOUNDARY	50,125
ROCKY MOUNTAIN PHOENIX	95,392
ROLLINS MACHINERY LIMITED	128,256
ROPER GREYELL	25,068
SEA2CLOUD	70,711
SLOCAN VALLEY CO-OPERATIVE ASSOCIATION	172,823
STUDIO 531 ARCHITECTS INC.	69,681
SUMMIT FENCE INC.	121,090
SURVEYOR OF TAXES MINISTRY OF FINANCE	2,937,816
TELUS COMMUNICATIONS (B.C.) INC.	31,604
TELUS MOBILITY (BC)	44,813

TETRA TECH CANADA INC	182,175
THE BC CORPS OF COMMISSIONAIRES	195,471
THRIVE OPERATIONS CANADA LTD	34,411
THUNDERBIRD TRAFFIC CONTROL AND TRAINING	26,219
TRAINOR MECHANICAL CONTRACTORS LTD.	45,029
TROJAN TECHNOLOGIES GROUP	256,906
TROWELEX EQUIPMENT RENTALS AND SALES	63,408
URBAN SYSTEMS LTD.	974,257
VALHALLA SEPTIC SERVICES LTD.	39,883
VIMAR EQUIPMENT LTD.	811,231
WATSON ENGINEERING LTD.	40,059
WASTE MANAGEMENT	910,503
WEST K SAND & GRAVEL LTD.	88,044
WEST KOOTENAY-BOUNDARY REGIONAL HOSPITAL DISTRICT	452,929
WORKSAFE BC	239,801
XENOCYBER DYNAMICS INC.	160,581

Over \$25,000	<hr/>	31,941,606
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Under \$25,000	<hr/>	1,942,541
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TOTAL	<hr/>	\$ 33,884,147
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Reconciliation of Payments to Financial Statements

S.O.F.I. Report Scheduled Payments

Remuneration	\$ 6,574,729
Payments for Goods and Services	33,884,147
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Total of Scheduled Payments	40,458,876
	<hr/>
Total of Financial Statement Expenses	<u><u>\$ 26,118,271</u></u>

The City prepares the schedule of payments based on actual disbursements processed through its Accounts Payable System. This provides assurance on completeness as the reported amounts are reconciled to the financial system cheque register and electronic funds transfer records. The difference between the total of Payments and the Total Financial Statements Expenses will differ significantly due to:

- Adjustments to account for the difference between payments made on a cash basis, and the audited financial statements reporting expenses 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 expenses in the financial statements are net of the applicable GST rebate.
- Capital expenditures are shown as payments to the vendor in the list of payments. However, they are not shown as expenses in the financial statements as they are capitalized to the balance sheet.
- The schedule of payments to suppliers of goods and services includes payments made on behalf of third parties, which are recovered from these parties. These expenses are not included on the financial statements.
- The schedule of payments to suppliers of goods and services includes payments made to other property taxing jurisdictions. These payments are offset by property taxation received on behalf of the jurisdiction. Expenses are not shown on the financial statements.

Schedule of Financial Information Approval

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*.



Maria McFaddin
Mayor



Steffan Klassen, CPA CA
Director of Finance
September 15, 2025