



CITY OF CASTLEGAR

2025 STATEMENT OF FINANCIAL INFORMATION

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**CONSOLIDATED FINANCIAL
STATEMENTS**
YEAR ENDED DECEMBER 31, 2025

CASTLEGAR

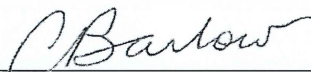
The City of Castlegar
Management Report
For the Year Ended December 31, 2025

RESPONSIBILITY FOR FINANCIAL REPORTING

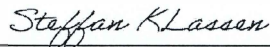
Management is responsible for the preparation of the accompanying financial statements. The financial statements have been prepared in accordance with the accounting principles disclosed in Note 1 and include amounts that are based on estimates and judgments. Management believes that the financial statements 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

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, 2025, 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, 2025, 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.

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.

Independent Auditor's Report (continued)

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.

Emphasis of Matter – Restated Comparative Information

We draw attention to Note 23 of the financial statements, which explains that certain comparative information presented for the year ended December 31, 2024 has been restated. Our opinion is not modified in respect of this matter.

Doane Grant Thornton LLP

Castlegar, Canada
May 19, 2026

Chartered Professional Accountants

CITY OF CASTLEGAR
Statement of Financial Position

As at December 31, 2025

	2025	note 23 2024 Restated
FINANCIAL ASSETS		
Cash and investment deposits, note 1	\$ 27,815,746	\$ 21,385,443
Taxes and accounts receivable, note 2, note 23	8,310,836	9,227,012
Deposit - municipal finance authority, note 3	378,919	110,902
	<u>36,505,501</u>	<u>30,723,357</u>
LIABILITIES		
Accounts payable and accrued liabilities, note 5	5,431,396	4,658,286
Deferred revenue, note 6	3,703,458	3,397,159
Holdbacks, refundable, and other deposits	736,793	966,692
Equipment financing loans, note 7	2,617,953	2,976,032
Reserve - municipal finance authority, note 3	378,919	110,902
Long term debt, note 7	13,904,813	12,741,178
Asset retirement obligations, note 21	504,769	1,321,156
	<u>27,278,101</u>	<u>26,171,405</u>
NET FINANCIAL ASSETS	<u>9,227,400</u>	<u>4,551,952</u>
NON FINANCIAL ASSETS		
Tangible capital assets, note 13	88,518,328	89,653,337
Land held for resale	228,177	-
Inventory of supplies	124,073	124,073
Prepaid expenses	318,736	282,319
	<u>89,189,314</u>	<u>90,059,729</u>
ACCUMULATED SURPLUS, note 9	<u>\$ 98,416,714</u>	<u>\$ 94,611,681</u>

Contingencies, note 4
 Contracts and Commitments, note 17
 Segmented Information, note 18
 Contractual Rights, note 20
 Prior Period Adjustment, note 23



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, 2025

	Budget	Actual	note 23
	2025	2025	Actual
	note 19		2024
			Restated
REVENUES			
Taxation, note 10	\$ 13,537,579	\$ 13,793,145	\$ 12,890,855
Government transfers, note 16	3,031,402	1,378,941	5,442,735
Fees and service charges, note 10	7,725,781	7,633,949	7,044,300
Community works funding	-	443,073	443,073
Developer contributions	-	757,410	2,094,807
Other revenue	2,085,594	1,002,561	1,383,464
Gain on sale of tangible capital assets	-	5,054,599	64,634
Interest and other investment income	181,684	774,257	1,229,975
	26,562,040	30,837,935	30,593,843
EXPENSES, note 15			
General government	4,176,822	4,145,944	3,860,525
Environmental development	1,403,070	619,952	674,852
Transportation and civic works	3,962,531	3,072,939	4,085,150
Waste disposal and recycling	1,290,159	1,383,201	1,170,033
Protection	3,628,743	4,843,331	4,467,776
Public health and welfare	238,404	182,827	179,795
Recreation and culture	1,830,714	2,360,237	1,871,201
Water system	1,661,504	1,528,861	1,431,719
Sewer system	1,454,177	1,851,356	1,383,152
Storm system	206,655	244,184	196,728
Airport	1,712,432	1,513,437	1,670,707
Interest on long term debt and agreements payable	3,000	554,818	604,981
Amortization	3,862,000	4,711,795	4,521,652
Accretion, note 21	-	20,020	-
	25,430,211	27,032,902	26,118,271
Annual surplus	1,131,829	3,805,033	4,475,572
Accumulated surplus, beginning of year	94,611,681	94,611,681	90,136,109
Accumulated surplus, end of year, note 9	\$ 95,743,510	\$ 98,416,714	\$ 94,611,681

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, 2025

	Budget 2025 note 19	Actual 2025	note 23 Actual 2024 Restated
Annual surplus	\$ 1,131,829	\$ 3,805,033	\$ 4,475,572
Acquisition of tangible capital assets	(16,072,099)	(3,705,878)	(11,063,476)
Amortization of tangible capital assets	3,862,000	4,711,795	4,521,652
Proceeds on sale of tangible capital assets	-	5,183,691	234,514
(Gain) on disposition of tangible capital assets	-	(5,054,599)	(64,634)
Change in land held for resale	-	(228,177)	-
Change in prepaid expense	-	(36,417)	(69,215)
Increase (Decrease) in Net Financial Assets	(11,078,270)	4,675,448	(1,965,587)
Net Financial Assets, beginning of year previously reported	4,551,952	4,551,952	6,517,539
Prior Period Adjustment (note 23)	-	-	2,192,258
Net Financial Assets, beginning of year - restated	4,551,952	4,551,952	8,709,797
Net Financial Assets, end of year	\$ (6,526,318)	\$ 9,227,400	\$ 4,551,952

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, 2025

		note 23
	2025	2024
		Restated
Cash provided by (used for) :		
Operating Activities		
Annual surplus	\$ 3,805,033	\$ 4,475,572
Change in non cash items:		
Amortization	4,711,795	4,521,652
Accretion	20,020	-
(Decrease) in ARO liability	(438,580)	-
(Gain) on disposition of tangible capital assets	(5,054,599)	(64,634)
Decrease (increase) in prepaid expenses	(36,417)	(69,215)
Change in financial assets and liabilities:		
Decrease (increase) in taxes and accounts receivable	916,176	(4,395,601)
Increase (decrease) in accounts payable and accrued liabilities	773,110	1,458,949
Increase (decrease) in deferred revenue	306,299	156,389
Increase (decrease) in holdbacks, refundable and other deposits	(229,899)	246,743
Increase (decrease) in land held for resale	(228,177)	-
Increase (decrease) in asset retirement obligations	(397,827)	-
	4,146,933	6,329,855
Investing Activities		
Acquisition of tangible capital assets and work in progress	(3,705,878)	(11,063,476)
Proceeds from sale of tangible capital assets	5,183,691	234,514
	1,477,813	(10,828,962)
Financing activities		
Proceeds from temporary borrowing	1,380,000	5,000,000
Repayment of temporary borrowing	(6,200,000)	(5,000,000)
Proceeds from long-term borrowing	6,200,000	1,000,000
Repayment of long-term borrowing	(216,365)	(210,674)
Proceeds from equipment financing	-	3,054,018
Repayment of equipment financing	(358,078)	(77,986)
	805,557	3,765,358
Increase (decrease) in cash	6,430,303	(733,749)
Cash and investment deposits, beginning of year	21,385,443	22,119,192
Cash and investment deposits, end of year	\$ 27,815,746	\$ 21,385,443

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, 2025

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

Tangible capital assets includes capital work-in-progress which are recorded at cost. The cost will be amortized when the capital asset is put into use.

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, 2025

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.

CITY OF CASTLEGAR
Notes to the Financial Statements

For the Year Ended December 31, 2025

Significant Accounting Policies (continued)

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, 2025.

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 \$2,953,133 (2024 - \$2,771,883) 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

	2025	2024
		Restated
Taxes, current	\$ 946,066	\$ 441,418
Taxes, arrears	181,300	224,885
Province of British Columbia	103,371	(7,583)
Federal Government	215,143	263,374
Other Receivables	6,864,956	8,304,918
	\$ 8,310,836	\$ 9,227,012

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:

	2025	2024
Demand notes	\$ 240,157	\$ 69,387
Cash deposits	138,762	41,515
	\$ 378,919	\$ 110,902

CITY OF CASTLEGAR
Notes to the Financial Statements

For the Year Ended December 31, 2025

4 Contingencies

- a) Regional District debt is, under the provisions of the *Local Government Act* and the *Community Charter*, a direct joint and several liability of the District and each City within the District, including the City of Castlegar.
- b) The nature of the City's activities is such that there is litigation pending or in progress at any time. 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 will exist, to the extent not provided through insurance.
- c) The City is a subscribed member of the Municipal Insurance Association of British Columbia (the "MIABC"), which was created for the purpose of establishing and administering a reciprocal insurance exchange within the meaning of Division 3 of the Financial Institutions Act of British Columbia. The main purpose of the MIABC is to pool the risks of liability so as to lessen the impact upon any subscriber and purchase additional insurance as necessary. Under the Reciprocal Insurance Exchange Agreement. The City is assessed a liability premium and can choose one of ten liability deductible options, subject to a minimum deductible based on population. The City is assessed property premium based on Total Insured Values (TIV), and can select the primary and specific peril-based deductibles, subject to its unique property risk profile. The obligation of the City with respect to the MIABC and/or contracts and obligations entered into by the MIABC on behalf of its subscribers in connection with the Exchange are in every case several, not joint and several. The City irrevocably and unconditionally undertakes and agrees to indemnify and save harmless the other subscribers against losses and costs which the other subscriber may suffer.

5 Accounts Payable and Accrued Liabilities

	2025	2024
Province of British Columbia	\$ 600,140	\$ 63,094
Regional and other levels of government	(126,168)	31,880
Other payables and trade payables	-	3,506,152
Wages, vacation, sick and banked liabilities	1,079,184	1,057,160
	\$ 1,553,156	\$ 4,658,286

6 Deferred Revenue

a)

	2025	2024
Development cost charges, note 11	\$ 2,248,695	\$ 2,160,618
Prepaid taxes	1,052,453	1,004,183
Prepaid utility rates	48,126	78,884
Other	354,184	153,474
	\$ 3,703,458	\$ 3,397,159

b) Restricted flows

In "Other" Deferred Revenue is certain government transfers with certain restrictions that have not been realized in fiscal 2025. 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.

	December 31, 2024	Externally restricted inflows	Revenue earned	December 31, 2025
Emergency Social Services	\$ -	\$ 17,942	\$ -	\$ 17,942
Flood Plain Management	-	194,060	-	194,060
Transportation Master Plan	-	25,000	-	25,000
FireSmart Community	-	48,008	-	48,008
Next Generation 911	22,500	-	(22,500)	-
Local Government Housing Initiative	121,202	-	(121,202)	-
Developer Contributions	-	62,202	-	62,202
Various small grants	9,772	2,000	(4,800)	6,972
	\$ 153,474	\$ 349,212	(148,502)	\$ 354,184

CITY OF CASTLEGAR
Notes to the Financial Statements

For the Year Ended December 31, 2025

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, 2025 was 2.81%. 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:

	2025	2024
Monthly installments of \$2,769, maturing in 2029	\$ 104,828	\$ 133,984
Monthly installments of \$2,621, maturing in 2029	107,461	134,782
Monthly installments of \$8,936, maturing in 2029	367,501	460,625
Monthly installments of \$11,952, maturing in 2029	521,443	645,018
Monthly installments of \$11,453, maturing in 2029	1,516,720	1,601,623
	\$ 2,617,953	\$ 2,976,032

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, 2025 was 2.85% (2024 - 4.05%).

	2025	2024
Temporary borrowing repayable to MFA, to be converted to long-term debt in the spring of 2027	\$ 1,380,000	-
Temporary borrowing repayable to MFA, converted to long-term debt in 2025	-	6,200,000
Debenture debt repayable to the MFA through semi annual payments of \$247,147 in June (principal & interest) and \$128,030 in December (interest only). The existing debenture matures in the year 2055 and annual interest payable is \$256,060	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	667,728	702,089
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	734,931	767,720
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	2,522,294	2,619,791
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	1,399,860	1,451,578
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	1,000,000
	\$ 13,904,813	\$ 12,741,178

CITY OF CASTLEGAR
Notes to the Financial Statements

For the Year Ended December 31, 2025

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

c) Future Payments

Future minimum principal payments 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
2026	\$ 728,847
2027	775,708
2028	787,578
2029	703,178
2030	489,252
2031 and subsequent	8,191,847
	<u>11,676,410</u>
Actuarial Addition*	4,846,356
	<u>\$ 16,522,766</u>

* Actuarial Addition represent interest earned on sinking funds held by the Municipal Finance Authority. Such interest is used to reduce the principal amount of outstanding debt as it is earned.

8 Reserve Funds

	2025	2024 Restated
<u>Statutory reserves, note 9</u>		
Regional Infrastructure	611,508	603,850
Property Tax Sale	-	(3,612)
Equipment Replacement	1,058,454	1,309,193
Parkland Acquisition	460,141	389,721
Community Works Fund	1,045,108	672,322
Land Sale	5,469,337	388,069
Growing Communities Fund	2,506,459	-
	<u>11,151,007</u>	<u>3,359,543</u>
<u>Operating reserves, note 9</u>		
General fund	8,271,409	9,155,652
Water fund	5,697,538	5,268,692
Sewer fund	519,738	866,045
Storm fund	2,485,277	2,246,927
Airport fund	784,178	707,902
	<u>17,758,141</u>	<u>18,245,218</u>
	<u>\$ 28,909,147</u>	<u>\$ 21,604,761</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.

CITY OF CASTLEGAR
Notes to the Financial Statements

For the Year Ended December 31, 2025

9 Accumulated surplus

	2025	2024 Restated
Equity in tangible capital assets	\$ 71,490,793	\$ 72,614,971
Statutory reserve funds, note 8	11,151,007	3,359,542
Operating reserve funds, note 8	17,758,141	18,245,218
Cemetery trust funds	479,032	463,417
Current funds	(2,462,259)	(71,467)
	\$ 98,416,714	\$ 94,611,681

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.

10 Taxation and Fees and Services Revenues

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

	2025		2024	
Collection for City purposes:				
General	\$ 12,260,738	39%	\$ 11,376,540	38%
Parcel Tax	535,200	2%	537,150	2%
Grants in lieu of taxes	997,207	3%	977,165	3%
	13,793,145	44%	12,890,855	43%
Waste disposal fees	1,038,076	3%	970,742	3%
Other fees and service charges	870,136	3%	704,352	2%
Water utility fees	2,566,427	8%	2,352,333	8%
Sewer utility fees	2,078,555	7%	1,826,953	6%
Airport fees	1,080,755	3%	1,189,920	4%
	7,633,949	23%	7,044,300	24%
Total for City purposes	\$ 21,427,094	67%	\$ 19,935,155	67%

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

Province of BC - School taxes				
Residential	\$ 2,940,562	9%	\$ 2,770,661	9%
Non-residential	2,624,926	8%	2,409,620	8%
	5,565,488	18%	5,180,281	17%
Regional District of Central Kootenay	3,904,215	12%	4,041,964	14%
Regional Hospital Districts	486,434	2%	452,676	2%
B.C. Assessment Authority	175,241	1%	161,947	1%
Municipal Finance Authority	623	0%	578	0%
	4,566,513	15%	4,657,164	16%
Total for Other Governments	10,132,001	33%	9,837,445	33%
Total Taxation	\$ 31,559,095	100%	\$ 29,772,600	100%

CITY OF CASTLEGAR
Notes to the Financial Statements

For the Year Ended December 31, 2025

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	\$ 2,160,618	\$ 1,100,417	\$ 320,399	\$ 647,251	\$ 63,208	\$ 29,343
Interest earned	51,656	26,308	7,660	15,474	1,511	702
Contributions	36,422	20,343	5,226	10,024	44	785
Expenditures	-	-	-	-	-	-
Balance, end of year	\$ 2,248,695	\$ 1,147,068	\$ 333,285	\$ 672,749	\$ 64,763	\$ 30,830

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, 2025, the plan has about 273,000 active members and approximately 133,000 retired members. Active members include approximately 47,000 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, 2024, indicated a \$2,675 million funding surplus for basic pension benefits on a going concern basis.

The next valuation will be as at December 31, 2027.

The City of Castlegar paid \$598,452 (2024 - \$545,045) for employer contributions to the plan in fiscal 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.

CITY OF CASTLEGAR
Notes to the Financial Statements

For the Year Ended December 31, 2025

Note 13: Schedule of Tangible Capital Assets - As at December 31, 2025

	Land	Buildings	Equipment / Furniture / Vehicles	Water	Engineering Structures Sewer	Roads	Drainage	Other Tangible Capital Assets	Work in Progress	2025 Total	2024 Total
COST											
Opening 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	\$ 1,708,762	\$ 184,523,584	\$ 171,810,760
Add: Additions	-	72,817	772,860	172,870	124,786	694,674	33,614	133,572	1,700,685	\$ 3,705,878	\$ 12,956,409
Less: Disposals	-	643,886	566,407	-	-	-	-	-	-	1,210,293	243,585
Closing Balance	14,576,694	18,162,223	16,691,206	33,506,898	28,635,018	53,317,786	9,745,285	8,974,612	3,409,447	187,019,169	184,523,584
ACCUMULATED AMORTIZATION											
Opening 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	90,422,300
Add: Amortization	-	729,371	906,952	760,150	582,623	1,158,709	124,994	448,996	-	4,711,795	4,521,652
Less: Acc. Amortization on Disposals	-	643,886	437,315	-	-	-	-	-	-	1,081,201	73,705
Closing Balance	-	12,212,075	11,805,488	19,778,875	18,179,477	25,039,145	6,182,748	5,303,033	-	98,500,841	94,870,247
Net Book Value for year ended December 31, 2025	\$ 14,576,694	\$ 5,950,148	\$ 4,885,718	\$ 13,728,023	\$ 10,455,541	\$ 28,278,641	\$ 3,562,537	\$ 3,671,579	\$ 3,409,447	\$ 88,518,328	
Net Book Value 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	\$ 1,708,762	\$ 89,653,337	\$ 89,653,337

CITY OF CASTLEGAR
Notes to the Financial Statements

For the Year Ended December 31, 2025

14 Cemetery Trust

The City operates the cemetery and maintains a cemetery perpetual care fund in accordance with the *Cremation, Internment and Funeral Services Act*. The trust fund assets and liabilities are not included in the consolidated financial statements. At December 31, 2025, the balance held in trust was \$479,032 (2024 - \$463,416)

15 Expenses by Object

	2025	2024
Salary, wages and taxable employee benefits	\$ 9,266,920	\$ 8,537,655
Materials, goods, utilities, services, contracts	12,479,349	12,453,983
Accretion	20,020	-
Amortization	4,711,795	4,521,652
Interest on long term debt and agreements payable	554,818	604,981
Total Expenses	\$ 27,032,902	\$ 26,118,271

16 Government Transfers

The City received and recorded as revenue the following transfers:

	2025	2024 Restated
Provincial Unconditional Transfers		
Small Community Grant	\$ 441,000	\$ 493,100
Climate Action Revenue Incentive Program	-	281,527
Traffic Fine Revenue Sharing Grant	72,000	71,000
	<u>513,000</u>	<u>845,627</u>
Provincial Conditional Transfers		
Airports Capital Assistance Program	\$ -	\$ 3,852,327
Canada Community-Building Fund	-	90,781
Local Government Housing Initiative	121,202	67,952
FireSmart	57,310	47,374
UBCM - ADU Program	-	45,000
Indigenous Engagement Requirements Funding	-	40,000
Investing in Canada Infrastructure Program	-	39,633
Canada Day Fund	-	4,000
Flood Mapping	165,868	-
Health Care Grant	25,000	-
Next Generation 911	43,314	-
Emergency Social Services	8,964	-
	<u>421,657</u>	<u>4,187,067</u>
Federal Conditional Transfers		
Municipal Asset Management Program	\$ -	\$ 11,880
Airports Terminal Expansion- Strategic Priorities Fund	117,300	-
	<u>117,300</u>	<u>11,880</u>
Regional and Other External Conditional Transfers		
Other Conditional Transfers	\$ 326,984	\$ 398,161
Total Government Transfers Revenue	\$ 1,378,941	\$ 5,442,735

17 Contracts and Commitments

a) Contractual Obligations

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.

In August 2023, the City of Castlegar and Waste Management of Canada Corporation entered into a five year agreement to provide residential curbside and disposal services for solid waste.

CITY OF CASTLEGAR
Notes to the Financial Statements

For the Year Ended December 31, 2025

17 Contracts and Commitments (continued)

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

	Dexterra	Waste Management
Year	Amount	Amount
2026	583,962	944,841
2027	-	982,632
2028	-	1,021,915

b) Capital Projects

The City has purchase and service contracts related to current capital projects, valued at \$2,709,809, plus taxes.

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, 2025

Note 18: Schedule of Segment Disclosure - For the Year Ended December 31, 2025

	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	2025 Total
Taxation	\$ 1,263,709	\$ 4,767,211	\$ 4,824,174	\$ 86,860	\$ 128,004	\$ 353,668	\$ 2,369,519	\$ -	\$ -	13,793,145
Government grants	373,984	109,588	-	-	-	146,202	466,000	165,868	117,300	1,378,941
Community works funding	443,073	-	-	-	-	-	-	-	-	443,073
Fees and charges	225,044	32,841	2,778	1,295,777	43,053	308,719	-	4,644,983	1,080,755	7,633,949
Other revenue	6,725,468	77,332	-	-	11,770	-	-	-	-	6,814,570
Interest, actuarial, other income	724,087	-	-	-	-	-	-	46,558	3,612	774,257
	9,755,365	4,986,972	4,826,952	1,382,637	182,827	808,589	2,835,519	4,857,409	1,201,667	30,837,935
Salaries and benefits	2,794,575	1,809,119	1,835,301	28,566	93,618	259,240	682,305	1,586,862	177,333	9,266,920
Goods and services	1,351,369	3,034,212	1,237,638	1,354,635	89,208	360,712	1,677,932	2,037,539	1,336,104	12,479,349
Interest and other charges	555,593	(775)	-	-	-	-	-	-	-	554,818
Accretion	20,020	-	-	-	-	-	-	-	-	20,020
Amortization	696,533	144,415	1,754,013	-	-	-	475,282	1,467,587	173,965	4,711,795
	5,418,090	4,986,971	4,826,952	1,383,201	182,827	619,952	2,835,519	5,091,988	1,687,402	27,032,902
Annual Surplus (Deficit)	\$ 4,337,275	\$ -	\$ -	\$ (565)	\$ -	\$ 188,637	\$ -	\$ (234,579)	\$ (485,736)	\$ 3,805,033

CITY OF CASTLEGAR
Notes to the Financial Statements

For the Year Ended December 31, 2025

19 Budget

The Financial Plan (Budget) By-Law adopted by Council on April 7th, 2025 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 April 7th, 2025 with adjustments as follows:

	2025
Financial Plan (budget) Bylaw surplus for the year	\$ -
Budgeted Transfers	(3,560,197)
Amortization	(3,862,000)
Debt Proceeds	(7,518,073)
Capital expenditures	16,072,099
Budgeted surplus per statement of operations	\$ 1,131,829

20 Contractual Rights

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

Lease Expiry Date	Minimum Annual Lease Payment
November 30, 2027	\$ 44,396
February 28, 2030	43,138
January 1, 2074	42,916
August 31, 2028	31,500
November 30, 2026	9,000
September 30, 2026	4,380
July 31, 2028	4,045

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 4.13% (2024 - 4.45%), 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.

During the year, the City completed remediation activities on city owned buildings. Actual remediation costs were less than the related asset retirement obligations. As a result, general government expenses were reduced by the excess retirements obligations in prior years.

	2025	2024
Opening balance	\$ 1,321,156	\$ 1,321,156
Adjustment to present value (accretion)	20,020	-
Current year abatement	(397,827)	-
Annual liability adjustment	(438,580)	-
Asset Retirement Obligations, closing balance	\$ 504,769	\$ 1,321,156

CITY OF CASTLEGAR
Notes to the Financial Statements

For the Year Ended December 31, 2025

21 Asset Retirement Obligations (continued)

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 4.13% (2024 - 4.45%). The total undiscounted expenditures and the time period over which they are expected to be incurred is as follows:

2026 - 2030	\$	186,929
2031 - 2040		412,774
2041 and beyond		273,332
Asset Retirement Obligations, undiscounted	\$	873,036

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 (2024 - \$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:

	2025	2024 Restated
Due from other governments (current)	\$ 318,514	\$ 255,791
Taxes receivable (current)	1,127,366	666,303
Other receivables (current)	6,864,956	8,304,918
Total	\$ 8,310,836	\$ 9,227,012

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	\$ 1,553,156	\$ -	\$ -	\$ -	\$ 1,553,156
Debt	728,847	775,708	1,490,756	8,681,099	11,676,410
Total	\$ 2,282,003	\$ 775,708	\$ 1,490,756	\$ 8,681,099	\$ 13,229,566

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.

CITY OF CASTLEGAR
Notes to the Financial Statements

For the Year Ended December 31, 2025

22 Financial Instruments (continued)

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.

23 Prior Period Adjustment

During the 2025 year end, management identified that government transfers revenue related to the Airports Capital Assistance Program contribution agreements originally executed in 2023 was not appropriately recognized by the City during the year ended December 31, 2024 even though the transfers were authorized and the eligibility criteria had been met.

In addition, project costs incurred in 2024 were temporarily financed through internal reserves in advance of long-term funding being received. The related impact on accumulated surplus, including transfers within surplus, was not reflected in the 2024 figures.

As a result, the financial information presented for the year ended December 31, 2024 has been restated as follows:

	as originally stated	adjustment	as restated
Statement of Financial Position			
Taxes and accounts receivable	\$ 7,034,754	\$ 2,192,258	\$ 9,227,012
Accumulated surplus, end of year	92,419,423	2,192,258	94,611,681
Statement of Operations			
Government transfers	\$ 3,250,477	\$ 2,192,258	\$ 5,442,735
Annual surplus	2,283,314	2,192,258	4,475,572
Statement of Change in Net Financial Assets			
Annual Surplus	\$ 2,283,314	\$ 2,192,258	\$ 4,475,572
Statement of Cash Flows			
Annual Surplus	\$ 2,283,314	\$ 2,192,258	\$ 4,475,572
Increase in taxes and accounts receivable	(2,203,343)	(2,192,258)	(4,395,601)

24 Comparative Figures

Comparative figures have been adjusted to conform to changes in the current year presentation.

CITY OF CASTLEGAR
Consolidated Schedule Surplus and Reserves

Schedule 1

Unaudited
As at December 31, 2025

	Balances, Beginning of Year	Contributions from Operations	Withdrawals for Capital Purposes	Withdrawals for Operating Purposes	Interest Earnings	Balances, End of Year
OPERATING FUND RESERVES						
OPERATING RESERVES						
General Operating Reserve	295,706	842,749	(114,761)	-	25,156	1,048,850
Water Operating Reserve	162,866	-	-	-	-	162,866
Financial Stabilization Reserve	247,765	-	-	(117,078)	11,061	141,748
Winter Reserve	298,873	83,228	-	-	13,343	395,444
RCMP Reserve	608,903	-	-	(445,146)	27,183	190,940
Election Reserve	35,518	15,000	-	-	1,585	52,103
Staff Overhead	-	-	-	-	-	-
	<u>1,649,631</u>	<u>940,977</u>	<u>(114,761)</u>	<u>(562,224)</u>	<u>78,328</u>	<u>1,991,951</u>
NON STATUTORY RESERVES						
Climate Action Reserve	538,326	30,000	-	-	24,033	592,359
Host Agreement Reserve	697,760	498,045	-	(488,159)	31,151	738,797
Regional Playing Fields Reserve	448,845	75,000	(26,586)	-	20,039	517,298
	<u>1,684,931</u>	<u>603,045</u>	<u>(26,586)</u>	<u>(488,159)</u>	<u>75,223</u>	<u>1,848,454</u>
TOTAL OPERATING RESERVES	<u>3,334,562</u>	<u>1,544,022</u>	<u>(141,347)</u>	<u>(1,050,383)</u>	<u>153,551</u>	<u>3,840,405</u>
CAPITAL REPLACEMENT RESERVES						
Infrastructure Renewal Reserve	469,445	50,000	(219,909)	-	20,958	320,494
Roads Reserves	974,660	1,070,478	(839,537)	-	43,512	1,249,113
Facilities Reserves	253,891	89,635	(43,128)	-	11,335	311,732
Parks Reserves	175,752	67,226	(13,451)	-	7,846	237,373
General Capital Reserve	1,176,475	924,981	-	-	52,522	2,153,978
Community Enhancement Reserve	32,868	25,000	(3,525)	-	-	54,343
Information Technology Reserve	176,318	100,000	(181,063)	-	7,871	103,126
Economic Development Reserve	163,710	-	-	-	-	163,710
Airport Capital Reserve	(5,831)	991,960	(217,964)	-	16,014	784,178
Water Capital Reserve	5,268,692	550,106	(414,269)	-	130,144	5,534,672
Sewer Capital Reserve	866,045	320,615	(433,961)	(254,354)	21,393	519,738
Storm Capital Reserve	2,246,927	336,195	(108,269)	(45,079)	55,502	2,485,277
	<u>11,798,952</u>	<u>4,526,195</u>	<u>(2,475,076)</u>	<u>(299,433)</u>	<u>367,098</u>	<u>13,917,736</u>
STATUTORY RESERVES						
Parkland Acquisition Reserve	389,722	53,020	-	-	17,399	460,141
Land Sale Reserve	388,069	5,069,560	-	-	11,708	5,469,337
Vehicle and Equipment Reserve	1,309,193	708,516	(991,082)	-	31,827	1,058,454
Community Works (Gas Tax)	672,322	443,073	(103,461)	-	33,173	1,045,108
Future Regional Infrastructure	603,850	-	(19,301)	-	26,958	611,508
Property Tax Sale Reserve	(3,612)	-	-	3,612	-	-
Growing Communities Reserve	2,560,835	-	(168,700)	-	114,324	2,506,459
	<u>5,920,379</u>	<u>6,274,169</u>	<u>(1,282,543)</u>	<u>3,612</u>	<u>235,389</u>	<u>11,151,007</u>
TOTAL RESERVES	<u>21,053,893</u>	<u>12,344,387</u>	<u>(3,898,966)</u>	<u>(1,346,204)</u>	<u>756,038</u>	<u>28,909,147</u>

CITY OF CASTLEGAR
Growing Communities Fund Grant

Schedule 2

For the Year Ended December 31, 2025

	Actual 2025	Actual 2024
Opening Balance	\$ 2,560,835	\$ 3,219,875
Grant funding received	-	-
Interest earned	114,324	163,785
Airport Required Navigational Performance License	(168,700)	(206,441)
South Sewage Treatment Plant Geotube System	-	(616,385)
Closing Balance	2,506,459	2,560,835
Balance Carried Forward	\$ 2,506,459	\$ 2,560,835

CITY OF CASTLEGAR
Local Government Housing Initiatives Grant

Schedule 3

For the Year Ended December 31, 2025

	Actual 2025	Actual 2024
Opening Balance	\$ 121,202	\$ -
Grant funding received	-	189,154
Zoning Bylaw	-	(59,252)
Parking Supply & Demand Study	(31,300)	(8,700)
Water & Sewer Model Update	(89,902)	-
Closing Balance	-	121,202
Balance Carried Forward (Deferred Revenue)	\$ -	\$ 121,202

CITY OF CASTLEGAR
Cemetery Trust Funds

Schedule 4

For the Year Ended December 31, 2025

Cemetery Care Fund	Actual 2025	Actual 2024
Opening Balance	\$ 449,271	\$ 422,741
Transfers in	-	7,010
Interest earned	15,005	19,520
Withdrawals	-	-
Closing Balance	464,275	449,271

Cemetery Replacement Trust	Actual 2025	Actual 2024
Opening Balance	\$ 14,146	\$ 18,906
Transfers in	-	7,245
Interest earned	611	200
Withdrawals	-	(12,205)
Closing Balance	14,757	14,146
Balance Carried Forward	\$ 479,032	\$ 463,417

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	42,735	5,879
BOGLE, BRIAN	Councillor	18,968	3,123
BOJECHKO, SANDRA	Councillor	18,968	0
BELL, DARCY	Councillor	18,968	0
FALSTEAD, SHIRLEY	Councillor	18,968	0
HEATON-SHERSTOBITOFF, SUE	Councillor	18,968	1,831
MACLEOD, CHERRYL	Councillor	18,968	4,414
Total		\$ 156,543	\$ 15,247

Schedule of Employee Remuneration

Remuneration reported in this schedule represents total compensation paid to employees during the year. This includes base salary and wages, overtime, statutory holiday pay, payouts of accrued vacation or sick time, retroactive pay adjustments, allowances, and taxable benefits.

Expenses represent amounts paid to or on behalf of employees to support the performance of their job duties. These may include travel costs (such as mileage and accommodation), training and conference fees, professional memberships, and other work-related expenditures. In accordance with the Financial Information Act, expenses may include costs necessary for employees to carry out their responsibilities and are not limited to items that provide a personal benefit.

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

Name	Position	2025 Payroll	Expenses
AHLFELD, NICK	Fire Chief	\$ 153,045	\$ 7,310
ANDERSON, MICHELLE	Administrative Assistant	90,156	231
BANKERT, DARREN	Journeyman Carpenter	94,244	1,245
BARLOW, CHRISTOPHER	Chief Administrative Officer	213,834	25,569
BARTLETT, GREG	Operations Worker, Parks	87,983	1,359
BATE, STEVE	Working Foreperson, Roads	108,988	1,942
BAZAR, CRYSTAL	Assistant Manager - Operations	121,706	2,133
BAZGIER, MIROSLAV	Treatment Plant Operator I	93,578	3,285
BLAIS, CHRISTOPHER	Mechanic	104,305	1,080
BONNEY, ALEX	Heavy Equipment Operator	88,128	1,596
BOONE, DANA	Maintenance Person Water/Sewer	84,011	1,680
BRAZEAU, KYLER	Mechanic	105,346	1,035
BRISTOW, DAVID R	Information Technology Manager	151,466	723
BROWN, NICOLE	Manager of Legislative Services	137,799	2,695
CHAHLEY, TODD	Working Foreperson, Water/Sewer	96,788	4,919
CHAMBERLAIN, JENNIFER	Executive Assistant	94,740	420
CHICKLOSKI, MITCHEL	Operations Worker	80,838	768
CORDEIRO, NELSON	Operations Worker, Roads	85,093	1,304
DRINKWATER, MAXWELL	Working Foreperson, Facilities	96,189	2,335
DUDLEY, IAN	Head Treatment Plant Operator	85,759	3,329
DURAND, MEERI	Manager of Planning, Development & Sustainability	142,722	6,713

GECK, AARON	Assistant Manager - Utilities	120,687	3,558
HABRYCH, MACIEJ	Airport Manager	107,143	11,711
HADFIELD, ALEXANDRA	Manager of Human Resources	124,932	5,743
HALLAM, CHRIS	Director of Municipal Services	172,865	381
HESKETH, CHARLES	Maintenance Person Water/Sewer	88,515	1,765
HOOPER, DEANNA	Manager of Civic Works	129,775	917
HUSTAD, TREVOR	Building Official	76,412	299
JAGO, PHILIP ANDREW	Treatment Plant Operator II	92,078	4,109
KANIGAN, JOHN	Working Foreperson, Mechanical Shop	96,394	1,830
KLASSEN, STEFFAN	Director of Finance and Technology	77,865	0
LATTANZIO, SAM M	Fire Chief	157,843	1,179
LEPAGE, DUSTIN	Operations Worker	81,258	879
LESTER, GINGER	Communications Manager	117,688	6,294
LINDSEY, GRAHAM	Maintenance Person Water/Sewer	101,474	2,317
MARTIN, SARAH	Planner - Policy	104,074	464
MCBRIDE, TYLER	Engineering Technician	87,791	980
MONSEN, CYNTHIA	Operations Worker, Parks	84,428	2,164
MONSEN, DUANE	Deputy Fire Chief	166,491	4,595
NIDDERY, RYAN	Manager of Engineering and Infrastructure	137,792	7,631
PAYNE, NICOLETTE	Operations Worker	83,918	1,294
PONTE, LUCAS	Procurement and Contracts Clerk	75,697	575
POSTNIKOFF, JAKE	Building Official	89,027	2,036
ROBERTSON, KELLY	Acting Senior Financial Analyst	79,144	9,019
SEABROOK, BREE	Director of Corporate Services	161,439	6,142
SIMONEN, ANNE	Project Manager	118,375	824
STITZENBERGER, MCKENNA	Health & Safety Specialist	135,354	4,607
TEBULTE, EMILIE	Development Technician	80,400	4,913
THOMPSON, DOUG	Operations Worker	82,623	1,738
THOMSON, KURT	Treatment Plant Operator II	92,634	3,137
UHLENBRAUCK, AIMEE	Manager of Financial Services	91,504	2,176
VERIGIN, RYAN	Heavy Equipment Operator	83,092	3,098
VLASIC, JOSHUA	Working Foreperson, Parks	96,671	1,384
WALLENIUS, DANIEL	Treatment Plant Operator III	89,438	851
WATSON, NIKKI	Development Services Clerk	75,665	231
WEINRAUCH, BRYAN	Heavy Equipment Operator	85,032	1,407

ZANUSSI, CURTIS	Parks Technician	86,405	3,628
		<hr/>	
Total Employees earning \$75,000 or more		6,048,641	175,544
Total Employees earning less than \$75,000		1,405,747	30,960
		<hr/>	
Total Employees		\$ 7,454,388	\$ 206,505
		<hr/> <hr/>	

Remuneration Reconciliation

	<u>Remuneration</u>
Total Elected Officials	\$ 156,543
Total Employees	<u>\$ 7,454,388</u>
Subtotal	\$ 7,610,931
<u>Total</u>	<u>\$ 7,610,931</u>
<u>Included in Statement of Revenues and Expenditures</u>	

Schedule of Severance Agreements

There was no severance agreement between the City of Castlegar and an exempt employee during fiscal year 2025.

Schedule of Payments

Supplier	AMOUNT PAID
1022117 AB LTD (DYNAMIC)	\$ 43,855.53
AARDVARK PAVEMENT MARKING.	119,118.06
ABLE BUILDING MAINTENANCE	64,521.82
ACERA INSURANCE	239,982.00
ACI AIRPORTS COUNCIL INTERNATIONAL	27,220.00
ANDREW SHERET LIMITED	54,057.79
ARROW TRANSPORTATION SYSTEMS INC.	295,596.00
ARROWTECH ELECTRIC	84,968.65
BANK OF MONTREAL	372,941.72
BC ASSESSMENT AUTHORITY	175,431.30
BC SPCA WEST KOOTENAY BRANCH	55,861.00
BLACK PRESS GROUP LTD.	28,275.18
BRANDT TRACTOR LTD	26,972.02
BRUCE NELSON	34,230.00
BUDGET RENT-A-CAR	34,700.45
CANADA REVENUE AGENCY	1,284,050.47
CANADA REVENUE AGENCY	886,614.42
CANADIAN PACIFIC RAILWAY COMPANY	50,965.82
CANADIAN PACIFIC RAILWAY COMPANY	272,530.91
CASTLEGAR & DISTRICT COMMUNITY SERVICES	45,885.00
CASTLEGAR & DISTRICT HERITAGE SOCIETY	56,181.25
CASTLEGAR & DISTRICT PUBLIC LIBRARY	348,850.70
CASTLEGAR CHAMBER OF COMMERCE	109,891.55
CASTLEGAR SCULPTURE WALK	123,439.48
CASTLEGAR-EMBETSU EDUCATIONAL EXCHANGE	30,000.00
CATHRO CONSULTING	31,500.00
CENTRALSQUARE CANADA SOFTWARE INC	106,592.21
CHANDOS CONSTRUCTION LTD	35,617.83
CIBC	120,000.00
CINTAS LOCATION 889	25,541.67
CLEARTECH INDUSTRIES INC.	43,058.66
COLUMBIA BASIN BROADBAND CORPORATION	51,224.72
COLUMBIA WIRELESS INC	51,587.20
COMMUNITY FUTURES DEVELOPMENT CENTRAL	160,500.00
CUPE LOCAL 2262	81,660.61
DALON GLENEDEN DEVELOPMENT LTD	66,484.18
DEXTERRA INTEGRATED FACILITIES MANAGEMENT	784,479.50
DGH CONTRACTING	38,220.00
DHC COMMUNICATIONS INC	28,923.62
DIG GARDEN CENTRE	31,566.10

DOANE GRANT THORNTON LLP	61,688.55
DRIVE OD	34,642.26
ELECTRIC MOTOR & PUMP SERVICE LTD.	89,856.48
EMPLOYER HEALTH TAX - PROV OF BC	2,468,449.94
EUNA SOLUTIONS CANADA	35,617.40
FAMILY TREE GARDENING	57,608.25
FIREWISE CONSULTING LTD	31,318.65
FORTISBC.	599,456.98
FORTISBC-NATURAL GAS	76,877.59
FRAZER EXCAVATION LTD	40,687.50
GE FLIGHT EFFICIENCY SERVICES LLC	129,433.51
GHD LIMITED	26,208.00
GLACIER VALLEY TREE CARE LTD.	137,954.25
GREGG DISTRIBUTORS LP	28,543.95
GROUP SOURCE	413,175.00
HALL PRINTING	33,834.79
HM AERO AVIATION CONSULTING	59,052.01
ICBC (INSURANCE CORP. OF BC)	48,066.00
ICONIX WATER WORKS LP	68,346.54
INLAND TRUCK & EQUIPMENT LTD	61,185.93
ION BRAND DESIGN	53,018.81
KASIAN ARCHITECTURE INTERIOR DESIGN AND.	40,121.19
KAYS ROAD CONTRACTING LTD	65,734.20
KENDRICK EQUIPMENT (2003) LTD.	40,584.77
KOOTENAY DOUKHOBOR HISTORICAL SOCIETY	58,219.00
KOOTENAY GALLERY OF ART HISTORY AND SCIENCE	227,510.00
KOOTENAY GROUND MAINTENANCE	42,890.80
KOOTENAY WEED CONTROL	39,889.50
ESTATE OF	52,858.33
LIDSTONE & COMPANY	29,110.03
LIN & MIKE PLUMBING & HEATING SERVICES LTD.	79,728.34
LORDCO PARTS LTD	104,766.06
MARTECH ELECTRICAL SYSTEMS LTD	57,470.20
MARWEST INDUSTRIES LTD.	790,524.47
MERCER CELGAR	81,563.39
MINISTER OF FINANCE - BC MAIL PLUS	27,819.10
MITCHELL SUPPLY LTD.	45,628.77
MUNICIPAL INSURANCE ASSOCIATION OF BC	74,366.07
MUNICIPAL PENSION PLAN	1,100,247.46
NACHURS ALPINE SOLUTIONS	49,518.00
NETZSCH CANADA INC	29,843.52
NEXUS DEVELOPMENT GROUP	40,515.00
OAKCREEK GOLF & TURF LP	26,033.17

PASSMORE LABORATORY LTD	25,805.00
POWER PAVING LTD.	57,645.00
RAMTECH ENVIRONMENTAL	33,910.46
RDM JANITORIAL	72,338.75
RECEIVER GENERAL FOR CANADA - CONTRACT	3,146,869.14
RECEIVER GENERAL FOR CANADA- LAN SUPPORT	31,110.97
REGIONAL DISTRICT OF CENTRAL KOOTENAY	5,184,062.97
ROCKY MOUNTAIN ENERGY	31,729.19
ROCKY MOUNTAIN PHOENIX	42,517.92
ROPER GREYELL	96,333.50
SEA TO SKY NETWORK SOLUTIONS	523,409.79
SLOCAN VALLEY CO-OPERATIVE ASSOCIATION	153,368.10
SPHERE ENVIRONMENTAL	34,025.22
TELUS COMMUNICATIONS (B.C.) INC.	29,440.21
TELUS MOBILITY (BC)	43,670.66
TERUS CONSTRUCTION dba NELSON READY MIX	225,767.00
TETRA TECH CANADA INC	71,932.15
THE BC CORPS OF COMMISSIONAIRES	192,150.67
THE ROC DOC VENTURES LTD	208,433.93
THRIVE OPERATIONS CANADA LTD	26,640.47
TROWELEX EQUIPMENT RENTALS AND SALES	135,948.55
UPLIFT SAFETY	58,185.44
URBAN SYSTEMS LTD.	1,203,341.73
VALET RESTORATIONS (KOOTENAY'S)	151,693.71
VALHALLA SEPTIC SERVICES LTD.	38,568.80
VIMAR EQUIPMENT LTD	532,697.32
VORTEX SOFTWARE CANADA INC	25,186.56
WASTE MANAGEMENT	968,316.31
WEST K SAND & GRAVEL LTD	29,170.14
WEST KOOTENAY-BOUNDARY REGIONAL HOSPITAL	486,429.00
WILLOWDALE LANDSCAPING	27,915.04
WOOD WYANT INC.	27,482.09
WORKSAFE BC	279,720.63
XENONCYBER DYNAMICS INC	193,854.88
YOUNG ANDERSON	51,786.67
Over \$25,000	<hr/> 28,624,519.15
Under \$25,000	<hr/> 1,938,814.58
TOTAL	<hr/> \$ 30,563,333.73 <hr/>

Reconciliation of Payments to Financial Statements

S.O.F.I. Report Scheduled Payments

Remuneration	\$ 7,610,931
Payments for Goods and Services	30,563,334
	<hr/>
Total of Scheduled Payments	38,174,265
	<hr/>
Total of Financial Statement Expenses	<u>\$ 27,032,902</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:

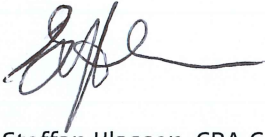
- Adjustments to account for the difference between payments made on a cash basis, and the audited financial statements reporting expenses on an accrual basis of accounting. This would include adjustments for opening and closing balances of inventories, prepaid expenses, and accrued liabilities.
- List 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*. for the year ended December 31, 2025.



Maria McFaddin
Mayor



Steffan Klassen, CPA CA
Director of Finance
June 15, 2026

Financial Information Regulation, Schedule 1

Checklist – Statement of Financial Information (SOFI)

For the Corporation:

Corporate Name: City of Castlegar Contact Name: Steffan Klassen
 Fiscal Year End: December 31, 2025 Phone Number: (250) 304-0210
 Date Submitted: _____ E-mail: sklassen@castlegar.ca

For the Ministry:

Ministry Name: _____ Reviewer: _____
 Date Received: _____ Deficiencies: Yes No
 Date Reviewed: _____ Deficiencies Addressed: Yes No
 Approved (SFO): _____ Further Action Taken: _____

Distribution: Legislative Library Ministry Retention

FIR Schedule 1 Section	Item	Yes	No	N/A	Comments
General					
1 (1) (a)	Statement of assets and liabilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
1 (1) (b)	Operational statement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
1 (1) (c)	Schedule of debts	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
1 (1) (d)	Schedule of guarantee and indemnity agreements	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
1 (1) (e)	Schedule of employee remuneration and expenses	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
1 (1) (f)	Schedule of suppliers of goods and services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
1 (3)	Statements prepared on a consolidated basis or for each fund, as appropriate	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Consolidated statements. All funds have been presented together.
1 (4) 1 (5)	Notes to the financial statements for the statements and schedules listed above	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

FIR Schedule 1 Section	Item	Yes	No	N/A	Comments
Statement of Assets & Liabilities					
2	<ul style="list-style-type: none"> • A balance sheet prepared in accordance with GAAP or stated accounting principles / policies, and • Show changes in equity and surplus or deficit due to operations 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Operational Statement					
3 (1)	Prepared in accordance with GAAP or stated accounting principles / policies and consists of: <ul style="list-style-type: none"> • a Statement of Income or Statement of Revenue and Expenditures, and • a Statement of Changes in Financial Position 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3 (2) 3 (3)	<ul style="list-style-type: none"> • The Statement of Changes in Financial Position may be omitted if it provides no additional information • The omission must be explained in the notes 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
3 (4)	Community colleges, school districts, and municipalities must prepare a Statement of Changes in Financial Position for the Capital Fund	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Consolidated Statements presented for all funds together. Notes contain continuity of capital fund.
Schedule of Debts					
4 (1) (a) 4 (2)	List each long-term debt (secured by debentures, mortgages, bonds, etc.), stating the amount outstanding, the interest rate, and the maturity date	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4 (1) (b)	Identify debts covered by sinking funds or reserves and amounts in these accounts	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4 (3) 4 (4)	<ul style="list-style-type: none"> • The schedule may be omitted if addressed under section 2 or 5 and it provides no additional information • The omission must be explained in a note to the schedule 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

FIR Schedule 1 Section	Item	Yes	No	N/A	Comments
Schedule of Guarantee and Indemnity Agreements					
5 (1)	List financial agreements that required government approval prior to being given (see Guarantees and Indemnities Regulation in FIA Guidance Package)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
5 (2)	State the entities involved, and the specific amount involved if known	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
5 (3) 5 (4)	<ul style="list-style-type: none"> • The schedule may be omitted if addressed under section 2 or 4 and it provides no additional information • The omission must be explained in a note to the schedule 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Schedule of Remuneration and Expenses (See Guidance Package for suggested format)					
6 (2) (a)	List separately, by name and position, the total remuneration and the total expenses for each elected official, member of the board of directors, and employee appointed by Cabinet	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
6 (2) (b)	List alphabetically each employee whose total remuneration exceeds \$75,000 and the total expenses for each [excluding the persons listed under 6 (2) (a)]	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
6 (2) (c)	Include a consolidated total for employees whose remuneration is \$75,000 or less [excluding the persons listed under 6 (2) (a)]	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
6 (2) (d)	Reconcile or explain any difference between total remuneration in this schedule and related information in the operational statement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
6 (3)	Exclude personal information other than name, position, function or remuneration and expenses of employees	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

FIR Schedule 1 Section	Item	Yes	No	N/A	Comments
Schedule of Remuneration and Expenses (See Guidance Package for suggested format)					
6 (6)	Report the employer portion of EI and CPP as a supplier payment to the Receiver General for Canada rather than as employee remuneration	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
6 (7) (a) 6 (7) (b)	Include a statement of severance agreements providing: <ul style="list-style-type: none"> • the number of severance agreements under which payment commenced in the fiscal year being reported on for non-union employees, and • the range of equivalent months' compensation for them (see Guidance Package for suggested format)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
6 (8)	Provide the reason for omitting a statement of severance agreements in a note to the schedule of remuneration and expenses	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Schedule of Suppliers of Goods or Services (See Guidance Package for suggested format)					
7 (1) (a)	List in alphabetical order all suppliers of goods and services who received aggregate payments exceeding \$25,000	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
7 (1) (b)	Include a consolidated total of all payments to suppliers who received \$25,000 or less	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
7 (1) (c)	Reconcile or explain any difference between the consolidated total and related figures in the operational statement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
7 (2) (b)	Include a statement of payments for the purposes of grants or contributions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Financial Information Act
Financial Information Regulation (FIR), Schedule 1

Statement of Financial Information (SOFI)
Index to FIR Schedule 1 and the Checklist

Page 1: Corporation Information

Ministry Information

General: Section One

- 1(1)(a) Statement of assets and liabilities
- 1(1)(b) Operational statement
- 1(1)(c) Schedule of debts
- 1(1)(d) Schedule of guarantee and indemnity agreements
- 1(1)(e) Schedule of employee remuneration and expenses
- 1(1)(f) Schedule of suppliers of goods and services
- 1(2) [Explanatory information for reference]
- 1(3) Statements prepared on a consolidated basis or for each fund
- 1(4) & (5) Notes to the statements and schedules in section 1(1)

Page 2: Statement of Assets & Liabilities: Section Two

- 2 Balance sheet
- Changes in equity and surplus or deficit

Operational Statement: Section Three

- 3(1) Statement of Income / Statement of Revenue and Expenditures
- Statement of Changes in Financial Position
- 3(2) & (3) Omission of Statement of Changes in Financial Position, with explanation
- 3(4) Requirement for community colleges, school districts and municipalities

Statement of Debts: Section Four

- 4(1)(a) & 4(2) List and detail the schedule of long-term debts
- 4(1)(b) Identify debts covered by sinking funds / reserves
- 4(3) & (4) Omission of schedule, with explanation

Page 3: Schedule of Guarantee and Indemnity Agreements: Section Five

- 5(1) List agreements under the Guarantees and Indemnities Regulation
- 5(2) State the entities and amounts involved
- 5(3) & (4) Omission of schedule, with explanation

Page 3 & 4: Schedule of Remuneration and Expenses: Section Six

- 6(1) [Definitions for reference]
- 6(2)(a) List remuneration / expenses for each elected official, member of board, Cabinet appointees
- 6(2)(b) List each employee with remuneration exceeding \$75,000, plus expenses
- 6(2)(c) Consolidated total for all employees with remuneration of \$75,000 or less
- 6(2)(d) Reconcile difference in total remuneration above with operational statement
- 6(3) Exclude personal information other than as required

Page 3 & 4: Schedule of Remuneration and Expenses: Section Six (continued)

- 6(4) & (5) [Explanatory information for reference]
- 6(6) Report employer portion of EI and CPP as a supplier payment
- 6(7)(a) & (b) Statement of severance agreements
- 6(8) Explain an omission of statement of severance agreements
- 6(9) [Statement of severance agreements to minister – not required unless requested]

Page 4: Schedule of Suppliers of Goods or Services: Section Seven

- 7(1)(a) List suppliers receiving payments exceeding \$25,000
- 7(1)(b) Consolidated total of all payments of \$25,000 or less
- 7(1)(c) Reconcile difference in total above with operational statement
- 7(2)(a) [Explanatory information for reference]
- 7(2)(b) Statement of payments of grants or contributions
- 7(2)(c) [Explanatory information for reference]

Page 5: Inactive Corporations: Section Eight

- 8(1) Ministry to report for inactive corporations
- 8(2)(a) Contents of report – statements and schedules under section 1(1) to extent possible
- 8(2)(b) Contents of report – operational status of corporation

Approval of Financial Information: Section Nine

- 9(1) Approval of SOFI for corporations (other than municipalities)
- 9(2) Approval of SOFI for municipalities
- 9(3) Management report
- 9(4) Management report must explain roles and responsibilities
- 9(5) Signature approval is for all contents of the SOFI

Access to the Financial Information: Section Ten

- 10(1) to (3) [Explanatory information for reference]