# The Corporation of the City of Trail

## 2024 STATEMENT OF FINANCIAL INFORMATION

**Statement of Financial Information (SOFI)**

# The Corporation of the City of Trail

**Fiscal Year Ended December 31, 2024**

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**Fiscal Year Ended December 31, 2024**

**STATEMENT OF FINANCIAL INFORMATION APPROVAL**

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

Colleen Jones
Mayor

Colin McClure, CPA, CA
Chief Financial Officer

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

**Statement of Financial Information (SOFI)**

# The Corporation of the City of Trail

**Fiscal Year Ended December 31, 2024**

## MANAGEMENT REPORT

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

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

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

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

On behalf of The Corporation of the City of Trail

Colin McClure, CPA, CA
Chief Financial Officer
June 23, 2025

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

# THE CORPORATION OF THE CITY OF TRAIL
## CONSOLIDATED FINANCIAL STATEMENTS
### DECEMBER 31, 2024

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For the Year Ended December 31, 2024

# THE CORPORATION OF THE CITY OF TRAIL
## MANAGEMENT REPORT
For the Year Ended December 31, 2024

### RESPONSIBILITY FOR FINANCIAL REPORTING

Management is responsible for the preparation of the accompanying consolidated financial statements. The financial statements have been prepared in accordance with the accounting principles disclosed in Note 1 to the consolidated financial statements and include amounts that are based on estimates and judgments. Management believes that the financial statements fairly present The Corporation of the City of Trail'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 consolidated financial statements have been approved by Council.

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

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

Colin McClure, CPA, CA
Chief Financial Officer

**Doane Grant Thornton LLP**
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# Independent auditor's report

To the Mayor and Council of
The Corporation of the City of Trail

## Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the City of Trail 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 consolidated 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 consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Other matter

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. Exhibits 1 and 2 are presented for the purpose of additional information and are not a required part of the financial statements. Such information has not been subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion thereon.

## Responsibilities of Management and Those Charged with Governance for the consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the City's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated 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.

Doane Grant Thornton LLP

Trail, Canada
April 28, 2025

Chartered Professional Accountants

# THE CORPORATION OF THE CITY OF TRAIL
## CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2024

| | 2024 | 2023 |
|---|---|---|
| **Financial Assets** | | |
| Cash & cash equivalents (Note 3) | $ 32,591,798 | $ 30,424,486 |
| Accounts receivable (Note 4) | 2,342,624 | 2,550,098 |
| Long-term accounts receivable (Note 5) | 3,447 | 3,835 |
| MFA deposits (Note 6) | 321,458 | 310,641 |
| | 35,259,327 | 33,289,060 |
| **Financial Liabilities** | | |
| Accounts payable and accrued liabilities (Note 7) | 4,212,393 | 3,227,976 |
| Deferred revenue (Note 8) | 3,855,422 | 2,758,495 |
| Accrued future payroll benefits (Note 9) | 1,218,782 | 918,563 |
| Long-term debt (Note 10) | 12,380,751 | 13,776,270 |
| Asset retirement obligations (Note 11) | 1,387,191 | 1,908,123 |
| | 23,054,539 | 22,589,427 |
| **Net Financial Assets** | 12,204,788 | 10,699,633 |
| **Non-Financial Assets** | | |
| Tangible capital assets (Note 12) | 110,931,270 | 107,280,577 |
| Inventory (Note 13) | 187,107 | 146,611 |
| Prepaid expenses | 177,999 | 236,800 |
| Property acquired for taxes | 49,004 | 85,586 |
| | 111,345,380 | 107,749,574 |
| **Accumulated Surplus (Note 14)** | $123,550,168 | $118,449,207 |

Commitments and Contingencies (Note 20)

Colin McClure, CPA, CA
Chief Financial Officer

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

# THE CORPORATION OF THE CITY OF TRAIL
## CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2024

| | 2024 Budget (Note 22) | 2024 | 2023 |
|---|---|---|---|
| **Revenue** | | | |
| Taxes (Note 16) | $ 18,196,434 | $ 18,057,765 | $ 17,526,072 |
| Sale of services | 1,496,665 | 2,057,353 | 2,129,943 |
| Other revenue from own sources | 1,353,581 | 1,518,802 | 2,436,452 |
| Investment income | 832,000 | 1,818,101 | 1,619,111 |
| Government transfers - unconditional (Note 19) | 543,000 | 632,142 | 588,782 |
| Government transfers - conditional (Note 19) | 4,006,800 | 2,929,924 | 4,753,648 |
| Water user fees | 2,019,737 | 1,977,923 | 1,871,561 |
| Sewer user fees | 1,291,036 | 1,320,777 | 1,251,817 |
| Donated land | - | 389,000 | - |
| Gain on disposal of tangible capital assets | - | - | 45,500 |
| | 29,739,253 | 30,701,787 | 32,222,886 |
| **Expenses** | | | |
| General government services | 3,176,547 | 3,498,214 | 2,811,553 |
| Protective services | 2,745,844 | 2,979,974 | 2,284,436 |
| Transportation services | 4,272,161 | 3,480,746 | 3,190,461 |
| Environmental health services | - | - | 305,039 |
| Public health and welfare services | 332,706 | 358,731 | 334,347 |
| Parks, recreation and cultural services | 5,473,826 | 6,528,373 | 6,615,220 |
| Interest and other debt charges | 597,822 | 597,779 | 573,424 |
| Water utility operations | 1,971,559 | 1,967,644 | 1,933,129 |
| Sewer utility operations | 939,832 | 741,817 | 764,364 |
| Library operations | 561,160 | 817,637 | 837,184 |
| Airport operations | 773,971 | 672,684 | 677,000 |
| Accretion | - | 41,584 | 86,178 |
| Amortization | 4,163,258 | 3,915,643 | 4,453,529 |
| | 25,008,686 | 25,600,826 | 24,865,864 |
| Annual surplus | 4,730,567 | 5,100,961 | 7,357,022 |
| Accumulated surplus, beginning of the year | 118,449,207 | 118,449,207 | 111,092,185 |
| **Accumulated surplus, end of the year** | $123,179,774 | $123,550,168 | $118,449,207 |

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

# THE CORPORATION OF THE CITY OF TRAIL
## CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2024

| | 2024 Budget | 2024 | 2023 |
|---|---|---|---|
| Annual surplus | $ 4,730,567 | $ 5,100,961 | $ 7,357,022 |
| Acquisition of tangible capital assets | (16,463,005) | (8,075,737) | (5,082,669) |
| Amortization of tangible capital assets | 4,163,258 | 3,915,643 | 4,453,529 |
| Decrease (increase) in tangible capital assets due to asset retirement obligations | - | 509,401 | (1,821,945) |
| Gain on disposal of tangible capital assets | - | - | 45,500 |
| Proceeds on sale of tangible capital assets | - | - | (45,500) |
| | (7,569,180) | 1,450,268 | 4,905,937 |
| Property acquired for taxes | - | 36,582 | 2,931 |
| Consumption of supply inventory & prepaid expenses | - | 18,305 | 32,524 |
| | - | 54,887 | 35,455 |
| Increase (decrease) in net financial assets | (7,569,180) | 1,505,155 | 4,941,392 |
| Net financial assets, beginning of year | 10,699,633 | 10,699,633 | 5,758,241 |
| **Net financial assets, end of the year** | $ 3,130,453 | $ 12,204,788 | $ 10,699,633 |

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

# THE CORPORATION OF THE CITY OF TRAIL
## CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2024

| | 2024 | 2023 |
|---|---|---|
| **Cash Provided by (Used In)** | | |
| **Operating Activities** | | |
| Annual surplus | $ 5,100,961 | $ 7,357,022 |
| **Items not involving cash:** | | |
| Amortization of tangible capital assets | 3,915,643 | 4,453,529 |
| Accretion | 41,584 | 86,178 |
| Actuarial adjustments | (354,138) | (321,823) |
| Gain on disposal of tangible capital assets | - | (45,500) |
| Donated land | (389,000) | - |
| | 8,315,050 | 11,529,406 |
| **Increase (decrease) in non-cash operating items:** | | |
| Accounts receivable | 207,474 | 1,055,665 |
| Long-term accounts receivable | 388 | 366 |
| MFA deposits | (10,817) | (9,365) |
| Accounts payable and accrued liabilities | 984,417 | 177,589 |
| Deferred revenue | 1,096,927 | 508,606 |
| Accrued future payroll benefits | 300,219 | 52,883 |
| Inventory | (40,496) | (12,833) |
| Prepaid expenses | 58,801 | 45,357 |
| Property acquired for taxes | 36,582 | 2,931 |
| | 10,948,545 | 13,350,605 |
| **Financing Activities** | | |
| Long-term debt repayment | (1,041,381) | (810,387) |
| | (1,041,381) | (810,387) |
| **Capital Activities** | | |
| Proceeds from disposal of tangible capital assets | - | 45,500 |
| Acquisition of tangible capital assets | (7,739,852) | (5,082,669) |
| | (7,739,852) | (5,037,169) |
| **Net increase in Cash & cash equivalents** | 2,167,312 | 7,503,049 |
| **Cash & cash equivalents, beginning of year** | 30,424,486 | 22,921,437 |
| **Cash & cash equivalents, end of year** | $ 32,591,798 | $ 30,424,486 |

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

1. **Significant Accounting Policies**

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

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

(a) Basis of presentation

The City of Trail's resources and operations are segregated into General, Water Utility, Sewer Utility and Reserve Funds for accounting and financial reporting purposes. The consolidated financial statements include all the accounts of these funds. All material inter-fund transactions and balances have been eliminated within the consolidated financial statements.

(b) Revenue recognition

Sources of revenue are recorded on the accrual basis and include revenue in the period in which the transactions or events occurred that give rise to the revenues.

*Taxation revenue*
Annual levies for non-optional municipal services and general administrative services are recorded as taxes for municipal purposes. Levies imposed by other taxing authorities are not included as taxes for municipal purposes. Taxes are recognized as revenue in the year they are levied.

*Sale of services and user fees*
Revenues from the sale of services and user fees are recognized on an accrual basis when the service is provided, the product is delivered, or the facility is used. Where transactions involve a performance obligation to a specific payor, revenue is recognized as the performance obligation is satisfied. In the absence of a performance obligation, revenue is recognized when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.

*Contributed assets*
Contributed materials and tangible capital assets are recognized at fair value at the date of contribution when fair value can be reasonably determined.

*Grant revenues*
Grant revenues are recognized when the funding becomes receivable. Non-government conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled. Grants for the acquisition of tangible capital assets are recognized in the period in which eligible expenditures are made. Revenue unearned in the current period is recorded as deferred revenue.

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

1. **Significant accounting policies** (continued)

*Investment income*

Investment income is recorded on the accrual basis and recognized when earned.
A portion of the City's investments are invested in pooled funds of the Municipal Finance Authority of British Columbia. Earnings on these funds are allocated to the members from time to time based on the market value of the pool. The City recognized only its share of the realized earnings of the pool. This revenue is recorded as investment income and the amount is added to the cost base of the investment.

(c) Deferred revenue

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

(d) Financial instruments

The City’s financial instruments consist of cash and investments, accounts receivable, long-term accounts receivable, due from other governments, trades accounts payable and accrued liabilities, employee benefit plans, long-term debt and asset retirement obligations. All financial instruments are recorded at their cost or amoritized costs. Financial liabilities are removed from the statement of financial position when, and only when, they are discharged or cancelled or expire.

(e) Accrued future payroll benefits

The City records the cost of future payroll benefits over the employee’s term of employment. Upon retirement, a portion of accumulated sick leave credits are paid to the employee based on years of service.

(f) Interest and actuarial gains on long-term debt

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

(g) Tangible capital assets

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

| | | |
|---|---|---|
| Buildings | 10 to 75 | years |
| Furniture, equipment & vehicles | 4 to 20 | years |
| Technology | 3 to 10 | years |
| Transportation infrastructure | 10 to 100 | years |
| Parks and cemetery | 10 to 50 | years |
| Water, sewer and storm drain infrastructure | 10 to 100 | years |

1. **Significant accounting policies** (continued)

(h) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Inventory

Inventory of supplies held for consumption are recorded at the lower of weighted average cost and replacement cost.

(j) Statutory reserves

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

(k) Reserves set aside by Council

Reserves set aside by Council are non-statutory reserves which represent an appropriation of surplus for specific purposes. These internally restricted funds are not available for unrestricted purposes without the approval of Council.

(l) Use of estimates

The preparation of consolidated financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported revenues and expenses during the reporting period. Significant areas requiring estimates include the estimated useful life and related amortization of tangible capital assets, asset retirement obligations future payroll benefits, allowance for doubtful accounts and provision for contingencies. Actual results could differ from management's best estimates as additional information becomes available in the future.

(m) Budget

Budget data presented in these consolidated financial statements is based on the City's Five Year Financial Plan for the years 2024-2028, adopted by Council on May 13, 2024.

(n) Municipal Pension Plan

The City's pension plan follows the guidelines of the Municipal Pension Plan which is administered by the Province of British Columbia for all British Columbia municipalities. The City and its employees contribute to the Municipal Pension Plan (a jointly trusteed pension plan). The board of trustees, representing plan members and employers is responsible for administering the plan, including investment assets and administration of benefits. The plan is a multi-employer defined benefit plan.

1. **Significant accounting policies** (continued)

(o) Liability for contaminated sites

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

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

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

There were no liabilities recorded as at December 31, 2024.

(p) Asset Retirement Obligations

An asset retirement obligation is a legal obligation associated with the retirement of a tangible capital asset that the City will be required to settle. The City recognizes asset retirement obligations when there is a legal obligation to incur retirements costs in relation to a tangible capital asset, the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made.

Asset retirement obligations are initially measured at the best estimate of the amount required to retire a tangible capital asset at the financial statement date. The estimate of a liability includes costs directly attributable to asset retirement activities.

Asset retirement obligations are recorded as liabilities with a corresponding increase to the carrying value of the related tangible capital asset. Subsequently, the asset retirement costs are allocated to expenses over the useful life of the tangible capital asset. The obligation is adjusted to reflect period-to-period changes in the liability resulting from the passage of time and for revisions to either the timing or the amount of the original estimate of the undiscounted cash flows or the discount rate.

(q) Basis of Consolidation

The consolidated financial statements include the accounts of the municipality and and the Trail & District Public Library. Inter-organizational transactions and balances have been eliminated on consolidation.

## 2. Adoption of new standards

Effective January 1, 2024, the municipality adopted Public Sector Accounting Standard PS 3400 – Revenue. This standard establishes guidance on how to account for and report on revenue, distinguishing between revenue arising from transactions with performance obligations and those without. The adoption of this standard resulted in additional disclosures in the financial statements but did not result in any adjustments to prior period figures.

## 3. Cash and cash equivalents

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

| | 2024 | 2023 |
|---|---|---|
| Cash | $ 23,223,418 | $ 21,402,470 |
| MFA bond & money market funds | 9,368,380 | 9,022,016 |
| | $ 32,591,798 | $ 30,424,486 |

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

## 4. Accounts receivable

Accounts receivable are recorded net of allowance and are comprised of the following:

| | 2024 | 2023 |
|---|---|---|
| Property taxes | $ 640,162 | $ 448,677 |
| Utility billings | 320,221 | 327,001 |
| Other governments | 372,734 | 749,842 |
| Trade & other receivables | 1,009,507 | 1,024,578 |
| | $ 2,342,624 | $ 2,550,098 |

## 5. Long-term accounts receivable

In January 2017, City Council adopted a bylaw, the Lerose Street Water Supply Parcel Tax Bylaw No. 2823, 2017. This authorized the City to install a new water service connection to the property at 314 Lerose Street with the construction costs to be financed by the City and repaid by the property owners by way of a parcel tax.

## 6. Municipal Finance Authority debt reserve fund

The City issues its debt instruments through the MFA. As a condition of these borrowing, the City is obligated to lodge security through a debt reserve fund, made up of demand notes and interest bearing cash deposits based on the amount of borrowing. The deposits are included in the City's financial statements as MFA cash deposits. If the debt is repaid without default, the deposits are refunded to the City. The demand notes, which are contingent in nature, are held by the MFA to act as security against the possibility of debt repayment default and are not recorded in the financial statements. Upon maturity of a debt issue, the demand notes are released and the cash deposits are refunded to the City.

As at December 31, 2024, the total of the Debt Reserve Fund was comprised of:

| | 2024 Cash deposit | 2024 Demand note | 2023 Cash deposit | 2023 Demand note |
|---|---|---|---|---|
| General fund | $ 239,514 | $ 389,622 | $ 231,454 | $ 389,622 |
| Sewer utility | 43,515 | 78,038 | 42,051 | 78,038 |
| Water utility | 38,429 | 59,373 | 37,136 | 59,373 |
| | $ 321,458 | $ 527,033 | $ 310,641 | $ 527,033 |

## 7. Accounts payable and accrued liabilities

| | 2024 | 2023 |
|---|---|---|
| Trades payable | $ 3,667,572 | $ 2,841,301 |
| Accrued wages and benefits | 424,999 | 266,853 |
| Accrued interest | 119,822 | 119,822 |
| | $ 4,212,393 | $ 3,227,976 |

## 8. Deferred revenue

| | Opening Balance | Contributions Received | Revenue Recognized | Ending Balance |
|---|---|---|---|---|
| Federal Gas Tax Grant * | $ - | $ 424,040 | $ (424,040) | $ - |
| Tax prepayments | 239,319 | 452,372 | (239,319) | 452,372 |
| Utility prepayments | 128,009 | 134,249 | (128,009) | 134,249 |
| Other Grants | 2,249,807 | 2,228,144 | (2,505,884) | 1,972,067 |
| Donations | - | 1,317,959 | (224,950) | 1,093,009 |
| Other | 141,363 | 207,254 | (144,892) | 203,725 |
| | $ 2,758,498 | $ 4,764,018 | $ (3,667,094) | $ 3,855,422 |

* The Federal Gas Tax grant is recognized into revenue and immediately transferred into the Community Works Fund reserve.

## 9. Accrued future payroll benefits

| | 2024 | 2023 |
|---|---|---|
| Holiday pay | $ 634,248 | $ 350,405 |
| Sick leave/Retirement benefit | 516,348 | 511,381 |
| Banked overtime | 68,186 | 56,777 |
| | $ 1,218,782 | $ 918,563 |

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

Unionized employees are entitled to earned benefits related to non-vested accumulating sick leave and sick leave gratuity. Non-Union staff are entitled to a retirement benefit after 20 years of service. The liability and expense for these post-employment benefits and compensated absences are recognized in the consolidated financial statements in the period in which employees render services and on the basis and the benefits are expected to be provided when the employees are no longer providing active service.

The Post-retirement benefit liabilities reported in 2024 are based on the City's policy to fully recognized and accrue the benefit using the following valuation assumptions

| | |
|---|---|
| Discount rate | 4.50% |

The continuity of the City's employee Post-retirement benefit liabilities as per actuarial report dated December 31, 2022 is as follows:

| | 2024 | 2023 |
|---|---|---|
| Beginning of the year | $ 500,600 | $ 492,700 |
| Current service costs | 36,400 | 35,200 |
| Interest cost | 22,900 | 22,600 |
| Benefits paid | (6,113) | (78,293) |
| Actuarial (gain) loss | (49,687) | 28,393 |
| End of Year | $ 504,100 | $ 500,600 |

The City manages the payment of these future payroll obligations as they become due in the current operating budget.

## 10. Long-term debt

| Debt Bylaw # | Purpose of Bylaw | Interest rate % | Year of maturity | Original issue | 2024 Balance | 2023 Balance |
|---|---|---|---|---|---|---|
| **General purposes:** | | | | | | |
| 2781 | River Front Centre | 2.80% | 2042 | $ 6,288,000 | $ 4,966,483 | $ 5,172,417 |
| 2809 | River Front Centre | 2.80% | 2027 | 1,095,700 | 363,334 | 477,459 |
| 2775 | Columbia River Skywalk | 2.60% | 2041 | 4,916,000 | 3,773,554 | 3,934,133 |
| 2716 | TALC - HVAC | 4.52% | 2033 | 2,482,200 | 1,355,134 | 1,481,411 |
| 2467 | RCMP Detachment | 1.47% | 2027 | 2,700,000 | 521,697 | 679,304 |
| 2836 | Airport Terminal | 0.00% | 2038 | 1,000,000 | 700,000 | 750,000 |
| Vactor Truck equipment loan | | 4.93% | 2027 | 403,500 | - | 288,970 |
| | | | | 18,885,400 | 11,680,202 | 12,783,694 |
| **Water purposes:** | | | | | | |
| 2668 | Tadanac Water Line | 4.30% | 2028 | 1,700,000 | 454,060 | 556,874 |
| 1097 | Water (Specified Area) | 1.47% | 2026 | 750,000 | 98,947 | 144,916 |
| | | | | 2,450,000 | 553,007 | 701,790 |
| **Sewer purposes:** | | | | | | |
| 2567 | Sewer improvements | 0.91% | 2025 | 2,148,000 | 147,542 | 290,786 |
| | | | | 2,148,000 | 147,542 | 290,786 |
| Total long-term debt | | | | | $ 12,380,751 | $ 13,776,270 |

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

| | General | Water | Sewer | Total |
|---|---|---|---|---|
| 2025 | $ 842,044 | $ 155,194 | $ 147,542 | $ 1,144,780 |
| 2026 | 870,601 | 161,884 | - | 1,032,485 |
| 2027 | 900,230 | 115,652 | - | 1,015,882 |
| 2028 | 610,954 | 120,277 | - | 731,231 |
| 2029 | 629,429 | - | - | 629,429 |
| Thereafter | 7,826,944 | - | - | 7,826,944 |
| | $ 11,680,202 | $ 553,007 | $ 147,542 | $ 12,380,751 |

## 11. Asset retirement obligations

The City owns and operates several assets that are known to have asbestos and lead paint, which represent a health hazard upon demolition renovation of the assets. There is a legal obligation to remove and dispose of the hazardous materials. The City recognizes an estimated obligation relating to the removal of the hazardous materials in theses assets with an accompanying increase to the Buildings and Water Infrastructure capital assets. The Increase in capital assets is amortized on a straight-line basis over the remaining expected useful life of the related assets

Estimated costs totaling $2,137,286 have been discounted using a present value calculation with a discount rate of 4.73%. The timing of these expenditures is estimated to occur between 2029 & 2065 with the regular replacement, renovation or disposal of assets. No recoveries are expected at this time.

| | 2024 | 2023 |
|---|---|---|
| Opening asset retirement obligation | $ 1,908,123 | $ - |
| Initial recognition of expected discounted cash flows | - | 1,821,945 |
| Additions | 220,958 | - |
| Asset retirement obligation adjustment | (783,474) | - |
| Increase due to accretion | 41,584 | 86,178 |
| Closing asset retirement obligation | $ 1,387,191 | $ 1,908,123 |

## 12. Tangible capital assets

| | Cost | Accumulated amortization | 2024 Net book value | 2023 Net book value |
|---|---|---|---|---|
| Land | $ 11,594,587 | $ - | $ 11,594,587 | $ 11,194,703 |
| Buildings | 47,597,232 | 22,723,336 | 24,873,896 | 25,867,212 |
| IT, equipment & furniture | 18,406,461 | 15,189,815 | 3,216,646 | 3,155,687 |
| Transportation infrastructure | 57,707,582 | 36,519,165 | 21,188,417 | 19,965,462 |
| Parks & cemetery | 6,740,820 | 2,584,736 | 4,156,084 | 3,826,033 |
| Water infrastructure | 40,872,662 | 15,245,413 | 25,627,249 | 24,514,319 |
| Sewer infrastructure | 14,032,097 | 4,195,865 | 9,836,232 | 8,998,184 |
| Storm sewer infrastructure | 12,348,812 | 4,518,946 | 7,829,866 | 7,684,253 |
| Assets under construction | 1,910,546 | - | 1,910,546 | 983,149 |
| Assets retirement obligations | 1,768,831 | 1,071,084 | 697,747 | 1,091,575 |
| | $212,979,630 | $102,048,360 | $110,931,270 | $107,280,577 |

See schedule of tangible capital assets for more information.

## 13. Inventory

Inventories recognized in the statement of consolidated financial position are comprised of:

| | 2024 | 2023 |
|---|---|---|
| General | $ 75,153 | $ 46,133 |
| Water system | 98,061 | 92,100 |
| Sewer system | 13,893 | 8,378 |
| | $ 187,107 | $ 146,611 |

## 14. Accumulated surplus

| | 2024 | 2023 |
|---|---|---|
| **Restricted reserves** | | |
| Capital projects | $ 4,094,121 | $ 5,018,160 |
| Climate action | 631,484 | 342,388 |
| Community works fund | 1,175,128 | 1,130,776 |
| Equipment replacement | 1,137,257 | 1,104,694 |
| Growing communities fund | 3,223,491 | 3,084,680 |
| Insurance | 226,380 | 216,632 |
| Old Bridge | 525,238 | 409,189 |
| Sewer Capital | 3,556,443 | 3,659,638 |
| Water Capital | 4,096,338 | 4,170,014 |
| | 18,665,880 | 19,136,171 |
| **Statutory reserves** | | |
| Land sales | 723,543 | 696,235 |
| Off street parking | 65,110 | 55,453 |
| Tax sale | 28,196 | 27,132 |
| | 816,849 | 778,820 |
| **Total reserves** | 19,482,729 | 19,914,991 |
| **Operating** | | |
| General | 6,738,846 | 6,749,306 |
| Library | 165,264 | 188,726 |
| | 6,904,110 | 6,938,032 |
| **Invested in tangible capital assets** | 97,163,329 | 91,596,184 |
| **Total accumulated surplus** | $123,550,168 | $118,449,207 |

## 15. Trust funds

The Cemetery Care Trust Fund, made up of the Mountain View Mausoleum and Cremains & Plots, is not reported in these consolidated financial statements. The following is a summary of Trust Fund transactions for the year:

| | 2024 | 2023 |
|---|---|---|
| Balances, beginning of year | $ 697,584 | $ 665,084 |
| Contributions received | 7,217 | 8,148 |
| Interest earned | 33,592 | 24,352 |
| Balances, end of year | $ 738,393 | $ 697,584 |

## 16. Taxation revenue

Total tax revenue net of transfers of taxes collected fo other governments and aggencies were as follows:

| | 2024 | 2023 |
|---|---|---|
| Residential | $ 4,631,485 | $ 4,420,079 |
| Utilities | 768,246 | 721,367 |
| Major industry | 10,450,124 | 10,234,958 |
| Light industry | 9,123 | 8,535 |
| Business | 1,322,831 | 1,292,687 |
| Managed forest | 4,193 | 6,812 |
| Non-profit | 10,374 | 10,034 |
| Payments in lieu of taxes & other | 341,327 | 312,500 |
| Parcel taxes | 520,062 | 519,100 |
| | $ 18,057,765 | $ 17,526,072 |

## 17. Taxes levied for other paid authorities

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

| | 2024 | 2023 |
|---|---|---|
| Provincial Government - school taxes | $ 3,618,466 | $ 3,492,605 |
| Regional District of Kootenay Boundary | 5,452,205 | 4,922,032 |
| West Kootenay Boundary Hospital District | 422,555 | 421,159 |
| British Columbia Assessment Authority | 179,703 | 176,700 |
| Municipal Finance Authority | 544 | 527 |
| | $ 9,673,473 | $ 9,013,023 |

## 18. Pension plan

The City of Trail and its employees contribute to the Municipal Pension Plan (a jointly trusteed 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 City of Trail paid $543,536 (2023 - $524,022) for employer contributions to the plan in fiscal 2024.

The next valuation will be as at December 31, 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.

## 19. Government transfers

Grants received during the year were composed of the following government transfers and other:

| | 2024 Unconditional | 2024 Conditional | 2023 Unconditional | 2023 Conditional |
|---|---|---|---|---|
| Federal government | $ - | $ 431,008 | $ - | $ 420,537 |
| Provincial government | 583,762 | 1,583,881 | 542,262 | 3,708,358 |
| Regional/other | 48,380 | 915,035 | 46,520 | 624,753 |
| | $ 632,142 | $ 2,929,924 | $ 588,782 | $ 4,753,648 |

## 20. Commitments and contingencies

**Regional District of Kootenay Boundary (District) debt**

Regional District debt is, under the provisions of the Community Charter of B.C., a direct, joint and several liability of the District and each member municipality within the District including the City of Trail.

**Claims for damages**

In the normal course of a year, the City is faced with lawsuits and claims for damages of a diverse nature. The City records an accrual in respect of legal claims that are likely to be successful and for which a liability amount is reasonably determinable. The remaining claims, should they be successful, will be recorded when a liability is likely and determinable.

**Reciprocal insurance exchange agreement**

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

**Indemnification**

Pursuant to the Community Charter, the Council of the City is authorized to indemnify, defend, reimburse and save FortisBC harmless from and against any loss or liability FortisBC may suffer or incur arising from the existence or escape of any contaminant on or in the parcel described as Lots 1 to 10, Block1, District Lot 230, Kootenay District Plan 465 and Block1, District Lot 230, Kootenay District Plan 465. The indemnity is limited to a maximum of $15 million in 1992 dollars and shall expire not later than 50 years from August 31st, 1992.

**Old Bridge**

The City of Trail retired the "Old Bridge" from active service on October 22, 2010. Prior to this date, the City had contracted annual structural assessments of the Old Trail Bridge. At that time, it was the contracted Engineering firm's opinion that the "current capacity of the bridge piers to resist unusual loads is insufficient to meet current standards". The contracted Engineering firm recommended the bridge to be closed to all public use. The City promptly closed the Old Bridge indefinitely.

The City has received Engineering demolition cost estimates regarding the Old Bridge. These estimates range from $4.5 million to $8 million in 2016 dollars. The City also has had discussions and continues to discuss demolition costs funding options with the Provincial government. To date, no funding solution has been established. Therefore, as at the financial statement date, it is uncertain as to the City of Trail's funding portion or to a potential demolition date. No liability is recorded in these statements because there is insufficient information to reasonably estimate the expected costs.

## 21. Segmented information

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

21. **Segmented information** (continued)

**General government services**

The departments and divisions within general government services are responsible for adopting bylaws; adopting administrative policy; levying and collecting taxes and utilities; acquiring, disposing and managing City assets; developing and maintaining information technology systems and applications; ensuring effective financial management and communication; administering City grants; developing an effective labour force; administering collective agreements and payroll; emergency planning; economic development; monitoring and reporting performance; preparing land use plans, bylaws and policies for sustainable development of the City; and ensuring that high quality City service standards are met.

**Protective services**

Protective services are comprised of police services, provided by the Royal Canadian Mounted Police, bylaw enforcement and the Provincial Emergency Program. Police services include, administration, crime investigation & prevention, traffic, prisoner custody and court liaison expenses. The costs for the maintenance and repair of the RCMP station are included in this segment. Bylaw enforcement is responsible for parking and other bylaw enforcement, as well as domestic animal control.

**Transportation services**

Transportation services are responsible for the delivery of municipal works services related to the planning, development and maintenance of the City's physical infrastructure including roads, bridges, sidewalks, drainage systems, street & traffic lights, civic buildings and facilities. The mandate is to provide a safe, efficient, environmentally-sensitive and cost-effective transportation network.

**Public health and welfare services**

Public health and welfare consist of the operation, maintenance and development of a public cemetery.

**Parks, culture and recreation services**

Parks, culture and recreation provide services related to recreation, leisure and culture including administration and program costs as well as grounds & building maintenance. Facilities managed within this area include the, parks & playgrounds, arenas, swimming pools and stadiums. The Trail Memorial Centre, The Trail Aquatic & Leisure Centre, Butler Park and Trail Riverfront centre are some of the larger facilities included in this service.

**Library operations**

As a controlled entity, the City reports and is responsible for the successful operations of the Trail and District Public Library.

**Airport operations**

The City of Trail owns and operates the Trail Regional Airport (YZZ). The airport provides safe travel services in compliance with Federally mandated regulations.

**Water utility operations**

The water utility provides the City's world-class drinking water. It maintains the Sunningdale water intake, reservoirs, water mains and pump stations.

**Sewer utility operations**

The sewer utility is responsible for the collection of sanitary sewage and drainage, as well as the network of sewer mains and pump stations. Treatment and disposal of the sanitary sewage is the responsibility of the Regional District of Kootenay Boundary through the operation of the Columbia Pollution Control Centre.

21. **Segmented information** (continued)

Statement of operations by object and function:

| | General government | Protective services | Transportation services | Public health & welfare |
|---|---|---|---|---|
| **Revenues** | | | | |
| Taxes | $17,537,703 | $ - | $ - | $ - |
| Sales of service | 23,615 | 8,698 | 466,217 | 40,726 |
| Other revenue from own sources | 466,669 | 125,220 | 131,587 | - |
| Investment income | 1,339,287 | - | - | - |
| Government transfers - unconditional | 583,762 | - | - | - |
| Government transfers - conditional | 424,292 | - | 500,000 | 376,083 |
| Water user fees | - | - | - | - |
| Sewer user fees | - | - | - | - |
| Gain on disposal of assets | - | - | - | - |
| Donation of assets | 389,000 | - | - | - |
| | 20,764,328 | 133,918 | 1,097,804 | 416,809 |
| **Expenses** | | | | |
| Wages and benefits | 1,560,406 | 519,207 | 1,629,661 | 213,555 |
| Supplies and services | 1,937,808 | 2,460,767 | 1,851,085 | 145,176 |
| Interest and other debt charges | - | - | 7,662 | - |
| Amortization of tangible capital assets | 17,343 | 64,098 | 1,542,402 | 47,758 |
| Accretion | 20,914 | - | 4,949 | 36 |
| | 3,536,471 | 3,044,072 | 5,035,759 | 406,525 |
| **Annual Surplus (Deficit)** | $17,227,857 | $(2,910,154) | $(3,937,955) | $ 10,284 |

| Parks, recreation & cultural | Library | Airport | Water utility | Sewer utility | 2024 Total | 2023 Total |
|---|---|---|---|---|---|---|
| $ - | $ - | $ - | $ 520,062 | $ - | $ 18,057,765 | $ 17,526,072 |
| 1,034,186 | 6,694 | 477,217 | - | - | 2,057,353 | 2,129,943 |
| 790,706 | 4,620 | - | - | - | 1,518,802 | 2,436,452 |
| - | 9,599 | - | 251,835 | 217,380 | 1,818,101 | 1,619,111 |
| - | 48,380 | - | - | - | 632,142 | 588,782 |
| 1,001,734 | 163,723 | 18,802 | 445,290 | - | 2,929,924 | 4,753,648 |
| - | - | - | 1,977,923 | - | 1,977,923 | 1,871,561 |
| - | - | - | - | 1,320,777 | 1,320,777 | 1,251,817 |
| - | - | - | - | - | - | 45,500 |
| - | - | - | - | - | 389,000 | - |
| 2,826,626 | 233,016 | 496,019 | 3,195,110 | 1,538,157 | 30,701,787 | 32,222,886 |
| 3,367,268 | 589,584 | 372,422 | 903,886 | 328,636 | 9,484,625 | 8,606,604 |
| 3,161,105 | 228,053 | 300,262 | 1,063,758 | 413,181 | 11,561,195 | 11,146,129 |
| 486,445 | - | - | 84,125 | 19,547 | 597,779 | 573,424 |
| 1,089,792 | - | 380,693 | 552,155 | 221,402 | 3,915,643 | 4,453,529 |
| 14,444 | - | - | 1,241 | - | 41,584 | 86,178 |
| 8,119,054 | 817,637 | 1,053,377 | 2,605,165 | 982,766 | 25,600,826 | 24,865,864 |
| $(5,292,428) | $ (584,621) | $ (557,358) | $ 589,945 | $ 555,391 | $ 5,100,961 | $ 7,357,022 |

## 22. Budget data

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

| | | 2024 |
|---|---|---|
| Budget surplus per statement of operations | $ | 4,730,567 |
| Less: Capital expenditures | | 16,463,005 |
| Long-term debt principal repayments | | 1,033,675 |
| Budgeted transfers to reserves | | 4,841,100 |
| Add: Budgeted transfers from surplus and reserves | | 13,443,955 |
| Amortization | | 4,163,258 |
| Debt proceeds | | - |
| Net annual budget | $ | - |

## 23. Financial Instruments and risk management

Financial instruments include cash & cash equivalents, accounts receivable, long-term accounts receivable, due from other governments, trades accounts payable and accrued liabilities, accrued future payroll benefits, long-term debt and asset retirement obligations. The City has exposure to the following financial risks from its use of financial instruments: credit risk, interest risk, currency risk and liquidity risk. Management is responsible for safe guarding resources, managing risks and implementing appropriate policies

**Credit risk**

Credit risk refers to the risk of financial loss to the City if a debtor fails to discharge their obligation. The City is exposed to this arising from its cash and cash equivalents, and receivables. The City mitigates credit risk in its investments by adhering to the regulations set out by the Community Charter. Accounts receivables mainly consist of property taxes, utilities, trade and other receivables. Credit risk is mitigated by the highly diversified nature of the debtors and other customers. The Community Charter grants legislative authority for the City to enforce the collection of unpaid property taxes. Accounts receivable is primarily due from government, and corporations and individuals. The City also holds collateral on taxes and utilities payable through the tax sale mechanism, mitigating the risk of default on these balances. The City measures its exposure to credit risk based on how long the amounts have been outstanding. An impairment allowance is set up based on the City's historical experience regarding collections. No impairment allowance was required in 2024 & 2023. There have been no significant changes from the previous year in the exposure risk or policies, procedures and methods used to measure the risk.

**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 the Community Charter. The investment portfolio is monitored by management.

**Liquidity risk**

Liquidity risk is the risk that the City will not be able to meet its financial obligations as they come due. The City is exposed to this arising from its accounts payable and accrued liabilities, accrued future payroll benefits, long-term debt and asset retirement obligations. 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. There have been no significant changes from the previous year in the exposure risk or policies, procedures and methods used to measure the risk.

23. **Financial Instruments and risk management** (continued)

### Currency risk

Currency risk is the risk that arises from the fluctuation in pricing of foreign currencies. During the year, the City was not exposed to significant currency risk. The City does not maintain cash or accounts payable in foreign currencies. Accounts payable in foreign currencies are settled as soon as practical to reduce currency risk. There have been no significant changes from the previous year in the exposure risk or policies, procedures and methods used to measure the risk.here have been no significant changes from the previous year in the exposure to currency risk.

### 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.

24. **Comparative figures**

Prior year comparative figures have been restated to conform with the current year's presentation.

# THE CORPORATION OF THE CITY OF TRAIL
## SCHEDULE A - STATEMENT OF TANGIBLE CAPITAL ASSETS
For the Year Ended December 31, 2024

| Tangible capital assets | Opening balance | Additions & reallocation of assets under construction | Disposals | Closing balance | Accumulated amortization opening balance | Amortization expense | Reduction on disposals | Accumulated amortization closing balance | Net carrying amount end of year |
|---|---|---|---|---|---|---|---|---|---|
| Land | $ 11,194,703 | $ 399,884 | $ - | $ 11,594,587 | $ - | $ - | $ - | $ - | $ 11,594,587 |
| Buildings | 47,597,232 | - | - | 47,597,232 | 21,730,020 | 993,316 | - | 22,723,336 | 24,873,896 |
| IT, vehicles & equipment | 17,589,030 | 817,431 | - | 18,406,461 | 14,433,343 | 756,472 | - | 15,189,815 | 3,216,646 |
| Transportation infrastructure | 55,258,645 | 2,448,937 | - | 57,707,582 | 35,293,183 | 1,225,982 | - | 36,519,165 | 21,188,417 |
| Parks and cemetery | 6,210,298 | 530,522 | - | 6,740,820 | 2,384,265 | 200,471 | - | 2,584,736 | 4,156,084 |
| Water infrastructure | 39,208,650 | 1,664,012 | - | 40,872,662 | 14,694,331 | 551,082 | - | 15,245,413 | 25,627,249 |
| Sewer infrastructure | 12,972,647 | 1,059,450 | - | 14,032,097 | 3,974,463 | 221,402 | - | 4,195,865 | 9,836,232 |
| Storm sewer infrastructure | 12,067,594 | 281,218 | - | 12,348,812 | 4,383,341 | 135,605 | - | 4,518,946 | 7,829,866 |
| Assets under construction | 983,149 | 927,397 | - | 1,910,546 | - | - | - | - | 1,910,546 |
| ARO | 1,821,945 | (53,114) | - | 1,768,831 | 730,370 | 340,714 | - | 1,071,084 | 697,747 |
| 2024 Totals | $ 204,903,893 | $ 8,075,737 | $ - | $ 212,979,630 | $ 97,623,316 | $ 4,425,044 | $ - | $ 102,048,360 | $ 110,931,270 |
| 2023 Totals | $ 198,252,103 | $ 7,488,295 | $ (836,505) | $ 204,903,893 | $ 93,931,316 | $ 4,453,529 | $ (252,824) | $ 97,623,316 | $ 107,280,577 |

# THE CORPORATION OF THE CITY OF TRAIL
## SCHEDULE B - PROVINCE OF BC GROWING COMMUNITIES GRANT
December 31, 2024

Province of BC Growing Communities Grant reconciliation

| | 2024 | 2023 |
|---|---|---|
| Growing Communities grant, opening balance | $ 3,084,680 | $ - |
| Contributions received | - | 2,979,000 |
| Interest allocation | 138,811 | 105,680 |
| Less: eligible use of funds | - | - |
| Growing Communities grant, ending balance | $ 3,223,491 | $ 3,084,680 |

# THE CORPORATION OF THE CITY OF TRAIL
## EXHIBIT 1 - COVID-19 PROVINCE OF BC RESTART GRANT (UNAUDITED)
December 31, 2024

Province of BC Restart Grant reconciliation

| | | 2024 |
|---|---|---|
| COVID-19 Restart grant, opening balance | $ | 565,571 |
| Less grant recognition: | | |
| Revenue shortfalls | | - |
| COVID-19 Restart grant, ending balance | $ | 565,571 |

# THE CORPORATION OF THE CITY OF TRAIL
## EXHIBIT 2 - LOCAL GOVERNMENT HOUSING INITIATIVES FUNDING (UNAUDITED)
December 31, 2024

Local Government Housing Initiatives Grant reconciliation

| | | 2024 |
|---|---|---|
| Housing Initiatives grant, opening balance | $ | - |
| Contributions received | | 186,696 |
| | | - |
| Less: eligible use of funds | | 92,597 |
| Housing Initiatives grant, ending balance | $ | 94,099 |

**Statement of Financial Information (SOFI)**

# The Corporation of the City of Trail

**Fiscal Year Ended December 31, 2024**

## SCHEDULE OF DEBT

Information on all long-term debt is included in the Audited Financial Statements of The Corporation of the City of Trail.

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

**Statement of Financial Information (SOFI)**

# The Corporation of the City of Trail

**Fiscal Year Ended December 31, 2024**

## SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS

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

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

**Statement of Financial Information (SOFI)**

# The Corporation of the City of Trail

**Fiscal Year Ended December 31, 2024**

## STATEMENT OF SEVERANCE AGREEMENTS

There were no severance agreements made between The Corporation of the City of Trail and its non-unionized employees during the fiscal year ended December 31, 2024.

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

# The Corporation of the City of Trail

## Payment to Financial Statement Reconciliation

### Fiscal Year Ended December 31, 2024

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

| | | |
|---|---|---|
| Remuneration | $7,133,002 | |
| Employee Expenses | 130,398 | |
| Employer CPP/EI | 434,789 | $ 7,698,189 |
| Payments for Goods and Services | | 20,284,841 |
| **Total of Scheduled Payments** | | **$ 27,983,030** |
| **Total of Financial Statement Expenditures** | | **$ 25,600,826** |

The difference between the Total of Scheduled Payments and the Total Financial Statements Expenditures are due to:

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

# THE CORPORATION OF THE CITY OF TRAIL
## SCHEDULE OF REMUNERATION AND EXPENSE
## YEAR ENDED DECEMBER 31, 2024

| NAME | | REMUNERATION | EXPENSE |
|---|---|---|---|
| **ELECTED OFFICIALS** | **POSITION** | | |
| Benson, Beverley | Councillor | $ 18,525 | $ 6,296 |
| Butler, Paul | Councillor | 19,437 | 1,698 |
| Cashol, Nick | Councillor | 18,525 | 1,231 |
| Hanson, Thea | Councillor | 18,525 | 6,421 |
| Jones, Colleen | Mayor | 40,337 | 11,045 |
| Martin, Terry | Councillor | 18,525 | 6,487 |
| Wilson, Doug | Councillor | 18,525 | 995 |
| **TOTAL ELECTED OFFICIALS** | | 152,399 | 34,173 |
| **DETAILED EMPLOYEES > $75,000** | | | |
| Anselmo, Lucas | | 76,871 | 472 |
| Anson, Shawn | | 78,805 | 1,361 |
| Baker, Joseph | | 82,621 | 5,667 |
| Ballarin, Sandro | | 80,634 | 124 |
| Benson-Lord, Sarah | | 92,313 | 4,430 |
| Birnie, Duane | | 120,826 | 466 |
| Bonacci, Michael | | 128,528 | 1,972 |
| Briscoe, Bobbie | | 79,347 | 2,190 |
| Buckley, Tanya | | 78,670 | 966 |
| Butler, Tracey | | 158,735 | 280 |
| Conci, Josh | | 94,325 | 50 |
| Crowdis, Terrel | | 79,330 | 966 |
| Dixon, Shane | | 89,032 | 334 |
| Drake, Travis | | 79,478 | - |
| Ernst, Alan | | 90,724 | 20 |
| Fotiou, Levi | | 78,513 | 6,454 |
| Gausdal, Denise | | 109,453 | - |
| Gresley-Jones, Ben | | 116,814 | 5,302 |
| Harper, John | | 89,784 | - |
| Hesson, David | | 81,984 | 1,927 |
| Hogg, Douglas | | 99,346 | 188 |
| Howes, John | | 83,130 | - |
| Iachetta, Brent | | 89,663 | - |
| Kennedy, Alisa | | 76,306 | 1,992 |
| Kissock, Chris | | 81,765 | 916 |
| Kravski, Gabriell | | 89,959 | 3,140 |
| Livingston, Lucas | | 76,702 | 277 |
| Lucchini, Sandra | | 115,911 | 2,252 |
| Maloney, Bryan | | 128,280 | 1,961 |
| Martin, Dean | | 81,850 | - |
| McClure, Colin | | 261,747 | 15,015 |
| McCormick, Kyle | | 82,985 | 484 |
| McGarry, Brian | | 81,378 | - |
| Mclaughlin, Boston | | 80,374 | 399 |
| Moehrle, Enrico | | 86,422 | 1,050 |
| Moorhead, David | | 127,375 | 5,143 |
| Morassut, Chris | | 89,859 | - |
| Oliver, Michael | | 96,962 | 188 |
| Parker, Joceyln | | 75,262 | - |
| Samulak, Claire | | 85,829 | 1,352 |
| Schreiner, Mark | | 81,464 | 1,989 |
| Shilis, Nathan | | 89,353 | - |
| Simister, Derrick | | 89,944 | 308 |
| Speers, Craig | | 128,069 | 445 |
| Stevens, Todd | | 81,180 | - |
| Strobel, Darrin | | 80,233 | - |
| Wallace, Ray | | 81,655 | 966 |
| Witt, Christina | | 76,299 | - |
| Wookey, Jeffery | | 96,378 | 1,917 |
| | | 4,682,466 | 72,963 |
| **TOTAL EMPLOYEES <= $75,000** | | 2,298,137 | 23,262 |
| | | 6,980,603 | 96,225 |
| **TOTAL** | | $ 7,133,002 | $ 130,398 |
| TOTAL EMPLOYER PREMIUM FOR CPP/EI | | | $ 434,789 |

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

# THE CORPORATION OF THE CITY OF TRAIL
## SCHEDULE OF PAYMENTS TO SUPPLIERS OF GOODS AND SERVICES
## YEAR ENDED DECEMBER 31, 2024

**DETAILED SUPPLIERS >$25,000**

| SUPPLIER NAME | | EXPENSE |
|---|---|---|
| Aon Reed Stenhouse Inc. | $ | 326,073 |
| Aardvark Pavement Marking Services | | 125,310 |
| Andrew Sheret Ltd. | | 29,420 |
| Automated Aquatics | | 32,304 |
| BA Benson & Son Ltd. | | 223,939 |
| Back to Black | | 36,750 |
| Bell Mobility Inc. | | 25,573 |
| Black Press Group Ltd. | | 29,497 |
| Brandt Tractor Ltd. | | 46,463 |
| Brenntag Canada Inc. | | 37,373 |
| Career Development Services | | 152,361 |
| Cascadia Sport Systems Inc. | | 41,191 |
| CH Mechanical | | 33,411 |
| Cleartech Industries Inc. | | 39,382 |
| Columbia Basin Broadband Corporation | | 81,108 |
| Columbia Basin Trust | | 50,000 |
| Columbia Glass Ltd. | | 63,744 |
| Columbia Steel Fabricating and Welding | | 40,006 |
| Commander Warehouse Equipment | | 60,493 |
| Compugen Inc. | | 184,304 |
| Coral Canada Wide | | 110,689 |
| D.B. Perks - Commercial Aquatic Supplies | | 25,556 |
| Darktrace Holdings Ltd. | | 42,081 |
| Doane Grant Thornton LLP | | 50,387 |
| Dynamic Landscaping | | 47,841 |
| Endress & Hauser Canada Ltd. | | 33,343 |
| Fortis BC | | 849,464 |
| Georama Holdings Ltd. | | 47,582 |
| Gescan | | 68,438 |
| GFL Environmental Inc. | | 29,317 |
| Glacier Valley Tree care Ltd. | | 140,081 |
| Green Rootsplay Equipment Inc. | | 96,585 |
| Hach Sales & Service Canada Ltd. | | 47,483 |
| HIL-TECH Contracting Ltd. | | 179,141 |
| Home Hardware Building Centre | | 29,821 |
| ICBC | | 61,181 |
| Iconix Waterworks | | 69,821 |
| IGI Resouces | | 108,262 |
| Ingram Micro Canada | | 38,428 |
| Inland Truck & Equipment | | 395,613 |
| Inland Allcare | | 110,805 |
| Insight Canada Inc. | | 42,584 |
| IT Blueprint Solutions Consulting | | 53,031 |
| Kleysen Group Ltd. | | 29,875 |
| Kodiak Tree Service | | 26,282 |
| Lordco Parts Ltd. | | 37,797 |
| M.B. Landscape Designs | | 139,913 |
| Martech Electrical Systems | | 82,881 |
| Martin Mechancial | | 48,424 |
| Marwest Industries | | 3,839,139 |
| Michelle Laurie | | 179,759 |
| Micro Com Systems Ltd. | | 59,389 |
| Microsoft Corporation | | 62,884 |
| Municipal Financial Association | | 1,292,528 |
| Municipal Insurance Association of British Columbia | | 82,003 |
| Municipal Pension Plan | | 518,000 |
| National Energy Equipment Inc. | | 27,564 |
| Oakcreek Golf & Turf Inc. | | 37,265 |
| Opus Consulting Group Ltd. | | 420,127 |
| Pacific Blue Cross | | 42,892 |

| | |
|---|---|
| Polar Engineering | 176,953 |
| Power Paving Ltd. | 257,731 |
| Precision Service & Pumps Inc. | 51,991 |
| Pulver Crawford Munroe LPP | 35,039 |
| Rachael Brown | 106,684 |
| RDM Janitorial | 38,346 |
| Receiver General - RCMP | 1,893,274 |
| Redwood Engineering Ltd. | 42,344 |
| Regional District of Kootenay Boundary | 121,633 |
| Reward Construction Ltd. | 156,854 |
| Rokform Solutions | 28,933 |
| Russell Paterson | 83,318 |
| Sappire Sound | 235,464 |
| Selkirk Security Services Ltd. | 130,849 |
| Sequoia Fuels | 117,308 |
| Trail & District Arts Council | 37,777 |
| Trane Canada ULC | 45,350 |
| True Consulting Group | 69,621 |
| Vallen Canada Inc. | 40,904 |
| Vimar Equipment Ltd. | 41,099 |
| Waneta Auto and Equipment Repair Inc. | 41,750 |
| Waste Management | 51,917 |
| Wesco Distribution | 34,629 |
| West K Concrete Ltd. | 32,553 |
| West K Sand & Gravel Ltd. | 73,778 |
| West Kootenay Mechanical Ltd. | 1,464,306 |
| Wishbone Industries Ltd. | 88,117 |
| Worksafe BC | 272,612 |
| WSP Canada Inc. | 359,190 |
| XL Quality Industrial Services | 72,393 |
| **TOTAL DETAILED SUPPLIERS >$25,000** | 17,465,675 |
| **TOTAL SUPPLIERS <= $25,000** | 2,672,870 |
| **TOTAL SUPPLIERS** | 20,138,545 |
| **GRANTS AND CONTRIBUTIONS >$25,000** | |
| Lower Columbia Community Development Team Society | 75,166 |
| Trail & District Arts Council | 25,000 |
| Trail & District Chamber of Commerce | 46,130 |
| | 146,296 |
| **TOTAL PAYMENTS, GRANTS AND CONTRIBUTIONS** | $ 20,284,841 |

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