

City of Revelstoke
Consolidated Financial Statements
For the Year Ended December 31, 2024

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Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of the City of Revelstoke (the "City") are the responsibility of management and have been approved by the Mayor and Council of the City.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

The City maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the City's assets are appropriately accounted for and adequately safeguarded.

The City is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. Council carries out this responsibility principally through its Finance Committee.

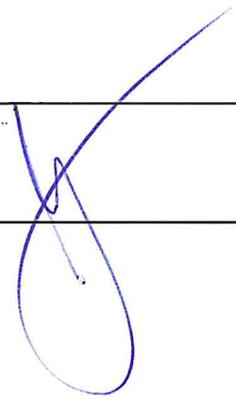
The Mayor and Council review the City's consolidated financial statements and recommend their approval. The Mayor and Council meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the consolidated financial statements and the external auditor's report. The Mayor and Council take this information into consideration when approving the consolidated financial statements for issuance to the ratepayers. The Mayor and Council also appoint the engagement of the external auditors.

The consolidated financial statements have been audited by BDO Canada LLP in accordance with Canadian generally accepted auditing standards on behalf of the ratepayers. BDO Canada LLP has full access to the Council and management.

DocuSigned by:


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Mayor



Independent Auditor's Report

To the Mayor and Members of Council of the City of Revelstoke

Opinion

We have audited the consolidated financial statements of the City of Revelstoke (the "City"), and its controlled entities (the "Consolidated Entity"), 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 flows 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 Consolidated Entity as at December 31, 2024, and its results of operations, its change in 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 Consolidated Entity 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 - Unaudited Information

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of Schedule 1 and 2 of the City's financial statements.

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 Consolidated Entity'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 Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Consolidated Entity'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 Consolidated Entity'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 Consolidated Entity'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 Consolidated Entity 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants

Revelstoke, British Columbia
May 14, 2025

City of Revelstoke

Consolidated Statement of Financial Position

As at December 31	2024	2023
Financial assets		
Cash and cash equivalents (Note 1)	\$ 5,329,987	\$ 1,096,937
Taxes receivable	1,304,641	1,525,954
Accounts receivable (Note 2)	4,106,215	4,023,406
Portfolio investments (Note 3)	42,060,060	39,236,498
Investment in RCFC (Note 5)	7,929,365	8,778,217
Deposit - Municipal Finance Authority (Note 9)	844,081	832,769
	61,574,349	55,493,781
Liabilities		
Accounts payable and accrued liabilities	8,009,196	6,926,413
Deferred revenue (Note 7)	13,059,593	10,684,150
Long term debt (Note 8)	9,599,759	10,671,141
Reserve - Municipal Finance Authority (Note 9)	844,081	832,769
Due to related party - RCFC (Note 6)	-	1,207,622
Asset retirement obligation (Note 18)	1,814,328	1,740,030
	33,326,957	32,062,125
Net financial assets	28,247,392	23,431,656
Non-financial assets		
Tangible capital assets (Note 10)	110,985,753	102,746,329
Prepaid expenses	241,223	80,503
Inventories of supplies	571,064	567,772
	111,798,040	103,394,604
Accumulated surplus	\$ 140,045,432	\$ 126,826,260

See commitments and contingencies (Note 14)

DocuSigned by:

 _____ Director of Finance
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City of Revelstoke
Consolidated Statement of Operations

For the year ended December 31	Budget 2024	2024	2023
Revenues			
Taxation - net (Note 12)	\$ 20,829,831	\$ 21,327,247	\$ 19,506,548
Government and other grants (Note 13)	14,274,688	8,646,327	11,502,161
Contributions by developers and property owners	3,950,734	245,909	350,181
User fees and service charges	9,862,362	11,011,929	9,405,763
Investment and other income	494,849	1,873,985	1,566,852
Equity (loss) income from RCFC (Note 5)	100,000	(848,852)	1,431,357
Forgiven loan revenue (Note 6)	-	1,218,544	-
Contributions of land assets	-	1,350,000	-
Other	329,540	432,289	388,726
	49,842,004	45,257,378	44,151,588
Expenses (Note 17)			
General government	3,352,168	3,598,634	3,230,673
Protection services	5,305,510	6,019,854	5,521,939
Transportation services	7,753,038	7,990,614	8,128,410
Environmental services	337,970	329,051	392,772
Health services	124,031	139,837	31,506
Economic development services	4,254,760	3,789,982	4,040,360
Recreation and cultural services	4,534,171	4,588,944	4,430,521
Planning and development	1,213,705	1,284,496	1,173,216
Sewer services	1,102,536	1,490,271	1,515,345
Water services	1,635,833	1,781,368	1,699,885
Energy Utility	-	1,025,155	-
	29,613,722	32,038,206	30,164,627
Annual surplus	20,228,282	13,219,172	13,986,961
Accumulated surplus, beginning of year	126,826,260	126,826,260	112,553,037
Accumulated surplus - RCEC (Note 6)	-	-	286,262
Accumulated surplus, end of year	\$ 147,054,542	\$ 140,045,432	\$ 126,826,260

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

City of Revelstoke
Consolidated Statement of Change in Net Financial Assets

For the year ended December 31	Budget 2024	2024	2023
	(Note 16)		
Annual surplus	\$ 20,228,282	\$ 13,219,172	\$ 13,986,961
Acquisition of tangible capital assets	-	(12,221,828)	(12,969,599)
Amortization of tangible capital assets	-	3,756,541	3,219,029
Net book value of tangible capital assets disposed (Note 10)	-	448,182	3,398
	20,228,282	5,202,067	4,239,789
Decrease (increase) in inventory of supplies	-	(3,292)	11,181
Decrease (increase) in prepaid expenses	-	(160,720)	39,107
Acquisition of RCEC tangible capital assets (Note 6)	-	(222,319)	(2,061,348)
Net change in net financial assets	20,228,282	4,815,736	2,228,729
Net financial assets, beginning of year	23,431,656	23,431,656	20,916,665
Accumulated surplus - RCEC (Note 6)	-	-	286,262
Net financial assets, end of year	\$ 43,659,938	\$ 28,247,392	\$ 23,431,656

City of Revelstoke
Consolidated Statement of Cash Flows

For the year ended December 31	2024	2023
Operating transactions		
Annual surplus	\$ 13,219,172	\$ 13,986,961
Items not involving cash		
Equity loss (income) from RCFC	848,852	(1,431,357)
Amortization	3,756,541	3,219,029
Non-cash operating balances adjusted on consolidation	-	(567,464)
Actuarial recognized on long-term debt	(398,256)	(403,801)
Changes in non-cash operating balances		
Taxes receivable	221,313	(340,369)
Accounts receivable	(82,809)	250,575
Inventories of supplies	(3,292)	11,181
Prepaid expenses	(160,720)	39,107
Accounts payable and accrued liabilities	1,082,783	(974,992)
Deferred revenue	2,375,443	1,411,875
Due to related party - RCFC	(1,207,622)	-
Asset retirement obligation	74,298	71,257
	<u>19,725,703</u>	<u>15,272,002</u>
Capital transactions		
Acquisition of tangible capital assets	(12,221,828)	(12,969,599)
Proceeds on disposal of capital assets	448,182	3,398
Acquisition of RCEC assets on consolidation	(222,319)	-
	<u>(11,995,965)</u>	<u>(12,966,201)</u>
Investing transactions		
Net change in portfolio investments	<u>(2,823,562)</u>	<u>(5,029,502)</u>
Financing transactions		
Net change in long term debt	<u>(673,126)</u>	<u>(542,468)</u>
Net change in cash and cash equivalents	4,233,050	(3,266,169)
Cash and cash equivalents, beginning of year	<u>1,096,937</u>	<u>4,363,106</u>
Cash and cash equivalents, end of year	<u>\$ 5,329,987</u>	<u>\$ 1,096,937</u>

City of Revelstoke

Summary of Significant Accounting Policies

December 31, 2024

Government Reporting Entity	The City of Revelstoke (the "City") was incorporated on March 1, 1899 under the statute of the Province of British Columbia and operates under the provisions of the Local Government Act and Community Charter of British Columbia. Its principal activities include the provisions of local government services to the residents of the Revelstoke area. The City provides municipal services such as protective services, public works, planning, parks, recreation and other general government services.				
Basis of Consolidation	<p>The consolidated financial statements reflect the assets, liabilities, revenue and expenses of all municipal organizations, committees and boards which are owned or controlled by the City. The following entities are owned or controlled by the City:</p> <table border="0" style="margin-left: 40px;"> <tr> <td style="padding-right: 20px;">Revelstoke Community Energy Corporation</td> <td style="text-align: right;">100%</td> </tr> <tr> <td>RCFC Holding Company Ltd.</td> <td style="text-align: right;">100%</td> </tr> </table> <p>The investment in RCFC Holding Company Ltd. (RCFC) which is a government business enterprise ("GBE"), is accounted for using the modified equity method. Under this method, the business enterprises' accounting principles are not adjusted to conform with those of the City. This subsidiary has a fiscal year end of December 31.</p> <p>Revelstoke Community Energy Corporation (RCEC) is considered to be a governmental unit. RCEC has been accounted for under the consolidation method.</p>	Revelstoke Community Energy Corporation	100%	RCFC Holding Company Ltd.	100%
Revelstoke Community Energy Corporation	100%				
RCFC Holding Company Ltd.	100%				
Cash and Cash Equivalents	Cash and cash equivalents consist of cash on hand, bank balances and investments in money market instruments with maturities of three months or less.				
Portfolio Investments	Portfolio investments are recorded at cost unless there has been a decline in the market value, which is other than temporary in nature, in which case the investments are written down to market value.				
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.				
Inventory Held for Consumption	Inventory of supplies are held for consumption and are stated at the lower of cost and replacement cost. Cost is generally determined on a first-in, first-out basis.				
Reserves	Reserves for future expenditures, included in accumulated surplus, represents amounts set aside for future operating and capital expenditures.				

City of Revelstoke

Summary of Significant Accounting Policies

December 31, 2024

Tangible Capital Assets	<p>Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated useful life of the tangible capital asset commencing once the asset is available for productive use. Amortization is recognized, as follows:</p> <table border="0" style="margin-left: 40px;"> <tr> <td style="padding-right: 20px;">Land</td> <td>not amortized</td> </tr> <tr> <td>Buildings</td> <td>40 - 75 years</td> </tr> <tr> <td>Equipment</td> <td>5 - 25 years</td> </tr> <tr> <td>Roads and bridges</td> <td>10 - 100 years</td> </tr> <tr> <td>Water/sewer infrastructure</td> <td>10 - 100 years</td> </tr> <tr> <td>Projects in progress</td> <td>not amortized</td> </tr> </table>	Land	not amortized	Buildings	40 - 75 years	Equipment	5 - 25 years	Roads and bridges	10 - 100 years	Water/sewer infrastructure	10 - 100 years	Projects in progress	not amortized
Land	not amortized												
Buildings	40 - 75 years												
Equipment	5 - 25 years												
Roads and bridges	10 - 100 years												
Water/sewer infrastructure	10 - 100 years												
Projects in progress	not amortized												
Leased Assets	<p>Leases entered into, that transfer substantially all the benefits and risks associated with ownership, are recorded as the acquisition of a tangible capital asset and the incurrence of an obligation. The asset is amortized in a manner consistent with tangible capital assets owned by the City and the obligation, including interest thereon, is liquidated over the term of the lease. All other leases are accounted for as operating leases, and the rental costs are expensed as incurred.</p>												
Collection of Taxes on Behalf of Other Taxation Authorities	<p>The City collects taxation revenue on behalf of other entities. Such levies, other revenues, expenses, assets and liabilities, with respect to the operations of entities, are not reflected in these financial statements.</p> <p>The entities, the City collects taxation revenue on behalf of, are as follows:</p> <ul style="list-style-type: none"> Province of British Columbia - School Tax Columbia Shuswap Regional District British Columbia Assessment Authority Municipal Finance Authority North Okanagan Columbia Shuswap Regional Hospital District Okanagan Regional Library 												
Trust Funds	<p>Trust funds, held in trust by the City and their related operations, are not included in these financial statements. The financial activity and position of the trust funds are reported separately.</p>												
Retirement Benefits	<p>The City's contributions, due during the period to its multi-employer defined benefit plan, are expensed as incurred (Note 14 (b)).</p>												
Government Transfers	<p>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.</p>												

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City of Revelstoke

Summary of Significant Accounting Policies

December 31, 2024

Revenue Recognition Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions, could result in changes to the amount of tax revenue recognized. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts.

Charges for sewer and water usage are recorded as sales of service and are recognized on an accrual basis. Connection fee revenues are recognized when the connection has been established.

In accordance with the Local Government Act of BC, development cost charges (DCCs) funds must be deposited into a separate reserve fund. When the related costs are incurred, the DCC's are recognized as revenue.

On January 1, 2024, the City adopted Public Accounting Standard PS 3400 Revenue Recognition. The new accounting standard differentiates between revenue arising from transactions with performance obligations (exchange transactions) and transactions that do not have performance obligations (non-exchange transactions). This standard is effective for fiscal periods beginning on or after April 1, 2023. The City has chosen prospective application of this standard resulting in no changes to accumulated surplus or annual surplus for comparative years presented.

Deferred Revenue Deferred revenue includes grants, contributions, and other amounts received from third parties pursuant to legislation, regulation, or agreement, which may only be used in certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services are performed, or tangible capital assets are acquired.

Contaminated Sites A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. Sites are only considered a contaminated site if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the organization is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring. The liability is recorded net of any expected recoveries. No contaminated sites have been identified within the City.

Continued...

City of Revelstoke

Summary of Significant Accounting Policies

December 31, 2024

Asset Retirement Obligation

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

- A liability for an asset retirement obligation is recognized when there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up;
- And a reasonable estimate of the amount can be made.

The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate.

Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

Use of Estimates

The preparation of 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 amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. The accounts that are affected are accounts receivable, inventories, accrued liabilities, amortization of tangible capital assets and asset retirement obligations.

Financial Instruments

A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The financial assets and financial liabilities portray these rights and obligations in the financial statements. The city recognizes a financial instrument when it becomes a party to a financial instrument contract.

Financial instruments consist of cash and cash equivalents, accounts receivable, portfolio investments, bank overdraft, accounts payable and accrued liabilities, long term debt and other liabilities.

Except for portfolio investments in equity instruments quoted in an active market that are recorded at fair value, all financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of these investments upon initial recognition and amortized using the effective interest rate method. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability.

City of Revelstoke
Summary of Significant Accounting Policies

December 31, 2024

Financial Instruments
(continued)

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations. There are no measurement gains or losses during the periods presented; therefore, no statement of remeasurement gains or losses is included in these financial statements.

All financial assets except derivatives are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations. A write-down of a portfolio investment to reflect a loss in value is not reversed for a subsequent increase in value.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

City of Revelstoke
Notes to Consolidated Financial Statements

December 31, 2024

1. Cash and Cash Equivalents

The City's bank accounts earn interest ranging from 0 % - 1.5 % and are held in one financial institution. The City has available an operating line of credit in the amount of \$3,000,000 (2023 - \$3,000,000), bearing interest at Revelstoke Credit Union's prime lending rate. As of December 31, 2024, the City had an undrawn credit capacity under this facility of \$3,000,000 (2023 - \$3,000,000). The credit union's prime rate as at December 31, 2024 was 5.45% (2023 - 7.20%).

2. Accounts Receivable

	2024	2023
Trades receivable	811,217	667,719
Government transfers receivable	1,173,290	1,278,881
GST receivable	286,417	326,557
Big Eddy Waterworks local area service agreement	1,213,216	1,271,346
Thomas Brook local area service agreement	344,937	353,234
Other	277,138	125,669
	\$ 4,106,215	\$ 4,023,406

3. Portfolio Investments

	2024	2023
Municipal Finance Authority of British Columbia	\$ 5,515,592	\$ 5,351,871
Scotiabank - PHISA	6,541,816	2,597,481
Revelstoke Credit Union	10,203,999	12,217,595
RBC Dominion Securities Inc.	3,496,342	3,496,342
Raymond James Ltd.	8,364,017	8,245,688
Cannacord Genuity Corp.	6,769,820	6,607,547
Accrued interest	1,168,474	719,974
	\$42,060,060	\$ 39,236,498

Investments held with the Municipal Finance Authority of British Columbia, earn variable interest and are available on demand. Investments held in Scotiabank Pooled High Interest Savings earn variable interest and are available on demand. Investments held with RBC Dominion Securities Inc. are Guaranteed Investment Certificates (GICs) with maturity dates ranging from September 2025 to September 2026. Interest rates on the GICs range from 3.75% - 5.39%. Investments held with Raymond James Ltd. are Guaranteed Investment Certificates (GICs) with maturity dates ranging from April 2027 to November 2027. Interest rates on the GICs range from 4.00% - 5.95%. Investments held with Canaccord Genuity Corp. are Guaranteed Investment Certificates (GICs) with maturity dates ranging from February 2025 to April 2028. Interest rates on the GICs range from 3.91% - 5.80%. Investments held with Revelstoke Credit Union are Guaranteed Investment Certificates (GICs) with maturity dates of June 2025 to July 2026. Interest rates on the GICs range from 4.00% - 5.35%.

The market value of the City's portfolio investments is \$42,027,038 (2023 - \$ 39,054,268).

December 31, 2024

4. Financial Instruments

Financial instruments include cash and cash equivalents, investments, receivables, payables, and debt. The City has exposure to the following financial risks from its use of financial instruments: credit risk, market risk, interest rate risk and liquidity risk.

Management is responsible for safeguarding resources, managing risks, and implementing appropriate policies and framework to oversee investment practices and provide strategic guidance and recommended actions to support the compliance of Investment policy. This note presents information on how the City manages those financial risks

Market and interest rate risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the City's income. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing the return on investments. The investment balance comprises of GIC's and funds held in trust. The GICs and funds held in trust are deemed to be low risk and are not subject to significant changes in market prices or interest rates.

Interest rate risk is the risk that the fair market value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. It is management's opinion that the city is not exposed to significant interest rate risk arising from its financial instruments.

There have not been any changes from the prior year in the City's exposure to market or interest rate risk or the policies, procedures, and methods it uses to manage and measure these risks.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. The city is exposed to credit risk from its operating activities, which are primarily accounts receivable, and its investing activities, which include deposits with financial institutions. Accounts receivable include municipal taxes, utilities and grants receivable from the Federal and Provincial government, trade receivable, and local area receivables.

The credit risk on accounts receivable is mitigated by the agreement approval and monitoring processes. A majority of the accounts receivable balances are compliant with signed funding agreements and signed general agreements for recovery work. The city undergoes continuous monitoring of amounts that are not collectible or realizable and accounts for a specific bad debt provision when management considers that the expected recovery is less than the amount receivable.

The City has deposited cash and investments held with reputable financial institutions. Management believes the risk of loss is unlikely, however the balance to exceed insured amounts.

City of Revelstoke
Notes to Consolidated Financial Statements

December 31, 2024

4. Financial Instruments (continued)

Liquidity risk

Liquidity risk is the risk that the City will not be able to meet its financial obligations as they become due.

The City manages this risk by monitoring cash activities and expected outflows through budgeting and forecasting cash flows from operations and anticipated investing and capital activities. It is management's opinion that the City is not exposed to significant liquidity risk arising from its financial instruments.

There have not been any changes from the prior year in the City's exposure to liquidity risk or the policies, procedures and methods it uses to manage and measure risk.

Financial Instrument Classification

The carrying value of each class of the City's financial instruments are recorded at amortized cost.

City of Revelstoke
Notes to Consolidated Financial Statements

December 31, 2024

5. Investment in RCFC Holding Company Ltd.

RCFC Holding Company Ltd. ("RCFC") is 100% owned by the City. The Company manages Revelstoke Community Forest Corporation, a wholly-owned subsidiary, which manages a tree farm license near Revelstoke. The condensed supplementary financial information is as follows:

	<u>December 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
Financial position		
Current assets	\$ 6,777,144	\$ 7,108,927
Other assets	1,694,244	1,911,271
Capital assets	<u>1,147,489</u>	<u>1,209,637</u>
Total assets	<u>9,618,877</u>	<u>10,229,835</u>
Current liabilities	337,670	267,065
Accrued silviculture	1,051,085	912,111
Deferred revenue	<u>300,757</u>	<u>272,442</u>
Total liabilities	<u>1,689,512</u>	<u>1,451,618</u>
Total net assets	<u>\$ 7,929,365</u>	<u>\$ 8,778,217</u>
	<u>12 months</u> <u>ended</u>	<u>12 months</u> <u>ended</u>
Results of operations		
Revenue	\$ 6,454,670	\$ 7,224,315
Cost of goods sold	(5,598,303)	(5,088,505)
Log-yard operations	(86,876)	169,661
Administrative expenses	<u>(434,341)</u>	<u>(874,114)</u>
Net income for the year, prior to other loss	<u>\$ 335,150</u>	<u>\$ 1,431,357</u>
Other loss	<u>\$ (1,184,002)</u>	<u>\$ -</u>
Net (loss) Income for the year	<u>\$ (848,852)</u>	<u>\$ 1,431,357</u>

City of Revelstoke
Notes to Consolidated Financial Statements

December 31, 2024

6. Revelstoke Community Energy Corporation - governmental unit

The Revelstoke Community Energy Corporation ("RCEC") changed from a government business enterprise ("GBE") to a governmental unit due to the investment no longer meeting the definition of a GBE in 2023. The City has accounted for RCEC using the full consolidation method in the current year, while the comparative figures as at December 31, 2023 are presented on the modified equity method. The impact on the December 31, 2023 figures have the following financial effect on the City:

	<u>2023</u>
Cash and cash equivalents	(58,265)
Accounts receivable	46,817
Investment in RCEC	(1)
Accounts payable and accrued liabilities	141,363
Deferred revenue	338,182
Long-term debt	76,471
Due to related party - RCFC	1,207,622
Tangible capital assets, net of accumulated amortization	2,061,348
Accumulated surplus	286,262

During the 2024 fiscal year a related party balance owed to Revelstoke Community Forest Corporation from RCEC was forgiven in the amount of \$1,218,544

City of Revelstoke
Notes to Consolidated Financial Statements

December 31, 2024

7. Deferred Revenue

	Opening Balance	Contributions Received	Externally Restricted Investment Income	Revenue Recognized	Ending Balance
Economic Development Grants	\$ 339,933	\$ 150,417	\$ -	\$ (221,529)	\$ 268,821
Tourism Infrastructure	198,145	871,784	-	(1,029,990)	39,939
Restricted Grants	1,567,790	1,283,265	-	(1,464,978)	1,386,077
Permit Revenue	-	1,585,865	-	(1,180,092)	405,773
Deferred Development Cost Charges	7,767,490	2,271,438	459,352	(245,909)	10,252,371
Prepaid Licenses & Utilities	301,497	101,841	-	(191,441)	211,897
Other	509,295	483,002	-	(497,582)	494,715
	<u>\$ 10,684,150</u>	<u>\$ 6,747,612</u>	<u>\$ 459,352</u>	<u>\$ (4,831,521)</u>	<u>\$ 13,059,593</u>

Tourism Infrastructure Program

Tourism Infrastructure funding is provided by a 10% tax on hotel room rentals. It is collected by the Province of British Columbia and 3% is remitted to the City on a monthly basis. Expenditures from the Tourism Infrastructure Program are restricted to those set out in the establishing Order in Council.

City of Revelstoke
Notes to Consolidated Financial Statements

December 31, 2024

8. Long-Term Debt

Long-term debt outstanding:

	2024	2023
Balance at January 1	\$ 10,671,141	\$ 11,617,410
Revelstoke Credit Union Loan - RCEC	-	76,471
Principal repayments	(673,126)	(618,939)
Actuarial adjustments	(398,256)	(403,801)
Balance at December 31	\$ 9,599,759	\$ 10,671,141

On December 14, 2023, the City acquired the debts of its governmental unit, Revelstoke Community Energy Corporation. This loan was fully discharged in 2024.

Principal repayments and sinking fund contributions on long-term debt over the next five years and thereafter are as follows:

	Principal Repayments	Sinking Fund Contributions	Total
2025	\$ 596,655	\$ 435,838	\$ 1,032,493
2026	596,655	474,901	1,071,556
2027	596,655	515,505	1,112,160
2028	515,559	417,714	933,273
2029	466,440	419,387	885,827
Thereafter	2,381,554	2,182,896	4,564,450
	\$ 5,153,518	\$ 4,446,241	\$ 9,599,759

The weighted average interest on long-term debt is 2.62% (2023 - 2.26%). Consolidated interest paid on the above long-term debt was \$495,468 (2023 - \$480,191).

Sinking fund assets, managed by the Municipal Finance Authority, are used to reduce long-term debt to be repaid. In the event that the City does not default under any of its obligations, the sinking fund earnings will be used to offset future principal repayments.

9. Deposit and Reserve - Municipal Finance Authority

The City issues its debt instruments through the Municipal Finance Authority. As a condition of these borrowings, a portion of the debenture proceeds are withheld by the Municipal Finance Authority as a Debt Reserve Fund. At December 31, 2024 the cash deposits in the Debt Reserve Fund were \$336,145 (2023 - \$324,833). The City also executes demand notes in connection with each debenture whereby the City may be required to loan certain amounts to the Municipal Finance Authority. At December 31, 2024, the demand notes were \$507,936 (2023 - \$507,936).

City of Revelstoke
Notes to Consolidated Financial Statements

December 31, 2024

10. Tangible Capital Assets

2024

	Land	Buildings	Equipment	Roads and Bridges	Water	Sewer	Projects in Progress	Total
Cost, beginning of year	\$15,285,772	\$20,618,244	\$28,939,427	\$49,391,867	\$31,968,481	\$18,451,846	\$2,587,578	\$167,243,215
Additions	1,350,000	1,972,131	1,647,401	3,267,986	1,844,055	1,462,070	678,185	12,221,828
RCEC tangible capital asset acquisition, at cost	-	99,005	123,314	-	-	-	-	222,319
Disposals	-	-	(434,633)	(439,699)	-	-	-	(874,332)
Cost, end of year	<u>\$16,635,772</u>	<u>\$22,689,380</u>	<u>\$30,275,509</u>	<u>\$52,220,154</u>	<u>\$33,812,536</u>	<u>\$19,913,916</u>	<u>\$3,265,763</u>	<u>\$178,813,030</u>
Accumulated amortization, beginning of year	\$-	\$7,025,454	\$15,194,793	\$24,453,605	\$10,942,731	\$6,880,303	\$-	\$64,496,886
Amortization	-	498,962	1,318,037	887,242	626,947	425,353	-	3,756,541
Disposals	-	-	(426,150)	-	-	-	-	(426,150)
Accumulated amortization, end of year	<u>\$-</u>	<u>\$7,524,416</u>	<u>\$16,086,680</u>	<u>\$25,340,847</u>	<u>\$11,569,678</u>	<u>\$7,305,656</u>	<u>\$-</u>	<u>\$67,827,277</u>
Net carrying amount, end of year	<u>\$16,635,772</u>	<u>\$15,164,964</u>	<u>\$14,188,829</u>	<u>\$26,879,307</u>	<u>\$22,242,858</u>	<u>\$12,608,260</u>	<u>\$3,265,763</u>	<u>\$110,985,753</u>

City of Revelstoke
Notes to Consolidated Financial Statements

December 31, 2024

10. Tangible Capital Assets (continued)

2023

	Land	Buildings	Equipment	Roads and Bridges	Water	Sewer	Projects in Progress	Total
Cost, beginning of year	\$ 15,239,272	\$ 16,922,656	\$ 24,134,948	\$ 44,889,627	\$ 29,112,131	\$ 16,966,660	\$ 1,898,387	\$ 149,163,681
Additions	-	1,077,555	2,359,077	4,502,240	2,856,350	1,485,186	689,191	12,969,599
RCEC tangible capital asset acquisition, at cost	46,500	2,618,033	2,547,343	-	-	-	-	5,211,876
Disposals	-	-	(101,941)	-	-	-	-	(101,941)
Cost, end of year	\$ 15,285,772	\$ 20,618,244	\$ 28,939,427	\$ 49,391,867	\$ 31,968,481	\$ 18,451,846	\$ 2,587,578	\$ 167,243,215
Accumulated amortization, beginning of year	\$ -	\$ 4,660,572	\$ 13,050,186	\$ 23,636,271	\$ 10,374,603	\$ 6,504,240	\$ -	\$ 58,225,872
Amortization	-	458,934	998,570	817,334	568,128	376,063	-	3,219,029
Disposals	-	-	(98,543)	-	-	-	-	(98,543)
RCEC accumulated amortization acquisition	-	1,905,948	1,244,580	-	-	-	-	3,150,528
Accumulated amortization, end of year	\$ -	\$ 7,025,454	\$ 15,194,793	\$ 24,453,605	\$ 10,942,731	\$ 6,880,303	\$ -	\$ 64,496,886
Net carrying amount, end of year	\$ 15,285,772	\$ 13,592,790	\$ 13,744,634	\$ 24,938,262	\$ 21,025,750	\$ 11,571,543	\$ 2,587,578	\$ 102,746,329

The net book value of tangible capital assets not being amortized because they are under construction, is \$3,265,763 (2023 - \$2,587,578). The City holds various works of art. These items are not recognized as tangible capital assets in the financial statements because a reasonable estimate of the future benefits associated with such property cannot be made.

City of Revelstoke
Notes to Consolidated Financial Statements

December 31, 2024

11. Accumulated Surplus

	2024	2023
Operating surpluses		
General	\$ 2,027,640	\$ 1,957,369
Water	829,611	829,599
Sewer	574,907	573,933
Big Eddy Water	96,626	96,626
RCEC Utility	872,472	286,271
	4,401,256	3,743,798
Restricted operating surpluses		
Tax equalization	390,880	371,448
Reserves		
Arena Re-development	1,531,399	742,284
Big Eddy Water Works	1,743,502	1,654,950
Community Works Gas Tax	88,892	813,299
Electric utility	2,699,312	2,565,122
Financial stabilization	796,923	854,292
General capital	4,860,879	4,525,135
Greening City	329,187	297,464
Growing Communities	3,524,052	3,400,669
Information technology	331,992	271,607
Insurance & legal	378,177	351,088
Land sale	276,517	262,771
Parkland acquisition	702,345	594,513
Public Art	50,236	40,425
Sewer capital	2,844,148	2,490,041
Transportation infrastructure	3,986,981	1,331,215
Vehicle & equipment	839,163	729,887
Water capital	2,980,230	2,794,143
	27,963,935	23,718,905
Segregated reserves		
Revelstoke Community Forest Corporation dividends	1,837,258	1,745,923
Investments		
Revelstoke Community Forest Corporation	7,929,365	8,778,217
Equity in tangible capital assets	97,522,738	88,467,969
	105,452,103	97,246,186
Accumulated surplus	\$ 140,045,432	\$ 126,826,260

In 2023, the City of Revelstoke established an Affordable Housing reserve, no funds have yet been allocated to this reserve as at December 31, 2023.

City of Revelstoke
Notes to Consolidated Financial Statements

December 31, 2024

12. Taxation - Net

	Budget 2024	2024	2023
Property taxes and payments-in-lieu	\$ 20,829,831	\$ 21,327,247	\$ 19,506,548
Collections for other governments			
Province of British Columbia - School Tax	-	6,669,195	5,905,088
North Okanagan Columbia Shuswap			
Regional Hospital District	-	1,058,929	966,434
Columbia Shuswap Regional District	-	919,503	781,005
Municipal Finance Authority	-	931	826
British Columbia Assessment Authority	-	175,772	153,337
Libraries	-	420,039	406,527
	20,829,831	30,571,616	27,719,765
Transfers			
Province of British Columbia - School Tax	-	6,669,195	5,905,088
North Okanagan Columbia Shuswap			
Regional Hospital District	-	1,058,929	966,434
Columbia Shuswap Regional District	-	919,503	781,005
Municipal Finance Authority	-	931	826
British Columbia Assessment Authority	-	175,772	153,337
Libraries	-	420,039	406,527
	-	9,244,369	8,213,217
Available for general municipal purposes	\$ 20,829,831	\$ 21,327,247	\$ 19,506,548

13. Government and Other Grants

	2024	2023
Government grant conditional	\$ 7,233,658	\$ 6,756,708
Government grant unconditional	538,900	3,834,000
Non-government grant conditional	873,769	911,453
Total grants	\$ 8,646,327	\$ 11,502,161

December 31, 2024

14. Commitments and Contingencies

- (a) The City is responsible, as a member of the Columbia Shuswap Regional District, for its portion of any operating deficits or capital debt related to functions in which it participates.
- (b) The City 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 the assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2023, the Plan has about 256,000 active members and approximately 129,000 retired members. Active members include approximately 45,000 contributors from local governments.

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

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

The next valuation will be at December 31, 2024.

The City paid \$885,544 (2023 - \$792,616) for employer contributions to the Plan in fiscal 2024. The next valuation will be as at December 31, 2024, with results available in 2025.

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

- (c) The City is the defendant in various lawsuits. In the opinion of management, the overall estimation of loss is not determinable. These claims have not been provided for in the financial statements. Settlement, if any, made with respect to these actions would be expected to be accounted for as a change to expenditures in the period in which realization is known.

City of Revelstoke
Notes to Consolidated Financial Statements

December 31, 2024

15. Funds Held in Trust

At year end, the City held \$194,483 (2023 - \$191,148) in trust for the cemetery. These funds are not included in these financial statements.

16. Budget

The Financial Plan (Budget) Bylaw adopted by Council on February 13, 2024 was prepared, as required by the Community Charter, on a modified accrual basis. This basis is not consistent with that used to report actual results in accordance with Public Sector Accounting Standards. These standards require a full accrual basis. The budget figures anticipated using prior year surpluses to reduce current year expenditures, in excess of revenues, to \$Nil. In addition, the budget expensed all tangible capital expenditures. As a result, the budget figures presented in the Consolidated Statements of Operations and Consolidated Change in Net Debt represent the Budget adopted by Council on February 13, 2024 with adjustments as follows:

	<u>2024</u>
Financial Plan (Budget) Bylaw surplus for the year	\$ -
Add:	
Capital expenditures	29,184,880
Principal repayments	989,746
Budgeted transfers to reserves	10,300,095
Budgeted profit from RCEC/RCFC	100,000
Less:	
Budgeted transfers from reserves	(17,396,439)
Amortization	<u>(2,950,000)</u>
Budget surplus per Consolidated Statement of Operations	<u>\$ 20,228,282</u>

City of Revelstoke
Notes to Consolidated Financial Statements

December 31, 2024

17. Statement of Expense by Object

	<u>2024</u>	<u>2023</u>
Accretion expense	\$ 74,298	\$ 71,257
Advertising and publication	33,595	51,211
Amortization	3,756,541	3,219,029
Contract services	4,859,524	4,533,963
Grants in aid	114,928	94,728
Insurance	440,941	371,721
Interest	556,844	505,088
Membership and licenses	73,705	79,834
Miscellaneous	2,389,208	2,074,504
Office, freight and other	85,274	78,452
Policing costs	4,738	1,743
Professional fees	245,667	158,806
Recreation programs	1,075,427	1,217,584
Rental	129,677	84,282
Repairs and maintenance	2,379,638	3,193,845
Supplies and materials	1,173,168	1,265,955
Telephone and utilities	1,420,916	1,302,540
Travel and conference	240,821	202,224
Vehicles and fuel cost	350,224	410,071
Salaries and wages	12,633,072	11,247,790
Total expense for the year	<u>\$ 32,038,206</u>	<u>\$ 30,164,627</u>

City of Revelstoke
Notes to Consolidated Financial Statements

December 31, 2024

18. Asset Retirement Obligation

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

a) Asbestos abatement obligation

The City owns and operates several buildings that are known to contain asbestos, which various regulations require specific considerations upon asset retirement or remediation. Following the adoption of PS 3280 - Asset Retirement Obligations, the City recognized an obligation relating to the removal and post-removal care of the asbestos in these buildings as estimated at January 1, 2022. The buildings have an estimated useful lives of between 75 and 130 years from the date of completion of construction, of which various numbers of years remain. Estimated costs of \$2,182,219 have been discounted to the present value using a discount rate of 4.27% per annum (2023 - 4.27%).

b) Wells decommissioning obligation

The City has water wells which require decommissioning upon the end of their useful lives. Following the adoption of PS 3280 - Asset Retirement Obligations, the City recognized an obligation relating to the decommissioning of well as estimated at January 1, 2022. The wells have estimated useful lives of 60 years, of which various numbers of years remain. Estimated costs of \$105,000 have been discounted to the present value using a discount rate of 4.27% per annum (2023 - 4.27%).

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

Asset Retirement Obligation	Asbestos remediation	Well decommissioning	2024
Opening balance	\$ 1,663,548	\$ 76,481	\$ 1,740,029
Additions	-	-	-
Change in estimate	-	-	-
Accretion expense	71,033	3,266	74,299
Closing balance	\$ 1,734,581	\$ 79,747	\$ 1,814,328

Asset Retirement Obligation	Asbestos remediation	Well decommissioning	2023
Opening balance	\$ 1,595,423	\$ 73,349	\$ 1,668,772
Additions	-	-	-
Change in estimate	-	-	-
Accretion expense	68,125	3,132	71,257
Closing balance	\$ 1,663,548	\$ 76,481	\$ 1,740,029

The asset retirement liability has been estimated using a net present value technique using the assumptions as described above. The related asset retirement costs are being amortized on a straight-line basis over the remaining useful lives of the assets. During the year, management assessed for changes that could impact the current asset retirement obligations - no changes were noted in 2024.

Continued...

City of Revelstoke
Notes to Consolidated Financial Statements

December 31, 2024

18. Asset Retirement Obligation (continued)

Significant estimates and assumptions are made in determining the asset retirement costs as there are numerous factors that will affect the amount ultimately payable. Those uncertainties may result in future actual expenditures that are different than the amounts currently recorded. At each reporting date, as more information and experience is obtained as it relates to these asset retirement obligations, the estimates of the timing, the undiscounted cash flows and the discount rates may change. Adjustments to these factors are accounted for as an adjustment to the asset retirement obligation and the related tangible capital asset in the current period on a prospective basis.

19. Comparative Figures

Certain comparative figures have been reclassified to confirm to the current year's presentation.

December 31, 2024

20. Segmented Information

The City is a diversified municipal government institution that provides a wide range of services to its citizens such as transit, public housing, police, fire and water. 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

This item relates to the revenues and expenses of the operations of the City itself and cannot be directly attributed to a specific segment.

Protection

Protection is comprised of police and fire protection services. The police services work to ensure the safety and protection of the citizens and their property. The fire department is responsible for providing fire suppression service, fire prevention programs, training and education and rescue services.

Transportation

This department provides a number of services including road and storm sewer maintenance, snow removal, building maintenance, transit, city planning, maintenance and enforcement of building codes and review of all property development plans through its application process.

Planning and Development

This department provides a number of services including city planning, maintenance and enforcement of building codes and review of all property development plans through its application process.

Environmental

Environmental services consist of providing waste disposal to citizens.

Health Services

Health services consist of the management of the cemetery.

Economic Development

This department provides sustainable community economic development programs and services, as well as, support for economic business retention and development initiatives.

Recreation and Culture

This department provides services meant to improve the health and development of the City's citizens. Recreational and cultural programs like swimming and skating lessons are provided at the arena, aquatic and community centres.

City of Revelstoke
Notes to Consolidated Financial Statements

December 31, 2024

20. Segmented Information (continued)

Water

This service provides the drinking water to some parts of the City. This service ensures the City's water system meets all provincial and federal standards.

Big Eddy Water

This department is responsible for upgrades to the existing water system outside the municipal boundaries.

Sewer

This service processes and cleans sewage and ensures the City's sewer system meets all provincial and federal standards.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. The revenues and expenses and equity in government business enterprises, that are directly attributable to a particular segment, are allocated to that segment. Amounts, that are directly attributable to a number of segments, have been allocated on a reasonable basis as follows:

Taxation, fees and user charges	Allocated to those segments that are funded by these amounts based on the total expenditures for the year.
Grants	Based on percent of budgeted expenses.

City of Revelstoke
Notes to Consolidated Financial Statements

December 31, 2024

20. Segmented Information (continued)

For the year ended December 31	General Government	Protection	Transportation	Planning and Development	Environmental	Health Services	Economic Development	Recreation and Culture	Water	Big Eddy Water	Sewer	Energy Utility	2024 Total
Revenue													
Taxation	\$ 2,281,071	\$ 6,218,359	\$ 11,469,712	\$ 466,583	\$ -	\$ -	\$ -	\$ 222,747	\$ -	\$ -	\$ 668,775	\$ -	\$ 21,327,247
Government grants and contributions by developers and property owners	1,400,194	347,793	5,936	70,885	-	113,059	2,853,598	3,298,627	97,271	-	704,873	-	8,892,236
User fees and service charges	1,285,476	228,675	1,330,302	1,686,936	324,514	36,356	(38,500)	759,311	2,922,310	143,851	2,126,115	206,583	11,011,929
Investment income	1,464,097	-	40,211	-	-	-	-	-	147,138	86,626	135,913	-	1,873,985
(Loss) from government business enterprises	(848,852)	-	-	-	-	-	-	-	-	-	-	-	(848,852)
Other	1,636,960	-	-	77,810	-	-	-	-	35,211	-	32,308	1,218,544	3,000,833
	7,218,946	6,794,827	12,846,161	2,302,214	324,514	149,415	2,815,098	4,280,685	3,201,930	230,477	3,667,984	1,425,127	45,257,378
Expenses													
Salaries and wages	2,443,026	2,493,756	2,716,209	987,065	210,075	107,698	347,321	2,302,912	516,576	29,899	430,819	47,716	12,633,072
Supplies and services	1,144,394	3,443,370	5,104,910	297,431	118,976	32,139	3,442,661	2,252,298	973,123	149,167	946,574	977,439	18,882,482
Interest	11,214	82,728	169,495	-	-	-	-	33,734	51,803	60,800	112,878	-	522,652
	3,598,634	6,019,854	7,990,614	1,284,496	329,051	139,837	3,789,982	4,588,944	1,541,502	239,866	1,490,271	1,025,155	32,038,206
Net surplus	\$ 3,620,312	\$ 774,973	\$ 4,855,547	\$ 1,017,718	\$ (4,537)	\$ 9,578	\$ (974,884)	\$ (308,259)	\$ 1,660,428	\$ (9,389)	\$ 2,177,713	\$ 399,972	\$ 13,219,172

City of Revelstoke
Notes to Consolidated Financial Statements

December 31, 2024

20. Segmented Information (continued)

For the year ended December 31	General Government	Protection	Transportation	Planning and Development	Environmental	Health Services	Economic Development	Recreation and Culture	Water	Big Eddy Water	Sewer	Energy Utility	2023 Total
(Note 1, 16)													
Revenue													
Taxation	\$ 2,032,309	\$ 5,284,104	\$ 10,678,868	\$ 131,374	\$ -	\$ -	\$ -	\$ 817,991	\$ -	\$ -	\$ 561,902	\$ -	\$ 19,506,548
Government grants and contributions by developers and property owners	4,641,091	306,665	48,822	-	-	106,826	2,654,527	2,754,795	528,831	-	810,785	-	11,852,342
User fees and service charges	1,118,312	82,233	1,114,558	1,046,044	470,286	(63,120)	(3,075)	869,503	2,662,397	118,825	1,989,800	-	9,405,763
Investment income	1,260,450	-	-	-	-	-	-	-	136,434	67,878	102,090	-	1,566,852
Income from government business enterprises	1,431,357	-	-	-	-	-	-	-	-	-	-	-	1,431,357
Other	287,291	-	-	90,620	-	-	-	-	6,837	-	3,978	-	388,726
	<u>10,770,810</u>	<u>5,673,002</u>	<u>11,842,248</u>	<u>1,268,038</u>	<u>470,286</u>	<u>43,706</u>	<u>2,651,452</u>	<u>4,442,289</u>	<u>3,334,499</u>	<u>186,703</u>	<u>3,468,555</u>	<u>-</u>	<u>44,151,588</u>
Expenses													
Salaries and wages	1,948,723	2,259,495	2,736,840	700,994	183,957	88,948	330,935	2,103,180	489,297	34,056	371,365	-	11,247,790
Supplies and services	1,270,380	3,185,846	5,218,797	472,222	208,815	(57,442)	3,709,425	2,293,382	925,811	138,118	1,046,395	-	18,411,749
Interest	11,570	76,598	172,773	-	-	-	-	33,959	51,803	60,800	97,585	-	505,088
	<u>3,230,673</u>	<u>5,521,939</u>	<u>8,128,410</u>	<u>1,173,216</u>	<u>392,772</u>	<u>31,506</u>	<u>4,040,360</u>	<u>4,430,521</u>	<u>1,466,911</u>	<u>232,974</u>	<u>1,515,345</u>	<u>-</u>	<u>30,164,627</u>
Net surplus	\$ 7,540,137	\$ 151,063	\$ 3,713,838	\$ 94,822	\$ 77,514	\$ 12,200	\$ (1,388,908)	\$ 11,768	\$ 1,867,588	\$ (46,271)	\$ 1,953,210	\$ -	\$ 13,986,961

City of Revelstoke
Schedule 1 - COVID-19 Safe Restart Grant
(Unaudited)

December 31, 2024

In response to COVID-19, the Province of British Columbia has provided COVID-19 Safe Restart Grants to support local governments with increased operating costs, lower revenues and fiscal pressures related to COVID-19. The City received \$2,105,000 in 2020.

The COVID-19 Safe Restart Grant is unconditional and has been accounted for as an unrestricted government transfer; recognized as revenue in the year received. The following schedule outlines how the City has utilized the grant funding as of December 31, 2023.

COVID-19 Safe Restart Grant, balance January 1, 2024	\$ 247,198
Interest	8,965
Expenditures:	
Facilities IT upgrades	<u>\$ 151,667</u>
Total Expenditures	<u>151,667</u>
Carry forward balance, December 31, 2024	<u>\$ 104,496</u>

City of Revelstoke
Schedule 2 - Growing Communities Fund Grant
(Unaudited)

December 31, 2024

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

The City of Revelstoke received \$3,331,000 of GCF funding in March 2023.

Growing Communities Fund, balance January 1, 2024	\$ 3,400,669
Interest	176,510
Expenditures:	
Residential composting project, consulting	<u>\$ 53,127</u>
Total Expenditures	<u>53,127</u>
Carry forward balance, December 31, 2024	<u>\$ 3,524,052</u>

The Growing Communities Fund accumulated interest during 2024 in the amount of \$176,510 (\$69,669 - 2023) .
