

The Corporation of the Village of Salmo
2024 STATEMENT OF FINANCIAL INFORMATION

Statement of Financial Information (SOFI)
THE CORPORATION OF THE VILLAGE OF SALMO
Fiscal Year Ended December 31, 2024

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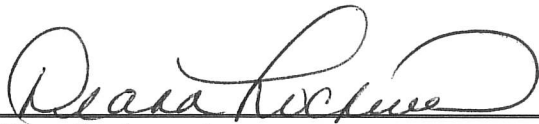
Statement of Financial Information (SOFI)

THE CORPORATION OF THE VILLAGE OF SALMO

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.



Diana Lockwood
Mayor



Nathan Russ, CPA, CMA
Chief Financial Officer

Statement of Financial Information (SOFI)

THE CORPORATION OF THE VILLAGE OF SALMO

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, Childs Chanton, 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 Village's system of internal control and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly.

On behalf of The Corporation of the Village of Salmo



Nathan Russ, CPA, CMA
Chief Financial Officer
June 3, 2025

THE CORPORATION OF THE VILLAGE OF SALMO
FINANCIAL STATEMENTS
DECEMBER 31, 2024

THE CORPORATION OF THE VILLAGE OF SALMO
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For the Year Ended December 31, 2024

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THE CORPORATION OF THE VILLAGE OF SALMO

MANAGEMENT REPORT

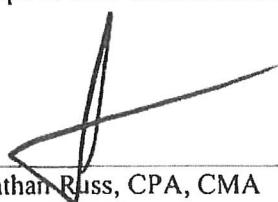
For the Year Ended December 31, 2024

RESPONSIBILITY FOR FINANCIAL REPORTING

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

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

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



Nathan Russ, CPA, CMA
Financial Officer

CHILDS CHANTON

CHARTERED PROFESSIONAL ACCOUNTANTS*

* Denotes Professional Corporation

Jeremy J. Childs, CPA, CA

Marie C. Chanton, CPA, CA

241 Columbia Avenue, Castlegar, BC V1N 1G3 Phone: (250) 365-7287 Fax: (250) 365-6066

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of the Corporation of the Village of Salmo, which comprise the statement of financial position as at December 31, 2024 and the statements of operations, change in net debt and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation of the Village of Salmo (the Village) as at December 31, 2024 and the results of its operations, changes in net debt, and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Other Matter

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Village's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users make on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Village's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Village to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Village to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the 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. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

April 22, 2025



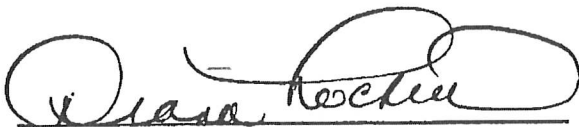
CHILDS CHANTON
CHARTERED PROFESSIONAL ACCOUNTANTS

Castlegar, BC

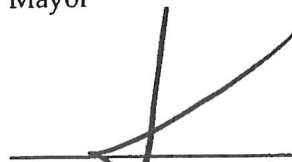
THE CORPORATION OF THE VILLAGE OF SALMO
STATEMENT OF FINANCIAL POSITION
As at December 31, 2024

	<u>2024</u>	<u>2023</u>
Financial Assets		
Cash and cash equivalents (Note 3)	\$ 3,884,422	\$ 3,341,232
Accounts receivable (Note 4)	194,742	250,808
MFA deposits (Note 5)	<u>15,638</u>	<u>15,112</u>
	<u>4,094,802</u>	<u>3,607,152</u>
Financial Liabilities		
Accounts payable and accrued liabilities (Note 6)	266,963	174,182
Deferred revenue (Note 7)	446,586	233,329
Accrued future payroll benefits (Note 8)	36,600	29,609
Debt (Note 9)	594,305	633,628
Asset retirement obligations (Note 10)	<u>732,786</u>	<u>699,690</u>
	<u>2,077,240</u>	<u>1,770,438</u>
Net Financial Assets	2,017,562	1,836,714
Non-Financial Assets		
Tangible capital assets (Note 11)	9,634,373	9,736,556
Inventory	8,498	9,373
Other assets (Note 12)	17,317	17,317
Prepaid expenses	<u>23,164</u>	<u>22,978</u>
	<u>9,683,352</u>	<u>9,786,224</u>
Accumulated Surplus (Note 13)	<u>\$ 11,700,914</u>	<u>\$ 11,622,938</u>

Trust Funds (Note 14)
Commitments and Contingencies (Note 17)



Diana Lockwood
Mayor



Nathan Russ, CPA, CMA
Financial Officer

THE CORPORATION OF THE VILLAGE OF SALMO
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the Year Ended December 31, 2024

	<u>2024 Budget</u> (Note 18)	<u>2024</u>	<u>2023</u>
Revenue			
Taxes	\$ 502,851	\$ 504,983	\$ 478,272
Sale of services	114,259	134,545	114,635
Other revenue from own sources	168,290	128,263	132,071
Investment income	35,684	86,442	80,070
Government transfers- unconditional	459,000	498,600	459,000
Government transfers - conditional	749,743	416,995	1,453,632
Water user fees	204,461	203,766	190,532
Sewer user fees	<u>344,019</u>	<u>341,681</u>	<u>311,324</u>
	<u>2,578,307</u>	<u>2,315,275</u>	<u>3,219,536</u>
Expenses			
General government	947,481	691,046	521,806
Protective services	269,147	113,945	108,340
Transportation services	358,054	266,987	212,228
Environmental health services	118,762	113,503	105,655
Public health and welfare services	15,250	13,002	16,289
Parks, recreation and cultural services	64,650	51,113	40,696
Interest and other debt charges	22,118	22,120	22,542
Water utility operations	157,176	150,423	124,463
Sewer utility operations	418,239	336,483	320,491
Accretion	-	33,095	31,601
Amortization	<u>408,542</u>	<u>445,582</u>	<u>431,877</u>
	<u>2,779,419</u>	<u>2,237,299</u>	<u>1,935,988</u>
Annual surplus	(201,112)	77,976	1,283,548
Accumulated surplus, beginning of the year	<u>11,622,938</u>	<u>11,622,938</u>	<u>10,339,390</u>
Accumulated surplus, end of the year	<u>\$ 11,421,826</u>	<u>\$ 11,700,914</u>	<u>\$ 11,622,938</u>

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

THE CORPORATION OF THE VILLAGE OF SALMO
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2024

	<u>2024 Budget</u>	<u>2024</u>	<u>2023</u>
Annual surplus	\$ (201,112)	\$ 77,976	\$ 1,283,548
Acquisition of tangible capital assets	(363,650)	(343,399)	(1,353,984)
Amortization of capital assets	<u>408,542</u>	<u>445,582</u>	<u>431,877</u>
	(156,220)	180,159	361,441
Acquisition (consumption) of prepaid expenses	-	(186)	527
Acquisition (consumption) of supply inventory	<u>-</u>	<u>875</u>	<u>(427)</u>
	-	689	100
Increase (decrease) in net financial assets	(156,220)	180,848	361,541
Net financial assets, beginning of year	<u>1,836,714</u>	<u>1,836,714</u>	<u>1,475,173</u>
Net financial assets, end of the year	\$ <u>1,680,494</u>	\$ <u>2,017,562</u>	\$ <u>1,836,714</u>

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

THE CORPORATION OF THE VILLAGE OF SALMO
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2024

	<u>2024</u>	<u>2023</u>
Cash Provided by (Used In)		
Operating Activities		
Annual surplus	\$ 77,976	\$ 1,283,548
Items not involving cash:		
Amortization of tangible capital assets	445,582	431,877
Accretion	33,095	31,601
Actuarial adjustments	(15,491)	(14,035)
Initial recognition of asset retirement obligation	<u>-</u>	<u>668,090</u>
	541,162	2,401,081
Increase (decrease) in non-cash working capital balances:		
Accounts receivable	56,065	(51,887)
MFA deposits	(526)	(455)
Accounts payable and accrued liabilities	92,781	31,699
Deferred revenue	213,257	130,297
Accrued future payroll benefits	6,991	(895)
Inventory	875	(427)
Prepaid expenses	<u>(184)</u>	<u>527</u>
	<u>910,421</u>	<u>2,509,940</u>
Financing Activities		
Debt repayment	<u>(23,832)</u>	<u>(44,972)</u>
Capital Activities		
Acquisition of tangible capital assets	<u>(343,399)</u>	<u>(1,353,984)</u>
Net increase in cash and cash equivalents	543,190	1,110,984
Cash and cash equivalents, beginning of year	<u>3,341,232</u>	<u>2,230,248</u>
Cash and cash equivalents, end of year	<u>\$ 3,884,422</u>	<u>\$ 3,341,232</u>

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

THE CORPORATION OF THE VILLAGE OF SALMO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

1. Significant Accounting Policies

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

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

(a) Basis of Presentation

The Village's resources and operations are segregated into general, water and sewer funds and statutory and non-statutory reserve funds and reserves for future capital expenditures for accounting and financial reporting purposes. These financial statements include the accounts of all the funds of the Village. Inter-fund transactions and balances have been eliminated.

(b) Revenue Recognition

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

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

(c) Deferred Revenue

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

(d) Government Transfers

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

(e) Financial Instruments

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

(f) Accrued Future Payroll Benefits

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

(g) Interest and Actuarial Gains on Long Term Debt

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

THE CORPORATION OF THE VILLAGE OF SALMO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

1. Significant Accounting Policies (continued)

(h) Cash and Cash Equivalents

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

(i) Tangible Capital Assets

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

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

(j) Non-Financial Assets

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

(k) Statutory Reserves

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

(l) Liability for Contaminated Sites

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

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

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

There are no liabilities to be recorded as at December 31, 2024.

THE CORPORATION OF THE VILLAGE OF SALMO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

1. Significant Accounting Policies (continued)

(m) 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 revenues and expenses during the reporting period. Significant areas requiring estimates include the useful lives of tangible capital assets for amortization, future employee benefits, allowance for doubtful accounts, provision for contingencies, and timing and extent of future asset retirement obligations. Actual results could differ from management's best estimates as additional information becomes available in the future.

(n) Budget

Budget data presented in these financial statements is based on the Village's Five Year Financial Plan for the years 2024-2028, adopted by Council on May 6, 2024.

(o) Segments

The Village conducts its business through a number of reportable segments. These operating segments are established by senior management to facilitate the achievement of the Village's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

(p) Asset retirement obligations

An asset retirement obligation is a legal obligation associated with the retirement of a tangible capital asset that the Village will be required to settle. The Village recognizes asset retirement obligations 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.

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 amount of the related 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.

2. Change in accounting policy

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

THE CORPORATION OF THE VILLAGE OF SALMO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

3. Cash and Cash Equivalents

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

	<u>2024</u>	<u>2023</u>
Cash	\$ 3,728,749	\$ 3,192,704
MFA bond and money market funds	<u>155,673</u>	<u>148,528</u>
	<u>\$ 3,884,422</u>	<u>\$ 3,341,232</u>

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

4. Accounts Receivable

	<u>2024</u>	<u>2023</u>
Property taxes	\$ 100,845	\$ 105,339
Utility billings	39,705	46,075
Other governments	15,893	30,194
Trade and other receivables	<u>38,299</u>	<u>69,200</u>
	<u>\$ 194,742</u>	<u>\$ 250,808</u>

5. Municipal Finance Authority Debt Reserve Fund

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

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

As at December 31, 2024, the total of the Debt Reserve and Demand Note balances are as follows:

	<u>2024</u>	<u>2024</u>	<u>2023</u>	<u>2023</u>
	Cash Deposit	Demand Note	Cash Deposit	Demand Note
General fund	\$ 15,638	\$ 22,711	\$ 15,112	\$ 22,711

6. Accounts Payable and Accrued Liabilities

	<u>2024</u>	<u>2023</u>
Trades payable	\$ 242,584	\$ 153,153
Accrued wages and benefits	<u>24,379</u>	<u>21,029</u>
	<u>\$ 266,963</u>	<u>\$ 174,182</u>

THE CORPORATION OF THE VILLAGE OF SALMO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

7. **Deferred Revenue**

	Opening Balance	Contributions Received	Revenue Recognized	Ending Balance
Federal Gas tax grant*	\$ -	\$ 115,320	\$ (115,320)	\$ -
Other grants and contributions	204,254	333,308	(123,124)	414,438
Prepaid taxes, licenses, & fees	29,075	26,523	(23,450)	32,148
	<u>\$ 233,329</u>	<u>\$ 475,151</u>	<u>\$ (261,894)</u>	<u>\$ 446,586</u>

* The Federal Gas tax grant and the Growing Communities Fund is recognized into revenue and immediately transferred into the Community Works fund and the Growing Communities Fund reserve, respectively.

8. **Accrued Future Payroll Benefits**

	2024	2023
Holiday Pay	\$ 12,612	\$ 10,581
Sick Leave	17,741	15,667
Banked Overtime	6,247	3,361
	<u>\$ 36,600</u>	<u>\$ 29,609</u>

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

9. **Debt**

Debt Bylaw #	Purpose of Bylaw	Interest rate %	Year of Maturity	Original Issue	2024 Balance	2023 Balance
General Purposes:						
311	John Deere loader	2.60%	2023	\$ 137,000	\$ -	\$ -
549	Wellness centre	2.25%	2039	885,000	569,035	596,360
610	Public works shop	1.47%	2026	150,000	25,270	37,268

Total Debt \$ 594,305 \$ 633,628

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

	Total
2025	\$ 40,836
2026	42,407
2027	30,737
2028	31,967
2029	33,245
Thereafter	415,113
	<u>\$ 594,305</u>

THE CORPORATION OF THE VILLAGE OF SALMO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

10. Asset Retirement Obligations

Existing laws and regulations require the Village to take specific actions regarding the removal and disposal of certain capital assets at the end of their useful life. Asset retirement obligations related to buildings, sewer, and storm sewer infrastructure capital assets, are amortized over the remaining expected useful life of the related assets.

Estimated costs totaling \$1,852,219 using an inflation rate of 3.5% have been discounted using a present value calculation with a discount rate of 4.73%. The discount rate used was based on borrowing rate for liabilities with similar risks and maturity. The timing of these expenditures is estimated to occur between 2025 and 2048 with the regular replacement, renovation, or disposal of assets. No recoveries are expected at this time.

The following is a summary of asset retirement obligation transactions for the year:

	2024	2023
Opening asset retirement obligation	\$ 699,691	\$ -
Initial recognition of expected discounted cash flows	-	668,090
Increase due to accretion	33,095	31,601
Closing asset retirement obligation	<u>\$ 732,786</u>	<u>\$ 699,691</u>

11. Tangible Capital Assets

	Cost	Accumulated Amortization	2024 Net Book Value	2023 Net Book Value
Land	\$ 1,256,899	\$ -	\$ 1,256,899	\$ 1,256,899
Buildings	3,473,821	1,380,577	2,093,244	2,091,355
Vehicles, equipment & furniture	2,526,904	1,915,998	610,906	672,742
Transportation infrastructure	3,845,603	2,045,702	1,799,901	1,821,464
Water infrastructure	2,599,309	1,062,326	1,536,983	1,548,522
Sewer infrastructure	4,051,326	1,714,886	2,336,440	2,345,574
	<u>\$ 17,753,862</u>	<u>\$ 8,119,489</u>	<u>\$ 9,634,373</u>	<u>\$ 9,736,556</u>

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

12. Other Assets

	2024	2023
Property acquired for taxes	<u>\$ 17,317</u>	<u>\$ 17,317</u>

THE CORPORATION OF THE VILLAGE OF SALMO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

13. Accumulated Surplus

	2024	2023
Reserves		
Ambulance service	\$ 12,953	\$ 12,728
Community works fund	472,450	416,906
Curling rink	19,176	18,858
Employee sick leave	10,000	10,000
Fire department equipment	185,012	138,857
Growing communities reserve	703,596	829,098
Jaws of life	272,254	243,069
Machinery & equipment	218,630	160,899
Parks	17,984	15,848
Sewer infrastructure	51,305	3,605
Water infrastructure	343,408	332,731
Wellness centre	<u>134,921</u>	<u>123,257</u>
	2,441,689	2,305,856
Operating surplus	952,746	913,846
Invested in tangible capital assets	<u>8,306,479</u>	<u>8,403,236</u>
Total Accumulated Surplus	<u>\$ 11,700,914</u>	<u>\$ 11,622,938</u>

14. Trust Funds

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

	2024	2023
Balances, beginning of year	\$ 26,925	\$ 26,034
Contributions received	455	445
Interest earned	<u>456</u>	<u>446</u>
Balances, end of year	<u>\$ 27,836</u>	<u>\$ 26,925</u>

15. Taxes Levied For Other Paid Authorities

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

	2024	2023
Provincial Government - School taxes	\$ 395,630	\$ 380,846
Provincial Government - Police taxes	69,835	65,595
Regional District of Central Kootenay	366,022	337,295
West Kootenay Boundary Hospital District	37,449	37,727
British Columbia Assessment Authority	9,362	8,982
Municipal Finance Authority	<u>48</u>	<u>47</u>
	<u>\$ 878,346</u>	<u>\$ 830,492</u>

THE CORPORATION OF THE VILLAGE OF SALMO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

16. Pension Plan

The Village of Salmo and its employees contribute to the Municipal Pension Plan (a jointly trusted pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. As at December 31, 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 unfunded actuarial liability.

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

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

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

The Village of Salmo paid \$47,860 (2023 - \$39,143) for employer contributions to the plan in fiscal 2024.

17. Commitments and Contingencies

Regional District debt

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

Claims for Damages

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

Reciprocal Insurance Exchange Agreement

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

THE CORPORATION OF THE VILLAGE OF SALMO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

18. Budget Data

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

	2024
Budget surplus per Statement of Operations	\$ (201,112)
Less: Capital expenditures	363,650
Debt principal repayments	23,832
Budgeted transfers to reserves	339,199
Add: Budgeted transfers from surplus & reserves	519,251
Amortization	408,542
Debt proceeds	-
Net annual budget	\$ -

19. Segmented Information

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

General Government Services

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

Protective Services

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

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

Transportation Services

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

Environmental Health

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

THE CORPORATION OF THE VILLAGE OF SALMO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

19. **Segmented Information (continued)**

Public Health and Welfare

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

Parks, Culture and Recreation Services

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

Water and Sewer Utility Operations

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

THE CORPORATION OF THE VILLAGE OF SALMO

SCHEDULE A - SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2024

Tangible Capital Assets	Additions & Reallocation of Assets Under Construction		Disposals	Closing Balance	Accumulated Amortization		Reduction on Disposals	Amortization Expense	Accumulated Amortization Closing Balance	Net Carrying Amount End of year
	Opening Balance				Opening Balance					
Land	\$ 1,256,899	\$ -	\$ -	\$ 1,256,899	\$ -		\$ -	\$ -	\$ -	\$ 1,256,899
Buildings	3,377,002	96,819	-	3,473,821	1,285,647		-	94,930	1,380,577	2,093,244
Vehicles, equipment & furniture	2,495,318	31,586	-	2,526,904	1,822,576		-	93,422	1,915,998	610,906
Transportation infrastructure	3,777,039	68,564	-	3,845,603	1,955,575		-	90,127	2,045,702	1,799,901
Water infrastructure	2,551,320	47,989	-	2,599,309	1,002,798		-	59,528	1,062,326	1,536,983
Sewer infrastructure	3,952,885	98,441	-	4,051,326	1,607,311		-	107,575	1,714,886	2,336,440
Total	\$ 17,410,463	\$ 343,399	\$ -	\$ 17,753,862	\$ 7,673,907		\$ -	\$ 445,582	\$ 8,119,489	\$ 9,634,373

THE CORPORATION OF THE VILLAGE OF SALMO

SCHEDULE B - SCHEDULE OF SEGMENTED INFORMATION

For the Year Ended December 31, 2024

	General Government	Protective Services	Transportation Services	Environmental Health Services	Public Health Services	Parks & Recreation	Water Utility	Sewer Utility	2024 Total
Revenues									
Taxes	\$ 504,983	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 504,983
Sales of Service	-	-	-	103,771	2,307	-	14,797	13,670	134,545
Other revenue from own services	31,238	20,973	6,242	-	55,152	14,658	-	-	128,263
Investment income	86,442	-	-	-	-	-	-	-	86,442
Government transfers- unconditional	498,600	-	-	-	-	-	-	-	498,600
Government transfers-conditional	268,731	106,666	17,236	6,802	10,000	7,560	-	-	416,995
Water user fees	-	-	-	-	-	-	203,766	-	203,766
Sewer user fees	-	-	-	-	-	-	-	341,681	341,681
	<u>1,389,994</u>	<u>127,639</u>	<u>23,478</u>	<u>110,573</u>	<u>67,459</u>	<u>22,218</u>	<u>218,563</u>	<u>355,351</u>	<u>2,315,275</u>
Expenditures									
Wages and benefits	407,493	15,987	146,080	6,792	4,603	17,480	77,985	162,369	838,789
Supplies and services	283,552	97,958	120,906	106,711	8,400	33,633	72,439	174,114	897,713
Interest and other debt charges	-	-	2,208	-	19,912	-	-	-	22,120
Amortization	31,868	59,047	123,185	507	39,059	24,813	59,528	107,575	445,582
Accretion	<u>21,344</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,996</u>	<u>755</u>	<u>33,095</u>
	<u>744,257</u>	<u>172,992</u>	<u>392,379</u>	<u>114,010</u>	<u>71,974</u>	<u>75,926</u>	<u>220,948</u>	<u>444,813</u>	<u>2,237,299</u>
Annual Surplus (Deficit)	<u>\$ 645,737</u>	<u>\$ (45,353)</u>	<u>\$ (368,901)</u>	<u>\$ (3,437)</u>	<u>\$ (4,515)</u>	<u>\$ (53,708)</u>	<u>\$ (2,385)</u>	<u>\$ (89,462)</u>	<u>\$ 77,976</u>

THE CORPORATION OF THE VILLAGE OF SALMO
SCHEDULE C - GROWING COMMUNITIES FUND RECONCILIATION
December 31, 2024

Province of BC Growing Communities Fund reconciliation

The following is a summary of fund transactions for the current year:

	<u>2024</u>
Growing Communities Fund opening balance	\$ 829,731
Interest earned during the year	14,904
Less: Eligible use of funds	140,406
Remaining grant	\$ <u>704,229</u>

THE CORPORATION OF THE VILLAGE OF SALMO
SCHEDULE D - CAPACITY FUNDING RECONCILIATION
December 31, 2024

Province of BC Capacity Funding for Local Government Housing Initiatives reconciliation

The following is a summary of fund transactions for the current year:

	<u>2024</u>
Capacity Fund opening balance	\$ -
Initial funds	156,221
Interest earned during the year	-
Less: Eligible use of funds	5,736
Remaining grant	\$ <u>150,485</u>

THE CORPORATION OF THE VILLAGE OF SALMO
EXHIBIT 1 - PROVINCE OF BC GRANT RECONCILIATIONS (UNAUDITED)
December 31, 2024

Province of BC COVID-19 Restart Grant reconciliation

The following is a summary of grant transactions for the current year:

	<u>2024</u>
COVID-19 Restart Grant received opening Balance	\$ 120,467
Less grant recognition:	
Revenue shortfalls	-
Facility reopening & operating costs	3,779
Emergency planning & response costs	-
Computer & other electronic technology costs	<u>14,747</u>
Remaining grant	<u>\$ 101,941</u>

Statement of Financial Information (SOFI)

THE CORPORATION OF THE VILLAGE OF SALMO

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 Village of Salmo.

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

Statement of Financial Information (SOFI)

THE CORPORATION OF THE VILLAGE OF SALMO

Fiscal Year Ended December 31, 2024

SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS

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

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

Statement of Financial Information (SOFI)

THE CORPORATION OF THE VILLAGE OF SALMO

Fiscal Year Ended December 31, 2024

STATEMENT OF SEVERANCE AGREEMENTS

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

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

THE CORPORATION OF THE VILLAGE OF SALMO
SCHEDULE OF REMUNERATION AND EXPENSE
YEAR ENDED DECEMBER 31, 2024

NAME		REMUNERATION	EXPENSE
ELECTED OFFICIALS	POSITION		
Cox, Melanie	Councillor	\$ 7,264	\$ 3,437
Heatlie, Jonathon	Councillor	5,854	1,460
Lins, Jennifer	Councillor	7,264	
Lockwood, Diana	Mayor	12,341	932
Neil, Kenzie	Councillor	7,024	
TOTAL ELECTED OFFICIALS		<u>39,747</u>	<u>5,829</u>
DETAILED EMPLOYEES > \$75,000			
Dejong, Maxwell		88,274	903
Paton, Fred		87,695	188
		<u>175,970</u>	<u>1,091</u>
TOTAL EMPLOYEES <= \$75,000		<u>398,353</u>	<u>7,555</u>
TOTAL		<u>\$ 614,069</u>	<u>\$ 14,475</u>
TOTAL EMPLOYER PREMIUM FOR CPP/EI			\$ 42,397

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

THE CORPORATION OF THE VILLAGE OF SALMO
SCHEDULE OF PAYMENTS TO SUPPLIERS OF GOODS AND SERVICES
YEAR ENDED DECEMBER 31, 2024

DETAILED SUPPLIERS >\$25,000

<u>SUPPLIER NAME</u>	<u>EXPENSE</u>
Custom Dozing Ltd.	\$ 54,943
First Class Fencing Inc.	70,268
Fortis BC Inc.	90,032
GFL Environmental Inc. 2020	149,498
Imperial Oil Esso	31,721
Linda Tynan Consulting Services	60,272
Manulife Financial	42,915
Municipal Insurance Association of BC	75,070
Municipal Pension Plan	92,121
Ninco Construction Ltd.	26,280
Power Tech Electric Ltd.	81,506
Terus Construction Ltd.	38,973
Wholesale Fire & Rescue Ltd.	30,044
TOTAL DETAILED SUPPLIERS >\$25,000	843,643
TOTAL SUPPLIERS <= \$25,000	663,047
TOTAL SUPPLIERS	1,506,690
GRANTS AND CONTRIBUTIONS >\$25,000	0
TOTAL PAYMENTS, GRANTS AND CONTRIBUTIONS	\$ 1,506,690

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

