



2025 Annual Report

For the year ending December 31, 2025



Slocan Lake from Kohan Reflection Garden.

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DRAFT FOR REVIEW

2022–2026 Council

In 2025, the Village of New Denver was served by Mayor Leonard Casley and Councillors John Fyke, Danika Hammond, Casey Law, and Colin Moss.

Council meetings are regularly scheduled for the second Tuesday of each month at 7:00 p.m. Committee of the Whole meetings are regularly scheduled for the fourth Tuesday of each month at 7:00 p.m., except in July, August, and December.

Meetings are held in Council Chambers at 115 Slocan Avenue, New Denver, BC. Meeting information is posted on the Village website. Meetings are also live streamed, and recordings are available on the Village website for a limited time after the meeting.

The Village Office is located at 115 Slocan Avenue, New Denver, BC. The office is open Monday to Thursday, from 9:00 a.m. to 4:00 p.m., and Friday, from 9:00 a.m. to 12:00 p.m. It is closed on statutory holidays.

Phone: 250-358-2316 | Email: reception@newdenver.ca

Council Member Disqualification Declarations

Disqualification Declarations

No declarations of disqualification were made against any member or former member of Council in 2025 under section 111 of the Community Charter.

Public Inspection and Annual Meeting

Public Inspection

The 2025 Annual Report was made available for public inspection on May 22, 2026. Public notice was provided in the Valley Voice.

Council will consider the 2025 Annual Report and receive public submissions and questions at the Regular Meeting of Council on June 9, 2026. The Annual Report will be available for public inspection at the meeting.

Message from the Mayor

2025 was a busy and productive year for the Village of New Denver. Council and staff continued to focus on safe services, strong infrastructure, public spaces, and long-term planning.

A major success was the well relocation project. With the new pumphouse and wells in place, the new water source was put into service in 2025 and now supports a stronger water system for the community. Work also continued toward the future waterline under the Carpenter Creek bridge to support the Orchard area.

Several community projects were completed during the year. Centennial Park was improved with a new stage, gathering space, servicing, and accessible washrooms. Accessibility upgrades were also completed at Knox Hall and the Kohan Reflection Garden. The Kizuna Trail was a new addition in 2025, and the Village will continue to improve it in 2026.

Thanks to funding from the Japanese Canadian Legacies Society, the Nikkei Internment Memorial Centre continued important work on education, signage, and heritage projects. These efforts help share New Denver's history with residents, students, and visitors.

Public safety remained a priority. The New Denver Fire Department continued to serve our community and nearby areas with skill, care, and commitment. Our volunteer firefighters give their time for training, emergency response, and service to others. In 2025, we did considerable upgrades and repairs to the department's water tenders, strengthening firefighting support for New Denver and the areas we serve. Council is so grateful for the dedication of our volunteer firefighters.

Council also continued to explore community forest opportunities. This work is part of looking at long-term ways to support local values, public safety, forest health, and community benefit.

I want to sincerely thank Village staff, Council, volunteers, contractors, community partners, and residents for their work and support throughout the year. New Denver is a small municipality with many responsibilities, and this work depends on everyone working together.

As we began 2026, the Village welcomed a new joint Chief Administrative Officer / Corporate Officer. Council looks forward to working together on the next steps for our community, with a focus on infrastructure, emergency readiness, accessibility, and responsible care of Village assets.

- **Mayor Leonard Casley**



Centennial Park improvements support community use and public gathering.

Corporate Values

New Denver is a small, active community at the heart of the Slocan Valley. The Village works to provide services that support quality of life, public health, safety, accessibility, culture, heritage, and the natural environment.

The Village is committed to:

- providing safe and reliable local services;
- caring for public infrastructure and community facilities;
- supporting parks, culture, heritage, and recreation;
- planning for long-term financial stability;
- making decisions in a fair and open way;
- supporting public access to information;
- working with residents, community groups, and other governments;
- caring for the environment and the natural setting of New Denver.

Council and staff work together to provide municipal services and to plan for the future needs of the community.

Administration and Corporate Services

In 2025, the Village experienced a change in senior administration. The joint Chief Administrative Officer / Corporate Officer position became vacant during the year. Interim arrangements were used for the rest of 2025.

Council spent the second half of the year recruiting a new joint Chief Administrative Officer / Corporate Officer. The new CAO/CO began in January 2026.

During this time, Council and staff continued to support core municipal services. This included Council meetings, public works coordination, financial administration, grant reporting, statutory reporting, records work, public service, and support for major projects.

The year required strong teamwork from a small municipal staff. Staff continued to manage daily service needs while also supporting project work and public requests. Council recognizes the work, care, and flexibility shown by staff during this time of change.

Financial Services

The Financial Services department is responsible for the Village's financial operations and supports:

- financial planning;
- operating and capital budgets;
- financial reporting and analysis;
- accounts payable and accounts receivable;
- property tax and utility billing;
- payroll;
- asset management.

The goal of the department is to support responsible financial management, reliable reporting, and long-term planning for Village services and infrastructure.

Key 2025 Financial Facts

In 2025, the Village continued to maintain financial planning, budgeting, reporting, payroll, taxation, utility billing, and asset management functions. The Village’s 2025 financial statements were audited by Doane Grant Thornton LLP.

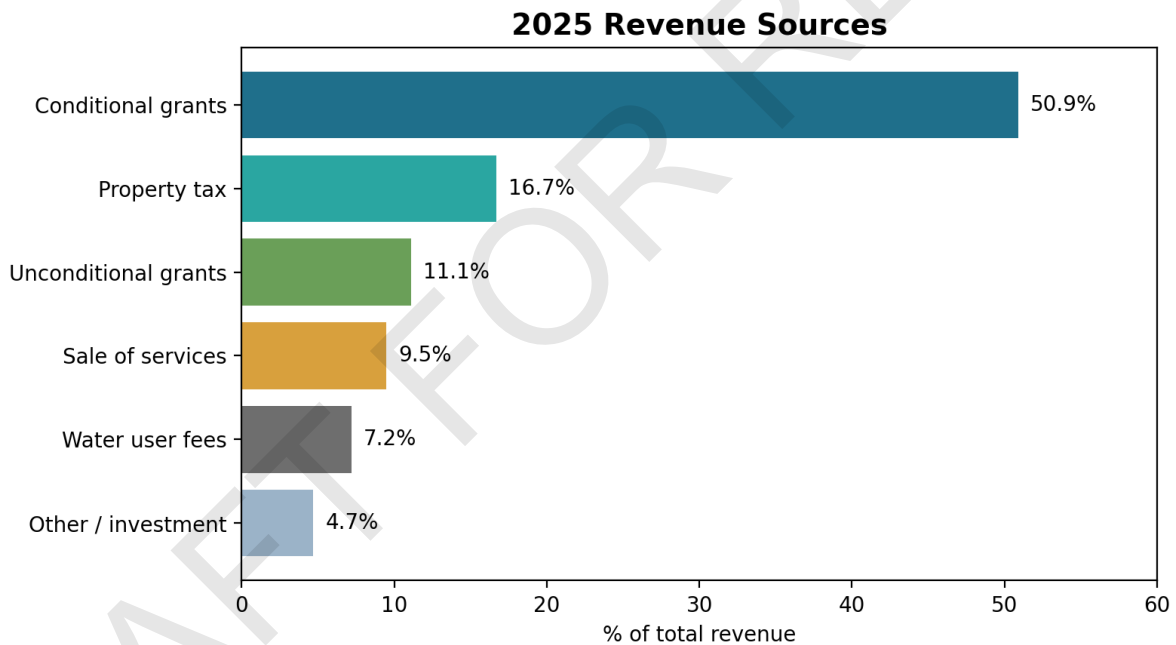
Note

The Village ended 2025 with an annual surplus. This does not mean all funds are available for general spending. Some funds are held for specific projects, reserves, grants, future infrastructure work, or accounting purposes. More detail is included in the audited financial statements in Appendix A.

Major financial activity in 2025 included continued grant-funded capital work, water system investment, parks and recreation improvements, and planning for future infrastructure needs.

Revenue Sources

In 2025, Village revenue came from several sources. Grants were a large part of the year’s revenue because they helped pay for specific projects.



2025 revenue sources by percentage.

Source: 2025 audited financial statements. Percentages are rounded and grouped for readability.

Revenue Source	% of Total Revenue
Conditional grants	50.9%
Property tax	16.7%
Unconditional grants	11.1%
Sale of services	9.5%
Water user fees	7.2%
Other / investment	4.7%

2025 Municipal Tax Rates

In 2025, the Village adopted municipal tax rates for Residential, Utility, Business, and Recreational / Non-profit property classes. Tax rates are set each year through the annual tax rate bylaw.

Property Class	2025 General Municipal Rate
Residential	2.2122
Utility	40.000
Business	4.9901
Recreational / Non-profit	2.2122

Source: 2025 tax rate bylaw request for decision.

Permissive Tax Exemptions

Under the Community Charter, Council may exempt certain properties from municipal taxation by bylaw.

For taxes imposed in 2025, the Village provided permissive tax exemptions to the following properties:

Organization / Property	2025 Municipal Tax Amount Exempted
St. Anthony's Catholic Church	\$505.38
Pentecostal Church	\$1,705.25
St. Stephen's Anglican Church	\$969.12
Total	\$3,179.75

Grants and Capital Funding

Grants continued to be an important part of the Village's financial picture in 2025. Conditional grants helped support capital projects and community improvements. These funds are usually tied to specific projects and cannot be used for general purposes.

The Village also continued to use reserves and planning tools to prepare for future infrastructure replacement and service needs.

Protective Services



New Denver Fire Hall and Village Office.

The Village continued to support a volunteer fire department serving New Denver. The Village also provides fire protection services to the Village of Silverton and portions of RDCK Area H through service agreements.

The department relies on trained volunteers, fire apparatus, and emergency equipment to support public safety and emergency response in the community.

2025 Fire Department Callouts

In 2025, the New Denver Fire Department responded to 91 callouts: 26 fire calls, 23 rescue calls, 17 medical calls, and 25 administration calls.

In 2025, the Village continued wildfire resiliency work through the Slokan Valley Wildfire Resiliency Program, a joint effort involving the Villages of New Denver and Slokan. Program work included public education, FireSmart Home Assessments, rebate support, critical infrastructure assessment, neighbourhood assessments, and completion of a new Community Wildfire Resiliency Plan.

The Village also completed work related to emergency planning and Emergency Act changes in 2025. Further emergency management work will continue in 2026, including training, plan updates, and work with Indigenous partners.

Community Services

Community Services includes parks, culture, heritage, recreation, public spaces, and community facilities. In 2025, several important community projects were completed or advanced.

Centennial Park Stage and Gathering Space



The new Centennial Park stage supporting community events (photo credit Danika Hammond).

In 2025, the Village completed the Centennial Park Stage and Gathering Space project with support from Columbia Basin Trust.

The project included:

- a new year-round accessible public washroom and power building;
- water, septic, and electrical servicing;
- a covered outdoor stage;
- a community gathering space;
- a propane firepit and table;
- landscaping and site improvements.

The new space supported community use in 2025 and beyond, including 2026 May Days events and the Slocan Lake Arts Council's Summer Music in the Park series.



New public washroom at Centennial Park.



Kizuna Trail in Centennial Park.

Accessibility Improvements

In 2025, accessibility improvements were completed at the Kohan Reflection Garden in Centennial Park. The work improved trails into and through the garden.

Two benches with middle armrests were also purchased for the Kizuna Trail. Once installed, these benches will provide more resting places between the Nikkei Internment Memorial Centre and the Kohan Reflection Garden.

The project supports people with mobility needs, balance concerns, limited stamina, and people who benefit from calm outdoor public space.

Minor surfacing improvements were identified for follow-up to further improve access.



Kizuna Trail and public space improvements in Centennial Park.

Knox Hall Accessibility

Accessibility upgrades at Knox Hall were completed in 2025. The work improved access to the building and included exterior access improvements, accessible parking and sidewalk improvements, and accessible washroom upgrades. These changes support safer and easier use of the facility by residents, visitors, and community groups.



Outdoor accessibility improvements at Knox Hall.

Nikkei Internment Memorial Centre

In 2025, the Nikkei Internment Memorial Centre continued work supported through the Japanese Canadian Legacies Society.

Work included:

- development of learning kits and education materials;
- curriculum-aligned Social Studies and Arts content;
- website updates;
- interpretive sign work;
- work related to the 1945 Shack and Kyowakai Hall;
- Kizuna Trail planning and pathway work;
- planning for benches and entrance features;
- marketing and branding updates;
- work with historians, former internees, and community partners.

This work supports education, heritage, cultural understanding, and visitor experience.



Nikkei Internment Memorial Centre grounds and heritage site.

Cemetery

Cemetery operations in 2025 consisted of routine maintenance.

Parks and Public Spaces

In addition to the Centennial Park and accessibility work, the Village continued to maintain public parks, open spaces, and community areas for residents and visitors.

Environmental and Transportation Services

Environmental and Transportation Services includes water, roads, drainage, solid waste, public works, fleet, facilities, parks operations, and cemetery operations.

Water System



Water system infrastructure supporting the Village water supply.

The Village operates Facility Number 0210710 under a Permit to Operate issued by Interior Health.

In 2025, the Village brought two new municipal wells into service. Wells #3 and #4 are located north of the dike at the south end of Kootenay Street. They were drilled in 2023 and took over the supply of water in 2025.

The new wells replaced the previous Village wells. Wells #1 and #2 were decommissioned by removing the pumps, filling the wells, removing the buildings, and removing the old system tie-in points.

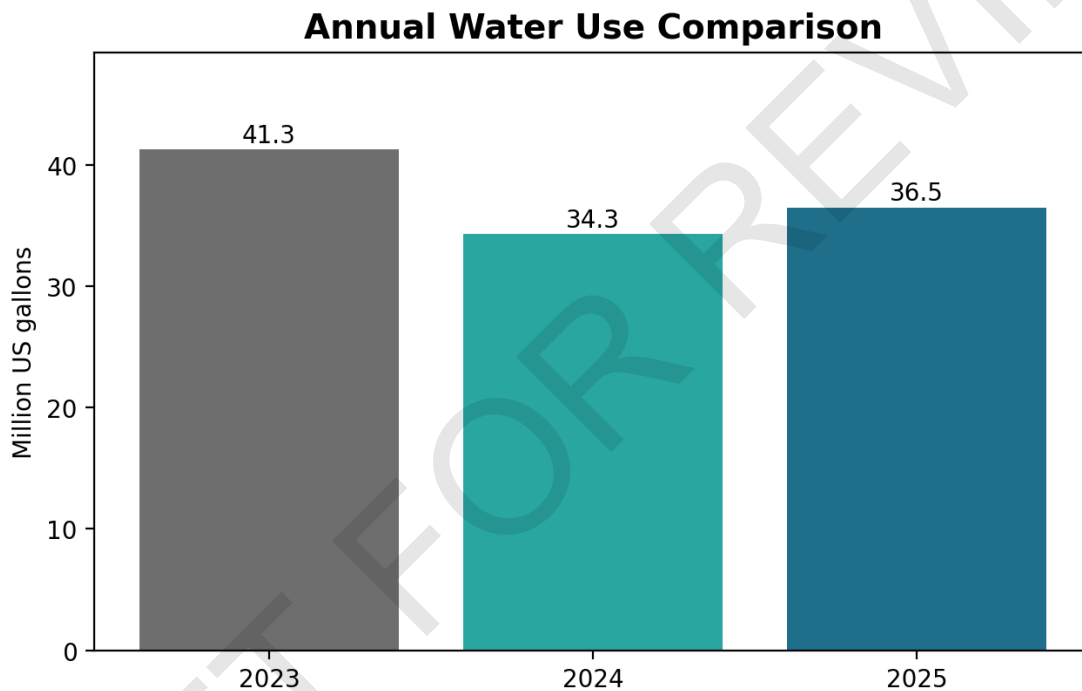
The new pumphouse includes backup power from a diesel generator with automatic switchover capability.

The Village’s main water system includes a steel reservoir with a capacity of 1,230,000 litres. The system includes water mains, valves, service connections, and fire hydrants.

The Denver Siding system is also part of the Village water system. This area was added through a boundary extension in 2022. It includes a reservoir, hydrants, service connections, and pumping from the New Denver system.

Water Use

Total water use in 2025 was 36.5 million US gallons, or about 138 million litres.

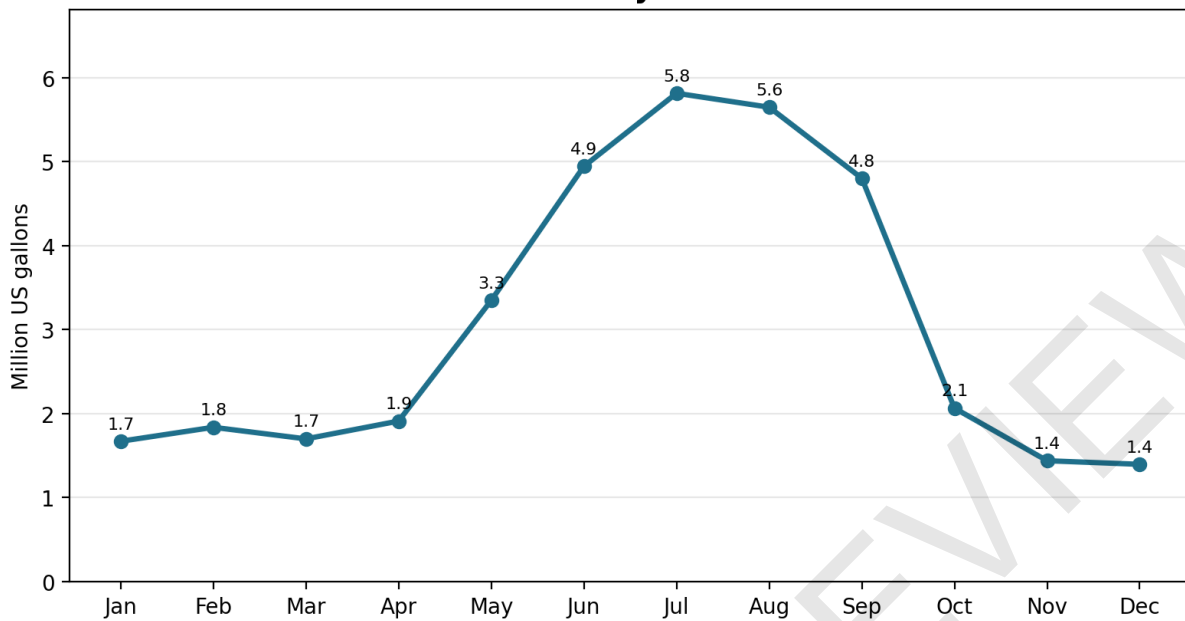


Annual water use comparison.

Source: 2025 Annual Water Report.

Year	Total Water Use
2023	41.3 million US gallons
2024	34.3 million US gallons
2025	36.5 million US gallons

2025 Monthly Water Use



2025 monthly water use.

Source: 2025 Annual Water Report.

Month	US Gallons
Jan	1,668,512
Feb	1,834,686
Mar	1,696,856
Apr	1,909,131
May	3,346,833
Jun	4,944,254
Jul	5,814,587
Aug	5,648,651
Sep	4,802,116
Oct	2,062,754
Nov	1,436,387
Dec	1,393,686

Water Quality Monitoring

The Village tests drinking water as required by its Permit to Operate and the Drinking Water Protection Regulation.

Water samples are taken weekly from two different sampling areas. Samples are sent to an accredited laboratory. The Village also submits monthly reports to Interior Health.

Tests include monitoring for Total Coliform bacteria and E. coli. More detailed chemical testing is completed every other year.

Water System Maintenance

In 2025, the Village continued regular water system maintenance. This included hydrant work, system flushing, generator checks, reservoir checks, valve exercising, backflow prevention work, and repairs.

Eight curb stop valves were replaced in 2025 due to condition, and leaks were repaired as part of that work.

Water System Issues in 2025

In 2025, the Village's Annual Water Report identified three notable water system issues.

After the new pumphouse was commissioned in June, the Village experienced a power outage. A system component prevented the system from switching back from generator power to BC Hydro. This led to low water in the upper part of town. The Village activated its Emergency Response Plan, and a Boil Water Notice was issued due to increased turbidity. The issue was fixed with the help of an electrician, the reservoirs were refilled, and water samples came back with no issues. Interior Health removed the notice.

During a reservoir inspection, an issue was found in one chamber of the Denver Siding reservoir. The chamber was isolated before the material entered the distribution system. Interior Health was contacted, samples were taken, and a preventive Boil Water Notice was issued. The affected chamber was drained, disinfected, and flushed before being returned to service.

In August, the Denver Siding section of the system had a total coliform issue. The Village completed flushing, reservoir disinfection, and repeated testing. A preventive notice remained in place for the Denver Siding section pending annual chlorination and planned upgrades.

Fleet and Equipment

In 2025, the Village continued to maintain its public works fleet and equipment. The fleet includes a loader, backhoe, Bobcat, dump truck, garbage truck, plow and sanding equipment, pickup trucks, mowers, and small equipment.

Fleet work included routine maintenance, safety records, and review of older equipment.

Planning also continued for renewal of core public works equipment, including the planned replacement of the Village backhoe in 2026.

Facilities

The Village continued facility maintenance and asset tracking for municipal buildings and public facilities.

This work included halls, washrooms, the Village office and fire hall, NIMC buildings, pumphouses, museum facilities, playgrounds, the sand shed, and park infrastructure.

The Village also maintained records for inspections, fire extinguishers, filters, and other facility needs.

Solid Waste and Garbage Collection

In 2025, the Village continued to provide municipal garbage collection services.

The Village maintained records related to garbage routes, commercial collection, waste labels, public garbage cans, dog-waste dispensers, RDCK waste slips, and recycling and depot arrangements.

The Village continued to manage older solid-waste equipment as part of its fleet and service delivery work.

Development Services

Development Services supports land use, planning, development review, development inquiries, land administration, and bylaw work.

In 2025, the Village continued to respond to property, mapping, land-use, and development inquiries. This included review of property records, mapping, aerial imagery, title and right-of-way information, access questions, setback questions, and early development questions.

The Village also continued work on land administration, housing-related planning, and future bylaw updates.

Several larger planning projects were carried forward for future completion. These included:

- the Official Community Plan and Zoning Bylaw review;
- the Housing Needs Report;
- Housing Act implementation work;
- the Downtown Revitalization Plan;
- old landfill environmental approval work;

Downtown Revitalization Plan

Work continued on the Downtown Revitalization Plan in 2025. The plan remained in draft form at year-end after project costs exceeded the original estimate.

In 2026, the Village applied for more funding to support completion of the plan.

Progress on 2025 Priorities

Council’s 2025 work plan was ambitious for a small municipality. It included major infrastructure, accessibility, planning, emergency management, parks, housing, flood mitigation, and administration projects.

Some projects were completed in 2025. Other work was advanced and carried forward because of staff capacity, funding needs, technical work, grant timing, outside approvals, and the change in senior administration.

Completed in 2025

Priority	2025 Progress
Well Relocation	New municipal wells were brought into service, and the old wells were decommissioned.
Centennial Park	The stage, gathering space, washroom, servicing, and site improvements were completed.
Emergency Response Plan	Emergency planning work was completed for the 2025 work plan.
Accessibility Plan	Accessibility planning work was completed.
Knox Hall Accessibility	Accessibility upgrades were completed.
Emergency Act Changes	Implementation work was completed for the 2025 work plan.
Community Wildfire Resiliency Plan	A new Community Wildfire Resiliency Plan was completed.

Advanced or Carried Forward

Priority	2025 Progress / Next Step
Orchard Water Line	Carried forward. The 2026 priorities include work on a new watermain across Carpenter Creek Bridge to the Orchard neighbourhood.
Downtown Revitalization	Draft plan advanced in 2025. More funding was applied for in 2026 to support completion.
Kootenay Street Active Transportation	Carried forward for future planning, funding, or implementation.
OCP and Zoning Bylaws	Carried forward. Future work will need to reflect provincial housing changes and local planning needs.
NG911	Carried forward. 2026 priorities include updated imagery and civic addressing review and updates.
Library Status	Carried forward with continued work toward library transition.
Old Landfill	Carried forward. Environmental approvals and related work are still required.
Housing Needs Report	Carried forward. 2026 priorities include preparation of the updated Housing Needs Report.
Floodplain Mapping	Carried forward for future technical work.
Traffic Calming	Carried forward for future planning or implementation.
Cemetery Improvements	Carried forward. Routine cemetery maintenance continued in 2025.
Housing Act Changes	Carried forward for future policy and bylaw work.
Flood Mitigation	Carried forward. 2026 priorities include flood mitigation work to improve the creek channel and limit future damage.

No Longer Applicable

Priority	2025 Progress
Connectivity / Last Mile	This item was no longer considered relevant by year-end.

2026 Objectives and Measures

In 2026, the Village will continue to focus on core services, infrastructure, planning, emergency readiness, accessibility, and long-term financial stability.

The following objectives and measures are based on the 2026 priorities provided for this report.

2026 Objective	Measure
Advance the Orchard waterline	Continue work on a new watermain across Carpenter Creek Bridge to the Orchard neighbourhood.
Continue emergency planning	Update, train, and exercise the Emergency Response Plan.
Complete NG911 civic addressing work	Review and update imagery and civic addressing to support NG911 requirements.
Improve public spaces with tree planting and landscaping	Complete funded planting and landscape work along the Kizuna Trail and at the Slocan Avenue pocket park.
Continue old landfill work	Continue work toward environmental approvals and future use options.
Complete the Housing Needs Report	Prepare the updated Housing Needs Report based on provincial housing requirements.
Continue Emergency Act implementation	Continue Indigenous engagement and emergency management work required under provincial legislation.
Continue Housing Act implementation	Review housing-related bylaws, policies, and funding options.
Advance flood mitigation	Continue design and review work to improve the creek channel and limit future damage.
Review Denver Siding water extension options	Continue review of potential water connections in the boundary extension area.
Improve asset management	Update asset inventory information and continue work toward a strategic asset management plan.
Improve recreation accessibility for children	Complete funded recreation accessibility improvements.
Plan for emergency storage	Continue planning for storage for emergency response equipment and related reservoir work.
Support library transition	Continue working with the North Slocan Library Society toward registered library status.
Support community-led projects	Work with community groups on projects such as active transportation, disc golf, community composting, signage, and Emergency Support Services.
Review bylaws	Continue review of bylaws including OCP, Zoning, Fees and Charges, Business, Building, Animal Control, Burning, Good Neighbour, and Subdivision and Development Servicing.
Review policies	Continue work on policies for facility rentals, cell phones, human resources, media relations, travel, and expense reimbursement.
Renew public works equipment	Complete the purchase and commissioning of a replacement backhoe.
Review municipal fees and charges	Complete a full Fees and Charges Bylaw review and bring recommended updates to Council.
Support administrative stability	Onboard the new joint CAO/CO and continue improving records, statutory reporting, project tracking, and service delivery.

Statement of Financial Information

The following pages contain the Village of New Denver’s 2025 Statement of Financial Information and audited financial statements.

DRAFT FOR REVIEW

The Corporation of the Village of New Denver

2025 STATEMENT OF FINANCIAL INFORMATION

DRAFT FOR REVIEW

Statement of Financial Information (SOFI)

THE CORPORATION OF THE VILLAGE OF NEW DENVER

Fiscal Year Ended December 31, 2025

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7. Schedule of Payments for the Provision of Goods and Services
8. Explanation of Differences to Audited Financial Statements

Statement of Financial Information (SOFI)

THE CORPORATION OF THE VILLAGE OF NEW DENVER

Fiscal Year Ended December 31, 2025

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.

Leonard Casley
Mayor



Nathan Russ, CPA, CMA
Chief Financial Officer

Statement of Financial Information (SOFI)

THE CORPORATION OF THE VILLAGE OF NEW DENVER

Fiscal Year Ended December 31, 2025

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, Grant Thornton LLP, 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 New Denver



Nathan Russ, CPA, CMA
Chief Financial Officer
May 22, 2026

THE CORPORATION OF THE VILLAGE OF NEW DENVER
FINANCIAL STATEMENTS
DECEMBER 31, 2025

DRAFT FOR REVIEW

THE CORPORATION OF THE VILLAGE OF NEW DENVER
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For the Year Ended December 31, 2025

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THE CORPORATION OF THE VILLAGE OF NEW DENVER MANAGEMENT REPORT

For the Year Ended December 31, 2025

RESPONSIBILITY FOR FINANCIAL REPORTING

Management is responsible for the preparation of the accompanying financial statements. The financial statements have been prepared in accordance with the accounting principles disclosed in Note 1 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 New Denver'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 New Denver's assets are safeguarded and that reliable financial records are maintained to form a proper basis for preparation of the financial statements.

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



Nathan Russ, CPA, CMA
Financial Officer

Independent auditor's report

To the Mayor and Council of
The Corporation of the Village of New Denver

Opinion

We have audited the financial statements of the Corporation of the Village of New Denver (“the Village”), which comprise the statement of financial position as at December 31, 2025, and the statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation of the Village of New Denver as at December 31, 2025, and its results of operations, its changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Other Matter – Predecessor Auditor

The financial statements of the Village for the year ended December 31, 2024, were audited by another firm of Chartered Professional Accountants who expressed an unmodified opinion on those statements on May 13, 2025.

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

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

In preparing the financial statements, management is responsible for assessing the Village's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using

the going concern basis of accounting unless management either intends to liquidate the 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 taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

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

Castlegar, Canada
May 12, 2026

Doane Grant Thornton LLP

Chartered Professional Accountants

THE CORPORATION OF THE VILLAGE OF NEW DENVER
STATEMENT OF FINANCIAL POSITION

As at December 31, 2025

	<u>2025</u>	<u>2024</u>
Financial Assets		
Cash and cash equivalents (Note 2)	\$ 1,967,514	\$ 2,404,403
Accounts receivable (Note 3)	<u>409,109</u>	<u>757,636</u>
	<u>2,376,623</u>	<u>3,162,039</u>
Financial Liabilities		
Accounts payable and accrued liabilities (Note 5)	71,462	193,186
Deferred revenue (Note 6)	735,403	1,035,782
Accrued future payroll benefits (Note 7)	13,088	6,932
Debt (Note 8)	115,714	149,895
Asset retirement obligations (Note 9)	<u>79,823</u>	<u>76,218</u>
	<u>1,015,490</u>	<u>1,462,013</u>
Net Financial Assets	1,361,133	1,700,026
Non-Financial Assets		
Tangible capital assets (Note 10)	9,990,868	8,805,717
Prepaid expenses	<u>26,997</u>	<u>25,504</u>
	<u>10,017,865</u>	<u>8,831,221</u>
Accumulated Surplus (Note 11)	<u>\$ 11,378,998</u>	<u>\$ 10,531,247</u>

Commitments and Contingencies (Note 16)



Nathan Russ, CPA, CMA
Financial Officer

THE CORPORATION OF THE VILLAGE OF NEW DENVER
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the Year Ended December 31, 2025

	<u>2025 Budget</u> (Note 16)	<u>2025</u>	<u>2024</u>
Revenue			
Taxes	\$ 459,334	\$ 469,619	\$ 441,545
Sale of services	241,101	267,021	227,009
Other revenue from own sources	106,250	98,351	109,085
Investment income	15,000	32,380	24,069
Government transfers - unconditional	322,000	312,000	356,000
Government transfers - conditional	3,202,022	1,435,983	1,131,319
Water user fees	193,758	201,633	188,732
Gain on disposal of tangible capital assets	-	2,400	40,660
	<u>4,539,465</u>	<u>2,819,387</u>	<u>2,518,419</u>
Expenses			
General government	652,246	443,737	436,663
Protective services	334,728	229,744	210,354
Transportation services	307,239	220,945	226,424
Environmental health services	202,215	82,601	91,753
Public health and welfare services	50,296	25,608	22,301
Parks, recreation and cultural services	373,330	429,365	333,475
Interest and other debt charges	9,733	10,078	5,910
Water utility operations	212,372	217,298	151,022
Amortization	250,000	308,655	255,771
Accretion	-	3,605	3,442
	<u>2,392,159</u>	<u>1,971,636</u>	<u>1,737,115</u>
Annual surplus	2,147,308	847,751	781,304
Accumulated surplus, beginning of the year	<u>10,531,247</u>	<u>10,531,247</u>	<u>9,749,943</u>
Accumulated surplus, end of the year	<u>\$ 12,678,555</u>	<u>\$ 11,378,998</u>	<u>\$ 10,531,247</u>

THE CORPORATION OF THE VILLAGE OF NEW DENVER
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

For the Year Ended December 31, 2025

	<u>2025 Budget</u>	<u>2025</u>	<u>2024</u>
Annual surplus	\$ 2,147,308	\$ 847,751	\$ 781,304
Acquisition of tangible capital assets	(2,809,901)	(1,493,806)	(1,026,074)
Amortization of tangible capital assets	250,000	308,655	255,771
Proceeds on sale of tangible capital assets	-	2,400	50,000
Gain disposal of tangible capital assets	<u>-</u>	<u>(2,400)</u>	<u>(40,660)</u>
	(412,593)	(337,400)	20,341
Acquisition of prepaid expenses	<u>-</u>	<u>(1,493)</u>	<u>(9,646)</u>
Increase in net financial assets	(412,593)	(338,893)	10,695
Net financial assets, beginning of year	<u>1,700,026</u>	<u>1,700,026</u>	<u>1,689,331</u>
Net financial assets, end of the year	<u>\$ 1,287,433</u>	<u>\$ 1,361,133</u>	<u>\$ 1,700,026</u>

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

THE CORPORATION OF THE VILLAGE OF NEW DENVER
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2025

	<u>2025</u>	<u>2024</u>
Cash Provided by (Used In)		
Operating Activities		
Annual surplus	\$ 847,751	\$ 781,304
Items not involving cash:		
Amortization of tangible capital assets	308,655	255,771
Accretion	3,605	3,442
Actuarial adjustments	(13,817)	(12,510)
Gain on disposal of tangible capital assets	(2,400)	(40,660)
	<u>1,143,794</u>	<u>987,347</u>
Increase (decrease) in non-cash operating items:		
Accounts receivable	348,527	(83,042)
Accounts payable and accrued liabilities	(121,724)	37,605
Deferred revenue	(300,379)	401,474
Prepaid expenses	(1,493)	(9,646)
	<u>1,074,881</u>	<u>1,333,738</u>
Financing Activities		
Debt repayment	<u>(20,364)</u>	<u>(20,364)</u>
Capital Activities		
Proceeds from disposal of tangible capital assets	2,400	50,000
Acquisition of tangible capital assets	<u>(1,493,806)</u>	<u>(1,026,074)</u>
Net increase (decrease) in cash and cash equivalents	(436,889)	337,300
Cash and cash equivalents, beginning of year	<u>2,404,403</u>	<u>2,067,103</u>
Cash and cash equivalents, end of year	<u>\$ 1,967,514</u>	<u>\$ 2,404,403</u>

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

THE CORPORATION OF THE VILLAGE OF NEW DENVER

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

1. Significant Accounting Policies

The Corporation of the Village of New Denver (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 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, 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) 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.

(g) Cash and Cash Equivalents

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

THE CORPORATION OF THE VILLAGE OF NEW DENVER

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

1. Significant Accounting Policies (continued)

(h) 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	15 to 60 years
Fixtures, Furniture, Equipment and Vehicles	5 to 25 years
Roads and Paving	40 years
Bridges and Other Transportation Structures	10 to 100 years
Water Infrastructure	10 to 100 years

(i) 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.

(j) Statutory Reserves

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

(k) 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, 2025.

(l) 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.

THE CORPORATION OF THE VILLAGE OF NEW DENVER

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

1. Significant Accounting Policies (continued)

(m) Budget

Budget data presented in these financial statements is based on the Village's Five Year Financial Plan for the years 2025-2029, adopted by Council on April 22, 2025.

(n) 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.

(o) 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. Cash and Cash Equivalents

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

	<u>2025</u>	<u>2024</u>
Cash	\$ 1,934,538	\$ 2,372,348
MFA bond and money market funds	<u>32,976</u>	<u>32,055</u>
	<u>\$ 1,967,514</u>	<u>\$ 2,404,403</u>

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

THE CORPORATION OF THE VILLAGE OF NEW DENVER
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

3. Accounts Receivable

	<u>2025</u>	<u>2024</u>
Property taxes	\$ 31,264	\$ 62,172
Utility billings	17,962	21,155
Other governments	16,538	40,988
Trade and other receivables	<u>343,345</u>	<u>633,321</u>
	<u>\$ 409,109</u>	<u>\$ 757,636</u>

4. Municipal Finance Authority Debt Reserve Fund

The Municipal Finance Authority of British Columbia (MFA) provides capital financing for regional districts and their member municipalities. The MFA is required to establish a Debt Reserve Fund. The MFA must then use this fund if at any time there are insufficient funds to meet payments on its obligations. If this occurs the regional districts may be called upon to restore the fund.

Each regional district, through its member municipalities who share in the proceeds of a debt issue, is required to pay into the Debt Reserve Fund certain amounts set out in the financing agreements. The interest earned on the Debt Reserve Fund, less administrative expenses, becomes an obligation of the MFA to the regional districts.

Upon maturity of a debt issue, the unused portion of the Debt Reserve Fund established for that issue will be discharged to the Municipality. The proceeds from these discharges will be credited to income in the year they are received. As at December 31, 2025, the total of the Debt Reserve Fund was comprised of:

	<u>2025</u>	<u>2025</u>	<u>2025</u>	<u>2024</u>
	Cash Deposit	Demand Note	Total	Total
General fund	\$ <u>3,193</u>	\$ <u>6,983</u>	\$ <u>10,176</u>	\$ <u>25,132</u>

5. Accounts Payable and Accrued Liabilities

	<u>2025</u>	<u>2024</u>
Trades payable	\$ 47,480	\$ 163,042
Accrued wages	22,706	29,212
Accrued interest	<u>1,276</u>	<u>932</u>
	<u>\$ 71,462</u>	<u>\$ 193,186</u>

THE CORPORATION OF THE VILLAGE OF NEW DENVER
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

6. Deferred Revenue

	<u>Opening Balance</u>	<u>Contributions Received</u>	<u>Revenue Recognized</u>	<u>Ending Balance</u>
Federal Gas tax grant*	\$ -	\$ 85,586	\$ (85,586)	\$ -
Federal government grants	344,319	81,935	(264,622)	161,632
BC Provincial grants	444,817	47,000	(196,767)	295,050
Other grants and contributions	<u>246,646</u>	<u>507,480</u>	<u>(475,405)</u>	<u>278,721</u>
	<u>\$ 1,035,782</u>	<u>\$ 722,001</u>	<u>\$ (1,022,380)</u>	<u>\$ 735,403</u>

* The Federal Gas tax grant is recognized into revenue and immediately transferred into the Community Works fund.

7. Accrued Future Payroll Benefits

	<u>2025</u>	<u>2024</u>
Vacation payable	\$ 1,013	\$ 2,544
Banked time	10,794	470
Sick accrual	<u>1,281</u>	<u>3,918</u>
	<u>\$ 13,088</u>	<u>\$ 6,932</u>

8. Debt

Debt Bylaw #	Purpose of Bylaw	Interest rate %	Year of Maturity	Original Issue	2025 Balance	2024 Balance
<u>General Purposes:</u>						
577	Paving	1.99	2025	\$ 220,000	\$ -	\$ 16,813
696	Fire truck	2.10	2031	<u>255,000</u>	<u>115,714</u>	<u>133,082</u>
	Total Debt			<u>\$ 475,000</u>	<u>\$ 115,714</u>	<u>\$ 149,895</u>

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

	<u>Total</u>
2025	\$ 17,889
2026	17,889
2027	17,889
2028	17,889
2029	17,889
Thereafter	<u>26,269</u>
	<u>\$ 115,714</u>

THE CORPORATION OF THE VILLAGE OF NEW DENVER

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

9. 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..

The Village has adopted the standard prospectively. Under the prospective method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard. Estimated costs totaling \$176,188 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 2026 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:

	<u>2025</u>	<u>2024</u>
Opening asset retirement obligation	\$ 76,218	\$ 72,776
Increase due to accretion	<u>3,605</u>	<u>3,442</u>
Closing asset retirement obligation	<u>\$ 79,823</u>	<u>\$ 76,218</u>

10. Tangible Capital Assets

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2025 Net Book Value</u>	<u>2024 Net Book Value</u>
Land	\$ 1,221,201	\$ -	\$ 1,221,201	\$ 1,221,201
Buildings	2,280,476	770,924	1,509,552	1,526,154
Vehicles, equipment & furniture	1,992,226	1,007,089	985,137	1,067,259
Engineering structures	3,033,756	285,522	2,748,234	1,270,422
Transportation infrastructure	781,674	399,059	382,615	402,157
Water machinery & equipment	55,459	52,646	2,813	3,109
Water infrastructure	3,971,720	963,751	3,007,969	1,179,864
Assets under construction	<u>133,347</u>	<u>-</u>	<u>133,347</u>	<u>2,135,551</u>
	<u>\$ 13,469,859</u>	<u>\$ 3,478,991</u>	<u>\$ 9,990,868</u>	<u>\$ 8,805,717</u>

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

THE CORPORATION OF THE VILLAGE OF NEW DENVER**NOTES TO THE FINANCIAL STATEMENTS**December 31, 2025

11. Accumulated Surplus

	<u>2025</u>	<u>2024</u>
Reserves		
Community works fund	\$ 189,671	\$ 448,960
Fire department equipment	191,295	106,484
Growing communities	210,518	403,823
Heritage preservation, maintenance & restoration	108,060	106,696
Machinery & equipment	100,720	55,017
Land sale	50,639	50,000
Water capital	<u>32,347</u>	<u>87,654</u>
	<u>883,250</u>	<u>1,258,634</u>
General	446,838	379,900
Capital	7,340	7,340
Water	<u>246,237</u>	<u>305,768</u>
Operating surplus	<u>700,415</u>	<u>693,008</u>
Invested in tangible capital assets	<u>9,795,333</u>	<u>8,579,605</u>
Total Accumulated Surplus	<u>\$ 11,378,998</u>	<u>\$ 10,531,247</u>

12. 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:

	<u>2025</u>	<u>2024</u>
Balances, beginning of year	\$ 13,223	\$ 13,147
Contributions received	-	-
Interest earned	<u>76</u>	<u>76</u>
Balances, end of year	<u>\$ 13,299</u>	<u>\$ 13,223</u>

THE CORPORATION OF THE VILLAGE OF NEW DENVER

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

13. 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.

	<u>2025</u>	<u>2024</u>
Provincial Government - School taxes	\$ 356,847	\$ 344,592
Provincial Government - Police taxes	42,854	41,343
Regional District of Central Kootenay	174,989	159,172
West Kootenay Boundary Hospital District	31,351	30,167
British Columbia Assessment Authority	7,407	6,901
Municipal Finance Authority	40	39
	<u>\$ 613,488</u>	<u>\$ 582,214</u>

14. Pension Plan

The Village of New Denver and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2024, the plan has about 273,000 active members and approximately 133,000 retired members. Active members include approximately 47,000 contributors from local governments.

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

The most recent valuation of the Municipal Pension Plan at December 31, 2024, indicated a \$2,675 million funding surplus for basic pension benefits on a going concern basis.

The next valuation will be as at December 31, 2027 with results available in 2028.

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 New Denver paid \$27,484 (2024 - \$32,227) for employer contributions to the plan in fiscal 2025.

THE CORPORATION OF THE VILLAGE OF NEW DENVER

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

15. Government Transfers

Government transfers received during the year were composed of the following:

	2025	2025	2024	2024
	<u>Unconditional</u>	<u>Conditional</u>	<u>Unconditional</u>	<u>Conditional</u>
Federal government	\$ -	\$ 99,050	\$ -	\$ 14,496
Provincial government	312,000	603,191	356,000	567,750
Regional/other	-	733,742	-	549,073
	<u>\$ 312,000</u>	<u>\$ 1,435,983</u>	<u>\$ 356,000</u>	<u>\$ 1,131,319</u>

16. 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 New Denver.

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 NEW DENVER

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

17. Segments

The Village provides a range of services to its citizens. For each reported segment, the revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1.

Refer to Schedule B - Schedule of Segmented Information

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:

	<u>2025</u>
Budget deficit per Statement of Operations	\$ 2,147,308
Less: Tangible capital expenditures	2,809,901
Debt principal repayments	20,364
Budgeted transfers to surplus and reserves	251,185
Add: Budgeted transfers from reserves and surplus	684,142
Amortization	<u>250,000</u>
Net annual budget	<u><u>\$ -</u></u>

19. Comparative figures

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

THE CORPORATION OF THE VILLAGE OF NEW DENVER
SCHEDULE A - SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2025

	Opening Balance	Additions & Reallocation of Assets Under Construction	Disposals	Closing Balance	Accumulated Amortization Opening Balance	Amortization Expense	Reduction on Disposals	Accumulated Amortization Closing Balance	Net Carrying Amount End of year
Tangible Capital Assets									
Land	\$ 1,221,201	\$ -	\$ -	\$ 1,221,201	\$ -	\$ -	\$ -	\$ -	\$ 1,221,201
Buildings	2,239,727	40,749	-	2,280,476	713,573	57,351	-	770,924	1,509,552
Vehicles, equipment & furniture	1,999,849	28,927	(36,550)	1,992,226	932,590	111,049	(36,550)	1,007,089	985,137
Engineering structures	1,494,473	1,539,283	-	3,033,756	224,051	61,471	-	285,522	2,748,234
Transportation infrastructure	781,674	-	-	781,674	379,517	19,542	-	399,059	382,615
Water machinery & equipment	55,459	-	-	55,459	52,350	296	-	52,646	2,813
Water infrastructure	2,084,669	1,887,051	-	3,971,720	904,805	58,946	-	963,751	3,007,969
Assets under construction	2,135,551	(2,002,204)	-	133,347	-	-	-	-	133,347
Total	\$ 12,012,603	\$ 1,493,806	\$ (36,550)	\$ 13,469,859	\$ 3,206,886	\$ 308,655	\$ (36,550)	\$ 3,478,991	\$ 9,990,868

THE CORPORATION OF THE VILLAGE OF NEW DENVER
SCHEDULE B - SCHEDULE OF SEGMENTED INFORMATION

For the Year Ended December 31, 2025

	General Government	Protective Services	Transportation Services	Environmental Health Services	Public Health Services	Parks & Recreation	Water Utility	2025 Total
Revenues								
Taxes	\$ 469,619	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 469,619
Sales of Service	-	-	-	103,381	1,482	159,871	2,287	267,021
Other revenue from own services	23,225	-	-	-	-	75,126	-	98,351
Investment income	32,380	-	-	-	-	-	-	32,380
Government transfers - unconditional	312,000	-	-	-	-	-	-	312,000
Government transfers - conditional	353,610	118,672	2,051	-	17,852	719,218	224,580	1,435,983
Water user fees	-	-	-	-	-	-	201,633	201,633
Gain on sale of assets	-	-	2,400	-	-	-	-	2,400
	<u>1,190,834</u>	<u>118,672</u>	<u>4,451</u>	<u>103,381</u>	<u>19,334</u>	<u>954,215</u>	<u>428,500</u>	<u>2,819,387</u>
Expenditures								
Wages and benefits	161,806	26,998	86,916	27,269	12,176	142,882	82,310	540,357
Supplies and services	281,931	202,746	134,029	55,332	13,432	286,483	134,988	1,108,941
Interest and other debt charges	-	4,723	5,355	-	-	-	-	10,078
Amortization	31,272	67,218	71,181	9,763	-	69,979	59,242	308,655
Accretion	1,892	-	-	-	-	-	1,713	3,605
	<u>476,901</u>	<u>301,685</u>	<u>297,481</u>	<u>92,364</u>	<u>25,608</u>	<u>499,344</u>	<u>278,253</u>	<u>1,971,636</u>
Annual Surplus (Deficit)	<u>\$ 713,933</u>	<u>\$ (183,013)</u>	<u>\$ (293,030)</u>	<u>\$ 11,017</u>	<u>\$ (6,274)</u>	<u>\$ 454,871</u>	<u>\$ 150,247</u>	<u>\$ 847,751</u>

THE CORPORATION OF THE VILLAGE OF NEW DENVER
SCHEDULE C - GROWING COMMUNITIES FUND RECONCILIATION
December 31, 2025

Province of BC Growing Communities Fund reconciliation

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

	<u>2025</u>
Growing Communities Fund opening balance	\$ 403,823
Interest earned during the year	5,162
Less: Eligible use of funds	198,467
Remaining grant	<u>\$ 210,518</u>

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THE CORPORATION OF THE VILLAGE OF NEW DENVER
SCHEDULE D - CAPACITY FUNDING RECONCILIATION
December 31, 2025

Province of BC Capacity Funding for Local Government Housing Initiatives reconciliation

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

	<u>2025</u>
Capacity Fund opening balance	\$ 152,296
Less: Eligible use of funds	-
Remaining grant	<u>\$ 152,296</u>

DRAFT FOR REVIEW

Statement of Financial Information (SOFI)

THE CORPORATION OF THE VILLAGE OF NEW DENVER

Fiscal Year Ended December 31, 2025

SCHEDULE OF DEBT

Information on all long term debt is included in the Audited Financial Statements of The Corporation of the Village of New Denver.

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

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Statement of Financial Information (SOFI)

THE CORPORATION OF THE VILLAGE OF NEW DENVER

Fiscal Year Ended December 31, 2025

SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS

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

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

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THE CORPORATION OF THE VILLAGE OF NEW DENVER
 SCHEDULE OF REMUNERATION AND EXPENSE
 YEAR ENDED DECEMBER 31, 2025

NAME		REMUNERATION	EXPENSE
ELECTED OFFICIALS			
	POSITION		
Casley, Leonard	Mayor	\$ 6,188	\$ 3,815
Fyke, John	Councillor	3,384	3,415
Hammond, Danika	Councillor	3,384	1,822
Law, Casey	Councillor	3,384	-
Moss, Colin	Councillor	3,384	-
TOTAL ELECTED OFFICIALS		19,723	9,053
 DETAILED EMPLOYEES > \$75,000			
Macaulay, Keith		77,300	2,031
		77,300	2,031
 TOTAL EMPLOYEES <= \$75,000			
		454,321	8,989
TOTAL		\$ 551,343	\$ 20,072
TOTAL EMPLOYER PREMIUM FOR CPP/EI			\$ 34,916

STATEMENTS OF SEVERANCE AGREEMENTS

There was one (1) severance agreement in the fiscal year 2025

The agreement represented a lump sum payment equating to six (6) months of salary

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

THE CORPORATION OF THE VILLAGE OF NEW DENVER
 SCHEDULE OF PAYMENTS TO SUPPLIERS OF GOODS AND SERVICES
 YEAR ENDED DECEMBER 31, 2025

DETAILED SUPPLIERS >\$25,000

<u>SUPPLIER NAME</u>	<u>EXPENSE</u>
BC HYDRO & POWER AUTHORITY	\$ 49,142
Brenton Industries Ltd.	335,373
City of Nelson	37,170
Greg McTaggart	48,415
Highland Creek Contracting LTD	31,750
Kays Road Contracting Ltd.	516,972
Mearls Machine Works LTD	32,629
Municipal Insurance Association BC	38,197
North Mountain Construction	514,154
Peak Environmental Ltd	25,373
Sensible Solutions Inc	37,329
SIFCo	80,764
The Critical Thinking Consortium	43,733
TRUE Consulting	235,639

TOTAL DETAILED SUPPLIERS >\$25,000	2,026,638
TOTAL SUPPLIERS <= \$25,000	524,440
TOTAL SUPPLIERS	2,551,077
GRANTS AND CONTRIBUTIONS >\$25,000	
TOTAL PAYMENTS, GRANTS AND CONTRIBUTIONS	\$ 2,551,077

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

The Corporation of the Village of New Denver
PAYMENT TO FINANCIAL STATEMENT RECONCILIATION
Fiscal Year Ended December 31, 2025

S.O.F.I. Report Scheduled Payments

Remuneration	\$ 551,343	
Employee Expenses	20,072	
Employer CPP/EI	<u>34,916</u>	\$ 606,332

Payments for Goods and Services 2,551,077

Total of Scheduled Payments **\$ 3,157,409**

Total of Financial Statement Expenditures **\$ 1,971,636**

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

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

Prepared under the Financial Information Regulation, Schedule 1, subsection 6(2d) and subsection 7(1b)