

Independent auditor's report

To the Mayor and Council of City of Prince Rupert

Qualified Opinion

We have audited the consolidated financial statements of City of Prince Rupert ("the City"), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statements of operations, change in net financial assets (debt) and cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effect of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of City of Prince Rupert as at December 31, 2025, and its results of operations, its changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

We have determined that the City has control over the Prince Rupert Airport Authority however, has not consolidated this government organization in the consolidated financial statements. This constitutes a departure from Canadian public sector accounting standards which requires that other government organizations be consolidated into the City's consolidated financial statements. The impact of this departure from Canadian public sector accounting standards has not been determined and therefore, we were unable to determine what adjustments were necessary to financial assets, liabilities, non-financial assets, and net assets as at December 31, 2025 and January 1, 2025, and revenue over expenditures, and cash flows for the year ended December 31, 2025.

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

Other matter – previous auditor

The consolidated financial statements for the year ended December 31, 2024 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on May 8, 2025.

Other matter – supplementary information

We draw attention to the fact that the supplementary information included in Schedules 13 and 14 are for information purposes only and do not form part of the consolidated financial statements. We have not audited or reviewed this supplementary information and accordingly, we do not express an opinion, a review conclusion or any other form of assurance on this supplementary information.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

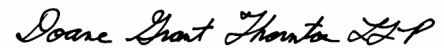
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to

the date of our auditor's report. However, future events or conditions may cause the City to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of audit work performed for purposes of the group 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.

Prince Rupert, Canada
June 9, 2026



Chartered Professional Accountants

City of Prince Rupert

2025 Consolidated Financial Statements

City of Prince Rupert

	2025	2024
Consolidated Statement of Financial Position		
December 31		
Financial Assets		
Cash and Cash Equivalents	\$ 132,841,032	\$ 124,835,284
Taxes Receivable (Note 2a)	2,747,084	2,437,946
General Receivables (Note 2b)	13,530,527	8,983,738
Deposit-Municipal Finance Authority (Note 3)	490,773	435,523
Land Inventory for Resale (Note 4)	462,658	-
Loans to Prince Rupert Airport Authority (Note 5)	5,629,030	6,090,096
	<u>\$ 155,701,104</u>	<u>\$ 142,782,587</u>
Liabilities		
Accounts Payable and Accrued Liabilities (Note 6a)	\$ 19,146,398	\$ 16,050,431
Deposits and Prepayments	898,451	3,011,638
Deferred Revenue (Note 6b)	71,054,907	78,576,207
Asset Retirement Obligations (Note 7)	19,628,693	9,878,788
Reserves - Municipal Finance Authority (Note 3)	93,744	91,019
Loans Payable (Schedule 11 and Note 8)	6,276,509	24,987,626
Debenture Debt (Schedule 12 and Note 8)	38,223,506	22,455,773
	<u>\$ 155,322,208</u>	<u>\$ 155,051,482</u>
Net Financial Assets (Debt) (Statement C)	<u>\$ 378,896</u>	<u>\$ (12,268,895)</u>
Non-financial Assets		
Tangible Capital Assets (Schedule 3 and Note 1c)	\$ 252,014,439	\$ 204,141,801
Inventories of Supplies (Note 1d)	1,878,609	1,916,071
Investment in City West Cable & Tel. Corp. (Schedule 4 and Note 9)	48,108,763	48,389,763
	<u>\$ 302,001,811</u>	<u>\$ 254,447,635</u>
Net Assets (Note 11)	<u>\$ 302,380,707</u>	<u>\$ 242,178,740</u>

Signed copy available upon request. Contact City Hall administration at (250) 627 0934 or email finance@princ Rupert.ca

Corinne Bomben, CPA, CA
Chief Financial Officer

City of Prince Rupert

Consolidated Statement of Operations For The Year Ended December 31

	2025 <u>Budget</u>	2025 <u>Actual</u>	2024 <u>Actual</u>
Revenues			
Taxes (Net) (Schedule 6)	\$ 32,905,000	\$ 34,324,872	\$ 31,276,603
Sale of Services (Schedule 7)	16,091,000	17,809,003	14,618,568
Services Provided to Other Governments	120,000	121,123	135,888
Government Transfers (Schedule 8)	122,212,025	46,047,842	20,257,411
Fees, Permits, Licenses and Fines (Schedule 9)	423,000	851,817	419,440
Investment Income	1,523,000	5,241,967	6,323,628
City West Cable & Tel. Corp. (Schedule 4)	-	219,000	(61,000)
Prince Rupert Legacy Inc.	-	4,871,697	3,265,813
Miscellaneous (Schedule 9)	1,817,000	2,266,332	2,804,863
Total Revenue	<u>\$ 175,091,025</u>	<u>\$ 111,753,653</u>	<u>\$ 79,041,214</u>
Expenses			
Protection to Persons and Property	\$ 15,575,200	\$ 14,174,840	\$ 14,604,757
Water, Sewage and Solid Waste	9,965,600	8,935,432	9,499,134
Roadways and Transportation	6,612,600	6,592,502	6,193,995
Recreation and Culture	7,167,500	6,847,963	6,436,681
General Government	9,311,300	9,713,053	9,688,972
Amortization of Tangible Capital Assets	-	5,292,880	4,954,465
(Gain) loss on disposal of Tangible Capital Assets	-	(624,626)	-
Accretion of Asset Retirement Obligations	-	325,355	311,639
Other	370,400	294,287	314,422
Total Expenses (Schedule 10)	<u>\$ 49,002,600</u>	<u>\$ 51,551,686</u>	<u>\$ 52,004,065</u>
Annual Surplus	\$ 126,088,425	\$ 60,201,967	\$ 27,037,149
Opening Net Assets	<u>\$ 242,178,740</u>	<u>\$ 242,178,740</u>	<u>\$ 215,141,591</u>
Closing Net Assets (Statement A)	<u>\$ 368,267,165</u>	<u>\$ 302,380,707</u>	<u>\$ 242,178,740</u>

City of Prince Rupert

Consolidated Statement of Changes in Net Financial Asset (Debt) For The Year Ended December 31

	<u>2025 Budget</u>	<u>2025 Actual</u>	<u>2024 Actual</u>
Annual Surplus (Statement B)	\$ 126,088,425	\$ 60,201,967	\$ 27,037,149
Acquisition of Tangible Capital Assets (Schedule 1 & 3)	(111,017,407)	(43,402,835)	(49,718,326)
Amortization of Tangible Capital Assets	-	5,292,880	4,954,465
Adjustments to Estimates of ARO underlying asset cost	-	(10,000,000)	(2,087,640)
City West Cable and Tel. Corp.			
(Net Income) Loss of Corporation	-	(219,000)	61,000
Repayment of loan	-	500,000	500,000
Change in Inventories of Supplies	-	37,462	115,533
Change in Net Financial Assets	<u>\$ 15,071,018</u>	<u>\$ 12,647,791</u>	<u>\$ (19,137,819)</u>
Net Financial Assets (Debt) at Beginning of Year	<u>\$ (12,268,895)</u>	<u>\$ (12,268,895)</u>	<u>\$ 6,868,924</u>
Net Financial Assets (Debt) at End of Year	<u><u>\$ 2,802,123</u></u>	<u><u>\$ 378,896</u></u>	<u><u>\$ (12,268,895)</u></u>

City of Prince Rupert

Consolidated Statement of Cash Flows For The Year Ended December 31

	2025	2024
	Actual	Actual
Operating Activities		
Annual surplus	\$ 60,201,967	\$ 27,037,149
Non-cash Items		
Amortization	5,292,880	4,954,465
Accretion of Asset Retirement Obligations	325,355	311,639
City West Cable & Tel. Corp	(219,000)	61,000
Taxes Receivable	(309,138)	(572,408)
General Receivables	(4,546,789)	(6,426,091)
Land Inventory Held for Resale	(462,658)	9,618,106
Inventories of Supplies	37,462	115,533
Accounts Payable and Accrued Liabilities	3,095,967	(3,030,441)
Deposits and Prepayments	(2,113,187)	1,851,970
Deferred Revenue	(7,521,300)	(3,497,871)
Cash Provided by Operating Activities	<u>\$ 53,781,559</u>	<u>\$ 30,423,051</u>
Financing Activities		
Loans and Debenture Debt Advanced	\$ 1,417,521	\$ 14,470,000
MFA Deposits and Reserves	(52,525)	(11,593)
Repayment (Loans) from Prince Rupert Airport Authority	461,066	420,655
Principal Repayments	(4,360,905)	(1,977,751)
Cash provided by/(applied to) Financing Activities	<u>\$ (2,534,843)</u>	<u>\$ 12,901,311</u>
Capital Activities		
Tangible Capital Assets Additions	\$ (43,402,835)	\$ (49,718,326)
Tangible Capital Assets Net Write Downs/Disposals	237,317	-
Settlement of Asset Retirement Obligations	(575,450)	(4,484,751)
Cash Provided by/(applied to) Capital Activities	<u>\$ (43,740,968)</u>	<u>\$ (54,203,077)</u>
Investing Activities		
City West Cable & Tel. Corp. Loan Repayment	500,000	500,000
Cash Provided by/(applied to) Investing Activities	<u>\$ 500,000</u>	<u>\$ 500,000</u>
Increase/(Decrease) in Cash and Cash Equivalents	\$ 8,005,748	\$ (10,378,715)
Cash and Cash Equivalents at Beginning of Year	124,835,284	135,213,999
Cash and Cash Equivalents at End of Year	<u>\$ 132,841,032</u>	<u>\$ 124,835,284</u>

City of Prince Rupert

Notes to the Consolidated Financial Statements December 31, 2025

1) Significant accounting policies

a) *Basis of presentation*

It is the Municipality's policy to follow accounting principles generally accepted for British Columbia Municipalities and to apply such principles consistently. These consolidated statements include the operations of the General, Water, Sewer, Solid Waste, Capital and Reserve Funds, Prince Rupert Legacy Inc. and City West Cable & Telephone Corp. They have been prepared using guidelines issued in the Canada Public Sector Accounting Handbook.

b) *Basis of accounting*

The accrual method for reporting revenues and expenses has been used. Revenues are recognized in the period in which the transactions or events occur that give rise to the revenue. Expenses are recognized in the period in which the goods or services are acquired and a liability is incurred.

c) *Revenue recognition*

Taxes are recognized as they are levied.

Sales of services are recognized as they are delivered.

Government transfers are recognized in the financial statements as revenue in the period in which the eligibility criteria have been met and reasonable estimates of the amounts can be made. Transfers received for which the expenditures have not yet been incurred are reported as deferred revenue.

Deferred revenue includes grants, contributions and other amounts received from third parties which are specifically designated and the expenditures have not yet been incurred.

Investment income is earned as the City becomes entitled to it.

d) *Tangible capital assets*

Tangible capital assets are reported at cost less accumulated amortization. Donated assets are reported at fair market value at the time of donation. Tangible capital assets are amortized using the straight-line method over the estimated useful life of the asset as follows:

	<u>Years</u>
Buildings and Improvements	5 to 50 years
Equipment	5 to 20 years
Infrastructure	25 to 100 years

Assets under construction having a value of \$54,314,121 (2024 - 47,762,446) have not been amortized. Amortization on these assets will commence when the asset is put into service.

City of Prince Rupert

Notes to the Consolidated Financial Statements December 31, 2025

1) Significant accounting policies *(continued)*

e) *Inventory*

Inventories of materials and supplies expected to be used by the municipality are valued at the lower of cost or replacement cost. Inventories of land, materials and supplies held for resale are valued at the lower of cost or net realizable value. Cost is determined by the average cost method. Net realizable value is the estimated selling price in the ordinary course of business.

f) *Estimates*

The preparation of financial statements in accordance with Canada Public Sector Accounting Standards requires management to make estimates and assumptions that affect the amounts reported. Estimates include the valuation of inventory, amortization rate of tangible capital assets, allowances for doubtful loans and receivables, accrued liabilities, asset retirement obligations and provisions for contingencies. Actual results could differ from those estimates.

g) *Reporting entity*

The consolidated financial statements consolidate the assets, liabilities and flow of resources of the municipality. The entity is comprised of all of the organizations that are owned or controlled by the municipality and are, therefore, accountable to the Council for the administration of their financial affairs and resources.

The City's reporting entities include:

Prince Rupert Legacy Inc.	Controlled Entity	100%
City West Cable & Telephone Corp.	Government Business Enterprise	100%

Government business enterprises are accounted for using the modified equity method. Under the modified equity method, accounting principles are not adjusted to conform to the City's, inter-organizational transactions and balances are not eliminated and the City recognises annual earnings or losses in its statement of operations with a corresponding increase or decrease in the investment. Any distributions reduce the carrying value of the investment.

h) *Financial instruments*

All financial instruments are recorded at their cost or amortized cost except for portfolio investments in equity instruments quoted in an active market and derivatives which are recorded at their fair value with unrealized remeasurement gains and losses recorded in the statement of remeasurement gains and losses. Once realized, remeasurement gains and losses are transferred to the statement of operations. Changes in the fair value on restricted assets are recognized as a liability until the criterion attached to the restrictions has been met, upon which the gain or loss is recognized in the statement of operations.

Transaction costs related to financial instruments measured at cost or amortized cost are added to the carrying value of the financial instrument. Transaction costs related to financial instruments recorded at their fair values are expensed as incurred.

City of Prince Rupert

Notes to the Consolidated Financial Statements December 31, 2025

1) Significant accounting policies (continued)

Financial liabilities (or part of a financial liability) are removed from the statement of financial position when, and only when, they are discharged or cancelled or expire

i) Asset Retirement Obligations

Asset Retirement Obligations ("ARO") represent the legal obligations associated with the retirement of a tangible capital asset that result from its acquisition, construction, development, or normal use. The tangible capital assets ("TCA") include but are not limited to assets in productive use, assets no longer in productive use, and leased tangible capital assets.

The liability associated with an asset retirement obligation is measured with reference to the best estimate of the amount required to ultimately remediate the liability at the financial statement date to the extent that all recognition criteria are met. Asset retirement obligations are only recognized when there is a legal obligation for the City to incur costs in relation to a specific TCA, when the past transaction or event causing the liability has already occurred, when economic benefits will need to be given up in order to remediate the liability and when a reasonable estimate of such amount can be made. The best estimate of the liability includes all costs directly attributable to the remediation of the asset retirement obligation, based on the most reliable information that is available as at the applicable reporting date. Where cash flows are expected over future periods, the liability is recognized using a present value technique.

When a liability for an asset retirement obligation is initially recognized, a corresponding adjustment to the related TCA is also recognized for underlying assets that have been recorded and reported within the TCA values presented in the financial statements. Through the passage of time in subsequent reporting periods, the carrying value of the liability is adjusted to reflect accretion expenses incurred in the current period. This expense ensures that the time value of money is considered when recognizing outstanding liabilities at each reporting date. The capitalized asset retirement cost within tangible capital assets is also simultaneously depreciated on the same basis as the underlying asset to which it relates. In circumstances when the underlying asset is fully depreciated, the ARO will be amortized over the estimated future life until the cash disbursement is made in the future to settle the obligation.

At remediation, the City derecognizes the liability that was established. In some circumstances, gains or losses may be incurred upon settlement related to the ongoing measurement of the liability and corresponding estimates that were made and are recognized in the statement of operations.

2) Receivables

a) Taxes receivable	<u>2025</u>	<u>2024</u>
Current	\$ 1,182,730	\$ 1,157,050
Arrears	774,790	507,328
Tax sale properties	789,564	773,568
Net taxes receivable	<u>\$ 2,747,084</u>	<u>\$ 2,437,946</u>

City of Prince Rupert

Notes to the Consolidated Financial Statements December 31, 2025

2) **Receivables** *(continued)*

b) General receivables	<u>2025</u>	<u>2024</u>
General receivables	\$ 13,642,215	\$ 9,007,184
Allowance for doubtful accounts	<u>(111,688)</u>	<u>(23,446)</u>
Net general receivables	<u><u>\$ 13,530,527</u></u>	<u><u>\$ 8,983,738</u></u>

3) **Municipal Finance Authority reserve and deposit**

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.

4) **Land inventory held for resale**

During 2025, the City acquired land for the purposes of transferring it to a third party as a condition of receiving a grant, in exchange for land and soil/rock disposal rights. The transfer of the property is expected to complete in 2026.

5) **Loans to Prince Rupert Airport Authority (PRAA)**

	<u>2025</u>	<u>2024</u>
From Municipal Finance Authority (MFA) (details per Schedule 12)	\$ 3,739,904	\$ 4,105,169
Rescheduled payments	<u>1,051,717</u>	<u>1,051,717</u>
	<u><u>\$ 4,791,621</u></u>	<u><u>\$ 5,156,886</u></u>

The PRAA is economically dependent on commercial flights provided by Air Canada. Flight frequency has not returned to pre-COVID 19 levels. If flight frequency does not increase, the City may not be able to collect debt payments for 2026.

(Due to COVID 19 disruption, the annual combination principal and interest repayment for 2020, 2021, and 2022 from Prince Rupert Airport are rescheduled to the end of the term.)

City of Prince Rupert

Notes to the Consolidated Financial Statements December 31, 2025

5) Loans to Prince Rupert Airport Authority (PRAA) *(continued)*

From Prince Rupert Legacy

Payments include interest at 2.5% per annum, secured by mortgage on Airport Lands.

\$24,080 due January 28 and July 28 each year with a final payment on January 28, 2033.	\$ 327,700	\$ 366,985
\$16,054 due April 6 and October 6 each year with a final payment on April 6, 2033.	218,466	244,656
\$9,030 due June 20 and December 20 each year with a final payment on June 20, 2033.	130,298	144,850
\$10,033 due February 28 and August 28 each year with a final	160,945	176,719
	\$ 837,409	\$ 933,210
Total loans to Prince Rupert Airport Authority	\$ 5,629,030	\$ 6,090,096

6) Accounts payable, accrued liabilities and deferred revenue

	<u>2025</u>	<u>2024</u>
a) Accounts payable and accrued liabilities		
Trade payables	\$ 13,089,872	\$ 10,003,875
Accrued liabilities	\$ 40,450	\$ 48,487
Accrued interest payable - MFA	\$ 256,244	\$ 141,156
Taxes due to other governments	\$ 455,376	\$ 435,396
Salaries, wages, other payroll payables	\$ 5,304,456	\$ 5,421,517
	\$ 19,146,398	\$ 16,050,431
b) Deferred revenue		
Prepaid taxes	\$ 1,760,151	\$ 1,418,276
Community works - gas tax	1,681,770	1,331,129
Federal - rock and soil disposal	5,169,771	-
LG Housing Initiatives (Schedule 14) □	146,219	187,978
Prince Rupert Legacy	1,470,104	1,836,448
Provincial - Rupert Landing	9,064,254	9,347,228
Provincial - water distribution	48,739,341	61,035,759
UBCM - Next Generation 9-1-1	1,714,551	1,739,507
Other	1,308,746	1,679,882
	\$ 71,054,907	\$ 78,576,207

City of Prince Rupert

Notes to the Consolidated Financial Statements December 31, 2025

7) Asset Retirement Obligations

	<u>2025</u>	<u>2024</u>
Funded		
Balance, beginning of the year	\$ 2,695,249	\$ 5,380,000
Liabilities settled	(575,450)	(4,484,751)
Change in estimate	300,000	1,800,000
Balance, end of the year	\$ 2,419,799	\$ 2,695,249
Unfunded		
Balance, beginning of the year	7,183,539	6,584,260
Liabilities incurred	10,000,000	2,087,640
Transfer from (to) Funded	(300,000)	(1,800,000)
Accretion expense	325,355	311,639
Balance, end of the year	\$ 17,208,894	\$ 7,183,539
Estimated total liability	\$ 19,628,693	\$ 9,878,788

Asbestos and Lead

The City owns and operates assets which contain asbestos and/or lead paint, and therefore, the City is legally required to perform abatement activities upon renovation or demolition of the assets. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed. Undiscounted future cash flows expected are an abatement cost in 2028 through 2043 of \$9.94 million. The estimated total liability of \$5.47 million (2024- \$5.23 million) is based on the sum of discounted future cash flows for abatement activities using a discount rate of 4.56% and assuming annual inflation of 3%. The municipality has not designated funds for settling the abatement activities.

Phase	Net Phase Capacity (m ³)	Capacity Utilitized (m ³)	Capacity Remaining (m ³)	Capacity Utilitized (%)	Capacity Remaining (%)
Developed Phases					
Phase 1 – West	95,369	95,369	0	100%	0%
Phase 2 – North	170,877	120,050	50,827	70%	30%
Total - developed	266,246	215,419	50,827	81%	19%
Undeveloped Phases					
Phase 2 – South	444,369	0	444,369	0%	100%
Phase 3	577,359	0	577,359	0%	100%
Total - undeveloped	1,021,728	0	1,021,728	0%	200%
Grand Total	1,287,974	215,419	1,072,555	17%	83%

City of Prince Rupert

Notes to the Consolidated Financial Statements December 31, 2025

7) Asset Retirement Obligations (continued)

Landfill - Ridley Island Road

Landfill closure and post-closure care requirements have been defined in accordance with the Environmental Management Act and include final covering and landscaping of the landfill, pumping of ground water, methane gas and leachate management, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over a 102-year period using the best information available to management. Future events may result in significant changes to the estimated total expense, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

Phase 1 - West is fully utilized and closure was completed in 2025. Only "Phase 2 - North" is currently operational. Before "Phase 2 South" and "Phase 3" can be utilized, they must be developed at estimated costs of \$3.6 million and \$4.3 million (2021 dollars), respectively. The estimated remaining capacity of the landfill without this development is 19% – 50,827 cubic metres (2024 – 32%, 84,835 cubic metres) of its total estimated useable capacity of 266,246 cubic metres and its estimated remaining life is 3 years (2024 – 7 years).

The estimated remaining capacity of the landfill with development of "Phase 2 - South" and "Phase 3" is 83% – 1,072,555 cubic metres (2024 - 86% – 1,106,563) of its total estimated capacity of 1,287,974 cubic metres and its estimated useful life would be extended to 52 years. The period for post-closure care is estimated to be 50 years, beginning after closure is completed in 2076.

Landfill - Watson Island

During prior fiscal years, the City became the owner of Watson Island through the tax sale process and remediated the pulp mill installation in partnership with the Ministry of Environment. Watson Island includes a landfill that was opened and filled by the previous owner(s). During 2025, the Ministry of Environment has informed the City that a full closure plan must be completed for this landfill. Closure and post-closure costs have been estimated at \$10 million (2025 dollars). No formal dates for closure have been set nor have sources of funding been agreed.

Landfill - Wantage Road

The City owns a landfill that is already closed on Wantage Road. The Ministry of Environment has informed the City that further monitoring and remediation actions will be required, but as of yet, the extent, plans, and cost are not known so a reasonable estimate cannot be made and no Asset Retirement Obligation has been recorded.

8) Debenture debt and loans payable

Debenture debt and loans are with the Municipal Finance Authority and are being repaid in accordance with approved bylaws and agreements. See *Schedule 12*.

City of Prince Rupert

Notes to the Consolidated Financial Statements December 31, 2025

9) Investment in City West Cable & Telephone Corp.

Financial information for the Company
as at December 31 is as follows

	<u>2025</u>	<u>2024</u>
Assets	\$ 95,597,000	\$ 93,232,000
Liabilities to arms-length parties	\$ 47,489,000	\$ 44,843,000
Net income (loss)	\$ 219,000	\$ (61,000)

10) Commitments and contingencies

a) Pension information

The City and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 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 actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

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

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

The City of Prince Rupert paid \$1,702,181 (2024 - \$1,620,543) for employer contributions while employees contributed \$1,484,146 (2024 - \$1,424,571) to the plan in fiscal 2025.

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

b) Third party claims

The City has various lawsuits and claims pending by and against it, the outcomes of which are not determinable at this time. Accordingly, no provision has been made in the accounts for these matters.

The amount of loss, if any, arising from these contingencies liabilities will be recorded in the accounts in the period in which the loss is realized. The City has insurance policies and financial reserves to offset associated risks.

City of Prince Rupert

Notes to the Consolidated Financial Statements December 31, 2025

10) Commitments and contingencies *(continued)*

c) *Payments in lieu of taxes*

Payments in lieu of taxes are recognized as revenue based on management's best estimates of amounts receivable. Certain property assessment values were under dispute at year-end. Subsequent to year-end, a settlement was reached, resulting in a revision to the estimate of amounts receivable. Accordingly, \$1,438,000 has been recognized as revenue in 2025, with a corresponding reduction to accounts payable and accrued liabilities.

d) *School taxes levied on Watson Island*

The Province of BC reports school taxes owing regarding Watson Island of \$1,336,414, which were previously disclosed as Taxes Due to Other Governments. The City no longer intends to sell the property. If the property were to be sold, the school taxes would then be payable by the City to the Province and a liability would be recorded at that time.

11) Net Assets

Accumulated Operating Surplus (Schedule 1)	\$ 23,073,709	\$ 14,312,161
Bylaw and Statutory Reserve Funds (Schedule 2)	42,932,120	26,762,135
Investment in City West Cable & Tel. Corp. (Schedule 4 and Note 9)	48,108,763	48,389,763
Invested in Tangible Capital Assets (Schedule 5)	<u>188,266,115</u>	<u>152,714,681</u>
Net Assets (Statement B)	<u>\$ 302,380,707</u>	<u>\$ 242,178,740</u>

City of Prince Rupert

Operating Funds and Surplus Allocation For The Year Ended December 31

Fund	General	Water	Sewer	Solid Waste	Prince Rupert Legacy Inc.	2025 Total	2024 Total
Operating Results							
Revenue	\$ 67,031,332	\$ 26,221,707	\$ 6,453,017	\$ 7,175,900	\$ 4,871,697	\$ 111,753,653	\$ 79,041,214
Expenditure (Excludes Tangible Capital Assets)	37,622,645	3,487,326	977,546	4,770,560	-	46,858,077	48,537,961
	\$ 29,408,687	\$ 22,734,381	\$ 5,475,471	\$ 2,405,340	\$ 4,871,697	\$ 64,895,576	\$ 30,503,253
Add /(Less)							
Additions to Tangible Capital Assets (TCA)	\$ (15,616,613)	\$ (20,767,438)	\$ (6,450,333)	\$ (293,085)	\$ (275,366)	\$ (43,402,835)	\$ (49,718,326)
Proceeds of disposition of TCA	861,943	-	-	-	-	861,943	-
New Loans and Deferred Revenue to fund TCA	6,884,493	-	-	-	(297,201)	6,587,292	14,470,000
Debt payment and Actuarial Adjustments	(3,175,102)	(495,525)	(21,675)	(599,141)	-	(4,291,443)	(2,506,287)
Bylaw and Statutory Reserve Interest Income	(1,192,428)	(128,562)	(6,905)	(14,102)	-	(1,341,997)	(1,401,599)
Prince Rupert Legacy Dividend	1,786,037	1,213,963	-	-	(3,000,000)	-	-
City West Cable & Tel. Corp Loan Repayment	500,000	-	-	-	-	500,000	500,000
City West Cable & Tel. Corp (Income)/Loss	(219,000)	-	-	-	-	(219,000)	61,000
Transfer (to)/ from Reserves (Schedule 2)	(15,940,691)	(881,824)	2,127,440	(132,913)	-	(14,827,988)	890,212
	\$ (26,111,361)	\$ (21,059,386)	\$ (4,351,473)	\$ (1,039,241)	\$ (3,572,567)	\$ (56,134,028)	\$ (37,705,000)
Total Operating Surplus/(Deficit)	\$ 3,297,326	\$ 1,674,995	\$ 1,123,998	\$ 1,366,099	\$ 1,299,130	\$ 8,761,548	\$ (7,201,747)
Balance forward Surplus/(Deficit)	5,227,692	2,034,364	2,005,930	(77,017)	5,121,192	14,312,161	21,513,908
Accumulated Surplus/(Deficit)	\$ 8,525,018	\$ 3,709,359	\$ 3,129,928	\$ 1,289,082	\$ 6,420,322	\$ 23,073,709	\$ 14,312,161
Surplus/(Deficit) Allocation							
Unappropriated Surplus (deficit)	\$ 5,617,018	\$ 248,359	\$ 48,928	\$ (17,918)	\$ 4,596,322	\$ 10,492,709	\$ 6,604,161
2026 Appropriated Surplus	2,908,000	3,461,000	3,081,000	1,307,000	1,824,000	12,581,000	7,708,000
	\$ 8,525,018	\$ 3,709,359	\$ 3,129,928	\$ 1,289,082	\$ 6,420,322	\$ 23,073,709	\$ 14,312,161

City of Prince Rupert

Schedule of Bylaw and Statutory Reserve Fund Balances December 31, 2025

	<u>Opening Balance</u>	<u>Interest/Income</u>	<u>Transfer (to)/from Other Funds</u>	<u>Year End Balance</u>	RESERVE ALLOCATION		
					<u>2026 Budget Appropriation</u>	<u>Unappropriated Reserve</u>	<u>Year End Balance</u>
BYLAW & OTHER RESERVES							
General Reserves	\$ 7,635,991	\$ 235,942	\$ 44,549	\$ 7,916,482	\$ 2,705,000	\$ 5,211,482	\$ 7,916,482
Public Work Equipment Reserves	2,185,535	56,662	(813,200)	1,428,997	1,100,000	328,997	1,428,997
Ferry Maintenance Reserves	-	2,617	175,000	177,617	-	177,617	177,617
NCPG Reserve (Schedule 13)	564,860	18,546	-	583,406	650,000	(66,594)	583,406
Growing Communities Fund	4,452,924	151,636	-	4,604,560	4,456,000	148,560	4,604,560
NW BC Regional Funding Agreement	6,210,558	653,895	14,127,418	20,991,871	16,836,000	4,155,871	20,991,871
Water Asset Management Reserve	2,909,300	128,562	1,068,114	4,105,976	2,705,000	1,400,976	4,105,976
Sewer Asset Management Reserve	155,659	6,905	65,344	227,908	350,000	(122,092)	227,908
Solid Waste Asset Management Res.	339,226	14,102	132,913	486,241	-	486,241	486,241
Total Bylaw & Other Reserves	\$ 24,454,053	\$ 1,268,867	\$ 14,800,138	\$ 40,523,058	\$ 28,802,000	\$ 11,721,058	\$ 40,523,058
STATUTORY RESERVES							
Capital Assets & Land Acquisition	\$ 1,760,081	\$ 60,127	\$ 10,931	\$ 1,831,139	\$ 50,000	\$ 1,781,139	\$ 1,831,139
Parkland Reserves	8,011	249	-	\$ 8,260	-	8,260	8,260
Parking Space Requirements	220,107	7,494	-	\$ 227,601	-	227,601	227,601
Cemetery Care Trust	319,883	5,260	16,919	\$ 342,062	-	342,062	342,062
Total Statutory Reserves	\$ 2,308,082	\$ 73,130	\$ 27,850	\$ 2,409,062	\$ 50,000	\$ 2,359,062	\$ 2,409,062
TOTAL RESERVES	\$ 26,762,135	\$ 1,341,997	\$ 14,827,988	\$ 42,932,120	\$ 28,852,000	\$ 14,080,120	\$ 42,932,120

City of Prince Rupert

Consolidated Schedule of Tangible Capital Assets December 31

	Land	Buildings	Equipment	Infrastructure	Assets under construction	2025	2024
Historical Cost:							
Opening Balance	\$ 21,077,150	\$ 21,892,516	\$ 15,763,094	\$ 182,842,969	\$ 47,762,446	\$ 289,338,175	\$ 237,779,986
Additions	5,897,955	888,004	2,512,787	3,647,090	30,456,999	43,402,835	49,718,326
Transfer of completed assets, previously under construction	-	23,723,000	-	182,324	(23,905,324)	-	-
Additions (adjustments) to Asset Retirement Obligation Cost	10,000,000	-	-	-	-	10,000,000	2,087,640
Disposals/Write-Downs	(237,317)	-	-	(440,257)	-	(677,574)	(247,777)
Closing Balance	36,737,788	46,503,520	18,275,881	186,232,126	54,314,121	342,063,436	289,338,175
Accumulated Amortization:							
Opening Balance	-	11,240,834	8,839,953	65,115,587	-	85,196,374	80,489,686
Amortization Expense	-	1,042,129	1,195,152	3,055,599	-	5,292,880	4,954,465
Disposals/ Write-Downs	-	-	-	(440,257)	-	(440,257)	(247,777)
Closing Balance	-	12,282,963	10,035,105	67,730,929	-	90,048,997	85,196,374
Net Book Value	\$ 36,737,788	\$ 34,220,557	\$ 8,240,776	\$ 118,501,197	\$ 54,314,121	\$ 252,014,439	\$ 204,141,801

City of Prince Rupert

City West Cable & Telephone Corporation Statement of Financial Position December 31

	2025	2024
ASSETS		
City West Cable & Telephone Corporation		
Investment	\$ 1	\$ 1
Loan	15,632,762	16,132,762
Equity	32,476,000	32,257,000
	\$ 48,108,763	\$ 48,389,763
LIABILITIES AND EQUITY		
Equity, Beginning of Year	\$ 48,389,763	\$ 48,950,763
Net Income (Loss) of Corporation	219,000	(61,000)
Repayment of loan	(500,000)	(500,000)
Equity, End of Year	\$ 48,108,763	\$ 48,389,763

City of Prince Rupert

Schedule of Changes in Investment in Tangible Capital Assets December 31

	2025	2024
Opening Balance	\$ 152,714,681	\$ 118,426,172
Tangible Capital Assets Purchased By Operations	36,815,543	35,248,326
Debenture Debt Repayment	732,650	732,652
Actuarial Additions	134,352	138,265
Loan Repayment	3,128,638	862,781
Reduction of Deferred Capital revenue	295,803	772,589
Disposals/Writedowns of Tangible Capital Assets	(237,317)	-
Transfer from unfunded to funded ARO	300,000	1,800,000
Accretion	(325,355)	(311,639)
Amortization	(5,292,880)	(4,954,465)
Closing Balance	\$ 188,266,115	\$ 152,714,681

City of Prince Rupert

Schedule of Tax Revenues For The Year Ended December 31

	2025 Budget	2025 Actual	2024 Actual
Real Property Taxes			
Municipal Property Tax			
Residential	\$ 9,537,000	\$ 9,536,910	\$ 8,953,953
Utilities	376,000	376,292	355,655
Major Industry	12,113,000	12,113,061	11,659,646
Light Industry	850,000	849,767	799,888
Business	7,060,000	7,043,868	6,657,036
Recreational	24,000	23,553	23,537
	<u>\$ 29,960,000</u>	<u>\$ 29,943,451</u>	<u>\$ 28,449,715</u>
Less: Tax Sharing with District of Port Edward	(965,000)	(990,625)	(977,354)
Less: Provision for Assessment Appeals	<u>(39,000)</u>	<u>-</u>	<u>(25,000)</u>
	<u>\$ 28,956,000</u>	<u>\$ 28,952,826</u>	<u>\$ 27,447,361</u>
Special Payments			
Port Competitiveness Tax Grant	\$ 2,093,000	\$ 2,082,568	\$ 2,051,791
Revenue Tax	\$ 324,000	\$ 300,372	\$ 312,464
Payments in Lieu of Tax			
Federal Government Properties	\$ 231,000	\$ 217,504	\$ 221,125
Prince Rupert Port Authority	675,000	2,133,013	646,410
	<u>\$ 906,000</u>	<u>\$ 2,350,517</u>	<u>\$ 867,535</u>
Grants in Lieu of Tax			
Provincial Government Properties	\$ 342,000	\$ 344,066	\$ 326,272
BC Buildings Corp.	52,000	53,081	50,369
BC Housing Commission	116,000	112,258	110,823
BC Hydro and Power Authority	102,000	116,716	97,013
Insurance Corporation of BC	14,000	12,468	12,975
	<u>\$ 626,000</u>	<u>\$ 638,589</u>	<u>\$ 597,452</u>
	<u>\$ 3,949,000</u>	<u>\$ 5,372,046</u>	<u>\$ 3,829,242</u>
Net Tax Revenue	<u><u>\$ 32,905,000</u></u>	<u><u>\$ 34,324,872</u></u>	<u><u>\$ 31,276,603</u></u>

City of Prince Rupert

Schedule of Sale of Service Revenues For The Year Ended December 31

	2025 Budget	2025 Actual	2024 Actual
GENERAL FUND			
Protective Services (RCMP)	\$ 27,000	\$ 29,000	\$ 30,296
Transportation Services			
Public Transit	\$ 211,000	\$ 255,838	\$ 284,126
Airport Ferry	1,185,000	1,275,760	1,203,544
	<u>\$ 1,396,000</u>	<u>\$ 1,531,598</u>	<u>\$ 1,487,670</u>
Other			
Rezoning / Subdivision Services	\$ 10,000	\$ 8,495	\$ 8,450
Parking	95,000	86,554	88,515
Franchise Fees	280,000	264,066	252,117
	<u>\$ 385,000</u>	<u>\$ 359,115</u>	<u>\$ 349,082</u>
Public Health (Cemetery)	<u>\$ 159,000</u>	<u>\$ 69,515</u>	<u>\$ 112,177</u>
Recreation and Cultural Services			
Civic Centre Rentals & Programs	\$ 423,000	\$ 402,200	\$ 446,982
Swimming Pool	536,000	525,043	495,472
Arena	276,000	285,208	270,553
	<u>\$ 1,235,000</u>	<u>\$ 1,212,451</u>	<u>\$ 1,213,007</u>
Cow Bay Marina	<u>\$ 455,000</u>	<u>\$ 473,107</u>	<u>\$ 464,918</u>
TOTAL GENERAL OPERATING FUND	\$ 3,657,000	\$ 3,674,786	\$ 3,657,150
SOLID WASTE FUND	\$ 5,343,000	\$ 6,845,948	\$ 5,033,162
WATER FUND	\$ 3,230,000	\$ 3,447,752	\$ 3,085,675
SEWER FUND	<u>\$ 3,861,000</u>	<u>\$ 3,840,517</u>	<u>\$ 2,842,581</u>
	<u>\$ 16,091,000</u>	<u>\$ 17,809,003</u>	<u>\$ 14,618,568</u>

City of Prince Rupert

Schedule of Government Transfers For The Year Ended December 31

	2025 Budget	2025 Actual	2024 Actual
Federal Grant- Conditional			
General Fund			
Recreation other grants received	\$ 25,000	\$ 27,500	\$ -
Recreation Washrooms Accessibility	97,000	96,947	3,053
Water Fund			
DMAF Grant for BIG Project	-	6,661,259	4,108,628
Sewer Fund			
DMAF Grant for BIG Project	9,600,000	2,101,630	360,216
	<u>\$ 9,722,000</u>	<u>\$ 8,887,336</u>	<u>\$ 4,471,897</u>
Provincial Grants			
Unconditional			
General Fund - Small Community	\$ 350,000	\$ 348,000	\$ 383,700
- Traffic Fines	230,000	211,000	228,000
Total Unconditional	<u>\$ 580,000</u>	<u>\$ 559,000</u>	<u>\$ 611,700</u>
Conditional			
General Fund			
Victim Services	\$ 80,000	\$ 85,546	\$ 86,763
Casino Revenue	588,000	512,104	587,682
Two Percent (2%) Hotel Tax	357,000	494,929	397,487
Situation Tables	-	-	15,015
BCATI - Downtown Revitalization & Asset Management	-	-	50,000
Waterfront Rupert's Landing & Ferry Development	9,348,000	282,974	852,772
LGCAP - City Hall Boiler	-	-	123,000
LGCAP - Lester PAC Boiler	40,000	31,500	
LGCAP - 3rd/4th Ave Pathway	350,000	32,215	
Capacity Funding for Local Government Housing Initiative	39,000	43,259	20,650
Indigenouse Engagement - EMBC	40,000	8,898	-
BIG Project - Trench Rescue Training and equipment	-	-	36,875
BIG Project - Records Management	50,000	-	-
BIG Project - Infrastructure Replacement	-	617,687	294,828
RCMP Detachment	-	-	1,095,775
BC Hydro - Auditorium ceiling	45,000	2,500	
North Coast BC Hydrogen Hub	500,000	99,245	150,000
Northwest BC Regional Funding Agreement	20,581,000	20,580,513	6,860,171
Northern Health Vision Zero	-	-	11,640
ICBC Road Improvements	-	-	16,200
Water Fund			
BIG Project - Infrastructure Replacement	65,182,000	11,666,299	3,632,537
Water Treatment/Transmission project	8,528,000	1,174,786	-

City of Prince Rupert

Schedule of Government Transfers (continued) For The Year Ended December 31

	2025 Budget	2025 Actual	2024 Actual
Sewer Fund			
IBA-ICIP - Wastewater Treatment Facility Project	4,030,000	313,540	-
Total Conditional	<u>\$ 109,760,025</u>	<u>\$ 35,945,995</u>	<u>\$ 14,231,395</u>
Regional and Other External Transfers - Conditional			
General Fund			
NDIT- Economic Development	\$ 50,000	\$ 50,000	\$ 50,000
NDIT- Business Façade	20,000	-	10,000
NDIT- Love Prince Rupert	-	188	-
UBCM - Community Works Fund - City Hall Boiler	53,000	23,244	267,747
UBCM - Climate Action Plan	4,000	3,498	66,328
UBCM - Social Development Plan	-	-	19,100
UBCM - Reconciliation Committee	-	-	6,590
UBCM - Housing Capacity	25,000	18,500	-
UBCM - Development Approvals Access	31,000	20,267	-
UBCM - Complete Communities Assessment	-	-	130,857
UBCM - Emergency Support Services	14,000	26,077	3,030
UBCM - Indigenous Cultural Safety & Humility Training	-	-	23,000
UBCM - Asset Management	23,000	20,750	4,250
UBCM - NG911	30,000	18,360	15,825
UBCM - EOC and Training - Radio System Reliability	-	-	28,150
PRPA - Lester Centre Roof Replacement	-	-	317,542
Sewer Fund			
FCM - Moresby Wet Land Treatment Project.	200,000	181,542	-
Solid Waste Fund			
UBCM- Community Works Fund - Landfill Closure	1,700,000	293,085	-
	<u>\$ 2,150,000</u>	<u>\$ 655,511</u>	<u>\$ 942,419</u>
Total Government Transfer	<u><u>\$ 122,212,025</u></u>	<u><u>\$ 46,047,842</u></u>	<u><u>\$ 20,257,411</u></u>

City of Prince Rupert

Schedule of Revenue from Own Sources For The Year Ended December 31

	2025 Budget	2025 Actual	2024 Actual
Licenses and Permits	\$ 316,000	\$ 730,831	\$ 318,770
Fines	34,000	36,744	32,888
911 Service Fee	73,000	84,242	67,782
	<u>\$ 423,000</u>	<u>\$ 851,817</u>	<u>\$ 419,440</u>
Miscellaneous revenues			
Actuarial Additions	\$ -	\$ 242,283	\$ 237,439
Cemetery Care Fund	-	16,919	29,612
Miscellaneous - General Fund	571,000	754,692	665,220
Miscellaneous Grants - General Fund	769,000	238,532	113,590
Miscellaneous Grants - Sewer Fund	50,000	-	-
Penalties and Interest on Taxes	30,000	364,165	327,796
Property Rentals	252,000	310,827	265,727
Disposal of scrap/soil	-	178,182	1,015,656
Water Meter Rentals	145,000	160,732	149,823
Total Miscellaneous Revenues	<u>\$ 1,817,000</u>	<u>\$ 2,266,332</u>	<u>\$ 2,804,863</u>

City of Prince Rupert

Schedule of Expenditure by Objects of Expense For The Year Ended December 31

	2025 Budget	2025 Actual	2024 Actual
Wages	\$ 20,904,000	\$ 19,373,505	\$ 19,146,527
Benefits	5,469,000	5,193,071	5,111,545
Professional Fees	2,219,000	2,634,014	2,767,779
Supplies	2,850,000	2,827,828	2,856,665
Services	4,866,000	5,082,333	4,577,678
Energy	1,532,000	1,466,633	1,340,531
Fiscal Expenses	2,388,600	2,651,458	2,355,289
Grants in Aid to Community Partners	1,908,000	2,004,017	1,928,402
Contracts	6,866,000	5,325,218	6,653,545
Amortization	-	5,292,880	4,954,465
(Gain) loss on disposal of Tangible Capital Assets	-	(624,626)	-
Accretion of Asset Retirement Obligations	-	325,355	311,639
Total Expenses (Statement B)	<u>\$ 49,002,600</u>	<u>\$ 51,551,686</u>	<u>\$ 52,004,065</u>

City of Prince Rupert

Schedule of Loans Payable December 31

Loan No.	Purpose	New/ Renewal	Amount of Issue	2024 Balance	Additions	Principal Payments	2025 Balance
Equipment Financing							
0004-0	Garbage Truck	2020	\$ 850,000	\$ 188,161	\$ -	\$ (188,161)	\$ -
0005-0	Single Axle Dump Truck	2023	300,000	245,504	-	(61,661)	183,843
0006-0	Solid Waste Dozer, Excavator and Garabge Tru	2023	1,317,235	1,074,761	-	(274,016)	800,745
0007-0	Fire Engine 8 Pumper Truck	2025	1,417,521	-	1,417,521	-	1,417,521
				\$ 1,508,426	\$ 1,417,521	\$ (523,838)	\$ 2,402,109
Short Term / Temporary Financing							
0695-0003	McBride Street Water Main Repair	2022	850,000	\$ 509,200	\$ -	\$ (170,400)	\$ 338,800
0695-0004	New RCMP Detachment	2023	8,500,000	19,300,000	-	(19,300,000)	-
0695-0005	Infrastructure Replacement Design	2024	3,000,000	3,000,000	-	-	3,000,000
0695-0006	Digby Island Ferry Refit	2024	670,000	670,000	-	(134,400)	535,600
				\$ 23,479,200	\$ -	\$ (19,604,800)	\$ 3,874,400
				\$ 24,987,626	\$ 1,417,521	\$ (20,128,638)	\$ 6,276,509

City of Prince Rupert

Schedule of Debenture Debt December 31

Bylaw No.	No.	Maturity Date	Amount of Issue	2024 Balance	Additions	Principal Payment	2024 Accrued Actuarial	2025 Actuarial	2025 Accrued Actuarial	2025 Balance
General Fund										
3201	Cruise Ship Dock	94	2025	\$ 3,133,056	\$ 195,077	\$ -	\$ (115,138)	\$ 22,081	\$ (102,020)	\$ -
3333	Airport Upgrade	127	2034	7,000,000	4,105,169	-	(257,332)	72,529	(98,781)	(81,681)
3484	RCMP Detachment	167	2055	17,000,000	-	17,000,000	-	-	-	-
				<u>\$ 4,300,246</u>	<u>\$ 17,000,000</u>	<u>\$ (372,470)</u>	<u>\$ 94,610</u>	<u>\$ (200,801)</u>	<u>\$ (81,681)</u>	<u>\$ 20,739,904</u>
Water Fund										
3433	Woodworth Dam	156	2046	\$ 10,000,000	\$ 9,066,926	\$ -	\$ (302,360)	\$ 5,432	\$ (20,872)	\$ (7,325)
Sewer Fund										
3201	Moresby Sewer Upgrade	94	2025	\$ 346,970	\$ 21,675	\$ -	\$ (12,792)	\$ 2,453	\$ (11,336)	\$ -
Solid Waste Fund										
3454	New Landfill Cell	156	2046	\$ 10,000,000	\$ 9,066,926	\$ -	\$ (302,360)	\$ 5,432	\$ (20,872)	\$ (7,325)
				<u>\$ 22,455,773</u>	<u>\$ 17,000,000</u>	<u>\$ (989,982)</u>	<u>\$ 107,927</u>	<u>\$ (253,881)</u>	<u>\$ (96,331)</u>	<u>\$ 38,223,506</u>

City of Prince Rupert

Schedule of Northern Capital and Planning Grant For Year Ended December 31, 2025

Grant Balance as at Jan 1, 2025	\$	564,860
Interest earned in 2025		18,546
Grant Balance as at Dec 31, 2025 (Schedule 2)	\$	583,406

This money is used at the discretion of the municipality for capital and long term planning purposes in accordance with S.32 of the Local Government Grants Regulation (BC Reg. 221/95) which cross-references with S.4(1)(a) & (c) of the Local Government Grants Act.

City of Prince Rupert

Schedule of Capacity Funding for Local Government Housing Initiatives For Year Ended December 31, 2025

Grant Balance as at Jan 1, 2025	\$	187,978
Official Community Plan and Amendments		(41,759)
Grant Balance as at Dec 31, 2025 (Note 6b)	\$	146,219

This money must be used by the municipality to help facilitate implementation and meet the new legislative requirements of Bill 44 Housing Statutes (Residential Development) Amendment Act and Bill 47 Housing Statutes (Transit-Oriented Areas) Amendment Act and to adopt new authorities under Bill 46 Housing Statutes (Development Financing) Amendment Act and Bill 16 Housing Statutes Amendment Act. This schedule is provided as required under s. 167 of the *Community Charter* and s. 377(1)(a) of the *Local Government Act*.