



LAKE COUNTRY

Life. The Okanagan Way.

2025 ANNUAL REPORT

District of Lake Country Annual Report for the fiscal year ending December 31, 2025.
Prepared by Finance and Administration with contributions from across the organization.

LAKE COUNTRY, BRITISH COLUMBIA



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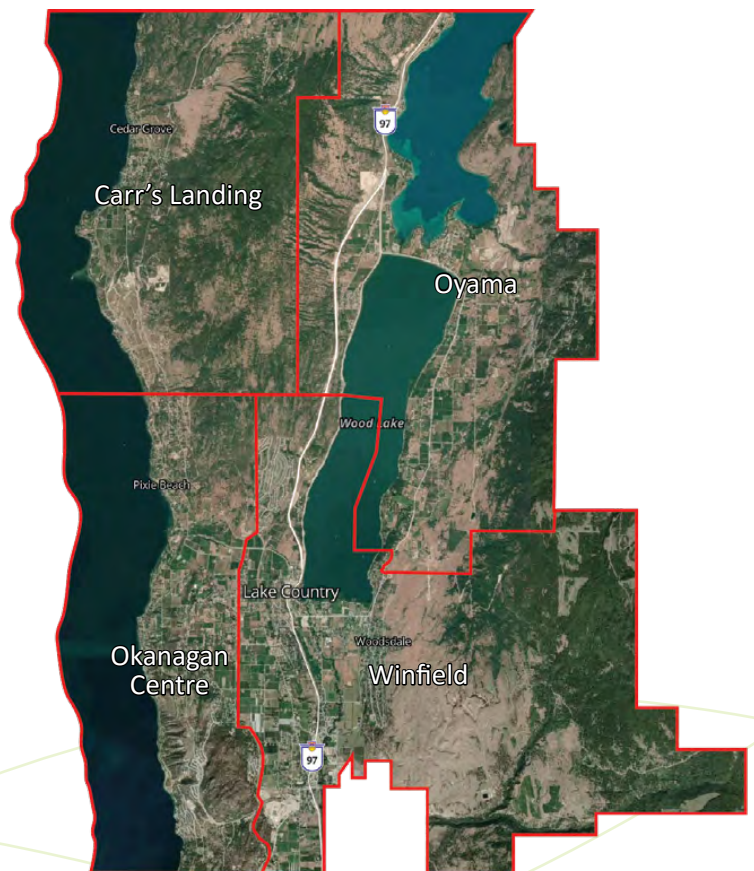
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Lake Country Council

2022-2026



Mayor Blair Ireland

Airport Advisory Committee
Central Okanagan Development Commission
Parks and Recreation Advisory Committee
Public Art Advisory Commission
Regional District of Central Okanagan Board
UBCO Regional Leadership Table
Water Services Advisory Committee



Councillor Tricia Brett - Okanagan Centre

Airport Advisory Committee (Alternate)
Lake Country Health Society (Alternate)
Parks and Recreation Advisory Committee (Alternate)
Tourism Kelowna



Councillor Heather Irvine - Winfield

Lake Country Seniors Housing Society



Councillor Michael Lewis - At Large

Public Art Advisory Commission
Safe Schools Committee (Alternate)
Tourism Kelowna (Alternate)



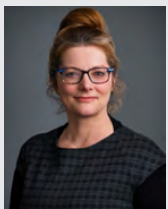
Councillor Todd McKenzie - Oyama

Lake Country Health Society
Lake Country Seniors Housing Society (Alternate)
Municipal Insurance Association of BC
Okanagan Regional Library Board (Alternate)
Regional District of Central Okanagan Board (Alternate)
Water Services Advisory Committee (Alternate)
Winfield Senior Citizens Society



Councillor Bib Patel - At Large

Parks and Recreation Advisory Committee
Public Art Advisory Commission (Alternate)
Safe Schools Committee
Winfield Senior Citizens Society (Alternate)



Councillor Cara Reed - Carr's Landing

Central Okanagan Development Commission (Alternate)
Okanagan Regional Library Board
UBCO Regional Leadership Table (Alternate)



The District of Lake Country is governed by an elected Council comprised of a Mayor and six Councillors. Members of Council are elected for a four-year term, one from each of the 4 wards plus 2 at-large. The current term is from 2022 to 2026.

Regular Council meetings are held at 7:00pm on the first and third Tuesdays of every month in Council Chambers at Municipal Hall, 10150 Bottom Wood Lake Road. Public Hearings on development matters are scheduled at the same time and take place just prior to the Regular Council Meeting. Members of the public are encouraged to attend Council Meetings and Public Hearings or access remotely online.

Meeting minutes and agendas are available on the District website www.lakecountry.bc.ca.

Contact Lake Country council:
mayorandcouncil@lakecountry.bc.ca.

COMMITTEES AND COMMISSIONS

Committees are formed by Council with the intent to provide advice on various issues that affect the District of Lake Country. In addition to individual Terms of Reference, Committees are governed by Council Procedures Bylaw 1105, 2019 and amended from time to time.

FAST FACTS:



285

COUNCIL
RESOLUTIONS



325

LETTERS FROM
THE PUBLIC



23

REGULAR
COUNCIL
MEETINGS



The District of Lake Country acknowledges that it is conducting business on the unceded territory of squilx" / syilx (Okanagan) peoples.

Lake Country Council and staff recognize the importance of building respectful relationships that contribute to stewarding the land and waters in the community with integrity and consideration for future generations.

Message from the Mayor



Blair Ireland, Mayor

Lake Country celebrates 30 years!

Watch a video with Mayor Ireland and previous mayors celebrating Lake Country's success



2025 was another strong year for Lake Country. As our community continues to grow, Council remained focused on the things that matter most to residents: public safety, quality of life, community infrastructure, and protecting the character of the place we call home. Alongside these priorities, Council continued its work to strengthen Lake Country's long-term financial sustainability through efforts to diversify our tax base.

This Annual Report highlights the progress we made together over the past year and reflects the hard work of staff, volunteers, community partners, and residents who continue to help shape Lake Country's future.

Public safety continued to be one of Council's top priorities in 2025. In June, Council advanced long-anticipated plans for emergency egress in the Copper Hill and Clearwater neighbourhoods. Construction of a new access road began in July, establishing a controlled route for development traffic and, most importantly, providing a secondary emergency exit for residents. In addition, enhancements were made to a secondary egress in The Lakes neighbourhood. Together, these projects address long-standing community concerns and significantly strengthen our emergency preparedness and response capabilities.

This year also marked a major milestone for local policing. Lake Country officially welcomed Staff Sergeant Jon Collins as the first Commander of our RCMP Detachment. Establishing a dedicated detachment leadership role provides our community with greater autonomy and accountability in addressing local policing priorities, including traffic enforcement and 24-hour service. With Staff Sergeant Collins' leadership and experience, we are well-positioned to meet the evolving needs of our growing population.

Investing in vibrant, inclusive public spaces remained a priority in 2025. Guided by community feedback gathered in 2023 and detailed design work completed in 2024, construction began on the first phase of a broader vision to enhance parks, trails and public spaces in the Town Centre.

Upgrades to Swalwell Park include a new destination playground, an enhanced splash park, outdoor fitness equipment, and improved pathways—further strengthening the Town Centre as a welcoming community hub.

Investing in recreation remains a top priority for our community. Following public input, we've taken an important step by acquiring a site next to Winfield Arena with the potential to become a future multi-use community hub. We're working closely with residents and community groups to ensure this space meets current and future needs—supporting health, connection, and quality of life in Lake Country.

May also marked the opening of the Lake Country Bike Park, a purpose-built facility for riders of all ages and abilities. Delivered through strong community partnerships, it has quickly become a popular recreational amenity supporting active lifestyles.

Community spirit was on full display at the opening of Live! in Lake Country, where more than 3,300 people gathered at Swalwell Park. With record-breaking attendance, these free outdoor concerts continue to be a cherished community tradition.

Protecting our community from wildfire risk remained an ongoing priority. Through the FireSmart Green Waste Disposal program, residents were supported in reducing fire hazards on their properties, reinforcing our shared responsibility to protect homes, neighbourhoods, and natural spaces.

As we look ahead, Council remains committed to making thoughtful decisions that support a safe, sustainable, and connected community. I want to sincerely thank our staff, Council, volunteers, and community partners for their continued dedication and hard work throughout the year. Most importantly, thank you to the residents of Lake Country for your ongoing engagement, support, and pride in this community.

Together, we continue to build a strong future for Lake Country.

Blair Ireland

Mayor, District of Lake Country



Our Vision

Lake Country, living
the Okanagan way.
Embracing our histories
and nurturing our future.

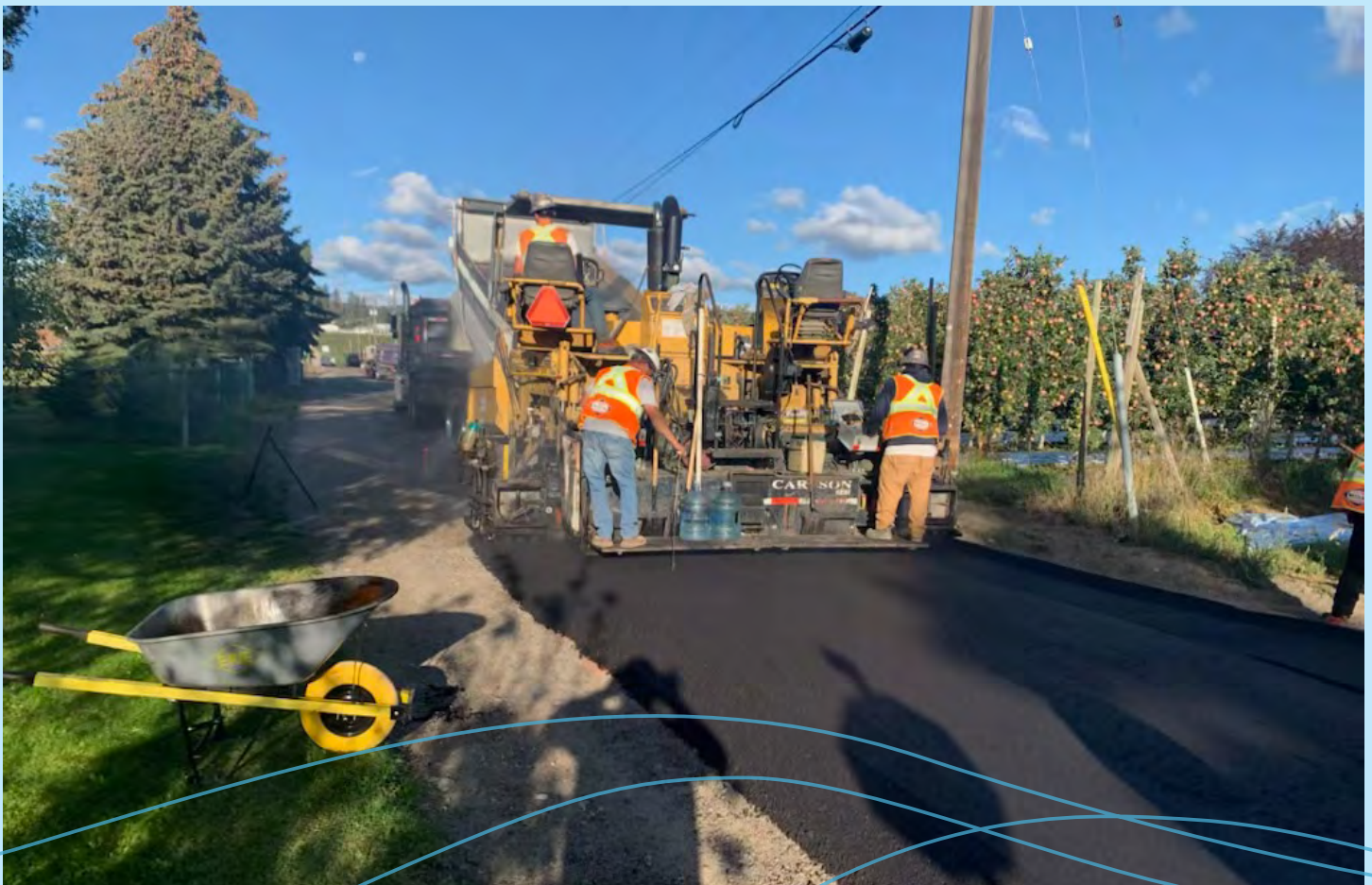
Our Mission

We serve to nurture a healthy
natural environment, strong
rural character and urban
core, sustainable infrastructure,
economic opportunities, an inclusive
community with involved citizens,
through respectful, transparent
government, focused on balanced
strategic decision-making.

Municipal Services and Operations

SERVICES PROVIDED BY THE DISTRICT INCLUDE:

- Building permits and inspection
- Business licensing
- Bylaw enforcement/education
- Drainage system maintenance
- Economic development
- Emergency preparedness planning and coordination
- Engineering services
- Financial reporting
- Fire inspection
- Fire protection
- Legislative services
- Parks maintenance and operation
- Planning services
- Property tax and utility account maintenance and payment options
- Recreation and cultural programs and facilities operation and maintenance
- RCMP Administration
- Wastewater Collection and Treatment
- Short term vacation rental management
- Sidewalk construction and maintenance
- Snow removal
- Road construction and maintenance
- Street lighting
- Tourism and destination management
- Water system operation



Strategic Priorities 2025



Infrastructure

We will invest in developing, maintaining and improving our utility systems, transportation networks, recreation assets, civic facilities and organizational capacity to meet the needs of the growing community. We will seek innovative and creative solutions that are cost-effective and affordable to ratepayers. Our commitment to the environment, and to resiliency in the face of change, will inform our infrastructure decisions.

- Lodge Road Improvements (Sherman Drive to Woodsdale Road)
- Beaver Lake Dam Intake Tower Replacement
- City of Kelowna Bulk Metering Facility
- The Lakes Subdivision and Copperhill Subdivision Egress
- 2025 Firesmart Vegetation Disposal Bin Pilot Program



Environment & Climate Action

We will create incentives to curb greenhouse gas emissions, and build resiliency. We will enhance the health of our lakes, optimize our natural assets and promote conservation. All the decisions we take as a local government will take into consideration the protection of our natural environment and our commitment to climate action.

- LakeCounTREE Program



Governance

We will ensure that community input is at the heart of our decision-making. We will expand and nurture our relationships with other governments, seeking ways to leverage our resources for the benefit of Lake Country. Our advocacy to other orders of government will focus on finding areas of alignment to promote our priorities.

- North Aberdeen Plateau – Guidance Plan and Memorandum of Understanding



Community

We will continue to build a complete community with a high quality of life in which people are safe, active and healthy.

- Lake Country Bike Park
- ParticipACTION Challenge
- 30th Anniversary celebration of Lake Country's incorporation
- Beasley Park Outdoor Sport Court Improvements



Economic Prosperity

On our own and in collaboration with our partners we will diversify Lake Country's tax base and create a complete community with economic opportunities and economic prosperity for those who call Lake Country home.

- Lake Country Business Park Area Structure Plan (Neighbourhood Plan)
- Foreign Direct Investment Strategy

Awards and Achievements

Organizational Safety Excellence

For the fifth year in a row, the District received the award for Organizational Safety Excellence from the BC Municipal Safety Association (BCMSA). The award recognizes local governments for activities that improve experience rating ultimately reducing injuries, illness, disease and fatalities.



Sarah Goodwin (middle), District of Lake Country Occupational Health & Safety Specialist receives the Organizational Safety Excellence award from BCMSA.



Mayor Ireland and Trevor James, CFO, with the plaque for the Canadian Award for Financial Reporting from the GFOA.

Canadian Award for Financial Reporting

Lake Country's annual financial report for the year ended December 31, 2024 was awarded the Canadian Award for Financial Reporting by Government Finance Officers Association of the United States and Canada (GFOA).

This is the District's eleventh year in a row to receive this award. To receive the Canadian Award for Financial Reporting, a government must publish an easily readable and efficiently organized annual financial report. Lake Country's financial reports go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture.

King Charles III Coronation Medal

Joy Haxton, Executive Director of the Lake Country Food Assistance Society, was awarded the King Charles III Coronation Medal in recognition of her leadership and dedication to food security. Joy's compassion and tireless commitment continue to make a meaningful difference in the lives of many and exemplify the strength of community service in Lake Country.



Left to right: Peter Boyd, Peter's Independent Grocer; Jim Haxton, Lake Country Food Assistance Society; Nick Johnson, Food Banks BC; Joy Haxton, Lake Country Food Assistance Society; Mayor Blair Ireland, District of Lake Country; Amanda Armstrong, Lake Country Food Assistance Society; Rosalie Saddleman, Okanagan Indian Band.

Message from the Chief Administrative Officer



Watch the
2025 recap from
Paul Gipps, CAO



Paul Gipps, CAO
Chief Administrative Officer

I am pleased to present the District of Lake Country's 2025 Annual Report. This year marked continued progress as staff advanced Council priorities, strengthened organizational performance, and delivered services through a customer service-focused approach across the District. This commitment was especially important as staff worked diligently to process several years of backlogged development applications while maintaining responsive service delivery to the community.

In 2025, the District received the BC Municipal Safety Association's Organizational Safety Excellence Award for the fifth consecutive year, reflecting a strong, organization-wide commitment to workplace safety and continuous improvement. For the 11th consecutive year, the District was honoured with the Canadian Award for Financial Reporting for its December 31, 2024 financial statements, recognizing excellence in financial transparency and reporting.

Public safety and emergency preparedness remained key priorities. Staff worked with Council, emergency services, and partners to advance emergency egress projects, including construction of a new access road for the Copper Hill and Clearwater neighbourhoods and improvements to secondary access in The Lakes.

Strategic growth planning also progressed with the acquisition of 3411 Woodsdale Road, adding to adjacent parcels to create nearly 12 acres of public land near Beasley and Reisdig Parks to support long-term parks and recreation needs.

Additional work included completion of Phase 2 of the Community Centre Feasibility Study near Winfield Arena and the purchase of 3211 Berry Road to support expanded RCMP service capacity.

2025 also marked the start of the Official Community Plan update to reflect the community's evolving needs and long-term vision.

I extend my appreciation to District staff for their professionalism and commitment, and to Mayor and Council for their leadership. I am proud of what was achieved in 2025 and confident in the District's continued progress.



Organization Chart

LEADERSHIP TEAM



Paul Gipps,
Chief Administrative Officer



Trevor James,
Chief Financial Officer



Reyna Seabrook,
Director of Corporate Services



Matthew Salmon,
Director of Infrastructure &
Development Engineering



Jeremy Frick,
Director of Development
Approvals



Matt Vader,
Director of Parks,
Recreation and Culture



Darren Lee,
Fire Chief & Director of
Protective Services



Brad Savoury,
Director of Legal Services &
Risk Management



MAYOR & COUNCIL



CHIEF
ADMINISTRATIVE
OFFICER



Finance and Administration

BUDGET PROCESS MODERNIZATION

Previously, budget packages were assembled through a time-intensive manual process using exported reports, spreadsheets, and multiple document formats. This approach was inefficient, increased the risk of errors, and limited staff capacity to produce clear, user-friendly public documents.

With Council's support, new budget software was implemented to streamline workflows, reduce errors, and improve overall efficiency. The system also enhances transparency by enabling more accessible and comprehensive budget documents for the public.

In addition, the software provides improved budget-to-actual tracking, supporting more accurate, timely financial reporting and better ongoing monitoring. It will also support more consistent and informative project updates for the community throughout the year.

The 2026-2030 Financial Plan available online at lakecountry.openbook.questica.com



Watch Trevor James, CFO, discuss 2025 accomplishments



COMMUNICATIONS

lakecountry.bc.ca

Most popular pages on the District website:

- The **Creekside Theatre** webpage represents **20% of website traffic!**
- The **Winfield Arena** and **Join Our Team** webpages follow in 2nd and 3rd place.

E-News

5,761

SUBSCRIBERS
(vs 4,530 in 2024)

105

E-NEWS SENT
TO SUBSCRIBERS

38

PUBLIC
NOTICES SENT

Social Media

10K

FOLLOWERS

4.6M+

SOCIAL MEDIA VIEWS*

(*The number of times content was played or displayed)

Let's Talk

Let's Talk-Lake Country is the District's online platform for citizen engagement and consultation. Opportunities that were available for public engagement in 2025:

- Let's Grow Lake Country Together
- Community Centre Feasibility Studies
- Lake Country Business Park
- 2026 draft budget and financial plan

Visitlakecountry.ca

A dedicated website for tourism-related information that supports local businesses and attractions. The site provides information on the Farm Gate Trail, wine trail, things to do, where to stay and much more.

The most popular section of the site is the 'Farm Gate Trail' webpage. A handy map helps visitors find local stands with fresh fruit, vegetables and other local gems Lake Country has to offer on the Farm Gate Trail.

4,500+

VISITORS ACCESSED
VISITLAKECOUNTRY.CA

INFORMATION TECHNOLOGY

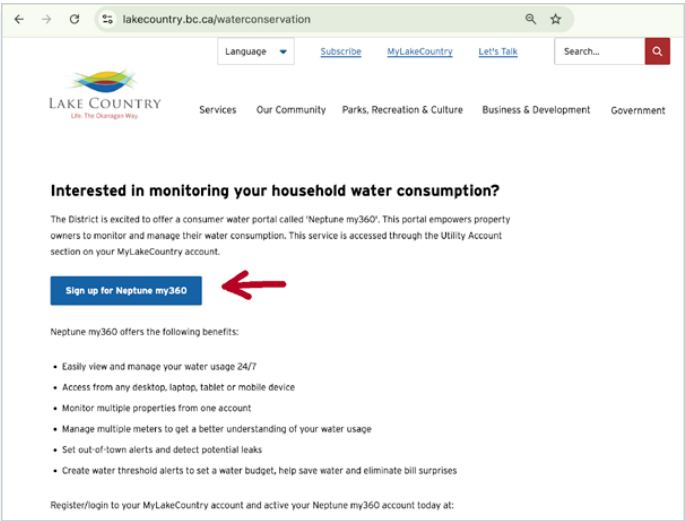
IT (Information Technology) is responsible for supporting the digital infrastructure, software systems and data security needed to operate local services.

- **Infrastructure Management:** Maintaining municipal hall computers, GIS mapping systems, and networks for District buildings.
- **Public Safety Support:** Supporting technology for RCMP, fire, and emergency management services.
- **Service Delivery & Efficiency:** Providing digital platforms for, and public reporting tools to enhance local services.
- **Data Security:** Protecting municipal data and resident information.

Number of active profiles with	
1+ Linked Account	3,704
Linked Licencing Account	735
Linked Tax Account	2,395
Linked Utility Account	2,738
Total Online eCommerce Orders	2,288
TOTAL ACCOUNTS	4,303

MyLakeCountry.ca

The following services were added to MyLakeCountry.ca:



Neptune my360 • This portal empowers property owners to monitor and manage their water consumption. Residents can view and manage their water usage 24/7 and set out-of-town alerts and detect potential leaks.

Backyard Chicken Registration • The District of Lake Country allows residents to keep up to five hens (no roosters) on urban residential properties. Backyard chickens must be registered each year (free registration process) through the Province of BC and the District of Lake Country.

FAST FACTS

1,428
SERVICE DESK
TICKETS
(1,041 IN 2024)

12
FACILITIES RECEIVED
INTEGRATED IT
SERVICES

4,296
ACTIVE MYLAKECOUNTRY.CA
ACCOUNTS

280+
END USER
DEVICES

400+
ACCOUNTS

40+
BUSINESS SYSTEM/
APPLICATIONS



GRANTS

The District of Lake Country continues to pursue external funding to support community priorities and capital projects, helping offset costs and reduce reliance on local taxation. While grant funding is an important revenue source, it remains inherently variable.

In 2025, the District submitted 44 grant applications, nearly double 2024, requesting approximately \$7.7 million. To date, 19 applications have been successful, securing over \$996,000, with over \$5.5 million still pending. This reflects a sustained organizational focus on advancing projects aligned with available funding programs.

Staff also explored new and alternative funding streams in 2025 to broaden opportunities beyond traditional programs. At the same time, funding intakes were highly competitive and often oversubscribed, and reductions in certain provincial programs further constrained available resources. Even where applications were not successful, the process strengthened project development, readiness, and positioning for future opportunities. Looking ahead, the District will continue to monitor the evolving funding landscape, strengthen relationships with funding agencies, and pursue a diverse range of opportunities to support strategic priorities.

Types of Grants/Programs:

Category	Applications	Percentage	Amount (approx)
Climate Adaptation / Disaster Risk Reduction	4	9%	\$2,350,000
Water Infrastructure / Conservation	2	4%	\$40,000
Emergency Preparedness / Fire Resiliency	6	14%	\$650,000
Transportation & Road Safety	6	14%	\$2,200,000
Environment & Energy Efficiency	8	18%	\$200,000
Local Government / Development / Jobs	18	41%	\$2,260,000
Total	44	100%	\$7,700,000

FAST FACTS

96%
INCREASE ON
SUBMITTED GRANT
APPLICATIONS

\$5.5M+
PENDING
FROM GRANTS
SUBMITTED IN 2025

\$1.3M+
DIRECTLY ALLOCATED
IN GRANT FUNDING

\$996,000+
RECEIVED TO DATE
FROM GRANTS SUBMITTED
IN 2025

ECONOMIC DEVELOPMENT & TOURISM

Lake Country's strength lies in supporting investment opportunities of every scale—from major developments to local farms—creating a resilient economy where diverse ventures thrive together. With flexible zoning, strong municipal partnerships, and favorable market conditions, the community enables a wide range of visions—industrial, residential, commercial, hospitality, and specialized businesses—to become profitable realities.

By aligning investor goals with community priorities, Lake Country offers the insight, support, and connections needed to bring concepts to life. To assist investors and provide essential, community-specific information, [InvestLakeCountryBC.ca](https://www.investlakecountrybc.ca) was launched. In addition to the website, a comprehensive **Investor Package** and **Hotel & Retail Analysis** were developed to further support informed decision-making.



Franchise trade shows in Vancouver, Calgary, and Edmonton, along with the Western Canada Lodging Conference, provided valuable opportunities to promote Lake Country under the banner “**Small Town Feel, Big Possibilities.**”

Foreign Direct Investment (FDI) has been identified as a timely opportunity for Lake Country. To support this initiative, a **Target Market Identification Report** was developed, outlining priority markets for investment attraction and promotional efforts.

The **Lake Country Business Park Area Structure Plan** has been completed and will be included as an appendix to the revised Official Community Plan. This plan provides development guidelines for the business park, including enhancements to the area's road network. Rezoning of the 200-acre business park is anticipated to be considered by Council in August 2026.



Tourism marketing and mobile visitor services continue to be delivered by Tourism Kelowna. From June through September, Mobile Tourism staff were present throughout Lake Country on Fridays, Saturdays, and Sundays, providing visitors and residents with information, recommendations, and support to enhance their experience in the community.

FAST FACTS

956

BUSINESS LICENCES
ISSUED (919 IN 2024)

151

ACTIVE LICENCED SHORT TERM
VACATION RENTALS (135 IN 2024)

Corporate Services

RESPONSIBILITIES

Corporate Services administers Council agendas and minutes, bylaws, land negotiations, Freedom of Information requests, electoral processes, and customer service. Corporate Services also oversees clerical positions at the Lake Country RCMP Detachment.

2025 HIGHLIGHTS

In September, Mayor and Council attended the UBCM annual convention. The organization was formed to provide a common voice for local government and gives an opportunity for local governments of all sizes to come together, share their experiences and take a united position.



Mayor & Council attend the UBCM annual convention in Victoria (Councillor Reed absent from photo).

DID YOU KNOW?

Mayor and Council form several Committees & Commissions with the intent to provide their advice on various issues that affect the community. The District has established the following:

Accessibility Committee

The aim of this Committee is to provide insights into improving accessibility in Lake Country, as per the Accessible BC Act (ABCA).

Agricultural Advisory Committee

The AAC reviews Agricultural Land Commission applications and other land applications that affect agriculture. The Committee provides recommendations to Council when required.

Parks & Recreation Advisory Committee

PARC advises Council on parks, recreation, leisure services and culture issues.

Public Art Advisory Commission

PAAC is established to advise Council on art, cultural and heritage issues.

Water Services Advisory Committee

WSAC advises Council on all water supply, distribution and protection issues.

Interested in sitting on a committee?

Contact admin@lakecountry.bc.ca with your relevant background information, which committee you are interested in joining and the reasons for your interest.

FAST FACTS

24 FOI REQUESTS
(11 IN 2024)

44 BYLAWS ADOPTED
(25 IN 2024)

Infrastructure & Development Engineering

Watch Matthew Salmon, Director of Infrastructure and Development Engineering, recap important projects accomplished in 2025



GRANT

In 2025, the District was awarded the Agricultural Water Infrastructure Program grant from the Province of BC via the Ministry of Agriculture and Food. The grant is funding Phase 3 of the Beaver Lake Chain and Vernon Creek Water Management Plan, which involves feasibility and environmental studies to assess solutions for improving agricultural water management and maintaining environmental flows in Middle Vernon Creek. This work helps the District protect aquatic ecosystems while reducing pressure on Beaver Lake and safeguarding the community’s water supply during drought conditions.

PROJECTS

City of Kelowna Bulk Metering Facility

The Bulk Metering Facility Construction project brings previously underground water infrastructure above ground, formally separating the City of Kelowna and District of Lake Country water systems and enabling metering of water supplied to Kelowna’s northern industrial area by the District of Lake Country.

The project improved worker safety by eliminating confined-space entry requirements. It also marked the completion of all water and wastewater infrastructure commitments under the Memorandum of Understanding between the Okanagan Indian Band, the District of Lake Country, and the City of Kelowna, demonstrating strong regional collaboration.



Lodge Road Improvements (Sherman Dr. to Woodsdale Rd)

The Road and Active Transportation Improvements project renewed a key neighbourhood corridor connecting schools and the town centre, addressing poor road conditions and limited pedestrian infrastructure.



Upgrades included drainage and road reconstruction, curb and gutter, new sidewalk installation, transit stop enhancements, and intersection improvements. The Rail Trail was also paved between Woodsdale Road and the Quail Trail connection, extending seasonal use.

Beaver Lake Dam Intake Tower Replacement

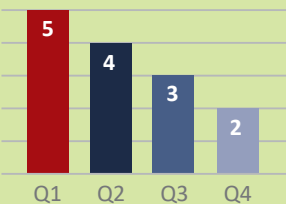
The Beaver Lake Dam Intake Replacement project renewed critical drinking water infrastructure by replacing the intake structure and reconstructing the earthfill dam, extending its service life by 75+ years.

Construction began in 2024 with temporary systems to maintain water service, and was completed in 2025 with the installation of a new intake, upgraded piping, and increased dam height to improve storage capacity. The project enhanced system reliability, improved access to licenced water supply, and strengthened long-term water security for the community, with final automation upgrades scheduled for 2026.

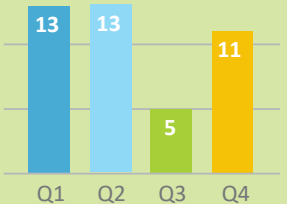


Beaver Lake Dam drone image courtesy of Chandos.

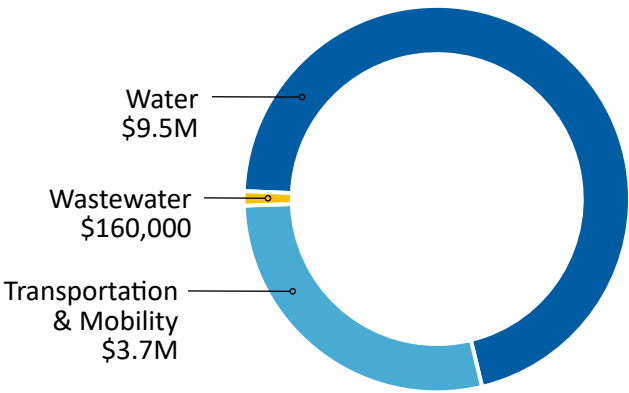
Subdivision Applications Received



New Lot Registered



2025 INFRASTRUCTURE EXPENSES



2025 PLANS, STUDIES AND DESIGN

- Public Works Needs Assessment
- Hazard Risk and Vulnerability Assessment
- North Aberdeen Plateau Guidance Plan

Water

- Beaver Lake Chain and Vernon Creek Water Management Plan (Phase 2)
- Eldorado Water Treatment Plant - Functional Design
- Kalamalka Lake Intake Extension
- Woodsdale Watermain Extension
- OK Centre Small Diameter Watermain Replacement

Wastewater

- WWTP & Septage Facility Improvements
- Lodge Rd Forcemain Partial Twinning
- McCarthy Liftstation

Mobility projects

- Transit Study-Phase 3
- Pelme wash Active Transportation Connection
- Carrs-Commonage Road Improvements
- Highway 97 to Glenmore Connector

Stormwater

- Integrated Stormwater Management Plan (Phase 2)
- Lakestone Drive Drainage Corridor

TRANSPORTATION AND PUBLIC WORKS HIGHLIGHTS

- Finch Road Cross Culvert Improvements
- Oyama Lake Road Ditching
- MP Williams Hill Rd Ditching
- Ok Centre Rd West Armoring and Ditching
- Clearwater Subdivision Drainage (Capital Project)
- Transit Study-Phase 3
- Glenmore and Seaton Road priority paving



The Lakes subdivision emergency egress.

Transportation and Public Works Projects:

Lakes Egress: Secondary emergency evacuation route established with access through the underpass of Highway 97 and connecting East Ridge Drive to Old Mission Road, then along Ponderosa Drive to Pelme wash Parkway. This access is available to be used immediately in the event of an emergency while traffic control is set up to use the original egress route which leads directly onto highway 97 through a gated access point.

Copperhill subdivision/Clearwater Egress: The Copper Hill/Clearwater Secondary Access project advanced a phased development initiative by constructing a new access road from Sherman Road to McCarthy Road, connecting to Bottom Wood Lake Road. Initially used to support construction activity, the road also provided a critical secondary emergency egress for the neighbourhood. Delivering this connection addressed long-standing community safety concerns while enabling future subdivision growth.

FAST FACTS

314

PAVEMENT MARKINGS
RE-PAINTED

100+

LINEAR KILOMETRES OF
ROAD LINES PAINTED

78

STREETLIGHTS
REPAIRED

1.5

KILOMETRES OF
ROADS PAVED

109

CUBIC METERS OF ‘DEPOT ONLY’
RECYCLING MATERIAL COLLECTED
(211 IN 2024)

1,436

VEHICLES ATTENDED POP-UP
RECYCLING DEPOTS
MARCH-SEPTEMBER
(1,465 IN 2024)

WATER AND WASTEWATER HIGHLIGHTS

Operational Projects:

- Okanagan Pumphouse Pump Refurbishment
- WWTP, TWAS Aerator and Septage Auger Replacement

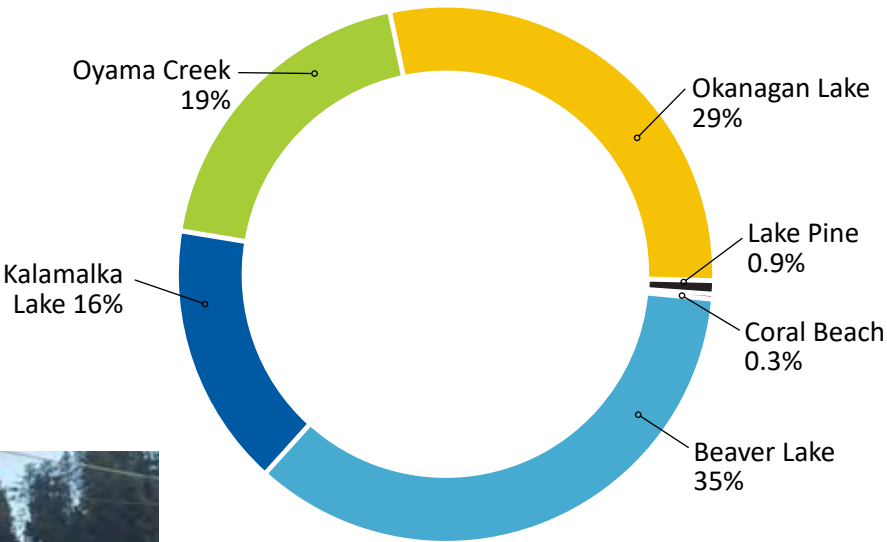
Water and Wastewater Projects:

Glenmore PRV & Corridor Improvements:

The Glenmore PRV & Corridor Improvements project installed a new watermain from the Glenmore Booster Station to Seaton Road and decommissioned two aging PRV stations. The project improved infrastructure performance, enhanced roadway safety, and reduced ongoing maintenance costs.



2025 WATER DEMANDS PER AREA



FAST FACTS

1,201
CATCH BASINS
CLEANED

1,020
SERVICE CALLS
(973 IN 2024)

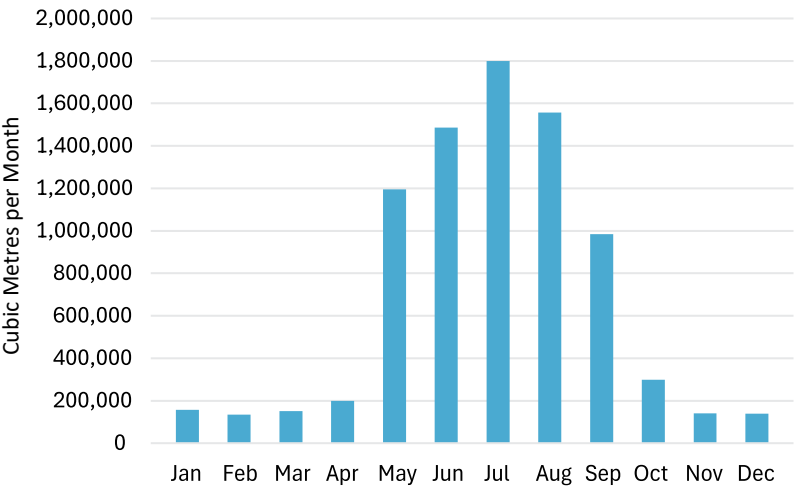
699,665 M³
TOTAL TREATED WASTEWATER
(VS 608,979 M³ IN 2024)

5,525
RESIDENTIAL WATER
CONNECTIONS
(5,504 IN 2024)

12,425
ESTIMATED
PEOPLE SERVED

4,185
RESIDENTIAL SANITARY
WASTEWATER SYSTEMS
(4,066 IN 2024)

2025 WATER DEMANDS PER MONTH





DEPARTMENT HIGHLIGHTS

BUILDING

- Zara at Lakestone - completion of a 51-unit condo building.
- Lumen Project - completion of a 67-unit condo building and 6 townhouses.
- Folktale Cidery - local cidery and the community’s newest gathering place.
- Airport Inn Demolition

PLANNING

- Kick-off of the OCP review.
- Backyard Chicken Bylaw 1246 approved allowing hens to be kept on some urban (non-agricultural) properties. Up to 5 hens can be kept on RR3 and RU1 zoned lots.
- Large development permit projects approved:
 - O’Rourke Family Estate Winery development and building permits issued.
 - Greenstone Developments – 76-unit residential development on Bottom Wood Lake Road (building permit pending approval).
 - Home Hardware (south lot) redevelopment – six storey building with ground floor commercial space and 100 residential units above (building permit pending approval).



Airport Inn demolition – The 2025 demolition of the Airport Inn marked an important step in improving community well-being, with the removal of neglected buildings and bringing an opportunity for safer, cleaner, and more compliant development to the community.

BYLAW SERVICES

Bylaw Services promotes community safety and livability by enforcing municipal bylaws through education, inspections, and response to public concerns. The department investigates complaints, conducts property and business inspections, and issues notices or tickets as needed, working with residents and partners to encourage compliance and maintain community standards.

2025 CALL COMPARISON REPORT

Category	2025	2024
Animal Control	53	65
Highways	41	63
Nuisance	307	322
Parking/Vehicles	344	345
Permit	251	131
Signs	14	22
Smoking	3	8
Water	4	6
Watercraft	11	7
Zoning	79	68
Total	1,107	1,037

FAST FACTS

1,107

CALLS FOR SERVICE
ADDRESSED TO BYLAW
(1,037 IN 2024)



'Lumen' at 19970 McCarthy Road – first large-scale rental multi-family building in Lake Country in over a decade.



O'Rourke Family Estate Winery – vineyard, winery, restaurants, outdoor amphitheatre, and on-site accommodation (future event centre still under construction).

Planning Year End Statistics				
Application Type	2025		2024	
	Received	Resolved*	Received	Resolved*
ALR (Agricultural Land Reserve)	0	5	5	6
ASP (Area Structure Plan)	1	0	1	0
Covenant Applications	0	3	1	3
Development Permits	14	7	9	18
Development Variance Permit	16	12	10	9
OCP & Zoning	19	5	21	7
Referrals (External)	9	24	8	7
Sign Permits	11	11	8	7
Temporary Use Permit	12	4	4	1
Total	82	71	67	58

Yearly Building Statistics						
Category	2025		2024		2023	
	Permit	Value	Permit	Value	Permit	Value
Single Family Dwelling	22	24,750,290	28	32,473,838	27	38,189,767
Commercial	6	25,608,200	3	5,385,000	0	0
Industrial	1	916,772	2	4,285,669	1	96,000
Institutional	1	325,000	0	0	1	200,000
Multi-Family Dwelling^	2	14,412,500	9	37,996,000	23	59,165,245
Other*	225	23,525,078	219	30,342,488	139	12,490,268
Total Permits/Values	257	89,537,840	233	110,482,995	191	110,191,280

*Other includes permits for: suites, blasting, demos, retaining walls, accessory buildings, mobile home placement, pool fences, service connections, wood stoves, solar panels, etc.

^MFD permits represent the number of permits issued, not the number of units constructed.

Parks, Recreation and Culture

Watch Matt Vader, Director of Parks, Recreation and Culture, recap 2025 accomplishments



RESPONSIBILITIES

Parks, Recreation and Culture is responsible for building and maintaining the District's parks, public green spaces and recreational spaces. They coordinate recreation opportunities, the community theatre (Creekside), Live! In Lake Country outdoor performances and public art and cultural events. This department is also responsible for facility maintenance and operations.

2025 HIGHLIGHTS

Lake Country Bike Park Opening

In May, the District celebrated the grand opening of its new bike park, a purpose-built facility designed for riders of all ages and skill levels. Developed in response to strong community demand identified in the 2023 Sports and Recreation Needs Assessment, the park reflects a collaborative effort between the municipality, industry partners, and local biking organizations. The opening event brought together residents, riders, and community leaders for demonstrations and festivities, showcasing the park's inclusive design and its role in promoting active lifestyles, outdoor recreation, and tourism. The bike park serves as a hub for community connection, skill development, and stewardship of the natural environment.



Mayor Ireland and Council, along with bike park contractors and interest groups, celebrate the opening of the bike park with a ribbon cutting event.

Swalwell Park Upgrades

The Parks team announced a major revitalization of Swalwell Park, the community's primary outdoor gathering space in the Town Centre. Guided by public input and design work, upgrades underway in 2025 include an inclusive playground, splash park enhancements, outdoor fitness area, improved pathways, and new shaded gathering spaces. This project supports a broader vision to enhance parks, trails, and public spaces while maintaining access to key amenities and events during construction.



Swalwell Park site layout concept.

FAST FACTS

349

RECREATION
PROGRAMS
(309 IN 2024)

1,515

DROP IN'S TO
RECREATIONAL
PROGRAMS
(1,733 IN 2024)

7

LIVE! IN
LAKE COUNTRY
PERFORMANCES
(8 IN 2024)

39

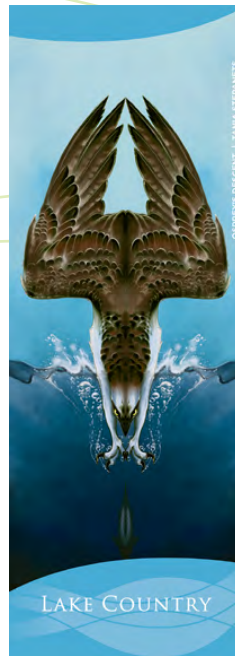
CREEKSIDE THEATRE
PERFORMANCES
(39 IN 2024)

Street Banner Art Program

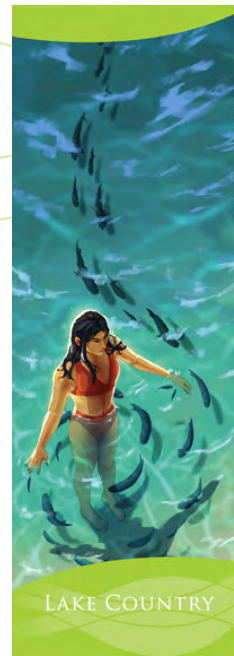
The District of Lake Country's street banner program engaged the community in a creative beautification initiative by showcasing artwork from local artists. Selected through an open contest, the designs reflect Lake Country's identity, values, and natural beauty across a variety of visual art forms, helping to enhance public spaces and celebrate community pride. 20 artwork images were selected and displayed down Main Street and Bottom Wood Lake Road.



Spring Arrowleaf
Danielle Erickson



Osprey's Descent
Tania Stepanets



September Swim
Shea Fraser



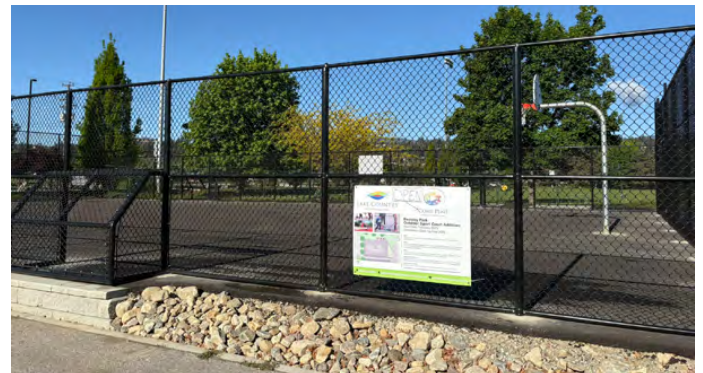
In The Orchard
Margaret Kyle

BC Tree Fruits Site – Community Engagement

In 2025, the District of Lake Country advanced planning for the former BC Tree Fruits property through public engagement and feasibility work. Residents were invited to share input through open houses, surveys, and studies to help identify priorities for recreation, culture, and community amenities. Guided by existing plans and community feedback, this process is shaping a long-term vision for the site to meet Lake Country's evolving needs.



Beasley Park Outdoor Sport Court Improvements



FAST FACTS

974

FIELD
RENTALS
(1,164 IN 2024)

177

EXTERNAL SERVICE
REQUESTS PLACED
(Parks, facility maintenance,
vandalism and dangerous trees.)
(126 IN 2024)

120

LAKE TREES SOLD,
OVER 4 VARIETIES
(125 IN 2024)

LAKE COUNTRY FIRE DEPARTMENT

In 2025, the LCFD received \$460,000 in Grants: \$200,000 for FireSmart Programs, \$120,000 for Emergency Management, and \$100,000 for Next Generation 911, and \$40,000 for Thermal Imaging Equipment.

PROACTIVE SERVICE AREAS



Career Staffing
& POC Response



FireSmart &
Fuel Management



UBCM Grants &
25 Year Fleet Plan



Smoke Alarms
& Public Education

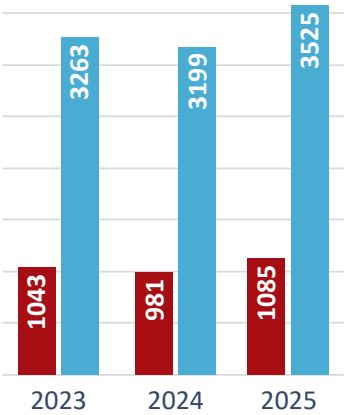


George Elliot
Secondary School
Fire Academy

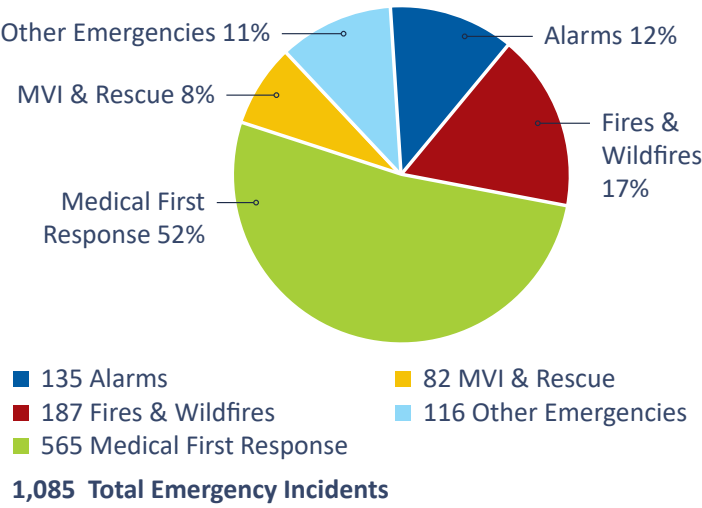
INCIDENT &
RESPONSE
VOLUME

- Incidents
- Responses*

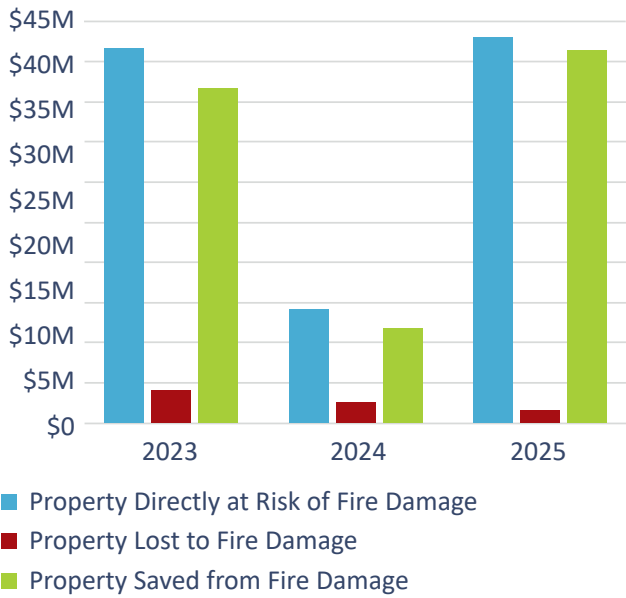
*Response indicates the number of units responding to an incident.



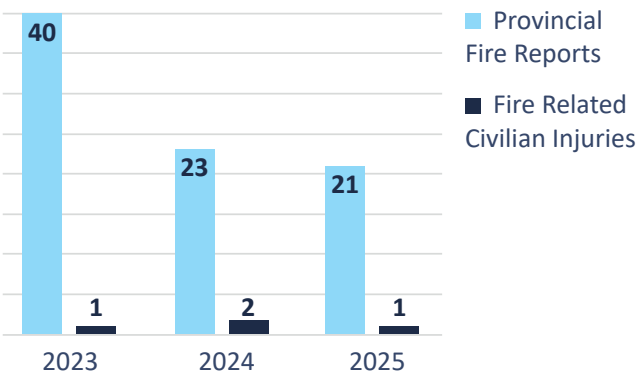
2025 EMERGENCY INCIDENTS BY TYPE



FIRE LOSS DATA

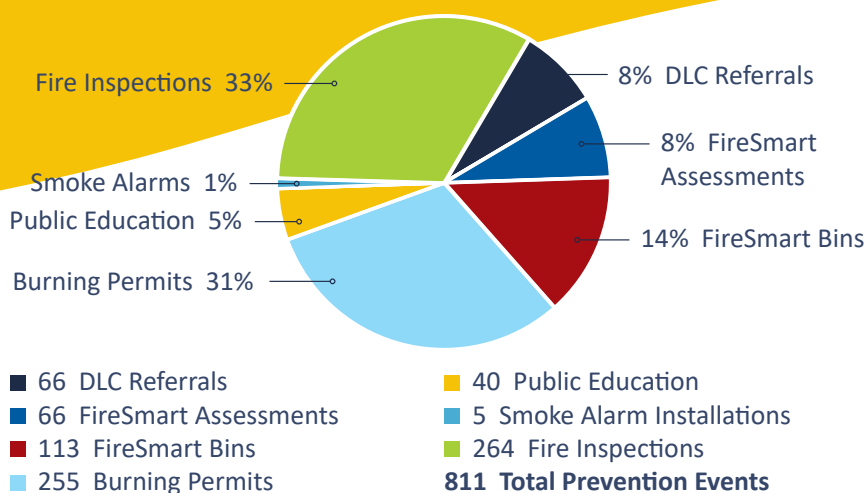


FIRE INVESTIGATION REPORTS



52% of homes in BC that experience a fire do not have a working smoke alarm (2024 OFC Annual Report).

2025 FIRE PREVENTION ACTIVITIES BY TYPE



2025 FIREFIGHTER TRAINING ACTIVITIES

A total of 216 official training events were scheduled and completed.

School District 23 Firefighter Boot Camp

(16 Secondary School Participants)

Jack Seaton Park Prescribed Fire

(40+ Firefighters & Staff burned 4 hectares of park)

2025 Paid on Call Firefighter Recruit Class

(14 New Recruits Graduated)

BC Firefighter Minimum Training Standards

(Live Fire Training & Driver-Operator Training)

BC Wildfire Service Training

(Wildland Firefighter & Engine Boss)

BC Emergency Health Services Training

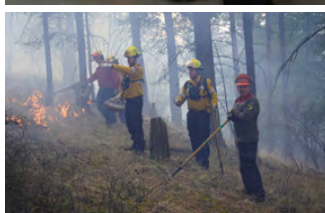
(First Responder Schedule II Upgrades)

Regional Rescue Training

(Hazmat, Vehicle Rescue & Ice Rescue)

Legacy Leadership Fund Scholarships

(5 Post Secondary Scholarships Awarded)



2025 FIRESMART VEGETATION DISPOSAL BIN PILOT PROGRAM



In 2025, recycling bins were made available at various locations around the community. This pilot program provided residents a means to dispose of vegetation that they removed from around their homes to help reduce their wildfire risk.



Location	Bins	Kgs
10247 Sherman Dr	9	13,900
11063 Okanagan Centre Rd East	76	120,790
15570 Kalwood Rd	10	11,550
16625 Commonage Rd	17	25,290
1960 Camp Rd	1	2,350
TOTAL	113	173,880



SUPPORTING LOCAL RCMP

The District provides municipal support staff to meet the administrative needs of the District of Lake Country's RCMP. District staff engage in critical work supporting the RCMP detachment in Lake Country.

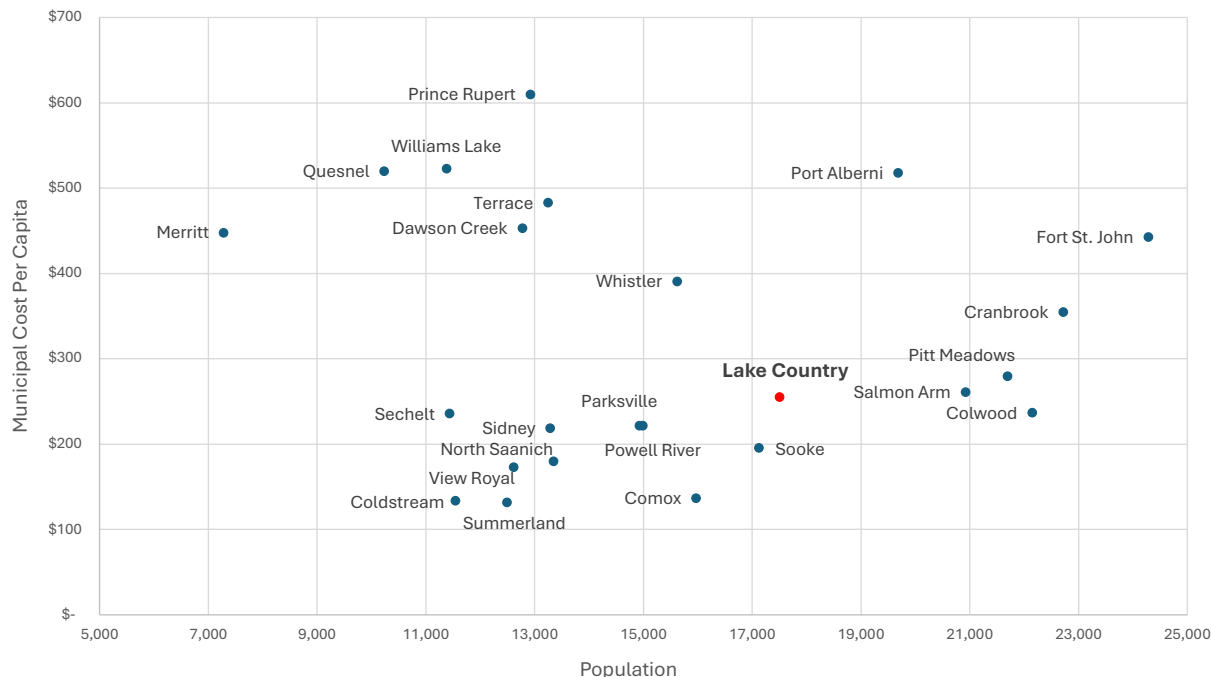


Fig. 1 – Shows Cost per Capita of policing services and populations for various municipalities in the year 2024. The figure includes the District of Lake Country and 24 other BC municipalities with populations between 10,000 and 25,000. Data is sourced from the Ministry of Public Safety and Solicitor General's report "Police Resources in British Columbia, 2024".

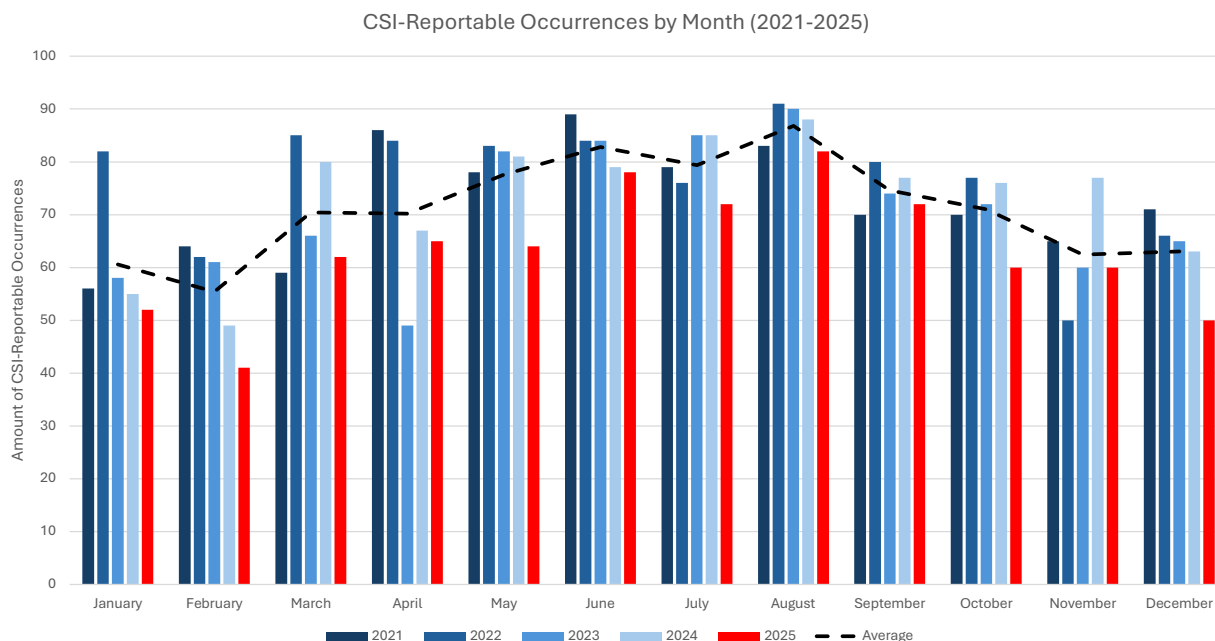


Fig 2 – Shows the number of CSI-reportable occurrences per month for the District of Lake Country from 2021-2025. CSI-reportable occurrences include all founded Criminal Code violations. More information on CSI-reportable occurrences can be found on the Statistics Canada website.

FAST FACTS



265

POLICE
INFORMATION
CHECKS
(175 IN 2024)



116

IMPAIRED
DRIVING
(107 IN 2024)



659

VIOLATION
TICKETS
(1,557 IN 2024)



143

STATEMENT
TRANSCRIPTIONS
(145 IN 2024)



3,145

OPERATIONAL
FILES REVIEWED
AND CLOSED
(3,435 IN 2024)



Financials



Trevor James,
Chief Financial Officer

REPORT FROM CHIEF FINANCIAL OFFICER

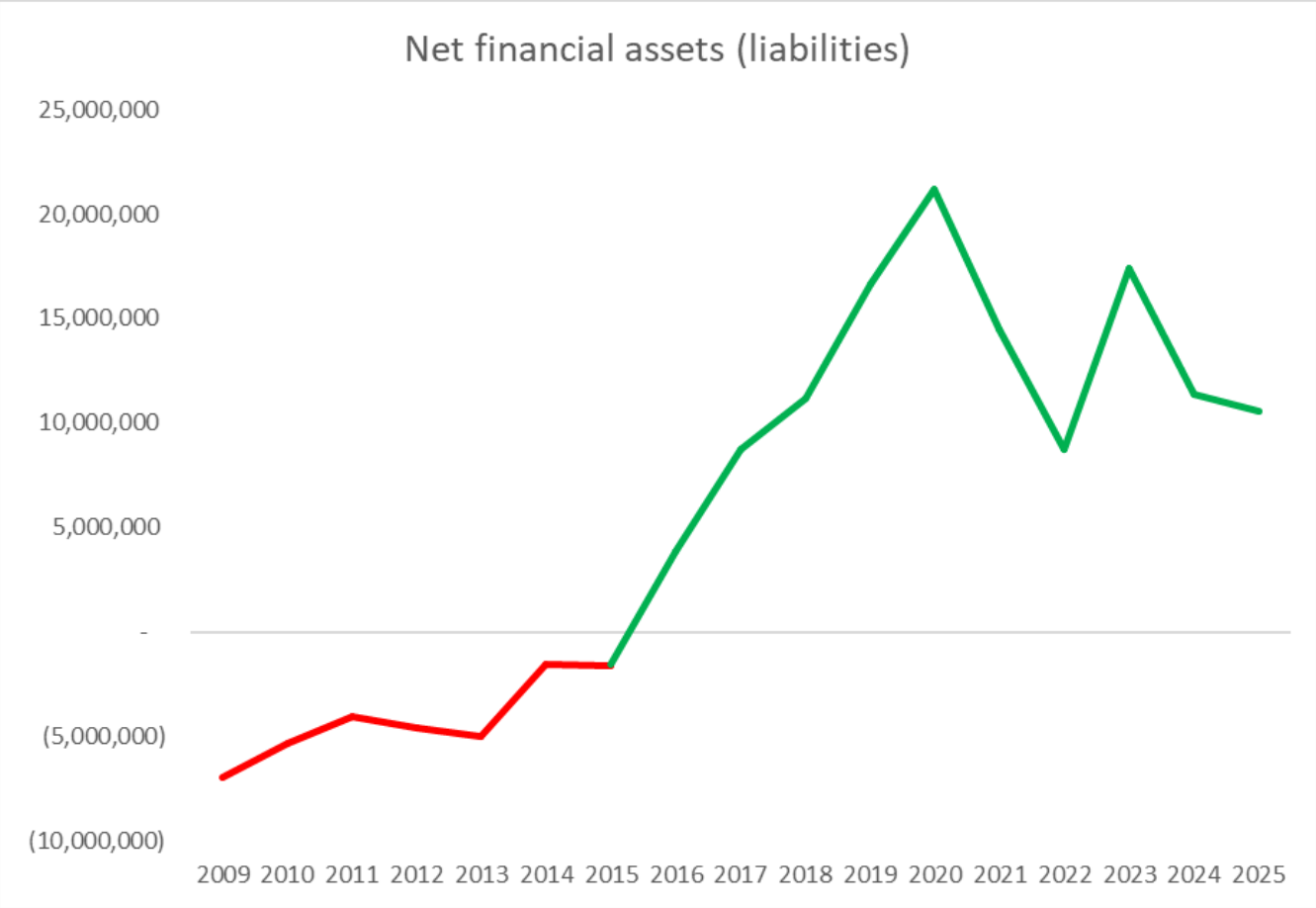
Our auditors, BDO LLP, have audited the 2025 financial statements and provided an unmodified (clean) audit opinion. The full financial statements were presented to Council by BDO LLP and by management at the May 5, 2026 Regular Council meeting.

These financial statements have been prepared in accordance with generally accepted accounting principles for local governments following recommendations and guidance provided by Public Sector Accounting Standards (PSAS).

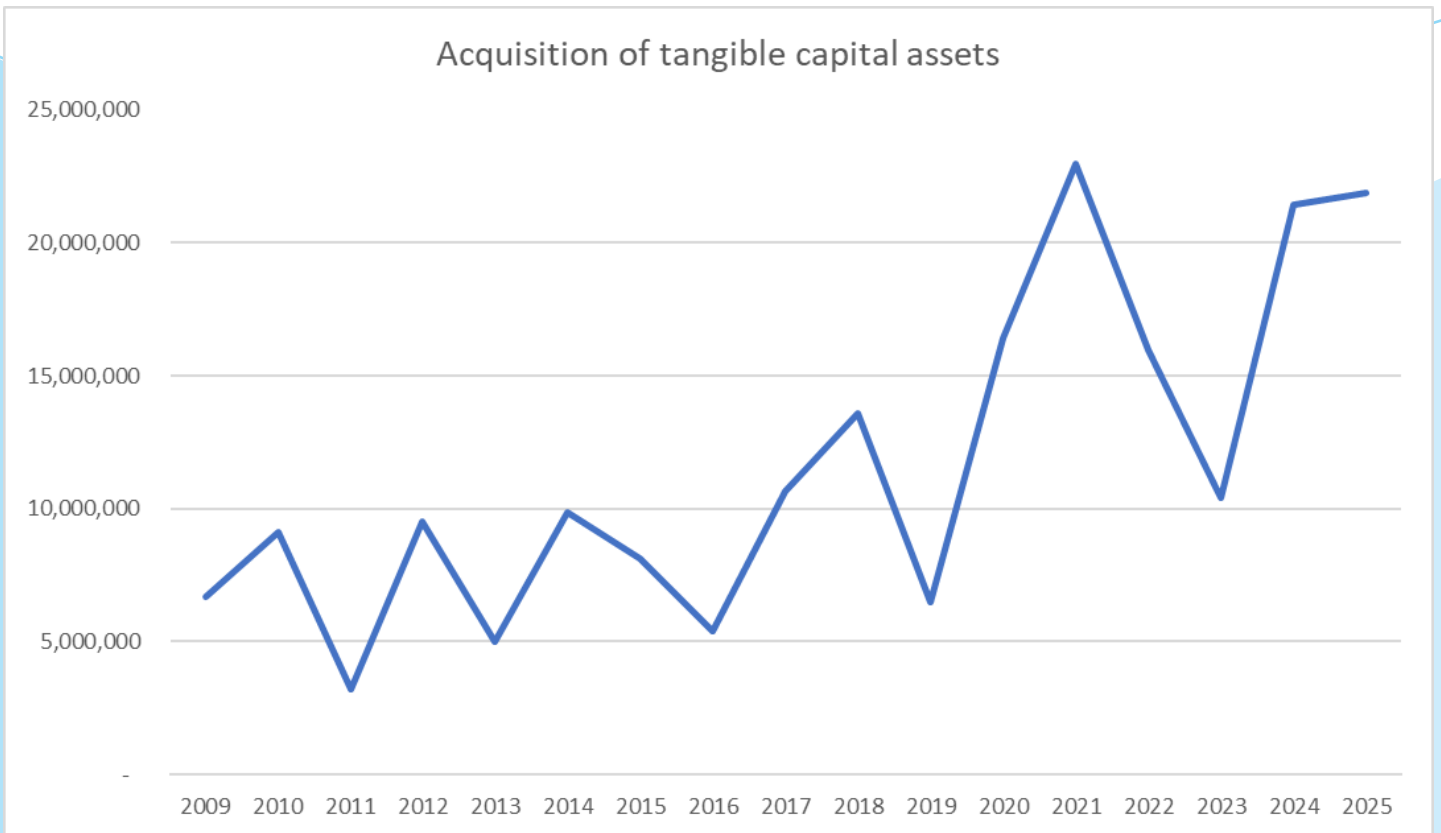
RELEVANT OBSERVATIONS

A net financial position indicates the extent that net financial resources are available to fund future operations and expenditures. In 2025 the District moved to a net financial position of \$10.5 million compared to \$11.4 million in 2024. This decrease is primarily attributable to a significant amount of tangible capital asset purchases in the year, \$21.9 million. The net financial position is in line with expectations based on timing of capital asset purchases.

The following chart shows the trend of net financial assets over the years:



This is consistent with the timing of significant capital expenditures:



2025 revenues were \$63.3m compared to \$56.0 budget. This 13.1% difference is primarily explained by the fact that Developer contributions were \$13.7m compared to budget of \$6.8m. This was in large part due to a one-time non-cash statutory parkland dedication associated with a subdivision of land valued at \$5.0m as well as the purchase of \$2m of DCC parkland through a 2025 budget amendment. Two other note worthy variances which were offsetting were in 2025, charges for sewer were shifted from parcel taxes to user fees explaining taxation being under budget and utility revenues being over budget.

2025 revenues were \$15.3m higher than 2024 (\$63.3m vs. \$48.0m) primarily due to:

- 6.45% property tax increase and water & sewer utility rate increases in 2025
- \$11.8m increase in developer contributions made up principally of the following:
 - o \$5.0m non-cash land contributed capital discussed above.
 - o \$5.1m in additional Development Cost Charge (DCC) revenue recognized in 2025 (\$6.9m in 2025 vs. \$1.8m in 2024) due to some large DCC land acquisitions and projects.
- \$1.2m increases in government transfers due to additional grant revenue

2025 expenses of \$43.5m were \$1.2m higher than budget of \$42.3m. This 2.7% variance was largely due to amortization of capital assets of \$6.6m compared to budget of \$5.2m. Given the non-cash nature of amortization and its non-impact on taxation rates, it has not been overly scrutinized as part of the budget process and as such has lagged behind actual amortization. Changes to budgeting for 2026 have taken place to more accurately budget for amortization. Please see “2025 Expenses Budget to Actual” for a breakdown by department.

2025 expenses of \$43.5m were \$4.2m higher than \$39.2m of 2024 expenses. This 10.7% increase was expected due to increases in RCMP costs, utility costs, general inflationary and materials and supplies costs as well as some major projects such as the OCP update and the ASP for the Business Park being classified as operating projects but funded from capital reserves increasing the overall operating expenses. Please see table “2025 Actual to 2024 Actual” for breakdown by department.

STATEMENT OF FINANCIAL POSITION

Some items that are unique to PSAS financial reporting as follows:

- **Separation of financial assets and non-financial assets** – in typical financial statements of a business, a balance sheet is separated into three main categories – assets, liabilities, and shareholders’ equity. In public sector financial statements, total assets are not specifically presented. Assets are separated between “financial” assets and “non-financial” assets:
 - o Financial Assets are assets that generate cash flow and can be used to repay liabilities. Financial Assets include cash and cash equivalents and accounts receivables.
 - o Non-Financial Assets generally do not provide cash flow and include tangible capital assets and other assets that are utilized on a continuing basis for public purposes having a useful life beyond one year. These assets are reflected at net book value (initial cost less amortization to date) and not intended to be sold in the normal course of operations.
- **Net Debt or Net Financial Assets** – With this separation of financial assets and non-financial assets, a performance measure unique to public sector financial statements results. The difference between financial assets and liabilities either reflects a “net debt” or “net financial asset” position.

- o Net Debt – A net debt position indicates the extent that debt and other liabilities have been taken on by the municipality to fund the delivery of services, investments in tangible capital assets and other transactions. Future revenue streams need to contemplate the requirement to repay debt obligations as they come due based on established repayment terms.
 - o Net Financial Assets – A net financial asset position indicates the extent that net financial resources are available to fund future operations and spending.
 - o The net debt and net financial assets will fluctuate from year to year depending on how much is spent on capital and how much surplus is recognized. However, the District should continue to see a net financial asset position as the reserves are held in line with the Reserve Policy adopted by Council.
- **Accumulated Surplus or Deficit** – the accumulated sum of non-financial assets and net financial assets. The District is in a “surplus” position. The surplus position reflects that net financial and physical resources are available to provide future services. If an entity was in a net deficit position, this would reflect that future revenues are required to finance historical operations.

STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

This statement provides the budgeted and actual revenues and expenses of the District for the fiscal year. Revenues are presented by their sources of funds (i.e. taxation, user fees, government transfers, etc.) Expenses are presented by function or major program (i.e. Protective services, Water, Sewer, etc.) The accumulated surplus represents the accumulated results experienced by the District over the years.

Please see executive summary for summary of most significant changes in budget vs. actual and actual vs. prior year as well as below for additional information:

2025 EXPENSES BUDGET TO ACTUAL					
Expenses	2025 Budget	2025 Actual	Difference in Budget vs. Actual	% Difference in Budget vs. Actual	Comments
General Government Services	5,671,506	6,037,329	365,823	6%	\$443,541 of actual amortization compared to budget of \$169,393. Increase in contracted services along with associated increase in grant revenue.
Protective Services	9,102,910	8,973,585	(129,325)	-1%	Came in under budget due to actual RCMP FTEs of 15.76 compared to budget of 21. This was partially offset by some budget overages in fire due to record levels of calls, non-reimbursable mutual-aid responses, higher than usual recruiting, training and replacement costs due to turnover, vacancies, and having to maintain provincial training standards.
Transportation Services	7,556,999	7,811,153	254,154	3%	Comparable to budget, \$2.2m of actual amortization compared to budget of \$1.8m.
Environmental Services	2,378,578	2,349,185	(29,393)	-1%	Comparable to budget.
Planning and Development Services	2,945,311	2,861,913	(83,398)	-3%	Comparable to budget, slightly under budget due to some staffing vacancies in the year.
Parks and Recreation Services	5,886,614	6,704,585	817,971	14%	\$1,061,338 of actual amortization compared with \$636,852 budgeted. \$318,471 of performance fees at Creekside Theatre compared to \$80,000 budget. However, there was also programming revenues of \$342,136 compared to budget of \$90,000 associated with these events.
Water Services	5,130,452	5,149,056	18,604	0%	Comparable to budget.
Sewer Services	2,795,987	2,745,302	(50,685)	-2%	Comparable to budget.
Interest Expense	845,416	850,520	5,104	1%	Comparable to budget.
TOTAL	42,313,773	43,482,628	1,168,855	3%	

EXPENSES - 2025 ACTUAL TO 2023 ACTUAL					
Expenses	2025 Actual	2024 Actual	Difference in Actual vs. Prior Year	% Difference in Actual vs. Prior Year	Comments
General Government Services	6,037,329	5,488,597	548,732	10%	Amortization of \$443,541 compared to 415,709 prior year. Additional budgeted FTEs. Other increased costs anticipated in budget surrounding materials and supplies, contracted services etc.
Protective Services	8,973,585	7,763,211	1,210,374	16%	Higher contracted services for RCMP including 15.76 FTEs compared to 14.78 in prior year. Increases in fire due to record levels of calls, non-reimbursable mutual-aid responses, higher than usual recruiting, training and replacement costs due to turnover, vacancies, and having to maintain provincial training standards.
Transportation Services	7,811,153	7,358,905	452,248	6%	Increase from \$2,119,264 in amortization to \$2,200,928. Increase in transit contract. Inflationary increases to contracted services such as road maintenance services contract.
Environmental Services	2,349,185	2,241,356	107,829	5%	Increases in hydro plant and garbage and recycling contract costs. Note that offsetting revenues were also collected.
Planning and Development Services	2,861,913	1,882,578	979,335	52%	Major operating projects such as the business park area structure plan and OCP update. Less FTE vacancies in 2025 vs. 2024.
Parks and Recreation Services	6,704,585	5,900,784	803,801	14%	Increases in line with budgeted increases due to rising costs of materials, supplies, utilities, contracted services. Higher theatre performance fees (along with higher revenues). Some large one of operating projects funded from capital reserves. Increase in amortization. Note that there was a \$759,000 increase in total revenues in the department as well offsetting increased costs.
Water Services	5,149,056	4,970,003	179,053	4%	Higher than prior year due to higher material/supply costs as well as additional users. \$64,000 additional amortization.
Sewer Services	2,745,302	2,618,008	127,294	5%	Higher than prior year due to higher material/supply costs as well as additional users.
Interest Expense	850,520	1,011,314	(160,794)	-16%	Less interest due to maturity of some loans.
Total	43,482,628	39,234,756	4,247,872	11%	

STATEMENT OF CHANGES IN NET DEBT

Explains the changes in net debt, reconciling the opening to the closing balance of net debt reported in the Statement of Financial Position.

STATEMENT OF CASH FLOWS

Explains the changes to cash and cash equivalents, reconciling the opening to the closing balance of cash and cash equivalents reported in the Statement of Financial Position.

NOTES TO FINANCIAL STATEMENTS AND SCHEDULES

Provides further details on information provided in the financial statements noted above. The full listing of debt including what it is for has been provided in Attachment B.

Schedule 1 – Schedule of Tangible Capital Assets

Summary of changes to the net book value of all District tangible capital assets and work in progress held by category.

Schedule 2 – Schedule of Accumulated Surplus

Summary of changes to reserves as well as the net investment in tangible capital assets.

Schedule 3 – Schedule of Segment Disclosure

Further details of the use of financial resources (revenue and expenses) by the District by function or segment.

Schedule 4 – Schedule of Local Government Housing Initiatives Grant

This is a schedule required for the acceptance of the Local Government Housing Initiatives Grant received in January 2024 from the Provincial Government. This grant was recorded as revenue for 2024 and then transferred into the financial stabilization reserve where the amount will be drawn down as it gets spent.

CANADIAN AWARD FOR FINANCIAL REPORTING

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting to the District of Lake Country for its annual financial report for the fiscal year ended December 31, 2024. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

In order to be awarded a Canadian Award for Financial Reporting, a government unit must publish an easily readable and efficiently organized annual financial report, whose contents conform to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government’s financial picture, enhance an understanding of financial reporting by municipal governments, and address user needs.

A Canadian Award for Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Canadian Award for Financial Reporting program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



Respectfully Submitted,
Trevor James, CPA, CA
CFO, Director of Finance & Administration

2025

DISTRICT OF LAKE COUNTRY FINANCIAL STATEMENTS



Municipal Hall

10150 Bottom Wood Lake Road
Lake Country, BC V4V 2M1
Tel: 250-766-5650
Fax: 250-766-0116

May 6, 2026

Mayor and Council
District of Lake Country

Mayor Ireland and Council,

In accordance with Section 167 of the Community Charter, I am pleased to present the 2025 Annual Financial Statements of the District of Lake Country for the fiscal year ended December 31, 2025. These statements include the Independent Auditors' Report, the financial statements and the notes and schedules to the financial statements for the District of Lake Country.

The financial statements for the year ended December 31, 2025 were prepared by the District in accordance with Canadian Public Sector Accounting Standards. The integrity and objectivity of these statements are management's responsibility. Management is also responsible for implementing and maintaining a system of good internal controls to safeguard the District's assets and to provide reasonable assurance that reliable and consistent financial information is provided.

Council is responsible for ensuring management fulfills its responsibility for financial reporting and internal control.

The auditors, BDO Canada LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion regarding the Annual Financial Statements. The audit was planned and performed to obtain reasonable assurance as to whether the financial statements are free from material error or misstatement.

The District strives to ensure that services are effectively and efficiently delivered to meet Council's and the community's goals and vision. The District is committed to providing sound financial management and long-term strategic planning to achieve these objectives.

Respectfully submitted,



Trevor James, CPA, CA
Chief Financial Officer



Tel: 250 763 6700
Fax: 250 763 4457
www.bdo.ca

BDO Canada LLP
1631 Dickson Avenue, Suite 400
Kelowna, BC V1Y 0B5

Independent Auditors' Report

To Mayor and Council of the District of Lake Country

Opinion

We have audited the financial statements of the District of Lake Country (the "District"), which comprise the statement of financial position as at December 31, 2025, and the statement of changes in net financial assets, statement of operations and accumulated surplus, and statement of cash flows for the year then ended, and notes and schedules 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 District as at December 31, 2025, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matter

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of Schedule 4 of these financial statements.

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 District 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.

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 District's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the District or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the District'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 District'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 District'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 District 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.

BDO Canada LLP

Chartered Professional Accountants

Kelowna, British Columbia
May 6, 2026

District of Lake Country

December 31, 2025

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District of Lake Country

Statement of Financial Position

As at December 31	2025	2024
Financial assets		
Cash and cash equivalents (Note 5)	\$ 30,175,067	\$ 39,152,070
Accounts receivable (Note 6)	12,851,977	8,128,159
	<u>43,027,044</u>	<u>47,280,229</u>
Liabilities		
Accounts payable and accrued liabilities (Note 7)	10,835,443	6,584,599
Security deposits	2,086,333	2,757,596
Deferred revenue (Note 8)	2,970,256	3,218,244
Restricted revenue (Note 9)	41,319	5,628,196
Long-term debt (Note 10)	15,927,470	16,974,916
Asset retirement obligation liability (Note 11)	<u>629,278</u>	<u>739,006</u>
	<u>32,490,099</u>	<u>35,902,557</u>
Net financial assets	10,536,945	11,377,672
Non-financial assets		
Tangible capital assets (Schedule 1)	257,820,570	237,192,814
Prepaid expenses	<u>136,335</u>	<u>106,096</u>
Accumulated surplus (Schedule 2)	<u><u>\$ 268,493,850</u></u>	<u><u>\$ 248,676,582</u></u>
Contingent liabilities and commitments (Note 12)		



Trevor James, CPA, CA
Chief Financial Officer



Blair Ireland
Mayor

See accompanying notes to the financial statements.

District of Lake Country

Statement of Operations and Accumulated Surplus

For the year ended December 31	2025 Budget *	2025 Actual	2024 Actual
Revenue			
Taxation (Note 13)	\$ 27,138,538	\$ 25,755,427	\$ 25,411,940
Utility revenues	6,883,082	8,743,369	7,006,826
Services provided to other governments	837,015	854,527	840,015
Sale of services	3,281,717	3,967,411	3,237,857
Permits and licences	1,725,500	1,587,715	1,645,525
Interest on Investments	1,043,420	1,681,316	2,386,944
Government transfers (Note 14)	7,753,444	5,879,765	4,720,442
Developer contributions	6,792,042	13,696,186	1,862,777
Other revenue	511,597	1,134,180	913,490
	<u>55,966,355</u>	<u>63,299,896</u>	<u>48,025,816</u>
Expenses			
General Government Services	5,671,506	6,037,329	5,488,597
Protective Services	9,102,910	8,973,585	7,763,211
Transportation Services	7,556,999	7,811,153	7,358,904
Environmental Services	2,378,578	2,349,185	2,241,357
Planning and Development Services	2,945,311	2,861,913	1,882,578
Parks and Recreation Services	5,886,614	6,704,585	5,900,784
Water Services	5,130,452	5,149,056	4,970,003
Sewer Services	2,795,987	2,745,302	2,618,008
Interest expense	845,416	850,520	1,011,314
	<u>42,313,773</u>	<u>43,482,628</u>	<u>39,234,756</u>
Annual surplus	13,652,582	19,817,268	8,791,060
Accumulated surplus, beginning of year	<u>248,676,582</u>	<u>248,676,582</u>	<u>239,885,522</u>
Accumulated surplus, end of year	<u><u>\$ 262,329,164</u></u>	<u><u>\$ 268,493,850</u></u>	<u><u>\$ 248,676,582</u></u>

* Note 3

See accompanying notes to the financial statements.

District of Lake Country

Statement of Changes in Net Financial Assets

For the Year Ended December 31	2025 Budget	2025 Actual	2024 Actual
Unrestricted annual surplus	\$ 13,652,582	\$ 19,817,268	\$ 8,791,060
Acquisition of tangible capital assets	(28,374,285)	(21,899,522)	(21,436,253)
Developer contribution of tangible capital assets	-	(5,377,788)	(91,080)
Amortization of tangible capital assets	5,224,783	6,616,035	6,360,172
Increase in tangible capital assets due to asset retirement obligations	-	(21,368)	(111,515)
Change in estimates	-	49,386	-
Net loss(gain) on disposal of tangible capital assets	-	2,517	(132,916)
Proceeds from disposal of tangible capital assets	7,500	2,983	147,100
Acquisition of prepaid expenses	-	(30,238)	439,151
(Decrease)/increase in net financial assets	(9,489,420)	(840,727)	(6,034,281)
Net financial assets, beginning of year	11,377,672	11,377,672	17,411,953
Net financial assets, end of year	\$ 1,888,252	\$ 10,536,945	\$ 11,377,672

See accompanying notes to the financial statements.

District of Lake Country

Statement of Cash Flows

For the year ended December 31	2025	2024
Net inflow (outflow) of cash and cash equivalents related to the following activities		
Operating activities		
Annual surplus for the year	\$ 19,817,268	\$ 8,791,060
Adjustment for non-cash items		
Amortization of tangible capital assets	6,616,035	6,360,172
Accretion of asset retirement obligations	35,103	68,692
Net loss/(gain) on disposal of tangible capital assets	2,517	(132,916)
Actuarial adjustment on long-term debt	(216,162)	(350,566)
Acquisition of prepaid expenses	(30,238)	439,151
Increase/(decrease) in		
Accounts receivable	(4,723,820)	(2,070,658)
Accounts payable	4,250,845	(1,784,137)
Security deposits	(671,264)	(109,365)
Deferred revenue	(247,988)	272,617
	<u>24,832,296</u>	<u>11,484,050</u>
Financing activities		
Restricted revenue development cost charges, net	(5,586,877)	2,335,041
Repayment of long-term debt	(831,283)	(1,019,965)
	<u>(6,418,160)</u>	<u>1,315,076</u>
Capital activities		
Acquisition of tangible capital assets	(21,899,522)	(21,436,253)
Developer contribution of tangible capital assets	(5,377,788)	(91,080)
Proceeds from disposal of tangible capital assets	2,983	147,100
Settlement of asset retirement obligations	(116,812)	-
	<u>(27,391,139)</u>	<u>(21,380,233)</u>
Increase in cash and cash equivalents	<u>(8,977,003)</u>	<u>(8,581,107)</u>
Cash and cash equivalents, beginning of year	<u>39,152,070</u>	<u>47,733,177</u>
Cash and cash equivalents, end of year	<u><u>\$ 30,175,067</u></u>	<u><u>\$ 39,152,070</u></u>
Supplementary cash flow information		
Interest paid	<u>\$ 850,520</u>	<u>\$ 1,011,314</u>

See accompanying notes to the financial statements.

District of Lake Country

Notes to the Financial Statements

For the year ended December 31, 2025

The notes to the financial statements are an integral part of the statements. They explain the significant accounting and reporting policies and principles underlying these statements. They also provide relevant supplementary information and explanations which cannot be conveniently expressed in the financial statements.

1. Nature of entity

The District of Lake Country ("the District") was incorporated under the laws of British Columbia in 1995 and is engaged in the operation of a municipality.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards.

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

Basis of presentation

The District's resources and operations are segregated into General, Water, Sewer and Statutory Reserve Funds for accounting and financial reporting purposes. Each of these funds is further segregated into operating and capital funds, where applicable. The financial statements include all of the accounts of these funds.

Accrual accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measured.

Financial Instruments

Cash and equity instruments quoted in an active market are measured at fair value (hierarchy level one - quoted market prices). All other financial instruments, are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the statement of financial position.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

When investment income and realized and unrealized gains and losses from changes in the fair value of financial instruments are externally restricted, the investment income and fair value changes are recognized as revenue in the period in which the resources are used for the purpose specified.

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

For portfolio measurements measured at cost, the cost method records the initial investment at cost and earnings from such investments are recognized only to the extent received or receivable. When an

2. Significant accounting policies (continued)

Financial Instruments (continued)

investment is written down to recognize an impairment loss, the new carrying value is deemed to be the new cost basis for subsequent accounting purposes.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives.

The estimated useful lives are as follows:

Tangible capital assets	Estimated useful life
Land improvements	10 - 50 years
Buildings	50 years
Furniture and equipment	5 - 20 years
Vehicles and machinery	8 - 20 years
IT Infrastructure	5 years
Road surface	20 years
Road base	80 - 99 years
Other road structures	20 - 50 years
Water, sewer, and other structures	25 - 80 years

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal.

Work in Progress is valued at cost and represents capital projects under construction but not yet ready for use. Amortization commences once the individual projects are capitalized.

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

The District has numerous works of art located throughout the District which are not reflected in these financial statements due to the subjectivity as to their value.

District of Lake Country

Notes to the Financial Statements

For the year ended December 31, 2025

2. Significant accounting policies (continued)

Supplies on hand

Supplies are charged to operations when purchased.

Capitalization of interest

The District capitalizes interest on temporary borrowing until the completion of the project that is to be financed by debenture debt at the current rate of the District's short-term borrowing.

Debenture debt

Outstanding debenture debt is reported net of sinking fund balances.

Debt charges

Interest on debt is charged to current operations. Interest charges are accrued for the period from the date of the latest interest payment to the end of the year.

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 all of the following criteria are met:

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

The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring.

2. Significant accounting policies (continued)

Asset retirement obligation

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

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

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

Municipal Finance Authority debt reserve deposits

The District issues its debt instruments through the Municipal Finance Authority. As a condition of these borrowings, a portion of the debenture proceeds is withheld by the Municipal Finance Authority as a debt reserve fund. The District also executes demand notes in connection with each debenture whereby the District may be required to loan certain amounts to the Municipal Finance Authority. These demand notes are contingent in nature, and are detailed as follows:

	Demand Notes	Cash Deposits
General Fund	\$ 287,841	\$ 137,144
Water Fund	34,809	15,167
Sewer Fund	276,538	112,919
	<u>\$ 599,188</u>	<u>\$ 265,230</u>

Reserve funds

Non-statutory reserves represent an appropriation of surplus for specific purposes. Reserves for future capital expenditures represent funds to finance incomplete capital projects. Statutory reserves are restricted by the Community Charter and the associated municipal bylaws that established the reserves.

District of Lake Country

Notes to the Financial Statements

For the year ended December 31, 2025

2. Significant accounting policies (continued)

Revenue recognition

Taxes are recognized as revenue in the year they are levied. Through the BC Assessment appeal process property assessment values may be adjusted through a supplementary roll. Decreases or increases of taxation as a result of these re-assessments are recognized at the time they are awarded.

Revenues from transactions with performance obligations are recognized when (at a point in time) or as (over a period of time) the District satisfies the performance obligations, which occurs when control of the benefits associated with the promised goods or services has passed to the payor.

The District recognizes revenue from users of the water, sewer, solid waste disposal, and rentals of District property services on a straight-line basis over the period of time that the relevant performance obligations are satisfied by the District.

The District recognizes revenue from administrative services, building permits, development permits, sales of goods and other licenses and permits at the point in time that the District has performed the related performance obligations and control of the related benefits has passed to the payors.

Revenue from transactions without performance obligation is recognized at realizable value when the District has the authority to claim or retain an inflow of economic resources received or receivable and there is a past transaction or event that gives rise to the economic resources.

The District recognizes revenue from tax penalties and interest, municipal ticket fines, and other revenue without associated performance obligations at the realizable value at the point in time when the District is authorized to collect these revenues.

Investment income is recorded on the accrual basis and recognized when earned.

Government transfers are recognized as revenue in the period that the transfer is authorized, eligibility criteria, if any, have been met by the District, and a reasonable estimate of the amount to be received can be made.

Developer contributions are recognized as revenue during the period in which the related costs are incurred or when infrastructure is turned over to the District.

Expenses

Expenses are recorded in the period in which the goods or services are acquired and a liability is incurred.

Use of estimates

The preparation of the financial statements 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 revenue and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of employee benefit plans, allowance for doubtful accounts receivable, provision for contingencies and tangible capital assets estimated useful life and related amortization. Actual results could differ from management's best estimates as additional information becomes available. Adjustments, if any, will be reflected in the financial statements in the period that the change in estimate is made, as well as in the period of settlement if the amount is different.

District of Lake Country

Notes to the Financial Statements
For the year ended December 31, 2025

3. Budget figures

The budget figures are from the District's Annual Five-Year Financial Plan Bylaw adopted by Mayor and Council before May 15th of each year. Subsequent amendments have been made by Council to reflect changes in the budget as required by legislation. The budget was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards require a full accrual basis. The budget figures anticipated using surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues to \$13,652,582. In addition, the budget expensed all tangible capital asset expenditures. As a result, the budget figures presented in the statement of operations and the statement of changes in net financial assets (net debt) represent the budget adopted by Mayor and Council with adjustments as follows:

	2025
Add:	
Acquisition of tangible capital assets	\$ 28,374,285
Long-term debt principal payments and actuarial adjustments	988,204
Less:	
Transfers from surpluses and reserves	(10,477,623)
Proceeds from disposal of tangible capital assets	(7,500)
Transfer from equity in tangible capital assets for amortization	(5,224,784)
Financial plan (Budget) surplus per statement of operations	<u>\$13,652,582</u>

4. Financial Instruments

The District is potentially exposed to credit risk, market and interest rate risk, and liquidity risk from the District's financial instruments. Qualitative and quantitative analysis of the significant risks from the District's financial instruments is provided below by type of risk.

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

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The District is exposed to credit risk through its cash, accounts receivable, and short-term investments.

District of Lake Country

Notes to the Financial Statements

For the year ended December 31, 2025

4. Financial Instruments (continued)

Credit risk (continued)

The District manages its credit risk by:

- Ensuring receivables are primarily government organizations.
- Having legislated collateral over taxes receivable from highly diversified nature of residents of the District.
- Holding cash and guaranteed investment certificates at federally regulated chartered banks with cash accounts insured.

The District measures its exposure to credit risk:

- By how long amounts have been outstanding from government organizations regarding capital projects and other.
- Based on historical experience regarding collections

The maximum exposure to credit risk at the financial statement date is the carrying value of its cash and cash equivalents and accounts receivable as outlined in Notes 5 and 6. Accounts receivable arise primarily as a result of utilities, and grants receivable. Based on this knowledge, credit risk of cash and accounts receivable are assessed as low.

The District manages exposure to credit risk for cash equivalents by ensuring adequate diversification and by maintaining its investments which meets the investment requirements of Section 183 of the Community Charter of the Province of BC. As a result, the District has reduced exposure to market or value risk. The maximum exposure to credit risk on short-term investments is outlined in Note 5.

Liquidity risk

Liquidity risk is the risk that the District will encounter difficulty in meeting obligations associated with financial liabilities. The District is exposed to liquidity risk through its accounts payable, long-term debt, and investments.

The District manages this risk by staggering maturity dates of investments based on cash flow needs. Also to help manage the risk, the District has in place a planning, budgeting and forecasting process to help determine the funds required to support the normal operating requirements. The District's five-year financial plan is approved by the Mayor and Council, which includes operational activities and capital investments. The District measures its exposure to liquidity risk based on cash flow needs versus available cash.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The District is exposed to interest rate risk through its long-term debt and the value of portfolio investments.

District of Lake Country

Notes to the Financial Statements

For the year ended December 31, 2025

4. Financial Instruments (continued)

Interest rate risk (continued)

The District manages interest rate risk on its long-term debt by holding all debt through MFA at a fixed rate, with refinancing typically being completed at the ten or fifteen year mark. Therefore, fluctuations in market interest rates would not impact future cash flows and operations relating to long-term debt. See Note 10 for interest rates and maturity dates for long term debt. Investments that are subject to interest rate risk are GICs, Chartered Bank Accruals and Debentures (see Note 5). The risk is caused by changes in interest rates. As interest rates rise, the fair value of the investments decrease and, as interest rates fall, the fair value of these investments increase.

5. Cash and cash equivalents

Cash and cash equivalents consist of cash and short-term investments with maturities of 90 days or less from the date of acquisition. Cash and cash equivalents are recorded at cost and are comprised of the following:

	2025	2024
Cash	\$ 1,525,660	\$ 6,495,639
Term Deposits	24,771,086	27,694,569
Chartered Bank Accrual Notes and Debentures	3,878,321	4,961,862
Total Cash and Cash Equivalents	<u>\$ 30,175,067</u>	<u>\$ 39,152,070</u>

Included in 2025 cash and cash equivalents is \$1,743,357 (2024 - \$2,392,662) relating to performance deposits, the use of which is subject to certain restrictions.

Details of term deposits and debentures are as follows:

Maturing within 6 months, 2.09% - 4.00%	\$ 6,513,603	\$ 9,500,000
Maturing 6 months to 1 year, 1.54% - 4.55%	2,299,138	3,422,351
Maturing 1 year to 5 years, 2.13% - 5.15%	16,252,169	14,508,274
Maturing beyond 5 years, 3.45% - 3.78%	3,584,497	5,225,806
Total term deposits and debentures	<u>\$ 28,649,407</u>	<u>\$ 32,656,431</u>

Operating line of credit

The District has an operating line of credit with the Toronto Dominion Commercial Bank for an authorized amount of \$1,500,000, bearing interest at bank prime rate. At December 31 the balance outstanding on the operating line of credit was \$nil (2024 - \$nil).

District of Lake Country

Notes to the Financial Statements
For the year ended December 31, 2025

6. Accounts receivable

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

	2025	2024
Property tax receivables	\$ 905,204	\$ 1,159,160
Trade receivables	4,328,081	3,227,993
Due from other governments	4,922,819	1,659,694
Utility fees	2,695,873	2,081,312
	<u>\$ 12,851,977</u>	<u>\$ 8,128,159</u>

7. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are comprised of the following:

	2025	2024
Accounts payable	\$ 5,425,017	\$ 2,928,683
Due to other governments	3,554,180	2,833,098
Trade contract holdbacks	729,626	3,000
Wages and benefits	1,126,620	819,818
	<u>\$ 10,835,443</u>	<u>\$ 6,584,599</u>

8. Deferred revenue

The District records deferred revenue for funds received in advance on services not yet rendered and is recognized as revenue during the period in which the services are provided. Because these funds are restricted in nature, they are shown as a liability.

	2024	Deferred revenue received	Deferred revenue recognized	2025
Prepaid taxes	\$ 1,794,337	\$ 1,821,950	\$ (1,794,337)	\$ 1,821,950
Prepaid water utility fees	28,358	34,358	(28,358)	34,358
Prepaid leisure service fees	43,130	46,986	(43,130)	46,986
Deferred parcel tax	26,166	-	-	26,166
Other	1,326,253	309,394	(594,851)	1,040,796
	<u>\$ 3,218,244</u>	<u>\$ 2,212,688</u>	<u>\$ (2,460,676)</u>	<u>\$ 2,970,256</u>

District of Lake Country

Notes to the Financial Statements For the year ended December 31, 2025

9. Restricted revenue

Pursuant to the provisions of the Local Government Act, development cost charges (“DCC’s”) and parkland acquisition funds are held in statutory reserve funds for the purposes for which the charges have been imposed. When the related costs are incurred, the DCC’s and parkland acquisition funds are recognized as revenue. Because these funds are restricted in nature, they are shown as a liability.

	Development cost charge restricted revenue 2025	Parkland acquisition restricted revenue 2025	Total 2025	Total 2024
Financial assets:				
Cash	\$ (1,174,869)	\$ 82,050	\$ (1,092,819)	\$ 5,628,196
Accounts receivable	2,463,147	-	2,463,147	-
	<u>1,288,278</u>	<u>82,050</u>	<u>1,370,328</u>	<u>5,628,196</u>
Balance, beginning of year	5,546,146	82,050	5,628,196	3,293,155
Contributions from developers	2,625,014	-	2,625,014	4,079,661
Permit adjustments	-	-	-	(155,680)
Interest on investments	48,406	-	48,406	178,444
Capital financing	<u>(8,260,297)</u>	<u>-</u>	<u>(8,260,297)</u>	<u>(1,767,384)</u>
Balance, end of year	<u>\$ (40,731)</u>	<u>\$ 82,050</u>	<u>\$ 41,319</u>	<u>\$ 5,628,196</u>

In accordance with Section 562 of the Local Government Act, no DCC's were waived or reduced for eligible development as defined under Section 563 of the Act. DCC reserve balances can be itemized as follows:

	2025	2024
Roads DCC	\$ (411,178)	\$ 391,690
Drainage DCC	593,660	830,958
Park DCC	333,648	3,187,295
Water DCC	1,286,011	2,495,516
Sewer DCC	(1,842,872)	(1,359,313)
Parkland acquisition	<u>82,050</u>	<u>82,050</u>
	<u>\$ 41,319</u>	<u>\$ 5,628,196</u>

District of Lake Country

Notes to the Financial Statements
For the year ended December 31, 2025

10. Long-term debt

	<u>Interest rate</u>	<u>Year of maturity</u>	<u>Balance, beginning of year</u>	<u>Additions</u>	<u>Principal payment</u>	<u>Actuarial adjustment</u>	<u>Balance, end of year</u>
General Fund							
MFA Issue 104	5.150%	2028	\$ 447,918	\$ -	\$ 56,318	\$ 55,160	\$ 336,440
MFA Issue 105	4.900%	2029	163,787	-	16,791	21,922	125,074
MFA Issue 133	2.750%	2035	1,656,233	-	92,469	42,919	1,520,845
MFA Issue 157	3.360%	2042	5,638,533	-	239,737	25,621	5,373,175
			<u>7,906,471</u>	<u>-</u>	<u>405,315</u>	<u>145,622</u>	<u>7,355,534</u>
Water Fund							
MFA Issue 114	3.650%	2026	40,354	-	19,815	-	20,539
MFA Issue 114	3.650%	2026	61,750	-	30,321	-	31,429
MFA Issue 127	3.300%	2029	178,309	-	23,906	17,062	137,341
			<u>280,413</u>	<u>-</u>	<u>74,042</u>	<u>17,062</u>	<u>189,309</u>
Sewer Fund							
MFA Issue 126	3.850%	2033	584,157	-	39,335	21,996	522,826
MFA Issue 158	4.090%	2042	8,203,875	-	312,592	31,482	7,859,801
			<u>8,788,032</u>	<u>-</u>	<u>351,927</u>	<u>53,478</u>	<u>8,382,627</u>
Total long-term debt			<u>\$ 16,974,916</u>	<u>\$ -</u>	<u>\$ 831,284</u>	<u>\$ 216,162</u>	<u>\$ 15,927,470</u>

The principal repayments on long-term debt required in each of the five years and thereafter are as follows:

	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>Thereafter</u>	<u>Total</u>
General Fund	\$ 405,314	\$ 405,314	\$ 405,314	\$ 348,997	\$ 332,206	\$ 3,339,229	\$ 5,236,374
Water Fund	75,873	23,906	23,906	23,906	-	-	147,590
Sewer Fund	351,927	351,927	351,927	351,927	351,927	3,869,108	5,628,743
Actuarial Adjustment	-	-	-	-	-	-	4,914,763
	<u>\$ 833,114</u>	<u>\$ 781,147</u>	<u>\$ 781,147</u>	<u>\$ 724,830</u>	<u>\$ 684,133</u>	<u>\$ 7,208,337</u>	<u>\$ 15,927,470</u>

District of Lake Country

Notes to the Financial Statements
For the year ended December 31, 2025

11. Asset Retirement Obligations

The District owns and operates several assets that are known to have asbestos and lead paint, which represent a health hazard upon demolition or renovation of the assets. There is a legal obligation to remove and dispose of the hazardous materials. The District has recognized an obligation relating to the removal of the hazardous materials in these assets.

Estimated costs totaling \$1,939,464 (2024 - \$2,068,372) have been discounted using a present value calculation with a discount rate of 4.75% (2024 - 4.55%). The timing of these expenditures is estimated to occur between 2025 and 2067 with the regular replacement, renovation, or disposal of assets. No recoveries are expected at this time.

	2025	2024
Balance, beginning of the year	\$ 739,006	\$ 558,799
Recognition of expected discounted cash flows	21,368	111,515
Liabilities settled during the year	(111,516)	-
Increase due to accretion	35,103	68,692
Decrease due to change in estimates	(54,683)	-
Balance, end of year	<u>\$ 629,278</u>	<u>\$ 739,006</u>

12. Contingent liabilities and commitments

Regional District of Central Okanagan

Regional District debt is, under the provisions of the Local Government Act, a direct, joint and several liability of the District and each electoral area and member municipality within the Regional District, including the District of Lake Country. The loan agreements with the Regional District of Central Okanagan and the Municipal Finance Authority provide that if at any time the scheduled payments provided for in the agreements are not sufficient to meet the Authority's obligation with respect to such borrowing, the resulting deficiency becomes a liability of the member municipalities.

Legal actions

The District is currently engaged in certain legal actions, the outcome of which is not determinable at this time. Accordingly, no provision has been made in the accounts for these actions. The amount of loss, if any, arising from these actions will be recorded in the accounts in the period in which the loss becomes estimable and likely.

Pension liability

The District and its employees contribute to the Municipal Pension Plan (a jointly trusted pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan,

District of Lake Country

Notes to the Financial Statements

For the year ended December 31, 2025

12. Contingent liabilities and commitments (continued)

Pension liability (continued)

including investment of the 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 maybe adjusted for the amortization of any unfunded actuarial liability.

The most recent 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 District paid \$845,540 (2024 - \$839,947) for employer contributions, while employees contributed \$781,963 (2024 - \$760,712) 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.

Letter of Credit

The District holds an irrevocable letter of credit in the amount of \$97,540. The letter of credit is being held as a deposit on a capital project being administered by the Department of Fisheries and Oceans.

Commitments

The District has entered into various agreements and contracts for services with periods ranging from one to twenty years.

District of Lake Country

Notes to the Financial Statements

For the year ended December 31, 2025

13. Taxation

In 2025 the District collected \$15,344,264 (2024 - \$14,876,171) on behalf of other taxing jurisdictions and transferred this amount to those other authorities. The collections and transfers are itemized as follows:

	<u>2025</u>	<u>2024</u>
Collections for and transfers to other governments		
Taxes collected		
Property taxes	\$ 39,480,080	\$ 37,228,531
Special assessments	934,293	2,355,827
1% utility tax	260,280	261,621
Penalties and interest on taxes	369,609	390,005
Grant in lieu of taxes	55,429	52,127
	<u>41,099,691</u>	<u>40,288,111</u>
Less transfer to other governments		
Province of BC (school taxes)	10,601,452	10,300,087
BC Assessment Authority	284,750	278,691
Municipal Finance Authority	1,546	1,553
Regional Hospital District	1,508,459	1,481,592
Okanagan Regional Library	871,259	825,880
Regional District of Central Okanagan	2,076,798	1,988,368
	<u>15,344,264</u>	<u>14,876,171</u>
Net taxes available for municipal purposes	<u>\$ 25,755,427</u>	<u>\$ 25,411,940</u>

District of Lake Country

Notes to the Financial Statements

For the year ended December 31, 2025

14. Government transfers

In 2025 the District received and recorded as revenue the following transfers:

	2025	2024
Provincial Unconditional Transfers		
Local Government Climate Action Program	\$ -	\$ 398,730
Local Government Development Approvals	-	57,500
Local Government Housing Initiatives	-	231,057
Small Community Grant	195,000	228,900
Traffic Fine Revenue Sharing Grant	144,000	96,000
	<u>339,000</u>	<u>1,012,187</u>
Provincial Conditional Transfers		
BC Active Transportation Grant	250,000	-
Community Emergency Preparedness	3,623,006	2,460,997
Investing in Canada Infrastructure Program	263,366	1,979
Other Provincial Conditional Transfers	217,024	82,060
	<u>4,353,396</u>	<u>2,545,036</u>
Regional and Other External Conditional Transfers		
Gas Tax Community Works Fund	783,621	783,621
Okanagan Basin Water Board	74,728	118,175
Other Regional Conditional Transfers	54,000	17,775
UBCM FireSmart Grant	275,020	243,648
	<u>1,187,369</u>	<u>1,163,219</u>
Total government transfers	<u>\$ 5,879,765</u>	<u>\$ 4,720,442</u>

District of Lake Country

Notes to the Financial Statements

For the year ended December 31, 2025

15. Letters of credit

As of December 31, the District is holding letters of credit in the amount of \$6,492,767 (2024 - \$7,635,869), which are received as security related to performance deposits.

16. Segmented information

The District of Lake Country is a diversified municipal government that provides a wide range of services to its citizens. For management reporting purposes the District's operations and activities are organized and reported by funds and departments. The General Fund reports on property tax supported operations, which include services provided by the District to citizens such as general government, protective, transportation, environmental, planning and development and community and customer services. The utility operations are comprised of the water and sewer systems, each accounting for its own operations and programs within their own funds. Operating results reported by the following segments is included in Schedule 3.

General Government services

General Government operations are primarily funded by property taxation and business tax revenues. The expenses within the department are for legislative, general administration, human resources and finance functions within the municipality. The general revenue reported under the department includes revenues associated with taxation, business licence revenues and payments in-lieu of taxes. These revenues have not been apportioned to other departments supported by the General Fund.

Protective services

Protective services are comprised of police services provided by the Royal Canadian Mounted Police and fire services. The mandate of the police is to ensure the safety of the lives and property of citizens, preserve peace and good order, prevent crimes from occurring, detect offenders, and enforce the law. The fire department is responsible for effective fire protection and public safety services to the District. This includes fire prevention, fire safety inspections, fire control and/or suppression. Bylaw enforcement is also reported under this department.

Transportation services

Transportation services are responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway and drainage systems and street lighting.

Environmental services

Environmental services are comprised of transit, garbage and recycling services, as well as the Lake Country hydroelectric generating station.

Planning and Development

Planning and Development services monitor compliance with Council policies governing subdivision, land use and building inspection. This department also provides economic development services within the municipality.

Parks and Recreation

Parks and Recreation services provide services related to recreation, leisure and culture. The facilities

District of Lake Country

Notes to the Financial Statements
For the year ended December 31, 2025

16. Segmented information (continued)

Parks and Recreation (continued)

managed within this department include parks, arena, seniors centre, community theatre and the community complex.

Water systems

The Water department provides safe drinking water to citizens of Lake Country. Revenue and expenses represent the amounts that are directly attributable to the function of the water department. Water is accounted for in its own fund.

Sewer system

The Sewer department manages the wastewater treatment plants and sewer collection system. Sewer is accounted for in its own fund.

17. Expenses by object

Total expenses by object are itemized in Schedule 3 – Segment Disclosure.

18. Comparative figures

Certain comparative figures have been reclassified to conform to the presentation format adopted for the current year.

District of Lake Country

Schedule 1 - Schedule of Tangible Capital Assets

For the Year Ended December 31	Land	Land Improvements	Buildings	Furniture & Equipment	Vehicle & Machinery	IT Infrastructure
COST						
Opening Balance	\$ 44,846,189	\$ 11,730,898	\$ 49,929,834	\$ 4,055,999	\$ 9,445,587	\$ 2,548,031
Add: additions	3,966,855	537,395	222,110	376,369	903,864	538,225
Add: contributed capital	5,013,902	-	-	-	-	-
Add: ARO recognition	-	-	21,368	-	-	-
Less: decreases due to change in ARO estimates	-	-	(40,982)	-	-	-
Less: disposals/transfers	-	-	-	-	(191,853)	(97,871)
Closing balance	53,826,946	12,268,293	50,132,330	4,432,368	10,157,598	2,988,385
ACCUMULATED AMORTIZATION						
Opening Balance	-	3,438,546	11,203,172	2,156,266	4,681,373	876,164
Add: amortization	-	453,556	1,090,301	227,597	588,100	345,028
Less: accumulated amortization on disposals	-	-	-	-	(186,853)	(97,371)
Closing balance	-	3,892,102	12,293,473	2,383,863	5,082,620	1,123,821
Net book value, December 31, 2025	53,826,946	8,376,191	37,838,857	2,048,505	5,074,978	1,864,564
Net book value, December 31, 2024	\$ 44,846,189	\$ 8,292,352	\$ 38,726,662	\$ 1,899,733	\$ 4,764,214	\$ 1,671,867

District of Lake Country

Schedule 1 - Schedule of Tangible Capital Assets

For the Year Ended December 31	Engineering Structures					Work-in-Progress	2025 Total	2024 Total
	Water	Sewer	Roads	Environmental & Other				
COST								
Opening Balance	\$ 63,358,773	\$ 36,234,221	\$ 77,663,895	\$ 4,118,791	\$	3,046,302	\$306,978,520	\$ 285,885,385
Add: additions	2,473,452	57,665	3,014,117	-		15,256,306	27,346,358	24,845,619
Add: contributed capital	51,278	25,759	286,849	-		-	5,377,788	91,079
Add: ARO recognition	-	-	-	-		-	21,368	111,516
Less: decreases due to change in ARO estimates	(8,403)	-	-	-		-	(49,385)	-
Less: disposals/transfers	-	-	-	-		(5,446,838)	(5,736,562)	(3,955,079)
Closing balance	<u>65,875,100</u>	<u>36,317,645</u>	<u>80,964,861</u>	<u>4,118,791</u>		<u>12,855,770</u>	<u>333,938,087</u>	<u>306,978,520</u>
ACCUMULATED AMORTIZATION								
Opening Balance	15,344,582	6,855,194	23,634,378	1,596,031		-	69,785,706	63,957,063
Add: amortization	1,303,445	613,499	1,891,539	102,970		-	6,616,035	6,360,172
Less: accumulated amortization on disposals	-	-	-	-		-	(284,224)	(531,529)
Closing balance	<u>16,648,027</u>	<u>7,468,693</u>	<u>25,525,917</u>	<u>1,699,001</u>		<u>-</u>	<u>76,117,517</u>	<u>69,785,706</u>
Net book value, December 31, 2025	<u>49,227,073</u>	<u>28,848,952</u>	<u>55,438,944</u>	<u>2,419,790</u>		<u>12,855,770</u>	<u>257,820,570</u>	
Net book value, December 31, 2024	<u>\$ 48,014,191</u>	<u>\$ 29,379,027</u>	<u>\$ 54,029,517</u>	<u>\$ 2,522,760</u>		<u>\$ 3,046,302</u>		<u>\$ 237,192,814</u>

District of Lake Country

Schedule 2 - Consolidated Schedule of Accumulated Surplus

	Balances, Beginning of Year	Withdrawals	Contributions	Transfer to Capital	Interest & Actuarial Adjustments	Balances, End of Year
For the year ended December 31						
Surplus and Non-Statutory Reserves						
General fund surplus	\$ 2,654,480	\$ (486,097)	\$ -	\$ (376,389)	\$ 489	\$ 1,792,483
Water fund surplus	1,319,685	-	-	-	45,927	1,365,612
Sewer fund surplus	506,014	-	-	-	17,610	523,624
General capital reserve	3,361,984	-	1,002,790	(1,828,133)	102,636	2,639,277
Water capital reserve	4,406,375	-	2,119,623	(5,124,962)	101,049	1,502,085
Sewer capital reserve	1,118,833	-	386,584	(101,955)	43,888	1,447,350
Bulk water capital reserve	637,701	-	199,517	-	25,664	862,882
Climate action reserve	2,284,989	-	139,325	(288,733)	76,919	2,212,500
Community works gas tax reserve	696,028	-	783,621	(984,350)	20,729	516,028
Equipment acquisition and replacement reserve	776,298	-	313,027	(590,228)	22,191	521,288
Facilities reserve	2,136,690	-	994,885	(309,744)	83,854	2,905,685
Financial stabilization reserve	298,395	(75,000)	5,000	(85,051)	7,687	151,031
Fire facilities and equipment reserve	403,843	-	391,212	(506,239)	12,052	300,868
Future capital expenditures reserve	157,766	-	-	-	-	157,766
Future servicing works reserve	1,417,005	(50,000)	58,100	-	-	1,425,105
Growing communities fund reserve	-	-	1,350,000	-	-	1,350,000
Information technology reserve	798,170	-	245,000	(515,685)	23,067	550,552
Policing reserve	1,127,841	(984,000)	1,173,888	(605,493)	32,018	744,254
Road maintenance services reserve	106,684	-	-	-	3,713	110,397
Septic facilities reserves	1,028,568	-	517,404	(8,678)	44,646	1,581,940
Slope Stability Reserve	306,240	-	100,000	-	12,398	418,638
Solid waste reserve	981,021	-	-	(25,675)	33,693	989,039
Transportation infrastructure reserve	2,557,357	-	1,682,023	(1,489,931)	92,339	2,841,788
Transit Reserve	88,925	(50,000)	116,527	-	4,253	159,705
	29,170,892	(1,645,097)	11,578,526	(12,841,246)	806,822	27,069,897

District of Lake Country

Schedule 2 - Consolidated Schedule of Accumulated Surplus

	Balances, Beginning of Year	Withdrawals	Contributions	Transfer to Capital	Interest & Actuarial Adjustments	Balances, End of Year
For the year ended December 31						
Statutory Reserves						
Access to body of water reserve	2,247	-	-	-	79	2,326
Land sale reserve	15,745	-	320,436	(336,182)	274	273
Parkland acquisition reserve	8,803	-	-	-	307	9,110
	26,795	-	320,436	(336,182)	660	11,709
Investment in Non Financial Assets						
Equity in tangible capital assets	219,478,895	(6,678,006)	28,395,194	-	216,161	241,412,244
Accumulated surplus	<u>\$ 248,676,582</u>	<u>\$ (8,323,103)</u>	<u>\$ 40,294,156</u>	<u>\$ (13,177,428)</u>	<u>\$ 1,023,643</u>	<u>\$ 268,493,850</u>

District of Lake Country

Schedule 3 - Schedule of Segment Disclosure

	General Government Services			Protective Services			Transportation Services		
	2025 Budget	2025 Actual	2025 Budget	2025 Actual	2025 Budget	2025 Actual	2025 Budget	2025 Actual	2025 Actual
For the year ended December 31									
Revenue									
Taxation	\$ 21,817,507	\$ 21,911,312	\$ 3,756,258	\$ 3,746,217	\$ -	\$ -	\$ -	\$ -	\$ -
Utility revenues	-	-	-	-	-	-	-	-	-
Services provided to other governments	-	-	-	-	-	-	-	-	-
Sale of services	46,524	72,778	5,000	95,685	292,261	337,902	292,261	337,902	337,902
Permits and licences	20,000	1,631	23,000	52,895	84,500	109,745	84,500	109,745	109,745
Interest on Investments	958,305	1,547,239	-	-	-	-	-	-	-
Government transfers	1,107,453	999,814	369,892	484,949	20,984	304,000	20,984	304,000	304,000
Developer contributions	-	8,986,897	-	-	2,033,188	1,371,342	2,033,188	1,371,342	1,371,342
Other revenue	220,640	668,944	33,160	7,794	65,000	40,690	65,000	40,690	40,690
Total revenue	24,170,429	34,188,615	4,187,310	4,387,540	2,495,933	2,163,679	2,495,933	2,163,679	2,163,679
Expenses									
Salaries, wages and benefits	4,222,022	4,259,574	2,722,355	3,005,909	968,697	1,012,283	968,697	1,012,283	1,012,283
Contract services	1,024,439	1,095,922	5,589,891	4,782,646	4,100,468	3,926,333	4,100,468	3,926,333	3,926,333
Grants to community organizations	70,075	25,661	7,000	12,400	-	-	-	-	-
Materials and supplies	185,577	181,429	247,035	493,624	560,414	557,468	560,414	557,468	557,468
Utilities	-	-	42,629	53,289	120,740	114,140	120,740	114,140	114,140
Amortization	169,393	443,541	494,000	625,717	1,806,680	2,200,928	1,806,680	2,200,928	2,200,928
Accretion	-	31,203	-	-	-	-	-	-	-
Interest expense	122,711	118,145	205,766	205,766	-	-	-	-	-
Total expenses	5,794,217	6,155,475	9,308,676	9,179,351	7,556,999	7,811,152	7,556,999	7,811,152	7,811,152
Annual surplus (deficit)	\$ 18,376,212	\$ 28,033,140	\$ (5,121,366)	\$ (4,791,811)	\$ (5,061,066)	\$ (5,647,473)	\$ (5,061,066)	\$ (5,647,473)	\$ (5,647,473)

District of Lake Country

Schedule 3 - Schedule of Segment Disclosure

	Environmental Services		Planning and Development		Parks and Recreation	
	2025 Budget	2025 Actual	2025 Budget	2025 Actual	2025 Budget	2025 Actual
For the year ended December 31						
Revenue						
Taxation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utility revenues	-	10,079	-	-	-	-
Services provided to other governments	-	-	-	-	55,000	55,000
Sale of services	1,879,615	1,819,627	83,050	56,663	714,700	1,319,335
Permits and licences	-	-	1,598,000	1,423,444	-	-
Interest on Investments	-	-	-	-	-	-
Government transfers	-	-	210,000	72,500	2,698,505	309,530
Developer contributions	-	-	422,213	418,871	1,238,638	517,269
Other revenue	-	-	-	380	188,197	247,377
Total revenue	1,879,615	1,829,706	2,313,263	1,971,858	4,895,040	2,448,511
Expenses						
Salaries, wages and benefits	983,366	998,955	1,867,387	1,725,530	2,230,218	2,388,195
Contract services	1,217,375	1,185,635	1,021,160	1,073,986	1,831,949	2,006,915
Grants to community organizations	-	-	25,000	25,000	178,100	180,951
Materials and supplies	11,860	5,154	31,764	37,398	588,295	566,065
Utilities	4,900	3,615	-	-	421,200	501,120
Amortization	161,077	155,826	-	-	636,852	1,061,338
Accretion	-	-	-	-	-	-
Interest expense	11,250	20,500	-	-	71,913	73,722
Total expenses	2,389,828	2,369,685	2,945,311	2,861,914	5,958,527	6,778,306
Annual surplus (deficit)	\$ (510,213)	\$ (539,979)	\$ (632,048)	\$ (890,056)	\$ (1,063,487)	\$ (4,329,795)

District of Lake Country

Schedule 3 - Schedule of Segment Disclosure

For the year ended December 31	Water Systems			Sewer System			Totals		
	2025	2025		2025	2025		2025	2025	
	Budget	Actual		Budget	Actual		Budget	Actual	Actual
Revenue									
Taxation	\$ 97,898	\$ 97,898	\$ 1,466,875	\$ -		\$ 27,138,538	\$ 25,755,427	\$ 25,411,940	
Utility revenues	5,846,395	6,307,082	1,036,687	2,426,208		6,883,082	8,743,369	7,006,826	
Services provided to other governments	-	-	782,015	799,527		837,015	854,527	840,015	
Sale of services	219,567	241,652	41,000	23,769		3,281,717	3,967,411	3,237,857	
Permits and licences	-	-	-	-		1,725,500	1,587,715	1,645,525	
Interest on Investments	35,846	62,989	49,269	71,088		1,043,420	1,681,316	2,386,944	
Government transfers	3,233,610	3,634,244	113,000	74,728		7,753,444	5,879,765	4,720,442	
Developer contributions	2,077,886	1,655,609	1,020,117	746,198		6,792,042	13,696,186	1,862,777	
Other revenue	4,500	49,062	100	119,933		511,597	1,134,180	913,490	
Total revenue	11,515,702	12,048,536	4,509,063	4,261,451		55,966,355	63,299,896	48,025,816	
Expenses									
Salaries, wages and benefits	1,580,882	1,614,889	966,041	783,816		15,540,968	15,789,151	13,749,447	
Contract services	1,064,163	910,594	611,454	678,465		16,460,899	15,660,496	14,055,153	
Grants to community organizations	-	-	-	-		280,175	244,012	287,158	
Materials and supplies	929,368	871,214	247,549	271,315		2,801,862	2,983,667	2,497,130	
Utilities	340,500	413,575	229,700	217,906		1,159,669	1,303,645	1,205,691	
Amortization	1,215,539	1,334,884	741,243	793,800		5,224,784	6,616,034	6,360,172	
Accretion	-	3,900	-	-		-	35,103	68,691	
Interest expense	23,856	22,467	409,920	409,920		845,416	850,520	1,011,314	
Total expenses	5,154,308	5,171,523	3,205,907	3,155,222		42,313,773	43,482,628	39,234,756	
Annual surplus (deficit)	\$ 6,361,394	\$ 6,877,013	\$ 1,303,156	\$ 1,106,229		\$ 13,652,582	\$ 19,817,268	\$ 8,791,060	

District of Lake Country

Schedule 4 - Local Government Housing Initiatives Grant (Unaudited)

Local Government Housing Initiatives Grant received January 2024

2024 eligible costs incurred

Balance, December 31, 2024

2025 eligible costs incurred:

Balance, December 31, 2025

\$ 231,057

48,460

\$ 182,597

116,955

\$ 65,642

Statistics

2025 Tax Exemptions Provided by Lake Country Council Year ended December 31, 2025

	Municipal Taxes	Other Taxes	Total Taxes
Church Buildings			
BC Association of 7th Day Adventists	3,830	2,691	6,521
Christian and Missionary Alliance	2,689	1,890	4,578
Kelowna Christian Centre Society	3,594	2,526	6,120
Roman Catholic Bishop of Nelson	4,372	3,065	7,438
St. Francis Anglican Church	1,281	900	2,182
The Missionary Church	2,023	1,421	3,444
Winfield Jehovah's Witness Trustees	7,059	4,960	12,019
Winfield United Church	2,622	1,842	4,464
Camps			
BC Lions Society for Children with Disabilities	9,658	5,873	15,531
Camp Hatikvah Foundation	114,756	72,741	187,497
Girl Guides Association Central Okanagan Division	25,858	16,435	42,294
Community Halls			
Community Hall Association of OK Centre	4,760	3,311	8,070
Oyama Community Club	5,164	3,571	8,735
Oyama Community Club (Royal Canadian Legion Branch 189)	2,689	1,890	4,578
Winfield Memorial Hall	6,411	4,486	10,897
Not for Profit Service Organizations			
Central Okanagan Rebroadcast Society	290	193	483
Lake Country Seniors Housing Society	6,903	4,112	11,015
Lake Country Heritage & Cultural Society	24,182	16,253	40,435
Oceola Fish & Game Club	7,298	5,090	12,388
Ducks Unlimited	999	598	1,597
BC Teen Challenge	4,338	2,585	6,923
Winfield Curling Club/Horseshoe Club/Seniors Society/Food Bank	10,458	6,987	17,446
Elowyn - Little Owl Society for Children & Families	5,021	2,990	8,011
	\$ 256,254	\$ 166,413	\$ 422,667

* Church buildings and the land beneath the buildings are statutorily exempt and are not included in total.

Statistics

Number of Taxable Properties					Value of Average Single Family Dwelling				
2025	2024	2023	2022	2021	2025	2024	2023	2022	2021
7,067	7,046	6,989	6,959	6,887	1,066,000	1,086,000	1,085,000	992,000	759,171

Assessments By Class					
Category	2025	2024	2023	2022	2021
Residential	6,897,986,153	6,962,974,767	6,907,563,334	6,183,356,579	4,691,560,590
Utilities	5,831,401	5,539,501	5,122,701	4,723,001	4,337,901
Light Industry	35,459,600	31,859,600	38,209,000	34,381,100	24,512,800
Business	290,313,074	287,212,924	244,736,124	212,835,272	171,930,358
Recreational	25,515,200	26,415,800	16,337,700	13,294,100	12,794,400
Farm	8,268,810	8,266,683	8,439,463	8,547,237	8,498,313
TOTAL	7,263,324,238	7,322,269,275	7,220,408,322	6,457,138,289	4,913,634,362

Municipal Mill Rate By Class (including Fire)					
Category	2025	2024	2023	2022	2021
Residential	3.0614	2.8227	2.5823	2.4075	2.46
Utilities	45.4214	45.3591	45.1114	44.749	38.0288
Light Industry	15.0879	13.6059	12.9633	13.0415	13.2988
Business	7.5439	6.8030	6.5311	6.5442	6.6784
Recreational	3.9425	3.9118	5.8179	5.7335	5.7507
Farm	0.6750	0.6744	0.6480	0.6344	0.55

Revenues By Class (including Fire)					
Category	2025	2024	2023	2022	2021
Residential	21,108,309	19,645,866	17,825,537	14,877,128	13,660,653
Utilities	262,512	249,018	229,054	209,442	193,436
Light Industry	534,356	432,799	494,642	447,828	385,599
Business	2,190,093	1,953,910	1,598,396	1,392,836	1,359,987
Recreational	100,594	103,333	95,051	75,227	87,147
Farm	5,519	5,513	5,414	5,368	5,479
TOTAL	24,201,383	22,390,438	20,248,094	17,008,829	15,692,301

% of Overall Tax Revenue by Class					
Category	2025	2024	2023	2022	2021
Residential	87.22%	88.74%	88.04%	87.46%	87.05%
Utilities	1.08%	1.11%	1.13%	1.12%	1.24%
Light Industry	2.21%	1.93%	2.44%	2.63%	2.46%
Business	9.05%	8.73%	7.89%	8.18%	8.66%
Recreational	0.42%	0.46%	0.47%	0.45%	0.55%
Farm	0.02%	0.02%	0.03%	0.03%	0.04%

Statistics

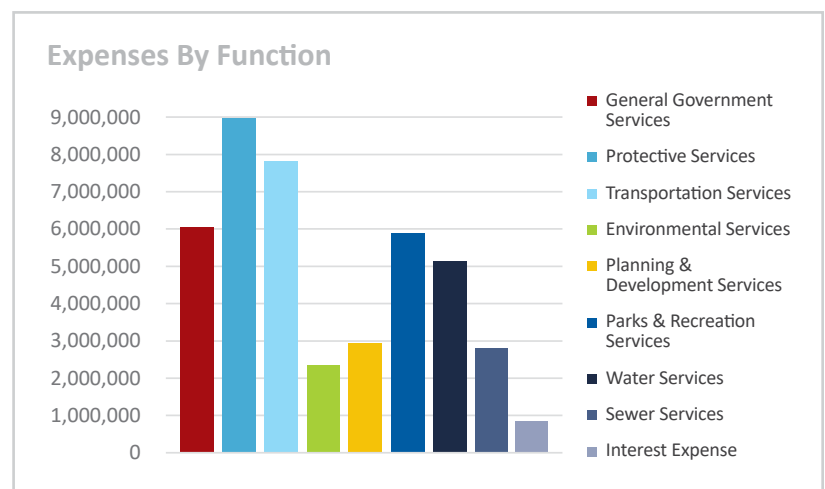
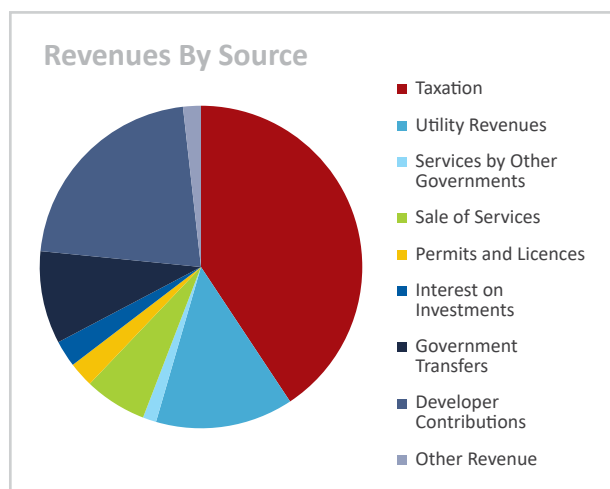
	2025	2024	2023	2022	2021
Total Property Tax Collections					
Total Taxes Collected	41,099,691	40,288,111	37,232,414	29,565,734	27,170,350
Transfer to Other Governments	15,344,264	14,876,171	14,020,974	13,042,798	11,978,991
Tax Per Capita					
	1,460	1,452	1,339	1,075	992
Debt Per Capita					
	903	970	1,058	1,234	351
Reserves Per Capita					
	1536	1,669	2,126	1,976	1,901
Consolidated Revenue (see notes)					
	63,299,896	48,025,816	51,784,436	36,912,102	41,378,386
Consolidated Expenses (see notes)					
	43,482,628	39,234,756	36,655,740	31,041,642	28,992,115
Annual Surplus					
	19,817,268	8,791,060	15,128,696	5,870,460	12,386,271

Top 2025 Corporate Taxpayers	Sector	Property
Terasen Gas Inc.	Utility	Gas Utility
O'Rourke Family Vineyards	Hospitality	Winery
Turtle Bay Crossing Development Ltd	Retail	Turtle Bay Crossing
0713065 BC Ltd	Retail	Coopers Village
Oyama RE Holdings Inc	Industrial	Gravel Pit
Markui Contracting Ltd	Retail	Winfield Shopping Centre
Armstrong Land Corp	Industrial	Storage Facility
Wood Lake Acquisition Inc	Hospitality/Recreation	Wood Lake Resort & Marina
DC Investments Ltd	Vacant	Development
Lakewood Mall Investments	Retail	Lakewood Mall



Statistics

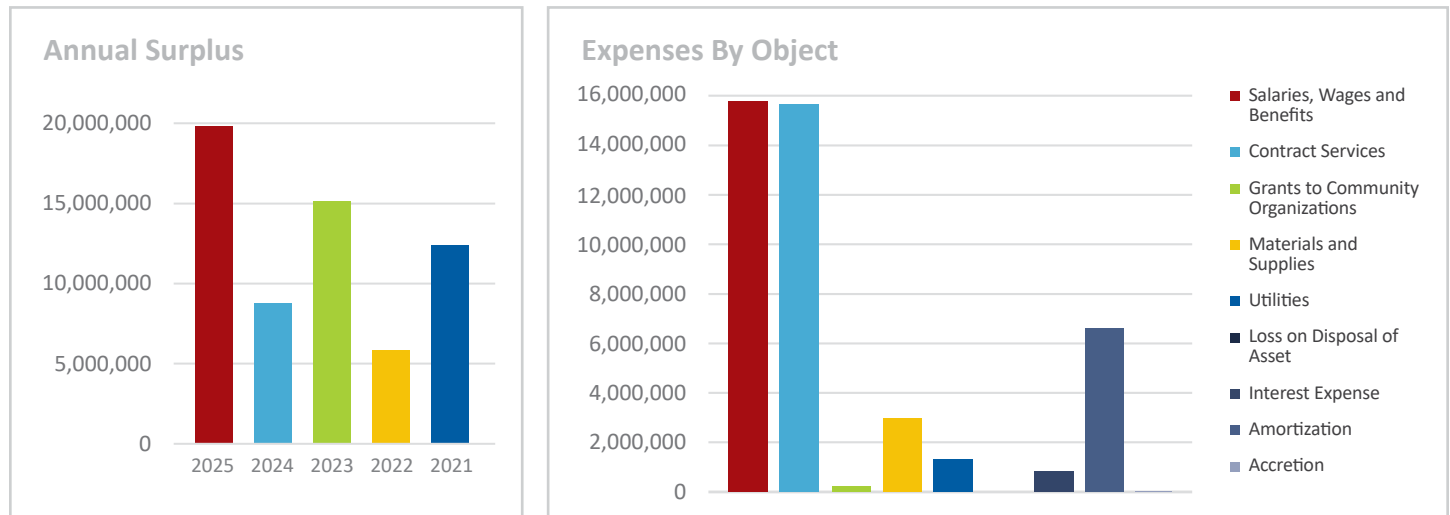
Revenues By Source					
Category	2025	2024	2023	2022	2021
Taxation	25,755,427	25,411,940	23,211,440	19,940,042	18,600,618
Utility Revenues	8,743,369	7,006,826	5,924,244	5,664,959	5,359,032
Services by Other Governments	854,527	840,015	813,571	328,370	469,072
Sale of Services	3,967,411	3,237,857	4,228,904	3,072,712	3,203,456
Permits and Licences	1,587,715	1,645,525	1,315,749	1,292,926	1,329,359
Interest on Investments	1,681,316	2,386,944	2,383,888	1,126,020	797,372
Government Transfers	5,879,765	4,720,442	8,682,479	1,795,768	4,390,096
Developer Contributions	13,696,186	1,862,777	4,021,652	2,954,756	6,792,040
Other Revenue	1,134,180	913,490	1,202,509	736,549	437,341
TOTAL	63,299,896	48,025,816	51,784,436	36,912,102	41,378,386



Expenses By Function					
Category	2025	2024	2023	2022	2021
General Government Services	6,037,329	5,488,597	4,826,944	4,390,421	4,314,531
Protective Services	8,973,585	7,763,211	7,708,494	5,263,175	4,436,403
Transportation Services	7,811,153	7,358,904	6,708,689	5,761,547	5,339,919
Environmental Services	2,349,185	2,241,357	1,921,618	1,645,406	1,598,836
Planning & Development Services	2,945,311	1,882,578	1,722,257	1,596,355	2,344,731
Parks & Recreation Services	5,886,614	5,900,784	5,700,551	5,044,839	4,244,326
Water Services	5,130,452	4,970,003	4,546,650	4,261,642	3,779,554
Sewer Services	2,795,987	2,618,008	2,409,419	2,296,878	2,364,663
Interest Expense	845,416	1,011,314	1,111,118	781,376	569,149
TOTAL	42,775,032	39,234,756	36,655,740	31,041,642	28,992,115

Statistics

Annual Surplus				
2025	2024	2023	2022	2021
19,817,268	8,791,060	15,128,696	5,870,460	12,386,271



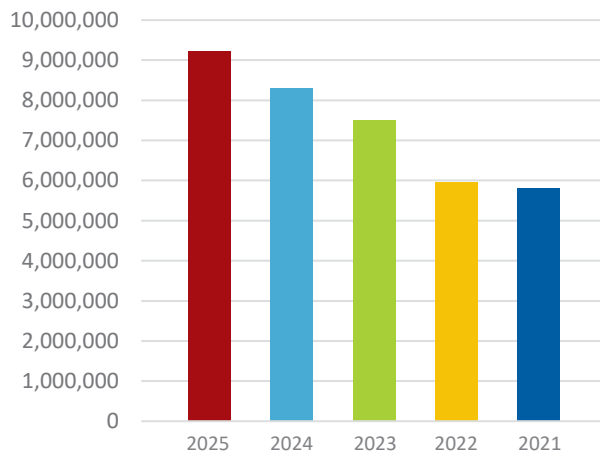
Expenses By Object					
Category	2025	2024	2023	2022	2021
Salaries, Wages and Benefits	15,780,151	13,749,447	12,625,978	10,804,973	10,772,345
Contract Services	15,660,496	14,055,153	13,052,668	10,464,517	8,688,604
Grants to Community Organizations	244,012	287,158	241,325	259,483	252,002
Materials and Supplies	2,983,667	2,497,130	2,415,852	2,281,732	2,144,812
Utilities	1,303,645	1,205,691	1,190,868	1,034,747	983,073
Loss on Disposal of Asset	-	-	-	25,214	495
Interest Expense	850,520	1,011,314	1,111,118	781,376	569,149
Amortization	6,616,034	6,360,172	5,991,423	5,389,599	4,659,568
Accretion	35,103	68,691	26,508	-	922,068
TOTAL	43,482,628	39,234,756	36,655,740	31,041,640	28,992,115

Acquisition of Tangible Assets					
	2025	2024	2023	2022	2021
Acquisition of Tangible Capital Assets	21,899,522	21,436,253	10,429,981	15,973,412	22,954,802
Developer Contribution of Tangible Capital Assets	6,616,035	91,080	1,030,095	1,076,748	747,175
TOTAL	28,515,557	21,527,333	11,460,076	17,050,160	23,701,977

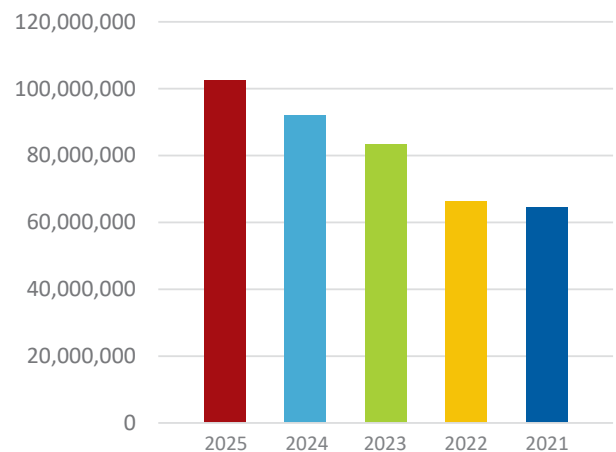
Statistics

Debt Capacity Last Five Years	2025	2024	2023	2022	2021
Total Revenue for Purposes of Limit	43,469,268	41,284,01	38,697,821	32,363,292	30,289,950
Liability Servicing Limit	10,867,317	10,321,00	9,674,455	8,090,823	7,572,488
Actual Debt Servicing Cost	1,635,769	2,031,28	2,125,975	1,283,622	1,769,934
Additional Debt Servicing Cost	–	–	–	854,768	624,519
Liability Servicing Capacity Available	9,231,548	8,289,720	7,504,736	5,952,433	5,802,554
Borrowing Limit (20 years @ 6%)	102,572,755	92,108,044	83,385,956	66,138,144	64,472,822
Long-Term Debt Supported by Property Taxes	7,355,534	7,906,471	8,404,463	8,887,327	3,041,021
Long-Term Debt Supported by Utilities	8,571,936	9,068,445	9,940,984	10,778,803	2,503,562
Total Long-Term Debt	15,927,470	16,974,916	18,345,447	19,666,130	5,544,583
Accumulated Surplus/(Deficit)	268,493,850	248,676,582	239,885,522	224,756,826	218,886,366
Net Assets (Debt)	10,536,945	11,377,672	17,411,953	8,716,578	14,519,118

Liability Servicing Capacity



Borrowing Limit



Hydroelectric Generating

	2025	2024
Total Revenue	360,645	209,252
Total Expenses	124,993	114,810
Net Revenue	235,612	94,442



Statistics

Population								
Population Centre	2025 Population (BC Statistics Estimate)	2024 Population (BC Statistics Estimate)	2023 Population (BC Statistics Estimate)	2022 Population (BC Statistics Estimate)	2021 Private Dwellings	2016 Private Dwellings	Land Area in sq/km	Population Density per sq/km
Lake Country	17,637	17,497	17,336	17,372	6,852	5,897	122.16	129.5

Building Permits		2025		2024		2023	
Category		Permit	Value	Permit	Value	Permit	Value
Single Family Dwelling		22	24,750,290	28	32,473,839	27	38,189,767
Commercial		6	25,608,200	3	5,385,000	0	0
Agriculture		0	0	0	0	1	25,000
Industrial		1	916,772	2	4,285,669	1	96,000
Institutional		0	0	0	0	1	200,000
Multi-Family Dwelling *		2	14,412,500	9	37,996,000	23	59,165,245
Other		225	23,525,078	219	30,342,488	138	12,490,268
Total Permits/Values		257	89,537,840	233	110,482,996	191	110,166,280
* Multi-family dwelling permits represent the number of permits issued rather than the number of units constructed. One multi-family permit may consist of two or more units.							

Business Licence Statistics					
Year	Total	Renewed Business Licences	New Business Licences	Inter-Municipal Licences (Included in Total)	Value of Licences
2025	956	762	194	264	194,094
2024	919	726	193	257	156,531
2023	896	-53	131	285	N/A
2022	1017	865	152	287	126,475
2021	1151	955	196	259	106,610

District of Lake Country Full-Time Employees				
2025	2024	2023	2022	2021
110	109	102	99	95

Largest Industries of Employment	
(Labour force by industries expressed as a percentage of the total labour force)	
Construction	15%
Health care and social assistance	12%
Retail trade	9%
Professional, scientific and technical services	7%
Manufacturing	6%

*Data source: Statistics Canada, Census 2021



