

# 2025

DISTRICT OF LAKE COUNTRY  
FINANCIAL STATEMENTS



LAKE COUNTRY

Life. The Okanagan Way.



**Municipal Hall**

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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



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

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## Independent Auditors' Report

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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.



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## **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
<b>Financial assets</b>		
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>
<b>Liabilities</b>		
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)	629,278	739,006
	<u>32,490,099</u>	<u>35,902,557</u>
<b>Net financial assets</b>	10,536,945	11,377,672
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	257,820,570	237,192,814
Prepaid expenses	136,335	106,096
<b>Accumulated surplus (Schedule 2)</b>	<u>\$ 268,493,850</u>	<u>\$ 248,676,582</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	<u>2025 Budget *</u>	<u>2025 Actual</u>	<u>2024 Actual</u>
<b>Revenue</b>			
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>
<b>Expenses</b>			
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>
<b>Annual surplus</b>	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>
<b>Accumulated surplus, end of year</b>	<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

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<b>For the Year Ended December 31</b>	<b>2025 Budget</b>	<b>2025 Actual</b>	<b>2024 Actual</b>
<b>Unrestricted annual surplus</b>	<b>\$ 13,652,582</b>	<b>\$ 19,817,268</b>	<b>\$ 8,791,060</b>
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
<b>Net financial assets, end of year</b>	<b>\$ 1,888,252</b>	<b>\$ 10,536,945</b>	<b>\$ 11,377,672</b>

See accompanying notes to the financial statements.

# District of Lake Country

## Statement of Cash Flows

For the year ended December 31	2025	2024
<b>Net inflow (outflow) of cash and cash equivalents related to the following activities</b>		
<b>Operating activities</b>		
Annual surplus for the year	\$ 19,817,268	\$ 8,791,060
<b>Adjustment for non-cash items</b>		
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
<b>Increase/(decrease) in</b>		
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>
<b>Financing activities</b>		
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>
<b>Capital activities</b>		
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>
<b>Increase in cash and cash equivalents</b>	(8,977,003)	(8,581,107)
Cash and cash equivalents, beginning of year	<u>39,152,070</u>	<u>47,733,177</u>
<b>Cash and cash equivalents, end of year</b>	<u><u>\$ 30,175,067</u></u>	<u><u>\$ 39,152,070</u></u>
<b>Supplementary cash flow information</b>		
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

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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

# District of Lake Country

## Notes to the Financial Statements

For the year ended December 31, 2025

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### 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:

<u>Tangible capital assets</u>	<u>Estimated useful life</u>
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

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### 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.

# District of Lake Country

## Notes to the Financial Statements

For the year ended December 31, 2025

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### 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:

	<b>Demand Notes</b>	<b>Cash Deposits</b>
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

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### 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

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### 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:

	<u>2025</u>
<b>Add:</b>	
Acquisition of tangible capital assets	\$ 28,374,285
Long-term debt principal payments and actuarial adjustments	988,204
<b>Less:</b>	
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	<u>(5,224,784)</u>
Financial plan (Budget) surplus per statement of operations	<u><u>\$13,652,582</u></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

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### 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:

	<u>2025</u>	<u>2024</u>
Cash	\$ 1,525,660	\$ 6,495,639
Term Deposits	24,771,086	27,694,569
Chartered Bank Accrual Notes and Debentures	<u>3,878,321</u>	<u>4,961,862</u>
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%	<u>3,584,497</u>	<u>5,225,806</u>
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:

	<u>2025</u>	<u>2024</u>
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	<u>2,695,873</u>	<u>2,081,312</u>
	<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:

	<u>2025</u>	<u>2024</u>
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	<u>1,126,620</u>	<u>819,818</u>
	<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.

	<u>2024</u>	<u>Deferred revenue received</u>	<u>Deferred revenue recognized</u>	<u>2025</u>
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	<u>1,326,253</u>	<u>309,394</u>	<u>(594,851)</u>	<u>1,040,796</u>
	<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.

	<b>Development cost charge restricted revenue 2025</b>	<b>Parkland acquisition restricted revenue 2025</b>	<b>Total 2025</b>	<b>Total 2024</b>
<b>Financial assets:</b>				
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:

	<b>2025</b>	<b>2024</b>
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>
<b>General Fund</b>							
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>
<b>Water Fund</b>							
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>
<b>Sewer Fund</b>							
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

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### 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.

	<u>2025</u>	<u>2024</u>
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

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### 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>
<b>Collections for and transfers to other governments</b>		
<b>Taxes collected</b>		
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>
<b>Less transfer to other governments</b>		
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>
<b>Net taxes available for municipal purposes</b>	<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:

	<u>2025</u>	<u>2024</u>
<b>Provincial Unconditional Transfers</b>		
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>
<b>Provincial Conditional Transfers</b>		
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>
<b>Regional and Other External Conditional Transfers</b>		
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>
<b>Total government transfers</b>	<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

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### 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

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### 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
<b>COST</b>						
<b>Opening Balance</b>	\$ 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)
<b>Closing balance</b>	<u>53,826,946</u>	<u>12,268,293</u>	<u>50,132,330</u>	<u>4,432,368</u>	<u>10,157,598</u>	<u>2,988,385</u>
<b>ACCUMULATED AMORTIZATION</b>						
<b>Opening Balance</b>	-	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)
<b>Closing balance</b>	<u>-</u>	<u>3,892,102</u>	<u>12,293,473</u>	<u>2,383,863</u>	<u>5,082,620</u>	<u>1,123,821</u>
<b>Net book value, December 31, 2025</b>	<u>53,826,946</u>	<u>8,376,191</u>	<u>37,838,857</u>	<u>2,048,505</u>	<u>5,074,978</u>	<u>1,864,564</u>
<b>Net book value, December 31, 2024</b>	<u>\$ 44,846,189</u>	<u>\$ 8,292,352</u>	<u>\$ 38,726,662</u>	<u>\$ 1,899,733</u>	<u>\$ 4,764,214</u>	<u>\$ 1,671,867</u>

# District of Lake Country

## Schedule 1 - Schedule of Tangible Capital Assets

For the Year Ended December 31	Engineering Structures					2025 Total	2024 Total
	Water	Sewer	Roads	Environmental & Other	Work-in- Progress		
<b>COST</b>							
<b>Opening Balance</b>	\$ 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)
<b>Closing balance</b>	<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>
<b>ACCUMULATED AMORTIZATION</b>							
<b>Opening Balance</b>	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)
<b>Closing balance</b>	<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>
<b>Net book value, December 31, 2025</b>	<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>	
<b>Net book value, December 31, 2024</b>	<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

For the year ended December 31	Balances, Beginning of Year	Withdrawals	Contributions	Transfer to Capital	Interest & Actuarial Adjustments	Balances, End of Year
<b>Surplus and Non-Statutory Reserves</b>						
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
	<u>29,170,892</u>	<u>(1,645,097)</u>	<u>11,578,526</u>	<u>(12,841,246)</u>	<u>806,822</u>	<u>27,069,897</u>

# District of Lake Country

## Schedule 2 - Consolidated Schedule of Accumulated Surplus

For the year ended December 31	Balances, Beginning of Year	Withdrawals	Contributions	Transfer to Capital	Interest & Actuarial Adjustments	Balances, End of Year
<b>Statutory Reserves</b>						
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
	<u>26,795</u>	<u>-</u>	<u>320,436</u>	<u>(336,182)</u>	<u>660</u>	<u>11,709</u>
<b>Investment in Non Financial Assets</b>						
Equity in tangible capital assets	219,478,895	(6,678,006)	28,395,194	-	216,161	241,412,244
<b>Accumulated surplus</b>	<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
<b>For the year ended December 31</b>						
<b>Revenue</b>						
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
Permits and licences	20,000	1,631	23,000	52,895	84,500	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
Developer contributions	-	8,986,897	-	-	2,033,188	1,371,342
Other revenue	220,640	668,944	33,160	7,794	65,000	40,690
<b>Total revenue</b>	<b>24,170,429</b>	<b>34,188,615</b>	<b>4,187,310</b>	<b>4,387,540</b>	<b>2,495,933</b>	<b>2,163,679</b>
<b>Expenses</b>						
Salaries, wages and benefits	4,222,022	4,259,574	2,722,355	3,005,909	968,697	1,012,283
Contract services	1,024,439	1,095,922	5,589,891	4,782,646	4,100,468	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
Utilities	-	-	42,629	53,289	120,740	114,140
Amortization	169,393	443,541	494,000	625,717	1,806,680	2,200,928
Accretion	-	31,203	-	-	-	-
Interest expense	122,711	118,145	205,766	205,766	-	-
<b>Total expenses</b>	<b>5,794,217</b>	<b>6,155,475</b>	<b>9,308,676</b>	<b>9,179,351</b>	<b>7,556,999</b>	<b>7,811,152</b>
<b>Annual surplus (deficit)</b>	<b>\$ 18,376,212</b>	<b>\$ 28,033,140</b>	<b>\$ (5,121,366)</b>	<b>\$ (4,791,811)</b>	<b>\$ (5,061,066)</b>	<b>\$ (5,647,473)</b>

# 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
<b>For the year ended December 31</b>						
<b>Revenue</b>						
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
<b>Total revenue</b>	<b>1,879,615</b>	<b>1,829,706</b>	<b>2,313,263</b>	<b>1,971,858</b>	<b>4,895,040</b>	<b>2,448,511</b>
<b>Expenses</b>						
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
<b>Total expenses</b>	<b>2,389,828</b>	<b>2,369,685</b>	<b>2,945,311</b>	<b>2,861,914</b>	<b>5,958,527</b>	<b>6,778,306</b>
<b>Annual surplus (deficit)</b>	<b>\$ (510,213)</b>	<b>\$ (539,979)</b>	<b>\$ (632,048)</b>	<b>\$ (890,056)</b>	<b>\$ (1,063,487)</b>	<b>\$ (4,329,795)</b>

# District of Lake Country

## Schedule 3 - Schedule of Segment Disclosure

	Water Systems		Sewer System		Totals		
	2025 Budget	2025 Actual	2025 Budget	2025 Actual	2025 Budget	2025 Actual	2024 Actual
<b>For the year ended December 31</b>							
<b>Revenue</b>							
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
<b>Total revenue</b>	<b>11,515,702</b>	<b>12,048,536</b>	<b>4,509,063</b>	<b>4,261,451</b>	<b>55,966,355</b>	<b>63,299,896</b>	<b>48,025,816</b>
<b>Expenses</b>							
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
<b>Total expenses</b>	<b>5,154,308</b>	<b>5,171,523</b>	<b>3,205,907</b>	<b>3,155,222</b>	<b>42,313,773</b>	<b>43,482,628</b>	<b>39,234,756</b>
<b>Annual surplus (deficit)</b>	<b>\$ 6,361,394</b>	<b>\$ 6,877,013</b>	<b>\$ 1,303,156</b>	<b>\$ 1,106,229</b>	<b>\$ 13,652,582</b>	<b>\$ 19,817,268</b>	<b>\$ 8,791,060</b>

# District of Lake Country

## Schedule 4 - Local Government Housing Initiatives Grant (Unaudited)

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<b>Local Government Housing Initiatives Grant received January 2024</b>	<b>\$ 231,057</b>
2024 eligible costs incurred	<u>48,460</u>
<b>Balance, December 31, 2024</b>	<b>\$ 182,597</b>
2025 eligible costs incurred:	<u>116,955</u>
<b>Balance, December 31, 2025</b>	<b>\$ <u>65,642</u></b>