

District of Coldstream

ANNUAL REPORT



‘RURAL LIVING AT ITS BEST’

2025

Prepared By:

DISTRICT OF COLDSTREAM





Coldstream, British Columbia, Canada

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Welcome to Coldstream

The District of Coldstream is located just east of Vernon, surrounding the north end of Kalamalka Lake and extending through the beautiful Coldstream Valley.

The District is comprised of two neighbourhoods; Coldstream in the west and Lavington in the east, centering around the Coldstream Ranch, the earliest land claim in the District.

Kalamalka Lake has been called the lake of many colours because of its shimmering blue-green waters - a paradise for fishing and recreation.



The District has a significant residential component and boasts a substantial inventory of parks - Coldstream Park, Creekside Park, Sovereign Park, Lavington Centennial Park - to name a few. As well, the District is bordered on the south by beautiful Kalamalka Lake Provincial Park. A skateboard park is located on Kidston Road, and there are numerous biking routes and hiking trails throughout the District.

There are three elementary schools in Coldstream, a high school, and an Okanagan College campus. Shopping is just a few minutes away in the neighbouring communities of Vernon and Lumby. A large portion of the community is mixed agriculture use and ranching. Industrial development is limited to lumber mills and small manufacturing.

The District has professional staff in administration, finance, planning, engineering and public works, building inspection, bylaw enforcement and fire inspection. The Fire Department consists of approximately fifty paid on-call volunteer firefighters and two fire halls.

Community Facts:

Incorporated: December 21, 1906

Area: 7,645 hectares (18,891 acres)

Population: 11,380 (2025) **

Active Parks: 76 acres

123 km paved roads; 11 km unpaved

July mean daily temperature: 19.1°C

Average sunshine: 1,903 hours per year

Average snowfall: 102.2 cm per year

** Source: BC Statistics: Population Estimates & Projections for British Columbia (population application) by Municipality, region 37010 - Coldstream, year 2025.



DISTRICT COUNCIL



Mayor Ruth Hoyte



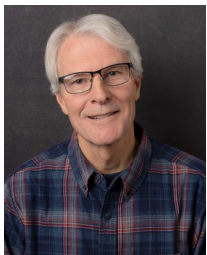
Councillor
Jim Garlick



Councillor
Stephanie
Hoffman



Councillor
Jeremy Levy



Councillor
Doug Dirk



Councillor
Pat Cochrane



Councillor
Simone Runyan

The District of Coldstream is governed by an elected Council comprised of a Mayor and six Councillors. Members of Council are elected for a four-year term. The current term is from 2024 to 2026.

Regular Council meetings are held at 6:00 p.m. on the second and fourth Mondays of every month in Council Chambers at the Municipal Hall, 9901 Kalamalka Road.

Public Hearings on development matters are scheduled at the same time and take place just prior to the Regular Council Meeting.

Committee of the Whole meetings are generally scheduled twice a month.

Members of the public are encouraged to attend Council and Committee Meetings and Public Hearings. Meeting minutes and agendas are available on the District's website www.coldstream.ca

MESSAGE FROM THE MAYOR

Greetings to All! Council has had a busy and productive year. We certainly have had our challenges, but thanks to dedicated staff and Council members, we met many of those challenges.

I am pleased to let you know that the District of Coldstream, along with Electoral areas B and C, have come to an agreement with the City of Vernon on the use of recreation facilities. This agreement, in which our residents pay the same fees and have the same access to programming as Vernon residents, including the Active Living Centre, goes until December 31, 2029.

Council and staff completed numerous reviews and updates to our Official Community Plan, zoning to allow multiple housing units on all residential lots to meet housing targets, with deadlines imposed by the provincial government. We also continue to lobby for infrastructure funds to meet those targets. The Aberdeen sewer project, due to be completed October 2026 and paid for without provincial grants, will go a long way to meet those housing targets and lessen contamination to our water tables.

Clean potable water is not only a concern for our District, but a regional concern. We continue to work with our partners, Greater Vernon Water (GVW) and Okanagan Basin Water Board, along with the Okanagan Nations Collaborative Leadership table addressing watershed issues. We are now in stage 3 water restrictions, and with serious drought conditions some tough decisions need to be made. Being an agricultural community, the District will continue to work with GVW to make sure our farmers survive.

Council also reviewed short term rentals, and additional residential units on small agriculture properties. We received significant input on both subjects and although many may not be pleased with Council's decisions, we look at the big picture of what works for the District. These decisions do not preclude policy and by-law amendments in the future, if needed.

Our staff, Council and myself appreciate engaged members of our community and always look to where we can answer your questions. I am always open to meeting with you for "coffee with the Mayor". I cannot always "fix" your issues but will listen and see where improvements can be made for everyone.

It remains my pleasure and honour to serve you in my capacity as Mayor and thank you for your ongoing support. I remind you that it is not me alone, but Council and staff working together for you, and I truly appreciate our team working on your behalf.

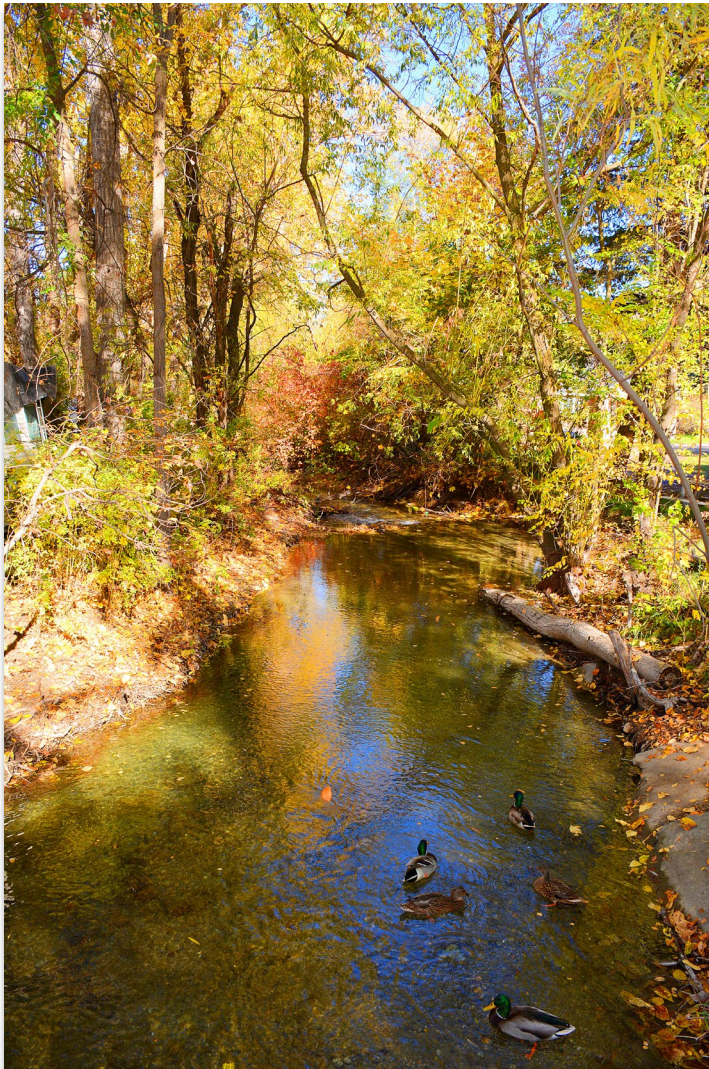
A handwritten signature in black ink that reads "R. H. Hoyte".

Ruth Hoyte, Mayor

CORPORATE VISION

Mission Statement

We, the Council of the District of Coldstream, are committed to a long-range plan for Coldstream, which fosters orderly growth and which enhances rural living at its best. Our mission is to make this a living plan supported by efficient fiscal management, appropriate policy and procedure development, and effective delivery of services.



Council Responsibilities

Every Council member has the following responsibilities:

- To consider the well-being and interests of the municipality and its community;
- To contribute to the development and evaluation of the policies and programs of the municipality respecting its services and other activities;
- To participate in Council meetings, Committee meetings, and meetings of other bodies to which the member is appointed;
- To carry out other duties assigned by the Council;
- To carry out other duties assigned by or under the *Community Charter* and other legislation.



COMMITTEES, BOARDS & COMMISSIONS

Okanagan Regional Library Board

Councillor S. Hoffman
Councillor J. Levy, Alternate

Regional District of North Okanagan

Mayor R. Hoyte
Councillor J. Garlick, Alternate

Greater Vernon Advisory Committee (RDNO Committee)

Mayor R. Hoyte
Councillor J. Garlick
Councillor P. Cochrane, Alternate
Councillor S. Runyan, Alternate

Regional Growth Management Advisory Committee (RDNO Committee)

Mayor R. Hoyte
Councillor J. Garlick, Alternate

Regional Agricultural Advisory Committee (RDNO Committee)

Councillor S. Runyan

Board Liaison Committee (RDNO Committee)

Mayor R. Hoyte

The District of Coldstream is a member of the Regional District of the North Okanagan. The District appoints 1 member from Coldstream Council to serve on the 14 member Regional District Board. The Coldstream appointee also serves as a member of the North Okanagan Columbia Shuswap Regional Hospital District.



MESSAGE FROM THE CHIEF ADMINISTRATIVE OFFICER

I am pleased to present the District of Coldstream’s 2025 Annual Report, which reflects the collective efforts of Council and staff in serving our community. This report highlights the progress made toward achieving Council’s strategic priorities.

The work of Administration is guided by Council’s Strategic Plan and its core values of accountability, integrity, respect, service, stewardship, and teamwork. These principles shape our decision-making and ensure that we continue to deliver responsible, effective, and community-focused services.

In 2025, the District completed almost \$6 million in capital works, investments in critical infrastructure which will enhance service delivery, and contribute to the long-term sustainability of our community.

A significant milestone this year was the completion of the District’s Asset Management Plan. This plan provides a comprehensive framework to guide future infrastructure investment while considering the impacts of climate change. The District also completed work on the Cemetery Master Plan and the Active Transportation Network Plan.

As the community continues to grow, Council’s commitment to fostering orderly and sustainable development remains a priority. Over the past year, Administration has worked diligently to implement provincial legislation aimed at addressing the housing crisis in British Columbia. This included the adoption of an updated Official Community Plan and Zoning Bylaw, which support a broader range of housing options while guiding responsible growth that aligns with provincial housing targets and community values—preserving Coldstream as “rural living at its best.”

The District remains committed to strong financial stewardship. Administration continues to review operations to identify efficiencies and ensure the best possible value for residents. This includes actively pursuing grant funding, maintaining fair and competitive procurement processes, and exploring partnership opportunities where appropriate.

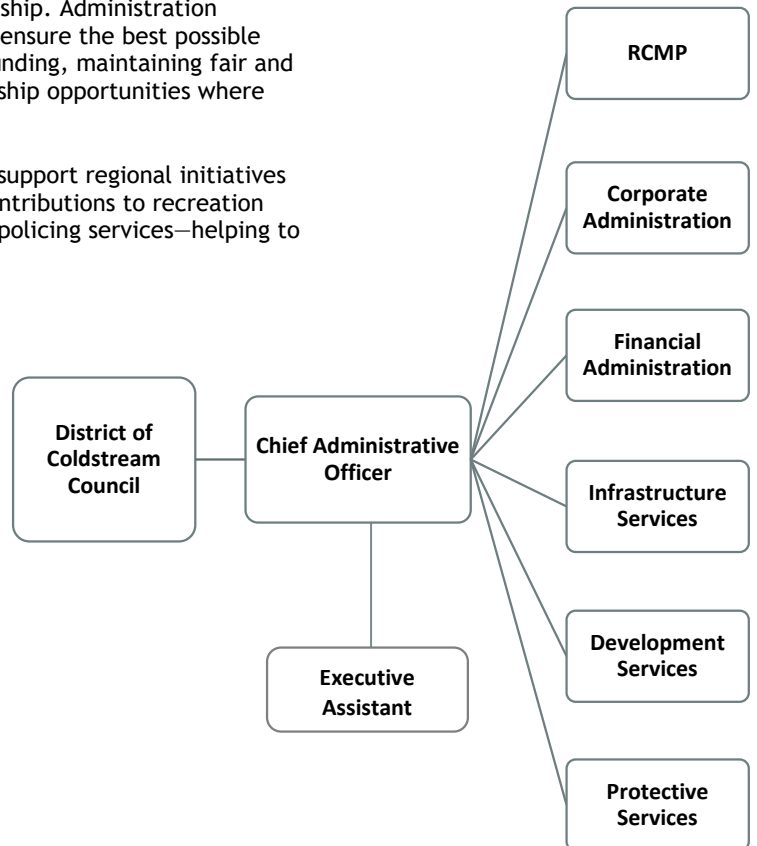
In addition to municipal services, the District continues to support regional initiatives that enhance quality of life for residents. These include contributions to recreation services, extended access to regional library services, and policing services—helping to ensure a safe, active, and connected community.

The accomplishments highlighted in this report reflect the dedication and professionalism of our staff, as well as the leadership of Council. It is a privilege to serve the residents of Coldstream and to work alongside such a committed and talented team.

Community feedback and ideas are always welcome as we continue striving to improve and serve you better.



Keri-Ann Austin, MMC
Chief Administrative Officer



MESSAGE FROM THE CHIEF FINANCIAL OFFICER

I am pleased to present the 2025 Annual Report for the District of Coldstream. This report provides detailed information regarding the financial results for the year ended December 31, 2025.

STRUCTURE

The 2025 Annual Report is presented in three sections identified as: Introductory, Financial and Statistical.

The Introductory Section provides information regarding the Corporation of the District of Coldstream (the District) including the 2025 Strategic Priorities and departmental operating results. These departments consist of: Corporate Administration, Financial Administration, Infrastructure Services, Development Services and Protective Services.

The Financial Section presents the 2025 audited financial statements which contain:

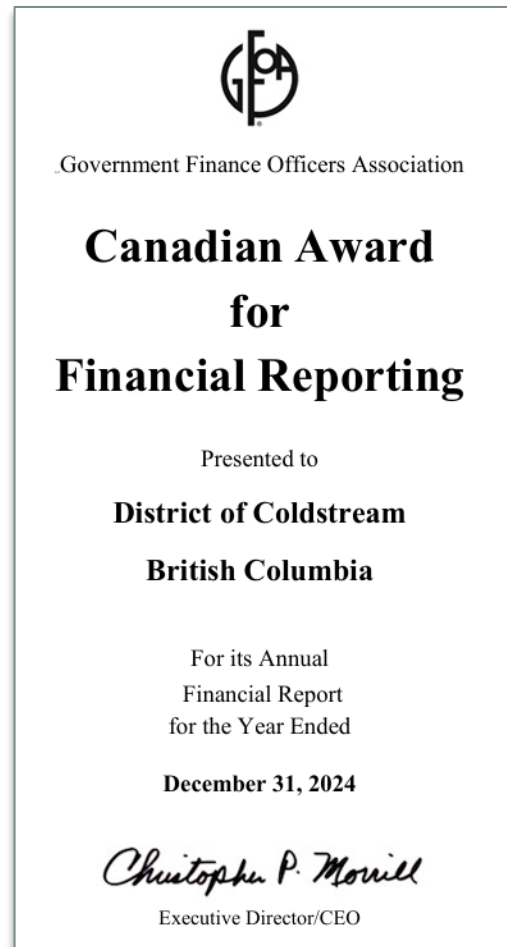
- Statement of Financial Position
- Statement of Operations and Accumulated Surplus
- Statement of Cash Flows
- Statement of Change in Net Financial Asset
- Notes & Schedules

The Statistical Section provides a variety of financial and non-financial statistics for the past five years as well as specific financial information required by the *Financial Information Act*.

The Government Finance Officers Association of United States and Canada (GFOA) awarded the Canadian Award for Financial Reporting to the District for its Annual Financial Report for the fiscal year ended December 31, 2024, the 15th year in a row.



Aaron Stuart, CPA, CA, CIM, BCom
Director of Financial Administration



MESSAGE FROM THE CHIEF FINANCIAL OFFICER

2025 OPERATING RESULTS

The District's net debt increased from -\$2.1 million in 2024 to -\$3.16 million in 2025 as shown on the statement of financial position. Net debt measures a company's ability to repay all financial liabilities with financial assets. The District's net debt increased due to almost \$6 million of cash and portfolio investments used during 2025 to pay for capital projects. This reduced the District's financial assets and caused an increase in net debt.

Consolidated revenues were 128.29% higher than budgets, primarily due to the recognition of fees for service received from Greater Vernon Water for the operation and maintenance of their infrastructure within Coldstream. These revenues have not historically been budgeted for and 2025 represents the first year of reporting these revenues, and related expenses, on a gross basis. Additionally, higher-than-expected building permit revenue and government transfers contributed to revenues outperforming budgets.

Consolidated expenses were 130.0% of budget, largely due to costs incurred for operating and maintaining Greater Vernon Water's infrastructure within Coldstream. These costs were not budgeted for in 2025 but are on a go forward basis.

Overall, there was an operating surplus of almost \$1 million for 2025.

Operating reserves decreased by almost \$3 million due primarily to the Growing Communities Fund and Future Expenditure Reserve funding the Aberdeen Sewer Expansion project.

FINANCIAL MANAGEMENT

The audited financial statements for the year ended December 31, 2025 were prepared in accordance with generally accepted accounting principles. Management is responsible for the integrity and objectivity of these statements and all the additional statements and schedules included in the Annual Report. To this end, management is responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that materially accurate and reliable financial information is produced. Adherence to these responsibilities ensures that information prepared by management is consistent with the information contained in the audited financial statements.

AUDIT

The financial statements were audited by BDO Canada LLP; their responsibility was to express an opinion based on the results of their audit. The audit was planned and performed to obtain reasonable assurance as to whether the financial statements were free of material error or misstatement. It was the auditors' opinion that the financial statements present fairly, in all material respect, the financial position of the District as at December 31, 2025, and its financial performance and cash flows for the year then ended.

FUTURE OUTLOOK

The District continues to focus on sustainable service delivery. 2026 will see the District make investments corporately and within the community. Key resources will be added through an additional RCMP member and an engineering technologist and human resource advisor to support operations and project delivery. Additional funds will be dedicated to asset management initiatives guided by the District's integrated asset management and climate change plan which was completed in 2025.

The District's capital plan for 2026 will continue to focus on well-informed infrastructure investment decisions. Key asset renewal projects will include repairs to District park facilities, recreational infrastructure and road rehabilitation.

The second phase of School Road improvements will occur in 2026 that will see 410 meters of roads renewed, along with street lighting, drainage and parking improvements. Priority fleet replacements for public works equipment and utilities vehicles, along with turnout gear replacements at both firehalls will occur in 2026. The District has identified crucial information technology asset replacements and additions which address aging infrastructure and enhance security. The audio/visual equipment in Council chambers will be upgraded to better support meetings and facilitate community engagement. The bathroom facilities at Kalamalka Beach will be replaced along with the Kalavista tennis courts. The Aberdeen Road sewer expansion project is also anticipated to be completed in 2026. This work will continue the installation of a sanitary sewer main line along Aberdeen Road from approximately Venables Drive to Kalamalka Road.

MUNICIPAL SERVICES AND OPERATIONS

Services provided by the District include:

- Building permits and inspection
- Business licensing
- Planning services
- Bylaw compliance
- Cemetery operations
- Community Hall operations
- Drainage system maintenance
- Engineering services
- Fire inspection
- Fire protection
- Legislative services
- Parks Maintenance
- Policing
- Public transit
- Sanitary sewer collection system
- Sidewalk construction and maintenance
- Snow removal
- Street construction and maintenance
- Street lighting
- Water system operation



2026 STRATEGIC PRIORITIES

Strategic Projects Identified by Council:	Goal	Timeline
<u>Council Chamber Audio Visual Upgrades</u> - Equipment in Council Chambers to be upgraded to improve quality of meeting participation	OE	2026
<u>Asset Renewal/Management</u> - Pavement, drainage, sanitary sewer projects identified annually <ul style="list-style-type: none"> o School Road Phase 2 (Jeffer Dr. to Learmouth Rd.) o Raised Crosswalk and Speed Bumps at Kidston Rd. o Lavington Pool repairs o Kalavista Tennis Court renewal o Kalamalka Beach bathroom facility replacement o Sovereign House repairs 	SI/AL	2026
<u>Cemetery Master Plan</u> - The Cemetery Master Plan recommendations were endorsed by Council together with a phased timeline for the following projects: <ul style="list-style-type: none"> o Perimeter fence & detailed design o Access to cremation plots o Complete full burial area 	SI	2027-2029
<u>North Kalamalka Lake Area Plan - Operational Improvements</u> - Kalamalka Road cross section to determine Kal Beach frontage upgrades and potential rehabilitation or repaving	AL	2026-2027
<u>Lavington Community Space</u> - Assess the feasibility of a community hall/space in Lavington	AL	2026-2027
<u>Aberdeen Sanitary Sewer Project</u> - Complete phase 2	RHC/SI	2026
<u>RCMP Member</u> - Consideration toward increasing the District's RCMP members from eight (8) to nine (9)	RHC	2028 Budget Deliberations

Goal Acronyms are as follows:

- SI - Sustainable Infrastructure RHC - Robust and Healthy Community
- AL - Active Lifestyle OE - Organizational Excellence

2025 STRATEGIC PRIORITIES

Strategic Projects Identified by Council:	Goal	Timeline
<u>Integrated Asset Management Plan</u> - Develop a risk-based approach to integrate climate change with asset management into budgeting and decision-making processes	SI	Plan to be completed by mid-2025
<u>Asset Renewal/Management</u> - Pavement, drainage, sanitary sewer projects identified annually <ul style="list-style-type: none"> o Uplands Drive (Rockland Dr. to Upland Place) o Learmouth Road (Park Lane to Dawe Dr.) o Raised Crosswalk at Coldstream Elementary o 3-way Stops at McClounie and Kidston Roads 	SI	2025 Pavement Management Plan Projects
<u>Cemetery Master Plan</u> - Cost projections for executing the recommendations in the plan	SI	2026 Budget Deliberations
<u>North Kalamalka Lake Area Plan</u> - This project was folded into the Official Community Plan project	AL	2025
<u>North Kalamalka Neighborhood Operational Improvements</u> - lit crosswalk, improvements to lake accesses, fencing, and potential dog beach(es) <ul style="list-style-type: none"> o Lit crosswalk on Westkal Rd to beach (2025) 	SI/AL	2025 / 2026
<u>Active Transportation Network Plan</u> - Project was added in late 2024 and completed 2025, recommendations will be brought forward for implementation at future budget discussions	AL	2025
<u>Lavington Community Space</u> - Assess the feasibility of a community hall/space in Lavington	AL	2026 Budget Deliberations
<u>Aberdeen Sanitary Sewer Project</u> - Complete paving, sanitary sewer and multi-use path	RHC/SI	2025 - 2026
<u>Review Housing Related Issues</u> - Direction on secondary suites, carriage houses, and housing in residential zones and the Agricultural Land Reserve	RHC	2025
<u>Off-shore Moorage</u> - Funding to address the enforcement of buoys in front of public lands pending available compliance options	AL	2025
<u>RCMP Member</u> - Consideration toward increasing the District's RCMP members from seven (7) to eight (8)	RHC	2026 Budget Deliberations

Goal Acronyms are as follows:

- SI - Sustainable Infrastructure RHC - Robust and Healthy Community
- AL - Active Lifestyle OE - Organizational Excellence

CORPORATE ADMINISTRATION

The Corporate Administration Department is the link between Coldstream residents, Council, staff and outside government agencies.

Key responsibilities include:

- Providing Council and Committee Meeting management;
- Supporting Council in developing bylaws, policy and decision making;
- Ensuring timely and appropriate administrative support and information flow to Council;
- Providing legislative advice, legal coordination and statutory duties;
- Oversight and Management of bylaws, policies and procedures;
- Providing leadership and direction to staff in fulfilling the various departmental directives and responsibilities;
- Maintaining accessibility to the public through notifications and a user-friendly website;
- Managing Freedom of Information and Privacy Programs;
- Ensuring timely access to information and records by staff, the public and Council;
- Coordinating intergovernmental relations; and,
- Provision of Bylaw Compliance Services.

2025 Highlights

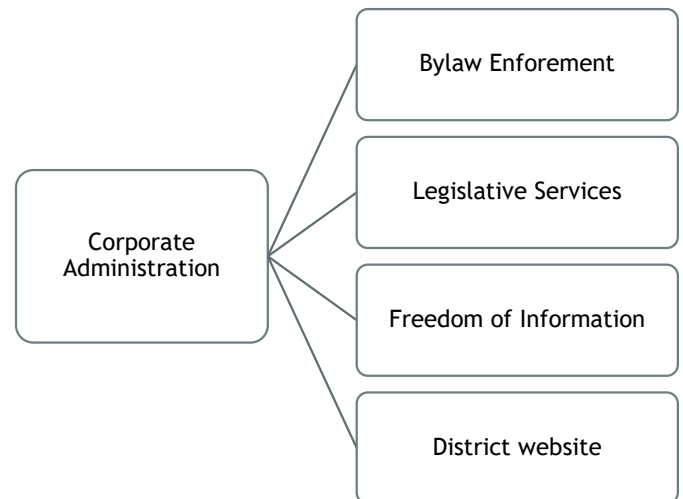
In 2025, the District continued to offer Council and Committee meetings both online and in person, ensuring accessibility for all members of the public who wished to participate or observe proceedings. Council adopted the Accessibility Plan for the community which outlines a multi-year approach to implement service and infrastructure goals to further inclusion and accessibility for all residents throughout Coldstream. Council also adopted a new Zoning Bylaw and Official Community Plan (early 2026) which integrated provincial housing legislation to support the 'Homes for People' plan.

Council continued to prioritize strengthening intergovernmental relationships with municipal, regional, and Indigenous partners. This was achieved through staff education, participation in collaborative processes, meaningful consultation and planned joint Council to Council meetings between Coldstream and the Okanagan Indian Band (OKIB).

Corporate Services started planning and the preparations for the upcoming local general election taking place in the Fall of 2026. The Department also continued digitization of work flows to improve efficacy of work and service delivery, including Council reports, records management, and bylaw compliance software and programs.



Nicole Cressman
Director of Corporate Administration



An organizational focus towards Emergency Preparedness in the event of community emergency has been prioritized, and Corporate Services staff have partaken in various training courses and exercises to ensure that we are prepared to respond in the event of an emergency.

CORPORATE ADMINISTRATION

To enhance Bylaw Compliance, Corporate Services transitioned from a contracted service model to employment of a full-time, year-round Bylaw Compliance Officer. The service model transition was seamless, as the Officer has had many years of Bylaw Compliance service within the community of Coldstream, allowing for consistency in applying the bylaws and offering the same services the community has come to know and rely upon. This change provides greater continuity in service delivery and enhances the Department’s ability to address emerging community concerns. Priority areas included traffic and parking regulations, unsightly premises, noxious weed management, zoning and land-use compliance, building regulations, fire protection requirements, and the responsible use of parks and public spaces. Through complaint trend analysis, preventative outreach initiatives, enhanced seasonal patrols, and coordinated enforcement efforts, the Department achieved a compliance rate of 97.9% in 2025, while promoting public safety, community awareness, and voluntary compliance

2025 Corporate Administration Statistics:

40	Council & Committee Meetings (Open)
26	Council & Committee Meetings (Closed)
7	Freedom of Information Requests
15	Bylaws Adopted
376	Bylaw Complaint Files Opened
368	Bylaw Complaint Files Closed

2026 Outlook

The Corporate Services Department continues to prioritize building and strengthening relationships with intergovernmental and Indigenous partners, with a

commitment to ongoing consultation and collaboration on projects within the District and across the region and have plans to hold joint Council meetings between Coldstream and the Okanagan Indian Band (OKIB).

The Bylaw Compliance Department will continue to focus on proactive education, targeted enforcement, and data-informed decision-making to support compliance with District bylaws. Priority areas will continue to include traffic and parking regulations, noxious weed management, unsightly premises, parks and public spaces, zoning, building regulations, and fire protection requirements, all aimed at enhancing the quality of life for residents, visitors, and businesses in Coldstream.

In support of open government and transparency, Corporate Services will upgrade the audio - visual equipment in Council Chambers in an effort to improve the ability to see and clearly hear the proceedings of Council meetings by removing barriers and increasing accessibility and inclusion for all residents whether the public chooses to attend in person or electronically.

Additionally, the department is working on putting on a fair and transparent election process for the local general election in October of 2026 from helping candidates feel confident running for Mayor or Councillor, encouraging electors to cast their ballots by providing up to date information on the District website, and by offering several different voting opportunities, including mail ballot voting, three advanced in person voting dates as well as the local general election date (October 17). Additionally, the department will say goodbye and thank our outgoing Council members for their service and welcome new Council member by preparing them for their new roles.



FINANCIAL ADMINISTRATION

The Finance Department is responsible for matters of financial administration as well as management of the District's information technology services. Specific responsibilities include:

- Financial planning, reporting and analysis;
- Budgets, financial and internal control systems;
- Issuance and collection of property taxes, utility and other revenue sources;
- Cash, portfolio and debt management; expending municipal money as authorized by Council;
- Insurance claims and risk management;
- Payroll;
- Information technology management, including hardware and software acquisition, maintenance and protection.



Aaron Stuart
Director of Financial Administration

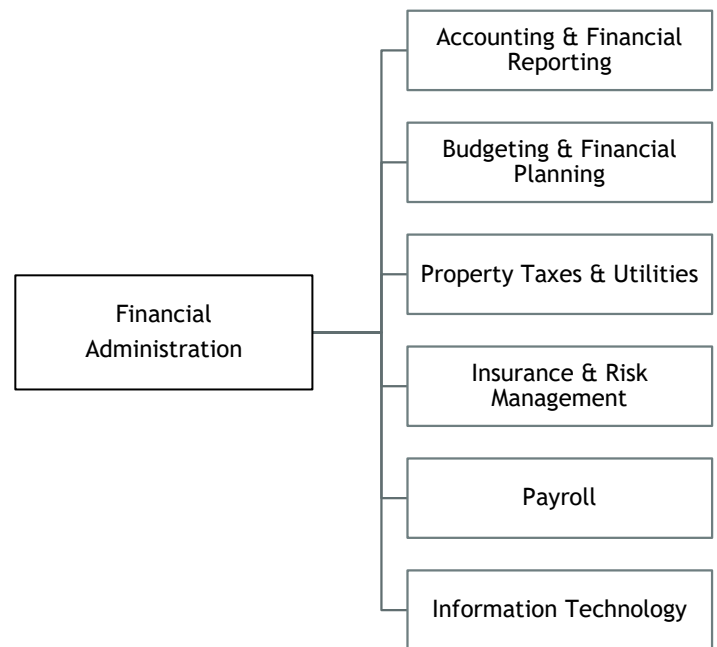
2025 Highlights

Property tax is used to fund most local government administration and services. Net property tax revenue increased 10.6% compared to the year prior.

2025's financial results represent the works Coldstream completes on behalf of Greater Vernon Water (GVW) on a gross basis. In prior years the revenues received and expenses incurred were reported as a net receivable or payable in the statement of financial position (the balance sheet). For 2025 and beyond, Coldstream will report on the gross revenues and expenditures incurred in the statement of operations, while also including these activities in future financial plans.

The District of Coldstream has an agreement with GVW to operate and maintain their water infrastructure located within Coldstream. The District also provides administrative services related to water consumption billing and collection. The water consumption revenues collected belong to GVW and are remitted to them quarterly.

The District bills GVW for costs incurred to maintain their infrastructure quarterly, which includes an administrative overhead charge. This represents revenue to the District and has been recorded as such in the 2025 financial statements. The related costs incurred are also included as expenses. These revenues and expenses were not included in the 2025 financial plan, which is why actual revenues and expenses are so much higher than budgets.



2026 Outlook

2026 will include new resources to benefit the community. We will have an additional RCMP member to focus on Coldstream protective services, and an engineering technologist to provide support to public works and utilities.

2026 will also see the end of the current Council's term and the beginning for a new Council. Administration will continue to work diligently to deliver Council's vision for the community.

INFRASTRUCTURE SERVICES

The Infrastructure Services Department is responsible for all operational matters of the District of Coldstream. Specific responsibilities include:

- Planning, design and construction of the District’s infrastructure, including roads and sewer;
- Reviewing and inspecting subdivision applications and construction;
- Reviewing all development applications for impact on servicing and infrastructure;
- Planning for capital projects;
- Maintenance of the District’s fleet;
- Maintenance of the sewer system;
- Maintenance of the water system under sub-contract to Greater Vernon Water Utility;
- Signage and traffic marking;
- Maintenance of community parks;
- Community Hall operations and maintenance;
- Rental and lease agreements for District property.



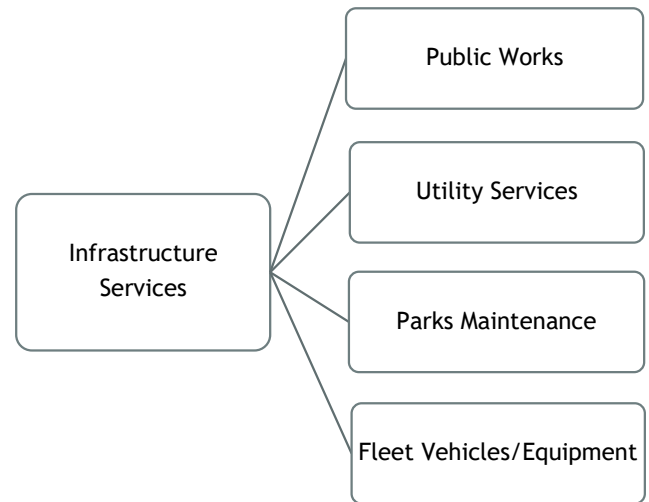
Janis Netzel
Director of Infrastructure Services

2025 Highlights

Year one of the Aberdeen Sewer project was completed with new gravity and forcemain trunk and services to property lines installed between Selkirk Drive and Venables Drive. Aberdeen Road was widened along this section to increase the width of shoulders to better accommodate bike and pedestrian traffic. The project was shut down for winter with a plan to start phase 2 in the spring.

Upland Drive was rehabilitated, starting at Rockland Drive and proceeding 590m north. This project also saw drainage improvements, such as ditch clearing and widening, exposing culvert inlets and outlets, and installation of new culverts and catch basins within the paving zone, as well as between Scenic Drive and Rockland Drive.

Irrigation upgrades at Coldstream Creek were completed to replace the failed infrastructure in the ball fields. The upgrades saw the installation of a larger water service, new distribution lines and sprinkler heads, as well as a new electrical control system. With the new system in place, Parks Crews are planning to reinstate the second ball diamond at the southwest end of the park that was unable to be maintained due to the lack of water to that area.



Infrastructure Services moved into their renovated space in February, 2025. The space, formerly a firehall converted into work bays for the Utilities and Parks functions of Public Works, is now the home to Infrastructure Services management staff and clerical support, as well as the Firesmart Coordination and the Human Resources and Safety Advisor.

The Community Hall also saw a major upgrade - 196 solar panels were installed on the roof above the Great Hall. They are expected to generate up to 90% of the yearly power demands for the Community Hall. This project was paid for through the Local Government Climate Action Plan and BC Hydro.

INFRASTRUCTURE SERVICES

Major water project completed for the Regional District of North Okanagan:

- Replaced the existing watermain across the intersections of Aberdeen and Middleton and Selkirk. Transition homes along Aberdeen to new watermain.
- Replaced PCCP transmission watermain with steel watermain that services a mill. Also installed temporary above ground watermain for mill to remain operational while the watermain was being replaced.
- Repaired several significant water main breaks.

Sanitary sewer:

- Completed the first phase of the Aberdeen sewer expansion project, approximately Selkirk Dr. to Venables Dr.



2026 Outlook

Looking ahead the District has several projects planned for 2026:

- Completion of Aberdeen sewer expansion (Venables Dr. to Kalamalka Rd.)
- School Road widening and paving
- Kal Beach accessibility improvements
- New washroom facilities at Kal Beach
- Sarson sanitary sewer lift rebuild
- New watermain on Coldstream Creek Road (approx. Belair to Cosens Bay Rd.)



DEVELOPMENT SERVICES

Department responsibilities include:

- Assisting and advising Council on growth management, development, long-range policy planning, ongoing improvements and amendments to the Official Community Plan (OCP) and Zoning Bylaw.
- Subdivision review and approvals.
- Review and processing of development applications (i.e., Official Community Plan amendments, Zoning Bylaw amendments, development variance permits, development permits, Agricultural Land Reserve).
- Building inspections and business licensing



Ryan Roycroft
Director of Development Services

2025 Highlights

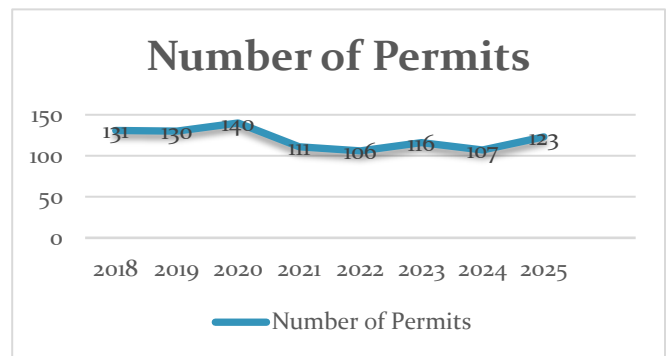
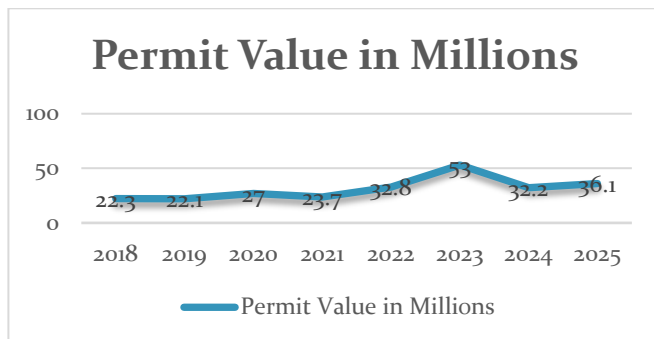
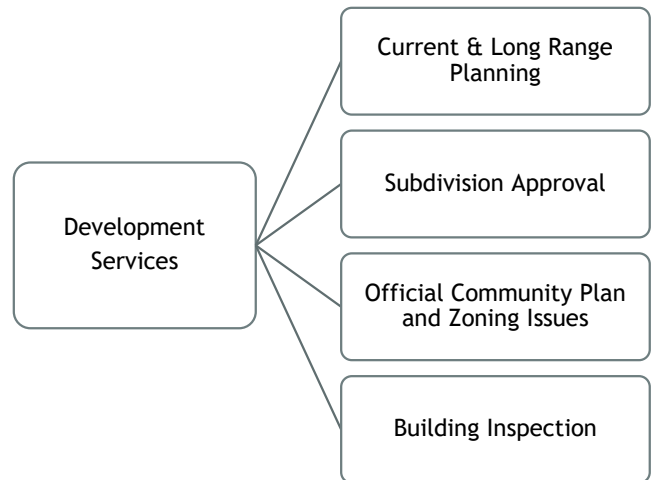
In 2025, the District of Coldstream Development Services Department continued to work through legislative changes brought about by the Provincial *Homes for People* program. The new Official Community Plan was adopted in early 2026.

The OCP sets the mandatory housing targets required by Provincial legislation. It also establishes a new Wildfire Protection Development Permit Area to establish a review process for development in fire interface areas, and expands the areas covered by riparian protections.

Building permits are issued for activities, including but not limited to: residential buildings, commercial buildings, accessory buildings, renovations, demolitions, swimming pools and mobile home placements.

Building Permit in 2025 was similar to 2024, with just over \$36,000,000 in building activity, including 66 new residential units

Business License activity remains steady, with 364 active business licenses in 2025, down slightly from 374 in 2024 the year before. Business activity remains steady in the District overall.



DEVELOPMENT SERVICES

2026 Outlook

2026 looks to another consistent year of development for the District. Building activity is expected to remain consistent with 2025 levels as developments on Middleton Mountain fill out and new secondary suites are installed in existing housing stock. No major projects are expected to come online during 2026, but no major slowdowns are expected.

The Department is looking to roll out a few major initiatives, including:

- Development Cost Charge Review
- Secondary Suite Rollout
- Housekeeping amendments to zoning bylaw
- Further Riparian Areas protection strategies



Lavington Fire Hall on School Road



Coldstream Fire Hall on Aberdeen Road

Protective Services responsibilities include:

- Prevention, control and extinguishment of fires.
- Protection of life and property.
- Enforcement of municipal bylaws respecting fire prevention.
- Overseeing the District’s Emergency Management Occupational Health and Safety, fire inspections and fire investigation programs and services.
- Provide traffic control and safety to residents.

2025 Highlights

The Protective Services Department achieved several significant milestones in 2025, securing external funding to advance emergency preparedness, wildfire resilience, and firefighter safety initiatives throughout the community.

The District was successful in obtaining funding through the Union of BC Municipalities (UBCM) Community Emergency Preparedness Fund, supporting several important projects that would not otherwise have been feasible within existing budget resources. Funding was awarded for:

- Emergency Operations Centre Equipment and Training (\$40,000)
- Public Notification and Evacuation Route Planning (\$40,000)
- Volunteer and Composite Fire Departments Equipment and Training (\$30,000)

In addition, the District secured further financial resources through the FireSmart Community Funding and Support

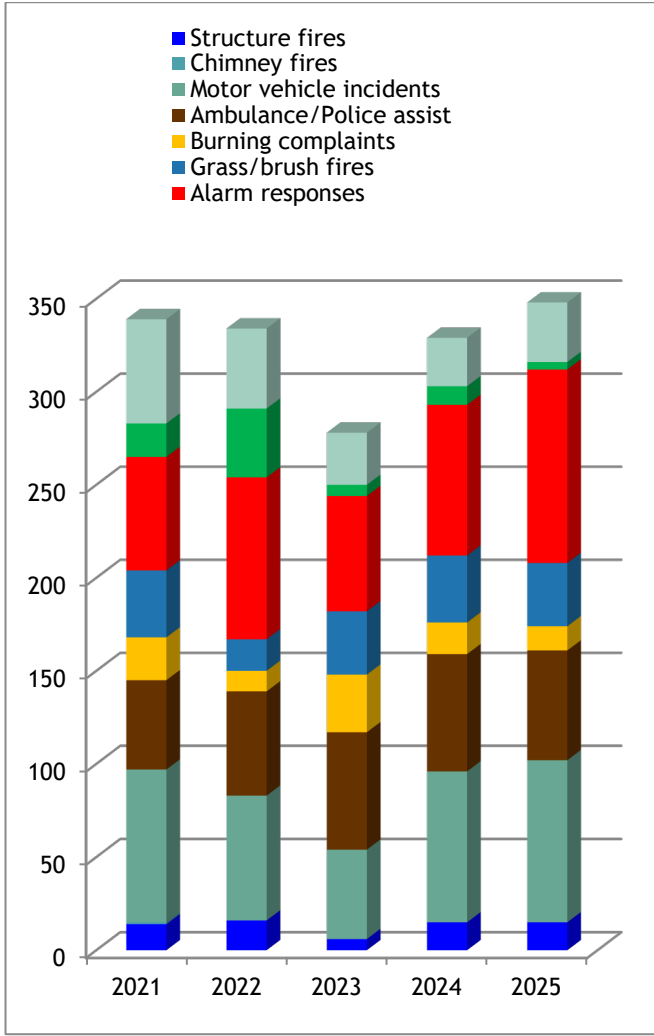
Program, ensuring continued delivery of the community’s FireSmart program through August 2027.

Throughout the year, the FireSmart Coordinator conducted numerous home assessments, organized community wood-chipping initiatives, attended public events, and delivered educational outreach aimed at helping residents reduce wildfire risk on their properties.

The Fire Department experienced another active year, responding to emergency incidents while continuing to strengthen community engagement. Both the Coldstream and Lavington Fire Halls hosted a variety of public events and educational initiatives, including Fire Prevention Week activities, station tours, Community Day celebrations, and the annual Halloween fireworks event. Firefighters also participated in expanded training opportunities beyond their regular practice schedule to maintain and enhance operational readiness.

The dedication, professionalism, and commitment demonstrated by firefighters at both halls continue to be a source of pride for the community. The District also recognizes and thanks residents who have proactively adopted FireSmart practices, helping to improve neighbourhood resilience and reduce wildfire risk.





“Other” includes calls such as: electrical lines down, public services and gas/smoke smells.

2026 Outlook

Building on the momentum of 2025, several key Protective Services initiatives are underway in 2026, supported by recently secured grant funding. Priority projects include:

- Installation of firefighter gear decontamination equipment at both fire halls to enhance firefighter health and safety.
- Development of a comprehensive Public Notification and Evacuation Plan to strengthen emergency communications and preparedness.
- Redevelopment of the District’s Emergency Management Plan to align with evolving best practices and community needs.
- Establishment of a dedicated, mobile-capable Emergency Operations Centre to improve response coordination during emergencies.

Emergency response activity in the Fire Department has remained steady through the early part of 2026, with call volumes expected to remain comparable to 2025 levels.

The FireSmart program will continue to be a key focus, supporting public education, homeowner assessments, and community wildfire risk reduction initiatives. Program efforts will remain aligned with the objectives identified in the Community Wildfire Resiliency Plan, helping to build a safer and more resilient community for years to come.

Interested in volunteering for a paid-on call membership position at the Coldstream or Lavington fire halls?

Go to www.coldstream.ca then click: Apply for... then, Fire Department Membership.

Everyone Goes Home.

Policing

As a community with a population of over 5,000 but under 15,000 the District is required to fund 70% of the police costs. Coldstream resources have been integrated within the Vernon detachment as part of the Regional Policing model.

A few key points about our police service:

- Coldstream funds 7 police officers.
- Coldstream funds 3 support staff.
- Coldstream’s police officers and support staff are stationed at the Vernon detachment.
- The 2025 police budget was \$1,565,773 (\$1,452,166 - prior year)



STATISTICAL SECTION



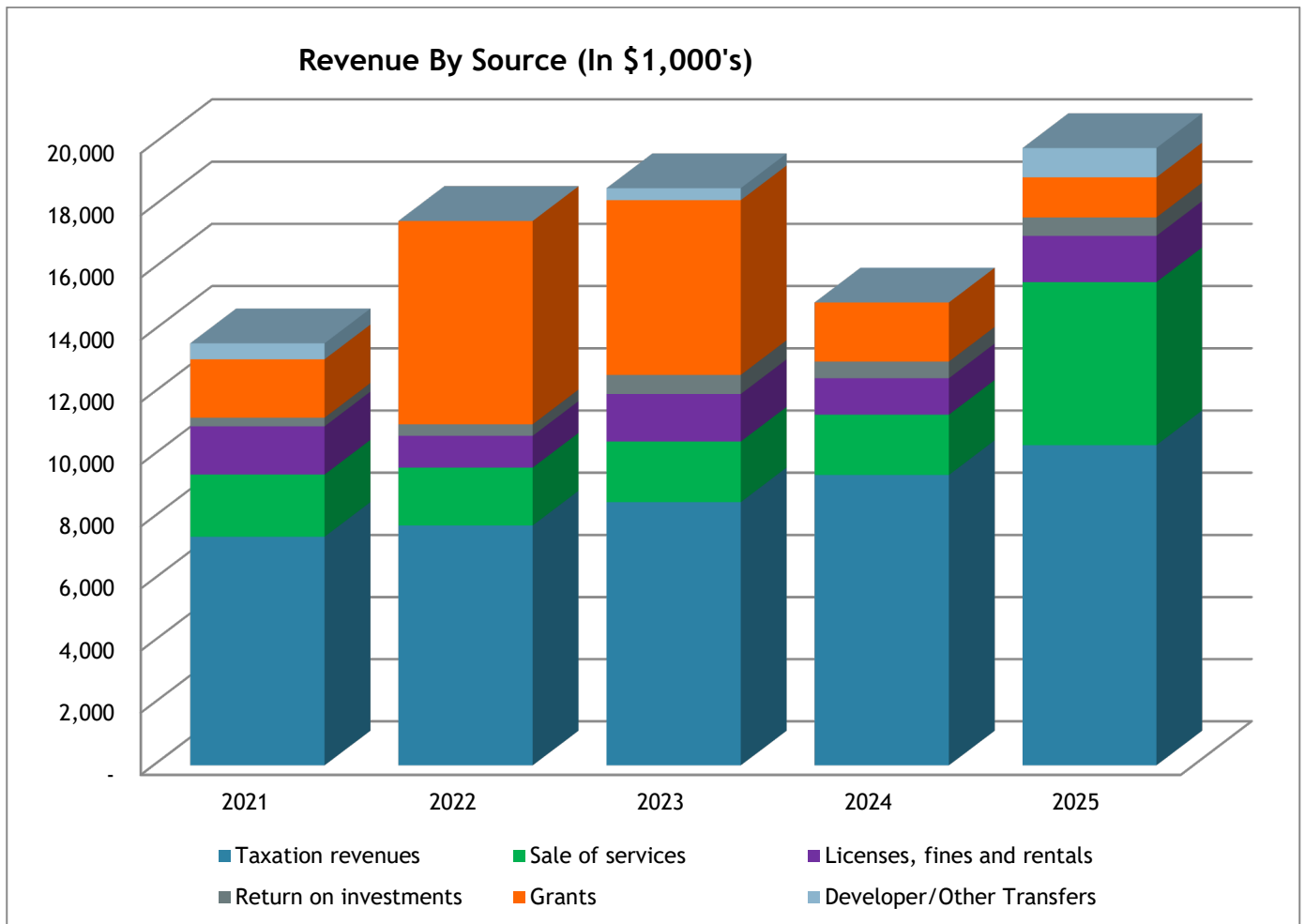
Revenue by Source

(in \$1,000's except per capita figures)

	2025	2024	2023	2022	2021
Property Tax *	\$ 10,309	\$ 9,350	\$ 8,476	\$ 7,727	\$ 7,364
Sale of Services	5,241	1,939	1,950	1,861	2,000
Licenses/Permits, Fines and Rentals	1,486	1,171	1,527	1,021	1,550
Return on Investments	594	536	614	371	278
Grants	1,287	1,899	5,616	6,535	1,877
Developer/Other	941		385		514
Total Revenue	\$19,858	\$14,895	\$ 18,568	\$ 17,515	\$ 13,583

* Property Tax include Taxation plus Grant in lieu of taxes paid by entities that are exempt from property taxes.

Total Revenue per Capita	\$ 1,745	\$ 1,301	\$ 1,597	\$ 1,512	\$ 1,173
Property Tax / Total Revenue	51.9%	62.8%	45.6%	44.1%	54.2%



Statement of Reserve Funds and Surplus

(in \$1,000's except per capita figures)

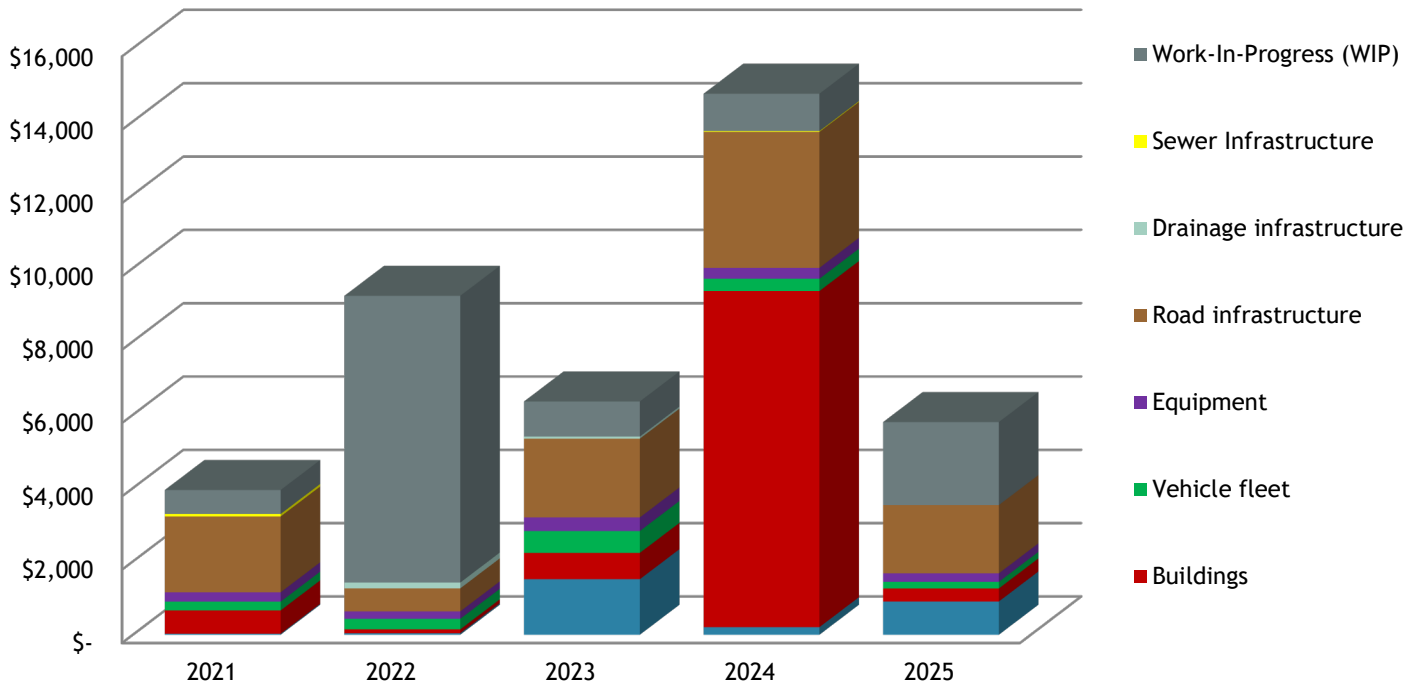
	2025	2024	2023	2022	2021
Statement of Annual & Accumulated Surplus					
Accumulated surplus, beginning	\$90,227	\$89,528	\$84,224	\$78,532	\$76,030
Annual surplus	947	699	5,304	5,692	2,502
Accumulated surplus, ending	\$91,174	\$90,227	\$89,528	\$84,224	\$78,532
Statement Accumulated Surplus					
Statutory reserves	\$5,541	\$7,195	\$8,152	\$6,447	\$5,571
Operating reserves	3,091	3,538	4,205	5,367	6,560
Accumulated deficit - General Fund	(3,850)	(4,492)	(5,148)	(5,932)	(5,089)
Accumulated surplus - Sewer Fund	3,305	3,246	4,783	4,369	3,687
Equity in tangible capital assets	83,087	80,740	77,536	73,973	67,803
	\$91,174	\$90,227	\$89,528	\$84,224	\$78,532
Net Financial Debt (Detail)					
Financial assets	\$14,267	\$17,520	\$18,913	\$16,140	\$18,322
Financial liabilities	17,431	19,620	10,371	9,585	10,828
Net financial asset/liability	(3,164)	(2,100)	8,542	6,555	7,494
Non-financial assets	94,338	92,327	80,986	77,669	71,038
Accumulated surplus, ending	\$91,174	\$90,227	\$89,528	\$84,224	\$78,532
Statutory Reserves (Detail)					
Building	\$837	\$849	\$346	\$1,134	\$1,105
Community Hall	130	65	-	-	296
Drainage	508	664	449	308	279
Equipment	932	656	434	1,186	1,259
Growing Communities	749	2,275	4,148	-	-
Land	440	311	242	182	166
Road	454	351	660	1,963	1,285
Sewer Improvement	2,240	2,024	1,873	1,674	1,181
	\$6,290	\$7,195	\$8,152	\$6,447	\$5,571
Operating Reserves (Detail)					
Building stabilization	-	-	-	26	26
Canada Community-Building Fund (Gas Tax)	1,041	1,379	1,812	2,123	2,339
Community amenity	-	-	-	22	22
COVID19 Safe Restart	77	183	1,039	1,450	2,327
Election	34	24	13	3	18
Fire Equipment	28	27	26	26	26
Wildfire deployment	87	85	-	-	-
Future Expenditure	983	1,795	1,272	1,299	1,201
Parks	46	45	43	134	164
Police Stabilization	46	-	-	219	372
Road Improvement	-	-	-	14	14
Water Devolution	-	-	-	51	51
	\$2,342	\$3,538	\$4,205	\$5,367	\$6,560
Accumulated Surplus/(Deficit)					
General Operating Fund	(3,850)	(4,492)	(5,148)	(5,932)	(5,089)
Sewer Operating Fund	3,305	3,246	4,783	4,369	3,687
	(545)	(1,246)	(365)	(1,563)	(1,402)
Total Reserves and Accumulated Surplus/(Deficit)					
	\$8,087	\$9,487	\$11,992	\$10,251	\$10,729
Total Reserves & Accumulated Surplus (Deficit) per Capita					
	\$711	\$829	\$1,032	\$885	\$927

Capital Spending

in \$1,000's except per capita figures)

	2025	2024	2023	2022	2021
Buildings	\$ 1,199	\$ 9,748	\$ 7,792	\$ 107	\$ 637
Drainage Infrastructure	-	-	56	158	-
Equipment	232	297	623	203	255
Land & Land Improvements	1,042	499	1,515	460	36
Road Infrastructure	1,862	3,735	2,149	628	2,068
Sewer Infrastructure	-	23	836	-	-
Vehicles	180	336	1,152	287	239
Work-In-Progress (WIP)	2,338	1,019	958	7,821	653
Subtotal: additions to Capital Assets	\$ 6,853	\$ 15,657	\$ 15,081	\$ 9,664	\$ 3,956
Less: transfers to Capital Assets from prior year Work-In-Progress (WIP)	\$ (1,052)	\$ (900)	\$ (8,718)	\$ (420)	\$ (9)
Capital Spending	\$ 5,801	\$ 14,757	\$ 6,363	\$ 9,244	\$ 3,947
Total Capital Spending per Capita	\$ 510	\$ 1,289	\$ 547	\$ 798	\$ 341

Capital Spending (In \$1,000's)



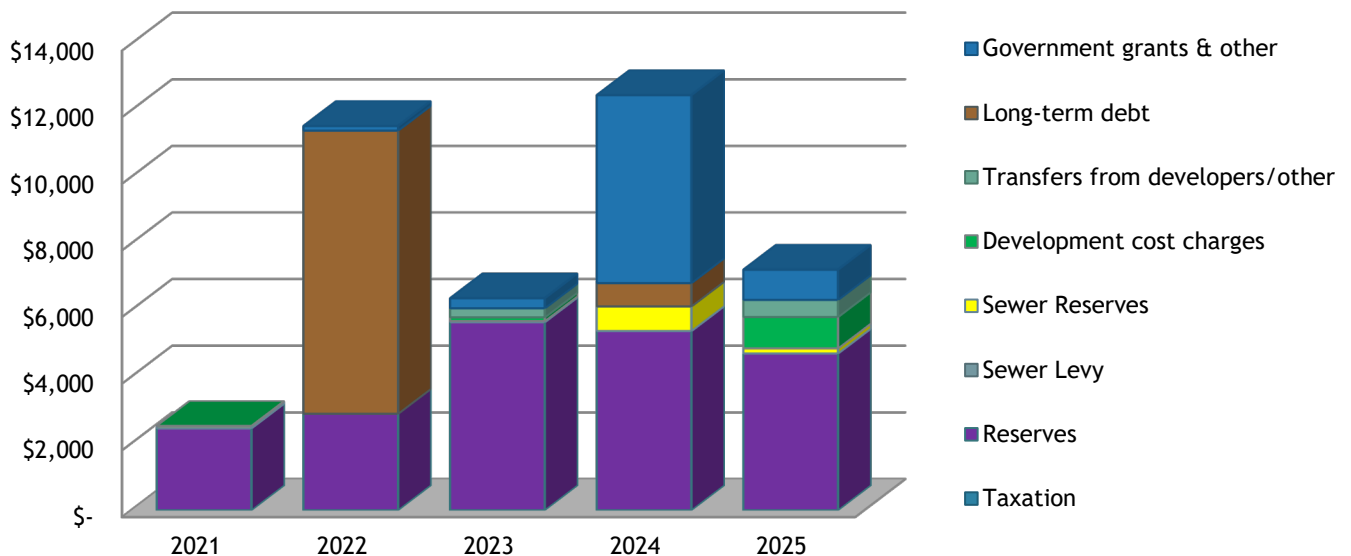
Capital Spending by Funding Source

(in \$1,000's except per capita figures)

	2025	2024	2023	2022	2021
Taxation	\$ -	\$ -	\$ -	\$ -	\$ -
Reserves	4,706	5,380	5,645	2,899	2,460
Sewer Levy	-	-	-	-	-
Sewer reserves	154	739	33	-	68
Development Cost Charges (DCC's)	941	-	112	-	-
Transfers from Developers	-	-	273	-	514
Long-Term Debt / Borrowing		8,500	-	700	-
Grants		138	300	5,645	905
	\$ 5,801	\$ 14,757	\$ 6,363	\$ 9,244	\$ 3,947

	2025	2024	2023	2022	2021
Taxation	0.0%	0.0%	0.0%	0.0%	0.0%
Reserves	81.1%	36.5%	88.7%	31.3%	62.4%
Sewer Levy	0.0%	0.0%	0.0%	0.0%	0.0%
Sewer Reserves	2.7%	5.0%	0.5%	0.0%	1.7%
Development Cost Charges (DCC's)	16.2%	0.0%	1.8%	0.0%	0.0%
Transfers from Developers	0.0%	0.0%	4.3%	0.0%	13.0%
Long-Term Debt / Borrowing	0.0%	57.6%	0.0%	7.6%	0.0%
Grants	0.0%	0.9%	4.7%	61.1%	22.9%
	100.0%	100.0%	100.0%	100.0%	100.0%

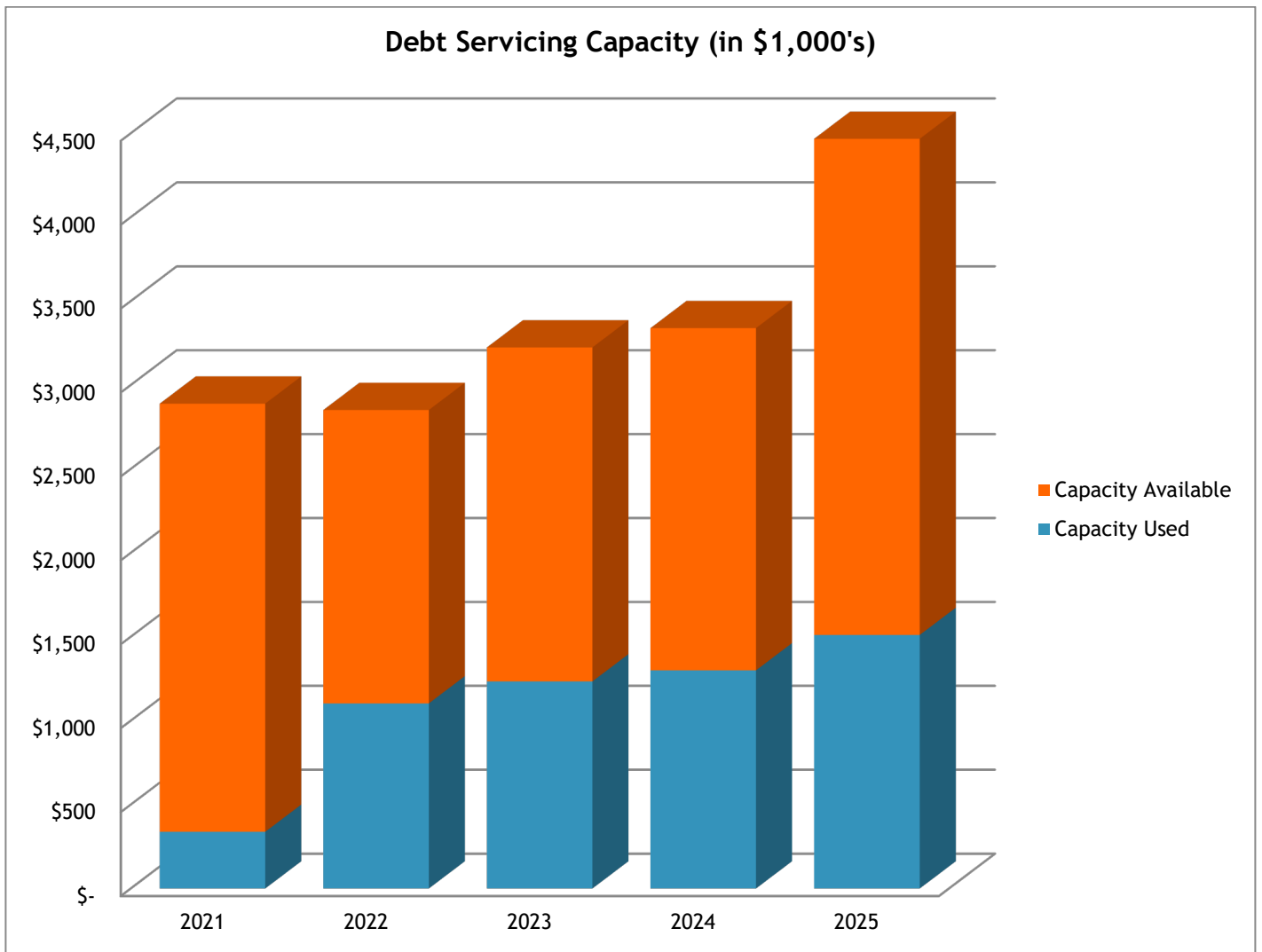
Capital Funding by Source (in \$1,000's)



Long-Term Debt Capacity

(in \$1,000's except per capita figures)

	2025	2024	2023	2022	2021
Annual Debt Servicing	\$ 726	\$ 526	\$ 453	\$ 342	\$ 338
Annual Debt Servicing as a Percentage of Total Debt Servicing Limit	16.25%	15.75%	14.05%	12.00%	11.70%
Debt Servicing Limit	\$ 4,467	\$ 3,339	\$ 3,224	\$ 2,851	\$ 2,889
Remaining Debt Servicing Capacity	\$ 2,956	\$ 2,039	\$ 1,990	\$ 1,748	\$ 2,551



Taxable Property Assessments

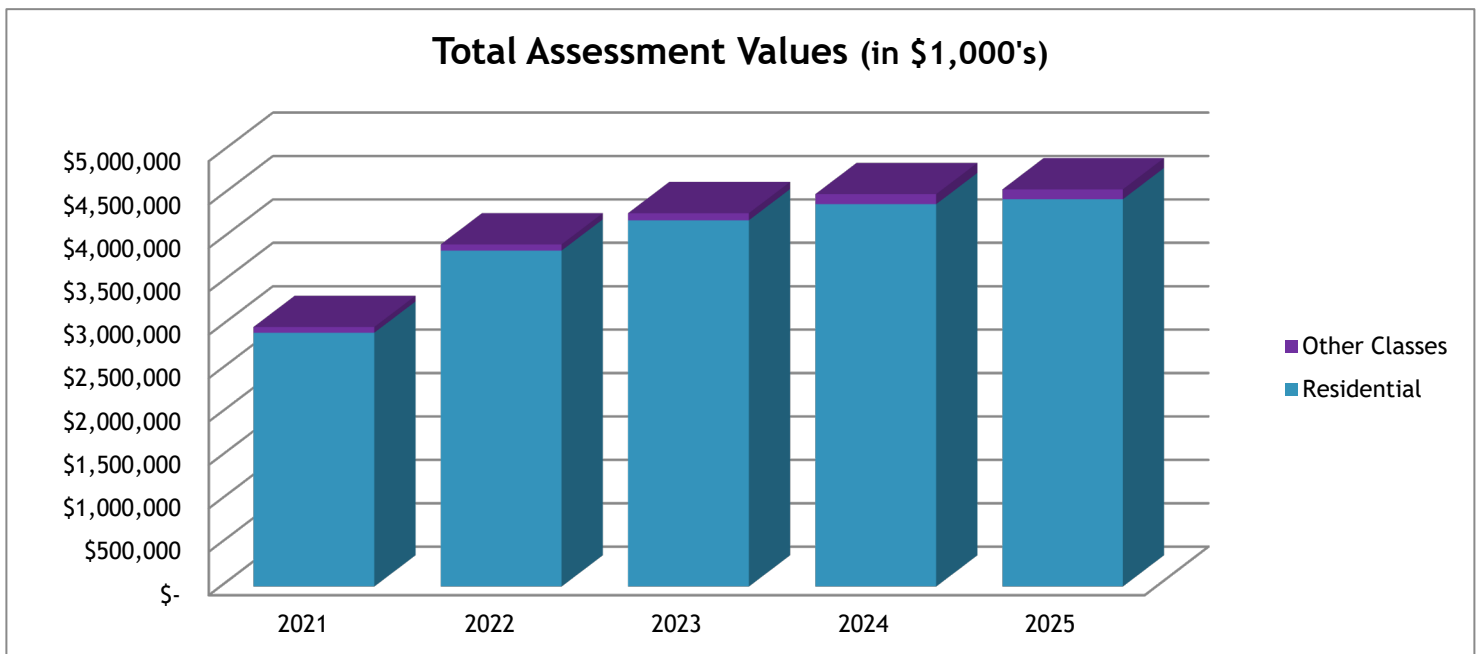
(in \$1,000's)	2025	2024	2023	2022	2021
Residential	\$ 4,462,038	\$ 4,405,345	\$ 4,219,370	\$ 3,870,402	\$ 2,924,194
Utility	2,681	2,517	2,205	1,962	1,915
Major industry	10,376	10,212	9,952	9,678	9,347
Light industry	13,546	13,323	12,609	12,670	12,408
Business and other	68,165	70,714	38,973	29,423	26,364
Recreation and non-profit	9,767	9,291	8,908	8,040	6,314
Farm	9,332	9,594	9,544	9,484	9,466
	\$4,575,905	\$4,520,996	\$ 4,301,561	\$ 3,941,659	\$ 2,990,008

Percent change from prior year	1.2%	5.1%	9.1%	31.8%	5.8%
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Average Single Family Residential Assessed Value (in \$1,000's)	2025	2024	2023	2022	2021
Land	\$ 398	\$ 410	\$ 402	\$ 367	\$ 288
Improvements	613	591	562	521	382
	\$ 1,011	\$ 1,001	\$ 964	\$ 888	\$ 670

% change from prior year	1.0%	3.8%	8.6%	32.6%	5.3%
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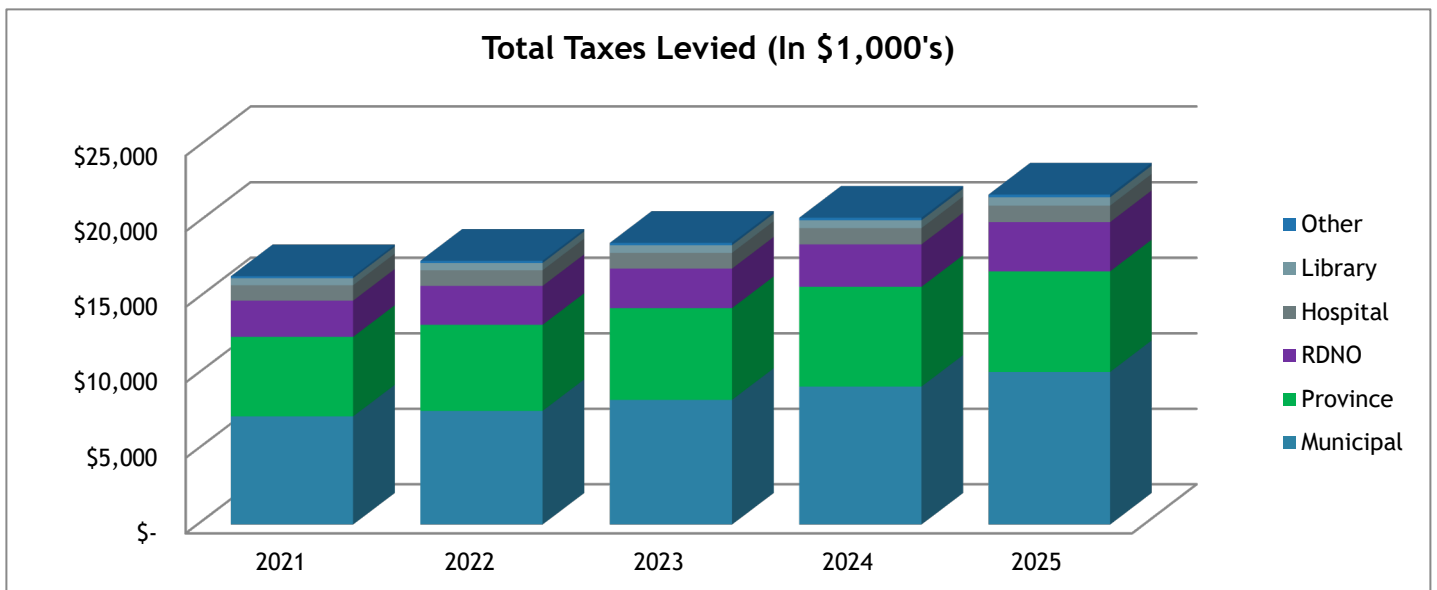
*The Average Single Family Residential Assessed Value is calculated using the General Taxable Value for Land and Improvement provided by BC Assessment and dividing this figure by the total number of occurrences in the property class.



Property Tax Revenue

(in \$1,000's except per capita figures)

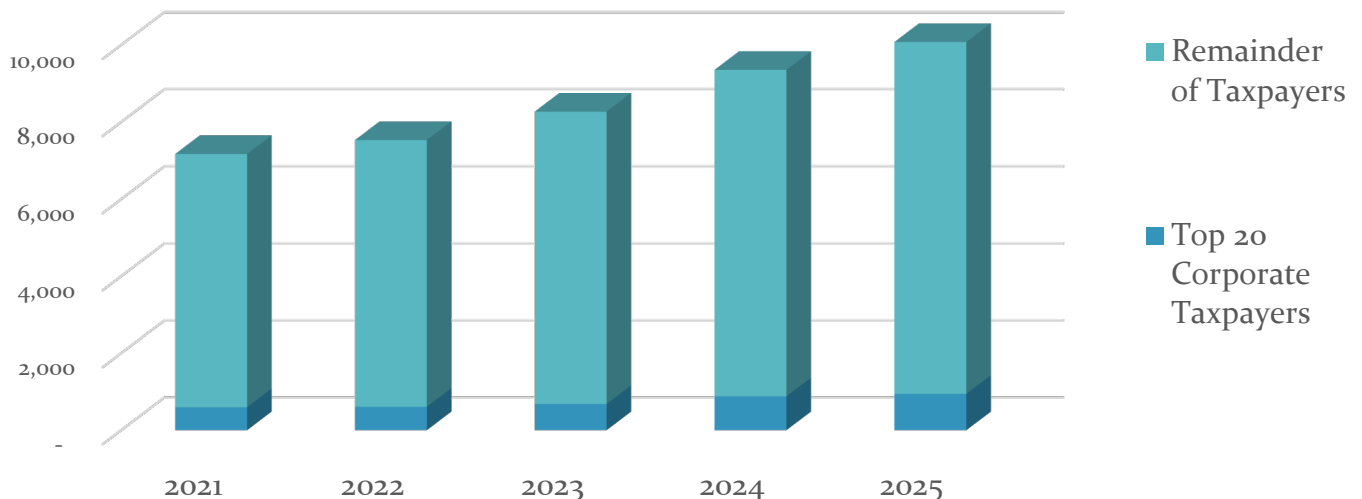
	2025	2024	2023	2022	2021
Residential	\$ 9,112	\$ 8,220	\$ 7,561	\$ 6,893	\$ 6,550
Utility	102	95	83	74	72
Major industry	278	250	234	226	216
Light industry	119	107	97	97	94
Business and other	390	369	192	147	142
Recreation and non-profit	20	17	16	14	14
Farm	92	88	85	83	81
	<u>\$ 10,113</u>	<u>\$ 9,146</u>	<u>\$ 8,268</u>	<u>\$ 7,534</u>	<u>\$ 7,169</u>
Property Tax Revenue per Capita	\$ 889	\$ 799	\$ 711	\$ 650	\$ 619
Property Taxes Collected during the Year	\$9,815	\$ 8,977	\$ 7,792	\$ 7,113	\$ 6,744
Percent of Property Taxes Collected during the Year	97.05%	98.15%	94.24%	94.41%	94.07%
Residential Property Taxes as a Percentage of Total Property Taxes (General Tax only)	90.10%	89.88%	91.45%	91.49%	91.37%
Taxes Assess from Other Authorities	2025	2024	2023	2022	2021
Provincial School Tax	\$ 6,664	\$ 6,611	\$ 6,079	\$ 5,708	\$ 5,276
Regional District of North Okanagan	3,257	2,803	2,613	2,572	2,396
Regional Hospital District	1,089	1,073	1,038	1,033	1,017
Okanagan Regional Library	552	520	504	479	465
Other	176	170	156	148	133
	<u>\$ 11,738</u>	<u>\$ 11,177</u>	<u>\$ 10,390</u>	<u>\$ 9,940</u>	<u>\$ 9,287</u>



Principal Corporate Taxpayers

	Property Owner	Category	Municipal Property Taxes (in \$1,000's)
1	Tolko Industries Ltd.	Industrial	\$ 294
2	Restoration Lands Inc	Business	161
3	Timber Investments	Industrial & Farm	78
4	Canadian National Railway Ltd	Utility	66
5	Trinity Green Properties Ltd	Industrial	57
6	West Kootenay Power & Light Co	Utility	37
7	Coldstream Ranch (2002) Ltd	Farm & Industrial	34
8	Avillia Developments Coldstream Ltd	Residential	31
9	Coldstream Court Resort Ltd	Business & Non-profit	26
10	VegPro International Inc	Farm & Industrial	23
11	Kalamalka Country Club Society	Residential & Non-profit	23
12	Scenic Valley Trailer Park Ltd	Residential	19
13	Gestion Verdura Ltd	Farm & Industrial	15
14	Keerat Coldstream Properties Inc	Residential & Business	14
15	0850137 BC Ltd	Industrial	13
16	673291 Alberta Ltd	Residential	12
17	Coldstream Lumber Remanufacturing Ltd	Industrial	11
18	2177011 Alberta Ltd	Residential	10
19	1312495 BC Ltd	Business	9
20	Meadows Development Ltd	Residential	9
	Total General Tax Revenue - Top Twenty		\$ 942
	Total General Tax Revenue - Entire District		\$ 9,131
	Percent of Taxes Paid by Top Twenty		9.4%

Taxes Paid - Top 20 Corporate vs Remainder of Taxpayers (in \$1,000's)



Permissive Tax Exemptions

(Foregone Property Tax Revenue - Coldstream portion only)

Legal	Roll #	Name	Class	Exemption	Assessment	Municipal Taxes
Non-Profit Organizations						
Plan B5453; N/E 1/4	1228.000	Lavington Community Association	8	Land	\$ 313,000	\$ 613
Plan B5453; N/E 1/4	1228.000	Lavington Community Association	6	Improvements	\$ 276,000	\$ 1,514
Lot 5, Plan 10026	954.000	Canadian Mental Health Association	1	Land & Improvements	\$ 651,000	\$ 1,275
Lot 7, Plan 2122	656.000	Kindale Developmental Association	1	Land & Improvements	\$ 1,506,000	\$ 2,950
Lot 55, Plan KAP76946	179.358	Kindale Developmental Association	1	Land & Improvements	\$ 989,000	\$ 1,938
Lot 1, Plan 9735	728.000	Vernon & District Riding Club	8	Land	\$ 612,000	\$ 1,199
Lot 1, Plan 9735	728.000	Vernon & District Riding Club	6	Improvements	\$ 122,100	\$ 670
Lot 1, Plan KAP72589	448.000	Mackie Lake House Foundation	6	Land & Improvements	\$ 8,968,000	\$ 49,194
Lot A EPP124689 Sec24	719.101	North Okanagan Child Care Society	1	Land & Improvements	\$ 2,192,000	\$ 4,294
Lot 1, Plan 16554	568.000	Bishop Wild Bird Foundation	1	Land & Improvements	\$ 6,033,000	\$ 11,819
Moorage Folio	568.001	Bishop Wild Bird Foundation	1	Land & Improvements	\$ 5,200	\$ 10
						\$ 75,476
Places of Worship						
Lot 1, Plan EPP18765, DL 57	831.015	Coldstream Christian Church	8	Land & Improvements	\$ 1,331,700	\$ 2,485
Lot 1 & 2, Plan 3026	681.000	Ukrainian Catholic Eparchy	8	Land & Improvements	\$ 429,900	\$ 802
Plan KAP6907B	1227.000	Lavington Fellowship Baptist Church	8	Land & Improvements	\$ 1,056,400	\$ 1,971
Lot 1, Plan 40254	680.050	Roman Catholic Bishop of Kamloops	8	Land & Improvements	\$ 2,600,100	\$ 4,851
						\$ 10,109

Building Permits and Business Licenses

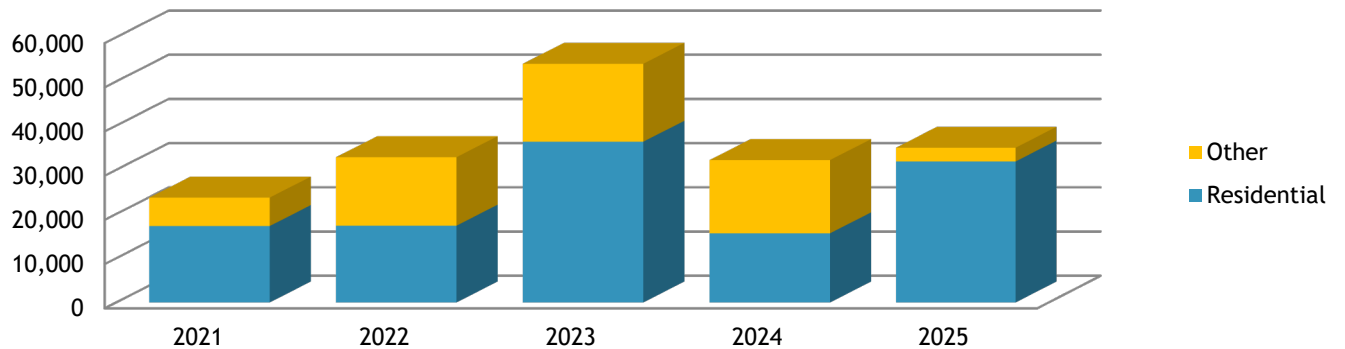
Building Permit Construction Values (in \$1,000's)

	2025	2024	2023	2022	2021
Residential	\$ 31,900	\$ 15,653	\$ 36,374	\$ 17,379	\$ 17,294
Other	3,106	16,572	17,631	15,494	6,438
	\$ 35,006	\$ 32,225	\$ 54,005	\$ 32,873	\$ 23,732
Building Permit Fees (in \$1,000's)	\$ 496	\$ 354	\$ 690	\$ 513	\$ 409
Number of Building Permits Issued	123	107	117	106	111
Business License Fees (in \$1,000's)	\$ 65	\$ 59	\$ 60	\$ 54	\$ 47
Number of Licensed Businesses	400	374	365	339	301
Number of Land Use Applications *	8	20	22	21	23

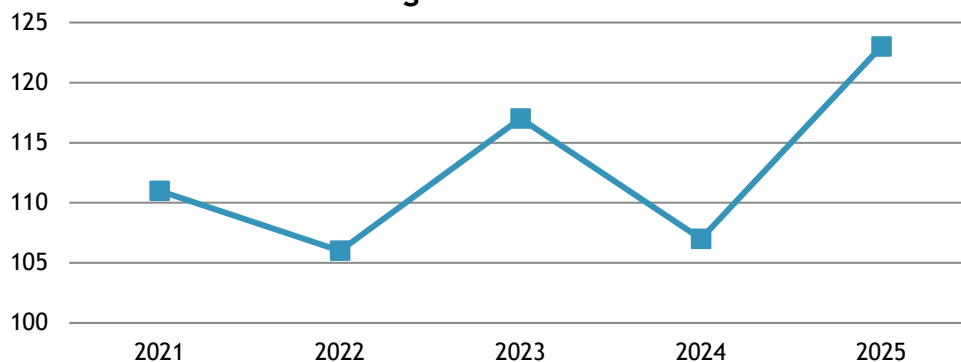
* Includes applications for rezoning, OCP Amendments, Development Permit, ALR and Subdivision

Source: District of Coldstream Development Services and Building Department

Construction Values (In \$1,000's)

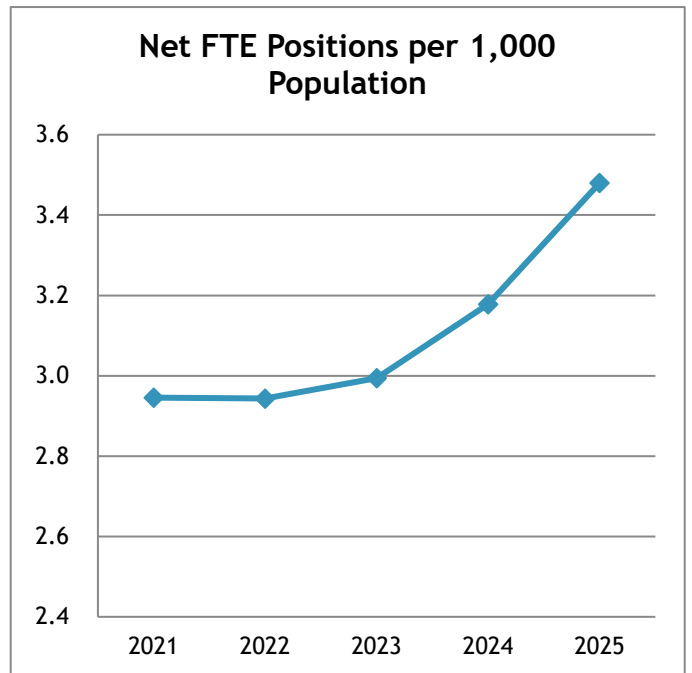
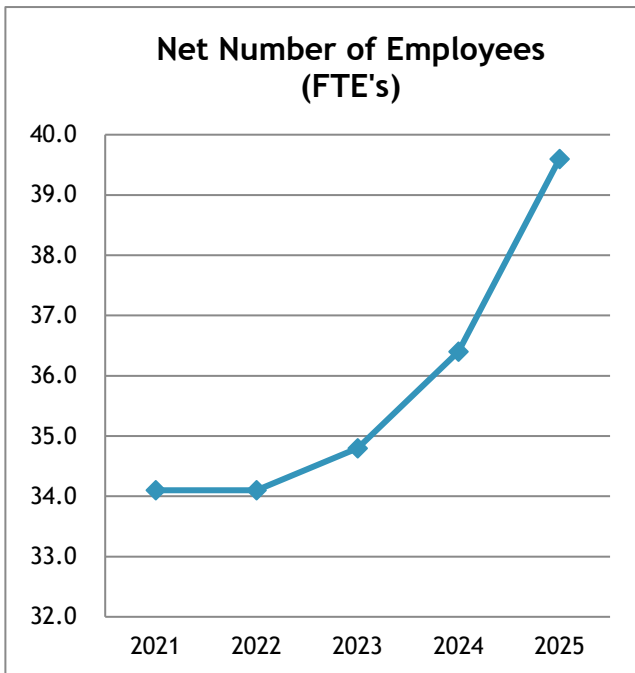


Building Permits Issued



Number of Employees

Number of Employees (Full Time Equivalents)	2025	2024	2023	2022	2021
Administration	5.9	5.0	5.0	5.0	5.0
Building Inspection & Bylaw Enforcement	0.7	1.0	1.0	1.0	1.0
Community Hall	1.9	1.8	0.7	-	-
Development services	2.0	2.0	2.0	2.0	2.0
Engineering	2.0	2.0	2.0	2.0	2.0
Finance	5.4	4.8	4.8	4.8	4.8
Police (civilian staff) & Protective Services	4.2	3.0	3.0	3.0	3.0
Operations:					
Sanitary Sewer	1.4	1.3	1.3	1.3	1.3
Public Works	9.8	9.0	9.0	9.0	9.0
Parks	6.3	6.5	6.0	6.0	6.0
Water **	6.7	6.7	6.7	6.7	6.7
	46.3	43.1	41.5	40.8	40.8
** Less: Number of employees for which full employment costs are recovered from the Regional District of North Okanagan	(6.7)	(6.7)	(6.7)	(6.7)	(6.7)
Net Full Time Equivalents Paid by the District	39.6	36.4	34.8	34.1	34.1
Gross FTE Positions per 1,000 of population	4.07	3.76	3.57	3.52	3.52
Net FTE positions per 1,000 of population	3.48	3.18	2.99	2.95	2.95

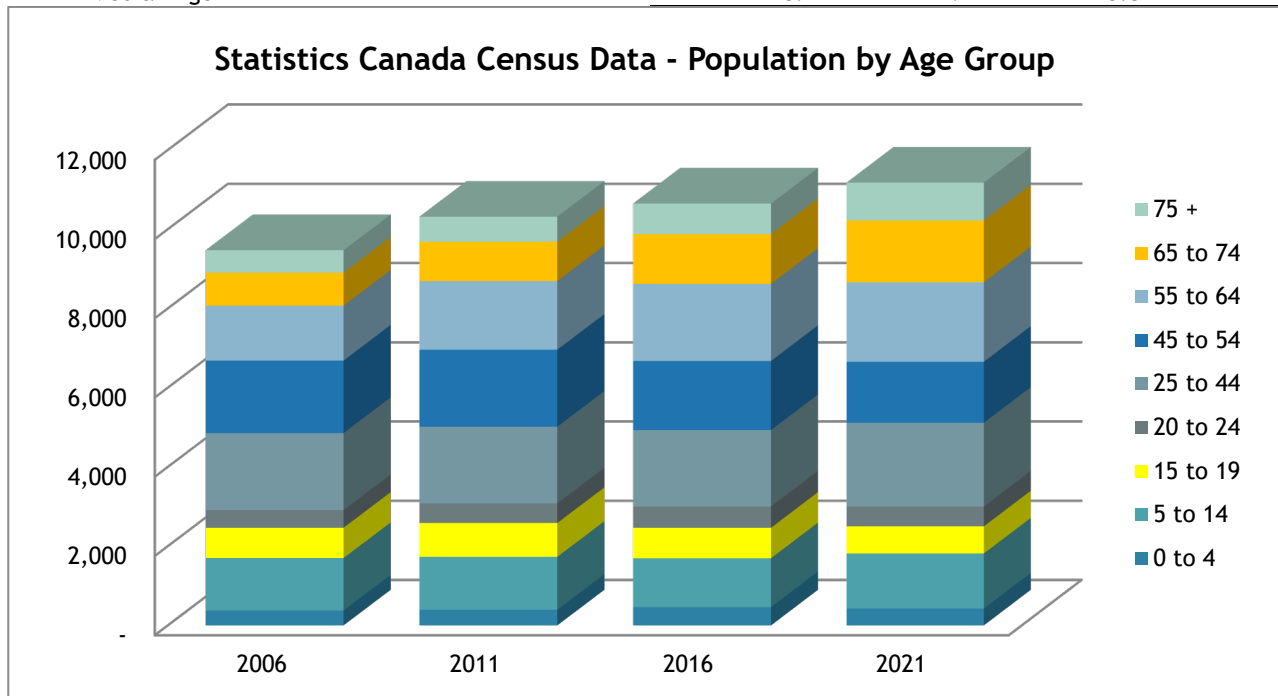


Population

	2025	2024	2023	2022	2021
Annual Estimated Population <u>BC Statistics Data</u>	11,380	11,452	11,624	11,585	11,576
Growth Rate	-0.6%	-1.5%	0.3%	0.1%	1.4%

Statistics Canada Census Data

		2021	2016	2011	2006
Census Population		11,175	10,648	10,315	9,470
Population by Age Group	0 to 4	425	460	395	375
	5 to 14	1,390	1,235	1,335	1,325
	15 to 19	685	770	855	765
	20 to 24	500	535	495	445
	25 to 44	2,115	1,930	1,935	1,945
	45 to 54	1,540	1,745	1,945	1,830
	55 to 64	2,005	1,945	1,730	1,385
	65 to 74	1,560	1,255	995	835
	75 +	955	773	630	565
		11,175	10,648	10,315	9,470
Median Age		48.4	47.7	45.8	44.3



STATEMENT OF FINANCIAL INFORMATION



Statement of Financial Information

SCHEDULE OF DEBTS

Purpose	Date of Issue	Term in Years	Maturity Date	Interest Rate	Original Debt	2025	2024
						Balance Outstanding	Balance Outstanding
Buildings	2007	25	2032	3.39%	4,000,000	\$ 1,462,954	\$ 1,709,026
Capital	2011	20	2031	1.47%	50,381	19,026	22,106
Buildings	2012	20	2032	3.39%	1,335,320	565,722	655,818
Sewer	2024	20	2042	3.36%	700,000	614,177	644,509
						\$ 2,661,879	\$ 3,031,459

The District has an outstanding temporary borrowing of \$8,500,000 with a variable interest rate of 2.91% at December 31, 2025. This borrowing was authorized by the District of Coldstream Public Works Building Loan Authorization Bylaw No. 1808, 2022. The borrowing is not yet considered long-term debt and must be converted within five years from the bylaw's date of adoption.

SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS

The District of Coldstream has not given any guarantees or indemnities under the Guarantees and Indemnities Regulation.

STATEMENT OF SEVERANCE AGREEMENTS

The District entered into no severance agreements with any employee excluded from coverage under the collective agreement.

Statement of Financial Information

SCHEDULE OF REMUNERATION AND EXPENSES

1 Elected Officials

Name	Position	Remuneration	Expenses	Total
Hoyte, Ruth	Mayor	\$ 41,563.84	\$ 4,702.55	\$ 46,266.39
Cochrane, Patrick	Councillor	20,253.48	2,825.94	23,079.42
Dirk, Douglas	Councillor	21,701.96	300.00	22,001.96
Garlick, James	Councillor	19,331.72	5,740.92	25,072.64
Hoffman, Stephanie	Councillor	19,068.36	4,412.86	23,481.22
Levy, Jeremy	Councillor	21,965.32	6,482.56	28,447.88
Runyan, Simone	Councillor	19,726.76	3,739.74	23,466.50
		\$ 163,611.44	\$ 28,204.57	\$ 191,816.01

2 Employees earning more than \$75,000 per year

Name	Position	Remuneration	Expenses	Total
Austin, Keri-Ann	Chief Administrative Officer	\$ 182,923.44	\$ 10,188.59	\$ 193,112.03
Armstrong, Brian	Irrigation Technician	81,840.63	50.00	81,890.63
Blundell, Neil	Foreman, Parks	96,867.59	2,951.77	99,819.36
Choy, Howard	Planner	87,722.97	4,910.48	92,633.45
Churchill, Travis	Equipment Operator I	90,240.05	2,399.00	92,639.05
Comeau, Brent	Foreman, Utilities	111,522.07	897.64	112,419.71
Cressman, Nicole	Director, Corporate Administration	125,886.85	3,059.39	128,946.24
Csorba, Imre	Mechanic	97,855.77	106.38	97,962.15
Davies, Dillan	Equipment Operator II	103,188.29	1,492.13	104,680.42
Davies, George	Utilities Operator I	95,294.18	249.00	95,543.18
Davyduke, Matthew	Utilities Operator II	104,283.62	3,913.71	108,197.33
Green, Keith	Manager, Protective Services	120,061.93	3,428.02	123,489.95
Hay, Nairn	FireSmart Coordinator	81,761.20	3,798.13	85,559.33
Johnson, Kyle	Equipment Operator I	89,184.88	2,920.91	92,105.79
Kjaer-Pedersen, C.	Accounting Clerk	76,979.94	1,671.75	78,651.69
Lerbeck, Ronald	Utilities Operator I	99,285.20	1,554.14	100,839.34
Mackie, Justin	Equipment Operator I	83,973.09	5,224.45	89,197.54
Meutzner, Cami	Accounting Clerk	76,985.73	830.02	77,815.75
Mills, Bradley	Superintendent, Roads & Parks	120,214.29	3,257.05	123,471.34
Netzel, Janis	Director, Infrastructure Services	140,457.64	5,931.09	146,388.73
Nicholson, Cory	Equipment Operator II	109,166.65	5,619.82	114,786.47
Roycroft, Ryan	Director, Development Services	146,841.43	3,265.60	150,107.03
Scherck, James	Utilities Operator II	107,196.46	679.13	107,875.59
Segert, Terry	Foreman, Roads	107,674.08	3,419.00	111,093.08
Sundin, Jeremy	Director, Financial Administration	116,058.21	2,177.35	118,235.56

Name	Position	Remuneration	Expenses	Total
Tvergyak, Kim	Deputy Corporate Officer	\$ 93,966.59	\$ 1,574.35	\$ 95,540.94
Webster, Jason	Utilities Operator I	91,527.41	3,800.88	95,328.29
Wenzlaff, Diana	Accounting Clerk	77,071.47	2,565.63	79,637.10
Whiteley, Keith	Superintendent, Utilities	117,709.34	4,155.89	121,865.23
Wiebe, Cheryl	Manager, Community Facilities	103,796.25	1,059.24	104,855.49
		<u>\$ 3,137,537.25</u>	<u>\$ 87,150.54</u>	<u>\$ 3,224,687.79</u>
Employees earning less than \$75,000 per year				
Consolidated total of other employees with remuneration less than \$75,000		\$ 1,436,088.78	\$ 46,950.58	\$ 1,483,039.36
3	Total Remuneration	<u>\$ 4,737,237.47</u>	<u>\$162,305.69</u>	<u>\$ 4,899,543.16</u>

SCHEDULE OF SUPPLIERS OF GOODS AND SERVICES (GREATER THAN \$25,000)

Name	2025	2024	Comments
0943104 BC LTD (COLDSTREAM MARKET)		106,526.08	Vehicle/equipment fuel
1 & 2 ELECTRICAL SOLUTIONS LTD	69,333.41	59,898.12	Electrical services
A & D ASPHALT SOLUTIONS	116,078.39	90,677.81	Road maintenance
A & G SUPPLY LTD		27,581.63	Supplies
AARDVARK PAVEMENT MARKING SERVICES	85,747.39	72,311.83	Road maintenance
ACERA INSURANCE SERVICES LTD.	63,974.00	105,318.00	Insurance
ALPHA OMEGA MOBILE LTD.	45,060.76	29,011.50	On site/location security patrols
A-MAIS TECHNOLOGIES INC.	54,684.10	31,422.17	Accounting software
ANDREW SHERET LIMITED	137,166.26	179,670.58	Supplies
ASSOCIATED ENVIRONMENTAL CONSULTANTS		39,480.14	Engineering services
AVENUE MACHINERY	70,256.43		Equipment repair services
BANNISTER CHEVROLET INC	176,473.62	59,540.85	Vehicle purchase(s)
BARSKI INDUSTRIES (1985) LTD		44,800.00	Sewer lift station work
BC ASSESSMENT	175,302.98	168,790.11	BC Assessment tax requisition
BC HYDRO		120,723.10	Community Hall/Daycare construction
BC HYDRO & POWER AUTHORITY	223,657.13	204,649.89	Power utility
BC TRANSIT	113,539.35	118,756.54	BC Transit tax requisition
BDO CANADA LLP	33,884.55	40,221.30	Audit services
BURTON MARINE PILE DRIVING INC	518,428.05	76,518.75	Kal Beach pier
CANADIAN NATIONAL	25,645.54		Rail crossing services
CHAPMAN INDUSTRIES LTD.	2,132,479.29		Sewer installation services
CINTAS LOCATION 889	46,020.52	40,850.00	Coveralls and floor matts cleaning
COMMISSIONAIRES BC	150,730.00	236,653.34	Bylaw/patrol services
CO-OP ARMSTRONG REGIONAL COOPERATIVE	139,985.97	52,933.35	Fuel
CUPE LOCAL 626	54,288.75	48,489.08	Union staff dues
DEAN TOOP EXCAVATING	172,840.08	68,079.38	Excavating and snow clearing services
DOUGNESS HOLDINGS LTD.		63,236.25	Sewer main flushing and CCTV inspection
EMCO CORPORATION	148,836.99		Engineering services
EMPS/ELECTRIC MOTOR & PUMP SERVICE LTD.	62,472.48		Repair services
EVERGREEN BUILDING MAINTENANCE	156,178.64	124,963.65	Cleaning/janitorial services
FORTIS BC - NATURAL GAS	39,697.58	32,233.71	Gas Utility
FP TELESET		26,250.00	Postage
GREEN GIANT TREE REMOVAL INC.	64,848.00	35,189.00	Tree/park maintenance
GROUNDS GUYS OF OKANAGAN	377,813.92	368,109.30	Parks maintenance
GYL'S CONCRETE	47,561.85		Masonry services
HACH SALES & SERVICE CANADA LP	40,714.24		Water system parts/equipment
HUB FIRE ENGINES & EQUIPMENT LTD		157,675.00	Fire truck supplier
INLAND TRUCK & EQUIPMENT LTD.	36,542.18		Automotive parts
INSURANCE CORPORATION OF BC		31,280.24	Insurance
INTEGRAL BUILDING MAINTENANCE INC	55,740.90	45,047.35	Janitorial services
KALAMALKA COUNTRY CLUB SOCIETY INC.		30,764.06	Refund deposit
KELOWNA CHEVROLET		53,854.50	Vehicle purchase
KENDRICK EQUIPMENT (2003) LTD.		59,140.48	Surf rake purchase
LAVINGTON COMMUNITY ASSOCIATION	47,135.98	44,424.10	Grant in aid / washroom cleaing
LAVINGTON SAND & GRAVEL LTD	26,194.96		Aggregate materials
MINISTRY OF FINANCE	80,882.00	94,654.23	Employer health tax
MINISTRY OF PROVINCIAL REVENUE	3,904,424.71	3,551,275.57	School tax requisition
MONAGHAN ENGINEERING & CONSULTING	26,585.23		School Road engineering services
MUNICIPAL INSURANCE ASSOC OF BC	209,086.38	154,582.67	Insurance
MUNICIPAL PENSION PLAN	651,188.93	590,713.19	Pension contributions

Name	2025	2024	Comments
NAPA AUTO PARTS (6015)		28,828.06	Automotive parts
NIXON EARTHWORKS	1,080,816.07	2,931,733.51	Operator services
NORTH OKANAGAN COL. SHUSWAP REG HOSPITAL	1,089,232.00	1,073,407.00	Hospital tax requisition
NORTHERN COMPUTER	147,790.12	145,213.55	Technology products and services
OKANAGAN REGIONAL LIBRARY	552,492.60	520,345.64	Library tax requisition
OKANAGAN TRAFFIC CONTROL PROFESSIONALS	65,520.12	55,674.78	Traffic control services
PACIFIC BLUE CROSS	266,635.59	247,335.86	Employee benefits
PACIFIC FLOW CONTROL LTD	68,184.63	44,040.02	Water materials supplier
PCL CONSTRUCTORS WESTCOAST INC.	1,406,238.75	8,680,631.77	Public works facility project
PETER'S BROS. CONSTRUCTION LTD.		140,088.27	Road maintenance (Pavement program)
PREMIER WATERWORKS LTD.	44,289.59		Water service equipment
R.E. POSTILL & SONS LIMITED	190,769.54	104,209.14	Sand and gravel materials
RECEIVER GENERAL FOR CANADA	2,553,729.54	2,333,220.88	Policing and payroll remittances
REGIONAL DISTRICT OF NORTH OKANAGAN	7,986,865.30	7,319,636.86	Tax requisition, water revenues, other
ROCKY MOUNTAIN PHOENIX	61,304.46	89,157.66	Fire Departments supplies
ROLLINS MACHINERY LTD	37,554.66	45,306.35	Fleet/machinery maintenance
ROOST SOLAR INC	141,746.85		Solar panels and installation
ROYAL BANK OF CANADA	157,442.64	131,759.13	District Visa payments
SAHURI & ASSOCIATES ARCHITECTURE INC	57,709.06	182,883.72	Engineering services
SARRACO CRANE SERVICE LTD		25,105.08	Crane services
SEAL TEC INDUSTRIES LTD	71,001.00	65,987.81	Road maintenance
SIMPLY SAFE CONSULTING		30,135.00	HR & health/safety services
SOURCE OFFICE FURNITURE & SYSTEMS LTD.	33,946.08		Office furniture
SOUTH OKANAGAN POWER SWEEPING	48,720.00	50,568.00	Street sweeping
SPECIAL T CLEANING (2012)LTD	220,888.50	218,410.50	Hydrovac/sewer maintenance services
SUMAS ENVIRONMENTAL SERVICES INC		111,788.79	Disposal of contaminated soil
TELUS COMMUNICATIONS	35,743.44	34,491.94	Communications
TELUS MOBILITY	32,687.01	31,360.04	Communications
TGK IRRIGATION LTD.	28,157.64	277,705.26	Lavington Park irrigation replacement
TRAIL TIRE COMMERCIAL (VERNON)	28,083.83		Automotive parts
URBAN SYSTEMS LTD	557,431.13	219,867.02	Engineering services
VERNON CITY OF	947,045.40	930,634.98	Sewer services, RCMP detachment, other
VIKING CIVES LTD.	61,031.34		Vehicle snow clearing retrofit
WESTERN ROAD DISTRIBUTION INC	69,455.17	32,448.51	Road maintenance
WOLSELEY CANADA INC.	399,596.30	175,578.53	Water material supplier
WORKSAFE BC	178,631.08	147,281.67	Worksafe BC premiums
WSP CANADA INC		58,494.45	Engineering services
Payments Made (Vendors over \$25,000)	29,202,220.98	33,969,626.63	
Payments Made (Vendors under \$25,000)	1,369,417.19	1,545,896.65	
TOTAL Payments	30,571,638.17	35,515,523.28	

Explanatory and additional information:

The total payments from the above schedule will always be different when compared to total expenses from the annual financial statements for the following reasons:

- As required by Regulation the schedule is prepared on a cash basis, while the annual financial statements are required by Public Sector Accounting Standards to be prepared on an accrual basis.
- The schedule includes amounts paid to the suppliers for GST, while the annual financial statements exclude GST because GST is recovered by the municipality.
- The schedule includes amounts withheld for employees and paid on their behalf, such as personal income taxes or the employee’s share of Municipal Pension Plan contributions, while the annual financial statements will only include the employer amounts.

The prior year comparative figures are not required by the Act or Regulation but are provided as additional reference information. Where a vendor is identified as one that was paid in excess of \$25,000 in one year but not the other, it does not necessarily mean the vendor was not paid at all. Instead any payment to that vendor would be included in the consolidated total of payments to vendors under \$25,000.

STATEMENT OF FINANCIAL INFORMATION APPROVAL

The undersigned, as authorized by the Financial Information Regulation, Schedule 1, subsection 9(2), approves all the statements and schedules included in this Statement of Financial Information, produced under the Financial Information Act.

Aaron Stuart
Director of Financial Administration

The undersigned represents the Council of the District of Coldstream, and approves all the statements and schedules included in this Statement of Financial Information, produced under the Financial Information Act.

Ruth Hoyte
Mayor (on behalf of Council)

AUDITED FINANCIAL STATEMENTS



District of Coldstream
Financial Statements
For the year ended December 31, 2025

District of Coldstream
Financial Statements
For the Year Ended December 31, 2025

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Management's Statement of Responsibility

These financial statements and accompanying schedules of the District of Coldstream are the responsibility of management and have been prepared in accordance with generally accepted accounting principles for local governments as established by the Public Sector Accounting Board.

Management is responsible for implementing and maintaining a system of internal controls that are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are regularly monitored and evaluated by management.

The Mayor and Council of the District of Coldstream is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The Mayor and Council review the District's financial statements and recommend their approval. The Mayor and Council meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the financial statements and the external auditor's report. The Mayor and Council takes this information into consideration when approving the financial statements for issuance to the ratepayers. The Mayor and Council also appoint the engagement of the external auditors.

These financial statements have been audited by BDO Canada LLP, independent external auditors appointed by the District of Coldstream. The following Independent Auditors' Report describes their responsibilities, scope of examination, and opinion on the District's financial statements. The external auditors have full access to Council.



Aaron Stuart, CPA, CA
Director of Financial Administration



Keri-Ann Austin, MMC
Chief Administrative Officer

April 27, 2026



Tel: 250 545 2136
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BDO Canada LLP
2706 - 30th Avenue
Suite 202
Vernon BC V1T 2B6 Canada

Independent Auditor's Report

To the Mayor and Council of the District of Coldstream

Opinion

We have audited the financial statements of District of Coldstream (the "District"), which comprise the statement of financial position as at December 31, 2025, and the statement of operations and accumulated surplus, change in net debt, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the District as at December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the 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.

Unaudited Information

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information included in Schedule 2 - COVID-19 Safe Restart Grant or Schedule 3 - Growing Communities Grant of the District's financial statements. Our audit report is not modified in respect of this.

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.


Chartered Professional Accountants


Vernon, British Columbia
April 27, 2026

District of Coldstream
Statement of Financial Position

December 31	2025	2024
Financial assets		
Cash (Note 1)	\$ 3,927,952	\$ 4,454,688
Portfolio investments (Note 1)	6,099,501	8,734,168
Accounts receivable (Note 2)	4,142,306	4,087,004
Deposit - Municipal Finance Authority (Note 5)	96,773	93,960
	<u>14,266,532</u>	<u>17,369,820</u>
Financial liabilities		
Accounts payable and accrued liabilities (Note 3)	3,579,815	4,509,890
Deferred revenue (Note 4)	1,116,356	1,056,074
Development cost charges (Note 10)	1,573,024	2,372,350
Short-term borrowing (Note 5)	8,500,000	8,500,000
Debt (Note 5)	2,661,879	3,031,460
	<u>17,431,074</u>	<u>19,469,774</u>
Net debt	<u>(3,164,542)</u>	<u>(2,099,954)</u>
Non-financial assets		
Inventory	19,039	19,657
Prepaid expenses	70,555	36,142
Tangible capital assets (Note 6)	94,248,784	92,270,957
	<u>94,338,378</u>	<u>92,326,756</u>
Accumulated surplus (Note 7)	<u>\$91,173,836</u>	<u>\$ 90,226,802</u>

Contingent liabilities (Note 14)
Commitments (Note 15)





Director of Financial Administration

Mayor

District of Coldstream
Statement of Operations and Accumulated Surplus

For the year ended December 31	Budget	2025	2024
Revenues			
Taxation - net (Note 9)	\$ 10,112,756	\$ 10,107,096	\$ 9,140,558
Grants in lieu of taxes	211,366	202,079	209,645
Sale of services	1,865,839	5,241,314	7,124,457
Licenses, fines and rentals	999,848	1,485,734	1,171,359
Return on investments	258,820	593,832	536,357
Unconditional grants (Note 11)	405,887	424,022	451,965
Conditional grants (Note 11)	740,255	863,105	1,445,721
Development cost charges	883,894	940,894	-
	<u>15,478,665</u>	<u>19,858,076</u>	<u>20,080,062</u>
Expenses (Schedule 1)			
General government services	2,008,685	5,372,999	6,573,423
Protective services	2,767,746	2,772,879	2,809,922
Infrastructure services	8,694,779	9,609,780	8,998,190
Development services	561,636	601,588	470,901
Building and bylaw services	562,040	609,791	514,625
	<u>14,594,886</u>	<u>18,967,037</u>	<u>19,367,061</u>
Annual surplus before other gains and losses	883,779	891,039	713,001
Gain (loss) on disposal of tangible capital assets	-	169,567	(14,804)
Loss on disposal of investments	-	(90,832)	-
Loss on foreign exchange translations	-	(22,740)	-
	<u>883,779</u>	<u>947,034</u>	<u>698,197</u>
Annual surplus (Note 13)	883,779	947,034	698,197
Accumulated surplus, beginning of year	<u>90,226,802</u>	<u>90,226,802</u>	<u>89,528,605</u>
Accumulated surplus, end of year	<u>\$ 91,110,581</u>	<u>\$ 91,173,836</u>	<u>\$ 90,226,802</u>

The accompanying notes are an integral part of these financial statements.

District of Coldstream Statement of Cash Flows

For the year ended December 31	2025	2024
Operating Activities		
Cash received from:		
Taxation	\$ 10,396,374	\$ 9,351,520
Fees, permits and licenses	6,623,127	7,290,231
Grants	1,367,656	1,795,074
Deferred revenue	60,283	151,103
	18,447,440	18,587,928
Cash paid for:		
Wages and benefits	4,642,240	4,215,487
Services, materials and supplies	11,127,792	10,729,805
Interest charges	520,294	319,698
	16,290,326	15,264,990
Cash provided by operating activities	2,157,114	3,322,938
Capital Activities		
Development cost charges	141,568	161,899
Proceeds on sale of tangible capital assets	169,567	20,400
Purchase of tangible capital assets	(5,874,920)	(14,756,633)
	(5,563,785)	(14,574,334)
Cash used for capital activities	(5,563,785)	(14,574,334)
Financing Activities		
Repayment of debt	(206,083)	(206,083)
Proceeds from debt issuance	-	8,500,000
	(206,083)	8,293,917
Cash provided by (used for) financing activities	(206,083)	8,293,917
Investing Activities		
Purchases and redemptions, net	2,634,666	599,799
Interest received	451,352	535,985
	3,086,018	1,135,784
Cash provided by investing activities	3,086,018	1,135,784
Decrease in cash during year	(526,736)	(1,821,695)
Cash, beginning of year	4,454,688	6,276,383
Cash, end of year	\$ 3,927,952	\$ 4,454,688

The accompanying notes are an integral part of these financial statements.

District of Coldstream
Statement of Change in Net Debt

For the year ended December 31	Budget	2025	2024
Annual surplus	\$ 883,779	\$ 947,034	\$ 698,197
Acquisition of tangible capital assets	(6,967,265)	(5,874,920)	(14,756,633)
Amortization of tangible capital assets	2,877,975	3,581,738	3,307,311
Gain (loss) on disposal of tangible capital assets	-	(169,567)	35,204
Write down of tangible capital assets	-	73,787	-
Proceeds on disposal of tangible capital assets	-	411,135	-
Increase (decrease) in inventory	-	618	(7,991)
Increase (decrease) in prepaid expenses	-	(34,413)	81,467
	(4,089,290)	(2,011,622)	(11,340,642)
Decrease in net debt	(3,205,511)	(1,064,588)	(10,642,445)
Net debt, beginning of year	(2,099,954)	(2,099,954)	\$ 8,542,491
Net debt, end of year	\$ (5,305,465)	\$ (3,164,542)	\$ (2,099,954)

The accompanying notes are an integral part of these financial statements.

District of Coldstream Summary of Significant Accounting Policies

December 31, 2025

Nature of Business The District of Coldstream (the "District") was incorporated in 1906 under statute of the Province of British Columbia. Its principal activities include the provision of local government services to residents of the incorporated area. These include cemetery, civic operations, community services, corporate administration, development, engineering and sustainability, protective services - fire, bylaw and police and utilities - sewer and water.

Basis of Accounting The financial statements of the District are prepared by management in accordance with local government accounting standards established by the Public Sector Accounting Board ("PSAB"). The resources and operations of the District are segregated into various funds for accounting and financial reporting purposes, each being treated as a separate entity with responsibility for the stewardship of the assets allocated to it.

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or creation of a legal obligation to pay.

Revenue Recognition Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions, could result in a change in the amount of tax revenue recognized. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts.

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, 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.

District of Coldstream Summary of Significant Accounting Policies

December 31, 2025

Revenue Recognition (continued)

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, parking 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.

Conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled. Unconditional grant revenue is recognized when monies are receivable.

Grants for the acquisition of tangible capital assets are recognized in the period in which eligible expenditures are made.

Deferred Revenue

Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the statement of operations in the year in which it is used for the specified purpose.

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.

District of Coldstream Summary of Significant Accounting Policies

December 31, 2025

Financial Instruments (continued)

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 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 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.

Foreign Currency Translation

Foreign currency transactions are translated at the exchange rate prevailing at the date of the transaction.

Monetary assets included in the fair value measurement category denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing at the financial statement date. Unrealized foreign exchange gains and losses are recognized in the statement of remeasurement gains and losses. In the period of settlement, realized foreign exchange gains and losses are recognized in the statement of operations, and the cumulative amount of remeasurement gains and losses is reversed in the statement of remeasurement gains and losses.

Use of Estimates

The financial statements of the District have been prepared by management in accordance with Canadian generally accepted accounting principles. As such, management is required to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Government Transfers

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

District of Coldstream Summary of Significant Accounting Policies

December 31, 2025

Deferred Revenue	Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the statement of operations in the year in which it is used for the specified purpose.
Non-Financial Assets	Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial liability for the year.
Development Cost Charges	Development Cost Charge (DCC) levies are restricted by by-law in their use for road, drainage and sewer expenses and the revenue is deferred until the expenses are incurred. When DCC expenses are made, a corresponding amount is recorded as "Development cost charges" in revenues.
Collection of Taxes on Behalf of Other Taxation Authorities	The District collects taxation revenue on behalf of other entities. Such levies, other revenues, expenses, assets and liabilities with respect to the operations of entities are not reflected in these financial statements.
Contaminated Sites Liability	A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered a contaminated site if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the organization is directly responsible or 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. The liability is recorded net of any expected recoveries.
Asset Retirement Obligations	A liability for an asset retirement obligation is recognized when there is a legal obligation to incur retirement costs in relation to a tangible capital asset; the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date.

District of Coldstream Summary of Significant Accounting Policies

December 31, 2025

Asset Retirement Obligations (continued) This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

Employee Future Benefits Employees are entitled to sick leave benefits, accrued monthly, to a maximum of 180 days. Employees are entitled to a payout of their unused sick leave balance upon satisfaction of pre-established criteria. The District's cost of the sick leave benefits are accounted for based on the actuarial valuation. Actuarial gains and losses are amortized on a straight-line basis over the expected average remaining service life of the employee group.

Tangible Capital Assets Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The District does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset. The cost, less residual value, of the tangible capital asset is amortized on a straight line basis over their estimated useful life as follows:

Land	Not amortized
Land improvements	15 - 40 years
Buildings	20 - 50 years
Vehicles	10 - 30 years
Equipment	5 - 15 years
Road infrastructure	10 - 75 years
Drainage infrastructure	30 - 70 years
Sewer infrastructure	30 - 70 years

Assets under construction, work in progress, are not amortized until the asset is available for productive use.

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

Where an estimate of fair value is not determinable, the tangible capital asset is recognized at a nominal value.

District of Coldstream
Notes to Financial Statements

December 31, 2025

1. Cash and Portfolio Investments

Cash and Portfolio investments are comprised of the following:

	2025	2024
Cash	\$ 3,927,952	\$ 4,454,688
MFA Bond Fund	3,159,995	5,644,685
MFA Money Market Fund	-	149,977
Guaranteed Investment Certificate	2,939,506	2,939,506
Portfolio investments	6,099,501	8,734,168
	\$10,027,453	\$ 13,188,856

The restricted and unrestricted balances are as follows:

	2025	2024
Restricted cash and cash equivalents		
Deferred revenue and development cost charges	\$ 2,689,380	\$ 3,428,423
Statutory reserves	5,541,204	4,919,698
	8,230,584	8,348,121
Unrestricted cash and portfolio investments	1,796,869	4,840,735
	\$10,027,453	\$ 13,188,856

Guaranteed Investment Certificate bears interest at 4.0% (2024 - 4.0%) and matures on September 3, 2027.

District of Coldstream
Notes to Financial Statements

December 31, 2025

2. Accounts Receivable

	<u>2025</u>	<u>2024</u>
Trade	\$ 228,334	\$ 257,191
Federal government	231,509	593,148
Local government	1,269,197	893,445
Taxes - current	310,719	350,229
Taxes - arrears	163,953	211,643
Utility billings	1,781,150	1,743,015
Accrued interest	157,444	38,333
	<u>\$ 4,142,306</u>	<u>\$ 4,087,004</u>

3. Accounts Payable and Accrued Liabilities

	<u>2025</u>	<u>2024</u>
Accounts payable and accrued liabilities	\$ 3,334,392	\$ 4,274,351
Employee future benefits	245,423	235,539
	<u>\$ 3,579,815</u>	<u>\$ 4,509,890</u>

4. Deferred Revenue

	<u>2025</u>	<u>2024</u>
Prepaid user fees revenues	\$ 995,048	\$ 995,497
Community hall rentals	34,393	60,577
FireSmart Grant	44,915	-
Indigenous Engagement Grant	42,000	-
	<u>\$ 1,116,356</u>	<u>\$ 1,056,074</u>

District of Coldstream
Notes to Financial Statements

December 31, 2025

5. Debt

Included in long term debt are the following balance:

Bylaw	Purpose	Maturity Date	Interest rate	2025	2024
2214	Buildings	2032	3.39%	\$ 1,462,954	1,709,026
2513	Retaining Wall	2031	1.47%	19,026	22,107
2535	Building	2032	3.39%	565,722	655,818
2921	Sewer	2042	3.36%	614,177	644,509
				<u>\$ 2,661,879</u>	<u>3,031,460</u>

Future principal requirements are due as follows:

Year	Amount
2026	\$ 306,371
2027	315,429
2028	324,756
2029	334,360
2030	344,248
Thereafter and actuarial	<u>1,036,715</u>
	<u>\$ 2,661,879</u>

The District obtains its long-term debt through the Municipal Finance Authority ("MFA"). As a condition of borrowing and as required by legislation, a debt reserve fund is to be established in the amount of one-half the average instalment of principal and interest as set out in the lending agreements. The reserve is funded in part by cash, being the withholding of 1% of the total issue proceeds. The total debt reserve fund as at December 31, 2025 is \$96,773 (2024 - \$93,960). The remainder is funded by a demand note whereby the Entity may be required to loan certain amounts to the Municipal Finance Authority. The total demand loan as at December 31, 2025 is \$149,815 (2024 - \$149,815). These demand notes are contingent in nature and are not reflected in the accounts of the Municipality.

Included in short term borrowing is the following balance:

Bylaw	Purpose	Maturity Date	Current Interest rate	2025	2024
1834	Sewer	No fixed maturity	2.91%	8,500,000	8,500,000

This short term borrowing is currently interest-only and has no fixed principal repayment date. Management intends to convert this borrowing to long term debt when interest rates are more favourable. Interest on short term borrowing is charged on a daily floating rate basis and compounded monthly. Interest paid during the year was \$280,258 (2024 - \$69,043).

District of Coldstream
Notes to Financial Statements

December 31, 2025

6. Tangible Capital Assets

	HISTORICAL COST				ACCUMULATED AMORTIZATION				Net Book Value
	Opening	Additions	Disposals	Closing	Opening	Additions	Disposals	Closing	
2025									
Land	\$ 14,400,211	\$ -	\$ -	\$ 14,400,211	\$ -	\$ -	\$ -	\$ -	\$14,400,211
Land Improvements	6,618,941	1,041,803	307,800	7,352,944	2,173,361	294,782	307,800	2,160,343	5,192,601
Buildings	26,758,527	1,198,821	253,260	27,704,088	3,197,774	608,928	109,684	3,697,018	24,007,070
Vehicles	7,436,945	180,442	54,998	7,562,389	3,293,713	359,583	49,717	3,603,579	3,958,810
Equipment	4,600,157	232,649	19,151	4,813,655	2,640,413	317,868	10,855	2,947,426	1,866,229
Road infrastructure	48,846,067	1,861,655	406,718	50,301,004	22,822,199	1,379,695	322,303	23,879,591	26,421,413
Drainage infrastructure	13,966,654	-	-	13,966,654	6,372,762	254,141	-	6,626,903	7,339,751
Sewer infrastructure	18,126,941	-	-	18,126,941	9,197,681	366,741	-	9,564,422	8,562,519
Work in progress	1,214,417	2,337,970	1,052,207	2,500,180	-	-	-	-	2,500,180
	<u>\$141,968,860</u>	<u>\$ 6,853,340</u>	<u>\$ 2,094,134</u>	<u>\$146,728,066</u>	<u>\$ 49,697,903</u>	<u>\$ 3,581,738</u>	<u>\$ 800,359</u>	<u>\$ 52,479,282</u>	<u>\$94,248,784</u>
2024									
Land	\$ 14,400,211	\$ -	\$ -	\$ 14,400,211	\$ -	\$ -	\$ -	\$ -	\$ 14,400,211
Land Improvements	6,119,554	499,387	-	6,618,941	1,917,541	255,820	-	2,173,361	4,445,580
Buildings	17,067,344	9,747,700	56,517	26,758,527	2,718,602	500,485	21,313	3,197,774	23,560,753
Vehicles	7,382,710	335,675	281,440	7,436,945	3,232,789	342,364	281,440	3,293,713	4,143,232
Equipment	4,303,082	297,075	-	4,600,157	2,347,948	292,465	-	2,640,413	1,959,744
Road infrastructure	45,111,284	3,734,783	-	48,846,067	21,526,331	1,295,868	-	22,822,199	26,023,868
Drainage infrastructure	13,966,654	-	-	13,966,654	6,006,594	366,168	-	6,372,762	7,593,892
Sewer infrastructure	18,104,027	22,914	-	18,126,941	8,943,540	254,141	-	9,197,681	8,929,260
Work in progress	1,095,318	1,019,177	900,078	1,214,417	-	-	-	-	1,214,417
	<u>\$127,550,184</u>	<u>\$ 15,656,711</u>	<u>\$ 1,238,035</u>	<u>\$141,968,860</u>	<u>\$ 46,693,345</u>	<u>\$ 3,307,311</u>	<u>\$ 302,753</u>	<u>\$ 49,697,903</u>	<u>\$ 92,270,957</u>

District of Coldstream
Notes to Financial Statements

December 31, 2025

7. Accumulated Surplus (Deficit)

The accumulated surplus (deficit) consists of individual fund balances and reserves as follows:

	2025	2024
Surplus		
Invested in tangible capital assets	\$ 83,086,903	\$ 80,739,497
Accumulated General Fund deficit	(3,850,480)	(4,492,394)
Accumulated Sewer Fund surplus	3,305,367	3,245,505
	82,541,790	79,492,608
Operating reserves		
Canada Community-Building Fund	1,040,670	1,379,441
Election	34,697	24,030
Fire Equipment	27,999	27,371
Future Expenditures	983,194	1,795,006
Growing Communities Fund	748,610	2,275,404
Parks	46,352	45,313
Police	46,022	-
Wildfire Deployment	86,702	84,757
COVID-19 Safe Restart	76,596	183,174
	3,090,842	5,814,496
Statutory reserves		
Building	836,992	849,462
Community hall	130,150	64,937
Drainage	508,236	664,297
Equipment	932,344	655,447
Land Sale	439,827	310,548
Road	453,876	350,589
Sewer Improvement/Capital	2,239,779	2,024,418
	5,541,204	4,919,698
	\$ 91,173,836	\$ 90,226,802

District of Coldstream
Notes to Financial Statements

December 31, 2025

8. Trust Funds

The District has excluded the following trust funds and associated cash from the Statement of Financial Position and related interest earnings and transactions from the Statement of Operations and Accumulated Surplus:

a) Cemetery Trust Fund

The District operates and maintains the Coldstream Cemetery. As required under Provincial legislation, a portion of the plot sales and marker installation fees must be retained for the future maintenance of the cemetery.

	2025	2024
Balance, beginning of year	\$ 198,586	\$ 186,067
Interest income	4,224	3,894
Care fund contributions	12,633	8,625
Balance, end of year	\$ 215,443	\$ 198,586

b) Highlands Crossing Trust Fund

The District received funds in advance from a developer to prepay a twenty-year railroad crossing lease. These funds are held in trust until required annually to meet the District's commitment.

	2025	2024
Balance, beginning of year	\$ 2,482	\$ 2,398
Interest earned	99	84
Balance, end of year	\$ 2,581	\$ 2,482

District of Coldstream
Notes to Financial Statements

December 31, 2025

9. Taxation Revenue

The District is required to collect taxes on behalf of and transfer these amounts to the government agencies noted below:

	2025	2024
Tax Collected:		
Municipal purposes	\$ 10,107,096	\$ 9,140,558
Collections for other governments	12,074,793	11,177,671
	22,181,889	20,318,229
Breakdown of Collections to Other Governments:		
School Tax	6,930,447	6,611,202
North Okanagan Regional Hospital District	1,089,232	1,073,407
North Okanagan Regional District	3,326,376	2,802,995
Municipal Finance Authority	942	931
British Columbia Assessment Authority	175,303	168,790
Okanagan Regional Library	552,493	520,346
	\$ 12,074,793	\$ 11,177,671

10. Development Cost Charges (DCCs)

Pursuant to the provisions of the Local Government Act, development cost charges are held in separate reserve funds for the purpose for which the charges have been imposed. When the related costs are incurred, the DCCs are recognized as revenue. Due to the restrictive nature of these funds, they are shown as liabilities.

	2025	2024
Balance, beginning of year	\$ 2,372,350	\$ 2,210,451
DCCs recognized	(940,894)	-
Interest on investments	44,754	136,711
Projects funded	96,814	25,188
	\$ 1,573,024	\$ 2,372,350

The balance of deferred development cost charges comprises the following:

	2025	2024
Sewer development cost charges	\$ 32,022	\$ 940,970
Drainage development cost charges	444,881	432,932
Roads development cost charges	691,311	651,179
Park improvement development cost charges	166,737	135,575
Parks waterfront development cost charges	238,073	211,694
	\$ 1,573,024	\$ 2,372,350

District of Coldstream
Notes to Financial Statements

December 31, 2025

11. Government Transfers (Conditional & Unconditional Grants)

	2025	2024
Federal		
Canada Community-Building Fund	\$ 572,070	\$ 572,070
Integrated Asset Management	94,750	97,000
Total Federal	666,820	669,070
Provincial		
Active Transportation Network Plan	21,996	25,000
BC Hydro Solar Rebate	25,000	-
Community Emergency Preparedness Fund	19,277	-
Emergency Management & Climate Readiness	25,500	-
FireSmart Community Funding & Supports	102,826	72,705
Housing Legislation Implementation	-	203,360
Local Government Climate Action Program	-	334,268
Small Community Investment Fund (unconditional)	352,000	392,500
Street Lighting - BC Highways	1,686	1,686
Traffic Fine Revenue Sharing (unconditional)	50,000	48,000
Total Provincial	598,285	1,077,519
Other		
Family Day	-	1,200
Kalamalka Beach Pier Replacement	-	70,000
Okanagan Basin Water Board (unconditional)	22,022	11,465
Risk Management	-	68,432
Total other	22,022	151,097
	\$ 1,287,127	\$ 1,897,686

District of Coldstream
Notes to Financial Statements

December 31, 2025

12. Employee Future Benefits

The District provides certain post-employment benefits in the form of vested sick leave benefits to its employees.

	2025	2024
Accrued benefit obligation, beginning of year	\$ 235,539	\$ 208,117
Service cost	26,453	23,438
Interest cost	10,616	8,927
Actual benefits paid	(22,456)	-
Actuarial loss/(gain)	(4,729)	(4,943)
	\$ 245,423	\$ 235,539

Accrued benefit obligation, beginning of year

An actuarial valuation for these benefits was performed to determine the District's accrued benefit obligation as at December 31, 2025. The new valuation, along with actual benefit payments differing from expected, created an actuarial gain at December 31, 2025. The actuarial gain is being amortized over a period equal to the employees' average remaining service lifetime. The next valuation is expected to be completed in 2027.

Reconciliation of funded status:

	2025	2024
Deficit at end of year	\$ (245,423)	\$ (235,539)
Unamortized net actuarial (gain)/loss	(43,872)	(43,018)
	\$ (289,295)	\$ (278,557)

Actuarial assumptions used to determine the District's accrued benefit obligation are as follows:

	2025	2024
Discount rate	4.40%	4.30%
Expected future inflation rate	2.50%	2.50%
Expected wage and salary range increases	2.50%	2.50%

District of Coldstream
Notes to Financial Statements

December 31, 2025

13. Financial Plan

The Financial Plan anticipated use of surpluses accumulated in previous years to balance against current year expenditures in excess of current year revenues. The following shows how these amounts were combined:

	2025	2024
Financial Plan Bylaw surplus for the year	\$ -	\$ -
Add back:		
Capital expenditures	6,967,265	16,810,649
Debt principal payments	399,683	306,083
Less:		
Amortization	(2,877,975)	(2,577,824)
Debt proceeds	-	(8,500,000)
Transfers from reserves	(3,605,194)	(5,442,596)
Adjusted Annual Surplus	\$ 883,779	\$ 596,312

14. Contingent Liabilities

a) Commencing December 31, 1987, the District entered into a self-insurance plan with other British Columbia municipalities. The District is obliged under the plan to pay a percentage of its fellow insurers' losses. The District pays an annual premium, which is anticipated to be adequate to cover any losses incurred.

b) The District is responsible as a member of the Regional District of North Okanagan for its proportion of any operating deficits related to the functions in which it participates.

The Regional District of North Okanagan debt is, under the provisions of the Local Government Act, a direct, joint and several liability of the District and each member Municipality within the district, including the Corporation of the District of Coldstream.

The Municipal Finance Authority debentures are covered by a loan agreement with the Municipal Finance Authority which provides that, if at any time the payments provided for in the agreement are not sufficient to meet the Authority's obligations in respect of such borrowings, the resulting deficiency becomes a liability of the District.

c) The District is the defendant in various lawsuits. In the opinion of management, the overall estimation of loss is not determinable. These claims have not been provided for in the financial statements. Settlement, if any, made with respect to these actions would be expected to be accounted for as a change to expenditures in the period in which realization is known.

District of Coldstream Notes to Financial Statements

December 31, 2025

14. Contingent Liabilities (continued)

- d) The District participates in the Municipal Insurance Association of British Columbia pooled insurance plan. Under the terms of participation, the District could become liable for its proportional share of any claim losses in excess of funds held by the Association. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.
-

15. Commitments

- a) The District entered into a lease agreement with the City of Vernon to accommodate the District's RCMP members, detention centre expenses and other administration. The lease is for a five-year term that expires December 31, 2030. Annual payments are based on detail strength, total building occupancy strength and prisoner counts. Payment will be approximately \$320,686 each year for the term of the agreement.
 - b) The District of Coldstream has an operating line of credit with the Royal Bank of Canada for an authorized amount of \$1,500,000, bearing interest at bank prime rate plus 0.5%. At December 31, 2025, the balance outstanding on the operating line of credit was \$nil (2024 - \$nil).
-

16. Municipal Pension Plan

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

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

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

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

The District of Coldstream paid \$335,463 (2024 - \$305,899) for employer contributions while employees contributed \$307,329 (2024 - \$280,188) to the plan in fiscal 2025.

District of Coldstream Notes to Financial Statements

December 31, 2025

16. Municipal Pension Plan (continued)

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.

17. Financial Instruments

The District of Coldstream ("the District") is exposed to risks of varying degrees of significance from its use of financial instruments, which could affect its ability to achieve its strategic objectives. The District has identified its major risks and ensures that management monitors and mitigates these risks.

Market and interest rate risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the District's income. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing the return on investments. The investment balance comprises of GIC's and bond fund units. The GIC and bond fund units are deemed to be low risk and are not subject to significant changes in market prices or interest rates.

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. It is management's opinion that the District is not exposed to significant interest rate risk arising from its financial instruments.

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

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. The District is exposed to credit risk from its operating activities, which are primarily accounts receivables, and its investing activities, which includes deposits with financial institutions and a brokerage firm. Accounts receivables includes grant receivables from the Federal Government, receivables from the Regional District of North Okanagan, tax and utility receivables and trade receivables.

The credit risk from accounts receivables is mitigated by the collection mechanisms provided in the Local Government Act, as well as funding agreements and other contracts. A majority of the accounts receivable balances are compliant with signed funding agreements and signed contracts. The District undergoes continuous monitoring of amounts that are not collectible or realizable and accounts for a specific bad debt provision when management considers that the expected recovery is less than the amount receivable.

The District has cash and investments held with reputable financial institutions. Management believes the risk of loss is unlikely, however the balances may exceed insured amounts.

District of Coldstream
Notes to Financial Statements

December 31, 2025

17. Financial Instruments (continued)

Liquidity risk

Liquidity risk is the risk that the District will not be able to meet its financial obligations as they become due. The District manages this risk by monitoring cash activities and expected outflows through budgeting and forecasting cash flows from operations and anticipated investing and capital activities. It is management's opinion that the District is not exposed to significant liquidity risk arising from its financial instruments.

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

18. Comparative Figures

Certain comparative figures presented in the financial statements have been reclassified to conform to the current year's presentation.

District of Coldstream
Schedule 1 - Segment Disclosure and Object Reporting
(Unaudited)

December 31, 2025

The District of Coldstream is a diversified municipal government institution that provides a wide range of services to its citizens. The District services are provided by departments and their activities are reported in these Service Areas. Departments disclosed in the Segmented Information, along with the services they provide are as follows:

General Government Services - Mayor & Council, Administration and Finance Departments

The Departments within General Government Services are responsible for adopting bylaws; adopting administrative policy; levying taxes; acquiring, disposing and managing District assets; ensuring effective financial management; monitoring performance and ensuring that District service standards are met.

Protective Services - Police Department and Fire Department

The mandates of the Police and Fire Departments are to enforce laws, prevent crime, and maintain peace, order, and security by protecting life, property and the environment through the provision of emergency response.

Infrastructure Services - Engineering Department and Public Works Department

The Infrastructure Department is responsible for the planning and design of the District's infrastructure. The Public works department is responsible for the maintenance of the District infrastructure.

Development Services - Planning and Development Department

The Planning and Development Department is responsible for preparing land use plans, bylaws and policies for development in the District and for reviewing and approving new development.

Building and Bylaw Services - Building Department and Bylaw Department

The Building and Bylaw department is responsible for conducting inspections of construction projects, including both new and renovation projects, fire inspections, business licensing and ensuring compliance with existing regulations.

	General Government	Protective Services	Infrastructure Services	Development Services	Building & Bylaw	2025	2024
Revenues							
Taxation - net	\$10,107,096	\$ -	\$ -	\$ -	\$ -	\$10,107,096	\$ 9,140,558
Sale of services	226,454	-	5,014,860	-	-	5,241,314	7,124,457
License, fines & rentals	772,200	-	133,818	5,175	574,541	1,485,734	1,171,359
Return on investments	593,832	-	-	-	-	593,832	536,357
Grants	252,079	-	1,237,127	-	-	1,489,206	2,107,331
DCCs	-	-	940,894	-	-	940,894	-
	11,951,661	-	7,326,699	5,175	574,541	19,858,076	20,080,062
Expenses							
Advertising	294,964	69,942	1,602,996	176,759	176,441	2,321,102	2,173,647
Amortization	117,781	296,803	3,151,222	-	15,932	3,581,738	3,307,311
Contract services	1,524,868	-	-	-	-	1,524,868	3,784,768
Equipment/facilities	284,960	76,841	311,088	-	-	672,889	494,864
Insurance	188,538	23,655	59,038	-	-	271,231	283,484
Interest	496,774	-	23,520	-	-	520,294	319,698
Memberships	15,426	1,641	33,185	1,911	80	52,243	36,041
Miscellaneous	387,029	4,349	204,173	-	6,530	602,081	340,628
Office supplies	67,264	1,970	-	964	-	70,198	71,056
Policing contract	-	1,309,290	-	-	-	1,309,290	1,361,588
Sewer contract	-	-	661,142	-	-	661,142	699,416
Supplies	434,478	66,077	258,296	-	-	758,851	583,800
Telephone & utilities	89,092	32,837	387,193	610	2,165	511,897	427,929
Training/development	29,056	72,211	35,013	5,385	10,757	152,422	188,349
Wages & benefits	1,442,769	817,263	2,882,914	415,959	397,886	5,956,791	5,294,482
	5,372,999	2,772,879	9,609,780	601,588	609,791	18,967,037	19,367,061
Annual surplus (deficit)	6,578,662	(2,772,879)	(2,283,081)	(596,413)	(35,250)	891,039	713,001
Gain (loss) on disposal of tangible capital assets	-	-	169,567	-	-	169,567	(14,804)
Loss on disposal of investments	-	-	(90,832)	-	-	(90,832)	-
Loss on foreign exchange translations	-	-	(22,740)	-	-	(22,740)	-
Annual surplus (deficit)	\$ 6,578,662	\$ (2,772,879)	\$ (2,227,086)	\$ (596,413)	\$ (35,250)	\$ 947,034	\$ 698,197

District of Coldstream
Schedule 2 - COVID-19 Safe Restart Grant
(Unaudited)

December 31, 2025	2025	2024
Balance, beginning of year	\$ 183,174	\$ 1,039,010
Revenue		
Interest earned	2,947	-
Use of Funding		
Improvements/modifications to facilities	109,525	835,873
Materials, supplies, equipment and other	-	19,963
	<u>109,525</u>	<u>855,836</u>
Balance, end of year	<u>\$ 76,596</u>	<u>\$ 183,174</u>

District of Coldstream
Schedule 3 - Growing Communities Grant
(Unaudited)

December 31, 2025

The Province of British Columbia distributed conditional Growing Communities Fund ("GCF") grants to communities at the end of March 2023 to help local governments build community infrastructure and amenities to meet the demands of population growth. The GCF provided a one-time total of \$1 billion in grants to all municipalities and regional districts in British Columbia.

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 2,275,404	\$ 4,148,000
Revenue		
Interest earned	34,303	-
Use of Funding		
Transfers to capital	<u>(1,561,097)</u>	<u>(1,872,596)</u>
Balance, end of year	<u>\$ 748,610</u>	<u>\$ 2,275,404</u>



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