

STATEMENT OF FINANCIAL INFORMATION



For the fiscal year ended December 31, 2025

Management Report

The financial statements included in this Annual Report have been prepared by management in accordance with Canadian public sector accounting standards. Management is responsible for the accuracy, integrity, and objectivity of the financial information presented, as well as ensuring the information is consistent with the accompanying financial statements and schedules.

Management is also responsible for maintaining appropriate internal controls and financial management systems to provide reasonable assurance that financial information is reliable and assets are safeguarded.

Council is responsible for overseeing the Town's financial reporting processes and ensuring management fulfills its responsibilities related to financial reporting and internal controls. This oversight is exercised through the Chief Administrative Officer, with Council receiving regular financial updates throughout the year.

The Town's Director of Financial Services is responsible for assessing and supporting the Town's financial management practices and internal control systems.

The Town's external auditors, MNP, conduct an independent audit of the financial statements in accordance with generally accepted auditing standards and provide an opinion on whether the statements fairly present the financial position of the Town. As part of the audit process, the auditors review and assess internal controls and perform testing and procedures necessary to support their opinion. The external auditors have full access to Council and meet with them annually.

On behalf of the Corporation of the Town of Osoyoos.

A handwritten signature in black ink, appearing to read "Nicolette Keith".

Nicolette Keith

Director of Financial Services

Corporation of the Town of Osoyoos

SCHEDULE OF REMUNERATION AND EXPENSES PAID TO OR ON BEHALF OF EACH EMPLOYEE IN 2025

1. Elected Officials

Name	Position	Remuneration	Expenses
Bennett, Myers	Councillor	\$ 23,671.07	6,427.62
Cheong, Johnny	Councillor	\$ 22,871.07	4,318.32
King, Jim	Councillor	\$ 22,671.07	1,827.08
McKortoff, Sue	Mayor	\$ 40,471.86	5,970.63
Poturica, Zachary	Councillor	\$ 23,271.07	5,005.04
Appleby, Robert	Water Councillor	\$ 6,206.23	0.00
Moreira, Claude	Water Councillor	\$ 6,206.23	0.00
Total: Elected Officials		\$(A) 145,368.60	23,548.69

2. Other Employees (excluding those listed in Part 1 above)

List all employees with remuneration and expenses exceeding \$75,000, excluding those listed in Section 1 above.

Name	Position	Remuneration	Expenses
Barnes, Andrew	Lead Hand - Arena	\$ 98,417.90	-
Carlston, Kevin	Water/Wastewater Operator I	105,248.07	764.00
Coulson, Marg	Director of Corporate Services	150,751.56	455.76
Davis, Gerald	Director of Community Services	128,452.42	-
Dynneson, Sarah	Program Supervisor	75,178.52	8,002.39
Fawley, Sean	Water/Wastewater Operator II	93,848.13	3,949.62
Garska, Brad	Parks Maintenance Specialist	81,989.70	1,495.39
Gordin, Kahlua	Senior Accounting Clerk	78,572.32	4,058.62
Gordin, David	Water/Wastewater Operator I	119,877.98	1,564.00
Huttema, Robert	Deputy Fire Chief - Prevention	115,710.25	-
Jones, Brendon	Water/Wastewater Operator I	91,974.18	319.00
Kostynuk, Michael	Recreation Facilities Attendant	94,691.97	-
Kostynuk, Brandon	Utility Person	81,883.99	-
Loura, John	Utility Person	82,434.47	200.00
Lynch, John	Journeyman Mechanic	110,456.21	439.98
Madsen, Tyler	Director of Operational Services	105,134.31	1,545.00
McCaskill, Ryan	Deputy Fire Chief - Training	119,981.12	-
Mora, Manuel	Utilities Equipment Operator	106,228.70	1,791.85
Nelmes, Wyatt	Equipment Operator	89,526.66	391.99
Paolera, Mark	Equipment Operator	95,048.21	-
Price, Justin	Utility Person	94,298.20	15.00
Risling, Rodney	Chief Administrative Officer	203,536.79	8,489.17
Robinson, Amy	Deputy Corporate Officer	109,670.56	1,305.06
Ruck, Derek	Utility Person	78,682.78	200.00
Sociedade, Paulo	Recreation Facilities Attendant	89,383.91	160.00
Vandael, Fabrice	Bylaw Enforcement Supervisor	80,489.53	1,810.00
Wimmer, Merlin	Maintenance Worker	77,486.40	2,692.69
Zakall, Jim	Director of Financial Services	109,308.00	-
Consolidated total of other employees with remuneration and expenses of \$75,000 or less		\$ 2,868,262.84	39,649.52
Total: Other Employees		\$(B) 4,537,557.08	50,224.48

3. Reconciliation

Total remuneration - Elected Officials	\$(A) 145,368.60
Total remuneration - Other Employees	\$(B) 4,537,557.08
Subtotal	\$ 4,682,925.68
Reconciling Items	
Employers portion EI	\$ 67,620.53
Employers portion CPP	\$ 211,206.03
Employers portion Pension	\$ 306,758.04
Employers portion Group Benefits	\$ 243,691.07
Wages & Benefits allocated to (RDOS) Sun Bowl Arena	\$ -490,496.32
Total per Statement by Object (page 19 of audited Financial Statements)	\$ 5,263,008.00
Variance	\$ 241,302.97

Prepared under the Financial Information Regulation, Schedule 1, section 6(2), (3), (4), (5) and (6)



Nicolette Keith
Director of Finance
June 3, 2026

Corporation of the Town of Osoyoos

SCHEDULE OF PAYMENT TO SUPPLIERS

Supplier Name	Amount (\$)
1076443 BC LTD c/o SURINDER GOSAL	92,636.25
2K SERVICES LTD	50,400.00
AARDVARK PAVEMENT MARKING SERVICES	61,780.61
ANDRE'S T.V. SALES & SERVICES LTD	40,964.18
BALOGH ELECTRIC LTD	39,865.33
BC ASSESSMENT AUTHORITY	127,650.47
BI PURE WATER (CANADA) INC.	49,883.96
BRENNTAG CANADA INC	64,917.12
BUCKENDAHL HART	41,421.60
CARO ANALYTICAL SERVICES	48,635.66
CANOE PROCUREMENT GROUP OF CANADA A DIVISION OF	67,123.40
CANADAFIT ENTERPRISES LTD	25,788.00
CAROLLO ENGINEERS CANADA LTD	382,550.01
CENTRALSQUARE CANADA SOFTWARE INC	52,197.77
CENTRAL INTERIOR TRAFFIC CONTROL LTD	27,326.86
CLEARTECH INDUSTRIES INC.	78,982.49
COLLIERS PROJECT LEADERS INC	320,998.21
COMPLETE CLIMATE CONTROL INC	98,988.09
COOL CREEK ENERGY LTD	126,919.27
CUPE LOCAL 608	63,388.47
DESTINATION OSOYOOS	75,000.00
DILIGENT CANADA INC	38,294.87
E. LEES & ASSOCIATES CONSULTING LTD	48,610.75
EMPS	62,529.31
EXCEED ELECTRICAL ENGINEERING LTD	67,868.65
EZ-DOCK OKANAGAN	92,330.23
FALCON EQUIPMENT LTD	317,119.69
FLOWSYSTEMS DISTRIBUTION INC	226,382.85
FORTISBC - ELECTRICITY	914,722.87
FORTISBC - NATURAL GAS	70,883.80
DOUGLAS LAKE EQUIPMENT dba GERARD'S EQUIPMENT	108,378.80
GRIZZLY EXCAVATING LTD	839,106.85
H & M EXCAVATING LTD	1,972,721.13
ICBC	58,405.00
INGENTHRON LAWRENCE	29,452.50
INLAND TRUCK & EQUIPMENT LTD	340,290.73
INTERIOR ROOFING (2011) LTD	44,564.40

Supplier Name	Amount (\$)
IPL NORTH AMERICA INC	333,621.13
JJET ICE LTD	64,090.60
KOBAU PLUMBING & GAS FITTING INC	51,393.47
JAMIE M. LALONDE LAW CORPORATION (TRUST ACCT)	40,001.00
LIDSTONE & COMPANY	49,351.21
MASS CONSTRUCTION LTD	558,515.26
MASKEEN (OSOYOOS) DEVELOPMENTS LTD.	34,112.65
MASTERCARD - CAO RISLING 3260	43,633.44
MASTERCARD	30,669.07
MASTERCARD - ROBINSON 4216	42,809.14
MCLEOD & SCHNEIDERAT LAWYER IN TRUST	1,303,300.16
MUNICIPAL INSURANCE ASSOC OF BC	198,656.00
MINISTER OF FINANCE (EFT)	4,356,916.33
MNP LLP	76,763.01
SUNBELT RENTALS OF CANADA	32,542.59
MUNICIPAL PENSION PLAN	585,769.75
MUNICIPAL FINANCE AUTHORITY	357,548.62
NABCO CANADA INC	37,561.82
NEPTUNE TECHNOLOGY GROUP (CANADA) LTD	3,030,468.47
NORTHERN COMPUTER	188,870.91
OKANAGAN OFFICE SYSTEMS	40,133.44
OKANAGAN REGIONAL LIBRARY	314,266.28
OSOYOOS HOME HARDWARE	34,159.17
TIMES CHRONICLE MEDIA INC.	53,722.01
OSOYOOS MUSEUM SOCIETY	75,650.00
OSOYOOS MUSIC IN THE PARK	35,500.00
OSPREY HEIGHTS ESTATES LTD	275,819.78
PACIFIC FLOW CONTROL LTD.	27,545.96
PARKWORKS SOLUTIONS CORP.	131,250.01
PACIFIC BLUE CROSS - POL#53667	290,263.56
PETERS BROS CONSTRUCTION LTD	49,773.15
PITNEY BOWES POSTAGE BY PHONE #23192511	50,000.00
POLAR ENGINEERING LTD	71,486.94
PROTON MECHANICAL INC.	25,272.52
PROFESSIONAL DIVING TECHNOLOGIES LTD. dba	41,427.45
RECEIVER GENERAL FOR CANADA	1,453,338.43
REGIONAL DISTRICT OKANAGAN SIMILKAMEEN	2,976,441.10
ROCKY MOUNTAIN PHOENIX INC	61,184.97
ROY050 ROYAL CANADIAN MOUNTED POLICE E DIVISION FINANCE	987,069.83
SKA010 SKAHA FORD INC	50,469.18
SOU210 SOUTHERN MECHANICAL SERVICES INC	25,463.16
STR030 STRIKE ALARMS & SECURITY	35,543.00
SUN120 SUNRISE RESTORATIONS LTD	27,979.72
SUP075 557969 BC LTD dba SUPERIOR EXCAVATING	658,800.14
TEL010 TELUS CORPORATION	35,048.58
TRU010 TRUE CONSULTING	1,253,080.66

Supplier Name	Amount (\$)
URB015 URBAN SYSTEMS LTD	158,168.85
VEO010 VEOLIA WATER TECHNOLOGIES & SOLUTIONS CANADA	207,200.00
VGP010 VG PEAK DEVELOPMENT CORP.	41,798.46
WAS010 WASTE CONNECTIONS OF CANADA INC	528,235.53
WHI020 ENVIRONMENTAL 360 SOLUTIONS (BC) LTD.	503,617.50
WID010 WIDE ARTS NATIONAL ASSOCIATION (WANA)	25,378.47
WIN030 WINE COUNTRY DOORS LTD	58,386.41
WIN040 WINE CAPITAL ELECTRIC INC	91,804.70
WOL010 WOLSELEY CANADA INC WZ16470	118,050.62
WOR010 WORKERS' COMPENSATION BOARD	132,134.42
WUT010 WUTZKE MAURICE	130,904.79
YOU015 YOUNG, ANDERSON	41,707.56
ZEP010 ZEP OKANAGAN - BRANDT ENTERPRISES LTD	28,422.86

Total Suppliers Equal and Over \$25,000.00	29,732,174.02
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Other Suppliers Under \$25,000.00	1,972,567.48
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Total of Printer Suppliers:	31,704,741.50
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Corporation of the Town of Osoyoos

STATEMENT OF SEVERANCE AGREEMENTS

There was two severance agreements under which payment commenced between the Corporation of the Town of Osoyoos and non-unionized employees during the fiscal year 2025.

- Agreement #1 represents 3 months of compensation*
- Agreement #2 represents 10 months of compensation*

* "Compensation" means (These severance agreements were determined based on salary).

Prepared under the Financial Information Regulation, Schedule 1, subsection 6(7)

A handwritten signature in black ink, appearing to read "Nicolette Keith", positioned above a horizontal line.

Nicolette Keith
Director of Finance
June 3, 2026



Corporation of the Town of Osoyoos

SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS

The Corporation of the Town of Osoyoos has not given any guarantees or indemnities under the Guarantees and Indemnities Regulation.

A handwritten signature in black ink, appearing to read "Nicolette Keith".

Nicolette Keith
Director of Finance
June 3, 2026

Town of Osoyoos
Financial Statements
December 31, 2025

Town of Osoyoos

Contents

For the year ended December 31, 2025

	Page
Management's Responsibility	
Independent Auditor's Report	
Financial Statements	
Statement of Financial Position.....	1
Statement of Operations and Accumulated Surplus.....	2
Statement of Changes in Net Financial Assets.....	3
Statement of Cash Flows	4
Notes to the Financial Statements.....	5
Schedules	
- Schedule 1: Restricted Surplus - Reserves for Future Expenditures.....	19
- Schedule 2: Property and Other Taxes.....	20
- Schedule 3: Tangible Capital Assets	21
Statement of Cemetery Care Trust Funds.....	22

Management's Responsibility

To the Mayor and Council of the Town of Osoyoos:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Mayor and Council is composed entirely of individuals who are neither management nor employees of the Municipality. The Council is responsible for overseeing management in the performance of its financial reporting responsibilities. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the Municipality's external auditors.

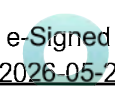
MNP LLP is appointed by the Mayor and Council to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.

May 26, 2026

 e-Signed by Marg Coulson

2026-05-26 15:40:07:07 PDT

Chief Administrative Officer

 e-Signed by Nicolette Keith

2026-05-26 13:18:43:43 PDT

Director of Finance

To the Mayor and Council of the Town of Osoyoos:

Opinion

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

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

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the 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 Municipality'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 Municipality or to cease operations, or has no realistic alternative but to do so.

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 Municipality'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 Municipality'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 Municipality 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.

Vernon, British Columbia

May 26, 2026

MNP LLP

Chartered Professional Accountants

Town of Osoyoos
Statement of Financial Position
As at December 31, 2025

	2025	2024
Financial assets		
Cash (Note 3)	26,440,105	29,657,196
Temporary investments (Note 4)	20,911,871	18,603,915
Accounts receivable (Note 5)	2,475,287	1,515,665
	49,827,263	49,776,776
Financial liabilities		
Accounts payable and accrued liabilities (Note 6)	2,282,796	3,141,641
Asset retirement obligation (Note 7)	1,932,616	2,011,232
Deferred revenue		
Deferred revenue (Note 8)	10,714,850	13,980,437
Deferred development cost charges (Note 9)	2,269,637	2,905,534
Building deposits	588,439	640,262
Long-term debt (Note 10)	11,804,588	10,518,683
	29,592,926	33,197,789
Net financial assets	20,234,337	16,578,987
Commitments and contingencies (Note 12)		
Municipal Finance Authority of B.C. deposits (Note 13)		
Non-financial assets		
Tangible capital assets (Schedule 3)	95,100,124	86,047,482
Inventory	252,956	286,263
Prepaid expenses	59,945	613,333
	95,413,025	86,947,078
Accumulated surplus (Note 11)	115,647,362	103,526,065
Approved on behalf of Mayor and Director of Finance		
e-Signed by Sue McKortoff 2026-05-26 15:13:24:24 PDT	Mayor	e-Signed by Nicolette Keith 2026-05-26 13:18:52:52 PDT
		Director of Finance

Town of Osoyoos
Statement of Operations and Accumulated Surplus
For the year ended December 31, 2025

	2025 <i>Budget (Note 15)</i>	2025	2024
Revenue			
Sale of services	10,749,300	10,514,129	9,827,064
Taxation - net (Schedule 2)	7,570,194	7,541,726	6,614,752
Grants - provincial (Note 14)	5,885,577	4,232,141	2,143,583
Return on investments	302,500	1,643,977	2,175,981
Solid waste management	1,234,000	1,356,991	1,240,509
Administration and miscellaneous recoveries	2,103,981	1,001,701	341,339
Grants - other (Note 14)	1,059,094	939,844	2,559,354
Licences, permits, rentals and fines	330,580	269,429	292,988
Penalties and interest on taxes	115,000	217,883	167,401
Contributions from developers	1,429,304	992,036	-
Franchise fees	97,800	79,296	97,678
Actuarial gains	-	61,562	50,489
Grants in lieu of taxes (Note 14)	25,300	19,106	25,311
Donations	20,000	18,143	16,667
Gain (loss) on disposal of tangible capital assets	10,000	(460,515)	39,896
	30,932,630	28,427,449	25,593,012
Expenses			
General government services	2,074,405	4,346,938	3,960,067
Protective services	3,831,858	2,332,954	2,790,382
Transportation services	1,049,100	1,012,686	853,022
Environmental services	1,237,200	1,170,435	1,383,268
Recreation and cultural services	1,613,650	1,888,461	2,172,366
Public health services	64,150	129,769	47,143
Sewer services	2,463,700	2,380,901	2,493,942
Water services	3,621,003	3,044,008	2,799,511
	15,955,066	16,306,152	16,499,701
Annual surplus	14,977,564	12,121,297	9,093,311
Accumulated surplus, beginning of year	103,526,065	103,526,065	94,432,754
Accumulated surplus, end of year	118,503,629	115,647,362	103,526,065

The accompanying notes are an integral part of these financial statements

Town of Osoyoos
Statement of Changes in Net Financial Assets
For the year ended December 31, 2025

	2025 <i>Budget (Note 15)</i>	2025	2024
Annual surplus	14,977,564	12,121,297	9,093,311
Acquisition of tangible capital assets	(23,946,321)	(12,684,620)	(6,398,863)
Amortization of tangible capital assets	-	2,944,775	2,979,283
Net book value of disposed tangible capital assets	-	687,203	-
	(23,946,321)	(9,052,642)	(3,419,580)
Change in inventory of supplies	-	33,307	(50,033)
Change in prepaid expenses	-	553,388	(553,629)
	-	586,695	(603,662)
Increase (decrease) in net financial assets	(8,968,757)	3,655,350	5,070,069
Net financial assets, beginning of year	16,578,987	16,578,987	11,508,918
Net financial assets, end of year	7,610,230	20,234,337	16,578,987

The accompanying notes are an integral part of these financial statements

Corporation of the Town of Osoyoos

Statement of Cash Flows

For the year ended December 31, 2025

	2025	2024
Cash provided by (used for) the following activities		
Operating Activities		
Annual surplus	12,121,297	9,093,311
Items not involving cash included in annual surplus:		
Amortization of tangible capital assets	2,944,775	2,979,283
Loss (gain) on disposal of tangible capital assets	460,515	(39,896)
Actuarial adjustment	(61,562)	(50,489)
Net change in non-cash working capital items:		
Inventory	33,307	(50,033)
Landfill closure and post-closure	(78,615)	925,646
Net change in cash working capitals items:		
Accounts receivable	(959,622)	(438,797)
Prepaid expenses	553,385	(553,632)
Accounts payable and accrued liabilities	(858,847)	1,169,521
Deferred revenue	(3,265,587)	(878,227)
Other liabilities	(51,823)	(586,713)
Deferred development cost charges	(635,897)	368,546
	10,201,326	11,938,520
Capital Activities		
Acquisition of tangible capital assets	(12,629,741)	(6,398,863)
Proceeds on disposal of tangible capital assets	171,816	39,896
	(12,457,925)	(6,358,967)
Investing Activities		
Increase (decrease) in temporary investments	(2,307,959)	11,161,079
Financing Activities		
Proceeds from long-term debt	2,000,000	650,000
Repayment of long-term debt	(652,533)	(576,018)
	1,347,467	73,982
Increase (decrease) in cash	(3,217,091)	16,814,614
Cash, beginning of year	29,657,196	12,842,582
Cash, end of year	26,440,105	29,657,196

The accompanying notes are an integral part of these financial statements

1. Incorporation and operations

The Corporation of the Town of Osoyoos (the "Municipality") was incorporated as a Town in 1983 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 general government, protective, water, sewer, recreation and cultural, environmental, transportation, and public health services. The financial statements include the results of operations for all services.

2. Significant accounting policies

These financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

a) Basis of accounting

The Municipality follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

b) Property tax revenue

Property tax revenue is recognized at the date property tax notices are issued, based on property assessment values issued by B.C. Assessment for the current year and tax rates established annually by bylaw. Assessments are subject to appeal and tax adjustments are recorded when the results of appeals are known.

c) Government Transfers

The Municipality recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Municipality recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

d) Deferred revenue

Deferred revenue includes grants, contributions and other amounts received from third parties pursuant to legislation, regulation and agreement which may only be used in certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed, or the tangible capital assets are acquired.

e) Revenue

Revenue from transactions with performance obligations is recognized when the Municipality satisfies a performance obligation by providing the promised goods or services to a payor. The performance obligation is evaluated as being satisfied either over a period of time or at a point in time.

f) Cash and cash equivalents

Cash and cash equivalents include cash and highly liquid investments with a term to maturity of 90 days or less at acquisition and readily convertible to cash.

g) Investments

Investments consist of short-term bonds, money market funds and guaranteed investment certificates and are recorded at cost.

h) Long-term debt

Long-term debt is recorded net of principal repayments and actuarial adjustments.

2. Significant accounting policies *(Continued from previous page)*

i) Asset retirement obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the Municipality to incur retirement costs in relation to a tangible capital asset (or component thereof), 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 best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at December 31, 2025. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.

At each financial reporting date, the Municipality reviews the carrying amount of the liability. The Municipality recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

The Municipality continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

j) Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Municipality is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at December 31, 2025.

At each financial reporting date, the Municipality reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The Municipality continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

k) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

l) Tangible capital assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset.

Annual amortization is charged in the year of acquisition. Amortization is charged to the date the asset is sold in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

The cost less residual value of the tangible capital assets, excluding land, are amortized on a straight-line basis over their estimated useful lives as follows:

	Rate
Land improvements	10 - 40 years
Buildings	5 - 50 years
Furniture, equipment and vehicles	1 - 25 years
Roads and drainage	10 - 60 years
Water infrastructure	10 - 80 years
Sewer infrastructure	10 - 80 years

2. Significant accounting policies *(Continued from previous page)*

Tangible capital assets *(Continued from previous page)*

ii) Contributions of tangible capital assets

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

iii) Natural resources

Natural resources that have not been purchased are not recognized as assets in the financial statements.

iv) Works of art and cultural and historic assets

Works of art and cultural and historic assets are not recorded as assets in these financial statements.

v) Interest capitalization

The Municipality does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

l) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period.

Significant estimates include assumptions used in estimating provisions for accrued liabilities, estimated useful lives of tangible capital assets, valuation of accounts receivable, and asset retirement obligations.

Liabilities for contaminated sites are estimated based on the best information available regarding potential contamination where the Municipality is responsible.

m) Debt charges

Debt principal repayments are not included in the statement of operations pursuant to PSAB disclosure. Interest expense is recorded on an accrual basis and is expensed to the current year operations.

n) Deferred development cost charges

Certain user fees and development charges are collected for future services and acquisitions. These revenues are deferred and recognized in the period in which the specified expenses are incurred, services performed, or the tangible capital assets acquired.

o) Employee future benefits

The Municipality and its employees make contributions to the Municipal Pension Plan. As this plan is a multi-employer defined benefit pension plan, the Municipality's contributions are expensed as incurred.

p) Expenses

Expenses are recognized as they are incurred and measurable based on receipt of goods or services and/or the creation of a legal obligation to pay.

q) Inventory

Inventory is valued at the lower of cost and net realizable value, with cost determined on a first-in, first-out basis.

r) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

2. Significant accounting policies *(Continued from previous page)*

s) Prepaid expenses

Various items are included in prepaid expenses including insurance and deposits. These items are intended to be included in expenses in the next financial reporting period and as such are not considered financial instruments.

t) Tax collections for other governments

The Municipality is required by legislation to collect property taxes on behalf of other governments. These collections and requisitions are not included in the Municipality's financial statements as part of the statement of operations.

u) Trust funds

Trust funds and the related assets and liabilities held by the Municipality for cemetery care are not included in the statement of financial position. A Statement of Cemetery Care Trust Funds is provided for information purposes.

v) Financial instruments

The Municipality recognizes its financial instruments when the Municipality becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the Municipality may irrevocably elect to subsequently measure any financial instrument at fair value. The Municipality has not made such an election during the year.

The Municipality subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses. The Municipality has not presented a statement of remeasurement gains and losses as it does not have any items giving rise to remeasurement gains (losses). Interest income is recognized in the statement of operations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating annual surplus. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets except derivatives are tested annually for impairment. Management considers whether the investee has experienced continued losses for a period of years in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the statement of remeasurement gains and losses.

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

3. Cash

	2025	2024
General funds	21,852,179	24,143,928
Deferred development cost charge (Note 9)	2,269,637	2,905,534
Resort Municipality Funds (Note 8)	1,163,353	916,022
Federal Gas Tax funds (Note 8)	1,154,936	1,691,712
	26,440,105	29,657,196

4. Temporary investments

Interest earned on the various GICs ranges from 2.22% to 5.69% (2025 – 4.00% to 6.55%) per annum depending on the maturity of the GIC and is accrued as earned over the term of the investment. All investments mature between 3 and 18 months after year end and are held in the general fund.

5. Accounts receivable

	2025	2024
Trade accounts and other receivables	1,558,366	808,615
Due from other governments	-	38,332
Property taxes:		
Current	674,719	498,830
Arrears and delinquent	242,202	169,888
	2,475,287	1,515,665

6. Accounts payable and accruals

	2025	2024
Trade payables and accrued liabilities	1,810,405	2,830,366
Due to other governments	58,917	-
Deposits payable	70,025	46,789
Wages payable	343,449	264,486
	2,282,796	3,141,641

7. Asset retirement obligation

The Municipality opened a landfill site in 2011, and is legally required to perform closure and post-closure activities upon retirement of this site, which is estimated to be in 17 years. The Municipality recognized a liability for the asset retirement obligation ("ARO") and a corresponding amount has been capitalized as an asset retirement cost and added to the carrying value of the landfill site. The asset retirement cost is amortized on a straight-line basis over the useful life of the site.

The Municipality estimated the amount of the liability using a present value technique wherein cash flows are discounted using a borrowing rate of 3.87% (based upon the Municipality's long term historic rate) and using the period remaining for the retirement of the asset from the year of recognition. The estimated liabilities at retirement are based on a 2% inflation rate based on the midpoint of Bank of Canada's target inflation range of 1% to 3%. The reported liability is based on estimates and management assumptions with respect to events extending over the post closure period using the best information available to management. Future events may result in significant changes to the estimated total expense, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

	2025	2024
Balance, beginning of year	1,286,404	860,125
Liability incurred	208,471	426,279
Liabilities settled	(278,840)	-
Change in estimate	(63,126)	-
Balance, end of year	1,152,909	1,286,404

The Municipality owns a number of buildings which contain asbestos, which represent a health hazard as per the Canadian Environmental Protection Act and B.C. Hazardous Waste Regulation, and is legally required to perform closure activities upon renovation or demolition of these sites. The Municipality recognized a liability for the asset retirement obligation and a corresponding amount has been capitalized as an asset retirement cost and added to the carrying value of each of the buildings.

The Municipality estimated the amount of the liability by engaging third party contractors to provide quotes on the cost to remove the asbestos and to further renovate the buildings. These fixed quotes were received during the 2023 financial year, with all priority 1 abatements completed by 2026. The remainder will be completed thereafter, on a priority basis.

	2025	2024
Balance, beginning of year	724,828	225,461
Liability incurred	54,879	499,367
Balance, end of year	779,707	724,828

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

8. Deferred revenue

	2025	2024
Property taxes	1,147,093	1,073,793
Federal Gas Tax funding (Community Works Fund)	1,154,936	1,691,713
Grants	6,650,380	8,698,026
Resort Municipality Fund	1,163,353	916,022
Contributions from customers	472,494	1,493,981
Leisure services	97,444	106,052
Rent	-	850
Licences	29,150	-
	10,714,850	13,980,437
	2025	2024
Federal Gas Tax funding		
Unspent funds, opening balance	1,691,713	1,316,778
Funding received during the year	316,398	316,398
Interest earned	61,004	71,472
Funds used	(914,179)	(12,935)
	1,154,936	1,691,713
	2025	2024
Resort Municipality funding		
Unspent funds, opening balance	916,022	1,384,612
Funding received during the year	429,098	473,362
Interest earned	30,576	51,317
Funds used	(212,343)	(993,269)
	1,163,353	916,022

Federal Gas Tax Funding (Community Works Fund) is provided by the Government of Canada. The use of the funding is established by a funding agreement between the Municipality and the Union of British Columbia Municipalities. Federal Gas Tax funding may be used towards designated public transit, community energy, water, wastewater, solid waste and capacity building projects, as specified in the funding agreements.

9. Deferred development cost charges

	2025	2024
Development cost charges by category:		
Parks	673,054	1,361,491
Roads	999,227	940,229
Water	33,146	114,733
Sewer	548,447	477,688
Storm-drains	15,763	11,393
	2,269,637	2,905,534
	2025	2024
Development cost charges, opening balance	2,905,534	2,536,988
Return on investments	104,303	143,693
Contributions from developers	251,836	224,853
Funds used	(992,036)	-
Development cost charges, closing balance	2,269,637	2,905,534

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

10. Long-term debt

Bylaw	Rate	Year Maturing	Interest	Principal	Actuarial Adjustment	2025	2024
0012-0	-	2025	-	7,579	-	-	7,579
0001-2	-	2025	-	14,807	-	97,294	112,101
0013-0	-	2026	-	27,081	-	15,313	42,393
0014-0	-	2026	-	7,034	-	8,929	15,964
0016-0	-	2028	-	78,616	-	170,143	248,759
0017-0	-	2028	-	71,938	-	214,484	286,422
0018-0	-	2029	-	115,005	-	484,995	600,000
1258	3.80%	2030	3,490	7,230	4,252	63,721	75,203
1290	3.85%	2033	12,984	10,560	4,565	141,696	156,821
1306	2.80%	2047	160,724	120,654	27,735	4,667,254	4,815,643
1348	2.99%	2041	39,703	61,773	4,264	1,283,302	1,349,339
1347	2.66%	2039	78,400	130,254	20,746	2,657,457	2,808,459
1383	4.13%	2035	42,657	-	-	2,000,000	-
			337,958	652,531	61,562	11,804,588	10,518,683

The estimated aggregate repayments on long-term debt over the next five years are as follows:

2026	820,977
2027	808,347
2028	708,990
2029	639,642
2030	520,781

Interest paid on the long-term debt totaled \$337,958 (2024 - \$286,712) and is expensed in the segment to which the debt relates (Note 18). The actuarial adjustment for the year was \$61,562 (2024 - \$50,489).

11. Accumulated surplus

Accumulated surplus is represented by:

	2025	2024
Unrestricted surplus	13,647,013	13,207,030
Restricted surplus (Schedule 1)	18,704,813	14,790,236
Equity in tangible capital assets	83,295,536	75,528,799
	115,647,362	103,526,065

The restricted surplus represents reserves set aside for future expenses. Non-statutory reserves represent an appropriation of surplus for specific purposes. Reserves for future capital expenditures represent funds to finance incomplete capital projects. Statutory reserves are restricted by the Community Charter and the associated municipal bylaws that establish the reserves. A schedule accompanying these financial statements provides details of the various restricted surpluses held and the changes during in the current year.

12. Commitments and contingencies

a) The Municipality, as a member of the Regional District of the Okanagan-Similkameen ("RDOS") and the Regional Hospital District ("RHD"), is responsible for its portion of any operating deficits or long-term debt related to functions in which it participates. Under provisions of the Local Government Act, the RDOS debt is a joint and several liability of the RDOS and each of its member municipalities.

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

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

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

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

The Municipality paid \$304,525 (2024 - \$310,997) for employer contributions to the plan in 2025.

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

c) Debentures are covered by a loan agreement with the MFABC 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 proportional liability of each local government member. As these demand notes are contingent in nature, no liability is recorded (Note 13).

d) The Municipality rents a space for a fire hall under an annual operating lease which expires in May, 2029. Future minimum payments under the operating lease for the firehall space are as follows:

2026	28,200
2027	28,800
2028	29,400
2029	12,500

e) The Municipality, along with the RDOS, jointly appoints members to a recreation commission having responsibility for the management of the Sun Bowl Arena. The Municipality provides management services under a contract that allows for the supervision and operation of the Sun Bowl Arena. The operations of the Sun Bowl Arena are wholly consolidated by the RDOS.

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

13. Municipal Finance Authority of B.C. deposits

The Municipality issues its debt instruments through debenture financing obtained from the MFABC. A condition of the MFABC borrowing is that a portion of the debenture proceeds are withheld by the MFABC as a debt reserve fund. The Municipality executes demand notes in connection with each debenture and the related debt reserve, whereby the Municipality may be required to loan certain amounts to the MFABC (Note 10). The details of the cash deposits and demand notes at the year-end are as follows:

	<i>Cash Deposits</i>	<i>Demand Notes</i>	<i>2025</i>	<i>2024</i>
General fund	77,981	95,771	173,752	171,485
Sewer fund	40,961	69,328	110,289	109,097
Water fund	37,714	142,483	180,197	52,219
	156,656	307,582	464,238	332,801

14. Government transfers

Government transfers are included in the revenues identified as Grants – provincial, Grants – other, and Grants in lieu of taxes. In 2025, the Municipality received and recorded as revenue the following transfers:

	<i>2025</i>	<i>2024</i>
Unconditional transfers		
Federal	19,106	25,311
Provincial	485,000	541,800
Municipal	70,000	70,000
	574,106	637,111
Conditional transfers		
Provincial	3,747,141	1,601,783
Municipal	869,844	2,489,354
	4,616,985	4,091,137
	5,191,091	4,728,248

15. Budget data

The budget data presented in these financial statements is based upon the 2025 operating and capital budgets adopted by Council on December 10, 2024. Subsequent amendments have been approved by Council and are not reflected in the financial statement budget figures presented. The following table reconciles the approved budget to the budget figures reported in these financial statements.

	<i>Budget Amount</i>
Annual surplus per statement of operations:	14,977,564
Adjust for budgeted cash items not included in statement of operations	
Borrowing proceeds	2,000,000
Transfer from reserves and prior year surplus	12,907,207
Transfer to reserves and other governments	(5,285,523)
Tangible capital asset acquisitions	(24,268,750)
MFABC debt principal repayments	(330,498)
Total adjustments	(14,977,564)
Balanced budget per financial plan	-

16. Growing communities fund

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 161 municipalities and 27 regional districts in B.C.

The funding did not meet the criteria to defer the unspent portion, so the full amount was recognized as revenue in 2023. The amounts spent as of December 31, 2025 are:

	2025	2024
Balance, beginning of year	1,739,943	2,468,722
Eligible costs		
74th/Heron/Loon	-	(53,654)
340-402 Booster	-	(3,248)
Water Metering	(532,124)	(671,877)
Balance, end of year	1,207,819	1,739,943

17. Comparative figures

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

18. Financial Instruments

The Municipality as part of its operations carries a number of financial instruments. It is management's opinion that the Municipality is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Credit Risk

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations. The Municipality is exposed to credit risk with respect to accounts receivable.

The carrying amount of the Municipality's financial instruments best represents the maximum exposure to credit risk. There has been no change in risk exposure from 2024.

Risk management

The Municipality manages its credit risk by providing allowances for potentially uncollectible accounts receivable.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The Municipality is exposed to price risk with respect to its long-term debt which is at a fixed rate. The Municipality also ensures that they have sufficient cash to meet the outstanding debt obligation if interest rates should rise. The Municipality monitors expected cash outflow through budgeting and maintenance of loans payable and investments. There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

19. Segmented information

The Corporation of the Town of Osoyoos is a municipal government that provides a range of services to the citizens of Osoyoos and area. The Municipality is governed by an elected Council comprised of a Mayor, four Councillors, and two Water Councillors, whose authority is set out in the Community Charter and Local Government Act. The Municipality's operations are organized and reported by Fund. The Funds have been segmented into the various services provided and summarized below.

General government services include administration, finance, legislative, information, customer services, and human resources functions. Revenue and expenses in this segment relate to operations of the Municipality and cannot be directly attributed to another segment.

Protective services include fire protection, bylaw enforcement, animal control, community planning and development services, and occupational health and safety functions of the Municipality. Fire protection is provided by a fire chief and volunteer members whose duties include inspections, enforcement, and fire suppression.

Transportation services include road and sidewalk maintenance, street lighting maintenance, storm drain maintenance, snow removal, and the equipment used within these functions.

Environmental services include garbage collection, recycling, and landfill operations of the Municipality.

Recreation and cultural services include various recreational programs, the Desert Park facility, Sun Bowl arena, the Sonora Centre, the marina, the museum, the library and the parks operations.

Public health services include the operations related to South Okanagan Emergency Preparedness, Emergency Social Services, the health centre and cemetery functions.

Sewer services include the operating activities of the Sewer Fund that relate to the collection and treatment of wastewater, maintenance of the related equipment, and capital upgrade of the sewer system of the Municipality.

Water services include the operating activities of the Water Fund that relate to the treatment, distribution, maintenance, and capital upgrade of the water system of the Municipality and the outlying Irrigation District.

Corporation of the Town of Osoyoos
Notes to the Financial Statements

For the year ended December 31, 2025

19. Segmented information (continued)

	General Government	Protective Services	Transportation Services	Environmental Services	Recreational & Cultural Services	Public Health Services	Sewer Services	Water Services	Total
2025									
Revenues									
Sale of services	-	215,265	-	-	285,697	73,590	4,640,038	5,299,539	10,514,129
Taxation - net	7,541,726	-	-	-	-	-	-	-	7,541,726
Grants - provincial	746,502	-	691,350	-	-	-	710,293	2,083,996	4,232,141
Solid waste management	-	-	-	1,356,991	-	-	-	-	1,356,991
Return on investments	1,643,977	-	-	-	-	-	-	-	1,643,977
Grants - other	-	717,938	-	-	221,906	-	-	-	939,844
Admin and recoveries	532,367	4,862	36	-	-	-	-	464,436	1,001,701
Licenses, permits, rentals and fines	23,392	91,122	2,500	-	138,411	-	6,107	7,897	269,429
Contributions from developers	892,036	-	-	-	-	-	-	100,000	992,036
Penalties and interest on taxes	200,409	-	-	-	-	-	-	17,474	217,883
Franchise fees	79,296	-	-	-	-	-	-	-	79,296
Actuarial gains	36,551	-	-	-	-	-	20,746	4,265	61,562
Donations	18,143	-	-	-	-	-	-	-	18,143
Grants in lieu of taxes	19,106	-	-	-	-	-	-	-	19,106
Land and equipment sales	(460,515)	-	-	-	-	-	-	-	(460,515)
	11,272,990	1,029,187	693,886	1,356,991	646,014	73,590	5,377,184	7,977,607	28,427,449
Expenses									
Wages and benefits	608,239	842,700	248,562	153,993	1,292,705	51,118	849,417	1,216,274	5,263,008
Amortization expense	1,967,940	-	-	-	-	-	570,386	406,449	2,944,775
Maintenance and supplies	678,748	318,948	527,058	64,693	506,134	76,573	332,998	565,165	3,070,317
Contracted services	85,108	993,125	-	753,910	-	-	217,502	218,130	2,267,775
Utilities and telephone	60,749	27,408	95,397	-	66,577	577	188,029	381,718	820,455
Other	301,033	140,101	141,669	197,839	23,045	-	-	-	803,687
Debt charges - interest	177,198	-	-	-	-	-	78,400	82,360	337,958
Administration charges	-	-	-	-	-	1,501	144,169	173,912	319,582
Grants	222,343	-	-	-	-	-	-	-	222,343
Insurance expense	245,580	10,672	-	-	-	-	-	-	256,252
	4,346,938	2,332,954	1,012,686	1,170,435	1,888,461	129,769	2,380,901	3,044,008	16,306,152
Annual surplus (deficit)	6,926,052	(1,303,767)	(318,800)	186,556	(1,242,447)	(56,179)	2,996,283	4,933,599	12,121,297

Corporation of the Town of Osoyoos
Notes to the Financial Statements

For the year ended December 31, 2025

19. Segmented information (continued)

	General	Protective	Transportation	Environmental	Recreational & Cultural	Public Health	Sewer	Water	
2024	Government	Services	Services	Services	Services	Services	Services	Services	Total
Revenues									
Sale of services	-	251,834	-	-	260,535	61,403	4,318,003	4,935,289	9,827,064
Taxation - net	6,614,752	-	-	-	-	-	-	-	6,614,752
Grants - provincial	541,800	-	2,233	-	-	-	20,998	1,578,552	2,143,583
Solid waste management	-	-	-	1,240,509	-	-	-	-	1,240,509
Return on investments	2,175,981	-	-	-	-	-	-	-	2,175,981
Grants - other	-	660,431	-	-	1,882,522	-	16,401	-	2,559,354
Admin and recoveries	223,014	77,451	151	-	-	-	5,723	35,000	341,339
Licenses, permits, rentals and fines	21,089	121,453	2,500	-	128,435	-	4,218	15,293	292,988
Penalties and interest on taxes	149,895	-	-	-	-	-	-	17,506	167,401
Franchise fees	97,678	-	-	-	-	-	-	-	97,678
Actuarial gains	31,330	-	-	-	-	-	16,348	2,811	50,489
Donations	16,667	-	-	-	-	-	-	-	16,667
Grants in lieu of taxes	25,311	-	-	-	-	-	-	-	25,311
Land and equipment sales	39,896	-	-	-	-	-	-	-	39,896
	9,937,413	1,111,169	4,884	1,240,509	2,271,492	61,403	4,381,691	6,584,451	25,593,012
Expenses									
Wages and benefits	498,603	1,084,381	232,861	133,670	1,384,188	31,207	845,900	1,113,666	5,324,476
Amortization Expense	2,027,762	-	-	-	-	-	571,137	380,384	2,979,283
Maintenance and supplies	479,760	324,941	384,821	324,869	723,149	13,720	698,520	809,346	3,759,126
Contracted services	45,405	1,193,797	-	724,328	-	-	-	-	1,963,530
Utilities and telephone	56,821	26,423	97,640	-	52,443	716	187,601	331,412	753,056
Other	218,789	151,683	137,700	200,401	12,586	-	-	-	721,159
Debt charges - interest	176,225	-	-	-	-	-	70,784	39,703	286,712
Administration charges	-	-	-	-	-	1,500	120,000	125,000	246,500
Grants	217,810	-	-	-	-	-	-	-	217,810
Insurance expense	238,892	9,157	-	-	-	-	-	-	248,049
	3,960,067	2,790,382	853,022	1,383,268	2,172,366	47,143	2,493,942	2,799,511	16,499,701
Annual surplus (deficit)	5,977,346	(1,679,213)	(848,138)	(142,759)	99,126	14,260	1,887,749	3,784,940	9,093,311

Town of Osoyoos

Schedule 1 - Restricted Surplus - Reserves for Future Expenditures

For the year ended December 31, 2025

	<i>Opening balance</i>	<i>Transfer to</i>	<i>Transfer from</i>	2025
General Capital Fund				
Land acquisitions	64,245	1,281	-	65,526
General reserves fund	1,083,453	21,610	-	1,105,063
R.C.M.P.	1,491,963	29,758	-	1,521,721
General sustainability fund	528,702	500,518	(368,728)	660,492
Waterfront improvements	449,219	8,960	-	458,179
Landfill future use	231,420	4,616	-	236,036
Town / OIB fire dept.	105,829	185,595	-	291,424
Roads - mariposa	87,404	1,743	-	89,147
Fleet equipment	788,826	454,513	(1,044,351)	198,988
Marina	57,824	1,153	-	58,977
Museum land restoration	35,780	714	-	36,494
Cemetery operations	27,332	545	-	27,877
Fire department	(216,882)	338,000	(101,743)	19,375
Park development	22,886	456	-	23,342
Environmental projects	5,502	110	-	5,612
Bursaries	3,000	-	-	3,000
Transportation, rec & buildings contingency	205,593	605,379	-	810,972
	4,972,096	2,154,951	(1,514,822)	5,612,225
Water Capital Fund				
Equipment replacement	3,823,461	76,260	-	3,899,721
Fleet equipment	-	30,000	-	30,000
Water metering	525,954	10,490	-	536,444
Leak detection / line clearing	147,267	2,937	-	150,204
Water pump and motor replacement	85,436	1,704	-	87,140
Reservoir cleaning	73,634	1,469	-	75,103
Water sustainability fund	1,556,839	1,583,821	-	3,140,660
Water capital contingency	203,986	204,069	-	408,055
	6,416,577	1,910,750	-	8,327,327
Sewer Capital Fund				
Equipment replacement	1,604,329	31,999	(328,547)	1,307,781
Fleet equipment	-	30,000	-	30,000
Sewer sustainability fund	1,593,248	1,426,177	-	3,019,425
Sewer capital contingency	203,988	204,069	-	408,057
	3,401,565	1,692,245	(328,547)	4,765,263
Total restricted surplus	14,790,238	5,757,946	(1,843,369)	18,704,815

Town of Osoyoos
Schedule 2 - Property and Other Taxes
For the year ended December 31, 2025

	<i>Budget (Note 15)</i>	<i>2025</i>	<i>2024</i>
Taxation			
General municipal purposes	7,441,716	7,417,263	6,485,366
Regional District Okanagan-Similkameen	1,302,891	1,300,369	1,125,951
1% utility tax	137,078	137,250	140,958
Collection for other governments			
School District	5,333,125	5,315,607	4,892,897
Regional Hospital District	696,055	693,690	587,592
Okanagan Regional Library	314,266	313,455	300,153
B.C. Assessment Authority	127,535	126,736	117,079
Municipal Finance Authority	679	675	646
	15,353,345	15,305,045	13,650,642
Requisitions paid			
School District	5,341,325	5,321,778	4,904,292
Regional District	1,302,891	1,302,891	1,125,950
Regional Hospital District	696,055	696,055	587,592
Okanagan Regional Library	314,266	314,266	300,153
B.C. Assessment Authority	127,535	127,650	117,257
Municipal Finance Authority	1,079	679	646
	7,783,151	7,763,319	7,035,890
	7,570,194	7,541,726	6,614,752

Town of Osoyoos
Schedule 3 - Tangible Capital Assets
For the year ended December 31, 2025

	<i>Cost</i>	<i>Additions</i>	<i>Disposals</i>	<i>Amortization net of disposals</i>	<i>Accumulated amortization</i>	2025 Net book value
Land and improvements	21,226,932	2,145,431	783,890	92,620	3,586,649	19,001,824
Buildings	14,912,679	331,705	-	401,314	6,896,515	8,347,869
Furniture, equipment and vehicles	8,333,522	1,070,770	301,076	254,075	3,738,027	5,365,189
Roads and drainage	26,739,198	1,006,288	-	591,815	13,101,193	14,644,293
Sewer infrastructure	31,899,196	1,089,675	-	570,386	10,238,548	22,750,323
Water infrastructure	23,391,823	6,985,872	-	406,449	6,790,553	23,587,142
ARO landfill	1,047,174	-	133,495	44,619	86,556	827,123
ARO buildings	724,828	54,879	-	72,908	203,347	576,361
	128,275,352	12,684,620	1,218,461	2,434,186	44,641,388	95,100,124

	<i>Cost</i>	<i>Additions</i>	<i>Disposals</i>	<i>Amortization net of disposals</i>	<i>Accumulated amortization</i>	<i>2024 Net book value</i>
Land and improvements	19,767,153	1,459,779	-	441,200	3,514,697	17,712,235
Buildings	14,857,202	55,477	-	459,790	6,495,201	8,417,478
Furniture, equipment and vehicles	6,364,068	2,371,444	401,990	(39,593)	3,483,952	4,849,570
Roads and drainage	26,739,198	-	-	591,999	12,509,378	14,229,820
Sewer infrastructure	31,729,480	169,716	-	571,137	9,668,162	22,231,034
Water infrastructure	21,975,022	1,416,801	-	380,384	6,384,104	17,007,719
ARO landfill	620,895	426,279	-	41,937	41,937	1,005,237
ARO buildings	225,461	499,367	-	130,439	130,439	594,389
	122,278,479	6,398,863	401,990	2,577,293	42,227,870	86,047,482

Included in tangible capital assets are fully depreciated assets with cost and accumulated amortization of \$2,753,956 (2024 - \$4,462,410).

Corporation of the Town of Osoyoos
Statement of Cemetery Care Trust Fund
Statement of Financial Position
As at December 31, 2025

	2025	2024
Assets		
Cash	107,733	97,117
Temporary investments	18,000	18,000
	125,733	115,117
Equity		
Balance, beginning of year	115,117	110,181
Contributions	10,616	4,936
Withdrawals	-	
	125,733	115,117

The Cemetery Care trust funds are administered by the Town have not been included in the statement of financial position. The trust fund is used for the perpetual maintenance of the cemetery.

Osoyoos Sun Bowl Arena
Financial Statements
December 31, 2025

	Page
Management's Responsibility	
Independent Auditor's Report	
Financial Statement	
Statement of Operations	1
Notes to the Financial Statements	2

Management's Responsibility

To the Advisory Committee of the Osoyoos Sun Bowl Arena,

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Arena's management are responsible for its financial reporting responsibilities and fulfill this responsibility by discussing relevant matters with external auditors. The Arena's management are also responsible for appointing the Arena's external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by the Arena management to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically with, both the Council and management to discuss their audit findings.

May 26, 2026

 e-Signed by Marg Coulson
2026-05-26 15:41:31 PDT

Chief Administrative Officer

Independent Auditor's Report

To the Advisory Committee of the Osoyoos Sun Bowl Arena,

Opinion

We have audited the financial statements of the Osoyoos Sun Bowl Arena (the "Arena"), which comprise the statement of operations for the year ended December 31, 2025, 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 results of its operations for the year ended December 31, 2025, 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 Arena in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the 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 Arena'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 Arena or to cease operations, or has no realistic alternative but to do so.

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

Vernon, British Columbia

May 26, 2026

MNP LLP

Chartered Professional Accountants

Osoyoos Sun Bowl Arena

Statement of Operations

For the year ended December 31, 2025

	Budget (Note 2)	2025	2024
Revenue			
Regional District tax proceeds (Osoyoos - Area A)	721,175	720,427	623,923
Hockey	126,200	122,553	118,554
Town of Osoyoos grant funding	-	213,290	38,525
Figure skating	36,000	31,029	26,281
Maintenance contribution	11,000	10,222	10,005
Concession	2,400	2,625	906
Advertising and miscellaneous	2,300	23,087	3,310
Mezzanine	2,500	1,973	3,501
	901,575	1,125,206	825,005
Expenses			
Wages and benefits	499,300	490,496	503,208
Repairs and maintenance	156,400	374,727	254,405
Utilities	113,400	134,068	115,308
Administration	13,000	13,000	13,000
Office	15,500	7,299	5,237
Licences, dues and miscellaneous	9,700	4,369	8,837
Bank charges and interest	-	3,998	6,275
	807,300	1,027,957	906,270
Annual surplus (deficit)	94,275	97,249	(81,265)
Due from (to) the Town of Osoyoos, beginning of year	-	(38,334)	42,931
Transfers to the RDOS	(38,334)	-	-
Due from (to) the Town of Osoyoos, end of year	55,941	58,915	(38,334)

Approved by:

e-Signed by Sue McKortoff
2026-05-26 15:14:39:39 PDT

Sue McKortoff, Mayor

e-Signed by Nicolette Keith
2026-05-26 13:20:32:32 PDT

Nicolette Keith, Director of Finance

The accompanying notes are an integral part of these financial statements

Osoyoos Sun Bowl Arena

Notes to the Financial Statements

For the year ended December 31, 2025

The organization is a joint committee appointed by the Town of Osoyoos (the "Town") and the Regional District of Okanagan Similkameen ("RDOS"), and its principal business activity consists of the operation of an ice arena. It is the policy of the Osoyoos Sun Bowl Arena (the "Arena") to follow Canadian public sector accounting standards for British Columbia municipalities as prescribed by the Public Sector Accounting Board ("PSAB"), and to apply such provisions consistently.

1. Significant accounting policies

(a) Basis of accounting

The Arena follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Revenue recognition

Revenue from the sale of services is recognized when services are provided. The Arena recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met.

(c) Expenses

Expenses are recognized as they are incurred and measurable based on receipt of goods or services and/or the creation of a legal obligation to pay.

2. Budget data

The budget figures presented are from the Five-Year Financial Plan Bylaw No. 3102, 2025 adopted by Directors of the Regional District of Okanagan-Similkameen (the "District") on March 6, 2025. Subsequent amendments have been approved by Council.

3. Other financial information

The Town has not prepared a statement of financial position, statement of changes in net debt or statement of cash flows as they would not provide additional information.



Corporation of the Town of Osoyoos

APPROVAL OF FINANCIAL INFORMATION

FIR, Schedule 1, Section 9

Town of Osoyoos 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*.

A handwritten signature in black ink, appearing to be "Nicolette Keith", written over a horizontal line.

Name: Nicolette Keith
Position of: Director of Finance
Date: June 3, 2026

A handwritten signature in black ink, appearing to be "Sue McKortoff", written over a horizontal line.

Name: Sue McKortoff
Position of: Mayor
Date: June 3, 2026

Prepared pursuant to the Financial Information Regulation, Schedule 1, section 9

Contact Us



+250.495.6515



www.osoyoos.ca



info@osoyoos.ca



8707 Main Street | Box 3010 | Osoyoos BC

The Annual Report is produced by the Corporate Services Department of the Town of Osoyoos, in cooperation with all departments. Images are provided by Destination Osoyoos, unless otherwise noted.

