

Financial Information Regulation, Schedule 1

Checklist – Statement of Financial Information (SOFI)

For the Corporation:

Corporate Name: Town of Creston Contact Name: Jacob Pauer
 Fiscal Year End: 31 December, 2025 Phone Number: 250-428-2214
 Date Submitted: June 30, 2026 E-mail: jacob.pauer@creston.ca

For the Ministry:

Ministry Name: _____ Reviewer: _____
 Date Received: _____ Deficiencies: Yes No
 Date Reviewed: _____ Deficiencies Addressed: Yes No
 Approved (SFO): _____ Further Action Taken: _____

Distribution: Legislative Library Ministry Retention

FIR Schedule 1 Section	Item	Yes	No	N/A	Comments
General					
1 (1) (a)	Statement of assets and liabilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
1 (1) (b)	Operational statement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
1 (1) (c)	Schedule of debts	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
1 (1) (d)	Schedule of guarantee and indemnity agreements	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
1 (1) (e)	Schedule of employee remuneration and expenses	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
1 (1) (f)	Schedule of suppliers of goods and services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
1 (3)	Statements prepared on a consolidated basis or for each fund, as appropriate	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Consolidated statements presented for all funds together.
1 (4) 1 (5)	Notes to the financial statements for the statements and schedules listed above	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

FIR Schedule 1 Section	Item	Yes	No	N/A	Comments
Statement of Assets & Liabilities					
2	<ul style="list-style-type: none"> A balance sheet prepared in accordance with GAAP or stated accounting principles / policies, and Show changes in equity and surplus or deficit due to operations 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Operational Statement					
3 (1)	Prepared in accordance with GAAP or stated accounting principles / policies and consists of: <ul style="list-style-type: none"> a Statement of Income or Statement of Revenue and Expenditures, and a Statement of Changes in Financial Position 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3 (2) 3 (3)	<ul style="list-style-type: none"> The Statement of Changes in Financial Position may be omitted if it provides no additional information The omission must be explained in the notes 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
3 (4)	Community colleges, school districts, and municipalities must prepare a Statement of Changes in Financial Position for the Capital Fund	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Consolidated statements presented for all funds together. Notes contain reconciliation for Equity in Tangible Capital Assets.
Schedule of Debts					
4 (1) (a) 4 (2)	List each long-term debt (secured by debentures, mortgages, bonds, etc.), stating the amount outstanding, the interest rate, and the maturity date	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4 (1) (b)	Identify debts covered by sinking funds or reserves and amounts in these accounts	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4 (3) 4 (4)	<ul style="list-style-type: none"> The schedule may be omitted if addressed under section 2 or 5 and it provides no additional information The omission must be explained in a note to the schedule 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

FIR Schedule 1 Section	Item	Yes	No	N/A	Comments
Schedule of Guarantee and Indemnity Agreements					
5 (1)	List financial agreements that required government approval prior to being given (see Guarantees and Indemnities Regulation in FIA Guidance Package)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
5 (2)	State the entities involved, and the specific amount involved if known	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
5 (3) 5 (4)	<ul style="list-style-type: none"> • The schedule may be omitted if addressed under section 2 or 4 and it provides no additional information • The omission must be explained in a note to the schedule 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Schedule of Remuneration and Expenses (See Guidance Package for suggested format)					
6 (2) (a)	List separately, by name and position, the total remuneration and the total expenses for each elected official, member of the board of directors, and employee appointed by Cabinet	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
6 (2) (b)	List alphabetically each employee whose total remuneration exceeds \$75,000 and the total expenses for each [excluding the persons listed under 6 (2) (a)]	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
6 (2) (c)	Include a consolidated total for employees whose remuneration is \$75,000 or less [excluding the persons listed under 6 (2) (a)]	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
6 (2) (d)	Reconcile or explain any difference between total remuneration in this schedule and related information in the operational statement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
6 (3)	Exclude personal information other than name, position, function or remuneration and expenses of employees	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

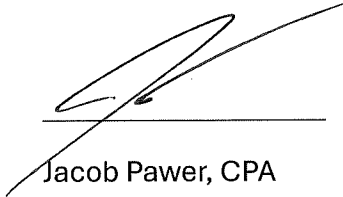
FIR Schedule 1 Section	Item	Yes	No	N/A	Comments
Schedule of Remuneration and Expenses (See Guidance Package for suggested format)					
6 (6)	Report the employer portion of EI and CPP as a supplier payment to the Receiver General for Canada rather than as employee remuneration	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
6 (7) (a) 6 (7) (b)	Include a statement of severance agreements providing: <ul style="list-style-type: none"> • the number of severance agreements under which payment commenced in the fiscal year being reported on for non-union employees, and • the range of equivalent months' compensation for them (see Guidance Package for suggested format)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
6 (8)	Provide the reason for omitting a statement of severance agreements in a note to the schedule of remuneration and expenses	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Schedule of Suppliers of Goods or Services (See Guidance Package for suggested format)					
7 (1) (a)	List in alphabetical order all suppliers of goods and services who received aggregate payments exceeding \$25,000	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
7 (1) (b)	Include a consolidated total of all payments to suppliers who received \$25,000 or less	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
7 (1) (c)	Reconcile or explain any difference between the consolidated total and related figures in the operational statement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
7 (2) (b)	Include a statement of payments for the purposes of grants or contributions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

FIR Schedule 1 Section	Item	Yes	No	N/A	Comments
Inactive Corporations					
8 (1)	The ministry reports for the corporation if the corporation is not operating to the extent required to produce a SOFI	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
8 (2) (a)	The ministry's report contains the statements and schedules required under section 1 (1), to the extent possible	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
8 (2) (b)	The ministry's report contains a statement of the operational status of the corporation (see Guidance Package regarding what to include)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Approval of Financial Information					
9 (1)	Corporations other than municipalities – the SOFI is signed as approved by the board of directors or the governing body (see Guidance Package for example)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
9 (2)	Municipalities – the SOFI is approved by its council and by the officer assigned responsibility for financial administration (see Guidance Package for example)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
9 (3)	A management report is included, signed by the head and chief financial officer, or by the municipal officer assigned responsibility for financial administration (see examples in annual report at http://www.gov.bc.ca/cas/popt/)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
9 (4)	The management report explains the roles and responsibilities of the board of directors or governing body, audit committee, management, and the auditors	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
9 (5)	Signature approvals required in section 9 are for each of the statements and schedules of financial information, not just the financial statements	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

2025

Town of Creston - Statement of Financial Information Approval

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



Jacob Pauer, CPA

Position of Director of Finance

June 30, 2026



Mayor Arnold Deboon

Mayor on behalf of council

June 30, 2026

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



Town of Creston

FINANCIAL STATEMENT 2025

TOWN OF CRESTON

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DECEMBER 31, 2025

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INDEPENDENT AUDITORS' REPORT

To the Mayor and Council Town of Creston

Opinion

We have audited the accompanying financial statements of the Town of Creston, which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statements of operations, 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 Town 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Town 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 the 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 Town'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 Town or cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' 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.

INDEPENDENT AUDITORS' REPORT, continued

Auditors' Responsibilities for the Audit of the Financial Statements, continued

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 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 of the effectiveness of the Town'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 Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 the Auditors' report. However, future events or conditions may cause the Town 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.

Apex Accounting

Chartered Professional Accountants

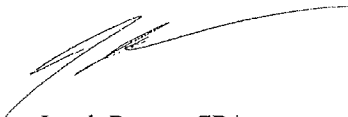
Creston, BC
June 30, 2026

MANAGEMENT REPORT

Management is responsible for the preparation of the accompanying consolidated financial statements. The financial statements have been prepared in accordance with the accounting policies disclosed in Note 1 to the consolidated financial statements and include amounts that are based on estimates and judgements. Management believes that the financial statements fairly present the Town of Creston's consolidated financial position and results of operations. The integrity of the information presented in the financial statements, including estimates and judgements relating to matters not concluded by fiscal year-end, is the responsibility of management. The financial statements have been approved by Council.

Management has established and maintained appropriate systems of internal control including policies and procedures, which are designed to provide reasonable assurance that the Town of Creston's assets are safeguarded and that reliable financial records are maintained to form a proper basis for the preparation of the financial statements.

The independent external auditors, Apex Accounting, Chartered Professional Accountants, have been appointed by Council to express an opinion as to whether the consolidated financial statements present fairly, in all material respects, the Town of Creston's financial position, results of operations, and changes in net financial position in conformity with the accounting policies disclosed in Note 1 to the consolidated financial statements. The report of Apex Accounting, Chartered Professional Accountants, follows and outlines the scope of their examination and their opinion on the consolidated financial statements.



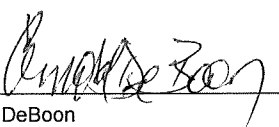
Jacob Pauer, CPA
Director of Finance

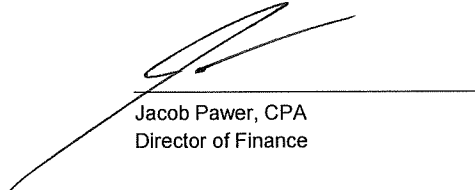
June 26, 2026

Town of Creston
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2025

	2025	2024
Financial Assets		
Cash and investments (Note 2)	\$ 24,872,390	\$ 18,173,190
Accounts receivable (Note 3)	1,463,519	1,748,744
MFA deposits (Note 4)	218,683	216,336
Loans receivable (Note 5)	1,721,981	1,820,129
	<u>28,276,573</u>	<u>21,958,399</u>
Financial Liabilities		
Accounts payable and accrued liabilities (Note 6)	2,234,817	3,958,654
Deferred revenue (Note 7)	6,662,014	1,248,956
Development cost charges (Note 9)	529,063	515,339
Reserve MFA (Note 4)	218,683	216,336
Long-term debt (Note 11)	4,523,278	4,800,137
Asset Retirement Obligations (Note 12)	763,611	760,338
	<u>14,931,466</u>	<u>11,499,760</u>
Net Financial Assets	13,345,107	10,458,639
Non-financial assets		
Tangible capital assets (Notes 1 & 13, Schedule 1)	54,614,383	54,344,225
Supply inventory	615,978	609,122
Prepaid expenses	118,809	166,199
	<u>55,349,170</u>	<u>55,119,546</u>
Accumulated surplus	<u>\$ 68,694,277</u>	<u>\$ 65,578,185</u>
Represented by:		
Operating fund (Schedule 2)	16,088,361	13,242,589
Capital fund (Schedule 2)	1,086,996	1,086,996
Statutory reserve fund (Schedule 2)	2,191,420	2,464,842
Equity in tangible capital assets (Note 14)	49,327,500	48,783,758
	<u>\$ 68,694,277</u>	<u>\$ 65,578,185</u>

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


 Arnold DeBoon
 Mayor


 Jacob Pauer, CPA
 Director of Finance

Town of Creston
CONSOLIDATED STATEMENT OF OPERATIONS
for the year ended December 31, 2025

	2025 Budget	2025	2024
Revenue			
Property Taxes (Note 15)	\$ 6,942,502	\$ 6,939,588	\$ 6,577,966
Grants in Lieu of Taxes	9,400	9,360	8,986
Sale of services (Note 16)	2,342,366	2,333,354	2,672,653
Government transfers (Note 18)	14,017,041	1,684,919	2,753,893
Investment income	440,732	1,113,333	1,179,898
Utility user fees and connection charges	5,323,184	4,505,313	3,541,716
Development cost charges	-	6,750	-
Developer Asset Contributions	-	868,179	-
Other	3,611,232	784,102	474,082
	32,686,457	18,244,898	17,209,194
Expenses			
General government	2,646,670	2,745,832	2,557,947
Municipal contribution for RCMP services	1,527,629	1,518,098	1,608,465
Protective services	2,232,011	2,423,064	2,075,952
Transportation	1,513,073	1,180,500	1,301,705
Health and Welfare	587,451	596,472	574,272
Recreation and Community Services	1,711,068	828,905	960,383
Water Services	1,233,910	1,256,960	1,222,954
Sewer Services	1,709,717	1,806,536	1,741,065
Creston Valley Housing Corporation (Note 22)	44,530	88,697	-
Debt financing and Bank Charges	304,272	306,619	244,147
Amortization (Note 1, Schedule 1)	-	2,247,116	2,127,738
Accretion	-	24,042	29,246
Other expenses	6,993	105,965	-
Loss on write down of accounts receivable	-	-	-
Loss from sale/write down of tangible capital assets	-	-	12,479
	13,517,324	15,128,806	14,456,353
Annual surplus	19,169,133	3,116,092	2,752,841
Accumulated surplus at beginning of year	65,578,185	65,578,185	62,825,344
Accumulated surplus at end of year	\$ 84,747,318	\$ 68,694,277	\$ 65,578,185

Commitments and Contingencies are specified in Note 19.

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

Town of Creston**CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
for the year ended December 31, 2025**

	2025 Budget	2025	2024
Annual surplus	\$ 19,169,133	\$ 3,116,092	\$ 2,752,841
Acquisition of tangible capital assets	(25,496,652)	(2,648,594)	(3,782,541)
Increase in tangible assets due to asset retirement obligations	-	-	(63,917)
Amortization of tangible capital assets	-	2,247,116	2,127,738
Loss from sale/write down of tangible capital assets	-	131,321	12,479
	(6,327,519)	2,845,935	1,046,600
Acquisition of supply inventory		(111,550)	(103,229)
Acquisition of prepaid expense		(142,079)	(196,115)
Consumption of supply inventory		104,693	122,608
Use of prepaid expense		189,469	207,962
		40,533	31,226
Increase in net financial assets	(6,327,519)	2,886,468	1,077,826
Net financial assets at beginning of year	10,458,639	10,458,639	9,380,813
Net financial assets at end of year	\$ 4,131,120	\$ 13,345,107	\$ 10,458,639

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

Town of Creston
CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended December 31, 2025

(Indirect method)	2025	2024
Operating transactions:		
Annual surplus	\$ 3,116,092	\$ 2,752,841
Non-cash and non-financial items:		
Amortization	2,247,116	2,127,738
Accretion	24,042	29,246
Decrease in prepaid expenses	47,390	11,847
(Increase) decrease in supply inventory	(6,856)	19,480
Loss from sale/write down of tangible capital assets	131,321	12,479
Changes to financial assets/liabilities:		
(Increase) decrease in accounts receivable	285,225	(475,117)
Increase in MFA cash deposits	(2,347)	(2,637)
Decrease in loan receivable	98,148	109,359
Increase (decrease) in accounts payable	(1,723,837)	1,915,838
Increase in deferred revenue	5,413,058	165,809
Increase in development cost charges	13,724	28,345
Increase in MFA Reserves	2,347	2,637
Decrease (increase) in asset retirement obligation	(20,770)	-
Cash provided by operating transactions	9,624,653	6,697,865
Capital transactions:		
Acquisition of tangible capital assets	(2,648,594)	(3,782,541)
Cash applied to capital transactions	(2,648,594)	(3,782,541)
Financing transactions:		
Debt repayment	(234,964)	(233,221)
Actuarial Adjustments	(41,895)	(35,544)
Cash applied to financing transactions	(276,859)	(268,765)
Increase in cash and investments	6,699,200	2,646,559
Cash and investments at beginning of year	18,173,190	15,526,631
Cash and investments at end of year	\$ 24,872,390	\$ 18,173,190
Represented by		
Bank deposits and petty cash	5,594,988	600,069
Investments	19,277,402	17,573,121
	\$ 24,872,390	\$ 18,173,190

Town of Creston
Notes to the Consolidated Financial Statements
for the year ended December 31, 2025

General

The Town of Creston (the "Town") was incorporated in 1924, under the Local Government Act of British Columbia. The Town's principal activities include the provision of local government services to residents of the incorporated area. These include administrative, protective, transportation, health and welfare, water, sewer and parks.

1. Significant Accounting Policies

a. Basis of Presentation

The Consolidated Financial Statements of the Town of Creston (the Town), which are the representation of management, are prepared in accordance with Canadian Public Sector Accounting Standards as prescribed by the Public Sector Accounting Board (PSAB). The Consolidated Financial Statements reflect the combined results and activities of the reporting entity which is comprised of the Operating, Capital and Reserve funds controlled or owned by the Town. Inter-fund transactions have been eliminated on consolidation.

- i. Operating Funds: These funds include the General, Water and Sewer operations of the Town. They are used to record the operating costs of the services provided by the Town.
- ii. Capital Funds: These funds include the General, Water and Sewer Capital Funds. They are used to record the acquisition and disposal of property and equipment and their related financing.
- iii. Reserve Funds: Under the Community Charter, Town Council may, by bylaw, establish statutory reserve funds for specified purposes. Money in a reserve fund, and interest earned thereon, must be expended by bylaw only for the purpose for which the fund was established. If the amount in a reserve fund is greater than required, Town Council may, by bylaw, transfer all or part of the balance to another reserve fund. Reserves created as non-statutory segregations of surplus do not have the same formal restrictions as those created by bylaw.
- iv. Trust Funds: These funds account for assets which must be administered as directed by agreement or statute for certain beneficiaries. In accordance with PSAB recommendations on financial statement presentation for local governments, trust funds are not included in the Town's consolidated financial statements. Trust funds administered by the Town are presented in Note 10.

b. Revenue Recognition

Sources of revenue are recorded on the accrual basis and include revenue in the period in which the transactions or events occurred that give rise to the revenues, and expenses in the period the goods and services are acquired and a liability is incurred or transfers are due. Taxation revenues are recognized at the time of issuing the property tax notices for the fiscal year. Sale of services and user fee revenues are recognized when the service or product is rendered by the Town. Grant revenues are recognized when all eligibility criteria has been met. Unconditional government transfers are recognized upon receipt. Revenue unearned in the current period is recorded as deferred revenue.

c. Investments

Investments are carried at market value. Accrued interest and any accrued gains and losses are recognized when investments are adjusted to reflect market value.

d. Use of Estimates

The preparation of financial instruments in accordance with PSAB, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Significant areas requiring estimates include the useful lives of tangible capital assets for amortization, asset retirement obligations, provision for contingencies, inventory valuation and obsolescence, impairment of long-lived assets, accrued liabilities, fair value of investments, pension plans, and deferred revenue. Actual results could differ from management's best estimates as additional information becomes available in the future.

Town of Creston
Notes to the Consolidated Financial Statements
for the year ended December 31, 2025

1. Significant Accounting Policies (continued):

e. Cash and Equivalents

Cash and Equivalents include cash on hand, bank balances, and Municipal Finance Authority (MFA) pooled investment funds and guaranteed investment certificates.

f. Tangible Capital Assets

Tangible capital assets, comprised of capital assets and capital work-in-progress, are recorded at cost less accumulated amortization and are classified according to their functional use. Amortization is recorded on a straight-line basis over the estimated useful life of the asset commencing the year after the asset is put in to service. Donated tangible capital assets are reported at fair value at the time of donation. Estimated useful lives as follows:

Asset Type	Useful Life
Parks Infrastructure	15-50
Building Structure	20-50
Building Improvements	10-40
IT Equipment/Furniture	3-10
Equipment/Vehicles	7-25
Capital Lease Assets	35
Infrastructure (dependent upon component and material)	
Transportation	10-100
Water Infrastructure	10-100
Sewer Infrastructure	10-100
Drainage Infrastructure	10-100

g. Budget Figures

The budget figures are from the Annual Five-Year Financial Plan Bylaw adopted before May 15 of each year.

h. Inventories

The inventories are stated at the lesser of cost and net realizable value. Cost is generally determined on a first-in first-out basis. Obsolete items are written off.

i. Post Employment Benefits

Vacation and sick pay are charged in the year incurred. Sick time is non-accumulative and vacation has limited accumulation based on language in the collective agreement for CUPE employees or by administrative policy for staff. Employment contracts of certain non-union employees obligate the Town to the payment of severance and benefit amounts on termination under certain conditions.

j. Reserve for Future Expenditures

The reserve for future expenditures represents amounts set aside for future operating expenditures.

k. Statutory Reserve Funds

The use of these funds is restricted by the Community Charter and associated Municipal Bylaws. Statutory reserve funds are funded 100% by cash and temporary investments.

l. Financial Instruments

The Town carries several financial instruments. Unless otherwise noted, it is management's opinion that the Town is not exposed to significant currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

Town of Creston
Notes to the Consolidated Financial Statements
for the year ended December 31, 2025

1. Significant Accounting Policies (continued):

m. Government Transfers

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

n. Contributed Tangible Capital Assets

Contributed tangible capital assets have been recognized at fair market value at the date of contribution. Developer asset contributions consist of infrastructure built by the developer as required to service newly developed lands. Upon acceptance by the Town, all risks and rewards of ownership for those assets are passed on to the Town.

o. Segment Disclosure

A segment is defined as a distinguishable activity or group of activities of government for which it is appropriate to separately report financial information. The Town has provided definitions of segments used for the presentation of financial information in segmented format (Note 20). Schedule 3 provides a table of the segmented revenue and expenses for the Town.

p. Contaminated Sites

Under PS3260 governments are required to accrue a liability for the costs to remediate a contaminated site. Liabilities are recognized when an environmental standard exists, contamination exceeds the standard, the government has responsibility for remediation, future economic benefits will be given up and a reasonable estimate can be made.

Management has assessed its potential liabilities under the standard including sites that are no longer in productive use and sites which the Town accepts responsibility. There were no such sites that had contamination in excess of an environmental standard which required remediation at this time, therefore no liability at December 31, 2025.

q. Asset Retirement Obligations

An asset retirement obligation is a legal obligation associated with the retirement of a tangible capital asset that the Town will be required to settle. The Town recognizes asset retirement obligations 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.

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

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

r. Deferred Revenue

Deferred revenue represents funds received for specific purposes which are externally restricted by legislation, regulation, or agreement and are not available for general municipal purposes as well as licences, permits, other fees and grants which have been collected, but for which the related services have not been performed and or projects have not been constructed. These amounts will be recognized as revenues in the fiscal year in which it is used for the specific purpose, the services are performed and or the projects are constructed.

s. Consolidation of Town owned Corporation

The Town owns 100% of Creston Valley Housing Corporation. The financial statements of Creston Valley Housing Corporation are fully consolidated with those of the Town. All inter-entity transactions and unrealized gains are eliminated in the consolidated financial statements. The accounting policies of the Creston Valley Housing Corporation are adjusted to conform to those of the Town.

Town of Creston
Notes to the Consolidated Financial Statements
for the year ended December 31, 2025

2. Cash and Equivalents

	2025	2024
Restricted cash and investments		
Statutory Reserves (Schedule 2)	\$ 2,191,420	\$ 2,464,842
Restricted Revenues (Notes 8 and 9)	1,116,465	746,834
	<u>3,307,885</u>	<u>3,211,676</u>
Unrestricted cash and investments	21,564,505	14,961,514
Total cash and investments	<u>\$ 24,872,390</u>	<u>\$ 18,173,190</u>

3. Accounts Receivable

	2025	2024
Property Taxes	\$ 580,549	\$ 552,909
Other Governments	555,776	820,392
Trade and other	327,194	375,443
Total accounts receivable	<u>\$ 1,463,519</u>	<u>\$ 1,748,744</u>

4. Deposit and Reserve - Municipal Finance Authority

The Municipal Finance Authority of British Columbia (the Authority) provides capital financing for regional districts and their member municipalities. The Authority is required to establish a Debt Reserve Fund. The Authority must then use this fund if at any time there are insufficient funds to meet payments on its obligations. If this occurs the regional districts may be called upon to restore the fund.

Each regional district, through its member municipalities who share in the proceeds of a debt issue, is required to pay into the Debt Reserve Fund certain amounts set out in the financing agreements. The interest earned on the Debt Reserve Fund, less administrative expenses, becomes an obligation of the Authority to the regional districts.

Upon the maturity of a debt issue, the unused portion of the Debt Reserve Fund established for that issue will be discharged to the Municipality. The proceeds from these discharges will be credited to income in the year they are received. As at December 31, the total of the Debt reserve fund was comprised of:

	2025	2024
Cash deposits	\$ 80,725	\$ 75,741
Demand notes	137,958	140,595
	<u>\$ 218,683</u>	<u>\$ 216,336</u>

Town of Creston
Notes to the Consolidated Financial Statements
for the year ended December 31, 2025

5. Loans Receivable

Effective November 2022, The Town signed a 30 year agreement with British Columbia Emergency Health Services (BCEHS) to provide a home for the BCEHS ambulance service for the Creston Valley. The agreement requires the BCEHS to pay \$1,964,228 over a 20 year loan amortization with interest at prime set every 3 years. The rate for the first 3 years is 5.95%. In addition to the capital payments, the BCEHS will contribute annually to its' share of operating costs. If the lease is terminated early, BCEHS will pay back any remaining loan balance at the time of termination.

Since 2008, the Creston Valley Regional Airport Society (CVRAS) has operated the Town owned airport on behalf of the Town. In 2010, Town of Creston loaned \$25,001 to the CVRAS in order to help with working capital requirements for the on-going fuel sales which the CVRAS assumed. The loan is without interest, secured either by fuel receipts or fuel inventory, and is repayable upon the end of the operating agreement and any renewals.

In 2017, The Town of Creston loaned the CVRAS \$107,000 towards the purchase of a caretaker's residence located at the airport. The loan is being repaid over 10 years with annual installments paid every November and bears an interest rate of 3%. The residence would become the property of the Town in the event that the CVRAS would discontinue operating. The balance at December 31, 2025 was \$35,570.

	2025		2024
Creston Valley Airport Society	\$ 60,571	\$	60,508
British Columbia Emergency Health Services	1,661,410		1,759,621
	<u>\$ 1,721,981</u>	\$	<u>1,820,129</u>

6. Accounts payable and accrued liabilities

	2025		2024
Other governments	\$ 1,028,701	\$	2,021,869
Accrued wages and benefits	726,109		556,902
Trade and other	480,007		1,379,883
	<u>\$ 2,234,817</u>	\$	<u>3,958,654</u>

7. Deferred Revenue

	2025		2024
Prepaid taxes	\$ 293,314	\$	240,661
Deposits	386,386		273,230
Federal gas tax (Note 8)	587,402		231,495
Other	5,394,912		503,570
	<u>\$ 6,662,014</u>	\$	<u>1,248,956</u>

Town of Creston
Notes to the Consolidated Financial Statements
for the year ended December 31, 2025

8. Federal Gas Tax

Gas Tax funding is provided by the Government of Canada and use of the funding is restricted by the terms of a funding agreement between the local government and the Union of British Columbia Municipalities. Gas Tax funding may be used towards certain public transit, community energy, water, wastewater, solid waste and Town building projects, as specified in the funding agreements. This amount is reported in the Deferred Revenue line on the Statement of Financial Position.

Federal Gas Tax Agreement Funds	2025	2024
Opening balance of unspent funds	\$ 231,495	\$ 405,619
Add: Amount received during the year	317,627	317,627
Interest earned	38,280	13,032
Less: Amount spent on eligible project costs	-	(504,783)
Closing balance of unspent funds	<u>\$ 587,402</u>	<u>\$ 231,495</u>

9. Development Cost Charges

Development Cost Charges are restricted revenue liabilities representing funds received from developers and deposited into a separate reserve fund for capital expenses. In accordance with PSAS, the Town records these funds as restricted revenue which is then recognized as revenue when the related costs are incurred.

	Opening Balance	Receipts	Interest	Transfers Out	Closing Balance	
Infrastructure DCC	\$ 515,339	\$ -	\$ 20,615	\$ (6,891)	\$ 529,063	
Reserve by Bylaw						
	Roads	Water	Sanitary	Storm	Parks	Total
Duganville (BL 839)	\$ -	\$ 20,184	\$ 4,572	\$ 28,655	\$ -	\$ 53,411
Parks Reserve (BL 1264)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
McLaren (BL 1331)	\$ 740	\$ 205,583	\$ 64,137	\$ -	\$ -	\$ 270,460
Alice Siding (BL 1463)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Alice Siding (BL 1712)	\$ 117,785	\$ 21,708	\$ 50,061	\$ -	\$ 15,638	\$ 205,192
Grand Total:	<u>\$ 118,525</u>	<u>\$ 247,475</u>	<u>\$ 118,770</u>	<u>\$ 28,655</u>	<u>\$ 15,638</u>	<u>\$ 529,063</u>

10. Trust Funds

The Town operates the cemetery and maintains a cemetery perpetual care fund in accordance with the Cremation, Interment and Funeral Services Act. The trust fund assets and liabilities are not included in the consolidated financial statements. At December 31, 2025, the balance of funds held in trust was \$332,789 (2024 - \$318,404).

Town of Creston
Notes to the Consolidated Financial Statements
for the year ended December 31, 2025

11. Long-Term Debt

Purpose	By-law	Remaining Term	Rate	2025	2024
GENERAL FUND					
Debenture Debt					
Emergency Services Building	1872	27	2.58% (a)	\$ 2,705,865	\$ 2,781,871
Emergency Services Building	1872	28	3.36% (a)	1,394,917	1,430,813
				<u>4,100,782</u>	<u>4,212,684</u>
SEWER FUND					
Debenture Debt					
Water Pollution BVF Cover	1734	3	4.52%	51,306	100,806
WWTP Upgrade	1707	5	3.15% (a)	371,190	486,647
				<u>422,496</u>	<u>587,453</u>
				<u>\$ 4,523,278</u>	<u>\$ 4,800,137</u>

(a) Interest repaid on a straight line basis

The following principal amounts are payable over the next five years:
Future minimum principal payments and actuarial additions of existing debt are due as follows:

	General Fund	Sewer Fund	Total
2026	105,264	131,506	236,770
2027	105,264	80,200	185,464
2028	105,264	80,200	185,464
2029	105,264	-	105,264
2030	105,264	-	105,264
2031 and subsequent	2,244,722	-	2,244,722
	<u>2,771,042</u>	<u>291,906</u>	<u>3,062,948</u>
Actuarial addition *	1,329,740	130,590	1,460,330
	<u>\$ 4,100,782</u>	<u>\$ 422,496</u>	<u>\$ 4,523,278</u>

* Actuarial Adjustments represent interest earned on sinking funds held by the Municipal Finance Authority. Such interest is used to reduce the principal amount of outstanding debt.

Town of Creston
Notes to the Consolidated Financial Statements
for the year ended December 31, 2025

12. Asset Retirement Obligations

The Town owns and operates assets that are known to have asbestos and lead paint, which represent a health hazard upon demolition or renovation of the assets. There is a legal obligation to remove and dispose of the hazardous materials. Following the adoption of Public Account Standard PS 3280 *Asset Retirement Obligation*, the Town recognized an obligation relating to the removal of the hazardous materials in these assets as estimated at January 1, 2023. The transition and recognition of asset retirement obligations involved an accompanying increase to the Buildings, Other, and Water Infrastructure capital assets. The increase in capital assets is amortized on a straight-line basis over the remaining expected useful life of the related assets.

The Town has adopted this standard prospectively. Under the prospective method, the discount rate and assumptions used on the initial recognition are those as the date of the adoption of the standard. Estimated costs totalling \$3,142,851 have been discounted using a present value calculation with a discount rate of 4.28%. The timing of these expenditures is estimated to occur between 2025 and 2072 with the regular replacement, renovation or disposal of assets. No recoveries are expected at this time.

	2025	2024
Opening asset retirement obligations	\$ 760,338	\$ 667,175
Initial recognition of expected cash flows		
General Fund Assets		
Buildings	-	63,917
Other	-	-
Water Assets	-	-
Sewer Assets	-	-
	<u>760,338</u>	<u>731,092</u>
Increase due to accretion	24,043	29,246
Less: Remediation work during the year	(20,770)	-
Closing asset retirement obligation	<u>\$ 763,611</u>	<u>\$ 760,338</u>

13. Tangible Capital Assets

	2025	2024
	Net Book	Net Book
	Value	Value
Land	\$ 4,736,861	\$ 4,660,939
Building	12,909,918	13,155,118
Machinery and Equipment	1,753,516	1,761,347
Engineering structures		
Water	8,071,375	8,011,216
Sewer	12,759,153	13,082,355
Drainage	2,660,026	2,369,201
Roads	7,046,889	7,150,917
Other	3,875,914	3,682,827
WIP	800,731	470,305
Total	<u>\$ 54,614,383</u>	<u>\$ 54,344,225</u>

For additional information, see the Consolidated Schedule of Tangible Capital Assets (Schedule 1)

Town of Creston
Notes to the Consolidated Financial Statements
for the year ended December 31, 2025

14. Equity in Tangible Capital Assets

Equity in tangible capital assets (TCA) represents the net book value (NBV) of total capital assets less long term obligations assumed to acquire those assets. The change in consolidated equity in tangible capital assets is as follows:

	2025	2024
Proof:		
Equity in Physical Assets, opening	\$ 48,783,758	\$ 46,901,917
Add:		
Capital Acquisitions	2,648,594	3,782,541
Debt principal repayment	234,964	233,221
Asset Retirement Obligation Asset additions	-	63,917
ARO Remediation	20,770	-
Actuarial Adjustments	41,895	35,544
Less:		
Loss on Disposals	-	(12,479)
Asset Retirement Obligation	-	(63,917)
ARO Accretion	(24,043)	(29,246)
ARO Amortization	(16,860)	(16,860)
Disposals of WIP	(131,321)	-
Amortization	(2,230,257)	(2,110,880)
	<u>\$ 49,327,500</u>	<u>\$ 48,783,758</u>

15. Net Taxation

	2025	2024
General Municipal purposes	\$ 6,117,888	\$ 5,755,084
Collections for other governments		
Provincial Education	2,411,053	2,268,162
Regional Hospital District - East Kootenay	602,590	519,792
Municipal Finance Authority	301	288
BC Assessment Authority	57,595	53,471
Regional District of Central Kootenay	3,317,205	3,147,811
	<u>12,506,632</u>	<u>11,744,608</u>
Transfers to other governments		
Provincial Education	2,411,053	2,268,162
Regional Hospital District - East Kootenay	602,785	519,792
Municipal Finance Authority	300	288
BC Assessment Authority	57,615	53,471
Regional District of Central Kootenay	3,318,341	3,147,811
	<u>6,390,094</u>	<u>5,989,524</u>
Net Municipal Taxes	6,116,538	5,755,084
Water and Sewer Funds - Frontage Taxes	823,050	822,882
	<u>\$ 6,939,588</u>	<u>\$ 6,577,966</u>

Town of Creston
Notes to the Consolidated Financial Statements
for the year ended December 31, 2025

16. Sale of Services, User Rates, Rentals

	2025		2024
Sale of cemetery plots and burial charges	\$ 89,540	\$	74,505
Regional District - cemetery	96,010		94,453
- fire protection and rescue	947,968		1,063,578
Provincial - fire suppression and rescue	13,518		136,261
Fines	1,132		39,530
Licences and permits	159,630		176,145
Rents	341,351		491,472
Solid Waste Collection and Disposal Fees	486,098		464,778
Concessions and franchises	79,856		96,894
Miscellaneous fees and charges	118,251		35,037
Total	<u>\$ 2,333,354</u>	\$	<u>2,672,653</u>

17. Expenditure by Object

	2025		2024
Goods and Services	\$ 4,560,245	\$	6,356,568
Interest and Finance Charges	306,619		237,556
Salaries, wages and benefits	7,756,828		5,555,812
Amortization	2,247,116		2,127,738
Accretion	24,042		29,247
Other	233,956		149,432
Total	<u>\$ 15,128,806</u>	\$	<u>14,456,353</u>

18. Government Transfers

	2025		2024
Federal: Conditional Transfers	\$ 9,538	\$	500,200
Provincial: Conditional Transfers	583,022		520,329
Provincial: Unconditional Transfers	549,000		615,051
Regional/Other: Conditional Transfers	552,719		1,118,313
Less: Grants in Lieu	(9,360)		-
Total	<u>\$ 1,684,919</u>	\$	<u>2,753,893</u>

19. Commitments and Contingencies

- a. The municipality and its employees contribute to the Municipal Pension Plan (Plan), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2025, the plan has about 256,000 active members and approximately 129,000 retired members. Active members include approximately 45,000 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 billion funding surplus for basic pension benefits on a going concern basis.

In 2025, the Town paid \$337,658 (2024 - \$331,849) in employer contributions to the plan.

The next valuation will be at December 31, 2027 with results available in 2028.

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

- b. The Town is responsible, as a member of the Regional District Central Kootenay, for its portion of any operating deficits or long-term debt related to functions in which it participates.
- c. The Town is a subscribed member of the Municipal Insurance Association of British Columbia (The "Exchange") as provided by section 3.02 of the Insurance Act of the Province of British Columbia. The main purpose of the Exchange is to pool the risks of liability so as to lessen the impact upon any subscriber. Under the Reciprocal Insurance Exchange Agreement, the Town is assessed a premium and specific deductible for its claims based on population. The obligation of the Town with respect to the Exchange and/or contracts and obligations entered into by the Exchange on behalf of its subscribers in connection with the Exchange are in every case several, not joint and several. The Town irrevocably and unconditionally undertakes and agrees to indemnify and save harmless the other subscribers against liability losses and costs which the other subscriber may suffer.
- d. The nature of the Town's activities is such that there is litigation pending or in progress at any time. With respect to unsettled claims at December 31, 2025, management is of the opinion that the Town has valid defences and appropriate insurance coverage in place, or if there is unfunded risk, such claims are not expected to have material effect on the Town's financial position. Outstanding contingencies are reviewed on an ongoing basis and are provided for based on management's best estimate of the ultimate settlement.

20. Segmented Disclosure

The Town of Creston has identified the General Government, Municipal Share of RCMP Costs, Protective Services, Transportation Services, Sanitation and Waste Removal, Cemetery Services, Community Planning, Recreation, Water Utility and Sewer Collection and Treatment as distinguishable activities of the municipality for which it is appropriate to separately report financial information.

The nature of the activities of these identified segments are as follows:

The General Government function provides for the on-going daily operations for the municipality

The Municipal Share of RCMP Costs - function are the activities associated with the cost of having the RCMP detachment in Creston including the officers, administrative and victim services staff, jailing costs as well as building costs.

The Protective Services function includes fire department, building inspection, animal control and bylaw compliance and enforcement services.

The Health and Welfare function is divided into two distinct services, Sanitation and Waste Removal and Cemetery Services.

Recreation and Community Services are divided into two distinct services, the Community Planning function administer all land development applications as zoning and Official Community Plan management, and the Recreation Services function takes care of the parks and trails in Creston.

The Water Utility function is a self funded service which is responsible for the procurement and delivery of drinking water throughout the municipality.

The Sewer Utility function is a self fund services which is responsible for the collection and treatment of wastewater for residences, commercial and industry.

The financial activities of these segments are reported in the following Schedule of Consolidated Operations by Segment (Schedule 3).

Town of Creston
Notes to the Consolidated Financial Statements
for the year ended December 31, 2025

21. Accumulated Surplus

	2025	2024
Unappropriated Surplus/(Deficit)		
General Fund	\$ 1,195,672	\$ 1,545,099
Water Fund	3,820,140	3,570,590
Sewer Fund	3,350,503	2,227,208
Capital Surplus	1,086,996	1,086,996
	<u>9,453,311</u>	<u>8,429,893</u>
Less: Non-financial component (prepaids & inventory)	(734,787)	(775,321)
Amount available to finance operations	<u>8,718,524</u>	<u>7,654,572</u>
 Non-Statutory Reserves		
Operating Reserves	1,400,958	711,120
Operating Capital Replacement Reserves	6,321,088	5,188,572
	<u>7,722,046</u>	<u>5,899,692</u>
 Statutory Reserves		
Property purchase reserve	27,051	27,051
Parking reserve	38,996	38,996
Water district reserve	251,671	251,671
Growing Communities Fund	1,873,702	2,147,124
	<u>2,191,420</u>	<u>2,464,842</u>
 Subtotal	<u>18,631,990</u>	<u>16,019,106</u>
 Equity in Tangible Capital Assets	<u>49,327,500</u>	<u>48,783,758</u>
 Add back unappropriated surplus amounts not available to finance operations	734,787	775,321
	<u>\$ 68,694,277</u>	<u>\$ 65,578,185</u>

The Unappropriated Surplus is the amount of Accumulated Surplus remaining after deducting the other appropriated surplus balances (see below). It is available to temporarily finance operations until planned revenues (i.e. property taxes, grants etc.) are received, or for other operating or capital purposes as determined by Council, to the extent that it is available as cash.

The Non-Statutory and Statutory Reserves are Accumulated Surplus that have been set-aside by decision of Council for a specified purpose. The Statutory Reserves have been established by bylaw in accordance with the *Community Charter* and their use is restricted by the related bylaw and legislation. In the normal course of operations, these funds will be used to finance the future services or capital works for which they have been appropriated.

Equity in Tangible Capital Assets is equal to the book value of the tangible capital assets less related long-term debt. In the normal course of operations the tangible capital assets will not be available to finance operations, but will be consumed/used to provide services, and the debt will be repaid by future period revenues.

22. Creston Valley Housing Corporation

The Creston Valley Housing Corporation was incorporated on September 16, 2024 under the Business Corporations Act of British Columbia to provide attainable priced housing to residents of the Town of Creston. As a wholly owned subsidiary of the Town of Creston, the Corporation is not subject to income taxes.

The following table provides condensed financial information for the Corporation as follows, prior to consolidation:

	2025	2024
Financial Position		
Assets	5,018,433	-
Liabilities	(4,118,020)	-
Equity	(900,415)	-
Operations		
Revenue	583,288	-
Expenses	88,697	-
Excess of revenue over expenses	494,591	-

23. Comparative Figures

Certain of the comparative figures for 2024 have been restated to conform with the financial statements presentation adopted in the current year.

Schedule 1

Town of Creston
Consolidated Schedule of Tangible Capital Assets
Year Ended December 31, 2025

	Land	Buildings	Equipment/ Furniture/ Vehicles	Engineering Structures	Water	Sewer	Drainage	Streets	Other	WIP	2025 Total	2024 Total
Historical Cost:												
Opening Balance	\$ 4,660,939	\$ 15,666,829	\$ 6,193,100	\$ 13,434,010	\$ 26,575,925	\$ 5,292,488	\$ 21,297,006	\$ 7,206,697	\$ 470,305	\$ 100,797,299	\$ 97,175,835	
Additions	75,922	57,512	333,251	324,209	254,602	355,295	394,794	391,262	461,747	2,648,594	3,782,541	
Additions due to ARO Recognition Note (13)	-	-	-	-	-	-	-	-	-	-	63,917	
Disposals	-	-	-	-	-	-	-	-	(131,321)	(131,321)	(224,994)	
Write Downs and Adjustments	-	-	-	-	-	-	-	-	-	-	-	
Closing Balance, Dec. 31	\$ 4,736,861	\$ 15,724,341	\$ 6,526,351	\$ 13,758,219	\$ 26,830,527	\$ 5,647,783	\$ 21,691,800	\$ 7,597,959	\$ 800,731	\$ 103,314,572	\$ 100,797,299	
Accumulated Amortization:												
Opening Balance	\$ -	\$ 2,511,711	\$ 4,431,752	\$ 5,422,794	\$ 13,493,570	\$ 2,923,286	\$ 14,146,090	\$ 3,523,869	\$ -	\$ 46,453,072	\$ 44,537,950	
Amortization Expense	-	293,380	341,083	263,342	577,385	64,471	498,821	191,775	-	2,230,257	2,110,880	
Amortization of ARO Assets	-	9,332	-	708	419	-	-	6,401	-	16,860	16,860	
Effects of Disposals	-	-	-	-	-	-	-	-	-	-	(212,615)	
Closing Balance, Dec. 31	-	2,814,423	4,772,835	5,686,844	14,071,374	2,987,757	14,644,911	3,722,045	-	48,700,189	46,453,075	
Net book value for year ended December 31, 2025	\$ 4,736,861	\$ 12,909,918	\$ 1,753,516	\$ 8,071,375	\$ 12,759,153	\$ 2,660,026	\$ 7,046,889	\$ 3,875,914	\$ 800,731	\$ 54,614,383	\$ 54,344,224	

	Balances, Beginning of Year	Contributions From Operations	Withdrawals for Capital Purposes	Withdrawals for Operating Purposes	Interest Earnings	Balances, End of Year
OPERATING FUND SURPLUS						
SURPLUS						
General Fund Surplus	\$ 1,545,104	\$ -	\$ (214,414)	\$ (293,416)	\$ 158,398	\$ 1,195,672
Water Fund Surplus	3,570,590	116,976	-	-	132,574	3,820,140
Sewer Fund Surplus	2,227,208	1,138,883	(109,064)	-	93,476	3,350,503
	<u>7,342,902</u>	<u>1,255,859</u>	<u>(323,478)</u>	<u>(293,416)</u>	<u>384,448</u>	<u>8,366,315</u>
NON STATUTORY RESERVES						
Municipal Software Reserve	-	300,000	-	-	33,365	333,365
Police Operating Reserve	3,943	-	-	-	696	4,639
Health Promotion & EDC Reserve	88,128	14,387	-	-	15,180	117,695
Green Initiatives Reserve	460,582	8,000	-	-	71,601	540,183
Engineering Reserve	65,426	22,534	-	-	11,343	99,303
Bin Replacement Reserve	79,473	-	-	-	13,722	93,195
Cemetery Operating Reserve	13,569	49,465	-	-	2,392	65,426
Housing Corporation Reserve	-	147,152	-	-	-	147,152
	<u>711,121</u>	<u>541,538</u>	<u>-</u>	<u>-</u>	<u>148,299</u>	<u>1,400,958</u>
CAPITAL REPLACEMENT RESERVES						
Public works equipment reserve	361,460	200,000	-	-	57,687	619,147
Fire equipment replacement reserve	667,236	90,000	-	-	98,411	855,647
Infrastructure Reserve	1,193,266	421,671	-	-	155,683	1,770,620
Wastewater treatment plant reserve	2,966,610	-	-	-	109,064	3,075,674
	<u>5,188,572</u>	<u>711,671</u>	<u>-</u>	<u>-</u>	<u>420,845</u>	<u>6,321,088</u>
TOTAL OPERATING FUND SURPLUS	<u>13,242,595</u>	<u>2,509,068</u>	<u>(323,478)</u>	<u>(293,416)</u>	<u>953,592</u>	<u>16,088,361</u>
CAPITAL FUND SURPLUS						
General Capital Fund Surplus	190,536	-	-	-	-	190,536
Water Capital Fund Surplus	321,995	-	-	-	-	321,995
Sewer Capital Fund Surplus	574,465	-	-	-	-	574,465
	<u>1,086,996</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,086,996</u>
STATUTORY RESERVES						
Property purchase reserve	27,051	-	-	-	-	27,051
Parking reserve	38,996	-	-	-	-	38,996
Water district reserve	251,671	-	-	-	-	251,671
Growing Communities Fund	2,147,124	-	(120,000)	(250,000)	96,578	1,873,702
	<u>2,464,842</u>	<u>-</u>	<u>(120,000)</u>	<u>(250,000)</u>	<u>96,578</u>	<u>2,191,420</u>
TOTAL SURPLUS AND RESERVES	<u>\$ 16,794,433</u>	<u>\$ 2,509,068</u>	<u>\$ (443,478)</u>	<u>\$ (543,416)</u>	<u>\$ 1,050,170</u>	<u>\$ 19,366,777</u>

Town of Creston
 Schedule of Consolidated Operations by Segment
 Year Ended December 31, 2025

	Health & Welfare						Recreation and Community Services						2025 Total	2024 Total
	General Government	Municipal Contribution Share of RCMP Costs	Protection Services	Transportation	Sanitation and Waste Removal	Cemetery Services	Community Planning	Recreation	Water Utility	Sewer Utility	Creston Valley Housing Corporation	Unallocated		
Revenue														
Taxation	\$ -	\$ 1,350,476	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 390,523	\$ 432,527	\$ -	\$ 4,766,062	\$ 6,939,588	\$ 6,586,952
Sale of services and rents	301,672	113,918	1,059,018	10,228	486,098	185,550	61,834	21,000	-	-	14,179	79,857	2,333,354	2,672,653
Government transfers	89,957	20,303	574,579	41,748	2,320	-	86,402	1,500	-	-	319,109	558,361	1,694,279	2,753,893
Investment income	-	-	-	-	-	-	20,614	-	132,574	242,125	-	718,020	1,113,333	1,179,898
Utility user fees and connection charges	-	-	-	-	-	-	-	-	1,467,596	3,037,717	-	-	4,505,313	3,541,715
Development Cost Charge Revenue	-	-	-	-	-	-	6,750	-	-	-	-	-	6,750	-
Developer Asset Contributions	-	-	-	603,506	-	-	-	-	143,475	121,198	-	-	868,179	-
Other	95,634	-	155,256	15,213	-	-	18,050	-	-	-	250,000	249,949	784,102	474,082
	487,263	1,484,697	1,788,853	670,695	488,418	185,550	193,650	22,500	2,134,168	3,833,567	583,288	6,372,249	18,244,898	17,209,193
Expenses														
Salaries and Wages	2,119,545	126,273	1,942,175	930,091	262,660	132,001	273,687	445,497	388,476	1,070,862	65,561	-	7,756,828	5,555,812
Goods and Services	583,178	1,391,825	478,389	225,979	191,194	3,747	83,486	26,235	841,018	712,058	23,136	-	4,560,245	6,356,568
Debt Financing	-	-	234,537	-	-	-	-	-	-	72,082	-	-	306,619	237,556
Amortization	-	-	-	498,821	-	-	-	-	264,050	577,804	-	906,441	2,247,116	2,127,738
Accretion	-	-	-	-	-	-	-	-	-	-	-	24,042	24,042	29,247
Other Expenses	43,109	-	2,500	24,430	6,870	-	-	-	27,466	23,616	-	105,965	233,956	149,432
	2,745,832	1,518,098	2,657,601	1,679,321	460,724	135,748	357,173	471,732	1,521,010	2,456,422	88,697	1,036,448	15,128,806	14,456,353
Total	\$ (2,258,569)	\$ (33,401)	\$ (868,748)	\$ (1,008,626)	\$ 27,694	\$ 49,802	\$ (163,523)	\$ (449,232)	\$ 613,158	\$ 1,377,145	\$ 494,591	\$ 5,335,801	\$ 3,116,092	\$ 2,752,840

Town of Creston
 Schedule of Provincial Growing Communities Fund
 Year Ended December 31, 2025

SCHEDULE 4

	2025	2024
Beginning Balance	\$ 2,147,124	\$ 2,281,658
Growing Communities Fund Grant	-	-
Interest Earned on Funds	96,578	105,603
Eligible Costs		
	-	-
Municipal Housing Corporatation Start-up costs	(250,000)	(19,899)
Purchase of Training Grounds equipment	(120,000)	(220,238)
Remaining Reserve Balance	<u>\$ 1,873,702</u>	<u>\$ 2,147,124</u>

The Province of BC distributed conditional Growing Communities Fund grants to local governments to help them build community infrastructure and amenities to meet the demands of population growth. The Town of Creston received \$2,350,000 in March of 2023.

The Town of Creston
SCHEDULE SHOWING REMUNERATION AND EXPENSES PAID FOR 2025

1. 6 (2) (a) Elected Officials

NAME	POSITION	REMUNERATION	EXPENSES
Ares, Monique	Councillor	27,925.30	6,467.00
Baldwin, Keith	Councillor	23,125.30	6,322.52
DeBoon, Arnold	Mayor/Councillor	44,679.27	6,845.29
Dumas, Denise	Councillor	23,325.30	8,097.28
Eisler, Norman	Councillor	20,380.33	52.19
Hawton, Carolyn	Councillor	22,876.13	5,845.47
Holland, Megan	Councillor	22,276.13	4,988.84
Total Elected Officials		\$ 184,587.76	\$ 38,618.60

2. 6 (2) (b) Employees Exceeding \$75,000

NAME	POSITION	REMUNERATION	EXPENSES
Bergman, Robert A.	Carpenter	81,405.52	-
Billheimer, Jon M.	Fire Services Support Supervisor	77,303.83	-
Collins, Jesse	Operator 2	77,844.97	-
Comer, Joel	Director of Community Services	114,721.25	2,088.15
Delisle, Asha	Emergency Management & Climate Readiness Coordinator	82,519.64	5,662.53
Dodman, Laura	Assistant Fire Chief	103,939.60	1,112.91
Dunbar, Kirsten	Director of Corporate Services	86,712.74	5,240.07
Dyer, Brandy	Communications Coordinator	82,691.64	-
Ewashen, Natasha	Municipal Services Coordinator & Planner	80,071.46	4,478.92
Fabbro, Randall T.	Fire Captain	87,170.67	1,854.13
Farynowski, Colin	Manger of Engineering	158,532.66	549.54
Grant, Tyler	Operator 2	79,954.12	-
Hiltermann, Michael	Pipefitter	76,904.50	2,607.84
Johnston, L. Trent	Utilities Chargehand	87,773.00	-
Klassen, Steffan	Director of Finance & Corporate Services	121,791.48	5,945.52
Lam, Andrew	Operator 2	79,816.67	-
Messinger, Ron	Operator 3	79,540.36	-
Moore, Michael	Chief Administrative Officer	202,026.60	10,543.05
Neufeld, Marsha	Executive Assistant	105,684.51	3,506.38
Ray, Megan	Finance and Administrative Assistant	79,543.12	-
Riel, Jared	Director of Protective Services & Fire Chief	121,478.72	5,553.81
Schmidt, Ferdinand	Director of Infrastructure Services	96,841.30	-
Spears, Matthew	Operator 1	78,452.84	-
Todaro, Toby	Waste Water Chief Operator	124,211.36	159.08
Valer, Brent	Public Works Superintendent	90,971.90	-
Vigne, Brandon	Manager of Building Services and Bylaw Services	92,388.79	9,009.27
Jeff Webb	Waste Water Treatment Plan Operator	88,445.10	-
Ziefflie, Brad	Director of Infrastructure Services	119,170.63	463.24
Total Employees Exceeding \$75,000		\$ 2,757,908.98	\$ 58,774.44

6 (2) (c) Employees Remuneration
\$75,000 or less

1,691,004.47 60,352.88

Total Employees

\$ 4,633,501.21 \$ 157,745.92

3. Reconciliation

	REMUNERATION
Total Elected Officials	\$ 184,587.76
Total Employees	4,448,913.45
Subtotal	4,633,501.21
Total	Included in Statement of Revenue and Expenditure
	\$ 4,633,501.21

Town of Creston – Statement of Financial Information 2025

SCHEDULE SHOWING PAYMENTS MADE FOR THE PROVISION OF GOODS OR SERVICES

1. Alphabetical list of suppliers who received aggregate payments exceeding \$25,000

Supplier Name	Aggregate amount paid to supplier
As per attached list	\$15,801,429
Deduct grants below	\$0
Total aggregate amount paid to suppliers	\$15,801,429

2. Consolidated total paid to suppliers who received aggregate payments of \$25,000 or less

	\$2,160,510
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3. Total of payments to suppliers for grants and contributions exceeding \$25,000

Consolidated total of grants exceeding \$25,000	\$0
Consolidated total of contributions exceeding \$25,000	\$0
Consolidated total of all grants and contributions exceeding \$25,000	\$0

4. Reconciliation

Total of aggregate payments exceeding \$25,000 paid to suppliers	\$ 15,801,429
Consolidated total of payments of \$25,000 or less paid to suppliers	\$ 2,160,510
Consolidated total of all grants and contributions exceeding \$25,000	\$ 0
Reconciling items*	(\$2,587,822)
Total per Statement of Revenue and Expenditures	\$15,374,117

*The Town prepares the schedule of payments based on actual disbursements processed through its accounts payable system. This provides assurance on completeness as the reported amounts are reconciled to the financial system cheque register and electronic funds transfer records. The schedule of payments is a "cash basis" listing. Therefore, this figure will differ significantly from the expenditures in the consolidated financial statements which are reported on an accrual basis, resulting in timing differences. Furthermore, there are disbursements which are not considered expenditures including payments made to other taxing jurisdictions, tangible capital asset additions, employee payroll deductions, and debt principal repayments. Conversely there are expenditures which do not involve an actual disbursement (in addition to accruals) such as amortization.

**TOWN OF CRESTON
YTD Paid Report**



AP5070

Date : Jun 25, 2026

Page : 1

Time : 1:53 pm

Supplier Code From : 00001
To : STMP000057

Categories From : 35 - Paper Products Supplier
To : W - Subcontractors

Sequence : By Name Date Range From : 01-Jan-2025
To : 31-Dec-2025

Suppress Printing for \$ Under 25,000.00

Supplier Code	Name	Total
00107	3-D CONCRETE	48,386.35
00951	AARDVARK PAVEMENT MARKING SERVICES	38,186.52
00316	ADVANCE DIVING PROJECTS LTD.	91,813.04
56520	AERZEN CANADA	38,541.09
01086	ANDREW SHERET LIMITED	94,349.49
14081	APEX ACCOUNTING CHARTERED PROFESSIONAL ACCOUNTANT	33,757.50
11758	ASSOCIATED ENGINEERING ALBERTA LTD	287,554.40
03900	BC ASSESSMENT AUTHORITY	57,704.20
48001	BDI CANADA	29,717.33
15514	BROGAN FIRE & SAFETY	200,042.62
03897	BUILDERS CONSTRUCTION	77,778.73
06350	CANADIAN UNION OF PUBLIC EMPLOYEES - LOCAL 2092	33,811.38
06392	CATHRO CONSULTING LTD.	49,194.60
06389	CENTRALSQUARE CANADA SOFTWARE INC	37,458.65
80088	CHAPMAN CATHY A	25,024.27
06040	CIBC VISA (by EFT)	372,980.90
06453	CITIES DIGITAL INC. - CANADA	35,766.36
24648	CIVIC LEGAL LLP	49,786.65
06488	CLEARTECH INDUSTRIES INC.	39,740.47
06600	COMFORT WELDING LTD.	44,516.52
06524	COVER ARCHITECTURAL COLLABORATIVE INC.	77,805.00
07709	CRESTON VALLEY REGIONAL AIRPORT SOCIETY	249,096.34
06443	ECOSCAPE ENVIRONMENTAL CONSULTANTS LTD.	28,581.00
48007	ECOTAINER SALES INC	28,267.82
10459	EMERGENCY MANAGEMENT GROUP	47,370.87
10456	ENVISIO SOLUTIONS INC	25,200.00
12701	FORTIS BC - Electricity	305,042.92
12705	FORTISBC - NATURAL GAS ACCOUNT #420622	135,109.64
12815	FR RENTALS LTD	45,267.19
15490	GRIFFITH SURVEYS	25,245.47
15502	GUDJONSON FARMS LTD.	25,875.00
16192	HACH SALES & SERVICE CANADA LP	26,497.38
00325	HM AERO INC.	48,768.84
19403	ISL ENGINEERING AND LAND SERVICES LTD.	155,410.29
36502	KOOTENAY EAST REGIONAL HOSPITAL DISTRICT	603,655.49
06494	LABATT BREWING COMPANY LIMITED	756,955.00
48657	LAMBOURNE ENVIRONMENTAL LTD.	48,720.00
26160	LORNE D MANN "IN TRUST"	86,383.89
25335	LYNX INDUSTRIES	37,448.94

TOWN OF CRESTON
YTD Paid Report



AP5070

Page : 2

Date : Jun 25, 2026

Time : 1:53 pm

Supplier Code From : 00001
 To : STMP000057

Sequence : By Name **Date Range From :** 01-Jan-2025
 To : 31-Dec-2025

Categories From : 35 - Paper Products Supplier
 To : W - Subcontractors

Suppress Printing for \$ Under 25,000.00

Supplier Code	Name	Total
26252	MAYDAY ELECTRIC LTD.	111,154.18
15382	MOUNTAIN SPARKLE CLEANING INC	78,191.62
27880	MUNICIPAL INSURANCE ASSOCIATION OF BC	64,355.00
27905	MUNICIPAL PENSION PLAN	541,938.56
27909	MUNICIPAL PENSION PLAN - Group 5	98,632.32
30095	OKANAGAN OFFICE SYSTEMS	37,362.63
32002	PACIFIC BLUE CROSS (by EFT)	287,031.70
32045	PARAGON STRATEGIC SERVICES LTD.	28,696.86
23067	PETERBILT PACIFIC INC.	25,760.64
32463	POWER PAVING	127,185.00
48517	RAMTECH ENTERPRISES LTD	25,889.75
36298	RECEIVER GENERAL FOR CANADA - THE COMMISSIONER	1,347,295.98
36300	RECEIVER GENERAL FOR CANADA - FULL TIME	1,066,426.45
36301	RECEIVER GENERAL FOR CANADA - PART TIME	216,247.19
36500	REGIONAL DIST. CENTRAL KOOTENAY - DEBENTURES	433,972.37
36501	REGIONAL DIST. OF CENTRAL KOOTENAY - SUN	5,318,917.83
38391	SEA TO SKY NETWORK SOLUTIONS	318,245.26
38407	SFJ Inc. (EFT)	102,020.05
49005	SHA-DAINE HOLDINGS LTD.	50,939.83
39088	SULLIVAN STONE COMPANY LTD.	54,681.11
26315	T&T POWER GROUP INC.	147,253.07
40209	TETRA TECH CANADA INC.	34,468.07
48058	TIP-IT WASTE SOLUTIONS INC	496,085.55
05813	TULMAR SAFETY SYSTEMS INC	27,747.57
04975	TURN-KEY CONTROLS LTD.	28,490.00
46437	WATERHOUSE EXECUTIVE SEARCH	44,861.05
47646	WORKSAFE BC	116,196.37
46383	WSP CANADA INC	128,571.04
Total Suppliers Equal and Over		25,000.00
Other Suppliers Under		25,000.00
Total Of Printed Suppliers :		17,961,938.72

2025

Town of Creston - Statement of Financial Information

SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS

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

Prepared under the Financial Information Regulation, Schedule 1, subsection 6(8)

2025

Town of Creston - Statement of Financial Information

STATEMENT OF SEVERANCE AGREEMENTS

There were no severance agreements made between the Town of Creston and its non-unionized employees during fiscal year 2025.

Prepared under the Financial Information Regulation, Schedule 1, subsection 6(8)