

DRAFT Consolidated Financial Statements of



And Independent Auditor's Report thereon

Year ended December 31, 2025

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MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of the Central Coast Regional District (the "District") are the responsibility of the District's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The District's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

The District's Board meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by KPMG LLP, independent external auditors appointed by the District. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the District's consolidated financial statements.

Jayme Kennedy, Chair of Board

Curtis Slingerland, Chief Administrative Officer

INDEPENDENT AUDITOR'S REPORT

To the Members of Central Coast Regional District

Opinion

We have audited the consolidated financial statements of Central Coast Regional District (the District), which comprise:

- the consolidated statement of financial position as at December 31, 2025
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the District as at December 31, 2025 and its consolidated results of operations, change in 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 Consolidated Financial Statements"*** section of our auditor's report.

We are independent of the District in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our ethical other 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.

Other Information

Management is responsible for the other information. The other information comprises:

- Information, other than the financial statements and the auditor's report thereon, included in Schedule 1 Growing Communities Fund Reserve

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Information, other than the financial statements and the auditor's report thereon, included in Schedule 1 Growing Communities Fund Reserve as at the date of this auditor's report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

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

Those charged with Governance are responsible for overseeing the District's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the District's 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
- 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.

DRAFT

Chartered Professional Accountants

Prince George, Canada

April 23, 2026



Consolidated Statement of Financial Position

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December 31, 2025, with comparative information for 2024

	2025	2024
Financial assets:		
Cash and cash equivalents (note 2)	\$ 2,886,578	\$ 10,191,277
Accounts receivable (note 3)	2,190,330	1,070,539
Inventories	29,635	35,800
Investments (note 4)	2,772,127	552,162
	<u>7,878,670</u>	<u>11,849,778</u>
Financial liabilities:		
Accounts payable and accrued liabilities (note 5)	283,118	1,135,834
Deferred revenue (note 6)	1,905,965	3,102,923
Asset retirement obligation (note 7)	3,299,818	3,210,039
Long-term debt (note 8)	257,238	-
	<u>5,746,139</u>	<u>7,448,796</u>
Net financial assets	2,132,531	4,400,982
Non-Financial Assets:		
Prepaid expenses	222,944	21,333
Tangible capital assets (note 9)	16,861,063	8,462,626
	<u>17,084,007</u>	<u>8,483,959</u>
Commitments and contingencies (note 10)		
Related party transactions (note 11)		
Accumulated surplus (note 12)	\$ 19,216,538	\$ 12,884,941

See accompanying notes to consolidated financial statements.

On behalf of the Board:

_____ Director _____ Director



Central Coast

REGIONAL DISTRICT

That we may be good people together

Consolidated Statement of Operations and Accumulated Surplus

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Year ended December 31, 2025, with comparative information for 2024

	2025 Budget (note 15)	2025 Actual	2024 Actual
Revenue (note 13):			
Airport fees and rentals	\$ 369,316	\$ 371,103	\$ 326,764
Federal grants-in-lieu of tax	88,943	93,348	88,943
Fire protection tolls	32,670	35,136	32,773
Government transfers (note 14)			
Provincial	5,320,744	2,389,040	3,762,514
Federal	1,846,912	4,466,327	97,014
Investment income	76,145	111,114	113,537
Landfill user fees	231,447	235,466	179,615
Other revenue	5,034,097	328,632	97,921
Multi Materials BC	19,280	49,169	19,280
Nuxalk Nation contributions	105,000	105,000	105,000
Parcel Taxes	26,375	26,375	26,250
Recreation user fees	3,960	3,870	3,301
Tax levy	1,645,930	1,645,930	1,532,378
Watertolls	188,317	196,875	167,844
	14,989,136	10,057,385	6,553,134
Expenditures (note 13):			
Community works and planning	1,680,568	81,300	108,058
Economic development services	326,384	128,007	59,997
General government	1,982,913	2,078,080	1,661,312
Parks, recreation and culture	4,273,216	117,970	121,979
Protective services	1,091,007	370,387	306,871
Solid waste management	1,780,658	433,436	380,063
Transportation	534,634	382,748	263,217
Utility services	6,300,343	133,860	109,729
	17,969,723	3,725,788	3,011,226
Annual (deficit) surplus	(2,980,587)	6,331,597	3,541,908
Accumulated surplus, beginning of year	12,884,941	12,884,941	9,343,033
Accumulated surplus, end of year	\$ 9,904,354	\$ 19,216,538	\$ 12,884,941

See accompanying notes to consolidated financial statements.

Consolidated Statement of Changes in Net Financial Assets

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Year ended December 31, 2025, with comparative information for 2024

	Budget	2025	2024
Annual (deficit) surplus	\$ (2,980,587)	\$ 6,331,597	\$ 3,541,908
Acquisition of tangible capital assets	-	(9,045,678)	(2,338,787)
Amortization of tangible capital assets	-	621,488	255,463
Disposal of tangible capital assets	-	25,753	5,468
	-	(8,398,437)	(2,077,856)
Acquisition of prepaid expenses	-	(222,944)	(21,333)
Use of prepaid expenses	-	21,333	243,299
	-	(201,611)	221,966
Change in net financial assets	(2,980,587)	(2,268,451)	1,686,018
Net financial assets, beginning of year	4,400,982	4,400,982	2,714,964
Net financial assets, end of year	\$ 1,420,395	\$ 2,132,531	\$ 4,400,982

See accompanying notes to consolidated financial statements.

Consolidated Statement of Cash Flows

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Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 6,331,597	\$ 3,541,908
Items not involving cash:		
Amortization	621,488	255,463
Accretion expense	113,532	121,756
Loss on disposal on tangible capital assets	-	5,468
	7,066,617	3,924,595
Changes in non-cash operating working capital:		
Accounts receivable	(1,119,791)	(493,226)
Inventories	6,165	(35,800)
Accounts payable and accrued liabilities	(852,716)	967,217
Deferred revenue	(1,196,958)	(71,286)
Asset retirement obligation	2,000	61,794
Prepaid expenses	(201,611)	221,966
	3,703,706	4,575,260
Financing activities:		
Proceeds of long-term debt	257,238	-
Investing activities:		
Acquisition of tangible capital assets	(9,045,678)	(2,338,787)
Investment (purchase) redemption	(2,219,965)	166,522
	(11,265,643)	(2,172,265)
(Decrease) increase in cash and cash equivalents	(7,304,699)	2,402,995
Cash and cash equivalents, beginning of year	10,191,277	7,788,282
Cash and cash equivalents, end of year	\$ 2,886,578	\$ 10,191,277

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

DRAFT

Year ended December 31, 2025

Nature of operations:

Central Coast Regional District (the "Entity") operates under the provisions of the Local Government Act and the Community Charter of British Columbia. Its principal activities include the provision of local government services to residents of the region. These include regional protective, water and environmental, airport and recreation services.

1. Significant accounting policies:

These consolidated financial statements are prepared in accordance with Canadian public sector accounting standards. The Entity's significant accounting policies are as follows:

(a) Basis of presentation:

The consolidated financial statements of the District are prepared by management in accordance with Canadian generally accepted accounting principles for local governments, as prescribed by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

(b) Principles of consolidation:

The consolidated financial statements include accounts of all funds of the District including General Operating, Water Operating, General Capital, Water Capital and Reserve Funds. Interfund balances and transactions have been eliminated.

(c) Accrual accounting:

The accrual method for reporting revenues and expenditures, including capital expenditures, has been used. Revenues are recorded in the period they are earned. Expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

Notes to Consolidated Financial Statements (continued)

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Year ended December 31, 2025

1. Significant accounting policies (continued):

(d) Cash and cash equivalents:

Cash and cash equivalents consist of cash on hand less outstanding cheques and deposits with a maturity of less than three months at the time of purchase and term deposits with a maturity of less than one year. When outstanding cheques are in excess of cash on hand, the excess is reported in bank indebtedness.

(e) Investments:

Investments are recorded at cost, adjusted for amortization of premiums or discounts. Provisions for losses are recorded when they are considered to be other than temporary.

(f) Tangible capital assets:

Tangible capital assets are recorded in the General Capital Fund and Water Capital Fund at cost or deemed cost, which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset less accumulated amortization.

Contributed tangible capital assets are recorded at fair value at the date of receipt and also are recorded as revenue.

The costs, less residual values, of the tangible capital assets, excluding land are amortized using the declining balance method, at the following rates over their estimated useful lives as follows:

Asset	Rate
Buildings	4%
Furniture and equipment	20%
Hagensborg water system infrastructure	2%
Parks and recreation projects	20%
Paving	5%
Vehicles	30%
Water distribution system	4%

The District regularly reviews its tangible capital assets to eliminate obsolete items.

Notes to Consolidated Financial Statements (continued)

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Year ended December 31, 2025

1. Significant accounting policies (continued):

(f) Tangible capital assets (continued):

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

(g) Inventory:

Inventory on hand at the financial statement date consists of fuel for re-sale and is valued at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis.

(h) Revenue recognition:

Grants and contributions (other than grants-in-lieu of taxes) are recorded when receivable. Grants-in-lieu of taxes are recognized at the earlier of when received or when money is determined to be more likely than not collected.

Each Electoral Area within the District is requisitioned for their portion of each service in which they participate. These funds are then levied by the Province (for Electoral Areas) to individual taxpayers and turned over to the District by August 1st of each year. Tax levies are recognized in the year in which they are levied.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Revenue unearned in the current period is recorded as deferred revenue. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Government transfers are recognized as revenue in the period in which events giving rise to the transfer occur. Revenue is recognized when a transfer is authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

Revenue from the sales of services and user charges, as well as other revenue, are recorded as revenue when the performance obligations are met.

Notes to Consolidated Financial Statements (continued)

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Year ended December 31, 2025

1. Significant accounting policies (continued):

(i) Deferred revenues:

Deferred revenues includes grants, contributions and other amounts received from third parties pursuant to legislation, regulation and agreement which may only be used in certain programs or in the completion of specific work. Revenue is recognized in the period when the related expenses are incurred or services performed.

(j) Interest:

Interest earned is allocated on the basis of actual earnings from the specific instruments. Excess funds or temporary borrowings of all functions and capital projects are pooled and interest income or expense is allocated to the individual functions and capital projects on a monthly basis.

(k) Budget reporting:

The original budget bylaw stated in the statement of operations and accumulated surplus represents the Annual Budget Bylaw adopted by the Board of Directors on February 27, 2025. These figures do not reflect subsequent amendments made by the Board of Directors to reflect changes in the budget throughout the year as required by law.

(l) Contaminated sites:

Contaminated sites are a result of a contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environment standard. The liability is recorded net of any expected recoveries.

A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

- i) an environmental standard exists;
- ii) contamination exceeds the environmental standard;
- iii) the District is directly responsible or accepts responsibility;
- iv) future economic benefits will be given up; and
- v) a reasonable estimate of the amount can be made.

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

Notes to Consolidated Financial Statements (continued)

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Year ended December 31, 2025

1. Significant accounting policies (continued):

(m) Use of estimates:

The preparation of the consolidated financial statements in conformity with Canadian public sector accounting standards 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 consolidated financial statements and the reported amounts of revenue and expenses during the year. Areas requiring use of management estimates relate to the collectability of accounts receivable, estimated useful lives of tangible capital assets and the provision for asset retirement obligations. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known.

Actual results could differ from these estimates.

(n) Financial instruments:

Financial instruments include cash and cash equivalents, accounts receivable, investments, accounts payable and accrued liabilities, and long-term debt.

Financial instruments are recorded at fair value on initial recognition. Equity instruments quoted in an active market and derivatives are subsequently measured at fair value as at the reporting date. All other financial instruments are subsequently measured at cost or amortized cost unless the District has elected to carry the financial instrument at fair value. The District has not elected to carry any financial instruments at fair value.

Unrealized changes in fair value would be recognized on the consolidated statement of remeasurement gains and losses. They are recorded in the consolidated statement of operations when they are realized. There are no unrealized changes in fair value as at December 31, 2025 and December 31, 2024. As a result, the District does not have a consolidated statement of remeasurement gains and losses.

Transaction costs incurred on the acquisition of financial instruments subsequently measured at fair value are expensed as incurred. Transaction costs incurred on the acquisition of financial instruments recorded at cost or amortized cost are included in the cost.

Notes to Consolidated Financial Statements (continued)

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Year ended December 31, 2025

1. Significant accounting policies (continued):

(n) Financial instruments (continued):

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the consolidated statement of operations and accumulated surplus.

(o) Asset retirement obligations:

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

The liability for closure of the operational site and post-closure care relating to the landfill site has been recognized based on estimated future expenses. An additional liability for the removal of hazardous materials and decommissioning of certain assets has also been recognized based on estimated future expenses.

The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is being amortized in accordance with the amortization policies outlined in 1(f).

Notes to Consolidated Financial Statements (continued)

DRAFT

Year ended December 31, 2025

1. Significant accounting policies (continued):

(p) Future accounting pronouncements:

These standards and amendments were not effective for the year ended December 31, 2025, and have therefore not been applied in preparing these consolidated financial statements. Management is currently assessing the impact of the following accounting standards updates on the future consolidated financial statements.

- (i) Concepts Underlying Financial Performance. The revised conceptual framework will replace the existing conceptual framework, which consists of Section PS 1000, Financial Statement Concepts, and Section PS 1100, Financial Statement Objectives. The conceptual framework is to be adopted prospectively. This revised conceptual framework is effective for fiscal years beginning on or after April 1, 2026.
- (ii) PS 1202, Financial Statement Presentation, will replace the current section PS 1201. The District is currently assessing the impact of this standard on the future consolidated financial statements. Prior period amounts would need to be restated to conform to the presentation requirements for comparative financial information. This standard is effective for fiscal years beginning on or after April 1, 2026.
- (iii) PS 3251, Employee Benefits, will replace the current sections PS 3250 and PS 3255. The proposed section is currently undergoing discussions where further changes are expected as a result of the re-exposure comments. Effective date is currently not determined.



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Notes to Consolidated Financial Statements (continued)

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Year ended December 31, 2025

2. Cash and cash equivalents:

	2025	2024
Operating cash	\$ 575,896	\$ 2,985,069
Savings cash	1,671,536	5,168,845
Term deposits	9,300	1,425,087
Short-term investments	628,846	611,276
Equity shares at the Williams Lake and District Credit Union	1,000	1,000
	\$ 2,886,578	\$ 10,191,277

Short-term investments are held in Municipal Finance Authority pooled money market fund with an annual rate of return of approximately 2.8% (2024 - 4.7%).

The District has a line of credit, secured by a term deposit with a maximum of \$200,000. Interest is payable monthly at prime rate. As of December 31, 2025, the line of credit had not been used.

3. Accounts receivable:

	2025	2024
Trade and other	\$ 2,061,134	\$ 964,306
Accrued interest	34,882	16,861
Sales taxes receivable	94,314	89,372
	\$ 2,190,330	\$ 1,070,539

Notes to Consolidated Financial Statements (continued)

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Year ended December 31, 2025

4. Investments:

	2025	2024
MFA bond funds	\$ 570,145	\$ 552,162
Term deposit, expires February 6, 2030, interest at 3.35%	1,150,000	-
Guaranteed Investment Certificate, expires December 19, 2027, interest at 2.85%	855,027	-
Term deposit, expires December 24, 2028, interest at 2.55%	196,955	-
	\$ 2,772,127	\$ 552,162

Investments are recorded at cost. As at December 31, 2025, the fair market value of the investments is \$2,757,159 (2024 - \$534,167).

5. Accounts payable and accrued liabilities:

	2025	2024
Trade and other payables	\$ 189,101	\$ 1,083,219
Government remittances payable	30,421	21,027
Wages and related costs	63,596	31,588
	\$ 283,118	\$ 1,135,834

Notes to Consolidated Financial Statements (continued)

DRAFT

Year ended December 31, 2025

6. Deferred revenue:

Deferred revenue consists of funds received from grants for specific projects with conditions placed on its use for which the related conditions have not yet been met.

The deferred revenue are allocated from the following functions:

	Balance, beginning of year	Contributions received	Contributions brought into revenue	Balance, end of year
Provincial grants	\$ 3,094,948	\$ 764,923	\$ (1,961,881)	\$ 1,897,990
Federal grants	-	4,466,327	(4,466,327)	-
Other grants	7,975	304,975	(304,975)	7,975
	<u>\$ 3,102,923</u>	<u>\$ 5,536,225</u>	<u>\$ (6,733,183)</u>	<u>\$ 1,905,965</u>

7. Asset retirement obligation:

The District owns and operates several buildings, as well as water infrastructure, that are known to have hazardous material or require specific decommissioning, which represents a health hazard upon demolition or removal of the assets and there is a legal obligation to remove it. Following the adoption of PS 3280 - Asset Retirement Obligations, the District recognized an obligation relating to the removal and post-removal care of the hazardous materials.

The District operates a landfill and is responsible for closure and post closure care under the Waste Management Act of British Columbia. The future site restoration costs consists of compacting and grading, final cover and vegetation, surface water management, leachate monitoring, water quality monitoring and ongoing maintenance. The liability for the closure of the landfill operational site and post-closure care has been recognized under PS 3280 - Asset Retirement Obligation. The costs were based upon the presently known obligations that will exist at the estimated year of closure of the site and for post-closure activities. The landfill had an estimated useful life of 51 years when it was first in use, of which 9 years remain. Post-closure care is estimated to be required for 30 years from the date of site closure. These costs were discounted to December 31, 2025 using a discount rate of 3.99% (2024 - 3.82%) per annum.

Notes to Consolidated Financial Statements (continued)

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Year ended December 31, 2025

7. Asset retirement obligation (continued):

	2025	2024
Landfill closure	\$ 3,059,818	\$ 2,972,039
Hazardous material removal	240,000	238,000
	\$ 3,299,818	\$ 3,210,039
	2025	2024
Asset retirement obligation, beginning of year	\$ 3,210,039	\$ 3,026,489
Accretion	113,532	121,756
Additions	2,000	-
Settlement	-	(15,000)
Change in estimate	(25,753)	76,794
Asset retirement obligation, end of year	\$ 3,299,818	\$ 3,210,039

The change in estimate is the result of fluctuations in discount and interest rates used to discount the landfill closure obligation as at December 31, 2025.



Notes to Consolidated Financial Statements (continued)

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Year ended December 31, 2025

8. Long-term debt:

By-law #25-01-04, approved on January 23, 2025, the District is authorized to borrow up to \$400,000 under section 403 of the Local Government Act, from the Municipal Finance Authority of BC, for the Swimming Pool replacement project, the loan is due on demand.

	2025	2024
Municipal Finance Authority demand loan bearing interest at 2.85% per annum, interest due and payable on the last day of the month, principal can be repaid any time without penalty and must be repaid by August 14, 2030.	\$ 257,238	\$ -

Provided that the loan is not demanded, the District plans to repay the demand loan over 5 years.

Principal repayments:

2026	\$ 55,766
2027	55,766
2028	55,766
2029	55,766
2030	34,174
	\$ 257,238

Total interest expensed in the statement of operations in the year is \$261.



Notes to Consolidated Financial Statements (continued)

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Year ended December 31, 2025

9. Tangible capital assets:

2025										
	Land and land improvements	Buildings	Furniture and equipment	Hagensborg water system infrastructure	Parks and recreation projects	Paving	Vehicles	Water distribution system	Work in progress	Total
Cost:										
Balance, beginning of year	\$ 2,480,531	\$ 2,555,014	\$ 1,032,408	\$ 358,727	\$ 1,460,320	\$ 1,717,795	\$ 297,378	\$ 1,570,482	\$ 2,207,427	\$ 13,680,082
Additions	-	16,517	29,455	4,393,959	4,489,224	-	63,389	2,000	51,134	9,045,678
Disposals	(25,753)	-	-	-	-	-	-	-	-	(25,753)
Transfers	-	38,541	-	562,540	1,230,832	-	-	-	(1,831,913)	-
Balance, end of year	2,454,778	2,610,072	1,061,863	5,315,226	7,180,376	1,717,795	360,767	1,572,482	426,648	22,700,007
Accumulated amortization:										
Balance, beginning of year	601,541	666,611	720,865	35,380	491,870	1,382,541	257,941	1,060,707	-	5,217,456
Amortization expense	7,679	77,554	63,422	22,489	382,092	16,763	30,848	20,641	-	621,488
Balance, end of the year	609,220	744,165	784,287	57,869	873,962	1,399,304	288,789	1,081,348	-	5,838,944
	\$ 1,845,558	\$ 1,865,907	\$ 277,576	\$ 5,257,357	\$ 6,306,414	\$ 318,491	\$ 71,978	\$ 491,134	\$ 426,648	\$ 16,861,063

Work in progress represents capital projects at year end that have not been completed and are not ready for their intended use therefore not amortized.



Notes to Consolidated Financial Statements (continued)

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Year ended December 31, 2025

9. Tangible capital assets (continued):

2024										
	Land and land improvements	Buildings	Furniture and equipments	Hagensborg water system infrastructure	Parks and recreation projects	Paving	Vehicles	Water distribution system	Work in progress	Total
Cost:										
Balance, beginning of year	\$ 2,295,627	\$ 2,555,014	\$ 1,012,689	\$ 358,727	\$ 666,801	\$ 1,717,795	\$ 297,378	\$ 1,570,482	\$ 954,308	\$ 11,428,821
Additions	76,794	-	19,719	-	853,726	-	-	-	1,388,548	2,338,787
Disposals	-	-	-	-	(87,526)	-	-	-	-	(87,526)
Transfers	108,110	-	-	-	27,319	-	-	-	(135,429)	-
Balance, end of year	2,480,531	2,555,014	1,032,408	358,727	1,460,320	1,717,795	297,378	1,570,482	2,207,427	13,680,082
Accumulated amortization:										
Balance, beginning of year	601,541	587,909	645,772	27,585	534,074	1,365,114	241,040	1,041,016	-	5,044,051
Amortization expense	-	78,702	75,093	7,795	39,854	17,427	16,901	19,691	-	255,463
Disposal	-	-	-	-	(82,058)	-	-	-	-	(82,058)
Balance, end of the year	601,541	666,611	720,865	35,380	491,870	1,382,541	257,941	1,060,707	-	5,217,456
	\$ 1,878,990	\$ 1,888,403	\$ 311,543	\$ 323,347	\$ 968,450	\$ 335,254	\$ 39,437	\$ 509,775	\$ 2,207,427	\$ 8,462,626

Notes to Consolidated Financial Statements (continued)

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Year ended December 31, 2025

10. Commitments and contingencies:

- a) The Entity is involved from time to time in litigation, which arises in the normal course of operations. Liabilities arising from any litigation are recognized in the consolidated financial statements when the outcome becomes reasonably determinable. In management's judgment there is no material negative exposure at this time from existing litigations.
- b) The District is a member of the Municipal Insurance Association of British Columbia. As a member of this association, the District is contingently liable for claims in excess of the insurance fund.
- c) The District and its employees contribute to the Municipal Pension Plan (a jointly trusteed 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.



10. Commitments and contingencies (continued):

c)

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 District paid \$60,492 (2024 - \$59,623) for employer contributions to the plan in fiscal 2025.

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

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.

d) The District has entered into the following property lease agreements:

	Term	Expiry date	Annual lease cost
Arena	30 years	July 18, 2041	\$ 1
Centennial pool	50 years	March 31, 2058	1
Thorsen Creek Waste and Recycling Centre	10 years	November 8, 2033	1

The District leases the land for the arena and the Thorsen Creek Waste and Recycling Centre from the Province of British Columbia. The District leases the land for the Centennial pool from The Farmer's Institute. The fair market value on the land leases are undeterminable and therefore an estimate has not been disclosed.

Notes to Consolidated Financial Statements (continued)

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Year ended December 31, 2025

11. Related party transactions:

The District is related to the Central Coast Regional Hospital District ("Hospital District") as the members of the Board of Directors of the District form the majority of the members of the Board of Directors of the Central Coast Regional Hospital District. As legislated by the Hospital District Act, the officers and employees are the corresponding officers and employees of the Central Coast Regional District. Each of the Regional District and the Hospital District are separate legal entities authorized by separate legislation.

During the year, Central Coast Regional Hospital District received accounting and management services from the District and paid \$13,500 (2024 - \$13,500) for these services.

These transactions are in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

12. Accumulated surplus:

	2025	2024
General operating fund	\$ 2,095,025	\$ 2,742,842
Water operating fund	231,782	390,658
Equity in tangible capital assets	13,304,007	5,252,587
Capital works, machinery, equipment reserve	6,014	6,014
Asset replacement fund	430,851	424,501
Hagensborg fire reserve	765,375	673,267
Hagensborg water reserve	-	753,772
Landfill closure reserve	2,005,026	1,765,000
Growing communities fund reserve	325,000	830,000
General operations reserve	37,000	37,000
Bella Coola parks land acquisition reserve	9,300	9,300
Landfill operating reserve	54	-
Utility reserve	7,104	-
	\$ 19,216,538	\$ 12,884,941

13. Segmented information:

The Central Coast Regional District is a local government providing a wide range of services to residents, including parks, recreation centres, fire protection, water and sewer services. As a requirement of the Local Government Act, separate financial records must be kept for each service providing detailed allocation of assets and liabilities, revenues and expenses, information concerning reserve funds and other pertinent financial details. For each reported segment, revenues and expenses represents amounts that are directly attributable to the segment and also amounts that are allocated on a reasonable basis. Segmentation has been determined on a functional basis with consideration to service delivery and department accountabilities. The following is a description of the types of services included in each of the main service segments of the District's consolidated financial statements.

Community works and planning:

This segment pertains to the Community Works Fund under the Gas Tax Agreement with the Provincial and Federal Governments as well as the Land Use Planning function operated by the District. Land Use Planning includes zoning bylaws and the Official Community Plan, as well as the assessment of Housing Needs, which is a mandate from the provincial government.

Economic development services:

This service includes the services of a full time economic development officer. The function provides economic development services to all electoral areas.

General government:

General government services include the District's administration and Board governance. It also provides grants in aid services to community groups.

Parks, recreation and culture:

The District owns and operates regional parks in the Bella Coola Valley, and provides recreation services to the Denny Island Community in addition to Bella Coola. The District also requisitions a tax levy for the provision of library services by the Vancouver Island Regional Library in Bella Coola and 'books by mail' service to other communities in the region.

Notes to Consolidated Financial Statements (continued)

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Year ended December 31, 2025

13. Segmented information (continued):

Protective services:

These services include the function of emergency management within all electoral areas, as well as fire protection in the Bella Coola town site and Hagensborg.

Solid waste management:

The District owns and operates the Thorsen Creek Waste & Recycling Centre in the Bella Coola Valley. The site includes a full range of recycling facilities, free store and waste disposal.

Transportation:

The Bella Coola Airport and the Denny Island Airport are owned and operated by the District. The facility in Bella Coola includes terminal buildings, an office/hangar, lease lots, runway, parking area and other things associated with airport facilities. The Denny Island facility includes a landing strip and small outbuilding.

Utility services:

Streetlights in various locations throughout the Bella Coola valley and the town site are provided by the District through an agreement with BC Hydro. Water supply is provided by agreement with the Nuxalk Nation and water distribution is provided to the Bella Coola town site and Hagensborg areas.



Notes to Consolidated Financial Statements (continued)

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Year ended December 31, 2025

13. Segmented information (continued):

2025										
	Community works and planning	Economic development services	General government	Parks, recreation and culture	Protective services	Solid waste management	Transportation	Utility services	Total	
Revenue:										
Airport fees and rentals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 371,103	\$ -	\$ 371,103	
Grants	267,147	54,975	447,302	2,940,991	201,096	30,134	77,202	3,234,843	7,253,690	
Investment income	515	-	44,745	-	11,239	49,329	-	5,286	111,114	
Other	-	-	21,014	-	-	156,812	-	-	177,826	
Taxation	20,000	59,246	841,653	299,740	185,436	183,925	35,473	46,832	1,672,305	
User charges	-	-	-	3,870	35,136	235,466	-	196,875	471,347	
Total revenues	287,662	114,221	1,354,714	3,244,601	432,907	655,666	483,778	3,483,836	10,057,385	
Expenses:										
Amortization	-	-	600,847	-	-	-	-	20,641	621,488	
Contracts	-	-	-	-	-	137,690	21,240	-	158,930	
Interest	261	-	-	-	-	-	-	-	261	
Asset retirement obligation accretion	-	-	-	-	-	113,532	-	-	113,532	
Operating	76,348	19,171	418,941	104,369	306,354	87,013	277,903	22,514	1,312,613	
Professional fees	4,691	-	85,839	-	1,102	1,631	6,260	24,777	124,300	
Repairs and maintenance	-	-	4,216	9,074	21,195	19,313	40,020	20,683	114,501	
Telephone and utilities	-	-	25,062	4,523	16,623	8,485	6,930	21,587	83,210	
Wages and related costs	-	108,836	943,175	4	25,113	65,772	30,395	2,383	1,175,678	
Waterworks - Nuxalk Band	-	-	-	-	-	-	-	21,275	21,275	
Total expenses	81,300	128,007	2,078,080	117,970	370,387	433,436	382,748	133,860	3,725,788	
Annual surplus (deficit)	\$ 206,362	\$ (13,786)	\$ (723,366)	\$ 3,126,631	\$ 62,520	\$ 222,230	\$ 101,030	\$ 3,349,976	\$ 6,331,597	

Notes to Consolidated Financial Statements (continued)

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Year ended December 31, 2025

13. Segmented information (continued):

2024										
	Community works and planning	Economic development services	General government	Parks, recreation and culture	Protective services	Solid waste management	Transportation	Utility services	Total	
Revenue:										
Airport fees and rentals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 326,764	\$ -	\$ 326,764	
Grants	261,013	43,754	408,348	1,756,653	128,490	1,164,220	46,245	182,601	3,991,324	
Investment income	514	-	90,565	-	112	-	-	22,346	113,537	
Other	-	-	19,137	15,321	-	144,890	-	-	179,348	
Taxation	20,000	59,246	786,794	276,388	181,836	179,684	6,973	47,707	1,558,628	
User charges	-	-	1	3,300	32,773	179,615	-	167,844	383,533	
Total revenues	281,527	103,000	1,304,845	2,051,662	343,211	1,668,409	379,982	420,498	6,553,134	
Expenses:										
Amortization	-	-	235,772	-	-	-	-	19,691	255,463	
Contracts	-	-	-	-	-	132,404	18,240	-	150,644	
Interest	-	-	-	-	-	-	-	8	8	
Asset retirement obligation accretion	-	-	-	-	-	121,756	-	-	121,756	
Operating	94,196	5,641	389,856	103,281	234,087	53,649	199,161	15,608	1,095,479	
Professional fees	13,862	-	63,051	4,890	2,367	803	9,816	12,949	107,738	
Repairs and maintenance	-	-	4,845	11,585	29,502	12,617	30,413	19,167	108,129	
Telephone and utilities	-	-	24,108	1,850	14,746	7,384	5,193	20,391	73,672	
Wages and related costs	-	54,356	943,680	373	26,169	51,450	394	640	1,077,062	
Waterworks - Nuxalk Band	-	-	-	-	-	-	-	21,275	21,275	
Total expenses	108,058	59,997	1,661,312	121,979	306,871	380,063	263,217	109,729	3,011,226	
Annual surplus (deficit)	\$ 173,469	\$ 43,003	\$ (356,467)	\$ 1,929,683	\$ 36,340	\$ 1,288,346	\$ 116,765	\$ 310,769	\$ 3,541,908	



Notes to Consolidated Financial Statements (continued)

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Year ended December 31, 2025

14. Government transfers:

	2025	2024
Provincial transfers:		
Unconditional	\$ 427,159	\$ 416,067
Conditional	1,961,881	3,346,447
	2,389,040	3,762,514
Federal transfers:		
Conditional	4,466,327	97,014
	\$ 6,855,367	\$ 3,859,528

15. Budget data:

The budget data presented in the financial statements is based upon 2025 operating budget approved by the Board on February 27, 2025. The table below reconciles the approved budget to the budget figures reported in these financial statements.

	2025
Revenue:	
Operating budget	15,140,049
Less:	
Apportioned administration services	(150,913)
Total revenues	14,989,136
Expenses:	
Operating budget	18,120,636
Less:	
Apportioned administration services	(150,913)
Total expenses	17,969,723
Annual deficit	\$ (2,980,587)

Notes to Consolidated Financial Statements (continued)

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Year ended December 31, 2025

16. Comparative information:

The consolidated financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year annual surplus.



Central Coast
REGIONAL DISTRICT
That we may be good people together

Schedule 1 - Growing Communities Fund Reserve

Year ended December 31, 2025, with comparative information for 2024
(Unaudited)

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 British Columbia.

The District received \$830,000 of GCF funding in March 2023.

	2025	2024
Opening balance of reserve	\$ 830,000	\$ 830,000
Project expenditures:		
Swimming pool	305,000	-
Hagensborg water	200,000	-
	505,000	-
	\$ 325,000	\$ 830,000