THE VILLAGE OF
NAKUSP

VILLAGE OF NAKUSP

ANNUAL REPORT

2025

Village of Nakusp

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Message from the Mayor

I am pleased to present the 2025 Annual Report on behalf of Nakusp Village Council. Council includes Mayor Tom Zeleznik, Councillors Aidan McLaren-Caux, Mason Hough, Dolly Edwards, and Tina Knooihuizen. Since beginning our term in November 2022, Council has remained focused on our strategic goals, along with building a strong, resilient, and sustainable future for Nakusp while responding to the needs of residents and businesses.

Mayor Zeleznik

2025 was another productive and demanding year for our community. Council continued working with the community to strengthen Nakusp's economic resiliency, our assets, infrastructure, recreation opportunities, and overall quality of life, while building on the strengths that make our community vibrant and welcoming.

Throughout 2025, significant progress was made on major infrastructure, planning, recreation, and community development initiatives that will benefit Nakusp for many years to come.

- Continued implementation of the Village's new Zoning Bylaw and advancement of priorities identified within the Official Community Plan to support housing opportunities, residential density, and future community growth.
- Streamlined municipal processes and reduced red tape.
- Reviewed and updated policies and bylaws, some over 40 years old.
- Established and strengthened reserve funds for infrastructure and service needs
- Elevated asset management and long-term planning across municipal services.
- Continued advocacy to senior levels of government regarding ambulance services, road rescue, taxation reform, and inequities related to Hydro GILT funding.
- The Nakusp Wayfinding and Signage Strategy moved into implementation in 2025, with new signage improving navigation, for the community and visitors.
- Work continued the multi-year Wastewater Treatment Plant Optimization Project, with lagoon upgrades, aeration, sludge removal, and environmental compliance.
- Recreation Centre heating and cooling upgrades progressed, improving its ability to serve as an Emergency Reception Centre during emergencies and power outages.
- Continued improvements at the Nakusp Hot Springs, including geothermal heating upgrades, heat pumps in chalets, and operational enhancements to improve efficiency, and reduce costs.

Over the past several years, our community has continued to face significant challenges, including fluctuating reservoir levels, wildfire impacts, tourism disruptions, and inland ferry labour interruptions. Through these challenges, Nakusp residents, businesses, volunteers, and community organizations have demonstrated exceptional resilience, adaptability, and community spirit.

Message From the Mayor Cont'd

These experiences continue to reinforce the importance of supporting local businesses, tourism, forestry related sectors, emergency preparedness, advocating for fairness for reservoir communities, and building a more sustainable future for generations to come. Council remains committed to responsible growth, strong infrastructure planning, environmental stewardship, economic resiliency, and supporting the health and well-being of our community. We remain hopeful Columbia River Treaty modernization will bring greater stability for communities impacted by the Arrow Lakes Reservoir.

Nakusp remains a strong and welcoming place to live, work, raise a family, and visit, thanks to the dedication of Council, staff, volunteers, community partners, businesses, and residents.

On behalf of Village Council, thank you to everyone who contributes to our community's continued success.

- ***Mayor Tom Zeleznik***

Local Government in BC

The term local government in BC refers to both municipalities and regional districts. Specifically, the term municipality refers to a city, district, resort municipality, island municipality, Indian government district, town or village having the power to govern itself. Municipalities are general-purpose local governments that provide a wide range of services and regulate a variety of activities. Over 85% of BC's population resides within a municipality, although the land area covered by them is less than 2% of the area of the province. Regional districts are the general-purpose local governments for the unincorporated areas of the province and they provide a framework for inter-municipal cooperation for service provision.

Under the Canadian Constitution, local governments can only be established and granted powers by the provincial government. The BC government sets out the legal framework for local government through various provincial statutes, most notably the *Local Government Act* and the *Community Charter*. Together these two statutes set the rules for electing council members, appointing officials, conducting municipal business and establishing the authority of the local government.

About This Report

When the *Community Charter* was adopted by the Province in 2003, the issue of accountability was one of the areas of increased legislative change. As part of the increased accountability, all municipalities are mandated by the *Community Charter* to prepare, on an annual basis, a document that reports to the citizens and stakeholders of the municipality past results and plans for the future. Once completed, the annual report must be available for public inspection a minimum of two weeks before the report is received by Council at a duly constituted meeting. This provides citizens with time to review the annual report, ask questions and prepare submissions. Council will consider the 2025 Annual Report at the Council meeting on ***Monday, June 22, 2026*** at 6:30 p.m. at the Emergency Services Building. We ask that you take time to read this report as we encourage your feedback in order that we may provide the best information possible to our taxpayers.

Governance

Council is made up of a Mayor and four Councilors. All members of Council are elected for a fixed four-year term. The next general election will be held in October, 2026.

The role of the elected Council is to act as the governing body for the Village, making decisions that represent the best overall interests of Nakusp residents and businesses. Council considers matters necessary for maintaining and improving operations and services, as well as planning for future generations. Fiscal responsibility and preservation of the environment are key principles guiding Council's decisions, as are the Mission and Vision Statements articulated later in this report**.** Council acts as a collective body and can only exercise its powers through resolutions and bylaws adopted in a properly constituted

Council meeting. The Mayor and Councilors also have a responsibility to provide community leadership, act as ambassadors, and to lobby on behalf of the Village.

The Village operates on what is called the "one employee" system. The Chief Administrative Officer (CAO) is Council's only employee and acts as the link between Council and the rest of the Village staff. The CAO position is responsible for the overall management of Village finances and operations, ensuring that policies, programs and other directives of Council are implemented, and advising Council on the operation and affairs of the Village. Village staff is responsible for ensuring day to day activities are carried out efficiently in order to provide affordable services to the taxpayer.

Community Profile

Nestled on the shores of Upper Arrow Lake and surrounded by the Selkirk and Monashse mountain ranges, Nakusp is a vibrant rural community in the heart of the West Kootenay region of British Columbia. Known for its beautiful natural setting, strong sense of community, and enhanced quality of life, Nakusp serves as the hub for the Arrow Lakes area.

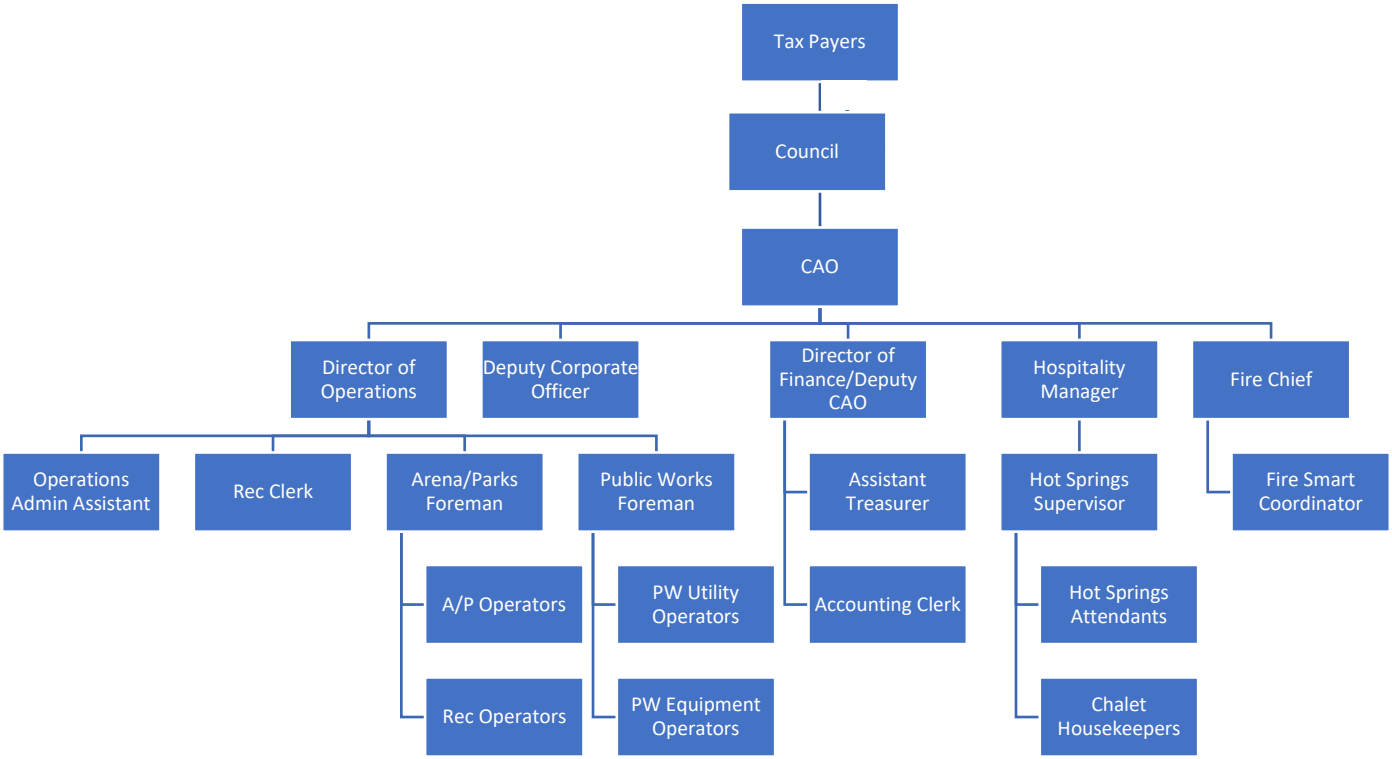
About 1,600 residents call Nakusp "home" and enjoy the Kootenay lifestyle with a balance of small-town community connection and outdoor living while still having access to essential services and supporting local small businesses.

Nakusp's main industry is forestry; however, tourism is a growing source of employment and driver for the local economy. Visitors are increasingly drawn to Nakusp to enjoy the area's hot springs, lakes, trails, and the Mt. Abriel bike park. Healthcare, construction, retail, and small businesses are the other significant economic drivers contributing to local employment and the overall economy.

Climate	
Mean Annual Temperature	7.7^{O} C (45.86^{O} F)
Average July Temperature	19.1^{O} C (67° F)
Average January Temperature	-1.7^{O} C (28.94^{O} F)
Annual Rainfall	649.9 mm (26 inches)
Total Snowfall	192.1 cm (75.6 inches)
Total Sunshine	1902 hours

Village Operations

Village of Nakusp Organizational Chart



Village of Nakusp Council & Appointments

Mayor Tom Zeleznik

- Nakusp Accessibility Committee
- CBT ReDi (Residential Directed) Grant
- NACFOR
- RDEK Ktunaxa Kinbasket Treaty Advisory Committee (Alternate)
- RDCK Municipal Director (Alternate)
- RDCK West Resource Recovery (Alternate)
- RDCK Joint Resource Recovery (Alternate)
- RDCK All Recreation Committee (Alternate)
- West Kootenay Boundary Regional Health District (Alternate)
- Nakusp Seniors Society (Alternate)
- Nakusp & Area Youth Society
- Upper Arrow Housing Society (Alternate)

Councillor Aidan McLaren-Caux

- RDCK Municipal Director
- RDCK West Resource Recovery
- RDCK Joint Resource Recovery
- RDCK All Recreation Committee
- West Kootenay Boundary Regional Health District (WKBRHD)
- Nakusp & District Chamber of Commerce (Alternate)

Councillor Dolly Edwards

- Fair Trade (Alternate)
- Nakusp Accessibility Committee (Alternate)
- CBT ReDi (Residential Directed) Grant (Alternate)
- Nakusp Public Library
- Nakusp Seniors Society
- Nakusp and Area Development Board (NADB) (Alternate)
- ASLCS GAP
- Upper Arrow Housing Society (Alternate)

Councillor Tina Knooihuizen

- Fair Trade
- Recreation Commission #4 – Nakusp & Area K
- Nakusp Public Library (Alternate)
- Nakusp & District Chamber of Commerce
- Nakusp and Area Development Board (NADB)
- ASLCS GAP (Alternate)
- Upper Arrow Housing Society

Councillor Mason Hough

- Recreation Commission #4 – Nakusp & Area K (Alternate)
- NACFOR (Alternate)
- RDEK Ktunaxa Kinbasket Treaty Advisory Committee
- Nakusp & Area Youth Society (Alternate)

The *Community Charter* requires that the Annual Report contain information relating to any members of Council that have been disqualified pursuant to Section 111.

No members of Council were disqualified in 2024 pursuant to *Section 111 of the Community Charter*.

Village of Nakusp Council 2022-2026 from left to right:
Councillor Hough, Councillor McLaren-Caux, Mayor Zeleznik, Councillor Edwards, Councillor Knooihuizen

Strategic Priorities 2023-2027

A vision statement presents a municipal council's ambition for the future. The Village of Nakusp Council has set the following vision statement.

Vision Statement

Nakusp is a vibrant community with an identity grounded in economic, social, and health and wellness. A sustainable and diverse economy exists in harmony with the environment, bolstered by local businesses, arts and cultural organizations, a well-connected trail system, and our collective natural assets.

A mission statement is an intentional declaration designed to encapsulate the goals and intentions of the municipal government concisely.

Council for the Village of Nakusp is proud to present its mission statement.

Mission Statement

We strive to promote sustainable practices, protect our natural environment, and cultivate economic opportunities that benefit the village and its people. By delivering the highest standard of municipal services, fostering strong community connections, supporting local initiatives, and embracing innovation, we aim to create a vibrant and inclusive village where individuals can thrive, and visitors feel welcomed.

The following is a list of Council's 2023-2027 strategic priorities that outlines objectives and the progress that was made towards each goal in 2025.

1. Enhance and leverage the Village's natural assets
We value our natural infrastructure and seek to leverage its benefits to reduce our climate impact and adopt promising practices and innovation.

- Maximize the potential of the Nakusp Hot Springs for the benefit of the community and visitors.
    - Adopted Fees and Charges Amending Bylaw No. 746, 2025
    - Repealed Policy C003 - Hot Springs Winter Wednesday & Special Events
    - Adopted revised C001 - Hot Springs Reservation Policy
- Ensure the waterfront remains a focal point demonstrating the Village's beauty and providing recreational opportunities for the community and visitors.
- Review all options in regards to the Village Marina development and decide on how to proceed.
    - Adopted Fees and Charges Amending Bylaw No. 746, 2025
- Demonstrate environmental stewardship of the Village's natural assets.
    - Directed staff to apply for funding for a Stormwater Management Plan
    - Directed staff to proceed with a Waterfront Master Plan

2. Good governance and corporate excellence
A responsive and accessible government is paramount to building public trust. Our goal is to provide greater value to the community by improving the way we do business.

- Invest in the community
    - Approved 2025 Provisional Operating Budget
    - Applied for funding and hired a consulting firm to develop an Accessibility Plan
    - Approved 2025 Capital Budget
    - Approved borrowing from the Municipal Finance Authority of British Columbia
    - Approved amending the Official Community Plan to include a Wildfire Development Permit Area
- Proper asset management
    - Approved 2025 Provisional Operating Budget
    - Applied for the BC Water Metering Pilot Project
    - Adopted Fees and Charges Amending Bylaw No. 746, 2025
    - Approved Policy C014 - Non-Market Leasing of Civic Land and/or Buildings
    - Approved 2025 Capital Budget
    - Directed staff to apply for funding for a Stormwater Management Plan
- Invest in staff
    - Continued training for staff in all departments
- Improve communications
    - Directed staff to organize a Nakusp Cafe public engagement event
- Ensure bylaws, policies, and procedures are up to date, relevant, and achievable for Nakusp
    - Adopted Council Procedure Amending Bylaw 745, 2024
    - Approved Policy C014 - Non-Market Leasing of Civic Land and/or Buildings
    - Adopted Traffic, Street, and Sidewalk Control Bylaw 747, 2025
    - Adopted 2025 to 2029 Financial Plan Bylaw No. 750, 2025
    - Adopted 2025 Tax Rates Bylaw No. 751, 2025
    - Adopted Bylaw Notice Enforcement Amending Bylaw 748, 2025

STRATEGIC PRIORITIES 2023-2027 CONT'D

    - Adopted Municipal Ticketing Information Systems Amending Bylaw 749
    - Approved amending the Official Community Plan to include a Wildfire Development Permit Area
    - Adopted the Good Neighbour Amending Bylaw No. 753, 2025
    - Adopted Bylaw Notice Enforcement Amending Bylaw No. 754, 2025
    - Adopted Policy C014 Hot Springs Promotional Materials

3. Organizational Resiliency

A resilient organization is one that is financially viable, plans ahead and able to adapt to changing conditions. It draws from outside resources and finds creative ways to address challenges.

- Collaborate with all forms of governments and government associations, including the RDCK, surrounding local governments, senior governments, AKBLG, UBCM, and First Nation governments.
    - Adopted Traffic, Street, and Sidewalk Control Bylaw 747, 2025
    - Approved 2026 Conference Attendance
- Continue to promote the importance of asset management and ensure it is a consideration for all future decisions.
    - Fees and Charges Amending Bylaw No. 746, 2025
    - Approved Policy C014 - Non-Market Leasing of Civic Land and/or Buildings
- Identify and deploy efficiencies in operations to reduce costs and improve service delivery.
    - Applied for the BC Water Metering Pilot Project
    - Streamlined process for development permits within the Village Core
- The Village will review financial policies and adopt a best practices approach.
    - Adopted 2025 to 2029 Financial Plan Bylaw No. 750, 2025

4. Livability and Community Building

To enhance Nakusp as an attractive place to live and a visitor destination.

- Offer recreation services in a cost-effective manner that meets our community's needs;
    - Supported an initiative for outdoor exercise equipment designed for seniors
    - Approved the allocation staff time and funds necessary to support public engagement activities related to the Nakusp & District Sports Complex Usage Committee's scope of work.
    - Received risk assessment of unsupervised squash court for information
    - Directed staff to proceed with a Waterfront Master Plan
- Encourage sustainable growth and development that is financially and ecologically prudent.
    - Streamlined process for development permits within the Village Core
- Continue to plan and develop the Village's trail network to improve the active mobility of residents and visitors alike by connecting our community through non-motorized means.
- Develop ways to help increase housing options with a focus on the missing middle.
    - Rezoning Amendment Bylaw 755, 2025
- Encourage diversifying our local employment options.
- Develop conditions for residents to live in a safe, clean and equitable community.
    - Applied for funding and hired a consulting firm to develop an Accessibility Plan
    - Approved amending the Official Community Plan to include a Wildfire Development Permit Area
    - Adopted the Nakusp Accessibility Plan

Message From the CAO

2025 was a productive and transformative year for the Village of Nakusp. We made meaningful improvements to our operations, strengthened collaboration across departments, and advanced several priorities identified in the Official Community Plan.

For the first time in many years, the Village operated in a coordinated and cohesive way. Departments worked together more effectively, shared resources, and improved planning to ensure maintenance and capital projects were completed at the right time for the community. These improvements were supported by key changes in supervisory roles within Arena/Parks, Hot Springs, and Public Works.

Public Works demonstrated these improvements through better planning and execution. Routine work, such as repainting crosswalks before the summer season, reflects a broader focus on proactive maintenance. Significant progress was also made in maintaining and upgrading water and wastewater systems, including construction of a new reservoir cover to protect the Village's potable water supply. Work on the wastewater rehabilitation project continues.

Arena/Parks also advanced several initiatives, including a new air handling and cooling system in the Auditorium and installation of way-finding signage throughout the community. The department has assumed maintenance responsibilities at the Hot Springs, creating operational efficiencies and a more flexible workforce. This integrated approach has proven successful to date.

The Hot Springs saw some of its most significant upgrades in the past decade. Improvements included new windows and heat pumps in the chalets, as well as the transition from an aging diesel boiler system to modern heat pump technology for heating, cooling, and domestic hot water.

To minimize impacts on taxpayers, the Village actively pursued grant funding to support projects and planning efforts. Key initiatives include:

- Creation of a new Subdivision and Development Servicing Bylaw
- Creation of a Waterfront Master Plan
- Initiation of a Recreation Master Plan
- Adoption of the *Connect Nakusp Active Transportation Plan*

These planning documents are critical to the Village's future. They align with the Official Community Plan, reflect community input, and strengthen the Village's ability to secure external funding. Having well-developed, "project-ready" plans ensure we can respond quickly to grant opportunities and continue to make strategic investments in our community.

— Wayne Robinson, Chief Administrative Officer

Municipal Departments

ADMINISTRATION

Wayne Robinson, Chief Administrative Officer (CAO)

The CAO's office supports Council's strategic planning efforts and oversees the administration of the Village, its officers and employees. This department provides recommendations to Council that reflect facts, options and professional opinion pertaining to issues considered by Council and developing in the community. The CAO's office takes the lead role in managing the implementation of policy direction established by Council. It provides leadership and direction to all Village departments and operations. The CAO also holds the title and duties of Corporate Officer and Statutory Approving Officer.

FINANCE

Mark Tennant, Director of Finance/Deputy CAO

The Director of Finance is responsible for the financial management of the Village's assets and for the planning, implementation and monitoring of the Village's Five-Year Financial Plan. Staff provide services including taxes, water & sewer billing, processing of accounts payable, accounts receivable, and payroll.

OPERATIONS

Cavan Gates—Director of Operations

The Director of Operations oversees the Public Works, Recreation and Parks departments. Duties include overseeing major projects, reviewing and writing reports and overall management of all staff and operations within these three departments.

HOT SPRINGS, CHALETS and CAMPGROUND

Robin Hethey—Hot Springs Hospitality Manager – January-September 2025

The Hospitality Manager of the Nakusp Hot Springs is responsible for the operations of the Hot Springs, the Chalets and Hot Springs Campground. This includes overseeing the staff, marketing and maintenance.

FIRE

Reg Gustafson, Volunteer Fire Department Chief – January – December 2025

The Nakusp & District Volunteer Fire Department is responsible and has authority by Village Bylaws and the Fire Services Act for Protection of Life and Property, Fire Suppression, Pre-Fire & Disaster Planning, Mutual Aid to B.C. Wildfire Service, Rescue & Basic First Aid, Hazmat Response, Fire Prevention Programs, Local Assistants to the Fire Commissioner for Inspection, Investigation and Enforcement.

Municipal Services

SERVICES PROVIDED

Airport
- 2983' paved runway

Arena / Auditorium
- Arena
- Auditorium / kitchen rentals
- 4 sheet curling rink
- Squash court/pickleball
- Hockey, figure skating

Beach

Building Inspection (contracted to RDCK)

Business Licensing

Bylaw Enforcement

Campsite
- Municipal
- Hot Springs

Cemeteries
- Legion
- Women's Institute
- Glenbank
- Catholic
- Nakusp
- Hillcrest

Emergency Services
- Volunteer Fire Department

Garbage & Recycling Collection

Legislative Services

Nakusp Hot Springs & Cedar Chalets

Parks
- Waterfront Walk
- Trails
- Children's Play Park
- Skatepark
- Tennis / Pickleball Courts
- Sportsfields

Potable Water System

Snow Removal

Street Lighting

Taxation

Waste Water Treatment System

Wharf & Boat Launch

Zoning—Municipal

Administrative Services

Bylaw Activity at a Glance

- 16 bylaw files were opened during the year.
- 7 concerns were resolved through education, letters, or conversations—no further action required.
- 1 file resulted in a vehicle being towed.
- 8 complaints were determined to be outside Village jurisdiction or not valid bylaw matters.
- 0 tickets issued in 2025, reflecting a focus on voluntary compliance and resolution.

Development & Growth

The Village continued to support development and investment with:

- 7 Development Permits issued
- 1 Development Variance Permit approved
- 1 Rezoning Application processed
- 1 Temporary Use Permit issued to allow an RV as a secondary residence
- 4 Subdivision Applications received

Leading the Way with NextGen 911

- The NextGen 911 Project was successfully completed.
- Every property address in the Village was reviewed to ensure compliance with new emergency response standards.
- The Village became the first municipality in the RDCK to fully complete the project.

Planning for the Future

Three major planning initiatives were launched with grant funding:

- Waterfront Master Plan
- Recreation Master Plan
- Accessibility Plan

Project Completed

- Connect Nakusp – Active Transportation Standards Plan was completed with grant funding, helping guide future transportation improvements and active mobility options.

Keeping Policies Current

- 12 bylaws were adopted during the year, helping keep Village regulations up to date and responsive to community needs.

Nakusp Accessibility Plan

The Nakusp Accessibility Advisory Committee started working on the Nakusp Accessibility Plan in early January 2025. Two grants were applied for and obtained to hire a consultant to guide the Committee through the legislated requirements to be addressed in developing an Accessibility Plan.

The Committee conducted a public survey, available in both paper and digital formats. 75 surveys were completed, and the Community Engagement Summary is online for review. Staff presented the Draft Accessibility Plan at the Nakusp Café in November of 2025, and also posted a feedback form on the Village's website under Community Initiatives & Projects – Accessibility Plan.

The consultant's expertise was a huge benefit in keeping the project on time and within budget. The Nakusp Accessibility Plan was adopted on December 8, 2025, during a Regular Council meeting and is available for review and ongoing feedback on our website.

Plan At-A-Glance

The Village of Nakusp Accessibility Plan offers 18 actions that work together to reduce, remove, or prevent accessibility barriers identified by residents and Village staff.

Barriers Identified		Actions
Village Infrastructure	• Lack of **accessible amenities** like a year-round accessible washroom, seating, pathways, and Village building entrances. • No accessible **beach access** route. • **Winter** snow, ice & uneven surfaces.	1. Work on accessible building entrances and sidewalk letdowns. 2. Update Zoning Bylaw accessible parking requirements. 3. Provide at least one accessible year-round public washroom. 4. Add seating options. 5. Create an accessible pathway to the lake as part of the Waterfront Master Plan project (involve residents). 6. Involve residents with disabilities in Village projects. 7. Grit boxes & update snow-clearing policy.
Village Services	• Village **communications** can be hard to find or understand and the use of Facebook excludes many residents. • **Involve** people with disabilities in decision-making, including more accessible ways to share feedback.	8. Communication enhancement technology at reception and in Council Chambers. 9. Share information about existing accessible amenities. 10. Provide information in multiple formats. 11. Plain language communications. 12. Reduce barriers to resident engagement. 13. Printed copies of winter maintenance policy. 14. Create a digital and non-digital way for residents to provide feedback on accessibility barriers.
Village Employment	• Need for **staff & elected official** training on disability awareness and mental health. • Build a **culture** of respect and inclusion.	15. Offer mental-health awareness training & resources. 16. Training on disability awareness and mental health 1st aid. 17. Designate staff lead for accessibility with training. 18. Accommodations Policy that outlines how employees will be supported and involve staff and elected officials in this process.

Operational/Community Services

The operational community services are divided into three departments – Nakusp Hot Springs, Arena/Parks, and Public Works. Detailed information about each service and their impacts are included in this section of the annual report.

Below is a table showcasing the projects that were completed in 2025.

Year completed	Department	Description	Total budget
2025	Administration	Computer Hardware	$ 31,443
2025	Administration	Large Format Scanner	$ 7,506
2025	Administration	Office Renovations	$ 1,592
2025	Hot Springs	Lobby Door/Renovations	$ 6,670
2025	Hot Springs	Shower Upgrades	$ 53,529
2025	Hot Springs	Source Trail Rehabilitation (carry over)	$ 94,374
2025	Hot Springs	Windows & Doors (carry over)	$ 20,403
2025	Parks	Cabbed Gator (carry over)	$ 31,772
2025	Sewer	SCADA Upgrades (carry over)	$ 22,662
2025	Sports Complex	Auditorium Projector (carry over)	$ 10,205
2025	Sports Complex	Curling Brine Headers (carry over)	$ 52,431
2025	Sports Complex	Emergency Lighting	$ 4,559
2025	Water	Chlorine analyzer at well and reservoir	$ 32,035
2025	Water	Reservoir Cover	$ 428,404
2025	Water	Snowmobile	$ 20,701
2025	Water	Valve Exerciser	$ 8,148

Community Services – Nakusp Hot Springs

Nakusp Hot Springs

The Village of Nakusp operates the Hot Springs for residents, and visitors to enjoy a natural sanctuary of deep physical restoration while driving local economic vitality.

The hot springs enables:

- Therapeutic soak – melting away muscle tension and joint pain in the mineral-rich pools after a demanding week
- Pitching a tent or parking an RV in the riverside campground under the cedar canopy
- Bringing out-of-town family and friends to share a mountain treasure
- Drawing destination tourists who fill local restaurants, grocery stores, and gas stations

Its impact includes:

- A sense of physical renewal, deep relaxation, and relief from chronic stress.
- Tranquility and the comfort of completely unplugging.
- Adventure, simplicity, and a grounded emotional connection to forest.
- Pride in showcasing Nakusp's natural feature to loved ones.
- Financial stability, knowing a steady stream of tourism dollars contributes to the local economy.

Natural thermal water fosters wellness, community heritage, and local livelihoods. Village crews shield the facility from unexpected shutdowns, water pollution, and physical wear by servicing, and upgrading the hot springs pool facility, thermal source delivery lines, water filtration systems, the chalets, campground, pedestrian footbridge, and surrounding forest access infrastructure

2025 Highlights

Hot Springs Hospitality Manager (Temporary Position)
This one-year position concluded in September 2025. During the term, significant improvements were made to customer satisfaction, retail sales, staff morale, infrastructure, and operational efficiency.

Outdoor Infrastructure
- Installed roadside concrete barriers near the pools to improve safety.
- Ordered and began installing new resort-wide signage, including parking, campground, accessibility, recycling, information, address, and welcome signs.
- Improved wayfinding throughout the resort.

Pool Facility
- Enlarged basement access with a new door to improve operational efficiency.
- Installed a new drinking water pressure tank.
- Completed maintenance and repairs on two large pumps.
- Began lobby renovation, including new refrigeration, retail displays, electronic blinds, updated information boards, and expanded retail offerings.
- Updated guest information and branding signage.
- Painted the exterior of the facility.
- Installed new cold shower fixtures, deck umbrellas, and repaired deck furniture.
- Added electronic blinds and installed a heat pump and Rinnai furnace to improve temperature control.

Chalets
- Received new thermal-pane windows for all units.
- Implemented 911-compliant addressing.
- Installed heat pumps.

Staff Development
- Introduced mandatory uniforms and name tags.
- Provided customer service and hospitality training for all staff.
- Conducted full staff meetings in October and April.
- Addressed performance issues and strengthened team culture.
- Delivered wildfire response training.
- Hired four summer students to support seasonal projects.

Marketing
- Engaged Spring Creative to manage social media and marketing initiatives

Information Technology
- Updated and renovated the website.
- Created a campground map.
- Installed backup power systems for lobby and staff accommodation communications equipment.

Community Services – Arena/Parks

Parks Service
The Village of Nakusp curates vibrant outdoor spaces to inspire civic pride and provide an accessible natural living space.

The parks system enables:
- Pushing toddlers on the adventure playground swings
- Swimming and relaxing at the public beach
- Walking your dog along the scenic waterfront walk
- Safe teen hangouts – socializing with friends in welcoming public spaces

Its impact includes:
- Watching children play safely while you recharge.
- Serenity and the freedom of escaping the heat in our natural lake setting.
- Tranquility and finding mental clarity by the water after a stressful day.
- Acceptance and independence for youth testing boundaries in a safe environment.

Access to nature and recreation builds community pride and local vitality. Dedicated staff keep these natural assets safe from mechanical disruptions, biological risks, and structural neglect by systematically checking and maintaining the playgrounds, skate park, public beach, waterfront walk, trails, marina, breakwater, municipal campground, playing fields, and parks.

Sports Complex Service
The Village of Nakusp operates year-round recreational facilities to preserve our community's social heartbeat and keep local families connected.

The sports complex enables:
- Dropping kids off for a minor hockey practice
- Connecting in the curling league
- Smashing a ball around the squash court to stay active
- Celebrating weddings, fundraisers, and graduations
- Catching up with neighbors in the concession

Its impact includes:
- Deep pride and fulfillment in supporting your children's growth and local traditions.
- Warmth and connection that beats back the isolating dark of winter.
- Blasting away the seasonal blues.
- A sense of unity, home, and belonging to something larger than yourself.
- Camaraderie and finding mutual support while navigating local family life.

A shared social heartbeat fosters community health and connection. To insulate the sports complex from sudden closures, poor ice quality, and structural decline, staff monitors and repairs the hockey arena, curling rink, squash courts, community auditorium, ice plant chiller systems, HVAC, roof structures, and building security.

Community Services – Arena/Parks Cont'd

2025 Arena/Parks Highlights:

- There was some staff change in 2025. Training continued for all staff.
- Significant progress was made on the Wayfinding Signage project
- Upgrades to the sports complex that are underway include curling brine headers at the curling rink, a new projector at the auditorium, and establishing an emergency reception center.
- Upgrades to the Municipal Campground that are underway include electrical and sanitation station upgrades.
- Emergency lighting at the sports complex was completed
- Ray Nikkel continued his impressive work on the waterfront and downtown gardens. Visitors and community members consistently compliment the displays.

Community Services – Public Works

What are "Public Works Services"?

- This includes, but is not limited to, the following:
- Maintenance of Village facilities and buildings;
- Garbage Collection and Recycling Services;
- Snow Removal & Road Maintenance;
- Sidewalk Inspection, Installation & Maintenance;
- Cemetery Burials, Headstone Installations;
- Maintenance of Village fleet and equipment;
- Street Lighting Inspection, Reporting &

Water Service
The Village of Nakusp provides enough safe water to businesses and residents to guarantee peace of mind and an uninterrupted daily routine.

The water utility enables:

- Hot showers
- Morning fuel - filling the coffee pot from the tap
- Household chores - running laundry and dishes
- Watering your personal vegetable garden

Its impact includes:

- Feeling restored and mentally prepared to face a demanding day.
- The satisfaction of a morning routine.
- Certainty that your water is safe.
- The feeling of staying on top of domestic chaos.
- Connection to the earth and the anticipation of eating your harvest.

Getting enough safe water enables life. Village water operator activities insure the water system against disruption. This means inspecting, repairing, and improving the water treatment plant, micro-hydro generator, three wells, two reservoirs, two pressure reducing stations, one booster station, and thousands of metres of water main.

Sewer Service
The Village of Nakusp provides immediate wastewater drainage to protect properties and keep the environment clean.

The sewer utility enables:
- Flush and forget
- Draining the kitchen sink after a family meal
- Rinsing mud and sawdust down the drain
- Sick-day protection - safely flushing away germs and biohazards
- Local livelihood - running home businesses, salons, and restaurants

Its impact includes:
- Reduced anxiety of biological waste and plumbing failure.
- The satisfaction of a clean, functioning living space.
- Physically washing away the stress and grime of a hard day's labor.
- Knowing a household health crisis is cleanly managed.
- Trusting your infrastructure allows you to protect property value and earn a living.

Safely handling wastewater protects public health and property. Village wastewater operators as an insurance policy against mechanical breakdowns, health hazards, and infrastructure deterioration. This looks like weekly tresting, fixing, and modernizing the wastewater treatment plant, collection networks, lift stations, manholes, and thousands of metres of sewer main.

Roads Service
Public Works maintains reliable transportation networks to ensure continuous freedom of movement and dependable connection to the outside world.

The roads infrastructure enables:
- Receiving packages, groceries, and freight straight to your door
- Quickly driving to work or school
- Emergency rescue – keeping clear paths for ambulances when every second counts
- Pulling safely onto plowed and sanded streets after a major storm
- Pushing a stroller or walking the village center

Its impact includes:
- Feeling connected to global resources and services despite our rural location.
- The calm that comes from predictable travel and protecting your vehicle assets.
- Reassurance that life-saving help can always reach your neighborhood in a crisis.
- Relief and independence from being trapped or cut off by volatile winter weather.
- Belonging and feeling physically integrated into the flow of your community.

Transportation enables freedom and economic autonomy. Public Works defends the roads against engineering failures and physical wearing. This requires ongoing inspections, maintenance, and capital improvements to asphalt roads, concrete sidewalks, snow plow fleets, line painting, retaining walls, drainage culverts, and traffic signage.

Garbage & Recycling Pickup Available

Garbage

Garbage pickup is available throughout the Village on Mondays, Wednesdays, and Fridays. Please check our website www.nakusp.com to see the map and confirm your garbage day. A full schedule is also available.

Please ensure that all residential garbage is placed in a Village garbage bag (sold at local retail stores and the Village Office) and an animal-resistant container. Garbage should be placed on the Avenue adjacent to the residence by 7:30 am, but not overnight.

What happens if my garbage day falls on a holiday?

If your garbage day is on a Monday, your collection day will be on the next business day. If your garbage day is on Wednesday, your pick up will be on Friday. If your garbage day is on a Friday, your garbage pick-up will be on the Wednesday prior.

Recycling

Recycling pickup is available throughout the Village on Thursdays (biweekly). Please check our website www.nakusp.com to see the map and confirm your pickup schedule. There is also a detailed list of all accepted materials on our website as well.

Please ensure permitted recycling is placed in a blue bin and out by 7:00am.

WATER CONSERVATION

Stage 1 Water Conservation - May 1 Annually
Bylaw 702, 2022 (Current Information)

Permitted Uses at ANY Address on ANY Day

- Hand Watering—flower gardens, vegetable gardens, decorative planters, shrubs or trees.
- Drip Irrigation OR Micro Sprinkler Irrigation—flower garden, vegetable gardens, decorative planters, shrubs or trees.
- Use of hose to supply water for washing boats, motor vehicles or driveway ONLY if the hose is affixed with an automatic shutoff device.
- Watering of public sports fields, school yards, public parks and cemeteries.
- Filling and maintaining of private pools, ponds, spas, hot tubs, and bird baths.
- Waterslides or sprinkler for the purpose of children's play.
- Commercial carwash.
- Uses authorized by permit issued by the CAO, Director of Operations, or Designate.

Lawn Watering Days

Even Number Houses—Water on even days

Odd Number Houses—Water on odd days

Lawn Watering Times and Devices

6AM—9AM and 8PM—11PM for hose supplied sprinkler

Midnight (12AM) - 6AM for underground automated sprinkler systems

To find out information regarding Stages 2-4 go to
our website: www.nakusp.com (Bylaws).
For more information contact – operations@nakusp.com or call 250.265.3689

Financial Reports

Included in this report are the 2025 Financial Statements prepared by the Village of Nakusp and audited by Doane Grant Thornton LLP. The consolidated financial statements are prepared in accordance with Generally Accepted Accounting Principles for local governments, as recommended by the Public Sector Accounting Board (PSAB) of Chartered Professional Accountants Canada (CPA).

DEBT

As at December 31, 2025 the Village's debt was $1,050,525. There was an additional $100,000 of debt incurred by the Village in 2025.

Bylaw	Original Debt	Term	Debt Start Date	Debt Expiry Date	Total
Bylaw 648 - Upgrades to ice plant at arena	**100,000**	**20 yrs**	**2014**	**2034**	54,652
Bylaw 648 - Auditorium roof and solar panels	**275,000**	**20 yrs**	**2013**	**2033**	135,654
Bylaw 637 - Repairs to Hot Springs in 2006 - payback borrowing from reserves	**710,000**	**20 yrs**	**2011**	**2031**	271,494
Bylaw 638 - Construction of Emergency Services Building	**110,000**	**20 yrs**	**2011**	**2031**	41,254
Bylaw 546 - Sewer Lift Station	**268,586**	**25 yrs**	**2003**	**2028**	51,896
Equipment Loan—Fire Tender	**425,000**	**20 yrs**	**2017**	**2032**	193,548
Bylaw 671 - North Kuskanax Water & Sewer LSA	**282,620**	**20 yrs**	**2018**	**2038**	202,027
Bylaw 740 – Arena Upgrades	**100,000**	**15 yrs**	**2025**	**2040**	100,000
					1,050,525

The loan payments for the sewer lift station are paid from the sewer fund and not from general taxes. The loan payments for the Hot Springs come from Hot Springs revenue and not from general taxes. The loan payments for the North Kuskanax Water & Sewer LSA are paid by a parcel tax specific to the properties in the local service area and not from general taxes.

Doane Grant Thornton

Independent auditor's report

Doane Grant Thornton LLP
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Castlegar, BC
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To the Mayor and Council of the
Village of Nakusp

Opinion

We have audited the financial statements of the Village of Nakusp (the "Village"), which comprise the statement of financial position as at December 31, 2025, and the statements of operations, change 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 Village of Nakusp as at December 31, 2025, and its results of operations, its changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. Schedule C and D are presented for the purposes of additional information and are not a required part of the financial statements. Such information has not been subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion thereon.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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Independent Auditor's Report (continued)

In preparing the financial statements, management is responsible for assessing the Village'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 Village or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village'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 Village'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 Village 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.

Doane Grant Thornton LLP

Castlegar, BC
May 11, 2026

Chartered Professional Accountants

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VILLAGE OF NAKUSP
STATEMENT OF FINANCIAL POSITION
As At December 31, 2025

	2025	2024
FINANCIAL ASSETS		
Cash and cash equivalents	**$ 2,501,235**	$ 1,686,806
Investments (note 3)	**8,116,785**	7,868,961
Accounts receivable (note 4)	**773,140**	1,190,487
MFA debt reserve cash deposits (note 5)	**27,157**	25,389
Investment in NACFOR (note 6)	**2,082,440**	1,808,646
	13,500,757	12,580,289
LIABILITIES		
Accounts payable and accrued liabilities (note 7)	**453,669**	420,935
Deferred revenue (note 8)	**638,769**	877,555
Asset retirement obligations (note 9)	**2,027,672**	1,952,779
Deposits	**51,307**	45,136
MFA long-term debt (note 10)	**1,050,525**	1,063,954
	4,221,942	4,360,359
NET FINANCIAL ASSETS	**9,278,815**	8,219,930
NON-FINANCIAL ASSETS		
Prepaid expenses	**138,720**	129,852
Inventory	**43,037**	30,326
Tangible capital assets (schedule A)	**23,710,304**	23,094,113
	23,892,061	23,254,291
ACCUMULATED SURPLUS (note 11)	**$ 33,170,876**	$ 31,474,221

CONTINGENT LIABILITIES (note 14)
CEMETERY CARE TRUST FUND (note 17)
CONTRACTUAL OBLIGATIONS (note 21)

DocuSigned by:
Mark Tennant
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Mark Tennant
Director of Finance / Deputy Chief Administrative Officer

The accompanying notes are an integral part of these financial statements

VILLAGE OF NAKUSP
STATEMENT OF OPERATIONS
For the Year Ended December 31, 2025

	2025 Budget (Note 16)	2025 Actual	2024 Actual
REVENUE			
Government transfers (note 15)	$ 2,561,199	$ 2,013,127	$ 2,522,128
Municipal property and parcel taxes (note 13)	1,540,447	1,540,773	1,432,766
Hot Springs fees and other revenue	1,140,000	1,243,964	1,140,128
Water user fees and charges	621,912	669,977	663,433
General fees, charges, and other	587,925	640,740	617,730
Sewer user fees and charges	703,358	639,129	579,346
Interest and actuarial income	100,000	288,541	420,984
Utility taxes and grants-in-lieu of taxes (note 13)	129,000	142,127	131,775
Gain on sale of tangible capital assets	-	131,917	62,000
Interest and penalties on taxes	35,100	44,371	43,361
Equity income (loss) from NACFOR (note 6)	-	523,794	(164,320)
	7,418,941	7,878,460	7,449,331
EXPENSES			
General government	1,452,331	1,283,136	1,188,415
Hot springs and chalets	1,118,732	1,166,906	954,743
Parks and recreation	960,462	916,111	909,500
Protective services	422,514	170,633	205,057
Public works and transportation	770,617	658,833	705,234
Sewer services	472,717	330,402	297,556
Water services	400,323	357,502	328,691
Interest on debt	57,391	55,466	58,605
Amortization	1,045,000	1,165,204	1,151,511
Accretion expense	-	77,612	74,746
	6,700,087	6,181,805	5,874,058
ANNUAL SURPLUS	718,854	1,696,655	1,575,273
ACCUMULATED SURPLUS, BEGINNING OF YEAR	31,474,221	31,474,221	29,898,948
ACCUMULATED SURPLUS, END OF YEAR	$ 32,193,075	$ 33,170,876	$ 31,474,221

The accompanying notes are an integral part of these financial statements

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VILLAGE OF NAKUSP
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2025

	2025 Budget	2025 Actual	2024 Actual
ANNUAL SURPLUS	**$ 718,854**	**$ 1,696,655**	$ 1,575,273
Acquisition of tangible capital assets	**(4,421,657)**	**(1,795,277)**	(1,838,569)
Decrease (increase) in tangible capital assets due to asset retirement obligations	**-**	**2,719**	(1,211,973)
Amortization	**1,045,000**	**1,165,204**	1,151,511
Gain on sale of tangible capital assets	**-**	**(131,917)**	-
Proceeds on sale of tangible capital assets	**-**	**143,080**	-
	(2,657,803)	**1,080,464**	(323,758)
Net change in inventory and prepaid expenses	**-**	**(21,579)**	(19,124)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	**(2,657,803)**	**1,058,885**	(342,882)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	**8,219,930**	**8,219,930**	8,562,812
NET FINANCIAL ASSETS, END OF YEAR	**$ 5,562,127**	**$ 9,278,815**	$ 8,219,930

The accompanying notes are an integral part of these financial statements

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VILLAGE OF NAKUSP
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2025

	2025	2024
OPERATING TRANSACTIONS		
Annual surplus	**$ 1,696,655**	$ 1,575,273
Non-cash items included in annual surplus		
Amortization	**1,165,204**	1,151,511
Accretion expense	**77,612**	74,746
Actuarial gain on MFA long-term debt	**(33,993)**	(31,632)
Gain on sale of tangible capital assets	**(131,917)**	(62,000)
Equity (income) loss from NACFOR	**(523,794)**	164,320
Changes in non-cash operating balances		
Accounts receivable	**417,347**	(626,159)
MFA debt reserve cash deposits	**(1,768)**	(854)
Prepaid expenses and inventory	**(21,579)**	(19,124)
Accounts payable and accrued liabilities	**32,734**	(99,402)
Deferred revenue and deposits	**(232,615)**	243,350
Cash Provided by Operating Transactions	**2,443,886**	2,370,029
CAPITAL TRANSACTIONS		
Purchase of tangible capital assets	**(1,795,277)**	(1,838,569)
Proceeds on sale of tangible capital assets	**143,080**	62,000
Cash Applied to Capital Transactions	**(1,652,197)**	(1,776,569)
FINANCING TRANSACTIONS		
Repayment of long-term debt	**(79,436)**	(74,468)
Issuance of long-term debt	**100,000**	-
INVESTING TRANSACTIONS		
Net change in investments	**(247,824)**	(384,121)
Dividends received from NACFOR	**250,000**	-
INCREASE IN CASH	**814,429**	134,871
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	**1,686,806**	1,551,935
CASH AND CASH EQUIVALENTS, END OF YEAR	**$ 2,501,235**	$ 1,686,806

The accompanying notes are an integral part of these financial statements

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The notes to the financial statements are an integral part of the statements. They explain the significant accounting and reporting policies underlying these statements. They also provide relevant supplementary information and explanations which cannot be conveniently expressed in the financial statements alone.

1. NATURE OF THE ENTITY

The Village of Nakusp (the "Village") is incorporated under the Local Government Act of British Columbia and is subject to the provisions of the Community Charter and legislation under the Province. The Village's principal activities include the provision of local government services to residents of the incorporated area.

The financial statements are the responsibility of management and prepared in accordance with Canadian public sector accounting standards ("PSAS"). The preparation of these 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.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies of the Village of Nakusp.

Basis of presentation

The Financial Statements of the Village comprise the Village's Operating, Capital, and Reserve funds. All inter-fund balances have been eliminated.

i) Operating Funds: These funds include the General, Hot Springs, Waterworks Utility, and Sewer Utility operations of the Village. They are used to record the operating costs of the services provided by the Village.

ii) Capital Funds: These funds include the General, Hot Springs, Waterworks Utility and Sewer Utility Capital funds. They are used to record the acquisition and disposal of property and equipment and their related financing.

iii) Reserve Funds: Reserve funds include statutory reserves restricted by the Community Charter and associated Municipal bylaws and reserves set aside by Council for future expenditures.

Basis of accounting

The Village's financial statements are prepared using the accrual basis of accounting. Revenues are recognized in the year which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of the receipt of goods and services and/or the the creation of a legal obligation to pay.

Investment in government business enterprise

The Village's wholly owned subsidiary, the Nakusp & Area Community Forest (2013) Inc. ("NACFOR"), is a government business enterprise, accounted for using the modified equity method. Under this method, the business enterprise's accounting principles are not adjusted to conform with those of the Village. The equity income for the year is recorded as revenue in the Village's statements of operations and the investment in NACFOR is adjusted accordingly.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and equivalents

Cash and equivalents include liquid investments with maturities of three months or less at acquisition.

Investments

Investments are recorded at cost. Investment income is recorded on the accrual basis and recognized when earned.

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 the asset is put into service. Estimated useful lives are as follows:

Land	not amortized
Buildings and building components	15 - 50 years
Machinery and equipment	5 - 20 years
Furniture and equipment	5 - 20 years
Information technology	3 - 5 years
Vehicles and mobile equipment	5 - 25 years
Infrastructure	15 - 50 years

Contributed tangible capital assets are reported at fair value at the time of donation and are also recorded as revenue.

Inventories consist of supplies for the Village's own use and is recorded at the lower of cost or net replacement value.

Asset Retirement Obligations

An asset retirement obligation is a legal obligation associated with the retirement of a tangible capital asset that the Village will be required to settle. The Village 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 occured, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made.

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

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

Municipal pension plan

The Village's pension plan follows the guidelines of the Municipal Pension Plan which is administered by the Province of British Columbia for all British Columbia municipalities. The Village 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 assets and administration of benefits. The plan is a multi-employer defined benefit plan.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Revenue

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

Revenue Recognition

Municipal Property Taxation
Taxation levies for Village services are recognized as revenue at the time of issuing the property tax notices for the fiscal year. Taxation levies imposed by other taxing authorities are not included in these statements.

Sale of Services, User Fees, Charges and Other Revenue
Transactions where goods or services are provided for consideration include performance obligations to a specific payor. Revenue from these transactions is recognized as the performance obligations are satisfied. Transactions without performance obligations are recognized when the revenue is received or receivable.

Government Transfers (conditional and unconditional grants)
Unconditional transfer revenue is recognized when it has been authorized by the transferor. Conditional transfer revenue is recognized when the transfer has been authorized by the transferor and the Village has met all the eligibility criteria, unless the transfer creates a liability (conditions on the use of the funds that have not yet been fulfilled by the Village). Conditional transfers for capital expenditures revenue are recognized when eligible expenditures are incurred by the Village.

Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use and all the following criteria are met;

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the Village is directly responsible or accepts responsibility;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability is recognized at management's estimate of the cost of post remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for the contaminated site.
The Village has no liabilities under this standard as at December 31, 2025 and 2024.

Financial Instruments

The Village's financial instruments consist of cash and cash equivalents, accounts receivable, investments, MFA debt reserve cash deposits, accounts payable and accrued liabilities, deposits, and MFA long-term debt which are recorded at cost/amortized cost.

Transaction costs related to financial instruments measured at cost or amortized cost are added to the carrying value of the financial instrument. Transaction costs related to financial instruments recorded at their fair value are expensed as incurred.

Financial liabilities (or part of a financial liability) are removed from the statement of financial position when, and only when, they are discharged, cancelled or expire.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Budget Figures

The budget figures are based on the Five-Year Financial Plan for 2025 - 2029 per Bylaw no. 750, 2025 was adopted May 12, 2025.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles, 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 allowance for doubtful accounts receivable, the useful life of tangible capital assets for amortization, the determination of accrued liabilities, asset retirement obligations, and the provision for contingencies. Actual results could differ from management's best estimates as additional information becomes available in the future.

Future Accounting Pronouncements

Effective January 1, 2027 the Village will adopt the new Conceptual Framework for Financial Reporting in the Public Sector and PS 1202 - Financial Statement Presentation.

Conceptual Framework for Financial Reporting in the Public Sector

The conceptual framework will replace the conceptual components of PS 1000 - Financial Statement Components and PS 1100 - Financial Statement Objectives. This framework defines the nature, function and scope of financial accounting and reporting in the public sector.

Section PS 1202 - Financial Statement Presentation

This standard will replace PS 1201- Financial Statement Presentation. It includes changes to the statement of financial position to present financial assets, non-financial assets, total assets, financial liabilities, non-financial liabilities, total liabilities and net assets/net liabilities. There will also be a separate statement of changes in net assets or net liabilities (formerly known as accumulated surplus), and the addition of a statement of net financial assets or liabilities that present a revised net financial assets or liabilities (formerly know as net debt) calculation. The principles in this standard are based on the concepts outlined in the Conceptual Framework, ensuring consistency and transparency in financial reporting.

3. INVESTMENTS

Investments consists of the following funds:

	2025	2024
CIBC High Interest Savings	**$ 6,265,222**	$ 6,058,979
CIBC Flexible GIC Funds	**1,261,734**	1,236,685
MFA Money Market Fund	**582,753**	566,471
MFA Short-Term Bond Fund	**4,206**	4,047
MFA Intermediate Fund	**2,870**	2,779
	$ 8,116,785	$ 7,868,961

Investments in GIC's are comprised of term deposits with maturity dates ranging from February 2026 through December 2026 and earn interest rates between 2% and 3.15% (2024 - 2.5% and 3.25%). High-interest savings earn interest at variable rates, with the rate at December 31, 2025 being 2.8% (2024 - 4.3%)

4. ACCOUNTS RECEIVABLE

	2025	2024
Municipal property taxes	$ 307,443	$ 210,077
Government and agency grants	264,018	704,052
Sewer user fees	48,439	46,984
Water user fees	51,443	49,145
GST rebate	22,437	40,081
Other	79,360	140,148
	$ 773,140	$ 1,190,487

5. MUNICIPAL FINANCE AUTHORITY (MFA) DEBT RESERVE DEPOSITS

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

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 Cash Deposit, less administrative expenses, becomes an obligation of MFA to the member municipalities through 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, including interest earned. Use of the Cash Deposit is restricted by legislation. The detail of the cash deposits and demand notes at year-end are as follows:

	Demand Notes	Cash Deposits	2025	2024
General and Hot Springs Funds	$ 28,234	$ 18,207	$ 46,441	$ 44,933
Sewer and Water Funds	14,432	8,950	23,382	23,122
	$ 42,666	$ 27,157	$ 69,823	$ 68,055

The cash portion of the Debt Reserve Fund is recognized as an asset in the financial statements. The demand notes are contingent liabilities and are not recorded in the financial statements.

6. INVESTMENT IN NACFOR

Nakusp & Area Community Forest (2013) Inc. is a wholly owned subsidiary that was created for the purpose of managing a timber license in the Nakusp area.

The Village accounts for its investment in this government business enterprise using the modified equity method. The condensed financial information of this investment for the year ended December 31, 2025 with comparative figures for December 31, 2024 are as follows:

	2025	2024
Assets		
Current assets	**$ 737,674**	$ 808,380
Long-term assets	**2,065,420**	1,640,674
	2,803,094	2,449,054
Liabilities		
Current liabilities	**366,654**	293,068
Silviculture accrual	**354,000**	309,000
Other long term liabilities	**-**	38,340
	720,654	640,408
Shareholder equity	**2,082,440**	1,808,646
Results of operations, net income (loss) for the year	**523,794**	(164,320)

During the year, the Village received $250,000 in dividends (2024 - $nil).

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2025	2024
Wages and benefits payable	**$ 201,972**	$ 212,357
Trade accounts payable and accrued liabilities	**251,697**	208,578
	$ 453,669	$ 420,935

8. DEFERRED REVENUE

These funds are externally restricted for the purposes for which they were collected.

	Balance, Beginning of Year	Contributions Received	Transfers / Eligible Expenditures	Balance, End of Year
BC Hydro Recoveries	$ -	$ 152,086	$ (152,086)	$ -
Columbia Basin Trust Grants	196,868	75,250	(156,961)	115,157
Campground Fees	-	203,813	(199,310)	4,503
Hot Spring Fees	-	569,912	(507,671)	62,241
Other Miscellaneous	64,960	59,956	(62,490)	62,426
Prepaid Taxes and Utility Fees	211,675	211,400	(195,377)	227,698
Provincial Ministry Grants	227,417	226,455	(338,200)	115,672
RDCK Grants	16,250	593,784	(610,034)	-
UBCM Grants	160,385	74,029	(183,342)	51,072
	$ 877,555	$ 2,166,685	$ (2,405,471)	$ 638,769

9. ASSET RETIREMENT OBLIGATIONS

The Village has recognized asset retirement obligations related to remediating asbestos-containing buildings, remediating asbestos-containing water pipes, decommissioning its wells and decommissioning its marina. The recognition of the asset retirement obligations involved an accompanying increase to buildings, water and hot springs tangible capital assets. The increase in capital assets is amortized on a straight-line basis over the remaning expected useful life of the related assets.

A reconciliation of the aggregate carrying amount of the liability is as follows:

	2025	2024
Opening balance	$ 1,952,779	$ 666,061
Initial recognition of expected discounted cash flows	-	1,158,277
Increase due to accretion	77,612	74,746
(Decrease) increase due to change in estimate	(2,719)	53,695
Closing balance	$ 2,027,672	$ 1,952,779

The liability is estimated using a present value technique that discounts future expenditures. The discount rate used was based on long-term financing rates with MFA of 3.98% (2024: 3.98%). The total undiscounted expenditures and the time period over which they are expected to be incurred is as follows:

	2025
2026	$ 86,974
2027	13,506
2028	13,911
2029	454,934
2030	14,758
thereafter	2,291,245
	$ 2,875,328

10. LONG-TERM DEBT

	Balance, Beginning of Year	Additions	Principal Payments	Actuarial Adjustment	Balance, End of Year
General Fund					
MFA issue 126 bylaw 648	$ 150,133	$ -	$ 10,109	$ 4,370	$ 135,654
MFA issue 130 bylaw 648	59,681	-	3,517	1,512	54,652
MFA issue 117 bylaw 638	47,458	-	4,044	2,160	41,254
MFA issue 167 bylaw 740	-	100,000	-	-	100,000
MFA equipment loan	212,981	-	19,433	-	193,548
	470,253	100,000	37,103	8,042	525,108
Hot Springs Fund					
MFA issue 117 bylaw 637	311,541	-	26,101	13,946	271,494
Sewer Utility Fund					
MFA issue 145 bylaw 671	50,254	-	2,547	394	47,313
MFA issue 79 bylaw 546	67,574	-	5,628	10,050	51,896
	117,828	-	8,175	10,444	99,209
Water Utility Fund					
MFA issue 145 bylaw 671	164,332	-	8,057	1,561	154,714
Total Long-Term Debt	$ 1,063,954	$ 100,000	$ 79,436	$ 33,993	$ 1,050,525

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.

The Village's requirements for future repayments of principal on existing debt for the next five years excluding any actuarial gains that may be realized are as follows:

	General Fund	Hot Springs Fund	Sewer Utility Fund	Water Utility Fund	Total
2026	$ 43,985	$ 26,101	$ 8,091	$ 8,054	$ 86,231
2027	$ 31,873	$ 26,101	$ 8,091	$ 8,054	$ 74,119
2028	$ 22,891	$ 26,101	$ 8,091	$ 8,054	$ 65,137
2029	$ 22,891	$ 26,101	$ 2,463	$ 8,054	$ 59,509
2030	$ 22,891	$ 26,101	$ 2,463	$ 8,054	$ 59,509

11. ACCUMULATED SURPLUS

Accumulated surplus is represented by:

	2025	2024
Unappropriated Surplus		
General Operating Fund	**$ 1,874,896**	$ 1,582,602
Hot Springs Operating Fund	**509,680**	653,039
Water Operating Fund	**710,192**	671,835
Sewer Operating Fund	**158,728**	137,068
	3,253,496	3,044,544
Reserve Fund		
Equipment Reserve	**565,337**	421,542
Fire Equipment Reserve	**445,181**	417,208
NACFOR Legacy Fund	**735,122**	522,459
Community Works Gas Tax Reserve	**538,149**	573,135
Growing Communities Reserve	**1,247,986**	1,217,897
LGCAP Reserve	**134,352**	169,840
Sewer Reserve	**1,574,578**	1,483,028
Water Reserve	**790,716**	966,751
Parkland Acquisition Reserve	**15,519**	15,052
Land Sale Reserve	**339,461**	197,326
Hot Springs and Chalet Reserve	**151,620**	156,015
Other Reserves	**664,812**	403,398
	7,202,833	6,543,651
Equity in Tangible Capital Assets		
General Capital Fund	**10,930,039**	11,204,297
Hot Springs Capital Fund	**990,559**	728,561
Water Capital Fund	**5,332,931**	5,005,196
Sewer Capital Fund	**3,378,578**	3,139,326
	20,632,107	20,077,380
Investment in NACFOR	**2,082,440**	1,808,646
TOTAL ACCUMULATED SURPLUS	**$ 33,170,876**	$ 31,474,221

The Unappropriated Surplus is the amount of Accumulated Surplus remaining after deducting the other appropriated surplus balances. 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.

The Reserve Fund is Accumulated Surplus that has been set-aside by decision of Council for a specified purpose. 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.

The Investment in NACFOR is equal to the NACFOR investment value on an equity basis. In the normal course of operations this investment will not be available to finance operations, but will be maintained in support of the purposes of the investment.

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

12. PENSION LIABILITY

The Village 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 government.

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

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

The Village paid $162,471 (2024 - $147,229) 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 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.

13. COLLECTION FOR OTHER GOVERNMENTS

Taxation revenues comprise the following amounts raised.

General	**$ 1,540,773**
Utility taxes and grants in lieu	**142,127**
	$ 1,682,900

The Village collected and remitted the following taxes on behalf of other Governments.

Provincial Government - School Taxes	**$ 871,499**
Provincial Government - Police Tax Levy	**124,645**
Regional District of Central Kootenay	**716,261**
Regional Hospital District	**77,610**
British Columbia Assessment Authority	**18,489**
Municipal Finance Authority	**100**
	$ 1,808,604

14. CONTINGENT LIABILITIES

The Village, as a member of the Regional District of Central Kootenay, is jointly and severally liable for the future capital liabilities of the Regional District. The loan agreements with the Municipal Finance Authority provide that if the Authority does not have sufficient funds to meet its payments and obligations, it shall make payments from the debt reserve fund which is in turn established by a similar debt reserve fund of the Village and all other borrowing participants. If the debt reserve fund is deficient, the Authority's obligations become a liability of the Regional District, and may become a liability of the participating municipalities.

In the normal course of a year, the Village is faced with claims for damages of a diverse nature. The outcome of these claims cannot be reasonably determined, and no amounts are accrued in the financial statements. The amount of loss, if any, arising from these actions will be recorded in the accounts in the period in which the loss is realized.

15. GOVERNMENT TRANSFERS

Government Transfers - Unconditional	**2025**	2024
Provincial	**$ 402,000**	$ 447,800
Government Transfers - Conditional		
Provincial	**$ 966,354**	$ 1,139,083
Other	**644,773**	935,245
	$ 2,013,127	$ 2,522,128

16. BUDGET RECONCILIATION

The following reconciles the budgeted annual deficit as shown on the statement of operations to the budget as presented in bylaw no. 750 adopted May 12, 2025.

Annual budgeted surplus as presented	**$ 718,854**
Borrowing proceeds	**100,000**
Transfers from reserves	**2,718,003**
Transfers to reserves	**(1,020,563)**
Amortization	**1,045,000**
Debt principal payments	**(76,708)**
Capital expenditures	**(4,421,657)**
Budgeted use of prior year surplus	**964,351**
Interfund transfers	**(27,280)**
	$ -

17. CEMETERY CARE TRUST FUND

The Village operates the Catholic, Hillcrest, Women's Institute, Glenbank, and Legion cemeteries and maintains a Cemetery Care Fund in accordance with the Cremation, Interment, and Funeral Services Act and related Regulations. In accordance with Act and Regulations, the Village must transfer a specified minimum percentage of certain cemetery fees into the Cemetery Care Fund. The resulting equity balance in the fund is restricted in use; interest earnings are available to the Village to fund ongoing maintenance of the cemetery as required. The condensed financial information for the year ended December 31, 2025 with 2024 comparative figures are as follows:

	2025	2024
ASSETS		
Short-term investments	**$ 57,027**	$ 53,915
EQUITY	**$ 57,027**	$ 53,915
OPERATIONS		
Contributions	**$ 1,550**	$ 4,525
Interest	**1,562**	2,394
CHANGE IN EQUITY	**$ 3,112**	$ 6,919

The Cemetery Trust Fund is not included in the Village's financial statements.

18. GROWING COMMUNITIES FUND

Information about the Growing Communities Fund (GCF), when deposited into a reserve fund established by bylaw:

The Province of British Columbia distributed conditional 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 Village of Nakusp received $1,161,000 of GCF Funding in March 2023.

	2025	2024
Opening balance of unspent funds	**$ 1,217,897**	$ 1,164,315
Interest earned	**30,089**	53,582
Amount spent	**-**	-
Closing balance of unspent funds	**$ 1,247,986**	1,217,897

19. SEGMENTED INFORMATION

The Village of Nakusp is a diversified municipal government that provides a wide range of services to its citizens. The Village's operations and activities are organized and reported by funds and departments. The general fund reports on operations funded primarily by property taxes and government transfers which include services provided by the Village such as general government services, protective services, public works and parks and recreation. The utility operations are comprised of the water and sewer system each accounting for its own operations and programs within its own fund. The Hot Springs and Chalets fund reports the revenues and expenses specific to the Hot Springs operations. Operating results reported by the following segments are included in Schedule B.

General government

General government is primarily funded by property taxation and unconditional government transfers. The expenses within the segment are for legislative, general administration and finance functions as well as all operations and maintenance costs relating to the municipal buildings, economic development and promotion and grants to community organizations.

Protective services

Protective services is comprised of the Village's fire protection and emergency services and the operating and maintenance costs of the related buildings, vehicles and equipment.

Public works

Public works and transportation is a broad function comprised of crews engaged in the maintenance and improvements to the road systems, drainage, waste disposal, snow removal, cemetery, works yard, and other planning and maintenance activities.

Parks and recreation

Parks and recreation services contribute to the quality of life and personal wellness through the maintenance of the parks and boulevards, as well as the maintenance and operations of the arena and campground.

Water services

The water utility provides safe drinking water to the Village. Revenue and expenses represent the amounts that are directly attributable to the function of the water utility.

Sewer services

The sewer utility operates the sanitary sewer system networks and treatment plant. Revenue and expenses represent the amounts that are directly attributable to the function of the sewer utility.

Hot Springs and Chalets

The Hot Springs and Chalets segment is comprised of the revenues earned and the expenses incurred from the operations and maintenance of the Nakusp Hot Springs which includes the facility, chalets and campground.

20. FINANCIAL INSTRUMENTS

Credit risk exposure

Credit risk is the risk of financial loss to the Village if a debtor fails to discharge their obligation (e.g. pay property taxes to the Village). The Village is exposed to this risk arising from its accounts receivable.

The Village's investment policy operates within the constraints of the investment guidelines laid out in Section 183 of the Community Charter, which puts limits on the types of investments the Village may invest in. The Section permits the Village's funds to be invested in securities of the Municipal Finance Authority; specified pool investments; securities issued by the Government of Canada, a Canadian province, municipality, or regional district; investments guaranteed by a chartered bank; and deposits in savings institutions or non-equity or membership shares of a credit union

Accounts receivable is primarily amounts due from government (grants receivable) and Village residents. The Village mitigates credit risk by regular submission of reporting requirements for grant installments to be paid within six months to a year of the grant approval. Property tax receivable risk is mitigated by regular notification to the residents of outstanding amounts and ultimately tax sale for recovery, if necessary. If an accounts receivable is held for a long period of time, an impairment allowance is setup to offset the receivable. There were no changes in exposures to credit risk during the period. The amounts outstanding at year end were as follows:

	2025				
	Current	**31-60 days**	**91-120 days**	**Over 120 days**	**Total**
Due from other governments	286,455	-	-	-	286,455
Taxes receivable	-	-	-	407,325	407,325
Other recevables	47,480	15,559	1,863	14,458	79,360
Total receivables	**$ 333,935**	**$ 15,559**	**$ 1,863**	**$ 421,783**	**$ 773,140**

	2024				
	Current	**31-60 days**	**91-120 days**	**Over 120 days**	**Total**
Due from other governments	744,134	-	-	-	744,134
Taxes receivable	-	-	-	306,206	306,206
Other recevables	24,768	62,575	52,804	-	140,147
Total receivables	**$ 768,902**	**$ 62,575**	**$ 52,804**	**$ 306,206**	**$ 1,190,487**

20. FINANCIAL INSTRUMENTS (continued)

Liquidity risk exposure

Liquidity risk is the risk that the Village will not be able to meet all cash outflow obligations as they come due. The Village mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting. The following table sets out the expected maturities, representing undiscounted cash-flows of its financial liabilities.

	2026	2027	2028	Thereafter	Total
Accounts payable and accrued liabilities	453,669	-	-	-	453,669
Long-term debt	86,231	74,119	65,137	825,038	1,050,525
Asset retirement obligations	86,974	13,506	13,911	2,760,937	2,875,328
Total	**$ 626,874**	**$ 87,625**	**$ 79,048**	**$ 3,585,975**	**$ 4,379,522**

Market risk exposure

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Village operates with constraints of the investment guidelines in Section 183 of the Community Charter.

Currency risk

Currency risk arises from the change in price of one currency in relation to another. The Village is not exposed to this risk as it does not transact in foreign currencies.

Interest rate risk

Interest rate risk is the potential for financial loss caused by fluctuations in the fair value or future cash flows of financial instruments because of changes in market interest rates. The Village is exposed to this risk through its investments and MFA long-term debt. The Village mitigates this risk by ensuring that they have sufficient cash to meet the outstanding debt obligation if interest rates should rise. The Village monitors expected cash outflow through budgeting and maintenance of loans payable. There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial statement will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk). The Village is not exposed to other price risk as the Village does not have any investments or equity instruments

21. CONTRACTUAL OBLIGATIONS

The Village has entered into purchase and service contracts related to current capital projects, valued at $535,993 plus applicable taxes.

22. COMPARATIVE FIGURES

Comparative figures have been adjusted to conform to changes in the current year presentation.

VILLAGE OF NAKUSP
SCHEDULE A - TANGIBLE CAPITAL ASSETS
As at December 31, 2025

	Land	Park Improvements and Other	Buildings	Equipment, Furniture, and Vehicles	Transportation System	Sewer System	Water System	Assets Under Construction	2025 Total	2024 Total
COST										
Opening Balance	$ 1,342,412	$ 3,742,731	$ 12,164,743	$ 4,239,425	$ 5,615,211	$ 5,661,207	$ 9,070,594	$ 1,073,064	$ 42,909,387	$ 39,858,845
Add: Additions	-	269,027	69,120	244,823	179,819	22,662	503,563	1,024,134	2,313,148	2,179,990
Add: Additions due to ARO recognition	-	-	-	-	-	-	-	-	-	1,211,973
Less: Disposals/Transfers	(11,164)	-	-	-	-	-	-	(517,870)	(529,034)	(341,421)
Less: Disposal due to change in ARO estimate	-	-	(1,795)	-	-	-	(924)	-	(2,719)	-
Closing Balance	1,331,248	4,011,758	12,232,068	4,484,248	5,795,030	5,683,869	9,573,233	1,579,328	44,690,782	42,909,387
ACCUMULATED AMORTIZATION										
Opening Balance	-	743,358	6,920,020	2,794,231	2,440,668	3,258,486	3,658,511	-	19,815,274	18,663,763
Add: Amortization	-	97,995	448,403	208,785	107,360	128,126	174,535	-	1,165,204	1,151,511
Less: Acc. Amortization on Disposals	-	-	-	-	-	-	-	-	-	-
Closing Balance	-	841,353	7,368,423	3,003,016	2,548,028	3,386,612	3,833,046	-	20,980,478	19,815,274
Net Book Value, year ended December 31, 2025	**$ 1,331,248**	**$ 3,170,405**	**$ 4,863,645**	**$ 1,481,232**	**$ 3,247,002**	**$ 2,297,257**	**$ 5,740,187**	**$ 1,579,328**	**$ 23,710,304**	**$ 23,094,113**

VILLAGE OF NAKUSP
SCHEDULE B - SEGMENTED INFORMATION
As at December 31, 2025

	General Government	Hot Springs and Chalets	Parks and Recreation	Protective Services	Public Works and Transportation	Sewer Services	Water Services	2025	2024
REVENUE									
Conditional transfers from other governments	$ 344,723	$ 80,400	$ 704,196	$ 321,607	$ 21,600	$ 138,601	$ -	**$ 1,611,127**	2,074,328
Unconditional transfer - Province of B.C.	402,000	-	-	-	-	-	-	**402,000**	447,800
Municipal property and parcel taxes	1,521,353	-	-	-	-	4,548	14,872	**1,540,773**	1,432,766
Hot Springs fees and other revenue	-	1,243,964	-	-	-	-	-	**1,243,964**	1,140,128
Water user fees and charges	-	-	-	-		-	669,977	**669,977**	663,433
General fees and charges	186,622	-	321,328	704	132,086	-	-	**640,740**	617,730
Sewer user fees and charges	-	-	-	-	-	639,129	-	**639,129**	579,346
Investment interest and MFA actuarial gain	261,940	14,250	-	-	-	10,712	1,639	**288,541**	420,984
Utility taxes and grant-in-lieu of taxes	142,127	-	-	-	-	-	-	**142,127**	131,775
Gain on sale of tangible capital assets	-	-	-	-	131,917	-	-	**131,917**	62,000
Interest and penalties on taxes	44,371	-	-	-	-	-	-	**44,371**	43,361
Equity income (loss) in NACFOR	523,794	-	-	-	-	-	-	**523,794**	(164,320)
	3,426,930	1,338,614	1,025,524	322,311	285,603	792,990	686,488	**7,878,460**	7,449,331
EXPENSES									
Goods and services	587,948	426,560	441,185	170,072	229,805	190,991	153,971	**2,200,532**	2,082,882
Wages, benefits and Council stipends	695,188	740,346	474,926	561	429,028	139,411	203,531	**2,682,991**	2,506,314
Interest on debt	-	10,437	17,247	8,404	-	12,560	6,818	**55,466**	58,605
Accretion	-	2,835	64,118	-	439	-	10,220	**77,612**	74,746
Amortization of tangible capital assets	32,499	52,561	445,198	93,748	238,537	128,126	174,535	**1,165,204**	1,151,511
	1,315,635	1,232,739	1,442,674	272,785	897,809	471,088	549,075	**6,181,805**	5,874,058
Annual Surplus/Deficit	**$ 2,111,295**	**$ 105,875**	**$ (417,150)**	**$ 49,526**	**$ (612,206)**	**$ 321,902**	**$ 137,413**	**$ 1,696,655**	$1,575,273

VILLAGE OF NAKUSP
SCHEDULE C - COVID-19 PROVINCE OF BC RESTART GRANT
As At December 31, 2025
(Unaudited)

		2025		2024
OPENING BALANCE	**$**	**103,330**	**$**	**327,915**
EXPENDITURES				
Addressing revenue shortfalls		**40,239**		**136,612**
Facility reopening and operating costs		**52,600**		**78,755**
Computer and other electronic technology costs		**10,491**		**9,218**
CLOSING BALANCE	**$**	**-**	**$**	**103,330**

VILLAGE OF NAKUSP
SCHEDULE D - LOCAL GOVERNMENT HOUSING INITIATIVES GRANT
As At December 31, 2025
(Unaudited)

		2025		2024
OPENING BALANCE	$	138,648	$	-
AMOUNT RECEIVED DURING THE YEAR		-		157,704
AMOUNT SPENT		64,976		19,056
CLOSING BALANCE	$	73,672	$	138,648

26

Property Tax Exemptions

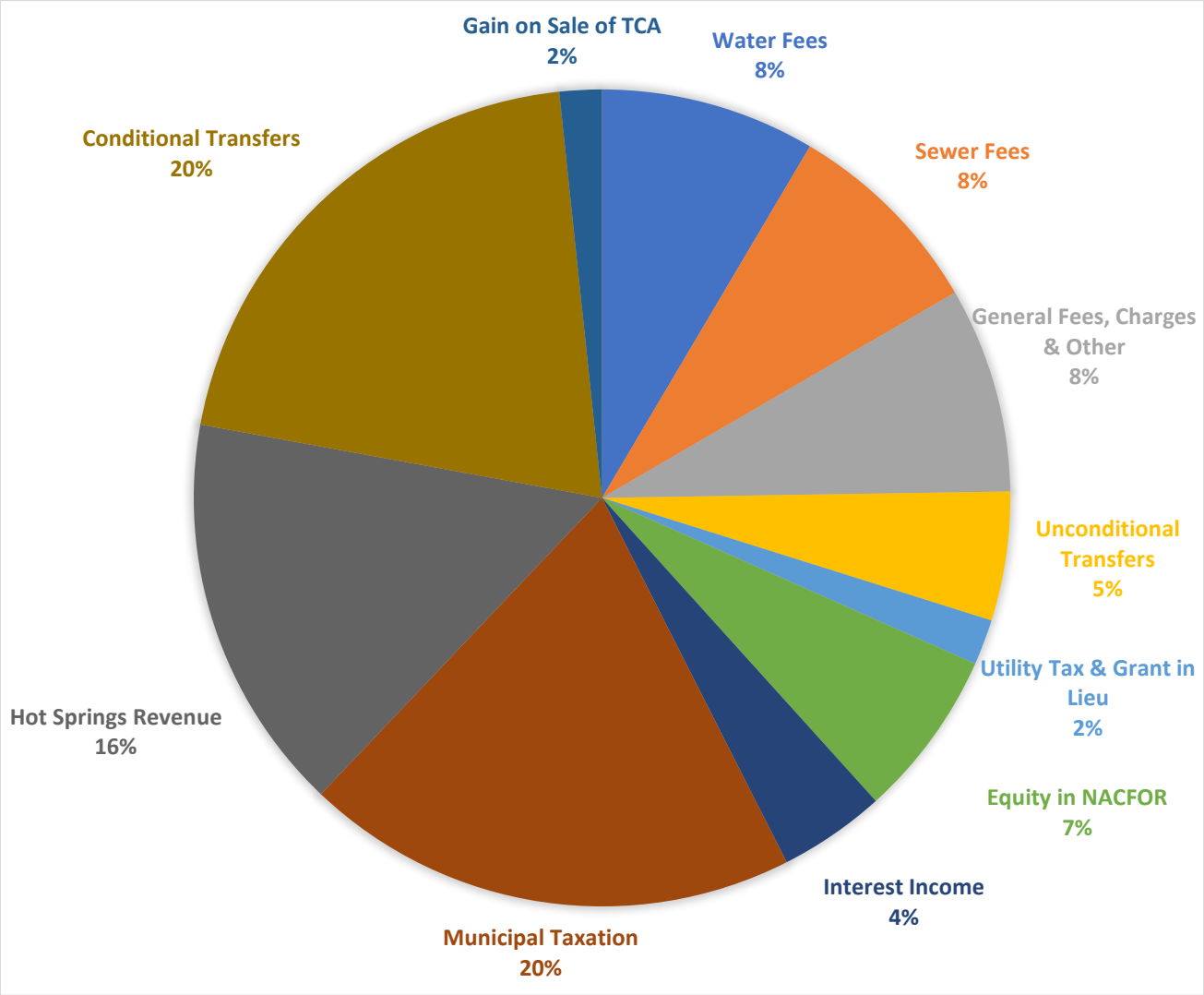
Through the adoption of an annual bylaw, the Municipal Council may provide a permissive exemption from taxation to certain groups and organizations. The legal capacity to provide these permissive tax exemptions is through powers granted to the Council in the *Community Charter*.

To be considered for a permissive tax exemption, an organization must submit an application and illustrate that their goals, policies, and operating principles that reflect those of the municipality; that the services provided are an extension of municipal services and that their programs are deemed to contribute to the well being of the community. They must be primarily used by residents of the Village of Nakusp and allow all Nakusp residents to participate and adhere to all Village of Nakusp bylaws and policies.

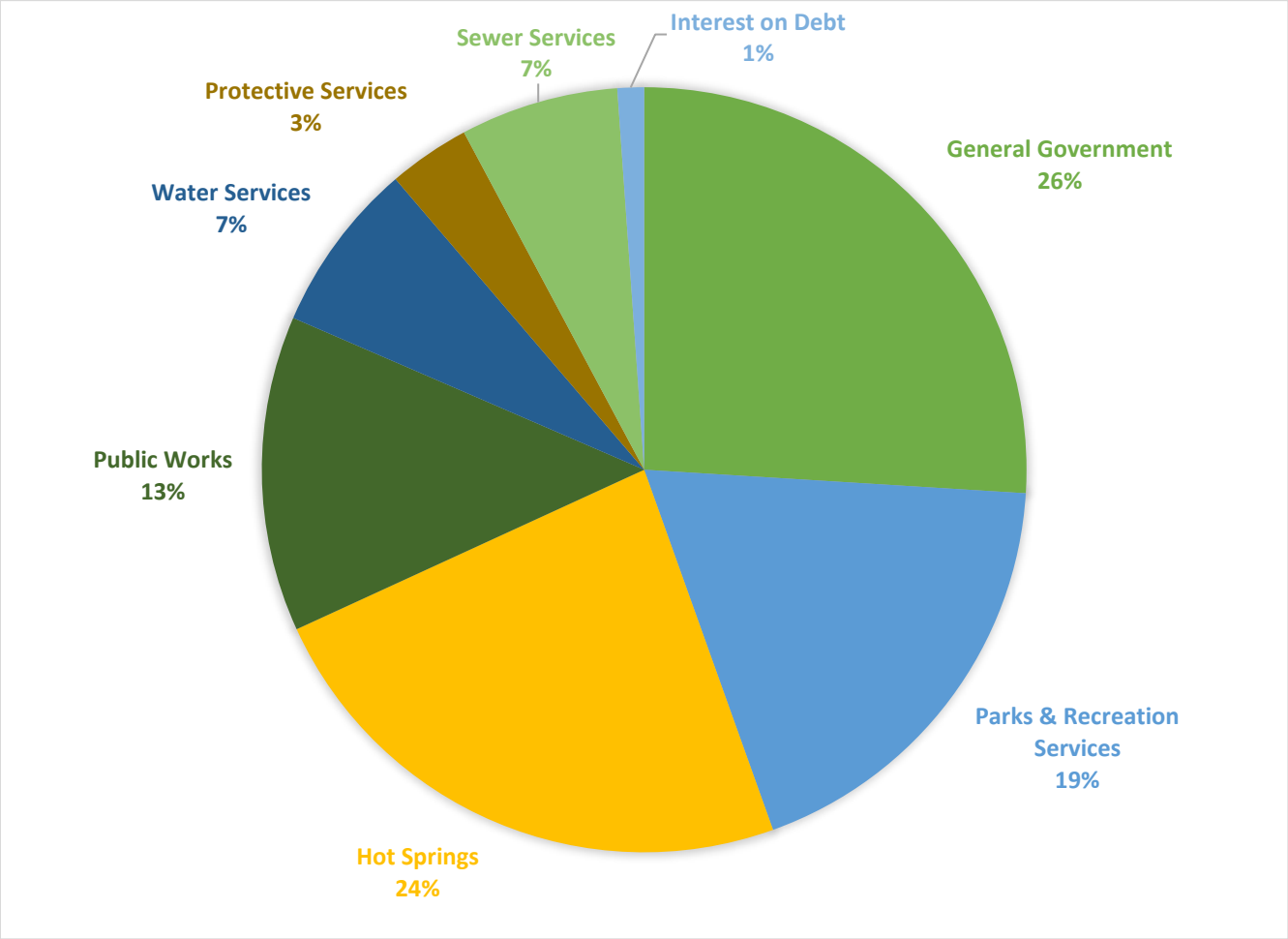
Below is a listing of organizations granted a PTE in 2025 together with the amount of municipal taxes that would have been imposed on the property if it were not exempt.

Summary of Permissive Tax Exemptions	**2025 Value of Exemption**
Arrowtarian Senior Citizens Society	$3,067
Arrowtarian Senior Citizens Society	$4,167
Arrowtarian Senior Citizens Society	$2,042
Arrowtarian Senior Citizens Society	$2,547
Nakusp Senior Citizens Branch #71	$1,574
Total of all Tax Exemptions	**$13,397**
Total of all Tax Exemptions as a % of 2025 Municipal levy	**0.95%**

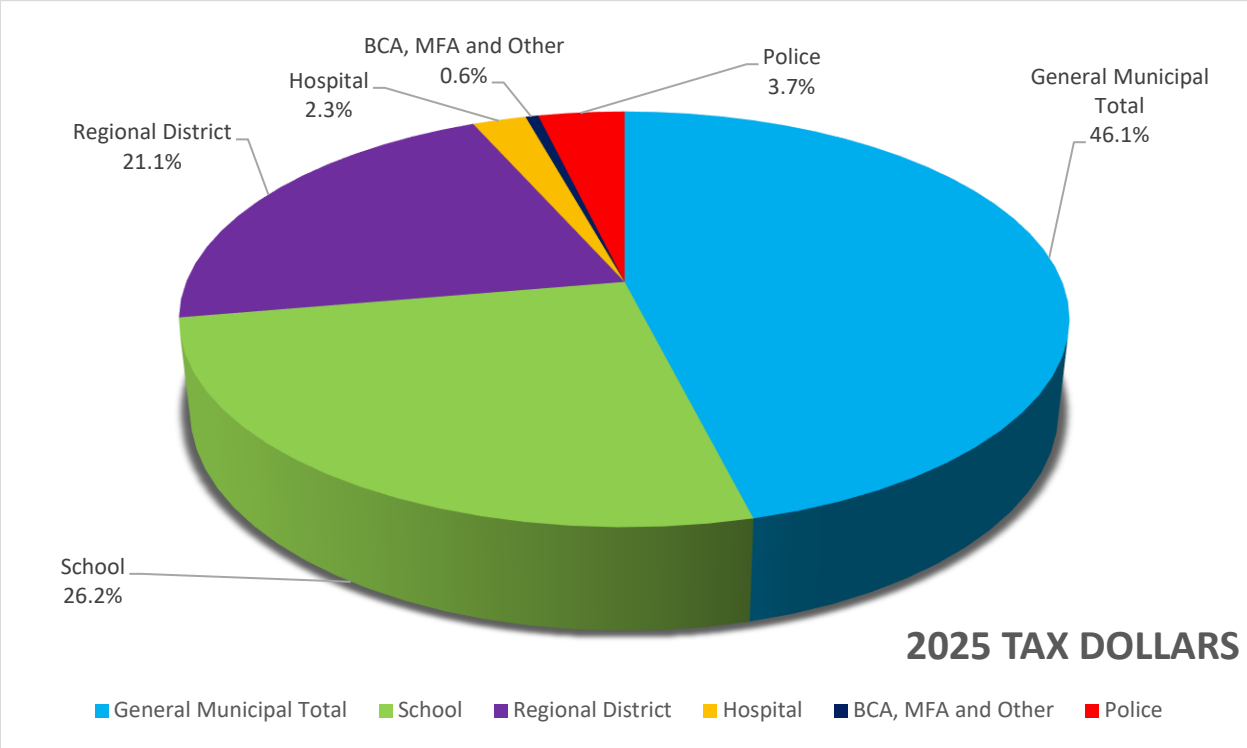
Revenues 2025



Expenses 2025



Statistical Information



MUNICIPAL STATISTICS

Incorporated:	November 24, 1964 Founded: 1892
Location:	Regional District of Central Kootenay, 200 km east of Vernon, 162 km northwest of Nelson School District No. 10, Arrow Lakes
Area:	1059 hectares Elevation: 457.2 meters
Population:	1,589 (2021 Census)
Km of Roads:	Paved - 32 Unpaved - 2 km of Lanes: 6.6
Coordinates:	Longitude is 117^{0}47’57”W Latitude is 50^{0}14’20”N
Km of Domestic Water System	34.3
Km of Sewers:	Storm - 5.6 Sanitary - 26.2
Employees:	28