

V I L L A G E O F M I D W A Y

2025 ANNUAL REPORT

January 1, 2025 to December 31, 2025



Table of Contents

Midway at a Glance	Page 3 - 4
Mayor's Welcome	Page 5
Mayor and Council	Page 6 - 7
2025 Progress Report	Page 8 - 17
Current Year Objectives Achieved	Page 18
2026 Objectives Proposed	Page 19 - 20
2025 Audited Financial Statements	Page 21 - 48



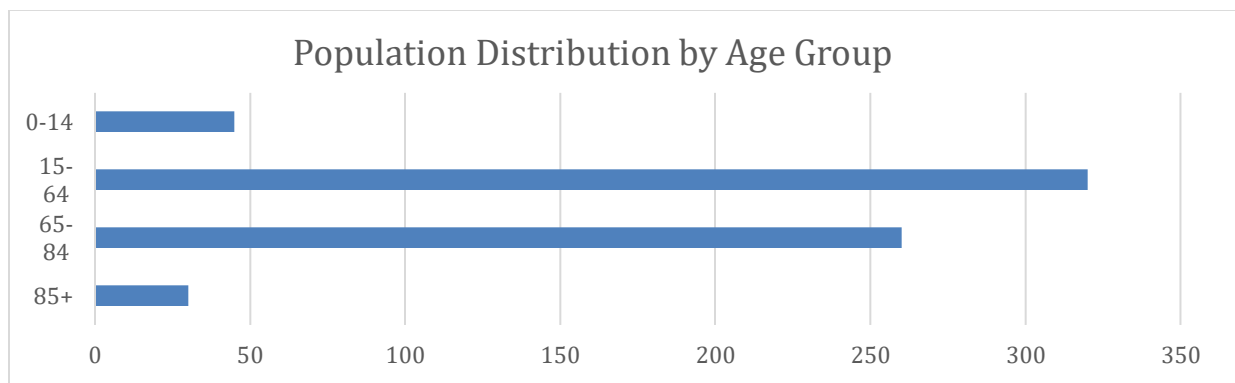
MIDWAY AT A GLANCE

Located between the Rocky Mountains and the Pacific Ocean on the Canada/US Border, Midway is a recreational destination that offers something for all levels and interests of recreational enthusiasts. Our community offers the quality of life that a small town can provide with bigger city centres just minutes away. Centrally located, about 2 hours from Kelowna and Penticton in the Okanagan and Trail, Castlegar and Nelson in the Kootenay's, Midway is also just a 2 ½ hour drive from Spokane WA. Midway is built on the people of the past and present looking towards the people of the future.

Population (2021): 651, 3% increase from 2016 (649). Males number 330 or 51%; females 320, or 49%.

Population by broad age group

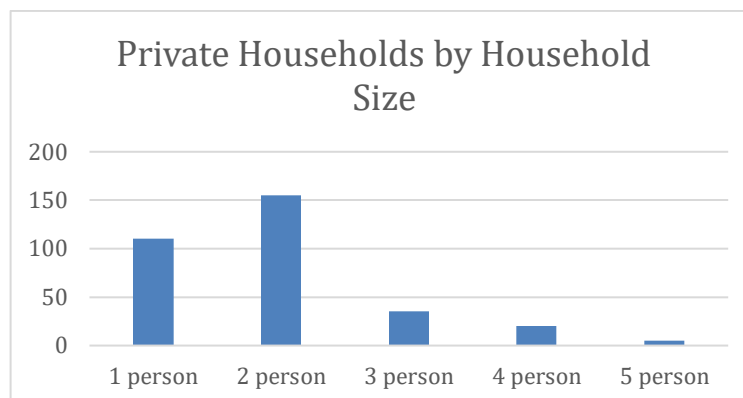
- 0-14 years (children): 6.9%
- 15 to 64 years (working age): 49.2%
- 65 years and over (primarily out of workforce): 43.1%



Median Age

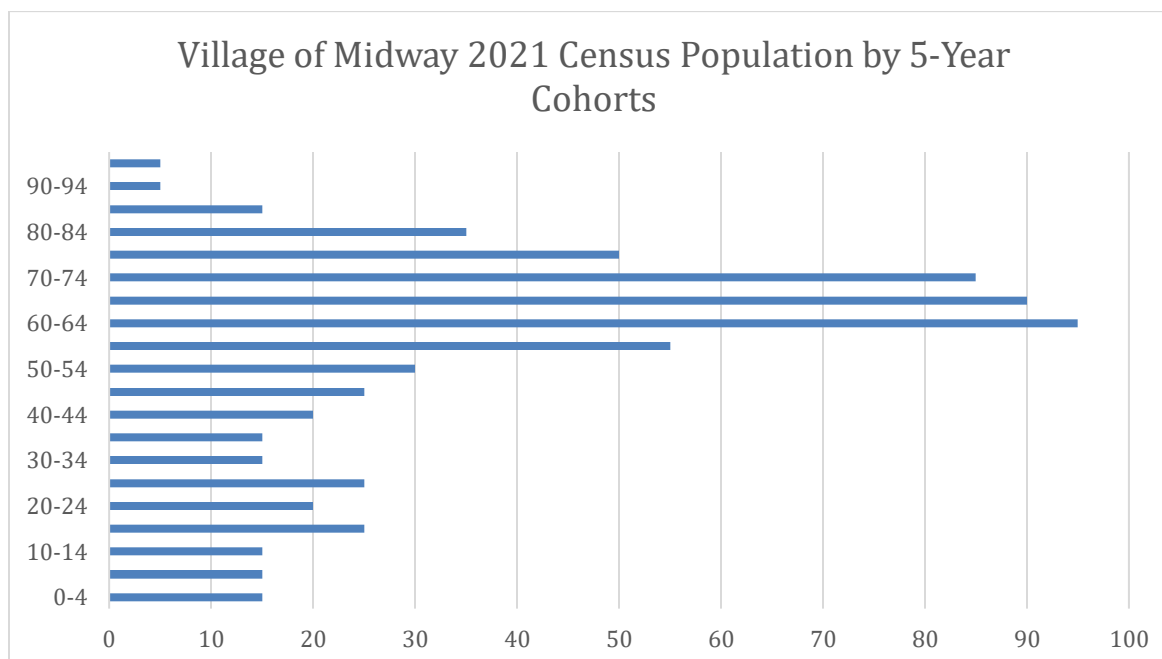
The median age is 62.8 years. This compares to 48.8 years in the Kootenay Boundary Regional District Area “E” and 42.8 years in BC. (2021)

A majority of 630, or 97%, live in private households. The 2021 census counts 325 occupied private dwellings.



Population distribution by 5-year cohorts

The population distribution is illustrated in a graphic below. It is clear that one of the defining characteristics of the Village’s population profile is a mature and aging population. The largest cohorts are those between 55 and 79 years.



Household income

The median household income for Midway is \$58,000. This compares to \$60,400 for RDKB Area “E” and \$85,000 for B.C.

The prevalence of low income in 2020 based on after-tax low-income measure LIM-AT (%) for those 65 years and over is 18%

Mayor's Welcome

On behalf of Council, the residents of Midway, and myself, welcome to the beautiful Village of Midway.

Located on the Canada–United States border, Midway is a pristine village with deep roots as Mile 0 of the Kettle Valley Railway. Visitors can explore this history at the Kettle River Museum. Surrounded by mountains, the Village offers a unique landscape, with forested slopes on one side of the valley and desert grassland on the other. Situated on Highway 3, Midway is easy to reach and is a wonderful place to visit or call home.

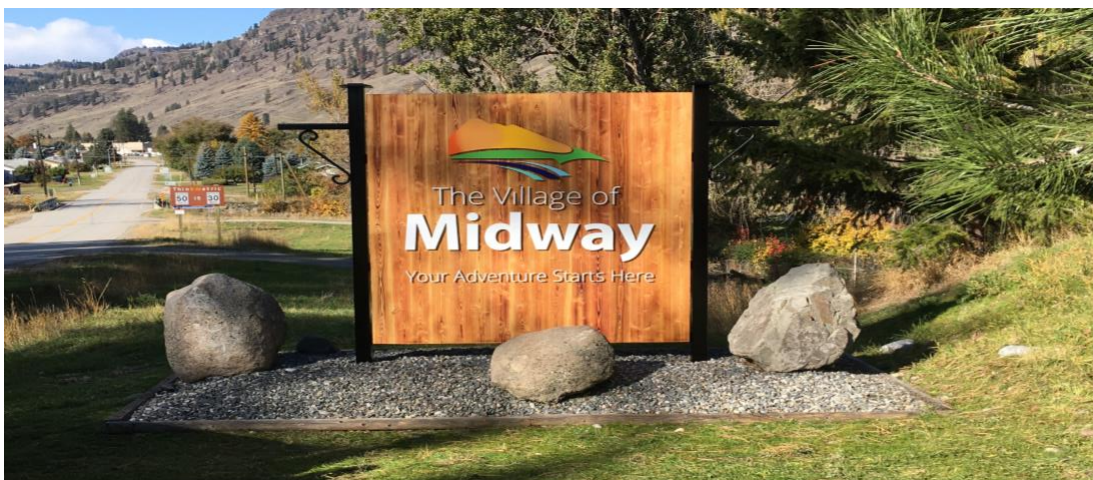
Midway offers excellent hiking and biking trails, convenient access to the Kettle River at Riverfront Park, a municipally operated campsite in a beautiful setting, and a volunteer-run Community Garden that provides fresh produce for residents and visitors. The newly constructed Spray Park and accessible washrooms in James G. McMynn Park offer a welcoming place to cool off and enjoy the outdoors.

Midway's amenities include the Boundary Expo Recreation Centre, which features an NHL-sized arena, concession stand, four state-of-the-art change rooms, four additional change rooms, and a fitness room. The Village's Community Hall is currently being renovated, with an anticipated reopening in 2026.

Other local services include an airport, library, medical clinic, pharmacy, RCMP station, fire hall, ambulance services, Canada/USA border crossing, and several retail stores and restaurants. Midway also has a new 18-hole disc golf course, made possible through funding from the West Boundary Community Forest. The course is located on the Village-owned 60-acre Midway recreation area. The Village Council is grateful to the local volunteers and Boundary Secondary School students who generously donated their time and equipment to make this project happen!

We hope to see you soon and that you enjoy our Village as much as we do.

Doug McMynn
Mayor



Mayor and Council

The Village of Midway is governed by an elected Mayor and four Councillors for a four-year term. Council provides direction and establishes the policies and budget to guide the growth, development, and operations of the town. Council meets regularly and the public is welcome to attend any open meeting or provide feedback in writing via mail or email.

In the fall of 2022, Midway residents voted in the municipal election to elect Council for the 2022-2026 term:

Mayor Douglas McMynn
Councillor Richard Dunsdon
Councillor Darrin Metcalf
Councillor Aaron Pownall
Councillor Judy Willsey

DECLARATION OF DISQUALIFICATIONS

In accordance with Part 4, Division 7, Section 111 of the Community Charter, the Village of Midway must include in its Annual Municipal Report any Declarations of Disqualification made against individual council member in the previous year.

During 2025, the village has not made, nor is the village aware of electors of the Village of Midway having made, an application to court for a declaration of disqualification of a person elected or appointed to office on the Council of the Village of Midway.

Council adopted the Village of Midway Strategic Plan in October, 2024. The Strategic Plan is a guiding document that reflects the goals, priorities and objectives of the Village of Midway. The plan focuses on four main strategic priorities to guide Council through to 2027:

- ***Proactive Land Use/Housing Diversity***
- ***Economic Health***
- ***Organizational Excellence***
- ***Quality of Life***

The plan will help Council and staff map out how to make decisions, allocate resources and prioritize projects over the next three years. Tracey Lorenson from Civil Excellence facilitated a Strategic Planning workshop to assist Council with developing the Plan. It will be reviewed on an annual basis to ensure that priorities are kept on track, and review whether any changes or updates are needed.

Council Committees & Appointments 2024 to 2025

Regional District Kootenay Boundary / West Kootenay Boundary Regional Hospital District Board Directors:

- Regional District Board & RDKB Committees – Councillor Dunsdon / Councillor Willsey (Alternate)
- WKBRHD Board – Councillor Willsey attend all meetings / Councillor Dunsdon (Alternate)

In-Camera Committee – Full Council:

- General human resources – recommends general provisions and policies of employee agreement; recommends overall employee structure
- Wages & benefits – recommends provisions for periodic wage and benefit review
- Hiring and terminations (CAO position) – participates in candidate interviews; recommends preferred candidate(s); participates in termination issues; oversees employee disciplinary actions
- Legal – participates in all issues surrounding bylaw enforcement, legal challenges, lawsuits, and actions brought against the Village or initiated by the Village
- Land – participates in all issues surrounding the proposed acquisition or disposal of village property

Acting Mayor Schedule:

- | | |
|--------------------------------|--------------------|
| • Dec 1, 2024 to Feb. 28, 2025 | Councillor Metcalf |
| • Mar 1, 2025 to May 31, 2025 | Councillor Willsey |
| • Jun 1, 2025 to Aug. 31, 2025 | Councillor Pownall |
| • Sep 1, 2025 to Nov. 30, 2025 | Councillor Dunsdon |

Signing Officers: Any two

Staff:

- Lisa Teggarty
- Kerstin Kleinhempel

Council:

- Mayor McMynn
- Councillor Willsey
- Councillor Dunsdon

Miscellaneous Appointments:

West Boundary Community Forest

Councillor Metcalf (Alt. Mayor McMynn)

Public Works

Mayor McMynn

Emergency Services

Councillor Pownall / Mayor McMynn

Recreation & Culture

Full Council

Economic Development, Tourism, Land Use

Full Council

Parcel Tax Review Panel

Full Council

Local Planning:

Full Council

Municipal Finance Authority:

Mayor McMynn (Alt. Councillor Willsey)

Municipal Insurance Assoc:

Mayor McMynn (Alt. Councillor Dunsdon)

Boundary Integrated Watershed Service

Councillor Dunsdon / Public Works Foreman

MES Repurposing Committee

Councillor Dunsdon / Councillor Willsey

Approving Officer:

Chief Administrative Officer

Board of Variance:

Martin Fromme, Gail Bryan, Grant Hardwick

Municipal Engineers:

By Tender

Municipal Auditor:

Grant Thornton LLP

Municipal Solicitors:

Lidstone & Company

Municipal Financial Institutions:

StellerVista Credit Union/Municipal Finance Authority -PHISA & Pooled Investments

Bylaw

Chief Administrative Officer

ADMINISTRATION, CORPORATE SERVICES AND FINANCE

WHAT WE DO

Administration and Corporate Services works closely with Council to provide the necessary information and the tools to promote effective decision making in an open and accountable manner. The department keeps Council up to date on corporate matters and ensuring that Council policy is implemented.

Administrative and Corporate Services are also the primary access point for citizens and outside agencies wishing to communicate or interact with Council and acts as support staff for all other departments.

2025 WORK PROGRAM & INITIATIVES

- Preparing minutes and agendas
- Composing, reviewing and providing advice on municipal bylaws and policies
- Initiating the follow-up action to Council decisions
- Administering Freedom of Information and Protection of Privacy Act requests
- Managing the Village's legal contracts and agreements
- Human Resource Management; updating policies; Succession Planning
- Upgrading of the computers, backup server equipment

FINANCE

WHAT WE DO

The Finance Department is responsible for monitoring, controlling and allocating of financial resources in order to achieve the Village's immediate short and long-term goals and objectives. The Department also provides Council with financial updates and variance analysis.

Annual Financial Statements are prepared by the Finance staff, and are audited by an independent auditor, along with other reports to meet all legislative requirements of the Province.

2025 WORK PLAN & INITIATIVES

- The five-year financial plan seeks to meet the vision and mission statements by using best practice Asset Management principles to inform the budget process and build on those principles.
- Collecting and reporting on all Revenues
- Maintaining Property Tax Assessment Roll and Annual Taxation Billing
- Internal financial systems have been updated allowing finance to generate internal financial budget variance reports, statement of operations and statement of financial position reports directly from the accounting system
- The accounting software has been updated to implement e-mail capabilities for payment receipts, vendor payment confirmations, utility and property tax notices. This provides an alternative delivery method in the event of mail strikes.

- The process to provide information to the year-end auditors continues to be improved. This includes preparing a year end package of supporting information grouped to support the line items on the annual audited financial statements.
- In 2025, draft annual financial statements were prepared internally by Deputy Finance and approved and finalized by the external auditors.
- Staff are preparing for the impact of future accounting standard changes and the implementation of a new financial statement reporting framework which will impact the presentation of the annual audited financial statements for fiscal 2027.
- Project costing, physical assets and equipment costing modules were added to the Village's accounting system in 2025. These modules improve financial reporting and move the Village forward in implementing asset management practices and adopting new reporting standards.
- Staff are completing asset management training courses to implement an asset management policy, compile an asset management registry, prepare state of infrastructure reporting, prepare asset replacement forecasts and asset management risk assessments. Work in these areas will require collaboration with various Village departments. The goal is to have the systems ready to produce reliable information for the fiscal year 2027.

Process Business License Billing

- Tracking of business activity and short-term rental license monitoring
- Administering the Annual Tax Sale Process, if required
- Being proactive about collections has seen a decrease in delinquent accounts in the past few years

Property Tax Collection and Policy

- Establishing the Annual Municipal Tax Rates and User Fees consistent with the Five-Year Plan.
- Administer Permissive and Revitalization Tax Exemptions
- Council continues to support local not-for-profit organizations that provide benefits to the community as a whole and are eligible under the Community Charter through permissive tax exemptions

RCMP Based Victim Services

The Village of Midway administers two Victims Services contracts; Midway RCMP Victim Services Program and Grand Forks RCMP Victim Services Program.

Climate Action – Local Governments around the province are taking action to address climate change and better prepare for the future. Those actions and ongoing planning are supported by CleanBC, the Provinces' plan to reduce emissions, expand new economic opportunities and protect the places we call home. The Village has signed a corporate GHG emissions inventory reporting and sustainability management system with GHG Accounting Services. This will help to support us in our endeavour to fulfill the reporting obligations under the new BC local government program and climate action charter.

Community Forest

West Boundary Community Forest Inc. (WBCF) is jointly owned by the Village of Midway and City of Greenwood. Osoyoos Indian Band has a management agreement with WBCF to manage the community forest. The West Boundary Community Forest agreement has an allowable annual cut of 23,000 m³ per year (115,000 m³ five year cut control) and an initial term of 25 years. The agreement area covers about 17,761 hectares (21 separate parcels) adjacent to private land, woodlots, TFL 8, Boundary TSA, and municipal land.

In addition to managing the local forest, the community forest is used to educate elementary students in forest ecology and introduce local high school students to education and careers in forestry.

Board of Directors - The Community Forest is governed by an appointed Board of Directors representing the communities of the City of Greenwood and the Village of Midway.

Dividends

West Boundary Community Forest – In 2025 the Village of Midway and the City of Greenwood received dividends of \$200,000 each. Midway's dividends funds are allocated toward the municipality's Reserves for Future Capital Expenditures to enhance the Village's tangible assets.

2025 Permissive Tax Exemptions/2025 Grant in Aid

In accordance with Sections 224 and 227 of the Community Charter, the following properties in the Village of Midway were provided permissive property tax exemption by Council in 2024 for the tax year 2025. (Village of Midway Bylaw 564, 565 and 566)

Roll #	Owner/Occupier	Civic Address	Legal Description	Estimated 2025, 2026 and 2027 General Municipal Taxes
Public Worship				
00012.030	King of Kings New Testament Church	735 Ninth Avenue	Parcel B Blk 17, Plan KAP3, DL 501, SDYD, Portion (KJ53950) land surrounding building	2025: \$438 2026: \$450 2027: \$470
00231.010	The BC Conference of the Mennonite Brethren Church (Boundary Community Church)	943 Thirteenth Avenue	Lot A, Plan KAP40642, DL377, SDYD, land surrounding building	2025: \$637 2026: \$660 2027: \$680
Recreation Facilities and Service Club or Associations				
00003.075	Boundary District Curling Club	706 Seventh Avenue	Lot 3, KAP39672, DL 501, SDYD	2025: \$2,414 2026: \$2,500 2027: \$2,600
Philanthropic				
00003.031	Province of BC - BCEHS	661 Eighth Avenue	Leased Portion of Building/Land on 2,465 sq feet located on Lot A, Plan KAP64982, DL501, SDYD, except Plan KAP66388/KAP67242	2025: \$5,126 2026: \$5,200 2027: \$5,300
TOTAL ESTIMATED GENERAL TAXES				2025: \$8,615 2026: \$8,810 2027: \$9,050

Grant in Aid:

In 2025 the following grants to Community Groups were distributed:

Midway Public Library - \$20,853

Kettle River Museum Society - \$10,440

Midway Social Centre Society - \$7,830

Midway Community Association - \$5,806

Boundary Invasive Species/Aquatic Society - \$1,560

Midway & Beyond Little Theatre - \$2,153

ECONOMIC DEVELOPMENT & TOURISM

The Village of Midway offers a variety of recreational opportunities for all seasons. The Village office collaborates with a variety of other departments and local, regional, and provincial stakeholders to facilitate a healthy and robust local economy.

The newly constructed Spray Park and accessible washrooms in James G. McMynn Park have continued to be a great recreational asset to the park. The Spray Park and accessible washrooms facilities are enjoyed by residents and tourists of all ages, significantly boosting local tourism. There are plans to seek out grant funding to purchase shades for the surrounding area, so that residents and tourists can stay and enjoy the beautiful surroundings whilst keeping cool.

Although the Community Centre Upgrade and Retrofit project encountered delays at the end of 2024, grant funders, including Investing in Canada Infrastructure Program (ICIP) and the Canadian Heritage Legacy Fund approved grant extensions, enabling the Village to identify a suitable proponent.

The Community Centre Upgrade and Retrofit project bidding process was successful and Council approved for the project to be awarded to North Mountain Construction. The majority of the construction work was completed in 2025, with anticipated opening planned for early 2026.

In 2025, the Regional District of Kootenay Boundary received up to \$499,840 in grant funding through the Province of BC's Rural Economic Diversification and Infrastructure Program (REDIP). A portion of the funding provided grant funding for a shared Economic Development Officer position for the Village of Midway and the City of Greenwood for a two-year term.

2025 WORK PROGRAM & INITIATIVES

- Community Centre Upgrade and Retrofit project – staff and the village's project manager worked diligently with the general contractor and architect to move the project forward, and although the project faced several challenges during its execution, including increased costs, USA tariff increases, and changes in building codes that necessitated a reduction in the project's scope, at the end of December 2025 construction had reached 55% progress towards completion, with the anticipated opening planned for early 2026.
- Economic Diversification Plans - Working with the newly recruited shared Economic Development Officer position, Council worked on the plan to advance priorities from the Midway Plan.
- Senior Housing - Continue to support West Boundary Senior Housing Society with municipal approvals for a proposed new Senior Housing building project.
- Working with the Economic Development Officer to plan for the development of a comprehensive business plan to exclude lands from the Agricultural Land Reserve for a planned campground expansion and future housing developments.
- In 2025, work continued to meet proactive planning requirements under BC Government Bill 44, 2023, including amendments to Midway's OCP Bylaw to address future housing needs.
- The Village will continue to explore additional funding sources for the Riverside Park Campground Expansion and grants to improve outside space and activities for all ages.

PUBLIC WORKS & OPERATIONS

The Public Works & Operations Department provides many of the basic services that affect the daily lives of everyone who lives and works in the Village. The department's primary responsibility is to ensure that existing core municipal services are delivered effectively and efficiently. This is achieved through short- and long-term planning to identify and address where new infrastructure and improvements are required.

2025 WORK PROGRAM & INITIATIVES

- **Fleet Replacement/Equipment Replacement** – In 2025, Council approved a capital purchase for a new Plow and Sander for the Public Works department. The advantage of the plow attachment is that it can be mounted on both work trucks. The sander attachment has been installed on the 2024 Chevrolet Silverado 3500 truck. This truck was purchased at the end of 2023 and is proving to be a great asset to the fleet.
- **Road Maintenance** – In 2025 pothole patching was completed throughout the Village. Future paving projects are planned for 2026.

Water

Source water is the surface water and groundwater that is available for use by a water system provider. The municipality is a groundwater source water system provider. A groundwater source is the water that is present below the surface of the ground that comes from an aquifer(s) which supplies water to our wells. Because we are a water system provider, we are also required to ensure source water protection plans are in place, this is key in a sustainable water system strategy that includes, a Water Emergency Response and Recovery Plan, Source Water Protection Plan, Water Quality Monitoring Program, Cross Connection Control Program, Environmental Operator Certification.

In 2025 a natural gas back-up generator was installed in #1 pumphouse. Council approved funding for this acquisition from the Canada Community Building Fund.

In 2025, Public works installed a 2" Commercial line service connection to the Community Centre.

Water conservation – Historically educational information has been provided to the residents in and around the village to educate residents on water conservation. With declining ground water levels and early season drought indicators become more prevalent, the village are considering a more stringent approach to water conservation, and planning for water restriction stages will be introduced.

Sanitary Sewer System

The Village of Midway operates its own municipal sanitary sewer system, which includes a local sewage reclamation plant and 4 lift stations. Usage is regulated by the local government and Ministry of Environment to prevent system damage and overflows.

The Hydro-Vac/Jetter truck purchased in 2024 has been a great addition to Public Works operations, as it can be used to clear blockages, flush the 12km of sewer lines annually and also for hauling sludge from our Wastewater Treatment plant to our sludge drying beds located at the tree recycling facility.

There were no new connections were requested in 2025.

Public Works staff continue to work towards certifications related to the water and sanitary sewer systems.

In 2025 a staff member of the department completed the Wastewater Level 2 certificate.

Provincial Groundwater Observation Well Network – Water Monitoring Program

In 2018 the Village of Midway signed a 20-year agreement with the province granting them a portion of land along Cleghorn Street to install a well and equipment that will enable the province to monitor the water levels and water quality at the well.

Risk Management

Arena, Parks and Public Works continue to work and address and implement plans and policies in all departments to foresee risks, estimate impacts, and define responses to issues. Ongoing risk management is vital to ensure the safety of the workers and the safety of the community.

2018 Floods/Boundary Creek Sanitary Sewer/Water Mainline Exposure

Project 2 Sewer and Water Main Removal has experienced some unforeseen delays. However, a funding extension has been granted by EMBC Disaster Fund Assistance (DFA). Staff are working with the DFA to get back on track with the project and fulfil permitting and collaboration requirements.

Flood Risk Assessment, Flood Mapping and Flood Mitigation Plan

In 2023, a detailed flood protection design and cost estimate for high-risk areas was completed, funded by UBCM's 2021 Community Emergency Preparedness Fund. Although the Village's grant application to Infrastructure Canada's Disaster Mitigation and Adaptation Fund in 2023 was unsuccessful, staff will continue to seek alternative grants.

Asset Management Planning

The Village is reviewing progress made on Asset Management Planning and examining current practices. Additionally, it is attending training relevant to Asset Management Planning for smaller municipalities. The Village aims to establish comprehensive asset management practices, develop training programs, and create an asset management policy with guidelines and practices for managing, financing, and operating existing assets, as well as planning for future assets and service delivery. Developing these asset management strategies and plans is crucial for achieving long-term objectives.

RECREATION SERVICES

The Village of Midway Parks and Recreation Department operates the Boundary Expo Recreation Centre. The centre consists of an ice arena, fitness center, concession kitchen and administration area.

2025 WORK PROGRAM & INITIATIVES

- In 2021, the existing ammonia chiller plant was replaced with a new Chiller and Condensing Tower, funded a grant from the Province of BC Community Economic Recovery Infrastructure

2025 Annual Report

- program (CERIP). The new plant became operational in 2022 and in 2023 Electric Desiccant Dehumidifiers were installed, to use heat energy to remove collected water vapor from the desiccant. Funding for the dehumidifiers was through the Canada Community-Building Fund.
- In 2025 the Village applied for funding up to \$3.4 million through the UBCM Strategic Priorities Fund – Capital Infrastructure Stream for a Slab replacement project at the Boundary Expo Recreation Centre.

PROTECTIVE SERVICES/FIRE DEPARTMENT

The Protective Services department provides prompt emergency response to the residents and visitors to the Village of Midway, in an efficient and effective manner. The Village of Midway supports this service delivery through a series of established training and education programs based on specific roles and responsibilities.

The Protective Service department endeavours to enhance service delivery to ensure Midway is a safe place to live, visit, work and play. Each of these functions play a crucial role in the protection of the community while providing an essential service, in a fiscally responsible manner.

2025 WORK PROGRAM & INITIATIVES



2025 was an active year for Midway Fire and Rescue. The fire department responded to a number of challenging emergencies. New members were recruited to the department and have been diligent in their education and continued growth. We also have added layers into our training plan which catches up on our yearly certifications, officer development, and rolling out new training and response initiatives which increases our capacity and resiliency.

During the beginning of the year, Phil Cameron served as the Acting Fire Chief in the early months, followed by the appointment of Corey Kortmeyer as Fire Chief. The department continues to be supported by a highly committed group of volunteers who dedicate their time and effort to enhancing fire and life safety within the community and surrounding areas.

Firefighter training, recognition and retention is an ongoing focus. Firefighters are true ambassadors of Midway and the surrounding communities.

Membership

It is important to the firefighters, to acknowledge their commitment, dedication, and sacrifices. This year we had a number of people retire from Midway Fire Rescue. Earle Carpenter with 30 years of service, Peter Baia with 27 years of service, and Bruce Hiltz with five years of service. The Village takes great pride in recognizing the remarkable dedication and service of its long-tenured members, whose years of commitment reflect a deep sense of honor and unwavering devotion to the community.

Community Involvement

Midway Fire Rescue members continue to serve their community, outside of emergency response. They participated in Easter, Canada Day, Halloween, Emergency Preparedness Fair, and Christmas events, ensuring that every house in Midway receives a candy cane delivered by Santa.

They also engage with local groups, providing firehall tours to the Boundary 4-H Club, West Boundary Elementary School, and various community groups, helping to promote fire safety awareness and strengthen community relationships.

FireSmart

FireSmart education and awareness are ongoing. FireSmart assessments were completed when requested. The fuel treatment was identified in the 2022 Village of Midway Community Wildfire Protection Plan (CWPP). In 2024 a revised grant funding application was submitted under the 2024 CRI FireSmart Community Funding and the funding was successful.

This resulted in fuel mitigation in Midway's interface. Starting in the summer of 2025, areas adjacent to Fritz Road were treated to lessen the impact of wildfires to the Village of Midway. Operational fuel treatment (management) is defined as the process of changing forest fuels to reduce aggressive fire behaviour. This may include treatments such as thinning, spacing and pruning trees, and removal of needles and woody debris from the forest floor.

The intent is to reduce fuel load in the forest and reduce the potential for devastating wildfires that spread into communities. The treatment was identified in the 2022 Village of Midway Community Wildfire Protection Plan (CWPP). The operational fuel treatment activities associated with removing the debris from the site can present certain risks to the public, but by taking note of the following information and adhering to the following recommendations you can have a safe and pleasant experience while recreating in the area. This initiative has been started and is expected to be completed in the Spring of 2026.

Training

Members participate in ongoing training across a broad range of disciplines beyond fire suppression to strengthen the level of service provided to the community. These areas include rope rescue, vehicle extrication, water rescue, incident command, fire prevention, and wildland firefighting. Continued emphasis on rope rescue training ensures members maintain proficiency and operate effectively for the larger portion of our responses.

Midway Fire Rescue also provides comprehensive training in road rescue services covering the entire Midway RCMP Detachment Area. As motor vehicle incidents represent a significant portion of

responses, members regularly review and refine their skills to ensure they remain operationally prepared.

Wildland training is conducted each spring, focusing on establishing reliable water supply, setting up supply lines, and applying safe and effective suppression strategies and tactics in wildland environments.

Training programs continue to align with the BC Minimum Training Standards, ensuring firefighters meet provincially established requirements, also while conducting the peripheral training needed for the services we provide.

Fire Rescue Responses

Midway Fire Rescue responded to 80 emergency call outs for 2025.

Motor Vehicle Incidents – 41

Assist Other Agency – 9

Wildland Responses – 8

Burning Complaint - 6

Vehicle Fire – 6

Alarms 5

Structure Fire – 2

Grants and Donations

Grants and donations continue to move forward, we applied for the West Boundary Community Forest grant and were accepted. This grant will be finalized and purchases made in the spring of 2026.

Emergency Act Legislation

Working towards requirements of the new legislation which was brought into force to reflect the realities of the modern world including global pandemics, security threats and climate change, and shifts from focusing on emergency response to the four phases of emergency management: mitigation, preparation, response, and recovery.

Procedures

In 2025, two Fire Department policies were proposed and approved by Council; Policy No. 403 – Fire and Rescue Responses out of Area, and Policy No. 366 – Fire and Life Safety Inspection Frequency. These policies create clear direction for emergency response and fire inspections. It increases our effectiveness while creating clear guidelines and ensuring consistent procedures moving forward.



Current Year (2025) objectives achieved

Proactive Land Use/Housing

- **Plan for Housing Diversity** - In 2025, work continued to meet proactive planning requirements under BC Government Bill 44, 2023, including amendments to Midway's OCP Bylaw to address future housing needs.
- **Senior Housing** - The Village is working with West Boundary Senior Housing Society on their plans for a Phase II Senior Housing building. At the October 1, 2024 Regular Council meeting, Council approved to lease a portion of land west of the current Parkview building for a 60 year-term, to support WBSH grant application to build additional housing units for Seniors. The lease is contingent on the Society receiving funding through the BC Housing Community Housing Fund. Although BC Housing's Community Housing Fund intake is currently on hold, the Village is working to ensure municipal approvals are in place, so that the group is able to reapply for funding, their application has a better change of obtaining approval.

Economic Health

- **Economic Diversification** - In 2025, the Regional District of Kootenay Boundary received up to \$499,840 in grant funding through the Province of BC's Rural Economic Diversification and Infrastructure Program (REDIP). The funding supports a two-year shared Economic Development Officer position for the Village of Midway and the City of Greenwood, funded through the Province of BC's Rural Economic Diversification and Infrastructure Program and administered by the RDKB. This position will help advance priorities in the Midway Plan and Boundary Economic Diversification Plan.

Organizational Excellence

- **Best place to Work** - In 2025, the Village welcomed a new Fire Chief. As well as providing prompt emergency response to the residents and visitors to the Village of Midway, the Midway Fire/Rescue department continues to provide Road Rescue Services covering the entire Midway RCMP Detachment area.
- **Service Excellence** - Continued with succession planning; a Deputy Corporate position was advertised and although recruitment was unsuccessful, the Village planned to repost the position in 2026. Once a suitable applicant, there are much needed plans to work on outdated policies and procedures to improve process for staff, residents and prospective residents.

Quality of Life

- **Community/Accessibility** - Community Centre Upgrade and Retrofit project – In 2025 work on the project has taken priority over other planned objectives. Despite some delays due to structural items relating to the age of the building, the majority of the work has been completed in 2025. Enhancements to the Community Centre will enrich the community experience, foster increased participation in Community Events, and attract bookings from external organizations.
- **Recreation** - In August 2025, the Midway Spray Park was officially named and recognized in memory of long time public servant to the Village of Midway, Marguerite Rotvold. Marguerite began as a Councillor with the Village in 1985, served as Mayor from 2006-2008 and only missed one 3 yr term before retiring from public service in 2018.
- **Safety** - Midway Wildfire Risk Reduction Treatment – In 2025, the site adjacent to Fritz Road was treated to lessen the impact of wildfires in Midway. The intent was to reduce fuel load in the forest and reduce the potential for devastating wildfires that spread into communities. The Village was successful in receiving \$399,300 through the 2024 CRI FireSmart Community Funding and Supports grant program.

2026 Objectives proposed

Proactive Land Use/Housing

- **Plan for Housing Diversity** - Continue to fulfil proactive Planning requirements as per BC Government Bill 44, 2023, including amending the Midway's OCP Bylaw to include future Housing Needs requirements, in conjunction with ensuring infrastructure capacity in Midway can service any new proposed development.
- **Land Use** - Complete the application requirements and public consultation to ensure that the application to remove lands out of the Agricultural Land Reserve for the planned campground expansion and future housing projects can be submitted to the Agricultural Land Commission.
- **Land Use** - Review and approve the draft Business Plan to be included as part of the application to remove lands out of the Agricultural Land Reserve.
- **Senior Housing** - Continue to support West Boundary Senior Housing Society's Phase II Senior Housing project.

Economic Health

- **Economic Diversification** - Work on planning and design for the Riverside campground expansion project, once approval to remove lands out of the Agricultural Land Reserve has been received from the Agricultural Land Commission.
- **Tourism** - Working with the Village Economic Development Officer, continue to seek out grant funding for the proposed Riverfront campground expansion project.
- **Economic Diversification** - Continue to collaborate with the RDKB on a two-year regional initiative aimed at enhancing economic development capacity and promoting long-term economic resilience in the Boundary Region.
- **Support Existing Business** - Continue to support existing businesses, welcome new business, growth and inclusion.

Organizational Excellence

- **Best Place to Work** – Submit a Request for Quotation (RFQ) for Village/Fire Hall Offices renovation to enhance workspace and allow for extra workspace for current and future staffing needs.
- **Systems and Policies** - Continue updating Human Resources policies and bylaws, focusing of legislative and process improvements, to adapt to the evolving community needs.
- **Management of Assets/Infrastructure** - Asset Management Planning will continue, including asset management training working towards implementing an asset management policy, asset management registry, infrastructure condition analysis and asset replacement forecasts and asset management risk assessments.
- **Service Excellence** - Staff will continue to assess the feasibility of a new well for future housing expansion.
- **Service Excellence** - Continue planning and research for the establishment of a new well, as well as the execution of Wellhead Protection Plans.

Quality of Life

- **Community** - Community Centre Upgrade and Retrofit Project – ensure that the project is completed to the satisfaction of the contract and any deficiencies are rectified.
- **Community** – enjoy the new facility, promoting its availability for events, functions and conferences, ensuring that it's use enhances the well-being of residents and the community, but also introducing user fees that reflect competitive pricing and provide for overhead cost recovery.

2026 Objectives proposed (Cont'd)

Quality of Life (Cont'd)

- **Recreation** - Park Enhancement - Continue efforts to secure grants with local groups, aimed at enhancing outdoor spaces and activities for individuals of all ages.
- **Accessibility** - Continue to work with the Accessibility Committee on accessibility needs, seek out grants and ensure that all future Village projects and upgrades consider accessibility needs during the planning stages.
- **Safety** - New Emergency Act legislation – Continue working towards requirements of the new legislation which was brought into force to reflect the realities of the modern world including global pandemics, security threats and climate change, and shifts from focusing on emergency response to the four phases of emergency management: mitigation, preparation, response, and recovery.

Financial Statements of the
VILLAGE OF MIDWAY

December 31, 2025

VILLAGE OF MIDWAY

Index to Financial Statements

December 31, 2025

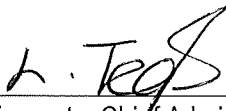
Financial Statements	Page
Responsibility for Financial Reporting	1
Independent Auditors' Report	2
Statement of Financial Position	4
Statement of Operations	5
Statement of Changes in Net Financial Assets	6
Statement of Cash Flows	7
Notes to Financial Statements	8
Schedule 1 - Tangible Capital Assets	21
Schedule 2 - Segmented Information	22
Schedule 3 - Province of BC Covid-19 Restart Grant	23
Schedule 4 - BC Growing Communities Fund Grant	24
Schedule 5 - Local Government Housing Initiatives Grant	25
Schedule 6 - Building Communities through Arts and Heritage Grant	26

RESPONSIBILITY FOR FINANCIAL REPORTING

Management is responsible for the preparation of the accompanying financial statements. The financial statements have been prepared in accordance with the accounting principles disclosed in Note 2 to the financial statements and include amounts that are based on estimates and judgments. Management believes that the financial statements present fairly the Village of Midway's financial position and results of operations. The integrity of the information presented in the financial statements, including estimates and judgments relating to matters not concluded by fiscal year-end, is the responsibility of management. The financial statements have been approved by Council.

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

The independent external auditors, Doane Grant Thornton LLP, Chartered Professional Accountants, have been appointed by Council to express an opinion as to whether the financial statements present fairly, in all material respects, the Village of Midway's financial position, results of operations, and changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards. The report of Doane Grant Thornton LLP, Chartered Professional Accountants, follows and outlines the scope of their examination and their opinion on the financial statements.



Lisa Teggarty, Chief Administrative Officer

Independent auditor's report

Doane Grant Thornton LLP
4 – 615 Columbia Ave
Castlegar, BC
V1N 1G9

T +1 250 365 7745
F +1 250 365 8027
www.DoaneGrantThornton.ca

To the Mayor and Council of
Village of Midway

Opinion

We have audited the financial statements of the Village of Midway (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 Village of Midway 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 City 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. Schedules 3, 4 and 5 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.

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.

Castlegar, Canada
May 11, 2026

Doane Grant Thornton LLP

Chartered Professional Accountants

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

	2025	2024
FINANCIAL ASSETS		
Cash (Note 3)	\$ 2,976,801	\$ 3,980,499
Short-term investments (Note 4)	5,130,533	4,949,103
Taxes and utility user fees receivable	42,901	43,709
Accounts receivable (Note 5)	454,402	178,083
Investment in West Boundary Community Forest Inc. (Note 6)	745,199	652,653
	9,349,836	9,804,047
LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	669,195	346,302
Employee future benefits (Note 8)	33,086	22,666
Deferred revenue (Note 9)	332,535	1,217,785
Long-term debt (Note 11)	-	11,347
Asset retirement obligations (Note 12)	66,092	51,182
	1,100,908	1,649,282
NET FINANCIAL ASSETS	8,248,928	8,154,765
NON-FINANCIAL ASSETS		
Prepaid expenses and deposits	48,917	96,027
Tangible capital assets (Schedule 1)	9,980,232	8,053,738
	10,029,149	8,149,765
ACCUMULATED SURPLUS (Note 13)	\$ 18,278,077	\$ 16,304,530
CONTINGENT LIABILITIES (Note 21)		
CONTRACTS AND COMMITMENTS (Note 22)		

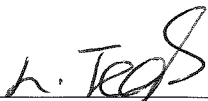


Chief Administrative Officer

The accompanying notes are an integral part of these financial statements

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

	2025 Budget (Note 19)	2025 Actual	2024 Actual
REVENUE			
Taxation and grants-in-lieu (Note 16)	\$ 794,449	\$ 807,291	\$ 777,460
Canada Community-Building Fund	93,054	93,054	93,054
Provincial and other grants (Note 17)	2,428,262	2,228,014	803,215
Sale of services and other (Note 18)	453,349	474,570	481,005
Water and sewer user, and connection fees	248,081	237,373	230,389
Interest and penalties on taxes	6,500	7,559	7,493
Interest on investments	225,600	244,788	248,590
Equity - West Boundary Community Forest Inc. (Note 6)	100,000	292,546	743,555
Loss on sale of tangible capital assets	-	(58,687)	-
	4,349,295	4,326,508	3,384,761
EXPENSES			
General government	989,430	790,282	962,662
Parks and recreation	280,050	251,721	255,251
Protective services	750,894	580,858	470,249
Public works and transportation	242,100	269,401	224,625
Water and sewer services	199,803	158,624	118,602
Amortization on tangible capital assets	-	302,075	303,550
	2,462,277	2,352,961	2,334,939
ANNUAL SURPLUS	1,887,018	1,973,547	1,049,822
ACCUMULATED SURPLUS, BEGINNING OF YEAR (Note 13)	15,551,598	16,304,530	15,254,708
ACCUMULATED SURPLUS, END OF YEAR (Note 13)	\$ 17,438,616	18,278,077	16,304,530



Chief Administrative Officer

The accompanying notes are an integral part of these financial statements

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

	2024 Budget (Note 19)	2025 Actual	2024 Actual
ANNUAL SURPLUS	\$ 1,887,018	\$ 1,973,547	\$ 1,049,822
Acquisition of tangible capital assets	-	(2,298,918)	(282,488)
Amortization of tangible capital assets	-	302,075	303,550
Proceeds on sale of tangible capital assets	-	11,661	-
Loss on sale of tangible capital assets	-	58,687	-
Increase (decrease) in prepaid expenses	-	47,111	(69,706)
INCREASE IN NET FINANCIAL ASSETS	1,887,018	94,163	1,001,178
NET FINANCIAL ASSETS, BEGINNING OF YEAR	8,154,765	8,154,765	7,153,587
NET FINANCIAL ASSETS, END OF YEAR	\$ 10,041,783	\$ 8,248,928	\$ 8,154,765



Chief Administrative Officer

The accompanying notes are an integral part of these financial statements

VILLAGE OF MIDWAY
STATEMENT OF CASH FLOW
For the Year Ended December 31, 2025

	2025	2024
OPERATING TRANSACTIONS		
Cash receipts from property taxation	\$ 808,099	\$ 772,723
Cash receipts from grants and own sources	1,871,442	2,364,711
Cash paid to employees and suppliers	(1,665,975)	(1,989,418)
Cash paid for interest	(1,502)	(3,855)
Cash received for interest	247,732	244,178
Cash Provided by Operating Transactions	1,259,796	1,388,339
CAPITAL TRANSACTIONS		
Cash used for purchase of tangible capital assets	(2,286,993)	(282,488)
Cash received from sale of tangible capital assets	11,661	-
	(2,275,332)	(282,488)
INVESTING TRANSACTIONS		
Dividends received - West Boundary Community Forest Inc.	200,000	200,000
Investment in term deposits	(181,430)	(971,827)
Cash Provided by (Used for) Investing Transactions	18,570	(771,827)
FINANCING TRANSACTIONS		
Cash used for repayment of long-term debt	(6,732)	(26,166)
Cash Provided by (Used for) Financing Transactions	(6,732)	(26,166)
(DECREASE) INCREASE IN CASH	(1,003,698)	307,858
CASH, BEGINNING FOR YEAR	3,980,499	3,672,641
CASH, END OF YEAR	\$ 2,976,801	\$ 3,980,499
SUPPLEMENTARY CASH FLOW INFORMATION		
Non-cash tangible capital asset additions	\$ 11,925	\$ -



Chief Administrative Office

The accompanying notes are an integral part of these financial statements

1. NATURE OF THE ENTITY

The Village of Midway (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 activity includes 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 Midway.

Basis of Presentation

The Village's resources and operations are segregated into General, Water and Sewer funds, Statutory and Non-statutory reserve funds, and Reserves for future capital expenditures for accounting and financial reporting purposes. The financial statements include all of the accounts of these funds. All inter-fund transactions and balances have been eliminated.

Basis of Accounting

The Village's financial statements are prepared using the accrual basis of accounting.

Reserve Funds

Under the Community Charter, Village Council may, by bylaw, establish reserve funds for special purposes. Money in a reserve fund, and interest earned thereon, must be expended only for the purpose for which the fund was established in accordance with the fund bylaw. If the amount in a reserve fund is greater than required, Village Council may, by resolution as stated in the reserve fund bylaw, transfer all or part of the balance to another reserve fund.

Investment in West Boundary Community Forest Inc.

The Village is the registered holder of 1 Common Share in West Boundary Community Forest Inc., representing a 50% interest in the corporation. This is an investment in 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 or loss for the year is recorded in revenue in the Village's statement of operations and the investment in West Boundary Community Forest Inc. is adjusted accordingly.

Deferred Revenue

Deferred revenue relates to restricted government transfers, grants and other funds received but not yet spent on the stipulated eligible expenditures.

Revenue Recognition

The Village records revenue on the accrual basis and includes revenue in the period in which the transactions or events that give rise to the revenues occur. Taxation revenues are recognized at the time of the issuing of the property tax notices for the fiscal year. Levies imposed by other taxing authorities are not included as taxes for municipal purposes. Sale of services and user fees are recognized when the service or product is rendered by the Village. Government transfers and other grant revenues are recognized as revenue when the funding becomes receivable and when eligibility criteria, if any, of the transfer has been met. Unearned revenue in the current period is recorded as deferred revenue.

Short-Term Investments

Short-term investments include term deposits with the Steller Vista Credit Union and highly liquid short-term bond funds with the Municipal Finance Authority.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 recognized 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 December 31, 2024.

Expenses

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

Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of an asset, but excluding interest. Assets are classified according to their functional use. Amortization is recorded on a straight-line basis over the estimated useful life commencing in the year the asset is put into service as follows:

Buildings and improvements	20 - 50 years
Engineering structures	15 - 30 years
Fixtures, furniture, equipment and vehicles	5 - 25 years
IT infrastructure	3 - 10 years
Sewer infrastructure	10 - 100 years
Water infrastructure	10 - 100 years

Donated tangible capital assets are reported at the fair value at the time of donation.

Work in progress, which represents capital projects under construction but not yet completed, is not amortized until construction is complete and the asset is available for productive use.

Tangible capital assets that are demolished or destroyed are written off.

Budget Figures

The budget figures are based on Bylaw No. 572, the Five-Year Financial Plan for the year 2025 to 2029 adopted on May 14, 2025.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Municipal Finance Authority Cash Deposits and Demand Notes

The Village issues its debt instruments through the Municipal Finance Authority. As a condition of these borrowings, a portion of the debenture proceeds are withheld by the Municipal Finance Authority as debt reserve fund. The Village also executes demand notes in connection with each debenture whereby the Village may be required to loan certain amounts to the Municipal Finance Authority. These amounts are not included in the Village's financial statements. The details of these cash deposits and demand notes at year end are as follows:

	<u>Demand Note</u>	<u>Cash Deposits</u>	<u>2025</u>	<u>2024</u>
Sewer Fund	\$ -	\$ -	\$ -	\$ 7,521

Long-Term Debt

Outstanding debenture debt is reported net of applicable sinking fund balances. Interest on debt is charged to current operations. Interest charges are accrued for the period from the date of the latest interest payment to the end of the year.

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 the useful lives of tangible capital assets for amortization, the determination of payroll and employee future benefits accruals, the 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.

Financial Instruments

The Village's financial instruments consist of cash, short-term investments, accounts receivable, MFA debt reserve cash deposits, accounts payable and accrued liabilities, asset retirement obligations and employee future benefits.

All financial instruments are recorded at their cost and amortized cost except for portfolio investments in equity instruments quoted in an active market and derivatives which are recorded at their fair value with unrealized remeasurement gains and losses recorded in the statement of remeasurement gains and losses. Once realized, remeasurement gains and losses are transferred to the statement of operations. Changes in the fair value on restricted assets are recognized as a liability until the criterion attached to the restrictions has been met, upon which the gain or loss is recognized in the statement of operations.

Transaction costs related to the financial instruments measured at cost or amortized cost are added to the carrying value of the financial instrument. Transaction cost 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 or cancelled or expire.

The Village does not have any financial instruments measured at fair value.

Asset Retirement Obligations

A liability for an asset retirement obligation is recognized when all of the following criteria are met:

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

The liability is measured at the Village's best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date. The estimate includes costs directly attributable to the asset retirement activities.

Upon initial recognition of the liability for an asset detriment obligation, the carrying amount of the corresponding tangible capital assets (or component thereof) is increased by the same amount.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The capitalized asset retirement cost is expensed in a rational and systematic manner of the useful life of the tangible capital asset (or a component thereof). For obligations for which there is no tangible capital assets recognized or for tangible capital assets that are no longer in productive use, the asset retirement costs are expensed immediately. Subsequently, the liability is reviewed at each financial statement reporting date and adjusted for:

- changes as a result of the passage of time with corresponding accretion expense;
- for any revisions to the timing, amount of the original estimated of undiscounted cash flows, or the discount rate.

Adjustments to the liability as a result of revisions to the timing, amount of the estimate of undiscounted cash flows or the discount rate are adjusted to the cost of the related tangible capital asset and the revised carrying amount of the related tangible capital asset is amortized except for adjustments related to tangible capital assets that are not recognized or no longer in productive use, which are expensed in the period they are incurred.

The asset retirement costs are amortized over the period in which the costs are expected to be incurred.

A recover related to asset retirement obligation is recognized when the recovery can be appropriately measured, reasonably estimated and it is expected that future economic benefits will be obtained. The recovery is not netted against the liability.

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 Concepts 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, net liabilities (formerly known as accumulated surplus), and the additions of a statement of net financial assets or liabilities that presents a revised net financial assets or liabilities (formerly known 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. CASH

Cash is comprised of unrestricted cash for operations and restricted cash for reserve funds which are held in segregated accounts.

	<u>2025</u>	<u>2024</u>
Restricted Cash - Statutory Reserves	1,478,849	1,347,768
Unrestricted Cash	<u>1,497,952</u>	<u>2,632,731</u>
	-	-
	-	-
	<u>\$ 2,976,801</u>	<u>\$ 3,980,499</u>

4. SHORT-TERM INVESTMENTS

The balances in the following tables are comprised of restricted short-term investments for statutory reserve funds held in segregated accounts and unrestricted short-term investments for operations.

	<u>2025</u>	<u>2024</u>
Restricted Short-Term Investments		
Credit Union term deposits	\$ 2,690,789	\$ 2,591,069
Municipal Finance Authority high pooled investment funds	<u>791,900</u>	<u>765,827</u>
	<u>3,482,689</u>	<u>3,356,896</u>
Unrestricted Short-Term Investments		
Credit Union term deposits and equity shares	1,530,658	1,481,689
Municipal Finance Authority short-term bond and money market funds	<u>117,186</u>	<u>110,518</u>
	<u>1,647,844</u>	<u>1,592,207</u>
	<u>\$ 5,130,533</u>	<u>\$ 4,949,103</u>

5. ACCOUNTS RECEIVABLE

	<u>2025</u>	<u>2024</u>
Government transfers and other grants	\$ 363,829	\$ 122,238
Trade accounts and other	<u>90,573</u>	<u>55,845</u>
	<u>\$ 454,402</u>	<u>\$ 178,083</u>

6. INVESTMENT IN WEST BOUNDARY COMMUNITY FOREST INC.

The Village is the registered holder of 1 Common Share in West Boundary Community Forest Inc. ("Community Forest") representing a 50% interest in the corporation, with the City of Greenwood holding the balance. The Community Forest was created for the purpose of managing a timber license and has an agreement with the Ministry of Forests, Lands and Natural Resource Operations for a term of twenty-five-year beginning on January 1, 2014, to harvest Crown timber in specific areas of the West Boundary.

VILLAGE OF MIDWAY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2025

6. INVESTMENT IN WEST BOUNDARY COMMUNITY FOREST INC. (continued)

The Village accounts for its investment in the government business enterprise using the modified equity method. The condensed financial information of the investment for the year ending December 31, 2025, with comparative figures for December 31, 2024, are presented below.

During the year, West Boundary Community Forest Inc. adopted International Financial Reporting Standards (IFRS). As a result, the financial information of the investment presented below, including the comparative amounts for the year ended December 31, 2024, has been prepared based on the subsidiary's IFRS financial statements. The comparative amounts differ from those reported in the Village's prior-year financial statements. This change reflects the adoption of a new accounting framework by the subsidiary and does not constitute an error in the Village's previously issued financial statements.

	<u>2025</u>	<u>2024</u>
Assets		
Current assets	\$ 1,386,732	\$ 1,577,897
Long-term assets	<u>431,003</u>	<u>413,530</u>
	<u>1,817,735</u>	<u>1,991,427</u>
Liabilities		
Accounts Payable	61,336	113,141
Silviculture accrual	<u>266,000</u>	<u>508,000</u>
	<u>327,336</u>	<u>621,141</u>
Shareholder's Equity	<u>\$ 1,490,399</u>	<u>\$ 1,370,286</u>
Village Interest	<u>\$ 745,199</u>	<u>\$ 652,653</u>

Under the modified equity method, the cost of the investment is adjusted by earnings or losses of the entity from the date of acquisition as well as any dividends paid. In 2025, the Village recorded equity income of \$292,546 (2024 - equity income of \$743,555) and received \$200,000 (2024 - \$200,000) in dividends from the West Boundary Community Forest Inc.

7. ACCOUNTS PAYABLE

	<u>2025</u>	<u>2024</u>
Trade accounts payable	\$ 361,046	\$ 248,451
Wages payable	74,765	55,326
Accrued and other liabilities	31,245	30,370
Vendor holdback	<u>202,139</u>	<u>12,155</u>
	<u>\$ 669,195</u>	<u>\$ 346,302</u>

8. EMPLOYEE FUTURE BENEFITS

The Village records liabilities for accrued employee benefits in the period in which they are earned by the employee. Short-term benefits, such as banked overtime and vacation entitlements, are included in accrued liabilities. Long-term benefits, such as sick leave entitlements, are reported as employee future benefits at the management's estimate of the cost of the future entitlements. The Village has estimated the discounted cost of this employee future benefit and has accrued \$33,086 (2024 - \$22,666) in the financial statements.

VILLAGE OF MIDWAY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2025

9. DEFERRED REVENUE

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

	<u>Beginning Balance</u>	<u>Contributions Received</u>	<u>Spent during the year</u>	<u>Accounts Receivable</u>	<u>Ending Balance</u>
Investing in Canada Infrastructure Program	\$ 304,103	\$ 277,580	\$ 936,900	\$ 355,217	\$ -
Heritage Canada Building Communities through Arts Legacy Fund	274,357	7,005	289,974	8,612	-
Province of BC - REDIP Grant	8,470	-	-	-	8,470
UBCM - 2024 CRI FireSmart	199,650	-	128,770	-	70,880
UBCM - Next Gen 911	7,395	-	-	-	7,395
Province of BC - Housing Capacity Grant	151,046	-	1,340	-	149,706
Government of BC - Climate Action Grant	222,257	-	222,257	-	-
Government of BC - Indigenous Engagement Requirement Funding (IERFP)	-	42,000	-	-	42,000
Victim Services Grant	47,895	100,775	107,846	-	40,824
Miscellaneous deposits	2,612	4,939	2,957	-	4,594
Other Grant Revenue	-	549,595	540,929	-	8,666
	<u>\$ 1,217,785</u>	<u>\$ 981,894</u>	<u>\$ 2,230,973</u>	<u>\$ 363,829</u>	<u>\$ 332,535</u>

10. PHOENIX COMMUNITY FOUNDATION ENDOWMENT

As at December 31, 2025, the Village has transferred a total of \$61,500 (2024 - \$61,500) in contributions to the Phoenix Community Foundation. These funds are held permanently, and the Village receives annual investment income on these funds. As the Village has the right to receive only the investment income and has no access to the contributed principal, the balance held is not shown on the Village's Statement of Financial Position.

11. LONG-TERM DEBT

	<u>Beginning Balance</u>	<u>Proceeds of Debt</u>	<u>Repayment of Principal</u>	<u>Actuarial Adjustments</u>	<u>Ending Balance</u>
Sewer System Capital Fund					
Sewer Bylaw No. 338	\$ <u>11,347</u>	\$ <u>-</u>	\$ <u>(6,732)</u>	\$ <u>(4,615)</u>	<u>-</u>

VILLAGE OF MIDWAY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2025

12. ASSET RETIREMENT OBLIGATIONS

The Village has recognized an asset retirement obligation related to remediation expenses for lead and asbestos in certain buildings for which the Village has a legal obligation to incur.

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

	<u>2025</u>	<u>2024</u>
Beginning balance	\$ 51,182	\$ 48,870
Liability recognized this year	11,925	-
Accretion expense	<u>2,985</u>	<u>2,312</u>
Ending balance	<u>\$ 66,092</u>	<u>\$ 51,182</u>

The liability is estimated using a present value technique that discounts the expected future expenditures. The discount rate used was based on the borrowing rate for liabilities with similar maturities of 4.75% (2024 - 4.45%). The total undiscounted expenditures and the time periods over which they are expected to be incurred is as follows:

2048	\$ 177,990
2076	<u>\$ 48,661</u>
	<u>\$ 226,651</u>

13. ACCUMULATED SURPLUS

	<u>2025</u>	<u>2024</u>
Non-Statutory:		
General Operating Fund Surplus	\$ 2,675,315	\$ 3,036,669
Water Operating Fund Surplus	70,300	70,300
Sewer Operating Fund Surplus	41,888	41,888
Sewer Capital Financial Equity	80,653	80,653
Equity In Tangible Capital Assets	<u>9,914,141</u>	<u>7,991,209</u>
	<u>12,782,297</u>	<u>11,220,719</u>
Statutory:		
Building Replacement Reserve	170,231	154,144
Capital Equipment Reserve	224,881	236,254
Carbon Tax Credit Reserve	18,770	18,285
Community Forest Reserve	599,703	486,797
Community Hall Replacement Reserve	549,495	523,612
Canada Community Building Fund Reserve	810,335	752,110
Contaminated Sites Reserve	2,807	2,735
Equipment Depreciation Reserve	47,731	54,487
Fire Truck Reserve	312,032	265,006
Growing Communities Reserve	813,272	787,199
Land Sales Capital Reserve	121,823	116,729
Sewer Infrastructure Reserve	573,242	540,812
Sick And Severance Reserve	83,079	71,191
Water Infrastructure Reserve	<u>1,168,379</u>	<u>1,074,450</u>
	<u>5,495,780</u>	<u>5,083,811</u>
	<u>\$ 18,278,077</u>	<u>\$ 16,304,530</u>

VILLAGE OF MIDWAY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2025

14. EQUITY IN TANGIBLE CAPITAL ASSETS

Equity in Tangible Capital Assets represents the net book value of total capital assets less long-term obligations assumed to acquire those assets and consists of the following:

	<u>2025</u>	<u>2024</u>
Equity, beginning of year	\$ 7,991,209	\$ 7,976,512
Add:		
Capital acquisitions, net of dispositions	2,228,570	282,488
Debt principal repayments	6,732	26,166
Actuarial adjustment	4,615	11,905
Less:		
Amortization	(302,075)	(303,550)
Recognition of asset retirement obligations	(11,925)	-
Asset retirement obligation accretion	<u>(2,985)</u>	<u>(2,312)</u>
Equity, end of year	<u>\$ 9,914,141</u>	<u>\$ 7,991,209</u>

15. MUNICIPAL PENSION PLAN

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

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

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

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

The Village paid \$74,592 for employer contributions to the plan in fiscal 2025 (2024 - \$60,846).

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

VILLAGE OF MIDWAY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2025

16. TAXATION AND GRANTS-IN-LIEU

	<u>2025</u>	<u>2024</u>
General Municipal Purposes	\$ 807,291	\$ 777,460
Collections for Other Governments		
Province of B.C. - School and Police	441,290	414,217
British Columbia Assessment Authority	11,691	11,685
West Kootenay Boundary Regional Hospital	31,609	30,740
Municipal Finance Authority	41	39
Regional District of Kootenay Boundary	<u>100,647</u>	<u>92,463</u>
	<u>\$ 1,392,569</u>	<u>\$ 1,326,604</u>
Transfers to Other Governments		
Province of B.C. - School and Police	\$ (441,290)	\$ (414,217)
British Columbia Assessment Authority	(11,691)	(11,685)
West Kootenay Boundary Regional Hospital	(31,609)	(30,740)
Municipal Finance Authority	(41)	(39)
Regional District of Kootenay Boundary	<u>(100,647)</u>	<u>(92,463)</u>
	<u>(585,278)</u>	<u>(549,144)</u>
	<u>\$ 807,291</u>	<u>\$ 777,460</u>

17. PROVINCIAL AND OTHER GRANTS

	<u>2025</u>	<u>2024</u>
Provincial Government transfers - unconditional	\$ 343,000	\$ 382,600
Provincial Government transfers - conditional	1,442,949	266,230
Federal Government transfers - conditional	283,011	82,367
Regional Government transfers and other grants	<u>159,054</u>	<u>72,018</u>
	<u>\$ 2,228,014</u>	<u>\$ 803,215</u>

18. SALE OF SERVICES AND OTHER

	<u>2025</u>	<u>2024</u>
Ambulance Building Lease	\$ 38,526	\$ 35,730
Arena revenue	45,464	43,951
Campground	19,204	16,952
ICBC and Motor Vehicle Branch Commissions	164,416	154,843
Licences and Permits	12,654	25,025
Rentals	21,162	20,361
Rural Fire Protection transfers from Regional District Kootenay Boundary	131,670	129,586
Sundry	<u>41,474</u>	<u>54,557</u>
	<u>\$ 474,570</u>	<u>\$ 481,005</u>

19. RECONCILIATION TO BUDGET

The following reconciles the budget as shown on the statement of operations to the budget as presented in Bylaw No. 572 adopted May 14, 2025.

Annual surplus per the statement of operations	\$ 1,887,018
Debt principal repayments	(6,732)
Purchase of tangible capital assets	(3,434,061)
Transfer to reserves	(427,400)
Transfers from reserves	<u>1,981,175</u>
	<u>\$ -</u>

20. TRUST FUNDS

Funds held in trust and administered by the Village are as follows:

	<u>2025</u>	<u>2024</u>
Assets and Net Position		
Cash and short-term investments	<u>\$ 19,475</u>	<u>\$ 18,643</u>
Fund Balances		
Trusts - Cemetery Care	<u>\$ 19,475</u>	<u>\$ 18,643</u>
 Transactions for the Year Ended December 31, 2025		
Cemetery Care, beginning balance	\$ 18,643	
Investment income	752	
Contributions - Cemetery Care Fund fees collected	<u>80</u>	
Cemetery Care, ending balance	<u>\$ 19,475</u>	

Trust funds are not included in the Village's financial statements.

21. CONTINGENT LIABILITIES

The Village, as a member of the Regional District of Kootenay Boundary, 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 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 obligation becomes a liability of the Regional District and may become a liability of the participating municipalities.

The Village is at times faced with claims of a diverse nature. As at December 31, 2025, the total of these costs, if any, cannot be reasonably estimated and no amount has been accrued in the financial statements.

22. CONTRACTS AND COMMITMENTS

The Village entered into a service contract related to a current capital project as follows:

Community Centre Renovations	\$ 481,324
------------------------------	------------

23. FINANCIAL INSTRUMENTS

The Village is exposed to various risks through its financial instruments. The following analysis provides information about the Village's risk exposure and concentration as of December 31, 2025:

23. FINANCIAL INSTRUMENTS (continued)

Credit Risk

Credit risk is the risk of financial loss to the Village if a debtor fails to discharge their obligation (e.g., pay the accounts receivable owing to the Village). The Village is exposed to this risk arising from its cash, short-term investments, taxes and utility user fees receivable and 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.

Taxes and utility user fees receivable is primarily due from businesses and individuals. Accounts receivable is primarily due from governments, businesses and individuals. Credit risk is mitigated by the highly diversified nature of the debtors and other customers. The Village measures its exposure to credit risk based on how long the amounts have been outstanding. An impairment allowance is set up based on the estimated collectability of the underlying receivable. In the current and prior years, no receivables have been considered impaired. The amounts outstanding at year-end were as follows:

<u>2025</u>	<u>Current</u>	<u>31-60 Days</u>	<u>61-90 Days</u>	<u>91-120 Days</u>	<u>120+ Days</u>	<u>Total</u>
Government transfers and other grants	\$ -	\$ 363,829	\$ -	\$ -	\$ -	\$ 363,829
Trade accounts and other taxation and utility fees	<u>89,967</u>	<u>299</u>	<u>350</u>	<u>-</u>	<u>42,858</u>	<u>133,474</u>
Total	<u>\$ 89,967</u>	<u>\$ 364,128</u>	<u>\$ 350</u>	<u>\$ -</u>	<u>\$ 42,858</u>	<u>\$ 497,303</u>

<u>2024</u>	<u>Current</u>	<u>31-60 Days</u>	<u>61-90 Days</u>	<u>91-120 Days</u>	<u>120+ Days</u>	<u>Total</u>
Government transfers and other grants	\$ 122,238	\$ -	\$ -	\$ -	\$ -	\$ 122,238
Trade accounts and other taxation and utility fees	<u>30,843</u>	<u>2,299</u>	<u>767</u>	<u>650</u>	<u>64,995</u>	<u>99,554</u>
Total	<u>\$ 153,081</u>	<u>\$ 2,299</u>	<u>\$ 767</u>	<u>\$ 650</u>	<u>\$ 64,995</u>	<u>\$ 221,792</u>

There have been no significant changes from the prior year in the exposure to risk or policies, procedures and methods used to measure the risk.

Liquidity Risk

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 with extensive budgeting and maintaining investments that may be converted to cash in the near-term if unexpected cash outflows arise.

All Financial liabilities, excluding asset retirement obligations, mature within one year.

There have been no significant changes from the previous year in the exposure to risk or policy, procedures and methods used to measure the risk.

Market Risk

Market risk is the risk that the fair value of 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 is not significantly exposed to these risks other than as follows:

23. FINANCIAL INSTRUMENTS (continued)

Interest Rate Risk

Interest rate risk is the potential for financial loss caused by fluctuation in the fair value of future cash flows of financial instruments because of changes in market interest rates. The Village is exposed to this risk through its interest-bearing investments. As at December 31, 2025, a 1% fluctuation in interest rates, with all other variables held constant, would have an estimated increase in interest income of its short-term investments of \$51,305 (2024 - \$49,491).

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.

24. SEGMENTED INFORMATION

The Village is a diversified municipal government that provides a wide range of services to its residents. 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, parks and recreation, protective services, public works and transportation. The utility operations are comprised of the water and sewer system each accounting for its own operations and programs within its own fund. Operating results reported by the following segments are included in Schedule 2.

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 and grants to community organizations.

Parks and Recreation

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

Protective Services

Protective services are comprised of the Village and rural fire protection services, emergency recovery expenses, police-based victim services, ambulance building maintenance and bylaw enforcement.

Public Works and Transportation

Public works and transportation is a broad function comprised of crews engaged in the maintenance and improvement to the road systems, drainage, snow removal, works yard, facility and other maintenance activities.

Water and Sewer Services

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

The sewer utility infrastructure 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 infrastructure.

25. COMPARATIVE FIGURES

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

VILLAGE OF MIDWAY
SCHEDULE 1 - TANGIBLE CAPITAL ASSETS
For the Year Ended December 31, 2025

	Land	Buildings and Improvements	Fixtures, Furniture, Equipment and Vehicles	Engineering Structures	Water Infrastructure	Sewer Infrastructure	2025	2024
Historical Cost:								
Beginning balance	\$ 2,192,504	\$ 4,407,011	\$ 1,661,353	\$ 1,815,801	\$ 2,261,467	\$ 1,801,377	\$ 14,139,513	\$ 13,857,025
Additions	25,215	2,022,786	141,534	-	109,383	-	2,298,918	282,488
Dispositions	-	-	(175,662)	-	-	-	(175,662)	-
Ending balance	<u>2,217,719</u>	<u>6,429,797</u>	<u>1,627,225</u>	<u>1,815,801</u>	<u>2,370,850</u>	<u>1,801,377</u>	<u>16,262,769</u>	<u>14,139,513</u>
Accumulated Amortization								
Beginning balance	-	1,668,168	1,080,034	1,078,459	1,334,711	924,403	6,085,775	5,782,225
Amortization expense	-	85,808	82,610	50,519	47,581	35,557	302,075	303,550
Disposals	-	-	(105,313)	-	-	-	(105,313)	-
Ending balance	<u>-</u>	<u>1,753,976</u>	<u>1,057,331</u>	<u>1,128,978</u>	<u>1,382,292</u>	<u>959,960</u>	<u>6,282,537</u>	<u>6,085,775</u>
Ending net balance	<u>\$ 2,217,719</u>	<u>\$ 4,675,821</u>	<u>\$ 569,894</u>	<u>\$ 686,823</u>	<u>\$ 988,558</u>	<u>\$ 841,417</u>	<u>\$ 9,980,232</u>	<u>\$ 8,053,738</u>

The net book value of work-in-progress, which are tangible capital assets held under the buildings and improvements and not being amortized, is \$2,483,506 (2024 - \$472,646).

VILLAGE OF MIDWAY
SCHEDULE 2 - SEGMENTED INFORMATION
For the Year Ended December 31, 2025

	General Government Services	Protective Services	Parks and Recreation Services	Public Works and Transportation	Sub Total	Water Funds	Sewer Funds	2025	2024
Revenue:									
Taxation and grants-in-lieu	\$ 807,291	\$ -	\$ -	\$ -	\$ 807,291	\$ -	\$ -	\$ 807,291	\$ 777,460
Canada Community Building Fund	93,054	-	-	-	93,054	-	-	93,054	93,054
Provincial and other grants	1,923,614	274,390	30,010	-	2,228,014	-	-	2,228,014	803,215
Sales of services and other	239,705	170,196	64,669	-	474,570	-	-	474,570	481,005
Water and sewer user, and connection fees	-	-	-	-	-	118,176	119,197	237,373	230,389
Interest and penalties on taxes	7,559	-	-	-	7,559	-	-	7,559	7,493
Interest on investments	185,435	-	-	-	185,435	31,127	28,226	244,788	248,590
Loss on disposition of Tangible Capital Property	-	(58,687)	-	-	(58,687)	-	-	(58,687)	-
Equity (loss) income - West Boundary Community Forest Inc.	<u>292,546</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>292,546</u>	<u>-</u>	<u>-</u>	<u>292,546</u>	<u>743,555</u>
Total Revenues	<u>\$ 3,549,204</u>	<u>\$ 385,899</u>	<u>\$ 94,679</u>	<u>\$ -</u>	<u>\$ 4,029,782</u>	<u>\$ 149,303</u>	<u>\$ 147,423</u>	<u>\$ 4,326,508</u>	<u>\$ 3,384,761</u>
Expenses									
Amortization	34,142	50,671	66,804	67,320	218,937	47,581	35,557	302,075	303,550
Goods and services	260,266	353,293	140,754	90,765	845,078	32,698	41,433	919,209	868,676
Grants and community groups	56,199	-	-	-	56,199	-	-	56,199	116,004
Interest expense	-	-	-	-	-	-	1,503	1,503	3,855
Wages, benefits, council stipends	<u>473,817</u>	<u>227,565</u>	<u>110,967</u>	<u>178,636</u>	<u>990,985</u>	<u>22,656</u>	<u>60,334</u>	<u>1,073,975</u>	<u>1,042,854</u>
Total expenses	<u>824,424</u>	<u>631,529</u>	<u>318,525</u>	<u>336,721</u>	<u>2,111,199</u>	<u>102,935</u>	<u>138,827</u>	<u>2,352,961</u>	<u>2,334,939</u>
Annual surplus (deficit)	<u>\$ 2,724,780</u>	<u>\$ (245,630)</u>	<u>\$ (223,846)</u>	<u>\$ (336,721)</u>	<u>\$ 1,918,583</u>	<u>\$ 46,368</u>	<u>\$ 8,596</u>	<u>\$ 1,973,547</u>	<u>\$ 1,049,822</u>

VILLAGE OF MIDWAY
SCHEDULE 3 - PROVINCE OF BC COVID-19 RESTART GRANT
For the Year Ended December 31, 2025
(Unaudited)

	<u>2025</u>	<u>2024</u>
Covid-19 Safe Restart Grant, beginning balance of unspent funds	\$ <u>268,082</u>	\$ <u>302,140</u>
Expenditures in the Year	10,867	9,100
Computer and other electronic technology costs	-	-
Facility reopening and operating costs	-	-
Library grant in aid	5,000	22,958
Midway Social Centre Society	<u>-</u>	<u>2,000</u>
	15,867	34,058
Balance included in General Operating Fund Accumulated Surplus carried forward for use in a subsequent year	\$ <u><u>252,215</u></u>	\$ <u><u>268,082</u></u>

VILLAGE OF MIDWAY
SCHEDULE 4 - BC GROWING COMMUNITIES FUND GRANT
For the Year Ended December 31, 2025
(Unaudited)

	<u>2025</u>	<u>2024</u>
BC Growing Communities Fund Grant, beginning balance	\$ 787,199	\$ 763,000
Grants received during the year	-	-
Interest income earned on funds during the year	<u>26,073</u>	<u>24,199</u>
BC Growing Communities Fund Grant, ending balance	\$ <u>813,272</u>	\$ <u>787,199</u>

VILLAGE OF MIDWAY
SCHEDULE 5 - LOCAL GOVERNMENT HOUSING INITIATIVES GRANT
For the Year Ended December 31, 2025
(Unaudited)

	<u>2025</u>	<u>2024</u>
Local Government Housing Initiatives Grant, beginning balance	\$ 151,046	\$ -
Grants received during the year	-	153,271
Consulting service costs	<u>(1,340)</u>	<u>(2,225)</u>
Local Government Housing Initiatives Grant, ending balance	\$ <u>149,706</u>	\$ <u>151,046</u>

VILLAGE OF MIDWAY
SCHEDULE 6 - BUILDING COMMUNITIES THROUGH ARTS AND HERITAGE GRANT
For the Year Ended December 31, 2025

Sources of Funding	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Funding Holdback</u>	<u>Total</u>
Department of Canadian Heritage Legacy Fund - Funding Approved	\$ 45,775	\$ 5,004	\$ 59,248	\$ 281,361	\$ 8,612	\$ 400,000
Other Federal Support:						
Infrastructure Canada - Investing in Canada Program (Rural and Northern Communities Stream)	-	42,369	20,000	768,074	355,217	1,185,660
Provincial Support: Climate Action Program	-	-	-	222,257	-	222,257
Applicant Contribution	-	7,500	55,706	510,911	-	574,117
Local Support: Community Centre Club	-	-	-	100,000	-	100,000
Subtotal - Cash	45,775	54,873	134,954	1,882,603	363,829	2,482,034
In-Kind - Local Support:	-	-	-	-	-	-
Total Revenues	<u>\$ 45,775</u>	<u>\$ 54,873</u>	<u>\$ 134,954</u>	<u>\$ 1,882,603</u>	<u>\$ 363,829</u>	<u>\$ 2,482,034</u>
Expenditures by Category (Actual Expenditures)	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Total</u>	
Artist Fees	\$ -	\$ 4,904	\$ -	\$ -	\$ 4,904	
Design, Planning and Assessments	119,268	80,732	54,982	51,398	306,380	
Excavation and Site Preparation Costs	-	-	121,554	118,971	240,525	
Acquisition, Installation and Restoration	749	-	-	28,159	28,908	
Materials and Construction	-	-	-	1,679,571	1,679,571	
Kitchen Renovation, Equipment and Appliances	-	-	-	101,290	101,290	
Administration	30,000	30,000	30,456	30,000	120,456	
Subtotal - Cash	150,017	115,636	206,992	2,009,389	2,482,034	
In-Kind: Installation Costs	-	-	-	-	-	
Total Expenditures:	<u>\$ 150,017</u>	<u>\$ 115,636</u>	<u>\$ 206,992</u>	<u>\$ 2,009,389</u>	<u>\$ 2,482,034</u>	

The Village entered into a contribution agreement for funding of the Community Centre Efficiency Upgrades and Expansion project from the Building Communities through Arts and Heritage Program. Funding from this program is approved up to \$400,000 for eligible project expenditures. The Village did not incur eligible expenditures from 2019 to 2021. The Village receives funding from other sources and grants as disclosed above to cover project costs. This schedule discloses actual project expenditures incurred up to December 31, 2025, and does not include additional amounts incurred during 2026. The project is still ongoing as of the financial statement reporting dates and is scheduled to complete before the end of fiscal 2026.