

COWICHAN BAY IMPROVEMENT DISTRICT

December 31, 2025

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF RESPONSIBILITY


The accompanying Consolidated Financial Statements are the responsibility of the management of the Cowichan Bay Improvement District (the "District") and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

Trustees of the District met with management and the external accountants to review the Consolidated Financial Statements and discuss any significant financial reporting matters prior to their approval of the Consolidated Financial Statements.

Doane Grant Thornton LLP, as the District's appointed external accountants, have reviewed the Consolidated Financial Statements. The Review report is addressed to the Trustees of the Cowichan Bay Improvement District and appears on the following page. Their conclusion is based upon a review conducted in accordance with Canadian generally accepted standards for review engagements, to determine if anything comes to their attention during review or inquiry that causes them to believe that the Consolidated Financial Statements do not present fairly, in all material respects, the financial position of the District in accordance with Canadian public sector accounting standards.

Signed by:



Kim Huebner

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Trustee

**COWICHAN BAY IMPROVEMENT DISTRICT
CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2025**

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Independent Practitioner's Review Engagement Report

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To the Trustees of the
Cowichan Bay Improvement District

We have reviewed the accompanying consolidated financial statements of the Cowichan Bay Improvement District ("the District") that comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statements of operations, net financial assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's responsibility

Our responsibility is to express a conclusion on the accompanying consolidated financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of consolidated financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated financial statements do not present fairly, in all material respects, the financial position of Cowichan Bay Improvement District as at December 31, 2025, and the consolidated results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Duncan, Canada
April 18, 2026

Doane Grant Thornton LLP
Chartered Professional Accountants

**COWICHAN BAY IMPROVEMENT DISTRICT
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2025**

	<u>2025</u>	<u>2024</u>
FINANCIAL ASSETS		
Cash and cash equivalents - unrestricted (Note 2c)	\$ 933,406	\$ 1,298,447
Cash and cash equivalents- restricted (Note 3)	643,366	1,413,595
Accounts receivable	73,193	287,116
Long-term investments (Note 4)	<u>2,216</u>	<u>2,117</u>
	<u>1,652,181</u>	<u>3,001,274</u>
LIABILITIES		
Accounts payable and accrued liabilities	76,737	1,743,214
Deferred revenue (Note 2d)	300,000	300,000
Interest payable	51,643	-
Long-term debt (Note 6)	<u>12,717,534</u>	<u>9,100,478</u>
	<u>13,145,913</u>	<u>11,143,691</u>
NET FINANCIAL ASSETS	<u>(11,493,732)</u>	<u>(8,142,417)</u>
NON-FINANCIAL ASSETS (Note 9)		
Net tangible capital assets (Schedule 1)	15,585,224	11,821,596
Prepaid items	<u>19,308</u>	<u>40,909</u>
	<u>15,604,532</u>	<u>11,862,504</u>
DISTRICT POSITION (Schedule 2)	<u>\$ 4,110,800</u>	<u>\$ 3,720,087</u>

Approved by:

Signed by:

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Trustee

See accompanying notes to the financial statements

**COWICHAN BAY IMPROVEMENT DISTRICT
CONSOLIDATED STATEMENT OF OPERATIONS
Year Ended December 31, 2025**

	<u>2025 Budget (Note 8)</u>	<u>2025 Actual</u>	<u>2024 Actual</u>
REVENUE			
Operating tax requisition	\$ 846,000	\$ 846,000	\$ 845,000
Capital tax requisition	1,050,000	1,050,000	880,000
Interest and other revenues	-	85,618	76,451
Bylaw #98	28,998	28,999	28,998
Bylaw #103	16,631	16,631	16,631
	<u>1,941,629</u>	<u>2,027,248</u>	<u>1,847,080</u>
EXPENSES			
Advertising and public relations	2,050	1,481	1,350
Amortization	432,000	432,963	232,739
Apparatus and equipment maintenance	36,000	41,062	19,394
Bank charges	700	1,323	729
Building operations maintenance	24,789	29,957	16,041
Communications	6,705	9,939	4,974
Fees and supplies	6,547	7,413	8,983
Fuel and oil	11,500	11,249	6,407
Honorarium and wages	561,860	581,579	515,810
Insurance and licenses	62,000	49,533	61,655
Interest on long term debt	4,950	209,745	6,158
IT/Software	27,143	14,821	21,889
Memberships	4,818	2,109	3,028
Parts and supplies	69,711	111,245	57,337
Professional fees	23,063	34,942	24,048
Sundry	27,451	23,876	10,762
Training and convention	58,563	52,176	25,659
Utilities	18,000	20,180	12,644
	<u>1,377,850</u>	<u>1,635,591</u>	<u>1,029,607</u>
OTHER EXPENSES			
Loss on disposal of assets (Schedule 4)	-	942	-
	<u>563,779</u>	<u>392,599</u>	<u>817,474</u>
ANNUAL SURPLUS			
	<u>563,779</u>	<u>392,599</u>	<u>817,474</u>
DISTRICT POSITION, BEGINNING OF YEAR			
	<u>3,720,087</u>	<u>3,720,087</u>	<u>2,902,613</u>
DISTRICT POSITION, END OF YEAR			
	<u>\$ 4,283,866</u>	<u>\$ 4,112,686</u>	<u>\$ 3,720,087</u>

See accompanying notes to the financial statements

**COWICHAN BAY IMPROVEMENT DISTRICT
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
Year Ended December 31, 2025**

	2025 Actual	2024 Actual
ANNUAL SURPLUS	\$ 392,599	\$ 817,474
Acquisition of tangible capital assets	(4,419,186)	(9,364,366)
Amortization of tangible capital assets	432,963	232,739
Disposal of tangible capital assets	222,594	-
Decrease (increase) in prepaid items	21,601	(12,120)
	(3,742,028)	(9,143,747)
CHANGE IN NET FINANCIAL ASSETS	(3,349,429)	(8,326,273)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	(8,142,417)	183,856
NET FINANCIAL ASSETS, END OF YEAR	\$ (11,491,846)	\$ (8,142,417)

See accompanying notes to the financial statements

**COWICHAN BAY IMPROVEMENT DISTRICT
CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended December 31, 2025**

	<u>2025</u>	<u>2024</u>
OPERATING TRANSACTIONS		
Annual surplus	\$ 392,599	\$ 817,474
Add non-cash items:		
Disposal of tangible capital assets	942	-
Amortization	432,963	232,739
	<u>826,504</u>	<u>1,050,213</u>
Changes in non-cash items:		
Accounts receivable	213,923	(238,770)
Long-term investments	100	-
Operating prepaid items	21,601	(12,120)
Accounts payable and accrued liabilities	(1,666,477)	1,351,548
Interest payable	51,643	
Deferred revenue	-	100,000
	<u>(552,707)</u>	<u>2,250,871</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	5,000	-
Cash used to acquire tangible capital assets	(4,419,186)	(9,364,365)
	<u>(4,414,186)</u>	<u>(9,364,365)</u>
INVESTING TRANSACTIONS		
(Increase) decrease in restricted cash	770,229	(1,063,024)
FINANCING TRANSACTIONS		
Debt repayment	(13,017,952)	(39,470)
Proceeds from long-term debt	16,849,576	8,606,143
	<u>3,831,624</u>	<u>8,566,673</u>
INCREASE IN CASH AND CASH EQUIVALENTS	(365,040)	390,155
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,298,447</u>	<u>908,292</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 933,407</u></u>	<u><u>\$ 1,298,447</u></u>

See accompanying notes to the financial statements

COWICHAN BAY IMPROVEMENT DISTRICT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2025

1. General

The District was incorporated in 1968 under a statute of the Province of British Columbia and operates under the provisions of the Local Government Act and the Community Charter of British Columbia. The principal activity of the District is to provide fire protection and rescue services in the Cowichan Valley area.

2. Significant Accounting Policies

a) Basis of Accounting

The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards ("PSAS") and include the following significant accounting policies:

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures, and changes in fund balances and financial position of the Cowichan Bay Improvement District. These consolidated financial statements consolidate the following operations:

Renewal Reserve Funds
Operating Funds

b) Reserve

Reserve funds and accounts represent amounts set aside from past and current operations for future capital expenditures.

Under the Local Government Act of British Columbia, the District, created by by-law, may establish reserve funds for specified purposes. Money in a reserve fund, and interest earned thereon, must be expended by board approval only for the purpose for which the fund was established. If the amount in a reserve fund is greater than required, the District may, by by-law, transfer all or part of the amount into another reserve fund.

c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, balances with banks and short-term deposits with maturity dates within 90 days of acquisition. Short-term deposits bear interest at rates of 2.30% - 5.37% (2024 - 2.85% - 5.37%)

Short-term deposits include investments of \$76,059 for the Firehall Reserve and \$93,598 for the Wildfire Reserve. The funds are expected to be spent in the next year and have been designated as unrestricted cash by the District.

d) Revenue Recognition

Revenue is based on the taxation levy passed by the District annual bylaw. The levy is collected on behalf of the improvement district by the provincial government. Revenue generated via taxation levy in the December 31, 2025, fiscal year end for operations were \$846,000 (2024 - \$845,000) and for capital were \$1,050,000 (2024 - \$880,000).

Other revenues are recognized as consideration is received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Deferred revenue represents an advance payment of the taxation levy applicable to the following fiscal year.

**COWICHAN BAY IMPROVEMENT DISTRICT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2025**

2. Significant Accounting Policies (continued)

e) Financial Instruments

The District considers any contract creating a financial asset, liability, or equity instrument as a financial instrument, except in certain limited circumstances. The District accounts for the following as financial instruments:

Cash and cash equivalents
Accounts receivable
Long term investments
Accounts payable and accrued liabilities
Interest payable
Deferred revenue
Long term debt

A financial asset or liability is recognized when the District becomes party to contractual provisions of the instrument.

Financial assets or liabilities obtained in arm's length transactions are initially measured at their fair value.

The District subsequently measures all of its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and cash equivalents, accounts receivables, and long term investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, interest payable, deferred revenue, and long-term debt.

The District removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net income.

f) Donated Materials, Services and Equipment

Donated materials, services and equipment that would have normally been purchased by the District are recorded at their estimated fair value if such a value is readily determinable.

**COWICHAN BAY IMPROVEMENT DISTRICT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2025**

2. Significant Accounting Policies (continued)

g) 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 the asset. Donated assets are recorded at their estimated fair value upon acquisition. Tangible capital assets are amortized on a straight-line basis over their estimated useful lives.

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

General Tangible Capital Assets

Buildings	60 years
Paving	20 years
Vehicles and Equipment	
Generator	30 years
Machinery, equipment and furniture	10 years
Radio equipment	5 years
Vehicles	20 years
Command vehicle	5 years
Computer Hardware and Software	4 years
Computer hardware	5 years
Software	2 years
Licenses	Indefinite or 5 years

h) Measurement Uncertainty

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Significant areas requiring the use of the District's estimates relate to the valuation of accounts receivable, the useful lives of tangible capital assets, and the amount recorded as accrued liabilities.

i) Impairment of Long Lived Assets

When conditions indicate that a tangible capital asset no longer contributes to the District's ability to provide goods and services or that the value of future economic benefits associated with the tangible capital asset is less than its net book value, the cost of the tangible capital asset is reduced to reflect the decline in the asset's value.

**COWICHAN BAY IMPROVEMENT DISTRICT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2025**

3. Restricted Cash

Restricted cash includes non-cashable term deposits of \$642,790 (2024 - \$534,635) with maturity date beyond one year.

The balance also includes the construction holdback to be paid upon the completion of the Firehall. At December 31, 2025 cash restricted for the construction holdback was \$nil (2024 - \$878,959)

4. Long-Term Investments

The long term investments represent First West Credit Union Membership shares and Class "B" equity shares. These shares represent a return of a percentage of the profits of the Credit Union to its members based on their participation within the Credit Union. The District earned these shares as a result of investing cash.

The Credit Union limits redemption of Class "B" shares in any one year to a total of 10% of the total amount of shares issued and outstanding on the last day of the immediately preceding year. Applications for redemption are processed in order of receipt by the Credit Union. Members may apply on the proper form for redemption of up to 10% of the Class "B" shares received.

In the event of dissolution of the District the shares are redeemable in full.

5. Reserve Funds

In the prior year, the Board approved internally restricting an additional reserve fund. The Wildfire Reserve Fund, which will be used to track surplus funds from wildfire services, and in 2024, was designated by the board to assist in funding a full time Deputy position.

The Equipment, Firehall, Wildfire, and Rural Water Reserve Funds are funded by annual requisitions. These reserves are internally restricted at the direction of the Board of Trustees, and are to be used to meet future needs of the Improvement District as required and approved by the Board. The Firehall, and Equipment requisitions approved by the Board were \$900,000 and \$150,000 respectively.

The Fire Protection-Capital Works and Equipment Renewal Reserve Fund ("Replacement Reserve Fund") was established by by-law #34. The related cash balances are restricted in order to meet these future needs.

	<u>2025</u>	<u>2024</u>
Reserve Fund Balances:		
Equipment Reserve Fund - Internally Restricted	152,367	-
Firehall Reserve Fund - Internally Restricted	76,059	502,469
Replacement Reserve Fund - Internally Restricted	403,905	462,196
Rural Water Reserve Fund - Internally Restricted	79,543	77,841
Wildfire Reserve Fund - Internally Restricted	93,598	167,092
	\$ 805,471	1,209,597

**COWICHAN BAY IMPROVEMENT DISTRICT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2025**

6. Long Term Debt

	<u>2025</u>	<u>2024</u>
a. The District passed By-Law #98 which authorized the receipt of a \$250,000 loan from the Province of British Columbia to pay for a fire engine purchased in 2015. The annual loan payment is \$28,997 at an interest rate of 3.00% per annum. The loan was repaid during the year.	<u>\$ -</u>	<u>\$ 28,152</u>

	<u>2025</u>	<u>2024</u>
b. The District passed By-Law #103 which authorized the receipt of a \$200,000 loan from the Province of British Columbia to pay for a fire engine purchased in 2019. The annual loan payment is \$16,631 at an interest rate of 3.20% per annum. The loan matures July 2033.	<u>\$ 117,534</u>	<u>\$ 128,294</u>

Principal payments required in each of the next five years are as follows:

2026	12,926
2027	13,340
2028	13,767
2029	14,208
2030	14,662
Thereafter:	48,631
	<u>\$ 117,534</u>

	<u>2025</u>	<u>2024</u>
c. The District passed By-Law #107 which authorized the borrowing up to a maximum of \$16,000,000 for the construction of a new fire hall. A construction loan was negotiated with the Royal Bank of Canada for \$13,500,000 with draws as needed. The loan was unsecured and is repayable with interest only payments at the Royal Bank of Canada's prime rate which fluctuated in 2025 (4.45% - 5.20%). The loan was repaid during the year.	<u>\$ -</u>	<u>\$ 8,944,032</u>

	<u>2025</u>	<u>2024</u>
b. The District passed By-Law #119 which authorized the receipt of a \$12,600,000 loan from the Province of British Columbia to pay for the new firehall building completed in 2025. The annual loan payment is \$944,741 at an interest rate of 4.40% per annum. The loan matures July 2045.	<u>\$ 12,600,000</u>	<u>\$ -</u>

COWICHAN BAY IMPROVEMENT DISTRICT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2025

Principal payments required in each of the next five years are as follows:

2026	602,988
2027	416,873
2028	435,215
2029	454,364
2030	474,356
Thereafter:	<u>10,216,204</u>
	<u>\$ 12,600,000</u>

COWICHAN BAY IMPROVEMENT DISTRICT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2025

7. Financial Instruments

The District's financial instruments consist of cash, accounts receivable, long-term investments, accounts payable and accrued liabilities, and long-term debt. The carrying amount of these financial instruments approximates their fair value because they are short-term in nature or because they bear interest at market rates.

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The District is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Given the current composition of long-term debt, fixed-rate instruments subject the District to a fair value risk while the floating-rate instruments subject it to a cash flow risk.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The credit risk regarding cash is considered to be negligible, as it is held by a reputable financial institution with an investment grade external credit rating. The District's main credit risks relate to its accounts receivable, which as of December 31, 2025, totalled \$73,193 (2024 - \$287,116). These accounts receivables are due from government entities which subjects the District to minimal risk. Credit risk related to loans payable as of December 31, 2025, total \$12,769,177 (2024 - \$9,100,478). The credit risk is reasonably mitigated as cash flows used to settle annual payments are generated through the levying of taxes.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The District is exposed to this risk mainly in respect of payment of its accounts payable and accrued liabilities, interest payable, and long term debt which as of December 31, 2025, totalled \$12,845,913 (2024 - \$10,843,691). This risk is mitigated by the nature of the Company's cash flows used to settle annual payments as they are generated through the levying of taxes.

8. Budget

The financial plan is prepared on a revenue and expenditure basis. For comparative purposes, the District has modified its financial plan to prepare a budget that is consistent with the scope and accounting principles used to report the actual results. The budget figures used in these consolidated financial statements have been approved by the trustees and registered with the Inspector of Municipalities.

9. Tangible Capital Assets and Other Non-Financial Assets

Tangible capital and other non-financial assets are accounted for as assets by the District because they can be used to provide fire protection services in future periods. These assets do not normally provide resources to discharge the liabilities of the District unless they are sold.

The District is on joint legal title with Cowichan Bay Waterworks District for a parcel of land in the Cowichan Land District. As the Cowichan Bay Waterworks District has control over the land and building, there has been no value attributed to this land in the District's tangible capital assets.

**COWICHAN BAY IMPROVEMENT DISTRICT
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year Ended December 31, 2025**

SCHEDULE 1

											Totals	
	Land	Building	Paving	Generator	Automotive Equipment	Equipment	Radio Equipment	Computer Equipment	Licenses	Assets Under Construction	2025	2024
Cost												
Opening costs	116,869	289,868	68,855	57,372	2,121,969	243,660	44,236	33,315	35,350	10,761,799	13,773,293	4,508,867
Additions during the year	-	-	216,078	-	86,812	133,107	24,298	1,794	573	3,956,523	4,419,186	9,364,365
Transfers	-	14,502,244	-	-	-	-	-	-	-	(14,502,244)	-	-
Disposals and write downs	-	(289,868)	(68,855)	(57,372)	-	-	(39,047)	(6,850)	-	(216,078)	(678,070)	(99,365)
Closing costs	116,869	14,502,244	216,078	-	2,208,781	376,767	29,487	28,259	35,923	-	17,514,409	13,773,867
Accumulated Amortization												
Opening accum'd amortization	-	289,868	64,902	55,383	1,330,215	130,356	43,830	32,058	5,658	-	1,952,271	1,818,897
Amortization	-	290,045	10,804	-	79,238	30,480	5,265	1,705	15,426	-	432,963	232,739
Disposals and write downs	-	(289,868)	(64,902)	(55,383)	-	-	(39,047)	(6,850)	-	-	(456,050)	(99,365)
Closing accum'd amortization	-	290,045	10,804	-	1,409,453	160,836	10,048	26,914	21,084	-	1,929,185	1,952,271
Net Book Value of Tangible Capital Assets	116,869	14,212,199	205,275	-	799,327	215,931	19,439	1,345	14,839	-	15,585,224	11,821,596

**COWICHAN BAY IMPROVEMENT DISTRICT
CONSOLIDATED SCHEDULE OF ACCUMULATED SURPLUS
Year Ended December 31, 2025**

SCHEDULE 2

	<u>2025</u>	<u>2024</u>
OPERATING FUNDS		
Unappropriated		
Operating fund (Schedule 4)	\$ 352,950	\$ 784,825
Transfer to reserve funds	136,332	(995,454)
Total Unappropriated	<u>489,282</u>	<u>(210,630)</u>
Total Operating Funds	<u>489,282</u>	<u>(210,630)</u>
NET INVESTMENT IN TANGIBLE CAPITAL ASSETS		
Net book value tangible capital assets (Schedule 1)	15,585,224	11,821,596
Less: Long term debt and interest payable	<u>(12,769,177)</u>	<u>(9,100,478)</u>
Net Investment in Tangible Capital Assets	<u>2,816,047</u>	<u>2,721,118</u>
RESERVE FUNDS		
Restricted		
Firehall Reserve Fund (Note 5)	76,059	502,469
Replacement Reserve Funds (Note 5)	403,905	462,196
Rural Water Reserve Funds (Note 5)	79,543	77,841
Equipment Reserve Funds (Note 5)	152,367	-
Wildfire Reserve Funds (Note 5)	<u>93,598</u>	<u>167,092</u>
Total Restricted Reserve Funds (Schedule 3)	<u>805,471</u>	<u>1,209,597</u>
TOTAL ACCUMULATED SURPLUS	<u>\$ 4,110,802</u>	<u>\$ 3,720,087</u>

COWICHAN BAY IMPROVEMENT DISTRICT
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
Year Ended December 31, 2025

SCHEDULE 3

	<u>2025</u>	<u>2024</u>
REVENUE		
Investment income	\$ 37,763	\$ 6,065
NET REVENUES	<u>37,763</u>	<u>6,065</u>
TRANSFERS		
Transfers to operating fund	(153,478)	(8,371)
Transfers to capital	(1,338,411)	(235,303)
Transfers to reserve funds (Note 4)	<u>1,050,000</u>	<u>1,103,233</u>
CHANGE IN RESERVE FUND BALANCES	<u>(404,126)</u>	865,624
FUND SURPLUS, BEGINNING OF YEAR	<u>1,209,597</u>	<u>181,325</u>
FUND SURPLUS, END OF YEAR	<u>\$ 805,471</u>	<u>\$ 1,046,949</u>
FUND BALANCES		
Equipment Reserve Fund - Internally Restricted	152,367	-
Capital Project Fund - Internally Restricted	76,059	502,469
Wildfire Reserve Fund - Internally Restricted	93,598	167,092
Rural Water Reserve Fund - Internally Restricted	79,543	77,841
Replacement Reserve Fund - Externally Restricted	<u>403,905</u>	<u>462,196</u>
FUND SURPLUS, END OF YEAR	<u>\$ 805,471</u>	<u>\$ 1,209,597</u>

COWICHAN BAY IMPROVEMENT DISTRICT
STATEMENT OF OPERATING FUND
Year Ended December 31, 2025

SCHEDULE 4

	<u>2025</u> <u>Budget</u>	<u>2025</u> <u>Actual</u>	<u>2024</u> <u>Actual</u>
REVENUE			
Operating tax requisition	\$ 846,000	\$ 846,000	\$ 845,000
Capital tax requisition	1,050,000	1,050,000	880,000
Wild fire contract revenues	-	13,899	-
Interest and other revenues	-	33,957	43,803
By-law #98	28,998	28,998	28,997
By-law #103	16,631	16,631	16,631
Other revenue	-	-	-
Total revenue	<u>1,941,629</u>	<u>1,989,484</u>	<u>1,814,431</u>
EXPENSES			
Advertising and public relations	2,050	1,481	1,350
Amortization	432,000	432,963	232,739
Apparatus and equipment maintenance	36,000	41,062	19,394
Bank charges	700	1,323	729
Building operations maintenance	24,789	29,957	16,041
Communications	6,705	9,939	4,974
Fees and supplies	6,547	7,413	8,983
Fuel and oil	11,500	11,249	6,407
Honorarium, wages and benefits	561,860	581,579	515,810
Insurance	62,000	49,533	61,655
Interest on long term debt	4,950	209,745	6,158
IT/Software	27,143	14,821	21,889
Memberships	4,818	2,109	3,028
Parts and supplies	69,711	111,245	57,337
Professional fees	23,063	34,942	24,048
Sundry	27,451	23,876	10,762
Training and convention	58,563	52,176	25,659
Utilities	18,000	20,180	12,644
Wildfire wages	-	-	-
Total expenses	<u>1,377,850</u>	<u>1,635,591</u>	<u>1,029,607</u>
Other expenses			
Loss on disposal of assets	-	(942)	-
NET REVENUES	<u>\$ 563,779</u>	<u>\$ 352,950</u>	<u>\$ 784,824</u>