

**SHIPS POINT IMPROVEMENT DISTRICT**  
**Consolidated Financial Statements**  
**Year Ended December 31, 2025**

**SHIPS POINT IMPROVEMENT DISTRICT**  
**Index to Consolidated Financial Statements**  
**Year Ended December 31, 2025**

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

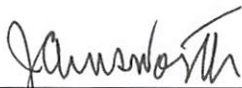
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The consolidated financial statements of Ships Point Improvement District have been prepared in accordance with Canadian public sector accounting standards (PSAS). When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Ships Point Improvement District's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Trustees is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee. The Audit Committee is appointed by the Board and meets periodically with management and the trustees' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Audit Committee reports to the Board of Trustees prior to its approval of the financial statements. The Committee also considers, for review by the Board and approval by the trustees, the engagement or re-appointment of the external auditors.

The consolidated financial statements have been audited on behalf of the trustees by Robbins & Company Chartered Professional Accountants, in accordance with Canadian generally accepted auditing standards.



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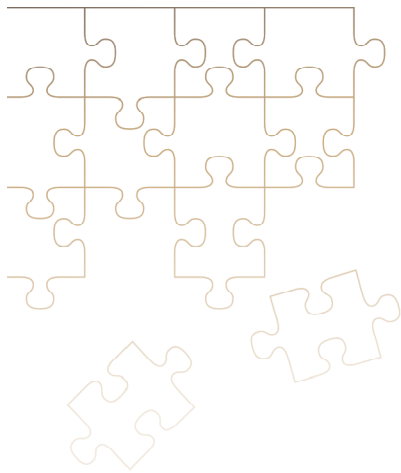
Jackie Ainsworth, Officer of Corporate  
Administration



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Rob Vreugde, Officer of Financial  
Administration

Fanny Bay, BC  
April 21, 2026



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## INDEPENDENT AUDITOR'S REPORT

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To the Trustees of Ships Point Improvement District

*Report on the Consolidated Financial Statements*

*Opinion*

We have audited the consolidated financial statements of Ships Point Improvement District (the "improvement district"), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statements of operations, changes in accumulated surplus, changes in net financial debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the improvement district as at December 31, 2025, and the consolidated results of its operations and consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

*Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the improvement district in accordance with ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PSAS, 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.

In preparing the consolidated financial statements, management is responsible for assessing the improvement district's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the improvement district or to cease operations, or has no realistic alternative but to do so.

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

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*Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

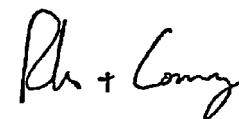
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not 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 consolidated 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 consolidated 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 improvement district's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the improvement district's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 improvement district to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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.

Courtenay, British Columbia  
April 21, 2026

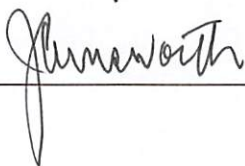


ROBBINS & COMPANY  
CHARTERED PROFESSIONAL ACCOUNTANTS

**SHIPS POINT IMPROVEMENT DISTRICT**  
**Consolidated Statement of Financial Position**  
**December 31, 2025**


	2025	2024
<b>FINANCIAL ASSETS</b>		
Cash	\$ 69,061	\$ 79,602
Short term investments	147,477	126,543
Accounts receivable <i>(Note 4)</i>	<u>13,236</u>	<u>9,299</u>
	<u>229,774</u>	<u>215,444</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities <i>(Note 5)</i>	25,676	54,384
Deferred revenue	-	250
Province of British Columbia debt <i>(Note 6)</i>	39,598	58,606
Long term debt <i>(Note 7)</i>	<u>1,571,576</u>	<u>1,638,419</u>
	<u>1,636,850</u>	<u>1,751,659</u>
NET FINANCIAL DEBT	<u>(1,407,076)</u>	<u>(1,536,215)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets <i>(Note 8)</i>	2,421,947	2,529,195
Intangible assets <i>(Note 9)</i>	11,722	-
Supply inventory	12,041	12,301
Prepaid expenses	<u>17,530</u>	<u>16,884</u>
	<u>2,463,240</u>	<u>2,558,380</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 1,056,164</u>	<u>\$ 1,022,165</u>

Approved on behalf of the Board of Trustees



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Trustee



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Trustee

The accompanying notes are a part of these financial statements

**SHIPS POINT IMPROVEMENT DISTRICT**  
**Consolidated Statement of Operations**  
**Year Ended December 31, 2025**

	Budget 2025	Total 2025	Total 2024
<b>REVENUES</b>			
Consolidated Waterworks Services Operations Fund ( <i>Schedule 3</i> )	\$ 125,360	\$ <b>139,023</b>	\$ 121,720
Consolidated Fire Protection Services Operations Fund ( <i>Schedule 4</i> )	114,650	<b>163,628</b>	159,289
Consolidated Capital Reserve Renewal Fund ( <i>Schedule 5</i> )	172,200	<b>174,268</b>	249,583
	<u>412,210</u>	<u><b>476,919</b></u>	<u>530,592</u>
<b>EXPENSES</b>			
Consolidated Waterworks Services Operations Fund ( <i>Schedule 3</i> )	140,885	<b>266,432</b>	291,057
Consolidated Fire Protection Services Operations Fund ( <i>Schedule 4</i> )	111,318	<b>108,609</b>	112,297
Consolidated Capital Reserve Renewal Fund ( <i>Schedule 5</i> )	-	<b>67,879</b>	70,278
	<u>252,203</u>	<u><b>442,920</b></u>	<u>473,632</u>
<b>ANNUAL SURPLUS</b>	<u>\$ 160,007</u>	<u>\$ <b>33,999</b></u>	<u>\$ 56,960</u>

The accompanying notes are a part of these financial statements

**SHIPS POINT IMPROVEMENT DISTRICT**  
**Consolidated Statement of Changes in Accumulated Surplus**  
**Year Ended December 31, 2025**

	Total 2025	Total 2024
<b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>	<b>\$ 1,022,165</b>	<b>\$ 965,205</b>
ANNUAL SURPLUS	<u>33,999</u>	<u>56,960</u>
<b>ACCUMULATED SURPLUS - END OF YEAR</b>	<b><u>\$ 1,056,164</u></b>	<b><u>\$ 1,022,165</u></b>

The accompanying notes are a part of these financial statements

**SHIPS POINT IMPROVEMENT DISTRICT**  
**Consolidated Statement of Changes in Net Financial Debt**  
**Year Ended December 31, 2025**

	Budget 2025	2025	2024
<b>ANNUAL SURPLUS</b>	\$ 160,007	\$ 33,999	\$ 56,960
Purchase of tangible capital assets	-	(66,261)	(44,599)
Purchase of intangible assets	-	(15,629)	-
Amortization of tangible capital assets	-	173,509	171,316
Amortization of intangible capital assets	-	3,907	-
Decrease (increase) in prepaid expenses	-	(646)	500
Decrease (increase) in supply inventory	-	260	(9,098)
	-	95,140	118,119
<b>INCREASE IN NET FINANCIAL ASSETS</b>	160,007	129,139	175,079
<b>NET FINANCIAL DEBT - BEGINNING OF YEAR</b>	(1,331,987)	(1,536,215)	(1,711,294)
<b>NET FINANCIAL DEBT - END OF YEAR</b>	\$ (1,171,980)	\$ (1,407,076)	\$ (1,536,215)

The accompanying notes are a part of these financial statements

**SHIPS POINT IMPROVEMENT DISTRICT**  
**Consolidated Statement of Cash Flows**  
**Year Ended December 31, 2025**

	2025	2024
<b>OPERATING ACTIVITIES</b>		
Annual surplus	\$ 33,999	\$ 56,960
Items not affecting cash:		
Amortization of tangible capital assets	173,509	171,316
Amortization of intangible assets	3,907	-
	<u>211,415</u>	<u>228,276</u>
Changes in non-cash working capital:		
Accounts receivable	(3,937)	1,574
Supply inventory	260	(9,099)
Prepaid expenses	(646)	500
Accounts payable and accrued liabilities	(28,709)	24,727
Deferred revenue	(250)	250
Comox Valley Regional District contribution	-	(75,000)
	<u>(33,282)</u>	<u>(57,048)</u>
Cash flow from operating activities	<u>178,133</u>	<u>171,228</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of tangible capital assets	(66,261)	(44,599)
Purchase of intangible assets	(15,629)	-
Cash flow used by investing activities	<u>(81,890)</u>	<u>(44,599)</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds from long term financing	-	240,730
Repayment of long term debt	(85,850)	(512,840)
Cash flow used by financing activities	<u>(85,850)</u>	<u>(272,110)</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>10,393</b>	<b>(145,481)</b>
Cash - beginning of year	<u>206,144</u>	<u>351,624</u>
<b>CASH - END OF YEAR</b>	<b>\$ 216,538</b>	<b>\$ 206,144</b>
<b>CASH CONSISTS OF:</b>		
Cash	\$ 69,061	\$ 79,601
Short term investments	147,477	126,543
	<u>\$ 216,538</u>	<u>\$ 206,144</u>

The accompanying notes are a part of these financial statements

**SHIPS POINT IMPROVEMENT DISTRICT**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2025**

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**1. PURPOSE OF THE IMPROVEMENT DISTRICT**

Ships Point Improvement District (the "Improvement District") was incorporated in 1979 under the laws of the Province of British Columbia to provide water supply and fire protection services to the residents of Ships Point Improvement District.

**2. BASIS OF PRESENTATION**

It is the policy of the Improvement District to follow the accounting principles accepted for British Columbia Improvement districts and to apply such principles consistently. The consolidated financial statements have been prepared in accordance with the recommendations of the Public Sector Accounting Board of CPA Canada. In accordance with these recommendations, the District has implemented the consolidation of all funds. The consolidated financial statements reflect the removal of any internal transactions and balances.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Use of estimates

The preparation of 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 financial statements and the reported amounts of revenues and expenses during the period. By their nature, these estimates are subject to measurement uncertainty and actual results could differ. In particular, management prepares estimates for certain items such as allowance for doubtful accounts, useful lives of capital assets and accrued liabilities.

Fund accounting

In order to ensure observance of limitations and restrictions placed on the use of resources available to the Improvement District, the accounts are maintained on a fund accounting basis. Accordingly, resources are classified for accounting and reporting purposes into funds. These funds are held in accordance with the objectives specified by the contributors or in accordance with the directives issued by the Board of Trustees.

Operating Fund

- Waterworks Services accounts for all the revenues and expenditures related to the general and ancillary waterworks services provided by the Improvement District.
- Fire Protection Services accounts for all the revenues and expenditures related to the general and ancillary fire protection services provided by the Improvement District.

Capital Fund

- Accounts for all the tangible capital assets of the Improvement District used in the provision of Waterworks Services and Fire Protection Services by the Improvement District and presents the flow of funds related to their acquisition and disposal, unexpended capital resources and debt commitments.

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**SHIPS POINT IMPROVEMENT DISTRICT**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2025**

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Capital Reserve Renewal Fund

- Consists of funds established by the Board of the Improvement District, under bylaw 81, to be used for expenditures related to the capital cost of providing, constructing, altering or expanding water facilities in order to service directly or indirectly, the development in respect to which the charges are fixed. These funds, and interest earned thereon, must only be invested and disbursed by bylaw passed by the trustees.

Revenue recognition

Parcel taxes and capital expenditure funds are recognized upon issuance of tax notices for the fiscal year. Water tolls are recognized as services is provided. Interest and other income are recognized as revenue as earned on an accrual basis.

Government transfers recorded as grant revenue are recognized as revenues when the transfer is authorized and eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Short term investments

Short term investments include cash and short-term deposits with maturities of less than one year.

Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives, in accordance to the provisions of the Public Sector 3150 at the following rates:

Buildings	6%	declining balance method
Equipment	20%	declining balance method
Water mains	6%	declining balance method
Wells and casings	6%	declining balance method
Fire trucks	20 years	straight-line method
Computer equipment	55%	declining balance method

Tangible capital assets are a special class of non-financial assets and are recorded at cost less accumulated amortization and are classified according to their functional use. Costs include all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. The improvement district regularly reviews its tangible capital assets to eliminate obsolete items.

*(continues)*

**SHIPS POINT IMPROVEMENT DISTRICT**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2025**

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Intangible assets

Intangible capital assets consist of software acquired and developed for use in the provision of the Improvement District's services. Intangible capital assets are recorded at cost. Cost includes all amounts that are directly attributable to the acquisition, development, and preparation of the intangible capital asset for its intended use.

Amortization is provided over the estimated useful life of the asset, commencing when the asset is available for use, as follows:

Software: 4 years straight-line method

The useful life of intangible capital assets is reviewed periodically and revised if appropriate. Intangible capital assets are tested for impairment when conditions indicate that the asset no longer contributes to the Improvement District's ability to provide goods and services, or when the value of future economic benefits or service potential associated with the asset is less than its net book value.

Certain intangible capital assets, such as water rights, are not recorded in the financial statements.

Asset Retirement Obligation

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

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

No asset retirement obligation has been recorded in these financial statements. Should an obligation be determined, it will be recorded in the financial statements.

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 living organism that exceeds an environmental standard. A liability for remediation of contaminated sites is to be recognized when all of the following criteria are met:

- a) an environmental standard exists;
- b) contamination exceeds the environmental standard;
- c) The Improvement District;
  - i) is directly responsible; or
  - ii) accepts responsibility; and
- d) it is expected that future economic benefits will be given up;
- e) a reasonable estimate of the amounts can be made.

No liability has been recorded in these financial statements. Should a liability be determined, it will be recorded net of any expected recoveries.

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**SHIPS POINT IMPROVEMENT DISTRICT**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2025**

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Non financial assets

Non-financial assets are held for use in the provision of services and are not normally available to discharge liabilities. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year together with the net surplus (deficit) for the year, provides the changes in the financial assets.

Inventory

Inventory being the waterworks replacement parts and consumables is valued and recorded at the lower of cost and net realizable value with the cost using the specific identification method.

Financial instruments

The Improvement District's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and bank loans. It is management's opinion the improvement district is not exposed to any significant interest, credit or currency risks and fair values approximate carrying values.

**4. ACCOUNTS RECEIVABLE**

	2025	2024
Accrued interest receivable reserve fund	\$ 3,637	\$ 3,374
Trade receivable	120	110
Goods and services tax receivable	9,479	5,815
	\$ 13,236	\$ 9,299

**5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2025	2024
Due to federal government	\$ 1,184	\$ 11,236
Salaries, wages and benefits payable	1,510	1,991
Sick leave benefits	-	4,278
Trade payables and accrued liabilities	22,606	36,296
Interest	376	583
	\$ 25,676	\$ 54,384

**SHIPS POINT IMPROVEMENT DISTRICT**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2025**

**6. PROVINCE OF BRITISH COLUMBIA DEBT**

On November 19, 2012 the Improvement District received a \$250,000 capital tax advance from the Province of British Columbia in accordance with Bylaw No. 85, the 2012 Long Term Borrowing Bylaw to purchase a fire truck.

The capital tax advance is repayable with an annual payment in July of each year (2015 - 2027) in the amount of \$20,352.76 including interest at 2.75%.

	<b>2025</b>	<b>2024</b>
Bylaw No.85 approves the Province of British Columbia, in accordance with Section 756 of the Local Government Act, to collect the payment directly from the ratepayers within the Improvement District by way of their rural property tax assessments.	<b>\$ 39,598</b>	<b>\$ 58,606</b>

Principal repayments, based on the loan terms and conditions at year end, are as follows:

2026	\$ 19,133
2027	20,465
Total minimum payments	<b>\$ 39,598</b>

**7. LONG TERM DEBT**

Bylaw No. 89 authorized the Improvement District to borrow up to \$2,500,000 to fund its water system infrastructure upgrade.

	<b>2025</b>	<b>2024</b>
Royal Bank of Canada loan bearing interest at 4.40% per annum, repayable in monthly blended payments of \$3,575. The loan matures on March 2, 2028.	<b>\$ 377,161</b>	<b>\$ 402,849</b>
Royal Bank of Canada loan bearing interest at 6.25% per annum, repayable in monthly blended payments of \$2,075. The loan matures on August 3, 2026.	<b>227,524</b>	237,852
Royal Bank of Canada loan bearing interest at 3.69% per annum, repayable in monthly blended payments of \$5,594. The term on the loan matures on June 30, 2031.	<b>966,891</b>	997,718
	<b>\$ 1,571,576</b>	<b>\$ 1,638,419</b>

Principal repayment terms are approximately:

2026	\$ 91,675
2027	95,256
2028	98,984
2029	102,866
2030	106,911
Thereafter	1,075,884
	<b>\$ 1,571,576</b>

**SHIPS POINT IMPROVEMENT DISTRICT**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2025**

**8. TANGIBLE CAPITAL ASSETS**

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Land and right of ways	\$ 47,109	\$ -	\$ 47,109	\$ 47,109
Buildings	139,137	84,350	54,787	58,284
Equipment	228,128	149,360	78,768	49,386
Fire trucks	253,292	144,474	108,818	122,699
Computer equipment	26,159	9,228	16,931	1,148
Water mains	3,634,743	1,559,875	2,074,868	2,207,307
Wells and casings	131,429	90,763	40,666	43,262
	<u>\$ 4,459,997</u>	<u>\$ 2,038,050</u>	<u>\$ 2,421,947</u>	<u>\$ 2,529,195</u>

**9. INTANGIBLE ASSETS**

	2025	2024
Waterworks services software	\$ 15,629	\$ -
Accumulated amortization	(3,907)	-
	<u>\$ 11,722</u>	<u>\$ -</u>

**10. BUDGET**

The Improvement District's 2025 budget was approved by the board on October 28, 2024. Budget figures are neither audited nor reviewed.

**11. HONORARIUMS**

	2025	2024
Trustees' honorariums	\$ 3,400	\$ 2,800

The trustees of the Improvement District receive a remuneration of \$50 per meeting attended.

**SHIPS POINT IMPROVEMENT DISTRICT**  
**Consolidated Schedule of Tangible Capital Assets**  
**Year Ended December 31, 2025**

(Schedule 1)

	Buildings	Equipment	Water mains	Wells and casings	Fire trucks	Land and right of ways	Computer equipment	2025	2024
<b>Cost</b>									
Beginning balance	\$ 139,137	\$ 184,507	\$ 3,634,743	\$ 131,429	\$ 253,292	\$ 47,109	\$ 3,518	\$ 4,393,735	\$ 4,349,136
Additions	-	43,621	-	-	-	-	22,641	66,262	44,599
Disposals	-	-	-	-	-	-	-	-	-
<b>Ending balance</b>	<b>139,137</b>	<b>228,128</b>	<b>3,634,743</b>	<b>131,429</b>	<b>253,292</b>	<b>47,109</b>	<b>26,159</b>	<b>4,459,997</b>	<b>4,393,735</b>
<b>Accumulated amortization</b>									
Beginning balance	80,853	135,121	1,427,436	88,167	130,593	-	2,370	1,864,540	1,693,224
Amortization of tangible capital assets	3,497	14,239	132,439	2,596	13,881	-	6,858	173,510	171,316
Effects of disposals and write down	-	-	-	-	-	-	-	-	-
<b>Accumulated amortization total</b>	<b>84,350</b>	<b>149,360</b>	<b>1,559,875</b>	<b>90,763</b>	<b>144,474</b>	<b>-</b>	<b>9,228</b>	<b>2,038,050</b>	<b>1,864,540</b>
<b>Net book value</b>	<b>\$ 54,787</b>	<b>\$ 78,768</b>	<b>\$ 2,074,868</b>	<b>\$ 40,666</b>	<b>\$ 108,818</b>	<b>\$ 47,109</b>	<b>\$ 16,931</b>	<b>\$ 2,421,947</b>	<b>\$ 2,529,195</b>

**SHIPS POINT IMPROVEMENT DISTRICT**  
**Consolidated Schedule of Accumulated Surplus** (Schedule 2)  
**Year Ended December 31, 2025**

	2025	2024
<b>Operating Fund</b>		
Fire Protection Services	\$ 105,884	\$ 81,622
Waterworks Services	<u>81,833</u>	<u>63,697</u>
	<u>187,717</u>	<u>145,319</u>
<b>Capital Fund</b>		
Net book value of tangible capital assets (Schedule 1)	2,421,947	2,529,195
Net book value of intangible capital assets (Note 9)	11,722	-
Less: long term debt (Notes 6 & 7)	<u>(1,611,174)</u>	<u>(1,697,025)</u>
	<u>822,495</u>	<u>832,170</u>
<b>Capital Reserve Renewal Fund</b>		
Beginning Balance	44,676	118,987
Income from operations (Schedule 5)	106,389	179,305
Principal repayment of long term debt (Note 7)	(66,843)	(253,616)
Capital purchase (Bylaw No 132)	<u>(38,270)</u>	<u>-</u>
Ending Balance	<u>45,952</u>	<u>44,676</u>
	<u>\$ 1,056,164</u>	<u>\$ 1,022,165</u>

**SHIPS POINT IMPROVEMENT DISTRICT**  
**Consolidated Waterworks Services Operations Fund** (Schedule 3)  
**Year Ended December 31, 2025**

	Budget <i>December 31</i> 2025	<b><i>December 31</i></b> <b>2025</b>	<i>December 31</i> 2024
<b>REVENUES</b>			
Water tolls	\$ 124,685	\$ <b>134,660</b>	\$ 114,380
Water toll - penalties	600	<b>2,115</b>	3,435
Interest income	-	<b>1,781</b>	3,530
Other income	75	<b>467</b>	375
	<u>125,360</u>	<u><b>139,023</b></u>	<u>121,720</u>
<b>EXPENSES</b>			
Amortization of tangible capital assets	-	<b>141,639</b>	146,504
Amortization of intangible capital assets	-	<b>3,907</b>	-
Business taxes, licenses and memberships	90	<b>535</b>	350
Donations	1,755	-	1,830
Insurance	12,710	<b>11,460</b>	10,978
Office	3,075	<b>4,862</b>	13,076
Professional fees	17,118	<b>23,747</b>	8,783
Repairs and maintenance	26,292	<b>11,319</b>	1,875
Supplies	18,152	-	117
Travel	1,002	<b>1,126</b>	2,704
Training	-	<b>468</b>	-
Utilities	2,814	<b>14,545</b>	13,089
Wages and benefits	57,877	<b>52,824</b>	91,751
	<u>140,885</u>	<u><b>266,432</b></u>	<u>291,057</u>
<b>LOSS FROM OPERATIONS</b>	<u>\$ (15,525)</u>	<u>\$ <b>(127,409)</b></u>	<u>\$ (169,337)</u>

**SHIPS POINT IMPROVEMENT DISTRICT**  
**Consolidated Fire Protection Services Operations Fund (Schedule 4)**  
**Year Ended December 31, 2025**

	Budget <i>December 31</i> 2025	<b><i>December 31</i></b> <b>2025</b>	<i>December 31</i> 2024
<b>REVENUES</b>			
Parcel taxes	\$ 114,200	\$ <b>103,923</b>	\$ 91,333
Fire department grant	-	<b>36,443</b>	45,000
Province of British Columbia	-	<b>20,353</b>	20,353
Interest income	400	<b>1,187</b>	2,353
Other income	50	<b>1,722</b>	250
	<u>114,650</u>	<u><b>163,628</b></u>	<u>159,289</u>
<b>EXPENSES</b>			
Amortization of tangible capital assets	-	<b>31,870</b>	24,812
Business taxes, licenses and memberships	-	<b>303</b>	-
Donations	1,170	<b>199</b>	1,220
Insurance	12,440	<b>12,190</b>	11,652
Interest - Province of British Columbia	-	<b>1,344</b>	1,856
Office	10,210	<b>5,039</b>	10,166
Professional fees	11,412	<b>15,832</b>	5,855
Repairs and maintenance	18,228	<b>8,314</b>	13,860
Supplies	24,658	<b>6,480</b>	6,448
Training	13,650	<b>3,697</b>	1,856
Travel	568	<b>1,462</b>	1,261
Utilities	7,012	<b>3,330</b>	2,607
Wages and benefits	11,970	<b>18,549</b>	30,704
	<u>111,318</u>	<u><b>108,609</b></u>	<u>112,297</u>
<b>INCOME FROM OPERATIONS</b>	<u>\$ 3,332</u>	<u>\$ <b>55,019</b></u>	<u>\$ 46,992</u>

**SHIPS POINT IMPROVEMENT DISTRICT**  
**Consolidated Capital Reserve Renewal Fund**  
**Year Ended December 31, 2025**

**(Schedule 5)**

	Budget <i>December 31</i> 2025	<b><i>December 31</i></b> <b>2025</b>	<i>December 31</i> 2024
<b>REVENUES</b>			
Capital expenditure fund	\$ 172,200	\$ <b>172,200</b>	\$ 172,200
Interest income	-	<b>2,068</b>	2,383
Comox Valley Regional District	-	-	75,000
	172,200	<b>174,268</b>	249,583
<b>EXPENSES</b>			
Interest	-	<b>67,879</b>	70,278
		<b>67,879</b>	70,278
<b>INCOME FROM OPERATIONS</b>	<b>\$ 172,200</b>	<b>\$ 106,389</b>	<b>\$ 179,305</b>