

**HORNBY ISLAND RESIDENTS' AND RATEPAYERS' ASSOCIATION**  
**Financial Statements**  
**Year Ended December 31, 2024**

**HORNBY ISLAND RESIDENTS' AND RATEPAYERS' ASSOCIATION**

**Index to Financial Statements**

**Year Ended December 31, 2024**

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	Page
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING	1
INDEPENDENT AUDITOR'S REPORT	2 - 4
FINANCIAL STATEMENTS	
Statement of Financial Position	5
Statement of Operations	6
Statement of Changes in Annual Surplus (Deficit)	7
Statement of Changes in Net Financial Assets	8
Statement of Cash Flows	9
Notes to Financial Statements	10 - 15
Schedule of Tangible Capital Assets <i>(Schedule 1)</i>	16
Schedule of Accumulated Surplus <i>(Schedule 2)</i>	17
Revenues <i>(Schedule 3)</i>	18
Expenses <i>(Schedule 4)</i>	19
Cemetery <i>(Schedule 5)</i>	20
Comfort Stations <i>(Schedule 6)</i>	21
Community Hall <i>(Schedule 7)</i>	22
Core services <i>(Schedule 8)</i>	23
Emergency Preparedness <i>(Schedule 9)</i>	24
Fall Fair <i>(Schedule 10)</i>	25
Fire Protection Services <i>(Schedule 11)</i>	26
Invasive Plant Control <i>(Schedule 12)</i>	27
Property Management <i>(Schedule 13)</i>	28

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**HORNBY ISLAND RESIDENTS' AND RATEPAYERS' ASSOCIATION**

**Index to Financial Statements *(continued)***

**Year Ended December 31, 2024**

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	Page
Recreation Services <i>(Schedule 14)</i>	29
Waste Management Services <i>(Schedule 15)</i>	30
Water Stewardship <i>(Schedule 16)</i>	31

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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The financial statements of Hornby Island Residents' and Ratepayers' Association 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.

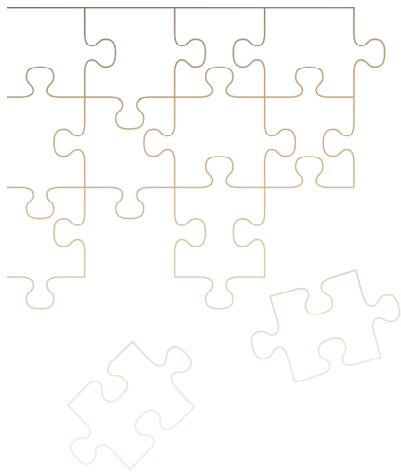
The integrity and reliability of Hornby Island Residents' and Ratepayers' Association's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable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

The HIRRA Executive is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Executive as a whole carries out this responsibility by meeting periodically with management and HIRRA's auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Executive approves the financial statements. The Executive also considers, for review and approval by the members, the engagement or re-appointment of the external auditors.

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

  
Reina Lebaron, Executive Administrator

Hornby Island, BC  
May 06, 2025



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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Hornby Island Residents' and Ratepayers' Association

*Report on the Financial Statements*

*Opinion*

We have audited the financial statements of Hornby Island Residents' and Ratepayers' Association (the association), which comprise the statement of financial position as at December 31, 2024, and the statements of operations, changes in annual surplus (deficit), changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the association as at December 31, 2024, and the results of its operations and 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 Financial Statements* section of our report. We are independent of the association in accordance with 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 Information*

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*(continues)*

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, 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 association'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 association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the association'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 association'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 association'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 association 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.

Independent Auditor's Report to the Members of Hornby Island Residents' and Ratepayers' Association  
(continued)

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  
May 6, 2025



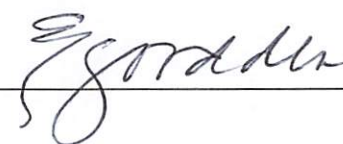


ROBBINS & COMPANY  
CHARTERED PROFESSIONAL  
ACCOUNTANTS

**HORNBY ISLAND RESIDENTS' AND RATEPAYERS' ASSOCIATION**  
**Statement of Financial Position**  
**December 31, 2024**

	2024	2023
<b>FINANCIAL ASSETS</b>		
Cash	\$ 430,744	\$ 455,303
Accounts receivable	27,406	61,618
Goods and services tax recoverable	5,074	10,135
	<b>463,224</b>	<b>527,056</b>
<b>LIABILITIES</b>		
Accounts payable	36,206	20,318
Payroll liabilities (Note 4)	49,669	42,173
Asset retirement obligation (Note 5)	4,956	4,801
	<b>90,831</b>	<b>67,292</b>
<b>NET FINANCIAL ASSETS</b>	<b>372,393</b>	<b>459,764</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 6)	171,950	184,726
Prepaid expenses	9,475	6,443
	<b>181,425</b>	<b>191,169</b>
<b>ACCUMULATED SURPLUS</b>	<b>\$ 553,818</b>	<b>\$ 650,933</b>
CONTINGENT LIABILITY (Note 11)		

Approved by the Executive Committee

Trustee
Trustee



**HORNBY ISLAND RESIDENTS' AND RATEPAYERS' ASSOCIATION**

**Statement of Operations**

**Year Ended December 31, 2024**

	Budget 2024	Total 2024	Total 2023
<b>REVENUES</b>			
Cemetery (Schedule 5)	\$ -	\$ 2,240	\$ 2,050
Comfort Stations (Schedule 6)	24,085	24,085	22,588
Community Hall (Schedule 7)	66,726	81,930	141,983
Core services (Schedule 8)	110,555	114,790	118,502
Emergency Preparedness (Schedule 9)	3,444	3,567	3,500
Fall Fair (Schedule 10)	-	4,557	5,453
Fire Protection Services (Schedule 11)	236,442	236,442	243,469
Invasive Plant Control (Schedule 12)	5,700	8,500	5,800
Property Management (Schedule 13)	32,100	34,186	31,719
Recreation Services (Schedule 14)	60,883	60,549	59,682
Waste Management Services (Schedule 15)	361,313	390,939	518,613
Water Stewardship (Schedule 16)	6,565	6,565	14,632
	<u>907,813</u>	<u>968,350</u>	<u>1,167,991</u>
<b>EXPENSES</b>			
Cemetery (Schedule 5)	-	1,358	1,396
Comfort Stations (Schedule 6)	24,153	22,833	21,847
Community Hall (Schedule 7)	84,325	89,823	82,993
Core services (Schedule 8)	108,555	119,910	111,790
Emergency Preparedness (Schedule 9)	3,481	3,573	3,376
Fall Fair (Schedule 10)	-	3,357	3,374
Fire Protection Services (Schedule 11)	243,840	239,684	238,192
Invasive Plant Control (Schedule 12)	5,941	7,179	5,645
Property Management (Schedule 13)	27,473	27,989	21,225
Recreation Services (Schedule 14)	68,980	64,359	58,722
Waste Management Services (Schedule 15)	476,459	474,346	443,381
Water Stewardship (Schedule 16)	12,820	10,725	-
	<u>1,056,027</u>	<u>1,065,136</u>	<u>991,941</u>
<b>SURPLUS (DEFICIT) FROM OPERATIONS</b>	(148,214)	(96,786)	176,050
<b>OTHER INCOME (EXPENSES)</b>			
Loss on disposal of tangible capital assets	-	(329)	-
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>\$ (148,214)</u>	<u>\$ (97,115)</u>	<u>\$ 176,050</u>

The accompanying notes are a part of these financial statements

**HORNBY ISLAND RESIDENTS' AND RATEPAYERS' ASSOCIATION**  
**Statement of Changes in Annual Surplus (Deficit)**  
**Year Ended December 31, 2024**

	2024	2023
<b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>		
As previously reported	\$ 650,933	\$ 478,345
Prior period adjustment ( <i>Note 5</i> )	-	(3,462)
As restated	<b>650,933</b>	474,883
ANNUAL SURPLUS (DEFICIT)	<b>(97,115)</b>	176,050
<b>ACCUMULATED SURPLUS (DEFICIT) - END OF YEAR</b>	<b>\$ 553,818</b>	<b>\$ 650,933</b>

The accompanying notes are a part of these financial statements

**HORNBY ISLAND RESIDENTS' AND RATEPAYERS' ASSOCIATION**  
**Statement of Changes in Net Financial Assets**  
**Year Ended December 31, 2024**

	Budget 2024	2024	2023
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ (148,214)	\$ (97,115)	\$ 176,050
Purchase of tangible capital assets	(2,528)	(2,529)	(63,577)
Amortization of tangible capital assets	14,977	14,977	13,554
Decrease in prepaid expenses	-	-	775
	<u>12,449</u>	<u>12,448</u>	<u>(49,248)</u>
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	(135,765)	(84,667)	126,802
<b>NET FINANCIAL ASSETS - BEGINNING OF YEAR</b>	<u>272,674</u>	<u>459,764</u>	<u>332,962</u>
<b>NET FINANCIAL ASSETS - END OF YEAR</b>	<u>\$ 136,909</u>	<u>\$ 375,097</u>	<u>\$ 459,764</u>

The accompanying notes are a part of these financial statements

**HORNBY ISLAND RESIDENTS' AND RATEPAYERS' ASSOCIATION****Statement of Cash Flows****Year Ended December 31, 2024**

	2024	2023
<b>OPERATING ACTIVITIES</b>		
Annual surplus (deficit)	\$ (97,115)	\$ 176,050
Items not affecting cash:		
Amortization of tangible capital assets	14,977	13,554
Loss on disposal of tangible capital assets	329	-
	<u>(81,809)</u>	<u>189,604</u>
Changes in non-cash working capital:		
Accounts receivable	34,214	(53,336)
Goods and services tax recoverable	5,061	(3,007)
Prepaid expenses	(3,034)	776
Accounts payable	15,886	4,870
Payroll liabilities	7,496	3,042
Deferred revenue	-	(10,341)
Asset retirement obligation	155	4,801
	<u>59,778</u>	<u>(53,195)</u>
Cash flow from (used by) operating activities	<u>(22,031)</u>	<u>136,409</u>
<b>INVESTING ACTIVITY</b>		
Purchase of tangible capital assets	<u>(2,528)</u>	<u>(63,577)</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>(24,559)</b>	<b>72,832</b>
<b>CASH - BEGINNING OF YEAR</b>	<u><b>455,303</b></u>	<u><b>382,471</b></u>
<b>CASH - END OF YEAR</b>	<u><b>\$ 430,744</b></u>	<u><b>\$ 455,303</b></u>

The accompanying notes are a part of these financial statements

# HORNBY ISLAND RESIDENTS' AND RATEPAYERS' ASSOCIATION

## Notes to Financial Statements

Year Ended December 31, 2024

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### 1. PURPOSE OF THE ASSOCIATION

Hornby Island Ratepayers' and Residents' Association ("HIRRA") is a not-for-profit organization of British Columbia since 1973. Through this association, Hornby Island has an opportunity to be partially self-governing. HIRRA administers Hornby Island tax dollars and membership is open to residents and property owners on Hornby Island. HIRRA's principle functions are guided by a published vision statement, constitution and bylaws, policies and management contracts with the Comox Valley Regional District ("CVRD").

HIRRA is exempt from income taxes under the Income Tax Act.

### 2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian public sector accounting standards (PSAS).

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Fund accounting

In order to ensure observance of limitations and restrictions placed on the use of resources available to HIRRA, 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 Executive Committee.

#### Operating Fund

- Cemetery accounts for all the revenues and expenditures related to the Cemetery services provided by HIRRA.
- Comfort Stations accounts for all the revenues and expenditures related to the permanent public outhouses and summer portable outhouses (comfort stations) provided by HIRRA.
- Community Hall accounts for all the revenues and expenditures related to the maintenance and improvements of the Community Hall and associated services provided by HIRRA.
- Core Services accounts for all the revenues and expenditures related to the general overall financial and administration services provided by HIRRA.
- Emergency Preparedness accounts for all the revenues and expenditures related to the emergency preparedness education and community outreach services provided by HIRRA.
- Fire Protection Services accounts for all the revenues and expenditures related to the general and ancillary fire protection services administered by HIRRA.
- Invasive Plant Control accounts for all the revenues and expenditures related to the invasive plants removal and control services provided by HIRRA.
- Property Management accounts for all the revenues and expenditures related to maintenance of the Savoie Centre building and HIRRA properties provided by HIRRA.
- Recreation Services accounts for all the revenues and expenditures related to the summer recreation programs and community recreation activities provided by HIRRA.
- Water Stewardship accounts for all the revenues and expenditures related to on-island water testing and water-related education, advocacy and research services provided by HIRRA.

*(continues)*

# HORNBY ISLAND RESIDENTS' AND RATEPAYERS' ASSOCIATION

## Notes to Financial Statements

Year Ended December 31, 2024

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

- Waste Management Services accounts for all the revenues and expenditures related to the recycling, waste management, and beach clean-up services provided by HIRRA.
- Boat Ramp Fund accounts for revenues raised by the committee to contribute towards the rebuilding of the boat ramp. The boat ramp rebuild project would be funded and managed by the CVRD.
- Recreation Future Facility Fund accounts for all revenues raised by the committee to contribute to the potential improvement and development of a recreation facility by HIRRA. The recreation facility would be funded and managed by the CVRD.

#### Capital Fund

- Accounts for all the tangible capital assets of the HIRRA used in the services and presents the flow of funds related to their acquisition and disposal, unexpended capital resources and any debt commitments, if applicable.

#### 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.

#### Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a straight-line basis at the following rates and methods:

Land	N/A
Buildings	40 years straight-line method
Equipment	5 years straight-line method
Computer equipment	2 years straight-line method
Parking lots	15 years straight-line method
Furniture and fixtures	5 years straight-line method

Repairs and maintenance are expensed in the period in which they occur. Betterments which enhance the asset life or capacity are capitalized.

Tangible capital assets are written down when the conditions indicate that they no longer contribute to HIRRA's ability to provide services or when the value of future economic benefits associated with the tangible assets are less than their net book value. The net write-down is accounted for as an expense in the statement of operations.

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# HORNBY ISLAND RESIDENTS' AND RATEPAYERS' ASSOCIATION

## Notes to Financial Statements

Year Ended December 31, 2024

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

#### Revenue recognition

HIRRA recognizes revenue from contracts held with the CVRD to administer tax funded local services. HIRRA creates a budget and upon approval receives semi-annual funding for the predetermined amount. Revenues derived from the sale of service contracts is initially recorded as deferred service revenue and is recognized in net income on a straight-line basis over the term of the service contract.

Additional revenue also comes from fundraising events, donations, tipping fees, recreation programs and building and land rentals. Revenue from fundraising events is recognized when the event has occurred, the amount reasonably determined, and collection is assured. Revenue from donations is recognized when the amount is received. Revenue from rentals is recognized on a monthly basis as those rental services are provided.

#### Expense recognition

Expenses are recorded on an accrual basis and are recognized in the period in which the goods and services are acquired and a liability is incurred or transfers are due.

#### Deferred revenue

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

#### Accrued employee benefits

HIRRA has obligations as a result of a collective agreement, employee benefit accruals that include an allowance for sick time entitlement, are recorded in the year that they are earned and accrued in the statement of financial position. Absences due to employee illness are paid when an injury or illness occurs.

#### 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.

#### 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.

A liability for removal of asbestos in the vinyl floor tiling of storage areas and inaccessible offices in the green room trailer has been recognized based on the estimated future expenses. The liability is discounted using a present value calculation, and adjusted yearly for accretion expense. The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is being amortized in accordance with the depreciation accounting policies.

*(continues)*

**HORNBY ISLAND RESIDENTS' AND RATEPAYERS' ASSOCIATION**

**Notes to Financial Statements**

**Year Ended December 31, 2024**

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

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.

**4. PAYROLL LIABILITIES**

	<u>2024</u>	<u>2023</u>
Government remittances payable	\$ 10,569	\$ 12,197
Sick pay payable	31,735	26,437
WCB payable	4,616	3,539
Wages payable	2,749	-
	<u>\$ 49,669</u>	<u>\$ 42,173</u>

**5. ASSET RETIREMENT OBLIGATION**

HIRRA owns a building that is known to have asbestos, which represents a health hazard upon demolition and renovation of the building and there is a legal obligation to remove it. Following the adoption of PS 3280 - Asset Retirement obligations, HIRRA recognized an obligation relating to the removal and post-removal care of the asbestos in the building as estimated by a professional third party report on March 28, 2024. Estimated costs of \$6,500 have been discounted to the present value using a discount rate of 2.77% per annum.

The recognition of both an increase to the value of the building and an asset retirement obligation has been recorded as of December 31, 2023 in the amount of \$4,801.

In addition to the above, a prior period accumulated surplus and related accumulated amortization adjustment was made for \$3,462. This adjustment represents the estimated accumulated amortization associated with the addition.

In the December 31, 2024 fiscal year an accretion expense of \$155 was recognized to bring the total value of the asset retirement obligation to be \$4,956 as of December 31, 2024.



**HORNBY ISLAND RESIDENTS' AND RATEPAYERS' ASSOCIATION**

**Notes to Financial Statements**

**Year Ended December 31, 2024**

**6. TANGIBLE CAPITAL ASSETS**

	Cost	Accumulated amortization	<b>2024 Net book value</b>	2023 Net book value
Land	\$ 20,171	\$ -	\$ 20,171	\$ 20,171
Buildings	267,717	133,377	<b>134,340</b>	141,033
Equipment	82,300	73,719	<b>8,581</b>	10,580
Computer equipment	7,597	5,255	<b>2,342</b>	4,634
Parking lots	15,890	10,174	<b>5,716</b>	6,775
Furniture and fixtures	5,735	4,935	<b>800</b>	1,533
	<u>\$ 399,410</u>	<u>\$ 227,460</u>	<u>\$ 171,950</u>	<u>\$ 184,726</u>

**7. FINANCIAL INSTRUMENTS**

The association is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the association's risk exposure and concentration as of December 31, 2024.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The association is exposed to credit risk from customers. The balance in accounts receivable is \$27,406 (2023 - \$61,618). Management believes the risk to HIRRA is minimal from these accounts receivables as a result of past collections history.

Unless otherwise noted, it is management's opinion that the association is not exposed to significant other price risks arising from these financial instruments.

**8. BUDGET**

The budget amounts presented throughout these financial statements represent a five-year budget that was adopted by the HIRRA board and membership on November 8, 2023. Budget figures are neither audited nor reviewed.

The budget was prepared on a modified accrual basis while Canadian public sector accounting standards require financial statements to be prepared on a full accrual basis. The budget anticipated use of surpluses accumulated in prior years to reduce current year expenditures in excess of current year revenues.

The summary below reconciles the 2024 budget to the financial statement budget figures:

Financial statement annual budget surplus (deficit)	<b>\$ (148,214)</b>
Add:	
Amortization	<b>14,977</b>
Less:	
Capital expenditures	<u><b>(2,528)</b></u>
HIRRA budgeted annual surplus	<u><b>\$ (135,765)</b></u>

# HORNBY ISLAND RESIDENTS' AND RATEPAYERS' ASSOCIATION

## Notes to Financial Statements

Year Ended December 31, 2024

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### 9. ECONOMIC DEPENDENCE

HIRRA is economically dependent on the Comox Valley Regional District (CVRD) as its primary source of income is from funding received tax dollars from the CVRD. The CVRD has expressed that annual surpluses in excess of \$20,000 for tax funded services will have to repaid back to the CVRD.

### 10. ENVIRONMENTAL MATTERS

HIRRA is subject to various laws, regulations and government policies relating to health and safety, to the generation, storage, transportation, disposal and environmental emissions of various substances, and to the protection of the environment in general. A risk of environmental liability is inherent in the operations; real estate ownership, operation or control; and other commercial activities of HIRRA with respect to both current and past operations. Although the effect on operating results and liquidity cannot be reasonably estimated, management believes, based on current information, that environmental matters will not have a material adverse effect on HIRRA's financial condition or competitive position.

### 11. CONTINGENT LIABILITY

As at December 31, 2024, there is an outstanding claim against HIRRA. The claim has been referred to legal counsel and HIRRA's liability insurers. It is not possible to determine the association's potential liability, if any, with respect to this matter. However, should a liability become known, it will be reflected in HIRRA's financial statements.

**HORNBY ISLAND RESIDENTS' AND RATEPAYERS' ASSOCIATION**

**Schedule of Tangible Capital Assets  
(Schedule 1)**

**Year Ended December 31, 2024**

	Land	Buildings	Equipment	Parking lots	Furniture and fixtures	Computer equipment	2024	2023
<b>Cost</b>								
Beginning balance	\$ 20,171	\$ 267,717	\$ 84,267	\$ 15,890	\$ 5,735	\$ 6,392	\$ 400,171	\$ 336,591
Additions	-	-	1,323	-	-	1,205	2,529	58,779
Disposal	-	-	(3,290)	-	-	-	(3,290)	-
Effect of asset retirement obligation	-	-	-	-	-	-	-	4,801
<b>Ending balance</b>	<b>20,171</b>	<b>267,717</b>	<b>82,300</b>	<b>15,890</b>	<b>5,735</b>	<b>7,597</b>	<b>399,410</b>	<b>400,171</b>
<b>Accumulated amortization</b>								
Beginning balance	-	126,684	73,687	9,115	4,202	1,757	215,445	198,429
Amortization of tangible capital assets	-	6,693	2,994	1,059	733	3,498	14,977	13,554
Effect of asset retirement obligation	-	-	-	-	-	-	-	3,462
Effect of disposal	-	-	(2,962)	-	-	-	(2,962)	-
<b>Accumulated amortization total</b>	<b>-</b>	<b>133,377</b>	<b>73,719</b>	<b>10,174</b>	<b>4,935</b>	<b>5,255</b>	<b>227,460</b>	<b>215,445</b>
<b>Net book value</b>	<b>\$ 20,171</b>	<b>\$ 134,340</b>	<b>\$ 8,581</b>	<b>\$ 5,716</b>	<b>\$ 800</b>	<b>\$ 2,342</b>	<b>\$ 171,950</b>	<b>\$ 184,726</b>

**HORNBY ISLAND RESIDENTS' AND RATEPAYERS' ASSOCIATION**

**Schedule of Accumulated Surplus  
(Schedule 2)**

**Year Ended December 31, 2024**

	2024	2023
<b>Operating Funds</b>		
Boat Ramp Operating Fund	\$ 11,367	\$ 11,367
Cemetery	5,354	4,472
Comfort Stations	3,173	1,921
Community Hall	33,940	37,863
Core Services	(12,614)	(7,494)
Emergency Preparedness	3,927	3,646
Fall Fair	13,299	12,100
Fire Protection Services	6,231	6,580
Invasive Weeds	1,728	406
Property Management	212,865	202,473
Recreation Future Facility Fund	16,226	16,226
Recreation Services	3,905	6,594
Waste Management Services	74,090	155,420
Water Stewardship	8,377	14,633
	<u>381,868</u>	<u>466,207</u>
<b>Capital Fund</b>		
Net book value of tangible capital assets (Schedule 1)	<u>171,950</u>	<u>184,726</u>
	<u>\$ 553,818</u>	<u>\$ 650,933</u>

**HORNBY ISLAND RESIDENTS' AND RATEPAYERS' ASSOCIATION**

**Revenues  
(Schedule 3)**

**Year Ended December 31, 2024**

	Budget <i>December 31</i> 2024	<b>Total <i>December 31</i> 2024</b>	Total <i>December 31</i> 2023
<b>REVENUES</b>			
Comox Valley Regional District	\$ 564,933	\$ <b>564,989</b>	\$ 761,069
Comox Valley Regional District - special projects	-	<b>2,000</b>	55,007
Core services allocation	109,955	<b>109,955</b>	104,050
Donations and fundraising	200	<b>2,737</b>	15,522
Fall fair	-	<b>4,057</b>	4,453
Grants	5,060	<b>16,068</b>	17,680
HIWM - Tipping fees	130,000	<b>160,911</b>	123,195
HIWM - refundable sales	20,000	<b>18,000</b>	18,615
Other revenue	10,065	<b>12,236</b>	6,134
Recreation program registration	24,800	<b>25,837</b>	17,249
Rental income	42,200	<b>47,225</b>	44,720
	<u>907,213</u>	<u><b>964,015</b></u>	<u>1,167,694</u>
<b>OTHER INCOME</b>			
Interest income	600	<b>4,335</b>	297
Loss on disposal of assets	-	<b>(329)</b>	-
	<u>600</u>	<u><b>4,006</b></u>	<u>297</u>
	<u>\$ 907,813</u>	<u>\$ <b>968,021</b></u>	<u>\$ 1,167,991</u>

**HORNBY ISLAND RESIDENTS' AND RATEPAYERS' ASSOCIATION**

**Expenses  
(Schedule 4)**

**Year Ended December 31, 2024**

	Budget <i>December 31</i> 2024	<b>Total</b> <i>December 31</i> <b>2024</b>	Total <i>December 31</i> 2023
<b>EXPENSES</b>			
Administrative and miscellaneous	\$ 6,860	\$ <b>6,652</b>	\$ 7,397
Amortization	-	<b>14,977</b>	13,554
Bad debts	400	-	255
Business taxes, licenses and memberships	600	<b>600</b>	-
Contractors	27,553	<b>26,821</b>	24,066
Core services allocation	109,435	<b>109,955</b>	104,050
Education and training	26,200	<b>19,138</b>	15,597
Fall fair	-	<b>1,596</b>	3,271
Fuel	8,000	<b>6,733</b>	5,935
Hazardous waste removal	2,500	<b>3,506</b>	2,210
Insurance	39,903	<b>35,800</b>	37,612
Office	17,464	<b>15,120</b>	16,086
Professional fees	12,000	<b>17,328</b>	10,865
Publicity and promotion	12,034	<b>12,944</b>	8,199
Recreation program	22,855	<b>22,560</b>	15,167
Rent	4,830	<b>3,499</b>	-
Repairs and maintenance - buildings/grounds	61,900	<b>60,217</b>	57,361
Repairs and maintenance - equipment	53,500	<b>63,870</b>	50,596
Special projects	4,000	<b>2,810</b>	15,805
Summer fire patrol and permits	12,650	<b>13,653</b>	13,600
Supplies	24,876	<b>19,384</b>	27,254
Telecommunications	10,852	<b>9,994</b>	10,247
Tipping fees	63,500	<b>73,229</b>	71,126
Travel	1,800	<b>1,952</b>	2,222
Utilities	19,083	<b>16,179</b>	16,887
Volunteer fund	5,000	<b>2,410</b>	3,467
Wages and benefits	508,232	<b>504,209</b>	459,112
	<b>\$ 1,056,027</b>	<b>\$ 1,065,136</b>	\$ 991,941

**HORNBY ISLAND RESIDENTS' AND RATEPAYERS' ASSOCIATION**

**Cemetery  
(Schedule 5)**

**Year Ended December 31, 2024**

	Budget <i>December 31</i> 2024	Total <i>December 31</i> 2024	Total <i>December 31</i> 2023
<b>REVENUES</b>	\$ -	\$ 2,240	\$ 2,050
<b>EXPENSES</b>			
Administrative and miscellaneous	-	-	63
Core services allocation	-	182	38
Repairs and maintenance - buildings/grounds	-	1,134	1,276
Wages and benefits	-	42	19
	-	1,358	1,396
<b>EXCESS OF REVENUES OVER EXPENSES</b>	\$ -	\$ 882	\$ 654

**HORNBY ISLAND RESIDENTS' AND RATEPAYERS' ASSOCIATION**

**Comfort Stations  
(Schedule 6)**

**Year Ended December 31, 2024**

	Budget <i>December 31</i> 2024	Total <i>December 31</i> 2024	Total <i>December 31</i> 2023
<b>REVENUES</b>			
Comox Valley Regional District	\$ 24,085	\$ 24,085	\$ 22,588
<b>EXPENSES</b>			
Contractors	-	819	439
Core services allocation	2,470	2,470	2,309
Insurance	415	428	392
Repairs and maintenance - buildings/grounds	5,900	5,443	5,463
Supplies	900	869	750
Travel	200	1,079	1,202
Wages and benefits	14,268	11,725	11,292
	24,153	22,833	21,847
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	\$ (68)	\$ 1,252	\$ 741



**HORNBY ISLAND RESIDENTS' AND RATEPAYERS' ASSOCIATION**

**Community Hall  
(Schedule 7)**

**Year Ended December 31, 2024**

	Budget <i>December 31</i> 2024	<b>Total <i>December 31</i> 2024</b>	Total <i>December 31</i> 2023
<b>REVENUES</b>			
Comox Valley Regional District	\$ 53,426	\$ <b>53,426</b>	\$ 72,896
Comox Valley Regional District - special projects	-	<b>2,000</b>	53,267
Grants	-	<b>8,379</b>	-
Rental income	13,300	<b>18,125</b>	15,820
	<hr/> 66,726	<hr/> <b>81,930</b>	<hr/> 141,983
<b>EXPENSES</b>			
Amortization	-	<b>3,971</b>	3,254
Contractors	200	-	4,600
Core services allocation	8,900	<b>8,900</b>	7,194
Insurance	20,571	<b>20,655</b>	20,182
Office	541	<b>700</b>	360
Publicity and promotion	400	<b>747</b>	319
Repairs and maintenance - buildings/grounds	13,000	<b>13,952</b>	17,963
Special projects	-	<b>516</b>	483
Supplies	1,500	<b>1,738</b>	2,090
Telecommunications	1,500	<b>1,435</b>	1,322
Utilities	7,000	<b>5,964</b>	6,209
Wages and benefits	30,713	<b>31,245</b>	19,017
	<hr/> 84,325	<hr/> <b>89,823</b>	<hr/> 82,993
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<hr/> <b>\$ (17,599)</b>	<hr/> <b>\$ (7,893)</b>	<hr/> <b>\$ 58,990</b>

# HORNBY ISLAND RESIDENTS' AND RATEPAYERS' ASSOCIATION

## Core services (Schedule 8)

Year Ended December 31, 2024

	Budget <i>December 31</i> 2024	Total <i>December 31</i> 2024	Total <i>December 31</i> 2023
<b>REVENUES</b>			
Core services allocation	\$ 109,955	\$ 109,955	\$ 104,052
Grants	-	500	14,153
Interest income	600	4,335	297
	<u>110,555</u>	<u>114,790</u>	<u>118,502</u>
<b>EXPENSES</b>			
Administrative and miscellaneous	1,560	2,145	3,295
Education and training	-	-	75
Insurance	2,500	2,098	1,982
Office	6,510	4,245	4,920
Professional fees	12,000	17,328	10,865
Publicity and promotion	1,825	1,207	1,641
Special projects	4,000	584	13,583
Telecommunications	2,160	1,501	1,246
Wages and benefits	78,000	90,802	74,183
	<u>108,555</u>	<u>119,910</u>	<u>111,790</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<u>\$ 2,000</u>	<u>\$ (5,120)</u>	<u>\$ 6,712</u>

**HORNBY ISLAND RESIDENTS' AND RATEPAYERS' ASSOCIATION**

**Emergency Preparedness  
(Schedule 9)**

**Year Ended December 31, 2024**

	Budget <i>December 31</i> 2024	Total <i>December 31</i> 2024	Total <i>December 31</i> 2023
<b>REVENUES</b>			
Comox Valley Regional District	\$ 3,444	\$ 3,500	\$ 3,500
Donations and fundraising	-	67	-
	<u>3,444</u>	<u>3,567</u>	<u>3,500</u>
<b>EXPENSES</b>			
Amortization	-	287	143
Core services allocation	431	431	53
Contractors	250	60	-
Education and training	500	1,125	782
Insurance	50	-	50
Office	850	413	1,218
Publicity and promotion	800	736	419
Supplies	560	503	682
Wages and benefits	40	18	29
	<u>3,481</u>	<u>3,573</u>	<u>3,376</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<u>\$ (37)</u>	<u>\$ (6)</u>	<u>\$ 124</u>

**HORNBY ISLAND RESIDENTS' AND RATEPAYERS' ASSOCIATION**

**Fall Fair  
(Schedule 10)**

**Year Ended December 31, 2024**

	Budget <i>December 31</i> 2024	Total <i>December 31</i> 2024	Total <i>December 31</i> 2023
<b>REVENUES</b>			
Fall fair	\$ -	\$ 4,057	\$ 4,453
Grants	-	500	1,000
	-	<u>4,557</u>	<u>5,453</u>
<b>EXPENSES</b>			
Core services allocation	-	338	-
Fall fair	-	1,596	3,271
Insurance	-	225	103
Rent	-	1,198	-
	-	<u>3,357</u>	<u>3,374</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	\$ -	\$ 1,200	\$ 2,079

**HORNBY ISLAND RESIDENTS' AND RATEPAYERS' ASSOCIATION****Fire Protection Services  
(Schedule 11)****Year Ended December 31, 2024**

	Budget <i>December 31</i> 2024	Total <i>December 31</i> 2024	Total <i>December 31</i> 2023
<b>REVENUES</b>			
Comox Valley Regional District	\$ 236,442	\$ 236,442	\$ 241,729
Comox Valley Regional District - special projects	-	-	1,740
	<u>236,442</u>	<u>236,442</u>	<u>243,469</u>
<b>EXPENSES</b>			
Amortization	-	2,895	3,791
Core services allocation	30,043	30,043	30,979
Education and training	25,000	17,454	14,214
Fuel	8,000	6,733	5,935
Insurance	3,400	2,671	3,214
Office	6,500	6,516	6,978
Publicity and promotion	5,600	7,069	3,139
Repairs and maintenance - buildings/grounds	18,000	19,983	17,479
Repairs and maintenance - equipment	33,500	40,109	40,020
Special projects	-	-	1,740
Summer fire patrol and permits	12,650	13,653	13,600
Supplies	20,500	14,736	20,717
Telecommunications	5,750	5,501	6,241
Utilities	8,323	7,698	7,256
Volunteer fund	2,000	2,000	2,000
Wages and benefits	64,574	62,623	60,889
	<u>243,840</u>	<u>239,684</u>	<u>238,192</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<u>\$ (7,398)</u>	<u>\$ (3,242)</u>	<u>\$ 5,277</u>

**HORNBY ISLAND RESIDENTS' AND RATEPAYERS' ASSOCIATION**

**Invasive Plant Control  
(Schedule 12)**

**Year Ended December 31, 2024**

	Budget <i>December 31</i> 2024	Total <i>December 31</i> 2024	Total <i>December 31</i> 2023
<b>REVENUES</b>			
Comox Valley Regional District	\$ 5,500	\$ 5,500	\$ 5,500
Grants	-	3,000	-
Donations and fundraising	200	-	300
	<u>5,700</u>	<u>8,500</u>	<u>5,800</u>
<b>EXPENSES</b>			
Contractors	5,353	4,403	4,827
Core services allocation	288	288	273
Education and training	200	322	-
Publicity and promotion	-	226	-
Special projects	-	1,710	-
Supplies	100	-	391
Wages and benefits	-	230	154
	<u>5,941</u>	<u>7,179</u>	<u>5,645</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<u>\$ (241)</u>	<u>\$ 1,321</u>	<u>\$ 155</u>

**HORNBY ISLAND RESIDENTS' AND RATEPAYERS' ASSOCIATION**

**Property Management  
(Schedule 13)**

**Year Ended December 31, 2024**

	Budget <i>December 31</i> 2024	Total <i>December 31</i> 2024	Total <i>December 31</i> 2023
<b>REVENUES</b>			
Rental income	\$ 28,900	\$ 29,100	\$ 28,900
Other revenue	3,200	3,086	2,819
Donations and fundraising	-	2,000	-
	<u>32,100</u>	<u>34,186</u>	<u>31,719</u>
<b>EXPENSES</b>			
Administrative and miscellaneous	3,300	3,433	2,844
Amortization	-	4,195	4,608
Core services allocation	5,823	5,823	3,835
Insurance	6,650	5,305	6,272
Repairs and maintenance - buildings/grounds	10,000	8,750	2,285
Utilities	1,700	419	1,357
Wages and benefits	-	64	24
	<u>27,473</u>	<u>27,989</u>	<u>21,225</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ 4,627</u>	<u>\$ 6,197</u>	<u>\$ 10,494</u>

**HORNBY ISLAND RESIDENTS' AND RATEPAYERS' ASSOCIATION**

**Recreation Services  
(Schedule 14)**

**Year Ended December 31, 2024**

	Budget <i>December 31</i> 2024	Total <i>December 31</i> 2024	Total <i>December 31</i> 2023
<b>REVENUES</b>			
Comox Valley Regional District	\$ 31,023	\$ 31,023	\$ 39,906
Grants	5,060	3,689	2,527
Recreation program registration	24,800	25,837	17,249
	<u>60,883</u>	<u>60,549</u>	<u>59,682</u>
<b>EXPENSES</b>			
Administrative and miscellaneous	2,000	-	1,196
Amortization	-	1,121	617
Core services allocation	6,099	6,099	6,582
Insurance	2,157	599	2,035
Office	800	645	651
Publicity and promotion	500	704	620
Recreation program	22,855	22,560	15,167
Supplies	-	221	451
Travel	600	-	902
Wages and benefits	33,969	32,410	30,501
	<u>68,980</u>	<u>64,359</u>	<u>58,722</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<u>\$ (8,097)</u>	<u>\$ (3,810)</u>	<u>\$ 960</u>



**HORNBY ISLAND RESIDENTS' AND RATEPAYERS' ASSOCIATION****Waste Management Services  
(Schedule 15)****Year Ended December 31, 2024**

	Budget <i>December 31</i> 2024	Total <i>December 31</i> 2024	Total <i>December 31</i> 2023
<b>REVENUES</b>			
Comox Valley Regional District	\$ 211,013	\$ 211,013	\$ 374,951
Donations and fundraising	-	670	590
Other revenue	300	345	1,265
HIWM - refundable sales	20,000	18,000	18,615
HIWM - Tipping fees	130,000	160,911	123,192
	<u>361,313</u>	<u>390,939</u>	<u>518,613</u>
<b>EXPENSES</b>			
Amortization	-	2,075	1,141
Administrative and miscellaneous	-	1,075	-
Bad debts	400	-	255
Contractors	21,750	21,540	14,200
Core services allocation	55,381	55,381	52,789
Education and training	500	238	526
Hazardous waste removal	2,500	3,506	2,210
Tipping fees	63,500	73,229	71,126
Insurance	3,821	3,482	3,383
Office	2,060	2,394	1,958
Publicity and promotion	2,060	1,406	2,061
Repairs and maintenance - buildings/grounds	15,000	10,954	12,894
Repairs and maintenance - equipment	20,000	23,761	10,575
Supplies	-	-	2,172
Telecommunications	1,442	1,557	1,438
Travel	1,000	873	118
Utilities	2,060	2,098	2,065
Volunteer fund	3,000	410	1,467
Wages and benefits	281,985	270,367	263,003
	<u>476,459</u>	<u>474,346</u>	<u>443,381</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<u>\$ (115,146)</u>	<u>\$ (83,407)</u>	<u>\$ 75,232</u>

**HORNBY ISLAND RESIDENTS' AND RATEPAYERS' ASSOCIATION**

**Water Stewardship  
(Schedule 16)**

**Year Ended December 31, 2024**

	Budget <i>December 31</i> 2024	<b>Total</b> <i>December 31</i> <b>2024</b>	Total <i>December 31</i> 2023
<b>REVENUES</b>			
Donations and fundraising	\$ -	\$ -	\$ 14,632
Other revenue	6,565	<b>6,565</b>	-
	<u>6,565</u>	<u><b>6,565</b></u>	<u>14,632</u>
<b>Expenses</b>			
Amortization	-	<b>434</b>	-
Business taxes, licenses and memberships	600	<b>600</b>	-
Insurance	339	<b>337</b>	-
Office	203	<b>203</b>	-
Publicity and promotion	849	<b>849</b>	-
Rent	4,830	<b>2,302</b>	-
Supplies	1,316	<b>1,316</b>	-
Wages and benefits	4,683	<b>4,684</b>	-
	<u>12,820</u>	<u><b>10,725</b></u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<u>\$ (6,255)</u>	<u>\$ (4,160)</u>	<u>\$ 14,632</u>