

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

**Financial Statements**

**Year Ended December 31, 2025**

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

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**Year Ended December 31, 2025**

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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.

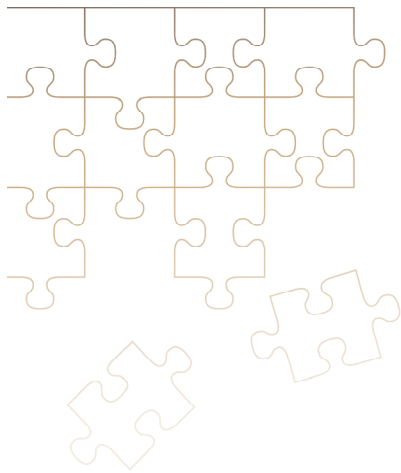
The integrity and reliability of Hornby Island Residents' and Ratepayers' Association's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable 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  
April 28, 2026



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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, 2025, and the statements of operations, changes in accumulated surplus, 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, 2025, 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  
April 28, 2026




ROBBINS & COMPANY  
CHARTERED PROFESSIONAL  
ACCOUNTANTS

**HORNBY ISLAND RESIDENTS' AND RATEPAYERS' ASSOCIATION**  
**Statement of Financial Position**  
**December 31, 2025**

	2025 2025	2024 2024
<b>FINANCIAL ASSETS</b>		
Cash	\$ 471,050	\$ 430,744
Accounts receivable	31,301	27,406
Goods and services tax recoverable	12,096	5,074
	<b>514,447</b>	<b>463,224</b>
<b>LIABILITIES</b>		
Accounts payable	38,820	36,206
Payroll liabilities (Note 4)	56,811	49,669
Asset retirement obligation (Note 5)	5,110	4,956
	<b>100,741</b>	<b>90,831</b>
<b>NET FINANCIAL ASSETS</b>	<b>413,706</b>	<b>372,393</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 6)	176,321	171,950
Prepaid expenses	8,472	9,475
	<b>184,793</b>	<b>181,425</b>
<b>ACCUMULATED SURPLUS</b>	<b>\$ 598,499</b>	<b>\$ 553,818</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, 2025**

	Budget 2025	Total 2025	Total 2024
<b>REVENUES</b>			
Cemetery (Schedule 5)	\$ -	\$ 2,294	\$ 2,240
Comfort Stations (Schedule 6)	25,650	25,650	24,085
Community Hall (Schedule 7)	97,105	106,562	81,930
Core services (Schedule 8)	122,260	120,986	114,790
Emergency Preparedness (Schedule 9)	3,500	3,500	3,567
Fall Fair (Schedule 10)	-	3,517	4,557
Fire Protection Services (Schedule 11)	251,668	251,691	236,442
Invasive Plant Control (Schedule 12)	7,500	18,260	8,500
Property Management (Schedule 13)	32,364	32,642	34,186
Recreation Services (Schedule 14)	76,494	76,141	60,549
Waste Management Services (Schedule 15)	480,193	507,393	390,939
Water Stewardship (Schedule 16)	12,600	9,039	6,565
Hornby Island Fire Rescue Wildfire Deployment (Schedule 17)	-	17,992	-
	<u>1,109,334</u>	<u>1,175,667</u>	<u>968,350</u>
<b>EXPENSES</b>			
Cemetery (Schedule 5)	-	5,001	1,358
Comfort Stations (Schedule 6)	25,450	30,354	22,833
Community Hall (Schedule 7)	97,105	108,479	89,823
Core services (Schedule 8)	120,260	102,372	119,910
Emergency Preparedness (Schedule 9)	3,500	3,618	3,573
Fall Fair (Schedule 10)	-	4,505	3,357
Fire Protection Services (Schedule 11)	251,668	254,178	239,684
Invasive Plant Control (Schedule 12)	7,500	20,589	7,179
Property Management (Schedule 13)	25,261	18,830	27,989
Recreation Services (Schedule 14)	78,497	72,056	64,359
Waste Management Services (Schedule 15)	480,193	482,782	474,346
Water Stewardship (Schedule 16)	17,702	15,595	10,725
Hornby Island Fire Rescue Wildfire Deployment (Schedule 17)	-	12,627	-
	<u>1,107,136</u>	<u>1,130,986</u>	<u>1,065,136</u>
<b>SURPLUS (DEFICIT) FROM OPERATIONS</b>	2,198	44,681	(96,786)
<b>OTHER EXPENSES</b>			
Loss on disposal of tangible capital assets	-	-	329
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>\$ 2,198</u>	<u>\$ 44,681</u>	<u>\$ (97,115)</u>

The accompanying notes are a part of these financial statements

**HORNBY ISLAND RESIDENTS' AND RATEPAYERS' ASSOCIATION**  
**Statement of Changes in Accumulated Surplus**  
**Year Ended December 31, 2025**

	2025	2024
<b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>	<b>\$ 553,818</b>	<b>\$ 650,933</b>
ANNUAL SURPLUS (DEFICIT)	<u>44,681</u>	<u>(97,115)</u>
<b>ACCUMULATED SURPLUS - END OF YEAR</b>	<b><u>\$ 598,499</u></b>	<b><u>\$ 553,818</u></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, 2025**

	Budget 2025	2025	2024
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ 2,198	\$ 44,681	\$ (97,115)
Purchase of tangible capital assets	-	(19,262)	(2,528)
Amortization of tangible capital assets	14,105	14,891	14,977
Decrease (increase) in prepaid expenses	-	1,003	(3,033)
Decrease in loss on disposal of assets	-	-	328
	<u>14,105</u>	<u>(3,368)</u>	<u>9,744</u>
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	16,303	41,313	(87,371)
<b>NET FINANCIAL ASSETS - BEGINNING OF YEAR</b>	<u>136,909</u>	<u>372,393</u>	<u>459,764</u>
<b>NET FINANCIAL ASSETS - END OF YEAR</b>	<u>\$ 153,212</u>	<u>\$ 413,706</u>	<u>\$ 372,393</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, 2025**

	2025	2024
<b>OPERATING ACTIVITIES</b>		
Annual surplus (deficit)	\$ 44,681	\$ (97,115)
Items not affecting cash:		
Amortization of tangible capital assets	14,891	14,977
Loss on disposal of tangible capital assets	-	329
	<u>59,572</u>	<u>(81,809)</u>
Changes in non-cash working capital:		
Accounts receivable	(3,899)	34,214
Goods and services tax recoverable	(7,022)	5,061
Prepaid expenses	1,005	(3,034)
Accounts payable	2,616	15,886
Payroll liabilities	7,142	7,496
Asset retirement obligation	154	155
	<u>(4)</u>	<u>59,778</u>
Cash flow from (used by) operating activities	<u>59,568</u>	<u>(22,031)</u>
<b>INVESTING ACTIVITY</b>		
Purchase of tangible capital assets	<u>(19,262)</u>	<u>(2,528)</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>40,306</b>	<b>(24,559)</b>
<b>CASH - BEGINNING OF YEAR</b>	<u>430,744</u>	<u>455,303</u>
<b>CASH - END OF YEAR</b>	<u>\$ 471,050</u>	<u>\$ 430,744</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, 2025

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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.

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# HORNBY ISLAND RESIDENTS' AND RATEPAYERS' ASSOCIATION

## Notes to Financial Statements

Year Ended December 31, 2025

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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
Motor Vehicles	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, 2025

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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, 2025**

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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 Association;
  - 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>2025</u>	<u>2024</u>
Government remittances payable	\$ 10,451	\$ 10,569
Sick pay payable	34,849	31,735
WCB payable	3,978	4,616
Wages payable	7,533	2,749
	<u>\$ 56,811</u>	<u>\$ 49,669</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.

In the December 31, 2025 fiscal year an accretion expense of \$155 was recognized to bring the total value of the asset retirement obligation to be \$5,110 as of December 31, 2025 (2024 - \$4,956).

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

**Notes to Financial Statements**

**Year Ended December 31, 2025**

**6. TANGIBLE CAPITAL ASSETS**

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Land	\$ 20,171	\$ -	\$ 20,171	\$ 20,171
Buildings	267,717	140,070	127,647	134,340
Equipment	96,333	77,975	18,358	8,581
Motor Vehicles	4,000	400	3,600	-
Computer equipment	7,597	7,295	302	2,342
Parking lots	15,890	11,233	4,657	5,716
Furniture and fixtures	6,964	5,378	1,586	800
	<u>\$ 418,672</u>	<u>\$ 242,351</u>	<u>\$ 176,321</u>	<u>\$ 171,950</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, 2025.

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 \$31,301 (2024 - \$27,406). 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 summary below reconciles the 2025 budget to the financial statement budget figures:

Financial statement annual budget surplus (deficit)	<b>\$ 2,198</b>
Add:	
Amortization	<b>14,891</b>
Less:	
Capital expenditures	<u><b>(19,262)</b></u>
HIRRA budgeted annual surplus	<u><b>\$ (2,173)</b></u>

**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. As per HIRRA's contracts with the CVRD, any annual surpluses in excess of \$20,000 for tax funded services will be returned to the CVRD, to be held as operational reserves for those services.

# HORNBY ISLAND RESIDENTS' AND RATEPAYERS' ASSOCIATION

## Notes to Financial Statements

Year Ended December 31, 2025

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### 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, 2025, 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, 2025**

	Land	Buildings	Equipment	Motor Vehicles	Parking lots	Furniture and fixtures	Computer equipment	2025	2024
<b>Cost</b>									
Beginning balance	\$ 20,171	\$ 267,717	\$ 82,300	\$ -	\$ 15,890	\$ 5,735	\$ 7,597	\$ 399,410	\$ 400,171
Additions	-	-	14,033	4,000	-	1,229	-	19,262	2,529
Disposal	-	-	-	-	-	-	-	-	(3,290)
Effect of asset retirement obligation	-	-	-	-	-	-	-	-	-
<b>Ending balance</b>	20,171	267,717	96,333	4,000	15,890	6,964	7,597	418,672	399,410
<b>Accumulated amortization</b>									
Beginning balance	-	133,377	73,719	-	10,174	4,935	5,255	227,460	215,445
Amortization of tangible capital assets	-	6,693	4,256	400	1,059	443	2,040	14,891	14,977
Effect of asset retirement obligation	-	-	-	-	-	-	-	-	-
Effect of disposal	-	-	-	-	-	-	-	-	(2,962)
<b>Accumulated amortization total</b>	-	140,070	77,975	400	11,233	5,378	7,295	242,351	227,460
<b>Net book value</b>	\$ 20,171	\$ 127,647	\$ 18,358	\$ 3,600	\$ 4,657	\$ 1,586	\$ 302	\$ 176,321	\$ 171,950

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

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

**Year Ended December 31, 2025**

	2025	2024
<b>Operating Funds</b>		
Boat Ramp Operating Fund	\$ 11,367	\$ 11,367
Cemetery	2,646	5,354
Comfort Stations	(1,532)	3,173
Community Hall	28,911	33,940
Core Services	6,000	(12,614)
Emergency Preparedness	4,078	3,927
Fall Fair	8,711	13,299
Fire Protection Services	(504)	6,231
Invasive Plant Control	(601)	1,728
Property Management	230,692	212,865
Recreation Future Facility Fund	16,226	16,226
Recreation Services	8,494	3,905
Waste Management Services	99,634	74,090
Water Stewardship	2,691	8,377
HIFR Wildfire Deployment	5,365	-
	<u>422,178</u>	<u>381,868</u>
<b>Capital Fund</b>		
Net book value of tangible capital assets (Schedule 1)	<u>176,321</u>	<u>171,950</u>
	<u>\$ 598,499</u>	<u>\$ 553,818</u>

# HORNBY ISLAND RESIDENTS' AND RATEPAYERS' ASSOCIATION

## Revenues (Schedule 3)

Year Ended December 31, 2025

	Budget <i>December 31</i> 2025	Total <i>December 31</i> 2025	Total <i>December 31</i> 2024
<b>REVENUES</b>			
Comox Valley Regional District	\$ 736,770	\$ 737,770	\$ 564,989
Comox Valley Regional District - special projects	1,500	-	2,000
Core services allocation	121,960	120,260	109,955
Donations and fundraising	500	5,913	2,737
Fall fair	-	3,017	4,057
Grants	3,700	9,603	16,068
HIWM - Tipping fees	135,000	155,656	160,911
HIWM - refundable sales	18,000	23,819	18,000
Other revenue	16,164	35,744	12,236
Recreation program registration	30,540	30,451	25,837
Rental income	44,900	53,185	47,225
	1,109,034	1,175,418	964,015
<b>OTHER INCOME (EXPENSES)</b>			
Interest income	300	249	4,335
Loss on disposal of assets	-	-	(329)
	300	249	4,006
	\$ 1,109,334	\$ 1,175,667	\$ 968,021

# HORNBY ISLAND RESIDENTS' AND RATEPAYERS' ASSOCIATION

## Expenses (Schedule 4)

Year Ended December 31, 2025

	2025	2025	2024
<b>EXPENSES</b>			
Administrative and miscellaneous	\$ 5,854	\$ 5,569	\$ 6,652
Amortization	14,105	14,891	14,977
Bad debts	400	-	-
Business taxes, licenses and memberships	600	600	600
Contractors	19,150	38,411	26,821
Core services allocation	119,461	120,260	109,955
Education and training	21,690	29,113	19,138
Equipment	1,000	1,268	981
Fall fair	-	2,221	1,596
Fuel	7,800	7,453	6,733
Hazardous waste removal	2,500	451	3,506
Insurance	42,356	40,782	35,800
Office	18,158	16,909	15,120
Professional fees	18,000	20,917	17,328
Publicity and promotion	12,922	12,129	12,944
Recreation program	26,426	25,357	22,560
Rent	1,200	2,248	2,518
Repairs and maintenance - buildings/grounds	62,678	56,300	60,217
Repairs and maintenance - equipment	59,000	66,425	63,870
Special projects	3,500	15,494	2,810
Summer fire patrol and permits	13,000	2,253	13,653
Supplies	25,648	23,434	19,384
Telecommunications	12,400	11,594	9,994
Tipping fees	63,500	74,842	73,229
Travel	1,376	1,796	1,952
Utilities	17,562	19,487	16,179
Volunteer fund	5,000	4,476	2,410
Wages and benefits	531,850	516,306	504,209
	<u>\$ 1,107,136</u>	<u>\$ 1,130,986</u>	<u>\$ 1,065,136</u>

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

**Cemetery  
(Schedule 5)**

**Year Ended December 31, 2025**

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	Budget <i>December 31</i> 2025	Total <i>December 31</i> 2025	Total <i>December 31</i> 2024
<b>REVENUES</b>	\$ -	\$ 2,294	\$ 2,240
<b>EXPENSES</b>			
Core services allocation	-	196	182
Repairs and maintenance - buildings/grounds	-	4,785	1,134
Wages and benefits	-	20	42
	-	5,001	1,358
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	\$ -	\$ (2,707)	\$ 882

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

**Comfort Stations  
(Schedule 6)**

**Year Ended December 31, 2025**

	Budget <i>December 31</i> 2025	Total <i>December 31</i> 2025	Total <i>December 31</i> 2024
<b>REVENUES</b>			
Comox Valley Regional District	\$ 25,650	\$ 25,650	\$ 24,085
<b>EXPENSES</b>			
Contractors	-	789	819
Core services allocation	3,032	3,032	2,470
Insurance	440	442	428
Repairs and maintenance - buildings/grounds	6,018	7,374	5,443
Supplies	918	1,154	869
Travel	-	1,076	1,079
Wages and benefits	15,042	16,487	11,725
	25,450	30,354	22,833
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	\$ 200	\$ (4,704)	\$ 1,252

**HORNBY ISLAND RESIDENTS' AND RATEPAYERS' ASSOCIATION****Community Hall  
(Schedule 7)****Year Ended December 31, 2025**

	Budget <i>December 31</i> 2025	Total <i>December 31</i> 2025	Total <i>December 31</i> 2024
<b>REVENUES</b>			
Comox Valley Regional District	\$ 81,305	\$ 81,305	\$ 53,426
Rental income	15,800	23,785	18,125
Donations and fundraising	-	1,000	-
Grants	-	472	8,379
Comox Valley Regional District - special projects	-	-	2,000
	<u>97,105</u>	<u>106,562</u>	<u>81,930</u>
<b>EXPENSES</b>			
Amortization	4,936	4,497	3,971
Contractors	-	2,363	-
Core services allocation	11,396	11,396	8,900
Insurance	22,676	21,823	20,655
Office	567	557	700
Publicity and promotion	400	663	747
Repairs and maintenance - buildings/grounds	13,360	17,082	13,952
Special projects	-	7,457	516
Supplies	1,530	2,003	1,738
Telecommunications	2,000	2,354	1,435
Travel	-	80	-
Utilities	7,140	7,382	5,964
Wages and benefits	33,100	30,822	31,245
	<u>97,105</u>	<u>108,479</u>	<u>89,823</u>
<b>DEFICIENCY OF REVENUES OVER EXPENSES</b>	<u>\$ -</u>	<u>\$ (1,917)</u>	<u>\$ (7,893)</u>

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

**Core services  
(Schedule 8)**

**Year Ended December 31, 2025**

	Budget <i>December 31</i> 2025	Total <i>December 31</i> 2025	Total <i>December 31</i> 2024
<b>REVENUES</b>			
Core services allocation	\$ 121,960	\$ 120,260	\$ 109,955
Donations and fundraising	-	500	-
Grants	-	-	500
Interest income	300	226	4,335
	<u>122,260</u>	<u>120,986</u>	<u>114,790</u>
<b>EXPENSES</b>			
Administrative and miscellaneous	1,590	2,325	2,145
Insurance	2,650	2,469	2,098
Office	7,520	4,408	4,245
Professional fees	18,000	20,917	17,328
Publicity and promotion	1,600	1,639	1,207
Special projects	2,000	1,050	584
Telecommunications	1,800	1,731	1,501
Wages and benefits	85,100	67,833	90,802
	<u>120,260</u>	<u>102,372</u>	<u>119,910</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<u>\$ 2,000</u>	<u>\$ 18,614</u>	<u>\$ (5,120)</u>

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

**Emergency Preparedness  
(Schedule 9)**

**Year Ended December 31, 2025**

	Budget <i>December 31</i> 2025	Total <i>December 31</i> 2025	Total <i>December 31</i> 2024
<b>REVENUES</b>			
Comox Valley Regional District	\$ 3,500	\$ 3,500	\$ 3,500
Donations and fundraising	-	-	67
	<u>3,500</u>	<u>3,500</u>	<u>3,567</u>
<b>EXPENSES</b>			
Amortization	287	269	287
Contractors	150	90	60
Core services allocation	493	493	431
Education and training	575	493	1,125
Insurance	55	8	-
Office	600	444	413
Publicity and promotion	1,000	1,408	736
Supplies	300	383	503
Wages and benefits	40	30	18
	<u>3,500</u>	<u>3,618</u>	<u>3,573</u>
<b>DEFICIENCY OF REVENUES OVER EXPENSES</b>	<u>\$ -</u>	<u>\$ (118)</u>	<u>\$ (6)</u>

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

**Fall Fair  
(Schedule 10)**

**Year Ended December 31, 2025**

	Budget <i>December 31</i> 2025	Total <i>December 31</i> 2025	Total <i>December 31</i> 2024
<b>REVENUES</b>			
Fall fair	\$ -	\$ 3,017	\$ 4,057
Donations and fundraising	-	500	-
Grants	-	-	500
	-	<b>3,517</b>	<b>4,557</b>
<b>EXPENSES</b>			
Amortization	-	400	-
Core services allocation	-	486	338
Fall fair	-	2,221	1,596
Insurance	-	340	225
Rent	-	1,047	1,198
Wages and benefits	-	11	-
	-	<b>4,505</b>	<b>3,357</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	\$ -	\$ (988)	\$ 1,200

**HORNBY ISLAND RESIDENTS' AND RATEPAYERS' ASSOCIATION****Fire Protection Services  
(Schedule 11)****Year Ended December 31, 2025**

	Budget <i>December 31</i> 2025	Total <i>December 31</i> 2025	Total <i>December 31</i> 2024
<b>REVENUES</b>			
Comox Valley Regional District	\$ 251,668	\$ 251,668	\$ 236,442
Interest income	-	23	-
	<u>251,668</u>	<u>251,691</u>	<u>236,442</u>
<b>EXPENSES</b>			
Amortization	3,317	3,404	2,895
Core services allocation	32,282	32,282	30,043
Education and training	20,000	28,289	17,454
Fuel	7,800	7,126	6,733
Insurance	3,200	2,756	2,671
Office	6,500	7,847	6,516
Publicity and promotion	5,600	3,937	7,069
Repairs and maintenance - buildings/grounds	18,000	12,347	19,983
Repairs and maintenance - equipment	39,000	51,968	40,109
Summer fire patrol and permits	13,000	796	13,653
Supplies	19,500	16,171	14,736
Telecommunications	6,300	5,803	5,501
Utilities	7,800	7,309	7,698
Volunteer fund	2,000	2,000	2,000
Wages and benefits	67,369	72,143	62,623
	<u>251,668</u>	<u>254,178</u>	<u>239,684</u>
<b>DEFICIENCY OF REVENUES OVER EXPENSES</b>	<u>\$ -</u>	<u>\$ (2,487)</u>	<u>\$ (3,242)</u>

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

**Invasive Plant Control  
(Schedule 12)**

**Year Ended December 31, 2025**

	Budget <i>December 31</i> 2025	Total <i>December 31</i> 2025	Total <i>December 31</i> 2024
<b>REVENUES</b>			
Comox Valley Regional District	\$ 5,500	\$ 6,500	\$ 5,500
Grants	-	1,195	3,000
Donations and fundraising	500	2,695	-
Other revenue	1,500	7,870	-
	<u>7,500</u>	<u>18,260</u>	<u>8,500</u>
<b>EXPENSES</b>			
Contractors	-	16,256	4,403
Core services allocation	834	834	288
Education and training	100	-	322
Publicity and promotion	-	595	226
Special projects	1,500	2,310	1,710
Supplies	100	-	-
Wages and benefits	4,966	594	230
	<u>7,500</u>	<u>20,589</u>	<u>7,179</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<u>\$ -</u>	<u>\$ (2,329)</u>	<u>\$ 1,321</u>

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

**Property Management  
(Schedule 13)**

**Year Ended December 31, 2025**

	Budget <i>December 31</i> 2025	Total <i>December 31</i> 2025	Total <i>December 31</i> 2024
<b>REVENUES</b>			
Rental income	\$ 29,100	\$ 29,400	\$ 29,100
Other revenue	3,264	3,242	3,086
Donations and fundraising	-	-	2,000
	<u>32,364</u>	<u>32,642</u>	<u>34,186</u>
<b>EXPENSES</b>			
Administrative and miscellaneous	3,264	3,242	3,433
Amortization	3,016	4,016	4,195
Core services allocation	1,721	1,841	5,823
Insurance	6,760	7,093	5,305
Repairs and maintenance - buildings/grounds	10,000	1,549	8,750
Utilities	500	1,053	419
Wages and benefits	-	36	64
	<u>25,261</u>	<u>18,830</u>	<u>27,989</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ 7,103</u>	<u>\$ 13,812</u>	<u>\$ 6,197</u>

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

**Recreation Services  
(Schedule 14)**

**Year Ended December 31, 2025**

	Budget <i>December 31</i> 2025	Total <i>December 31</i> 2025	Total <i>December 31</i> 2024
<b>REVENUES</b>			
Comox Valley Regional District	\$ 42,254	\$ 42,254	\$ 31,023
Grants	3,700	3,436	3,689
Recreation program registration	30,540	30,451	25,837
	<u>76,494</u>	<u>76,141</u>	<u>60,549</u>
<b>EXPENSES</b>			
Administrative and miscellaneous	1,000	-	-
Amortization	894	504	1,121
Core services allocation	8,346	8,343	6,099
Insurance	2,300	1,941	599
Office	600	870	645
Publicity and promotion	500	493	704
Recreation program	26,426	25,357	22,560
Supplies	-	662	221
Travel	576	327	-
Wages and benefits	37,855	33,559	32,410
	<u>78,497</u>	<u>72,056</u>	<u>64,359</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<u>\$ (2,003)</u>	<u>\$ 4,085</u>	<u>\$ (3,810)</u>

**HORNBY ISLAND RESIDENTS' AND RATEPAYERS' ASSOCIATION****Waste Management Services  
(Schedule 15)****Year Ended December 31, 2025**

	Budget <i>December 31</i> 2025	Total <i>December 31</i> 2025	Total <i>December 31</i> 2024
<b>REVENUES</b>			
Comox Valley Regional District	\$ 326,893	\$ 326,893	\$ 211,013
Donations and fundraising	-	525	670
Other revenue	300	500	345
HIWM - refundable sales	18,000	23,819	18,000
HIWM - Tipping fees	135,000	155,656	160,911
	<u>480,193</u>	<u>507,393</u>	<u>390,939</u>
<b>EXPENSES</b>			
Amortization	1,655	934	2,075
Administrative and miscellaneous	-	-	1,075
Bad debts	400	-	-
Contractors	19,000	18,913	21,540
Core services allocation	60,244	60,244	55,381
Education and training	515	99	238
Hazardous waste removal	2,500	451	3,506
Tipping fees	63,500	74,842	73,229
Insurance	3,936	3,565	3,482
Office	2,121	2,785	2,394
Publicity and promotion	2,122	2,074	1,406
Repairs and maintenance - buildings/grounds	15,300	13,163	10,954
Repairs and maintenance - equipment	20,000	10,733	23,761
Supplies	2,300	2,230	-
Telecommunications	2,300	1,706	1,557
Travel	800	225	873
Utilities	2,122	3,743	2,098
Volunteer fund	3,000	2,476	410
Wages and benefits	278,378	284,599	270,367
	<u>480,193</u>	<u>482,782</u>	<u>474,346</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<u>\$ -</u>	<u>\$ 24,611</u>	<u>\$ (83,407)</u>

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

**Water Stewardship  
(Schedule 16)**

**Year Ended December 31, 2025**

	Budget <i>December 31</i> 2025	Total <i>December 31</i> 2025	Total <i>December 31</i> 2024
<b>REVENUES</b>			
Other revenue	\$ 12,600	\$ 5,539	\$ 6,565
Grants	-	<b>3,500</b>	-
	<u>12,600</u>	<u><b>9,039</b></u>	<u>6,565</u>
<b>Expenses</b>			
Amortization	-	<b>867</b>	434
Business taxes, licenses and memberships	600	<b>600</b>	600
Core services allocation	1,113	<b>1,113</b>	-
Education and training	500	<b>233</b>	-
Equipment	1,000	<b>1,269</b>	982
Insurance	339	<b>345</b>	337
Office	250	-	203
Publicity and promotion	1,700	<b>1,320</b>	849
Rent	1,200	<b>1,200</b>	1,320
Special projects	-	<b>4,677</b>	-
Supplies	1,000	<b>19</b>	1,316
Wages and benefits	10,000	<b>3,952</b>	4,684
	<u>17,702</u>	<u><b>15,595</b></u>	<u>10,725</u>
<b>DEFICIENCY OF REVENUES OVER EXPENSES</b>	<u>\$ (5,102)</u>	<u>\$ <b>(6,556)</b></u>	<u>\$ (4,160)</u>

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

**Hornby Island Fire Rescue Wildfire Deployment  
(Schedule 17)**

**Year Ended December 31, 2025**

	2025	2025	2024
<b>REVENUES</b>	\$ -	\$ 17,992	\$ -
<b>EXPENSES</b>			
CVRD Asset Usage Fee	-	1,457	-
Travel	-	88	-
Supplies	-	813	-
Wages and benefits	-	6,220	-
Repairs and maintenance - equipment	-	3,723	-
Fuel	-	326	-
	-	12,627	-
<b>INCOME FROM OPERATIONS</b>	\$ -	\$ 5,365	\$ -