

**Van Anda Improvement District**

**Financial Statements**

**December 31, 2025**

Draft

# Van Anda Improvement District

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December 31, 2025

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## Management's Responsibility for the Financial Statements

The accompanying December 31, 2025 financial statements of the Van Anda Improvement District (the "District") are the responsibility of management and have been approved by the Board of Trustees (the "Board").

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgements and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting measurement of transactions in which objective judgement is required. A summary of the significant accounting policies are described in Note 2 to the financial statements.

Management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by the Board.

The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a monthly basis and externally audited financial statements yearly.

The financial statements have been audited by Crowe MacKay LLP, Chartered Professional Accountants, independent external auditors appointed by the Board. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the District's financial statements.

Trustee \_\_\_\_\_

Trustee \_\_\_\_\_

## Independent Auditor's Report

### To the Trustees of Van Anda Improvement District

#### *Qualified Opinion*

We have audited the financial statements of Van Anda Improvement District (the "District"), which comprise the statement of financial position as at December 31, 2025, 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, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the District as at December 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### *Basis for Qualified Opinion*

Firstly, as described in Note 7, up to the year ended December 31, 2025, the District has recorded a net book value of \$534,409 (2024 - \$574,415) relating to Waterworks distribution and pipework tangible capital assets. Where there are indicators of impairment, the cost of the tangible capital assets should be written down to the value of future economic benefits according to Canadian public sector accounting standards. Due to limitations in the availability of professional valuation reports, the valuation of the Waterworks tangible capital assets is excluded from the scope of our audit. The amounts listed in Note 7 for the Waterworks tangible capital assets reflect the amortized cost, and do not include any write-downs due to potential impairment.

Secondly, the budgeted figures as approved by the Board of Trustees do not conform to the presentation required by Canadian public sector accounting standards and as such they have not been included in these financial statements.

Our audit opinion on the financial statements for the years ended December 31, 2025 were modified because of the effects of these limitations in scope.

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 District in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

#### *Other Matter*

The financial statements of the District for the year ended December 31, 2024 were audited by another auditor who expressed a qualified opinion on those statements on April 26, 2025. The subject of the qualification was with respect to the matter described in the *Basis for Qualified Opinion* above, in addition to one additional scope qualification that is not a recurring matter.

#### *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 Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## Independent Auditor's Report (continued)

In preparing the financial statements, management is responsible for assessing the 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 District or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the District'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 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 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 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 District to cease to continue as a going concern.
- ◆ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Vancouver, Canada**  
**April 18, 2026**

**Chartered Professional Accountants**

# Van Anda Improvement District

## Statement of Financial Position

December 31,	2025	2024
<b>Financial assets</b>		
Cash (Note 4)	\$ 89,603	\$ 258,841
Restricted funds (Note 5)	945,202	282,303
Accounts receivable	6,636	7,622
Interest receivable	20,296	2,506
GST receivable	38,237	10,152
	<b>1,099,974</b>	<b>561,424</b>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	170,169	19,579
Unearned revenue (Note 6)	531,344	69,713
	<b>701,513</b>	<b>89,292</b>
<b>Net Financial Assets</b>	<b>398,461</b>	<b>472,132</b>
<b>Non-Financial Assets</b>		
Prepaid expenses	4,521	30,521
Inventory	66,568	45,939
Tangible capital assets (Note 7)	2,075,654	1,611,688
<b>Total Non-Financial Assets</b>	<b>2,146,743</b>	<b>1,688,148</b>
<b>Accumulated Surplus (Note 8)</b>	<b>\$ 2,545,204</b>	<b>\$ 2,160,280</b>

Approved by the Board of Trustees

\_\_\_\_\_ Trustee

\_\_\_\_\_ Trustee

# Van Anda Improvement District

## Statement of Operations

Year ended December 31	2025	2024
<b>Revenue</b>		
Waterworks		
Government transfers - Meter Pilot Project	\$ 465,451	\$ -
Water Tolls	167,188	157,185
Parcel Taxes	140,790	134,412
Meters	44,138	52,128
Late Charges - Payment Plan Fees	5,419	4,921
Interest Income - Water	3,813	3,997
Connections	1,462	1,872
Misc Revenue	-	2,804
Donations	-	1,000
	<b>828,261</b>	<b>358,319</b>
Fire Department		
Fire Department Tax Revenue	122,080	119,735
Interest Income FD	16,938	3,725
Fire Dept Fundraising & Misc Revs	16,920	2,043
UBCM Grant Revenue	-	15,971
	<b>155,938</b>	<b>141,474</b>
Texada Rescue		
Texada Rescue Revenue	13,478	11,084
	<b>13,478</b>	<b>11,084</b>
	<b>997,677</b>	<b>510,877</b>
<b>Expenses</b>		
Schedule of Expenses by Object - Waterworks (Schedule 1)	492,427	381,535
Schedule of Expenses by Object - Fire Department (Schedule 2)	106,957	120,055
Schedule of Expenses by Object - Texada Rescue (Schedule 3)	13,369	13,264
	<b>612,753</b>	<b>514,854</b>
<b>Annual surplus (Deficit)</b>	<b>\$ 384,924</b>	<b>\$ (3,974)</b>

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**Van Anda Improvement District**

**Statement of Changes in Annual Surplus (Deficit)**

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<b>For the year ended December 31,</b>	<b>2025</b>	<b>2024</b>
<b>Surplus, beginning of year</b>	<b>\$ 2,160,280</b>	<b>\$ 2,164,254</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>384,924</b>	<b>(3,974)</b>
<b>Surplus, end of year</b>	<b>\$ 2,545,204</b>	<b>\$ 2,160,280</b>

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## Van Anda Improvement District

### Statement of Changes in Net Financial Assets

For the year ended December 31	2025	2024
<b>Annual Surplus (Deficit)</b>	<b>\$ 384,924</b>	<b>\$ (3,974)</b>
<b>Change in non-financial assets</b>		
Amortization of tangible capital assets	60,386	56,846
Purchase of tangible capital assets	(567,268)	(32,337)
Loss on disposal of assets	42,916	16,396
Decrease (increase) in prepaid expenses	26,000	(26,000)
Decrease (increase) in inventory	(20,629)	26,712
	<b>(458,595)</b>	<b>41,617</b>
<b>Increase (decrease) in Net Financial Assets</b>	<b>(73,671)</b>	<b>37,643</b>
<b>Net Financial Assets, beginning of year</b>	<b>472,132</b>	<b>434,489</b>
<b>Net Financial Assets, end of year</b>	<b>\$ 398,461</b>	<b>\$ 472,132</b>

# Van Anda Improvement District

## Statement of Cash Flows

For the year ended, December 31	2025	2024
<b>Operating Activities</b>		
Annual surplus (deficit)	\$ 384,924	\$ (3,974)
Non-cash items included in annual surplus:		
Amortization of tangible capital assets	60,386	56,846
Loss (gain) on disposition of tangible capital asset	42,916	16,396
	<b>488,226</b>	<b>69,268</b>
Change in non-cash working capital items:		
Accounts receivable	986	5,817
Interest receivable	(17,790)	-
Inventory	(20,629)	26,710
Accounts payable and accrued liabilities	22,495	(24,508)
Unearned revenue	461,631	69,713
Prepaid expenses	26,000	(26,000)
GST payable/receivable	(28,085)	(424)
Wages payable	-	(6,364)
	<b>444,608</b>	<b>44,944</b>
Cash flow from operating activities	<b>932,834</b>	<b>114,212</b>
<b>Investing Activities</b>		
Purchase of tangible capital assets	<b>(439,173)</b>	<b>(32,337)</b>
<b>Increase (decrease) in cash and restricted funds</b>	<b>493,661</b>	<b>81,875</b>
<b>Cash and restricted funds, beginning of year</b>	<b>541,144</b>	<b>459,269</b>
<b>Cash and restricted funds, end of year</b>	<b>\$ 1,034,805</b>	<b>\$ 541,144</b>
<b>Non-cash transaction</b>		
Purchase of tangible capital assets financed with accounts payable	\$ 128,096	\$ -

# Van Anda Improvement District

## Notes to the Financial Statements

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December 31, 2025

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### 1. Nature of operations

Van Anda Improvement District (the "District") provides waterworks and fire protection to the properties within the District's boundaries, along with rescue services to the Texada Island. The District's Letter Patent was established in 1942 and the District is governed by its own by-laws.

Under reciprocal agreements with Gillies Bay Improvement District ("GBID"), City of Powell River, Tla'amin Nation, and qathet Regional District, the District's fire and rescue services can be deployed to these other jurisdictions, should the need arise.

### 2. Significant accounting policies

The financial statements were prepared in accordance with Canadian public sector accounting standards ("PSAS") and, in management's opinion, with consideration of materiality and within the framework of the following accounting policies:

#### (a) Cash and Restricted funds

Cash includes cash and short-term investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These investments generally have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing. Restricted funds comprise term deposits that are internally and externally restricted for specific purposes. The term deposits are cashable and mature within twelve months of the balance sheet date.

#### (b) Fund accounting

Revenues and expenses related to program delivery and administrative activities are reported in the Operating Fund. Operating fund surplus comprise the excess of revenue over expenses accumulated by the District each year, net of transfers, and are available for general purposes.

Expenses related to the ownership and cost of tangible capital assets are reported in the Tangible Capital Asset Fund.

The Capital Reserve Fund - Fire Department reports funds transferred from the Operating Fund as designated by the Trustees, interest earned, and expenditures for upgrading, repairs, replacement, and renewal of tangible capital assets related to the Fire Department. Previously, this fund was called the Capital Works Fund.

The Capital Reserve Fund - Waterworks reports funds transferred from the Operating Fund as designated by the Trustees, interest earned, and expenditures for upgrading, repairs, replacement, and renewal of tangible capital assets related to waterworks operations. The Development Capital Expenditure Charge ('DCEC') revenues are allocated to this fund.

# Van Anda Improvement District

## Notes to the Financial Statements

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December 31, 2025

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### 2. Significant accounting policies, continued

#### (c) Measurement uncertainty

Certain amounts in the financial statements are subject to measurement uncertainty and are based on the District's best information and judgment. Actual results could differ from these estimates.

Examples of significant estimates include:

- providing for amortization of tangible capital assets;
- the estimated useful lives of assets;
- the allowance for doubtful accounts; and
- the allowance for inventory obsolescence.

#### (d) Inventory

The District's inventory of waterworks replacement parts and consumables is recorded at the lower of cost and replacement cost. Cost is determined by the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less selling costs.

#### (e) Tangible capital assets

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

Buildings	75 years	straight-line method
Water Pipework	75 years	straight-line method
Water & Other Storage	60 years	straight-line method
Water Treatment	40 years	straight-line method
Water Distribution	15 years	straight-line method
Fire Hydrants	75 years	straight-line method
Fire Vehicles	25 years	straight-line method
Fire Equipment	10 years	straight-line method

The District regularly reviews its tangible capital assets to evaluate their remaining useful lives and eliminate obsolete items.

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

Donated capital assets or assets partially funded by specified donations or grants are recorded at their fair market value at the time of the donation. The donation value related to the donated asset is recognized over the life of the asset, at the same rate that the asset is being amortized.

# Van Anda Improvement District

## Notes to the Financial Statements

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December 31, 2025

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### 2. Significant accounting policies, continued

#### (f) Revenue recognition

The District recognizes revenues when they are earned, specifically when all the following conditions are met:

- Tax assessments, levies and tolls are recognized annually, at the beginning of the year to which they relate, as the property owners have a legal and constructive obligation to pay at the time of billing.
- Interest income is recorded using the effective interest rate method.
- Government transfers are recognized in the period the stipulations and eligibility criteria have been met. Government transfers include amounts received in the year for the meter pilot project.
- Connection revenue is recognized when the new connection is completed and operational.

#### (g) Unearned revenue

Unearned revenue consists of revenues for which the events giving rise to the revenue have not yet occurred, and capital contributions from third parties to be used for specified capital projects. The unearned revenue will be recognized in the financial statements as revenue in the period in which the related expenses or capital expenditures are incurred or related services are performed.

#### (h) Financial instruments

Financial assets originated or acquired or financial liabilities issued or assumed in an arm's length transaction are initially measured at their fair value. In the case of a financial asset or financial liability not subsequently measured at its fair value, the initial fair value is adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption. Such fees and costs in respect of financial assets and liabilities subsequently measured at fair value are expensed.

Financial assets measured at amortized cost include cash, restricted funds, interest receivable and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

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# Van Anda Improvement District

## Notes to the Financial Statements

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December 31, 2025

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### 3. Future changes to significant accounting policies

The public accounting standards board issued a new financial reporting model (Section PS 1202), included related consequential amendments that responds to the need for understandable financial statements for the public and its elected and appointed representatives and replaces Section PS 1201, Financial Statement Presentation. The new standard includes changes to the presentation of financial statements, such as:

- ◆ changes in the statement of financial position
- ◆ adding a new standard of net financial assets or net financial liabilities
- ◆ providing the option to present the change in net financial assets or net financial liabilities on the statement of net financial assets or net financial liabilities
- ◆ adding a new statement of changes in net assets or net liabilities
- ◆ new budget requirements in order to present an amended budget

The statement of operations remains substantially unchanged to the one in superseded Section PS 1201. The new standard includes guidance in various appendices and illustrative financial statements and includes a discussion on going concern. The model is effective for fiscal years beginning on or after April 1, 2026, with early application permitted if the conceptual framework unpinning this section is adopted at the same time.

### 4. Cash

	2025	2024
Waterworks		
Waterworks operating	\$ 26,643	\$ 45,455
Waterworks savings	37,794	65,580
Capital expenditure cash	1	1,014
	64,438	112,049
Fire Department		
Fire Department operating	25,160	143,211
Fire Department Savings	5	3,581
	25,165	146,792
	\$ 89,603	\$ 258,841

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# Van Anda Improvement District

## Notes to the Financial Statements

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December 31, 2025

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### 5. Term Deposits and Cash held for Reserve Fund

	2025	2024
Fire Department term deposit, matured	\$ -	\$ 41,767
Fire Department term deposit, bearing interest at 3.80% per annum, maturing March 24, 2026	24,782	23,875
Fire Department term deposit, bearing interest at 3.80% per annum, maturing April 4, 2026	151,656	146,107
Water Department term deposit, matured	-	70,554
Fire Department term deposit, bearing interest at 2.75% per annum, maturing November 14, 2026	59,115	-
Fire Department term deposit, bearing interest at 2.25% per annum, maturing August 28, 2026	60,000	-
Water Department term deposit, bearing interest at 2.25% per annum, maturing May 13, 2026	600,000	-
Water Department term deposit, bearing interest at 2.60% per annum, maturing November 20, 2026	49,649	-
	<b>\$ 945,202</b>	<b>\$ 282,303</b>

An amount of \$531,344 (2024 - \$Nil) of term deposits and cash held for reserve fund is available for use for externally restricted purposes. An amount of \$413,858 (2024 - \$282,303) is internally restricted available for use for internally restricted purposes.

### 6. Unearned revenue

	Opening	Additions (refunds)	Recognized as income	Closing
2025 Fire Protection	\$ 61,040	\$ -	\$ 61,040	\$ -
UBCM grant	8,673	-	8,673	-
Meter Pilot Project	-	996,795	465,451	531,344
	<b>\$ 69,713</b>	<b>\$ 996,795</b>	<b>\$ 535,164</b>	<b>\$ 531,344</b>

# Van Anda Improvement District

## Notes to the Financial Statements

December 31, 2025

### 7. Tangible capital assets

	Cost Beginning	Net Additions (Disposals)	Cost Ending	Accumulated Amortization Beginning	Amortization	Disposals	Accumulated Amortization Ending	2025 Net Book Value
Buildings	\$ 191,598	\$ -	\$ 191,598	\$ 109,754	\$ 2,554	\$ -	\$ 112,308	\$ 79,290
Fire Equipment	256,229	15,667	271,896	199,751	10,474	-	210,225	61,671
Fire Vehicles	333,079	28,000	361,079	186,667	14,443	-	201,110	159,969
Water Treatment	584,660	23,000	607,660	71,165	15,191	-	86,356	521,304
Meter Pilot Project	-	465,451	465,451	-	-	-	-	465,451
Water and Other Storage	259,456	19,159	278,615	20,412	4,643	-	25,055	253,560
Water Pipework, Distribution and Hydrants	941,990	(68,832)	873,158	367,575	13,081	(41,907)	338,749	534,409
	<b>\$ 2,567,012</b>	<b>\$ 482,445</b>	<b>\$ 3,049,457</b>	<b>\$ 955,324</b>	<b>\$ 60,386</b>	<b>\$ (41,907)</b>	<b>\$ 973,803</b>	<b>\$ 2,075,654</b>

# Van Anda Improvement District

## Notes to the Financial Statements

December 31, 2025

### 7. Tangible capital assets, continued

	Cost Beginning	Net Additions (Disposals)	Cost Ending	Accumulated Amortization Beginning	Amortization	Disposals	Accumulated Amortization Ending	2024 Net Book Value
Buildings	\$ 191,598	\$ -	\$ 191,598	\$ 107,200	\$ 2,554	\$ -	\$ 109,754	\$ 81,844
Fire Equipment	241,809	14,420	256,229	191,424	8,329	-	199,753	56,478
Fire Vehicles	333,079	-	333,079	173,344	13,323	-	186,667	146,412
Water Treatment	584,660	-	584,660	56,548	14,617	-	71,165	513,495
Water and Other Storage	259,456	-	259,456	16,088	4,324	-	20,412	239,044
Water Pipework, Distribution and Hydrants	947,401	(5,411)	941,990	360,804	13,701	(6,930)	367,575	574,415
	\$ 2,558,003	\$ 9,009	\$ 2,567,012	\$ 905,408	\$ 56,848	\$ (6,930)	\$ 955,326	\$ 1,611,688

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# Van Anda Improvement District

## Notes to the Financial Statements

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December 31, 2025

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### 8. Accumulated Surplus

	2025	2024
<b>Operating Fund</b>		
Balance, beginning of year	\$ 193,218	\$ 157,335
Excess of revenue over expenditures	364,066	(9,515)
Amortization - Waterworks assets	32,429	32,157
Amortization - Fire Department assets	27,957	24,691
Net additions to Tangible Capital Asset Fund - Waterworks	(480,687)	(1,519)
Additions to Tangible Capital Asset Fund - Fire Department	(43,667)	(14,422)
Transfer from (to) Capital Reserve Fund - Water Services	23,506	25,850
Transfer to Capital Reserve Fund - Fire Department	-	(17,773)
Transfer to Texada Rescue Fund	-	(3,586)
<b>Balance, end of year</b>	<b>116,822</b>	<b>193,218</b>
<b>Tangible Capital Asset Fund</b>		
Balance, beginning of year	1,611,688	1,652,595
Tangible capital asset additions - Waterworks	523,601	17,915
Tangible capital asset additions - Fire Department	43,667	14,422
Amortization - Waterworks assets	(32,429)	(32,157)
Amortization - Fire Department assets	(27,957)	(24,691)
Tangible capital asset loss on disposal	(42,916)	(16,396)
<b>Balance, end of year</b>	<b>2,075,654</b>	<b>1,611,688</b>
<b>Texada Rescue</b>		
Balance, beginning of year	18,822	17,417
Excess of revenue (under) over expenditures	109	(2,181)
Transfer from operations	-	3,586
<b>Balance, end of year</b>	<b>18,931</b>	<b>18,822</b>
<b>Capital Reserve Fund - Fire Department</b>		
Balance, beginning of year	199,405	177,907
Excess of revenue over expenditures	16,938	3,725
Transfer from operating fund	-	17,773
<b>Balance, end of year</b>	<b>216,343</b>	<b>199,405</b>
<b>Capital Reserve Fund - Waterworks</b>		
Balance, beginning of year	137,147	159,000
Excess of revenue over expenditures	3,813	3,997
Transfer (to) from operating fund	(23,506)	(25,850)
<b>Balance, end of year</b>	<b>117,454</b>	<b>137,147</b>
<b>Grand Total</b>	<b>\$ 2,545,204</b>	<b>\$ 2,160,280</b>

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# Van Anda Improvement District

## Notes to the Financial Statements

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December 31, 2025

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### 9. Operating Segments

Operations of the District are separated based upon the nature of the activities as they relate to the following segments:

#### Waterworks

Waterworks operations relate to the provision of water to the properties within the District's boundaries including routine operations and maintenance to the water related assets, along with the administration functions of the District.

#### Fire Department

Fire department operations provide fire protection within the District's boundaries including maintenance of fire department assets, education of relevant personnel and fire safety awareness to residents.

#### Texada Rescue

Texada Rescue operations are provided on an as needed basis, to assist with emergency rescue operations on the Texada Island, and related training as required.

### 10. Financial instruments

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

#### (a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The District is exposed to credit risk from customers. In order to reduce its credit risk, the District can seize rate payers' properties in order to collect back taxes and levies owing. The District has a significant number of rate payers, which minimizes credit risk.

#### (b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The District is exposed to this risk in relation to the Waterworks segment, which has significant obligations for operations and maintenance of infrastructure, and limited cash on hand at the year end. To minimize this risk, the District has increased tolls and taxes while considering other grant or financing options.

#### (c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The District is exposed to interest rate risk.

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## Van Anda Improvement District

### Notes to the Financial Statements

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December 31, 2025

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**10. Financial instruments (continued)**

**(d) Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the District manages exposure through its normal operating and financing activities. The District is exposed to interest rate risk through its fixed interest rate term deposits.

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

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## Van Anda Improvement District

### Schedules to the Financial Statements

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For the year ended December 31,

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#### Schedule of waterworks expenses

Schedule 1

	2025	2024
Wages	\$ 181,575	\$ 170,952
Repairs and maintenance	110,964	58,286
Chlorine and water supplies	55,530	46,252
Loss on disposal of assets	42,916	16,396
Amortization	32,429	32,156
Insurance	16,116	13,620
Utilities	12,404	13,181
Travel	10,063	5,297
Professional fees	9,971	5,835
Telephone	7,684	5,576
Freight	7,248	5,567
Office	2,811	3,515
General Supplies	1,206	2,062
Licenses and memberships	831	804
Interest and bank charges	579	535
Training	100	1,050
Sub-contracts	-	450
	<b>\$ 492,427</b>	<b>\$ 381,534</b>

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#### Schedule of fire department expenses

Schedule 2

	2025	2024
Amortization	\$ 27,957	\$ 24,690
Insurance	14,426	13,622
Repairs and maintenance	10,883	10,865
Honorarium	10,272	6,600
Wages - admin	9,500	8,677
Vehicle	8,666	7,951
Professional fees	6,072	3,851
Training	4,558	2,066
Uniforms and gear	2,917	23,746
Radio	2,309	1,136
Utilities	1,994	4,205
Supplies	1,964	673
Office	1,561	1,290
Freight	1,215	1,611
Telephone	1,000	950
Licenses and memberships	919	765
Promotion - wildfire prevention	584	7,034
Interest and bank charges	160	321
	<b>\$ 106,957</b>	<b>\$ 120,053</b>

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**Van Anda Improvement District**

**Schedules to the Financial Statements**

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**For the year ended December 31,**

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**Schedule of rescue expenses**

**Schedule 3**

	<b>2025</b>	<b>2024</b>
Insurance	<b>\$ 6,908</b>	\$ 4,662
Vehicle	<b>3,286</b>	2,580
Facilities and administration	<b>2,617</b>	3,940
Supplies	<b>558</b>	2,082
	<b>\$ 13,369</b>	\$ 13,264

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