

Mill Bay Waterworks District
Consolidated Financial Statements
December 31, 2025

**Mill Bay Waterworks District
Contents**

For the year ended December 31, 2025

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Management's Responsibility

To the Board of Trustees of Mill Bay Waterworks District:


Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Board of Directors and Audit Committee are composed primarily of Directors who are neither management nor employees of the District. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Committee is also responsible for recommending the appointment of the District's external auditors.

MNP LLP is appointed by the Board of Trustees to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Committee and management to discuss their audit findings.

March 26, 2026



District Manager

To the Board of Trustees of Mill Bay Waterworks District:

Opinion

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

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

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the District to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Nanaimo, British Columbia

March 26, 2026

MNP **LLP**


Chartered Professional Accountants

Mill Bay Waterworks District
Consolidated Statement of Financial Position

As at December 31, 2025

| | 2025 | 2024 |
|---|------------------|------------------|
| Financial assets | | |
| Cash and cash equivalents | 2,923,910 | 3,567,333 |
| Accounts receivable (Note 3) | 316,602 | 288,926 |
| | 3,240,512 | 3,856,259 |
| Liabilities | | |
| Accounts payable and accruals (Note 4) | 189,615 | 302,164 |
| Deferred revenue | 27,040 | 27,940 |
| Developer deposits | 86,223 | 152,444 |
| | 302,878 | 482,548 |
| Net financial assets | 2,937,634 | 3,373,711 |
| Commitments (Note 9) | | |
| Non-financial assets | | |
| Tangible capital assets (Note 5) | 5,733,016 | 5,011,065 |
| Inventory | 19,669 | 20,942 |
| Prepaid expenses | - | 30,038 |
| Total non-financial assets | 5,752,685 | 5,062,045 |
| Accumulated surplus (Schedule 1) | 8,690,319 | 8,435,756 |

Approved on behalf of the Board of Trustees



 Trustee
 Gary Ontario



 Trustee
 Kevin Little

The accompanying notes are an integral part of these consolidated financial statements

Mill Bay Waterworks District Consolidated Statement of Operations and Accumulated Surplus

For the year ended December 31, 2025

| | 2025 <i>Budget</i> <i>(Note 7)</i> | 2025 | 2024 |
|---|--|------------------|-----------|
| Revenue | | | |
| Sale of services | 955,000 | 1,044,222 | 895,553 |
| Parcel taxes | 384,312 | 385,282 | 381,401 |
| Investment income | 156,800 | 54,198 | 119,961 |
| Capital expenditure charges | - | 27,378 | 165,244 |
| Other revenue | 25,000 | 21,269 | 21,590 |
| Interest and penalties | 10,000 | 19,533 | 19,910 |
| Subdivision fees | 4,000 | 5,595 | 750 |
| Meter installation and connections | 3,000 | 885 | 3,540 |
| Contributed tangible capital assets | - | - | 255,215 |
| | 1,538,112 | 1,558,362 | 1,863,164 |
| Expenses | | | |
| Administration (Schedule 2) | 722,140 | 827,923 | 1,000,397 |
| Operating (Schedule 3) | 280,560 | 435,876 | 599,221 |
| Write-off of tangible capital assets | - | 40,000 | 91,144 |
| | 1,002,700 | 1,303,799 | 1,690,762 |
| Annual surplus | 535,412 | 254,563 | 172,402 |
| Accumulated surplus, beginning of year | 8,435,756 | 8,435,756 | 8,263,354 |
| Accumulated surplus, end of year | 8,971,168 | 8,690,319 | 8,435,756 |

The accompanying notes are an integral part of these consolidated financial statements

Mill Bay Waterworks District
Consolidated Statement of Change in Net Financial Assets

For the year ended December 31, 2025

| | 2025 Budget (Note 7) | 2025 | 2024 |
|--|-------------------------------------|------------------|-------------|
| Annual surplus | 535,412 | 254,563 | 172,402 |
| Acquisition of tangible capital assets | (1,416,250) | (932,880) | (329,062) |
| Amortization of tangible capital assets | - | 170,930 | 144,437 |
| Write-off of tangible capital assets | - | 40,000 | 91,144 |
| Change in prepaid expenses | - | 30,038 | - |
| Consumption of supplies inventories | - | 1,272 | 8,604 |
| Increase (decrease) in net financial assets | (880,838) | (436,077) | 87,525 |
| Net financial assets, beginning of year | 3,373,711 | 3,373,711 | 3,286,186 |
| Net financial assets, end of year | 2,492,873 | 2,937,634 | 3,373,711 |

The accompanying notes are an integral part of these consolidated financial statements

Mill Bay Waterworks District Consolidated Statement of Cash Flows

For the year ended December 31, 2025

| | 2025 | 2024 |
|---|------------------|------------------|
| Operating activities | | |
| Annual surplus | 254,563 | 172,402 |
| Non-cash items | | |
| Amortization | 170,930 | 144,437 |
| Loss on write-down of tangible capital assets | 40,000 | 91,144 |
| Contributed tangible capital assets | - | (255,215) |
| | 465,493 | 152,768 |
| Changes in working capital accounts | | |
| Accounts receivable | (27,676) | (72,699) |
| Inventory | 1,273 | 8,603 |
| Prepaid expenses and deposits | 30,038 | - |
| Accounts payable and accruals | (112,549) | 195,387 |
| Deferred revenue | (901) | 13,317 |
| Developer deposits | (66,221) | (10,180) |
| | 289,457 | 287,196 |
| Capital activities | | |
| Purchases of tangible capital assets | (932,880) | (73,847) |
| Increase (decrease) in cash resources | (643,423) | 213,349 |
| Cash resources, beginning of year | 3,567,333 | 3,353,984 |
| Cash resources, end of year | 2,923,910 | 3,567,333 |

The accompanying notes are an integral part of these consolidated financial statements

Mill Bay Waterworks District

Notes to the Consolidated Consolidated Financial Statements

For the year ended December 31, 2025

1. Incorporation and commencement of operations

The Mill Bay Waterworks District (the "District") was incorporated on August 6, 1962 under the Local Government Act of British Columbia. The principal activities of the District are to provide water service to the residents of the Mill Bay and to maintain and repair all wells and water lines associated with that service. Under Section 149(1)(c) of the Income Tax Act, the District is exempt from taxation.

2. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Fund accounting

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

Four funds are maintained: Operating Fund, Capital Fund, Restricted Renewal Reserve Fund and Restricted Capital Expense Charge Reserve Fund ("CEC").

The Operating Fund is used to account for all revenues and expenses related to general and ancillary operations of the District.

The Capital Fund is used to account for all tangible capital assets of the District and to present the flow of funds related to their acquisition and disposal, unexpended capital resources and debt commitments.

The Restricted Renewal Reserve Fund consists of funds established by the Board of the District, by bylaw 102, to be used for expenditures related to the upgrading or addition of Waterworks tangible capital assets. These funds, and interest earned thereon, must only be invested and disbursed by bylaw passed by the Board of the District.

The Restricted Capital Expense Charge Reserve Fund consists of funds established by the Board of the District, by bylaw 255, to be used for expenditures related to the upgrading, replacement or renewal of existing tangible capital assets. The funds can only be expended with the Board's approval.

Revenue recognition

Sale of services revenue for water services are recognized as the performance obligation to the customer is satisfied, and billed on a bi-monthly basis. Parcel taxes are recognized upon issuance of tax notices for the fiscal year. Interest and other income are recognized as revenue as earned on an accrual basis. Capital expenditure charge ("CEC") fees are recorded as revenue when amounts are determinable and collectability is assured. Assets contributed by developers are recognized as revenue when ownership transfers to the District.

Cash and cash equivalents

Cash and temporary investments include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Measurement uncertainty

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

Mill Bay Waterworks District
Notes to the Consolidated Consolidated Financial Statements
For the year ended December 31, 2025

2. Significant accounting policies *(Continued from previous page)*

Measurement uncertainty *(Continued from previous page)*

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets. A liability for asset retirement obligations reflects management's best estimate of the amount required to retire the related tangible capital asset (or component thereof).

By their nature, these judgments are subject to measurement uncertainty, and the effect on the consolidated financial statements of changes in such estimates and assumptions in future years could be significant. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the years in which they become known.

Tangible capital assets

Tangible capital assets are initially recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development, or betterment of the asset. Contributed tangible assets are recorded at their fair value at the date of contribution.

When conditions indicate that a tangible capital asset no longer contributes to the District's ability to provide goods and services, or that the value of future economic benefits associated with a tangible capital asset is less than its net book value, the District reduces the cost of the asset to reflect the decline in its value. Write-downs of tangible capital assets are not reversed.

Amortization

Tangible capital assets are amortized annually using a straight-line method at rates intended to amortize the cost of the assets over their estimated useful lives:

| | Rate |
|---------------------------------|----------------|
| Water Distribution - Fixtures | 10 to 60 years |
| Water Distribution - Pipework | 80 years |
| Water Sources | 4 to 80 years |
| Building, Furnishings, Fixtures | 5 to 50 years |

Asset retirement obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the District to incur retirement costs in relation to a tangible capital asset (or component thereof), 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. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at December 31, 2025. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.

At each financial reporting date, the District reviews the carrying amount of the liability. The District recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

The District continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

Financial instruments

The District recognizes its financial instruments when the District becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

Mill Bay Waterworks District
Notes to the Consolidated Consolidated Financial Statements
For the year ended December 31, 2025

2. Significant accounting policies *(Continued from previous page)*

Financial instruments *(Continued from previous page)*

At initial recognition, the District may irrevocably elect to subsequently measure any financial instrument at fair value. The District has not made such an election during the year.

The District subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses. The District has not presented a statement of remeasurement gains and losses as it does not have any items giving rise to remeasurement gains (losses). Interest income is recognized in the statement of operations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating annual surplus. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets except derivatives are tested annually for impairment. Any impairment, which is not considered temporary, is recorded in the statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the statement of remeasurement gains and losses.

Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the District is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at December 31, 2025.

At each financial reporting date, the District reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The District continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

3. Accounts receivable

| | 2025 | 2024 |
|-------------------|----------------|-------------|
| Trade receivables | 244,419 | 237,969 |
| GST receivable | 72,183 | 50,957 |
| | 316,602 | 288,926 |

4. Accounts payable and accruals

| | 2025 | 2024 |
|----------------------------|----------------|-------------|
| Trade payables | 174,954 | 212,609 |
| Wages and vacation payable | 13,528 | 70,446 |
| Government remittances | 1,133 | 19,109 |
| | 189,615 | 302,164 |

Mill Bay Waterworks District
Notes to the Consolidated Consolidated Financial Statements
For the year ended December 31, 2025

5. Tangible capital assets

| | <i>Cost</i> | <i>Additions</i> | <i>Disposals</i> | <i>Accumulated amortization</i> | <i>2025 Net book value</i> |
|---------------------------------|------------------|------------------|------------------|-------------------------------------|------------------------------------|
| Land | 39,183 | - | - | - | 39,183 |
| Building, Furnishings, Fixtures | 484,830 | 215,690 | - | 379,464 | 321,056 |
| Assets under construction | 82,374 | 127,536 | - | - | 209,910 |
| Water Distribution - Pipeworks | 3,461,104 | 589,654 | 60,000 | 930,595 | 3,060,163 |
| Water Distribution - Fixtures | 1,175,125 | - | - | 533,696 | 641,429 |
| Water Sources | 3,250,591 | - | - | 1,789,316 | 1,461,275 |
| | 8,493,207 | 932,880 | 60,000 | 3,633,071 | 5,733,016 |

| | <i>Cost</i> | <i>Additions</i> | <i>Disposals</i> | <i>Accumulated amortization</i> | <i>2024 Net book value</i> |
|---------------------------------|------------------|------------------|------------------|-------------------------------------|------------------------------------|
| Land | 39,183 | - | - | - | 39,183 |
| Building, Furnishings, Fixtures | 448,785 | - | - | 361,263 | 87,522 |
| Assets under construction | 173,518 | - | 91,144 | - | 82,374 |
| Water Distribution - Pipeworks | 3,205,889 | 255,215 | - | 887,331 | 2,573,773 |
| Water Distribution - Fixtures | 1,175,125 | 36,045 | - | 517,468 | 693,702 |
| Water Sources | 3,212,788 | 37,802 | - | 1,716,079 | 1,534,511 |
| | 8,255,288 | 329,062 | 91,144 | 3,482,141 | 5,011,065 |

Amortization expense of \$170,930 (2024 - \$144,437) was recorded in the Consolidated Statement of Operations. Total amortization expense comprises \$36,228 for Water Fixtures (2024 - \$21,170), \$43,264 for Pipework (2024 - \$44,669), \$73,237 for Water Sources (2024 - \$72,395), and \$18,201 for Remaining Facilities (2024 - \$9,203).

No amortization of assets under construction has been recorded.

6. Financial Instruments

The District as part of its operations carries a number of financial instruments. It is management's opinion that the District is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Credit Risk

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations.

Risk management

The District manages its credit risk by performing regular credit assessments of its customers and issues water shut-off notices for delinquent accounts.

Mill Bay Waterworks District
Notes to the Consolidated Consolidated Financial Statements
For the year ended December 31, 2025

7. Budget information

The disclosed budget information has been approved by the Board of Trustees on November 25, 2024. The budgeted surplus agrees to the surplus for the year as shown on the Consolidated Statement of Operations and Accumulated Surplus. A reconciliation of these amounts is as follows:

| | | |
|--|-----------|---|
| Budgeted deficit (funded from reserves) as approved by the Board of Trustees | (880,838) | - |
| Transfers from reserves (capital expenditures) | 1,416,250 | - |
| <hr/> | | |
| Budgeted annual surplus, as per the Consolidated Statement of Operations and Accumulated Surplus | 535,412 | - |

8. Pension

The District and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2024, the plan has about 273,000 active members and approximately 133,000 retired members. Active members include approximately 47,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2024, indicated a \$2.675 billion funding surplus for basic pension benefits on a going concern basis.

The next valuation will be as at December 31, 2027.

The District paid \$26,754 (2024 - nil) for employer contributions to the plan in fiscal 2025.

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

9. Commitments

The District leases two vehicles (2024 - one):

- A lease with minimum monthly payments of \$1,063 expiring October 2027
- A lease with minimum monthly payments of \$1,693 expiring September 2027

The estimated minimum annual payments are as follow:

| | | |
|------|-----------|--|
| | Estimated | |
| | Payments | |
| 2026 | 33,072 | |
| 2027 | 25,867 | |

Mill Bay Waterworks District
Schedule 1 - Consolidated Schedule of Fund Balances

For the year ended December 31, 2025

| | <i>Operating</i> | <i>Capital</i> | <i>Restricted CEC Reserve</i> | <i>Restricted Renewal Reserve</i> | 2025 | 2024 |
|--|--------------------|------------------|---------------------------------------|---|--------------------|-------------|
| Balance, beginning of year | 876,650 | 5,011,064 | 359,076 | 2,188,966 | 8,435,756 | 8,263,354 |
| Revenue | 1,513,364 | - | 9,900 | 35,098 | 1,558,362 | 1,863,164 |
| Expenses | (1,132,869) | (170,930) | - | - | (1,303,799) | (1,690,762) |
| Transfer for capital purchases | (211,138) | 932,880 | - | (721,742) | - | - |
| Transfer for capital expenditure charges | (27,378) | - | 27,378 | - | - | - |
| Transfer of parcel taxes | (385,282) | - | - | 385,282 | - | - |
| Write-off of tangible capital assets | 40,000 | (40,000) | - | - | - | - |
| Balance, end of year | 673,347 | 5,733,014 | 396,354 | 1,887,604 | 8,690,319 | 8,435,756 |

Mill Bay Waterworks District
Schedule 2 - Schedule of Administration Expenses

For the year ended December 31, 2025

| | <i>Budget</i> | | |
|--------------------------------|-----------------|----------------|-------------|
| | | 2025 | <i>2024</i> |
| | <i>(Note 7)</i> | | |
| Administrative expenses | | | |
| Bank charges | 500 | 1,558 | 877 |
| Consulting fees | 12,000 | 48,933 | 126,541 |
| Insurance | 45,000 | 38,462 | 38,146 |
| Office supplies | 59,000 | 113,742 | 104,343 |
| Professional Fees | 30,000 | 34,898 | 110,185 |
| Salaries and benefits | 549,500 | 563,718 | 588,574 |
| Training | - | 5,381 | 5,804 |
| Travel | - | 473 | 802 |
| Trustee honorarium | 20,000 | 14,596 | 16,585 |
| Utilities | 6,140 | 6,162 | 8,540 |
| Schedule total | 722,140 | 827,923 | 1,000,397 |

Mill Bay Waterworks District
Schedule 3 - Schedule of Operating Expenses

For the year ended December 31, 2025

| | <i>Budget</i> | 2025 | <i>2024</i> |
|-----------------------------------|-----------------|----------------|-------------|
| | <i>(Note 7)</i> | | |
| Operating expenses | | | |
| Amortization | - | 170,930 | 144,437 |
| Chlorine | 28,000 | 23,871 | 23,016 |
| Engineering services | 55,000 | 48,882 | 101,676 |
| Laboratory and testing services | 5,500 | 6,326 | 6,804 |
| Hydro | 63,310 | 60,053 | 55,193 |
| Vehicle lease, fuel and insurance | 30,000 | 34,030 | 16,255 |
| Repairs and Maintenance | 98,750 | 91,784 | 251,840 |
| Schedule total | 280,560 | 435,876 | 599,221 |