



Mayne Island
Improvement District
62nd Annual General Meeting



Saturday, July 4, 2026
10:00 am
Mayne Island Fire Hall

Agenda

1. Call to Order
 2. Request for additions and motion to approve agenda
 3. Approval of minutes of previous AGM – June 7th, 2025
 4. Annual report from the Corporate Administrative Officer
 5. Annual report from the Fire Chief
 6. Annual report from the Deputy Fire Chief
 7. Annual report from the Auditor & presentation of 2025 financial statements
 8. Appointment of the Auditor for 2026
 9. Election of Trustees by Acclamation
 10. Other Business / Town Hall
 11. Adjournment
-



Mayne Island Improvement District

61st Annual General Meeting

Meeting Minutes

Date: Saturday June 7, 2025 @ 1:00 pm
Location: Meeting Room, Fire Hall, 520 Felix Jack Rd
Present: Trustees Doug Hill, Debra Milne, Bob McKinnon & Brian Dearden
Katherine Somerville, Corporate Administrative Officer
Kyle Stobart, Fire Chief
Eric Walker, Deputy Fire Chief
Janelle Lawson, Administrative Assistant
Absent with Notice: Trustee Joey Hartman
Guests: Robin Cleator and Greg Martin

1. CALL TO ORDER

The meeting was called to order at 10:01 pm by Chairperson, Doug Hill. He acknowledged that the meeting was taking place on the traditional territory of the Coast Salish People.

2. REQUEST FOR ADDITIONS AND MOTION TO APPROVE AGENDA

MOTION: Trustee Dearden moved and Trustee Milne seconded the motion to approve the agenda as circulated.

CARRIED

3. APPROVAL OF MINUTES¹ OF PREVIOUS AGM

MOTION: Trustee McKinnon moved and Trustee Milne seconded the motion to approve the minutes from the Annual General Meeting held on June 22nd, 2024.

CARRIED

4. ANNUAL REPORT² FROM THE CORPORATE ADMINISTRATIVE OFFICER

A brief discussion was held about finding a new auditor for 2025.

MOTION: Trustee Milne moved and Trustee Peace seconded the motion to accept the annual report from the Corporate Administrative Officer.

CARRIED

5. ANNUAL REPORT³ FROM THE FIRE CHIEF

Trustee Milne inquired about the membership numbers. Fire Chief Stobart confirmed that they plan on recruiting in the fall.

There was a brief discussion around the acquisition of the new Engine as well as disposal of the old Engine. The purchase of the new engine will be reflected in the 2025 financial statements.

¹ AGM Meeting Minutes – June 22, 2024

² Corporate Administrative Officer's Annual Report 2024

³ Fire Chief's Annual Report 2024

MOTION: Trustee McKinnon moved and Trustee Dearden seconded the motion to accept the annual report from the Fire Chief.

CARRIED

6. ANNUAL REPORT FROM DEPUTY CHIEF

MOTION: Trustee McKinnon moved and Greg Martin seconded the motion to accept the Deputy Chief’s report.

CARRIED

7. ANNUAL REPORT⁴ FROM THE AUDITOR & 2024 FINANCIAL STATEMENTS

Sheila Henn, CPA, CA, submitted her Auditor’s Summary Report in lieu of her attendance to the meeting in person.

Greg Martin asked why there is no amortization in the budget. CAO Somerville explained that amortization is only on financial statements for presentation purposes and because the District does not pay income tax amortization is not a true expense, therefore the District does not budget the expense.

MOTION: Trustee Milne moved and Greg Martin seconded the motion to accept the auditor’s report and 2024 financial statements as submitted.

CARRIED

8. APPOINTMENT OF THE AUDITOR FOR 2025

The District must find a new auditor for 2025. CAO Somerville has reached out to several but has not yet secured one. She is confident that a new auditor will be found by the end of the year. A motion will be made on this at an upcoming meeting.

9. OTHER BUSINESS / TOWN HALL

None

10. TRUSTEE ELECTION

Two nominations were received. They were Doug Hill and Robin Cleator. Therefore, they were elected as trustees for the 3-year term by acclamation.

11. ADJOURNMENT

There being no further business, the Chair asked for a motion to adjourn. The Annual General Meeting was adjourned at 10:22am by motion made by Trustee Dearden.

Approved:

Doug Hill, Chair

Date:

Katherine Somerville, CAO

Date:

Recorded and Transcribed by J. Lawson

⁴ Auditor’s Annual Report & Audited Financial Statements

Mayne Island Improvement District

62nd Annual General Meeting Governance Report

We respectfully acknowledge that we live, work, and gather on the traditional territories of the Coast Salish peoples, specifically the WSÁNEĆ Nation, who have been custodians of Mayne Island, known traditionally as SKTAK, and these surrounding waters since time immemorial. As we come together for this Annual General Meeting to discuss the future of our community infrastructure and services, we commit to honoring this land, listening to Indigenous voices, and working toward meaningful reconciliation and collaboration in all that we do.

Governance & Strategic Oversight

The Mayne Island Improvement District (MIID) operates under the governance of our Board of Trustees, a dedicated group of elected community volunteers. Operating independently from day-to-day management, the Trustees provide essential oversight, accountability, and supervise the District's Corporate Officer and Fire Chief. Their leadership ensures our financial reporting remains transparent and our strategic goals directly serve the evolving needs of Mayne Island.

On behalf of the Mayne Island Improvement District, I am pleased to present the information package for our 62nd Annual General Meeting, including our audited financial statements for the 2025 fiscal year ended.

Operational Evolution & 2026 Updates

As the District grows, our administrative focus has shifted toward building a more resilient, professional framework to guide our operations. Over the past year, we have dedicated significant effort to updating and developing comprehensive organizational policies. These updated policies establish clear guidelines that protect the District's assets, streamline operations, and provide a solid foundation for sustainable governance.

We have also navigated notable transitions and achievements within our administrative team this year:

- **Financial Audit Transition:** In 2026, the District transitioned to a new auditing firm. Our previous auditor parted ways with us on excellent terms after many years of dedicated service. Given the duration of that tenure, the transition came at an appropriate time, allowing us to bring a fresh set of eyes to our financial oversight and ensure continued alignment with modern municipal accounting standards.
- **Professional Development:** I am incredibly proud to report that our Administrative Assistant has successfully completed her Payroll Compliance Practitioner (PCP) designation. Having achieved this designation myself, I know firsthand the depth of regulatory knowledge it requires. This achievement significantly strengthens our internal payroll management and oversight. Furthermore, she continues to advance her education by working toward her Diploma in Local Government Administration, reinforcing our commitment to long-term administrative excellence and succession planning.

Core Mandates & Historical Context

To provide context for new residents and a reminder for our long-term community members, the District operates under distinct historical mandates established by the Province of British Columbia.

Mayne Island Improvement District

62nd Annual General Meeting Governance Report

1. Fire Protection & Infrastructure (1964 Mandate)

Incorporated by the Lieutenant Governor in Council in 1964, the District is mandated to deliver essential services to the entirety of Mayne Island. This includes fire protection, emergency response capabilities, and the acquisition, operation, and maintenance of the critical infrastructure required to perform these services safely.

2. Garbage Collection Authority Clarification

While the original 1964 Letters Patent grant the MIID the legal authority to levy taxes for garbage collection and removal, **the District has never exercised this power**. No tax dollars are collected or allocated for waste management. All garbage collection, recycling, and removal services on the island remain completely independent operations unaffiliated with the MIID, funded directly by residents on a fee-per-bag basis.

3. Mayne Island Health Centre (1984 Mandate)

Through amendments to our Letters Patent, the MIID assumed responsibility for the physical operation and maintenance of the Mayne Island Health Centre facility. The District's role is solely responsible for providing, securing, and maintaining the physical building, grounds, and structural infrastructure. The District has no role in medical staffing, healthcare delivery, or clinic operations. For details regarding medical services, residents should consult the Mayne Island Health Centre Association (MIHCA).

Taxation

Residents often wonder why our services are taxed differently. Fire protection services are funded through provincial property tax bills, where the Province collects the funds on our behalf. Our Health Centre operates differently: because the *Local Government Act* does not provide a mechanism for the Province to collect taxes for local health facilities under an Improvement District structure, the District must issue a separate tax levy. While the collection methods differ due to provincial legislation, both levies stay entirely on the island to support our local emergency and health infrastructure.

Because both provincial property tax notices and our local Health Centre tax levies rely entirely on the mailing information on file with the province, keeping your mailing address current is essential to ensure you receive your notices on time. If you have recently moved or changed your mailing address, please take a moment to update your records directly with BC Assessment using the online [BC Assessment Change of Address Form](#).

Financial Accountability

The integrity, accuracy, and fairness of the accompanying financial statements are the direct responsibility of corporate administration. We maintain internal controls and accounting systems designed to provide reasonable assurance that public funds are safeguarded, transactions are properly authorized, and financial records are accurately maintained. This disciplined approach ensures complete transparency and accountability to our taxpayers.

Mayne Island Improvement District

62nd Annual General Meeting Governance Report

Acknowledgements

Our achievements this year are the result of a deeply collaborative effort. I want to express my sincere appreciation to our Administrative Assistant for her outstanding professionalism, dedication, and commitment to expanding her professional skill set this year.

I also extend my gratitude to our volunteer Board of Trustees, whose forward-thinking vision and governance keep the District moving in the right direction. This year, two of our longest-serving trustees are not seeking re-election. I would like to extend my sincere thanks to Bob McKinnon and Brian Dearden for their years of dedicated volunteer service on the Board. Both have given an incredible amount of time to our organization; Bob was already serving on the Board back in 2011 when I was first hired, and Brian has been a cornerstone of the Board for nearly as long. Their leadership will be missed, and we wish them the very best

Finally, my deepest thanks go to our Paid-on-call Firefighters, First Responders, Paramedics and other emergency personnel. Their willingness to consistently go above and beyond the call of duty ensures the safety, resilience, and strength of the Mayne Island community.

If you have any questions regarding our operations, financial statements, or ongoing projects, please feel free to contact the MIID office.

Respectfully submitted,

Katherine Somerville

Corporate Administrative Officer
Mayne Island Improvement District



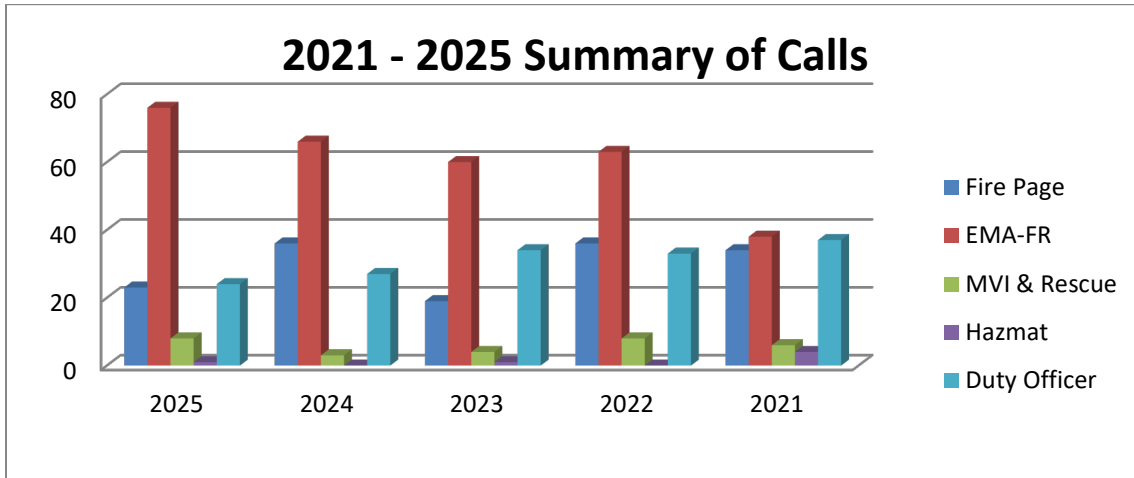
Mayne Island Fire Rescue 2025 Annual Report



Serving Our Community with Pride

Response Analysis

While most pager responses are typically medical calls, MIFR also responds to Duty Officer pages, rescues, motor vehicle incidents, downed hydro lines, brush and grass fires, chimney fires and structure fires. The following chart details an analysis of call comparisons for the past five years:



The majority of calls responded to by MIFR in 2025 were First Response medical calls. Second after FR were Duty Pages, these are usually for open burn or equipment restriction complaints but also for general public assistance. Third were page-all Fire Responses which can include hydro incidents, RCMP assists, alarm activations, structural and wildland fire calls. There were 6 motor vehicle incidents in 2025. Call duration varied in length from a few minutes to over 3.5 hours. MIFR responded to 132 calls in 2025, up from 118 in 2024, we logged 1,425 response hours in 2025, down from 1,490 response hours in 2024.

Service Level

The Office of the Fire Commissioner has defined 3 service levels for fire departments in British Columbia: Exterior, Interior and Full Service. Mayne Island Fire Rescue's service level as established by bylaw is defined as Full Service. A Full-Service fire department has the training and equipment to perform a full spectrum of fire services, such as performing an offensive (interior) attack on a structure fire in a more complex structure than a single-family dwelling (ie: school/hardware), hazmat, MVI etc.

Serving Our Community with Pride

Membership

2025 saw the loss of 3 firefighters. This brought our numbers to 21 members. MIFR also has 6 fully trained work experience volunteers. Fire underwriters state that our minimum number of firefighters for our local insurance grading is 15. Our planned 2025 recruit campaign was deferred until 2026 and we now have 10 new recruits in training. MIFR logged 1,858 hours of regular practice time in 2025.

See chart below for membership details:

<1 year members	0	Exterior	5
1-10 year members	17	FF2	18
10-20 year members	3	Fire Officer 1	3
20-30 year members	3	Fire Officer 4	1 in 2026

Apparatus 2025

Mayne Island Fire Rescue's fleet currently consists of 7 apparatus. A primary attack engine, a secondary engine a third engine/tender (tanker), 2 dedicated tenders and 2 standard pick-up trucks equipped with emergency lights and sirens.

Engine 3 is our first engine out on fire calls. It is a 2025 Maxi-metal Paragon Pumper with 5 seats, a 1000-gallon water tank and a 1250 IGPM fire pump. This is a big truck with a lot of storage.

Engine 2 is our secondary pumper. It is a 2012 Spartan Legend series with 6 seats, a 1000-gallon water tank and a 1,500 GPM. Pump. The addition of Engine 2 in 2013 provided the capacity to action a fire with a complete attack crew out of one apparatus.

Engine 1 is our third pumper truck/tender. It is a 1996 Freightliner with 3 seats, a 1000-gallon water tank and a 1,050 GPM. Pump. Engine 1 is used for relay pumping to the other engines and is also equipped with wildland firefighting equipment.

Tender 3 is a 2010 Freightliner with a 1,500-gallon water tank. In 2018 Tender 3 underwent a retrofit to install a rated 250 GPM pump and is now our primary responding tender (tanker). The new pump enables the unit to be filled by a single firefighter, freeing up personnel for other duties.

Tender 1 is a 2000 Freightliner carrying 1,700-gallon and a 500 GPM pump. It is usually last truck out the door on a fire call.

Rescue 1 is a 2018 Chevrolet Silverado pick up truck with a commercial canopy and a 1500 lb bed slide. It is our first truck out on medical, rope rescue incidents and search and rescue.

Serving Our Community with Pride

Utility 1 is a 2012 Ford F250 basic pickup truck mainly used for Duty Officer responses, on island runabouts, and off island training. During the summer months we mount a skid unit in the bed which has a 100-foot hose reel, pump and 200-gallon water tank. This is great for small grass or brush fires.

As Engine 1 ages out of service we are acquiring proposals from several apparatus suppliers for Engine 3. It is expected to arrive in early 2025.

2026

In 2026, as mentioned, we are bolstering our numbers with the new recruit class, also we are continuing with increased public engagement and relationship building with respect to fire prevention, Fire-Smart inspections, training events with the SGI emergency program, attendance at community events and hosting chipping days and other activities at the fire hall.

The firehall is open to public tours, so feel free to come in and learn how well equipped and well trained we are to serve our community. Bring the kids and we will make the visit fun and informative.

As always, MIFR is here to serve the needs of the community with pride, dedication and excellence.

Personally, I would like to thank the MIID board of trustees, and the firefighters for continued support as we strive to always improve our team.

Kyle Stobart,
Fire Chief.

Serving Our Community with Pride

MAYNE ISLAND FIRE RESCUE ANNUAL DEPUTY CHIEF'S REPORT JULY 4, 2026



A Message from the Deputy Chief

I want to extend my heartfelt gratitude to the Mayne Island Improvement District Board of Trustees for their unwavering support of Mayne Island Fire Rescue over the past year. The dedication and hard work of the board members are essential to our community, and the fire department is truly appreciative of all they do.

I also wish to acknowledge our brave firefighters and first responders for their tireless dedication and commitment throughout 2025. Your efforts to ensure the safety of others, often in the face of adversity, are genuinely inspiring. The impact of your work is profound, and you are deeply valued.

Furthermore, I want to express my appreciation to the families of our team members for their relentless support this year. Your encouragement, empathy, and patience have made a tremendous difference, and it's vital to recognize the important role you play.

Training

With no need for a 2025 recruit class, the department capitalized on the opportunity to focus on hands-on, scenario-based training throughout the year. A Red Cross First Responder certification course was also delivered throughout the year, equipping personnel with valuable emergency response skills. Additionally, we implemented extensive refresher sessions in critical areas, including rope rescue techniques, forcible entry methods, and auto extrication procedures. These comprehensive training initiatives not only improved our operational readiness but also strengthened teamwork and camaraderie within the department, ultimately leading to a more capable and effective team.





In 2025, I received a *Certificate in Fire Service Leadership* and a *Certificate in General Fire Service Administration* from Dalhousie University. Receiving these certificates is approximately halfway toward my goal of earning a Diploma in Executive Fire Leadership and an NFPA 1021 Fire Officer IV certification. While it has been challenging, this training and education have proven very rewarding, allowing me to acquire skills that will enhance our fire department.

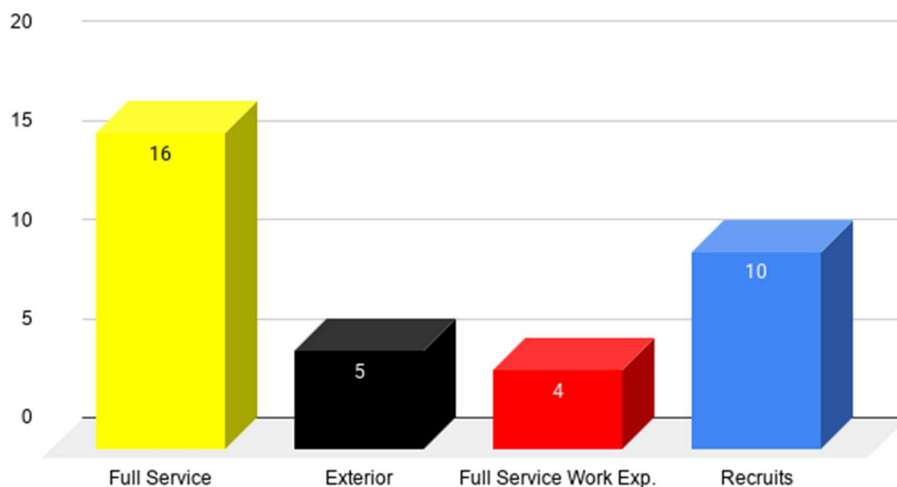
Throughout this training journey, I have also earned several microcredentials from Dalhousie University, which highlight achievements in specific fire department-related areas. These include:

- ® Organizational Behaviour
- ® Wildfire and Climate Change Management
- ® Incident Command: Thinking, Acting and Human Factors
- ® Optimizing Diverse Team Performance

Summary

As we look ahead to the coming year, the commitment and resilience demonstrated by our team and community will continue to be the foundation of our success. We remain dedicated to enhancing our skills and responding effectively to any challenges that arise. The unwavering support from our board, firefighters, and their families is invaluable, and together, we will strive to maintain and improve the safety and well-being of Mayne Island. Thank you to everyone for your hard work and dedication; I am excited for what lies ahead.

Current Fire Department Roster - May 5, 2026



Respectfully Submitted

Eric Walker – Deputy Fire Chief & Training Officer

MAYNE ISLAND IMPROVEMENT DISTRICT
FINANCIAL STATEMENTS
Year Ended December 31, 2025

MAYNE ISLAND IMPROVEMENT DISTRICT
INDEX TO FINANCIAL STATEMENTS
Year Ended December 31, 2025

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Trustees of Mayne Island Improvement District

I have reviewed the accompanying financial statements of Mayne Island Improvement District (the organization) that 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 (debt) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards (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.

Practitioner's Responsibility

My responsibility is to express a conclusion on the accompanying financial statements based on my review. I conducted my review in accordance with Canadian generally accepted standards for review engagements, which require me to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, I do not express an audit opinion on these financial statements.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of Mayne Island Improvement District as at December 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with PSAS.

Other Matter

The financial statements of Mayne Island Improvement District for the year ended December 31, 2024 were audited by another practitioner who expressed an unmodified conclusion on those financial statements on April 10, 2025.

Sidney, British Columbia
April 10, 2026

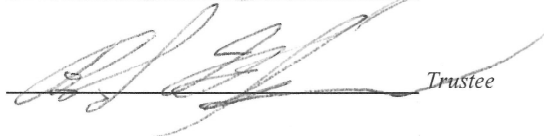
Proulx Smart & Associates Inc.
CHARTERED PROFESSIONAL ACCOUNTANTS

MAYNE ISLAND IMPROVEMENT DISTRICT
STATEMENT OF FINANCIAL POSITION
December 31, 2025

	2025	2024
FINANCIAL ASSETS		
Cash	\$ 313,165	\$ 313,006
Renewal reserve funds <i>(Note 6)</i>	424,552	836,059
Accounts receivable	45,791	16,307
	783,508	1,165,372
LIABILITIES		
Accounts payable and accrued liabilities	40,118	59,509
Long term debt <i>(Note 5)</i>	1,380,939	1,497,891
	1,421,057	1,557,400
NET FINANCIAL DEBT	(637,549)	(392,028)
NON-FINANCIAL ASSETS		
Prepaid expenses	38,719	94,334
Tangible capital assets <i>(Note 3)</i>	3,163,844	2,702,710
	3,202,563	2,797,044
ACCUMULATED SURPLUS	\$ 2,565,014	\$ 2,405,016

APPROVED BY THE TRUSTEES


 _____ *Trustee*


 _____ *Trustee*

MAYNE ISLAND IMPROVEMENT DISTRICT
STATEMENT OF OPERATIONS
Year Ended December 31, 2025

	Budget 2025	Total 2025	Total 2024
REVENUES			
Fire Protection Tax Levies	\$ 797,689	\$ 797,685	\$ 769,036
Capital Tax Advance Levies	-	159,606	159,606
Health Centre Tax Levies	112,594	112,594	107,849
Health Centre Rental Revenue	28,368	29,868	38,930
Penalties & Interest on Tax Levies	3,400	3,884	3,707
Burn Permit Sales	5,500	5,300	5,560
Operating interest and other revenue	7,000	12,489	16,749
Interest Revenue on Reserve Funds	20,500	14,510	39,717
	<u>975,051</u>	<u>1,135,936</u>	<u>1,141,154</u>
EXPENSES			
Fire Protection Expenditures <i>(Schedule 1)</i>	701,688	677,916	743,341
Health Centre Expenditures <i>(Schedule 2)</i>	136,063	124,454	129,083
	<u>837,751</u>	<u>802,370</u>	<u>872,424</u>
SURPLUS FROM OPERATIONS	<u>137,300</u>	<u>333,566</u>	<u>268,730</u>
OTHER INCOME (EXPENSES)			
Amortization	-	(173,567)	(170,910)
Budgeted transfer to Fire Protection reserve	(124,000)	-	-
Budgeted transfer to Health Centre reserve	(13,300)	-	-
	<u>(137,300)</u>	<u>(173,567)</u>	<u>(170,910)</u>
ANNUAL SURPLUS	<u>\$ -</u>	<u>\$ 159,999</u>	<u>\$ 97,820</u>

See notes to financial statements

MAYNE ISLAND IMPROVEMENT DISTRICT
STATEMENT OF CHANGES IN ACCUMULATED SURPLUS
Year Ended December 31, 2025

	Total 2025	Total 2024
ACCUMULATED SURPLUS - BEGINNING OF YEAR	\$ 2,405,015	\$ 2,401,469
ANNUAL SURPLUS	<u>159,999</u>	<u>97,820</u>
	2,565,014	2,499,289
Increase (decrease) in reserve funds	<u>-</u>	<u>(94,273)</u>
ACCUMULATED SURPLUS - END OF YEAR	<u>\$ 2,565,014</u>	<u>\$ 2,405,016</u>

See notes to financial statements

MAYNE ISLAND IMPROVEMENT DISTRICT
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (DEBT)
Year Ended December 31, 2025

	Budget 2025	2025	2024
ANNUAL SURPLUS	\$ -	\$ 159,999	\$ 97,820
Amortization of tangible capital assets	-	173,567	170,910
Purchase of tangible capital assets	-	(634,701)	-
Decrease (increase) in prepaid expenses	-	55,615	(66,603)
	-	(405,519)	104,307
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	-	(245,520)	202,127
NET FINANCIAL ASSETS (DEBT) - BEGINNING OF YEAR	-	(392,028)	(594,155)
NET FINANCIAL ASSETS (DEBT) - END OF YEAR	\$ -	\$ (637,548)	\$ (392,028)

See notes to financial statements

MAYNE ISLAND IMPROVEMENT DISTRICT
STATEMENT OF CASH FLOWS
Year Ended December 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Annual surplus	\$ 159,999	\$ 97,820
Item not affecting cash:		
Amortization of tangible capital assets	<u>173,567</u>	170,910
	<u>333,566</u>	<u>268,730</u>
Changes in non-cash working capital:		
Accounts receivable	(29,484)	1,266
Accounts payable and accrued liabilities	(19,393)	4,160
Prepaid expenses	55,615	(66,603)
Interest accrued on long term debt	<u>(1,649)</u>	<u>(1,539)</u>
	<u>5,089</u>	<u>(62,716)</u>
Cash flow from operating activities	<u>338,655</u>	<u>206,014</u>
CAPITAL TRANSACTIONS		
Purchase of capital assets	<u>(634,701)</u>	-
Cash flow from (used by) capital transactions	<u>(634,701)</u>	<u>-</u>
FINANCING ACTIVITY		
Repayment of long term debt	<u>(115,302)</u>	<u>(111,944)</u>
INCREASE (DECREASE) IN CASH FLOW	(411,348)	94,070
Cash - beginning of year	<u>1,149,065</u>	<u>1,054,995</u>
CASH - END OF YEAR	\$ 737,717	\$ 1,149,065
CASH CONSISTS OF:		
Cash	\$ 313,165	\$ 313,006
Cashable Investments Fire Protection Renewal Reserve	291,068	727,575
Cashable Investments Health Centre Renewal Reserve	<u>133,484</u>	<u>108,484</u>
	<u>\$ 737,717</u>	<u>\$ 1,149,065</u>

See notes to financial statements

MAYNE ISLAND IMPROVEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2025

1. NATURE OF OPERATIONS

The Mayne Island Improvement District (the "Improvement District") is an Improvement District in British Columbia, Canada, governed by the Local Government Act, Letters Patent and its own bylaws. It is tax-exempt pursuant to the Canadian Income Tax Act.

The Improvement District is empowered to levy taxes to support the provisions of fire protection, the operation of the Mayne Island Health Centre and the provision of garbage collection and disposal services to the community of Mayne Island. Fire protection consists of prevention services, fire control, medical first response and public education. The Health Centre facility and heliport are maintained by the Improvement District while the operations are carried out by other parties, including Mayne Island Health Centre Association (MIHCA). Garbage collection and disposal, as included in the original mandate, is not provided by the Improvement District and is provided by independent operator(s). The Improvement District does not collect taxes for the provision of garbage collection and disposal services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian public sector accounting standards (PSAS) as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants Canada.

Fund accounting

Operating Funds - Fire Protection and Health Centre

The Operating Fund reports the revenues and expenses related to fire protection, administration and the Health Centre (including heliport). The operating fund also accounts for the net bank debt and long term debt and the associated costs for these, unless considered construction costs. Costs specific to one function only are charged to the specific cost centre. When costs relate to the entire Improvement District, the expenses are allocated 65% to fire department administration expenditures and 35% to the Health Centre.

Previously the expenses were allocated 35% to Fire Protection, 30% to Governance of the Fire Protection operations, and 35% to the Health Centre. Comparative amounts have been reclassified to conform to the current year's presentation. Expenditures relating to both Fire Protection and Governance have been combined and reclassified to Administration Expenditures.

Tangible Capital Assets Fund

The Tangible Capital Assets Fund reports the assets, liabilities, revenues, and expenses related to Mayne Island Improvement District's capital assets for fire protection and the Health Centre. Bank debt and long term debt relating to the fire hall building are considered part of the applicable operating fund.

Renewal Reserve Funds

The Renewal Reserve Funds are funds established through bylaw for the upgrading, replacement or renewal of existing works. The funds, as well as interest earned on the funds, are held in separate interest earning cash or cash equivalent accounts. Expenditures may only be made from these funds after a bylaw is approved by the trustees of the Improvement District.

Measurement uncertainty

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. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

(continues)

MAYNE ISLAND IMPROVEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2025

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

Revenue recognition

The Improvement District collects taxes for Fire Protection and the Mayne Island Health Centre. The provincial government distributes the taxes collected for fire protection as an annual statutory advance in July. In addition, the provincial government collects taxes for the capital advance tax levy which is distributed directly to offset the long term debt held with the provincial government. Other revenues, including tax revenues, are recorded in the period in which the transaction or events that gave rise to the revenues occurred. Expenditures are recorded in the period that the goods and services are acquired and a liability is incurred.

Restricted contributions (if any) are recognized as revenue in the year in which the related expenses are incurred. When the related expenses have not been incurred, the restricted contribution is recognized as deferred revenue on the statement of financial position.

Budget

The budget reflects the Statutory Annual Budget as adopted by the Improvement District and is not subject to review or audit.

Financial instruments

The Improvement District's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable, and long term debt. The carrying amounts of these financial instruments approximates their fair value. The Improvement District records accrued interest on the long term debt to reflect the balance as at year end.

Unless otherwise noted, it is management's opinion that the Improvement District is not exposed to significant interest, liquidity or credit risk arising from these financial instruments.

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: One-half amortization charged in the year of acquisition.

Land	N/A	non-depreciable
Building - Health Centre	4%	declining balance method
Building - Fire Hall	40 years	straight-line method
Computer equipment	2 years	straight-line method
Equipment and furniture	5 years	straight-line method
Fire fighting clothing	10 years	straight-line method
Fire fighting equipment	10 years	straight-line method
Generator	20 years	straight-line method
Heliport	20 years	straight-line method
Paving	20 years	straight-line method
Radios and pagers	5 years	straight-line method
Vehicles	10 years and 20 years	straight-line method
Water access and equipment	10 years	straight-line method
Water storage	20 years	straight-line method

The Improvement District regularly reviews its tangible capital assets to eliminate obsolete items. The tangible capital assets are considered for their fair value and any impairments are expensed. There were no impairments during the year.

Tangible capital assets acquired or constructed during the year but not placed into use are not amortized. There are currently no assets under construction.

MAYNE ISLAND IMPROVEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2025

3. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
<u>Fire Protection</u>				
Land	\$ 4,690	\$ -	\$ 4,690	\$ 4,690
Building - Fire Hall	2,581,764	642,630	1,939,134	2,003,678
Computer equipment	51,893	51,893	-	105
Equipment and furniture	22,677	22,677	-	-
Fire fighting clothing	56,010	56,010	-	-
Fire fighting equipment	399,098	399,098	-	11,315
Generator	108,073	98,404	9,669	15,072
Paving	151,500	59,213	92,287	99,862
Radios and pagers	15,587	15,587	-	-
Vehicles	1,728,610	904,641	823,969	265,948
Water access and equipment	56,770	56,770	-	-
Water storage	55,197	55,197	-	-
	<u>5,231,869</u>	<u>2,362,120</u>	<u>2,869,749</u>	<u>2,400,670</u>
<u>Health Centre</u>				
Building - Health Centre	612,433	334,125	278,308	289,904
Building - Morgue Facility	7,574	379	7,195	-
Computer equipment	23,627	23,627	-	-
Equipment	595	595	-	-
Heliport	60,173	55,293	4,880	7,889
Water system	10,682	6,970	3,712	4,247
	<u>715,084</u>	<u>420,989</u>	<u>294,095</u>	<u>302,040</u>
	<u>\$ 5,946,953</u>	<u>\$ 2,783,109</u>	<u>\$ 3,163,844</u>	<u>\$ 2,702,710</u>

4. CAPITAL ASSET PURCHASE - BYLAW NO. 222

The Improvement District entered into an agreement and paid a deposit towards the purchase of a Fire Engine. Bylaw No. 222 was passed on November 19, 2024, cited as "Authorization to Execute Agreements to complete purchase of and insure Fire Apparatus Maximetal Paragon Fire Engine - Stock Truck INC4594 to be known as "Engine 3". This purchase was deemed necessary to meet the service delivery mandate of Mayne Island Volunteer Fire Department. The total cost of \$656,432 (including taxes) was invoiced in January 2025 and Engine 3 was delivered February 2025. The amounts have been paid during the year end using Fire Department renewal reserve funds (Bylaw No. 221). See Note 6.

MAYNE ISLAND IMPROVEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2025

5. LONG TERM DEBT

	2025	2024
Bylaw 167 - Capital Tax Advance issued, for the purpose of financing the construction of the new fire hall, in the amount of \$2,400,000, requiring annual payments of loan bearing interest at 3% per annum, repayable in annual blended payments of \$159,606, beginning in 2016 through 2035.	\$ 1,361,468	\$ 1,476,771
Accrued interest	19,471	21,120
	\$ 1,380,939	\$ 1,497,891

Principal repayment terms for the next five years are approximately:

2026	\$ 118,762
2027	122,324
2028	125,994
2029	129,774
2030	133,667
	\$ 630,521

Tax levies are collected by the BC provincial government and applied directly each July to the debt held with the provincial government.

Interest on long term debt is not budgeted and the annual payment has not changed.

6. RENEWAL RESERVE FUNDS

Changes to renewal reserve funds for the year, are as follows:

	Fire Protection Renewal Reserve	Health Centre Renewal Reserve	2025
Budget transfer - as per approved budget	\$ 124,000	\$ 13,300	\$ 137,300
Revenue - Interest earned on renewal accounts	10,682	3,828	14,510
Bylaw 221 - Fire Engine 3 deposit (see note below)	(590,789)	-	(590,789)
Other renewal fund transfers	19,600	7,872	27,472
	(436,507)	25,000	(411,507)
FUND SURPLUS, BEGINNING OF YEAR	727,575	108,484	836,059
FUND SURPLUS, DECEMBER 31, 2025	\$ 291,068	\$ 133,484	\$ 424,552

Renewal reserve funds are held in separate interest earning cash or cash equivalent accounts in accordance to the the Improvement District's policies.

Bylaws where all funds have not been spent or the work not yet completed, may not yet be finalized by the year end. The expenditures included are actual expenditures incurred.

Bylaw No. 221 - "2024 Capital Works Reserve Fund Disbursement Bylaw (Engine 3)" was passed November 2024 to appropriate \$656,432 from the Renewal Reserve Funds. The deposit of \$65,643 was paid in the current year and the remainder was paid in the subsequent year. See Note 4.

MAYNE ISLAND IMPROVEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2025

7. LEASE COMMITMENTS

The Improvement District holds a lease as landlord for the portion of the Health Centre premises leased to Vancouver Island Health Authority ("VIHA" - also known as Island Health). The lease is for the period of five (5) years from April 1, 2022, expiring on March 31, 2027. The lease has a first and a second renewal terms of an additional five (5) year renewal period each, with the same terms and conditions except for the rates which are to be updated to the then-fair market rent. The lease provides a base rent and an additional rent of the tenant's proportionate share of expenses, as set out by the lease agreement.

The Improvement District entered into a lease as the lessor with the Mayne Island Volunteer Firefighters' Association in December 2023 commencing January 1, 2024 for the period of ten (10) years ending on January 1, 2034. The lease included an additional portion of land but in all other aspects is the same terms as the prior lease entered into in 2014. Water and sewer is supplied by the Improvement District and all other expenses, costs and improvements relating to this land and building are to be borne by the tenant.

8. OTHER COMMITMENTS

The Improvement District has entered into various contracts and agreements with individuals, companies and other organizations for maintenance, cleaning, gardening and general care of the facilities as well as general operating matters for the Improvement District. These agreements are under normal operations and have been approved by the trustees of the Improvement District.

The Improvement District has a signed Facility Access Agreement with the Capital Regional District ("CRD"). The purpose of this agreement is for the CRD to gain access to Improvement District property for the purpose of operating an ongoing communications centre, or in an event of an emergency, an operations centre. The Access Agreement signed in 2017 is for 40 years, with the revenue received in the year signed for the entire period.

MAYNE ISLAND IMPROVEMENT DISTRICT

FIRE PROTECTION EXPENDITURES

(Schedule 1)

Year Ended December 31, 2025

	Budget 2025	2025	Total 2024
FIRE PROTECTION EXPENDITURES			
Administration Expenditures			
Audit fees	\$ 8,350	\$ 5,490	\$ 8,320
Bank charges	2,000	2,094	2,035
Insurance	1,235	1,208	1,211
IT maintenance, security, hardware and software	28,140	26,618	31,603
Legal	2,000	-	3,876
Newsletters and bulletins	500	142	145
Office supplies and equipment	-	2,531	3,331
Public meetings, freedom of information, misc	-	200	250
Telecommunications	7,576	7,471	7,440
Training and continuing education	2,500	1,591	1,914
Travel	200	146	-
Wages and benefits - administration	96,393	81,806	75,654
	<u>148,894</u>	<u>129,297</u>	<u>135,779</u>
Building Expenditures			
Building repairs and maintenance	30,938	24,312	31,893
Insurance	21,000	20,827	20,456
Interest on long term debt (Note 5)	-	42,654	46,123
Utilities	8,000	8,997	7,807
	<u>59,938</u>	<u>96,790</u>	<u>106,279</u>
Fire Department			
Appreciation and awards	4,500	3,549	3,638
Education and training	28,175	15,672	51,405
Equipment maintenance and supplies	45,082	31,903	42,130
Firefighter clothing	6,113	5,068	1,569
Fire prevention education	2,500	1,756	1,434
Subscriptions and dues	-	600	397
Travel	500	593	252
Vehicle fuel and insurance	13,100	14,040	8,798
Vehicle repairs and maintenance	15,000	18,870	17,699
Wages and benefits - firefighters	377,887	359,778	373,961
	<u>492,857</u>	<u>451,829</u>	<u>501,283</u>
Total Fire Protection Expenditures	<u>\$ 701,689</u>	<u>\$ 677,916</u>	<u>\$ 743,341</u>

See notes to financial statements

MAYNE ISLAND IMPROVEMENT DISTRICT

HEALTH CENTRE EXPENDITURES

(Schedule 2)

Year Ended December 31, 2025

	Budget 2025	2025	Total 2024
HEALTH CENTRE EXPENDITURES			
Audit fees	\$ 4,550	\$ 3,010	\$ 4,480
Bank charges	2,000	1,877	2,142
Building repairs and maintenance	32,756	31,893	35,493
Heliport operations and insurance	4,400	3,486	3,271
IT maintenance, security, hardware and software	11,550	12,636	16,567
Insurance	9,665	9,977	9,546
Maintenance contract	6,090	6,567	4,431
Office supplies	6,957	4,740	4,558
Telecommunications	991	1,334	1,028
Utilities	4,200	3,625	3,864
Wages and benefits - administration	51,904	43,618	43,466
Water system	1,000	1,691	237
Total Health Centre Expenditures	\$ 136,063	\$ 124,454	\$ 129,083

MAYNE ISLAND IMPROVEMENT DISTRICT
STATEMENT OF FIRE PROTECTION OPERATIONS
Year Ended December 31, 2025

(Schedule 3)

	Budget 2025	Total 2025	Total 2024
REVENUES			
Fire Protection Tax Levies	\$ 797,689	\$ 797,688	\$ 769,035
Capital Tax Advance Levies	-	159,606	159,606
Burn Permit Sales	5,500	5,300	5,560
Operating interest and other revenue	5,000	10,168	14,258
Interest Revenue on Reserve Funds	17,500	10,682	34,964
	<u>825,689</u>	<u>983,444</u>	<u>983,423</u>
EXPENSES			
Fire Protection Expenditures (Schedule 1)	701,689	677,916	743,341
Amortization	-	158,049	155,288
	<u>701,689</u>	<u>835,965</u>	<u>898,629</u>
SURPLUS FROM OPERATIONS PRIOR TO TRANSFERS	<u>\$ 124,000</u>	<u>\$ 147,479</u>	<u>\$ 84,794</u>

**MAYNE ISLAND IMPROVEMENT DISTRICT
STATEMENT OF HEALTH CENTRE OPERATIONS
Year Ended December 31, 2025**

(Schedule 4)

	Budget 2025	Total 2025	Total 2024
REVENUES			
Health Centre Tax Levies	\$ 121,954	\$ 112,594	\$ 107,849
Rental Revenue	28,368	29,868	38,930
Penalties & Interest on Tax Levies	3,400	3,884	3,707
Operating interest and other revenue	2,000	2,321	2,490
Interest Revenue on Reserve Funds	3,000	3,828	4,753
	<u>158,722</u>	<u>152,495</u>	<u>157,729</u>
EXPENSES			
Health Centre Expenditures (Schedule 2)	136,063	124,454	129,083
Amortization	-	15,518	15,622
	<u>136,063</u>	<u>139,972</u>	<u>144,705</u>
SURPLUS (DEFICIT) PRIOR TO TRANSFERS	<u>\$ 22,659</u>	<u>\$ 12,523</u>	<u>\$ 13,024</u>

MAYNE ISLAND IMPROVEMENT DISTRICT
STATEMENT OF CHANGES IN ANNUAL SURPLUS (DEFICIT)
Year Ended December 31, 2025
(Schedule 5)

	Fire Protection 2025	Health Centre 2025	Tangible Capital Assets 2025	Renewal Reserve Funds 2025	Total 2025	Total 2024
ACCUMULATED SURPLUS (DEFICIT) BEGINNING OF YEAR	\$ (1,146,814)	\$ 13,060	\$ 2,702,711	\$ 836,059	\$ 2,405,016	\$ 2,307,196
Annual Surplus (Deficit)	147,478	12,523	-	-	160,001	97,820
	(999,336)	25,583	2,702,711	836,059	2,565,017	2,405,016
Amortization of tangible capital assets	158,049	15,519	(173,568)	-	-	-
Transfers to (from) renewal reserve funds	(198,194)	(25,000)	634,701	(411,507)	-	-
	(40,145)	(9,481)	461,133	411,507	-	-
ACCUMULATED SURPLUS (DEFICIT) END OF YEAR	\$ (1,039,481)	\$ 16,102	\$ 3,163,844	\$ 424,552	\$ 2,565,017	\$ 2,405,016

(Note 6)