



qathet
REGIONAL DISTRICT

BRITISH COLUMBIA

Financial Statements

For the year ended December 31, 2025





qathet
REGIONAL DISTRICT

Financial Statements for the year ending December 31, 2025

Management's Responsibility for the Financial Statements

Independent Auditor's Report

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qathet REGIONAL DISTRICT

Management's Responsibility for the Financial Statements

The accompanying financial statements of the qathet Regional District have been prepared in accordance with the Canadian public sector accounting standards and are outlined under significant accounting policies in the notes to the financial statements. Management is responsible for the integrity and objectivity of these statements as well as the supplementary schedules. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management maintains a system of internal controls 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. Management also maintains a program of proper business compliance. These systems are regularly monitored and evaluated by management.

The Board of Directors is responsible for reviewing and approving the financial statements and for ensuring that management fulfils its responsibility for financial reporting and internal control.

The financial statements have been audited by MNP LLP, independent external auditors appointed by the qathet Regional District. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the qathet Regional District's financial statements.

Chief Administrative Officer

Chief Financial Officer

To the Board of Directors of the qathet Regional District:

Opinion

We have audited the financial statements of qathet Regional District (the "Regional District"), which comprise the statement of financial position as at December 31, 2025, and the statements of operations, changes in net debt, summary of function balances and accumulated surplus and cash flows for the year then ended, and notes to the financial statements, including Schedules I to IV, and a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Regional District as at December 31, 2025, and the results of its operations, net debt and its 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 Financial Statements section of our report. We are independent of the Regional 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 opinion.

Other Information

Management is responsible for the other information, comprising the annual report, which is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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.

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

Those charged with governance are responsible for overseeing the Regional 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 Regional 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 Regional 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 Regional 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.

Nanaimo, British Columbia

May 12, 2026

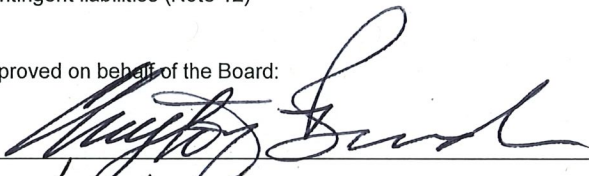
MNP LLP


Chartered Professional Accountants

qathet Regional District
 Statement of Financial Position
 As at December 31, 2025

	<u>2025</u>	<u>2024</u>
Financial Assets		
Cash and short-term investments (Note 3)	\$ 31,584,959	\$ 24,030,369
Receivable from member municipality (Notes 6 & 7)	30,588,411	31,578,313
Accounts receivable	1,202,914	1,976,878
Total Financial Assets	<u>63,376,284</u>	<u>57,585,560</u>
Liabilities		
Accounts payable (Note 19)	3,182,786	1,982,451
Due to qathet Regional Hospital District (Notes 3 & 20)	10,664,895	9,083,376
Development cost charges	10,922	10,587
Deferred revenue	210,773	231,100
Long-term debt (Note 6)		
Member municipality	30,588,411	31,578,313
Regional District	13,019,777	6,779,181
Equipment financing and short term debt (Notes 4 & 5)	4,278,529	7,915,446
Asset retirement obligation (Note 8, Schedule II)	1,575,171	1,549,389
Total Liabilities	<u>63,531,264</u>	<u>59,129,843</u>
Net Debt	<u>(154,980)</u>	<u>(1,544,284)</u>
Non-Financial Assets		
Tangible capital assets (Schedule I)	49,706,984	45,376,030
Prepaid expenses	394,651	341,775
Total Non-Financial Assets	<u>50,101,635</u>	<u>45,717,805</u>
Accumulated surplus (Note 14)	<u>\$ 49,946,655</u>	<u>\$ 44,173,521</u>
Commitments (Note 11)		
Contingent liabilities (Note 12)		

Approved on behalf of the Board:


 _____ Chair


 _____ Chief Financial Officer

qathet Regional District
Statement of Operations
For the year ended December 31, 2025

	2025 Budget (Note 18)	2025 Actual	2024 Actual
Revenue			
Taxation levies	\$ 13,350,385	\$ 13,350,384	\$ 11,988,416
Parcel tax	476,616	476,615	461,062
Grants	4,581,144	3,809,072	2,683,471
Waste management tipping fees	1,970,160	2,292,411	1,716,399
Park fees	252,400	244,109	240,112
Water and sewer user fees	201,355	202,102	193,742
Interest revenue	272,286	510,780	739,620
Other revenue	744,195	844,058	796,593
Gain (loss) on disposal of tangible capital assets	-	9,399	(7,852)
Gain from actuarial adjustment on debenture debt	14,557	14,438	12,336
	<u>21,863,098</u>	<u>21,753,368</u>	<u>18,823,899</u>
Expenses (Note 22)			
General government services	4,749,799	2,868,537	2,903,098
Development services	889,399	624,241	545,593
Solid waste management and recycling	5,221,567	5,722,779	4,439,632
Other services	887,895	917,212	822,224
Parks and recreation services	2,482,797	2,344,724	2,281,780
Protective services	3,077,006	2,820,388	3,003,336
Public health and welfare services	116,713	140,609	142,694
Transportation services	235,077	183,308	202,501
Water services	161,065	158,593	156,319
Sewer services	206,539	199,843	186,106
	<u>18,027,857</u>	<u>15,980,234</u>	<u>14,683,283</u>
Annual Surplus	3,835,241	5,773,134	4,140,616
Accumulated surplus, beginning of year	44,173,521	44,173,521	40,032,905
Accumulated surplus, end of year (Note 14)	<u>\$ 48,008,762</u>	<u>\$ 49,946,655</u>	<u>\$ 44,173,521</u>

qathet Regional District
Statement of Changes in Net Debt
For the year ended December 31, 2025

	2025 Budget <u>(Note 18)</u>	2025 Actual	2024 Actual
Annual Surplus	\$ 3,835,241	\$ 5,773,134	\$ 4,140,616
Acquisition of tangible capital assets	(6,865,423)	(5,901,671)	(6,965,056)
Amortization of tangible capital assets	-	1,590,329	970,313
Accretion of asset retirement obligations	-	(30,715)	(29,081)
Proceeds from sale of tangible capital assets	-	20,502	-
Gain (loss) on disposal of tangible capital assets	-	(9,399)	7,852
Change in prepaid expenses	-	(52,876)	27,852
Change in net financial assets (net debt)	(3,030,182)	1,389,304	(1,847,504)
Net financial assets (net debt) , beginning of year	(1,544,284)	(1,544,284)	303,220
Net debt, end of year	\$ (4,574,466)	\$ (154,980)	\$ (1,544,284)

qathet Regional District
Statement of Cash Flows
For the year ended December 31, 2025

	<u>2025</u>	<u>2024</u>
Cash provided (used in)		
Operating Transactions.		
Annual surplus	\$ 5,773,134	\$ 4,140,616
Landfill closure and post closure recoveries (costs)	(4,933)	1,292
Items not involving cash		
Amortization of tangible capital assets	1,590,329	970,313
Gain on disposal of tangible capital assets	(9,399)	7,852
Gain from actuarial adjustment on debenture debt	(14,438)	(12,336)
Changes in balances		
Accounts receivable	773,964	(187,663)
Prepaid expenses	(52,876)	27,852
Accounts payable	1,200,335	(1,359,231)
Deferred revenue	(20,327)	(100,557)
	<u>9,235,789</u>	<u>3,488,138</u>
Capital Transactions		
Proceeds from sale of tangible capital assets	20,502	-
Acquisition of tangible capital assets	(5,901,671)	(6,965,056)
	<u>(5,881,169)</u>	<u>(6,965,056)</u>
Financing Transactions		
Debt proceeds	3,027,908	1,702,833
Change in due to qathet Regional Hospital District	1,581,518	1,405,895
Development cost charges	335	515
Repayment of long-term debt, leases and short-term borrowing	(409,791)	(381,398)
	<u>4,199,970</u>	<u>2,727,845</u>
Increase (decrease) in cash and short-term investments during the year	<u>7,554,590</u>	<u>(749,073)</u>
Cash and short-term investments, beginning of year	<u>24,030,369</u>	<u>24,779,442</u>
Cash and short-term investments, end of year (Note 3)	<u>\$ 31,584,959</u>	<u>\$ 24,030,369</u>

qathet Regional District
 Summary of Function Balances and Accumulated Surplus
 For the year ended December 31, 2025

	2025	2024
Function Balances		
Administration and general	\$ 608,249	\$ 314,784
Planning	40,000	40,000
Waste management	490,000	(466,842)
Cemetery operations	24,667	30,000
Parks operations	85,286	-
Malaspina fire protection area	157,195	45,000
Lasqueti fire protection area	105,388	149,092
Savary fire protection area	-	40,000
Northside fire protection	13,000	30,000
Emergency telephone (911) services	9,416	17,756
Texada medical clinic	-	-
Texada recreation commission	(10,020)	-
Texada airport	23,000	57,000
House numbering	(6,192)	7,235
Recreation program	1,385	94
Rural paratransit	51,041	33,068
Emergency program area C & D	-	50
Electoral area feasibility study	18,641	20,000
Library services	-	-
Lasqueti Island library services	-	1
Savary Island public marine transportation facilities	-	-
Texada Island public marine transportation facilities	-	-
Lasqueti Island marine ramp	4,000	-
Northside recreation	123,000	55,000
Emergency preparedness service	-	(18,602)
Septage sludge disposal	14,055	1
Economic development	(480)	3,845
Water fund - Myrtle pond	28,000	29,783
Sewer fund - Lund sewer	40,000	20,000
Texada heritage commission	-	-
Regional animal shelter	-	-
Development service	60	14,525
Social planning	2,770	31,864
Sub-regional recreation service	6,119	-
Lasqueti health center	-	-
Heritage conservation	-	-
Total function balances	1,828,580	453,654
Waste management reserve (Note 14)	873,334	-
Reserve for future expenditure (Note 14)	8,548,197	8,222,279
Statutory reserve fund (Note 14)	7,654,397	6,152,001
Equity in tangible capital assets (Note 13)	31,042,147	29,345,587
Accumulated surplus (Note 14)	49,946,655	\$ 44,173,521

**qathet Regional District
Notes to Financial Statements
Year ended December 31, 2025**

1 Summary of Significant Accounting Policies

qathet Regional District ("the Regional.District") is a local government in the Province of British Columbia. The Regional District prepares its financial statements in accordance with Canadian public sector standards using guidelines developed by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants.

Following is a summary of the significant accounting policies of the Regional District:

a) Cash and Short Term Investments

Cash and cash equivalents are carried at cost and have a maturity period of less than twelve months.

b) Revenue Recognition

Property tax revenues in the form of local government requisitions are recognized in the year they are levied. Interest and operating grants are recognized as earned. Grants in lieu of taxes are recorded on an accrual basis when it is possible to reasonably estimate the amounts receivable. Revenue from transactions with performance obligations are recognized when (or as) the performance obligation is satisfied. User fees, transit, tipping fees and hangar lease fees are recognized as revenue at the time the services or products are provided, and when collection is reasonably assured in accordance with rates set in various fees and charges bylaws and agreements. Other revenues are recorded when earned.

Taxation

Property taxes in the form of local government requisitions are recognized as revenue in the year they are levied.

Development Cost Charges

Development cost charges are recognized as revenue in the year the capital project for which they were collected is undertaken.

Government Transfers

Government transfers, are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue if the transfer stipulations give rise to a liability. The transfer revenue is recognized in the statement of operations as the stipulated liabilities are settled.

When the Regional District is deemed the transferor, the transfer expense is recognized when the recipient is authorized and has met the eligibility criteria.

The most significant government transfers relate to the Community Works Fund. These funds are recognized as revenue in the year the funds are received.

c) Accrued Employee Benefits

Based on obligations as determined by collective agreement and Board policy, employee benefit accruals, which includes allowance for vacation entitlement, banked time and sick day accruals, are recorded in the year in which they are earned.

**qathet Regional District
Notes to Financial Statements
Year ended December 31, 2025**

d) Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the contribution, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is put into use.

Estimated useful lives of tangible capital assets are as follows:

Land improvements	10 to 50 years
Parks infrastructure	35 years
Buildings	20 to 50 years
Machinery and equipment	5 to 35 years
Vehicles	10 to 30 years
Water systems	10 to 80 years
Sewer systems	10 to 80 years
Structures (docks and sheds)	40 to 50 years
Asset Retirement Obligations	28 years

e) Interest on Debt

Interest on debt of the Regional District is recorded on the accrual basis.

f) Financial Instruments

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

At initial recognition, the Regional District may irrevocably elect to subsequently measure any financial instrument at fair value. The Regional District has made such an election during the year.

The Regional 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. 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 measurements of financial assets measured at fair value are reported in the statement of remeasurement gains and losses.

The Regional District has not presented a statement of remeasurement gains and losses as it does not have any items giving rise to remeasurement gains (losses).

**qathet Regional District
Notes to Financial Statements
Year ended December 31, 2025**

g) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

h) Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported results could differ from management's best estimates as additional information becomes available in the future. Areas requiring the greatest degree of estimation include useful life of tangible capital assets and asset retirement obligations.

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). The best estimate of the liability is based upon assumptions and estimates related to the amount and timing of costs for future asset retirement.

Changes to the underlying assumptions and estimates or legislative changes in the near term could have a material impact on the provision recognized.

i) Asset Retirement Obligations

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible asset (or component thereof) at the financial statement date when there is a legal obligation for the Regional 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 Regional District reviews the carrying amount of the liability. The Regional 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 Regional 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.

j) Contaminated Sites

The Regional District is required to accrue a liability for the costs to remediate a contaminated site. Liabilities are recognized when an environmental standard exists, contamination exceeds the standard, the government has responsibility for remediation, future economic benefits will be given up and a reasonable estimate can be made.

Management has assessed its potential liabilities under the standard including sites no longer in productive use and sites for which the Regional District accepts responsibility. There were no such sites that had contamination in excess of an environmental standard which required remediation, therefore no liability exists at December 31, 2025.

**qathet Regional District
Notes to Financial Statements
Year ended December 31, 2025**

2 Municipal Finance Authority Reserve Deposits and Demand Notes

The Regional District issues its debt instruments through the Municipal Finance Authority of BC. As a condition of these borrowings, a portion of the debenture proceeds are withheld by the Municipal Finance Authority of BC as a debt reserve fund and totals \$145,136 (2024 - \$78,335). The Regional District also executes demand notes in connection with each debenture totaling \$331,732 (2024 - \$163,797) whereby the Regional District may be required to loan certain amounts to the Municipal Finance Authority of BC. All amounts related to the reserve deposits and demand notes are disclosed here and not recorded elsewhere in these financial statements.

3 Cash and Short-Term Investments

	2025	2024
Cash accounts (2.85%)	\$ 4,360,960	\$ 3,327,776
MFA - Bond Fund	3,903,438	3,320,614
MFA - Money Market	12,321,155	14,103,945
Savings Institutions	10,789,213	3,103,309
Other Cash held	210,193	174,725
	31,584,959	\$ 24,030,369
Less:		
Portion held for qathet Regional Hospital District	(10,664,895)	(9,083,376)
Cash and short-term investments	\$ 20,920,064	\$ 14,946,993

4 Equipment Financing

The total equipment financing outstanding with the Municipal Finance Authority of British Columbia as at December 31, 2025 was \$640,621 (2024 - \$715,446).

The qathet Regional District has entered into equipment financing loans for the following:

- 1) A five year equipment loan agreement with the Municipal Finance Authority of British Columbia which commenced October 27, 2016 for the purchase of a Malaspina Volunteer Fire service fire truck. The debt was refinanced for a further five years on November 1, 2021. The remaining obligation will be repaid with monthly loan payments in the amount of \$3,863 including interest at a daily varying rate. The balance of the loan at December 31, 2025, which is included in equipment financing, is \$137,295 (2024 - \$178,276). Loan to expire October 31, 2026.

- 2) A five year equipment loan agreement with the Municipal Finance Authority of British Columbia which commenced December 21, 2018 for the initial payment on the purchase of two apparatus for the Malaspina Volunteer Fire service. The debt was refinanced for a further five years on January 1, 2024. The remaining obligation will be repaid with monthly loan payments in the amount of \$1,813 including interest at a daily varying rate. The balance of the loan at December 31, 2025, which is included in equipment financing, is \$194,571 (2024 - \$209,529). Loan to expire December 31, 2028.

**qathet Regional District
Notes to Financial Statements
Year ended December 31, 2025**

4 Equipment Financing (continued)

- 3) A five year equipment loan agreement with the Municipal Finance Authority of British Columbia which commenced December 31, 2019 for the balance of the purchase of two fire apparatus for the Malaspina Volunteer Fire service. The debt was refinanced for a further five years on January 1, 2025. The remaining obligation will be repaid with monthly loan payments in the amount of \$2,465 including interest at a daily varying rate. The balance of the loan at December 31, 2025, which is included in equipment financing, is \$308,755 (2024 - \$327,642). Loan to expire December 31, 2029.

The daily varying interest rate on the financing at December 31, 2025 was 2.91% (2024 - 4.8%).

Future loan payments on Regional District equipment financing, subject to anticipated refinancing at loan maturities, are as follows:

2026	\$	76,819
2027		77,945
2028		79,069
2029		55,930
2030		39,481
2031 and Beyond		311,377
	<u>\$</u>	<u>640,621</u>

5 Short-Term Debt

On November 24, 2023 the Regional District entered into an agreement with the Municipal Finance Authority of BC (MFA) to borrow \$980,000. This borrowing is projected to be repaid over a period of five (5) years. Interest on the debt is charged at daily varying rates. The MFA's daily varying rate was 2.91% at December 31, 2025 (2024 - 4.05%). The total borrowing outstanding under this agreement at the end of 2025 was \$610,000 (2024 - \$800,000).

On October 15, 2025 the Regional District entered into an agreement with the Municipal Finance Authority of BC (MFA) to borrow \$2,208,000. This borrowing is projected to be converted to long-term debt in 2026. Interest on the debt is charged at daily varying rates. The MFA's daily varying rate was 2.91% at December 31, 2025 (2024 - 4.05%). The total borrowing outstanding under this agreement at the end of 2025 was \$2,208,000 (2024 - \$0.00).

On April 16, 2025 the Regional District entered into an agreement with the Municipal Finance Authority of BC (MFA) to borrow \$819,908. This borrowing is projected to be converted to long-term debt in 2026. Interest on the debt is charged at daily varying rates. The MFA's daily varying rate was 2.91% at December 31, 2025 (2024 - 4.05%). The total borrowing outstanding under this agreement at the end of 2025 was \$819,908 (2024 - \$0.00).

qathet Regional District
Notes to Financial Statements
Year ended December 31, 2025

6 Long-Term Debt

Debt of the Regional District	2025	2024
Issued 2010, maturing 2030, 1.28%	\$ 23,347	\$ 27,553
Issued 2011, maturing 2026, 1.47%	2,142	4,212
Issued 2012, maturing 2042, 3.39%	380,585	396,780
Issued 2013, maturing 2043, 4.52%	45,848	47,657
Issued 2014, maturing 2044, 4.52%	32,397	33,584
Issued 2018, maturing 2038, 3.20%	145,047	154,064
Issued 2022, maturing 2052, 3.36%	700,390	718,414
Issued 2023, maturing 2053, 4.97%	5,290,021	5,396,917
Issued 2025, maturing 2045, 3.73%	6,400,000	-
Debt of the qathet Regional District	13,019,777	6,779,181
Debt of the City of Powell River	30,588,411	31,578,313
	\$ 43,608,188	\$ 38,357,494

Future principal repayments on Regional District Debt:

2026	\$ 390,122
2027	401,662
2028	415,830
2029	430,500
2030	445,690
2031 and Beyond	10,935,973
	\$ 13,019,777

7 Debt Recoverable from Municipalities

Pursuant to the *Local Government Act*, the Regional District acts as the agency through which its member municipalities borrow funds from the Municipal Finance Authority of BC (MFA). The annual cost of servicing this debt is recovered entirely from the borrowing member municipality. However, in the event of default the Regional District and the other member municipalities are contingently liable to the MFA for this debt.

8 Asset Retirement Obligations

The Regional District ceased taking waste at the Lasqueti Island Landfill and closure of the site was completed in 2021. A technical analysis projects that the landfill will need to be monitored until 2045. Post closure monitoring costs are estimated at \$11,200 per year from 2025 through 2045. Total post closure monitoring costs at December 31, 2025 are estimated at \$312,523 (2024 - \$315,839).

The total liability for post closure care and monitoring presented is based on the present value of the closure and post closure monitoring costs using a discount rate of 3.71%. The discount rate is based on the average change in the Consumer Price Index from 2021 through 2025. As at December 31, 2025 the present value of the post closure monitoring is estimated at \$208,641 (2024 - \$213,573) and this amount has been set aside in reserves for that purpose.

The Regional District also has a number of assets that contain, or are suspected to contain, hazardous materials and the Regional District is legally required to properly dispose of the assets, or asset components, upon their retirement. The Regional District recognized a liability for the asset retirement obligation and a corresponding amount has been capitalized as an asset retirement cost and added to the carrying value of the assets. The asset retirement cost is amortized on a straight-line basis over the useful life of the assets.

**qathet Regional District
Notes to Financial Statements
Year ended December 31, 2025**

8 Asset Retirement Obligations (continued)

The Regional District estimated the amount of the liability using undiscounted future expenditures estimated to retire the tangible capital assets. The significant assumptions used to determine the best estimate of the liability include:

- Information for each asset with a potential ARO was compiled including: the estimated cost of ARO remediation, the age (or purchase date) of the asset, the useful life for depreciation purposes, the expected ARO obligation year.
- As management does not have plans to retire the assets the undiscounted estimated retirement cost was used.
- Estimates of costs to remediate the assets were derived from publicly available cost estimates, adjusted for the Regional District's location and distance from disposal sites.

9 The North Island 9-1-1 Corporation

The 911 emergency dispatch service is provided by the North Island 9-1-1 Corporation which is owned by the Regional Districts of Comox Valley, Nanaimo, Strathcona, Alberni Clayoquot, Mount Waddington and qathet. The shares in the corporation at December 31, 2025 are held as follows:

Alberni Clayoquot	13.64 shares
Comox Valley	31.26 shares
Mount Waddington	3.53 shares
Nanaimo	24.33 shares
qathet	8.42 shares
Strathcona	18.82 shares

In 2019 the Regional District reassessed its investment in the North Island 9-1-1 Corporation and determined that the investment should not be recorded under the equity method, but under the cost method. The Regional District's shares in the North Island 9-1-1 Corporation have been written down to the initial share value of \$2, retroactive to the date of incorporation. This resulted in a reduction of the investment in North Island 9-1-1 Corporation of \$162,904, and a corresponding reduction in opening accumulated surplus of January 1, 2018.

In 2019 the Regional District determined that it does not have control of the underlying asset, therefore it wrote down the value of the investment to a nominal amount of \$1.

10 Pension Plan

The qathet Regional 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 39,000 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 valuation for the Municipal Pension Plan as of December 31, 2024, indicated a \$2,675 million funding surplus for basic pension benefits on a going concern basis.

qathet Regional District
Notes to Financial Statements
Year ended December 31, 2025

10 Pension Plan (continued)

The next valuation will be as at December 31, 2027, with results available in 2028.

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.

The Regional District paid \$253,932 (2024 - \$223,219) for employer contributions while employees contributed \$234,840 (2024 - \$206,435) to the plan in fiscal 2025.

11 Commitments

The Regional District has the following commitments:

A waste transport service at an estimated cost of \$732,910/year until June 30, 2026.

A waste transport and disposal service at an estimated cost of \$1,011,287/year until December 31, 2026 with automatic renewal for successive three year periods until cancelled with notice.

A recycling depot operating contract at an estimated cost of \$240,000/year until October 31, 2025 with a guarantee that the cost of transportation shall not exceed a total of \$100,000 per year.

A septage sludge disposal service with payments of \$14,337/year until 2025 with annual cost of living indexing until cancelled with notice.

A contribution to the SPCA of \$102,462/year with annual cost of living indexing until cancelled with notice.

An agreement with an estimated annual cost of \$128,000 for the maintenance and operation of Shelter Point Regional Park until March 31, 2028.

An agreement with an estimated annual cost of \$275,845 toward operation of the Heritage Conservation service with no stated termination date.

An agreement for a funding contribution of approximately \$246,620/year toward operation of the Powell River Recreation Complex with a termination date of December 31, 2023.

An agreement with an estimated cost of \$52,326/year for the collection and transportation of Lasqueti Island's residual waste with an expiry date of December 31, 2025.

An agreement with an estimated cost of \$239,955/year for operation of the paratransit service with an expiry date of March 31, 2026.

An agreement with an estimated cost of \$514,054/year for the provision of a library service with an expiry date of December 31, 2028.

An agreement with an estimated cost of \$245,821 for the provision of 911 services in the qathet region for the year 2026.

**qathet Regional District
Notes to Financial Statements
Year ended December 31, 2025**

11 Commitments (continued)

An agreement with an estimated cost of \$819,219 for an RRC operating contract to be completed by June 16, 2029.

An agreement with an estimated cost of \$46,182 for the maintenance and operation of the Haywire Bay campground until September 2026.

12 Contingent Liabilities

There is a lawsuit pending against the Regional District. It is the opinion of management that the amount of settlement for this claim cannot be reasonably estimated, nor can the likelihood of its outcome be known at this time. The final determination of this claim is not expected to materially affect the financial position of the Regional District. Any ultimate settlement will be recorded in the year the settlement occurs.

13 Equity in Tangible Capital Assets

	2025	2024
Equity in tangible capital assets, beginning of year	\$ 29,345,587	\$ 24,667,795
Tangible capital assets additions	27,507,262	7,995,814
Construction in progress completed	(21,605,589)	(1,030,758)
Amortization of tangible capital assets	(1,494,744)	(876,362)
Asset retirement obligations recognized	-	-
Amortization of asset retirement obligations	(64,870)	(64,870)
Asset retirement accretion	(30,715)	(29,081)
Additions funded by debt and equipment financing	(3,027,908)	(1,702,833)
Equipment financing debt proceeds	-	-
Long-term debt payments	159,403	159,313
Short-term debt payments	264,825	234,421
Capital assets disposal	(11,104)	(7,852)
Equity in tangible capital assets, end of year	\$ 31,042,147	\$ 29,345,587

14 Accumulated Surplus

The Regional District segregates its accumulated surplus into the following categories: function balances, provisions for future expenditure (both capital and operating), equity in tangible capital assets, reserve funds and unspent capital funds.

	2025	2024
Function balances	\$ 1,828,580	\$ 453,654
Waste Management Reserve	873,334	-
Reserve for future expenditures	8,548,197	8,222,279
Statutory Reserve fund	7,654,397	6,152,001
Equity in Tangible Capital Assets (Note 13)	31,042,147	29,345,587
	\$ 49,946,655	\$ 44,173,521

The equity in tangible capital assets represents amounts already spent and invested in infrastructure and other tangible capital assets.

**qathet Regional District
Notes to Financial Statements
Year ended December 31, 2025**

14 Accumulated Surplus (continued)

Statutory Reserve funds represent funds set aside by bylaw or board resolution for specific purposes. Details of reserve funds are shown below:

Represented by:	2025	2024
Texada Medical Clinic capital reserve	\$ 182,268	\$ 155,071
Malaspina Volunteer Fire capital reserve	543,485	405,915
Malaspina Volunteer Fire capital reserve #2	724,015	593,167
Lasqueti Island Volunteer Fire capital reserve	395,475	342,407
Northside Volunteer Fire capital reserve	87,514	519,976
Savary Island Volunteer Fire capital reserve	661,599	686,181
Lund Sewer capital reserve	200,014	166,922
Texada Recreation Commission capital reserve	239,497	301,361
Community Works Fund reserve (Note 15)	2,257,528	874,562
Feasibility Studies reserve	43,375	42,044
Community Parks Acquisition reserve	818,796	793,676
Myrtle Pond Water System reserve	286,262	273,128
General Administration reserve	155	151
Regional Parks Acquisition reserve	1,214,414	997,440
	\$ 7,654,397	\$ 6,152,001

15 Community Works Fund

The Regional District has transferred the unspent Community Works funds to a reserve and continues to track the unspent amounts in the Fund. The continuity of the fund is presented in the table below:

	2025	2024
Community Works Fund Reserve, opening balance	\$ 874,562	\$ 1,763,376
Amount received during the year	406,372	406,373
Interest earned	67,441	87,641
	1,348,375	2,257,390
Less: Adjustment (amounts spent)	909,153	(1,382,828)
Community Works Fund Reserve, closing balance	\$ 2,257,528	\$ 874,562

16 COVID-19 Safe Restart Grant

The Regional District received a grant of \$424,000 in 2020 and further grant funding of \$117,000 in 2021 under the COVID-19 Safe Restart Grant for Local Governments. Unspent funds have been transferred to a reserve for future expenditure. The continuity of the funding is presented in the table below:

	2025	2024
COVID-19 Safe Restart Grant, opening balance	\$ 12,794	\$ 12,171
Amount received during the year	-	-
Interest earned	405	623
	13,199	12,794
Less: Amount spent	-	-
COVID-19 Safe Restart Grant, closing balance	\$ 13,199	\$ 12,794

**qathet Regional District
Notes to Financial Statements
Year ended December 31, 2025**

17 Growing Communities Fund

The Regional District received a grant of \$1,367,000 in 2023 through the BC Growing Communities Fund for Local Governments. Unspent funds have been transferred to a reserve for future expenditure. The continuity of the funding is presented in the table below:

	2025	2024
Growing Communities Fund, opening balance	\$ 1,495,821	\$ 1,423,016
Amount received during the year	-	-
Interest earned	47,342	72,805
	<u>1,543,163</u>	<u>1,495,821</u>
Less: Amount spent	-	-
Growing Communities Fund, closing balance	<u>\$ 1,543,163</u>	<u>\$ 1,495,821</u>

18 Budget Figures

Budget Figures represent the Financial Plan Bylaw No. 600,2025 adopted by the Board on March 26, 2025.

The financial plan bylaw was prepared on a modified accrual basis while Canadian public sector accounting standards require financial statements to be prepared on a full accrual basis. The financial plan anticipated use of surpluses accumulated in prior years to reduce current year expenditures in excess of current year revenues. In addition, capital acquisitions were recognized as expenditures in the financial plan rather than including amortization expense.

The summary below reconciles the 2025 adopted financial plan to the financial statement budget figures:

	2025
Financial plan bylaw, surplus for the year	\$ -
Less:	
Prior year surplus	(974,206)
Proceeds from new debt	(950,000)
Transfers to / from own funds	(1,631,690)
Add:	
Capital expenditures per budget	6,865,423
Actuarial gains on LT debt	14,557
Repayment of debt	511,157
Adjusted Annual Surplus	<u>\$ 3,835,241</u>

19 Employee Benefit Obligations

In 2024 the union contract was amended to allow employees up to twelve (12) sick days per year. In 2019 the union contract was amended to allow employees to carry over and to bank up to thirty (30) days. The sick days may be used to bridge to weekly indemnity or to top up weekly indemnity to one hundred (100) percent. Sick day accruals will not be paid out at retirement or termination of employment. The liability for this benefit is valued based on the costs of unused entitlements at current wage rates as of December 31, 2025.

During 2025 the qathet Regional District recorded a liability of \$181,537 (2024 - \$119,820) for employee sick leave. This liability is included in accounts payable on the Statement of Financial Position.

20 qathet Regional Hospital District

The board members of the qathet Regional District sit on the board of the qathet Regional Hospital District. The qathet Regional District and the qathet Regional Hospital District are separate legal entities as defined by separate letters patent and authorized by separate legislation.

During 2025, administrative support services supplied to the qathet Regional Hospital District by the qathet Regional District totalled \$100,000 (2024 - \$100,000).

**qathet Regional District
Notes to Financial Statements
Year ended December 31, 2025**

21 Financial Instruments

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

22 Segmented Information

The qathet Regional District is a diversified local government providing a wide range of services to approximately 20,000 residents, including parks, community halls, fire protection, waste management and water and wastewater services. As a requirement of the *Local Government Act*, separate financial records must be maintained for each service providing detailed allocations of assets and liabilities, revenues and expenses, information concerning reserve funds and other pertinent financial details. For each reported segment, revenues and expenses represent amounts that are directly attributable to the segment and also amounts that are allocated on a reasonable basis.

Segmentation has been determined on a functional basis with consideration to service delivery and departmental accountabilities. The following is a description of the types of services included in each of the main service segments of the regional district's financial statements. A detailed summary of the 2025 revenues and expenses can be found in Schedule III of the accompanying financial statements. Schedule IV contains comparative figures for the year ended December 31, 2024.

General Government

General government is comprised of the member municipality and electoral area governance, general administration which includes legislative services, finance, human resources and information systems, electoral area administration, grants in aid and house numbering services.

Development Services

Provides land use planning services to electoral area A, B, C and D. Processes provincial land use and development referrals to determine whether proposed applications comply with the qathet Regional District bylaws and policies. Provides support for initiatives that enhance economic development and social planning within the region.

Solid Waste Management and Recycling

Solid waste management and recycling is responsible for long term planning and management of solid waste throughout the region. The service provides for waste reduction and education programs and operation of the regional district's transfer stations and recycling centres.

Other Services

Other services provides for feasibility studies, operation and maintenance of two cemeteries (Powell River and Woodland), the Texada Island Airport, Savary Island Marine facilities, the Van Anda dock and Lasqueti Island ramp. The services also provide for contributions toward the animal shelter and the operation and maintenance of a seepage disposal facility.

Parks and Recreation

Parks and recreation services provide for the acquisition, development, operation and maintenance of land, buildings, facilities and outdoor spaces to foster recreational activities throughout the region.

Protective services

Protective services provides for the coordination of emergency planning, preparedness, training, response, and recovery for all areas within the region. Services include the operation and maintenance of four volunteer fire departments, provides for road rescue grants, and the 9-1-1 emergency answering service.

Public Health and Welfare

Supports the function of acquiring, operating and maintaining a medical clinic on Texada Island and provides for a contribution toward operation of a health centre on Lasqueti Island.

qathet Regional District
Notes to Financial Statements
Year ended December 31, 2025

22 Segmented Information (continued)

Transportation Services

Transportation services include the Rural Paratransit service - an agreement between the regional district and BC Transit Authority.

Water Service

Supports the operation and maintenance of the Myrtle Pond Water system within a subset of Electoral Area B.

Sewer Service

Supports the operation and maintenance of the Lund Sewer system within a subset of Electoral Area A.

SCHEDULE I

qathet Regional District
Tangible Capital Assets Continuity Schedule
Year Ended December 31, 2025

2025	Land	Land Improvements	Parks Infrastructure	Buildings	Construction in Progress	Machinery & Equipment	Vehicles	Water Systems	Sewer	Structures (Docks and Sheds)	Asset Retirement Obligation	Totals
Cost, beginning of year	\$ 1,983,605	\$ 6,693,123	\$ 202,655	\$ 8,917,711	\$ 22,101,047	\$ 3,077,019	\$ 3,787,055	\$ 2,145,266	\$ 3,078,973	\$ 4,010,627	\$ 1,306,734	\$ 57,303,814
Additions	-	5,766,483	-	15,300,886	4,520,250	985,424	899,022	35,196	-	-	-	27,507,262
CIP Completed	-	-	-	-	(21,605,589)	-	-	-	-	-	-	(21,605,589)
Disposals	-	-	-	(15,574)	-	(17,956)	(229,158)	-	-	-	-	(262,688)
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Cost, end of year	1,983,605	12,459,606	202,655	24,203,023	5,015,707	4,044,487	4,456,919	2,180,462	3,078,973	4,010,627	1,306,734	62,942,799
Accumulated amortization, beginning of year	-	1,172,159	62,995	2,624,341	-	1,984,210	2,028,046	664,645	1,258,809	1,878,747	253,834	11,927,785
Amortization	-	237,009	6,419	696,210	-	178,616	147,313	51,619	72,291	121,104	64,870	1,575,451
Adjustments	-	377	-	(41,526)	-	26,650	(7,829)	(1,967)	11,396	(2,939)	-	(15,837)
Disposals	-	-	-	(7,982)	-	(17,956)	(225,647)	-	-	-	-	(251,584)
Accumulated amortization, end of year	-	1,409,545	69,414	3,271,044	-	2,171,521	1,941,882	714,298	1,342,496	1,996,912	318,704	13,235,815
Net carrying amount, end of year	\$ 1,983,605	\$ 11,050,061	\$ 133,241	\$ 20,931,979	\$ 5,015,707	\$ 1,872,967	\$ 2,515,037	\$ 1,466,165	\$ 1,736,477	\$ 2,013,715	\$ 988,030	\$ 49,706,984

2024	Land	Land Improvements	Parks Infrastructure	Buildings	Construction in Progress	Machinery & Equipment	Vehicles	Water Systems	Sewer	Structures (Docks and Sheds)	Asset Retirement Obligation	Totals
Cost, beginning of year	\$ 1,983,605	\$ 6,655,796	\$ 202,655	\$ 7,587,528	\$ 17,463,181	\$ 2,710,519	\$ 3,595,056	\$ 1,848,063	\$ 3,075,419	\$ 3,935,667	\$ 1,306,734	\$ 50,364,222
Additions	-	37,327	-	1,355,647	5,668,624	366,501	191,998	297,203	3,554	74,960	-	7,995,814
CIP Completed	-	-	-	-	(1,030,758)	-	-	-	-	-	-	(1,030,758)
Disposals	-	-	-	(15,574)	-	-	-	-	-	-	-	(15,574)
Adjustments	-	-	-	(9,890)	-	-	-	-	-	-	-	(9,890)
Cost, end of year	1,983,605	6,693,123	202,655	8,917,711	22,101,047	3,077,019	3,787,055	2,145,266	3,078,973	4,010,627	1,306,734	57,303,814
Accumulated amortization, beginning of year	-	1,045,421	56,575	2,398,779	-	1,858,668	1,896,189	615,666	1,186,260	1,757,644	188,964	11,004,165
Amortization	-	126,738	6,419	243,175	-	125,542	131,857	48,979	72,549	121,102	64,870	941,232
Disposals	-	-	-	(7,722)	-	-	-	-	-	-	-	(7,722)
Adjustments	-	-	-	(9,890)	-	-	-	-	-	-	-	(9,890)
Accumulated amortization, end of year	-	1,172,159	62,995	2,624,341	-	1,984,210	2,028,046	664,645	1,258,809	1,878,747	253,834	11,927,785
Net carrying amount, end of year	\$ 1,983,605	\$ 5,520,964	\$ 139,660	\$ 6,293,370	\$ 22,101,047	\$ 1,092,809	\$ 1,759,009	\$ 1,480,621	\$ 1,820,164	\$ 2,131,881	\$ 1,052,900	\$ 45,376,030

SCHEDULE II

qathet Regional District
 Asset Retirement Obligation Continuity Schedule
 Year Ended December 31, 2025

	2025	2024
Balance, beginning of year	\$ 1,549,389	\$ 1,519,016
Liabilities incurred	-	-
Liabilities settled	-	-
Landfill monitoring in year	(14,313)	(11,443)
Accretion	40,095	41,816
Change in estimated cash flows	-	-
Balance, end of year	\$ 1,575,171	\$ 1,549,389

SCHEDULE III

qathet Regional District
 Schedule of Segment Disclosure by Service
 Year ended December 31, 2025

	General Fund										2025 Actual	2025 Budget (Note 18)	
	General Government Services	Development Services	Solid Waste Management & Recycling	Other Services	Parks and Recreation Services	Protective Services	Public Health & Welfare	Transportation Services	Water Services	Sewer Services			
Revenue													
Taxation levies	\$ 3,161,500	\$ 464,803	\$ 3,343,196	\$ 607,399	\$ 2,409,170	\$ 3,029,490	\$ 147,262	\$ 187,564	\$ -	\$ -	\$ 13,350,384	\$ 13,350,385	
Parcel tax	-	-	-	360,000	-	-	-	-	55,978	60,638	476,615	476,616	
Grants	651,358	68,208	20,977	64,925	2,776,586	227,018	-	-	-	-	3,809,072	4,581,144	
Waste Management Tipping fees	-	-	2,292,411	-	-	-	-	-	-	-	2,292,411	1,970,160	
Park Fees	-	-	-	-	244,109	-	-	-	-	-	244,109	252,400	
Water and Sewer User Fees	-	-	-	-	-	-	-	-	95,249	106,853	202,102	201,355	
Interest Revenue	156,234	29,533	31,145	77,730	96,047	97,656	5,633	-	11,100	5,703	510,780	272,286	
Other Revenue	60,516	1,165	457,045	159,711	76,765	75,732	-	12,725	400	-	844,058	744,195	
Gain (loss) on disposal of tangible capital assets	9,489	-	(7,592)	-	-	7,502	-	-	-	-	9,399	-	
Gain from Actuarial Adjustment on Debenture Debt	-	-	3,814	-	-	6,873	1,465	-	1,558	728	14,438	14,557	
Total Revenue	4,039,097	563,708	6,140,996	1,269,764	5,602,677	3,444,272	154,361	200,289	164,284	173,921	21,753,368	21,863,096	
Expenses													
Personnel costs	1,626,120	311,519	712,603	273,941	443,010	996,772	6,740	5,907	14,389	5,278	4,396,279	5,938,037	
Grants	257,919	-	-	100,354	1,116,981	286,434	43,500	155,144	-	-	1,960,332	2,129,358	
General goods and services	857,814	300,252	3,833,361	369,964	606,140	1,155,284	54,020	21,265	90,746	110,445	7,399,291	8,911,402	
Debt charges	24,241	-	506,643	-	13,474	71,376	6,493	-	2,027	368	624,623	1,007,860	
Transfers to other local government	-	-	-	-	-	-	-	-	-	-	-	-	
Amortization of tangible capital assets	102,444	12,470	660,792	172,953	165,119	310,521	29,856	991	51,431	83,752	1,590,329	-	
Landfill closure/post closure allowances	-	-	9,380	-	-	-	-	-	-	-	9,380	41,200	
Total Expenses	2,868,537	624,241	5,722,779	917,212	2,344,724	2,820,388	140,609	183,308	158,593	199,843	15,980,234	18,027,857	
Annual Surplus (Deficit)	\$ 1,170,560	\$ (60,533)	\$ 418,217	\$ 352,552	\$ 3,257,953	\$ 623,884	\$ 13,751	\$ 16,981	\$ 5,691	\$ (25,922)	\$ 5,773,134	\$ 3,835,241	

SCHEDULE IV

qathet Regional District
 Schedule of Segment Disclosure by Service
 Year ended December 31, 2024

	General Fund										2024 Actual	2024 Budget
	General Government Services	Development Services	Solid Waste Management & Recycling	Other Services	Parks and Recreation Services	Protective Services	Public Health & Welfare	Transportation Services	Water Services	Sewer Services		
Revenue												
Taxation levies	\$ 2,577,254	\$ 328,860	\$ 3,080,577	\$ 578,384	\$ 2,272,539	\$ 2,859,918	\$ 143,432	\$ 147,452	\$ -	\$ -	\$ 11,988,416	\$ 11,989,820
Parcel tax	-	-	-	350,000	-	-	-	-	53,312	57,750	461,062	461,062
Grants	921,659	32,892	914,600	34,539	285,689	481,187	-	12,906	-	-	2,683,471	5,040,235
Waste Management Tipping fees	-	-	1,716,399	-	-	-	-	-	-	-	1,716,399	1,700,455
Park Fees	-	-	-	-	240,112	-	-	-	-	-	240,112	252,400
Water and Sewer User Fees	-	-	-	-	-	-	-	-	90,986	102,757	193,742	191,780
Interest Revenue	201,531	53,226	55,040	103,974	137,752	155,350	7,804	-	18,313	6,630	739,620	285,587
Other Revenue	27,003	905	358,071	141,541	176,266	73,704	1,800	17,303	-	-	796,593	491,383
Gain (loss) on disposal of tangible capital assets	(7,852)	-	-	-	-	-	-	-	-	-	(7,852)	-
Gain from Actuarial Adjustment on Debenture Debt	-	-	-	-	3,233	5,827	1,203	-	1,415	658	12,336	-
Total Revenue	3,719,595	415,883	6,124,688	1,208,438	3,115,590	3,575,986	154,239	177,661	164,026	167,795	18,823,899	20,412,722
Expenses												
Personnel costs	1,625,013	253,678	462,432	220,834	494,958	987,141	7,762	6,360	19,535	3,619	4,081,334	5,681,636
Grants	252,601	-	-	97,811	1,069,288	267,999	43,529	156,920	-	-	1,888,148	2,071,847
General goods and services	860,977	279,444	3,314,634	332,238	558,114	1,387,214	55,008	38,229	85,144	109,507	7,020,509	7,888,399
Debt charges	39,460	-	574,088	-	1,187	87,726	6,493	-	922	368	710,244	875,457
Transfers to other local government	-	-	-	-	-	-	-	-	-	-	-	-
Amortization of tangible capital assets	125,046	12,470	75,742	171,341	158,233	273,256	29,902	992	50,717	72,613	970,313	-
Landfill closure/post closure allowances	-	-	12,735	-	-	-	-	-	-	-	12,735	50,000
Total Expenses	2,903,098	545,592	4,439,632	822,224	2,281,780	3,003,336	142,694	202,501	156,319	186,106	14,683,283	16,567,339
Annual Surplus (Deficit)	\$ 816,498	\$ (129,710)	\$ 1,685,055	\$ 386,214	\$ 833,810	\$ 572,650	\$ 11,545	\$ (24,841)	\$ 7,707	\$ (18,312)	\$ 4,140,616	\$ 3,845,383