

THE CORPORATION OF THE VILLAGE OF CUMBERLAND

STATEMENT OF FINANCIAL INFORMATION

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

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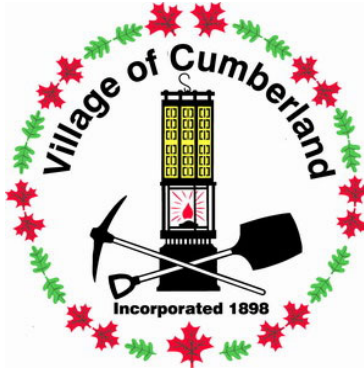
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FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025**

*2025 FINANCIAL STATEMENTS FOR THE CORPORATION OF THE VILLAGE OF CUMBERLAND
ATTACHED*



**THE CORPORATION OF THE
VILLAGE OF CUMBERLAND**

FINANCIAL STATEMENTS

DECEMBER 31, 2025

**THE CORPORATION OF THE
VILLAGE OF CUMBERLAND**

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For the year ended DECEMBER 31, 2025

MANAGEMENT'S RESPONSIBILITY

INDEPENDENT AUDITOR'S REPORT

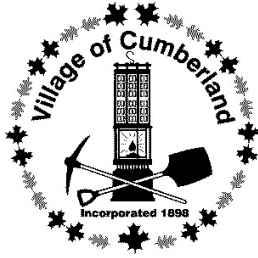
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Corporation of the Village of Cumberland

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cumberland.ca

Management's Responsibility for Financial Reporting

The financial statements have been prepared by management in accordance with 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 and schedules.

Management maintains a system of internal controls to provide reasonable assurance that assets are safeguarded and that transactions are authorized, recorded and reported properly. Management also maintains a program of proper business compliance.

Council is responsible for reviewing and approving the financial statements and for ensuring that management fulfils its responsibilities for financial reporting and internal control.

MNP LLP, Chartered Professional Accountants, the Village's independent auditors, have conducted an examination of the financial statements in accordance with Canadian generally accepted auditing standards and have expressed their opinion in a report accompanying this statement.

A. Bérard-Ball

Annie Bérard-Ball, CPA, CMA, MBA
Director of Corporate Services, Chief Financial Officer,
pursuant to Section 149 of the Community Charter
April XX, 2026

To the Mayor and Council of the Corporation of the Village of Cumberland:

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Municipality as at December 31, 2025, and the results of its operations, changes in its net financial assets 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 Municipality 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, consisting of an 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 do not express any form of assurance conclusion thereon.

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

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 Municipality'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 Municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Municipality'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 Municipality'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 Municipality'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 Municipality 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

April 27, 2026

MNP LLP

Chartered Professional Accountants

THE CORPORATION OF THE VILLAGE OF CUMBERLAND
Statement of Financial Position
As at December 31, 2025

	<u>2025</u>	<u>2024</u>
Financial Assets		
Cash and cash equivalents	\$ 17,617,180	\$ 17,987,407
Property taxes receivable	342,556	349,299
Accounts receivable (Note 2)	2,980,566	2,212,733
Investments (Note 3)	5,775,598	7,317,255
	<u>26,715,900</u>	<u>27,866,694</u>
Financial Liabilities		
Accounts payable and accrued liabilities (Note 4)	4,066,185	2,413,551
Asset retirement obligation liabilities (Note 13)	264,448	297,097
Service and other deposits (Note 5)	1,179,190	1,122,347
Deferred revenue (Note 7)	5,135,833	4,696,735
Debenture and long term-debt (Note 9, Schedule 2)	10,526,330	9,507,276
	<u>21,171,986</u>	<u>18,037,006</u>
Net Financial Assets	<u>5,543,914</u>	<u>9,829,688</u>
Non-financial Assets		
Tangible capital assets (Schedule 1)	87,694,085	80,549,848
Inventories	177,410	173,718
Prepaid expenses	101,350	86,420
	<u>87,972,845</u>	<u>80,809,986</u>
Accumulated Surplus (Note 18)	<u>\$ 93,516,759</u>	<u>\$ 90,639,674</u>
Contingent liabilities (Note 8)		
Contractual rights (Note 19)		

See accompanying notes to the financial statements

Approved by:

V. Brown

Vickey Brown
Mayor

A. Bérard-Ball

Annie Bérard-Ball
Director of Corporate Services,
Chief Financial Officer

THE CORPORATION OF THE VILLAGE OF CUMBERLAND
Statement of Operations and Accumulated Surplus
For The Year Ended December 31, 2025

	2025 Budget (Note 15)	2025 Actual	2024 Actual
Revenue			
Property taxes	\$ 4,753,160	\$ 4,881,928	\$ 4,421,228
Payments in lieu of taxes	59,330	61,286	59,383
Frontage taxes	808,730	827,473	771,824
Sale of services	3,029,540	3,087,087	2,819,532
Transfers from other governments	1,598,910	3,390,488	4,097,698
Services to other governments	518,060	597,327	508,925
Other Revenue	930,490	1,674,702	1,955,048
Development cost charges	99,010	91,393	458,394
Contributed assets	-	-	99,069
	<u>11,797,230</u>	<u>14,611,684</u>	<u>15,191,101</u>
Expenses			
General government services	1,437,820	1,489,189	1,238,991
Transportation services	2,158,760	2,389,920	2,129,698
Protective services	1,113,790	1,127,940	1,123,207
Environmental health services	3,416,830	3,493,500	3,011,717
Public health services	40,750	32,050	29,219
Environmental planning and development	1,107,380	1,232,324	885,531
Recreation and cultural services	2,003,160	1,969,676	1,866,207
	<u>11,278,490</u>	<u>11,734,599</u>	<u>10,284,570</u>
Annual Surplus	<u>518,740</u>	<u>2,877,085</u>	<u>4,906,531</u>
Accumulated Surplus, Beginning of Year	<u>90,639,674</u>	<u>90,639,674</u>	<u>85,733,143</u>
Accumulated Surplus, End of Year	<u><u>\$ 91,158,414</u></u>	<u><u>\$ 93,516,759</u></u>	<u><u>\$ 90,639,674</u></u>

See accompanying notes to the financial statements

THE CORPORATION OF THE VILLAGE OF CUMBERLAND
Statement of Changes in Net Financial Assets
For The Year Ended December 31, 2025

	2025 Budget	2025 Actual	2024 Actual
	(Note 15)		
Annual Surplus	\$ 518,740	\$ 2,877,085	\$ 4,906,531
Amortization of tangible capital assets	1,779,520	2,055,847	1,928,045
Change in supplies inventories	-	(3,692)	(12,196)
Change in prepaid expense	-	(14,930)	(17,957)
Loss on disposal of tangible capital assets	-	39,382	85,350
Acquisition of tangible capital assets	<u>(2,507,770)</u>	<u>(9,239,466)</u>	<u>(6,673,006)</u>
Change In Net Financial Assets	<u>(209,510)</u>	<u>(4,285,774)</u>	<u>216,767</u>
Net Financial Assets, Beginning Of Year	<u>9,829,688</u>	<u>9,829,688</u>	<u>9,612,921</u>
Net Financial Assets, End Of Year	<u><u>\$ 9,620,178</u></u>	<u><u>\$ 5,543,914</u></u>	<u><u>\$ 9,829,688</u></u>

See accompanying notes to the financial statements

STATEMENT D

THE CORPORATION OF THE VILLAGE OF CUMBERLAND
Statement of Cash Flows
For The Year Ended December 31, 2025

	<u>2025</u>	<u>2024</u>
Cash Flows From Operating Transactions		
Annual surplus	\$ 2,877,085	\$ 4,906,531
Non-cash items		
Amortization	2,055,847	1,928,045
Contributed assets	-	(99,069)
Long-term debt actuarial reduction	(66,403)	(56,738)
Loss on disposal of tangible capital assets	39,382	85,349
Change in prepaid expense	(14,930)	(17,957)
Change in inventories	(3,692)	(12,196)
Change in deferred revenue	439,098	(801,091)
Change in working capital		
Change in property taxes receivable	6,743	(37,095)
Change in accounts receivable	(767,833)	(171,850)
Change in accounts payable	1,652,634	(667,379)
Change in asset retirement obligation liability	(32,649)	35,208
Change in service and other deposits	56,843	(37,379)
Cash provided by operating transactions	<u>6,242,125</u>	<u>5,054,379</u>
Cash Flow From Capital Transactions		
Purchase of tangible capital assets	<u>(9,239,466)</u>	<u>(6,573,936)</u>
Cash applied to capital transactions	<u>(9,239,466)</u>	<u>(6,573,936)</u>
Cash Flow From Financing Transactions		
New debt issued	1,534,000	1,577,214
Long-term debt repaid	<u>(448,543)</u>	<u>(443,573)</u>
Cash provided by (applied to) financing transactions	<u>1,085,457</u>	<u>1,133,641</u>
Cash Flow From Investing Transactions		
Change in investments	<u>1,541,657</u>	<u>(2,200,926)</u>
Cash provided by investing transactions	<u>1,541,657</u>	<u>(2,200,926)</u>
Decrease in Cash and Cash Equivalents	(370,227)	(2,586,842)
Cash and Cash Equivalents, Beginning Of Year	<u>17,987,407</u>	<u>20,574,249</u>
Cash and Cash Equivalents, End Of Year	<u><u>\$ 17,617,180</u></u>	<u><u>\$ 17,987,407</u></u>
Interest Included In Operating Transactions		
Interest received in the year	\$ 928,821	\$ 1,340,534
Interest paid in the year	\$ (289,910)	\$ (299,395)

See accompanying notes to the financial statements

The Corporation of the Village of Cumberland (the “Municipality”) was incorporated in 1898 under the provisions of the *British Columbia Municipal Act* and is subject to the provisions of the Community Charter and related legislation. Its principal activities are the provision of local government services to the residents of the Municipality.

1. SIGNIFICANT ACCOUNTING POLICIES

- a) It is the Municipality’s policy to follow Canadian public sector accounting standards (PSAS) as developed by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.
- b) In accordance with PSAS, the Municipality reports a combination of all funds. The financial statements reflect the removal of internal transactions and balances.
- c) Tangible capital assets and other non-financial assets are accounted for as non-financial assets by the Municipality because they can be used to provide municipal services in future periods. These assets do not normally provide resources to discharge liabilities unless they are sold.
- d) Cash and cash equivalents include short-term deposits held both with the Municipal Finance Authority (in its Money Market Fund), First Credit Union, Coastal Community Credit Union and Canaccord Genuity Wealth Management and are carried at cost, which approximates market value. The short-term deposits have maturities of less than 90 days at the time of purchase and/or can be liquidated on demand.
- e) The Municipality recognizes its financial instruments when the Municipality becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at fair value. At initial recognition, the Municipality may irrevocably elect to subsequently measure any financial instrument at fair value. The Municipality has not made such an election during the year.

The Municipality 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 negotiations. 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 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 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 Municipality has not presented a statement of remeasurement gains and losses as it does not have any items giving rise to remeasurement gains or losses.

- f) Inventories are valued at the lower of cost and replacement value.
- g) Sources of Funds for the Municipality
 - i) Tax revenues are recognized in the year that they are levied.
 - ii) Government transfers are recognized as revenues 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. Restricted grants are recognized when the related expenses are incurred and when collection is reasonably assured.
 - iii) Sales of services and other revenue from own sources are recognized when the performance obligation has been satisfied and when the amount can be estimated, and collection is reasonably assured. Sewer and water fees are recognized when the commodity has been used by the customer.
 - iv) Restricted revenues from collections of development cost charges are deferred and then recognized as revenue in the year that an expenditure, authorized by bylaw, is incurred.
- h) The Municipality is statutorily obligated to collect and transmit the tax levies of the following bodies:
 - i) Provincial Government – Schools;
 - ii) Provincial Government – Police;
 - iii) Comox Valley Regional District;
 - iv) Regional Hospital District of Comox Strathcona;
 - v) British Columbia Assessment Authority;
 - vi) Municipal Finance Authority; and
 - vii) Vancouver Island Regional Library.

Such levies are not included in the revenues of the Municipality.

- i) Expenses are recorded in the period in which the goods or services are acquired and a liability is incurred.
- j) The preparation of financial statements in conformity with PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenue and expenditures during the reporting period. Significant areas requiring the use of estimates include the ability to collect property taxes receivable and accounts receivable, obsolete or damaged inventory, amortization of tangible capital assets, post employment benefits, and asset retirement obligation liabilities. Actual results may vary from the estimates and adjustments, if any, will be reported and reflected in operations, as they become known.

- k) The Municipality recognizes the expenses relating to employee benefits in the period in which the employees render the services in return for the benefits, including compensated employee absences that accumulate but do not vest. Absences due to employee illness are paid when an injury or illness occurs, but entitlement to such compensation arises as employees render service. Entitlement to compensated absence due to illness or injury is measured as the expected future utilization of this benefit.
- l) Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Buildings	25-40
Equipment, furniture and vehicles	5-15
Water and waste water plant and networks	
Underground networks	60-100
Plants and lift stations	50-100
Pumping stations and reservoirs	100
Other infrastructure	50-100
Transportation	
Road surfaces	15-25
Road base structure	75
Poles and luminaries	100
Parks and other	
Land improvements	10-40
Playing fields and trails	15-20
Parking lots	10-20

Contributions of tangible capital assets are recorded as an asset at their fair value at the date of receipt and as revenue.

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases and the associated asset is recorded at the lower of the present value of future minimum lease payments or fair value.

m) Liability For Contaminated Sites

Contaminated sites are a result of contamination of a chemical, organic or radioactive material or live organism that exceeds an environmental standard, being introduced into soil, water or sediment. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

- i) an environmental standard exists;
- ii) contamination exceeds the environmental standard;
- iii) the Municipality is directly responsible or accepts responsibility; and
- iv) is directly responsible; or
- v) accepts responsibility; and

vi) a reasonable estimate of the amount can be made.

As at December 31, 2025 and 2024 the Municipality has reported no liabilities related to contaminated sites.

n) Asset Retirement Obligations

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

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 Village reviews the carrying amount of the liability. The Village recognizes the 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 Village 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.

2. ACCOUNTS RECEIVABLE

Accounts receivable is comprised of the following:

	2025	2024
Due from federal government	\$ 1,343,695	\$ 690,864
Due from provincial government	472,510	85,650
Due from other governments	56,156	219,798
Other receivables	1,108,205	1,216,421
	\$ 2,980,566	\$ 2,212,733

3. INVESTMENTS

Investments are comprised of the following:

	<u>2025</u>	<u>2024</u>
First Credit Union Term Deposits with interest rate of 4.90% in 2024; matured August 9, 2025	\$ -	\$ 2,000,000
Coastal Community Credit Union Investment with interest rate of 5.30%; matured September 7, 2025	-	2,214,031
First Credit Union Term Deposits with interest rate of 4.75%; matures February 9, 2026	1,047,449	1,000,000
First Credit Union Term Deposits with interest rate of 3.30% (2024 - 5.55%); matures March 17, 2026	2,219,699	2,103,224
Canaccord Genuity Wealth Management Investment with interest rate of 3.70%; matures July 15, 2026	254,283	-
Canaccord Genuity Wealth Management Investment with interest rate of 3.60%; matures July 15, 2026	254,167	-
First Credit Union Term Deposits with interest rate of 3.55% (2024 – Nil); matures February 18, 2027	2,000,000	-
	<u>\$ 5,775,598</u>	<u>\$ 7,317,255</u>

4. ACCOUNTS PAYABLE

Account payable is comprised of the following:

	<u>2025</u>	<u>2024</u>
Due to federal government	\$ 4,984	\$ 5,082
Due to provincial government	2,439	134,706
Due to other government	5,065	8,662
Salaries, wages and benefits payable (Note 11)	566,032	431,573
Other payables	3,487,665	1,833,528
	<u>\$ 4,066,185</u>	<u>\$ 2,413,551</u>

5. SERVICE AND OTHER DEPOSITS

Service and other deposits are securities and deposits held by the Municipality to ensure performance of requirements under contract or for approval of development or subdivision applications, or to safeguard against damages to facilities and infrastructure. The balance includes deposits collected for building, plumbing and development permits, subdivision and landscaping performance bonds and park and facility rentals.

6. BANK INDEBTEDNESS

The Municipality has an available secured line of credit of \$2 million from the First Credit Union bearing interest at prime. No balance was drawn on the line of credit as at December 31, 2025 (2024 – nil).

7. DEFERRED REVENUE

Included in deferred revenue are contributions from developers collected under the Development Cost Charges (DCC) Bylaw. These contributions will be recognized as revenue in future years when these funds are used for expenditures as permitted by the Development Cost Charges Bylaw and the relevant sections of the Local Government Act, unless otherwise authorized by the Ministry of Housing and Municipal Affairs.

The category Other Deferred includes miscellaneous deferred revenues, grants and donations.

	Balance 31-Dec-24	Collections	Recognized As Revenue	Interest Income	Balance 31-Dec-25
Deferred Revenue – DCC					
Parks	\$ 973,476	\$ 22,216	\$ (4,337)	\$ 32,439	\$ 1,023,794
Roads	328,953	188,589	-	14,467	532,009
Sanitary Sewer	843,263	128,626	(46,127)	31,002	956,764
Storm Drainage	401,808	41,174	(30,600)	13,569	425,951
Waterworks	1,025,620	89,742	(10,329)	35,671	1,140,704
	<u>3,573,120</u>	<u>470,347</u>	<u>(91,393)</u>	<u>127,148</u>	<u>4,079,222</u>
Other Deferred Revenue	1,123,615	1,086,565	(1,189,200)	35,631	\$ 1,056,611
	<u><u>\$ 4,696,735</u></u>	<u><u>\$ 1,556,912</u></u>	<u><u>\$ (1,280,593)</u></u>	<u><u>\$ 162,779</u></u>	<u><u>\$ 5,135,833</u></u>

8. CONTINGENT LIABILITIES

- a) The Municipality’s loan agreements with the Comox Valley Regional District and the Municipal Finance Authority provide that if at any time the scheduled payments required are not sufficient to meet obligations in regards to borrowings, the resulting deficiency becomes a joint and several liability of the Municipality and the other member Municipalities.
- b) The Municipality is involved with a number of legal actions, the outcomes of which cannot be determined at this time. Management has determined that any potential liabilities arising from these outstanding claims are either not significant or will be recovered through property taxes.
- c) As at December 31, 2025, the Municipality has no record of any significant assessment appeals pending with respect to properties.
- d) The Municipality is a Subscribed member of the Municipal Insurance Association of British Columbia (the “Exchange”) as provided by Section 3.02 of the Insurance Act of the Province of British Columbia. The main purpose of the Exchange is to pool the risks of liability so as to lessen the impact upon any Subscriber. Under the Reciprocal Insurance Exchange Agreement the Municipality is assessed a premium and specific deductible for its claims based on population. The obligation of the Municipality with respect to the Exchange and/or contracts and obligations entered into by the Exchange on behalf of its Subscribers in connection with the Exchange are in every case several, and not joint and several.

- e) In 2019, the Municipality received a notice from the Ministry of Environment and Climate Change Strategy (MOE) notifying the Municipality that the MOE was considering imposing a number of administrative penalties. The Municipality entered into a consent order with MOE in 2020 and paid \$15,000 that represents a portion of the administration penalties. As per the consent order, if registration under the Municipal Wastewater Regulation or an Operational Certificate under an approved Liquid Waste Management Plan (LWMP) is not complete by December 31, 2025, unless any delay beyond that date is affected by a material change in circumstances not caused or contributed to by the appellant, \$40,000 shall forthwith be paid to the Minister of Finance. The consent order compliance deadline was extended to December 31, 2026 and the Municipality submitted a LWMP in August 2025 and is awaiting MOE to complete its review. The Municipality believes there is a good probability that the registration will take place in 2026.

9. LONG-TERM DEBT

- a) The Municipality is party to several equipment loans financed through the Municipal Finance Authority for the acquisition of vehicles and operating equipment. Loan terms are five years or less. The vehicles and equipment under these loans have a carrying value of \$494,008 (2024 - \$802,811) and are recorded as non-financial assets in the statement of financial position.
- b) The following is a schedule of future minimum principal payments under the equipment financing loans with various expiry dates to 2030 together with the balance of the obligations under the loans, which is included in the debenture and long-term debt as detailed in Schedule 2:

2026	\$	109,583
2027		100,968
2028		82,339
2029		31,097
2030		17,261
2031		1,292
	\$	342,540

- c) Principal payments on debenture and long-term debt over the next five years are as follows:

2026	\$	297,259
2027		297,259
2028		297,259
2029		297,259
2030		297,259
Thereafter		8,697,495
	\$	10,183,790

Total balance for equipment loans, debenture and long-term debt equal \$10,526,330 (2024 - \$9,507,276).

10. DEPOSITS AND RESERVES – MUNICIPAL FINANCE AUTHORITY

Under borrowing arrangements with the Municipal Finance Authority (MFA), the Municipality is required to lodge security by means of demand notes and interest-bearing cash deposits based on

the amount of the borrowing. As the debt principal is retired, demand notes are released and the cash deposits are refunded and recorded as operating income in the period received.

As a condition of these borrowings, a portion of the debenture proceeds is withheld by the MFA as a debt reserve fund. These deposits, which are contingent in nature, are held by the MFA to act as security against the possibility of debt repayment default, and together with the demand notes are not recorded in the accounts. If the debt is repaid without default, the deposits are refunded to the Municipality.

Cash deposits at December 31, 2025 equal to \$106,016 (2024 - \$102,934) and are not reported elsewhere in these financial statements.

11. EMPLOYEE BENEFITS LIABILITY

Union Employees who retire qualify for a one-time payout of up to 72 days of their accumulated unused sick leave bank after 10 years of service. The Municipality calculates the value of this liability for employees based on review of the total vested and non-vested accrued time to date. Probabilities of 10 – 100% are assigned based on years of service and length of time to retirement and inflated at 4.00% (2024 – 2.60%) and discounted at 3.73% (2024 – 4.44%). At December 31, 2025, the value of sick leave for all vested employees is calculated at \$67,310 (2024 - \$57,189). The total estimated employee retirement benefit liability at December 31, 2025 is \$336,363 (2024 - \$293,708). Employee retirement benefit amounts are being funded by an accounting charge on sick time accrued during the year and are included in the accounts payable and accrued liabilities. (Note 4)

12. PENSION LIABILITY

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

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

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2024, indicated a \$2,675 million funding surplus for basic pension benefits on a going concern basis.

The next valuation will be as at December 31, 2027, with results available later 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 the individual employers participating in the Plan.

The Municipality paid \$293,580 (2024 - \$257,102) for employer contributions while employees contributed \$267,404 (2024 - \$236,462) to the Plan in fiscal 2025.

13. ASSET RETIREMENT OBLIGATION

The Municipality has the following asset retirement obligations associated with assets it owns and operates:

Well Decommissioning Obligation:

The Groundwater Protection Regulation provides specific guidelines for decommissioning wells which give rise to a retirement obligation. The Municipality must recognize an asset retirement obligation related to two wells owned by the Village that will be required to be decommissioned at the end of life. The value of this obligation is reevaluated every year resulting in a reduction of \$1,239 (2024 – increase of \$3,174) in the asset retirement liability and equal decrease in the historical cost of the wells.

Asbestos Abatement Obligation:

Asbestos and other designated hazardous materials represent a health hazard upon disturbance and as a result carry a legal obligation to be removed when a facility undergoes a significant renovation or demolition. The Municipality owns and operates several facilities that are known to have asbestos and as a result recognized an obligation relating to the removal of the hazardous materials upon adoption of the PS 3280 Asset Retirement Obligations. The value of this obligation is reevaluated every year resulting in a reduction of \$42,465 (2024 – increase of \$32,034) in the asset retirement liability and an equal decrease in the historical cost of the associated building assets. Most of the reduction is related to some asbestos abatement work completed in Council Chamber.

Changes to the asset retirement obligations in the year are as follows:

	Balance 31-Dec-24	Addition	Accretion Expense	Reduction	Balance 31-Dec-25
Asset Retirement Obligation					
Well Decommissioning	\$ 25,859	\$ -	\$ 1,086	\$ (1,239)	\$ 25,706
Municipal Facilities					
Asbestos Abatement	271,238	-	9,969	(42,465)	238,742
	\$ 297,097	\$ -	\$ 11,055	\$(43,704)	\$ 264,448

14. TRUST FUNDS

Cash and cash equivalents and investments at December 31, 2025 held in trust by the Municipality for cemetery care equal to \$118,059 (2024 - \$104,346). Neither the assets nor related liabilities have been recorded in the financial statements.

15. ANNUAL BUDGET

Budget figures are based on the *2025-2029 Financial Plan Bylaw No. 1216, 2024* approved by Council on January 13, 2025. Figures are presented on the basis used for actual results and were adjusted as follows to comply with financial statement presentation:

Surplus per 2025 – 2029 Financial Plan	\$ -
Remove proceeds from borrowing	(360,000)
Remove principal payments on debt	523,060
Add back amortization	(1,779,520)
Remove capital acquisitions	2,507,770
Transfer to reserves	(372,570)
Surplus restated for financial statement purposes	<u><u>\$ 518,740</u></u>

During the year, the adopted budget can be amended and Council will adopt a new bylaw to reflect the approved amendments. A reconciliation between the original financial plan adopted by Council by May 15th of each year and the final amended financial plan bylaw is as follows:

	Original Financial Plan Bylaw 1216	Final Amended Financial Plan Bylaw 1235 & 1252	Difference
Revenues	\$ (11,698,220)	\$ (19,985,780)	\$ (8,287,560)
Expenses			
General government services	1,437,820	1,622,260	184,440
Transportation services	2,158,760	2,195,400	36,640
Protective services	1,113,790	1,123,850	10,060
Environmental health services	3,416,830	4,007,200	590,370
Public health services	40,750	40,750	-
Environmental planning and development services	1,107,380	1,201,800	94,420
Parks, recreation and cultural services	2,003,160	2,173,930	170,770
	<u>11,278,490</u>	<u>12,365,190</u>	<u>1,086,700</u>
Net (Revenues) Expenses	<u>(419,730)</u>	<u>(7,620,590)</u>	<u>(7,200,860)</u>
Adjustments	891,310	13,830,990	12,939,680
Transfers (from) to reserves	(372,570)	(5,943,370)	(5,570,800)
Development costs charges	(99,010)	(267,030)	(168,020)
	<u>419,730</u>	<u>7,620,590</u>	<u>7,200,860</u>
Transfer to/(from) accumulated surplus	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

16. COMMUNITY WORKS FUNDS

Community Works Funds (CWF) Agreement funding is provided by the Government of Canada. The use of the funding is established by a funding agreement between the local government and the Union of British Columbia Municipalities. CWF Agreement funding may be used towards designated categories that include public transit, community energy, water, wastewater, solid waste, transportation, tourism, sports, culture and recreation infrastructure, disaster mitigation and capacity building projects, as specified in the funding agreements.

Revenues under the CWF program will be recognized when allocated to the Municipality. The Municipality continues to track the unspent amounts in the Community Works Funds Reserve. The continuity of this fund is presented in the table below:

	2025	2024
Opening balance of unspent funds	\$ 965,750	\$ 1,405,961
Add:		
Amounts received during the year	265,901	265,901
Interest on funds	33,563	74,083
Less:		
Amounts allocated to projects during the year	(250,254)	(780,195)
Closing balance unspent funds	\$ 1,014,960	\$ 965,750

17. GROWING COMMUNITIES FUNDS

Growing Communities Funds (GCF) is provided by the Province of British Columbia and may be used to help communities prepare for future growth and build the amenities needed to increase the pace and scale of housing supply.

Revenues under the Growing Communities Funding Program have been recognized when allocated to the Municipality. The Municipality continues to track the unspent amounts in a separate dedicated reserve fund. The continuity of this fund is presented in the table below:

	2025	2024
Opening balance of unspent funds	\$ 2,347,898	\$ 2,273,170
Add:		
Amounts received during the year	-	-
Interest on funds	81,027	120,502
Less:		
Amounts allocated to projects during the year*	(1,840,000)	(45,774)
Closing balance unspent funds	\$ 588,925	\$ 2,347,898

*** 2025 Allocations:**

An amount of \$1,840,000 was allocated under the eligible criteria: wastewater conveyance and treatment facilities. The funding was used to fund part of phase 1 of the wastewater treatment upgrade project.

18. ACCUMULATED SURPLUS

Operating Funds - comprise the principal operating activities of the Municipality and are separated into General, Water, and Sanitary Sewer Funds.

Reserve Funds - created to hold cash, and investments for specific future requirements.

Equity In Tangible Capital Assets - used to record the acquisition and disposal of tangible capital assets and related financing and similarly separated into General, Water and Sanitary Sewer Funds.

Accumulated Surplus:	2025	2024
Operating Funds:		
General Fund	\$ 1,670,753	\$ 2,037,392
Water Fund	271,919	262,382
Sanitary Sewer Fund	578,059	366,117
	<u>2,520,731</u>	<u>2,665,891</u>
Reserve Funds:		
Community Works Funds Reserve (Note 16)	1,014,960	965,750
Emergency & Safety Reserve	3,189,120	2,680,018
Fire Vehicles & Protective Equipment Replacement	369,924	271,070
General Financial Stabilization Reserve	2,037,871	1,609,321
General Municipal Facility Assets Reserve	644,722	515,156
General Village Assets Reserve	216,960	184,326
Growing Communities Funds Reserve (Note 17)	588,925	2,347,898
Host Amenity Funds Reserve	151,918	156,357
Linear Infrastructure Asset Renewal Reserve	2,650,163	2,414,758
Land Sale Reserve	1,411	1,367
Parkland Reserve	198,941	168,568
Sewer Stabilization Reserve	79,410	992,116
Water Meter Renewal Reserve	1,072,017	953,552
Water Stabilization Reserve	716,176	586,177
Water & Sewer Infrastructure Asset Renewal Reserve	1,160,203	3,381,873
	<u>14,092,721</u>	<u>17,228,307</u>
Equity In Tangible Capital Assets:		
General Fund	28,378,081	29,266,571
Water Fund	17,370,329	17,638,035
Sanitary Sewer Fund	31,154,897	23,840,870
	<u>76,903,307</u>	<u>70,745,476</u>
Accumulated Surplus	<u>\$ 93,516,759</u>	<u>\$ 90,639,674</u>

19. CONTRACTUAL RIGHTS

Following is a breakdown of the contractual rights at December 31, 2025:

Contractual Right with	Description of Contractual Right	2026	2027	2028	2029	2030	Total
Coal Valley Estates	Developer Amenity Funds	\$74,971	-	-	-	-	\$74,971
Comox Valley Regional District	Fire Protection to the Royston Service Area	\$263,280	\$250,090	\$311,430	\$315,930	\$318,660	\$1,459,390
Comox Valley Regional District	Amenities for hosting a landfill within jurisdiction	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$1,500,000

20. FINANCIAL INSTRUMENTS

The Municipality is exposed to various risks through its financial assets and liabilities. The following analysis provides an assessment of those risks at December 31, 2025. There have been no changes to exposure of these risks from the prior year.

a) Credit Risk

Credit risk primarily arises from cash, investments and accounts receivable. The risk exposure is limited to their carrying amounts as at the date of the statement of financial position.

Accounts receivable primarily consist of amounts receivable from other government organizations and residents. To reduce the risk, the Municipality regularly reviews the collectability of its accounts receivable and if needed, will establish an allowance based on its best estimate of potentially uncollectible amounts. As at December 31, 2025, the amount of allowance for uncollectible amounts was nil (2024 - nil). The Municipality historically has not had difficulty collecting receivables, nor have counterparties defaulted on any payments.

b) Interest Rate Risk

Interest rate risk arises when the fair value or future cash flows of a financial instrument fluctuate because of changes in market interest rates. Investments bear some interest rate risk but these risks are mitigated through the diversification of the portfolio.

c) Market Risk

Market risk arises when the value of an investment fluctuates as a result of changes in market prices, whether those changes are caused by factors specific to the individual investment, or factors affecting all securities traded in the market.

The Municipality manages its market risk by holding cash balances with top rated Canadian Schedule I financial institutions. Investments are managed following the provisions of the Community Charter. The Municipality periodically reviews its investments and is satisfied that the investments are being managed in accordance with the legislation.

d) Liquidity Risk

Liquidity risk is the risk that the Municipality will not be able to meet its obligations as they become due. The Municipality manages liquidity risk by monitoring actual and forecasted cash

flows and maintaining adequate levels of working capital to ensure all its obligations can be met when they fall due.

21. SEGMENTED INFORMATION

The Municipality is a diversified local government institution that provides a wide range of services to its citizens, including the provision of water, sewer, garbage disposal, recreation, parks, and cemetery services. The services and functions of the Municipality have been segregated or grouped based on factors such as delivery method, similarity in regulations, restrictions or cost recovery and the nature of the service as voluntary or essential services. Consideration has been given to comparability to other Municipal bodies.

The segments are categorized and described as follows:

General Government Services

This segment includes activities pertaining to the general administration and governance of the organization and those services that are provided on a centralized basis for all other segments and departments of the organization. Council, management, corporate and financial services are included as are other general costs which are not easily allocated to individual activity areas.

Transportation Services

This segment includes general roadway maintenance and upgrade, street lighting, sidewalk, and other general duties of the Public Works department. The Department is responsible to ensure transportation infrastructure is safe and well maintained.

Protective Services

This segment includes fire protection services, emergency preparedness, bylaw enforcement and animal control. The function's mandate is to ensure the safety of the lives and property of citizens and preserve peace and good order.

Environmental Health Services

The Water and Waste segment consists of three distinct utilities: sewerage and drainage, water, and solid waste disposal. The department provides collection and treatment of sewage and storm water, treatment and delivery of drinking water and contracts garbage collection and recycling services. Ensuring environmental and public safety standards are the key concern for the functions within this segment.

Public Health Services

The Municipality owns and/or operates three cemeteries. Although some of the maintenance activities are similar to those provided in the Parks function, a larger portion of the cost and activity is specific to performing cemetery services. The function has been segregated due to the unique regulatory requirements and because these services would be delivered as a separate business function in the private sector. The administrative and maintenance services for this function are divided between two departments but costs for administration are not substantial nor easily attributed to this function and are, therefore, not reallocated from General Government.

Environmental Planning and Development Services

The Planning Department manages land use planning, building and development functions. The department is responsible for ensuring that these functions are planned and managed to address environmental and building regulations, heritage matters and community and public concerns.

Recreation and Cultural Services

This segment captures all activities relating to the health and well-being of the citizens and community. The function includes recreational services such as a fitness centre and gym, facilities rentals and contributions to community and cultural events as well as provision and maintenance of parks and park facilities. The services in this category are not considered essential services but are important for economic and community development.

For each reported segment, revenues represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Property taxes, payments in lieu and the small community grant funds are apportioned based on budget with any variance in actual revenue being attributed back to General Government. All other revenues can be directly attributed to a particular segment. With the exception of some general fiscal services and centralized supply and services charged directly to the General Government function, all other costs are instigated for and charged directly to the specific segments when incurred.

THE CORPORATION OF THE VILLAGE OF CUMBERLAND
Tangible Capital Assets
For the Year Ended December 31, 2025

	Land	Building	Equipment / Furniture / Vehicles	Engineering Structures			Land Improvements	Assets Under Development	2025 Total	2024 Total
				Water	Sewer / Drainage	Roads				
Cost										
Opening balance	\$ 11,189,493	\$ 10,777,079	\$ 5,812,381	\$ 18,365,453	\$ 22,160,609	\$ 29,036,246	\$ 3,535,763	\$ 10,130,325	\$ 111,007,349	\$ 104,608,673
Add: Additions	-	23,193	227,527	36,715	-	27,402	6,300	8,918,329	9,239,466	6,673,006
Less: disposals	-	(89,642)	(40,995)	(1,361)	-	-	-	(131,998)	(131,998)	(274,330)
Closing balance	11,189,493	10,710,630	5,998,913	18,400,807	22,160,609	29,063,648	3,542,063	19,048,654	120,114,817	111,007,349
Accumulated Amortization										
Opening balance	-	2,734,521	3,822,002	3,856,845	4,168,635	13,871,301	2,004,196	-	30,457,501	28,718,436
Add: amortization	-	336,182	380,231	176,729	238,414	816,534	107,757	-	2,055,847	1,928,045
Less: disposals	-	(51,585)	(40,995)	(36)	-	-	-	-	(92,616)	(188,980)
Closing balance	-	3,019,118	4,161,238	4,033,538	4,407,049	14,687,835	2,111,953	-	32,420,732	30,457,501
Net Book Value, December 31, 2025	\$ 11,189,493	\$ 7,691,512	\$ 1,837,675	\$ 14,367,269	\$ 17,753,560	\$ 14,375,813	\$ 1,430,110	\$ 19,048,654	\$ 87,694,085	
Net Book Value, December 31, 2024	\$ 11,189,493	\$ 8,042,558	\$ 1,990,379	\$ 14,508,608	\$ 17,991,974	\$ 15,164,945	\$ 1,531,567	\$ 10,130,325		\$ 80,549,848

THE CORPORATION OF THE VILLAGE OF CUMBERLAND
Debenture and Long-Term Debt
As at December 31, 2025

	2025	2024
General Capital Fund		
Equipment Financing Loans with various expiry dates interest charged at a floating rate (December 31, 2025 at 2.91%) secured by equipment with carrying value of \$494,008 (2024 - \$802,811)	\$ 342,540	\$ 345,848
Debenture Debt		
Fire Hall Bylaw #1122, due 2041 interest charged at 2.41% annual principal payment of \$168,597	3,502,509	3,682,744
	3,845,049	4,028,592
Water Capital Fund		
Debenture Debt		
Water Supply Improvements Bylaw #981, due 2040 interest charged 0.91% annual principal payment of \$14,691	349,438	369,659
Water Supply Improvements Bylaw #1063, due 2040 interest charged 0.91% annual principal payment of \$34,503	820,685	868,173
	1,170,123	1,237,832
Sewer Capital Fund		
Interim Construction Financing		
Temporary Borrowing Bylaw #1106 interest charged at floating rate (December 31, 2025 at 2.85%)	4,400,000	3,000,000
Debenture Debt		
Sanitary Sewer Improvements Bylaw #781, due 2036 interest charged at 1.53% annual principal payment of \$15,797	448,865	480,867
Sanitary Sewer Improvements Bylaw #914, due 2031 interest charged at 1.47% annual principal payment of \$63,671	662,293	759,985
	5,511,158	4,240,852
Total Debenture and Long-Term Debt	\$ 10,526,330	\$ 9,507,276

THE CORPORATION OF THE VILLAGE OF CUMBERLAND
Segment Disclosure
For the Year Ended December 31, 2025

	General government services		Transportation services		Protective services		Environmental health services		Public health services		Environmental planning and development services		Recreation and cultural services		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Revenue																
Tax revenue	\$ 1,490,626	\$ 1,369,890	\$ 1,262,331	\$ 1,167,522	\$ 789,329	\$ 687,706	\$ 827,473	\$ 771,824	\$ 1,000	\$ 2,000	\$ 358,339	\$ 336,040	\$ 1,041,589	\$ 917,453	\$ 5,770,687	\$ 5,252,435
Sale of services	-	-	-	-	237,382	260,507	3,041,446	2,673,754	34,921	31,674	-	-	370,665	362,522	3,684,414	3,328,457
Transfer from other governments	721,177	980,848	128,337	343,849	165,561	192,883	1,772,766	2,219,421	-	-	463,716	226,057	138,931	134,640	3,390,488	4,097,698
Other revenues and contributions	914,923	1,246,704	171,984	664,216	54,744	41,795	237,443	176,399	64	34	250,118	205,042	136,819	178,321	1,766,095	2,512,511
Total revenues	3,126,726	3,597,442	1,562,652	2,175,587	1,247,016	1,182,891	5,879,128	5,841,398	35,985	33,708	1,072,173	767,139	1,688,004	1,592,936	14,611,684	15,191,101
Expenses																
Wages, salaries and benefits	1,475,625	1,330,738	812,656	749,417	483,440	445,702	435,711	441,178	17,621	16,159	611,007	488,063	1,030,739	911,778	4,866,799	4,383,035
Good and services	(74,959)	(149,865)	586,623	473,458	291,454	313,201	2,226,945	1,699,609	11,128	9,850	621,317	397,468	838,539	863,719	4,501,047	3,607,440
Debt expense	-	-	11,008	12,958	98,943	106,432	161,574	161,311	-	-	-	-	-	-	271,525	280,701
Amortization	54,827	58,118	979,633	866,898	254,103	257,872	667,946	651,237	3,301	3,210	-	-	96,037	90,710	2,055,847	1,928,045
Loss/(Gain) on disposal of assets	33,696	-	-	26,967	-	-	1,324	58,382	-	-	-	-	4,361	-	39,381	85,349
Total Expenses	1,489,189	1,238,991	2,389,920	2,129,698	1,127,940	1,123,207	3,493,500	3,011,717	32,050	29,219	1,232,324	885,531	1,969,676	1,866,207	11,734,599	10,284,570
Annual Surplus (Deficit)	\$ 1,637,537	\$ 2,358,451	\$ (827,268)	\$ 45,889	\$ 119,076	\$ 59,684	\$ 2,385,628	\$ 2,829,681	\$ 3,935	\$ 4,489	\$ (160,151)	\$ (118,392)	\$ (281,672)	\$ (273,271)	\$ 2,877,085	\$ 4,906,531

THE CORPORATION OF THE VILLAGE OF CUMBERLAND
 Segment Disclosure With Budget Information
 For the Year Ended December 31, 2025

	General government services		Transportation services		Protective services		Environmental health services		Public health services		Environmental planning and development services		Recreation and cultural services		Total	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
Revenue																
Tax revenue	\$ 1,490,626	\$ 1,362,140	\$ 1,262,331	\$ 1,261,560	\$ 789,329	\$ 788,790	\$ 827,473	\$ 808,730	\$ 1,000	\$ 1,000	\$ 358,339	\$ 358,100	\$ 1,041,589	\$ 1,040,900	\$ 5,770,687	\$ 5,621,220
Sale of services	-	-	-	-	237,382	238,060	3,041,446	2,963,090	34,921	34,550	-	-	370,665	311,900	3,684,414	3,547,600
Transfer from other governments	721,177	718,280	128,337	144,040	165,561	137,860	1,772,766	214,000	-	-	463,716	264,310	138,931	120,420	3,390,488	1,598,910
Other revenue and contributions	914,923	215,440	171,984	151,660	54,744	32,070	237,443	142,400	64	2,100	250,118	238,860	136,819	246,970	1,766,095	1,029,500
Total revenue	3,126,726	2,295,860	1,562,652	1,557,260	1,247,016	1,196,780	5,879,128	4,128,220	35,985	37,650	1,072,173	861,270	1,688,004	1,720,190	14,611,684	11,797,230
Expenses																
Wages, salaries and benefits	1,475,625	1,479,110	812,656	899,310	483,440	487,510	435,711	581,000	17,621	21,300	611,007	583,400	1,030,739	1,016,720	4,866,799	5,068,350
Good and services	(74,959)	(75,490)	586,623	465,660	291,454	281,090	2,226,945	1,993,550	11,128	16,350	621,317	523,980	838,539	861,240	4,501,047	4,066,380
Debt expense	-	-	11,008	15,590	98,943	105,490	161,574	243,160	-	-	-	-	-	-	271,525	364,240
Amortization	54,827	34,200	979,633	778,200	254,103	239,700	667,946	599,120	3,301	3,100	-	-	96,037	125,200	2,055,847	1,779,520
Loss/(Gain) on disposal of assets	33,696	-	-	-	-	-	1,324	-	-	-	-	-	4,361	-	39,381	-
Total expenses	1,489,189	1,437,820	2,389,920	2,158,760	1,127,940	1,113,790	3,493,500	3,416,830	32,050	40,750	1,232,324	1,107,380	1,969,676	2,003,160	11,734,599	11,278,490
Annual Surplus (Deficit)	\$ 1,637,537	\$ 858,040	\$ (827,268)	\$ (601,500)	\$ 119,076	\$ 82,990	\$ 2,385,628	\$ 711,390	\$ 3,935	\$ (3,100)	\$ (160,151)	\$ (246,110)	\$ (281,672)	\$ (282,970)	\$ 2,877,085	\$ 518,740

**THE CORPORATION OF THE VILLAGE OF CUMBERLAND
STATEMENTS OF FINANCIAL INFORMATION (SOFI)
REQUIREMENTS FOR FINANCIAL INFORMATION ACT SECTION 2(2)(d)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025**

SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS

This organization has not given any guarantees or indemnities under the Guarantees and Indemnities Regulation

**THE CORPORATION OF THE VILLAGE OF CUMBERLAND
STATEMENTS OF FINANCIAL INFORMATION (SOFI)
REQUIREMENTS FOR FINANCIAL INFORMATION ACT SECTION 2(3)(a)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025**

SCHEDULE OF REMUNERATION AND EXPENSES

1. Council / Elected Officials

Name	Position	Remuneration	Expenses
Borecky, Neil	Councillor	\$ 16,010	\$ 1,475
Brown, Vickey	Mayor	26,683	7,316
Sullivan, Sean	Councillor	16,010	7,866
Therrien, Troy	Councillor	16,010	3,156
Ward, Nick	Councillor	16,010	7,039
Total: Council/Elected Officials		\$ 90,723	\$ 26,852

2. Other Employees

Name	Position	Remuneration	Expenses
Aitken, Peter	Truck Driver/Labourer	\$ 75,192	\$ 1,670
Albert, Karin	Senior Planner	85,363	841
Barker, Darryl	Mechanic	79,923	1,982
Cathro, Dustin	Truck Driver/Labourer	77,525	395
Clarkston, Joel	Engineering Technologist	77,266	2,706
Dionne, Stephane	Deputy Fire Chief	103,316	4,672
Duinkerke, Andre	Interim Financial Officer	77,737	1,161
Farley, Tyler	Parks, Trails and Lands Supervisor	82,004	643
Guthrie, Russell Sean	Equipment Operator	83,522	2,019
Houghton, Eric	Public Works Chargehand	84,390	620
Mason, Michelle	Chief Administrative Officer	162,904	8,355
McConville, Seamus	Planner	78,977	1,541
McPhedran, Kevin	Director of Community Services	109,520	507
Murgatroyd, Gavin	Public Works Foreman/Coordinator	100,139	3,914
Parker, Rachel	Corporate Officer	93,815	948
Parton, Ryan	Manager of Recreation and Culture	94,396	3,062
Pinfield, Simon	Utilities I	89,026	3,689
Samsom, Andrea	Manager of Finance and Human Resources	98,660	2,039
Simpson, Courtney	Director of Development and Bylaw Services	128,088	1,802
Torry, Josh	Wastewater Treatment Operator III	91,623	1,812
Wallace, Jason	Manager of Municipal Projects	104,652	1,642
Williamson, Michael	Manager of Protective Services	99,391	2,946
Consolidated total of other employees with remuneration and expenses of \$75,000 or less		1,541,319	29,144
Total: Other Employees		\$ 3,618,748	\$ 78,109

3. Reconciliation

Total remuneration - Council/Elected Officials	\$ 90,723
Total remuneration - Other Employees	3,618,748
Subtotal	\$ 3,709,472
Reconciling Items	Note 1
Total per Statement of Revenue and Expenditure (Schedule 3)	4,866,799
Variance Note 1	\$ 1,157,327

Note 1 - Reconciling Items

Financial statement figures include employer wage, pension and benefit costs and consequently do not reconcile to the expenses noted on this Schedule of Remuneration.

Note 2 - Receiver General CPP and EI employer payments

CPP	\$	178,437
EI		59,874
Total	\$	238,311

**THE CORPORATION OF THE VILLAGE OF CUMBERLAND
STATEMENTS OF FINANCIAL INFORMATION (SOFI)
REQUIREMENTS FOR FINANCIAL INFORMATION ACT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025**

STATEMENT OF SEVERANCE AGREEMENTS

There was one severance agreement under which payment commenced between The Corporation of the Village of Cumberland and its non-unionized employees during 2025. This agreement represented 1 month of compensation.

**THE CORPORATION OF THE VILLAGE OF CUMBERLAND
STATEMENTS OF FINANCIAL INFORMATION (SOFI)
REQUIREMENTS FOR FINANCIAL INFORMATION ACT SECTION 2(3)(b)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025**

SCHEDULE OF PAYMENTS TO SUPPLIERS OF GOODS AND SERVICES

1. Alphabetical list of suppliers who received aggregate payments exceeding \$25,000

Supplier name	Aggregate amount paid to supplier
Aces Waterproofing	\$ 62,319
Alpine Water & Energy	93,205
Assessment Authority, BC	65,304
Associated Fire & Safety	34,316
Canada Life Insurance Company	276,731
Canada Revenue Agency	109,654
Carvello Law Corporation	42,279
Central Square Technologies	47,999
Cleartech Industries Inc.	32,999
Coastal Mountain Fuels	53,998
Coastline Fabricators	28,084
Colliers Project Leaders Inc.	135,738
Commissionaires	39,078
Cupe Local 556	40,321
Current Environmental	40,250
Ecofish Research Ltd.	140,850
Emterra Environmental	511,622
FORTISBC-Natural Gas	25,894
Alpha IT	160,019
Hydro & Power Authority, BC	184,501
Innova Strategy Group	79,905
ISL Engineering and Land Services LTD	284,686
Leeburn OD	39,689
Building Inspector Contractor	67,029
Maple Reinders Inc.	6,896,373
McElhanney Consulting Services Ltd.	693,829
Minister of Finance - Property Tax Branch	1,633,307
Ministry of Finance - Employer Health Tax	72,298
MNP LLP	29,642
Muchalat Construction	46,330
Municipal Finance Authority	250,078
Municipal Insurance Association of British Columbia	104,031
Municipal Pension Plan	609,185
North Island Tractor Ltd.	84,468
Receiver General For Canada	1,029,285
Regional District, Comox Valley	1,901,905
Regional Hospital District, Comox Strathcona	440,607
Regional Library, Vancouver Island	309,088
Tayco Paving Company	25,778
Urban Systems Ltd	427,441
Waste Connections Canada	66,952
Waypoint Insurance Services	35,784
White Pacific Automation	95,429
WorkSafeBC	114,707

Young, Anderson Barristers & Solicitors		47,904
Grand Total	\$	17,510,886

Schedule of payment to suppliers

Total paid to suppliers who received \$25,000 or more	\$	17,510,886
Total paid to suppliers who received less than \$25,000		1,654,933
Total paid to suppliers	\$	19,165,819

2. Total of payments for grants and contributions

Community School Society	\$	26,000
Cumberland Museum		42,760
United Riders of Cumberland		39,500
Total grants of \$25,000 or more	\$	108,260
Total grants of less than \$25,000 - Note 1		45,000
Total of all grants	\$	153,260

No contributions paid in 2025

Reconciliation

Total paid to suppliers of goods and services	\$	19,165,819
Total of all grants and contributions		153,260
Subtotal	\$	19,319,079
Less: total per Schedule 3 to financial statements (goods and services)		4,501,047
Variance (Note 2)	\$	14,818,032

Note 1: A listing of grants in aid under \$25,000 is attached for information.

Note 2 - Reconciling Items: This Schedule of Payments to Suppliers includes all vendor payments, including balance sheet items, payments to other taxing authorities, capital expenditures and payroll expenses and consequently does not reconcile to the expenses noted on the Financial Statements.

**THE CORPORATION OF THE VILLAGE OF CUMBERLAND
STATEMENTS OF FINANCIAL INFORMATION (SOFI)
REQUIREMENTS FOR FINANCIAL INFORMATION ACT SECTION 2(3)(b)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025**

**SUPPLEMENTARY SCHEDULE OF GRANTS
(Grants under \$25,000)**

Recipient	Grant Amount
Beaufort Family Health Society	\$ 10,000
BC Labour Heritage Centre	2,000
Comox Valley Community Foundation	1,000
Comox Valley Family Services Association	2,400
Comox Valley Farmers Market	2,734
Cumberland Events Society	10,000
Cumberland Cycling Without Age	2,866
Elevate the Arts	14,000
Total	\$ 45,000

**THE CORPORATION OF THE VILLAGE OF CUMBERLAND
STATEMENTS OF FINANCIAL INFORMATION (SOFI)
REQUIREMENTS FOR FINANCIAL INFORMATION ACT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025**

STATEMENT OF FINANCIAL INFORMATION APPROVAL

The undersigned, as authorized by the Financial Information Regulation, Schedule 1, Subsection 9(2), approves all the statements and schedules included in this Statement of Financial Information, produced under the Financial Information Act.

A. Bérard-Ball

V. Brown

Annie Bérard-Ball
Director of Corporate Services

Vickey Brown
Mayor

dated this 25th day of May, 2026