Cox Bay Beach Resort

Financial Statements

Year Ended December 31, 2025

Draft for discussion purposes only

Dusanj + Wirk CHARTERED PROFESSIONAL ACCOUNTANTS

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Compilation Engagement Report

To the Owners of Cox Bay Beach Resort

On the basis of information provided by management, we have compiled the statement of financial position of Cox Bay Beach Resort as at December 31, 2025, and the statements of changes in owners' capital, income and cash flows for the year then ended, and Note 1, which describes the basis of accounting applied in the preparation of the compiled financial statements and other explanatory information (the "financial statements").

Management is responsible for the accompanying financial statements, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, *Compilation Engagements*, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial statements.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the statements provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial statements.

Readers are cautioned that the financial statements may not be appropriate for their purposes.

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Victoria, British Columbia
April 25, 2026

Chartered Professional Accountants

Cox Bay Beach Resort
Statement of Financial Position
December 31, 2025

	2025 $	2024 $
Assets		
Current		
Cash and term deposits	241,172	431,387
Cash held for internally restricted fund	785,797	646,057
Accounts receivable	248,524	18,573
Inventory	8,474	19,024
Prepaid expenses	7,787	7,640
	1,291,754	1,122,681
Equipment	29,786	37,241
Total assets	1,321,540	1,159,922
Liabilities		
Current		
Accounts payable and accrued liabilities	277,843	450,145
Government remittances payable	54,158	32,288
Total liabilities	332,001	482,433
Owners' Capital		
Internally restricted for contingencies	785,797	646,057
Distributable income	203,742	31,432
	989,539	677,489
Total liabilities and owners' capital	1,321,540	1,159,922

On behalf of the Owner's Committee

Owner

Owner

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The accompanying notes are an integral part of these financial statements

Cox Bay Beach Resort
Statement of Changes in Owners' Capital
Year Ended December 31, 2025

	Distributable Income $	Internally Restricted for Contingencies $	2025 $	2024 $
Balance - beginning of year	31,432	646,057	677,489	436,714
Net income for the year	1,043,075	-	1,043,075	767,362
Distributions	(750,000)	-	(750,000)	(550,000)
Interest earned	-	18,975	18,975	23,413
Net transfer to contingencies	(120,765)	120,765	-	-
Balance - end of year	203,742	785,797	989,539	677,489

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Cox Bay Beach Resort
Statement of Income
Year Ended December 31, 2025

	2025 $	2024 $
Revenue	3,493,510	2,956,811
Expenses		
Advertising and promotion	14,453	21,250
Amortization	7,455	9,329
Commissions	97,134	49,811
Insurance	18,203	18,378
Interest and bank charges	89,904	76,769
Management fees	349,194	295,684
Memberships	5,362	1,490
Office	50,028	39,538
Professional fees	33,836	31,229
Repairs and maintenance	284,400	256,901
Strata fees	5,606	5,606
Supplies	170,944	150,116
Telephone	26,369	15,092
Utilities	173,975	153,447
Vehicle	15,512	14,565
Wages and employee benefits	1,108,060	1,050,244
	2,450,435	2,189,449
Net income for the year	1,043,075	767,362

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Cox Bay Beach Resort
Statement of Cash Flows
Year Ended December 31, 2025

	2025 $	2024 $
Operating activities		
Excess of revenue over expenses	1,043,075	767,362
Item not affecting cash:		
Amortization of property, plant and equipment	7,455	9,329
	1,050,530	776,691
Changes in non-cash working capital:		
Accounts receivable	(229,951)	4,546
Inventory	10,550	1,322
Prepaid expenses	(147)	261
Accounts payable and accrued liabilities	(172,302)	(81,654)
Government remittances payable	21,870	(27,048)
	(369,980)	(102,573)
Cash flow from operating activities	680,550	674,118
Financing activities		
Distributions to owners	(750,000)	(550,000)
Interest to contingency funds	18,975	23,413
Cash flow used by financing activities	(731,025)	(526,587)
Increase (decrease) in cash flow	(50,475)	147,531
Cash - beginning of year	1,077,444	929,913
Cash - end of year	1,026,969	1,077,444
Cash consists of:		
Cash and term deposits	241,172	431,387
Cash held for internally restricted fund	785,797	646,057
	1,026,969	1,077,444

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The accompanying notes are an integral part of these financial statements

1. Basis of accounting

The basis of accounting applied in the preparation of the statement of financial position of Cox Bay Beach Resort as at December 31, 2025, and the statements of changes in owners' capital, income and cash flows for the year then ended is the historical cost basis and reflects cash transactions with the addition of:

- Accounts receivable;
- Equipment amortized over its useful life;
- Accounts payable and accrued liabilities.

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