

ANNUAL REPORT

Province of British Columbia
For the Year-Ending December 31, 2025



Working Together for a Connected, Resilient Community

Image Credit: Deerfoot Media

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2025 ANNUAL REPORT FOR THE
YEAR ENDING DECEMBER 31, 2025

PREPARED BY:
CORPORATE SERVICES AND
THE DIRECTOR OF FINANCE



WE RESPECTFULLY ACKNOWLEDGE THAT THE LAND ON WHICH WE GATHER
AND WORK IS ON THE UNCEDED TRADITIONAL TERRITORY OF THE
K'ÓMOKS FIRST NATION, THE TRADITIONAL KEEPERS OF THIS LAND.



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INTRODUCTION

ANNUAL REPORT

This report for the community highlights the achievements over the past year. It reflects the key strategic direction outlined in the 2022- 2026 Strategic Plan.

The report also shares the Town's audited consolidated financial statements and financial summary.



Town of Comox Council

Town Council is elected at large by residents to service a four-year term and governs under the Municipal Government Act. Town Council consists of a mayor and six councillors and provides strategic direction to administration through a variety of plans, bylaws, policies, and other government processes. A general local government election was held in October 2022 and the successful candidates serve on Council for four years, with their term ending in 2026.

Photo: LEFT to RIGHT: Chris Haslett, Dr. Jonathan Kerr, Maureen Swift, Mayor Nicole Minions, Ken Grant, Jenn Meilleur, Steve Blacklock

MAYOR'S MESSAGE

As we reflect on 2025, I am proud of a year defined by collaboration, community pride, and progress on Council's strategic priorities. Guided by our five pillars—community connection and wellness, organizational excellence, economic health, good governance, and balanced community planning—we have continued to make thoughtful investments that support a livable, sustainable, and welcoming Comox.

This year, we saw our community come together in ways both big and small. From vibrant public spaces like our new pop-up parks and the launch of the Wednesday Farmers' Market, to celebrations, ceremonies, and ribbon-cuttings across town, Comox's strong sense of connection and neighbourhood support was evident in all these gatherings.

We made some important strides in enhancing the quality of life for all residents. Upgrades to the Comox Community Centre, including new saunas in the changerooms and new online accessibility tools and mapping, have made it easier for everyone to participate in community life. At the same time, we celebrated the leadership of our youth council, who were honoured to receive the Comox Valley Chamber Award #YouRock for their work organizing, planning, and hosting youth initiatives, and for their positive contributions to our community.

Behind the scenes, Council and staff focused on strengthening the foundation of our organization. Planning for a modernized fire hall is underway, ensuring we are prepared to meet growing community needs. We also advanced key partnerships that support a resilient local economy, including continued collaboration with the Comox BIA to enhance our downtown through events, beautification, and other business initiatives.



A significant milestone came at the end of the year when Comox Hill reopened to two-way traffic, improving access for commuters travelling in and out of Comox and supporting the businesses that rely on convenient access to the town centre. We extend our sincere thanks to the community for your patience and perseverance during this major project. We recognize the disruption it caused and appreciate the resilience and support shown throughout the process.

Looking ahead, we continued to plan thoughtfully for Comox's future. The Official Community Plan update entered its final stages, shaped by extensive public engagement, while the draft Urban Forest Management Strategy sets a long-term plan to grow, protect and sustain the urban forest.

We also strengthened our commitment to sustainability and biodiversity. Recognition as a Bee City, progress toward Bird Friendly certification, and initiatives like the Purple Martin sanctuary and Filberg Park arboretum all highlight our shared responsibility to care for the natural environment that supports our community.

None of this progress would be possible without the dedication of Council, staff, volunteers, and our many community partners. Your commitment, ideas, and collaboration continue to move our community forward. This year, we also recognize long-serving employees whose retirements mark the end of remarkable careers in public service. Their experience, leadership, and contributions have helped shape our organization and community, leaving a lasting legacy that will not be forgotten.

As we look forward to the future, we remain focused on making smart, responsible investments in our people, our shared spaces, and our infrastructure—ensuring that Comox continues to thrive as a connected, resilient, and welcoming community.

Sincerely,

Mayor, Town of Comox



MESSAGE FROM THE CAO

On behalf of the Town of Comox Administration, I am pleased to present the 2025 Annual Report. This report highlights our accomplishments over the past year and provides an overview of the Town's financial position.

In 2025, we continued to advance the priorities outlined in the 2022–2026 Strategic Plan. The year was marked by the completion of several important projects while also laying the groundwork for future initiatives.

From major infrastructure investments to the daily operational decisions that keep our community running, we remained focused on responsible financial decisions that reflect the Town's priorities while balancing affordability with the investments needed to support our municipality as it grows.

One of the most significant achievements this year was the coordinated delivery of major infrastructure improvements alongside the Comox Valley Regional District's Sewer Conveyance Project. This integrated approach allowed us to maximize efficiencies while delivering safer roads, improved active transportation connections, upgraded utilities, and long-term infrastructure renewal that will serve our community for decades to come.

We also saw strong community participation in several important planning initiatives, including the Official Community Plan and the Urban Forest Management Plan. Whether participating in person or online, your feedback helped shape our planning priorities, services, and programs.

Internally, we continued working toward becoming a more modern and responsive municipality. Key improvements were made in our building and development services, including advancing efforts to move applications and permitting online. These steps will improve service delivery, streamline processes, and reduce red tape for residents and businesses.



Comox remains a beautiful seaside town whose appeal continues to attract new residents and visitors alike. This recognition is a testament to our engaged citizens, dedicated businesses, and everyone who contributes to enhancing the charm and character of our Town.

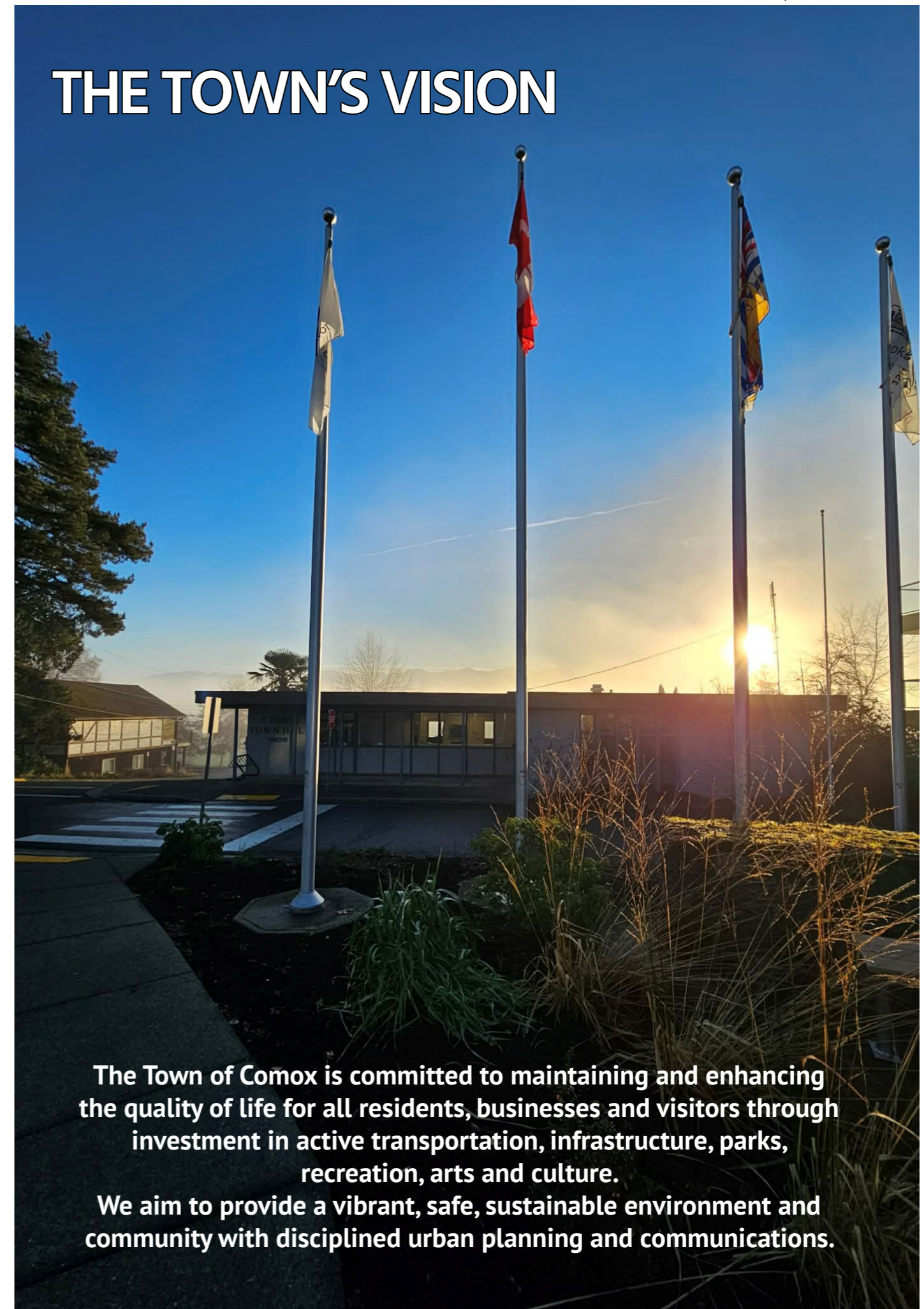
As we look ahead, the Town remains committed to responsible financial stewardship and delivering services that residents rely on every day. Careful planning, prudent financial management, and a focus on long-term sustainability helps to guide the decisions we make. By continuing to invest thoughtfully in infrastructure, services, and community priorities, we are working to ensure that Comox remains a vibrant, resilient, and well-managed community for current and future generations.

To Council and staff, thank you for your continued service and commitment to excellence. It has been an extremely productive year, and we look forward to building on these efforts in 2026.

Sincerely,

Jordan Wall, Chief Administrative Officer
Town of Comox

THE TOWN'S VISION

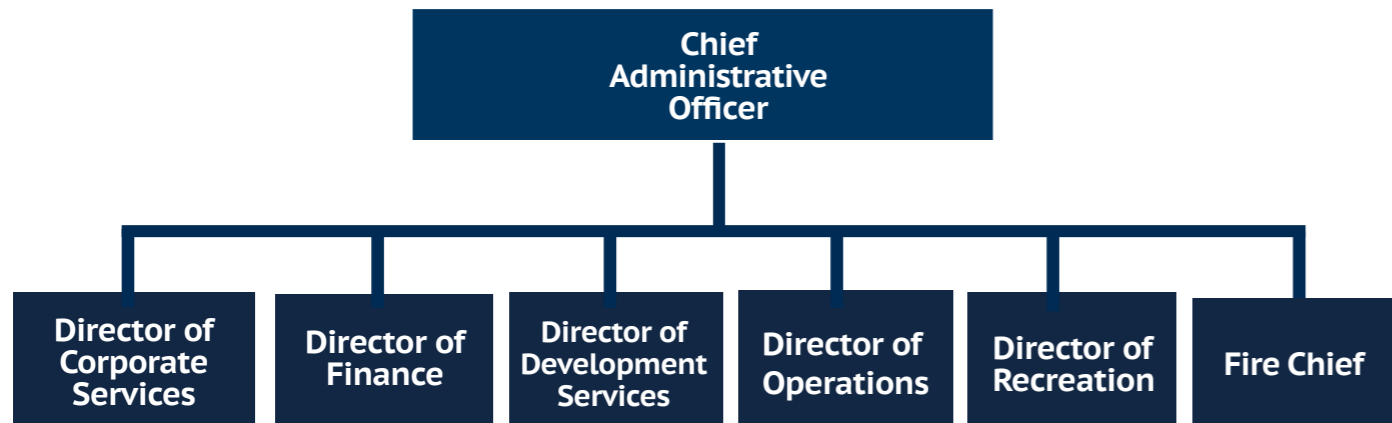


The Town of Comox is committed to maintaining and enhancing the quality of life for all residents, businesses and visitors through investment in active transportation, infrastructure, parks, recreation, arts and culture.

We aim to provide a vibrant, safe, sustainable environment and community with disciplined urban planning and communications.

TOWN'S OPERATION

The Chief Administrative Officer leads the Senior Leadership Team. Five directors and one fire chief makes up this executive team who work towards the goals outlined in Council's Strategic Plan. The Town's Strategic Plan guides the work of the Town of Comox and sets its goals and priority actions. It tells the citizens what Council plans to accomplish, in addition to its core services, and sets performance measures and targets for assessing progress over the Council term.



ATTENDANCE AT "MUSIC IN THE PARK" HOST BY THE COMOX COMMUNITY CENTRE KEEPS GETTING BIGGER AND BIGGER AND IS AN ANTICIPATED EVENT AT THE END OF THE SUMMER SEASON.



STRATEGIC PLAN 2022 - 2026



The Town of Comox's Strategic Plan guides the Town's work and aligns organizational priorities with community values. Progress is tracked through performance measures and scorecards to support accountability and informed decision-making.



<p>ORGANIZATIONAL EXCELLENCE</p> <p>We will modernize and create stability to ensure high quality service delivery over time</p> <p>Areas of Focus:</p> <ul style="list-style-type: none"> • Asset Management • Staff Retention • Internal Processes • Customer Service 	<p>COMMUNITY CONNECTION AND WELLNESS</p> <p>We believe in fostering community connection and enhancing individual collective wellness.</p> <p>Areas of Focus:</p> <ul style="list-style-type: none"> • Recreation • Parks • Arts and Cultural • Public Safety 	<p>ECONOMIC HEALTH</p> <p>We support a strong and vibrant business community to provide stability to our local economy.</p> <p>Areas of Focus:</p> <ul style="list-style-type: none"> • Downtown Vitality • Balanced Vibrancy & Stability • Comox Marina 	<p>GOOD GOVERNANCE</p> <p>Good organizational governance provides stable decision-making and management of our community.</p> <p>Areas of Focus:</p> <ul style="list-style-type: none"> • Community Participation • Relationships • Decision Making 	<p>BALANCED COMMUNITY PLANNING</p> <p>We will ensure responsible thoughtful growth to enhance a well-balanced community.</p> <p>Areas of Focus:</p> <ul style="list-style-type: none"> • Strategic Growth • Housing • Community Addition



ORGANIZATIONAL EXCELLENCE

We will modernize and create stability to ensure high quality service delivery over time.

In 2025, the Town continued to strengthen organizational capacity to ensure efficient, effective, and sustainable service delivery. A focus on internal systems, staff development, and performance tracking supported improvements across the organization.

- Strategic Plan scorecards used to track progress and informed decisions
- Investments in staff training, leadership development, and workplace wellness
- Continued modernization of internal processes and digital tools.
- Ongoing focus on asset management and long-term financial sustainability.



HIGHLIGHTS ACHIEVED IN 2025

In 2025, the Town of Comox continued to strengthen organizational excellence through a focus on effective governance support, service modernization, policy development, and sound administrative practices. Across the corporation, staff advanced initiatives that improved internal systems, enhanced transparency, and supported efficient, responsive service delivery to Council and the community.

Significant progress was made in modernizing corporate services and improving access to information. The Town launched new website accessibility features and an online accessibility map, advancing inclusivity and ensuring residents can more easily access municipal information and services. These initiatives reflect the Town's commitment to continuous improvement, equity, and compliance with evolving accessibility standards.

The organization supported Council decision-making through the efficient processing of core legislative and governance functions. In 2025, staff **processed 31 bylaws** passed by Council, including the establishment of an Electronic Documents and Records Management System and the adoption of a Public Notice Bylaw enabling alternative means of public notice. These bylaws strengthened records management, improved information governance, and enhanced public communication and transparency.

Policy development was also a key area of achievement. Seven new Council policies were developed and implemented, including the Respectful Workplace Policy, a comprehensive Communication Plan with social media platform guidance, a Records Management Framework Policy, and updated Flag Raising and Flag Protocol policies. Together, these policies support a professional workplace culture, consistent communications, and clear corporate standards.

Corporate Services staff provided extensive governance and administrative support throughout the year, preparing agendas and minutes for **55 meetings**, including Regular and Special Council meetings, Public Hearings, in-camera sessions, Strategic Planning Committee meetings, and Nautical Days Committee meetings. This work ensured accurate records, legislative compliance, and transparent decision-making processes.

Operationally, the Town completed **32 leases**, agreements, and contracts in 2025, including key agreements supporting community amenities and events such as the new kennel contract with The Unleashed Dog Boutique and the Nautical Days Festival Production Services Agreement. These agreements demonstrate effective contract management and collaboration with service providers and community partners.

The organization also delivered a high volume of regulatory and licensing services. Staff issued **165** business licences, processed entertainment and banner permits, supported mobile food vendors, and issued road encroachment and parklet licences, contributing to a well-regulated, vibrant local economy. In addition, seven Freedom of Information requests were processed in accordance with legislative requirements, supporting transparency and accountability.

Progress was also made on boundary extension initiatives, including work related to the Torrence/Noel area through an Alternative Approval Process, demonstrating the Town's capacity to manage complex administrative and legislative processes.

Collectively, these achievements reflect a strong foundation of organizational excellence in 2025. Through effective governance support, modernized systems, thoughtful policy development, and reliable service delivery, the Town of Comox continued to build internal capacity and uphold high standards of professionalism, accountability, and service to the community.



COMMUNITY CONNECTION AND WELLNESS

We believe in fostering community connection and enhancing individual collective wellness.

Community well-being remained central to the Town's work in 2025. Through engagement, inclusive programming, and partnerships, the Town continued to foster strong connections with residents and support a healthy, resilient community.

- Public engagement through Council meetings, open houses, and digital platforms
- Support for community events, cultural activities, and volunteers
- Continued focus on accessibility, inclusion, and equity
- Collaboration on emergency preparedness and community safety initiatives





COMMUNITY CONNECTION AND WELLNESS

HIGHLIGHTS ACHIEVED IN 2025

> A portion of Village Park field beside the Comox Community Centre was transformed into a pop-up summer park. Residents and visitors enjoyed the mini-golf course, table tennis, bean bag toss, a volleyball net, Adirondack chairs, and beautiful planters that attract families to this field for endless hours of fun for all ages.



NEW GAME FEATURES AND ADIRONDACK CHAIRS WERE INSTALLED AT ELKS AND ROYALS PURPLE PARK



> The Town of Comox was thrilled to welcome the Comox Valley Farmers' Market Association (CVFMA) to the field of the Comox Community Centre (Village Park) throughout the summer. Beginning, Wednesday, June 25, residents and visitors were able to shop for fresh, local food every week until August 27.

> In partnership with the Comox Valley Regional District, the Government of Canada, and the Ministry of Transportation and Transit (MoTT), the town was pleased to announce the official opening of Lazo Greenway Multi-Use Path (MUP), which was marked by a ribbon-cutting ceremony that occurred on Wednesday, October 22, 2025. The path runs about 2.5 km between Butchers Road and Sand Pines Drive, weaving along Lazo Road, and provides a consistent connection for walkers, cyclists, and other non-motorized users. It provides the community with a new active transportation corridor linking key segments of the local trail network and offering safer, healthier, and greener travel options for residents and visitors to Comox.





COMMUNITY CONNECTION AND WELLNESS

HIGHLIGHTS ACHIEVED IN 2025



> In a collaborative effort to support wildlife conservation, Comox Rotary, in partnership with the Town of Comox, has successfully installed six Purple Martin nesting boxes at the end of the Comox pier. This initiative, designed to support the recovery of the Purple Martins in the region, marks another step of municipalities on Vancouver Island trying to support the recovery and preservation of this endangered species.

Bat Friendly Community

> In a collaborative effort to support wildlife conservation, Comox Rotary, in partnership with the Town of Comox, has successfully installed six Purple Martin nesting boxes at the end of the In March 2025, the parks team installed a new bat poles along Lazo Road.



> The Town of Comox and the Filberg Heritage Lodge and Park Association are proud to announce that Filberg Park has been awarded level 1 arboretum accreditation by the ArbNet Arboretum Accreditation Program and The Morton Arboretum. This accreditation recognizes Filberg Park for achieving professional standards essential to the development of and management of tree-focused parks worldwide.

Filberg Park is now listed in the Morton Register of Arboreta, a global database of recognized botanical gardens devoted to trees and the dedication to the study of and conservation of woody plants. This designation highlights the Town of Comox and Filberg Heritage Lodge and Park Association's shared commitment to preserving and enhancing this place for education, conservation and community enjoyment.

> Comox was awarded Intermediate Bird Friendly Certification level by Nature Canada, validating the efforts put forth by the Town Council and the many environmental and conservation groups to transform the Vancouver Island community.

“Strong communities are built through connection, inclusion, and shared responsibility.”



ADIRONDACK CHAIRS WERE INSTALLED AT THE COMOX MARINA ALLOWING FOR BREATHTAKING VIEWS OF THE MOUNTAINS AND OCEAN AND THE COMOX HARBOUR.



THE LAZO MULTI-USE TRAIL INCLUDES FEATURES SUCH AS BENCHES, WATER FOUNTAINS, WILDFLOWERS FOR OUR POLLINATOR FRIENDS AND A GLOW-IN-THE-DARK CONCRETE AREA FOR ADDED AMBIANCE.

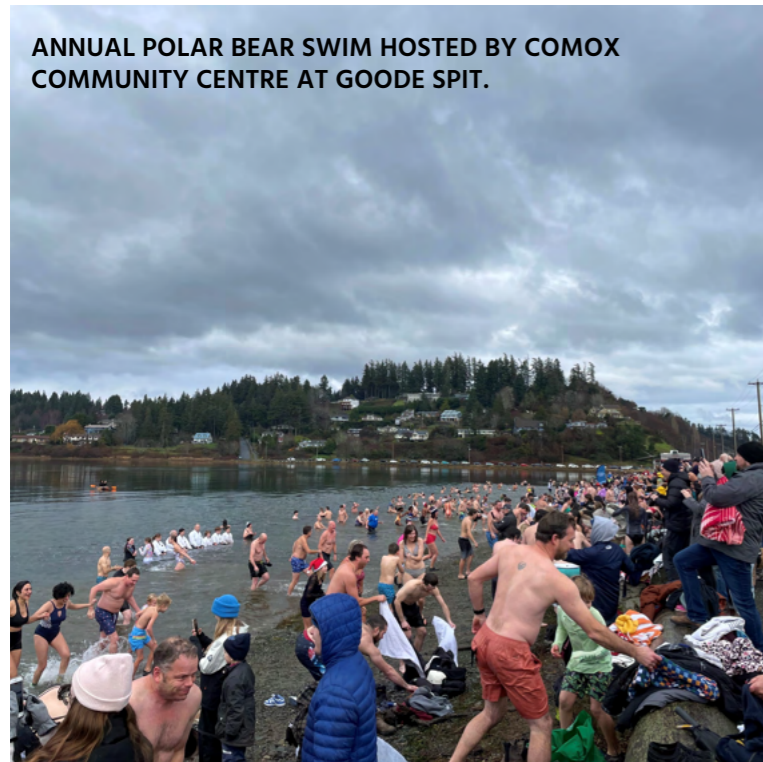
THE TOWN OF COMOX WAS EXCITED TO ANNOUNCE THE COMPLETION OF THE RENOVATED AND UPGRADED SAUNAS IN THE CHANGEROOMS AT THE COMOX COMMUNITY CENTRE. ORIGINALLY INSTALLED IN THE 1990S AS WET SAUNAS AND LATER CONVERTED TO DRY INFRARED, THE PREVIOUS UNITS HAD REACHED THE END OF THEIR LIFESPAN.

THE NEWLY INSTALLED SAUNAS ARE SLIGHTLY MORE SPACIOUS AND HAVE MODERN UPGRADES, INCLUDING NEW FLOOR TILES, CEDAR WOOD BENCHES, AND INFRARED HEATING TECHNOLOGY, OFFERING AN OVERALL WELLNESS EXPERIENCE.



SPOTLIGHT ON SPECIAL EVENTS & OTHER COMMUNITY INITIATIVES

ANNUAL POLAR BEAR SWIM HOSTED BY COMOX COMMUNITY CENTRE AT GOODE SPIT.



THE PRIDE FLAG RAISING AHEAD OF PRIDE CELEBRATIONS IN THE COMOX VALLEY.



STUFF THE TRUCK EVENT SUPPORTED BY COMOX FIREFIGHTER ASSOCIATION



MÉTIS WEEK FLAG RAISING - NOVEMBER 10 - 16



OUR ABILITIES SHINE BRIGHTER WHEN WE RISE TOGETHER.

The Town of Comox continued to foster a welcoming, inclusive, and connected community by supporting events, partnerships, and programs that bring people together, celebrate diversity, and promote well-being. Through recreation, cultural recognition, and community-led initiatives, the Town helped create meaningful opportunities for residents to connect with one another and with their community.

Signature community events remained a cornerstone of connection and wellness. The annual New Year's Day Ocean Plunge at Goose Spit Park returned for its 48th year, inviting residents and visitors of all ages to start the year with a bold and refreshing celebration of community spirit. This free, family-friendly tradition continues to be a beloved event that strengthens social connection and creates shared memories in a uniquely Comox setting.

The Town also demonstrated its ongoing commitment to equity, diversity, and reconciliation through public recognition and celebration. Flag-raising ceremonies at Town Hall marked Pride and Métis Week, providing visible and meaningful opportunities to honour the heritage, history, and contributions of 2SLGBTQIA+ communities and the Métis people. These events encouraged residents to learn, reflect, and participate in building a more inclusive community.

Community wellness was further supported through strong partnerships and creative use of municipal spaces. Programming at the Comox Community Centre and beyond highlighted the importance of collaboration in meeting local needs. By working closely with organizations such as the Open Door Language and Culture Society, Town staff supported newcomers by creating a welcoming learning environment in the sail buildings at the Comox Marina. This shared space enabled English-language learning while fostering social connection and a sense of belonging.

The Town also supported community-driven efforts to care for those in need. Initiatives such as the Comox Firefighters Association's "Fill the Truck" food drive for the Comox Valley Food Bank, held in partnership with JetFM, demonstrated the strength of local collaboration and community generosity.

Together, these initiatives reflect the Town of Comox's commitment to community connection and wellness—supporting inclusive spaces, encouraging civic pride, and strengthening relationships that contribute to a healthy, resilient community.



THE ANNUAL COMOX DRAGON BOAT FESTIVAL, TAKING PLACE ON SATURDAY, SEPTEMBER 13, 2025 HOSTED BY THE TOWN OF COMOX AND VI PADDLING.



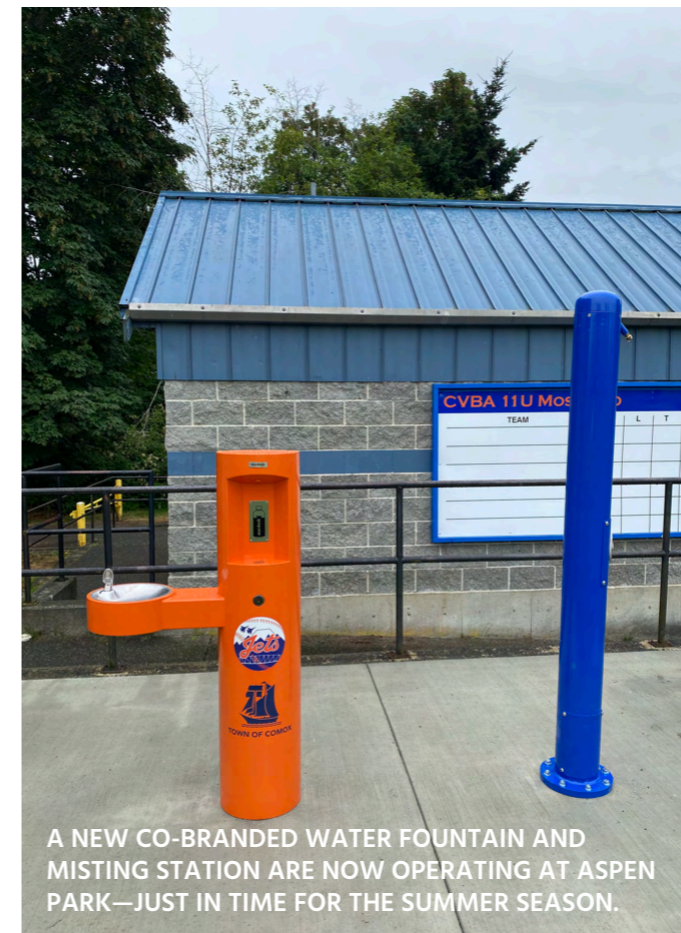
THE TOWN OF COMOX RECREATION DEPARTMENT, IN PARTNERSHIP WITH THE CITY OF COURTENAY, HOSTED THE 30TH ANNUAL OPERATION HIGH JUMP ON FRIDAY, SEPTEMBER 26, 2025



THE COMOX VALLEY FIRESMART™ RESILIENCE COMMITTEE, IN PARTNERSHIP WITH VANCOUVER ISLAND ENTERPRISES, HOSTED A FREE YARD WASTE DROP-OFF PROGRAM IN THE SPRING AND SUMMER OF 2025.



ALONGSIDE OUR VALUED FUNDING PARTNERS, A RIBBON-CUTTING CEREMONY MARKED THE OPENING OF THE UPGRADED ASPEN PARK PLAYGROUND. THE COMOX VALLEY LIONS CLUB DONATED \$25,000 TO THE PROJECT AND KAL-TIRE FUNDED \$20,000 FOR THE RUBBER SURFACING THROUGH THE KAL-TIRE REPLAY FUND.



A NEW CO-BRANDED WATER FOUNTAIN AND MISTING STATION ARE NOW OPERATING AT ASPEN PARK—JUST IN TIME FOR THE SUMMER SEASON.



FROM REPURPOSING THE WILLOW BRANCHES FROM THE TREE AT COMOX MARINA PARK! WE NOW HAVE A WILLOW TUNNEL AT COMOX VALLEY LANCASTER PARK

COMOX NAUTICAL DAYS PARADE WITH TOWN COUNCIL RIDING EVENT SPONSOR EVOLVE E-SCOOTERS ALONG WITH OTHER CHILDREN AND FAMILIES ON BIKES AND SCOOTERS.



CROWDS AT FILBERG FESTIVAL 2025



COMOX VALLEY SEARCH AND RESCUE WITH MEMBERS OF COUNCIL ON A TOUR - LEARNING ABOUT THEIR VITAL WORK, ASKING QUESTIONS, AND GAINING A DEEPER APPRECIATION FOR THE DEDICATION BEHIND EVERY CALLOUT.



CAPTION COMOX WITH THE VOLUNTEERS FROM THE COMOX NAUTICAL DAYS FESTIVAL.



PROUDLY SUPPORTED BY THE TOWN OF COMOX THROUGH THE COMOX COMMUNITY CENTRE AND COMOX FIRE RESCUE EASTER AT FILBERG PARK BRINGS FAMILIES TOGETHER FOR EXCITING ACTIVITIES, SPECIAL TREATS AND A CHANCE TO EXPLORE THE BEAUTY OF FILBERG IN THE SPRINGTIME.



2025 EASTER AT FILBERG PARK

THE TREE LIGHTING EVENT AND WINTER MARKET IS A HIGHLIGHT FOR THE COMMUNITY HOSTED BY THE COMOX BUSINESS IMPROVEMENT DISTRICT AND SUPPORTED BY THE TOWN OF COMOX.



COMOX BIA 2025 MAYOR TREE LIGHTING AND WINTER MARKET EVENT

2025 TREE LIGHTING AND WINTER MARKET



> Comox Fire Rescue played an important role in the provincial wildfire response efforts, with crews and specialized equipment deployed to assist at major wildfires on Vancouver Island.

After 18 days away, the department's Structure Protection Unit (SPU) and a five-person crew returned home on Monday, August 18, 2025. Their efforts were focused on the Wesley Ridge (Cameron Lake) and Mount Underwood (Port Alberni) wildfires, where they worked closely with BC Wildfire Service and other partner agencies.



COMOX FIRE RESCUE WAS PROUD TO UNVEIL STUNNING INDIGENOUS ARTWORK ON ITS NEWLY ACQUIRED AERIAL LADDER FIRE TRUCK, TOWER 35.



DESIGNED BY RENOWNED LOCAL ARTIST AND MEMBER OF THE K'ÓMOKS FIRST NATION PAMELA MITCHELL, THE POWERFUL IMAGE FEATURES A FAMILY OF FOUR ORCAS, SYMBOLIZING THE UNITY AND STRENGTH OF THE FIRE DEPARTMENT'S TEAM.



ECONOMIC HEALTH

We support a strong and vibrant business community to provide stability to our local economy.

In 2025, the Town of Comox supported a stable and resilient local economy while balancing growth with community values. Strategic investments and partnerships helped create conditions for local business success and long-term economic sustainability.

- Support for local businesses through planning and permitting services
- Infrastructure investments that support tourism and economic activity
- Collaboration with regional economic development partners
- Responsible financial planning aligned with long-term objectives

OUTCOMES FOR 2025

In 2025, the Town of Comox continued to support a strong and vibrant local economy through collaboration, placemaking initiatives, and ongoing dialogue with business and community partners. A key focus was sustaining downtown vitality as a centre for commerce, culture, and community life.

The Town’s partnership with the Comox Business Improvement Association (BIA) remained strong throughout the year. Together, the Town and BIA advanced the downtown lighting project, enhancing the appearance, safety, and year-round appeal of public spaces while contributing to a more welcoming environment for residents, businesses, and visitors. These improvements supported downtown vibrancy and reinforced the area as a hub for community gathering and economic activity.

Collaboration with the BIA also helped drive successful community events that stimulate local business activity and strengthen community spirit. Events such as Summer Fest, the Comox Trolley, the Halloween Costume Parade, and the Mayor’s Tree Lighting and Winter Market attracted residents and visitors downtown, encouraging local shopping, dining, and engagement with small businesses.

Throughout 2025, Council continued conversations with the BIA and other community partners focused on downtown vitality and future visitor-serving initiatives. These discussions supported long-term planning for tourism, economic resilience, and place-based experiences that align with Comox’s character and community values.

Together, these efforts demonstrate the Town of Comox’s commitment to economic health through partnership, strategic investment in public spaces, and initiatives that support local businesses while enhancing the overall downtown experience



> Thanks to Comox Business in Action organization and the Town of Comox, the new downtown the Comox Business in Action organization and the Town of Comox, pop-up community park is now beautifully lit. The lighting project, which began last fall, has also expanded to light the entire Harbour Greenway – connecting Downtown Comox to Marina Park – as well as the pop-up park at Comox Avenue and Port Augusta. Improved marina-pedestrian connectivity is part of the Town’s Downtown Economic Development Strategy, supported by the the Comox BIA.



> In spring 2025, the town installed level foundation pads, at each mobile vendor location, there’s no at each mobile vendor location. There’s now a clean and easy pathway to your favourite vendors. No more muddy feet or uneven ground—just smooth strolling and delicious bites.

And here’s a fun twist: come back in the evening and you might just notice a glow coming from the pebbles in the pad.



GOOD GOVERNANCE

Good organizational governance provides stable decision-making and management of our community.

Strong governance practices continued to guide Council and staff in 2025. Transparency, accountability, and respectful decision-making remained central to building public trust and effective leadership.

- Progress on long-term planning aligned with the Official Community Plan
- Investment in active transportation and infrastructure renewal
- Collaboration on housing, transportation, and environmental stewardship
- Focus on sustainable land use and infrastructure lifecycle management

OUTCOMES FOR 2025

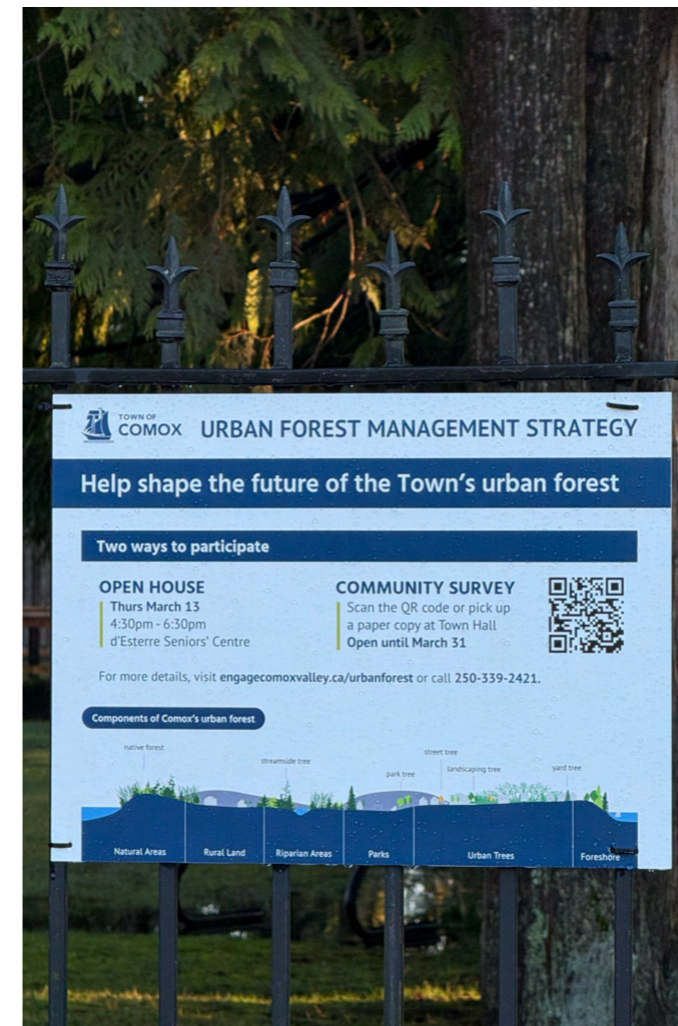
The Town of Comox advanced good governance and balanced community planning through coordinated infrastructure delivery, transparent long-range planning, and thoughtful stewardship of natural assets. These efforts reflect Council’s commitment to responsible decision-making, fiscal prudence, and planning for a sustainable and resilient community.

A major achievement in 2025 was the successful coordination of five Town infrastructure projects with the Comox Valley Regional District’s Sewer Conveyance Project. This integrated approach resulted in significant cost savings, reduced disruption to residents, and improved operational efficiency. Through coordinated planning and construction, the Town delivered substantial community benefits along the project corridor, including two new roundabouts, roadway upgrades, new sidewalks and bike lanes, bus shelters, and the complete renewal of stormwater, water, and sanitary mains. This collaborative model demonstrated strong intergovernmental cooperation and effective infrastructure stewardship.

The Town also made meaningful progress on long-term land use and growth planning. The Official Community Plan (OCP) update entered its final stages in 2025 following extensive public engagement. Open houses, surveys, and community conversations focused on housing needs, land use priorities, and the long-term vision for Comox. Council direction and draft materials were shared publicly, reinforcing transparency and ensuring community input continued to shape the Town’s future growth and development.

Environmental stewardship and climate resilience were further advanced through the development of a draft Urban Forest Management Strategy (UFMS). Informed by a multi-phase public engagement process, the UFMS provides a long-term framework for protecting, managing, and expanding Comox’s urban tree canopy over the next 30 years. The strategy also lays the groundwork for a future Tree Bylaw update, supporting ecosystem health, climate adaptation, and community well-being.

Together, these initiatives highlight the Town of Comox’s commitment to good governance and balanced community planning—delivering infrastructure efficiently, engaging the community in decision-making, and planning responsibly for a healthy, sustainable future.



> Open houses were held for both the Official Community Plan and the Urban Forest Management Plan. Many community members attended to provide their feedback and to gain further insight to the updates and plans at both in-person and virtual events hosted in 2025. Input from residents helped shape policies that will guide the Town’s growth and development in the coming years.



COMMUNITY ENGAGEMENT THROUGH OPEN HOUSES AND INFORMATION SESSIONS



BALANCED COMMUNITY PLANNING

We will ensure responsible thoughtful growth to enhance a well- balanced community.

The Town of Comox continued to plan thoughtfully for growth while protecting the natural environment and community character that define Comox.

- Progress on long-term planning aligned with the Official Community Plan
- Investment in active transportation and infrastructure renewal
- Collaboration on housing, transportation, and environmental stewardship
- Focus on sustainable land use and infrastructure lifecycle management

OUTCOMES FOR 2025



> The Town of Comox has taken another key step toward upgrading its fire station to meet the demands of a growing population. Comox Council unanimously supported the development of a design and financial plan for the upgrade. The goal is to ensure the Town's fire services remain capable of meeting the community's evolving needs.

Originally constructed in 1977, the current fire hall has exceeded its intended lifespan and no longer meets the operational requirements of today's fire service.



DOING PROJECTS TOGETHER...

> The Town of Comox is grateful for the continued support from ICBC's Road Improvement Program, which helps us make our streets safer for everyone—whether you walk, cycle, or drive.

Last year's funding supported:

- Balmoral Ave at Brooklyn Creek pedestrian cross light



- IN 2025, THE TOWN HAVE RECEIVED FUNDING FROM ICBC FOR:
 - GLACIER VIEW ROAD AND COMOX AVE ROUNDABOUT
 - ANDERTON AND BOLT PEDESTRIAN CROSSING LIGHT



> The Town of Comox installed a new signature series bus shelter, designed to be fully accessible for wheelchair users and to enhance comfort for transit customers. The total municipal cost for the shelter was \$8,349.26, with significant funding support provided through BC Transit's Transit Shelter Program.

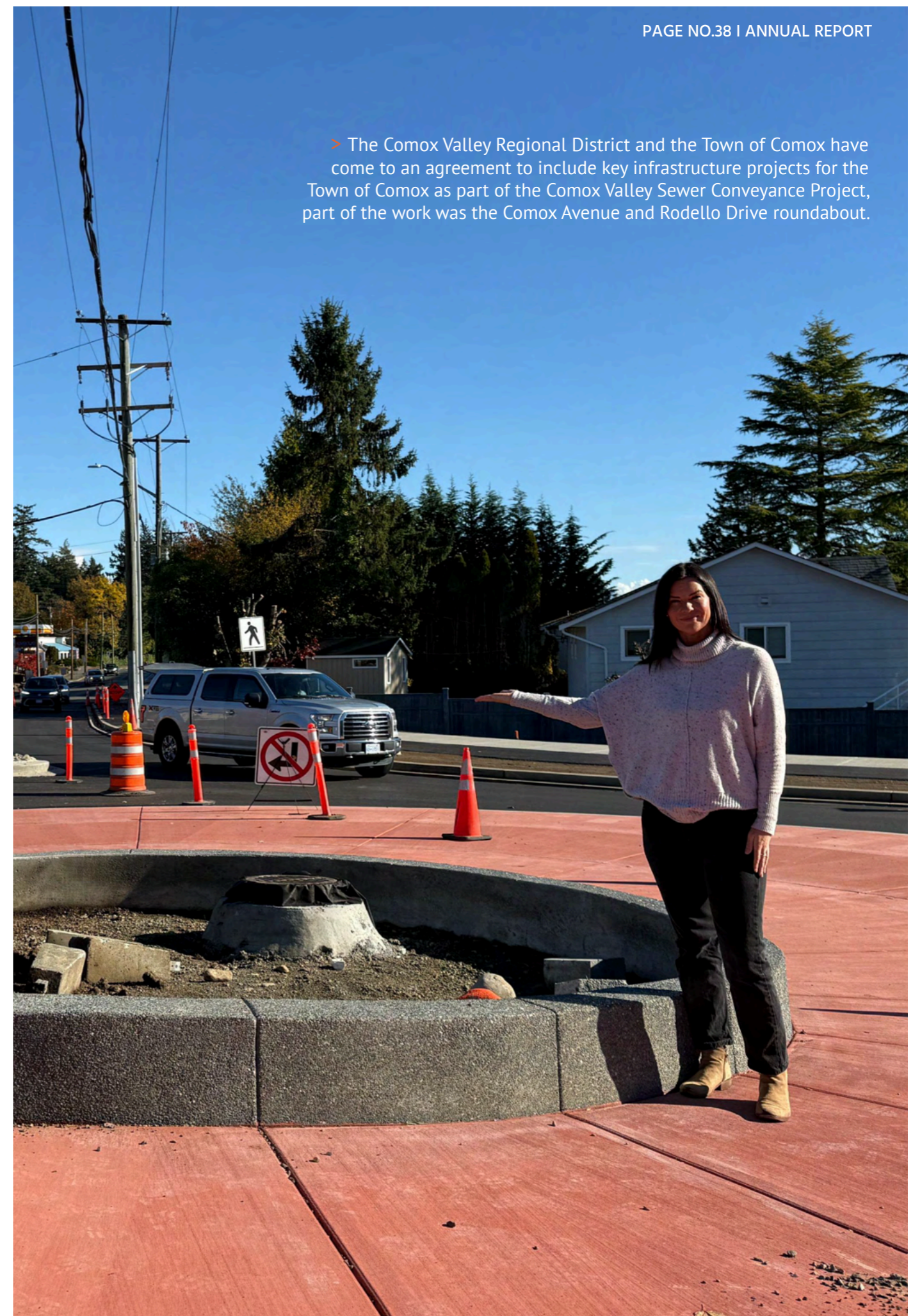
BC Transit's standardized shelter program improves the look, functionality, and accessibility of bus stop amenities across the province. Since its introduction in 2010, the program has supported the installation of more than 500 standardized shelters, helping municipalities deliver consistent, high-quality transit infrastructure.

With federal funding secured through the 2027/28 fiscal year, BC Transit's program reduces the municipal share of shelter upgrades and installation to approximately 20% of total costs, making these improvements more affordable for communities. This partnership supports safer, more comfortable, and more accessible public transit for residents and visitors alike.

> The Comox Valley Sewer Conveyance Project is a multi-year construction project that will replace the pipes and upgrade the pump stations that move more than 14,000 cubic metres of raw sewage each day to the sewage treatment plant on Brent Road. This is a significant and complex project that starts at the Courtenay Pump Station, moves through K'ómoks land, downtown Comox and the Lazo Road area to the Comox Valley Water Pollution Control Centre (Sewage Treatment Plant) on Brent Road. The Comox Valley Regional District is working with many jurisdictions, including the Town of Comox, to deliver this project smoothly and efficiently and minimize impacts within the community and surrounding area.

> Construction progresses on the roundabout on Comox Avenue and Glacier View at the top of Comox Hill.

> The Comox Valley Regional District and the Town of Comox have come to an agreement to include key infrastructure projects for the Town of Comox as part of the Comox Valley Sewer Conveyance Project, part of the work was the Comox Avenue and Rodello Drive roundabout.



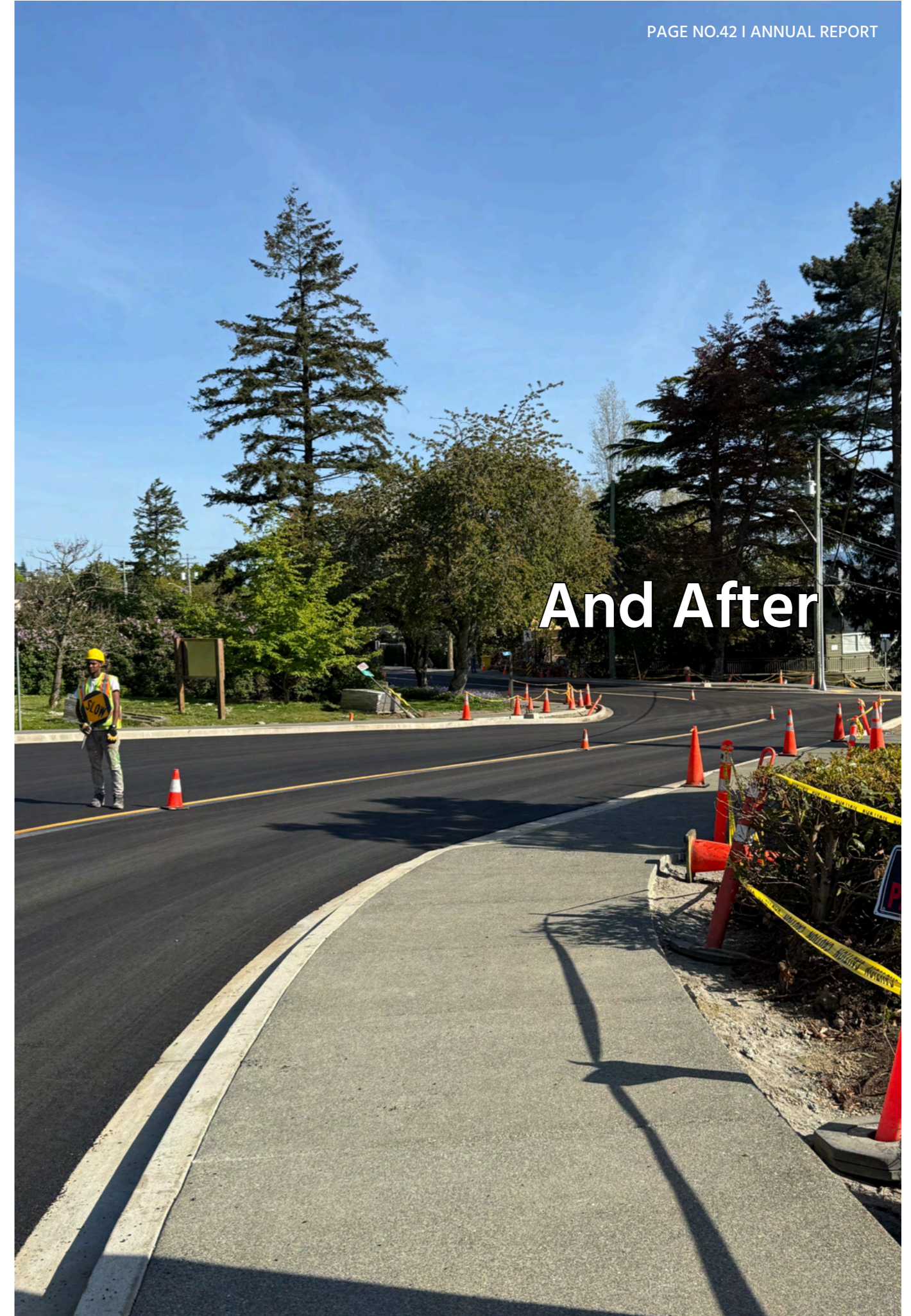




Before

Another project completed joint collaboration with the Comox Valley Sewer Conveyance project was the Beaufort Avenue improvements.

- Upgrade to the roadway cross section on Beaufort Ave. between Church St. and Nordin St.
- A sidewalk on both sides of the road, formalized parking areas and a shared bike/vehicle lane.



And After



Before

> The Town of Comox received grant funding through the British Columbia Active Transportation Infrastructure Grants Program to support the development of alternative active transportation infrastructure.

The project includes the construction of a new sidewalk on the west side of Aspen Road between Murrelet Drive and Bolt Avenue, continuing along the north side of Bolt Avenue to Aspen Park Elementary School, and includes parking improvements fronting Aspen Park. In addition, the project includes dedicated bike lanes along Aspen Road/Noel Road from Bolt Avenue to Anderton Road to enhance safety and connectivity for cyclists and pedestrians.



And After

> The new sidewalk will create a continuous pedestrian route from Murrelet Drive to Aspen Park Elementary School, allowing pedestrians to remain on the west side of Aspen Road and eliminating the need to cross traffic. The dedicated bike lanes expand the Town's existing cycling network, providing residents with a safe, accessible, and convenient active transportation option for all ages and abilities.



Permissive Property Tax Exemptions
Comox Town Council has granted these permissive tax exemptions

Description of Property	Description of Exemption	Effect of Exemptions: 2025
Comox Golf Course	All of land & buildings	\$ 33,017
Filberg Lodge & Park	All of land & buildings	\$ 127,319
Comox Archives & Museum	All of land & building	\$ 8,294
Pearl Ellis Art Gallery	All of land & building	\$ 3,443
Comox Lions Club	All of land & building	\$ 7,817
Unity Comox Valley	All of land & building	\$ 1,971
Tigger Too Day Care	Half of land & building	\$ 2,217
Marine Rescue Station	All of float building	\$ 204
Pt. Holmes Boat Launch	All of land & structures	\$ 13,796
United Church	All of land	\$ 14,216
Pentecostal Church	All of land	\$ 8,418
Anglican Church	All of land	\$ 7,026
Bay Community Church	All of land	\$ 8,493
Presbyterian Church	All of land	\$ 7,637
Providence Living Society & Thrift Store	All of land & building	\$ 206,015
d'Esterre Seniors Centre	All of land & building	\$ 30,811
Comox Legion	All of land & building	\$ 19,337
Nature Trust of BC	All of land	\$ 20,988
888 (Komox) RCAF Wing	Class 8 land & building	\$ 5,143
Affordable Housing 1582 Balmoral	All of land & building	\$ 19,507
Tennis Clubhouse	All of land & building	\$ 17,829
Dawn to Dawn	All of land & building	\$ 3,120
Aspen Grove Children's Centre	Half of leased space	\$ 5,167
North Nanaimo Rentals	Leased space	\$ 12,507
Living Hope Church	All of land	\$ 10,913
Affordable Housing 1742 Beaufort	All of land & building	\$ 9,191
Joyful Journeys Children's Centre	Leased space	\$ 2,081
Estimated total taxes exempted		\$ 606,476
Estimated Town share exempted		\$ 359,057



Consolidated Financial Statements of

Town of Comox

Year Ended December 31, 2025

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Year Ended December 31, 2025

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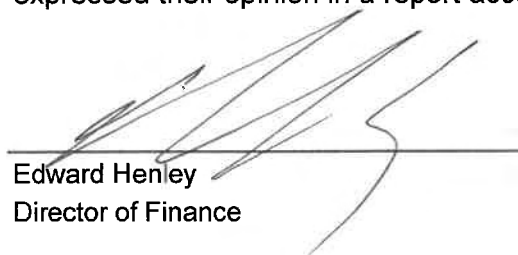
Town of Comox

Management's Responsibility for Financial Reporting

The preparation of information in these Consolidated Financial Statements is the responsibility of management. The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards and are outlined under "Significant Accounting Policies" in the notes to the consolidated financial statements. Management is responsible for the integrity and objectivity of these statements as well as the supplementary statements and schedules.

Management maintains a system of internal accounting 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.

MNP LLP, the Town's independent auditors, have conducted an examination of the consolidated financial statements in accordance with Canadian auditing standards and have expressed their opinion in a report accompanying this statement.



Edward Henley
Director of Finance

To the Mayor and Council of the Town of Comox:

Opinion

We have audited the consolidated financial statements of Town of Comox (the "Town"), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statements of operations, remeasurement gains and losses net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Supplementary Information

The supplementary information contained in Schedule 1 - Schedule of Continuity of Reserve Funds has been presented for purposes of additional analysis and is unaudited. We do not express an opinion on this Schedule because our examination did not extend to the detailed information therein.

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 consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 Consolidated Financial Statements

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

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

Those charged with governance are responsible for overseeing the Town's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town'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 Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Town to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Nanaimo, British Columbia

May 6, 2026

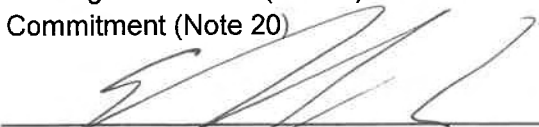
MNP LLP

Chartered Professional Accountants

Town of Comox
Consolidated Statement of Financial Position
as at December 31, 2025

	2025	2024
Financial Assets:		
Cash & cash equivalents	\$ 10,079,791	\$ 5,691,367
Short-term investments (Note 2c)	53,468,531	49,987,499
Receivables (Note 3)	5,537,157	4,776,489
Land for resale	9,847	9,847
	69,095,326	60,465,202
Financial Liabilities:		
Payables (Note 4)	5,704,162	5,102,875
Deferred revenue (Schedule 2)	2,448,509	1,995,870
Restricted revenue (Schedule 2)	4,871,652	8,001,796
Deposits	9,055,079	1,613,561
Capital lease (Note 5)	1,511,974	1,670,410
Equipment financing (Note 6)	996,266	1,368,489
Long-term debt (Note 7)	1,109,520	-
Future payroll obligations (Note 10)	900,821	978,675
Asset retirement obligations (Note 18)	285,638	273,980
	26,883,621	21,005,656
Net Financial Assets	42,211,705	39,459,546
Non-financial assets:		
Tangible capital assets (Schedule 4)	118,918,516	105,917,653
Supply inventory	353,329	279,296
Prepaid expenses	435,302	327,548
Shares in Courtenay Golf Club Ltd.	8,750	8,750
	119,715,897	106,533,247
Accumulated surplus	\$ 161,927,602	\$ 145,992,793
Accumulated surplus consists of:		
Accumulated operating surplus (Note 17)	161,374,139	145,643,062
Accumulated remeasurement gain	553,463	349,731
Accumulated surplus	\$ 161,927,602	\$ 145,992,793

Contingent liabilities (Note 8)
Commitment (Note 20)


Edward Henley, Director of Finance, responsible for financial administration.

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

Town of Comox
Consolidated Statement of Operations
Year Ended December 31, 2025

	Budget (Note 16)	2025	2024
Revenue			
Property taxation	\$ 16,944,356	\$ 17,086,135	\$ 15,274,067
Sale of services	13,684,095	14,846,143	14,086,511
Government transfers	4,955,769	4,567,843	7,335,560
Investment income	400,000	2,585,958	2,574,887
Development contributions	1,480,195	8,809,185	3,280,475
Loss on disposal of tangible capital assets	-	(120,656)	(15,703)
Other	122,900	128,186	134,445
	37,587,315	47,902,794	42,670,242
Expenses			
General government	4,535,252	3,735,083	4,261,079
Protective services	5,769,066	5,007,021	4,914,051
Solid waste management	2,761,928	2,521,107	2,632,290
Affordable housing	30,230	35,244	35,267
Development services	3,305,512	1,587,535	1,267,644
Transportation	4,771,439	3,900,524	4,667,949
Parks, recreation, and culture	7,550,082	6,711,156	6,059,987
Marina	33,395	381,142	202,710
Water services	3,648,065	4,140,397	3,115,073
Sewer services	3,952,190	4,152,508	3,149,596
	36,357,159	32,171,717	30,305,646
Annual surplus	1,230,156	15,731,077	12,364,596
Accumulated operating surplus, beginning of year	145,643,062	145,643,062	133,278,466
Accumulated operating surplus, end of year	\$ 146,873,218	\$ 161,374,139	\$ 145,643,062

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

Town of Comox

Consolidated Statement of Remeasurement Gains and Losses

Year Ended December 31, 2025

	2025	2024
Accumulated remeasurement gains, beginning of the year	\$ 349,731	\$ 88,623
Unrealized gains attributable to portfolio investments	203,732	261,108
Accumulated remeasurement gains, end of year	\$ 553,463	\$ 349,731

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

Town of Comox

Consolidated Statement of Change in Net Financial Assets

For the Year Ended December 31, 2025

	Budget (Note 16)	2025	2024
Annual surplus	\$ 1,230,156	\$ 15,731,077	\$ 12,364,596
Acquisition of tangible capital assets	(13,307,152)	(14,845,471)	(8,522,598)
Disposition of tangible capital assets	-	471,627	171,933
Increase in tangible capital assets due to asset retirement obligations	-	-	19,331
Tangible capital assets contributed	-	(2,940,785)	(2,579,470)
Additions of Capital Assets	(13,307,152)	(17,314,629)	(10,910,804)
Amortization of tangible capital assets	3,700,000	4,313,766	4,060,802
	(8,376,996)	2,730,214	5,514,594
Unrealized gain on investments	-	203,732	261,108
Increase in supply inventory	-	(74,033)	(18,543)
Increase in prepaid expenses	-	(107,754)	(185,469)
	-	21,945	57,096
Increase (decrease) in Net Financial Assets	(8,376,996)	2,752,159	5,571,690
Net Financial Assets at beginning of year	39,459,546	39,459,546	33,887,856
Net Financial Assets at end of year	\$ 31,082,550	\$ 42,211,705	\$ 39,459,546

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

Town of Comox

Consolidated Statement of Cash Flows as at December 31, 2025

	2025	2024
Net inflow (outflow) of cash related to the following activities:		
Operating activities:		
Annual surplus	\$ 15,731,077	\$ 12,364,596
Non-cash items included in operations:		
Contribution from developers	(2,940,785)	(2,579,470)
Amortization of tangible capital assets	4,313,766	4,060,802
Accretion	11,658	17,909
Disposition of tangible capital assets	471,627	171,933
Unrealized gain on investments	203,732	261,108
Net changes to financial assets & liabilities through operations:		
(Increase) in receivables	(760,668)	(1,767,388)
Increase in payables	601,287	621,468
Increase in deferred revenue	452,639	297,584
(Decrease) in restricted revenue	(3,130,144)	(270,733)
Decrease / (increase) in other deposits	7,441,518	(1,761,182)
(Decrease) in future employee obligations	(77,854)	(105,509)
(Increase) in supply inventory	(74,033)	(18,543)
(Increase) in prepaid expenses	(107,754)	(185,469)
	22,136,066	11,107,106
Investing Activities		
Short-term investing	(3,481,032)	(602,733)
Capital Activities		
Acquisition of tangible capital assets	(14,845,471)	(8,522,598)
Financing activities:		
Capital lease borrowing	-	1,822,887
Capital lease repayment	(158,436)	(152,477)
Equipment financing repayment	(372,223)	(331,058)
Long-term debt proceeds	1,109,520	-
	578,861	1,339,352
Increase in cash and cash equivalents	4,388,424	3,321,127
Cash and cash equivalents, beginning of year	5,691,367	2,370,240
Cash and cash equivalents, end of year	\$ 10,079,791	\$ 5,691,367
Supplemental cash flow information		
Interest paid	\$ 140,252	\$ 197,901
Interest received	\$ 2,585,958	\$ 2,574,887

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

Town of Comox Notes to the Consolidated Financial Statements For the year ended December 31, 2025

1. PURPOSE

The Town of Comox was incorporated in 1946 to provide municipal services to its residents and is governed by the Community Charter and the Local Government Act of British Columbia.

2. SIGNIFICANT ACCOUNTING POLICIES

a) British Columbia Municipalities

It is the policy of the Town to follow the accounting principles generally accepted for British Columbia municipalities and to apply such principles consistently. As part of this policy, the Town's resources and operations are segregated into various funds for accounting and financial reporting purposes, each treated as a separate entity with responsibility for the stewardship of the assets allocated to it.

The consolidated financial statements are prepared in accordance with the recommendations of the Public Sector Accounting Board (PSAB). The consolidated financial statements include the Town of Comox's financial position, financial operations, changes in remeasurement gains and losses, changes in net financial assets, and changes in cash flows. Inter-fund transactions and fund balances have been eliminated on consolidation.

b) Investments and Financial Instruments

Financial instruments are classified into two categories: fair value or cost.

(i) Fair value category: investments quoted in an active market are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the Statement of Operations and related balances reversed from the Statement of Remeasurement Gains and Losses.

(ii) Cost category: investments not quoted in an active market, financial assets and liabilities are recorded at cost or amortized cost. Gains and losses are recognized in the Statement of Operations when the financial asset is derecognized due to disposal or impairment. Sales and purchases of investments are recorded on the trade date.

Transaction costs related to the acquisition of financial assets are included in the cost of the related instrument.

**Town of Comox Notes to the Consolidated
Financial Statements For the year ended
December 31, 2025**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets are assessed for impairment on an annual basis. If there is an indicator of impairment, the Town of Comox determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Town of Comox expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial adjusted cost base.

c) Short-term Investments

Investments comprise various investment funds with fluctuating returns, carried at market value, equal to the carrying value, and Guaranteed Investment Certificates with maturities ranging from January 2026 to September 2028, with interest rates ranging from 3.55% to 6.15%, which are recorded at cost. The Town has elected to record its Bond Fund investments at fair value per note 2b).

Short-term Investments	2025	2024
Municipal Finance Authority of BC Funds:		
Short-term Bond Fund *	\$ 5,553	\$ 5,377
Intermediate Bond Fund	5,053,223	4,861,983
Money Market Fund	16,112	15,662
Adjusted for Trust Fund *	<u>5,074,888</u>	<u>4,883,022</u>
Guaranteed Investment Certificates		
Scotiabank (30-day Note Plan)	2	7,058,858
Coast Capital Savings	35,893,611	11,217,832
Raymond James	12,500,031	26,827,787
Sub-total	<u>48,393,643</u>	<u>45,104,477</u>
 Total	 <u>\$ 53,468,531</u>	 <u>\$ 49,987,499</u>

d) Trust Fund

A Town-administered trust fund has been excluded from the consolidated financial statements. The balance in the fund was \$313,530 at December 31, 2025 (2024 - \$301,665). It was invested in the MFA Short-term Bond Fund in 2025 and 2024.

Town of Comox
Notes to the Consolidated Financial Statements
For the year ended **2025**
December 31,

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

- e) Tangible capital assets are recorded at cost, net of disposals, write-downs and amortization. Acquisitions exceeding the capitalization thresholds are capitalized. The Town records certain infrastructure as a single network without breaking down into component parts. Expenditures to replace such a network are expensed as incurred. Amortization calculated on a straight-line over the estimated life of the asset. Amortization not taken basis the asset is in use. Repairs and maintenance are not capitalized until in the period in which occur. Betterments which enhance asset capacity are capitalized.

Major Asset Category	Threshold	Estimated Life
Land	\$ 10,000	Indefinite
Land improvements	\$ 10,000	25 years
Buildings	\$ 10,000	50 years
Vehicles and machinery	\$ 10,000	8 to 20 years
Computers and programs	\$ 10,000	5 years
Engineered structures		
Road surfaces	\$ 10,000	25 years
Road sub-surfaces	\$ 10,000	50 years
Sidewalks	\$ 10,000	50 years
Storm drains surface	\$ 10,000	25 years
Storm drains sub-surface	\$ 10,000	75 years
Water	\$ 10,000	75 years
Sewer	\$ 10,000	75 years
Other surface structures	\$ 10,000	25 years

- f) Future Payroll Obligations
Earned but unpaid vacation is fully accrued and recorded in the financial statements.

An accrual is made for expected payments for employee sick leave, retirement payouts, disability or death benefits, and termination pay, discounted to net present value at year-end.

- g) Inventory
Inventory of supplies is recorded as a non-financial asset and is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

**Town of Comox Notes to the Consolidated
Financial Statements For the year ended
December 31, 2025**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Funds

The Town of Comox's financial operations are divided into seven funds: General Operating Fund, General Capital Fund, Reserve Fund, Water Operating Fund, Water Capital Fund, Sewer Operating Fund, and Sewer Capital Fund. Functionally, the Water and Sewer Funds are used for the services of distribution of potable water and collection and treatment of sanitary sewage, respectively. The General Operating Fund is used for all other Town services. Capital Funds (General, Water and Sewer are used to segregate tangible capital assets and related debt). All revenue and expenses for services are recognized in the operating funds. The Reserve Fund is used to segregate capital and other statutory reserves.

i) Revenue Recognition

Property tax revenues are recognized in the year they are levied. User fees and garbage revenues are recognized when the performance obligation is satisfied. 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. Permit fees are recognized as revenue upon satisfaction of the performance obligation. Development cost charges are deferred and recognized as revenue in the year an acquisition authorized by bylaw is incurred. Contributed tangible capital assets are recorded at fair market value when the contribution is received.

Government transfers are recognized in the consolidated financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made, except when and to the extent the transfer gives rise to an obligation that meets the definition of a liability.

j) Liability for contaminated sites

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

At each financial reporting date, the Town reviews the carrying amount of the liability. Any revisions required to the amount previously recognized are accounted for in the period in which revisions are made. The Town continues to recognize the liability until it is settled or otherwise extinguished. Disbursements to settle the liability are deducted from the reported liability when made. As of December 31, 2025, the Town has not recorded any liability for contaminated sites, as none have been identified.

**Town of Comox Notes to the Consolidated
Financial Statements For the year ended
December 31, 2025**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Measurement Uncertainty

The preparation of consolidated financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Significant areas requiring management estimates are the estimated life of tangible capital assets (used to establish amortization), asset retirement obligations, determination of future payroll obligations, collectability of accounts receivable and provisions for contingencies. Actual results may vary from the estimates, and adjustments will be reported and reflected in operations as they become known. Liabilities for contaminated sites are estimated based on the best available information regarding potentially contaminated sites for which the Town is responsible.

l) Asset Retirement Obligation

A liability for an asset retirement obligation is required at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the Town 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 an asset retirement obligation incorporates the present value technique when the cash flows required to settle or otherwise extinguish an 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 a component thereof). The asset retirement cost is amortized over the useful life of the related asset. At each financial reporting date, the Town reviews the carrying amount of the liability. The Town 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 undiscovered cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. The Town continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability at the time they are made.

**Town of Comox Notes to the Consolidated
Financial Statements For the year ended
December 31, 2025**

3. RECEIVABLES

Receivables are composed of the following amounts:

	2025		2024
Employees	\$ 121	\$	7,147
Governments	1,567,349		983,715
Other	3,969,687		3,785,627
Total receivables	\$ 5,537,157	\$	4,776,489

4. PAYABLES

Payables are composed of the following amounts:

	2025		2024
Wages payable	\$ 663,221	\$	402,538
Governments	3,936,158		3,726,049
Trade and other	1,104,783		974,288
Total receivables	\$ 5,704,162	\$	5,102,875

**Town of Comox Notes to the Consolidated
Financial Statements For the year ended
December 31, 2025**

5. CAPITAL LEASE OBLIGATIONS

Effective January 1, 2024, the Town entered into a 10-year agreement with Emterra Environmental for the use of solid waste carts with monthly payments of \$18,318. This lease is deemed to hold an interest rate of 3.84%, which is in line with the Municipal Finance Authority's 10-year borrowing rate.

The required minimum lease payments over the next 8 years are as follows:

2026	\$	219,811
2027		219,811
2028		219,811
2029		219,811
2030		219,810
2031		219,810
2032		219,810
2033		219,810
Total minimum lease payments		<u>1,758,484</u>
Less: amounts representing interest		<u>246,510</u>
Present value of net minimum capital lease payments	<u>\$</u>	<u>1,511,974</u>

The interest expense for the current year was \$61,375 (2024 - \$67,334).

Tangible capital assets of \$1,822,887 have been recorded in relation to the capital lease. Amortization of \$182,139 (2024 - \$182,289) has been recorded in 2025, and the net book value as at December 31, 2025, is \$1,457,960 (2024 - \$1,640,598).

6. EQUIPMENT FINANCING

General Capital Fund	Balance beginning of year	Additions	Principal Payments	Interest Paid	Balance end of year
Equipment financing	\$ 1,368,489	-	(372,223)	(40,386)	\$ 996,266

The entire loan is repayable on demand by the Municipal Finance Authority. The applicable rate of interest is variable, based on the annual variable rate offered by the Municipal Finance Authority. The average interest rate for payments in 2025 was 3.34%; it may increase or decrease with market fluctuations. The requirements for future repayments of principal and interest in existing debt for the next five years are estimated as follows:

	General Capital Fund	
	Principal	Interest
2026	\$ 389,598	\$ 23,011
2027	400,721	11,887
2028	205,947	1,698
Total	<u>\$ 996,266</u>	<u>\$ 36,596</u>

**Town of Comox Notes to the Consolidated
Financial Statements For the year ended
December 31, 2025**

7. LONG-TERM DEBT

The Town has entered into a long-term borrowing agreement with the Municipal Finance Authority, pursuant to loan authorization bylaw 2044, to finance the net-zero-emission reduction capital project at six of the Town's facilities. The interest rate is fixed at 3.77% for the 10-year term of the loan. The proceeds from the loan were received on November 27, 2025. Interest and principal payments are made semi-annually with the first payment on May 27, 2026.

Issued/Bylaw#	Interest rate/ Term	Amount Borrowed	Principal Payment	Interest Payment	Net Owing
Mar 2025/BL#2044	3.77% 10 years	\$1,109,520	-	-	\$1,109,520

The following is a schedule of future minimum payments of principal and interest for 10 years.

2026	\$	151,735
2027		147,552
2028		143,369
2029		139,187
2030		135,004
2031		130,821
2032		126,638
2033		122,455
2034		118,272
2035		114,089
Total minimum payments		<u>1,329,122</u>
Less: amounts representing interest		<u>219,602</u>
Principal amount	\$	<u>\$1,109,520</u>

**Town of Comox Notes to the Consolidated
Financial Statements For the year ended
December 31, 2025**

8. CONTINGENT LIABILITIES

a. Regional District Debt

Regional District debt is, under the provisions of the Local Government Act (Section 836), a direct, joint and several liability of the district and each member municipality within the district, including the Town of Comox. Readers are referred to the Comox Valley Regional District 2025 Audited Financial Statements for specific information and details.

b. Comox Fire Department

The Comox Fire Department protects both the Town of Comox and the Comox Rural Fire Protection Improvement District, and so is jointly funded by the Town and the District. In the event that this relationship ended, the Town would have to compensate the district for its share of the equity of Fire Department assets. As at December 31, 2025, the District's share of those tangible capital assets (at cost and net book value) was \$1,558,025 and \$987,320, respectively (\$1,293,292 and \$969,487 in 2024), and its share of a Fire Department Capital Reserve was \$203,986 (2024 - \$219,366). Due to the Asset Retirement Obligation rules (See Note 18), the Improvement District has a related balance of \$13,041, which is for the buildings they maintain a 1/3 ownership in.

c. Claims

At December 31st there existed outstanding claims against the Town. These claims have been referred to legal counsel and to the Town's liability insurers. It is not possible to determine the Town's potential liability, if any, with respect to these matters.

**Town of Comox Notes to the Consolidated
Financial Statements For the year ended
December 31, 2025**

9. PENSION INFORMATION

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

Every three years, an actuarial valuation is performed to assess the financial position of the plan and the 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.

The Town of Comox paid \$614,630 for employer contributions to the plan in fiscal 2025 (2024 - \$609,836).

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.

10. FUTURE PAYROLL OBLIGATIONS

The Town calculates the value of vacation, sick, severance, and meritorious service accruals to be \$900,821 at December 31, 2025 (2024 - \$978,675).

Vacation Accrual is calculated to be \$370,268 at December 31, 2025 (2024 - \$459,458). Sick, severance, and meritorious service is calculated to be \$530,552 at December 31, 2025 (2024 - \$519,217). In 2025, an unamortized net actuarial gain of \$151,514 (2024 - \$162,110) was recognized as a result of an overvaluation from prior years.

Meritorious Service benefits apply to Town employees with at least 10 years of service who retire, become permanently disabled, or pass away. Eligible employees receive two days' pay for each year of service. The reported liability reflects the likelihood that employees will become eligible for this benefit. The calculations were projected into the future with an inflation factor of 6% and discounted back at a discount rate of 4.40% (2024 - 4.20%). Employee retirement benefit payments are being funded by an accounting charge on wages paid in the year.

**Town of Comox Notes to the Consolidated
Financial Statements For the year ended
December 31, 2025**

11. FINANCIAL RISKS AND CONCENTRATION OF RISK

The Town of Comox is potentially exposed to credit risk, market and interest rate risk, and liquidity risk from the Town's financial instruments. Qualitative and quantitative analyses of the significant risks from the Town's financial instruments are provided below by risk type.

a. Credit Risk

Credit risk primarily arises from the Town's 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 Town 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 Town historically has not had difficulty collecting receivables, nor have counterparties defaulted on any payments.

b. Market and Interest Rate Risk

Market risk is the risk that changes in market prices and inputs, such as interest rates, will affect the Town's income. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing the return on risk.

The Town manages market risk by holding cash balances with top rated Canadian Schedule I financial institutions. The investments are managed following the investment policy which is approved by the Town's council. The Town periodically reviews its investments and is satisfied that the portfolio investments are being managed in accordance with the investment policy.

Interest rate risk is the risk that the fair value of a financial instrument's future cash flows will fluctuate due to changes in market interest rates. The Town's investments are disclosed in Note 2, and changes in the fair value of investments have parallel changes in unrealized gains or losses until realized on disposal. The Town's exposure to interest rate risk in relation to debt instruments is limited to long-term debt and short-term financing. The risk applies only to long-term debt when the amortization period exceeds the initial locked-in term. Short-term financing is subject to daily floating rates, which can result in variability over the course of short-term financing. Interest rate risk related to debt instruments is managed through budget and cash forecasts.

Interest rates have decreased during the year, which primarily affects the interest costs of short-term debt and interest earnings on investments.

c. Liquidity Risk

Liquidity risk is the risk that the Town will not be able to meet its financial obligations as they become due. The Town manages liquidity risk by continually monitoring actual and forecasted cash flows from operations, anticipated investing, and financial activities to ensure that its financial obligations are met.

**Town of Comox Notes to the Consolidated
Financial Statements For the year ended
December 31, 2025**

12. FEDERAL PAYMENTS IN LIEU OF TAX

Although the Town is not economically dependent on Federal Payments in Lieu of Tax (PILT), it normally receives 15% of its revenue from taxation from this source of revenue. Were the Government of Canada to halt its PILT, there would be a significant impact on operations that could result in either a reduction in service levels and/or an increase in property tax rates.

13. RESTRICTION ON DEFERRED REVENUE

The Town receives Development Cost Charges from developers. Section 935 of the Local Government Act requires that these funds be deposited into reserves and limits the use of those reserves (including the interest earned on them) to capital costs related to the purpose for which the charge was collected. Section 941 of the Local Government Act similarly limits the use of cash payments received in lieu of the 5% parklands provided at subdivision of land, for acquisitions of parkland. See Schedule 2 for details of deferred revenues.

**Town of Comox Notes to the Consolidated
Financial Statements For the year ended
December 31, 2025**

14. SEGMENTED INFORMATION

The Town of Comox is a local government that provides a wide range of services to its citizens. For management and reporting purposes, the Town's operations are organized and reported by segments. Schedules 5 and 6 (for 2025 and 2024, respectively) of these Financial Statements disclose the Town's revenue and expenses split into the following segments:

General government services – including the activities of Council plus general Town administration, finance, and enforcement of Town bylaws.

Protective services – including the activities of the RCMP on behalf of Comox, plus the Comox Volunteer Fire Department, building inspection, emergency planning and animal control.

Transportation services – including roads, sidewalks, street lighting, traffic control and storm drains.

Solid waste management service – including collection and disposal of garbage, recyclables and yard waste. The Town does not operate any landfills or transfer facilities.

Affordable housing service - including construction or purchase of dwelling units or land to support affordable housing initiatives, or on behalf of non-profit organizations to support affordable housing initiatives.

Development services – including Town planning and our annual grants to the Downtown Business Improvement Area Association.

Marina service is the operation of the Town's Marina.

Parks, recreation, and culture services – including operating the Town's recreation centre and public recreation programs, Town parks and greenways, cultural grants from the Town and events sponsored for the Town, Christmas lighting, and Town buildings used for recreation and cultural activities. The Town is a member of the Vancouver Island Regional Library (VIRL), and owns library space that it rents to VIRL, which operates the Comox library branch.

Water service is the distribution of water to Town residents. The Town buys treated bulk water from the Comox Valley Regional District, so the Town neither produces nor treats the water it distributes.

Sanitary sewer service is the collection of sanitary sewage and transmission of the same to the sanitary sewer treatment system operated by the Comox Valley Regional District. The Regional District charges the Town for a share of the costs to operate its system.

Certain allocations are employed in the preparation of segmented financial information. General property taxation and payments in lieu thereof are allocated to General Government and not to segments. Government grants and DCCs used for capital acquisitions are allocated to segments based on the grant's purpose. Investment income is allocated to segments based on the nature of the capital reserves on which it is earned. Some expenses are allocated to segments based on estimated resource use.

The accounting policies used in these segments are consistent with those followed in preparation of the consolidated financial statements as disclosed in Note 2. There are no inter-segment sales of goods or services.

**Town of Comox Notes to the Consolidated
Financial Statements For the year ended
December 31, 2025**

15. COMMUNITY WORKS (FEDERAL GAS TAX) FUNDS

The Town receives transfers of Community Works (federal gas tax) Funds through the Union of BC Municipalities that can be used to fund eligible expenditures.

Continuity of Funds	2025	2024
Opening balance	\$ 5,023,268	\$ 4,156,558
Transfers received during the year	737,586	737,586
Interest on investments	144,384	202,906
Draws to fund eligible projects	<u>(2,745,491)</u>	<u>(73,782)</u>
Closing balance	<u>\$ 3,159,747</u>	<u>\$ 5,023,268</u>

These transfers are recorded as conditional grant revenue because they can only be used for eligible expenditures under the terms of a 2024-2034 agreement between the Government of Canada and the Union of BC Municipalities.

16. RECONCILIATION OF 2025 BUDGET

The Town's budget figures are based on a five-year Financial Plan adopted on May 14, 2025, in accordance with Section 165 of the Community Charter of BC. That section requires municipalities to set out, for each year of their Plan, the proposed expenditures (including debt principal repayments, transfers to reserves, and tangible capital asset acquisitions) and the proposed funding sources for them (including debt issues and transfers from reserves and accumulated surplus). However, for financial reporting purposes, the Town follows public sector accounting standards and reports revenues and expenses, so the following adjustments must be made to the budgeted figures to reconcile them to the Town's 2025 Financial Plan:

Reconciliation of the budget reported to the financial plan	2025
Net budget for 2025 reported	\$ 1,230,156
Capital acquisitions in the financial plan	(13,307,152)
Transfers from capital reserves in the financial plan	13,135,432
Transfers to capital reserves in the financial plan	(5,615,658)
Debt proceeds in the financial plan	1,545,520
Debt principal repayments in the financial plan	(688,298)
Amortization expense	<u>3,700,000</u>
Net of financial plan	<u>\$ -</u>

**Town of Comox Notes to the Consolidated
Financial Statements For the year ended
December 31, 2025**

17. ACCUMULATED OPERATING SURPLUS

Operating Funds comprise the Town's principal operating activities and are separated into General, Water, and Sanitary Sewer Funds.

Capital Funds - used to record the acquisition and disposal of tangible capital assets and related financing, and are similarly separated into General, Water and Sanitary Sewer Funds. The General Capital Fund also includes shares in Courtenay Golf Club Ltd., carried at \$8,750.

Reserve Funds - created to hold cash and investments for specific future requirements. They comprise the funds shown in Schedule 1.

Accumulated operating surplus	2025	2024
Operating funds:		
General operating fund	\$ 7,438,917	\$ 3,589,783
Water operating fund	3,353,275	3,713,232
Sanitary sewer operating fund	6,248,029	6,004,721
	17,040,221	13,307,736
Capital funds: (Schedule 3)		
General capital fund	99,961,637	84,847,491
Water capital fund	9,295,978	9,299,227
Sanitary sewer capital fund	9,051,891	8,740,786
	115,309,506	102,887,504
Reserve funds (Schedule 1)	29,024,412	29,447,822
	\$ 161,374,139	\$ 145,643,062

**Town of Comox Notes to the Consolidated
Financial Statements For the year ended
December 31, 2025**

18. ASSET RETIREMENT OBLIGATIONS

The Town of Comox owns and operates several assets that are known to contain asbestos, which pose a health hazard during demolition or renovation. There is a legal obligation to remove and dispose of the hazardous materials. Following the adoption of Public Sector Accounting Standard PS 3280, Asset Retirement Obligations, the Town recognized an obligation for the removal of hazardous materials from these assets, estimated as of January 1, 2023.

The transition and recognition of asset retirement obligations involved an accompanying increase in the Buildings and Fire capital assets. The increase in capital assets is amortized on a straight-line basis over the remaining expected useful life of the related assets.

Estimated costs totaling \$307,837 (2024 - \$295,979) have been discounted using a present value calculation with a discount rate of 4.56% (2024 - 4.52%). The timing of these expenditures is estimated to occur between 2026 and 2074 with the regular replacement, renovation or disposal of assets. No recoveries are expected at this time.

	2025		2024
Opening asset retirement obligation	\$ 273,980	\$	275,402
Disposals	-		(19,331)
Increase due to accretion	11,658		17,909
Closing asset retirement obligation	\$ 285,638	\$	273,980

19. GROWING COMMUNITIES FUND

The Province of British Columbia distributed conditional GCF grants to communities for amenities to meet the demands of population growth. The GCF provided a one-time grant to all municipalities in British Columbia.

The Town of Comox received \$4,693,000 of GCF funding in March 2023. The following is a schedule of the GCF grant receipts, spending and allocation of unspent funds.

Growing Communities Fund	2025		2024
Opening balance	\$ 4,085,631	\$	3,664,495
Interest received during the year	115,677		166,834
Amounts expended during the year			
Robb Avenue repaving	(9,394)		-
Queens Avenue storm drainage-returned	-		271,649
Town hall reengineering	-		(17,348)
Balance, end of year	\$ 4,191,914	\$	4,085,631

**Town of Comox Notes to the Consolidated
Financial Statements For the year ended
December 31, 2025**

20. COMMITMENT

The Town has entered into a ten-year service agreement with Emterra Environmental for garbage, recycling and compost pickup and disposal, which expires December 31, 2033. Part of the agreement resulted in a capital lease commitment (note 5). Contracted cost estimate for 2026 is \$1,866,945.

21. COMPARATIVE FIGURES

Comparative figures have been reclassified to conform to the current year's presentation.

Town of Comox

Schedule of Continuity of Reserve Funds
Year ended December 31, 2025

Schedule 1
(unaudited)

	2025	2024
Opening balance of reserve funds	\$ 29,447,822	\$ 25,537,570
Contributions to funds from operations	6,991,636	9,076,447
Interest earned on funds	725,900	1,436,009
Withdrawals from funds for capital acquisitions	(8,140,946)	(6,602,204)
Closing balance of reserve funds	\$ 29,024,412	\$ 29,447,822

Represented by the following financial assets:

Cash and short-term investments	\$ 29,024,412	\$ 29,447,822
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Including the following Reserve Funds:

Affordable Housing Reserve	\$ 164,851	\$ 206,836
Equipment Replacement Reserve	617,439	1,040,741
Federal Gas Tax (Community Works) Funds (Note 15)	3,159,747	5,023,268
Fire Department Capital Reserve - Town Share	413,467	445,433
General capital growing community reserve (Note 19)	4,191,914	4,085,631
General capital housing accelerator reserve	854,925	1,110,786
General Capital Works Reserve	4,331,044	3,779,648
General Capital Works Sewer Conveyance Reserve	208,142	2,193,979
Infrastructure renewal fund reserve	1,162,794	384,978
Lancaster Sewer Lift Station Capital Reserve	93,767	91,180
Municipal Marina Reserve	833,328	789,755
Point Holmes Sewer Lift Station Capital Reserve	61,838	60,132
Post Employment Benefit Reserve	898,000	-
Public Safety Reserve	558,753	446,096
Recreation Centre Capital Reserve	-	6,616
Sewer Enterprise Reserve	7,876,685	6,663,884
Water Utility Reserve	3,393,732	2,899,109
Waterfront Walkway Reserve	-	384
	\$ 28,820,426	\$ 29,228,456
Fire Department Capital Reserve CFPID share (Note 8b)	203,986	219,366
	\$ 29,024,412	\$ 29,447,822

Town of Comox

Schedule of Deferred and Restricted Revenue Continuity

Year ended December 31, 2025

Schedule 2

	2024 Balance	Receipts	Interest	Recognized as Revenue	2025 Balance
Deferred Revenue					
Prepaid property taxes	\$ 1,419,014	\$ 1,498,743	\$ 38,544	\$ 1,419,014	\$ 1,537,287
Prepaid General Fees	100,630	332,239	-	100,630	332,239
Prepaid recreation	476,226	585,568	-	482,811	578,983
Total Deferred Revenue	\$ 1,995,870	\$ 2,416,550	\$ 38,544	\$ 2,002,455	\$ 2,448,509
Restricted Revenue					
<u>Development charges:</u>					
Open space development cost charges	\$ 3,947,824	\$ 58,981	\$ 129,804	\$ 3,560,820	\$ 575,789
Major road development cost charges	1,350,057	306,134	46,440	1,640,601	62,030
Storm drain development cost charges	110,218		3,603	56,707	57,114
Water development cost charges	1,024,085		33,479	-	1,057,564
Sanitary sewer development cost charges	533,745	147,622	18,389	6,941	692,815
	6,965,929	512,737	231,715	5,265,069	2,445,312
<u>Other Restricted Revenue</u>					
5% Payment in lieu of parks dedication	450,461		14,726	465,187	-
Developer payments for affordable housing	186,896	1,664,119	36,914	242,204	1,645,725
Developer payments in lieu of parking	35,079	180,700	4,856	-	220,635
Developer contribution for public amenities	11,133		364	-	11,497
Developer-other restricted revenue	-	90,884	1,045	-	91,929
Provincial Government, other	-	75,941	-	37,848	38,093
Provincial government, planning	137,897		-	137,897	-
Provincial government, roadworks	214,401	236,420	-	450,821	-
Provincial government, marina	-	519,162		100,701	418,461
	1,035,867	2,767,226	57,905	1,333,957	2,007,879
Total Restricted Revenue	\$ 8,001,796	\$ 3,279,963	\$ 289,620	\$ 6,699,727	\$ 4,871,652

Continuity of Equity in Tangible Capital Assets
Year ended December 31, 2025

Schedule 3

	2025	2024
Opening balance of equity in tangible capital assets	\$ 102,887,504	\$ 97,376,854
Changes in capital assets		
Acquisitions of tangible capital assets	14,845,471	8,522,598
Decrease in tangible capital assets due to asset retirement obligations	-	(19,331)
Tangible capital assets contributed	2,940,785	2,579,470
Additions of capital assets	17,786,256	11,082,737
Write-offs of assets replaced (at NBV)	(471,627)	(171,933)
Amortization expense	(4,313,766)	(4,060,802)
Changes in related liabilities		
Borrowing in year	(1,109,520)	(1,822,887)
Capital lease principal repayment	158,436	152,477
Equipment financing principal repayment	372,223	331,058
Closing balance of equity in tangible capital assets	\$ 115,309,506	\$ 102,887,504

Represented by the following:

Tangible capital assets at net book value (Schedule 4)

Capital assets at cost	\$ 187,336,746	\$ 171,346,949
Less: accumulated amortization	(68,418,230)	(65,429,296)
Tangible capital assets at net book value	118,918,516	105,917,653

Capital lease (Note 5)	(1,511,974)	(1,670,410)
Equipment financing (Note 6)	(996,266)	(1,368,489)
Long-term debt (Note 7)	(1,109,520)	-
Shares in Courtenay Golf Club Ltd.	8,750	8,750

\$ 115,309,506	\$ 102,887,504
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Town of Comox
Schedule of Tangible Capital Assets
Year ended December 31, 2025

Schedule 4

									Totals		
	Land	Land Improvements	Buildings	Equipment	Transportation	Storm Drain	Water Service	Sewer Service	Work in Progress	2025	2024
Cost											
Opening costs	\$ 9,138,380	\$ 5,728,918	\$ 24,195,940	\$ 16,654,758	\$ 59,495,874	\$ 25,422,668	\$ 15,344,497	\$ 13,690,922	\$ 1,674,992	\$ 171,346,949	\$ 161,326,096
Additions during the year	3,842,197	1,503,116	83,381	868,901	6,838,026	2,851,339	216,108	508,286	1,074,902	17,786,256	11,102,068
Add/(Less): Assets put to use	-	224,794	-	-	964,149	19,416	17,516	-	(1,225,875)	-	-
Disposals and write downs	-	-	-	(1,240,776)	(385,377)	(147,149)	(7,460)	(15,697)		(1,796,459)	(1,081,215)
Closing costs	12,980,577	7,456,828	24,279,321	16,282,883	66,912,672	28,146,274	15,570,661	14,183,511	1,524,019	187,336,746	171,346,949
Accumulated amortization											
Opening accumulated amortization	\$ -	\$ 3,164,621	\$ 6,724,320	\$ 6,322,186	\$ 29,722,290	\$ 8,633,195	\$ 5,956,352	\$ 4,906,332	\$ -	\$ 65,429,296	\$ 62,258,445
Amortization	-	178,919	537,296	1,220,353	1,618,760	345,754	218,759	193,925	-	4,313,766	4,060,802
Accum amort adj for disp/wd	-	-	(9,301)	(970,001)	(218,363)	(107,864)	(6,862)	(12,441)	-	(1,324,832)	(889,951)
Closing accumulated amortization	-	3,343,540	7,252,315	6,572,538	31,122,687	8,871,085	6,168,249	5,087,816	-	68,418,230	65,429,296
Net book value of tangible capital assets	\$ 12,980,577	\$ 4,113,288	\$ 17,027,006	\$ 9,710,345	\$ 35,789,985	\$ 19,275,189	\$ 9,402,412	\$ 9,095,695	\$ 1,524,019	\$ 118,918,516	\$ 105,917,653

Town of Comox
Schedule of Operations by Segment
Year ended December 31, 2025

Schedule 5

	General government services	Protective services	Solid waste management service	Affordable housing service	Development services	Transportation services	Parks, recreation & culture services	Marina service	Water service	Sanitary sewer service	Total All Segments	2025 Budget
Revenue												
Taxation	\$ 15,950,623	\$ -	\$ -	\$ -	\$ 79,963	\$ 4,009	\$ -	\$ -	\$ 522,070	\$ 529,470	\$ 17,086,135	\$ 16,944,356
Sale of Services	246,632	1,314,757	2,502,279	-	262,638	188,495	2,170,496	543,210	3,657,304	3,960,332	14,846,143	13,684,095
Government Transfers	1,612,527	89,636	-	-	227,189	937,241	616,605	100,701	-	983,944	4,567,843	4,955,769
Investment Income	1,514,878	10,406	-	4,682	123,848	432,224	129,804	21,692	149,805	198,619	2,585,958	400,000
Development Contributions	111,752	-	-	-	-	4,522,047	4,084,340	-	73,065	17,981	8,809,185	1,480,195
Gain (loss) on Disposals	-	(759)	-	-	-	(116,044)	-	-	(598)	(3,255)	(120,656)	-
Other	104,531	-	-	-	-	-	23,655	-	-	-	128,186	122,900
	19,540,943	1,414,040	2,502,279	4,682	693,638	5,967,972	7,024,900	665,603	4,401,646	5,687,091	47,902,794	37,587,315
Expenses												
Employees	2,208,898	2,068,913	5,639	-	594,043	1,386,335	3,463,772	113,121	224,293	53,525	10,118,539	11,099,514
Materials	145,087	196,482	366	-	1,946	199,865	660,613	30,077	2,840,154	13,019	4,087,609	4,226,088
Services	1,131,475	2,458,273	2,271,588	-	991,546	(200,870)	1,911,300	199,009	857,191	3,892,039	13,511,551	17,145,621
Interest	38,491	-	61,375	-	-	40,386	-	-	-	-	140,252	185,936
Amortization	211,132	283,353	182,139	35,244	-	2,474,808	675,471	38,935	218,759	193,925	4,313,766	3,700,000
	3,735,083	5,007,021	2,521,107	35,244	1,587,535	3,900,524	6,711,156	381,142	4,140,397	4,152,508	32,171,717	36,357,159
Surplus (deficit) for the year	\$ 15,805,860	\$ (3,592,981)	\$ (18,828)	\$ (30,562)	\$ (893,897)	\$ 2,067,448	\$ 313,744	\$ 284,461	\$ 261,249	\$ 1,534,583	\$ 15,731,077	\$ 1,230,156

Year ended December 31, 2024

Schedule 6

	General government services	Protective services	Solid waste management service	Affordable housing service	Development services	Transportation services	Parks, recreation & culture services	Marina service	Water service	Sanitary sewer service	Total All Segments	2024 Budget
Revenue												
Taxation	\$ 14,237,128	\$ -	\$ -	\$ -	\$ 73,185	\$ 4,239	\$ -	\$ -	\$ 460,425	\$ 499,090	\$ 15,274,067	\$ 15,222,234
Sale of services	198,048	1,147,467	2,600,828	-	228,862	87,230	2,118,101	513,833	3,490,729	3,701,413	14,086,511	13,409,905
Government transfers	3,320,958	95,939	-	-	\$ 338,233	3,420,635	134,795	-	-	25,000	7,335,560	3,312,782
Investment income	598,795	59,276	-	9,493	182,937	904,862	206,881	31,656	247,001	333,986	2,574,887	400,000
Development contributions	-	-	-	-	-	2,027,291	471,150	-	302,108	479,926	3,280,475	75,000
Gain (loss) on disposal of assets	200	62,500	-	-	-	(78,653)	250	-	-	-	(15,703)	-
Other	128,945	-	-	-	-	-	5,500	-	-	-	134,445	153,000
	18,484,074	1,365,182	2,600,828	9,493	823,217	6,365,604	2,936,677	545,489	4,500,263	5,039,415	42,670,242	32,572,921
Expenses												
Employees	2,155,953	1,982,524	69	-	623,735	1,373,393	3,136,761	22,887	186,371	47,825	9,529,518	10,084,973
Materials	270,300	255,454	6,813	-	2,743	207,774	684,607	2,737	2,544,924	23,916	3,999,268	4,169,874
Services	1,506,183	2,429,966	2,375,286	-	641,166	667,355	1,746,004	101,937	157,712	2,892,548	12,518,157	14,202,840
Interest	49,017	-	67,334	-	-	81,550	-	-	-	-	197,901	112,650
Amortization	279,626	246,107	182,788	35,267	-	2,337,877	492,615	75,149	226,066	185,307	4,060,802	3,300,000
	4,261,079	4,914,051	2,632,290	35,267	1,267,644	4,667,949	6,059,987	202,710	3,115,073	3,149,596	30,305,646	31,870,337
Surplus (deficit) for the year	\$ 14,222,995	\$ (3,548,869)	\$ (31,462)	\$ (25,774)	\$ (444,427)	\$ 1,697,655	\$ (3,123,310)	\$ 342,779	\$ 1,385,190	\$ 1,889,819	\$ 12,364,596	\$ 702,584

Your vibrant, friendly seaside community.

