



VILLAGE OF TAHSIS

Statement of Financial Information

For the year ended December 31, 2014

(Unaudited)

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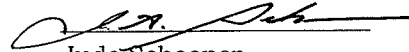
Village of Tahsis

Statement of Financial Information Approval

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



Doug Chapman, CGA
Chief Administrative Officer



Jude Schooner
Mayor, on behalf of Council

Village of Tahsis

Management Report

The accompanying statements of the Village of Tahsis are the responsibility of management. To ensure their integrity, objectivity and reliability, management has selected appropriate accounting policies that are in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

The Village of Tahsis maintains a system of internal accounting controls designed to provide reasonable assurance for the safekeeping of assets and the reliability of the financial records. The audit firm of BDO, the Village's independent auditor, has audited the accompanying financial statements. Their audit opinion letter is incorporated in the financial statements.

The Council is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and exercises this responsibility through Council. Council meets periodically with management and the independent auditor to satisfy themselves that management's responsibilities are properly discharged, and to review and approve the consolidated financial statements. The external auditor has full and unrestricted access to Council to discuss the audit and their related findings as to the integrity of the financial reporting process.

In management's opinion, these statements have been properly prepared within the framework of the accounting policies summarized in the Notes to the Consolidated Financial Statements and fairly present the financial position of the Village of Tahsis as at December 31, 2014.



Doug Chapman, CGA
Chief Administrative Officer

Village of Tahsis

Schedule of Remuneration and Expenses

For the Year Ended December 31, 2014

ELECTED OFFICIALS

Name	Position	Remuneration	Expenses	Insurance	Total
Bertoia, Battista	Councilor	\$4,818.05	\$625.00	\$83.33	\$5,526.38
Overton, Brenda	Councilor	\$5,068.70	\$605.44	\$100.00	\$5,774.14
Schooner, Jude	Mayor	\$9,823.32	\$1,515.00	\$100.00	\$11,438.32
Taylor, Randolph	Councilor	\$5,068.70	\$285.00	\$100.00	\$5,453.70
Van Solkema, Louis	Councilor	\$5,068.70	\$503.00	\$100.00	\$5,671.70
Bellanger, Kathy	Councilor	\$250.65	\$285.00	\$16.67	\$552.32
TOTAL ELECTED OFFICIALS		\$30,098.12	\$3,818.44	\$500.00	\$34,416.56

EMPLOYEES

EMPLOYEES Over \$75,000.00

Name	Position	Remuneration	Expenses	Insurance	Total
Douglas Chapman	CAO/CFO	\$104,999.96	\$2,132.35	N/A	\$107,132.31
TOTAL EMPLOYEES OVER \$75,000.00		\$104,999.96	\$2,132.35	N/A	\$107,132.31

OTHER EMPLOYEES

	Remuneration	Expenses	Insurance	Total
# OF OTHER EMPLOYEES = 22	\$401,856.33	\$4,653.36	N/A	\$406,509.69
TOTAL OTHER EMPLOYEES	\$401,856.33	\$4,653.36	\$0.00	\$406,509.69

TOTAL ELECTED OFFICIALS AND EMPLOYEES

	\$536,954.41	\$10,604.15	\$500.00	\$547,558.56
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GRAND TOTAL

	\$536,954.41	\$10,604.15	\$500.00	\$547,558.56
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Schedule of Severance Agreements

For the Year ended December 31, 2014

The Village of Tahsis did not enter into any severance agreements in 2014.

Village of Tahsis

Schedule of Payments Made to Suppliers

For the Year Ended December 31, 2014

Name	Amount
<i>Suppliers Over \$25,000.00</i>	
British Columbia Pension Corp	\$61,340.00
BC Hydro	\$118,517.00
BDO Dunwoody LLP	\$46,232.00
Receiver General for Canada	\$84,698.00
Receiver General for Canada	\$46,809.00
Comox Strathcona Regional Hospital District	\$35,335.00
Great West Life	\$42,220.00
McElhanney	\$78,702.00
Insurance Centres Vancouver Island	\$72,258.00
Minister of Finance	\$111,074.00
Red Williams Well Drilling	\$113,111.00
Straight Grain Inc.	\$25,930.00
Wajax	\$82,435.00
Subtotal	\$918,661.00
Suppliers under \$25,000.00	\$356,062.00
(excluding payment made to employees and council for expenses)	\$419,433.00
GRAND TOTAL	\$1,694,156.00
Property tax collections for other governments	(\$289,120.00)
Amortization expense	\$223,301.00
Tangible Capital Asset expenses	(\$304,311.00)
Wages, salaries and benefits	\$677,493.00
Change in accounts payable, accrued expenses, employees' portion of payroll costs and other	(\$568,487.00)
Total per Consolidated Statement of Operations	\$1,433,032.00

Village of Tahsis

Schedule of Guarantee and Indemnity Agreements

For the Year Ended December 31, 2014

The Village of Tahsis has not given any guarantees or indemnities under the *Guarantees and Indemnities Regulation*.

Village of Tahsis

Financial Statements

For the Year Ended December 31, 2014

Village of Tahsis
Financial Statements
For the year ended December 31, 2014

Village of Tahsis
Financial Statements
For the year ended December 31, 2014

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Village of Tahsis
Management's Responsibility for Financial Reporting
2014 Financial Statements

June 16, 2015

The Council of the Village of Tahsis has delegated the responsibility for the integrity and objectivity of the financial information contained in the financial statements to the management of the Village of Tahsis. The financial statements which, in part, are based on informed judgments and estimates, have been prepared by management in accordance with Canadian public sector accounting standards, which have been applied on a basis consistent with that of the preceding year.

To assist in carrying out their responsibility, management maintains an accounting system and internal controls to provide reasonable assurance that transactions are executed and recorded in accordance with authorization, and that financial records are reliable for preparation of financial statements.

The Mayor and Council oversee management's responsibilities for the financial reporting and internal control systems. Mayor and Council review internal financial statements on a quarterly basis, and meet periodically with management to satisfy themselves that management's responsibilities are properly discharged. Council annually reviews and approves the financial statements.

The Village of Tahsis' independent auditors, BDO Canada LLP, are engaged to express an opinion as to whether these financial statements present fairly the financial position, financial activities and cash flows in accordance with Canadian public sector accounting standards. Their opinion is based on procedures they consider sufficient to support such an opinion in accordance with Canadian generally accepted auditing standards.

The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and in accordance with Canadian public sector accounting standards.



Doug Chapman
Chief Administrative Officer



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Independent Auditor's Report

To the Mayor and Council of the Village of Tahsis

We have audited the accompanying financial statements of the Village of Tahsis, which comprise the Statement of Financial Position as at December 31, 2014, and the Statements of Operations, Changes in Net Financial Assets and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Village of Tahsis as at December 31, 2014 and the results of its operations and its cash flows for the year ended in accordance with Canadian public sector accounting standards.

Supplemental Information

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information included in Exhibits A through I is presented for purposes of additional analysis and is prepared without audit.

BDO Canada LLP

Chartered Accountants

Vancouver, British Columbia
June 16, 2015

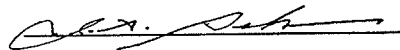
Village of Tahsis
Statement of Financial Position

December 31	2014	2013
Financial Assets		
Cash	\$ 406,830	\$ 724,247
Portfolio investments (Note 1)	3,008,287	2,964,903
Accounts receivable (Note 2)	43,723	18,095
Taxes and rates receivable	265,911	245,848
Investment in Nootka Sound Economic Development Corporation (Note 3)	85,401	94,988
	3,810,152	4,048,081
Liabilities		
Accounts payable and accrued liabilities	173,939	160,407
Deferred revenue (Note 4)	12,008	288,268
	185,947	448,675
Net Financial Assets	3,624,205	3,599,406
Non-financial Assets		
Tangible capital assets (Note 5)	4,972,368	4,891,359
Prepaid expenses	2,500	7,500
	4,974,868	4,898,859
Accumulated Surplus (Note 9)	\$ 8,599,073	\$ 8,498,264

Contingencies (Note 7)



Treasurer



Mayor

Village of Tahsis
Statement of Operations

For the year ended December 31	Budget 2014	2014	2013
Revenue (Schedule 2 and 3)			
Taxation, net (Note 6)	\$ 583,060	\$ 599,469	\$ 575,511
Utility connection fees and user fees	198,870	189,346	188,833
Government grants (Schedule 1)	280,440	567,822	239,547
Fees and service charges	59,870	85,587	82,624
Other revenues	170,010	91,617	142,862
	<u>1,292,250</u>	<u>1,533,841</u>	<u>1,229,377</u>
Expenses (Schedule 2 and 3)			
General departmental expenses	1,404,820	1,263,978	1,255,842
Water system operations	89,200	88,924	98,507
Sewer system operations	95,570	80,130	81,332
	<u>1,589,590</u>	<u>1,433,032</u>	<u>1,435,681</u>
Annual Surplus (deficit)	<u>(297,340)</u>	<u>100,809</u>	<u>(206,304)</u>
Accumulated Surplus, beginning of year	<u>8,498,264</u>	<u>8,498,264</u>	<u>8,704,568</u>
Accumulated Surplus, end of year	<u>\$ 8,200,924</u>	<u>\$ 8,599,073</u>	<u>\$ 8,498,264</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

Village of Tahsis
Statement of Changes in Net Financial Assets

For the year ended December 31	Budget 2014	2014	2013
Annual Surplus (deficit)	\$ (297,340)	\$ 100,809	\$ (206,304)
Acquisition of tangible capital assets	-	(304,311)	(37,878)
Amortization of tangible capital assets	232,500	223,301	225,854
Use of prepaid expenses	-	5,000	-
Change in net financial assets for the year	(64,840)	24,799	(18,328)
Net financial assets, beginning of year	3,599,406	3,599,406	3,617,734
Net financial assets, end of year	\$ 3,534,566	\$ 3,624,205	\$ 3,599,406

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

Village of Tahsis
Statement of Cash Flows

For the year ended December 31	2014	2013
Cash provided by (used in)		
Operating transactions		
Annual surplus (deficit)	\$ 100,809	\$ (206,304)
Items not involving cash		
Equity loss (income) from Nootka Sound Economic Development Corporation	9,587	(6,157)
Amortization of tangible capital assets	223,301	225,854
	333,697	13,393
Changes in non-cash operating balances		
Accounts, taxes and rates receivable	(45,691)	144,022
Accounts payable and accrued liabilities	13,532	45,616
Deferred revenue	(276,260)	74,466
Prepaid expenses	5,000	-
	30,278	277,497
Capital transaction		
Acquisition of tangible capital assets	(304,311)	(37,878)
Investing transactions		
Acquisition of portfolio investments	(43,384)	(36,911)
Dividends received from Nootka Sound Economic Development Corporation	-	53,367
	(43,384)	16,456
(Decrease) increase in cash during year	(317,417)	256,075
Cash, beginning of year	724,247	468,172
Cash, end of year	\$ 406,830	\$ 724,247

Village of Tahsis
Summary of Significant Accounting Policies

December 31, 2014

The Village of Tahsis (the "Village") is a municipality in the province of British Columbia and operates under the provisions of the Community Charter. The Village provides municipal services such as fire, public works, planning, parks, recreation and other general government services. The Village prepares its financial statements in accordance with Canadian public sector accounting standards for local government using guidelines developed by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants Canada.

Investments Portfolio investments are comprised entirely of Municipal Finance Authority (MFA) pooled investments including money market, intermediate and bond funds. The investments are carried at market value which approximates cost.

The investment in Nootka Sound Development Corporation is considered a government business partnership and is recorded using the modified equity method.

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

Estimate useful lives of tangible capital assets are as follows:

Roads and bridges	30 to 50 years
Buildings	20 to 40 years
Machinery and equipment	5 to 20 years
Water infrastructure	30 to 50 years
Sewer infrastructure	30 to 50 years
Drainage	30 to 50 years

Collection of Taxes on Behalf of Other Taxation Authorities The Village collects taxation revenue on behalf of other entities. Such levies, other revenues, expenses, assets and liabilities with respect to the operations of entities are not reflected in these financial statements. Levies imposed by other taxing authorities are not included as taxes for municipal purposes.

Unearned Revenue Revenues from the sale of business licenses and rental revenues pertaining to the subsequent year have been deferred. These amounts will be recognized as revenue in the next fiscal year.

Village of Tahsis
Summary of Significant Accounting Policies

December 31, 2014

Revenue Recognition Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. Taxes receivable are recognized net of allowance for anticipated uncollectible amounts.

Through the British Columbia Assessments appeal process, taxes may be adjusted by way of supplementary roll adjustments. The affects of these adjustments on taxes are recognized at the time they are awarded.

Charges for sewer and water usage are recorded as user fees. Connection fee revenues are recognized when the connection has been established.

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

Sales of service and other revenue is recognized on an accrual basis as earned.

Financial Instruments Financial instruments consist of cash and portfolio investments, and accounts payable. Unless otherwise noted, it is management's opinion that the Village is not exposed to significant interest rate, currency or credit risk arising from these financial instruments.

Use of Estimates The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Areas requiring the greatest degree of estimation include useful lives of tangible capital assets, collection of receivables, and contingencies.

Village of Tahsis
Notes to Financial Statements

December 31, 2014

1. Portfolio Investments

	2014	2013
Short-term Bond Funds	\$ 520,690	\$ 504,866
Intermediate	480,969	474,877
Money Market Funds - Municipal Finance Authority	2,006,628	1,985,160
	\$ 3,008,287	\$ 2,964,903

The current yield of the bond fund is 3.15% (2013 - 1.70%) with maturities that range between May 2014 to December 2027. Money market funds bear interest at 1.09% (2013 - 1.09%) and intermediate funds have a yield of 1.28% (2013 - 1.43%). All portfolio investments are effectively redeemable on demand.

2. Accounts Receivable

	2014	2013
Accounts Receivable	\$ 52,343	\$ 19,735
Allowance for doubtful accounts	(8,620)	(1,640)
	\$ 43,723	\$ 18,095

3. Investment in Nootka Sound Economic Development Corporation

	2014	2013
Cost of investment	\$ 42,090	\$ 42,090
Accumulated net equity income, beginning of year	52,898	100,108
Share of increase in shareholders' equity during the year	(9,587)	6,157
Dividends received during the year	-	(53,367)
Accumulated net equity income, end of year	43,311	52,898
	\$ 85,401	\$ 94,988

Village of Tahsis
Notes to Financial Statements

December 31, 2014

3. Investment in Nootka Sound Economic Development Corporation (Continued)

Condensed supplementary financial statement information of Nootka Sound Economic Development Corporation:

	2014	2013
Statement of Financial Position		
Total Assets	\$ 269,795	\$ 299,699
Total Liabilities	679	1,820
Total Equity	269,116	297,879
	\$ 269,795	\$ 299,699
Statement of Comprehensive Income		
Revenues	\$ 2,828	\$ 58,289
Expenditures	(31,591)	(38,694)
Net earnings (loss)	\$ (28,763)	\$ 19,595
Statement of Changes in Equity		
Retained Earnings - beginning of year	\$ 157,576	299,205
Net earnings (loss)	(28,763)	19,595
Dividends Paid	-	(161,224)
Retained Earnings - end of year	128,813	157,576
Share Capital	140,303	140,303
Total Equity	\$ 269,116	\$ 297,879

On February 21, 1996, the Village received approval of the Inspector of Municipalities to acquire shares in the Nootka Sound Economic Development Corporation ("NSEDC"). This corporation was formed by the Villages of Tahsis, Gold River, and Zeballos for the purpose of acquiring and managing a community-based forest licence. NSEDC has been granted a forest licence that represents non-replaceable quota of 35,766 cubic metres per year.

The Village holds one of three common shares of NSEDC and 42,090 of 140,300 preferred shares. Each shareholder has the right to elect an equal number of directors to the board of NSEDC. The Village's investment in NSEDC is recorded on a modified equity basis.

As of December 31, 2013, the logging volume has been fulfilled. The Corporation is exploring other licence opportunities.

During 2014, the Village received nil (2013 - \$53,367) in dividends from NSEDC as a result of owning the aforementioned preferred shares and common shares.

Village of Tahsis
Notes to Financial Statements

December 31, 2014

4. Deferred revenue

	2014	2013
Gas tax agreement - Community Works fund*	\$ -	\$ 288,268
Other grants	8,338	-
Prepaid	3,670	-
	\$ 12,008	\$ 288,268

* Gas tax funds are provided by the Government of Canada. The use of the funding is established by a funding agreement between the Village and the Union of British Columbia Municipalities.

The funds, previously held in deferred revenue have been recognized as revenue and transferred to Community Works Reserve fund due to the newly signed 2014 gas tax agreement which removed the stipulations that created a liability. The funds will be transferred from the reserve when they are used for eligible projects per the agreement.

	2014	2013
Opening balance of unspent funds	\$ 288,268	\$ 213,803
Add: Amounts received during the year	63,686	72,924
Interest earned	3,397	1,541
Other deferred revenue	3,670	-
Less: Amount spent on eligible projects	201,270	-
Recognition of prior year deferred gas tax into revenue	145,743	-
Closing balance of deferred revenue	\$ 12,008	\$ 288,268

Village of Tahsis
Notes to Financial Statements

December 31, 2014

5. Tangible Capital Assets

	Land	Buildings	Machinery and Equipment	Roads and Bridges	Drainage	Other	Water Infrastructure	Sewer Infrastructure	2014 Total	2013 Total
Cost, beginning of year	\$ 1,128,861	\$ 4,459,331	\$ 1,690,842	\$ 5,098,508	\$ 259,990	\$ 179,659	\$ 1,296,148	\$ 2,704,959	\$ 16,818,298	\$ 16,780,420
Additions	-	24,318	86,900	-	-	-	193,093	-	304,311	37,878
Cost, end of year	1,128,861	4,483,649	1,777,742	5,098,508	259,990	179,659	1,489,241	2,704,959	17,122,609	16,818,298
Accumulated amortization, beginning of year	-	2,683,728	1,462,635	3,619,135	259,990	136,615	1,078,792	2,686,045	11,926,940	11,701,085
Amortization	-	112,707	31,671	56,599	-	6,783	14,076	1,465	223,301	225,854
Accumulated amortization, end of year	-	2,796,435	1,494,306	3,675,734	259,990	143,398	1,092,868	2,687,510	12,150,241	11,926,939
Net carrying amount, end of year	\$ 1,128,861	\$ 1,687,214	\$ 283,436	\$ 1,422,774	\$ -	\$ 36,261	\$ 396,373	\$ 17,449	\$ 4,972,368	\$ 4,891,359

Village of Tahsis
Notes to Financial Statements

December 31, 2014

6. Taxation - Net

	Budget 2014	Actual 2014	Actual 2013
Taxation			
General municipal purposes	\$ 583,060	\$ 602,201	\$ 584,923
Collection for other governments			
Strathcona Regional District	-	7,357	3,836
Province of British Columbia - school tax	-	212,167	226,572
Comox Strathcona Regional Hospital Districts	-	35,335	38,182
Municipal Finance Authority	-	8	10
British Columbia Assessment Authority	-	2,983	3,330
Vancouver Island Regional Library	-	13,544	12,682
Province of BC - police tax	-	14,994	15,497
	<u>583,060</u>	<u>888,589</u>	<u>885,032</u>
Transfer to other governments			
Strathcona Regional District	-	7,357	7,986
Province of British Columbia - school tax	-	213,626	231,528
Comox Strathcona Regional Hospital Districts	-	35,335	38,176
Municipal Finance Authority	-	9	10
British Columbia Assessment Authority	-	2,983	3,330
Vancouver Island Regional Library	-	13,544	12,680
Province of BC - police tax	-	16,266	15,811
	<u>-</u>	<u>289,120</u>	<u>309,521</u>
Available for general municipal purposes	<u>\$ 583,060</u>	<u>\$ 599,469</u>	<u>\$ 575,511</u>

7. Contingent Liabilities

- (a) The Village is responsible as a member of the Strathcona Regional District and a member of the Comox Strathcona Waste Management Function for its share of any operating deficits or long-term debt related to functions in which it participates. Management has assessed the risks as unlikely at this time therefore no provision has been recorded in the financial statements.
- (b) The Village is partially self-insured through the Municipal Insurance Association of British Columbia. Should the Association pay out claims in excess of premiums received, it is possible that the Village along with the other participants, would be required to contribute towards the deficit.

Village of Tahsis
Notes to Financial Statements

December 31, 2014

8. Pension Plan

The employer and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trustee pension plan. The Plan's Board of Trustees, representing Plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of the benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 182,000 active members and approximately 75,000 retired members. Active members include approximately 36,000 contributors from local government.

The most recent actuarial valuation as at December 31, 2012, indicates a liability of \$1,370 million for basic pension benefits. The next valuation will be as at December 31, 2015 with results available in 2016.

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, as a the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the Plan.

The Village of Tahsis paid \$36,069 (2013 - \$36,370) for employer contributions to the plan in fiscal 2014 . While employees contributed \$26,813 (2013 - \$25,905) to the plan in fiscal 2014.

9. Accumulated Surplus

The Village segregates its accumulated surplus in the following categories:

	2014	2013
Internally restricted funds for future expenditures	\$ 718,753	\$ 718,753
Unrestricted Funds	1,418,848	1,510,082
Reserve Funds	1,340,861	1,370,571
Investment in non-financial assets	4,974,868	4,898,858
Internally restricted for Gas Tax Agreement - Community Works*	145,743	-
	<u>\$ 8,599,073</u>	<u>\$ 8,498,264</u>

* The gas tax agreement funds consists of the remaining at December 31, 2014. The unspent amounts will remain in the internally restricted fund until spent on eligible projects.

The investment in non-financial assets represents amounts already spent and invested in infrastructure and other non-financial assets.

Reserve funds represent funds set aside by bylaw or council resolution for specific purposes.

Village of Tahsis
Notes to Financial Statements

December 31, 2014

9. Accumulated Surplus (Continued)

Details of reserve funds are shown below:

	2014	2013
Capital Works, Machinery and Equipment Reserve	\$ 516,742	\$ 569,482
Fire Hall Reserve	564,536	544,490
Recreation Centre Capital Works, Machinery and Equipment Reserve	259,583	256,599
	\$ 1,340,861	\$ 1,370,571

(a) Capital Works, Machinery and Equipment Reserve

The Capital Works, Machinery and Equipment Reserve was established by Bylaw 364 to provide for new capital works, extensions or renewals of existing works and to provide for machinery and equipment necessary for capital projects for the maintenance of Municipal Property or for the protection of persons and property. Money from the sale of land, current revenue or General Operating Fund surpluses may be transferred into the Reserve Fund.

(b) Fire Hall Reserve

The Fire Hall Reserve Fund was established by Bylaw 400 to provide for the cost of a new fire hall including land, buildings, machinery and equipment. Money from current revenue General Operating Fund surpluses or as otherwise provided in the Local Government Act may be transferred into the Reserve Fund.

(c) Recreation Centre Capital Works, Machinery and Equipment Reserve

The Recreation Centre Capital Works, Machinery and Equipment Reserve Fund was established by Bylaw 418 to provide for the cost of a new recreation centre. Money from current revenue, General Operating fund surpluses, or as otherwise provided in the Local Government Act may be transferred into the Reserve Fund.

Village of Tahsis
Notes to Financial Statements

December 31, 2014

10. Fiscal Plan

The fiscal plan represents the Financial Plan Bylaw adopted by Council on May 12, 2014 in conjunction with the adoption of the Annual Taxation Bylaw.

The budget anticipated the use of surpluses accumulated in previous years to balance against current year expenditures in excess of current year revenues.

In addition, the budget anticipated capital expenditures rather than amortization expense.

	<u>2014</u>
Financial plan (budget) bylaw surplus for the year	\$ -
Less:	
Budgeted transfers from accumulated surplus	(64,840)
Amortization	<u>(232,500)</u>
Annual deficit presented in the financial statements	<u>\$ (297,340)</u>

11. Segmented Information

The Village is a diversified municipal government institution that provides a wide range of services to its citizens such as general government, protective services, and transportation services. Distinguishable functional segments have been separately disclosed in Schedule 2 and 3. The nature of the segments and the activities they encompass are as follows:

General Government

This item related to the revenues and expenses that relate to the operations of the Village itself and cannot be directly attributed to a specific segment.

Protective Services

Protection is comprised of fire protection services. The fire department is responsible to provide fire suppression service, fire prevention programs, training and education. The members of the fire department consist of volunteers.

Transportation Services

Public works and transportation is responsible for the maintenance of roads and outdoor lighting.

December 31, 2014

11. Segmented Information (Continued)

Environmental Treatment Services

Environmental services consists of providing waste disposal to citizens.

Economic Development Services

This department develops outside awareness of the economic area.

Recreation and Cultural Services

This service area provides services meant to improve the health and development of the Village's citizens. Recreational programs and cultural programs are provided at aquatic centre and community centre.

Water Utility

This service provides distribution of water to residents.

Sewer Utility

Provision of sanitary sewer collection by providing and maintaining pipes, manholes, culverts and sewage treatment.

Village of Tahsis

Schedule 1 - Government Grants and Transfers to the Village and Ratepayers

For the year ended December 31	Fiscal Plan 2014	2014	2013
Federal Government			
Grants in lieu of taxes	\$ 26,500	\$ 17,438	\$ 9,782
Province of BC and Federal/Provincial Programs			
General Fund			
Small Communities Protection	201,240	199,987	201,241
Infrastructure and other	48,700	349,897	28,024
	<u>249,940</u>	<u>549,884</u>	<u>229,265</u>
General Capital			
Infrastructure (Provincial)	4,000	500	500
	<u>280,440</u>	<u>567,822</u>	<u>239,547</u>
	<u>\$ 280,440</u>	<u>\$ 567,822</u>	<u>\$ 239,547</u>

Village of Tahsis
Schedule 2 - Combined Statement of Operations by Segment

For the year ended December 31, 2014

	General Government	Protective Services	Transportation Services	Environmental Treatment Services	Economic Development Services	Recreation and Cultural Services	Water Utility	Sewer Utility	2014 Actual	2014 Budget
Revenues										(Note 10)
Taxation	\$ 599,469	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 599,469	\$ 583,060
Utility connection fees and user rates	-	-	-	-	-	-	92,396	96,950	189,346	198,870
Government grants and transfers	567,822	-	-	-	-	-	-	-	567,822	280,440
Fees and service charges	-	-	-	52,068	-	33,519	-	-	85,587	59,870
Other revenues	91,490	125	-	-	-	-	-	-	91,617	170,010
Total revenue	1,258,781	125	-	52,068	-	33,519	92,396	96,950	1,533,841	1,292,250
Expenses										
Operating										
Goods and services	161,691	40,234	104,119	4,619	30,868	103,139	24,954	62,613	532,237	605,845
Labour	283,642	18,442	91,079	12,742	-	205,642	49,893	16,053	677,493	751,245
Amortization	207,760	-	-	-	-	-	14,077	1,465	223,302	232,500
Total expenses	653,093	58,676	195,198	17,361	30,868	308,781	88,924	80,131	1,433,032	1,589,590
Excess (deficiency) of revenues over expenses	\$ 605,688	\$ (58,551)	\$ (195,198)	\$ 34,707	\$ (30,868)	\$ (275,262)	\$ 3,472	\$ 16,819	\$ 100,809	\$ (297,340)

Village of Tahsis
Schedule 3 - Combined Statement of Operations by Segment

For the year ended December 31, 2013

	General Government	Protective Services	Environmental Transportation Services	Economic Treatment Services	Development Services	Recreation and Cultural Services	Water Utility	Sewer Utility	2013 Actual	Total 2013 Budget
Taxation	\$ 575,511	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 575,511	\$ 569,160
Utility connection fees and user rates	-	-	-	-	-	-	92,050	96,783	188,833	192,250
Government grants and transfers	238,828	-	-	-	719	-	-	-	239,547	258,310
Fees and service charges	-	-	-	58,535	-	24,089	-	-	82,624	88,960
Other revenues	142,667	185	-	-	10	-	-	-	142,862	150,320
Total revenue	957,006	185	-	58,535	729	24,089	92,050	96,783	1,229,377	1,259,000
Expenses										
Operating										
Goods and services	144,397	48,342	99,373	811	8,826	82,153	38,646	71,633	494,181	521,859
Labour	286,372	22,195	113,817	24,430	-	204,490	54,106	8,235	715,645	790,401
Amortization	218,636	-	-	-	-	-	5,754	1,465	225,855	282,150
Total expenses	651,405	70,537	213,190	25,241	8,826	286,643	98,506	81,333	1,435,681	1,594,410
Excess (deficiency) of revenues over expenses	\$ 305,601	\$ (70,352)	\$ (213,190)	\$ 33,294	\$ (8,097)	\$ (262,554)	\$ (6,456)	\$ 15,450	\$ (206,304)	\$ (335,410)

Village of Tahsis
Schedule 4 - Reserve Fund Transactions

For the year ended December 31, 2014

	Capital Works Machinery and Equipment	Fire Hall	Rec Centre	Total 2014	Total 2013
Balance, beginning of year	\$ 569,482	\$ 544,490	\$ 256,599	\$1,370,571	\$1,345,971
Interest earned	6,165	6,441	2,984	15,590	9,298
Transfer from other funds	26,600	15,000	-	41,600	53,180
Used for Capital Expenditures	(85,505)	(1,395)	-	(86,900)	(37,878)
Balance, end of year	\$ 516,742	\$ 564,536	\$ 259,583	\$1,340,861	\$1,370,571

Village of Tahsis
Supplementary Financial Information - Exhibit A
General Fund - Statement of Financial Position
(Unaudited)

December 31	2014	2013
Financial Assets		
Cash and portfolio investments	\$ 2,074,256	\$ 2,318,579
Accounts receivable		
Provincial government	290	565
Taxes and other receivable	284,235	258,183
GST recoverable	25,108	5,196
Investment in Nootka Sound Economic Development Corporation	85,401	94,988
	<u>2,469,290</u>	<u>2,677,511</u>
Liabilities		
Accounts payable and accrued liabilities	173,940	160,407
Deferred revenue	12,008	288,268
Due to other funds	478,649	489,608
	<u>664,597</u>	<u>938,283</u>
Net Financial Assets	<u>1,804,693</u>	<u>1,739,228</u>
Non-financial Assets		
Tangible capital assets	4,558,546	4,655,087
Prepaid expenses	2,500	7,500
	<u>4,561,046</u>	<u>4,662,587</u>
Accumulated Surplus	<u>\$ 6,365,739</u>	<u>\$ 6,401,815</u>
The Accumulated Surplus comprised of:		
Provision for future expenditures	\$ 718,753	\$ 718,753
Unrestricted	1,088,440	1,027,975
Investment in tangible capital assets	4,558,546	4,655,087
	<u>\$ 6,365,739</u>	<u>\$ 6,401,815</u>

Village of Tahsis
Supplementary Financial Information - Exhibit B
General Fund - Accumulated Surplus and
Investment in Tangible Capital Assets
(Unaudited)

For the year ended December 31

	2014	2013
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Unrestricted Accumulated Surplus

Balance, beginning of year	\$ 1,027,975	\$ 1,061,344
Surplus (deficit) for the year	297,877	(5,959)
Transfers		
Provision for future expenditure	66,900	2,878
Less capital expenditures	(111,219)	(30,288)
Water Fund	(193,093)	-
Balance, end of year	<u>\$ 1,088,440</u>	<u>\$ 1,027,975</u>

Investment in Tangible Capital Assets

Balance, beginning of year	\$ 4,655,087	\$ 4,843,435
Acquisition of tangible capital assets using funds from reserves	111,219	30,288
Amortization	(207,760)	(218,636)
Balance, end of year	<u>\$ 4,558,546</u>	<u>\$ 4,655,087</u>

Village of Tahsis
 Supplementary Financial Information - Exhibit C
 General Fund - Operating Fund Financial Activities
 (Unaudited)

For the year ended December 31	2014	2013
Revenue		
Taxation (net)	\$ 599,469	\$ 575,511
Grants		
Federal government	17,438	9,782
Provincial government	550,384	229,765
Fees and service charges	85,587	82,624
Licences and permits	125	185
Rents	22,671	21,800
Investment income	21,782	38,306
Penalties and interest	25,129	50,236
Sundry	21,908	23,036
	<u>1,344,493</u>	<u>1,031,245</u>
Expenditures		
General departmental expenditures		
General government	435,733	432,767
Protective services	58,675	70,537
Transportation services	195,198	213,190
Environmental treatment services	17,361	25,241
Economic development services	30,868	8,826
Recreation and cultural services	308,781	286,643
	<u>1,046,616</u>	<u>1,037,204</u>
Surplus (deficit) for the year	\$ 297,877	\$ (5,959)

Village of Tahsis
 Supplementary Financial Information - Exhibit D
 Water Fund - Statement of Financial Position
 (Unaudited)

December 31	2014	2013
Financial Assets		
Due from other funds	\$ 8,454	\$ 2,505
Tangible Capital Assets	396,373	217,356
Liabilities		
Accumulated Surplus	\$ 404,827	\$ 219,861
The Accumulated Surplus comprise of:		
Investment in tangible capital assets	\$ 396,373	\$ 217,356
Unrestricted Surplus	8,454	2,505
	\$ 404,827	\$ 219,861

Village of Tahsis
 Supplementary Financial Information - Exhibit E
 Water Fund - Accumulated Surplus and
 Investment in Tangible Capital Assets
 (Unaudited)

For the year ended December 31 2014 2013

Operating Fund Accumulated Surplus

Balance, beginning of year	\$	2,505	\$	20,798
Surplus (deficit) for the year		17,549		(703)
Transfer from general fund		193,093		-
Transfer to Reserve Fund		(11,600)		(10,000)
Transfer to Capital Fund		(193,093)		(7,590)
Balance, end of year	\$	8,454	\$	2,505

Investment in Tangible Capital Assets

Balance, beginning of year	\$	217,356	\$	215,519
Acquisition of tangible capital assets		193,093		7,590
Amortization		(14,076)		(5,753)
Balance, end of year	\$	396,373	\$	217,356

Village of Tahsis
Supplementary Financial Information - Exhibit F
Water Fund - Operating Fund Financial Activities
(Unaudited)

For the year ended December 31	2014	2013
Revenue		
User rates	\$ 92,396	\$ 92,050
Expenditures		
Administration	74,847	92,753
Surplus (deficit) for the year	\$ 17,549	\$ (703)

Village of Tahsis
 Supplementary Financial Information - Exhibit G
 Sewer Fund - Statement of Financial Position
 (Unaudited)

December 31	2014	2013
Financial Assets		
Due from other funds	\$ 487,122	\$ 487,103
Tangible Capital Assets	17,449	18,914
Accumulated Surplus	\$ 504,571	\$ 506,017
The Accumulated Surplus comprise of:		
Investment in tangible capital assets	17,449	18,914
Unrestricted Surplus	495,388	487,103
	\$ 504,571	\$ 506,017

Village of Tahsis
 Supplementary Financial Information - Exhibit H
 Sewer Fund - Accumulated Surplus
 and Investment in Tangible Capital Assets
 (Unaudited)

For the year ended December 31	2014	2013
Accumulated Surplus		
Balance, beginning of year	\$ 487,103	\$ 478,367
Surplus for the year	18,285	16,916
Transfer to Reserve Fund	<u>(10,000)</u>	<u>(8,180)</u>
Balance, end of year	<u>\$ 495,388</u>	<u>\$ 487,103</u>
Investment in Tangible Capital Assets		
Balance, beginning of year	\$ 18,914	\$ 20,379
Amortization	<u>(1,465)</u>	<u>(1,465)</u>
Balance, end of year	<u>\$ 17,449</u>	<u>\$ 18,914</u>

Village of Tahsis
Supplementary Financial Information - Exhibit I
Sewer Fund - Operating Fund Financial Activities
(Unaudited)

For the year ended December 31	2014	2013
Revenue		
User rates	\$ 96,950	\$ 96,783
Expenditures		
Operating costs	78,665	79,867
Surplus for the year	\$ 18,285	\$ 16,916