



Village of Tahsis

Statement of Financial Information

For the Year Ended December 31, 2017

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VILLAGE OF TAHSIS
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING
December 31, 2017

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 of The Village of Tahsis have been prepared by management in accordance with the requirements of Canadian public sector accounting standards, which have been applied on a basis consistent with that of the preceding year. These statements include amounts based on informed judgments and estimates.

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 the financial records are reliable for preparation of financial statements.

The Village of Tahsis' independent auditors, Chan Nowosad Boates Inc., 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 the reasonable limits of materiality and in accordance with Canadian public sector accounting standards.



Mark Tatchell
Chief Administrative Officer
May 7, 2018



INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of the Village of Tahsis

We have audited the accompanying financial statements of Village of Tahsis, which comprise the Statement of Financial Position as at December 31, 2017, and the Statement of Operations, Statement of 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.

Auditors' 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 purposes 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, 2017, and its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chan Nowosad Boates Inc.

Chartered Professional Accountants
Campbell River, BC

May 7, 2018

VILLAGE OF TAH SIS

Statement of Financial Position

December 31, 2017

2017

2016

\$

\$

FINANCIAL ASSETS

Cash	538,437	274,403
Portfolio Investments (Note 2)	2,294,876	2,835,583
Accounts Receivable (Note 3)	138,577	30,492
Taxes and User Fees Receivable	209,374	199,103
Investment in NSEDC (Note 4)	-	74,199
	<u>3,181,264</u>	<u>3,413,780</u>

LIABILITIES

Accounts Payable and Accrued Liabilities	137,674	102,066
Deferred Grants and Unearned Revenue (Note 5)	<u>172,775</u>	<u>27,766</u>
	<u>310,449</u>	<u>129,832</u>

NET FINANCIAL ASSETS

2,870,815

3,283,948

NON-FINANCIAL ASSETS

Tangible Capital Assets (Note 6)	5,333,553	5,101,005
Prepaid Expenses	<u>62,964</u>	<u>59,408</u>
	<u>5,396,517</u>	<u>5,160,413</u>

ACCUMULATED SURPLUS (Note 11)

8,267,332

8,444,361

Approved by:



Finance Officer



Acting Mayor

VILLAGE OF TAHSIS

Statement of Operations

Year Ended December 31, 2017

	2017		2016
	Budget	Actual	
	\$	\$	\$
	(Note 12)		
Revenues (Schedules 2 and 3)			
Taxation - Net (Note 7)	683,277	705,244	666,387
Utility Connection Fees and User Rates	236,256	146,105	247,624
Government Grants - Federal (Schedule 1)	467,573	479,295	422,615
Fee and Services Charges	152,456	221,288	125,119
Other Revenues	27,399	102,845	103,226
	<u>1,566,961</u>	<u>1,654,777</u>	<u>1,564,971</u>
Expenditures (Schedules 2 and 3)			
General Departmental Expenditures	1,565,066	1,579,025	1,460,041
Water System Operations	98,000	147,564	136,688
Sewer System Operations	113,700	105,217	115,338
	<u>1,776,766</u>	<u>1,831,806</u>	<u>1,712,067</u>
Annual Deficit	(209,805)	(177,029)	(147,096)
Accumulated Surplus - Beginning of Year	<u>8,444,361</u>	<u>8,444,361</u>	<u>8,591,457</u>
Accumulated Surplus - End of Year	<u>8,234,556</u>	<u>8,267,332</u>	<u>8,444,361</u>

VILLAGE OF TAHSIS

Statement of Change in Net Financial Assets

Year Ended December 31, 2017

	2017		2016
	Budget	Actual	
	\$	\$	\$
	(Note 12)		
Annual Deficit	(209,805)	(177,029)	(147,096)
Acquisition of Tangible Capital Assets	-	(478,080)	(369,200)
Amortization of Tangible Capital Assets	209,805	245,532	218,533
Acquisition of Prepaid Expenses	-	(3,556)	(16,616)
	<u>-</u>	<u>(413,133)</u>	<u>(314,379)</u>
Net Financial Assets - Beginning of Year	<u>3,283,948</u>	<u>3,283,948</u>	<u>3,598,327</u>
Net Financial Assets - End of Year	<u>3,283,948</u>	<u>2,870,815</u>	<u>3,283,948</u>

VILLAGE OF TAHSIS

Statement of Cash Flows

Year Ended December 31, 2017

	2017	2016
	\$	\$
Cash Flows From Operating Activities:		
Annual Deficit	(177,029)	(147,096)
Items Not Involving Cash		
Equity loss from Nootka Sound Economic Development Corporation	74,199	5,175
Amortization of Tangible Capital Assets	<u>245,532</u>	<u>218,533</u>
	<u>142,702</u>	<u>76,612</u>
Changes in Non-Cash Operating Balances		
Accounts and Taxes Receivable	(118,356)	98,598
Accounts Payable and Accrued Liabilities	35,608	(174,894)
Deferred Grants and Unearned Revenue	145,009	4,142
Prepaid Expenses	<u>(3,556)</u>	<u>(16,616)</u>
	<u>201,407</u>	<u>(12,158)</u>
Cash Flows From Capital Activities:		
Purchase of Tangible Capital Assets	<u>(478,080)</u>	<u>(369,200)</u>
Cash Flows From Investing Activities:		
Redemption of Portfolio Investments	<u>540,707</u>	<u>209,675</u>
Increase in Cash and Cash Equivalents	264,034	197,517
Cash and Cash Equivalents - Beginning of Year	<u>274,403</u>	<u>446,086</u>
Cash and Cash Equivalents - End of Year	<u>538,437</u>	<u>274,403</u>

VILLAGE OF TAHSIS

Notes to the Financial Statements

December 31, 2017

The Village of Tahsis (the "Village") is a municipality in the province of British Columbia and operates under the provisions of the Community Charter. Its principal activities are the provision of local government services to the residents of the Village. These services include fire protection, public works, planning, parks and recreation, water distribution and sewer collection, and other general government services.

1. Significant Accounting Policies:

a) Basis of Presentation:

The Village prepares its financial statements in accordance with Canadian public sector accounting standards using guidelines developed by the Public Sector Accounting Board ("PSAB") for the Chartered Professional Accountants of Canada.

b) Investments:

Investments are comprised entirely of Municipal Finance Authority (MFA) pooled investments including money market, intermediate and short-term bond funds. Portfolio investments are recorded at fair value.

c) Tangible Capital Assets:

Tangible capital assets are recorded at cost less accumulated amortization and are classified according to their functional use. Cost includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Amortization is recorded on a straight-line basis over the estimated useful life of the tangible capital asset commencing once the asset is in use. Donated tangible capital assets are recorded at fair value at the time of the donation.

Estimated 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

d) Collection of Taxes on Behalf of Other Taxation Authorities:

The Village collects taxation on behalf of other entities. Such levies, other revenues, expenses, assets and liabilities with respect to the operations of these other entities are not reflected in these financial statements.

e) Deferred Revenue:

Revenues from rental revenues pertaining to the subsequent year have been deferred. These amounts will be recognized as revenue in the next fiscal year.

f) Revenue Recognition and Deferred Grants:

Taxes are recorded at estimated amounts when they meet the addition 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 Assessment's 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.

VILLAGE OF TAHSIS

Notes to the Financial Statements

December 31, 2017

1. Significant Accounting Policies (continued):

f) Revenue Recognition and Deferred Grants (continued):

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.

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

g) Financial Instruments:

Financial instruments consist of cash and portfolio investments, accounts receivable 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.

h) Use of Estimates:

The preparation of 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 financial statements, as well as the reported amounts of revenue and expenses during the reporting period.

Significant areas requiring the use of management estimates relates to the collectability of accounts receivable, valuation of investments, estimates of contingent liabilities, and the provision for amortization and the estimation of potential environmental liabilities. Actual results could differ from management's best estimates as additional information becomes available in the future.

i) Contaminated Sites:

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

Management has assessed its potential liabilities under the new standard including sites that are no longer in productive use and sites which the Village accepts responsibility. There were no such sites that had contamination in excess of an environmental standard which required remediation, therefore no liability was recognized on transition as at December 31, 2017 or December 31, 2016.

j) Government Partnerships:

Government partnerships are accounted for using the proportionate consolidation method.

VILLAGE OF TAHSIS

Notes to the Financial Statements

December 31, 2017

2. Portfolio Investments:

	<u>2017</u>	<u>2016</u>
	\$	\$
Short-Term Bond Funds	557,664	556,277
Intermediate	609,378	604,636
Money Market Funds - Municipal Finance Authority	1,127,834	1,674,670
	<u>2,294,876</u>	<u>2,835,583</u>

The current yield of the short-term bond fund is 0.25% (2016 - 1.43%), money market funds bear interest at 0.97% (2016 - 0.79%) and intermediate funds have a yield of 0.78% (2016 -1.13%). All portfolio investments are effectively redeemable on demand.

3. Accounts Receivable:

	<u>2017</u>	<u>2016</u>
	\$	\$
GST Receivable	46,202	8,140
Accounts Receivable	101,304	25,205
Allowance for Doubtful Accounts	<u>(8,929)</u>	<u>(2,853)</u>
	<u>138,577</u>	<u>30,492</u>

4. Investment in Nootka Sound Economic Development Corporation (NSEDG):

	<u>2017</u>	<u>2016</u>
	\$	\$
Cost of Investment	<u>42,090</u>	<u>42,090</u>
Accumulated Net Equity Income, Beginning of Year	74,199	37,284
Share of Decrease in Shareholders' Equity During the Year	(7,009)	(5,175)
Dividends issued on Preferred Shares Prior to Redemption	(14,152)	-
Distribution of Retained Earnings on Dissolution	<u>(10,948)</u>	<u>-</u>
	42,090	32,109
Redemption of Preferred Shares	<u>(42,090)</u>	<u>-</u>
Accumulated Net Equity Income, End of Year	<u>-</u>	<u>74,199</u>

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

	<u>2017</u>	<u>2016</u>
	\$	\$
Statement of Financial Position		
Total Assets	<u>45,407</u>	<u>235,511</u>
Total Liabilities	45,404	-
Total Equity	<u>3</u>	<u>235,511</u>
	<u>45,407</u>	<u>235,511</u>
Statement of Comprehensive Income		
Revenues	8	1,544
Expenditures	<u>15,200</u>	<u>17,068</u>
Net Loss	<u>(15,192)</u>	<u>(15,524)</u>

VILLAGE OF TAHSIS

Notes to the Financial Statements

December 31, 2017

4. Investment in Nootka Sound Economic Development Corporation (NSEDC) (continued):

	<u>2017</u>	<u>2016</u>
	\$	\$
Statement of Changes in Equity		
Retained Earnings, beginning of the year	95,208	110,732
Net Loss	<u>(15,192)</u>	<u>(15,524)</u>
	80,016	95,208
Dividends	<u>(80,016)</u>	<u>-</u>
Retained Earnings, end of the year	-	95,208
Share Capital	<u>3</u>	<u>140,303</u>
Total Equity	<u>3</u>	<u>235,511</u>

On February 21, 1996, the Village received approval of the Inspector of Municipalities to acquire shares in 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 license. NSEDC had been granted a forest license that represents non-replaceable quota of 35,776 cubic meters per year.

The Village held one of three common shares of NSEDC and 42,090 of 140,300 preferred shares. The Village's investment in NSEDC is recorded on a modified equity basis.

During 2017, the Corporation's Board of Directors resolved to dissolve NSEDC effective April 4, 2017. The Village received \$14,152 (2016 - \$nil) in dividends from NSEDC on preferred shares and \$10,948 in dividends on common shares as a result of its dissolution. As well, all preferred shares totaling the Village's original investment of \$42,090 were redeemed.

5. Deferred Grants and Unearned Revenue:

	<u>2017</u>	<u>2016</u>
	\$	\$
Deferred Rental Revenue	5,594	10,730
Prepaid Property Taxes	11,194	6,138
Other Grants	<u>155,987</u>	<u>10,898</u>
	<u>172,775</u>	<u>27,766</u>

6. Tangible Capital Assets:

	Cost				Accumulated Amortization				Net Book Value	
	Opening \$	Additions \$	Disposals \$	Closing \$	Opening \$	Amort \$	Disposals \$	Closing \$	2017 \$	2016 \$
Land	1,128,861	-	-	1,128,861	-	-	-	-	1,128,861	1,128,861
Buildings	4,483,649	-	-	4,483,649	3,022,232	113,062	-	3,135,294	1,348,355	1,461,417
Machinery and Equipment	1,796,675	354,385	-	2,151,060	1,548,666	47,866	-	1,596,532	554,528	248,009
Roads and Bridges	5,098,508	-	-	5,098,508	3,788,932	56,599	-	3,845,531	1,252,977	1,309,576
Drainage	259,990	-	-	259,990	259,990	-	-	259,990	-	-
Other	179,660	-	-	179,660	147,711	2,322	-	150,033	29,627	31,949
Water Infrastructure	2,006,324	30,997	-	2,037,321	1,114,379	23,931	-	1,138,310	899,011	891,945
Sewer Infrastructure	<u>2,712,146</u>	<u>92,698</u>	-	<u>2,804,844</u>	<u>2,682,898</u>	<u>1,752</u>	-	<u>2,684,650</u>	<u>120,194</u>	<u>29,248</u>
	<u>17,665,813</u>	<u>478,080</u>	-	<u>18,143,893</u>	<u>12,564,808</u>	<u>245,532</u>	-	<u>12,810,340</u>	<u>5,333,553</u>	<u>5,101,005</u>

VILLAGE OF TAHSIS

Notes to the Financial Statements

December 31, 2017

7. Taxation - Net:

	Budget <u>2017</u> \$	Actual <u>2017</u> \$	Actual <u>2016</u> \$
General Municipal Purposes	683,277	701,017	666,350
Collections for Other Governments			
Strathcona Regional District	-	8,894	8,500
Province of British Columbia - School Tax	-	187,236	182,496
Comox Strathcona Regional Hospital District	-	29,361	29,311
Municipal Finance Authority	-	7	7
British Columbia Assessment Authority	-	2,125	2,317
Vancouver Island Regional Library	-	12,102	12,263
Province of BC - Police Tax	-	12,349	13,990
Comox Valley Regional District			
Waste Management	-	6,841	3,417
	<u>683,277</u>	<u>959,932</u>	<u>918,651</u>
Transfers			
Strathcona Regional District	-	8,842	11,917
Province of British Columbia - School Tax	-	183,402	182,465
Comox Strathcona Regional Hospital Districts	-	28,957	29,311
Municipal Finance Authority	-	8	-
British Columbia Assessment Authority	-	2,207	2,317
Vancouver Island Regional Library	-	12,052	12,264
Province of BC - Police Tax	-	12,349	13,990
Comox Valley Regional District			
Waste Management	-	6,871	-
	<u>-</u>	<u>254,688</u>	<u>252,264</u>
Available for General Municipal Purposes	<u>683,277</u>	<u>705,244</u>	<u>666,387</u>

8. 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 of the Village have assessed the risks of any contingent liabilities 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.

9. Pension Plan:

The Village and its employees contribute to the Municipal Pension Plan (the Plan), a jointly-trusted pension plan. The Board of Trustees, representing plan members and employers, is responsible for administering the Plan, including investment of the assets and administration of the benefits.

VILLAGE OF TAHSIS

Notes to the Financial Statements

December 31, 2017

9. Pension Plan (continued):

The Plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2016 the Plan had about 193,000 active members and approximately 90,000 retired members. Active members include approximately 38,000 contributors from local government.

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

The most recent valuation for the Municipal Pension Plan as at December 31, 2015, indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1,927 million was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rates remained unchanged.

The Village paid \$29,410 (2016 - \$49,911) for employer contributions, while employees contributed \$25,045 (2016 - \$34,877) to the Plan in fiscal 2017.

The next valuation will be as at December 31, 2018, with results available in 2019.

Employers participating in the Plan record their pension expense as the amount of the employer contributions made during the fiscal year (defined contributions 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. Related Party Transactions:

The Village of Tahsis and the Village of Zeballos established a non-formalized government partnership in 2016 in pursuing a economic development tourism trail project between the two villages. The Village of Tahsis is the project manager, and in 2017, the Village of Zeballos applied for grants to be used towards the project. In 2017, total funds received from the Village of Zeballos is \$77,153 (2016 - \$0).

Condensed government partnership financial statement information:

	<u>2017</u>	<u>2016</u>
	\$	\$
Statement of Financial Position		
Total Assets	<u>7,700</u>	<u>-</u>
Total Liabilities	28,482	20,365
Total Equity (Deficit)	<u>(20,782)</u>	<u>(20,365)</u>
	<u>7,700</u>	<u>-</u>
Statement of Comprehensive Income		
Revenues	77,153	14,365
Expenditures	<u>77,570</u>	<u>34,730</u>
Net Loss	<u>(417)</u>	<u>(20,365)</u>

VILLAGE OF TAHSIS

Notes to the Financial Statements

December 31, 2017

10. Related Party Transactions (continued):

	<u>2017</u>	<u>2016</u>
	\$	\$
Statement of Changes in Equity		
Retained Earnings (Deficit), beginning of the year	(20,365)	-
Net Loss	<u>(417)</u>	<u>(20,365)</u>
Retained Earnings (Deficit), end of the year	<u>7,700</u>	<u>(20,365)</u>

11. Accumulated Surplus:

The Village segregates its accumulated surplus in the following categories:

	<u>2017</u>	<u>2016</u>
	\$	\$
Internally Restricted Funds for Future Expenditure	590,657	524,352
Unrestricted Funds	1,186,274	1,341,744
Reserve Funds (a)	1,093,884	1,417,852
Investment in Non-Financial Assets (b)	<u>5,396,517</u>	<u>5,160,413</u>
	<u>8,267,332</u>	<u>8,444,361</u>

- (a) Reserve funds represent funds set aside by bylaw or council resolution for specific purposes.
- (b) The investment in non-financial assets represents amounts already spent and invested in infrastructure and other non-financial assets.

Details of reserve funds are shown below:

	<u>2017</u>	<u>2016</u>
	\$	\$
Capital Works, Machinery and Equipment Reserve (a)	546,694	531,397
Fire Hall Reserve (b)	252,251	595,306
Recreation Centre Capital Works, Machinery and Equipment Reserve (c)	270,619	267,949
Economic Development (d)	<u>24,320</u>	<u>23,200</u>
	<u>1,093,884</u>	<u>1,417,852</u>

- (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 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.

VILLAGE OF TAHSIS

Notes to the Financial Statements

December 31, 2017

11. Accumulated Surplus (continued):

- (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 the 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.

- (d) Economic Development Reserve

The Economic Development Fund was not established through bylaw. The Community Charter stipulates that reserve funds may be established for certain types of activities, which is how this fund was established. Money from current revenue, General Operating fund surpluses, or as otherwise provided in the Local Government Act may be transferred into the Reserve Fund.

12. Fiscal Plan

The Fiscal Plan amounts represent the Financial Plan Bylaw adopted by Council on May 2, 2017.

The budget anticipated use of surpluses accumulated in previous years to balance against current expenditures in excess of current year revenues. In addition, the budget anticipated capital expenditures rather than amortization expense. The following schedule reconciles the approved bylaw to the amounts presented in the financial statements.

	<u>2017</u>	
	\$	
Financial Plan (Budget) Bylaw Surplus Approved for the Year	-	
Deduct:		
Budgeted Transfers to Offset Amortization	209,807	
Less:		
Budgeted Transfers from Accumulated Surplus	<u>419,612</u>	
Annual Surplus (Deficit) Presented in Financial Statements	<u>(209,805)</u>	

VILLAGE OF TAHSIS

Notes to the Financial Statements

December 31, 2017

13. Segmented Information

The Village is a diversified municipal government institution that provides a wide range of services to its citizens such as recreation, fire, sewer, water, and solid waste. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and activities they encompass are as follows:

General Government

This item relates to the revenues and expenses of 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.

Environmental Treatment Services

Environmental Treatment 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 health and development of the Village's citizens. Recreational programs and cultural programs are provided at the aquatic centre and community centre.

Water Utility

The service provides distribution of water to residents.

Sewer Utility

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

14. Comparative Figures

Certain 2016 comparative figures have been reclassified, where necessary, to conform with the financial statement presentation adopted in the current year.

VILLAGE OF TAHSIS

Schedule 1 - Government Grants and Transfers to the Village and Ratepayers Year Ended December 31, 2017

	<u>2017</u>		<u>2016</u>
	<u>Budget</u>	<u>Actual</u>	
	\$	\$	\$
	(Note 12)		
Federal Government			
Grants in Lieu of Taxes	<u>10,000</u>	<u>9,026</u>	<u>9,721</u>
Province of BC and Federal/Provincial Programs			
General Fund			
Small Communities Protection	325,000	325,738	309,834
Infrastructure and Other	<u>132,573</u>	<u>144,341</u>	<u>102,054</u>
	<u>457,573</u>	<u>470,079</u>	<u>411,888</u>
General Capital			
Infrastructure (Provincial)	-	190	1,006
	<u>467,573</u>	<u>479,295</u>	<u>422,615</u>

VILLAGE OF TAHSIS

Schedule 2 - Combined Statement of Operations by Segment

Year Ended December 31, 2017

	General Government	Protective Services	Transportation Services	Environmental Treatment Services	Economic Development Services	Recreation and Cultural Services	Water Utility	Sewer Utility	2017 Actual	2017 Budget (Note 12)
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues										
Taxation	705,244	-	-	-	-	-	-	-	705,244	683,277
Utility Connection Fees and User Rates	-	-	-	-	-	-	48,498	97,607	146,105	236,256
Government Grants and Transfers	440,718	-	-	-	38,577	-	-	-	479,295	467,573
Fees and Service Charges	-	-	-	165,646	-	55,642	-	-	221,288	152,456
Other Revenues	<u>100,967</u>	<u>1,335</u>	<u>-</u>	<u>-</u>	<u>168</u>	<u>-</u>	<u>-</u>	<u>375</u>	<u>102,845</u>	<u>27,399</u>
	<u>1,246,929</u>	<u>1,335</u>	<u>-</u>	<u>165,646</u>	<u>38,745</u>	<u>55,642</u>	<u>48,498</u>	<u>97,982</u>	<u>1,654,777</u>	<u>1,566,961</u>
Expenses										
Operating										
Goods and Services	268,438	51,734	151,667	229	46,984	116,990	64,373	79,563	779,978	859,667
Labour	348,682	16,510	113,130	15,309	-	229,503	59,260	23,902	806,296	707,292
Amortization	<u>21,807</u>	<u>39,293</u>	<u>77,778</u>	<u>1,363</u>	<u>-</u>	<u>79,608</u>	<u>23,931</u>	<u>1,752</u>	<u>245,532</u>	<u>209,807</u>
	<u>638,927</u>	<u>107,537</u>	<u>342,575</u>	<u>16,901</u>	<u>46,984</u>	<u>426,101</u>	<u>147,564</u>	<u>105,217</u>	<u>1,831,806</u>	<u>1,776,766</u>
Excess (Deficiency) of Revenues over Expenses	<u>608,002</u>	<u>(106,202)</u>	<u>(342,575)</u>	<u>148,745</u>	<u>(8,239)</u>	<u>(370,459)</u>	<u>(99,066)</u>	<u>(7,235)</u>	<u>(177,029)</u>	<u>(209,805)</u>

VILLAGE OF TAHSIS

Schedule 3 - Combined Statement of Operations by Segment

Year Ended December 31, 2016

	General Government	Protective Services	Transportation Services	Environmental Treatment Services	Economic Development Services	Recreation and Cultural Services	Water Utility	Sewer Utility	2016 Actual	2016 Budget
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues										
Taxation	666,387	-	-	-	-	-	-	-	666,387	645,209
Utility Connection Fees and User Rates	-	-	-	-	-	-	136,677	110,947	247,624	311,858
Government Grants and Transfers	403,250	-	-	-	19,365	-	-	-	422,615	443,733
Fees and Service Charges	-	-	-	91,125	-	33,994	-	-	125,119	115,820
Other Revenues	94,044	1,093	-	-	7,999	-	-	90	103,226	32,500
	<u>1,163,681</u>	<u>1,093</u>	<u>-</u>	<u>91,125</u>	<u>27,364</u>	<u>33,994</u>	<u>136,677</u>	<u>111,037</u>	<u>1,564,971</u>	<u>1,549,120</u>
Expenses										
Operating										
Goods and Services	219,341	45,811	143,239	50	50,567	107,298	38,794	84,649	689,749	722,915
Labour	314,030	15,846	134,350	16,605	-	213,624	80,162	29,167	803,784	692,841
Amortization	48,380	15,582	56,600	-	-	78,718	17,732	1,522	218,534	219,860
	<u>581,751</u>	<u>77,239</u>	<u>334,189</u>	<u>16,655</u>	<u>50,567</u>	<u>399,640</u>	<u>136,688</u>	<u>115,338</u>	<u>1,712,067</u>	<u>1,635,616</u>
Excess (Deficiency) of Revenues over Expenses	<u>581,930</u>	<u>(76,146)</u>	<u>(334,189)</u>	<u>74,470</u>	<u>(23,203)</u>	<u>(365,646)</u>	<u>(11)</u>	<u>(4,301)</u>	<u>(147,096)</u>	<u>(86,496)</u>

VILLAGE OF TAHSIS

Schedule 4 - Reserve Fund Transactions

Year Ended December 31, 2017

	Capital Works Machinery and Equipment	Fire Hall	Rec Centre	Economic Development	Total 2017	Total 2016
	\$	\$	\$	\$	\$	\$
Balance, Beginning of Year	531,397	595,306	267,949	23,200	1,417,852	1,421,587
Interest Earned	15,297	11,330	2,670	1,120	30,417	18,535
Transfer From Other Funds	-	-	-	-	-	-
Used for Capital Expenditures	-	(354,385)	-	-	(354,385)	(22,270)
Balance, End of Year	<u>546,694</u>	<u>252,251</u>	<u>270,619</u>	<u>24,320</u>	<u>1,093,884</u>	<u>1,417,852</u>

Schedule of Guarantee and Indemnity Agreements

The Village of Tahsis has not given any guarantees or indemnities under the Guarantees and Indemnities Regulation during the 2017 fiscal year.

Schedule of Remuneration and Expenses

1. Elected Officials

Name	Position	Remuneration	Expenses (Note 1)
Jude Schooner	Mayor	\$ 9,823	\$ 3,669
Louis VanSolkema	Councillor	5,069	237
Brenda Overton	Councillor	5,069	2,766
Kathy Bellanger	Councillor	5,069	-
Randy Taylor	Councillor	5,069	178
Total Elected Officials		\$ 30,099 (A)	\$ 6,850

2. Employees

Name	Position	Remuneration	Expenses (Note 1)
Remuneration over \$75,000:			
Mark Tatchell	CAO	\$ 120,178	\$ 8,842
Consolidated total of other employees with remuneration of \$75,000 or less		535,990	22,412
Total Employees		\$ 656,168 (B)	\$ 31,254

3. Reconciliation

Total remuneration - elected officials	\$ 30,099 (A)
Total remuneration - employees	656,168 (B)
Subtotal	686,267
Reconciling item:	
Employer portion of EI, CPP and benefit costs (Note 2)	119,828
Total after reconciling item	806,095
Total Labour per Schedule 2, Combined Statement of Operations by Segment	806,296
Variance	\$ 201

Notes to Schedule

- Expenses reimbursed to both Elected Officials and Employees include, among other reasonable expenses, mileage for the use of personal vehicles to attend required business meetings and training outside of Tahsis.
- Financial statement figures include the employer portion for EI, CPP and benefit costs, not included in the above.

Prepared under Financial Information Regulation,
Schedule 1, section 6(2), (3), (4), (5) and (6)

Statement of Severance Agreements

There were no severance agreements made between the Village of Tahsis and its non-unionized employees during fiscal year 2017.

Schedule of Payments to Suppliers of Goods and Services

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

Supplier Name	Amount paid to supplier
BC Hydro	166,120
BDO Canada LLP	37,747
British Columbia Pension Corp	53,421
Comox Strathcona Regional Hospital District	28,910
Dougness Holdings Ltd	59,848
Fort Garry Fire Trucks Ltd	359,648
Great West Life	36,861
Kristiansen & Associates	38,961
Logical Developments Associates Inc	31,791
McElhanney Consulting Services Ltd.	45,425
Minister of Finance - School Tax	95,606
Municipal Insurance Association of BC	79,275
Onsite Engineering Ltd	66,545
Receiver General for Canada	164,978
Telus	26,718
Total aggregate amount paid to suppliers exceeding \$25,000	\$ 1,291,854
2. Consolidated total paid to suppliers who received aggregate payments of \$25,000 or less	\$ 427,463
3. Total payments to suppliers for grants and contributions exceeding \$25,000	-
Total Payments to Suppliers in 2017	\$ 1,719,317
Reconciling items:	
Transfers to other governments	(155,642)
Acquisition of tangible capital assets	(478,080)
Employee benefits and source deduction pymts included in Total Labour	(271,195)
Total after reconciling items	814,400
Total Goods and Services, per Schedule 2, Combined Statement of Operations by Segment	779,978
Variance (see Note below)	\$ 34,422

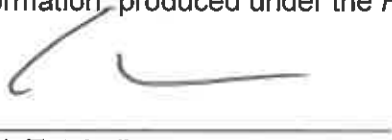
Note to Schedule

The Village of Tahsis prepares the schedule of payments to vendors based on actual disbursements (or cash basis) processed through its accounts payable system. However, the Village prepares its financial statements in accordance with Canadian public sector accounting standards which requires an accrual basis of accounting. This results in differences including transactions recorded not involving cash such as year end accruals.

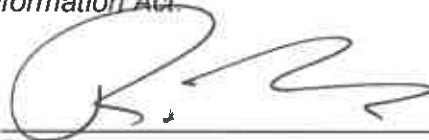
Prepared under Financial Information Regulation,
Schedule 1, section 7 and the *Financial Information Act*, Section 2

**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 statement and schedules in this Statement of Financial Information, produced under the *Financial Information Act*.



Mark Tatchell
CAO, Village of Tahsis
June 27, 2018



Randy Taylor
Acting Mayor, Village of Tahsis
June 27, 2018

Prepared under Financial Information Regulation,
Schedule 1, section 9