



Village of Tahsis

Statement of Financial Information

For the Year Ended December 31, 2018

Index

Audited Financial Statements	2
Schedule of Guarantee and Indemnity Agreements	21
Schedule of Remuneration and Expenses	22
Statement of Severance Agreements	23
Schedule of Payments to Suppliers of Goods and Services	24
Statement of Financial Statement Approval	25

VILLAGE OF TAHSIS
Financial Statements
December 31, 2018

VILLAGE OF TAHSIS

Index to the Financial Statements

December 31, 2018

MANAGEMENT REPORT	1
INDEPENDENT AUDITORS' REPORT	2-3
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Operations	5
Statement of Change in Net Financial Assets	6
Statement of Cash Flows	7
NOTES TO THE FINANCIAL STATEMENTS	8-16
SCHEDULES	
Schedule 1 - Government Grants and Transfers to the Village and Ratepayers	17
Schedule 2 - Combined Statement of Operations by Segment (2018)	18
Schedule 3 - Combined Statement of Operations by Segment (2017)	19
Schedule 4 - Reserve Fund Transactions	20

MANAGEMENT REPORT

December 31, 2018

The Mayor and 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 properly authorized and recorded in compliance with legislative and regulatory requirements and that financial records are reliable for preparation of the financial statements. These systems are monitored and evaluated by management.

The Village of Tahsis's independent auditors, Chan Nowosad Boates Inc., Chartered Professional Accountants, are engaged to express an opinion as to whether these financial statements present fairly the Village of Tahsis's financial position and operating results in accordance with Canadian public sector accounting standards. Their opinion is based on procedures they consider sufficient to support such an opinion.

The financial statements have, in management's position, been properly prepared within reasonable limits of materiality and in accordance with Canadian public sector accounting standards. These statements present, in all significant respects the financial position of the Village of Tahsis as at December 31, 2018.



Mr. Mark Tatchell
Chief Administrative Officer
May 7, 2019



INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of the Village of Tahsis

Opinion

We have audited the accompanying financial statements of the Village of Tahsis (the "Village"), which comprise the statement of financial position as at December 31, 2018, 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 (hereinafter referred to as the "financial statements").

In our opinion, the Village's financial statements present fairly, in all material respects, the financial position of the Village as at December 31, 2018, and its financial performance and cash flows for the year then ended. The financial statements have been prepared by management in accordance with Canadian public sector accounting standards.

Basis of Opinion

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

Those charged with governance are responsible for over-seeing the Village's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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 the users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village'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 Village's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Village to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.

Chan Nowosal Boate Inc.

Chartered Professional Accountants
Campbell River, BC

May 7, 2019

VILLAGE OF TAHSIS

Statement of Financial Position

December 31, 2018

2018

2017

\$

\$

(Note 16)

FINANCIAL ASSETS

Cash	473,657	538,437
Portfolio Investments (Note 2)	2,334,896	2,294,876
Accounts Receivable (Note 3)	309,628	138,577
Taxes and User Fees Receivable	171,412	209,374
	<u>3,289,593</u>	<u>3,181,264</u>

LIABILITIES

Accounts Payable and Accrued Liabilities	372,162	137,674
Deferred Grants and Unearned Revenue (Note 4)	420,136	172,775
Contaminated Site Remediation (Notes 5 and 16)	56,700	56,700
	<u>848,998</u>	<u>367,149</u>

NET FINANCIAL ASSETS

2,440,595 2,814,115

NON-FINANCIAL ASSETS

Tangible Capital Assets (Note 6)	5,734,047	5,333,553
Prepaid Expenses	65,064	62,964
	<u>5,799,111</u>	<u>5,396,517</u>

ACCUMULATED SURPLUS (Note 11)

8,239,706 8,210,632

Approved by:



Finance Officer



Mayor

VILLAGE OF TAHSIS

Statement of Operations

Year Ended December 31, 2018

	2018		2017
	Budget	Actual	
	\$	\$	\$
	(Note 12)		(Note 16)
Revenues (Schedules 2 and 3)			
Taxation - Net (Note 7)	690,053	712,291	705,244
Utility Connection Fees and User Rates	235,000	235,132	146,105
Government Grants - Federal (Schedule 1)	560,757	698,937	440,718
Fee and Services Charges	236,350	213,560	221,288
Other Revenues	<u>36,500</u>	<u>175,955</u>	<u>141,422</u>
	<u>1,758,660</u>	<u>2,035,875</u>	<u>1,654,777</u>
Expenditures (Schedules 2 and 3)			
General Departmental Expenditures	1,916,518	1,769,680	1,579,025
Water System Operations	115,316	134,476	147,564
Sewer System Operations	<u>117,199</u>	<u>102,645</u>	<u>105,217</u>
	<u>2,149,033</u>	<u>2,006,801</u>	<u>1,831,806</u>
Annual Surplus (Deficit)	(390,373)	29,074	(177,029)
Accumulated Surplus - Beginning of Year	<u>8,210,632</u>	<u>8,210,632</u>	<u>8,387,661</u>
Accumulated Surplus - End of Year	<u>7,820,259</u>	<u>8,239,706</u>	<u>8,210,632</u>

VILLAGE OF TAHSIS

Statement of Change in Net Financial Assets

Year Ended December 31, 2018

	2018		2017
	Budget	Actual	
	\$	\$	\$
	(Note 12)		(Note 16)
Annual Surplus (Deficit)	(390,373)	29,074	(177,029)
Acquisition of Tangible Capital Assets	-	(683,625)	(478,080)
Amortization of Tangible Capital Assets	243,277	283,131	245,532
Acquisition of Prepaid Expenses	-	(2,100)	(3,556)
	<u>(147,096)</u>	<u>(373,520)</u>	<u>(413,133)</u>
Net Financial Assets - Beginning of Year	<u>2,814,115</u>	<u>2,814,115</u>	<u>3,227,248</u>
Net Financial Assets - End of Year	<u>2,667,019</u>	<u>2,440,595</u>	<u>2,814,115</u>

VILLAGE OF TAHSIS

Statement of Cash Flows

Year Ended December 31, 2018

	2018	2017
	\$	\$
Cash Flows From Operating Activities:		
Annual Surplus (Deficit)	29,074	(177,029)
Items Not Involving Cash		
Equity loss from Nootka Sound Economic Development Corporation	-	74,199
Amortization of Tangible Capital Assets	<u>283,131</u>	<u>245,532</u>
	<u>312,205</u>	<u>142,702</u>
Changes in Non-Cash Operating Balances		
Accounts and Taxes Receivable	(133,089)	(118,356)
Accounts Payable and Accrued Liabilities	234,488	35,608
Deferred Grants and Unearned Revenue	247,361	145,009
Prepaid Expenses	<u>(2,100)</u>	<u>(3,556)</u>
	<u>658,865</u>	<u>201,407</u>
Cash Flows From Capital Activities:		
Purchase of Tangible Capital Assets	<u>(683,625)</u>	<u>(478,080)</u>
Cash Flows From Investing Activities:		
Redemption of (Investment in) Portfolio Investments	<u>(40,020)</u>	<u>540,707</u>
Increase (Decrease) in Cash and Cash Equivalents	(64,780)	264,034
Cash and Cash Equivalents - Beginning of Year	<u>538,437</u>	<u>274,403</u>
Cash and Cash Equivalents - End of Year	<u>473,657</u>	<u>538,437</u>

VILLAGE OF TAHSIS

Notes to the Financial Statements

December 31, 2018

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) Portfolio Investments:

Portfolio 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, 2018

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.

b) 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, 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.

j) Government Partnerships:

Government partnerships are accounted for using the proportionate consolidation method.

VILLAGE OF TAHSIS

Notes to the Financial Statements

December 31, 2018

2. Portfolio Investments:

	<u>2018</u>	<u>2017</u>
	\$	\$
Short-Term Bond Funds	567,479	557,664
Intermediate	620,977	609,378
Money Market Funds - Municipal Finance Authority	<u>1,146,440</u>	<u>1,127,834</u>
	<u>2,334,896</u>	<u>2,294,876</u>

The current annual yield of the short-term bond fund is 1.76% (2017 - 0.25%) while the money market fund has an annual yield of 1.65% (2017 - 0.97%) and intermediate funds have an annual yield of 1.90% (2017 - 0.78%). All portfolio investments are effectively redeemable on demand.

3. Accounts Receivable:

	<u>2018</u>	<u>2017</u>
	\$	\$
GST Receivable	5,995	46,202
Accounts Receivable	311,641	101,304
Allowance for Doubtful Accounts	<u>(8,008)</u>	<u>(8,929)</u>
	<u>309,628</u>	<u>138,577</u>

4. Deferred Grants and Unearned Revenue:

	<u>2018</u>	<u>2017</u>
	\$	\$
Deferred Rental Revenue	3,999	5,594
Prepaid Property Taxes	-	11,194
Other Grants	<u>416,137</u>	<u>155,987</u>
	<u>420,136</u>	<u>172,775</u>

5. Contaminated Site Remediation:

A parcel of land that was previously used as a seaplane base has been under the ownership of the Village since 2009. In 1995, it was noted there were contaminate concentrations in the soil at the sea plane base and the site was registered as a contaminated site. An environmental assessment carried out by the Federal Government in November 2018 on an adjacent property determined that there were still minimal levels of petroleum hydrocarbons and polychromatic hydrocarbons, but they were at such a level that the site would no longer be considered to be contaminated. The site, however, remains on the registered contaminated site listing.

To remove the site from the registered contaminated site listing to allow for building on the property or alternatively the future sale of the property, it is estimated by management of the Village that the total cost to obtain the report that would allow for the deregistration of the site as a contaminated site is \$56,700. The Village has recognized the liability for this amount which was recorded as an expenditure in the previous period.

VILLAGE OF TAHSIS

Notes to the Financial Statements

December 31, 2018

6. Tangible Capital Assets:

	Cost				Accumulated Amortization				Net Book Value	
	Opening \$	Additions \$	Disposals \$	Closing \$	Opening \$	Amort \$	Disposals \$	Closing \$	2018 \$	2017 \$
Land	1,128,861	11,162	-	1,140,023	-	-	-	-	1,140,023	1,128,861
Buildings	4,483,649	207,008	-	4,690,657	3,135,294	123,412	-	3,258,706	1,431,951	1,348,355
Machinery and Equipment	2,151,060	67,867	4,327	2,214,600	1,596,532	63,732	4,327	1,655,937	558,663	554,528
Roads and Bridges	5,098,508	80,744	-	5,179,252	3,845,531	56,599	-	3,902,130	1,277,122	1,252,977
Drainage	259,990	-	-	259,990	259,990	-	-	259,990	-	-
Other	179,660	21,922	-	201,582	150,033	6,889	-	156,922	44,660	29,627
Water Infrastructure	2,037,321	144,274	-	2,181,595	1,138,310	23,544	-	1,161,854	1,019,741	899,011
Sewer Infrastructure	<u>2,804,844</u>	<u>150,648</u>	-	<u>2,955,492</u>	<u>2,684,650</u>	<u>8,955</u>	-	<u>2,693,605</u>	<u>261,887</u>	<u>120,194</u>
	<u>18,143,893</u>	<u>683,625</u>	<u>4,327</u>	<u>18,823,191</u>	<u>12,810,340</u>	<u>283,131</u>	<u>4,327</u>	<u>13,089,144</u>	<u>5,734,047</u>	<u>5,333,553</u>

7. Taxation - Net:

	Budget 2018 \$	Actual 2018 \$	Actual 2017 \$
General Municipal Purposes	690,053	711,909	701,017
Collections for Other Governments			
Strathcona Regional District	-	9,132	8,894
Province of British Columbia - School Tax	-	192,429	187,236
Comox Strathcona Regional Hospital District	-	27,830	29,361
Municipal Finance Authority	-	8	7
British Columbia Assessment Authority	-	2,136	2,125
Vancouver Island Regional Library	-	10,874	12,102
Province of BC - Police Tax	-	12,907	12,349
Comox Valley Regional District	-	6,495	6,841
	<u>690,053</u>	<u>973,720</u>	<u>959,932</u>
Transfers			
Strathcona Regional District	-	9,132	8,842
Province of British Columbia - School Tax	-	192,209	183,402
Comox Strathcona Regional Hospital Districts	-	27,830	28,957
Municipal Finance Authority	-	8	8
British Columbia Assessment Authority	-	2,136	2,207
Vancouver Island Regional Library	-	10,712	12,052
Province of BC - Police Tax	-	12,907	12,349
Comox Valley Regional District	-	6,495	6,871
	-	<u>261,429</u>	<u>254,688</u>
Available for General Municipal Purposes	<u>690,053</u>	<u>712,291</u>	<u>705,244</u>

VILLAGE OF TAHSIS

Notes to the Financial Statements

December 31, 2018

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.

The Plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2017 the Plan had about 197,000 active members and approximately 95,000 retired members. Active members include approximately 39,000 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 \$42,429 (2017 - \$29,410) for employer contributions to the Plan in fiscal 2018. 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:

Government Partnership:

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 2018, the Village of Zeballos applied for grants to be used towards the project. In 2018, total funds received from the Village of Zeballos is \$58,956 (2017 - \$77,153).

VILLAGE OF TAHSIS

Notes to the Financial Statements

December 31, 2018

10. Related Party Transactions (continued):

Condensed government partnership financial statement information:

	<u>2018</u>	<u>2017</u>
	\$	\$
Statement of Financial Position		
Total Assets	<u>7,700</u>	<u>7,700</u>
Total Liabilities	28,482	28,482
Total Equity (Deficit)	<u>(20,782)</u>	<u>(20,782)</u>
	<u>7,700</u>	<u>7,700</u>
Statement of Comprehensive Income		
Revenues	58,956	77,153
Expenditures	<u>58,956</u>	<u>77,570</u>
Net Loss	<u>-</u>	<u>(417)</u>
	<u>2018</u>	<u>2017</u>
	\$	\$
Statement of Changes in Equity		
Retained Earnings (Deficit), beginning of the year	(20,782)	(20,365)
Net Loss	<u>-</u>	<u>(417)</u>
Retained Earnings (Deficit), end of the year	<u>(20,782)</u>	<u>(20,782)</u>

11. Accumulated Surplus:

The Village segregates its accumulated surplus in the following categories:

	<u>2018</u>	<u>2017</u>
	\$	\$
Internally Restricted Funds for Future Expenditure	524,352	524,352
Unrestricted Funds	1,023,628	1,195,879
Reserve Funds (a)	892,615	1,093,884
Investment in Non-Financial Assets (b)	<u>5,799,111</u>	<u>5,396,517</u>
	<u>8,239,706</u>	<u>8,210,632</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>2018</u>	<u>2017</u>
	\$	\$
Capital Works, Machinery and Equipment Reserve (a)	444,974	546,694
Fire Hall Reserve (b)	266,024	252,251
Recreation Centre Capital Works, Machinery and Equipment Reserve (c)	154,886	270,619
Economic Development (d)	<u>26,731</u>	<u>24,320</u>
	<u>892,615</u>	<u>1,093,884</u>

VILLAGE OF TAHSIS

Notes to the Financial Statements

December 31, 2018

11. Accumulated Surplus (continued):

(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.

(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 3, 2018.

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>2018</u>
	\$
Financial Plan (Budget) Bylaw Surplus Approved for the Year	-
Less:	
Budgeted Transfers to Offset Amortization	(243,277)
Budgeted Transfers from Accumulated Surplus	<u>(147,096)</u>
Annual Deficit Presented in Financial Statements	<u>(390,373)</u>

VILLAGE OF TAHSIS

Notes to the Financial Statements

December 31, 2018

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 noted below and detailed further in Schedules 2 and 3 of these financial statements.

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 2017 comparative figures have been reclassified, where necessary, to conform with the financial statement presentation adopted in the current year.

15. Subsequent Event

Subsequent to year end, the Village sold a parcel of land for \$136,000 to the Canadian Federal Government.

VILLAGE OF TAHSIS

Notes to the Financial Statements

December 31, 2018

16. Prior Period Adjustment

During the year ending December 31, 2018, it was identified that the Village owns property that is on the contaminated site registry. Under PS 3260 – Liability for Contaminated Sites, a liability for the costs of remediation and costs surrounding remediation should be recognized when the government is or will be directly responsible for the costs, which would have been when the property was transferred to the Village from the Canadian Federal Government in 2009.

In prior periods, it was not known to the Village that the parcel of land was listed on a registry of contaminated sites.

As a result of the above and the requirement to record the liability in both the prior and current year, the comparative financial statement information for the year ending December 31, 2017 has been adjusted and restated as detailed below.

Opening Accumulated Surplus was reduced by \$56,700 from \$8,444,361 to \$8,387,661 to account for the liability and related expense being recognized in the year of the adoption of PSAS and a liability on the Statement of Financial Position under Contaminated Site Remediation was recognized for \$56,700.

VILLAGE OF TAHSIS

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

Year Ended December 31, 2018

	2018		2017
	Budget	Actual	
	\$	\$	\$
	(Note 12)		
Federal Government			
Grants in Lieu of Taxes	<u>10,000</u>	<u>10,404</u>	<u>9,026</u>
Province of BC and Federal/Provincial Programs			
General Fund			
Small Communities Protection	325,738	343,396	325,738
Infrastructure and Other	<u>225,019</u>	<u>344,437</u>	<u>105,764</u>
	<u>550,757</u>	<u>687,833</u>	<u>431,502</u>
General Capital			
Infrastructure (Provincial)	-	700	190
	<u>560,757</u>	<u>698,937</u>	<u>440,718</u>

VILLAGE OF TAHSIS

Schedule 2 - Combined Statement of Operations by Segment

Year Ended December 31, 2018

	General Government	Protective Services	Transportation Services	Environmental Treatment Services	Economic Development Services	Recreation and Cultural Services	Water Utility	Sewer Utility	2018 Actual	2018 Budget (Note 12)
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues										
Taxation	712,291	-	-	-	-	-	-	-	712,291	690,053
Utility Connection Fees and User Rates	-	-	-	-	-	-	129,639	105,493	235,132	235,000
Government Grants and Transfers	698,937	-	-	-	-	-	-	-	698,937	560,757
Fees and Service Charges	-	-	-	190,236	-	23,324	-	-	213,560	236,350
Other Revenues	140,977	4,090	-	-	29,478	-	-	1,410	175,955	36,500
	<u>1,552,205</u>	<u>4,090</u>	<u>-</u>	<u>190,236</u>	<u>29,478</u>	<u>23,324</u>	<u>129,639</u>	<u>106,903</u>	<u>2,035,875</u>	<u>1,758,660</u>
Expenses										
Operating										
Goods and Services	304,970	74,466	37,213	91,727	31,210	153,921	55,578	70,652	819,737	1,048,166
Labour	407,338	30,503	126,517	25,250	-	235,933	55,354	23,038	903,933	857,590
Amortization	26,618	59,628	79,933	1,363	-	83,090	23,544	8,955	283,131	243,277
	<u>738,926</u>	<u>164,597</u>	<u>243,663</u>	<u>118,340</u>	<u>31,210</u>	<u>472,944</u>	<u>134,476</u>	<u>102,645</u>	<u>2,006,801</u>	<u>2,149,033</u>
Excess (Deficiency) of Revenues over Expenses	<u>813,279</u>	<u>(160,507)</u>	<u>(243,663)</u>	<u>71,896</u>	<u>(1,732)</u>	<u>(449,620)</u>	<u>(4,837)</u>	<u>4,258</u>	<u>29,074</u>	<u>(390,373)</u>

VILLAGE OF TAHSIS

Schedule 3 - 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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
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	-	-	-	-	-	-	-	440,718	467,573
Fees and Service Charges	-	-	-	165,646	-	55,642	-	-	221,288	152,456
Other Revenues	100,967	1,335	-	-	38,745	-	-	375	141,422	27,399
	<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	61,667	90,229	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	21,807	39,293	77,778	1,363	-	79,608	23,931	1,752	245,532	209,807
	<u>638,927</u>	<u>107,537</u>	<u>252,575</u>	<u>106,901</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>(252,575)</u>	<u>58,745</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 4 - Reserve Fund Transactions

Year Ended December 31, 2018

	Capital Works Machinery and Equipment	Fire Hall	Rec Centre	Economic Development	Total 2018	Total 2017
	\$	\$	\$	\$	\$	\$
Balance, Beginning of Year	546,694	252,251	270,619	24,320	1,093,884	1,417,852
Interest Earned	17,232	13,773	4,567	2,411	37,983	30,417
Transfer From Other Funds	-	-	-	-	-	-
Used for Capital Expenditures	<u>(118,952)</u>	<u>-</u>	<u>(120,300)</u>	<u>-</u>	<u>(239,252)</u>	<u>(354,385)</u>
Balance, End of Year	<u>444,974</u>	<u>266,024</u>	<u>154,886</u>	<u>26,731</u>	<u>892,615</u>	<u>1,093,884</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 2018 fiscal year.

Schedule of Remuneration and Expenses

1. Elected Officials

Name	Position	Remuneration	Expenses (Note 1)
Jude Schooner	Mayor	\$ 1,511	\$ -
Louis VanSolkema	Councillor	4,289	-
Brenda Overton	Councillor	4,289	3,563
Kathy Bellanger	Councillor	4,289	855
Randy Taylor	Acting Mayor	7,959	575
Martin Davis	Mayor	1,889	139
Sarah Fowler	Councillor	975	384
William Elder	Councillor	975	-
Lynda Llewellyn	Councillor	975	10
Joshua Lambert	Councillor	975	226
Total Elected Officials		\$ 28,125 (A)	\$ 5,515

2. Employees

Name	Position	Remuneration	Expenses (Note 1)
Remuneration over \$75,000:			
Deb Bodnar	Director Finance	\$ 85,983	\$ 737
Mark Tatchell	CAO	120,366	9,613
Consolidated total of other employees with remuneration of \$75,000 or less		572,225	20,599
Total Employees		\$ 778,574 (B)	\$ 30,948

3. Reconciliation

Total remuneration - elected officials	\$ 28,125 (A)
Total remuneration - employees	778,574 (B)
Subtotal	806,699
Reconciling item:	
Employer portion of EI, CPP and benefit costs (Note 2)	99,143
Total after reconciling item	905,842
Total Labour per Schedule 2, Combined	
Statement of Operations by Segment	903,933
Variance	\$ (1,909)

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, professional training courses and conferences 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 2018.

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	\$ 172,651
British Columbia Pension Corp	77,659
Carvello Law Corporation	35,942
Comox Strathcona Regional Hospital District	28,096
Great West Life	39,998
H.B. Energy Ltd.	96,793
Logical Developments Associates Inc	58,809
Minister of Finance - School Tax	87,363
Mudslinger Stucco Ltd.	127,082
Municipal Insurance Association of BC	80,214
Receiver General for Canada	203,372
Telus	25,417
Total aggregate amount paid to suppliers exceeding \$25,000	<u>1,033,395</u>
2. Consolidated total paid to suppliers who received aggregate payments of \$25,000 or less	552,441
3. Total payments to suppliers related to grants exceeding \$25,000:	
Mar-Tech Underground Services Ltd.	90,582
McElhanney Ltd.	57,431
Onsite Engineering Ltd	61,903
Total payments to suppliers related to grants exceeding \$25,000	<u>209,916</u>
Total Payments to Suppliers in 2018	\$ 1,795,752
Reconciling items:	
Acquisition of tangible capital assets	(683,625)
Employee benefits and source deduction pymts included in Total Labour	(281,031)
Total after reconciling items	<u>831,096</u>
Total Goods and Services , per Schedule 2, Combined Statement of Operations by Segment	<u>819,737</u>
Variance (see Note below)	<u>\$ 11,359</u>

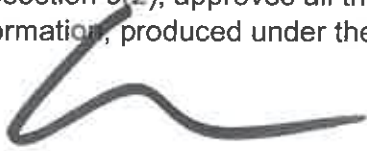
Note to Schedule

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 18, 2019



Martin Davis
Mayor, Village of Tahsis
June 18, 2019

Prepared under Financial Information Regulation,
Schedule 1, section 9