

# Village of Tahsis 2019 Annual Report

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TAHSIS

HOME

VISIT  
TAHSIS

ADVENTURES &  
ACTIVITIES

RECREATION, CULTURE &  
COMMUNITY

RESIDENT  
SERVICES

BUSINESS &  
INVESTMENT

MUNICIPAL  
INFORMATION



## VILLAGE OF TAHSIS

## ANNUAL REPORT

## 2019

# Village of Tahsis 2019 Annual Report

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The Annual Report is prepared by the Village of Tahsis as required by s. 98 of the *Community Charter*.

The Annual Report serves three purposes:

- To report on the Village's accomplishments over the past year, as well as issues and any trends that have been identified;
- To set out the priorities for the coming year; and
- To publish the Village's audited financial statements for the previous fiscal year.

# Village of Tahsis 2019 Annual Report

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## Message from the Mayor

Although this is the Annual Report for 2019, I am mindful that I am writing it in 2020 in the midst of a global coronavirus pandemic that has affected everyone. I hope everyone is staying safe and doing the right things to prevent the spread of infection.

The Village of Tahsis is on the territory of the Mowachaht/Muchalaht First Nation and so we gratefully acknowledge and respect the Nation's aboriginal title and rights to the land and sea in its territory.

This message summarizes the Village's key accomplishments, and identifies issues and trends affecting the Village.

One of Council's top priorities is to protect the McKelvie Creek Watershed and the slopes above town from logging. In 2019, we retained an environmental consulting firm to assess wildlife habitat, ecosystems and vegetation, slope stability and other geomorphic features. Their reports are posted on the Village website. We stressed the importance of preserving McKelvie during our meeting with Forest Minister Donaldson and the provincial Old Growth Strategic Review Panel. Western Forest Products delayed logging McKelvie in 2019, thanks to our efforts and those of lobby groups including McKelvie Matters. We are in ongoing talks with WFP regarding many localized issues such as forestry, ecosystems protections, slope stability, First Nations cultural resources and fire suppression, and are making much progress. We have reached tentative agreement on protection of McKelvie, the slopes immediately above Tahsis and regionally, sensitive karst and ancient heritage sites. We are currently awaiting First Nation input before it goes to the provincial government for adoption.

Another priority for 2019 was to vigorously lobby the Ministry of Transportation and Infrastructure and Mainroad North Island Contracting LP to improve road maintenance on the Head Bay Forest Service Road. We have pressed our Transportation Minister Claire Trevena to improve the service and we take every opportunity to communicate our dissatisfaction with the road conditions to Mainroad.

The Village continued to improve its aging infrastructure by upgrading a section of Alpine View Road, the entire length of Rugged Mountain Road and a section of S. Maquinna Road. This project also involved replacing water, sewer and storm mains in some of these road sections. The project was funded entirely by a \$3.5 million federal government grant. We also completed a condition assessment of the south sewage treatment plant along with minor improvements. Our long-range plan is to close the north plant but this work will be grant-dependent. By fixing leaks and replacing major sections of our drinking water mains, we have

# Village of Tahsis 2019 Annual Report

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reduced average daily water consumption by 28% since 2017, which also saves money on water treatment as well as pumping.

Your Council is focused on community planning for future development. In 2019 we renewed the Village's Official Community Plan, which is a high-level policy document guiding land use and overall direction of the Village. Thanks to a federal government grant, we retained a consultant to lead the project which included a community-based advisory committee, community survey and an open house at the Rec Centre. The new Official Community Plan is posted on the Village website. We also completed a Flood Risk Assessment study to improve our floodplain maps and provide a framework for development policy for areas that are at risk of flooding, and have moved on to engineering for flood dike improvements in 2020. This project was funded by a provincial government grant through the Community Emergency Preparedness Fund. That report is also posted on the Village website.

The largest age group in Tahsis is seniors - people aged 60 years and older make up 44% of our population. To support planning for seniors, the Village completed a provincially funded Age-Friendly Community Action Plan which includes several recommendations, including the creation of the Tahsis Age-Friendly Action Committee. Chaired by Councillor Sarah Fowler, this committee is tasked with implementing the plan's recommendations. You can find the Tahsis Age-Friendly Community Action Plan on the Village website.

We continue to engage with the Mowachaht/Muchalaht First Nation to find mutually beneficial paths together. We are both advocates of sustainable forest use and salmon habitat restoration with work having already begun on the latter, with involvement from their community and ours. We are discussing a potential partnership in a new Community Forest surrounding Tahsis, which would allow for sustainable forest management as well as creating some much-needed jobs for our community. We have also discussed this with Forest Minister Donaldson and it is a work in progress.

In 2019, construction of a new Coast Guard station began in Tahsis and is now essentially complete. We are looking forward to the enhanced safety for our mariners in Nootka Sound. It will also create four new fulltime positions here.

Your Council is responsible for maintaining and enhancing the social, environmental and economic vibrancy and viability of our community. As stewards of your tax dollars, we take seriously our responsibility to make wise investments in infrastructure development, maintenance and the effective delivery of your municipal services and programs. But being mindful of the economic impact of COVID-19 on our taxpayers in 2020, the municipal portion of property tax revenue increased by only 0.4% over last year. Beyond Council, many residents of Tahsis contribute to public life and service through their involvement in a multitude of groups and organizations. Your hard work, energy and creativity make Tahsis such an awesome community and we are thankful for your efforts. This Council is committed to

# Village of Tahsis 2019 Annual Report

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building a resilient, sustainable community and the COVID-19 crisis has driven home the importance of these issues. We are doing what we can to encourage local food production and are instituting a pilot composting program in 2020 in partnership with the Comox Strathcona Solid Waste service.

We are also mindful that creating new job opportunities in Tahsis is critical and are continuing to explore options with potential investors in our community.

In closing, I am grateful to our professional and dedicated staff and my fellow Council Members. We are fortunate to live in a community of active citizen engagement. Cynicism and disenfranchisement are the greatest risks to our democratic system. Our local government is and will continue to be a model of democracy in action by being responsive to and reflective of the community. I encourage all to take an active role in our community and let us know what is on your mind.

Respectfully,

A handwritten signature in black ink, appearing to read 'Martin Davis', written in a cursive style.

Mayor Martin Davis on behalf of Tahsis Council

# Village of Tahsis 2019 Annual Report

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## Village of Tahsis Council's 2020 Strategic Priorities

Looking ahead to 2020, Council established the following Strategic Priorities to inform budget and planning processes and to guide Village operations.

### 1. Watershed Protection and Forest Sustainability

- Utilize political, statutory, legal and provincial government policy and process options to vigorously pursue the preservation of the McKelvie Community Watershed by removing it from Tree Farm Licence 19 and securing a moratorium on resource extraction \*
- Actively participate in the Chief Forester's Timber Supply Review of TFL 19 \*
- Complete the McKelvie Community Watershed Protection Plan \*

### 2. Community Wellness

- Promote and support activity that improves food security for Tahsis residents, especially those financially compromised \*
- Complete the Official Community Plan update \*
- Explore and consider options for implementing an organics diversion program \*
- Submit an Age-Friendly Communities planning grant focussing on transportation
- Develop options for moving Puddle Ducks Daycare to Captain Meares Elementary Secondary School \*

### 3. Asset Management

- Consider options for addressing the building deficiencies in the Tahsis Fire Hall \*
- Continue to improve the asset registers \*

# Village of Tahsis 2019 Annual Report

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- Develop and consider a reserve policy \*
- Develop and consider a strategic real estate plan and policy \*, including options for sub-dividing and selling Village owned lands
- Continue to seek grant funding to repair and replace infrastructure \*
- Pursue external funding strategies to repair or replace the municipal wharf

## 4. Economic Development

- Formalize business-to-business partnership with the Mowachaht/Muchalaht First Nation with the goal of achieving Ministry of Forests, Lands, Natural Resource Operations and Rural Development approval of a Community Forest Agreement\*
- Promote the Village's shellfish lease with potential operators\*
- Conduct a review of the Village's bylaws to identify "red tape" and other barriers for those starting a business as well as established businesses\*
- Improve and promote municipal trails and seek provincial statutory authorization for new trails outside of the municipal boundary \*

## 5. Community Safety

- Update the Community Wildfire Protection Plan\*
- Explore opportunities for emergency notification and communication such as tsunami automated warning system and community radio station\*
- Seek to prevent unsafe timber harvesting on slopes and ridges above the Village\*
- Update evacuation plans\*
- Continue to enforce the Property Maintenance Regulation Bylaw\*

## 6. Fiscal Responsibility

- Seek opportunities to reduce operating costs through efficiencies

## 7. Governance

- Support Mayor and Council in their participation on external boards and committees, subject to budget
- Review policies and bylaws and update as necessary

*(Asterix indicates a 2019 Strategic Priority which has been re-confirmed for 2020. Strategic Priorities in bold font are new for 2020.)*

# Village of Tahsis 2019 Annual Report

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## Village of Tahsis Council



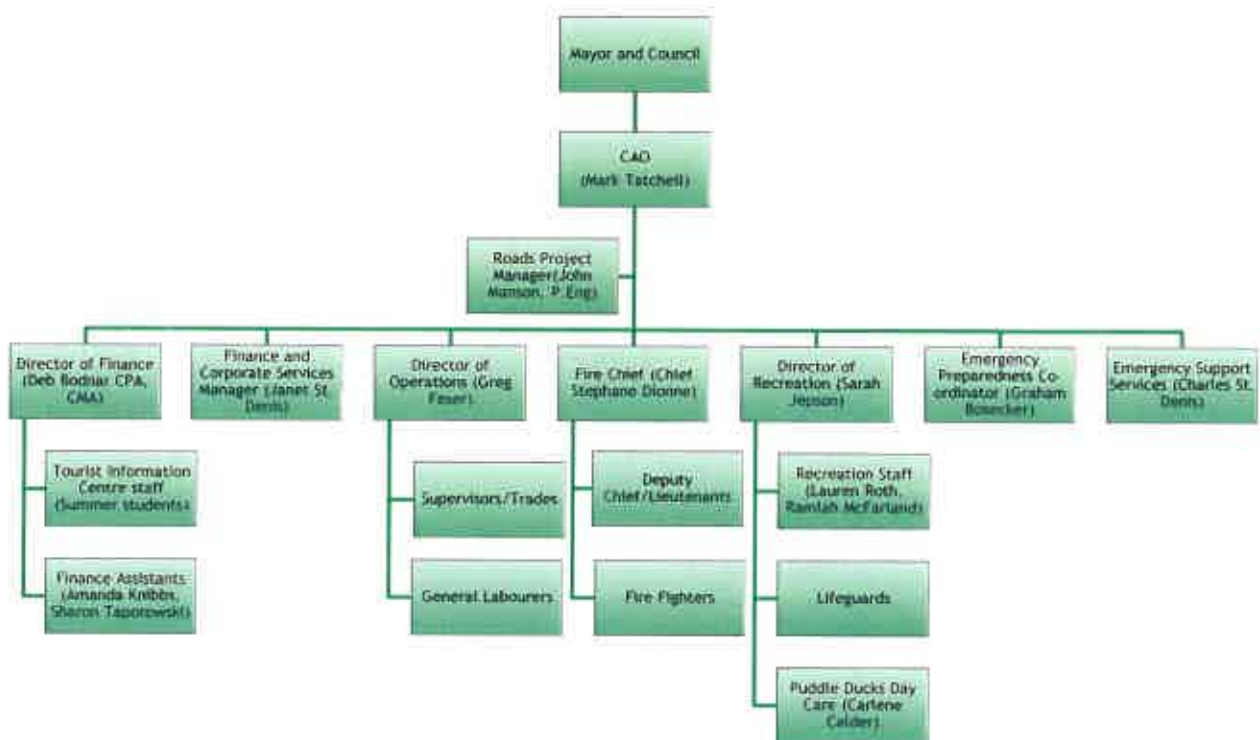
*As seen from left to right: Councillor William Elder, Councillor Sarah Fowler, Mayor Martin Davis, Councillor Lynda Llewellyn, Councillor Joshua Lambert (Councillor Lambert resigned from Council on October 1, 2019)*



# Village of Tahsis 2019 Annual Report

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## Village Organization Chart



# Village of Tahsis 2019 Annual Report

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## PERMISSIVE TAX EXEMPTION

Roll #	Legal Description	Civic Address	Owner/Occupier	Conditions
400.222	Lot 74, Plan 26880; DL 443	744 Nootka Road	Bishop of Victoria	50% of land value

**VILLAGE OF TAHSIS**  
**Financial Statements**  
**December 31, 2019**

# VILLAGE OF TAHSIS

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December 31, 2019

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## MANAGEMENT REPORT

December 31, 2019

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 opinion, 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, 2019.



Mark Tatchell  
Chief Administrative Officer



Deb Bodnar, CPA, CMA  
Director of Finance

July 13, 2020



## INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of Village of Tahsis

### Opinion

We have audited the accompanying financial statements of Village of Tahsis (the "Village"), which comprise the statement of financial position as at December 31, 2019, 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, 2019, and of its financial performance and its 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 Auditors' 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 auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these financial statements.

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

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 Nowrosal Boatas*

Chartered Professional Accountants  
Campbell River, BC

July 13, 2020

# VILLAGE OF TAHSIS

## Statement of Financial Position

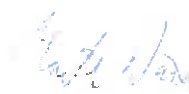
December 31, 2019

	2019	2018
	\$	\$ (Note 16)
<b>FINANCIAL ASSETS</b>		
Cash	1,098,051	473,657
Portfolio Investments (Note 2)	1,931,911	2,334,896
Accounts Receivable (Note 3)	701,794	357,277
Taxes and User Fees Receivable	<u>166,687</u>	<u>171,412</u>
	<u>3,898,443</u>	<u>3,337,242</u>
<b>LIABILITIES</b>		
Accounts Payable and Accrued Liabilities	306,870	372,162
Demand Loan (Note 4)	816,765	-
Deferred Grants and Unearned Revenue (Note 5)	487,507	420,136
Contaminated Site Remediation (Note 6)	<u>56,700</u>	<u>56,700</u>
	<u>1,667,842</u>	<u>848,998</u>
<b>NET FINANCIAL ASSETS</b>	<u>2,230,601</u>	<u>2,488,244</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible Capital Assets (Note 7)	9,112,889	5,734,047
Prepaid Expenses	<u>66,849</u>	<u>65,064</u>
	<u>9,179,738</u>	<u>5,799,111</u>
<b>ACCUMULATED SURPLUS (Note 12)</b>	<u>11,410,339</u>	<u>8,287,355</u>

Approved by:



Finance Officer



Mayor



# VILLAGE OF TAHSIS

## Statement of Operations

Year Ended December 31, 2019

	2019		2018
	Budget	Actual	
	\$	\$	\$
	(Note 13)		(Note 16)
<b>Revenues (Schedules 2 and 3)</b>			
Taxation - Net (Note 8)	714,228	739,338	712,291
Utility Connection Fees and User Rates	235,000	248,434	235,132
Government Grants - Federal (Schedule 1)	745,596	4,144,779	746,586
Fee and Services Charges	230,292	190,644	213,560
Other Revenues	<u>177,000</u>	<u>280,907</u>	<u>175,955</u>
	<u>2,102,116</u>	<u>5,604,102</u>	<u>2,083,524</u>
<b>Expenditures (Schedules 2 and 3)</b>			
General Departmental Expenditures	2,044,251	2,148,083	1,769,680
Water System Operations	116,581	164,691	134,476
Sewer System Operations	<u>104,499</u>	<u>168,344</u>	<u>102,645</u>
	<u>2,265,331</u>	<u>2,481,118</u>	<u>2,006,801</u>
<b>Annual Surplus (Deficit)</b>	<u>(163,215)</u>	3,122,984	76,723
<b>Accumulated Surplus - Beginning of Year</b>		<u>8,287,355</u>	<u>8,210,632</u>
<b>Accumulated Surplus - End of Year</b>		<u>11,410,339</u>	<u>8,287,355</u>

# VILLAGE OF TAHSIS

## Statement of Change in Net Financial Assets

Year Ended December 31, 2019

	2019		2018
	Budget	Actual	
	\$	\$	\$
	(Note 13)		(Note 16)
<b>Annual Surplus (Deficit)</b>	(163,215)	3,122,984	76,723
Acquisition of Tangible Capital Assets	-	(3,756,973)	(683,625)
Amortization of Tangible Capital Assets	252,000	365,392	283,131
Acquisition of Prepaid Expenses	-	(1,785)	(2,100)
Disposition of Tangible Capital Assets	-	12,739	-
	<u>88,785</u>	<u>(257,643)</u>	<u>(325,871)</u>
<b>Net Financial Assets - Beginning of Year</b>		<u>2,488,244</u>	<u>2,814,115</u>
<b>Net Financial Assets - End of Year</b>		<u>2,230,601</u>	<u>2,488,244</u>

## VILLAGE OF TAHSIS

### Statement of Cash Flows

Year Ended December 31, 2019

	2019	2018
	\$	\$
<b>Cash Flows From Operating Activities:</b>		
Annual Surplus (Deficit)	3,122,984	76,723
Items Not Involving Cash		
Amortization of Tangible Capital Assets	365,392	283,131
Gain on Disposal of Tangible Assets	<u>(123,261)</u>	<u>-</u>
	3,365,115	359,854
Changes in Non-Cash Operating Balances		
Accounts and Taxes Receivable	(339,792)	(180,738)
Accounts Payable and Accrued Liabilities	(65,292)	234,488
Demand Loan	816,765	-
Deferred Grants and Unearned Revenue	67,371	247,361
Prepaid Expenses	<u>(1,785)</u>	<u>(2,100)</u>
	<u>3,842,382</u>	<u>658,865</u>
<b>Cash Flows From Capital Activities:</b>		
Purchase of Tangible Capital Assets	(3,756,973)	(683,625)
Proceeds on Disposition of Tangible Capital Assets	<u>136,000</u>	<u>-</u>
	<u>(3,620,973)</u>	<u>(683,625)</u>
<b>Cash Flows From Investing Activities:</b>		
Redemption of (Investment in) Portfolio Investments	<u>402,985</u>	<u>(40,020)</u>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	624,394	(64,780)
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>473,657</u>	<u>538,437</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u>1,098,051</u>	<u>473,657</u>

# VILLAGE OF TAHSIS

## Notes to the Financial Statements

December 31, 2019

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, 2019

### 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, 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.

### 2. Portfolio Investments:

	<u>2019</u>	<u>2018</u>
	\$	\$
Short-Term Bond Funds	585,326	567,479
Intermediate	635,220	620,977
Money Market Funds - Municipal Finance Authority	711,365	1,146,440
	<u>1,931,911</u>	<u>2,334,896</u>

# VILLAGE OF TAHSIS

## Notes to the Financial Statements

December 31, 2019

### 2. Portfolio Investments (continued):

The current annual yield of the short-term bond fund is 3.14% (2018 - 1.76%) while the money market fund has an annual yield of 1.86% (2018 - 1.65%) and intermediate funds have an annual yield of 2.29% (2018 - 1.90%). All portfolio investments are effectively redeemable on demand.

### 3. Accounts Receivable:

	<u>2019</u>	<u>2018</u>
	\$	\$
GST Receivable	105,754	5,995
Accounts Receivable	604,102	359,290
Allowance for Doubtful Accounts	<u>(8,062)</u>	<u>(8,008)</u>
	<u>701,794</u>	<u>357,277</u>

### 4. Demand Loan:

The demand loan represents a non-revolving loan held with the Municipal Finance Authority of British Columbia and bears interest at an annual variable rate equal to 2.58% at December 31, 2019. The loan has an authorized limit of a maximum of \$3,510,980 available until April 24, 2024 and is due on demand, with interest payable monthly.

The demand loan was approved by Council by enacting Section 177 of the Community Charter, allowing for Revenue Anticipation Borrowing in order to fund capital projects prior to grant funding being received. Bylaw 613 was adopted by Council on April 16, 2019.

### 5. Deferred Grants and Unearned Revenue:

	<u>2019</u>	<u>2018</u>
	\$	\$
Deferred Rental Revenue	4,461	3,999
Other Grants	<u>483,046</u>	<u>416,137</u>
	<u>487,507</u>	<u>420,136</u>

### 6. 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 during the year ended December 31, 2017.

# VILLAGE OF TAHSIS

## Notes to the Financial Statements

December 31, 2019

### 7. Tangible Capital Assets:

	Cost				Accumulated Amortization				Net Book Value	
	Opening \$	Additions \$	Disposals \$	Closing \$	Opening \$	Amort \$	Disposals \$	Closing \$	2019 \$	2018 \$
Land	1,140,023	-	12,739	1,127,284	-	-	-	-	1,127,284	1,140,023
Buildings	4,690,657	-	-	4,690,657	3,258,706	128,380	-	3,387,086	1,303,571	1,431,951
Machinery and Equipment	2,214,600	102,546	159,546	2,157,600	1,655,937	76,834	159,546	1,573,225	584,375	558,663
Roads and Bridges	5,179,252	1,955,453	-	7,134,705	3,902,130	82,052	-	3,984,182	3,150,523	1,277,122
Drainage	259,990	-	-	259,990	259,990	-	-	259,990	-	-
Other	201,582	9,228	-	210,810	156,922	9,341	-	166,263	44,547	44,660
Water Infrastructure	2,181,595	1,037,020	-	3,218,615	1,161,854	43,937	-	1,205,791	2,012,824	1,019,741
Sewer Infrastructure	2,955,492	652,726	-	3,608,218	2,693,605	24,848	-	2,718,453	889,765	261,887
	<u>18,823,191</u>	<u>3,756,973</u>	<u>172,285</u>	<u>22,407,879</u>	<u>13,089,144</u>	<u>365,392</u>	<u>159,546</u>	<u>13,294,990</u>	<u>9,112,889</u>	<u>5,734,047</u>

### 8. Taxation - Net:

	Budget 2019 \$	Actual 2019 \$	Actual 2018 \$
General Municipal Purposes	714,228	739,152	711,909
Collections for Other Governments			
Strathcona Regional District	-	10,675	9,132
Province of British Columbia - School Tax	-	198,687	192,429
Comox Strathcona Regional Hospital District	-	27,239	27,830
Municipal Finance Authority	-	10	8
British Columbia Assessment Authority	-	2,220	2,136
Vancouver Island Regional Library	-	12,264	10,874
Province of BC - Police Tax	-	13,302	12,907
Comox Valley Regional District	-	-	-
Waste Management	-	9,559	6,495
	<u>714,228</u>	<u>1,013,108</u>	<u>973,720</u>
Transfers			
Strathcona Regional District	-	10,665	9,132
Province of British Columbia - School Tax	-	198,688	192,209
Comox Strathcona Regional Hospital Districts	-	27,279	27,830
Municipal Finance Authority	-	-	8
British Columbia Assessment Authority	-	2,223	2,136
Vancouver Island Regional Library	-	12,088	10,712
Province of BC - Police Tax	-	13,252	12,907
Comox Valley Regional District	-	-	-
Waste Management	-	9,575	6,495
	<u>-</u>	<u>273,770</u>	<u>261,429</u>
Available for General Municipal Purposes	<u>714,228</u>	<u>739,338</u>	<u>712,291</u>

# VILLAGE OF TAHSIS

## Notes to the Financial Statements

December 31, 2019

### 9. 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 has 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.

### 10. 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, 2018, the Plan had about 205,000 active members and approximately 101,000 retired members. Active members include approximately 40,000 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, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The Village paid \$44,330 (2018 - \$42,429) for employer contributions while employees contributed \$39,077 (2018 - 35,638) to the Plan in fiscal 2019.

The next valuation will be as at December 31, 2021, with results available in 2022.

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.

### 11. 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. In 2019, total funds received from the Village of Zeballos were \$17,424 (2018 - \$58,955).



# VILLAGE OF TAHSIS

## Notes to the Financial Statements

December 31, 2019

### 11. Related Party Transactions (continued):

Condensed government partnership financial statement information:

	<u>2019</u>	<u>2018</u>
	\$	\$
<b>Statement of Financial Position</b>		
Total Assets	<u>106,172</u>	<u>148,744</u>
Total Liabilities	141,467	169,526
Total Equity (Deficit)	<u>(35,295)</u>	<u>(20,782)</u>
	<u>106,172</u>	<u>148,744</u>
<b>Statement of Comprehensive Income</b>		
Revenues	28,059	58,955
Expenditures	<u>42,572</u>	<u>58,955</u>
Net Loss	<u>(14,513)</u>	<u>-</u>
<b>Statement of Changes in Equity</b>		
Retained Earnings (Deficit), beginning of the year	(20,782)	(20,782)
Net Loss	<u>(14,513)</u>	<u>-</u>
Retained Earnings (Deficit), end of the year	<u>(35,295)</u>	<u>(20,782)</u>

### 12. Accumulated Surplus:

The Village segregates its accumulated surplus in the following categories:

	<u>2019</u>	<u>2018</u>
	\$	\$
Internally Restricted Funds for Future Expenditure	515,124	524,352
Unrestricted Funds	912,590	1,071,277
Reserve Funds (a)	802,887	892,615
Investment in Non-Financial Assets (b)	<u>9,179,738</u>	<u>5,799,111</u>
	<u>11,410,339</u>	<u>8,287,355</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>2019</u>	<u>2018</u>
	\$	\$
Capital Works, Machinery and Equipment Reserve (a)	329,398	444,974
Fire Hall Reserve (b)	283,871	266,024
Recreation Centre Capital Works, Machinery and Equipment Reserve (c)	160,123	154,886
Economic Development Reserve (d)	<u>29,495</u>	<u>26,731</u>
	<u>802,887</u>	<u>892,615</u>

# VILLAGE OF TAHSIS

## Notes to the Financial Statements

December 31, 2019

### 12. 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.

### 13. Fiscal Plan

The Fiscal Plan amounts represent the Financial Plan Bylaw adopted by Council on May 7, 2019.

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>2019</u>
	\$
Financial Plan (Budget) Bylaw Surplus Approved for the Year	-
Less:	
Budgeted Transfers to Offset Amortization	(252,000)
Budgeted Transfers from Accumulated Surplus	<u>88,785</u>
Annual Deficit Presented in Financial Statements	<u>(163,215)</u>

# VILLAGE OF TAHSIS

## Notes to the Financial Statements

December 31, 2019

### 14. 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.

### 15. Subsequent Event

The Village evaluated its December 31, 2019 financial statements for subsequent events to the date the financial statements were issued. As of this date, the global outbreak of the coronavirus disease (COVID-19) has caused economic uncertainties that are likely to have a material negative impact on the net income of the Village for the year ending December 31, 2020.

The COVID-19 outbreak has caused business disruptions through the reduction of non-essential services provided by the Village. While the disruption is expected to be temporary and the Village continues to provide essential services, there is considerable uncertainty regarding the duration of the disruption to non-essential services. Additionally, there is uncertainty regarding the collectability of taxation revenues for the year ending December 31, 2020 as the effect of the pandemic on the residents of the Village and the economy as a whole is not yet known. The extent that the effects of COVID-19 may have on the Village and its operations during the year ending December 31, 2020 cannot be determined at this time.

# VILLAGE OF TAHSIS

## Notes to the Financial Statements

December 31, 2019

### 16. Prior Period Adjustment

During the year ending December 31, 2019, it was identified that the Village received two grants from the Union of BC Municipalities that related to expenditures incurred in the prior year. Grant funding was for Emergency Social Services and Emergency Operations Centres and Training.

As a result of the above and the requirement to recognize revenue and the related receivable as eligible expenditures are incurred, the comparative financial statement information for the year ending December 31, 2018 has been adjusted and restated as detailed below.

2018 Government Grants increased by \$47,649, from \$698,937 to \$746,586 to recognize the revenue earned during the year. On the Statement of Financial Position, 2018 Accounts Receivable also increased by this amount, from \$309,628 to 357,277. As a result of these changes, the 2018 Annual Surplus and Net Financial Assets each increased by \$47,649, from \$29,074 to \$76,723, and from \$2,440,595 to \$2,488,244, respectively.

These adjustments increased the opening 2019 Accumulated Surplus balance from \$8,239,706 to \$8,287,355.

## VILLAGE OF TAHSIS

### Schedule 1 - Government Grants and Transfers to the Village and Ratepayers Year Ended December 31, 2019

	2019		2018
	Budget \$	Actual \$	\$
	(Note 13)		(Note 16)
<b>Federal Government</b>			
Grants in Lieu of Taxes	<u>10,000</u>	<u>10,785</u>	<u>10,404</u>
<b>Province of BC and Federal/Provincial Programs</b>			
General Fund			
Small Communities Protection	343,396	351,692	343,396
Infrastructure and Other	<u>392,200</u>	<u>3,781,602</u>	<u>392,086</u>
	<u>735,596</u>	<u>4,133,294</u>	<u>735,482</u>
General Capital			
Infrastructure (Provincial)	-	700	700
	<u>745,596</u>	<u>4,144,779</u>	<u>746,586</u>

## VILLAGE OF TAHSIS

### Schedule 2 - Combined Statement of Operations by Segment Year Ended December 31, 2019

	General Government	Protective Services	Transportation Services	Environmental Treatment Services	Economic Development Services	Recreation and Cultural Services	Water Utility	Sewer Utility	2019 Actual	2019 Budget <small>(Note 17)</small>
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenues</b>										
Taxation	739,338	-	-	-	-	-	-	-	739,338	714,228
Utility Connection Fees and User Rates	-	-	-	-	-	-	136,957	111,477	248,434	235,000
Government Grants and Transfers	4,144,779	-	-	-	-	-	-	-	4,144,779	745,596
Fees and Service Charges	-	-	-	159,051	-	31,593	-	-	190,644	230,292
Other Revenues	276,116	4,791	-	-	-	-	-	-	280,907	177,000
	<u>5,160,233</u>	<u>4,791</u>	<u>-</u>	<u>159,051</u>	<u>-</u>	<u>31,593</u>	<u>136,957</u>	<u>111,477</u>	<u>5,604,102</u>	<u>2,102,116</u>
<b>Expenses</b>										
Operating										
Goods and Services	368,591	82,227	100,328	91,438	189,897	153,426	71,609	119,522	1,177,038	1,107,332
Labour	450,195	50,011	98,801	25,897	-	240,665	49,145	23,974	938,688	905,999
Amortization	42,935	57,567	104,605	2,395	-	89,105	43,937	24,848	365,392	252,000
	<u>861,721</u>	<u>189,805</u>	<u>303,734</u>	<u>119,730</u>	<u>189,897</u>	<u>483,196</u>	<u>164,691</u>	<u>168,344</u>	<u>2,481,118</u>	<u>2,265,331</u>
Excess (Deficiency) of Revenues over Expenses	<u>4,298,512</u>	<u>(185,014)</u>	<u>(303,734)</u>	<u>39,321</u>	<u>(189,897)</u>	<u>(451,603)</u>	<u>(27,734)</u>	<u>(56,867)</u>	<u>3,122,984</u>	<u>(163,215)</u>

## VILLAGE OF TAHSIS

### Schedule 3 - 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 (Note 16)	2018 Budget
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenues</b>										
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	746,586	-	-	-	-	-	-	-	746,586	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>1,599,854</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>2,083,524</u>	<u>1,738,660</u>
<b>Expenses</b>										
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	30,505	126,517	25,250	-	235,933	55,354	23,038	903,933	837,590
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>860,928</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>76,723</u>	<u>(390,373)</u>

## VILLAGE OF TAHSIS

### Schedule 4 - Reserve Fund Transactions

Year Ended December 31, 2019

	Capital Works Machinery and Equipment	Fire Hall	Rec Centre	Economic Development	Total 2019	Total 2018
	\$	\$	\$	\$	\$	\$
<b>Balance, Beginning of Year</b>	444,974	266,024	154,886	26,731	892,615	1,093,884
<b>Interest Earned</b>	14,244	17,847	5,237	2,764	40,092	37,983
<b>Transfer From Other Funds</b>	-	-	-	-	-	-
<b>Used for Capital Expenditures</b>	(129,820)	-	-	-	(129,820)	(239,252)
<b>Balance, End of Year</b>	<u>329,398</u>	<u>283,871</u>	<u>160,123</u>	<u>29,495</u>	<u>802,887</u>	<u>892,615</u>