



AGENDA

**Agenda for the Special Meeting of the Tahsis Village Council
to be held on May 11, 2021 at 1 p.m. in the Council Chambers
Municipal Hall, 977 South Maquinna Drive and by electronic means**

Remote access: To attend this meeting remotely via Zoom/ phone

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A. Call to Order Mayor Davis will call the meeting to order at 1:00 p.m.

**B. Introduction of
Late Items** None.

**C. Approval of the
Agenda**

- K. Bylaws**
- 1 2021 - 2025 Financial Plan Bylaw No. 637, 2021
Adoption**
 - 2 2021 Tax Rate Bylaw No. 638, 2021
Adoption**
 - 3 Fees and Charges Amendment Bylaw No. 639, 2021
Adoption**
 - 4 Water Regulation and Rates Amendment Bylaw No. 640, 2021
Adoption**
 - 5 Sewer Regulations and Rates Amendment Bylaw No. 641, 2021**

Adoption

M. New Business 1 Chan Nowosad Boates Re: Presentation of the Village of Tahsis Financial Statements

P. Adjournment

BYLAW NO. 637, 2021

CORPORATE OFFICER

Village of Tahsis						
Bylaw No 637, 2021						
2021-2025 Financial Plan						
						SCHEDULE "A"
Operational Revenues	2021	2022	2023	2024	2025	
Taxation						
Property taxes	\$ 792,815	\$ 832,456	\$ 874,079	\$ 917,783	\$ 963,672	
Grants in lieu of taxes	11,650	12,233	12,844	13,487	14,161	
Fees						
User fees and charges	130,700	133,314	135,980	138,700	141,474	
Water	168,350	171,717	175,151	178,654	182,227	
Sewer	187,000	190,740	194,555	198,446	202,415	
Environmental health	154,240	157,325	160,471	163,681	166,954	
Other sources						
Grants/other governments	678,003	425,380	425,380	425,380	425,380	
Investment income	73,500	74,970	76,469	77,999	79,559	
	\$ 2,196,258	\$ 1,998,135	\$ 2,054,930	\$ 2,114,129	\$ 2,175,842	
Operational Expenditures						
General government	\$ 958,874	\$ 978,052	\$ 997,613	\$ 1,017,565	\$ 1,037,916	
Protective services	190,552	194,363	198,250	202,215	206,259	
Environmental health	106,414	108,543	110,713	112,928	115,186	
Public works services	321,279	327,704	334,258	340,943	347,762	
Recreation, cultural & dev. services	311,522	317,753	324,108	330,590	337,202	
Water services	168,381	171,748	175,183	178,687	182,261	
Sewer services	186,888	190,626	194,438	198,327	202,293	
Amortization	409,566	417,757	426,112	434,635	443,327	
	\$ 2,653,475	\$ 2,706,545	\$ 2,760,676	\$ 2,815,889	\$ 2,872,207	
Net operating surplus / (deficit)	\$ (457,217)	\$ (708,410)	\$ (705,745)	\$ (701,760)	\$ (696,365)	
Reserves, capital and debt						
Capital expenditures	\$ (2,569,080)	\$ (5,794,128)	\$ (1,431,189)	\$ (575,000)	-	
Proceeds from debt	-	1,496,457	309,922	366,519		
Community donations	-	40,000	-	-	-	
Capital grants	2,422,974	3,712,184	982,530	-	-	
Reserves for Capital projects	146,106	545,487	138,737	208,481		
Transfer equity in capital assets	409,566	417,757	426,112	434,635	443,327	
Net transfer from reserves	47,651	290,653	279,633	267,125	253,037	
Financial Plan Surplus / (Deficit)	\$ 0	\$ 0	\$ 0	\$ (0)	\$ (0)	

Village of Tahsis
2021-2025 Financial Plan – Bylaw No. 637, 2021
Financial Plan Statement
Schedule “B”

In accordance with Section 165 (3.1) of the *Community Charter* the Village of Tahsis is required to include in its 5-year Financial Plan (2021-2035):

- A) The objectives and policies of the municipality for the 5-year planning period in relation to each of the funding sources and the proportion of total revenue from each funding source; and
- B) The distribution of property value taxes among the property classes that may be subject to taxes; and
- C) The Use of permissive tax exemptions.

A. Proportion of Total Revenues by Source

Objective

The Village will continue to review the proportion of revenue that is received from each source and seeks to balance the sources by seeking out new user fees, available grants and maximizing investment returns.

Policies

The Village continues to review user-fees and charges to ensure that they adequately reflect the full cost of recovery within each utility. Where possible, the Village endeavours to supplement revenues from user fees and charges, rather than taxation, to lessen the burden on a limited tax base. Additionally, alternate revenue sources are continually examined to reduce the reliance on property taxes as the major source of funding.

Table 1: Funding Sources, 2021

<u>Revenue Source</u>	<u>Dollar Value</u>	<u>% of Total Revenue</u>
Property Taxes	\$ 804,466	36.2%
User fees and charges	640,290	29.3%
Grants, including capital grants	678,003	31.1%
Investment Income	<u>73,500</u>	<u>3.4%</u>
 Total Revenue	 \$ 2,196,258	 100.0%

B. Distribution of Property Taxes Across Property Classes

Objective

To ensure an equitable distribution of tax burden across all property classes.

Policies

Over the term of the plan, municipal property taxes are distributed across six property tax classes as per Table 2 below. The Village regularly reviews the class distribution and makes adjustments when necessary with the goal to attracting and sustaining economic development.

Table 2: Distribution of Village of Tahsis Property Taxes, 2021

Class 1 - Residential	\$ 447,909	58.09%
Class 2 - Utilities	33,462	4.34%
Class 5 - Light Industry	147,694	19.15%
Class 6 – Business/Other	94,616	12.27%
Class 7 - Managed Forest	37,635	4.88%
Class 8 - Recreational	<u>9,773</u>	<u>1.27%</u>
Total	\$ 771,089	100.0%

C. Permissive Tax Exemptions

Objective

Council may utilize its authority under the *Community Charter* to provide permissive exemptions to property owners who contribute to the community's social and environmental well-being, for example, greenhouse gas reduction, affordable housing, and Village revitalization.

Policies

Permissive exemptions are granted to not-for-profit organizations that form a valuable part of and provide services to the community. In 2018 the Village, through Bylaw No. 609, granted a tax exemption, through to 2028, to the property located at 744 Nootka Road, the Bishop of Victoria, for 50% of the land value with estimated tax to be \$605 in 2021



VILLAGE OF TAHSIS

BYLAW NO. 638, 2021

A BYLAW FOR THE LEVYING OF RATES FOR GENERAL MUNICIPAL, REGIONAL LIBRARY, REGIONAL DISTRICT, WASTE MANAGEMENT, REGIONAL HOSPITAL DISTRICT PURPOSES FOR THE YEAR 2021.

WHEREAS pursuant to section 197 of the Community Charter, Council must, by bylaw, impose property value taxes for the year by establishing the tax rates for the municipal revenue proposed to be raised from property value taxes and the amounts to be collected by means of rates established by the Village's taxing obligations in relation to another local government or other public body;

NOW THEREFORE the Council of the Village of Tahsis in open meeting assembled enacts as follows:

1. Definitions

1.1. Collector means the municipal officer assigned responsibility as Collector of taxes for the municipality and includes all persons appointed or designated by the Collector to act on their behalf.

2. Tax Rates for General Municipal Purposes

The rates and taxes named under this Bylaw are hereby imposed, levied, raised and collected for the year 2021 for the purposes stated and shall be payable in Canadian funds to the Collector at the Village of Tahsis, BC.

2.1 For all lawful General Municipal purposes of the Village of Tahsis on the assessed value of land and improvements taxable for General purposes, rates appearing in column 'A' of Schedule "A" attached hereto and forming a part of this Bylaw;

2.2 For Regional Library purposes of the Village of Tahsis on the assessed value of land and improvements taxable for General purposes, rates appearing in column 'B' of Schedule "A" attached hereto and forming a part of this Bylaw.

2.3 For Strathcona Regional District purposes of the Village of Tahsis on the assessed value of land and improvements taxable for Hospital purposes, rates appearing in column 'C' of Schedule "A" attached hereto and forming a part of this Bylaw;

2.4 For Comox Valley Regional District Services: Solid Waste Management purposes of the Village of Tahsis on the assessed value of land and improvements taxable for Hospital

purposes, rates appearing in column 'D' of Schedule "A" attached hereto and forming a part of this Bylaw;

2.5 For Comox-Strathcona Regional Hospital District purposes of the Village of Tahsis on the assessed value of land and improvements taxable for Hospital purposes, rates appearing in column 'E' of Schedule "A" attached hereto and forming a part of this Bylaw;

3. Penalties

3.1 The Collector of the Village of Tahsis shall add to the unpaid taxes of the current year, for each parcel of land and its improvements of the property tax roll, 10% of the amount of the current year taxes which remain unpaid after July 2, 2021 and the said unpaid taxes together with the amount added as aforesaid shall be taxes of the current year due on such land and its improvements.

3.2 Tax rates and percentage additions caused as a result of a supplementary roll prepared under the Assessment Act shall be executed in accordance with section 241 of the *Community Charter*.

3.3 The tax rates and taxes imposed under this Bylaw shall be payable at the offices of the said Collector at the Village of Tahsis Municipal Hall, 977 South Maquinna Drive, P.O. Box 219, Tahsis, BC, V0P 1X0, no later than 4:00 pm on July 2, 2021.

3.4 Any and all amounts payable under this Bylaw shall be payable at the offices of the said Collector at the Village of Tahsis Municipal Hall, 977 South Maquinna Drive, P.O. Box 219, Tahsis, BC, V0P 1X0.

4 Citation:

This Bylaw may be cited for all purposes as the "Tax Rates Bylaw No. 638, 2021".

READ a first time this 4th day of May, 2021

READ a second time this 4th day of May, 2021

READ a third time this 4th day of May, 2021

Adopted this 11th day of May, 2021

MAYOR

CORPORATE OFFICER

I hereby certify that the foregoing is a true and correct copy of the original Bylaw No. 638, 2021 duly passed by the Council of the Village of Tahsis on this 11th day of May, 2021.

CORPORATE OFFICER

Village of Tahsis
Tax Rates Bylaw No. 638, 2021

Schedule "A"

The following rates shall apply on each thousand dollars of the assessed taxable value of land and its improvements:

Property Class	A	B	C	D	E
	General Municipal	Regional Library	Strathcona Regional District	Comox Valley Regional District - Solid Waste Mgmt	Comox Strathcona Regional Hospital District
1 Residential	10.1634	0.1647	0.2291	0.1506	0.3819
2 Utilities	39.6371	0.6424	0.8020	0.5272	1.3365
3 Supportive Housing	10.1634	0.1647	0.2291	0.1506	0.3819
4 Major Industrial	34.5554	0.5600	0.7791	0.5121	1.2984
5 Light Industrial	304.9009	4.9415	0.7791	0.5121	1.2984
6 Business/Other	37.6044	0.6095	0.5614	0.3690	0.9356
7 Managed Forest Land	355.7177	5.7651	0.6874	0.4519	1.1456
8 Recreation/Non Profit	37.6044	0.6095	0.2291	0.1506	0.3819
9 Farm	10.1634	0.1647	0.2291	0.1506	0.3819



VILLAGE OF TAHSIS

BYLAW NO. 639, 2021

BEING A BYLAW TO AMEND THE VILLAGE OF TAHSIS FEES AND CHARGES BYLAW NO. 594, 2017

WHEREAS the Council of the Village of Tahsis wishes to amend the *Fees and Charges Bylaw No. 594, 2017* to establish fees under the *Water Regulations and Rates Bylaw, No. 581, 2016* and the *Sewer Regulations and Rates Bylaw No. 582, 2016* and to delete Schedules "F" and "N" and replace with Schedule "F" and "N" to this Bylaw.

NOW THEREFORE, the Council of the Village of Tahsis, in open meeting assembled, enacts the following amendments to Fees and Charges Bylaw No. 594, 2017 as follows:

1. The *Fees and Charges Bylaw No 594* is hereby amended:

- a) by deleting Schedule "F" and replacing with the Schedule "F" to this Bylaw; and
- b) by deleting Schedule "N" and replacing with the Schedule "N" to this Bylaw;
and
- c) by adding "P" Water Fees and Charges on the next line and immediately following "O" Development Procedures Fees in section 2; and
- d) by adding Schedule "P" as annexed immediately following Schedule "O"; and
- e) by adding "Q" Sewer Fees and Charges on the next line immediately following "P" Water Fees and Charges in section 2; and
- f) by adding Schedule "Q" as annexed immediately following Schedule "P"

This bylaw may be cited for all purposes as the “Fees and Charges Amendment Bylaw No. 639, 2021.”

READ a first time this 4th day of May, 2021

READ a second time this 4th day of May, 2021

READ a third time this 4th day of May, 2021

Reconsidered, Finally Passed and adopted this 11th day of May, 2021

MAYOR

CORPORATE OFFICER

I hereby certify that the foregoing is a true and correct copy of the original Bylaw No. 639, 2021 duly passed by the Council of the Village of Tahsis on this 11th day of May 2021.

CORPORATE OFFICER

SCHEDULE "F"

Labour rates (per person hour) includes use of hand tools and light equipment	\$50.00 regular time (2 hour minimum)
	\$75.00 after 8 hours
	\$100.00 after 12 hours
Heavy equipment	\$135.00/hour
All other services	At cost

SCHEDULE "N"

K3

PUDDLE DUCKS DAYCARE FEES

	Monthly (under 36 months) Full Day	Monthly (3 years to Kindergarten) Full Day	Daily (under 36 months) 4 hours or less	Daily (under 36 months) 4 hours or more	Daily (3 years to Kindergarten) 4 hours or less	Daily (3 years to Kindergarten) 4 hours or more
Per Child	\$500.00	\$500.00	\$14.00	\$28.00	\$12.00	\$20.00

Other Child Care Services

Per Child	Daily	Hourly
Before School Care	\$8.00	
After School Care	\$10.00	
Half Day	\$10.00	
Before and After School	\$15.00	
Pro-D Day	\$20.00	
Full Day	\$20.00	
Lunchtime		\$6.00
Emergency Care		\$10.00

Schedule "P"

Water Utility Rates and Charges

Classification of Users		Annual Fee
Each single family dwelling, duplex unit, apartment, suite, Guesthouse, condominium, and any short term rental accommodation unit	\$	346.00
Mobile Home Park per pad with mobile home	\$	346.00
Bed and Breakfasts, Boarding, Lodging and Rooming Houses	\$	346.00
Hotels and Motels	\$	346.00
plus each room to rent located on the property ¹	\$	173.00
Restaurants, cafes, dining rooms, pubs up to 60 seats	\$	1,182.18
over 60 seats	\$	1,412.85
Churches	\$	346.00
Industrial premises	\$	1,412.85
Schools	\$	346.00
plus each classroom	\$	173.00
Clubs, non-profits	\$	346.00
Home based businesses	\$	346.00
Retail premises	\$	403.67
plus for each square foot gross area	\$	0.13
Other commercial premises	\$	1,412.85
Campground/RV park (per site)	\$	62.47

¹ Whether a room is available to rent or not the annual fee applies.

A charge under this bylaw shall be paid by the owner of a serviced property for:

1. TURNING ON AND OFF SERVICES

The fee for turning off and turning on water supply at the curb stop is:

To turn on or turn off	During Business Hours	All Other Times
	\$25 (\$50 On and Off)	\$150.00

2. ABANDONMENT² FEE

The fee for the permanent disconnection of an abandoned or discontinued connection is:

Connection size	Abandonment or Discontinued Fee
ALL	\$500.00

3. NON-EMERGENCY SERVICE CALL OUT AFTER HOURS³

\$200.00

4. CONNECTION FEES

Water connection application fee for all water service connections ⁴	\$500.00
Inspection fee	\$100.00
Fees shall be charged on the basis of the cost of work required including but not limited to all pavement, sidewalk, cut/replacement and boulevards work	AT COST
The fee estimate must be paid prior to the work commencing. Excess fees will be refunded. Excess charges will be billed.	

5. SUPPLY OF WATER FROM FIRE HYDRANT

	During Business Hours	All Other Times
Opening and closing hydrant	\$50	\$150

² When a building on a lot serviced by the Village's water system is abandoned or demolished, the Director may require the turn off and/or disconnection of the service and the cost will be recovered from the Owner as set out in the Bylaw.

³ A non-emergency service call-out means Village crews dispatched to respond to an incident at a property where the likelihood of property damage is low and/or the risk of serious property damage is low.

⁴ May be combined with sewer connection application fee

1. The users of water supplied by the water system are classified in accordance with the classification of users set out in this bylaw, and the rates specified in the schedules must be paid by the owner of any real property to which water is supplied.
2. A charge under this bylaw shall be imposed on and from the first day of the month immediately following the date the water service connection to that property is turned on.
 - (i) shall be due and payable in advance in the first calendar year of service; and
 - (ii) shall be due and payable annually in advance thereafter on the 1st day of January in each year.
3. A charge under Section 2(ii) of this bylaw shall be billed on or before the 31st day of May in each year. A penalty in the amount of ten percent (10%) of the unpaid sum shall be added to any charge remaining unpaid after July 2nd in the year of billing unless Council has adopted an alternative scheme under the *Community Charter*, s. 233.
4. A charge imposed under this Bylaw which remains unpaid on the 31st day of December in any year shall be deemed to be taxes in arrears on the land or real property on which the charge was imposed and may be recovered as authorized in section 258 of the *Community Charter*.
5. No deduction in the charges under this bylaw shall be allowed on account of any waste of water.
6. Failure to receive an invoice or notice is not justification for the non-payment of an applicable fee.
7. When a building lot serviced by the water system is abandoned or demolished, the Director of Infrastructure and Operations may require the turn off and/or disconnection of the private system from the Village's water system.
8. All applicable fees and charges are payable on properties that are unoccupied and/or are unused.

SCHEDULE "Q"

Sewer Utility Rates and Charges

CLASSIFICATION OF USERS	ANNUAL FEE
Dwelling	
Dwelling unit per unit single family, duplex unit,, apartment, suites, Guesthouses, condos, short term rental accommodation	\$392.00
Mobile Home Park per pad with mobile home	\$392.00
Bed and Breakfasts, Boarding, Lodging and Rooming Houses	\$392.00
Hotels and Motels	\$392.00
plus each room to rent located on the property ⁵	\$196.00
Restaurants, cafes, dining rooms, pubs	\$1,330.00
Churches	\$392.00
Industrial premises	\$450.00
plus per square foot	\$0.18
Schools	\$392.00
plus per classroom	\$137.00
Clubs, non-profits	\$392.00
Home based businesses	\$392.00
Retail premises	\$450.00
plus per square foot gross area	\$0.18
Campgrounds per site	\$58.70
Sani-stations	\$547.68
Other commercial	\$509.00

⁵ Whether a room is available to rent or not, the annual fee applies

A charge under this bylaw shall be paid by the owner of a serviced property for:

1. **NON-EMERGENCY SEWER SERVICE CALL OUT AFTER HOURS**⁶ **\$200.00**

2. **SEWER CONNECTION FEES**

Sewer connection application fee for all sewer service connections ⁷	\$500.00
Inspection fee	\$100.00
Fees shall be charged on the basis of the cost of work required including but not limited to, all pavement, sidewalk, cut/replacement and boulevards work	AT COST
The fee estimate must be paid prior to the work commencing. Excess fees will be refunded. Excess charges will be billed.	

⁶ A non-emergency service call-out means Village crews dispatched to respond to an incident at a property where the likelihood of property damage is low and/or the risk of serious property damage is low.

⁷ May be combined with water connection application fee

1. The users of the sanitary sewer system are classified in accordance with the classification of users set out in this bylaw, and the rates specified in the schedules must be paid by the owner of any real property which are connected to the sanitary sewer system.
2. A charge under this bylaw shall be imposed on and from the first day of the month immediately following the date the water service connection to that property is turned on.
 - (i) shall be due and payable in advance in the first calendar year of service; and
 - (ii) shall be due and payable annually in advance thereafter on the 1st day of January in each year.
3. A charge under Section 2(ii) of this bylaw shall be billed on or before the 31st day of May in each year. A penalty in the amount of ten percent (10%) of the unpaid sum shall be added to any charge remaining unpaid after July 2nd in the year of billing unless Council has adopted an alternative scheme under the *Community Charter*, s. 233.
4. A charge imposed under this Bylaw which remains unpaid on the 31st day of December in any year shall be deemed to be taxes in arrears on the land or real property on which the charge was imposed and may be recovered as authorized in section 258 of the *Community Charter*.
5. Failure to receive an invoice or notice is not justification for the non-payment of an applicable fee.
6. All applicable fees and charges are payable on properties that are unoccupied and/or are unused.



VILLAGE OF TAHSIS

WATER REGULATION AND RATES AMENDMENT BYLAW No. 640, 2021

A Bylaw to amend the regulation of the water distribution system.

TITLE:

This bylaw may be cited for all purposes as the “Water Regulation and Rates Amendment Bylaw No. 640, 2021”

Council of the Village of Tahsis, in open meeting assembled, hereby enacts the following amendments to the Water Regulation and Rates Bylaw No. 581, 2016 as follows:

Part 1- Citation and Definitions

2. Deleted and replaced with the following
2. *In this bylaw the definitions set out in the British Columbia Building Code 2018 and the following definitions shall apply:*

2. f) Deleted

2. t) Deleted and replaced with the following:

“Normal Use” means water used for essential purposes including household sanitation, human consumption, food preparation and water needed for commercial and industrial purposes by the types of consumers listed in the applicable schedule in the Fees and Charges Bylaw. It does not include use for fire fighting purposes.

Part 2 – General Provisions

3. Deleted

Part 4 – Discontinuance of Water Service

15. Deleted and replaced with the following:
15. *To temporarily shut off or permanently discontinue water service, a consumer shall complete and submit a work order to the Village office and pay the applicable fee under the Fees and Charges Bylaw.*
16. Deleted and replaced with the following:
16. *The Village will provide a rebate to a consumer who has paid their water utility fee for the year and has had their water service permanently disconnected after paying the applicable fee under the Fees and Charges Bylaw. The rebate will be proportionate to the remaining time in the current billing period after being applied against any outstanding charges owed under this Bylaw.*
17. Deleted and replaced with the following:
17. *Prior to any demolition work, the demolition permit holder shall pay the applicable fees under the Fees and Charges Bylaw to either temporarily or permanently discontinue the water service. When a building lot serviced by the water system is abandoned or demolished, the Director of Infrastructure and Operations may require the turn off and/or disconnection of the private system. When this occurs, the property owner will be billed for the applicable fees under the Fees and Charges Bylaw.*

Reconnection of Service Connection

18. Deleted and replaced with the following:
18. *To reconnect a water service which has been permanently disconnected, all applicable fees and charges owed under the Fees and Charges Bylaw must first be paid. The annual water utility fee may be prorated for the remaining time in the current billing period.*
19. Deleted and replaced with the following:
19. *Upon adoption of this bylaw, consumers who have had their water service temporarily turned off are required to pay the annual water utility fee or make an application for a permanent disconnection and pay the fee set out in the Fees and Charges Bylaw.*

Wastage of Water

28. Deleted and replaced with the following:
28. *A person who allows water to be wasted whether willfully or by permitting pipes, taps, toilets or other fixtures and means of distributing or storing water to remain in disrepair or by any device or for any change in the use of the premises, increases the amount of water consumed or increases the water usage, is guilty of a breach of this Bylaw. In addition to the penalty provided for in this Bylaw, the Village may temporarily or permanently disconnect the water service until the person has made repairs and paid all fees and charges owed under this Bylaw.*

Part 7 – Water Meters

Installation of Water Meters

36. Deleted

Testing of Water Meters

45. Deleted

Part 9 – Rates, Fees and Charges

Establishing Water Rates, Fees and Charges

52. Deleted
53. Deleted
54. Deleted
55. Deleted
56. Deleted
57. Deleted

Water Rates, Fees and Charges

58. Deleted
59. Deleted

60. Deleted and replaced with the following:

60. *When a building lot serviced by the water system is abandoned or demolished, the Director of Infrastructure and Operations may require the turn off and/or disconnection of the private system.*

61. Deleted

62. Deleted

63. Deleted

Schedules A, B, C and D are deleted.

READ a first time this 4th day of May, 2021

READ a second time this 4th day of May, 2021

READ a third time this 4th day of May, 2021

Reconsidered, Finally Passed and Adopted this 11th day of May, 2021

MAYOR

CORPORATE OFFICER

I hereby certify that the foregoing is a true and correct copy of the original Bylaw No. 640, 2021 duly passed by the Council of the Village of Tahsis on this 11th day of May, 2021.

CORPORATE OFFICER



VILLAGE OF TAHSIS

SEWER REGULATIONS AND RATES AMENDMENT BYLAW No. 641, 2021

A Bylaw to amend the regulation of the sanitary sewer system.

TITLE:

This bylaw may be cited for all purposes as the “Sewer Regulations and Rates Amendment Bylaw No. 641, 2021”

Council of the Village of Tahsis, in open meeting assembled, hereby enacts the following amendments to the Sewer Regulations and Rates Bylaw No. 582, 2016 as follows:

Part 1- Citation and Definitions

- 2. g) Deleted and replaced with the following
- 2. g) *“Connection Fee” means the amount due and owing to the Village of the installation and construction of a service connection as set out in the applicable schedule in the Fees and Charges Bylaw.*
- 2. w) Deleted and replaced with the following.
- 2. w) *“Service Connection” means the pipes and equipment that connect a property to the sanitary sewer system.*

Part 2 – General Provisions

- 4. Deleted.
- 6. Deleted and replaced with the following:
- 6. *The Director of Infrastructure and Operations (“the Director”) is the person appointed by the Village’s CAO to manage the Village’s sanitary sewer system.*
- 8. Deleted

Part 3 – Service Connections

10. Deleted and replaced with the following:
10. *A person must apply for a service connection by submitting the form prescribed by the Director of Operations and Infrastructure and by paying the Village the connection fee that is set out in the applicable schedule in the Fees and Charges bylaw.*
11. Deleted and replaced with the following:
11. *The connection fee is set out in the applicable schedule in the Fees and Charges Bylaw.*
12. Deleted and replaced with the following.
12. *The Director may limit the number, size and capacity of connections to the Village sanitary sewer system for purposes of protecting the system and preventing adverse effects on other users.*
13. Deleted and replaced with the following.
13. *Subject to s. 12, every owner of a parcel:*
 - a) *on which a building or structure with plumbing is built or is being built and*
 - b) *that borders a highway or right-of-way containing a Village sewer system main must connect the building or structure to the Village sewer system using a service connection.*
14. Deleted and replaced with the following:
14. *All service connections shall be in accordance with the requirements of the BC Building Code, other applicable provincial codes and Village bylaws.*
15. Deleted and replaced with the following:
15. *The Village will not turn on any new service connection until:*
 - a) *a completed application form has been submitted to the Village;*
 - b) *the service connection fee has been paid;*
 - c) *the connection has been inspected by the Village; and*
 - d) *a site plan showing the location of the service on the property has been submitted to the Village*

16, 17, 18. 19, 20 and 21. Deleted and replaced with the following:

Prohibitions

16. *No person shall obstruct or prevent the Village from accessing the system and/or carrying out an inspection under this Bylaw.*
17. *No person other than a Village employee shall turn on or shut off any valve, pump or other fixture of the Village Sewer System or the Storm Drain System or shall tamper with such objects in any way whatsoever.*
18. *No person shall obstruct access to any valve, pump or other fixture of the Village Sewer System or Storm Drain System.*
19. *No person shall connect or suffer the connection of a Storm Drain to the Village Sewer System.*
20. *No person shall connect, or suffer the connection to, the Village Sewer System except for a Service Connection approved through an application made under Section 10 of this Bylaw.*
21. *No person shall deposit, or suffer the deposit of, any of the following wastes into a Service Connection, the Village Sewer System or the Storm Drain System:*
 - a) *hazardous waste as defined by the Environmental Management Act and its Regulations;*
 - b) *any waste which, by itself or in combination with another substance, is capable of creating, causing or introducing an air contaminant outside any sewer or sewage facility or is capable of creating, causing or introducing an air contaminant within any sewer or sewage facility which would prevent safe entry by authorized personnel;*
 - c) *any waste, which, by itself or in combination with another substance, is capable of causing or contributing to an explosion or supporting combustion in any sewer or sewage facility including, but not limited to gasoline, naphtha, propane, diesel, fuel oil, kerosene or alcohol;*

- d) *any waste, which, is by itself or in combination with another substance, is capable of obstructing the flow of, or interfering with, the operation or performance of any sewer or sewage facility including, but not limited to, earth, sand, sweepings, gardening or agricultural waste, ash, chemicals, paint, metal, glass, sharps, rags, cloth, tar, asphalt, cement-based products, plastic, wood, waste portions of animals, fish or fowl and solidified fat;*
- e) *any waste with corrosive properties which, by itself or in combination with any other substance, may cause damage to any sewer or sewage facility or which may prevent safe entry by authorized personnel;*
- f) *any waste which will raise the temperature of waste entering any sewage facility to 40 degrees Celsius or more; and*
- g) *any waste, other than sanitary waste, which by itself or in combination with another substance constitutes or may constitute a significant health or safety hazard to any person, that may interfere with any sewer or sewage treatment process or that may cause a discharge from a sewage facility to contravene any requirement by or under any discharge permit or any approved Liquid Waste Management Plan or any other law or regulation governing the quality of the discharge or may cause the discharge to result in a hazard to people, animals, property or vegetation.*

22. Deleted

23. Deleted

24. Deleted

Part 5- Offences and Penalties

Offences

25. Deleted and replaced with the following:

- 25. *Every person who violates any provision of this Bylaw or who permits or allows any act or thing to be done in violation of any provision of this Bylaw, or who neglects to or refrains from doing anything required to be done by any provision of this Bylaw, is guilty*

of an offence against this Bylaw and each day that a violation continues to exist is deemed to be a separate offence against the Bylaw.

Penalties

- 26. Deleted and replaced with the following
- 26. *Every person who commits an offence contrary to the provisions of this Bylaw is liable upon summary conviction to a penalty of not more than \$10,000.00 and to any payment of the costs of the prosecution that the court may order.*
- 27. Deleted
- 28. Deleted
- 29. Deleted
- 30. Deleted

READ a first time this 4th day of May, 2021

READ a second time this 4th day of May, 2021

READ a third time this 4th day of May, 2021

Reconsidered, Finally Passed and Adopted this 11th day of May, 2021

MAYOR

CORPORATE OFFICER

I hereby certify that the foregoing is a true and correct copy of the original Bylaw No. 641, 2021 duly passed by the Council of the Village of Tahsis on this 11th day of May, 2021.

CORPORATE OFFICER

CHAN NOWOSAD BOATES
CHARTERED PROFESSIONAL ACCOUNTANTS





Village of Tahsis

Audit Findings Report

For the year ending December 31, 2020

May 11, 2021

Chan Nowosad Boates Inc., Chartered Professional Accountants



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STATUS

As of the date of this report, we have completed the audit of the financial statements, with the exception of certain remaining procedures, which include:

- Obtaining evidence of the Council's approval of the financial statements;
- Obtaining a signed management representation letter, dated the date of the Council's approval of the financial statements.
- Obtaining the Council's approval of the unadjusted journal entries, dated prior to the approval of the financial statements.

Please refer to the copies provided of our draft audit report and financial statements. We will update you on any significant matters arising from the completion of the audit, including completion of the above procedures.

Our audit report will be dated upon completion of any remaining procedures.



SIGNIFICANT AUDIT, ACCOUNTING AND REPORTING MATTERS

FIRE HALL

- Subsequent to year end in February 2021 a review of the Fire Hall was performed by a building inspector from the Strathcona Regional District and a structural engineer who reported that the Fire Hall building was showing significant signs of distress due to differential settlement.
- The report noted that the building not be used for occupancy or for the storage of equipment and noted that any structural repairs would only provide temporary solutions and are not recommended.

CNB COMMENTS

- We referred to the guidance under PSAS 3140 on the treatment of tangible capital assets that no longer contributes to the government's ability to provide goods and services and applied the treatment to the Fire Hall building.
- We discussed with management the Village's preliminary decisions as to the future of this building and concluded that the building holds no value to the Village on December 31, 2020 and the demolishing costs would exceed any recoverable costs.
- We analyzed the guidance under PSAS 2400 on subsequent events as the building's conditions were not reported on until after the fiscal year.
- We concluded that as the building's conditions existed on December 31, 2020, an adjustment to the financial statements are required to reflect the residual value of the asset as at year end.
- The appropriate disclosures have been included in the notes to the financial statements as per PSAS 3510 on Impairment.

MISSTATEMENTS AND SIGNIFICANT CONTROL DEFICIENCIES

- We recognized an adjustment to the Fire Hall building to adjust its residual value of \$Nil. This resulted in the recognition of an impairment of tangible capital assets of \$302,999 recognized on the Statement of Operations.
- The value of the land associated with the Fire Hall remains unchanged.
- No significant control deficiencies were identified as a result of the above.

SIGNIFICANT AUDIT, ACCOUNTING AND REPORTING MATTERS

OPERATING PROJECTS

- During 2020, the Village had new program expenditures for grants received during the year. Significant expenditures from new programs include the following:
 - Covid-19 Response \$113,042
 - Tootouch Sewer Project \$87,890

CNB COMMENTS

- We verified through a test of details sampling procedure of the operating expenditures relating to the program expenses to verify their existence and accuracy.
- We obtained funding agreements to verify the appropriate revenue recognition policy under PSAS was being applied.
- We recalculated the revenue recognized and agreed the amounts receivable based on available funding and project expenditures to date with no issues noted.

MISSTATEMENTS AND SIGNIFICANT CONTROL DEFICIENCIES

- No significant control deficiencies were identified as a result of the above.
- As required by the Province of BC, we have included an unaudited schedule to the financial statements detailing the funding received related to COVID-19 support and how it was spent.

SIGNIFICANT AUDIT, ACCOUNTING AND REPORTING MATTERS

CAPITAL PROJECTS

- During 2020, the Village had new program expenditures for grants received during the year relating to capital projects. Significant expenditures from new programs include the following:
 - Flood Grant Mitigation Funding \$140,347
 - Wildland Fire Project \$37,816

CNB COMMENTS

- We verified through a test of details sampling procedure of the tangible capital asset additions relating to the program expenses to verify their existence and accuracy.
- We obtained funding agreements to verify the appropriate revenue recognition policy under PSAS was being applied.
- We recalculated the revenue recognized and agreed the amounts receivable based on available funding and project expenditures to date with no issues noted.
- We capitalized the expenditures relating to tangible capital assets as per the guidance in PSAS 3150.

MISSTATEMENTS AND SIGNIFICANT CONTROL DEFICIENCIES

- No significant control deficiencies were identified as a result of the above.

SIGNIFICANT QUALITATIVE ASPECTS OF ACCOUNTING PRACTICES

The following are the significant qualitative aspects of the accounting practices of the Village that we plan to discuss with you:

- We believe that the Village's significant accounting policies are appropriate given its nature and its operations.
- The Village has not changed any of its significant accounting policies during the period to which the presented financial statements relate.
- The Village has disclosed its significant estimates in Note 1 (h).
- We found no basis on which to disagree with management's estimates.
- With respect to significant disclosures, we have no significant matters to communicate in this area.

MISSTATEMENTS

OTHER SIGNIFICANT MATTERS

Misstatements identified during the audit have been categorized as follows:

- Uncorrected misstatements, including disclosures
- Corrected misstatements, including disclosures

Note that for audit purposes, we did not report or investigate further any misstatements identified that were under \$2,150.

Further, note that all uncorrected misstatements are individually or in aggregate by financial statement line item, less than our audit materiality of \$32,250.

We have identified the uncorrected misstatements, which are attached to the management representation letter to be signed by management.



CONTROL DEFICIENCIES

BACKGROUND AND PROFESSIONAL STANDARDS

As your auditors, we are required to obtain an understanding of internal control over financial reporting (ICFR) relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on internal control. Accordingly, we do not express an opinion on the effectiveness of internal controls.

Our understanding of ICFR was for the limited purpose described above and was not designed to identify all control deficiencies that might be significant deficiencies and therefore, there can be no assurance that all significant deficiencies have been identified.

Our awareness of control deficiencies varies with each audit and is influenced by the nature, timing, and extent of audit procedures performed, as well as other factors.

IDENTIFICATION

We identified two other than significant internal control deficiency's that are included within our Management Letter.



APPENDICES

- 1) Draft Independent Auditor's Report
- 2) Management Letter
- 3) Management Representation Letter
- 4) Uncorrected Audit Differences

INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of 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, 2020, 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, 2020, 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.

Chartered Professional Accountants
Campbell River, BC

May 11, 2021



May 11, 2021

Mr. Mark Tatchell
Village of Tahsis
977 South Maquinna Drive
P.O. Box 219
Tahsis, BC
V0P 1X0

Dear Mark:

We have expressed an opinion on the financial statements (hereinafter referred to as "annual financial statements") of the Village of Tahsis ("the Village") for the year ended December 31, 2020 and have issued our audit report thereon dated May 11, 2021. This letter does not affect our audit report.

As indicated in our engagement letter dated March 11, 2019:

- In planning and performing our audit in accordance with professional standards we have obtained an understanding of the Village's internal control over financial reporting to identify types of potential misstatements, consider factors that affect the risks of material misstatement, and design the nature, timing and extent of further audit procedures. This understanding will not be sufficient to enable us to render an opinion on the effectiveness of internal control over financial reporting. We have not considered internal control over financial reporting since the date of our audit report.
- Management is responsible for the Village's internal control, including the design, implementation and operation of internal control over financial reporting to prevent and detect fraud and error, including internal controls over the financial reporting process and the accuracy of period-end adjusting journal entries. Management is also responsible for disclosing to us any known control deficiencies in the design and implementation or operation of internal control over financial reporting.
- Auditors conducting an audit in accordance with professional standards obtain reasonable assurance that the annual financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. It is important to recognize that auditors cannot obtain absolute assurance that material misstatements in the annual financial statements will be detected, because of factors such as: the use of judgment; the use of testing of the data underlying the annual financial statements; the inherent limitations of internal control over financial reporting; and the fact that much of the audit evidence available to the auditor is persuasive rather than conclusive in nature. Furthermore, because of the nature of fraud, including attempts at concealment through collusion and forgery, an audit designed and executed in accordance with professional standards may not detect a material fraud. While effective internal control over financial reporting reduces the likelihood that misstatements will occur and remain undetected, it does not eliminate that possibility. For these reasons, we cannot guarantee that fraud, error or illegal acts, if present, will be detected when conducting an audit in accordance with professional standards.

Since the purpose of the audit is to express an opinion on the financial statements, we did not plan and perform the audit with a view to identify all control deficiencies that might exist. We have not performed audit procedures to obtain reasonable assurance and are not providing any assurance on the effectiveness of internal control over financial reporting.

This letter is a by-product of the audit. This letter is intended solely for the purposes of management and those charged with governance and is not suitable for any other purposes. Chan Nowosad Boates Inc. shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this letter has not been prepared for, and is not intended for, any other purposes.

DEFINITIONS

A control deficiency is a deficiency in the design or effective operation of internal control. A deficiency in design exists when

(a) a control necessary to meet the control objective is missing or

(b) an existing control is not properly designed so that, even if the control operates as designed, the control objective is not always met.

A deficiency in operation exists when a properly designed control does not operate as designed, or when the person performing the control does not possess the necessary authority or qualifications to perform the control effectively.

CANADIAN AUDITING STANDARDS

A material weakness is a deficiency or combination of deficiencies in internal control over financial reporting such that a material misstatement of the Village's annual financial statements is not likely to be prevented or detected.

PROFESSIONAL STANDARDS

Professional standards require us to:

- communicate material weaknesses identified during the audit to management and those charged with governance
- communicate control deficiencies identified during the audit that are important enough to merit attention by those responsible for oversight of the Village's financial reporting to management and those charged with governance.
- communicate all control deficiencies identified during the audit to management and inform those charged with governance that such communication occurred.

MATERIAL WEAKNESSES

During the audit, we did not identify control deficiencies that we would consider to be a material weakness as defined above.

CONTROL DEFICIENCIES THAT ARE IMPORTANT ENOUGH TO MERIT ATTENTION BY THOSE RESPONSIBLE FOR OVERSIGHT OF THE VILLAGE'S FINANCIAL REPORTING

In Appendix A, we present matters involving the design or operating effectiveness of internal controls over financial reporting that we concluded to be control deficiencies that we identified during the audit that are important enough to merit attention by those responsible for oversight of the Village's financial reporting.

All the control deficiencies identified in this letter have been discussed with the appropriate members of management.

Yours truly,

CHAN NOWOSAD BOATES INC.

A handwritten signature in black ink, consisting of several fluid, overlapping strokes that form a stylized representation of the name Derek M. Lamb.

Derek M. Lamb, CPA, CA

Partner

250-286-0744

derek@cnbcpa.ca

APPENDIX A

Deficiencies in Internal Control Other than Significant:

(1) Approval of Journal Entries

Observation:

During our walkthrough of controls on journal entry approvals, we identified that although there was an approval by those with authorization authority, the approval was typed in and not signed by way of signature or initial and there was no date of approval included.

Effect:

There is a risk of unauthorized journal entries, error in journal entries or manipulation of financial statements should an individual inappropriately type in the authorized signor's name, without actually seeking approval.

Recommendation:

We recommend that all journal entries be approved by way of signature or initial and dated when the authorized signor reviews the journal batch. This can be done electronically by utilizing a signature program that validates the signature and date signed.

(2) Approval of Credit Card Statements

Observation:

During our walkthrough of controls, we noted that certain credit card statements did not have an initial or signature or other form of indication of review on them.

Of importance to note – a review of the credit card statement may have in fact occurred, there is just no indication by way of signature or initial that it had.

Effect:

There is a risk that an unauthorized expense could go undetected if credit card statements are not reviewed on a monthly basis and approved by the appropriate individual.

Recommendation:

We recommend that all credit card statements be reviewed by the appropriate individual, and that they evidence their review by signature or initial.

Village of Tahsis
977 South Maquinna Dr.
Tahsis, BC
V0P 1X0

May 11, 2021

Chan Nowosad Boates Inc.
980 Alder Street
Campbell River, BC
V9W 2P9

Dear Sir/Madam:

This representation letter is provided in connection with your audit of the financial statements of Village of Tahsis for the year ended December 31, 2020, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with Canadian Public Sector Accounting Standards (PSAS).

In making the representations outlined below, we took the time necessary to appropriately inform ourselves on the subject matter through inquiries of entity personnel with relevant knowledge and experience, and, where appropriate, by inspecting supporting documentation.

We confirm that (to the best of our knowledge and belief):

1. Financial Statements

We have fulfilled our responsibilities as set out in the terms of the audit engagement dated March 11, 2019 for:

- a. Preparing and fairly presenting the financial statements in accordance with Canadian Public Sector Accounting Standards;
- b. Providing you with:
 - i. Access to all information of which we are aware that is relevant to the preparation of the financial statements, such as:
 - A. Accounting records, supporting data and other relevant documentation,
 - B. Minutes of meetings or summaries of actions taken for which minutes have not yet been prepared, and
 - C. Information on any other matters, of which we are aware, that is relevant to the preparation of the financial statements;
 - ii. Additional information that you have requested from us for the purpose of the audit; and
 - iii. Unrestricted access to persons within the entity from whom you determine it necessary to obtain audit evidence.
- c. Ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements; and

- d. Designing and implementing such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We have also communicated to you any deficiencies in the design and implementation or the maintenance of internal control over financial reporting of which management is aware.

2. Fraud and Non-Compliance

We have disclosed to you:

- a. All of our knowledge in relation to actual, alleged or suspected fraud affecting the entity's financial statements involving:
 - i. Management;
 - ii Employees who have significant roles in internal control; or
 - iii. Others where the fraud could have a material effect on the financial statements;
- b. All of our knowledge in relation to allegations of fraud or suspected fraud communicated by employees, former employees, analysts, regulators or others;
- c. All known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements that should be considered when preparing the financial statements;
- d. All known, actual, or possible litigation and claims that should be considered when preparing the financial statements; and
- e. The results of our risk assessments regarding possible fraud or error in the financial statements.

3. Related Parties

We have disclosed to you the identity of all of the entity's related-party relationships and transactions of which we are aware. All related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian Public Sector Accounting Standards.]

4. Estimates

We acknowledge our responsibility for determining the accounting estimates required for the preparation of the financial statements in accordance with Canadian Public Sector Accounting Standards. Those estimates reflect our judgment based on our knowledge and experience of past and current events, and on our assumptions about conditions we expect to exist and courses of action we expect to take. We confirm that the significant assumptions and measurement methods used by us in making accounting estimates, including those measured at fair value, are reasonable.

We confirm that the estimate provided surrounding the future costs associated with the Contaminated Site is based on all knowledge available to us and we have disclosed to you accurately all information and knowledge that we are aware of with respect to the site and its future clean up.

5. Subsequent Events

All events subsequent to the date of the financial statements and for which Canadian Public Sector Accounting Standards requires adjustment or disclosure have been adjusted or disclosed.

6. Commitments and Contingencies

There are no commitments, contingent liabilities/assets or guarantees (written or oral) that should be disclosed in the financial statements. This includes liabilities arising from contract terms, illegal acts or possible illegal acts, and environmental matters that would have an impact on the financial statements.

7. Adjustments

We have reviewed, approved and recorded all of your proposed adjustments to our accounting records with the exception of those items included in item #8 below. This includes journal entries, changes to account coding, classification of certain transactions and preparation of, or changes to, certain accounting records.

8. Misstatements

The effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements, including the reasons why they were not corrected, is attached to this letter.

9. Other Representations

Accounting Policies

All significant accounting policies are disclosed in the financial statements and are consistent with those used in the previous period.

Future Plans

We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.

Environmental Liability

We confirm that the representations we have made to you with respect to the environmental liability have been made based on our understanding of environmental liability and all expected and known future costs associated with it.

Yours truly,

Mr. Mark Tatchell
Chief Administrative Officer

Ian C. Poole, CPA, CA
Director of Finance

Village of Tahsis
Year End: December 31, 2020
Date: 1/1/2020 To 12/31/2020
Account No: 4

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
4	12/31/2020	Amortization - General	15-2-273-2400	U.200		3,651.68			
4	12/31/2020	Accum Amort - Machine	15-3-350-3525	U.200			3,576.58		
4	12/31/2020	Accum Amort - Machine	15-3-350-3525	U.200			75.10		
		To adjust machinery amortization to actual							
						3,651.68	3,651.68		
Net Income (Loss)			(366,080.76)						

THANK YOU

Derek Lamb, CPA, CA

980 Alder Street
Campbell River, BC
V9W 2P9

www.cnbcpa.ca

#201-1532 Cliffe Avenue
Courtenay, BC
V9N 2K4

CHAN NOWOSAD BOATES
CHARTERED PROFESSIONAL ACCOUNTANTS



VILLAGE OF TAHSIS
Financial Statements
December 31, 2020

DRAFT

VILLAGE OF TAHSIS

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December 31, 2020

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MANAGEMENT REPORT

December 31, 2020

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, 2020.

Mark Tatchell
Chief Administrative Officer

Ian C. Poole, CPA, CA
Director of Finance

May 11, 2021

INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of 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, 2020, 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, 2020, 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.

Chartered Professional Accountants
Campbell River, BC

May 11, 2021

VILLAGE OF TAHSIS

Statement of Financial Position

December 31, 2020

	2020	2019
	\$	\$
FINANCIAL ASSETS		
Cash	711,073	1,098,051
Portfolio Investments (Note 2)	1,988,563	1,931,911
Accounts Receivable (Note 3)	212,135	701,794
Taxes and User Fees Receivable	168,577	166,687
	<u>3,080,348</u>	<u>3,898,443</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	268,359	306,870
Demand Loan (Note 4)	-	816,765
Deferred Grants and Unearned Revenue (Note 5)	550,939	487,507
Contaminated Site Remediation (Note 6)	56,700	56,700
	<u>875,998</u>	<u>1,667,842</u>
NET FINANCIAL ASSETS	<u>2,204,350</u>	<u>2,230,601</u>
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 7)	8,780,155	9,112,889
Prepaid Expenses	63,408	66,849
	<u>8,843,563</u>	<u>9,179,738</u>
ACCUMULATED SURPLUS (Note 12)	<u>11,047,913</u>	<u>11,410,339</u>

Approved by:

Director of Finance

Mayor

VILLAGE OF TAHSIS

Statement of Operations

Year Ended December 31, 2020

	2020		2019
	Budget	Actual	
	\$	\$	\$
	(Note 13)		
Revenues (Schedules 2 and 3)			
Taxation	740,642	734,163	739,338
Utility Connection Fees and User Rates	245,000	251,265	248,434
Government Grants - Federal (Schedule 1)	506,241	985,971	4,144,779
Fee and Services Charges	221,330	166,563	190,644
Other Revenues	31,400	140,463	280,907
	<u>1,744,613</u>	<u>2,278,425</u>	<u>5,604,102</u>
Expenditures (Schedules 2 and 3)			
General Departmental Expenditures	1,865,502	1,964,665	2,148,083
Water System Operations	126,104	230,946	164,691
Sewer System Operations	122,225	142,242	168,344
	<u>2,113,831</u>	<u>2,337,853</u>	<u>2,481,118</u>
Annual Surplus (Deficit) from Operations	(369,218)	(59,428)	3,122,984
Impairment of Tangible Capital Assets	-	(302,998)	-
Annual Surplus (Deficit)	<u>(369,218)</u>	<u>(362,426)</u>	3,122,984
Accumulated Surplus - Beginning of Year		<u>11,410,339</u>	<u>8,287,355</u>
Accumulated Surplus - End of Year		<u>11,047,913</u>	<u>11,410,339</u>

VILLAGE OF TAHSIS

Statement of Change in Net Financial Assets

Year Ended December 31, 2020

	2020		2019
	Budget	Actual	
	\$	\$	\$
	(Note 13)		
Annual Surplus (Deficit)	(369,218)	(362,426)	3,122,984
Acquisition of Tangible Capital Assets	-	(379,830)	(3,756,973)
Amortization of Tangible Capital Assets	305,000	409,566	365,392
Acquisition of Prepaid Expenses	-	3,441	(1,785)
Disposition or Impairment of Tangible Capital Assets	-	302,998	12,739
	<u>(64,218)</u>	<u>(26,251)</u>	<u>(257,643)</u>
Net Financial Assets - Beginning of Year		<u>2,230,601</u>	<u>2,488,244</u>
Net Financial Assets - End of Year		<u>2,204,350</u>	<u>2,230,601</u>

VILLAGE OF TAHSIS

Statement of Cash Flows

Year Ended December 31, 2020

	2020	2019
	\$	\$
Cash Flows From Operating Activities:		
Annual Surplus (Deficit)	(362,426)	3,122,984
Items Not Involving Cash		
Amortization of Tangible Capital Assets	409,566	365,392
Loss (Gain) on Disposal or Impairment of Tangible Assets	<u>302,998</u>	<u>(123,261)</u>
	350,138	3,365,115
Changes in Non-Cash Operating Balances		
Accounts and Taxes Receivable	487,769	(339,792)
Accounts Payable and Accrued Liabilities	(38,511)	(65,292)
Demand Loan	(816,765)	816,765
Deferred Grants and Unearned Revenue	63,432	67,371
Prepaid Expenses	<u>3,441</u>	<u>(1,785)</u>
	<u>49,504</u>	<u>3,842,382</u>
Cash Flows From Capital Activities:		
Purchase of Tangible Capital Assets	(379,830)	(3,756,973)
Proceeds on Disposition of Tangible Capital Assets	<u>-</u>	<u>136,000</u>
	<u>(379,830)</u>	<u>(3,620,973)</u>
Cash Flows From Investing Activities:		
Redemption of (Investment in) Portfolio Investments	<u>(56,652)</u>	<u>402,985</u>
Increase (Decrease) in Cash and Cash Equivalents	(386,978)	624,394
Cash and Cash Equivalents - Beginning of Year	<u>1,098,051</u>	<u>473,657</u>
Cash and Cash Equivalents - End of Year	<u>711,073</u>	<u>1,098,051</u>

VILLAGE OF TAHSIS

Notes to the Financial Statements

December 31, 2020

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:

Buildings	20 to 40 years
Machinery and Equipment	5 to 20 years
Roads and Bridges	30 to 50 years
Drainage	30 to 50 years
Water Infrastructure	30 to 50 years
Sewer Infrastructure	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, 2020

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>2020</u>	<u>2019</u>
	\$	\$
Short-Term Bond Funds	623,001	585,326
Intermediate	648,171	635,220
Money Market Funds - Municipal Finance Authority	<u>717,391</u>	<u>711,365</u>
	<u><u>1,988,563</u></u>	<u><u>1,931,911</u></u>

VILLAGE OF TAHSIS

Notes to the Financial Statements

December 31, 2020

2. Portfolio Investments (continued):

The portfolio investments are held with the Municipal Finance Authority (MFA) and are carried at market value.

3. Accounts Receivable:

	<u>2020</u>	<u>2019</u>
	\$	\$
GST Receivable	16,533	105,754
Accounts Receivable	203,664	604,102
Allowance for Doubtful Accounts	<u>(8,062)</u>	<u>(8,062)</u>
	<u>212,135</u>	<u>701,794</u>

4. Demand Loan:

The demand loan is 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, 2020. 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 authorizing the demand loan was adopted by Council on April 16, 2019.

5. Deferred Grants and Unearned Revenue:

	<u>2020</u>	<u>2019</u>
	\$	\$
Deferred Rental Revenue	2,325	4,461
Other Grants	<u>548,614</u>	<u>483,046</u>
	<u>550,939</u>	<u>487,507</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, 2020

7. Tangible Capital Assets:

	Cost				Accumulated Amortization				Net Book Value	
	Opening \$	Additions \$	Disposals \$	Closing \$	Opening \$	Amort \$	Disposals \$	Closing \$	2020 \$	2019 \$
Land	1,127,284	-	-	1,127,284	-	-	-	-	1,127,284	1,127,284
Buildings	4,690,657	-	605,997	4,084,660	3,387,086	125,600	302,999	3,209,687	874,973	1,303,571
Machinery and Equipment	2,157,600	82,576	-	2,240,176	1,573,225	81,004	-	1,654,229	585,947	584,375
Roads and Bridges	7,134,705	201,292	-	7,335,997	3,984,182	100,710	-	4,084,892	3,251,105	3,150,523
Drainage	259,990	1,351	-	261,341	259,990	-	-	259,990	1,351	-
Other	210,810	-	-	210,810	166,263	9,341	-	175,604	35,206	44,547
Water Infrastructure	3,218,615	4,385	-	3,223,000	1,205,791	53,851	-	1,259,642	1,963,358	2,012,824
Sewer Infrastructure	<u>3,608,218</u>	<u>90,226</u>	<u>-</u>	<u>3,698,444</u>	<u>2,718,453</u>	<u>39,060</u>	<u>-</u>	<u>2,757,513</u>	<u>940,931</u>	<u>889,765</u>
	<u>22,407,879</u>	<u>379,830</u>	<u>605,997</u>	<u>22,181,712</u>	<u>13,294,990</u>	<u>409,566</u>	<u>302,999</u>	<u>13,401,557</u>	<u>8,780,155</u>	<u>9,112,889</u>

Subsequent to year end, the Village's Fire Hall, included within Buildings, was confirmed to have been impaired at December 31, 2020. The building underwent rapid differential settlement starting in late 2020. In February 2021 an assessment was conducted of the site and a third party report was provided stating that the building was unsafe and could no longer be used to provide services to the community. The net book value of the Fire Hall building has been adjusted to its residual value which is estimated to be nil as a result of the third party report verifying conditions that existed at December 31, 2020 and the Fire Hall has no further service value to the Village or its residents.

The Village recognized an impairment loss of \$302,998 which represented the net book value of the Fire Hall building as at December 31, 2020.

8. Collections for Other Governments:

The Village is required to collect taxes on behalf of and transfer these amounts to the governments and/or its agencies noted below. These sums are not included in the schedules to these financial statements or in the reported revenues and expenses of the Village.

VILLAGE OF TAHSIS

Notes to the Financial Statements

December 31, 2020

8. Collections for Other Governments (continued):

	Budget <u>2020</u> \$	Actual <u>2020</u> \$	Actual <u>2019</u> \$
General Municipal Purposes	740,642	738,319	739,152
Collections for Other Governments			
Strathcona Regional District	-	11,157	10,675
Province of British Columbia - School Tax	-	196,810	198,687
Comox Strathcona Regional Hospital District	-	26,760	27,239
Municipal Finance Authority	-	10	10
British Columbia Assessment Authority	-	2,452	2,220
Vancouver Island Regional Library	-	11,378	12,264
Province of BC - Police Tax	-	14,175	13,302
Comox Valley Regional District	-	-	-
Waste Management	-	9,381	9,559
	<u>740,642</u>	<u>1,010,442</u>	<u>1,013,108</u>
Transfers			
Strathcona Regional District	-	11,170	10,665
Province of British Columbia - School Tax	-	201,240	198,688
Comox Strathcona Regional Hospital Districts	-	26,792	27,279
Municipal Finance Authority	-	10	-
British Columbia Assessment Authority	-	2,455	2,223
Vancouver Island Regional Library	-	11,207	12,088
Province of BC - Police Tax	-	14,171	13,252
Comox Valley Regional District	-	-	-
Waste Management	-	9,234	9,575
	-	<u>276,279</u>	<u>273,770</u>
Available for General Municipal Purposes	<u>740,642</u>	<u>734,163</u>	<u>739,338</u>

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.

VILLAGE OF TAHSIS

Notes to the Financial Statements

December 31, 2020

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, 2020, the Plan had about 213,000 active members and approximately 106,000 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 \$42,632 (2019 - \$44,330) for employer contributions while employees contributed \$37,839 (2019 - \$39,077) to the Plan in fiscal 2020.

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 an economic development tourism trail project between the two villages. The Village of Tahsis is the project manager. In 2020, total funds received from the Village of Zeballos were \$Nil (2019 - \$28,059).

Condensed government partnership financial statement information:

	<u>2020</u>	<u>2019</u>
	\$	\$
Statement of Financial Position		
Total Assets	<u>106,172</u>	<u>106,172</u>
Total Liabilities	141,467	141,467
Total Equity (Deficit)	<u>(35,295)</u>	<u>(35,295)</u>
	<u>106,172</u>	<u>106,172</u>

VILLAGE OF TAHSIS

Notes to the Financial Statements

December 31, 2020

11. Related Party Transactions (continued):

Statement of Comprehensive Income

Revenues	-	28,059
Expenditures	-	<u>42,572</u>
Net Loss	-	<u>(14,513)</u>

Statement of Changes in Equity

Retained Earnings (Deficit), beginning of the year	(35,295)	(20,782)
Net Income (Loss)	-	<u>(14,513)</u>
Retained Earnings (Deficit), end of the year	<u>(35,295)</u>	<u>(35,295)</u>

12. Accumulated Surplus:

The Village segregates its accumulated surplus in the following categories:

	<u>2020</u>	<u>2019</u>
	\$	\$
Internally Restricted Funds for Future Expenditure	515,124	515,124
Unrestricted Funds	886,161	912,590
Reserve Funds (a)	803,065	802,887
Investment in Non-Financial Assets (b)	<u>8,843,563</u>	<u>9,179,738</u>
	<u>11,047,913</u>	<u>11,410,339</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>2020</u>	<u>2019</u>
	\$	\$
Capital Works, Machinery and Equipment Reserve (c)	288,191	329,398
Fire Hall Reserve (d)	321,546	283,871
Recreation Centre Capital Works, Machinery and Equipment Reserve (e)	162,551	160,123
Economic Development Reserve (f)	<u>30,777</u>	<u>29,495</u>
	<u>803,065</u>	<u>802,887</u>

VILLAGE OF TAHSIS

Notes to the Financial Statements

December 31, 2020

12. Accumulated Surplus (continued):

(c) 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.

(d) 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.

(e) 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.

(f) 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 12, 2020.

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>2020</u>
	\$
Financial Plan (Budget) Bylaw Surplus Approved for the Year	-
Less:	
Budgeted Transfers to Offset Amortization	(305,000)
Budgeted Transfers from Accumulated Surplus	<u>(64,218)</u>
Annual Deficit Presented in Financial Statements	<u>(369,218)</u>

VILLAGE OF TAHSIS

Notes to the Financial Statements

December 31, 2020

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. COVID-19:

As of this date, the global outbreak of the coronavirus disease (COVID-19) has caused economic uncertainties that are likely to continue to have a material negative impact on the net income of the Village for the year ending December 31, 2021.

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, 2021 as the effect of the pandemic on the residents of the Village and the economy as a whole continues to vary.

VILLAGE OF TAHSIS

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

Year Ended December 31, 2020

	2020		2019
	Budget	Actual	
	\$	\$	\$
(Note 13)			
Federal Government			
Grants in Lieu of Taxes	10,785	23,224	10,785
Other	<u>700</u>	<u>5,000</u>	<u>700</u>
	11,485	28,224	11,485
Province of BC and Federal/Provincial Programs			
General Fund			
Small Communities Protection	351,692	353,462	351,692
Planning	75,000	298,903	159,204
COVID Safe Restart	-	249,000	-
Other	<u>2,500</u>	<u>2,500</u>	<u>2,400</u>
	<u>429,192</u>	<u>903,865</u>	<u>513,296</u>
General Capital			
Infrastructure	<u>65,564</u>	<u>53,882</u>	<u>3,619,998</u>
	<u>506,241</u>	<u>985,971</u>	<u>4,144,779</u>

VILLAGE OF TAHSIS

Schedule 2 - Combined Statement of Operations by Segment

Year Ended December 31, 2020

	General Government	Protective Services	Transportation Services	Environmental Treatment Services	Economic Development Services	Recreation and Cultural Services	Water Utility	Sewer Utility	2020 Actual	2020 Budget (Note 13)
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues										
Taxation	734,163	-	-	-	-	-	-	-	734,163	740,642
Utility Connection Fees and User Rates	-	-	-	-	-	-	138,884	112,381	251,265	245,000
Government Grants and Transfers	932,089	-	53,882	-	-	-	-	-	985,971	506,241
Fees and Service Charges	-	-	4,706	150,716	-	11,141	-	-	166,563	221,330
Other Revenues	<u>137,723</u>	<u>2,740</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>140,463</u>	<u>31,400</u>
	<u>1,803,975</u>	<u>2,740</u>	<u>58,588</u>	<u>150,716</u>	<u>-</u>	<u>11,141</u>	<u>138,884</u>	<u>112,381</u>	<u>2,278,425</u>	<u>1,744,613</u>
Expenses										
Operating										
Goods and Services	239,692	70,177	103,834	66,730	69,238	92,500	126,428	61,193	829,792	994,857
Labour	621,196	48,763	120,318	25,823	-	189,739	50,667	41,989	1,098,495	813,974
Amortization	<u>28,609</u>	<u>58,399</u>	<u>136,071</u>	<u>2,395</u>	<u>-</u>	<u>91,181</u>	<u>53,851</u>	<u>39,060</u>	<u>409,566</u>	<u>305,000</u>
	<u>889,497</u>	<u>177,339</u>	<u>360,223</u>	<u>94,948</u>	<u>69,238</u>	<u>373,420</u>	<u>230,946</u>	<u>142,242</u>	<u>2,337,853</u>	<u>2,113,831</u>
Excess (Deficiency) of Revenues over Expenses from Operations	914,478	(174,599)	(301,635)	55,768	(69,238)	(362,279)	(92,062)	(29,861)	(59,428)	(369,218)
Impairment of Tangible Capital Assets	<u>-</u>	<u>(302,998)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(302,998)</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenses	<u>914,478</u>	<u>(477,597)</u>	<u>(301,635)</u>	<u>55,768</u>	<u>(69,238)</u>	<u>(362,279)</u>	<u>(92,062)</u>	<u>(29,861)</u>	<u>(362,426)</u>	<u>(369,218)</u>

VILLAGE OF TAHSIS

Schedule 3 - 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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues										
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	524,781	-	3,619,998	-	-	-	-	-	4,144,779	745,596
Fees and Service Charges	-	-	6,963	152,088	-	31,593	-	-	190,644	230,292
Other Revenues	<u>276,116</u>	<u>4,791</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>280,907</u>	<u>177,000</u>
	<u>1,540,235</u>	<u>4,791</u>	<u>3,626,961</u>	<u>152,088</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>
Expenses										
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	<u>42,935</u>	<u>57,567</u>	<u>104,605</u>	<u>2,395</u>	<u>-</u>	<u>89,105</u>	<u>43,937</u>	<u>24,848</u>	<u>365,392</u>	<u>252,000</u>
	<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>678,514</u>	<u>(185,014)</u>	<u>3,323,227</u>	<u>32,358</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 4 - Reserve Fund Transactions

Year Ended December 31, 2020

	Capital Works Machinery and Equipment	Fire Hall	Rec Centre	Economic Development	Total 2020	Total 2019
	\$	\$	\$	\$	\$	\$
Balance, Beginning of Year	329,398	283,871	160,123	29,495	802,887	892,615
Interest Earned	12,950	37,675	2,428	1,282	54,335	40,092
Transfer From Other Funds	-	-	-	-	-	-
Used for Capital Expenditures	(54,157)	-	-	-	(54,157)	(129,820)
Balance, End of Year	<u>288,191</u>	<u>321,546</u>	<u>162,551</u>	<u>30,777</u>	<u>803,065</u>	<u>802,887</u>

VILLAGE OF TAHSIS

Schedule 5 - COVID-19 Safe Restart Grant

Year Ended December 31, 2020

In November 2020, the Village was the recipient of a \$249,000 grant under the COVID-19 Safe Restart Grant for Local Governments. This grant funding was provided to support local governments with increased operating costs and lower revenue due to the COVID-19 pandemic and ensure local governments can continue to deliver the services people depend on in the community.

	<u>2020</u>
	\$
COVID-19 Safe Restart Grant Received	249,000
Funds Spent During the Year	<u>-</u>
Balance, End of Year	<u>249,000</u>