

VILLAGE OF TAHSIS



Village of Tahsis

Statement of Financial Information

For the Year Ended December 31, 2021

Index

Audited Financial Statements	2
Schedule of Guarantee and Indemnity Agreements	22
Schedule of Remuneration and Expenses	23
Statement of Severance Agreements	24
Schedule of Payments to Suppliers of Goods and Services	25
Statement of Financial Information Approval	26
Financial Information Act for 2021 Management Report	27

Audited Financial Statements

VILLAGE OF TAHSIS Financial Statements December 31, 2021

VILLAGE OF TAHSIS

Index to the Financial Statements

December 31, 2021

MANAGEMENT REPORT	1
INDEPENDENT AUDITORS' REPORT	2-3
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Operations	5
Statement of Change in Net Financial Assets	6
Statement of Cash Flows	7
NOTES TO THE FINANCIAL STATEMENTS	8-16
SCHEDULES	
Schedule 1 - Government Grants and Transfers to the Village and Ratepayers	17
Schedule 2 - Combined Statement of Operations by Segment (2021)	18
Schedule 3 - Combined Statement of Operations by Segment (2020)	19
Schedule 4 - Reserve Fund Transactions	20
Schedule 5 - COVID-19 Safe Restart Grant	21

MANAGEMENT REPORT

December 31, 2021

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, 2021.



Mark Tatchell
Chief Administrative Officer



Ian C. Poole, CPA, CA
Director of Finance

April 19, 2022



INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of the Village of Tahsis

Opinion

We have audited the accompanying financial statements of the Village of Tahsis (the "Village"), which comprise the statement of financial position as at December 31, 2021, and the statements of operations, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Village as at December 31, 2021, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Village in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for 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 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 either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Village's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

Auditor's 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.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chan Nawrood Boates Inc

Chartered Professional Accountants
Campbell River, BC

April 19, 2022

VILLAGE OF TAHSIS

Statement of Financial Position

December 31, 2021

2021

2020

FINANCIAL ASSETS

Cash	\$ 713,894	\$ 711,073
Portfolio Investments (Note 2)	1,984,506	1,988,563
Accounts Receivable (Note 3)	73,791	212,135
Taxes and User Fees Receivable	<u>143,874</u>	<u>168,577</u>
	<u>2,916,065</u>	<u>3,080,348</u>

LIABILITIES

Accounts Payable and Accrued Liabilities	344,538	268,359
Demand Loan (Note 4)	160,000	-
Deferred Grants and Unearned Revenue (Note 5)	686,634	550,939
Contaminated Site Remediation (Note 6)	<u>56,700</u>	<u>56,700</u>
	<u>1,247,872</u>	<u>875,998</u>

NET FINANCIAL ASSETS

<u>1,668,193</u>	<u>2,204,350</u>
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NON-FINANCIAL ASSETS

Tangible Capital Assets (Note 7)	9,353,118	8,780,155
Prepaid Expenses	<u>61,968</u>	<u>63,408</u>
	<u>9,415,086</u>	<u>8,843,563</u>

ACCUMULATED SURPLUS (Note 12)

<u>\$ 11,083,279</u>	<u>\$ 11,047,913</u>
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Approved by:



Director of Finance



Mayor

VILLAGE OF TAHSIS

Statement of Operations

Year Ended December 31, 2021

	<u>2021</u>		<u>2020</u>
	<u>Budget</u>	<u>Actual</u>	
	(Note 13)		
Revenues (Schedules 2 and 3)			
Taxation	\$ 792,815	\$ 793,894	\$ 734,163
Utility Connection Fees and User Rates	355,350	377,203	251,265
Government Grants (Schedule 1)	689,653	1,003,951	985,971
Fee and Services Charges	284,940	168,953	166,563
Other Revenues	<u>73,500</u>	<u>137,191</u>	<u>140,463</u>
	<u>2,196,258</u>	<u>2,481,192</u>	<u>2,278,425</u>
Expenditures (Schedules 2 and 3)			
General Departmental Expenditures	2,205,296	1,989,872	1,964,665
Water System Operations	222,231	252,180	230,946
Sewer System Operations	<u>225,948</u>	<u>203,774</u>	<u>142,242</u>
	<u>2,653,475</u>	<u>2,445,826</u>	<u>2,337,853</u>
Annual Surplus (Deficit) from Operations	(457,217)	35,366	(59,428)
Impairment of Tangible Capital Assets	<u>-</u>	<u>-</u>	<u>(302,998)</u>
Annual Surplus (Deficit)	<u>\$ (457,217)</u>	35,366	(362,426)
Accumulated Surplus - Beginning of Year		<u>11,047,913</u>	<u>11,410,339</u>
Accumulated Surplus - End of Year		<u>\$11,083,279</u>	<u>\$11,047,913</u>

VILLAGE OF TAHSIS

Statement of Change in Net Financial Assets

Year Ended December 31, 2021

	<u>2021</u>		<u>2020</u>
	<u>Budget</u>	<u>Actual</u>	
	(Note 13)		
Annual Surplus (Deficit)	\$ (457,217)	\$ 35,366	\$ (362,426)
Acquisition of Tangible Capital Assets	-	(999,509)	(379,830)
Amortization of Tangible Capital Assets	409,566	415,384	409,566
Use of Prepaid Expenses	-	1,440	3,441
Disposition or Impairment of Tangible Capital Assets	-	11,162	302,998
	<u>\$ (47,651)</u>	<u>(536,157)</u>	<u>(26,251)</u>
Net Financial Assets - Beginning of Year		<u>2,204,350</u>	<u>2,230,601</u>
Net Financial Assets - End of Year		<u>\$ 1,668,193</u>	<u>\$ 2,204,350</u>

VILLAGE OF TAHSIS

Statement of Cash Flows

Year Ended December 31, 2021

2021

2020

Cash Flows From Operating Activities:

Annual Surplus (Deficit)	\$ 35,366	\$ (362,426)
Non-Cash Transactions		
Gain on Disposal of Tangible Capital Assets	(2,588)	-
Amortization of Tangible Capital Assets	415,384	409,566
Impairment of Tangible Capital Assets	-	302,998
	<u>448,162</u>	<u>350,138</u>
Changes in Non-Cash Operating Balances		
Accounts and Taxes Receivable	163,047	487,769
Accounts Payable and Accrued Liabilities	76,179	(38,511)
Demand Loan	160,000	(816,765)
Deferred Grants and Unearned Revenue	135,695	63,432
Prepaid Expenses	<u>1,440</u>	<u>3,441</u>
	<u>984,523</u>	<u>49,504</u>

Cash Flows From Capital Activities:

Proceeds on Disposal of Tangible Capital Assets	13,750	-
Purchase of Tangible Capital Assets	<u>(999,509)</u>	<u>(379,830)</u>
	<u>(985,759)</u>	<u>(379,830)</u>

Cash Flows From Investing Activities:

Redemption of (Investment in) Portfolio Investments	<u>4,057</u>	<u>(56,652)</u>
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Increase (Decrease) in Cash and Cash Equivalents	2,821	(386,978)
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Cash and Cash Equivalents - Beginning of Year	<u>711,073</u>	<u>1,098,051</u>
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Cash and Cash Equivalents - End of Year	<u><u>\$ 713,894</u></u>	<u><u>\$ 711,073</u></u>
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VILLAGE OF TAHSIS

Notes to the Financial Statements

December 31, 2021

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 of British Columbia (the "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, 2021

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, taxes and user fees receivable, demand loan, accounts payable and accrued liabilities. 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 include 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>2021</u>	<u>2020</u>
Short-Term Bond Funds	\$ 617,891	\$ 623,001
Intermediate Bond Funds	648,129	648,171
Money Market Funds	<u>718,486</u>	<u>717,391</u>

VILLAGE OF TAHSIS

\$ 1,984,506 \$ 1,988,563

VILLAGE OF TAHSIS

Notes to the Financial Statements

December 31, 2021

3. Accounts Receivable:

	<u>2021</u>	<u>2020</u>
GST Receivable	\$ 26,766	\$ 16,533
Accounts Receivable	55,087	203,664
Allowance for Doubtful Accounts	<u>(8,062)</u>	<u>(8,062)</u>
	<u>\$ 73,791</u>	<u>\$ 212,135</u>

4. Demand Loan:

The demand loan is a non-revolving loan held with the MFA and bears interest at an annual variable rate equal to 0.97% at December 31, 2021. The loan has an authorized limit of a maximum of \$1,896,920 available until August 19, 2026 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 642 authorizing the demand loan was adopted by Council on July 19, 2021.

5. Deferred Grants and Unearned Revenue:

	<u>2021</u>	<u>2020</u>
Deferred Rental Revenue	\$ 3,906	\$ 2,325
Other Grants	<u>682,728</u>	<u>548,614</u>
	<u>\$ 686,634</u>	<u>\$ 550,939</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 that the total cost to obtain the report that would allow for deregistration 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, 2021

7. Tangible Capital Assets:

	Cost				Accumulated Amortization				Net Book Value	
	Opening	Additions	Disposals	Closing	Opening	Amort	Disposals	Closing	2021	2020
Land	\$ 1,127,284	\$ 100,000	\$ 11,162	\$ 1,216,122	\$ -	\$ -	\$ -	\$ -	\$ 1,216,122	\$ 1,127,284
Buildings	4,084,660	-	-	4,084,660	3,209,687	110,450	-	3,320,137	764,523	874,973
Machinery and Equipment	2,240,176	44,859	-	2,285,035	1,654,229	87,278	-	1,741,507	543,528	585,947
Roads and Bridges	7,335,997	-	-	7,335,997	4,084,892	105,014	-	4,189,906	3,146,091	3,251,105
Drainage	261,341	813,650	-	1,074,991	259,990	8,136	-	268,126	806,865	1,351
Other	210,810	41,000	-	251,810	175,604	9,341	-	184,945	66,865	35,206
Water Infrastructure	3,223,000	-	-	3,223,000	1,259,642	53,961	-	1,313,603	1,909,397	1,963,358
Sewer Infrastructure	3,698,444	-	-	3,698,444	2,757,513	41,204	-	2,798,717	899,727	940,931
	<u>\$ 22,181,712</u>	<u>\$ 999,509</u>	<u>\$ 11,162</u>	<u>\$ 23,170,059</u>	<u>\$ 13,401,557</u>	<u>\$ 415,384</u>	<u>\$ -</u>	<u>\$ 13,816,941</u>	<u>\$ 9,353,118</u>	<u>\$ 8,780,155</u>

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 was adjusted to its residual value which was 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 in 2020 which represented the net book value of the Fire Hall building.

8. Collections for Other Governments:

The Village is required to collect taxes on behalf of citizens 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.

	Budget <u>2021</u>	Actual <u>2021</u>	Actual <u>2020</u>
General Municipal Purposes	\$ 792,815	\$ 793,730	\$ 738,319
Collections for Other Governments			
Strathcona Regional District	-	13,561	11,157
Province of British Columbia - School Tax	-	223,735	196,810
Comox Strathcona Regional Hospital District	-	22,604	26,760
Municipal Finance Authority	-	12	10
British Columbia Assessment Authority	-	2,819	2,452
Vancouver Island Regional Library	-	12,917	11,378
Province of BC - Police Tax	-	15,768	14,175
Comox Valley Regional District			
Waste Management	-	8,914	9,381
	<u>\$ 792,815</u>	<u>\$ 1,094,060</u>	<u>\$ 1,010,442</u>

VILLAGE OF TAHSIS

Notes to the Financial Statements

December 31, 2021

8. Collections for Other Governments (continued):

	Budget 2021	Actual 2021	Actual 2020
Sub-total from Previous Page	\$ 792,815	\$ 1,094,060	\$ 1,010,442
Transfers			
Strathcona Regional District	-	13,995	11,170
Province of British Columbia - School Tax	-	223,735	201,240
Comox Strathcona Regional Hospital Districts	-	22,603	26,792
Municipal Finance Authority	-	-	10
British Columbia Assessment Authority	-	2,860	2,455
Vancouver Island Regional Library	-	12,497	11,207
Province of BC - Police Tax	-	15,768	14,171
Comox Valley Regional District			
Waste Management	-	8,708	9,234
	-	300,166	276,279
Available for General Municipal Purposes	\$ 792,815	\$ 793,894	\$ 734,163

9. Contingent Liabilities:

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

10. Pension Plan:

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

The Plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2021, the Plan had about 220,000 active members and approximately 112,000 retired members. Active members include approximately 42,000 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.

VILLAGE OF TAHSIS

Notes to the Financial Statements

December 31, 2021

10. Pension Plan (continued):

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 \$52,754 (2020 - \$42,632) for employer contributions while employees contributed \$46,225 (2020 - \$37,839) to the Plan in fiscal 2021.

The next valuation will be as at December 31, 2021, with results available later 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 2021, total funds received from the Village of Zeballos were \$Nil (2020 - \$nil).

Condensed government partnership financial statement information:

	<u>2021</u>	<u>2020</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>
Statement of Comprehensive Income		
Revenues	\$ -	\$ -
Expenditures	<u>-</u>	<u>-</u>
Net Loss	<u>-</u>	<u>-</u>
Statement of Changes in Equity		
Retained Earnings (Deficit), beginning of the year	(35,295)	(35,295)
Net Income (Loss)	<u>-</u>	<u>-</u>
Retained Earnings (Deficit), end of the year	\$ <u>(35,295)</u>	\$ <u>(35,295)</u>

VILLAGE OF TAHSIS

Notes to the Financial Statements

December 31, 2021

12. Accumulated Surplus:

The Village segregates its accumulated surplus in the following categories:

	<u>2021</u>	<u>2020</u>
Unrestricted Funds	\$ 846,465	\$ 1,401,285
Reserve Funds (a)	821,728	803,065
Investment in Non-Financial Assets (b)	<u>9,415,086</u>	<u>8,843,563</u>
	<u>\$ 11,083,279</u>	<u>\$ 11,047,913</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>2021</u>	<u>2020</u>
Capital Works, Machinery and Equipment Reserve (c)	\$ 326,713	\$ 288,191
Fire Hall Reserve (d)	301,012	321,546
Recreation Centre Capital Works, Machinery and Equipment Reserve (e)	162,993	162,551
Economic Development Reserve (f)	<u>31,010</u>	<u>30,777</u>
	<u>\$ 821,728</u>	<u>\$ 803,065</u>

- (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.

VILLAGE OF TAHSIS

Notes to the Financial Statements

December 31, 2021

12. Accumulated Surplus (continued):

(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 No. 637 adopted by Council on May 11, 2021.

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>2021</u>
Financial Plan (Budget) Bylaw Surplus Approved for the Year	\$ -
Less:	
Budgeted Transfers to Offset Amortization	(409,566)
Budgeted Transfers from Accumulated Surplus	<u>(47,651)</u>
Annual Deficit Presented in Financial Statements	\$ <u>(457,217)</u>

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 segment relates to the revenues and expenses of the operations of the Village itself that cannot otherwise be directly attributed to a specific segment.

Protective Services

This segment 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 services 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 segment develops outside awareness of the economic area.

VILLAGE OF TAHSIS

Notes to the Financial Statements

December 31, 2021

14. Segmented Information (continued):

Recreation and Cultural Services

This segment 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

This segment provides distribution of water to citizens.

Sewer Utility

This segment provides sanitary sewer collection by providing and maintaining pipes, manholes, and culverts and sewer treatment.

15. Comparative Figures:

Certain amounts presented in the comparative figures within the financial statements have been reclassified in the current year where necessary to conform with the current years financial statement presentation.

16. COVID-19:

The global outbreak of the coronavirus pandemic (COVID-19) has caused economic uncertainties that could potentially have a material impact on the net income of the Village for the year ending December 31, 2022.

COVID-19 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, 2022 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, 2021

	<u>2021</u>		<u>2020</u>
	<u>Budget</u>	<u>Actual</u>	
Federal Government			
Grants in Lieu of Taxes	\$ 11,650	\$ 52,865	\$ 23,224
Other	<u>66,894</u>	<u>40,000</u>	<u>5,000</u>
	<u>78,544</u>	<u>92,865</u>	<u>28,224</u>
Province of BC and Federal/Provincial Programs			
General Fund			
Small Communities Protection	351,692	359,000	353,462
Planning	57,841	513,570	298,903
COVID Safe Restart	-	-	249,000
Other	<u>63,400</u>	<u>38,516</u>	<u>2,500</u>
	<u>472,933</u>	<u>911,086</u>	<u>903,865</u>
General Capital			
G Infrastructure	<u>138,176</u>	<u>-</u>	<u>53,882</u>
	<u>611,109</u>	<u>911,086</u>	<u>957,747</u>
	<u>\$ 689,653</u>	<u>\$ 1,003,951</u>	<u>\$ 985,971</u>

VILLAGE OF TAHSIS

Schedule 2 - Combined Statement of Operations by Segment

Year Ended December 31, 2021

	General	Protective	Transportation	Environmental	Economic	Recreation	Water	Sewer	2021	2021
	Government	Services	Services	Treatment	Development	and Cultural	Utility	Utility	Actual	Budget
				Services	Services	Services				(Note 13)
Revenues										
Taxation	\$ 793,894	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 793,894	\$ 792,815
Utility Connection Fees and User Rates	-	-	-	-	-	-	180,725	196,478	377,203	355,350
Government Grants and Transfers	967,935	-	-	-	36,016	-	-	-	1,003,951	689,653
Fees and Service Charges	-	-	4,504	150,780	-	13,669	-	-	168,953	284,940
Other Revenues	<u>135,471</u>	<u>1,720</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>137,191</u>	<u>73,500</u>
	<u>1,897,300</u>	<u>1,720</u>	<u>4,504</u>	<u>150,780</u>	<u>36,016</u>	<u>13,669</u>	<u>180,725</u>	<u>196,478</u>	<u>2,481,192</u>	<u>2,196,258</u>
Expenses										
Operating										
Goods and Services	337,698	91,229	138,900	1,046	36,164	102,091	128,537	146,625	982,290	1,234,150
Labour	514,653	66,214	133,423	24,092	-	224,143	69,682	15,945	1,048,152	1,009,759
Amortization	<u>55,037</u>	<u>49,899</u>	<u>123,783</u>	<u>2,395</u>	<u>-</u>	<u>89,105</u>	<u>53,961</u>	<u>41,204</u>	<u>415,384</u>	<u>409,566</u>
	<u>907,388</u>	<u>207,342</u>	<u>396,106</u>	<u>27,533</u>	<u>36,164</u>	<u>415,339</u>	<u>252,180</u>	<u>203,774</u>	<u>2,445,826</u>	<u>2,653,475</u>
Excess (Deficiency) of Revenues over Expenses	<u>\$ 989,912</u>	<u>\$ (205,622)</u>	<u>\$ (391,602)</u>	<u>\$ 123,247</u>	<u>\$ (148)</u>	<u>\$ (401,670)</u>	<u>\$ (71,455)</u>	<u>\$ (7,296)</u>	<u>\$ 35,366</u>	<u>\$ (457,217)</u>

VILLAGE OF TAHSIS

Schedule 3 - 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
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	506,240
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 4 - Reserve Fund Transactions

Year Ended December 31, 2021

	Capital Works Machinery and Equipment	Fire Hall	Rec Centre	Economic Development	Total 2021	Total 2020
Balance, Beginning of Year	\$ 288,191	\$ 321,546	\$ 162,551	\$ 30,777	\$ 803,065	\$ 802,887
Investment Income (Loss) Earned	(43)	(5,110)	442	233	(4,478)	54,335
Transfer From Other Funds	68,000	-	-	-	68,000	-
Used for Capital Expenditures	<u>(29,435)</u>	<u>(15,424)</u>	<u>-</u>	<u>-</u>	<u>(44,859)</u>	<u>(54,157)</u>
Balance, End of Year	<u>\$ 326,713</u>	<u>\$ 301,012</u>	<u>\$ 162,993</u>	<u>\$ 31,010</u>	<u>\$ 821,728</u>	<u>\$ 803,065</u>

VILLAGE OF TAHSIS

Schedule 5 - COVID-19 Safe Restart Grant

Year Ended December 31, 2021

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>2021</u>
Balance, Beginning of Year	\$ 249,000
Funds Spent During the Year	<u>-</u>
Balance, End of Year	\$ <u>249,000</u>

VILLAGE OF TAHSIS

Schedule of Guarantee and Indemnity Agreements

The Village of Tahsis has not given any guarantees or indemnities under the Guarantees and Indemnities Regulation during the 2021 fiscal year.

Prepared under Financial Information Regulation,
Schedule 1, section 5

VILLAGE OF TAHSIS

Schedule of Remuneration and Expenses

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

1. Elected Officials

Name	Position	Remuneration	Expenses (Note 1)
Martin Davis	Mayor	9,823	1,384
William Elder	Councillor	5,069	0
Sarah Fowler	Councillor	5,069	1,472
Lynda Llewellyn	Councillor	5,069	25
Cheryl Northcott	Councillor	5,069	210
Total Elected Officials		\$ 30,098 (A)	\$ 3,091

2. Employees

Name	Position	Remuneration	Expenses (Note 1)
Remuneration over \$75,000:			
Mark Tatchell	CAO	126,717	6,013
Ian Poole	DOF	80,158	9,409
Consolidated total of other employees with remuneration of \$75,000 or less		661,826	15,740
Total Employees		\$ 868,701 (B)	\$ 31,162

3. Reconciliation

Total remuneration - elected officials	\$ 30,098 (A)
Total remuneration - employees	\$ 868,701 (B)
Subtotal	\$ 898,799
Reconciling item:	
Employer portion of EI, CPP and benefit costs (Note 2)	132,947
Total after reconciling item	\$ 1,031,747
Total Labour per Schedule 2, Combined Statement of Operations by Segment	\$ 1,048,152
Variance	\$ 16,405

Notes to Schedule

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

VILLAGE OF TAHSIS

Statement of Severance Agreements

There was one severance agreement made between the Village of Tahsis and its non-unionized employees during fiscal year 2021. The total cost of the agreement was \$9,325 and has been fully paid.

Prepared under Financial Information Regulation,
Schedule 1, subsection 6(7)

Schedule of Payments to Suppliers of Goods and Services

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

Supplier Name	Amount paid to supplier
A. Wood Bulldozing Ltd.	423,024
BC Hydro	162,354
Bank of Montreal Mastercard	31,340
British Columbia Pension Corp	98,040
Carvello Law Corporation	49,793
Dan Dahling	99,683
Island Tractor Ltd. 2020 Kubota Tractor	46,853
Island Tractor Ltd. 2021 Kubota Tractor	30,811
Logical Developments Associates Inc.	45,154
McElhanney Ltd.	265,522
Minister of Finance - School and Police Tax	161,890
Municipal Insurance Association of BC	72,624
Pacific Blue Cross	54,513
Receiver General (RP0001)	172,514
Receiver General (RP0002)	105,387
Straight Grain Inc.	41,000
Telus	28,474
Tourism Association of Vancouver Island	31,750
Total aggregate amount paid to suppliers exceeding \$25,000	1,920,727
2. Consolidated total paid to suppliers who received aggregate payments of \$25,000 or less	624,952
Total Payments to Suppliers in 2021	\$ 2,545,679
Reconciling items:	
Acquisition of tangible capital assets	-999,509
Employee benefits and source deduction pymts included in payments to suppliers	-239,721
Total after reconciling items	\$ 1,306,448
Total Goods and Services , per Schedule 2 of Audited Financial Statements, Combined Statement of Operations by Segment	\$ 982,290
Variance (see Note below)	\$ 324,158

Note to Schedule

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

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

Statement of Financial Information Approval
VILLAGE OF TAHSIS

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



Ian C. Poole, CPA, CA
Director of Finance, Village of Tahsis
June 7, 2022



Martin Davis
Mayor, Village of Tahsis
June 7, 2022

Prepared under Financial Information Regulation,
Schedule 1, section 9

Financial Information Act for 2021 Management Report

VILLAGE OF TAH SIS

Financial Information Regulation, Schedule 1, Section 9(3) The Financial Statements contained in this Statement of Financial Information under the Financial Information Act have been prepared by Ian C. Poole, CPA, CA, Director of Finance in accordance with generally accepted accounting principles or stated accounting principles and the integrity and objectivity of these statements are Director of Finance's responsibility. The Director of Finance is also responsible for all the statements and schedules and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

The Director of Finance is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

Our external auditor, Chan Nowosad Boates, Chartered Professional Accountants, have conducted an independent examination of our financial statements for the period ending December 31, 2021 in accordance with generally accepted auditing standards, and have expressed their opinion of the financial statements (see the Independent Auditor's Report dated April 19, 2022 in the financial statements). Their examination includes a review and evaluation of the Village's system of internal control and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly. The external auditors had full and free access to all financial records and minutes of the Village.



Ian C. Poole, CPA, CA
Director of Finance
June 7, 2022