



AGENDA

Committee of the Whole
to be held on July 6, 2023 at 4:00 p.m.
977 South Maquinna Drive in Council Chambers and by electronic means

Remote Access

To attend this meeting remotely via Microsoft Teams/ phone
Join the Village of Tahsis Microsoft Teams Meeting
[Click here to join the meeting](#)
Or call in (audio only)
Toronto, Canada
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Phone Conference ID: 693 613 527#

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Call to Order

Land Acknowledgement

Mayor Davis will acknowledge and respect that we are meeting upon
Mowachaht/Muchalaht territory.

Introduction of Late Items

None.

Approval of the Agenda

Business Arising **H** **1 Village of Tahsis - 2022 Annual Report**

New Business **M** **1 School District # 84 - Village of Tahsis potential interest in the east wing of
Captain Meares School.**

Adjournment

Village of Tahsis 2022 Annual Report



VILLAGE OF TAHSIS

ANNUAL REPORT

2022

Village of Tahsis 2022 Annual Report

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

The Annual Report serves three purposes:

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

Village of Tahsis 2022 Annual Report

MESSAGE FROM THE MAYOR

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

Greetings!

I hope this letter finds you well and looking forward to another summer in our beautiful home of Tahsis.

I am writing to update you on projects, grants and our joint vision for the future.

Our fire hall relocation project is moving ahead, using a \$1.9 million dollar grant. Work will begin in 2024 with completion in 2025. Design work is almost complete on the community dock project, with construction to begin in 2024. Features incorporated include a dock landing, seaplane docking, several slips and an improved grade for the boat launch. Phase 2 of the Tahsis Flood Protection Improvements Project will begin in 2023-4, following approval from DFO and consultation with Mowachaht/Muchalaht First Nation. This will strengthen and extend diking along the Tahsis River.

A half-million dollar grant will be used to perform much-needed structural repairs to the Tahsis Museum and Visitor Centre, beginning in 2023-4. The building has issues underneath and without repair, would have to be torn down. We recently initiated a Federation of Canadian Municipalities grant-funded project to map all of the Village's assets using GIS technology and develop an asset management plan. All funded projects have summaries posted on the Village website under Municipal Information/Major Capital Projects.

Our council meetings can be attended in-person as well as online using Teams and the current weblink, posted on the Village website prior to each meeting. Videos of past meetings are also posted on the website.

Last year, all our hard work and lobbying to improve the poor state of the road to Tahsis has paid off. Grading is happening in a timelier fashion and the road is now continuously paved from the lower Sucwoa River bridge to Tahsis, a distance of 17.5 kilometres. On a related note, I have advocated for a regional transit strategy for Strathcona Regional District, with the goal of providing a potential weekly shuttle service from Tahsis to Campbell River for those that cannot drive the road themselves, especially in winter.

The Connected Coast project is well under construction and we expect fibre optic cable to reach Tahsis this year, with hookups beginning in 2023-2024 providing one gigabyte speed to

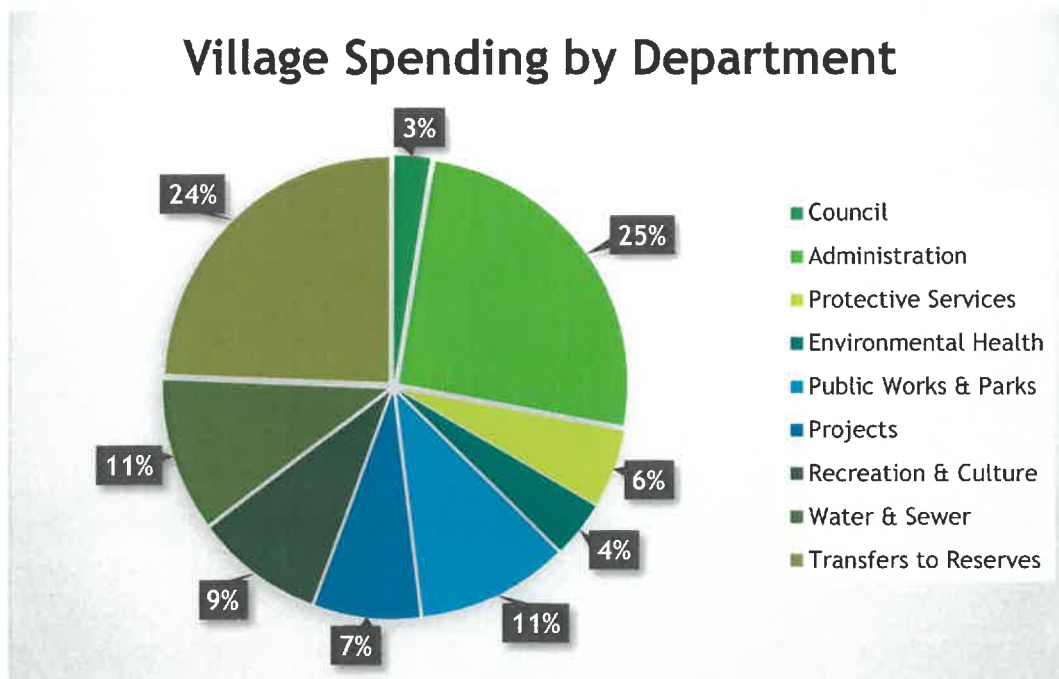
Village of Tahsis 2022 Annual Report

our community and many others along the BC coast. This will allow telecommuters to work out of small villages such as ours.

We are working closely with the Mowachaht/Muchalaht First Nation on future joint economic development initiatives for Tahsis, including a community forest and tourism-related developments.

We are still awaiting the results of the provincial government's Old Growth Strategy. In 2020, we presented the recommendations for old growth protection in the Tahsis environs, arrived at in consultation with both the timber licensee and the Mowachaht/Muchalaht First Nation. This includes protection of the ridge above the school, the McKelvie drainage, as well as other unique karst ecosystems, important wildlife habitat and First Nation cultural sites around Tahsis. This also has positive benefits for fire protection, landslide mitigation, flood protection and tourism.

Residential property owners will be pleased to know that we reduced the residential tax rate this year, which means the average single family property owner will see a slight decrease in their municipal property taxes. Residential water utility rates were increased by \$25.00, but we are largely holding the line. The chart below shows the Village's 2023 operating expenditure budget.



One of our councillors has announced his resignation in September 2023, which will trigger a byelection. Should this occur, we will be looking for a community-minded member to step up

Village of Tahsis 2022 Annual Report

and become our new fourth councillor. People who are willing to consider the best interests of Tahsis and genuinely want it to become a more prosperous village are strongly encouraged to run! It will be a three year term.

In closing, I once again ask something in return of our residents: that we take pride in our community. Whether it be mowing your lawn, cleaning your yard, fixing your buildings, removing flammable brush, using the public composter, recycling, joining the community garden, or even building a greenhouse! All these things can make us feel better about the place we choose to live in, as well as make it a bit more resilient. Volunteer when you can. This is how villages become communities that are welcoming to all.

We would like to wish everybody a healthy and happy 2023!

Respectfully,

A handwritten signature in black ink, appearing to read "Martin Davis". The signature is fluid and cursive, with the first name "Martin" and the last name "Davis" clearly distinguishable.

Mayor Martin Davis on behalf of Tahsis Council

Village of Tahsis 2022 Annual Report



Village of Tahsis Council's

2023 Strategic Priorities

Looking ahead to 2023, Council established the following Strategic Priorities to inform budget and planning processes and to guide Village operations.

ECONOMIC VIBRANCY

Develop an Economic Development Strategy (to include partnering with the Mowachaht/Muchalaht First Nation with an emphasis on aquaculture and community forest)

Dispose of developable Village land parcels, under the Property Management Policy.

INFRASTRUCTURE AND SERVICE

Complete the Tahsis Fire Hall Relocation Project

Bolster energy security to mitigate the impacts of power outages through adding more emergency power sources (e.g., generators) and advocacy

Develop and approve an Asset Management Policy and Plan

Advocate for improved transportation options for residents, including supporting the Strathcona Regional District's West Coast Communities Transportation Study

Village of Tahsis 2022 Annual Report

COMMUNITY WELL-BEING

Develop a food security plan for the community

Advocate for more mental health supports and community safety initiatives

NATURAL ENVIRONMENT

Plan and develop a regional hiking and biking trail network, in consultation and cooperation with the Mowachaht/Muchalaht First Nation

SENSE OF COMMUNITY

Enhance communication to local residents, focussing on informing new residents about the community and providing all residents and visitors information on emergency preparedness

Dedicate increased funding for bylaw enforcement to focus on nuisance and unsightly properties

Village of Tahsis 2022 Annual Report

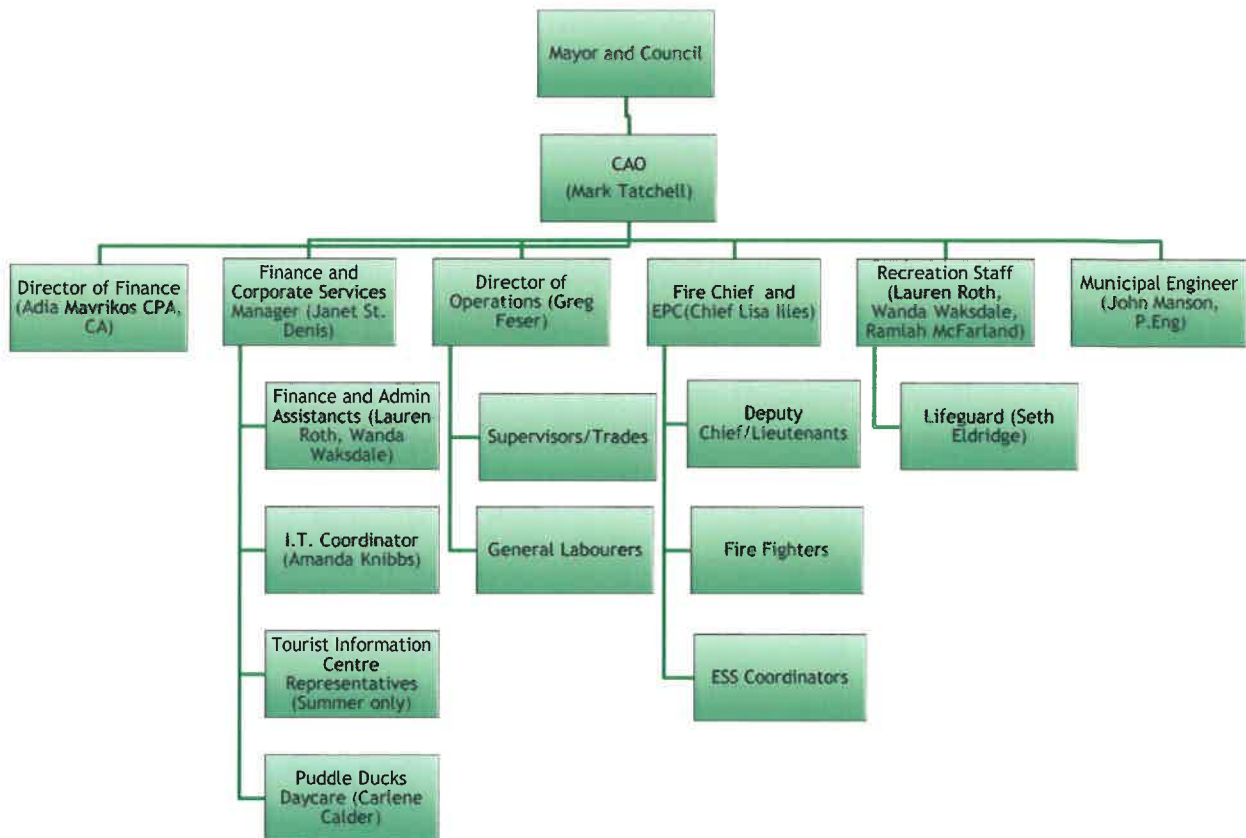


Village of Tahsis Council

From left to right: Councillor Douglas Elliott, Councillor Meggan Joseph, Mayor Martin Davis, Councillor Cheryl Northcott, Councillor Sarah Fowler

Village of Tahsis 2022 Annual Report

Village Organization Chart



Village of Tahsis 2022 Annual Report

PERMISSIVE TAX EXEMPTION

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

VILLAGE OF TAHSIS
Financial Statements
December 31, 2022

VILLAGE OF TAHSIS

Index to the Financial Statements

December 31, 2022

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MANAGEMENT REPORT

December 31, 2022

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.

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, 2022.



Mark Tatchell
Chief Administrative Officer



Adia Mavrikos, CPA, CA
Director of Finance

May 2, 2023



INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of the Village of Tahsis,

Opinion

We have audited the financial statements of the Village of Tahsis (the "Village"), which comprise the statement of financial position as at December 31, 2022, 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, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards (PSAS).

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 PSAS, 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 Village 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.
- 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 Newstead Boates Inc

Chartered Professional Accountants
Campbell River, BC

May 2, 2023

VILLAGE OF TAHSIS

Statement of Financial Position

December 31, 2022

2022

2021

FINANCIAL ASSETS

| | | |
|--------------------------------|------------------|------------------|
| Cash | \$ 375,528 | \$ 713,894 |
| Portfolio Investments (Note 2) | 1,976,570 | 1,984,506 |
| Accounts Receivable (Note 3) | 409,882 | 73,791 |
| Taxes and User Fees Receivable | <u>131,054</u> | <u>143,874</u> |
| | <u>2,893,034</u> | <u>2,916,065</u> |

LIABILITIES

| | | |
|---|------------------|------------------|
| Accounts Payable and Accrued Liabilities | 185,782 | 344,538 |
| Demand Loan (Note 4) | - | 160,000 |
| Deferred Grants and Unearned Revenue (Note 5) | 790,269 | 686,634 |
| Contaminated Site Remediation (Note 6) | <u>56,700</u> | <u>56,700</u> |
| | <u>1,032,751</u> | <u>1,247,872</u> |

NET FINANCIAL ASSETS

1,860,283 1,668,193

NON-FINANCIAL ASSETS

| | | |
|----------------------------------|------------------|------------------|
| Tangible Capital Assets (Note 7) | 9,641,661 | 9,353,118 |
| Prepaid Expenses | <u>63,179</u> | <u>61,968</u> |
| | <u>9,704,840</u> | <u>9,415,086</u> |

ACCUMULATED SURPLUS (Note 11)

\$ 11,565,123 \$ 11,083,279

Approved by:



Director of Finance



Mayor

VILLAGE OF TAHSIS

Statement of Operations

Year Ended December 31, 2022

| | 2022 | | 2021 |
|--|---------------------|---------------------|---------------------|
| | Budget | Actual | |
| | (Note 13) | | |
| Revenues (Schedules 2 and 3) | | | |
| Taxation | \$ 823,034 | \$ 816,885 | \$ 793,894 |
| Utility Connection Fees and User Rates | 390,500 | 411,529 | 377,203 |
| Government Grants (Schedule 1) | 654,460 | 1,318,024 | 1,003,951 |
| Fee and Services Charges | 281,030 | 182,042 | 168,953 |
| Other Revenues | 37,500 | 111,328 | 137,191 |
| | <u>2,186,524</u> | <u>2,839,808</u> | <u>2,481,192</u> |
| Expenditures (Schedules 2 and 3) | | | |
| General Departmental Expenditures | 2,243,611 | 2,011,762 | 1,989,872 |
| Water System Operations | 214,204 | 200,843 | 252,180 |
| Sewer System Operations | 186,005 | 145,359 | 203,774 |
| | <u>2,643,820</u> | <u>2,357,964</u> | <u>2,445,826</u> |
| Annual Surplus (Deficit) | \$ <u>(457,296)</u> | 481,844 | 35,366 |
| Accumulated Surplus - Beginning of Year | | <u>11,083,279</u> | <u>11,047,913</u> |
| Accumulated Surplus - End of Year | | <u>\$11,565,123</u> | <u>\$11,083,279</u> |

VILLAGE OF TAHSIS

Statement of Change in Net Financial Assets

Year Ended December 31, 2022

| | <u>2022</u> | | <u>2021</u> |
|--|--------------------|---------------------|---------------------|
| | <u>Budget</u> | <u>Actual</u> | |
| | (Note 13) | | |
| Annual Surplus (Deficit) | \$ (457,296) | \$ 481,844 | \$ 35,366 |
| Acquisition of Tangible Capital Assets | - | (699,409) | (999,509) |
| Amortization of Tangible Capital Assets | 415,384 | 410,866 | 415,384 |
| Use of Prepaid Expenses | - | (1,211) | 1,440 |
| Disposition or Impairment of Tangible Capital Assets | - | - | 11,162 |
| | <u>\$ (41,912)</u> | <u>192,090</u> | <u>(536,157)</u> |
| Net Financial Assets - Beginning of Year | | <u>1,668,193</u> | <u>2,204,350</u> |
| Net Financial Assets - End of Year | | <u>\$ 1,860,283</u> | <u>\$ 1,668,193</u> |

VILLAGE OF TAHSIS

Statement of Cash Flows

Year Ended December 31, 2022

2022

2021

Cash Flows From Operating Activities:

| | | |
|---|----------------|----------------|
| Annual Surplus | \$ 481,844 | \$ 35,366 |
| Non-Cash Transactions | | |
| Gain on Disposal of Tangible Capital Assets | (7,551) | (2,588) |
| Amortization of Tangible Capital Assets | <u>410,866</u> | <u>415,384</u> |
| | 885,159 | 448,162 |
| Changes in Non-Cash Operating Balances | | |
| Accounts and Taxes Receivable | (323,271) | 163,047 |
| Accounts Payable and Accrued Liabilities | (158,756) | 76,179 |
| Demand Loan | (160,000) | 160,000 |
| Deferred Grants and Unearned Revenue | 103,635 | 135,695 |
| Prepaid Expenses | <u>(1,211)</u> | <u>1,440</u> |
| | <u>345,556</u> | <u>984,523</u> |

Cash Flows From Capital Activities:

| | | |
|---|------------------|------------------|
| Proceeds on Disposal of Tangible Capital Assets | 7,551 | 13,750 |
| Purchase of Tangible Capital Assets | <u>(699,409)</u> | <u>(999,509)</u> |
| | <u>(691,858)</u> | <u>(985,759)</u> |

Cash Flows From Investing Activities:

| | | |
|-------------------------------------|--------------|--------------|
| Redemption of Portfolio Investments | <u>7,936</u> | <u>4,057</u> |
|-------------------------------------|--------------|--------------|

| | | |
|---|------------------|--------------|
| Increase (Decrease) in Cash and Cash Equivalents | (338,366) | 2,821 |
|---|------------------|--------------|

| | | |
|--|-----------------------|-----------------------|
| Cash and Cash Equivalents - Beginning of Year | <u>713,894</u> | <u>711,073</u> |
|--|-----------------------|-----------------------|

| | | |
|--|--------------------------|--------------------------|
| Cash and Cash Equivalents - End of Year | \$ <u>375,528</u> | \$ <u>713,894</u> |
|--|--------------------------|--------------------------|

VILLAGE OF TAHSIS

Notes to the Financial Statements

December 31, 2022

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) 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, 2022

1. Significant Accounting Policies (continued):

e) 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 services and other revenue is recognized on an accrual basis as earned.

f) Financial Instruments

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

g) 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.

h) 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 for contaminated sites including sites that are no longer in productive use and sites for which the Village accepts responsibility. At this point in time the Village has identified one contaminated site that is described further in Note 6.

2. Portfolio Investments:

| | <u>2022</u> | <u>2021</u> |
|-------------------------|---------------------|---------------------|
| Short-Term Bond Funds | \$ 597,210 | \$ 617,891 |
| Intermediate Bond Funds | 646,984 | 648,129 |
| Money Market Funds | <u>732,376</u> | <u>718,486</u> |
| | <u>\$ 1,976,570</u> | <u>\$ 1,984,506</u> |

VILLAGE OF TAHSIS

Notes to the Financial Statements

December 31, 2022

3. Accounts Receivable:

| | <u>2022</u> | <u>2021</u> |
|---------------------------------|-------------------|------------------|
| GST Receivable | \$ 19,471 | \$ 26,766 |
| Accounts Receivable | 398,473 | 55,087 |
| Allowance for Doubtful Accounts | <u>(8,062)</u> | <u>(8,062)</u> |
| | <u>\$ 409,882</u> | <u>\$ 73,791</u> |

4. Demand Loan:

The demand loan was a non-revolving loan held with the MFA and bore interest at an annual variable rate equal to 0.97% at December 31, 2021. The demand loan was repaid in full on February 25, 2022 and at December 31, 2022 there are no active loan bylaws registered with MFA.

5. Deferred Grants and Unearned Revenue:

| | <u>2022</u> | <u>2021</u> |
|-------------------------|-------------------|-------------------|
| Deferred Rental Revenue | \$ 3,192 | \$ 3,906 |
| Other Grants | <u>787,077</u> | <u>682,728</u> |
| | <u>\$ 790,269</u> | <u>\$ 686,634</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, 2022

7. Tangible Capital Assets:

| | Cost | | | | Accumulated Amortization | | | | Net Book Value | |
|-------------------------|----------------------|-------------------|------------------|----------------------|--------------------------|-------------------|------------------|----------------------|---------------------|---------------------|
| | Opening | Additions | Disposals | Closing | Opening | Amort | Disposals | Closing | 2022 | 2021 |
| Land | \$ 1,216,122 | \$ 105,000 | \$ - | \$ 1,321,122 | \$ - | \$ - | \$ - | \$ - | \$ 1,321,122 | \$ 1,216,122 |
| Buildings | 4,084,660 | - | 11,123 | 4,073,537 | 3,320,137 | 110,450 | 11,123 | 3,419,464 | 654,073 | 764,523 |
| Machinery and Equipment | 2,285,035 | - | - | 2,285,035 | 1,741,507 | 80,032 | - | 1,821,539 | 463,496 | 543,528 |
| Roads and Bridges | 7,335,997 | - | - | 7,335,997 | 4,189,906 | 105,014 | - | 4,294,920 | 3,041,077 | 3,146,091 |
| Drainage | 1,074,991 | - | - | 1,074,991 | 268,126 | 16,273 | - | 284,399 | 790,592 | 806,865 |
| Other | 251,810 | 39,476 | - | 291,286 | 184,945 | 3,932 | - | 188,877 | 102,409 | 66,865 |
| Water Infrastructure | 3,223,000 | - | - | 3,223,000 | 1,313,603 | 53,961 | - | 1,367,564 | 1,855,436 | 1,909,397 |
| Sewer Infrastructure | 3,698,444 | - | - | 3,698,444 | 2,798,717 | 41,204 | - | 2,839,921 | 858,523 | 899,727 |
| Work in Progress | - | 554,933 | - | 554,933 | - | - | - | - | 554,933 | - |
| | <u>\$ 23,170,059</u> | <u>\$ 699,409</u> | <u>\$ 11,123</u> | <u>\$ 23,858,345</u> | <u>\$ 13,816,941</u> | <u>\$ 410,866</u> | <u>\$ 11,123</u> | <u>\$ 14,216,684</u> | <u>\$ 9,641,661</u> | <u>\$ 9,353,118</u> |

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.

| | Actual 2022 | Actual 2021 |
|---|---------------------|---------------------|
| General Municipal Purposes | \$ 816,485 | \$ 793,730 |
| Collections for Other Governments | | |
| Strathcona Regional District | 12,700 | 13,561 |
| Province of British Columbia - School Tax | 231,704 | 223,735 |
| Comox Strathcona Regional Hospital District | 21,829 | 22,604 |
| Municipal Finance Authority | 15 | 12 |
| British Columbia Assessment Authority | 3,459 | 2,819 |
| Vancouver Island Regional Library | 14,602 | 12,917 |
| Province of BC - Police Tax | 20,140 | 15,768 |
| Comox Valley Regional District | | |
| Waste Management | 8,619 | 8,914 |
| | <u>\$ 1,129,553</u> | <u>\$ 1,094,060</u> |

VILLAGE OF TAHSIS

Notes to the Financial Statements

December 31, 2022

8. Collections for Other Governments (continued):

| | Actual 2022 | Actual 2021 |
|--|----------------|----------------|
| Sub-total from Previous Page | \$ 1,129,553 | \$ 1,094,060 |
| Transfers | | |
| Strathcona Regional District | 12,702 | 13,995 |
| Province of British Columbia - School Tax | 231,704 | 223,735 |
| Comox Strathcona Regional Hospital Districts | 21,830 | 22,603 |
| Municipal Finance Authority | - | - |
| British Columbia Assessment Authority | 3,073 | 2,860 |
| Vancouver Island Regional Library | 14,600 | 12,497 |
| Province of BC - Police Tax | 20,140 | 15,768 |
| Comox Valley Regional District | | |
| Waste Management | 8,619 | 8,708 |
| | <u>312,668</u> | <u>300,166</u> |
| Available for General Municipal Purposes | \$ 816,885 | \$ 793,894 |

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.
- (c) The Village is involved in ongoing legal proceedings related to a claim made against it for damages related to a sewer blockage. The total amount that is sought in the claim is \$35,156. No amounts have been accrued in the financial statements for this potential future liability as at December 31, 2022 it is not determinable if any amount will be found to be owing a result of the claim.

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, 2022, the Plan had about 227,000 active members and approximately 118,000 retired members. Active members include approximately 42,000 contributors from local government.

VILLAGE OF TAHSIS

Notes to the Financial Statements

December 31, 2022

10. Pension Plan (continued):

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, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The Village paid \$49,198 (2021 - \$52,754) for employer contributions while employees contributed \$45,499 (2021 - \$46,225) to the Plan in fiscal 2022.

The next valuation will be as at December 31, 2024, with results available later in 2025.

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. Accumulated Surplus:

The Village segregates its accumulated surplus in the following categories:

| | <u>2022</u> | <u>2021</u> |
|--|----------------------|----------------------|
| Unrestricted Funds | \$ 983,819 | \$ 846,465 |
| Reserve Funds (a) | 876,464 | 821,728 |
| Investment in Non-Financial Assets (b) | <u>9,704,840</u> | <u>9,415,086</u> |
| | <u>\$ 11,565,123</u> | <u>\$ 11,083,279</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>2022</u> | <u>2021</u> |
|--|-------------------|-------------------|
| Capital Works, Machinery and Equipment Reserve (c) | \$ 393,568 | \$ 326,713 |
| Fire Hall Reserve (d) | 280,331 | 301,012 |
| Recreation Centre Capital Works, Machinery and Equipment Reserve (e) | 168,597 | 162,993 |
| Economic Development Reserve (f) | <u>33,968</u> | <u>31,010</u> |
| | <u>\$ 876,464</u> | <u>\$ 821,728</u> |

VILLAGE OF TAHSIS

Notes to the Financial Statements

December 31, 2022

11. 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.

12. Fiscal Plan:

The Fiscal Plan amounts represent the Financial Plan Bylaw No. 649 adopted by Council on May 3, 2022.

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>2022</u> |
|---|---------------------|
| Financial Plan (Budget) Bylaw Surplus Approved for the Year | \$ - |
| Less: | |
| Budgeted Transfers to Offset Amortization | (415,384) |
| Budgeted Transfers from Accumulated Surplus | (41,912) |
| Annual Deficit Presented in Financial Statements | <u>\$ (457,296)</u> |

VILLAGE OF TAHSIS

Notes to the Financial Statements

December 31, 2022

13. Segmented Information:

The Village is a diversified municipal government institution that provides a wide range of services to its citizens such as recreation, fire, sewer, water, and solid waste. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and activities they encompass are noted below and detailed further in Schedules 2 and 3 of these financial statements.

General Government

This 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.

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.

VILLAGE OF TAHSIS

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

Year Ended December 31, 2022

| | 2022 | | 2021 |
|---|-------------------|---------------------|---------------------|
| | Budget | Actual | |
| Federal Government | | | |
| Grants in Lieu of Taxes | \$ 47,100 | \$ 82,086 | \$ 52,865 |
| Other | <u>58,000</u> | <u>5,725</u> | <u>40,000</u> |
| | <u>105,100</u> | <u>87,811</u> | <u>92,865</u> |
| Province of BC and Federal/Provincial Programs | | | |
| General Fund | | | |
| Small Communities Protection | 351,692 | 451,000 | 359,000 |
| Planning | 53,500 | 23,858 | 13,620 |
| Other | <u>75,080</u> | <u>56,140</u> | <u>38,516</u> |
| | <u>480,272</u> | <u>530,998</u> | <u>411,136</u> |
| General Capital | | | |
| Infrastructure | <u>69,088</u> | <u>699,215</u> | <u>499,950</u> |
| | <u>549,360</u> | <u>1,230,213</u> | <u>911,086</u> |
| | <u>\$ 654,460</u> | <u>\$ 1,318,024</u> | <u>\$ 1,003,951</u> |

VILLAGE OF TAH SIS

Schedule 2 - Combined Statement of Operations by Segment

Year Ended December 31, 2022

| | General Government | Protective Services | Transportation Services | Environmental Treatment Services | Economic Development Services | Recreation and Cultural Services | Water Utility | Sewer Utility | 2022 Actual | 2022 Budget (Note 13) |
|--|-----------------------|------------------------|----------------------------|--|-------------------------------------|--|------------------|------------------|-------------------|-----------------------------|
| Revenues | | | | | | | | | | |
| Taxation | \$ 816,885 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 816,885 | \$ 823,034 |
| Utility Connection Fees and User Rates | - | - | - | - | - | - | 213,981 | 197,548 | 411,529 | 390,500 |
| Government Grants and Transfers | 1,264,419 | - | - | - | 53,605 | - | - | - | 1,318,024 | 654,460 |
| Fees and Service Charges | - | - | 3,799 | 157,562 | - | 20,681 | - | - | 182,042 | 281,030 |
| Other Revenues | <u>110,518</u> | <u>810</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>111,328</u> | <u>37,500</u> |
| | <u>2,191,822</u> | <u>810</u> | <u>3,799</u> | <u>157,562</u> | <u>53,605</u> | <u>20,681</u> | <u>213,981</u> | <u>197,548</u> | <u>2,839,808</u> | <u>2,186,524</u> |
| Expenses | | | | | | | | | | |
| Operating | | | | | | | | | | |
| Goods and Services | 381,558 | 84,351 | 136,316 | 843 | 57,966 | 120,803 | 92,013 | 85,504 | 959,354 | 1,225,640 |
| Labour | 452,794 | 57,939 | 158,867 | 33,184 | - | 211,440 | 54,869 | 18,651 | 987,744 | 1,002,796 |
| Amortization | <u>57,098</u> | <u>47,740</u> | <u>120,434</u> | <u>2,395</u> | <u>88,034</u> | <u>-</u> | <u>53,961</u> | <u>41,204</u> | <u>410,866</u> | <u>415,384</u> |
| | <u>891,450</u> | <u>190,030</u> | <u>415,617</u> | <u>36,422</u> | <u>146,000</u> | <u>332,243</u> | <u>200,843</u> | <u>145,359</u> | <u>2,357,964</u> | <u>2,643,820</u> |
| Excess (Deficiency) of Revenues over Expenses | <u>\$ 1,300,372</u> | <u>\$ (189,220)</u> | <u>\$ (411,818)</u> | <u>\$ 121,140</u> | <u>\$ (92,395)</u> | <u>\$ (311,562)</u> | <u>\$ 13,138</u> | <u>\$ 52,189</u> | <u>\$ 481,844</u> | <u>\$ (457,296)</u> |

VILLAGE OF TAHSIS

Schedule 3 - Combined Statement of Operations by Segment

Year Ended December 31, 2021

| | General Government | Protective Services | Transportation Services | Environmental Treatment Services | Economic Development Services | Recreation and Cultural Services | Water Utility | Sewer Utility | 2021 Actual | 2021 Budget |
|--|-----------------------|------------------------|----------------------------|--|-------------------------------------|--|--------------------|-------------------|------------------|---------------------|
| 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>409,366</u> |
| | <u>907,388</u> | <u>207,342</u> | <u>396,106</u> | <u>27,535</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 from Operations | <u>\$ 989,912</u> | <u>\$ (295,622)</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 4 - Reserve Fund Transactions

Year Ended December 31, 2022

| | Capital Works Machinery and Equipment | Fire Hall | Rec Centre | Economic Development | Total 2022 | Total 2021 |
|--|---|-------------------|-------------------|-------------------------|-------------------|-------------------|
| Balance, Beginning of Year | \$ 326,713 | \$ 301,012 | \$ 162,993 | \$ 31,010 | \$ 821,728 | \$ 803,065 |
| Investment Income (Loss) Earned | (1,145) | (20,681) | 5,604 | 2,958 | (13,264) | (4,478) |
| Transfer From Other Funds | 68,000 | - | - | - | 68,000 | 68,000 |
| Used for Capital Expenditures | - | - | - | - | - | (44,859) |
| Balance, End of Year | <u>\$ 393,568</u> | <u>\$ 280,331</u> | <u>\$ 168,597</u> | <u>\$ 33,968</u> | <u>\$ 876,464</u> | <u>\$ 821,728</u> |

VILLAGE OF TAHSIS

Schedule 5 - COVID-19 Safe Restart Grant

Year Ended December 31, 2022

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>2022</u> |
|-----------------------------|-------------------|
| Balance, Beginning of Year | \$ 249,000 |
| Funds Spent During the Year | <u>-</u> |
| Balance, End of Year | \$ <u>249,000</u> |