



## AGENDA

**Special Meeting of the Village of Tahsis Council  
to be held on May 11, 2026 at 1 p.m. in the Council Chambers  
Municipal Hall, 977 South Maquinna Drive and by electronic means**

**Remote Access**                    **To attend this meeting remotely via Microsoft Teams/ phone  
Join the Village of Tahsis Microsoft Teams Meeting  
[Click here to join the meeting.](#)  
Or call in (audio only)  
Toronto, Canada  
+1 437-703-5480  
Phone Conference ID: 693 613 527#**

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**A. Call to Order**                    **Mayor Davis will call the meeting to order.**

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

**B. Introduction of Late Items**

**C. Approval of the Agenda**

**K. Bylaws**                    None.

**M. New Business**                    **1 Presentation of the 2025 Village of Tahsis Financial Statements and the Audit Findings Report for the year ended December 31, 2025.**

**O. Adjournment**

AUDIT FINDINGS REPORT

# Village of Tahsis

For the year ending December 31, 2025

May 5, 2026

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# Status



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

- Obtaining evidence of Mayor and Council's approval of the financial statements;
- Obtaining a signed management representation letter, dated the date of the Mayor and Council's approval of the financial statements.

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

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

# Significant Audit Matters

## Going Concern Assumption

### Background

- On March 4, 2025, the Village received authorization for a non-revolving loan from the Municipal Finance Authority of BC for up to \$1,075,552. Of the approved loan amount, only \$490,000 was drawn as a loan by the Village.
- In Revenue Anticipation Borrowing Bylaw No. 669, adopted on February 4, 2025, Council authorized the borrowing to provide interim financing for current lawful expenditures pending receipt of anticipated revenues. The borrowing was fully repaid on July 4, 2025.
- At December 31, 2025, the Village reported net financial liabilities of \$123,969, reflecting that liabilities exceeded financial assets by this amount.

### CNB Comments

- We considered whether additional disclosure was required within the financial statements or our audit report that would indicate there was a risk that the Village would not be able to continue to operate as a going concern.
- At this time, we do not believe additional disclosure is required within our audit report or within the notes to the financial statements. Included within the liabilities of the Village are liabilities that more likely than not will not be realized in the near future including asset retirement obligations of \$1,122,673 and estimated contaminated site remediation costs of \$117,500.
- When removing the above noted liabilities, the Village has net financial assets of \$1,131,825 which are sufficient to discharge the liabilities of the Village for the near future when anticipating cash inflows.

# Significant Audit Matters (Continued)

## Tangible Capital Assets

### Background

- During the year ended December 31, 2025, the Village purchased or constructed tangible capital assets totaling \$3,323,417 (2024 - \$3,263,207).
- Of the \$3,323,417, there was a total of \$362,888 in Capital Projects started during the year that continued past the fiscal year end. These assets are recorded as Assets under Construction and no amortization is taken on such assets until they are put in use.
- At December 31, 2025, construction and planning costs of the Community Pier and Dock addition were presented as Work in Progress, with additions of \$158,772 in 2025 and a total of \$519,973 presented as Work in Progress at year-end.
- Significant capital additions in the year and the projects they related to are detailed below:
  - Firehall Relocation additions of \$1,400,319 in 2025; the project was completed in September.
  - South Treatment Plant Upgrades of \$888,955 in 2025; the project was completed in December.
  - Museum upgrade project of \$435,851 in 2025; the project was completed in December.

# Significant Audit Matters (Continued)

## Tangible Capital Assets (Continued)

### CNB Comments

- We selected a sample of capital additions to vouch to the underlying invoice, receipt or agreement to verify the amount and classification as a capital asset.
- We reviewed PS 3150 to assess if the items capitalized met the definition of a tangible capital asset.
- We reviewed certain expense accounts to ensure all capital assets were identified and capitalized appropriately.
- We recalculated amortization for all assets for the year.
- We discussed the Assets under Construction with management to gain an understanding of the plans and status of the projects.

### Misstatements and Significant Control Deficiencies

- We proposed adjusting entries to remove expenses from capital additions as a result of the matter discussed above.
- We did not identify any control deficiencies as a result of the above.

# Significant Audit Matters (Continued)

## Asset Retirement Obligation

### Background

- The Village adopted *PS 3280 – Asset Retirement Obligations* on January 1, 2023, applying the prospective method on adoption. An asset retirement obligation (ARO) is a legal obligation associated with the retirement of a tangible capital asset, which can include post-retirement operation, maintenance and monitoring costs. The implementation of this standard required the Village to review and recognize obligations which were previously out of scope of accounting standards.

### CNB Comments

- In prior years, we held discussions with management to identify the Village's assets that have legal remediation obligations associated with them. Obligations were identified relating to buildings containing asbestos and supporting documentation was obtained and reviewed to support the expected remediation costs.
- In the current year there were no additional assets identified that would have a legal remediation obligation to record. In addition, one asset with a legal remediation obligation was sold, without a requirement for the Village to remediate it.

# Significant Audit Matters (Continued)

## Asset Retirement Obligation (Continued)

### CNB Comments (Continued)

- The disposition of the old Fire Hall (a property with remediation responsibilities) and the remeasurement of the timing and nature of future payments for the North Plant together resulted in an overall decrease in the ARO liability of \$133,660.
- We reviewed the estimate of the ARO prepared by the Village and assessed that a reasonable balance at year-end was \$1,122,673, which slightly differed from the assessment of the ARO by management.

### Misstatements and Significant Control Deficiencies

- We have proposed an adjusting entry with respect to the liability, accretion, and depreciation expense as a result of the matters discussed above.
- We did not identify any control deficiencies as a result of the above.

# Significant Audit Matters (Continued)

## Long Term Debt

### Background

- During the year ended December 31, 2025, the Village borrowed \$1,240,000 from the Municipal Finance Authority. The Village passed bylaws during the year authorizing these borrowings. Bylaw 652 specifies that the loan of \$750,000 was for use on the Firehall Relocation Project. Bylaw 668 specifies that the loan of \$490,000 was for use on the Wastewater Treatment Project.

### CNB Comments

- We obtained loan agreements and loan amortization schedules.
- We compared the information from the loan documentation to the loan schedules prepared by the Village.
- We recalculated the current portions and the subsequent payments of the loans for financial statement presentation and disclosure.

### Misstatements and Significant Control Deficiencies

- We did not propose any adjusting entries as a result of the matter discussed above.
- We did not identify any control deficiencies as a result of the above.



# Significant Qualitative Aspects of Accounting Practices

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

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

# Misstatements

Misstatements identified during the audit have been categorized as follows:

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

Note that for audit purposes, we did not report or investigate further any misstatements identified that were under \$8,000.

Further, note that all uncorrected misstatements are individually or in aggregate by financial statement line item, less than our audit materiality of \$160,000.

A list of uncorrected misstatements is attached as an appendix to this report.

# Control Deficiencies

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

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

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

## IDENTIFICATION

We identified one other than significant internal control deficiency that is included within our Management Letter.

# Appendices

1. Management Letter
2. Management Representations Letter
3. Uncorrected Audit Differences





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Campbell River, BC, V9W 2P9  
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**Comox Valley:** 201 – 1532 Cliffe Ave  
Courtenay, BC, V9N 2K4  
**Tel** 778.225.1010 **Fax** 778.225.1011

May 5, 2026

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

Dear Mark:

We have completed our audit and are prepared to express an opinion on the financial statements (hereinafter referred to as "annual financial statements") of the Village of Tahsis (the "Village") for the year ended December 31, 2025, upon the approval of the financial statements by the Mayor and Council.

As indicated in our engagement letter dated January 20, 2026:

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

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

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

## **DEFINITIONS**

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

- (a) a control necessary to meet the control objective is missing or
- (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective is not always met.

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

## **CANADIAN AUDITING STANDARDS**

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

## **PROFESSIONAL STANDARDS**

Professional standards require us to:

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

## **MATERIAL WEAKNESSES**

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

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

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

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

Yours truly,

CHAN NOWOSAD BOATES INC.

A handwritten signature in black ink, consisting of several overlapping, slanted strokes that form the name 'Derek M. Lamb'.

**Derek M. Lamb, CPA, CA**

*Partner*

250-286-0744

derek@cnbcpa.ca

## APPENDIX A

### Other than Significant Deficiencies in Internal Control:

#### (1) Use of Employment Agreements for General Laborers

**Observation:**

During our walkthrough of internal controls and payroll testing it was noted that a general laborer did not have a readily available employment agreement with the Village that included clear and defined terms associated with the individual's role (e.g., responsibilities, remuneration).

**Effect:**

There is a risk that individual may contest the terms of their work or seek legal action against the Village for what they perceive to be a breach of their agreement. Without an executed agreement, the Village has no record or legally binding agreement to reference in the case of a dispute.

**Recommendation:**

We recommend that the Village ensure that all new hires have a signed by a signed agreement executed by the individual and by the CAO or another appropriate representative of the Village.

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

May 11, 2026

CNB  
980 Alder Street  
Campbell River, BC  
V9W 2P9

To Whom it Concerns:

This representation letter is provided in connection with your audit of the financial statements of Village of Tahsis for the period ended December 31, 2025, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with Canadian public sector accounting standards.

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

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

**1. Financial Statements**

We have fulfilled our responsibilities as set out in the terms of the audit engagement dated January 20, 2026 for:

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

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

## **2. Fraud and Non-Compliance**

We have disclosed to you:

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

## **3. Related Parties**

We confirm that there were no related-party relationships or transactions that occurred during the period.

## **4. Estimates**

We acknowledge our responsibility for determining the accounting estimates required for the preparation of the financial statements in accordance with Canadian public sector accounting standards. Those estimates reflect our judgment based on our knowledge and experience of past and current events, and on our assumptions about conditions we expect to exist and courses of action we expect to take. We confirm that the methods, significant assumptions and the data used by us in making accounting estimates and related financial statement disclosures, including those measured at fair value, are appropriate to achieve recognition, measurement or disclosure that is in accordance with Canadian public sector accounting standards.

## **5. Subsequent Events**

All events subsequent to the date of the financial statements and for which Canadian public sector accounting standards requires adjustment or disclosure have been adjusted or disclosed.

## **6. Commitments and Contingencies**

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

**7. Adjustments**

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

**8. Misstatements**

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

**9. Other Representations****Accounting Policies**

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

**Future Plans**

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

Yours truly,

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Mark Tatchell  
Chief Administrative Officer

## Village of Tahsis

Year End: December 31, 2025

Unrecorded journal entries

Date: 1/1/2025 To 12/31/2025

6.11

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
U1	12/31/2025	Transfer to Gas Tax Reserve Account	10-2-261-1300			13,675.36			
U1	12/31/2025	Daycare	40-4-496-4950			643.59			
U1	12/31/2025	Financial Stability	40-4-496-4951			583.80			
U1	12/31/2025	Solid Waste	40-4-496-4952			286.40			
U1	12/31/2025	Sewer Replacement Capital Reserve Fund	40-4-496-4954				4,910.46		
U1	12/31/2025	Water Replacement Capital Reserve Fund	40-4-496-4955			358.17			
U1	12/31/2025	Growing Community's Reserve Fund	40-4-497-4961				3,474.08		
U1	12/31/2025	Fire Hall Res Fund	40-4-497-4962				1,561.16		
U1	12/31/2025	Rec Ctr Res Fund	40-4-497-4963				978.97		
U1	12/31/2025	Capital Works Res Fund	40-4-497-4964				4,383.17		
U1	12/31/2025	Economic Development Reserve	40-4-497-4965				239.48		
		To adjust interest allocated to reserves.			<a href="#">SCR4</a>				
U2	12/31/2025	Surplus-Prior Years	10-4-495-4996				15,620.88		
U2	12/31/2025	Capital Grants	15-1-020-1120			15,620.88			
		To record the revenue for the PY expenses incurred on the Phase 3 project			<a href="#">CC.200</a>				
U3	12/31/2025	Accretion- General	15-2-273-2410	U.200		31,694.00			
U3	12/31/2025	Accum Amort - Machine	15-3-350-3525	U.200			8,556.00		
U3	12/31/2025	Accum Amort - Machine	15-3-350-3525	U.200			23,138.00		
		To adjust for amortization variance on Machinery and Equipment and Other assets							
U4	12/31/2025	Supplies & Materials	10-2-121-2270				7,409.31		
U4	12/31/2025	Fire Dept-Grant Expenses	10-2-121-2291				8,009.01		
U4	12/31/2025	Fire Dept-Grant Expenses	10-2-121-2291				10,978.21		
U4	12/31/2025	Vehicle Operation & Maintenance	10-2-131-2320				5,956.59		
U4	12/31/2025	Capital Fund: Machinery/Equipment	15-3-350-3520			42,509.56			
U4	12/31/2025	Water-Repairs & Maintenance	30-2-212-2300				5,078.22		
U4	12/31/2025	Water-Repairs & Maintenance	30-2-212-2300				5,078.22		
		To adjust the capital items identified in expenses.			<a href="#">740.201</a>				
						105,371.76	105,371.76		
		<b>Net Income (Loss)</b>	<b>1,331,020.89</b>						

# Thank You!

Derek Lamb, CPA, CA

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Campbell River, BC  
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201-1532 Cliffe Avenue  
Courtenay, BC  
V9N 2K4

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**VILLAGE OF TAHSIS**  
**Financial Statements**  
**December 31, 2025**

DRAFT

# VILLAGE OF TAHSIS

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December 31, 2025

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## **MANAGEMENT REPORT**

### **December 31, 2025**

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, CNB, are engaged to express an opinion as to whether these financial statements present fairly the Village of Tahsis' 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, 2025.

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Mark Tatchell  
Chief Administrative Officer

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Adia Mavrikos, CPA, CA  
Director of Finance

May 11, 2026

## **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, 2025, and the statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (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, 2025, 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.

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

Chartered Professional Accountants  
Campbell River, BC

May 11, 2026

# VILLAGE OF TAHSIS

## Statement of Financial Position

December 31, 2025

2025

2024

### FINANCIAL ASSETS

Cash	\$ 760,365	\$ 1,005,332
Portfolio Investments (Note 2)	2,264,328	2,183,149
Accounts Receivable (Note 3)	308,427	904,868
Taxes and User Fees Receivable	<u>238,520</u>	<u>269,600</u>
	<u>3,571,640</u>	<u>4,362,949</u>

### LIABILITIES

Accounts Payable and Accrued Liabilities	909,003	1,126,453
Asset Retirement Obligation (Note 4)	1,122,673	1,256,333
Deferred Grants and Unearned Revenue (Note 5)	290,812	914,076
Contaminated Site Remediation (Note 6)	117,500	117,500
Long Term Debt (Note 7)	<u>1,240,000</u>	<u>-</u>
	<u>3,679,988</u>	<u>3,414,362</u>

**NET FINANCIAL ASSETS (LIABILITIES)** (108,348) 948,587

### NON-FINANCIAL ASSETS

Tangible Capital Assets (Note 8)	17,176,885	14,730,560
Prepaid Expenses	<u>34,589</u>	<u>74,477</u>
	<u>17,211,474</u>	<u>14,805,037</u>

**ACCUMULATED SURPLUS (Note 12)** \$ 17,103,126 \$ 15,753,624

Approved by:

\_\_\_\_\_  
Director of Finance

\_\_\_\_\_  
Mayor

# VILLAGE OF TAHSIS

## Statement of Operations

Year Ended December 31, 2025

	<u>2025</u>		<u>2024</u>
	<u>Budget</u> (Note 13)	<u>Actual</u>	
<b>Revenues (Schedules 2 and 3)</b>			
Taxation	\$ 1,014,874	\$ 1,018,188	\$ 922,156
Utility Connection Fees and User Rates	501,800	489,498	440,772
Government Grants (Schedule 1)	1,024,995	2,451,441	3,172,116
Fee and Services Charges	402,218	333,995	273,015
Other Revenues	<u>138,500</u>	<u>434,759</u>	<u>395,913</u>
	<u>3,082,387</u>	<u>4,727,881</u>	<u>5,203,972</u>
<b>Expenditures (Schedules 2 and 3)</b>			
General Government	1,827,137	1,464,933	1,863,688
Protective Services	256,885	248,977	205,630
Transportation Services	354,395	418,747	383,145
Environmental Treatment Services	131,509	35,949	42,589
Economic Development Services	-	76,206	34,833
Recreation and Cultural Services	315,256	501,271	440,599
Water System Operations	189,073	201,099	189,214
Sewer System Operations	<u>202,800</u>	<u>431,197</u>	<u>249,762</u>
	<u>3,277,055</u>	<u>3,378,379</u>	<u>3,409,460</u>
<b>Annual Surplus (Deficit)</b>	<u>\$ (194,668)</u>	1,349,502	1,794,512
<b>Accumulated Surplus - Beginning of Year</b>		<u>15,753,624</u>	<u>13,959,112</u>
<b>Accumulated Surplus - End of Year</b>		<u>\$17,103,126</u>	<u>\$15,753,624</u>

# VILLAGE OF TAHSIS

## Statement of Change in Net Financial Assets

Year Ended December 31, 2025

	<u>2025</u>		<u>2024</u>
	<u>Budget</u>	<u>Actual</u>	
	(Note 13)		
<b>Annual Surplus</b>	\$ (194,668)	\$ 1,349,502	\$ 1,794,512
Acquisition of Tangible Capital Assets	(5,589,437)	(3,323,417)	(3,263,207)
Derecognition of Asset Retirement Obligation Asset	-	144,706	256,940
Amortization of Tangible Capital Assets	425,200	622,274	454,012
Amortization of Asset Retirement Obligation	-	53,286	180,826
Use (Increase) of Prepaid Expenses	-	39,888	(3,269)
Disposal of Tangible Capital Asset	-	56,826	27,640
	<u>\$(5,358,905)</u>	<u>(1,056,935)</u>	<u>(552,546)</u>
<b>Net Financial Assets - Beginning of Year</b>		<u>948,587</u>	<u>1,501,133</u>
<b>Net Financial Assets (Liabilities) - End of Year</b>		<u>\$ (108,348)</u>	<u>\$ 948,587</u>

# VILLAGE OF TAHSIS

## Statement of Cash Flows

Year Ended December 31, 2025

2025

2024

### Cash Flows From Operating Activities:

Annual Surplus	\$ 1,349,502	\$ 1,794,512
Non-Cash Transactions		
Loss (Gain) on Disposal of Tangible Capital Assets	(123,929)	27,640
Amortization of Tangible Capital Assets	622,274	454,012
Amortization of Asset Retirement Obligations	53,286	180,826
Increase in Contaminated Site Remediation	-	60,800
Recognition of Accretion for ARO	<u>59,330</u>	<u>60,908</u>
	1,960,463	2,578,698
Changes in Non-Cash Operating Balances		
Accounts and Taxes Receivable	627,521	(88,814)
Accounts Payable and Accrued Liabilities	(217,450)	654,846
Deferred Grants and Unearned Revenue	(623,264)	146,443
Prepaid Expenses	<u>39,888</u>	<u>(3,269)</u>
	<u>1,787,158</u>	<u>3,287,904</u>

### Cash Flows From Capital Activities:

Purchase of Tangible Capital Assets	(3,323,417)	(3,263,207)
Proceeds from Disposal of Tangible Capital Assets	<u>132,471</u>	<u>-</u>
	<u>(3,190,946)</u>	<u>(3,263,207)</u>

### Cash Flows From Investing Activities:

Purchase of Portfolio Investments	<u>(81,179)</u>	<u>(107,747)</u>
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### Cash Flows From Financing Activities:

Proceeds from Long Term Debt	<u>1,240,000</u>	<u>-</u>
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**Decrease in Cash and Cash Equivalents** (244,967) (83,050)

**Cash and Cash Equivalents - Beginning of Year** 1,005,332 1,088,382

**Cash and Cash Equivalents - End of Year** \$ 760,365 \$ 1,005,332

# VILLAGE OF TAHSIS

## Notes to the Financial Statements

December 31, 2025

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 ("PSAS") as issued by the Public Sector Accounting Board ("PSAB") of 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 definition 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 effects of these adjustments on taxes are recognized at the time they are awarded.

# VILLAGE OF TAHSIS

## Notes to the Financial Statements

December 31, 2025

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### 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 and asset retirement obligations. 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.

#### i) Asset Retirement Obligations

The Village recognizes a liability for an asset retirement obligation when there is a legal obligation to incur retirement costs in relation to a tangible capital asset; the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. The liability is adjusted yearly for accretion expense.

# VILLAGE OF TAHSIS

## Notes to the Financial Statements

December 31, 2025

### 2. Portfolio Investments:

	<u>2025</u>	<u>2024</u>
Short-Term Bond Funds	\$ 695,313	\$ 662,477
Intermediate Bond Funds	738,996	714,255
Money Market Funds	<u>830,019</u>	<u>806,417</u>
	<u>\$ 2,264,328</u>	<u>\$ 2,183,149</u>

### 3. Accounts Receivable:

	<u>2025</u>	<u>2024</u>
GST Receivable	\$ 38,805	\$ 86,904
Accounts Receivable	288,936	834,862
Allowance for Doubtful Accounts	<u>(19,314)</u>	<u>(16,898)</u>
	<u>\$ 308,427</u>	<u>\$ 904,868</u>

### 4. Asset Retirement Obligation:

The Village has a number of buildings, water wells, waste water treatment plants, underground assets and a dock that are in productive use which have a legal remediation requirement associated with them at the completion of their use. The Village has estimated removal and remediation costs for these assets to have a present value of \$1,122,673 at December 31, 2025 (2024 - \$1,256,333). These costs, and the associated liability have been discounted by estimating their remaining useful lives and the timing of the remediation costs.

The identified asset retirement costs are amortized using the straight-line method over the estimated remaining useful lives of the associated assets. The Village has an estimated period for replacement or retirement of 10-30 years from recognition of the obligation at January 1, 2023. Amortization expense of \$53,286 (2024 - \$180,826) of the asset retirement obligation was recognized during the year ending December 31, 2025 as well an accretion expense of \$59,330 (2024 - \$60,908). The Village disposed of one property during the year ending December 31, 2025 that had an asset retirement obligation associated with it in the prior year of \$50,440, resulting in a reduction of the obligation reported as a remeasurement. The Village also reviewed future cash outflows associated with identified asset retirement obligations, resulting in the remainder of the below noted remeasurement.

	<u>2025</u>	<u>2024</u>
Balance - Beginning of Year	\$ 1,256,333	\$ 1,452,365
Remeasurement of AROs	<u>(133,660)</u>	<u>(196,032)</u>
Balance - End of Year	<u>\$ 1,122,673</u>	<u>\$ 1,256,333</u>

### 5. Deferred Grants and Unearned Revenue:

	<u>2025</u>	<u>2024</u>
Deferred Rental Revenue	\$ 717	\$ 703
Other Grants	<u>290,095</u>	<u>913,373</u>
	<u>\$ 290,812</u>	<u>\$ 914,076</u>

# VILLAGE OF TAHSIS

## Notes to the Financial Statements

December 31, 2025

### 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 \$117,500 (2024 - \$117,500). During the year ended December 31, 2024 the Village performed additional testing which resulted in additional estimated remediation costs of \$60,800. This amount was recognized to the liability and expensed during the year. The original costs of \$56,700 were recognized to the liability and recorded as an expenditure during the year ended December 31, 2017.

### 7. Long Term Debt:

	<u>2025</u>	<u>2024</u>
Firehall Relocation Project: Repayable at \$42,384 per year including interest at 3.73% per annum to the Municipal Finance Authority of British Columbia; matures in October 2055	\$ 750,000	\$ -
Revenue Anticipation Borrowing: Repayable at \$26,651 per year including interest at 4.13% per annum to the Municipal Finance Authority of British Columbia; matures in June 2055	<u>490,000</u>	<u>-</u>
	<u>\$ 1,240,000</u>	<u>\$ -</u>

Future principal payments required on long-term debt are as follows:

2026	\$ 23,824
2027	24,669
2028	25,545
2029	26,452
2030 and onwards	<u>1,139,510</u>
	<u>\$ 1,240,000</u>

# VILLAGE OF TAHSIS

## Notes to the Financial Statements

December 31, 2025

### 8. Tangible Capital Assets:

	Cost					Accumulated Amortization				Net Book Value	
	Opening	Additions	Disposals	Transfers	Closing	Opening	Amort	Disposals	Closing	2025	2024
Land	\$ 1,377,931	\$ -	\$ (54,944)	\$ -	\$ 1,322,987	\$ -	\$ -	\$ -	\$ -	\$ 1,322,987	\$ 1,377,931
Buildings	4,818,601	1,878,419	(109,375)	1,365,320	7,952,965	3,800,142	217,264	(48,290)	3,969,116	3,983,849	1,018,459
Machinery and Equipment	2,421,198	179,186	(9,897)	78,110	2,668,597	1,956,408	89,691	(8,010)	2,038,089	630,508	464,790
Roads and Bridges	7,514,841	-	-	-	7,514,841	4,509,419	109,485	-	4,618,904	2,895,937	3,005,422
Drainage	2,552,349	-	-	-	2,552,349	375,352	45,959	-	421,311	2,131,038	2,176,997
Other	299,363	-	-	-	299,363	205,733	11,051	-	216,784	82,579	93,630
Water Infrastructure	3,650,066	13,969	(9,092)	-	3,654,943	1,491,366	60,860	-	1,552,226	2,102,717	2,158,700
Sewer Infrastructure	4,163,117	888,955	(74,524)	1,761,333	6,738,881	3,127,536	141,250	-	3,268,786	3,470,095	1,035,581
Work in Progress	3,399,050	362,888	-	(3,204,763)	557,175	-	-	-	-	557,175	3,399,050
	<u>\$ 30,196,516</u>	<u>\$ 3,323,417</u>	<u>\$ (257,832)</u>	<u>\$ -</u>	<u>\$ 33,262,101</u>	<u>\$ 15,465,956</u>	<u>\$ 675,560</u>	<u>\$ (56,300)</u>	<u>\$ 16,085,216</u>	<u>\$ 17,176,885</u>	<u>\$ 14,730,560</u>

### 9. 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 2025	Actual 2024
General Municipal Purposes	\$ 1,014,295	\$ 922,192
Collections for Other Governments		
Strathcona Regional District	15,118	14,595
Province of British Columbia - School Tax	271,123	251,951
Comox Strathcona Regional Hospital District	23,861	22,179
Municipal Finance Authority	19	17
British Columbia Assessment Authority	4,530	3,414
Vancouver Island Regional Library	16,130	15,679
Province of BC - Police Tax	26,273	25,022
Comox Valley Regional District		
Waste Management	11,031	8,807
	<u>\$ 1,382,380</u>	<u>\$ 1,263,856</u>
Transfers		
Strathcona Regional District	15,159	14,593
Province of British Columbia - School Tax	271,332	251,954
Comox Strathcona Regional Hospital Districts	23,924	22,180
Municipal Finance Authority	-	16
British Columbia Assessment Authority	3,809	3,414
Vancouver Island Regional Library	16,166	15,673
Province of BC - Police Tax	24,087	25,065
Comox Valley Regional District		
Waste Management	9,715	8,805
	<u>364,192</u>	<u>341,700</u>
Available for General Municipal Purposes	<u>\$ 1,018,188</u>	<u>\$ 922,156</u>

# VILLAGE OF TAHSIS

## Notes to the Financial Statements

December 31, 2025

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### 10. 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.

### 11. 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, 2024, the Plan had about 273,000 active members and approximately 133,000 retired members. Active members include approximately 47,000 contributors from local government.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the Plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the Plan. This rate is then adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent valuation for the Municipal Pension Plan as at December 31, 2024, indicated a \$2,675 million funding surplus for basic pension benefits on a going concern basis.

The Village paid \$90,144 (2024 - \$73,290) for employer contributions while employees contributed \$83,367 (2024 - \$67,779) to the Plan in fiscal 2025.

The next valuation will be as at December 31, 2027.

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.

# VILLAGE OF TAHSIS

## Notes to the Financial Statements

December 31, 2025

### 12. Accumulated Surplus:

The Village segregates its accumulated surplus in the following categories:

	<u>2025</u>	<u>2024</u>
Unrestricted Funds	\$ 418,239	\$ 48,677
Reserve Funds (a)	1,836,086	2,156,243
Investment in Non-Financial Assets (b)	<u>14,848,801</u>	<u>13,548,704</u>
	<u>\$ 17,103,126</u>	<u>\$ 15,753,624</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>2025</u>	<u>2024</u>
Capital Works, Machinery and Equipment Reserve (c)	\$ 219,470	\$ 298,168
Fire Hall Reserve (d)	294,667	285,480
Recreation Centre Capital Works, Machinery and Equipment Reserve (e)	184,776	179,015
Economic Development Reserve (f)	45,202	43,793
Growing Community's Reserve Fund (g)	655,727	635,284
Sewer Replacement Fund (h)	171,760	171,331
Water Replacement Fund (i)	196,290	146,526
Canada Community Building (Gas Tax) Fund (j)	-	396,646
Solid Waste Machinery and Equipment Replacement Reserve (k)	9,186	-
Daycare Operating Reserve Fund (l)	40,282	-
Financial Stabilization Reserve Fund (m)	<u>18,726</u>	<u>-</u>
	<u>\$ 1,836,086</u>	<u>\$ 2,156,243</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 Fire 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.

# VILLAGE OF TAHSIS

## Notes to the Financial Statements

December 31, 2025

### 12. Accumulated Surplus (continued):

- (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.

- (g) Growing Community's Reserve Fund

The Growing Communities Reserve was not established through bylaw. The Community Charter stipulates that reserve funds may be established for certain types of activities, which is how the fund was established. The initial grant provided was \$650,000. These funds are limited to one-off costs needed to build infrastructure and amenities and are to be incremental to already planned investments and capital projects. Monies from these planned investments and capital projects may be transferred through the Reserve fund.

- (h) Sewer Replacement Capital Reserve Funds

The Sewer Replacement Capital Reserve was established by Bylaw 666 for capital sewer projects, as the Village has a sewer infrastructure that needs to be renewed on an ongoing basis. Water Operating Fund surpluses or as otherwise provided in the Local Government Act may be transferred into the Reserve Funds.

- (i) Water Replacement Capital Reserve Fund

The Water Replacement Capital Reserve was established by Bylaw 666 for capital water projects, as the Village has a water infrastructure that needs to be renewed on an ongoing basis. Water Operating Fund surpluses or as otherwise provided in the Local Government Act may be transferred into the Reserve Funds.

- (j) Canada Community Building (Gas Tax) Reserve Fund

The Canada Community Building (Gas Tax) Reserve was established by Bylaw 666 for capital projects under the Community Works Gas Tax Agreement.

- (k) Solid Waste Machinery and Equipment Replacement Reserve Fund

The Solid Waste Machinery and Equipment Replacement Reserve was established by Bylaw 670 to provide funding for solid waste projects, machinery and equipment.

- (l) Daycare Operating Reserve Fund

The Daycare Operating Reserve Fund was established by Bylaw 676 to provide support for non-capital daycare need.

# VILLAGE OF TAHSIS

## Notes to the Financial Statements

December 31, 2025

### 12. Accumulated Surplus (continued):

- (m) Financial Stabilization Reserve Fund

The Financial Stabilization Reserve Fund was established by Bylaw 676 to fund major emergent operating issues, one-time projects, and to offset unrealized revenues.

### 13. Fiscal Plan:

The Fiscal Plan amounts represent the Financial Plan Bylaw No. 671 adopted by Council on May 14, 2025.

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>2025</u>
Financial Plan (Budget) Bylaw Surplus Approved for the Year	\$ -
Plus (Less):	
Budgeted Transfers to Offset Amortization	425,200
Budgeted Capital Grants	3,369,398
Budgeted Capital Expenditures	(5,589,437)
Budgeted Proceeds from Debt	638,139
Budgeted Transfers from Reserves for Capital	1,106,900
Budgeted Transfers from Accumulated Surplus and Other Proceeds	<u>(144,868)</u>
Annual Budgeted Deficit Presented in Financial Statements	<u>\$ (194,668)</u>

# VILLAGE OF TAHSIS

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## Notes to the Financial Statements

December 31, 2025

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### 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.

#### **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 comparative figures have been reclassified, where necessary, to conform with the current year's presentation.

## VILLAGE OF TAHSIS

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

Year Ended December 31, 2025

	2025		2024
	Budget	Actual	
<b>Federal Government</b>			
Grants in Lieu of Taxes	\$ 80,300	\$ 82,069	\$ 81,659
Other	<u>35,400</u>	<u>3,100</u>	<u>6,336</u>
	<u>115,700</u>	<u>85,169</u>	<u>87,995</u>
<b>Province of BC and Federal/Provincial Programs</b>			
General Fund			
Small Communities Protection	326,000	333,000	360,400
Planning	229,810	69,966	20,106
Growing Communities Fund	-	-	-
Other	<u>167,079</u>	<u>130,070</u>	<u>110,584</u>
	<u>722,889</u>	<u>533,036</u>	<u>491,090</u>
General Capital			
Infrastructure	<u>186,406</u>	<u>1,833,236</u>	<u>2,593,031</u>
	<u>909,295</u>	<u>2,366,272</u>	<u>3,084,121</u>
Total Government Grants	1,024,995	2,451,441	3,172,116
Funding and Utilization of Reserves	<u>3,369,398</u>	<u>-</u>	<u>-</u>
Total Government Grants	<u>\$ 4,394,393</u>	<u>\$ 2,451,441</u>	<u>\$ 3,172,116</u>

# VILLAGE OF TAHSIS

## Schedule 2 - Combined Statement of Operations by Segment

Year Ended December 31, 2025

	General Government	Protective Services	Transportation Services	Environmental Treatment Services	Economic Development Services	Recreation and Cultural Services	Water Utility	Sewer Utility	2025 Actual	2025 Budget (Note 13)
<b>Revenues</b>										
Taxation	\$ 1,018,188	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,018,188	\$ 1,014,874
Utility Connection Fees and User Rates	-	-	-	-	-	-	229,095	260,403	489,498	501,800
Government Grants and Transfers	2,293,904	-	-	-	102,733	-	-	54,804	2,451,441	1,024,995
Fees and Service Charges	-	-	4,274	313,418	-	16,303	-	-	333,995	402,218
Other Revenues	<u>425,469</u>	<u>5,478</u>	<u>-</u>	<u>-</u>	<u>3,812</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>434,759</u>	<u>138,500</u>
	<u>3,737,561</u>	<u>5,478</u>	<u>4,274</u>	<u>313,418</u>	<u>106,545</u>	<u>16,303</u>	<u>229,095</u>	<u>315,207</u>	<u>4,727,881</u>	<u>3,082,387</u>
<b>Expenses</b>										
Operating										
Goods and Services	416,996	139,374	183,804	-	76,206	240,048	83,992	205,761	1,346,181	1,568,520
Labour	529,111	109,603	234,943	35,949	-	261,223	55,941	70,537	1,297,307	1,283,335
Amortization	<u>518,826</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,166</u>	<u>154,899</u>	<u>734,891</u>	<u>425,200</u>
	<u>1,464,933</u>	<u>248,977</u>	<u>418,747</u>	<u>35,949</u>	<u>76,206</u>	<u>501,271</u>	<u>201,099</u>	<u>431,197</u>	<u>3,378,379</u>	<u>3,277,055</u>
Excess (Deficiency) of Revenues over Expenses	<u>\$ 2,272,628</u>	<u>\$ (243,499)</u>	<u>\$ (414,473)</u>	<u>\$ 277,469</u>	<u>\$ 30,339</u>	<u>\$ (484,968)</u>	<u>\$ 27,996</u>	<u>\$ (115,990)</u>	<u>\$ 1,349,502</u>	<u>\$ (194,668)</u>

# VILLAGE OF TAHSIS

## Schedule 3 - Combined Statement of Operations by Segment

Year Ended December 31, 2024

	General Government	Protective Services	Transportation Services	Environmental Treatment Services	Economic Development Services	Recreation and Cultural Services	Water Utility	Sewer Utility	2024 Actual	2024 Budget
<b>Revenues</b>										
Taxation	\$ 922,156	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 922,156	\$ 923,080
Utility Connection Fees and User Rates	-	-	-	-	-	-	221,669	219,103	440,772	437,200
Government Grants and Transfers	2,198,465	-	-	-	53,945	-	-	919,706	3,172,116	1,139,208
Fees and Service Charges	-	-	3,642	253,708	-	15,665	-	-	273,015	357,837
Other Revenues	<u>386,863</u>	<u>863</u>	<u>-</u>	<u>-</u>	<u>8,187</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>395,913</u>	<u>82,000</u>
	<u>3,507,484</u>	<u>863</u>	<u>3,642</u>	<u>253,708</u>	<u>62,132</u>	<u>15,665</u>	<u>221,669</u>	<u>1,138,809</u>	<u>5,203,972</u>	<u>2,939,325</u>
<b>Expenses</b>										
Operating										
Goods and Services	762,123	97,695	164,267	-	34,833	179,427	75,090	157,845	1,471,280	1,371,818
Labour	532,300	107,935	218,878	42,589	-	261,172	52,522	27,038	1,242,434	1,122,396
Amortization	<u>569,265</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,602</u>	<u>64,879</u>	<u>695,746</u>	<u>425,200</u>
	<u>1,863,688</u>	<u>205,630</u>	<u>383,145</u>	<u>42,589</u>	<u>34,833</u>	<u>440,599</u>	<u>189,214</u>	<u>249,762</u>	<u>3,409,460</u>	<u>2,919,414</u>
Excess (Deficiency) of Revenues over Expenses from Operations	\$ <u>1,643,796</u>	\$ <u>(204,767)</u>	\$ <u>(379,503)</u>	\$ <u>211,119</u>	\$ <u>27,299</u>	\$ <u>(424,934)</u>	\$ <u>32,455</u>	\$ <u>889,047</u>	\$ <u>1,794,512</u>	\$ <u>19,911</u>

# VILLAGE OF TAHSIS

## Schedule 4 - Reserve Fund Transactions

Year Ended December 31, 2025

	Capital Works Machinery and Equipment	Fire Hall	Rec Centre	Economic Development	Growing Community Fund	Sewer Replacement Fund	Water Replacement Fund	Total 2025
<b>Balance, Beginning of Year</b>	\$ 298,168	\$ 285,480	\$ 179,015	\$ 43,793	\$ 635,284	\$ 171,331	\$ 146,526	\$1,759,597
<b>Investment Income (Loss) Earned</b>	6,842	9,187	5,761	1,409	20,443	1,540	5,875	51,057
<b>Transfer From Other Funds</b>	36,284	-	-	-	-	(1,111)	57,858	93,031
<b>Used for Capital Expenditures</b>	<u>(121,824)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,969)</u>	<u>(135,793)</u>
<b>Balance, End of Year</b>	<u>\$ 219,470</u>	<u>\$ 294,667</u>	<u>\$ 184,776</u>	<u>\$ 45,202</u>	<u>\$ 655,727</u>	<u>\$ 171,760</u>	<u>\$ 196,290</u>	<u>\$1,767,892</u>

  

	From Above Total 2025	Canada Community Building Fund	Solid Waste Machinery Equipment Fund	Daycare Operating Reserve Fund	Land Sale Reserve	Financial Stabilization Reserve Fund	Total 2025	Total 2024
<b>Balance, Beginning of Year</b>	\$ 1,759,597	\$ 396,646	\$ -	\$ -	\$ -	\$ -	\$ 2,156,243	\$2,179,471
<b>Investment Income (Loss) Earned</b>	51,057	-	286	644	-	584	52,571	107,747
<b>Transfer From Other Funds</b>	93,031	81,306	8,900	39,638	-	18,142	241,017	210,501
<b>Used for Capital Expenditures</b>	<u>(135,793)</u>	<u>(477,952)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(613,745)</u>	<u>(341,476)</u>
<b>Balance, End of Year</b>	<u>\$ 1,767,892</u>	<u>\$ -</u>	<u>\$ 9,186</u>	<u>\$ 40,282</u>	<u>\$ -</u>	<u>\$ 18,726</u>	<u>\$ 1,836,086</u>	<u>\$2,156,243</u>

## VILLAGE OF TAHSIS

### Schedule 5 - Growing Communities Fund

Year Ended December 31, 2025

(Unaudited)

The Province of British Columbia distributed conditional Growing Communities Fund (GCF) grants to communities at the end of March 2023 to help local governments build community infrastructure and amenities to meet the demands of population growth. The GCF provided a one-time total of \$1 billion in grants to all 161 municipalities and 27 regional districts in British Columbia. The Village of Tahsis received \$650,000 of GCF funding in March 2023.

	<u>2025</u>
Balance, Beginning of Year	\$ 635,284
Interest Earned	20,443
Eligible Costs	
Capital Infrastructure Costs	<u>-</u>
Balance, End of Year	<u>\$ 655,727</u>

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