



VILLAGE OF TAHSIS

Statement of Financial Information

For the year ended December 31, 2015

(Unaudited)

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Village of Tahsis

Statement of Financial Information Approval

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



Mark Tatchell
Chief Administrative Officer



Jude Schooner
Mayor, on behalf of Council

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Village of Tahsis

Management Report

The accompanying statements of the Village of Tahsis are the responsibility of management. To ensure their integrity, objectivity and reliability, management has selected appropriate accounting policies that are in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

The Village of Tahsis maintains a system of internal accounting controls designed to provide reasonable assurance for the safekeeping of assets and the reliability of the financial records. The audit firm of BDO, the Village's independent auditor, has audited the accompanying financial statements. Their audit opinion letter is incorporated in the financial statements.

The Council is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and exercises this responsibility through Council. Council meets periodically with management and the independent auditor to satisfy themselves that management's responsibilities are properly discharged, and to review and approve the consolidated financial statements. The external auditor has full and unrestricted access to Council to discuss the audit and their related findings as to the integrity of the financial reporting process.

In management's opinion, these statements have been properly prepared within the framework of the accounting policies summarized in the Notes to the Consolidated Financial Statements and fairly present the financial position of the Village of Tahsis as at December 31, 2015.



Mark Tatchell
Chief Administrative Officer

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Village of Tahsis

Schedule of Remuneration and Expenses

For the Year Ended December 31, 2015

ELECTED OFFICIALS

Name	Position	Remuneration	Expenses	Insurance	Total
Overton, Brenda	Councilor	\$5,068.70	\$449.84	\$100.00	\$5,618.54
Schooner, Jude	Mayor	\$9,823.32	\$2,500.95	\$100.00	\$12,424.27
Taylor, Randolph	Councilor	\$5,068.70	\$531.68	\$100.00	\$5,700.38
Van Solkema, Louis	Councilor	\$5,068.70	\$1,048.24	\$100.00	\$6,216.94
Bellanger, Kathy	Councilor	\$5,068.70	\$1,082.68	\$100.00	\$6,251.38
TOTAL ELECTED OFFICIALS		\$30,098.12	\$5,613.39	\$500.00	\$36,211.51

EMPLOYEES

EMPLOYEES Over \$75,000.00

Name	Position	Remuneration	Expenses	Insurance	Total
Doug Chapman	CAO/CFO	\$104,999.96	\$1,265.00	N/A	\$106,264.96
TOTAL EMPLOYEES OVER \$75,000.00		\$104,999.96	\$1,265.00	N/A	\$106,264.96

OTHER EMPLOYEES

	Remuneration	Expenses	Insurance	Total
# OF OTHER EMPLOYEES = 22	\$425,551.62	\$6,411.73	N/A	\$431,963.35
TOTAL OTHER EMPLOYEES	\$425,551.62	\$6,411.73	\$0.00	\$431,963.35

TOTAL ELECTED OFFICIALS AND EMPLOYEES	\$560,649.73	\$13,290.12	\$500.00	\$573,939.85
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GRAND TOTAL	\$560,649.73	\$13,290.12	\$500.00	\$573,939.85
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Schedule of Severance Agreements

For the Year ended December 31, 2015

The Village of Tahsis did not enter into any severance agreements in 2015.

Village of Tahsis

Schedule of Payments Made to Suppliers

For the Year Ended December 31, 2015

Name	Amount
Suppliers Over \$25,000.00	
British Columbia Pension Corp	\$68,419.30
BC Hydro	\$122,904.13
BDO Dunwoody LLP	\$47,242.86
George Penfold	\$47,119.97
Great West Life	\$43,327.33
Receiver General of Canada	\$134,941.41
McElhanney	\$43,422.25
Insurance Centres Vancouver Island	\$73,892.00
Telus	\$30,435.50
Subtotal	\$ 611,703.75
Suppliers under \$25,000.00 (Excluding payments made to employees and council for expenses)	\$493,908.08 (\$13,290.12)
GRAND TOTAL	\$1,092,321.71
Property tax collections for other governments	(\$273,172.00)
Amortization expense	\$196,094.00
Tangible Capital Asset expenses	(\$174,003.00)
Wages, salaries and benefits	\$677,162.00
Change in accounts payable, accrued expenses, employees' portion of payroll costs and other	(\$60,740.71)
Total per Consolidated Statement of Operations	\$1,457,662.00

Village of Tahsis

Schedule of Guarantee and Indemnity Agreements

For the Year Ended December 31, 2015

The Village of Tahsis has not given any guarantees or indemnities under the *Guarantees and Indemnities Regulation*.

Village of Tahsis

Financial Statements

For the Year Ended December 31, 2015

See attached.

Village of Tahsis
Financial Statements
For the year ended December 31, 2015

Village of Tahsis
Financial Statements
For the year ended December 31, 2015

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Village of Tahsis
Management's Responsibility for Financial Reporting
2015 Financial Statements

May 17, 2016

The 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 executed and recorded in accordance with authorization, and that financial records are reliable for preparation of financial statements.

The Mayor and Council oversee management's responsibilities for the financial reporting and internal control systems. Mayor and Council review internal financial statements on a quarterly basis, and meet periodically with management to satisfy themselves that management's responsibilities are properly discharged. Council annually reviews and approves the financial statements.

The Village of Tahsis' independent auditors, BDO Canada LLP, are engaged to express an opinion as to whether these financial statements present fairly the financial position, financial activities and cash flows in accordance with Canadian public sector accounting standards. Their opinion is based on procedures they consider sufficient to support such an opinion in accordance with Canadian generally accepted auditing standards.

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.



Mark Tatchell
Chief Administrative Officer

Independent Auditor's Report

To the Mayor and Council of the Village of Tahsis

We have audited the accompanying financial statements of the Village of Tahsis, which comprise the Statement of Financial Position as at December 31, 2015, 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Village of Tahsis as at December 31, 2015 and the results of its operations and its cash flows for the year ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants

Vancouver, British Columbia
May 17, 2016

**Village of Tahsis
Statement of Financial Position**

December 31	2015	2014
Financial Assets		
Cash	\$ 446,086	\$ 406,830
Portfolio investments (Note 1)	3,045,258	3,008,287
Accounts receivable (Note 2)	50,770	43,723
Taxes and rates receivable	275,181	265,911
Investment in Nootka Sound Economic Development Corporation (Note 3)	79,374	85,401
	3,896,669	3,810,152
Liabilities		
Accounts payable and accrued liabilities	274,718	173,939
Deferred revenue (Note 4)	23,624	12,008
	298,342	185,947
Net Financial Assets	3,598,327	3,624,205
Non-financial Assets		
Tangible capital assets (Note 5)	4,950,338	4,972,368
Prepaid expenses	42,792	2,500
	4,993,130	4,974,868
Accumulated Surplus (Note 9)	\$ 8,591,457	\$ 8,599,073

Contingencies (Note 7)


 Treasurer
 
 Mayor

**Village of Tahsis
Statement of Operations**

For the year ended December 31	Budget 2015	2015	2014
	(Note 10)		
Revenue (Schedule 2 and 3)			
Taxation, net (Note 6)	\$ 603,000	\$ 622,744	\$ 599,469
Utility connection fees and user fees	196,600	194,325	189,346
Government grants (Schedule 1)	303,260	426,366	567,822
Fees and service charges	91,530	80,630	85,587
Other revenues	108,810	125,981	91,617
	<u>1,303,200</u>	<u>1,450,046</u>	<u>1,533,841</u>
Expenses (Schedule 2 and 3)			
General departmental expenses	1,411,590	1,263,891	1,263,978
Water system operations	97,280	94,106	88,924
Sewer system operations	99,530	99,665	80,130
	<u>1,608,400</u>	<u>1,457,662</u>	<u>1,433,032</u>
Annual Surplus (deficit)	<u>(305,200)</u>	<u>(7,616)</u>	<u>100,809</u>
Accumulated Surplus, beginning of year	<u>8,599,073</u>	<u>8,599,073</u>	<u>8,498,264</u>
Accumulated Surplus, end of year	<u>\$ 8,293,873</u>	<u>\$ 8,591,457</u>	<u>\$ 8,599,073</u>

Village of Tahsis
Statement of Changes in Net Financial Assets

<u>For the year ended December 31</u>	<u>Budget 2015</u>	<u>2015</u>	<u>2014</u>
Annual Surplus (deficit)	\$ (305,200)	\$ (7,616)	\$ 100,809
Acquisition of tangible capital assets	-	(174,003)	(304,311)
Amortization of tangible capital assets	-	196,034	223,301
Use (acquisition) of prepaid expenses	-	(40,293)	5,000
Change in net financial assets for the year	(305,200)	(25,878)	24,799
Net financial assets, beginning of year	3,624,205	3,624,205	3,599,406
Net financial assets, end of year	\$ 3,319,005	\$ 3,598,327	\$ 3,624,205

**Village of Tahsis
Statement of Cash Flows**

For the year ended December 31	2015	2014
Cash provided by (used in)		
Operating transactions		
Annual surplus (deficit)	\$ (7,616)	\$ 100,809
Items not involving cash		
Equity loss from Nootka Sound Economic Development Corporation	6,027	9,587
Amortization of tangible capital assets	196,034	223,301
	194,445	333,697
Changes in non-cash operating balances		
Accounts, taxes and rates receivable	(16,317)	(45,691)
Accounts payable and accrued liabilities	100,779	13,532
Deferred revenue	11,616	(276,260)
Prepaid expenses	(40,293)	5,000
	250,230	30,278
Capital transaction		
Acquisition of tangible capital assets	(174,003)	(304,311)
Investing transactions		
Acquisition of portfolio investments	(36,971)	(43,384)
Increase (decrease) in cash during year	39,256	(317,417)
Cash, beginning of year	406,830	724,247
Cash, end of year	\$ 446,086	\$ 406,830

Village of Tahsis
Summary of Significant Accounting Policies

December 31, 2015

The Village of Tahsis (the "Village") is a municipality in the province of British Columbia and operates under the provisions of the Community Charter. The Village provides municipal services such as fire, public works, planning, parks, recreation and other general government services. The Village prepares its financial statements in accordance with Canadian public sector accounting standards for local government using guidelines developed by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants Canada.

Investments Portfolio investments are comprised entirely of Municipal Finance Authority (MFA) pooled investments including money market, intermediate and short term bond funds. The investments are carried at market value which approximates cost.

The investment in Nootka Sound Development Corporation is considered a government business partnership and is recorded using the modified equity method.

Tangible Capital Assets Tangible capital assets are recorded at cost less accumulated amortization and are classified according to their functional use. Cost includes all costs directly attributable to acquisition or construction of the tangible capital assets including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is put into use. Contributed tangible capital assets are recorded at fair value at the time of the contribution.

Estimate useful lives of tangible capital assets are as follows:

Roads and bridges	30 to 50 years
Buildings	20 to 40 years
Machinery and equipment	5 to 20 years
Water infrastructure	30 to 50 years
Sewer infrastructure	30 to 50 years
Drainage	30 to 50 years

Collection of Taxes on Behalf of Other Taxation Authorities The Village collects taxation revenue on behalf of other entities. Such levies, other revenues, expenses, assets and liabilities with respect to the operations of entities are not reflected in these financial statements. Levies imposed by other taxing authorities are not included as taxes for municipal purposes.

Unearned Revenue Revenues from the sale of business licenses and rental revenues pertaining to the subsequent year have been deferred. These amounts will be recognized as revenue in the next fiscal year.

Village of Tahsis
Summary of Significant Accounting Policies

December 31, 2015

Revenue Recognition 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 Assessments 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.

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.

Sales of service and other revenue is recognized on an accrual basis as earned.

Financial Instruments Financial instruments consist of cash and portfolio investments, accounts receivable and accounts payable. Unless otherwise noted, it is management's opinion that the Village is not exposed to significant interest rate, currency or credit risk arising from these financial instruments.

Use of Estimates The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Areas requiring the greatest degree of estimation include useful lives of tangible capital assets, collection of receivables, and contingencies.

Village of Tahsis
Notes to Financial Statements

December 31, 2015

**Liability for
Cotaminated Sites**

Effective January 1, 2015, the Village adopted the new Public Sector Accounting Standard PS3260, Liability for Contaminated Sites. The new standard can be applied retroactively or prospectively and the Village has elected to apply it prospectively.

Under PS3260, 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 standard, the government has a responsibility for remediation, future economic benefits will be given up and a reasonable estimate can be made.

Management has assessed its potential liabilities under the new standard, including sites that are no longer in productive use and sites for which the Village accepts responsibility. There were no such sites that had contamination in excess of an environmental standard requiring remediation at this time, therefore no liability was recognized on the transition as at January 1, 2015 or at December 31, 2015.

**Village of Tahsis
Notes to Financial Statements**

December 31, 2015

1. Portfolio Investments

	2015	2014
Short-term Bond Funds	\$ 533,549	\$ 520,690
Intermediate	487,940	480,969
Money Market Funds - Municipal Finance Authority	2,023,769	2,006,628
	\$ 3,045,258	\$ 3,008,287

The current yield of the short term bond fund is 3.15% (2014 - 3.15%) with maturities that range between May 2014 to December 2027. Money market funds bear interest at 0.85% (2014 - 1.09%) and Intermediate funds have a yield of 1.28% (2014 - 1.28%). All portfolio investments are effectively redeemable on demand.

2. Accounts Receivable

	2015	2014
Accounts Receivable	\$ 59,340	\$ 52,343
Allowance for doubtful accounts	(8,570)	(8,620)
	\$ 50,770	\$ 43,723

3. Investment in Nootka Sound Economic Development Corporation

	2015	2014
Cost of investment	\$ 42,090	\$ 42,090
Accumulated net equity income, beginning of year	43,311	52,898
Share of decrease in shareholders' equity during the year	(6,027)	(9,587)
Accumulated net equity income, end of year	37,284	43,311
	\$ 79,374	\$ 85,401

Village of Tahsis
Notes to Financial Statements

December 31, 2015

3. Investment in Nootka Sound Economic Development Corporation (Continued)

Condensed supplementary financial statement information of Nootka Sound Economic Development Corporation:

	2015	2014
Statement of Financial Position		
Total Assets	\$ 251,454	\$ 269,795
Total Liabilities	419	679
Total Equity	251,035	269,116
	\$ 251,454	\$ 269,795
Statement of Comprehensive Income		
Revenues	\$ 2,159	\$ 2,828
Expenditures	(20,240)	(31,591)
Net earnings (loss)	\$ (18,081)	\$ (28,763)
Statement of Changes in Equity		
Retained Earnings - beginning of year	\$ 128,813	157,576
Net earnings (loss)	(18,081)	(28,763)
Retained Earnings - end of year	110,732	128,813
Share Capital	140,303	140,303
Total Equity	\$ 251,035	\$ 269,116

On February 21, 1996, the Village received approval of the Inspector of Municipalities to acquire shares in the Nootka Sound Economic Development Corporation ("NSEDC"). This corporation was formed by the Villages of Tahsis, Gold River, and Zeballos for the purpose of acquiring and managing a community-based forest licence. NSEDC has been granted a forest license that represents non-replaceable quota of 35,766 cubic metres per year.

The Village holds one of three common shares of NSEDC and 42,090 of 140,300 preferred shares. Each shareholder has the right to elect an equal number of directors to the board of NSEDC. The Village's investment in NSEDC is recorded on a modified equity basis.

As of December 31, 2013, the logging volume was fulfilled. The Corporation is exploring other licence opportunities.

During 2015, the Village received \$nil (2014 - \$nil) in dividends from NSEDC as a result of owning the aforementioned preferred shares and common shares.

**Village of Tahsis
Notes to Financial Statements**

December 31, 2015

4. Deferred revenue

	<u>2015</u>	<u>2014</u>
Other grants	\$ 8,337	\$ 8,338
Prepaid property taxes	15,287	3,670
	<u>\$ 23,624</u>	<u>\$ 12,008</u>

Village of Tahsis
Notes to Financial Statements

December 31, 2015

5. Tangible Capital Assets

	Land	Buildings	Machinery and Equipment	Roads and Bridges	Drainage	Other	Water Infrastructure	Sewer Infrastructure	2015 Total	2014 Total
Cost, beginning of year	\$ 1,128,861	\$ 4,483,649	\$ 1,777,742	\$ 5,098,508	\$ 259,990	\$ 179,659	\$ 1,489,241	\$ 2,704,959	\$ 17,122,609	\$ 16,818,298
Additions	-	-	3,850	-	-	-	170,153	-	174,003	304,311
Cost, end of year	1,128,861	4,483,649	1,781,592	5,098,508	259,990	179,659	1,659,394	2,704,959	17,296,612	17,122,609
Accumulated amortization, beginning of year	-	2,796,435	1,494,306	3,675,734	259,990	143,398	1,092,868	2,687,510	12,150,241	11,926,940
Amortization	-	112,707	26,925	56,599	-	2,158	3,779	(6,134)	196,034	223,301
Accumulated amortization, end of year	-	2,909,142	1,521,231	3,732,333	259,990	145,556	1,096,647	2,681,376	12,346,275	12,150,241
Net carrying amount, end of year	\$ 1,128,861	\$ 1,574,507	\$ 260,361	\$ 1,366,175	\$ -	\$ 34,103	\$ 562,747	\$ 23,583	\$ 4,950,337	\$ 4,972,368

Village of Tahsis
Notes to Financial Statements

December 31, 2015

6. Taxation - Net

	Budget 2015	Actual 2015	Actual 2014
Taxation			
General municipal purposes	\$ 603,000	\$ 622,676	\$ 602,201
Collection for other governments			
Strathcona Regional District	-	6,662	7,357
Province of British Columbia - school tax	-	203,657	212,167
Comox Strathcona Regional Hospital Districts	-	33,544	35,335
Municipal Finance Authority	-	8	8
British Columbia Assessment Authority	-	2,768	2,983
Vancouver Island Regional Library	-	12,380	13,544
Province of BC - police tax	-	14,221	14,994
	603,000	895,916	888,589
Transfer to other governments			
Strathcona Regional District	-	6,662	7,357
Province of British Columbia - school tax	-	203,589	213,626
Comox Strathcona Regional Hospital Districts	-	33,544	35,335
Municipal Finance Authority	-	8	9
British Columbia Assessment Authority	-	2,768	2,983
Vancouver Island Regional Library	-	12,380	13,544
Province of BC - police tax	-	14,221	16,266
	-	273,172	289,120
Available for general municipal purposes	\$ 603,000	\$ 622,744	\$ 599,469

7. Contingencies

- (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 has assessed the risks as unlikely at this time therefore no provision has been recorded in the financial statements.
- (b) The Village is partially self-insured through the Municipal Insurance Association of British Columbia. Should the Association pay out claims in excess of premiums received, it is possible that the Village along with the other participants, would be required to contribute towards the deficit.

**Village of Tahsis
Notes to Financial Statements**

December 31, 2015

8. Pension Plan

The employer and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trustee pension plan. The Plan's Board of Trustees, representing Plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of the benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 182,000 active members and approximately 75,000 retired members. Active members include approximately 36,000 contributors from local government.

The most recent actuarial valuation as at December 31, 2012, indicates a liability of \$1,370 million for basic pension benefits. The next valuation will be as at December 31, 2015 with results available in later 2016.

Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate, as a result that there is no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the Plan.

The Village of Tahsis paid \$41,755 (2014 - \$36,069) for employer contributions to the plan in fiscal 2015. While employees contributed \$30,250 (2014 - 26,813) to the plan in fiscal 2015.

9. Accumulated Surplus

The Village segregates its accumulated surplus in the following categories:

	<u>2015</u>	<u>2014</u>
Internally restricted funds for future expenditures	\$ 747,791	\$ 718,753
Unrestricted Funds	1,389,290	1,418,848
Reserve Funds (a)	1,421,587	1,340,861
Investment in non-financial assets (b)	4,993,129	4,974,868
Internally restricted for Gas Tax Agreement - Community Works (c)	<u>39,660</u>	<u>145,743</u>
	<u>\$ 8,591,457</u>	<u>\$ 8,599,073</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.

(c) The gas tax agreement funds consists of the remaining at December 31, 2015. The unspent amounts will remain in the internally restricted fund until spent on eligible projects.

**Village of Tahsis
Notes to Financial Statements**

December 31, 2015

9. Accumulated Surplus (Continued)

Details of reserve funds are shown below:

	<u>2015</u>	<u>2014</u>
Capital Works, Machinery and Equipment Reserve	\$ 539,437	\$ 516,742
Fire Hall Reserve	586,508	564,536
Recreation Centre Capital Works, Machinery and Equipment Reserve	272,442	259,583
Economic Development	23,200	-
	<u>\$ 1,421,587</u>	<u>\$ 1,340,861</u>

(a) Capital Works, Machinery and Equipment Reserve

The Capital Works, Machinery and Equipment Reserve was established by Bylaw 364 to provide for new capital works, extensions or renewals of existing works and to provide for machinery and equipment necessary for capital projects for the maintenance of Municipal Property or for the protection of persons and property. Money from the sale of land, current revenue or General Operating Fund surpluses may be transferred into the Reserve Fund.

(b) Fire Hall Reserve

The 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.

(c) Recreation Centre Capital Works, Machinery and Equipment Reserve

The Recreation Centre Capital Works, Machinery and Equipment Reserve Fund was established by Bylaw 418 to provide for the cost of a new recreation centre. Money from current revenue, General Operating fund surpluses, or as otherwise provided in the Local Government Act may be transferred into the Reserve Fund.

Village of Tahsis
Notes to Financial Statements

December 31, 2015

10. Fiscal Plan

The fiscal plan represents the Financial Plan Bylaw adopted by Council on May 12, 2015 in conjunction with the adoption of the Annual Taxation Bylaw.

The budget anticipated the use of surpluses accumulated in previous years to balance against current year expenditures in excess of current year revenues.

In addition, the budget anticipated capital expenditures rather than amortization expense.

	<u>2015</u>
Financial plan (budget) bylaw surplus for the year	\$ -
Less:	
Budgeted transfers from accumulated surplus	(81,760)
Amortization	<u>(223,440)</u>
Annual deficit presented in the financial statements	<u>\$ (305,200)</u>

11. Segmented Information

The Village is a diversified municipal government institution that provides a wide range of services to its citizens such as general government, protective services, and transportation services. Distinguishable functional segments have been separately disclosed in Schedule 2 and 3. The nature of the segments and the activities they encompass are as follows:

General Government

This item related to the revenues and expenses that relate to the operations of the Village itself and cannot be directly attributed to a specific segment.

Protective Services

Protection is comprised of fire protection services. The fire department is responsible to provide fire suppression service, fire prevention programs, training and education. The members of the fire department consist of volunteers.

Transportation Services

Public works and transportation is responsible for the maintenance of roads and outdoor lighting.

December 31, 2015

11. Segmented Information (Continued)

Environmental Treatment Services

Environmental services consists of providing waste disposal to citizens.

Economic Development Services

This department develops outside awareness of the economic area.

Recreation and Cultural Services

This service area provides services meant to improve the health and development of the Village's citizens. Recreational programs and cultural programs are provided at aquatic centre and community centre.

Water Utility

This service provides distribution of water to residents.

Sewer Utility

Provision of sanitary sewer collection by providing and maintaining pipes, manholes, culverts and sewage treatment.

Village of Tahsis

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

<u>For the year ended December 31</u>	<u>Fiscal Plan 2015</u>	<u>2015</u>	<u>2014</u>
Federal Government			
Grants in lieu of taxes	\$ 29,000	\$ 11,193	\$ 17,438
Province of BC and Federal/Provincial Programs			
General Fund			
Small Communities Protection	201,240	323,835	199,987
Infrastructure and other	73,020	90,838	349,897
	<u>274,260</u>	<u>414,673</u>	<u>549,884</u>
General Capital			
Infrastructure (Provincial)	-	500	500
	<u>303,260</u>	<u>426,366</u>	<u>567,822</u>
	<u>\$ 303,260</u>	<u>\$ 426,366</u>	<u>\$ 567,822</u>

Village of Tahsis
Schedule 2 - Combined Statement of Operations by Segment

For the year ended December 31, 2015

	General Government	Protective Services	Transportation Services	Environmental Treatment Services	Economic Development Services	Recreation and Cultural Services	Water Utility	Sewer Utility	2015 Actual	2015 Budget
Revenues										
Taxation	\$ 622,744	-	-	-	-	-	-	-	\$ 622,744	\$ 603,000
Utility connection fees and user rates	-	-	-	-	-	-	93,441	100,884	194,325	196,600
Government grants and transfers	403,158	-	-	-	23,208	-	-	-	426,366	303,260
Fees and service charges	-	-	-	54,970	-	25,660	-	-	80,630	91,530
Other revenues	104,336	130	-	-	21,513	-	-	-	125,981	108,810
Total revenue	1,130,238	130	-	54,970	44,721	25,660	93,441	100,884	1,450,046	1,303,200
Expenses										
Operating										
Goods and services	193,678	44,872	97,952	1,434	24,640	98,605	30,872	92,413	584,466	706,220
Labour	276,695	23,805	108,268	13,972	-	181,581	59,455	13,387	677,162	678,740
Amortization	198,389	-	-	-	-	-	3,779	(6,134)	196,034	223,440
Total expenses	668,762	68,677	206,220	15,406	24,640	280,186	94,106	99,666	1,457,662	1,608,400
Excess (deficiency) of revenues over expenses	\$ 461,476	\$ (68,547)	\$ (206,220)	\$ 39,564	\$ 20,081	\$ (254,526)	\$ (665)	\$ 1,218	\$ (7,616)	\$ (305,200)

Village of Tahsis
Schedule 3 - Combined Statement of Operations by Segment

For the year ended December 31, 2014

	General Government	Protective Services	Transportation Services	Environmental Treatment Services	Economic Development Services	Recreation and Cultural Services	Water Utility	Sewer Utility	2014 Actual	2014 Budget
Taxation	\$ 599,469	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 599,469	\$ 583,060
Utility connection fees and user rates	-	-	-	-	-	-	92,396	96,950	189,346	198,870
Government grants and transfers	567,822	-	-	-	-	-	-	-	567,822	280,440
Fees and service charges	-	-	-	52,068	-	33,519	-	-	85,587	59,870
Other revenues	91,490	127	-	-	-	-	-	-	91,617	170,010
Total revenue	1,258,781	127	-	52,068	-	33,519	92,396	96,950	1,533,841	1,297,250
Expenses										
Operating										
Goods and services	161,691	40,234	104,119	4,619	30,868	103,139	24,954	62,613	532,237	605,845
Labour	283,642	18,442	91,079	12,742	-	205,642	49,893	16,053	677,493	751,245
Amortization	207,760	-	-	-	-	-	14,077	1,465	223,302	232,500
Total expenses	653,093	58,676	195,198	17,361	30,868	308,781	88,924	80,131	1,433,032	1,589,590
Excess (deficiency) of revenues over expenses	\$ 605,688	\$ (58,549)	\$ (195,198)	\$ 34,707	\$ (30,868)	\$ (275,262)	\$ 3,472	\$ 16,819	\$ 100,809	\$ (297,340)

Village of Tahsis
Schedule 4 - Reserve Fund Transactions

For the year ended December 31, 2015

	Capital Works Machinery and Equipment	Fire Hall	Rec Centre	Economic Development	Total 2015	Total 2014
Balance, beginning of year	\$ 516,742	\$ 564,536	\$ 259,583	\$ -	\$ 1,340,861	\$ 1,370,571
Interest earned	2,365	6,972	12,859		22,196	15,590
Transfer from other funds	20,330	15,000	-	23,200	58,530	41,600
Used for Capital Expenditures	-	-	-	-	-	(86,900)
Balance, end of year	\$ 539,437	\$ 586,508	\$ 272,442	\$ 23,200	\$ 1,421,587	\$ 1,340,861