

Village of Zeballos
Financial Statements
For the year ended December 31, 2013

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Independent Auditor's Report

To the Mayor and Councilors of the Village of Zeballos

We have audited the accompanying financial statements of the Village of Zeballos, which comprise the Statement of Financial Position as at December 31, 2013, 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 consolidated 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 Zeballos as at December 31, 2013 and results of its operations and its cash flows for the year ended in accordance with Canadian public sector accounting standards.

Supplemental Information

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information included in Exhibits A through J and Supplementary Financial Information is presented for purposes of additional analysis and is prepared without audit.

Chartered Accountants


Vancouver, British Columbia
May 12, 2014

Village of Zeballos
Statement of Financial Position

December 31	2013	2012 (Restated)
Financial Assets		
Accounts receivable	\$ 63,168	\$ 27,919
Portfolio investments (Note 1)	730,354	1,402,868
Taxes and user fees receivable	62,798	59,963
Nootka Sound Economic Development Corporation (Note 2)	94,516	141,726
	950,836	1,632,476
Liabilities		
Bank indebtedness (Note 3)	22,564	34,142
Accounts payable and accrued liabilities	78,015	20,821
Unearned revenue (Note 4)	58,672	397,653
Long term debt	-	13,567
	159,251	466,183
Net Financial Assets	791,585	1,166,293
Non-Financial Assets		
Prepaid expenses	17,209	14,946
Tangible capital assets (Note 6)	3,727,189	3,381,967
	3,744,398	3,396,913
Accumulated Surplus (Notes 5)	\$ 4,535,983	\$ 4,563,206

Contingencies - see Note 7

 Treasurer

 Mayor

Village of Zeballos
Statement of Operations

For the year ended December 31	Budget 2013	2013	2012
	(Note 13)		(Restated)
Revenue (Schedule 2 and 3)			
Taxation - net (Note 8)	\$ 162,300	\$ 165,538	\$ 166,295
Government grants - Provincial (Schedule 1)	948,073	656,559	586,225
Sales of services	95,010	79,008	116,539
Other revenue	7,800	32,542	65,447
Water utility	26,500	16,452	24,621
Sewer utility	8,600	8,925	5,166
	<u>1,248,283</u>	<u>959,024</u>	<u>964,293</u>
Expenses (Schedule 2 and 3)			
General government services	653,239	882,210	657,168
Interest and bank charges	3,000	6,661	8,131
Water system operations	23,415	54,633	35,699
Sewer system operations	46,295	42,743	49,090
	<u>725,949</u>	<u>986,247</u>	<u>750,088</u>
Annual Surplus (deficit)	522,334	(27,223)	214,205
Accumulated Surplus, beginning of year	4,563,206	4,563,206	4,349,001
Accumulated Surplus, end of year	\$ 5,085,540	\$ 4,535,983	\$ 4,563,206

Village of Zeballos
Statement of Changes in Net Financial Assets

For the year ended December 31	Budget 2013	2013	2012
Annual surplus (deficit)	\$ 522,334	\$ (27,223)	\$ 214,205
Acquisition of tangible capital assets	-	(512,373)	(256,480)
Amortization of tangible capital assets	-	163,721	131,549
Disposition of tangible capital assets	-	3,430	-
	-	(345,222)	(124,931)
Acquisition of prepaid expenses	-	(17,209)	(14,946)
Use of prepaid expenses	-	14,946	16,670
	-	(2,263)	1,724
Change in net financial assets for the year	522,334	(374,708)	90,998
Net financial assets, beginning of year	1,166,293	1,166,293	1,075,295
Net financial assets, end of year	\$ 1,688,627	\$ 791,585	\$ 1,166,293

Village of Zeballos
Statement of Cash Flows

For the year ended December 31	2013	2012
Cash provided by (used in)		
Operating transactions		
Annual surplus (deficit)	\$ (27,223)	\$ 214,205
Items not involving cash		
Equity income from Nootka Sound Economic Development Corporation	(5,596)	(42,128)
Amortization of tangible capital assets	163,721	131,549
Loss on disposal of tangible capital assets	3,430	-
	134,332	303,626
Changes in non-cash operating balances		
Accounts and taxes receivable	(38,084)	37,562
Prepaid expenses	(2,263)	1,724
Due from trust funds	-	9,658
Accounts payable and accrued liabilities	57,194	(15,213)
Unearned revenue	(338,981)	296,285
	(322,134)	330,016
Investing activities		
Purchase of tangible capital assets	(512,373)	(256,480)
Redemption (purchase) of investments	672,514	(549,422)
	160,141	(805,902)
Financing activities		
Dividends received from Nootka Sound Economic Development Corporation	52,806	2,805
Repayment of long-term debt	(13,567)	(12,921)
	39,239	(10,116)
Increase (decrease) in cash during the year	11,578	(182,376)
Cash (bank indebtedness), beginning of year	(34,142)	148,234
Bank indebtedness, end of year	\$ (22,564)	\$ (34,142)

Village of Zeballos Summary of Significant Accounting Policies

December 31, 2013

Significant Accounting Policies

The Village of Zeballos (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.

Change in Accounting Policies

In 2013, the Village adopted the provisions of the public sector accounting standard "PS3410 Government Transfers". This new standard can be applied either retroactively or prospectively. Government transfers are recognized as revenue when authorized and eligibility criteria have been met unless the transfer contains stipulations that create a liability. If the transfer contains stipulations that create a liability, the related revenue is recognized over the period that the liability is extinguished.

The Village elected to apply the new standard retroactively which resulted in an increase in unearned revenue and corresponding decrease in accumulated surplus of \$100,198 at January 1, 2012. In addition, the government grant revenue for fiscal 2012 was increased by \$46,120 being the amount spent on eligible projects in the year.

The most significant government transfer relates to Community Works Fund (Note 4). These funds are deferred until such time that they are spent on eligible projects.

In 2013, the Village also adopted the provisions of the public sector accounting standard "PS3510 Tax Revenue". The requirements of this standard did not differ from the treatment the Village had previously been following and therefore, no change was required.

Investments

Portfolio investments are comprised entirely of Municipal Finance Authority (MFA) pooled investments including money market, intermediate and 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.

Village of Zeballos
Summary of Significant Accounting Policies

December 31, 2013

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 asset 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. Donated tangible capital assets are recorded at fair value at the time of the donation.

Estimate useful lives of tangible capital assets are as follows:

Buildings	10 to 40 years
Fixtures, furniture, equipment and vehicles	5 to 20 years
Roads and bridges	10 to 100 years
Other	10 to 100 years
Water infrastructure	10 to 100 years
Sewer infrastructure	10 to 100 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.

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. Levies imposed by other taxing authorities are not included as taxes for municipal purposes. Levies imposed by Comox Valley Regional District for services and general administrative services and other taxing authorities are not included.

Charges for sewer and water usage are recorded as user fees. Connection fee revenues are recognized when the connection has been established.

Village of Zeballos
Summary of Significant Accounting Policies

December 31, 2013

**Revenue Recognition
(Continued)**

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.

Unearned Revenue

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

Trust Funds

Trust funds held in trust by the Village, and their related operations, are not included in these financial statements. The financial activity and position of the trust funds are reported separately. (Note 10)

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, collectibility of receivables and estimation of contingent liabilities.

Village of Zeballos
Notes to Financial Statements

December 31, 2013

1. Portfolio Investments

	2013	2012
Money Market Funds - Municipal Finance Authority	\$ 730,354	\$ 1,402,868

Money market funds currently yield interest at 1.09% (2012 - 1.08%) and are redeemable at any time.

2. Nootka Sound Economic Development Corporation

	2013	2012
Cost of investment	\$ 41,993	\$ 41,993
Accumulated net equity income, beginning of year	99,733	60,410
Share of increase in shareholders' equity during the year	5,596	42,128
Dividends received during the year	(52,806)	(2,805)
	\$ 94,516	\$ 141,726

On February 21, 1996, the Village received the 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 Gold River, Tahsis 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 the three common shares of NSEDC and 41,993 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.

NSEDC has entered into an agreement with Western Forest Products to log the quantities allotted to NSEDC pursuant to its forest licence. Effective January 1, 2012, NSEDC signed an extension of its agreement with Western Forest Products to receive \$5.25 (previously - \$4.25) per cubic metre of wood logged over the term of the agreement which ends in December 2014. The annual logging volume is estimated at 35,700 cubic metres in each year of the agreement. As of December 31, 2013, the logging volume has been fulfilled. The Corporation is exploring other license opportunities.

During 2013, the Village received \$52,806 (2012 - \$2,805) in dividends from NSEDC as a result of owning the aforementioned preferred shares and common shares. There are shareholder disputes with respect to the proportion of dividends received, which are unresolved and could impact the amount of future dividends to be received and the carrying value of the investment. Amounts will be recorded as necessary in the period in which the shareholder issues are resolved.

Village of Zeballos
Notes to Financial Statements

December 31, 2013

2. Nootka Sound Economic Development Corporation (Continued)

Condensed Supplementary Financial Statement Information of NSEDC:

	<u>2013</u>	<u>2012</u>
Statement of Financial Position		
Total Assets	<u>\$ 299,699</u>	<u>\$ 447,541</u>
Total Liabilities	1,820	8,033
Total Equity	<u>297,879</u>	<u>439,508</u>
	<u>\$ 299,699</u>	<u>\$ 447,541</u>
Statement of Comprehensive Income		
Revenues	\$ 58,289	\$ 174,029
Expenditures	<u>(38,694)</u>	<u>(44,836)</u>
Net Earnings	<u>\$ 19,595</u>	<u>\$ 129,193</u>
Statement of Changes in Equity		
Retained Earnings - beginning of year	\$ 299,205	\$ 181,236
Comprehensive Income	19,595	129,193
Dividends	<u>(161,224)</u>	<u>(11,224)</u>
Retained Earnings - end of year	<u>157,576</u>	<u>299,205</u>
Share Capital	<u>140,303</u>	<u>140,303</u>
Total Equity	<u>\$ 297,879</u>	<u>\$ 439,508</u>

Village of Zeballos
Notes to Financial Statements

December 31, 2013

3. Bank Indebtedness

The Village has a revolving line of credit with a credit limit of \$100,000 with interest at prime plus 1.5%. This revolving line of credit remained unused at year end. As at December 31, 2013, the balance of the bank overdraft \$22,564 (2012: \$34,142) was due to outstanding cheques at year end.

4. Unearned Revenue

Included in unearned revenue are amounts related to

	2013	2012 (Restated)
Gas tax agreement - Community Works fund	\$ 46,461	\$ 54,078
Provincial Capital - Community hall	-	341,900
Other deferred revenue	12,211	1,675
	\$ 58,672	\$ 397,653

Gas tax is provided by the Government of Canada. The use of the funding is established by a funding agreement between the Village and the Union of British Columbia Municipalities. Gas tax funding may be used towards designated community energy, water, wastewater, solid waste and capacity building projects as specified in the funding agreements.

	2013	2012
Opening balance of unspent funds - originally stated	\$ 397,653	\$ 1,170
Adjustment on transition to government transfers standard	-	100,198
Add: Amount received during the year	69,825	401,194
Interest income	487	1,082
Less: Amount spent on eligible projects	(407,618)	(104,821)
Amount recognized from other deferred revenue	(1,675)	(1,170)
Closing balance of unspent funds	\$ 58,672	\$ 397,653

The funds, previously held in the Community Works Reserve fund have been transferred to deferred revenue on the adoption of PS 3410 Government Transfers. The funds will be recognized as revenue under the requirements of the grantor.

Village of Zeballos
Notes to Financial Statements

December 31, 2013

5. Accumulated Surplus

The Village segregates its accumulated surplus in the following categories:

	<u>2013</u>	<u>2012</u>
Stat Reserve - Capital Works, Machinery and Equipment Reserve	\$ 95,056	\$ 118,896
Economic Development Reserve	72,869	88,642
Future Expenditures Reserves	131,167	129,753
Unrestricted	492,493	842,569
Investment in non-financial assets	<u>3,744,398</u>	<u>3,383,346</u>
	<u>\$ 4,535,983</u>	<u>\$ 4,563,206</u>

The investment in non-financial assets represents amounts already spent and invested in infrastructure and other non-financial assets.

The Capital Works, Machinery and Equipment Depreciation Reserve was established by Bylaw #114, 1975 for the purpose of setting aside funds on an annual basis to purchase machinery and equipment.

Village of Zeballos
Notes to Financial Statements

December 31, 2013

6. Tangible Capital Assets

	Land	Buildings	Fixture, Furniture and Vehicles	Roads and Bridges	Parks and Land Improvements	Water Infrastructure	Sewer Infrastructure	2013 Total	2012 Total
Cost, beginning of year	\$ 342,442	\$ 793,100	\$ 357,370	\$ 1,207,510	\$ 582,437	\$ 985,975	\$ 988,724	\$ 5,257,558	\$ 5,001,078
Additions	-	487,754	24,619	-	-	-	-	512,373	256,480
Disposals	-	-	(9,800)	-	-	-	-	(9,800)	-
Cost, end of year	342,442	1,280,854	372,189	1,207,510	582,437	985,975	988,724	5,760,131	5,257,558
Accumulated amortization, beginning of year	-	303,205	169,227	599,101	221,288	221,185	361,585	1,875,591	1,744,042
Amortization	-	29,680	22,885	40,772	20,676	30,055	19,653	163,721	131,549
Disposals	-	-	(6,370)	-	-	-	-	(6,370)	-
Accumulated amortization, end of year	-	332,885	185,742	639,873	241,964	251,240	381,238	2,032,942	1,875,591
Net carrying amount, end of year	\$ 342,442	\$ 947,969	\$ 186,447	\$ 567,637	\$ 340,473	\$ 734,735	\$ 607,486	\$ 3,727,189	\$ 3,381,967

Village of Zeballos
Notes to Financial Statements

December 31, 2013

7. Contingent Liabilities

- (a) The Village is responsible as a member of the Comox Valley Regional District 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.

8. Taxation - Net

	Budget 2013	Actual 2013	Actual 2012
General municipal purposes	\$ 162,300	\$ 165,884	\$ 166,447
Collections for other governments			
Province of BC - school tax	70,023	57,266	52,870
Regional Hospital District	13,299	13,299	12,947
Police taxes levied	6,269	6,269	5,812
Regional District	3,429	3,429	3,359
Municipal Finance Authority	1,055	1,055	1,075
Vancouver Island Regional Library	5,284	5,284	-
	<u>261,659</u>	<u>252,486</u>	<u>242,510</u>
Transfers			
Province of BC - school tax	70,023	56,989	52,870
Regional Hospital District	13,299	13,830	12,997
Police taxes levied	6,269	6,265	5,812
Regional District	3,429	3,528	3,459
Municipal Finance Authority	1,055	1,052	1,077
Vancouver Island Regional Library	5,284	5,284	-
	<u>99,359</u>	<u>86,948</u>	<u>76,215</u>
Available for general municipal purposes	<u>\$ 162,300</u>	<u>\$ 165,538</u>	<u>\$ 166,295</u>

Village of Zeballos
Notes to Financial Statements

December 31, 2013

9. Pension Plan

The Village and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly-trusted 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 179,000 active members and approximately 71,000 retired members. Active members include approximately 35,000 contributors from local government and 5 contributors from the Village.

The most recent valuation as at December 31, 2012, indicates an unfunded liability of \$1,370 million for basic pension benefits. The next valuation will be as at December 31, 2015 with results available in 2016. The actuary does not attribute portions of the unfunded liability to individual employers. The Village paid \$26,389 (2012 - \$22,765) for employer contributions while employees contributed \$18,179 (2012 - \$15,126) to the plan in fiscal 2013.

10. Funds Held in Trust

The Village holds the assets for the benefit of and stand in fiduciary relationship to the beneficiaries. The following trust funds and assets are excluded from the Village's financial statements:

	<u>2013</u>	<u>2012</u>
Cemetery Care Fund	<u>\$ 480</u>	<u>\$ 480</u>

December 31, 2013

11. 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 the activities they encompass are as follows:

General Government Administration and Other

This item relates to the revenues and expenses of the operations of the Village, public safety building and other costs that cannot be directly attributed to a specific segment including general administrative, legislative, and fiscal services.

Protective Services

Protection is comprised of fire protection services, building inspection, bylaw enforcement and emergency 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, sidewalks, cemetery maintenance, outdoor lighting, storm drains and mechanical services and public work buildings.

Environmental Health

Environmental health is responsible for solid waste collection and landfill maintenance.

Recreation and Cultural

This service area provides services meant to improve the health and development of the Village's citizens and also include the cost of the local library services through Vancouver Island Regional Library.

Village of Zeballos
Notes to Financial Statements

December 31, 2013

12. Expenses by Object

	Operations	Capital Acquisitions	2013 Total
Goods and services	\$ 495,257	\$ 512,373	\$1,007,630
Labour	320,609	-	320,609
Debt charges - interest	6,660	-	6,660
Amortization Expense	163,721	-	163,721
Total Expenses	\$ 986,247	\$ 512,373	\$1,498,620

	Operations	Capital Acquisitions	2012 Total
Goods and services	\$ 319,283	\$ 256,480	\$ 575,763
Labour	291,125	-	291,125
Debt charges - interest	8,131	-	8,131
Amortization Expense	131,549	-	131,549
Total Expenses	\$ 750,088	\$ 256,480	\$ 1,006,568

13. Budget

Budget amounts represent the financial Plan By-Law adopted by Council on April 24, 2013.

The budget anticipated 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. The following reconciliation of the "Surplus for the year" is provided to show which items must be added or removed to reflect the financial plan.

	2013
Financial Plan (Budget) Bylaw surplus for the year	\$ -
Add:	
Capital expenditures	753,700
Principal debt payments	8,700
Less:	
Budgeted transfers from accumulated surplus	(76,345)
Amortization	(163,721)
Surplus for the year presented in PSAB financial statements	\$ 522,334

Village of Zeballos
Notes to Financial Statements

December 31, 2013

14. Comparative Figures

Certain comparative figures have been reclassified to conform to current year's presentation.

Village of Zeballos
Schedule 1 - Government Grants to the Village and Ratepayers

For the year ended December 31	Budget		
	2013	2013	2012
Province of British Columbia			
General operating fund			
Small Communities Protection	\$ 297,423	\$ 215,545	\$ 461,170
Gas tax	144,600	65,719	103,739
Sewer Project	101,000	-	-
Grants in lieu of taxes	3,500	4,042	3,921
Community Hall	330,300	341,900	6,900
Other	71,250	29,353	10,495
	\$ 948,073	\$ 656,559	\$ 586,225

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

For the year ended December 31, 2013

	General Government Administration	General Government Other	Protective Services	Transportation Services	Environmental Health Services	Recreation and Cultural Services	Water Utility	Sewer Utility	Total 2013 Actual	Total 2013 Budget
Revenues										
General taxes, net	\$ 165,538	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 165,538	\$ 162,300
Utility charges	-	-	-	-	-	-	16,452	8,925	25,377	35,100
Government grants - Federal	627,206	-	-	-	-	-	-	-	-	-
Government grants - Provincial	-	40,885	-	10,989	15,863	29,353	-	-	656,559	948,073
Sales of services	-	20,964	-	-	-	11,271	-	-	79,008	95,010
Other revenue	11,578	-	-	-	-	-	-	-	32,542	7,800
	804,322	61,849	-	10,989	15,863	40,624	16,452	8,925	959,024	1,248,283
Expenses										
Operating										
Goods and services	197,510	33,632	28,585	141,488	7,033	52,860	17,818	16,331	495,257	248,428
Labour	145,154	-	2,761	126,032	14,556	18,586	6,760	6,760	320,609	310,800
Interest and bank charges	3,641	-	-	-	-	-	3,020	-	6,661	3,000
Amortization	33,286	-	13,576	40,773	7,026	19,352	30,055	19,653	163,721	163,721
	379,591	33,632	44,922	308,293	28,615	90,798	57,653	42,744	986,247	725,949
Excess (deficiency) in revenues over expenses	\$ 424,731	\$ 28,217	\$ (44,922)	\$ (297,304)	\$ (12,752)	\$ (50,174)	\$ (41,201)	\$ (33,819)	\$ (27,223)	\$ 522,334

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

For the year ended December 31, 2012

	General Government Administration	General Government Other	Protective Services	Transportation Services	Environmental Health Services	Recreation and Cultural Services	Water Utility	Sewer Utility	Total 2012 Actual	Total 2012 Budget
Revenues										
General taxes, net	\$ 166,295	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 166,295	\$ 134,963
Utility charges and user rates	-	-	-	-	-	-	24,621	5,166	29,787	35,600
Government grants - Federal	-	-	-	-	-	-	-	-	-	-
Government grants - Provincial	575,730	-	-	-	-	10,495	-	-	586,225	754,778
Sales of services	-	41,837	1,164	27,231	22,835	23,472	-	-	116,539	83,040
Other revenue	47,575	17,872	-	-	-	-	-	-	65,447	33,850
	789,600	59,709	1,164	27,231	22,835	33,967	24,621	5,166	964,293	1,042,231
Expenses										
Operating										
Goods and services	124,405	33,865	25,460	60,840	7,550	34,318	8,878	23,967	319,283	247,747
Labour	136,802	-	3,404	109,376	12,953	16,160	6,215	6,215	291,125	279,300
Interest and bank charges	2,091	-	-	-	-	-	6,040	-	8,131	2,900
Amortization	15,155	-	13,576	33,784	7,026	22,494	20,606	18,908	131,549	131,549
	278,453	33,865	42,440	204,000	27,529	72,972	41,739	49,090	750,088	661,496
Excess (deficiency) in revenues over expenses	\$ 511,147	\$ 25,844	\$ (41,276)	\$ (176,769)	\$ (4,694)	\$ (39,005)	\$ (17,118)	\$ (43,924)	\$ 214,205	\$ 380,735

Village of Zeballos
Unaudited Supplementary Financial Information - Exhibit A
General Fund - Statement of Financial Position
(Unaudited)

December 31	2013	2012
Assets		
Accounts receivable		
Trade receivable	\$ 63,168	\$ 27,919
Taxes receivable	60,328	57,016
Investment in NSEDC	94,516	141,726
Due from sewer fund	48,230	34,643
Portfolio investments	730,354	1,402,868
Prepays	17,209	14,946
	1,013,805	1,679,118
Liabilities		
Bank indebtedness	22,564	34,142
Accounts payable and accrued liabilities	78,017	20,821
Unearned revenue	58,672	397,653
Due to other funds	160,725	190,211
	319,978	642,827
Tangible Capital Assets	2,384,968	1,990,038
Accumulated Surplus		
Provision for future expenditures	237,284	251,282
General fund balance	456,543	785,009
Investment in tangible capital assets	2,384,968	1,990,038
	\$ 3,078,795	\$ 3,026,329

Village of Zeballos
Unaudited Supplementary Financial Information - Exhibit B
General Fund - Operating Fund Balance
and Investment in Tangible Capital Assets
(Unaudited)

<u>For the year ended December 31</u>	<u>2013</u>	<u>2012</u>
Balance, beginning of year	\$ 785,009	\$ 628,264
Surplus for the year	155,827	361,837
Transfers		
Appropriation from provision for future expenditures	41,648	64,309
Capital expenditures	(512,373)	(140,290)
To water operating	(13,568)	(42,463)
To sewer operating	-	(86,648)
Balance, end of year	\$ 456,543	\$ 785,009

Investment in tangible capital assets

Balance, beginning of year	\$ 1,990,038	\$ 1,941,783
Acquisition of property and equipment	512,373	140,290
Disposal of assets	(3,430)	-
Amortization	(114,013)	(92,035)
Balance, end of year	\$ 2,384,968	\$ 1,990,038

Village of Zeballos
Unaudited Supplementary Financial Information - Exhibit C
General Fund - Operating Fund Financial Activities
(Unaudited)

For the year ended December 31	2013	2012
Revenue		
Taxation - net	\$ 165,538	\$ 166,295
Grants		
Provincial government	656,559	586,225
Sale of services		
Environmental health	15,863	22,835
Transportation service	10,989	27,231
Protective services	-	1,164
RV park	11,271	23,472
Rental	35,966	35,518
Office recoveries and other	4,919	6,319
Other revenue		
NSEDC income	5,596	42,129
Penalties and interest	6,983	5,593
Income on investment	13,981	12,280
	<u>927,665</u>	<u>929,061</u>
Expenditures		
General departmental expenditures		
General Government - Administration	346,305	263,298
General Government - Other	33,632	33,865
Protective Services	31,346	28,864
Transportation Services	267,520	170,216
Environmental Health Services	21,589	20,503
Recreation and Cultural Services	71,446	50,478
	<u>771,838</u>	<u>567,224</u>
Surplus for the year	\$ 155,827	\$ 361,837

Village of Zeballos
Unaudited Supplementary Financial Information - Exhibit D
Water Fund - Statement of Financial Position
(Unaudited)

December 31	2013	2012
Assets		
Due from general operating fund	\$ 64,892	\$ 71,315
Deposit - Municipal Finance Authority	-	6,340
Accounts receivable	2,470	2,369
	<u>67,362</u>	<u>80,024</u>
Liabilities		
Reserve - Municipal Finance Authority	-	6,340
Long-term debt	-	13,567
	<u>-</u>	<u>19,907</u>
Tangible capital assets	<u>734,734</u>	<u>764,790</u>
Accumulated Surplus		
Investment in tangible capital assets	734,736	751,223
Surplus	67,360	73,684
	<u>\$ 802,096</u>	<u>\$ 824,907</u>

Village of Zeballos
Unaudited Supplementary Financial Information - Exhibit E
Water Fund - Operating Fund Balance
and Investment in Tangible Capital Assets
(Unaudited)

<u>For the year ended December 31</u>	<u>2013</u>	<u>2012</u>
Operating Fund balance		
Balance, beginning of year	\$ 73,684	\$ 66,021
(Deficit) surplus for the year	(11,146)	3,488
Transfers		
Transfer from general operating fund	13,568	42,463
Debt Principal	(8,746)	(8,746)
Capital expenditures	-	(29,542)
Balance, end of year	\$ 67,360	\$ 73,684
Investment in tangible capital assets		
Balance, beginning of year	\$ 751,223	\$ 729,366
Reduction in long-term debt	13,568	12,921
Acquisition of tangible capital assets	-	29,542
Amortization	(30,055)	(20,606)
Balance, end of year	\$ 734,736	\$ 751,223

Village of Zeballos
Unaudited Supplementary Financial Information - Exhibit F
Water Fund - Operating Fund Financial Activities
(Unaudited)

For the year ended December 31	2013	2012
Revenue		
User fees	\$ 16,452	\$ 24,621
Expenditures		
Administration	486	540
Long-term debt interest	3,020	6,040
Staff training and travel	1,964	1,665
Transmission and distribution	22,128	12,888
	<u>27,598</u>	<u>21,133</u>
Surplus (deficit) for the year	\$ (11,146)	\$ 3,488

Village of Zeballos
Unaudited Supplementary Financial Information - Exhibit G
Sewer Fund - Statement of Financial Position
(Unaudited)

December 31	2013	2012
Assets		
Accounts receivable	\$ -	\$ 578
Liabilities		
Due to general operating	48,230	34,643
Tangible capital assets	607,487	627,139
Accumulated Surplus		
Deficit	(48,230)	(34,065)
Investment in tangible capital assets	607,487	627,139
	\$ 559,257	\$ 593,074

Village of Zeballos
Unaudited Supplementary Financial Information - Exhibit H
Sewer Fund - Operating Fund Balance
and Investment in Tangible Capital Assets
(Unaudited)

For the year ended December 31	2013	2012
Operating Fund balance		
Balance, beginning of year	\$ (34,065)	\$ (9,049)
Deficit for the year	(14,165)	(25,016)
Transfers		
Transfer from general operating	-	(86,648)
Capital expenditures	-	86,648
Balance, end of year	\$ (48,230)	\$ (34,065)
Investment in tangible capital assets		
Balance, beginning of year	\$ 627,139	\$ 559,399
Acquisition of tangible capital assets	-	86,648
Amortization	(19,652)	(18,908)
Balance, end of year	\$ 607,487	\$ 627,139

Village of Zeballos
Unaudited Supplementary Financial Information Exhibit I
Sewer Fund - Operating Fund Financial Activities
(Unaudited)

<u>For the year ended December 31</u>	<u>2013</u>	<u>2012</u>
Revenue		
User fees	\$ 8,925	\$ 5,166
Expenditures		
Administration	2,922	5,895
Consulting	6,801	5,520
Repairs and maintenance	6,607	12,552
Wages	6,760	6,215
	<u>23,090</u>	<u>30,182</u>
Deficit for the year	\$ (14,165)	\$ (25,016)