

Village of Zeballos
Financial Statements
For the year ended December 31, 2014

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For the year ended December 31, 2014

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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, 2014, 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 Zeballos as at December 31, 2014 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 I and Supplementary Financial Information is presented for purposes of additional analysis and is prepared without audit.

BDO Canada LLP

Chartered Accountants

Vancouver, British Columbia

May 5, 2015

Village of Zeballos
Management's Responsibility for Financial Reporting
2014 Financial Statements

May 5, 2015

The Council of the Village of Zeballos 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 Zeballos. 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 Zeballos' independent auditors, BDO Canada LLP, are engaged to express an opinion as to whether these financial statements present fairly the Village of Zeballos' 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.

Eileen Lovestrom
CAO

Village of Zeballos
Statement of Operations

<u>For the year ended December 31</u>	<u>Budget 2014</u>	<u>2014</u>	<u>2013</u>
	(Note 13)		
Revenue (Schedule 2 and 3)			
Taxation - net (Note 8)	\$ 160,273	\$ 160,766	\$ 165,538
Government grants - Provincial (Schedule 1)	366,405	383,319	656,559
Sales of services	78,100	120,366	79,008
Other revenue	13,200	6,930	32,542
Water utility	18,800	21,730	16,452
Sewer utility	8,500	9,962	8,925
	<u>645,278</u>	<u>703,073</u>	<u>959,024</u>
Expenses (Schedule 2 and 3)			
General government services	572,119	693,156	882,210
Interest and bank charges	3,700	3,602	6,661
Water system operations	21,028	41,701	54,633
Sewer system operations	31,153	70,369	42,743
	<u>628,000</u>	<u>808,828</u>	<u>986,247</u>
Annual Surplus (deficit)	17,278	(105,755)	(27,223)
Accumulated Surplus, beginning of year	<u>4,535,983</u>	<u>4,535,983</u>	<u>4,563,206</u>
Accumulated Surplus, end of year	<u>\$ 4,553,261</u>	<u>\$ 4,430,228</u>	<u>\$ 4,535,983</u>

Village of Zeballos
Statement of Changes in Net Financial Assets

<u>For the year ended December 31</u>	<u>Budget 2014</u>	<u>2014</u>	<u>2013</u>
Annual deficit	\$ 17,278	\$ (105,755)	\$ (27,223)
Acquisition of tangible capital assets	-	(341,328)	(512,373)
Amortization of tangible capital assets	-	167,820	163,721
Disposition of tangible capital assets	-	12,025	3,430
	-	(161,483)	(345,222)
Acquisition of prepaid expenses	-	(22,610)	(17,209)
Use of prepaid expenses	-	17,209	14,946
	-	(5,401)	(2,263)
Change in net financial assets for the year	17,278	(272,639)	(374,708)
Net financial assets, beginning of year	791,585	791,585	1,166,293
Net financial assets, end of year	\$ 808,863	\$ 518,946	\$ 791,585

Village of Zeballos
Statement of Cash Flows

For the year ended December 31	2014	2013
Cash provided by (used in)		
Operating transactions		
Annual deficit	\$ (105,755)	\$ (27,223)
Items not involving cash		
Equity loss (income) from Nootka Sound Economic Development Corporation	9,587	(5,596)
Amortization of tangible capital assets	167,820	163,721
Loss on disposal of tangible capital assets	12,025	3,430
	83,677	134,332
Changes in non-cash operating balances		
Accounts and taxes receivable	(19,090)	(38,084)
Prepaid expenses	(5,401)	(2,263)
Accounts payable and accrued liabilities	(16,502)	57,194
Unearned revenue	222,185	(338,981)
	181,192	(322,134)
Investing activities		
Purchase of tangible capital assets	(341,328)	(512,373)
Redemption of investments	68,224	672,514
	(273,104)	160,141
Financing activities		
Dividends received from Nootka Sound Economic Development Corporation	-	52,806
Repayment of long-term debt	-	(13,567)
	-	39,239
(Decrease) increase in cash during the year	(8,235)	11,578
Bank indebtedness, beginning of year	(22,564)	(34,142)
Bank indebtedness, end of year	\$ (30,799)	\$ (22,564)

Village of Zeballos Summary of Significant Accounting Policies

December 31, 2014

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 for its tax payers and some services to neighbouring communities. 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. 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 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.

Estimated useful lives of tangible capital assets are as follows:

Buildings	10 to 40 years
Fixtures, furniture, equipment and vehicles	5 to 20 years
Fire truck	30 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. Levies imposed by other taxing authorities are not included as taxes for municipal purposes. Levies imposed by Strathcona Regional District for services and general administrative services and other taxing authorities are not included.

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

Village of Zeballos
Summary of Significant Accounting Policies

December 31, 2014

Revenue Recognition (Continued)

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 when services are delivered. 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.

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.

Contributions of assets in exchange for future services are deferred and amortized over the term of the service contract.

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, collectability of receivables and estimation of contingent liabilities.

Village of Zeballos
Notes to Financial Statements

December 31, 2014

1. Portfolio Investments

	<u>2014</u>	<u>2013</u>
Money Market Funds - Municipal Finance Authority	\$ 662,130	\$ 730,354

Money market funds currently yield interest at 1.09% (2013 - 1.09%) and are redeemable at any time.

2. Nootka Sound Economic Development Corporation

	<u>2014</u>	<u>2013</u>
Cost of investment	\$ 41,993	\$ 41,993
Accumulated net equity income, beginning of year	52,523	99,733
Share of investment's profit (loss) during the year	(9,587)	5,596
Dividends received during the year	-	(52,806)
Accumulated net equity income, end of year	<u>42,936</u>	<u>52,523</u>
Total investment	<u>\$ 84,929</u>	<u>\$ 94,516</u>

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 (30%) 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, 2014, the logging volume has been fulfilled. The Corporation is exploring other license opportunities.

During 2014, the Village received \$Nil (2013 - \$52,806) in dividends from NSEDC as a result of owning the aforementioned preferred shares and common shares.

Village of Zeballos
Notes to Financial Statements

December 31, 2014

2. Nootka Sound Economic Development Corporation (Continued)

Condensed Supplementary Financial Statement Information of NSEDC:

	2014	2013
Statement of Financial Position		
Total Assets	\$ 269,795	\$ 299,699
Total Liabilities	679	1,820
Total Equity	269,116	297,879
	\$ 269,795	\$ 299,699
Statement of Comprehensive Income		
Revenues	2,828	58,289
Expenditures	(31,591)	(38,694)
Net Earnings (Loss)	\$ (28,763)	\$ 19,595
Statement of Changes in Equity		
Retained Earnings - beginning of year	157,576	299,205
Comprehensive Income (loss)	(28,763)	19,595
Dividends Paid	-	(161,224)
Retained Earnings - end of year	128,813	157,576
Share Capital	140,303	140,303
Total Equity	\$ 269,116	\$ 297,879

Village of Zeballos
Notes to Financial Statements

December 31, 2014

3. Bank Indebtedness

The Village has a revolving line of credit with a credit limit of \$78,750 (2013 - \$100,000) with interest at prime plus 1.5% (2013 - 1.5%). As at December 31, 2014, the balance of \$30,799 (2013 - \$22,564) consisted of \$16,542 from the revolving line of credit and the remaining amount was due to outstanding cheques at year end.

4. Unearned Revenue

Included in unearned revenue are amounts related to

	2014	2013
Gas tax agreement - Community Works fund (a)	\$ -	\$ 46,461
Deferred revenue - fire protection agreement	267,886	-
Other deferred revenue	12,971	12,211
	\$ 280,857	\$ 58,672

- (a) 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.

The funds, previously held in the deferred revenue have been recognized as revenue and transferred to Community Works Reserve fund due to the newly signed 2014 gas tax agreement which removed the stipulations that created a liability. The funds will be transferred out from the reserve when they are used for eligible projects per the agreement.

	2014	2013
Opening balance of unspent funds	\$ 58,672	\$ 397,653
Add: Amount received during the year	10,000	69,825
Interest income	-	487
Deferred revenue - fire protection agreement	267,886	-
Less: Recognition of prior year deferred gas tax into revenue	(46,461)	-
Amount spent on eligible projects	(10,000)	(407,618)
Change from other deferred revenue	760	(1,675)
	\$ 280,857	\$ 58,672

- (b) The Village received a contribution of a fire truck with an estimated fair value of \$267,886 from Ehatís Reserve during the year. In exchange for the contribution, the Village has committed to provide fire protection services, maintain the fire truck and provide a 50% reduction of annual fire service fee to Ehatís Reserve for each of the next 10 years (2015-2024) as the consideration of the capital contribution. The fair value is being amortized to revenue over the term of the service agreement.

Village of Zeballos
Notes to Financial Statements

December 31, 2014

5. Accumulated Surplus

The Village segregates its accumulated surplus in the following categories:

	<u>2014</u>	<u>2013</u>
Statutory Reserve - Capital Works, Machinery and Equipment Depreciation Reserve (a)	\$ 87,805	\$ 95,056
Economic Development Reserve	73,664	72,869
Future Expenditures Reserves	111,142	131,167
Gas Tax Agreement - Community Works (b)	102,910	-
Investment in Non-Financial Assets (c)	3,911,282	3,744,398
Unrestricted	143,425	492,493
	<u>\$ 4,430,228</u>	<u>\$ 4,535,983</u>

- (a) 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.
- (b) The gas tax agreement funds consists of \$46,461 that remained unspent at December 31, 2013 plus additional funds of \$54,587 which was received in 2014 and \$ 1,862 of interest earnings. The amounts will remain in the reserve until spent on eligible projects.
- (c) The investment in non-financial assets represents amounts already spent and invested in infrastructure and other non-financial assets.

Village of Zeballos
Notes to Financial Statements

December 31, 2014

6. Tangible Capital Assets

	Land	Buildings	Fixture, Furniture and Vehicles	Roads and Bridges	Parks and Land Improvements	Water Infrastructure	Sewer Infrastructure	2014 Total	2013 Total
Cost, beginning of year	\$ 342,442	\$ 1,280,854	\$ 372,189	\$ 1,207,510	\$ 582,437	\$ 985,975	\$ 988,724	\$ 5,760,131	\$ 5,257,558
Additions		10,472	330,856	-	-	-	-	341,328	512,373
Disposals		-	(18,500)	-	-	-	-	(18,500)	(9,800)
Cost, end of year	342,442	1,291,326	684,545	1,207,510	582,437	985,975	988,724	6,082,959	5,760,131
Accumulated amortization, beginning of year	-	332,885	185,742	639,873	241,964	251,240	381,238	2,032,942	1,875,591
Amortization	-	40,254	25,583	40,773	19,353	22,083	19,774	167,820	163,721
Disposals	-	-	(6,475)	-	-	-	-	(6,475)	(6,370)
Accumulated amortization, end of year	-	373,139	204,850	680,646	261,317	273,323	401,012	2,194,287	2,032,942
Net carrying amount, end of year	\$ 342,442	\$ 918,187	\$ 479,695	\$ 526,864	\$ 321,120	\$ 712,652	\$ 587,712	\$ 3,888,672	\$ 3,727,189

Village of Zeballos
Notes to Financial Statements

December 31, 2014

7. Contingent Liabilities

- (a) The Village is responsible as a member of the Strathcona 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 2014	Actual 2014	Actual 2013
General municipal purposes	\$ 160,273	\$ 160,874	\$ 165,884
Collections for other governments			
Province of BC - school tax	61,791	59,723	57,266
Comox Strathcona Regional Hospital District	13,047	13,047	13,299
Police taxes levied	6,164	6,164	6,269
Strathcona Regional District	3,342	3,806	3,429
Municipal Finance Authority	983	983	1,055
Vancouver Island Regional Library	5,464	5,464	5,284
Joint Boards	463	-	-
	<u>251,527</u>	<u>250,061</u>	<u>252,486</u>
Transfers			
Province of BC - school tax	61,791	59,723	56,989
Comox Strathcona Regional Hospital District	13,047	13,513	13,830
Police taxes levied	6,164	6,164	6,265
Strathcona Regional District	3,342	3,451	3,528
Municipal Finance Authority	983	980	1,052
Vancouver Island Regional Library	5,464	5,464	5,284
Joint Boards	463	-	-
	<u>91,254</u>	<u>89,295</u>	<u>86,948</u>
Available for general municipal purposes	<u>\$ 160,273</u>	<u>\$ 160,766</u>	<u>\$ 165,538</u>

Village of Zeballos
Notes to Financial Statements

December 31, 2014

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 182,000 active members and approximately 75,000 retired members. Active members include approximately 36,000 contributors from local government and 5 contributors from the Village.

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 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 paid \$22,752 (2013 - \$26,389) for employer contributions while employees contributed \$16,541 (2013 - \$18,179) to the plan in fiscal 2014.

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>2014</u>	<u>2013</u>
Cemetery Care Fund	\$ 480	\$ 480

December 31, 2014

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, 2014

12. Expenses by Object

	<u>Operations</u>	<u>Capital Acquisitions</u>	<u>2014 Total</u>
Goods and services	\$ 366,127	\$ 341,328	\$ 707,455
Labour	271,279	-	271,279
Debt charges - interest	3,602	-	3,602
Amortization Expense	167,820	-	167,820
Total Expenses	<u>\$ 808,828</u>	<u>\$ 341,328</u>	<u>\$ 1,150,156</u>

	<u>Operations</u>	<u>Capital Acquisitions</u>	<u>2013 Total</u>
Goods and services	\$ 495,256	\$ 512,373	\$ 1,007,629
Labour	320,609	-	320,609
Debt charges - interest	6,661	-	6,661
Amortization Expense	163,721	-	163,721
Total Expenses	<u>\$ 986,247</u>	<u>\$ 512,373</u>	<u>\$ 1,498,620</u>

13. Budget

Budget amounts represent the financial Plan By-Law adopted by Council on April 23, 2014.

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.

	<u>2014</u>
Financial Plan (Budget) Bylaw surplus for the year	\$ -
Add:	
Capital expenditures	171,000
Less:	
Budgeted transfers to accumulated surplus	14,098
Amortization	<u>(167,820)</u>
Surplus for the year presented in PSAB financial statements	<u>\$ 17,278</u>

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

<u>For the year ended December 31</u>	<u>Budget 2014</u>	<u>2014</u>	<u>2013</u>
Province of British Columbia			
General operating fund			
Small Communities Protection	\$ 215,545	\$ 214,202	\$ 215,545
Gas Tax Agreement - Community Works	57,600	102,352	65,719
Grants in lieu of Taxes	3,460	5,729	4,042
Community Hall	-	14,435	341,900
Other	89,800	46,601	29,353
	<u>\$ 366,405</u>	<u>\$ 383,319</u>	<u>\$ 656,559</u>

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

For the year ended December 31, 2014

	General Government Administration	General Government Other	Protective Services	Transportation Services	Environmental Health Services	Recreation and Cultural Services	Water Utility	Sewer Utility	Total 2014 Actual	Total 2014 Budget
Revenues										
General taxes, net	\$ 160,766	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 160,766	\$ 160,273
Utility charges	-	-	-	-	-	-	21,730	9,962	31,692	27,300
Government grants - Federal	-	-	-	-	-	-	-	-	-	-
Government grants - Provincial	336,718	-	-	-	-	46,601	-	-	383,319	366,405
Sales of services	-	49,498	4,002	32,560	25,708	8,598	-	-	120,366	78,100
Other revenue	(8,597)	15,527	-	-	-	-	-	-	6,930	13,200
	488,887	65,025	4,002	32,560	25,708	55,199	21,730	9,962	703,073	645,278
Expenses										
Operating										
Goods and services	138,471	28,817	28,843	57,870	3,858	47,464	14,914	45,891	366,128	187,013
Labour	148,787	-	4,374	83,115	12,633	12,962	4,704	4,704	271,279	269,467
Interest and bank charges	3,602	-	-	-	-	-	-	-	3,602	3,700
Amortization	45,235	-	13,576	40,773	7,026	19,353	22,083	19,774	167,820	167,820
	336,095	28,817	46,793	181,758	23,517	79,779	41,701	70,369	808,828	628,000
Excess (deficiency) in revenues over expenses	\$ 152,792	\$ 36,208	\$ (42,791)	\$ (149,198)	\$ 2,191	\$ (24,580)	\$ (19,971)	\$ (60,407)	\$ (105,755)	\$ 17,278

Village of Zeballos
Schedule 3 - 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 and user rates	-	-	-	-	-	-	16,452	8,925	25,377	35,100
Government grants - Federal	-	-	-	-	-	-	-	-	-	-
Government grants - Provincial	627,206	-	-	-	-	29,353	-	-	656,559	948,073
Sales of services	-	40,885	-	10,989	15,863	11,271	-	-	79,008	95,010
Other revenue	11,578	20,964	-	-	-	-	-	-	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
Unaudited Supplementary Financial Information - Exhibit A
General Fund - Statement of Financial Position
(Unaudited)

December 31	2014	2013
Assets		
Accounts receivable		
Trade receivable	\$ 79,491	\$ 63,168
Taxes receivable	62,829	60,328
Investment in NSEDC	84,929	94,516
Due from sewer fund	88,863	48,230
Portfolio investments	662,130	730,354
Prepays	22,610	17,209
	1,000,852	1,013,805
Liabilities		
Bank indebtedness	30,799	22,564
Accounts payable and accrued liabilities	61,513	78,017
Unearned revenue	280,857	58,672
Due to other funds	133,637	160,725
	506,806	319,978
Tangible Capital Assets	2,588,308	2,384,968
	\$ 3,082,354	\$ 3,078,795
Accumulated Surplus		
Provision for future expenditures	\$ 342,011	\$ 237,284
General fund balance	117,332	456,543
Investment in tangible capital assets	2,588,308	2,384,968
	\$ 3,082,354	\$ 3,078,795

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>2014</u>	<u>2013</u>
Balance, beginning of year	\$ 456,543	\$ 785,009
Surplus for the year	99,594	155,827
Transfers		
Appropriation from provision for future expenditures	29,580	41,648
Capital expenditures	(341,328)	(512,373)
Provision for future expenditures	(127,057)	-
To water operating	-	(13,568)
Balance, end of year	\$ 117,332	\$ 456,543

Investment in tangible capital assets

Balance, beginning of year	\$ 2,384,968	\$ 1,990,038
Acquisition of property and equipment	341,328	512,373
Disposal of assets	(12,025)	(3,430)
Amortization	(125,963)	(114,013)
Balance, end of year	\$ 2,588,308	\$ 2,384,968

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

For the year ended December 31	2014	2013
Revenue		
Taxation - net	\$ 160,766	\$ 165,538
Grants		
Provincial government	383,319	656,559
Sale of services		
Environmental health	25,708	15,863
Transportation service	32,560	10,989
Protective services	4,002	-
RV park	8,598	11,271
Rental	44,411	35,966
Office recoveries and other	5,087	4,919
Other revenue		
NSEDG income (loss)	(9,588)	5,596
Penalties and interest	8,289	6,983
Income on investment	7,238	13,981
	<u>670,390</u>	<u>927,665</u>
Expenditures		
General departmental expenditures		
General Government - Administration	290,860	346,305
General Government - Other	28,817	33,632
Protective Services	33,217	31,346
Transportation Services	140,985	267,520
Environmental Health Services	16,491	21,589
Recreation and Cultural Services	60,426	71,446
	<u>570,796</u>	<u>771,838</u>
Surplus (deficit) for the year	\$ 99,594	\$ 155,827

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

December 31	2014	2013
Assets		
Operating Fund		
Due from other funds	\$ 66,736	\$ 64,892
Accounts receivable	2,736	2,470
	69,472	67,362
Tangible capital assets	712,653	734,734
	\$ 782,125	\$ 802,096
Accumulated Surplus		
Investment in tangible capital assets	\$ 712,653	\$ 734,736
Surplus	69,472	67,360
	\$ 782,125	\$ 802,096

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>2014</u>	<u>2013</u>
Operating Fund balance		
Balance, beginning of year	\$ 67,360	\$ 73,684
Surplus (deficit) for the year	2,112	(11,146)
Transfers		
Transfer from general operating fund	-	13,568
Debt Principal	-	(8,746)
Balance, end of year	\$ 69,472	\$ 67,360
Investment in tangible capital assets		
Balance, beginning of year	\$ 734,736	\$ 751,223
Reduction in long-term debt	-	13,568
Amortization	(22,083)	(30,055)
Balance, end of year	\$ 712,653	\$ 734,736

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

<u>For the year ended December 31</u>	<u>2014</u>	<u>2013</u>
Revenue		
User fees	\$ 21,730	\$ 16,452
Expenditures		
Administration	974	486
Interest	-	3,020
Staff training and travel	3,689	1,964
Transmission and distribution	14,955	22,128
	<u>19,618</u>	<u>27,598</u>
Surplus (deficit) for the year	<u>\$ 2,112</u>	<u>\$ (11,146)</u>

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

December 31	2014	2013
Liabilities		
Due to general operating	\$ 88,863	\$ 48,230
Tangible capital assets	587,714	607,487
	\$ 498,851	\$ 559,257
 Accumulated Surplus		
Deficit	\$ (88,863)	\$ (48,230)
Investment in tangible capital assets	587,714	607,487
	\$ 498,851	\$ 559,257

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	2014	2013
Operating Fund balance		
Balance, beginning of year	\$ (48,230)	\$ (34,065)
Deficit for the year	(40,633)	(14,165)
Transfers		
Balance, end of year	\$ (88,863)	\$ (48,230)
Investment in tangible capital assets		
Balance, beginning of year	\$ 607,487	\$ 627,139
Amortization	(19,773)	(19,652)
Balance, end of year	\$ 587,714	\$ 607,487

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

For the year ended December 31	2014	2013
Revenue		
User fees	\$ 9,962	\$ 8,925
Expenditures		
Administration	2,168	2,922
Consulting	37,766	6,801
Repairs and maintenance	5,957	6,607
Wages	4,704	6,760
	50,595	23,090
Surplus (deficit) for the year	\$ (40,633)	\$ (14,165)