
APPENDIX III: AUDITED MUNICIPAL FINANCIAL STATEMENTS

Village of Zeballos

Financial Statements

For the year ended December 31, 2017

Village of Zeballos
Financial Statements
For the year ended December 31, 2017

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Village of Zeballos

Management's Responsibility for Financial Reporting

2017 Financial Statements

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 in all material respects, the Village of Zeballos' financial position, operating 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

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, 2017, 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, 2017 and its results of operations, changes in net financial assets and its cash flows for the year ended in accordance with Canadian public sector accounting standards.

BDO Canada LLP

Chartered Professional Accountants

Vancouver, British Columbia
May 7, 2018

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

Village of Zeballos
Statement of Financial Position

December 31	2017	2016
Financial Assets		
Cash	\$ 141,636	\$ 57,860
Accounts receivable (Note 1)	141,697	83,493
Portfolio investments (Note 2)	678,312	597,092
Taxes and user fees receivable	28,977	54,531
Investment in Nootka Sound Economic Development Corporation (Note 3)	-	73,727
	990,622	866,703
Liabilities		
Accounts payable and accrued liabilities	62,705	66,063
Unearned revenue (Note 4)	347,562	215,000
	410,267	281,063
Net Financial Assets		
	580,355	585,640

Accumulated Surplus (Note 6)

Dileen Lovestrom

Treasurer

John Cox

Mayor

**Village of Zeballos
Statement of Operations**

For the year ended December 31	Budget 2017	2017	2016
	(Note 13)		
Revenue (Schedule 2 and 3)			
3) Taxation - net (Note 8)	\$ 187,638	\$ 175,188	\$ 170,160
Government grants - Provincial (Schedule 1)	2,747,800	2,876,380	465,327
Sales of services	95,540	100,423	115,465
Amortized contribution of tangible capital asset	-	26,789	26,789
Other revenue	9,450	6,620	5,632
Water utility	27,500	28,254	27,309
Sewer utility	13,000	11,977	12,230
Loss on wind up of investment (Note 3)	-	(10,847)	-
	3,080,928	3,214,784	822,912
Expenses (Schedule 2 and 3)			
General government services	793,446	772,931	699,468
Interest and bank charges	3,000	2,803	2,863
Water system operations	25,256	42,680	40,233
Sewer system operations	28,633	34,547	31,247
	850,335	852,961	773,811
Annual Surplus	2,230,593	2,361,823	49,101
Accumulated Surplus , beginning of year	4,479,429	4,479,429	4,430,328
Accumulated Surplus , end of year	\$ 6,710,022	\$ 6,841,252	\$ 4,479,429

Village of Zeballos

6. Statement of Changes in Net Financial Assets

For the year ended December 31	Budget 2017	2017	2016
	(Note 13)		
Annual surplus	\$ 2,230,593	\$ 2,361,823	\$ 49,101
Acquisition of tangible capital assets	(2,438,000)	(2,581,693)	(192,046)
Amortization of tangible capital assets	-	191,246	187,296
	(2,438,000)	(2,390,447)	(4,750)
Acquisition of prepaid expenses	-	(4,064)	(27,403)
Use of prepaid expenses	-	27,403	20,574
	-	23,339	(6,829)
Change in net financial assets for the year	(207,407)	(5,285)	37,522
Net financial assets, beginning of year	585,640	585,640	548,118
Net financial assets, end of year	\$ 378,233	\$ 580,355	\$ 585,640

Village of Zeballos
Statement of Cash Flows

For the year ended December 31	2017	2016
Cash provided by (used in)		
Operating activities	\$ 2,361,823	\$ 49,101
Annual surplus		
Items not involving cash		
Equity loss from Nootka Sound Economic Development Corporation	<u>5,064</u>	5,175
Amortization of tangible capital assets	<u>191,246</u>	187,296
Loss on wind up of investment	<u>10,847</u>	-
	2,568,980	241,572
Changes in non-cash operating balances		
Accounts and taxes receivable	<u>(32,650)</u>	(49,368)
Prepaid expenses	<u>23,339</u>	(6,829)
Accounts payable and accrued liabilities	<u>(3,358)</u>	4,949
Unearned revenue	<u>132,562</u>	(30,733)
	2,688,873	159,591
Investing activities		
Purchase of tangible capital assets	<u>(2,581,693)</u>	(192,046)
Purchase of investments	<u>(81,220)</u>	35,461
Dividends and share redemption received	<u>57,816</u>	-
	(2,605,097)	(156,585)
Increase in cash during the year	83,776	3,006
Cash, beginning of year	<u>57,860</u>	<u>54,854</u>
Cash, end of year	\$ 141,636	\$ 57,860

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.

During the fiscal year ended December 31, 2017, Nootka Sound Development Corporation was wound up and all invested funds and residual retained earnings were distributed to the three shareholders.

Tangible Capital Assets Tangible capital assets are recorded at cost less accumulated amortization. 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 useful 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
Water infrastructure	10 to 100 years
Sewer infrastructure	10 to 100 years
Other	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	<p>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.</p> <p>Through the British Columbia Assessment's appeal process, taxes may be adjusted by way of supplementary roll adjustments. The effects of these adjustments on taxes are recognized at the time they are awarded.</p> <p>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.</p> <p>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.</p> <p>Sales of service and other revenue is recognized on an accrual basis as earned.</p>
Unearned Revenue	<p>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.</p> <p>Contributions of assets in exchange for future services are deferred and amortized over the term of the service contract.</p>
Trust Funds	<p>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)</p>
Use of Estimates	<p>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.</p>

December 31, 2017

Contaminated Sites

Governments are required to accrue a liability for the costs to remediate a contaminated site. Liabilities are recognized when an environmental standard exists, contamination exceeds the standard, the government has responsibility for remediation, future economic benefits will be given up and a reasonable estimate can be made.

Management has assessed its potential liabilities 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 which required remediation at this time, therefore no liability was recognized as at December 31, 2017 or December 31, 2016.

Village of Zeballos

December 31, 2017

1. Accounts Receivable

	<u>2017</u>		<u>2016</u>
Government remittances receivable	\$ 116,822	\$	8,802
Sugarloaf bridge project grant	-		67,970
Trade receivable	7,886		6,721
Asset management grant	8,300		-
Other receivable	8,689		-
	<u>\$ 141,697</u>	<u>\$</u>	<u>83,493</u>

2. Portfolio Investments

	<u>2017</u>		<u>2016</u>
Money Market Funds - Municipal Finance Authority	\$ 678,312	\$	597,092

Money market funds currently yield interest at 0.97% (2016 - 0.81%) and are redeemable at any time.

Village of Zeballos

December 31, 2017

3. Nootka Sound Economic Development Corporation

	2017	2016
Total investment	\$ 73,727	\$ 78,902
Share redemption	(35,075)	-
Dividends received	(22,741)	-
Loss on wind up of investment	(10,847)	-
Share of investment's loss during the year	(5,064)	(5,175)
Accumulated net equity, end of year	\$ -	\$ 73,727

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

As of December 31, 2014, the logging volume has been fulfilled. There remains no more volume under the original non-renewable forest license.

The Village holds one of the three common shares of NSEDG and 35,075 of 140,300 (25%) preferred shares. Each shareholder has the right to elect an equal number of directors to the Board of NSEDG. The Village's investment in NSEDG is recorded on a modified equity basis.

During 2017, the Village received \$22,741 (2016 - \$nil) in dividends from NSEDG as a result of owning the aforementioned preferred shares and common shares.

NSEDG dissolved on April 4, 2017 and resulted in a net loss of \$10,847 to the Village.

Village of Zeballos

December 31, 2017

3. *Nootka Sound Economic Development Corporation (Continued)*

Condensed supplementary financial statement information of NSEDC:

	2017	2016
Statement of Financial Position		
Total Assets	\$ 45,407	\$ 235,511
Total Liabilities	45,404	-
Total Equity	3	235,511
	\$ 45,407	\$ 235,511
Statement of Comprehensive Income		
Revenues	8	1,544
Expenditures	(15,200)	(17,068)
Net Loss	\$ (15,192)	\$ (15,524)
Statement of Changes in Equity		
Retained Earnings, beginning of year	95,208	110,732
Comprehensive loss	(15,192)	(15,524)
Dividends Paid	(80,016)	-
Retained Earnings, end of year	-	95,208
Share Capital	3	140,303
Total Equity	\$ 3	\$ 235,511

Village of Zeballos

December 31, 2017

4. Unearned Revenue

Included in unearned revenue are amounts related to:

	2017	2016
Province of BC - Sugarloaf bridge replacement	\$ 125,000	\$ -
UBCM - Unity trail	28,343	-
Fire protection agreement (a)	187,520	214,309
Other	6,699	691
	\$ 347,562	\$ 215,000
	2017	2016
Opening balance of unspent funds	\$ 215,000	\$ 245,733
Add: Amount received during the year	216,720	476
Less:		
Amount spent on eligible projects	(63,377)	(1,920)
Amortization of deferred fire protection agreement	(26,789)	(26,789)
Change from other deferred revenue	6,008	(2,500)
	\$ 347,562	\$ 215,000

- (a) The Village received a contribution of a fire truck with an estimated fair value of \$267,886 from Ehatis Reserve during 2014. 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 Ehatis Reserve for each of the next 10 years (2016 - 2024) as the consideration of the capital contribution. The fair value is being amortized to revenue over the term of the service agreement.

Government Partnership - Unity Trail

The Village has been collaborating with the Village of Tahsis, Mowachaht/Muchalaht First Nation, and Ehattesaht/Chinehkint First Nation to build a an ATV/Multi-use trail for 25 kilometres throughout the shared region to boot tourism in the area. The parties are in the process of creating a non-profit society and applying for provincial approval to have this become a designated trail. During fiscal 2016 and 2017 the Village of Tahsis and Zeballos applied for some government grants to begin the project.

It is expected that the project will be considered a government partnership, but the agreements have not been finalized and the method of sharing costs and benefits have not been determined.

As at December 31, 2017 the Village had received a government grant in the amount of \$91,720, of which \$63,377 was spent on activities during the year and recognized as revenue.

The Village has not recorded any additional amounts in the financial statements at this time.

VILLAGE OF ZEBALLOS

7. Notes to Financial Statements

December 31, 2017

5. Tangible Capital Assets

	Land	Buildings	Fixture, Furniture and Vehicles	Roads and Bridges	Parks and Land Improvements	Water Infrastructure	Sewer Infrastructure	2017 Total	2016 Total
Cost, beginning of year	\$ 342,442	\$ 1,428,644	\$ 762,908	\$ 1,350,819	\$ 612,227	\$ 985,975	\$ 988,724	\$ 6,471,739	\$ 6,279,693
Additions	-	17,093	-	2,516,254	-	-	48,346	2,581,693	192,046
Cost, end of year	342,442	1,445,737	762,908	3,867,073	612,227	985,975	1,037,070	9,053,432	6,471,739
Accumulated amortization, beginning of year	-	502,921	271,208	773,152	300,023	317,489	440,560	2,605,353	2,418,057
Amortization	-	44,984	37,669	46,513	20,222	22,083	19,775	191,246	187,296
Accumulated amortization, end of year	-	547,905	308,877	819,665	320,245	339,572	460,335	2,796,599	2,605,353
Net carrying amount, end of year	\$ 342,442	\$ 897,832	\$ 454,031	\$ 3,047,408	\$ 291,982	\$ 646,403	\$ 576,735	\$ 6,256,833	\$ 3,866,386

Village of Zeballos

December 31, 2017

6. Accumulated Surplus

The Village segregates its accumulated surplus in the following categories:

2017	2016	
Statutory Reserve - Capital Works, Machinery and Equipment Depreciation Reserve (a)	\$ 40,363	\$ 32,139
Economic Development Reserve	54,189	53,815
Future Expenditures Reserves	122,195	77,655
Gas Tax Agreement - Community Works (b)	230,433	219,005
Investment in Non-Financial Assets (c)	6,260,897	3,893,789
Unrestricted	133,175	203,026
	\$ 6,841,252	\$ 4,479,429

- (a) The Capital Works, Machinery and Equipment Depreciation Reserve was established by Bylaw #114, in 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 \$170,660 that remained unspent at December 31, 2016 plus additional funds of \$57,846 which were received in 2017 and \$1,927 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

December 31, 2017

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 2017		Actual 2017	Actual 2016
General municipal purposes	\$ 187,638	\$ 175,411	\$ 170,589
Collections for other governments			
Province of BC - school tax	54,000	53,538	56,051
Comox Strathcona Regional Hospital District	11,800	11,219	13,156
Police taxes levied	5,524	5,344	6,011
Strathcona Regional District	4,300	4,013	4,190
Municipal Finance Authority	800	708	826
Vancouver Island Regional Library	4,400	4,289	4,400
Comox Valley Regional District Solid Waste	2,600	2,627	-
271,062		257,149	255,223
Transfers			
Province of BC - school tax	54,000	53,538	56,051
Comox Strathcona Regional Hospital District	11,800	11,280	13,585
Police taxes levied	5,524	5,344	6,011
Strathcona Regional District	4,300	4,148	4,190
Municipal Finance Authority	800	716	826
Vancouver Island Regional Library	4,400	4,300	4,400
Comox Valley Regional District Solid Waste	2,600	2,635	-
83,424		81,961	85,063
Available for general municipal purposes	\$ 187,638	\$ 175,188	\$ 170,160

Village of Zeballos

December 31, 2017

9. Pension Plan

The Village and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The Board of Trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2016, plan membership is broken down into about 193,000 active members and approximately 90,000 retired members. Active members include approximately 38,000 contributors from local governments.

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

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2015, indicates a \$2,224 million funding surplus for basic pension benefits on a going concern basis. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1,927 million was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rates remained unchanged.

The Village paid \$24,753 (2016 - \$21,473) for employer contributions while employees contributed \$18,259 (2016 - \$14,665) to the plan in fiscal 2017 .

The next valuation will be as at December 31, 2018 with results available later in 2019.

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, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

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>2017</u>	<u>2016</u>
Cemetery Care Fund	\$ 480	\$ 480

December 31, 2017

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.

Water Services

This service provides distribution of water to residents.

Sewer Services

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

Village of Zeballos

December 31, 2017

12. Expenses by Object

	Operations	Capital Acquisitions	2017 Total
Goods and services	\$ 374,680	\$2,581,693	\$2,956,373
Labour	284,232	-	284,232
Debt charges - interest	2,803	-	2,803
Amortization expense	191,246	-	191,246
Total Expenses	\$ 852,961	\$2,581,693	\$3,434,654

	Operations	Capital Acquisitions	2016 Total
Goods and services	\$ 324,875	\$ 192,046	\$ 516,921
Labour	258,777	-	258,777
Debt charges - interest	2,863	-	2,863
Amortization expense	187,296	-	187,296
Total Expenses	\$ 773,811	\$ 192,046	\$ 965,857

13. Budget

Budget amounts represent the financial Plan By-Law adopted by Council on May 4, 2017. 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.

	2017
Financial Plan (Budget) Bylaw surplus for the year	\$ —
Add:	
Capital expenditures	2,438,000
Contribution to Reserves	71,839
Less:	
Budgeted transfers to accumulated surplus	(88,000)
Amortization	(191,246)
Surplus for the year presented in PSAB financial statements	\$ 2,230,593

Village of Zeballos

8. Schedule 1 - Government Grants to the Village and Ratepayers

For the year ended December 31	<i>Budget</i>		
	2017	2017	2016
<hr/>			
Province of British Columbia			
General operating fund .			
Small Communities Protection	\$ 305,000	\$ 305,849	\$ 298,813
Grants - Bridge Replacement	2,350,000	2,425,748	88,509
Gas Tax Agreement - Community Works	57,000	57,846	57,773
Grant - Unity Trail	-	63,377	-
Grants in lieu of taxes	5,500	4,070	4,544
Asset Management Plan	19,500	9,800	1,919
Other	10,800	9,690	13,769
	\$ 2,747,800	\$ 2,876,380	\$ 465,327

Village of Zeballos

For the year ended December 31, 2017

Schedule 2 – Combined Statement of Operations by Segment - 2017

General Government Administration	Protective Services	Transportation Services	Environmental Health Services	Recreation and Cultural Services	Water Utility	Sewer Utility	Total 2017 Actual	2017 Budget
Revenues								
General taxes, net	\$ 175,188	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 175,188	\$ 187,638
Utility charges	-	-	-	-	28,254	11,977	40,231	40,500
Government grants - Provincial	440,942	2,425,748	-	9,690	-	-	2,876,380	2,747,800
Contribution of tangible asset	-	26,789	-	-	-	-	26,789	-
Sales of services	52,634	8,607	24,619	13,498	-	-	100,423	95,540
Investment (loss)	(10,847)	-	-	-	-	-	(10,847)	-
Other	6,620	-	-	-	-	-	6,620	9,450
Expenses								
Operating	664,537	27,854	2,434,355	24,619	23,188	28,254	3,214,784	3,080,928
Goods and services								
Labour	213,947	22,341	62,567	8,327	41,604	15,859	374,680	393,719
Interest and bank charges	161,267	443	80,726	20,000	12,320	4,738	284,232	262,370
Amortization	2,803	-	-	-	-	-	2,803	3,000
Excess (deficiency) in revenues over expenses	440,068	36,360	189,806	35,353	74,147	34,547	852,961	850,335

Schedule 3 – Combined Statement of Operations by Segment - 2016

	General Government Administration	Protective Services	Transportation Services	Environmental Health Services	Recreation and Cultural Services	Water Utility	Sewer Utility	Total 2016 Actual	Total 2016 Budget
Revenues									
General taxes, net	\$ 170,160	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 170,160	\$ 174,653
Utility charges and user rates	-	-	-	-	-	27,309	12,230	39,539	41,080
Government grants - Federal	451,558	-	-	-	-	-	-	451,558	451,558
Government grants - Provincial	-	26,789	-	-	13,769	-	-	465,327	363,000
Contribution of tangible asset	46,740	13,272	18,371	29,769	7,313	-	-	26,789	26,789
Sales of services	5,632	-	-	-	-	-	-	115,465	113,575
Other revenue	-	-	-	-	-	-	-	5,632	7,700
	674,090	40,061	18,371	29,769	21,082	27,309	12,230	822,912	700,008
Expenses									
Operating									
Goods and services	153,505	36,189	70,340	7,333	37,609	13,288	6,611	324,875	79,438
Labour	133,096	4,297	79,787	19,231	12,642	4,862	4,862	258,777	243,670
Interest and bank charges	2,863	-	-	-	-	-	-	2,863	3,000
Amortization	59,231	13,576	46,253	7,026	19,353	22,083	19,774	187,296	187,296
	348,695	54,062	196,380	33,590	69,604	40,233	31,247	773,811	513,404

Excess (deficiency) in									
revenues over expenses	\$ 325,395	\$ (14,001)	\$ (178,009)	\$ (3,821)	\$ (48,522)	\$ (12,924)	\$ (19,017)	\$ 49,101	\$ 186,604