



VILLAGE OF ZEBALLOS 2021 ANNUAL REPORT

For the fiscal year ending December 31, 2021

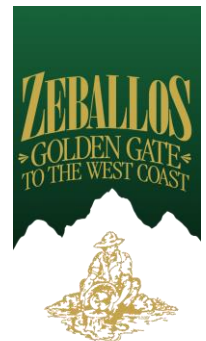


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Figure 1 - Zeballos Mayor Julie Colborne

MESSAGE FROM THE MAYOR

This past year has been like no other and has had its fair share of changes, opportunities and challenges in the Village.

COVID 19 (January – present)

This global pandemic has given us many challenges with delivery of service, public input, and safety of those in our area. There have been a multitude of ever-changing provincial orders and recommendations to keep up with and a state of local emergency in the province that lasted until June 2021. These past 2 years have been especially tough on mental health, those who are immune compromised and the elderly. We have all had to make tough decisions regarding business, outside commitments, family holidays and personal protection to slow the spread of this virus. We applaud each and every member of community who kept people safe by social distancing, got vaccinated at one of the available community vaccination clinics, and made personal sacrifices to keep each other safe. We look forward to the day that this pandemic is a memory.

Elections

In 2021, we saw another by-election in Zeballos with a final appointment to the Council in January. Many thanks to Councillor Al Rodgers for your willingness to work for, and with, the constituents we serve. Councillor Rodgers has proven to be a valuable voice at the table and we welcome him and his continued thoroughness and thoughtfulness as we debate local issues and plan for the future of the Village.

Taxes, Financial Plans, Strategic Planning, Reports/Assessments and Budgets

Council provided direction to raise the tax rates at a like cost of living (COLA) rate increase of 3%. We completed a Housing Needs Report early in the year and a Dock Assessment report later in the spring which was prefaced by public outreach highlighting the safety issues in those areas. The assessment report led to a municipal and airplane dock closure in August of 2021, where staff worked hard to work with outside organizations and local business to mitigate potential issues. Council is striving to repair/replace this infrastructure in early in 2022. The Province provided a Gas Tax top up this year and we were fortunate to receive a generous donation to the Fire Department from the Ehattesaht Chinehkint First Nation through Indigenous Services Canada which provides a small municipality like ours opportunities for new, unexpected spending. We look to the future with an eye on basing expenditures on our annual strategic priorities reviews, assessment and planning reports, and use of the 2020 COVID Relief funding.

Staffing changes

We have navigated multiple staffing transitions this year using mentoring, consultants and training opportunities to maximize the benefit of our staff. We were happy to welcome a new member to the VOZ team in 2021 after the loss of CAO Meredith Starkey mid-year. She was an excellent CAO, with superb public relations skills and added much to the fiber of the village as she helped provide valuable guidance to Council in their navigation of decision making through the last 3 years. She will be sorely missed. Shannon Carlow was welcomed to the Village in July and has quickly tried to familiarize herself, using the many skills she brought to the table when she joined our team. The complexities that come with the Village of Zeballos CAO position require a good knowledge of legislation, general governance, public works, human resources, and exemplary public relations which she will bring to this position in the future. Welcome to the team, CAO Carlow.

Grants, Opportunities and Partnerships

The Village continues to seek partnerships with First Nations, other levels of government, neighboring municipalities and districts. Awarded in 2021, we received two FireSmart grants one which was administered through SRD and provided FireSmart stairs and landings for the community hall. The other was administered through the Village of Zeballos Municipal Clerk, Alana Janisse, which provided a rebate program to homeowners, an Official Community Plan review through a fire smart lens and wood chipping services to community. Thank you, Alana! An Emergency Support Services grant report was finalized last year which provided the generator at the Village office which will serve us well for years to come. We have applied for an Evacuation Planning Route grant in partnership with Nuchatlaht and Kyuquot and we also entered a process with Public Safety Canada, Nuchatlaht, Ehattesaht and Kyuquot concerning Community Safety Planning which will start in 2022. The Municipal Services Agreement established with the SRD has allowed the village to move forward in naming a Bylaw Officer for the Village. The SRD's Bylaw officer has worked with us and community members to ensure education and compliance on many unsightly properties this year, and we look forward to continuing this partnership to work towards compliance with other bylaws in the municipality going forward.

Boards and Committees

While the Village still struggles to fill positions on other local Boards and Committees, the Zeballos Volunteer Fire Department also sees ups and downs in membership numbers. The effect of a decision made by BCEHS also has ramifications for our local emergency services. We took up the fight with many partners in municipalities, Nations, UBCM, and our MLA, and were happy with the change to the makeup of positions here. Please consider becoming a member of a board or committee, volunteer, a ZVFD member or serving your community in another emergency prevention or response position.

New initiatives

There have also been some great initiatives in this last year like the push to advance tourism in our area. Hiring of a tourism consultant was advocated for and taken up by one of our councillors, Justin Janisse. We thank him for bringing this important exposure to the Village through a tourism lens and council will be discussing ways to meet the needs and provide positive experiences from a municipal services standpoint in the future as we see the tourism traffic increase with the addition of a Tourism Facebook page and Instagram posts.

This year saw the first National Day of Truth and Reconciliation observed. This highlights the continued work we need to do to commemorate and recognize the tragic and painful history and ongoing impacts of residential schools and the horrors that the stolen children and Survivors of residential schools, their families and communities faced historically and daily. This is a vital component of the reconciliation process.

Also, our annual spring clean-up continued in 2021 with many residents cleaning their yards and homes from debris. The Good Food Box program was continued in our community this year with use of the hall donated by way of a grant in aid to Greenways Trust for their continuation of this important program. Trails also continue to be top of mind with the land acquisition from WFP in early spring in preparation for the U4C trail, and a proposal to work with partners and community members on an Estuary trail proposal - fingers crossed.

Council also continues to advocate at UBCM for FSR improvements both to the village and beyond, a wharf and foreshore project for Lot 501 (for enhancement and efficiencies) as well as to BC Ambulance for appropriate coverage and BC Hydro regarding concerns about outages. Also, 2021 saw a new Census form released. Thank you to all who filled out this information which provides valuable data to municipal, provincial and federal governments so we are better able to offer support services and programs that are tailored to our residents, such as family services, housing, skills training for employment centres and population data and projections.

Finally, I continue to be proud to serve this beautiful community with its resilient population and I am looking forward to the new opportunities 2022 will bring.



Julie Colborne,
Mayor, Village of Zeballos

INTRODUCTION TO ZEBALLOS — A TINY PARADISE

Nestled in the heart of Nootka Sound on Vancouver Island, the Village of Zeballos is located on the unceded territory of the Ehattesaht Chinehkint First Nation. The lush rainforest, pristine lakes and rivers, and the bountiful ocean inlets in this region have been home to the Ehattesaht Chinehkint people for thousands of years.

Incorporated in 1952, the Village of Zeballos has an amazing history of gold mining, iron mining and logging operations. During the gold mining boom of the 1930s and -40s, the community boasted a population of 2,000. Currently recognized as the smallest municipality in British Columbia, Zeballos is home to roughly 120 people.

Zeballos is a jewel of the North West Coast of Vancouver Island. Our tiny paradise is a wonderful place to unplug and reconnect with nature. Revel in the opportunity to breathe the clean air and drink the award-winning drinking water. The proximity of wildlife, outdoor recreation, and world famous history make this quiet, restful village a great place to live and to visit.

Zeballos has historically had a resource-based economic driver. Times have changed and economic sustainability must be found elsewhere. Zeballos is increasingly becoming a destination for travellers who are looking for the excitement of wilderness recreation and for those wishing to delve into its astounding waters.

The Village of Zeballos Council and Staff are mindful of both the opportunities and the challenges of living in a rural community. Many municipalities across BC are suffering as infrastructure fails. Council is committed to tackling our issues head on in a fiscally responsible way.

Figure 2 - Zeballos Inlet, credit: Cheryl Merkle

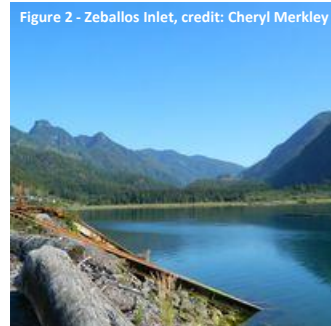


Figure 3 - Bear Cub, credit: Darlene Smith

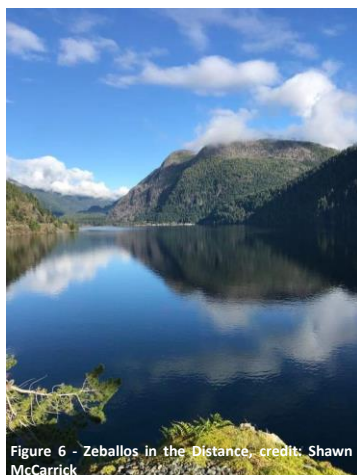


Figure 6 - Zeballos in the Distance, credit: Shawn McCarrick



Figure 5 - Zeballos Nature Trail, credit: Alana Janisse

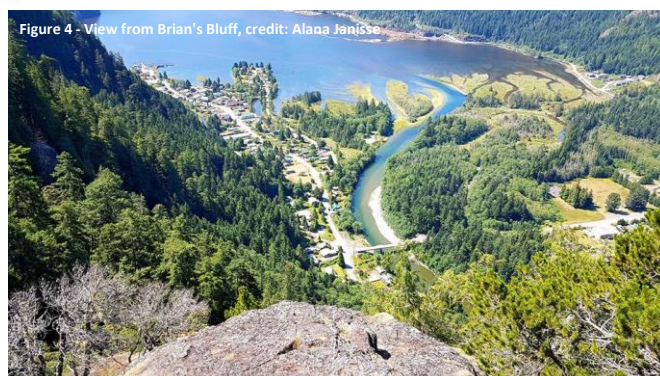


Figure 4 - View from Brian's Bluff, credit: Alana Janisse

MUNICIPAL SERVICES & OPERATIONS SUMMARY FOR 2021

This Annual Report is prepared by the Village of Zeballos as required by s. 98 of the *Community Charter*.

1. Executive

By-Election

In October of 2020, the Village called a by-election after the resignation of Councillor Candace Faulkner. The sole candidate withdrew from the election after the close of the nomination period. This meant there were no candidates for our by-election; a very rare occurrence in British Columbia, thus requiring Provincial intervention.

After the Province issued a Ministerial Order to open a new nomination period and there were still no new candidates, a Declaration of No Election was made. In this situation, the Local Government Act decrees that Council must appoint an individual to fill the vacancy. Council worked with Village Staff and the Province to devise a plan to appoint a Councillor.

In February 2021, after an appointment campaign, Al Rodgers graciously put his name forward to be appointed by Council to fill the vacant seat. Councillor Rodgers is a welcomed addition to the Council table.

Council Initiatives

This year, Council made a decision to help advance the tourism industry in the area by creating a social media presence for Zeballos area. Councillor Justin Janisse, appointed to the Tourism Portfolio, worked closely with a social media contractor to establish Tourism Zeballos on both Facebook and Instagram, showcasing the natural beauty of the area, and bringing important exposure to the tourism related businesses in the community.

September 30th was designated as the first National Day of Truth and Reconciliation. Village Council and Staff observed this day as a statutory holiday to raise awareness of the very tragic legacy of residential schools, and to honour the thousands of Survivors.

Additionally, Council provided a grant-in-aid to the Greenways Land Trust for their Strathcona Good Food Box Program. The grant was use of the Community Hall to facility a bi-weekly food box delivery to residents of the Valley.



2. Community Services

Zeballos Library

Upon reopening the library after COVID-19 restrictions lifted, our Library Council Liaison Councillor Al Rodgers, worked with our volunteers to fulfil consistent hours and volunteer coverage at the library. The enthusiastic volunteers have been working diligently to clean, organize, and catalogue books, as well as integrate newly donated books and retire older books. These volunteers have worked hard to provide a welcoming space for locals and tourists alike.



Zeballos Museum

Due to the ongoing pandemic, a Museum Host was not hired in 2021; instead, the Museum was open by appointment only with assistance from Heritage Board Member, Lorna Welch. Despite the change in operations, we continued to see a number of visitors to the area requesting access to the museum. The summer of 2021 saw an influx of tourist visiting the area and requests for tours of the museum.

3. Protective Services

COVID-19 Pandemic

March saw the effect of COVID-19 in our everyday lives. Many Village-owned facilities shut down temporarily, had reduced hours or had strategies and plans in place to prevent transmission of the virus. Staff and Council worked with VIHA and other governing authorities to communicate Public Health Orders and Guidelines to residents of the valley.

The impact of this pandemic significantly slowed down our day to day operations, with our Village Staff doubling as our emergency program personnel, and having to take new safety precautions to protect our staff and visitors.

Wildfire

After another significant dry spell in our coastal temperate rainforest, another wildfire was spotted in a logging cut block a few kilometers west of Ehatis. The fire was ignited by lightning, and promptly assessed by the Zeballos Volunteer Fire Department. Our department worked in tandem with the BC Wildfire Service and local contractors to rebuild the washed out section of road to gain access to the fire. The fire was extinguished in a timely manner preventing any significant damage. We are thankful for the quick response from our local department, and for BC Wildfire Service's swift attention.

Figure 8 - The Zeballos Library

Zeballos Residents:
FireSmart your home and get paid to do it!
FireSmarting your home reduces the likelihood of damages in a wildfire and you can receive up to \$500 through the FireSmart Homeowner Rebate Program

After an assessment of your home, get paid \$25/hour to do pre-approved work yourself on your own home:
Pruning, trimming, or removing bushes / trees around your home
Removing flammable materials from areas adjacent to your home
Cleaning gutters and roofs from flammable debris
Repairing gaps, cracks, or holes in your home where embers could lodge

Get up to 50% reimbursed for building materials such as:
Replacing flammable roofing
Replacing flammable siding
Replacing single-pane glass windows

4-Step Process
1. Apply to get a FireSmart Home Ignition Zone Assessment done on your home by a qualified FireSmart Representative & Assessor
2. FireSmart Home Ignition Zone Assessment gets completed by the qualified Assessor
3. Carry out the FireSmarting Activities that were identified and pre-approved by the Assessor
4. A FireSmart Representative verifies the labour has been done, reviews receipts for materials, and YOU the homeowner receives up to \$500 in rebates

Deadline to Apply (Step One): June 13, 2021
For more info: sawair.com/FireSmart or 250-830-8849
Deadline to have work completed (Step Four): October 1, 2021
Only 40 rebates available and are first-come, first-serve

WHY HOMES BURN

TREES
Coniferous trees are highly flammable.
Deciduous (leafy) trees are much less flammable.

SURFACE FUELS
Plants, leaves, twigs, wood piles and dried grasses are surface fuels.

STRUCTURES
Building materials include wood shakes, wood or vinyl siding, wooden fences attached to homes.

WOOD PILES TWIGS LEAVES

EMBERS SPARKS

FLAMES

FIRE + FUEL = WHY HOMES BURN

FireSmart Grant Funding

The Village benefited from two FireSmart grants this year; one administered by the Village of Zeballos, and another administered by the Strathcona Regional District. The Village was awarded \$50,000 to complete curbside wood chipping, a FireSmart rebate program for homeowners to FireSmart their properties, as well as a review of our Official Community Plan through a FireSmart lens.

The FireSmart grant administered by the Strathcona regional district funded the replacement of the wooden stairs and landings on the exterior of the Zeballos Community Hall. The stairs were replaced by a contractor in the fall and provide a more FireSmart resiliency to a historic Village asset.

Community Emergency Preparedness Fund Grant

The Village was awarded \$750,000 from the Community Emergency Preparedness Fund (CEPF) for the Zeballos Slope Hazard Mitigation project. This funding is to be used to complete capital works to mitigate the risk of rock fall and debris flow from the slope above east Zeballos. Preliminary phases of this project have been funded with \$300,000 from the CEPF Flood Risk Assessment, Flood Mapping, and Flood Mitigation Planning Fund. The Village received \$150,000 in 2018 to update our flood plain map, and an additional \$150,000 in 2020 to undertake a hazard mitigation feasibility study. This application is to complete the mitigation works recommended by the feasibility study.

4. Public Works Department

Seaplane Dock and Municipal Wharf Closures

Both the Seaplane Dock and the Municipal Wharf were temporarily closed for the remainder of the year until staged repairs could be completed. Access was restricted to medical personnel only.

Equipment Upgrades

The Public Works department saw two important equipment upgrades this year. The Village replaced the Supervisory Control And Data Acquisition (SCADA) system which monitors our water pumps and reservoir levels along with sewer lift station activities. The replacement of out outdated SCADA equipment allows our public works staff to be more efficient in their monitoring and operating roles, and provides a reliant form of technology to ensure the Village is receiving necessary water and sewer services adequately.

The mobile lift station generator also saw a replacement this year. This mobile generator is a vital tool used in power outages to pump effluent from each lift station. The use of this generator allows our residents to continue using the sewer system in times with no power. With the replacement of the generator, our staff can continue to provide this essential service to the communities of Zeballos and Ehatis.



EXECUTIVE

PUBLIC RELATIONS

Strategies

- Renew protocol agreement with Nuchatlaht First Nation
- Council to Council Meetings with neighbouring First Nations

Progress Measures

- ☐ Signed protocol agreement with Nuchatlaht First Nation
- ☐ Council to Council Meetings have occurred

OFFICIAL COMMUNITY PLAN REVIEW

Strategies

- Break work into small sections to complete over time and secure funding for each piece.

Progress Measures

- ☐ Development Permit Area redefined via Slope Mitigation Feasibility Study
- ☐ FireSmart review of OCP

ECONOMIC STABILITY

Strategies

- Research Transfer Station and/or industrial site requirements and demand
- Tourism marketing via online stream

Progress Measures

- ☐ If necessary, land identified for industrial site
- ☐ Action plan in place toward development of industrial site

ADMINISTRATION

POLICIES AND BYLAWS

Strategies

- Complete bylaw and policy review

Progress Measures

- ☐ Fewer bylaws in need of housekeeping amendments

2022 COUNCIL PRIORITIES & PROGRESS MEASURES

Strategies are this year's priorities for Village Council.

Progress Measures will be tracked and reported in next year's Annual Report.

COMMUNITY SERVICES

LOCAL MAINTENANCE & BEAUTIFICATION

Strategies

- Engage CVRD educators to encourage recycling
- Maximize revenue collection from parking fees
- Continue with parking attendant patrols

Progress Measures

- ☐ Encourage annual recycling event
- ☐ Parking attendant retained

PARKS & TRAILS

Strategies

- Ongoing engagement with the Community Unity Trail (CUT) project
- Develop a strategic plan for ongoing management of Village Trail network
- Create seating areas in parks
- Replacement of estuary trail

Progress Measures

- ☐ U4C Society holding regular meetings and designated representatives reporting to Council
- ☐ Purchase and install 5 picnic tables for use in park spaces
- ☐ Secure grant funding with regional stakeholders

PUBLIC WORKS

FORESHORE

Strategies

- Engineered assessment of seaplane dock and municipal dock
- Research and develop a plan for Lot 501
- Repair of Municipal Wharf
- Repair/replacement of seaplane dock

Progress Measures

- ☐ Identify funding and source work
- ☐ UBCM meeting for funding and guidance; develop strategies and a way forward to a cohesive plan
- ☐ Municipal Wharf open, safe and useable
- ☐ Seaplane Dock open, safe and useable

ROADS & BRIDGES

Strategies

- Pursue pot hole and sink hole repairs along all roadways working with the various jurisdictions
- Encourage Road User Group (RUG) meetings and cooperation
- Finalize Sugarloaf Bridge project and related paving
- Assessment on Pandora Slough Culvert
- Reno Street Culvert Replacement

Progress Measures

- ☐ Monitor Effectiveness of communications (i.e.. Number of trouble spots increasing or decreasing)
- ☐ 1 Road User Group meeting held
- ☐ Signage and traffic controls on bridge approaches
- ☐ Pandora Slough assessment report received
- ☐ Funding secured for Reno Street Culvert Replacement

SEWER SERVICES

Strategies

- West Side Sewer Expansion Project
- East Side Sewer Project
- Implement improvements to Lift Station #2
- Community Hall Septic System Replacement

Progress Measures

- ☐ Continue meeting with ECFN and staff
- ☐ Secure funding to build East Side Sewer project; Council to set budget priority
- ☐ Lift Station #2 repair/replacement budget item approval
- ☐ Septic system replaced

EXECUTIVE



PUBLIC WORKS



ADMINISTRATION



2022 COUNCIL PRIORITIES

COMMUNITY SERVICES



APPENDIX I: ANNUAL PROGRESS REPORT AND STATEMENT OF MAJOR PROJECTS

	CATEGORY	PRIORITY YEAR	OBJECTIVES/STRATEGIES	MEASURES	OUTCOME		
					2020	2021	2022
Executive	Public Relations	2019	C2C Meetings with neighbouring First Nations.	C2C Meetings have occurred.	Ongoing	Ongoing	Ongoing
		2019	Renew Protocol Agreement with Nuchatlaht Tribe.	Signed Protocol Agreement in place with the Nuchatlaht First Nation.	Ongoing.	Ongoing.	Ongoing.
	OCP Review	2020	OCP strategy: Break work into small sections to complete over time and secure funding for each piece.	Development Permit Area redefined via Slope Mitigation Feasibility Study.	Feasibility study contracted.	Ongoing.	Ongoing.
		2021	OCP strategy: Break work into small sections to complete over time and secure funding for each piece.	FireSmart review of OCP; funding and source supplier.		Funding identified.	Ongoing.
	Economic Stability	2019	Research Transfer Station and / or Industrial Site requirements and demand.	1. If necessary, land identified for industrial site. 2. Action plan in place with specific steps toward development of industrial site.	Ongoing.	Ongoing.	Ongoing.
		2021	Tourism Marketing Plan via online stream.	Post pandemic responses to websites and social media web traffic.		Budget approved. Service provider identified.	Complete.
Administration	Policies and Bylaws	2019	Complete bylaw and policy review.	Fewer bylaws in need of housekeeping amendments.	Ongoing	Ongoing	Ongoing
Community Services	Local Maintenance and Beautification (Within Village Limits)	2020	Engage CVRD educators to encourage recycling.	Encourage an annual event.	Priority Identified.	Ongoing.	Complete.
		2019	Maximize revenue collection from parking fees; Continue with parking attendant and patrols.	Parking Attendant retained.	Priority reaffirmed in 2020. Ongoing.	Priority reaffirmed in 2021. Ongoing.	Complete.
	Parks & Trails	2019	Ongoing engagement with the Community Unity Trail (CUT) project.	U4C Society holding regular meetings and designated representatives reporting to Council.	Ongoing.	Ongoing.	Ongoing.
		2019	Develop a strategic plan for ongoing management of Village trail network.		Ongoing.	Ongoing.	Ongoing.
		2022	Create seating areas in parks	Purchase and intall 5 picnic tables for use in park spaces			Priority Identified. Budget item approved.
		2022	Replacement of Estuary Trails	Secure funding via grant application with regional stakeholders			Priority Identified.
Public Works	Foreshore	2019	Engineered assessment of seaplane dock and municipal dock.	Identify funding and source work.	Priority Identified.	Complete.	
		2019	Research and develop a plan for Lot 501.	UBCM meeting for funding and guidance - Develop strategies and a way forward to a cohesive plan.	Ongoing.	Ongoing.	Ongoing.
		2022	Repair of Municipal Wharf	Municipal Wharf open, safe and useable.			Priority Identified. Budget Item approved.
		2022	Repair/Replacement of Seaplane Dock	Seaplane Dock open, safe, and useable.			Priority Identified. Budget Item approved.
	Roads and Bridges	2019	Pursue pot hole and sink hole repair along all roadways working with the various jurisdictions: Forestry, Highways, Emcon, Village PW	Monitor effectiveness of communications ie # of trouble spots increasing? Or decreasing?	Ongoing.	Ongoing.	Ongoing.
		2019	Encourage Road User (RUG) Group - new format, more meetings and cooperation.	1 RUG meeting held.	Ongoing.	Ongoing.	Ongoing.
		2019	Finalize Sugarloaf Bridge project and related paving.	Signage and traffic controls on bridge approaches.	Ongoing.	Complete.	
		2019	Assessment on Pandora Slough culvert collapse.	Report received.	Ongoing.	Complete.	
		2022	Reno Street Culvert Replacement (Pandora Slough)	Funding secured for replacement			Priority Identified. Funding applied for.
	Sewer Services	2019	West Side Sewer Expansion Project.	Continue meeting with ECFN and staff.	Ongoing.	Ongoing.	Ongoing.
		2020	East side sewer project.	Secure funding to build. Council to set budget priority.	Priority Identified.	Ongoing.	Ongoing.
		2021	Implement improvements to Lift station 2.	Budget Item Approval.		Priority Identified.	Ongoing.
		2022	Community Hall Septic Replacement	Septic Tank and Field at Community Hall is replaced.			Priority Identified. Budget Item approved.

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APPENDIX II: SCHEDULES OF PAYMENTS AND PERMISSIVE EXEMPTIONS

2021 Schedule of Council Remuneration

	Remuneration	Expenses	Total
Mayor Julie Colborne	\$ 4,774.00	\$ 673.00	\$ 5,447.00
Councillor Al Rodgers	\$ 2,386.51	-	\$ 2,386.51
Councillor Justin Janisse	\$ 3,182.00	-	\$ 3,182.00
Councillor Barb Lewis	\$ 3,182.00	\$ 673.00	\$ 3,855.00
Councillor Ernie Smith	\$ 1,591.00	-	\$ 1,591.00
Totals	\$ 15,115.51	\$ 1,346.00	\$ 16,461.51

2021 Schedule of Payments to Suppliers

Annual Payment Greater than \$25,000

Municipal Insurance Association of BC	\$ 31,378.00
BDO Canada LLP	\$ 33,122.87
Whites Diesel Power and Marine	\$ 36,553.57
Municipal Pension Plan	\$ 39,683.03
BC Hydro	\$ 42,526.78
TASC Systems Inc	\$ 46,762.44
Receiver General	\$ 57,566.22
BGC Engineering Inc.	\$ 74,955.42
All Other Consolidated	\$ 272,596.93
Total Payments to Suppliers	\$ 635,145.26

2021 Permissive Exemptions

The Village of Zeballos did not have any permissive exemptions in 2021.

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Village of Zeballos
Financial Statements
For the year ended December 31, 2021

Village of Zeballos
Financial Statements
For the year ended December 31, 2021

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Tel: 604 688 5421
Fax: 604 688 5132
vancouver@bdo.ca
www.bdo.ca

BDO Canada LLP
Unit 1100 - Royal Centre
1055 West Georgia Street
Vancouver BC V6E 3P3 Canada

Village of Zeballos Management's Responsibility for Financial Reporting 2021 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 periodic 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.


Shannon Carlow
CAO

Independent Auditor's Report

To the Mayor and Councilors of the Village of Zeballos

Opinion

We have audited the financial statements of the Village of Zeballos which comprise the Statement of Financial Position as at December 31, 2021, and the Statements Operations, Changes in Net Financial Assets, and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the Village of Zeballos financial statements present fairly, in all material respects, the financial position of Village of Zeballos as at December 31, 2021 and its financial performance and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally-accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Village of Zeballos in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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.

In preparing the financial statements, management is responsible for assessing the Village of Zeballos's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Village of Zeballos, or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Village of Zeballos's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally-accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with Canadian generally-accepted auditing standards we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. But not for the purpose of expressing an opinion on the effectiveness of the Village of Zeballos's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Village of Zeballos's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Village of Zeballos to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Unaudited Information

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of schedule 4 of the Village of Zeballos's financial statements.

BDO Canada LLP

Chartered Professional Accountants

Vancouver, British Columbia

May 13, 2022

Village of Zeballos
Statement of Financial Position

<u>December 31</u>	<u>2021</u>	<u>2020</u>
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Financial Assets

Cash	\$ 1,371,825	\$ 512,451
Accounts receivable (Note 1)	71,863	288,097
Investments (Note 2)	912,493	910,880
Taxes and user fees receivable	39,013	60,487
	2,395,194	1,771,915

Liabilities

Accounts payable and accrued liabilities	45,894	84,044
Unearned revenue (Note 3)	473,337	129,202
	519,231	213,246

Net Financial Assets

	1,875,963	1,558,669
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Non-Financial Assets

Prepaid expenses	12,049	10,676
Tangible capital assets (Note 4)	5,882,448	5,962,582
	5,894,497	5,973,258

Accumulated Surplus (Note 5)


	\$ 7,770,460	\$ 7,531,927
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Contingent Liabilities (Note 6)

Contractual Rights (Note 13)

Significant Event (Note 15)

 CAO

 Mayor

Village of Zeballos
Statement of Operations

For the year ended December 31	Budget 2021 (Note 12)	2021	2020
Revenue (Schedule 2 and 3)			
Taxation - net (Note 7)	\$ 206,616	\$ 207,366	\$ 187,588
Government grants - Federal (Schedule 1)	-	213,839	59,631
Government grants - Provincial (Schedule 1)	1,391,320	453,006	774,748
Sales of services	92,275	116,605	95,244
Amortized contribution of tangible capital asset	-	26,789	26,789
Interest and other	10,250	6,995	13,881
Water utility charges	28,500	28,958	27,923
Sewer utility charges	12,650	13,522	13,420
Donations	-	33,577	-
	<u>1,741,611</u>	<u>1,100,657</u>	<u>1,199,224</u>
Expenses (Schedule 2 and 3)			
General government services	1,531,931	371,358	366,563
Environmental health services	31,160	36,261	37,214
Protective services	59,500	27,368	39,427
Transportation services	198,850	258,790	238,368
Recreation and cultural services	85,005	80,350	64,838
Water system operations	23,855	52,085	39,933
Sewer system operations	34,575	35,912	51,470
	<u>1,964,876</u>	<u>862,124</u>	<u>837,813</u>
Annual Surplus (Deficit)	(223,265)	238,533	361,411
Accumulated Surplus, beginning of year	<u>7,531,927</u>	<u>7,531,927</u>	<u>7,170,516</u>
Accumulated Surplus, end of year	<u>\$ 7,308,662</u>	<u>\$ 7,770,460</u>	<u>\$ 7,531,927</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

Village of Zeballos
Statement of Changes in Net Financial Assets

For the year ended December 31	Budget 2021 (Note 12)	2021	2020
Annual Surplus (Deficit)	\$ (223,265)	\$ 238,533	\$ 361,411
Acquisition of tangible capital assets	(117,500)	(168,798)	(163,165)
Amortization of tangible capital assets	(248,010)	248,010	241,039
Disposition of tangible capital assets	-	922	-
	<u>(365,510)</u>	<u>80,134</u>	<u>77,874</u>
Acquisition of prepaid expenses	-	(12,049)	(10,676)
Use of prepaid expenses	-	10,676	29,512
	<u>-</u>	<u>(1,373)</u>	<u>18,836</u>
Change in net financial assets for the year	(588,775)	317,294	458,121
Net financial assets, beginning of year	1,558,669	1,558,669	1,100,548
Net financial assets, end of year	\$ 969,894	\$ 1,875,963	\$ 1,558,669

Village of Zeballos
Statement of Cash Flows

For the year ended December 31	2021	2020
Cash provided by (used in)		
Operating activities		
Annual surplus	\$ 238,533	\$ 361,411
Items not involving cash		
Amortization of tangible capital assets	248,010	241,039
Loss on disposal of tangible capital assets	922	-
	<u>487,465</u>	<u>602,450</u>
Changes in non-cash operating balances		
Accounts and taxes receivable	237,708	(38,054)
Prepaid expenses	(1,373)	18,836
Accounts payable and accrued liabilities	(38,150)	24,355
Unearned revenue	344,135	(28,516)
	<u>1,029,785</u>	<u>579,071</u>
Investing activities		
Purchase of tangible capital assets	(168,798)	(163,165)
Purchase of investments	(1,613)	(56,889)
	<u>(170,411)</u>	<u>(220,054)</u>
Increase in cash during the year	859,374	359,017
Cash, beginning of year	512,451	153,434
Cash, end of year	\$ 1,371,825	\$ 512,451

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

Village of Zeballos

Summary of Significant Accounting Policies

December 31, 2021

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 taxpayers and some services to neighbouring communities. The Village prepares its financial statements in accordance with Canadian public sector accounting standards ("PSAS").

Significant Accounting Policies

Investments Investments are comprised entirely of Municipal Finance Authority ("MFA") pooled investments. The investments are carried at market value which approximates amortized cost.

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 50 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
Parks and land improvements	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.

Village of Zeballos
Summary of Significant Accounting Policies

December 31, 2021

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 affects 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 unearned 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 recognized over the term of the service contract.</p>
Trust Funds	<p>Trust funds held by the Village, and their related operations, are not included in these financial statements.</p>
Use of Estimates	<p>The preparation of financial statements in accordance with PSAS 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, provisions for contingent liabilities and the collectability of accounts and taxes receivables.</p>

Village of Zeballos
Summary of Significant Accounting Policies

December 31, 2021

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, 2021 or December 31, 2020.

Village of Zeballos
Notes to Financial Statements

December 31, 2021

1. Accounts Receivable

	2021	2020
Government remittances receivable	\$ 6,727	\$ 12,965
Trade receivable	7,976	6,238
Grants receivable	57,160	268,894
	<u>\$ 71,863</u>	<u>\$ 288,097</u>

2. Investments

The Village's investments balance is held in the MFA's Money Market Fund (the "Fund"). The Fund's one-year yield as at December 31, 2021 was 0.59% (2020 - 0.85%), and investments within it are redeemable at any time.

The Fund's guidelines require it to be comprised of investments in high quality Canadian-dollar denominated money market instruments including debt issued or guaranteed by the Government of Canada, any Canadian province or any agency of either, or any municipal corporation in Canada, obligations of Canadian chartered banks or trust companies, and high quality short-term corporate obligations. The maximum term of each investment at time of investment is 366 days, and the weighted average maturity of the Fund's portfolio may not exceed 90 days.

Village of Zeballos
Notes to Financial Statements

December 31, 2021

3. Unearned Revenue

Included in unearned revenue are amounts related to:

	<u>2021</u>	<u>2020</u>
Flood Mitigation Planning (a)	\$ 375,000	\$ -
Fire protection agreement (b)	80,366	107,154
Columbarium contribution (c)	9,600	9,800
Other (d)	8,371	12,248
	<u>\$ 473,337</u>	<u>\$ 129,202</u>

	<u>2021</u>	<u>2020</u>
Opening balance	\$ 129,202	\$ 157,718
Add: Amount received during the year - Flood Mitigation	375,000	-
Less:		
Amortization of deferred fire protection agreement	(26,788)	(26,789)
Amortization of columbarium contribution	(200)	(200)
Change from other unearned revenue	(3,877)	(1,527)
Closing balance	<u>\$ 473,337</u>	<u>\$ 129,202</u>

- (a) The Village received funding from the Province's Community Emergency Preparedness Fund for \$375,000 for its Slope Hazard Mitigation project to assist the prevention of flooding hazards within the community. Construction for this project is planned to commence in 2022.
- (b) 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 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.
- (c) The Village received a donation of \$10,000 for the construction of a columbarium during 2018. Amortization of the columbarium asset and these contributions will occur over the 50 year estimated useful life of the columbarium.
- (d) Other deferred revenue includes amounts related to cemetery improvement, deposits and rental.

Village of Zeballos
Notes to Financial Statements

December 31, 2021

4. Tangible Capital Assets

	Land	Buildings	Fixture, Furniture and Vehicles	Roads and Bridges	Parks and Land Improvements	Water Infrastructure	Sewer Infrastructure	2021 Total	2020 Total
Cost, beginning of year	\$ 342,442	\$ 1,476,568	\$ 883,918	\$ 4,060,571	\$ 687,444	\$ 985,975	\$ 1,037,070	\$ 9,473,988	\$ 9,310,823
Additions	15,300	9,630	15,574	-	50,400	21,920	55,974	168,798	163,165
Disposals	-	(10,083)	-	-	-	-	-	(10,083)	-
Cost, end of year	357,742	1,476,115	899,492	4,060,571	737,844	1,007,895	1,093,044	9,632,703	9,473,988
Accumulated amortization, beginning of year	-	687,656	415,699	1,098,759	380,913	405,821	522,558	3,511,406	3,270,367
Amortization	-	46,540	38,517	96,120	18,897	24,638	23,298	248,010	241,039
Disposals	-	(9,159)	-	-	-	-	-	(9,159)	-
Accumulated amortization, end of year	-	725,037	454,216	1,194,879	399,810	430,459	545,856	3,750,256	3,511,406
Net carrying amount, end of year	\$ 357,741	\$ 751,077	\$ 445,277	\$ 2,865,692	\$ 338,034	\$ 577,436	\$ 547,188	\$ 5,882,448	\$ 5,962,580

Village of Zeballos
Notes to Financial Statements

December 31, 2021

5. Accumulated Surplus

The Village segregates its accumulated surplus in the following categories:

	<u>2021</u>	<u>2020</u>
Statutory Reserve - Capital Works, Machinery and Equipment Depreciation Reserve (a)	\$ 42,373	\$ 42,274
Economic Development Reserve	56,888	56,756
Future Expenditures Reserves	120,741	127,983
Gas Tax Agreement - Community Works	464,487	419,184
Investment in Non-Financial Assets (b)	5,894,497	5,973,258
Unrestricted	<u>1,191,474</u>	<u>912,472</u>
	<u>\$ 7,770,460</u>	<u>\$ 7,531,927</u>

- (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 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, 2021

6. 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. Management has assessed the risks as unlikely at this time therefore no provision has been recorded in the financial statements.

7. Taxation - Net

	Budget 2021	Actual 2021	Actual 2020
General municipal purposes	\$ 206,616	\$ 207,367	\$ 192,332
Collections for other governments			
Province of BC - school tax	44,299	44,339	35,698
Comox Strathcona Regional Hospital District	5,634	5,634	7,753
Police taxes levied	5,713	5,713	5,346
Strathcona Regional District	3,986	3,987	3,831
BC Assessment Authority	634	637	621
Vancouver Island Regional Library	4,414	4,414	4,012
Comox Valley Regional District Solid Waste	2,210	2,210	2,690
	<u>273,506</u>	<u>274,301</u>	<u>252,283</u>
Transfers			
Province of BC - school tax	44,299	44,344	39,791
Comox Strathcona Regional Hospital District	5,634	5,634	7,796
Police taxes levied	5,713	5,713	5,686
Strathcona Regional District	3,986	3,986	4,044
BC Assessment Authority	634	634	624
Vancouver Island Regional Library	4,414	4,414	4,034
Comox Valley Regional District Solid Waste	2,210	2,210	2,720
	<u>66,890</u>	<u>66,935</u>	<u>64,695</u>
Available for general municipal purposes	<u>\$ 206,616</u>	<u>\$ 207,366</u>	<u>\$ 187,588</u>

December 31, 2021

8. 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, 2021, the plan had approximately 220,000 active members and approximately 112,000 retired members. Active members include approximately 42,000 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, 2018, indicates a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The Village paid \$18,214 (2020 - \$18,479) for employer contributions to the plan in fiscal 2021.

The next valuation will be as at December 31, 2022 with results available in 2023.

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.

9. Funds Held in Trust

At December 31, 2021, the Village held \$480 (2020 - \$480) in trust as a Cemetery Care Fund in accordance with the Cremation, Interment and Funeral Services Act of British Columbia and the Village's bylaws. These funds are not included in these financial statements.

December 31, 2021

10. Segmented Information

The Village is a diversified municipal government institution that provides a wide range of services to its citizens. 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 segment relates to the revenues and expenses of the Village's operations that cannot be directly attributed to any other service area, and notably include general administrative, legislative, and fiscal services.

Protective Services

Protection Services 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

Transportation services is comprised of the maintenance of roads, bridges, outdoor lighting, storm drains and mechanical services and Public Works buildings.

Environmental Health

Environmental health services is comprised of solid waste collection.

Recreation and Cultural

Recreation and culture services includes transactions attributable to the operation of the local library, which is a service provided in concert with the Vancouver Island Regional Library.

Water Services

Water services involves distribution of water to residents.

Sewer Services

Sewer services involves the collection and treatment of sewage and waste water by maintaining and operating pipes, manholes, culverts and treatment facilities.

Village of Zeballos
Notes to Financial Statements

December 31, 2021

11. Expenses by Object

	Operations	Capital Acquisitions	2021 Total
Goods and services	\$ 297,748	\$ 168,798	\$ 466,546
Labour	298,601	-	298,601
Debt charges - interest	3,311	-	3,311
Professional services	14,454	-	14,454
Amortization expense	248,010	-	248,010
Total Expenses	<u>\$ 862,124</u>	<u>\$ 168,798</u>	<u>\$1,030,922</u>

	Operations	Capital Acquisitions	2020 Total
Goods and services	\$ 290,934	\$ 163,165	\$ 454,099
Labour	274,438	-	274,438
Debt charges - interest	3,010	-	3,010
Professional services	28,392	-	28,392
Amortization expense	241,039	-	241,039
Total Expenses	<u>\$ 837,813</u>	<u>\$ 163,165</u>	<u>\$ 1,000,978</u>

12. Budget

Budget amounts represent the financial Plan By-Law adopted by Council on April 27, 2021. 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 "Deficit for the year" is provided to show which items must be added or removed to reflect the financial plan.

	<u>2021</u>
Financial Plan (Budget) Bylaw surplus/deficit for the year	\$ -
Add:	
Capital expenditures	117,500
Contribution to Reserves	24,745
Less:	
Budgeted transfers to accumulated surplus	(117,500)
Amortization	<u>(248,010)</u>
Deficit for the year presented in PSAS financial statements	<u>\$ (223,265)</u>

Village of Zeballos
Notes to Financial Statements

December 31, 2021

13. Contractual Rights

The Village has entered into various agreements with parties for their use of real property owned by the Village. From these agreements, the Village is entitled to receive approximately \$44,000 in 2022 and \$35,000 per year for 2023 - 2026.

14. Comparative Figures

Certain comparative figures have been reclassified to conform with the current year's financial statement presentation.

15. COVID-19

On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. The Village's offices were closed to the public as a result, although essential services continued to be provided, with the offices re-opening in a limited capacity during the year. As the impacts of COVID-19 continue, there could be further effects on the Municipality, its citizens, employees, suppliers and other third party business associates. The Village has continued to deliver services during this pandemic through a variety of means, whether face-to-face or utilizing technology. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Village is not able to fully estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity at this time.

Village of Zeballos

Schedule 1 - Government Grants to the Village and Ratepayers

For the year ended December 31	Budget 2021	2021	2020
Federal Government			
Gas Tax Agreement - Community Works	\$ -	\$ 122,220	\$ 59,631
Strategic Priorities Fund - Sugarloaf Bridge	-	91,619	-
	\$ -	\$ 213,839	\$ 59,631

Province of British Columbia

General operating fund			
Small Communities Protection	\$ 369,453	\$ 375,000	\$ 351,860
COVID-19 Safe Restart	200,000	-	200,000
Gas Tax Agreement - Strategic Priorities			
Gas Tax Agreement - Strategic Priorities			
- Other	-	68,271	23,326
FireSmart Community Funding	50,000	-	-
Emergency Program Act Recoveries	-	3,782	-
Emergency Operation Centres	-	-	25,673
Other	13,400	-	5,088
Grants in lieu of taxes	8,467	5,953	5,513
Emergency Social Services	-	-	53,860
Emergency Preparedness	-	-	20,305
Floodplain Mapping	750,000	-	75,218
Housing Needs Assessment	-	-	13,905
	\$ 1,391,320	\$ 453,006	\$ 774,748

Village of Zeballos

Schedule 2 - Combined Statement of Operations by Segment

For the year ended December 31, 2021

	General Government Administration	Protective Services	Transportation Services	Environmental Health Services	Recreation and Cultural Services	Water Utility	Sewer Utility	Total 2021 Actual	Total 2021 Budget
Revenues									
General taxes, net	\$ 207,366	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 207,366	\$ 206,616
Utility charges	-	-	-	-	-	-	13,522	42,480	41,150
Government grants - Federal	213,839	-	-	-	-	-	-	213,839	-
Government grants - Provincial	436,313	3,782	12,912	-	-	-	-	453,006	1,391,320
Amortization of contribution of tangible capital asset	-	26,789	-	-	-	-	-	26,789	-
Sales of services	62,187	858	11,379	30,729	11,452	-	-	116,605	92,275
Donations	33,577	-	-	-	-	-	-	33,577	-
Interest and other	6,995	-	-	-	-	-	-	6,995	10,250
	960,277	31,429	24,291	30,729	11,452	28,958	13,522	1,100,657	1,741,611
Expenses									
Operating									
Goods and services	123,688	12,809	74,942	10,547	46,899	21,847	7,016	297,748	1,716,866
Labour	165,216	1,218	87,729	18,688	14,554	5,598	5,598	298,601	-
Interest and bank charges	3,311	-	-	-	-	-	-	3,311	-
Professional services	14,454	-	-	-	-	-	-	14,454	-
Amortization	64,689	13,341	96,119	7,026	18,897	24,640	23,298	248,010	248,010
	371,358	27,368	258,790	36,261	80,350	52,085	35,912	862,124	1,964,876
Annual Surplus (Deficit)	\$ 588,919	\$ 4,061	\$ (234,499)	\$ (5,532)	\$ (68,898)	\$ (23,127)	\$ (22,390)	\$ 238,533	\$ (223,265)

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

For the year ended December 31, 2020

	General Government Administration	Protective Services	Transportation Services	Environmental Health Services	Recreation and Cultural Services	Water Utility	Sewer Utility	Total 2020 Actual	Total 2020 Budget
Revenues									
General taxes, net	\$ 187,588	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 187,588	\$ 194,539
Utility charges and user rates	-	-	-	-	-	-	-	41,343	41,150
Government grants - Federal	59,631	-	-	-	-	-	-	59,631	-
Government grants - Provincial	767,360	-	2,300	-	5,088	-	-	774,748	605,267
Amortization of contribution of tangible capital asset	-	26,789	-	-	-	-	-	26,789	-
Sales of services	59,295	912	7,347	25,385	2,305	-	-	95,244	87,625
Interest and other	13,881	-	-	-	-	-	-	13,881	11,350
	1,087,755	27,701	9,647	25,385	7,393	27,923	13,420	1,199,224	939,931
Expenses									
Operating									
Goods and services	129,818	25,661	52,672	13,988	30,824	12,546	25,425	290,934	548,826
Labour	143,839	425	89,575	16,200	13,791	5,304	5,304	274,438	286,200
Interest and bank charges	3,010	-	-	-	-	-	-	3,010	-
Professional services	28,392	-	-	-	-	-	-	28,392	-
Amortization	61,504	13,341	96,121	7,026	20,223	22,083	20,741	241,039	241,039
	366,563	39,427	238,368	37,214	64,838	39,933	51,470	837,813	1,076,065
Annual Surplus (Deficit)	\$ 721,192	\$ (11,726)	\$ (228,721)	\$ (11,829)	\$ (57,445)	\$ (12,010)	\$ (38,050)	\$ 361,411	\$ (136,134)

Village of Zeballos
Schedule 4 - COVID-19 Safe Restart Grant
(unaudited)

December 31, 2021

COVID-19 Safe Restart Grant Funds Received	\$ 200,000
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Use of Funds:	-
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Balance of Unused Funds:	\$ 200,000
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