

**Village of Zeballos  
Annual Report  
2014**

## Table of Contents

Mayor's Message	Page	3
Introduction		4
Municipal Services & Operations Summary for 2013		4-6
Annual Progress Report and Statement of Major Projects		7-12
Schedules of Payments		13
Audited Municipal Financial Statements		14



Mayor and Council 2012

Jeff Coburn, Julie Colborne, Mayor Ted Lewis, Debra Morin Brown, Donnie Cox

---



## Mayor's Message



This has been another very active year for the Village staff and Council. Major issues of priority have been the pursuit of available funding opportunities to address our aging infrastructure and deteriorating community assets.

Council has been diligent in the researching and networking of potential funding sources to address these immediate priorities. Staff have worked tirelessly to exercise due diligence while providing superior advice and support to ensure these projects are completed in the most efficient, professional and financially responsible manner possible. The most pressing and expensive priority to date is of course the unsafe condition of the Sugarloaf bridge.

Notable projects (Community Hall Reno; Library, Museum, Fire hall maintenance) initiated this year have produced mixed reactions within the community. I sincerely believe the majority of residents are excited and encouraged with the outcome and the delivery of much needed refurbishing of our community assets, providing a safer environment for everyone. This belief is supported as evidenced by private residences and business efforts to clean up properties and repair evident damages, providing a more positive general appearance to visitors and showing pride in our community.

The Comox Valley Strathcona Regional Solid Waste (CVSRWS) are providing much needed service to our community. Remedial work has been conducted at the land fill this past year and clearance of overgrowth has been completed to allow proper fencing to be installed in 2014. The recycling initiative in the community has had a positive impact and will significantly improve our reduction of recyclables into the land fill.

Using our Provincial UBCM convention and its opportunities to pursue support presented at this function have always been promoted. The efforts in 2013 were designed with deliberate and focused outcomes in mind, like never before. The village CAO, Councillor Cox and I attended a very full week of UBCM events designed to produce useful knowledgeable contacts and presentations related to a multitude of daily operations and development of community assets. One cannot come away from a week like that without feeling far better informed. We also scheduled nine separate meetings with Cabinet Ministers and support staff from Assistant Deputy Ministers and senior bureaucrats to Regional and District managers responsible for day to day operations.

These meetings were extremely important to our long range planning and pursuit of leveraged dollars and social commitment invested into our community to take us from a "have not" to a "have" community. Follow up meetings were requested of each of these nine meetings, some of which were granted. It is not simply a matter of equating what the trip cost the community to the return on investment brought home by us from these efforts; it is extremely important to recognize the value of our time invested in promoting this community to the Province as a valuable Rural resource. It may take more than one request to gain the support of any given benefactor but we can be confident that if we do not promote our community with optimism and enthusiasm at every opportunity we will see little support coming our way.

As hard as we have worked this past year however we must double our efforts to address the urgent requirement for a new Sugarloaf bridge. Keeping our community connected and safe for all traffic is essential to encouraging any economic development opportunities we can manufacture.

It is imperative to project a 'CAN DO' attitude and provide factually based information with a solid strategic outcome in mind to receive favourable attention to our issues. We may not be fortunate enough to see the immediate return, but we will benefit if we persevere.

Mayor Ted Lewis

# Zeballos , Boom or Bust—An Introduction

Zeballos , once a booming mining town boasting over 3000 in population, is now the smallest municipality in British Columbia, with 2011 census results of 125.

Nestled on the edge of Zeballos Inlet, our vistas of “mountain meeting ocean” give visitors choices, either wrestle with wilderness activities of hiking, kayaking and boating or ground yourself with the peace and quiet. “No traffic” is often the complaint of sleepless nights or “birds chirping” the complaint of early mornings. As you walk right in the middle of main street, the old period buildings conjure up images of the past, this little harbour town is anchored with nostalgia and the longing of the “good ole days”.

A community born of gold mining, through the years Zeballos continued to depend on natural resources for economic sustainability. After mining stopped due to the miners going off to war, forestry and fishing provided the residents and local businesses with opportunity for employment, wealth and prosperity. But as many resource towns have experienced, these industries no longer provide the blanket of stability for the community nor promise of prosperity to the youth.

As a small community we are not without challenges as government regulations expect the same results from each municipality regardless of size, making it imperative to have staff capable of wearing many hats in order to get the job done. Staff struggle and volley the budget everyday to ensure that the village runs efficiently and provides residents with the basic fundamental utilities. There is often not much left for the “Wish List”. Council of the day has taken this to heart and have committed to doing the extra leg work needed to seek out and apply for the extra funds made available through partnerships and grants.

The anticipated results bring renewed promise to our community. Being able to improve infrastructure and upgrade services arouse the prospect for growth of our community through tourism and /or cottage industry.

As we work toward building relationships with neighbouring First Nations communities, Councils of all parties look forward to the future with renewed enthusiasm and anticipation of creating new history.

## Municipal Services & Operations Summary for 2013

### 1. Executive

Mayor Ted Lewis is joined by Councillors Jeff Coburn, Julie Colborne, Donn Cox and Debra Morin Brown to form the Executive Committee to look after the business of your local government. The goals and objectives they have set for themselves keep them busy and focused. The 2013 year saw improvements in bylaws, lobbying efforts and raising our profile to the provincial funding authorities.

### 2. Administration

The Management Staff worked diligently to bring a balanced budget to the Council. The in-house tax notices continue to improve annually. The day to day operations are settling into a routine in a pleasant atmosphere.

An ongoing goal and practice is to save taxpayers money wherever possible. One noteworthy practice is through the acquisition of a mobile home in 2010 for the use of Village contractors and workers. While not wanting to compete with local businesses, but needing to make the tax dollars go as far as possible, the decision was made to secure accommodation for our own use only. The policy allows for accommodation to service providers whose expenses are part of their fee to the taxpayers.

### 3. Recreation Department

The Community Hall upgrade including a refit of the envelope and a new roof was completed in 2013. The updated building is now a warm and cozy place to meet with others. It also provides opportunity for indoor recreation and fitness in our community.



The Zeballos Heritage Board, a long standing committee of council, continues to address the business of the Zeballos Museum. The museum has a new curator Lyn Hawley and is a desired stop for all visitors, bursting with artifacts donated by current and past residents. One can get a glimpse of the mining era and life in the early logging camp days. As the aging building needs attention, the museum is one of councils priorities.

### 4. Protective Services

The negotiations with Ehattesaht/ Chinehkint First Nation on a replacement fire engine to service Zeballos and Ehattesaht resulted in an agreement for a new truck being reached, with anticipated purchase in the early new year. Chief Mike Atchison continues to work hard to recruit new members and train existing fire fighters.

The ongoing maintenance of the fire hall saw the south side of the building being fitted with new Hardiplank siding. Only two more sides to go.





**5. Public Works Department**

The increase in manpower in the Public Works department enabled Supervisor Mike Atchison to catch up with the long neglected building and property maintenance. Working smart has allowed staff to see the regular maintenance taking less time as we work to keep up with the improvements.

The SCADA monitoring system continues to work well for our water system and we have added some upgrades.

The septic sewer system on the west side of the village is functioning well. We continue to investigate options to meet the growing demands of the Ehatis nation who have a service agreement with the village for coverage. We had a company come in to suggest possible upgrades to our present septic system.

Public Works staff juggle the ongoing maintenance of the village grounds and the aging buildings, one being the ball park area where many children and adults play.



Another is the heritage building which houses the Zeballos Library.

The new Hardiplank siding all round and a new entry ramp gives a whole new meaning to “welcome” and reinforces Council’s commitment to keep these heritage buildings up to a safe and appealing standard.

# Annual Progress Report and Statement of Major Projects

<b>2012</b>	<b>STATEMENT OF OBJECTIVES</b> prepared 2012	<b>STRATEGIES/ACTION</b> implementation 2012	<b>MEASURES/OUTCOMES</b> collect data 2013	<b>REPORT</b> submit 2014
All Departments	Improve Community Appearance	Unightly Bylaw Review and Revision	bylaw passed, first enforcement accomplished 2012 with major pickups at annual cleanup	enforcing bylaw, continue with annual Village Cleanup in a fiscally responsible way
Council / Staff	OCP Review	ICSP funding and workshop	plan in place, funding in place, confirming scope of work before proceeding	Ongoing, final Report Fall 2014
	Review current & amended OCP adding updates as required	Review existing plans Contract SRD for public process	no work completed to date	carry to 2014
	Increase economic stability for community	Pursue ICSP workshop	Funding successful. Contracted Economic Development and Administrative Consultant to assist with pursuit of goals	ICSP Plan in progress, confirmed funding for Economic Development Readiness Inventory
Liquid Waste/ Sewer	Develop new Infrastructure to allow growth	proceed on sewer permit in ball park area	Exploring alternative opportunities and properties Engaged engineering firm to design the lift station upgrade and move sewer fr RV/Trailer park to Keno lift station	Decision to modify existing site confirmed ongoing
	Parkway	Eliminate Infiltration	flows have decreased to compliance level	90% complete
	Ensure public safety and transportation	secure funding for upgrades to airplane dock and freight dock	seeking funding opportunities Improved signage restored integrity of non-slip surface	Ongoing complete complete
Public Safety	Maintain integrity of road and Village property and foreshore	investigate options for riprap	Completed application for flood management grant thru EMBC: Met with Ministry of Justice at UBCM to further lobby for funding and support Personnel upgrading dyke condition to compliance standards	Ongoing Ongoing
	Public Works	Confirm Transportation Routes	Bridge Inspection & Repair	inspection complete, investigating solutions.
Center Line Painted			Centerline surveyed and pinned. Painting reconsidered	completed
Consistent Road Maintenance			paving to address water pooling and bridge approach sight lines	completed

# Annual Progress Report and Statement of Major Projects

<b>2012</b> <small>continued</small>	STATEMENT OF OBJECTIVES prepared 2012	STRATEGIES/ACTION implementation 2012	MEASURES/OUTCOMES collect data 2013	REPORT submit 2014
<b>Public Works</b> continued	Community Safety	Survey & Identify Road and property boundaries	traffic	complete
			Sketch plan forthcoming	ongoing
			designated parking area and redesigned walkway with improved accessibility to Village office	complete
<b>Recreation/ Culture</b>	Maintain Police Presence	Lobby for transfer of traffic patrol	Marine RCMP attending to community more frequently	successful
	Provide safe environment for fitness activities year round	apply for grant	Community Hall Improvement funding approved, project manager hired and tender documents completed.	Community Hall completed
		Community committee for walking	Construction expected to be completed by the end of the 2013	Skate board park ongoing
	expand and revitalize walking trails	Community committee for walking	PW continue to maintain existing trails.	Canadian Rangers commitment to assist



A picture reference of our Community Hall Upgrade Project



Timeline:

2011 December applied for funding

2012 Funding approved, secured services of project manager

2013 Construction and completion



# Annual Progress Report and Statement of Major Projects

2013	STATEMENT OF OBJECTIVES prepared 2013	STRATEGIES/ACTION implementation 2013	MEASURES/OUTCOMES collect data 2014	REPORT submit 2015
All Departments	Improve Community Appearance	Lead by Example and bring Village properties to a well maintained standard	Library: Envelope Repair & replace	
			Village Office: Yard and interior	
			Community Hall: Envelope and roof	
			Museum: Paint / replace lower siding	
Council/ Admin	Increase Economic Stability	invest in an industrial site for transfer station	Comox Valley Strathcona Solid Waste Board agrees to help fund to accommodate	
		Continue annexation process to extend boundaries and increase taxable assessments	Communications with First Nation interest, ongoing	
		foster relationships with first nation communities	have signed Protocol agreement with Nuchatlaht Tribe: signed fire agreement with Ehattis: Fire truck purchase	
	OCP Review	Continue to work toward the overdue review needed to bring OCP up to date.		
Policy and Bylaws	Continue to work toward bylaws and policies to legislate Council's actions and goals	bylaw enforcement reviewed, contact an enforcement officer		
Public Safety	Continue to advocate for public safety on ALL roadways	initiate a public forum to engage all parties (federal, provincial, first nation and municipal) to collaborate and seek funding toward road improvements	Road surface and sight lines improved over 6 km of road Completed with a 45 day time = \$400,000 budget	complete
			raise community awareness by reporting road conditions: Lobby at UBCM for continued road improvements: bridge signage and height and weight restrictions: ongoing conversations with Emcon re road maintenance and Forestry	

# Annual Progress Report and Statement of Major Projects

2013 <small>continued</small>	STATEMENT OF OBJECTIVES prepared 2013	STRATEGIES/ACTION implementation 2013	MEASURES/OUTCOMES collect data 2014	REPORT submit 2015
<b>Public Works</b>	Community Safety	Campsite Tree removal	continuous removal of danger trees	
		Dike Clearing	clearing dyke as resources permit	
		RV Park - perimeter clearing	clear ditch line	
	Reduce flooding in Residential Areas	Culvert Repair at N. Maquinna Ave	completed and being monitored	
		ABC Creek long term repairs	Secure funding for design of repair	
	Water Supply Safety	secure water reservoir and well site	fencing/ secure funding in 2014 property trade to acquire neighbouring property	

Some examples of our ongoing maintenance and planning of our buildings.



Open house for public input for ISCP



Repairs before the Hardiplank at the Library



Landscaping at the Village Office

## Annual Progress Report and Statement of Major Projects

<b>2014</b>	<b>STATEMENT OF OBJECTIVES</b> OB- pre- pared 2014	<b>STRATEGIES / ACTIONS</b> Implemented 2014	<b>MEASURES &amp; OUTCOMES</b> Collect Data Jan-Dec 2015	<b>REPORT</b> Submit 2016
<b>Council/Admin</b>	Economic Development	ICSP Plan in progress, confirmed funding for Economic Development Readiness Inventory	Public Feedback, Final Report, Council trained to use the tools	
	OCP review	Conduct committee meeting with ICSP and Ec Dev Readiness report in hand		
<b>Policing</b>	Increased Presence in Visibility as well as Availability	Discussion with detachment supervisors regarding scheduling	Quarterly police reports to include attendance days in Zeballos	
		Continued communications with all levels of RCMP	Scheduled annual meetings	
<b>Public Safety</b>	Improve airplane dock use, safety and atmosphere	Airplane dock inspection required	anchor line inspection and subsequent repairs	
		Negotiate MOU with all users		
	Upgrade outdated fire truck	Fire truck replacement	New truck delivery	
	Road Safety	Sugarloaf Bridge replacement funding	Offer to partner from AANDC	
		Explore other leveraging methods		
	Road Safety	Investigate parking and pinch points at Lot 501, Reno Street and south to Mid Maquinna Ave.	regular observations and discussions	
			investigate possible solutions	
		Pursue Pot Hole and Sink Hole Repair along all roadways working with the various jurisdictions: Forestry, Highways, Emcon, Village PW		



## Annual Progress Report and Statement of Major Projects

<b>2014</b> <sub>continued</sub>	<b>STATEMENT OF OBJECTIVES</b> prepared 2014	<b>STRATEGIES / ACTIONS</b> Implemented 2014	<b>MEASURES &amp; OUTCOMES</b> Collect Data Jan-Dec 2015	<b>REPORT</b> Submit 2016
<b>Public Works</b>	Accommodate grown of neighbouring First Nations	Expand sewer to service planned growth in cooperation with Ehattesaht/Chinehkint	Ehattis to secure funding for Phase 1 of planning process	
<b>Recreation/ Culture</b>	Encourage increased fitness and socializing to promote a sense of community	Initiate programs in the Community Hall		
	Revitalize walking trails	PW continue to maintain existing trails		
		Seek interested community members to volunteer and service on walking committee		
	Accept Canadian Rangers commitment to assist with trail maintenance			

## Schedule of Board Remuneration 2013

	Remuneration		Expenses		Total
Mayor Lewis	\$ 4,680.00	\$	6955.00	\$	11635.00
Councillor Debra Brown	3,120.00		845.00		3965.00
Councillor Jeff Coburn	3,120.00		0.00		3120.00
Councillor Julie Colborne	3,120.00		380.00		3500.00
Councillor Cox	3,120.00		3,330.00		6,450.00
<b>Totals</b>	<b>\$ 17,160.00</b>	<b>\$</b>	<b>11,510.00</b>	<b>\$</b>	<b>28,670.00</b>

## Schedule of Payments to Suppliers 2013

Greater than \$25,000:

0820204BC LTD	\$ 66,029.70
BC Hydro	32,607.07
BDO Ltd	53,320.32
CIBC Visa	25,533.73
D. Mattson Construction Services	34,614.93
Saywell Construction	354,534.78
Shy's Forest Products Ltd	28,123.62
West Bridge Corp.	42,093.98

All other consolidated	401,293.29
	<hr/>
	\$ 1,038,151.42

**Village of Zeballos**

Financial Statements

For the year ended December 31, 2013



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

**Contents**

---

<b>Independent Auditor's Report</b>	<b>2</b>
<b>Financial Statements</b>	
Statement of Financial Position	3
Statement of Operations	4
Statement of Change in Net Financial Assets	5
Statement of Cash Flows	6
Summary of Significant Accounting Policies	7 - 9
Notes to Financial Statements	10 - 19
Schedule 1 - Government Grants to the Village and Ratepayers	20
Schedule 2 - Combined Statement of Operations by Segment - 2013	21
Schedule 3 - Combined Statement of Operations by Segment - 2012	22
<b>Unaudited Supplemental Information</b>	
General Fund	
Exhibit A - Statement of Financial Position	23
Exhibit B - Operating Fund Balance and Investment Tangible Capital Assets	24
Exhibit C - Operating Fund Financial Activities	25
Water Fund	
Exhibit D - Statement of Financial Position	26
Exhibit E - Operating Fund Balance and Investment Tangible Capital Assets	27
Exhibit F - Operating Fund Financial Activities	28
Sewer Fund	
Exhibit G - Statement of Financial Position	29
Exhibit H - Operating Fund Balance and Investment Tangible Capital Assets	30
Exhibit I - Operating Fund Financial Activities	31

---

## Independent Auditor's Report

---

### To the Mayor and Councilors of the Village of Zeballos

We have audited the accompanying financial statements of the Village of Zeballos, which comprise the Statement of Financial Position as at December 31, 2013, the Statements of Operations, Changes in Net Financial Assets and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Village of Zeballos as at December 31, 2013 and results of its operations and its cash flows for the year ended in accordance with Canadian public sector accounting standards.

### Supplemental Information

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

Chartered Accountants


Vancouver, British Columbia  
May 12, 2014

**Village of Zeballos**  
**Statement of Financial Position**

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

Contingencies - see Note 7

 Treasurer

 Mayor



**Village of Zeballos**  
**Statement of Operations**

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

**Village of Zeballos**  
**Statement of Changes in Net Financial Assets**

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

**Village of Zeballos**  
**Statement of Cash Flows**

For the year ended December 31

2013

2012

**Cash provided by (used in)**

**Operating transactions**

Annual surplus (deficit)	\$ (27,223)	\$ 214,205
Items not involving cash		
Equity income from Nootka Sound Economic Development Corporation	(5,596)	(42,128)
Amortization of tangible capital assets	163,721	131,549
Loss on disposal of tangible capital assets	3,430	-
	134,332	303,626
Changes in non-cash operating balances		
Accounts and taxes receivable	(38,084)	37,562
Prepaid expenses	(2,263)	1,724
Due from trust funds	-	9,658
Accounts payable and accrued liabilities	57,194	(15,213)
Unearned revenue	(338,981)	296,285
	(322,134)	330,016

**Investing activities**

Purchase of tangible capital assets	(512,373)	(256,480)
Redemption (purchase) of investments	672,514	(549,422)
	160,141	(805,902)

**Financing activities**

Dividends received from Nootka Sound Economic Development Corporation	52,806	2,805
Repayment of long-term debt	(13,567)	(12,921)
	39,239	(10,116)

Increase (decrease) in cash during the year	11,578	(182,376)
Cash (bank indebtedness), beginning of year	(34,142)	148,234
<b>Bank indebtedness, end of year</b>	<b>\$ (22,564)</b>	<b>\$ (34,142)</b>

---

## Village of Zeballos

### Summary of Significant Accounting Policies

December 31, 2013

---

#### Significant Accounting Policies

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

#### Change in Accounting Policies

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

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

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

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

#### Investments

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

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



---

**Village of Zeballos**  
**Summary of Significant Accounting Policies**

**December 31, 2013**

---

**Tangible Capital Assets**

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

Estimate useful lives of tangible capital assets are as follows:

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

**Collection of Taxes on Behalf of Other Taxation Authorities**

The Village collects taxation revenue on behalf of other entities. Such levies, other revenues, expenses, assets and liabilities with respect to the operations of entities are not reflected in these financial statements.

**Revenue Recognition**

Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. Taxes receivable are recognized net of allowance for anticipated uncollectible amounts.

Through the British Columbia Assessments appeal process, taxes may be adjusted by way of supplementary roll adjustments. The affects of these adjustments on taxes are recognized at the time they are awarded. Levies imposed by other taxing authorities are not included as taxes for municipal purposes. Levies imposed by Comox Valley Regional District for services and general administrative services and other taxing authorities are not included.

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

---

**Village of Zeballos**  
**Summary of Significant Accounting Policies**

**December 31, 2013**

---

**Revenue Recognition  
(Continued)**

Government transfers, which include legislative grants, are recognized in the financial statements when received if the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled. Sales of service and other revenue is recognized on an accrual basis.

**Unearned Revenue**

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

**Trust Funds**

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

**Use of Estimates**

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

**Village of Zeballos**  
**Notes to Financial Statements**

**December 31, 2013**

**1. Portfolio Investments**

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

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

**2. Nootka Sound Economic Development Corporation**

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

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

The Village holds one of the three common shares of NSEDC and 41,993 of 140,300 preferred shares. Each shareholder has the right to elect an equal number of directors to the board of NSEDC. The Village's investment in NSEDC is recorded on a modified equity basis.

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

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

**Village of Zeballos**  
**Notes to Financial Statements**

**December 31, 2013**

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

Condensed Supplementary Financial Statement Information of NSEDC:

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

**Village of Zeballos**  
**Notes to Financial Statements**

**December 31, 2013**

**3. Bank Indebtedness**

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

**4. Unearned Revenue**

Included in unearned revenue are amounts related to

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

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

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

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



---

**Village of Zeballos**  
**Notes to Financial Statements**

**December 31, 2013**

---

**5. Accumulated Surplus**

The Village segregates its accumulated surplus in the following categories:

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

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

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

**Village of Zeballos**  
Notes to Financial Statements

December 31, 2013

**6. Tangible Capital Assets**

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

**Village of Zeballos**  
**Notes to Financial Statements**

**December 31, 2013**

**7. Contingent Liabilities**

- (a) The Village is responsible as a member of the Comox Valley Regional District for its share of any operating deficits or long-term debt related to functions in which it participates. Management has assessed the risks as unlikely at this time therefore no provision has been recorded in the financial statements.
- (b) The Village is partially self-insured through the Municipal Insurance Association of British Columbia. Should the Association pay out claims in excess of premiums received, it is possible that the Village along with the other participants, would be required to contribute towards the deficit.

**8. Taxation - Net**

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

---

**Village of Zeballos**  
**Notes to Financial Statements**

**December 31, 2013**

---

**9. Pension Plan**

The Village and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly-trusted pension plan. The Plan's Board of Trustees, representing Plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of the benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 179,000 active members and approximately 71,000 retired members. Active members include approximately 35,000 contributors from local government and 5 contributors from the Village.

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

---

**10. Funds Held in Trust**

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

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

**December 31, 2013**

---

**11. Segmented Information**

The Village is a diversified municipal government institution that provides a wide range of services to its citizens such as recreation, fire, sewer, water and solid waste. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

**General Government Administration and Other**

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

**Protective Services**

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

**Transportation Services**

Public works and transportation is responsible for the maintenance of roads, sidewalks, cemetery maintenance, outdoor lighting, storm drains and mechanical services and public work buildings.

**Environmental Health**

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

**Recreation and Cultural**

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



**Village of Zeballos**  
**Notes to Financial Statements**

**December 31, 2013**

**12. Expenses by Object**

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

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

**13. Budget**

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

The budget anticipated use of surpluses accumulated in previous years to balance against current year expenditures in excess of current year revenues. In addition, the budget anticipated capital expenditures rather than amortization expense. The following reconciliation of the "Surplus for the year" is provided to show which items must be added or removed to reflect the financial plan.

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

---

**Village of Zeballos**  
**Notes to Financial Statements**

**December 31, 2013**

---

**14. Comparative Figures**

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

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

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

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

**For the year ended December 31, 2013**

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

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

**For the year ended December 31, 2012**

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



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

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

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

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

**Investment in tangible capital assets**

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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