



Photo credit Charlie Cornfield 2008

VILLAGE OF ZEBALLOS



2015 ANNUAL REPORT

Table of Contents

Mayor's Message and Dedication	Page	3
Introduction		4
Municipal Services & Operations Summary for 2014		4-6
Annual Progress Report and Statement of Major Projects including Statement of Objectives & Measures		7-12
Schedules of Payments		13
Audited Municipal Financial Statements		14-44



Mayor and Council 2014

Debra Morin Brown, Jeff Coburn, Kate Racey, Julie Colborne, (seated) Mayor Donnie Cox

Mayor's Message



First of all I would like to express my sincere appreciation to our past Mayor, Ted Lewis for all of his foresight and hard work. Mayor Lewis had a vision and a plan to take the Village of Zeballos into the future with both economic and lifestyle sustainability. Without the solid foundation he left for us, our path forward would be much more daunting.

Council and staff have been diligent in the researching and networking of potential funding sources to address our immediate priorities. Most pressing on our priorities list is the replacement of the Sugarloaf Bridge. The bridge replacement grant funding application was submitted to the Gas Tax Strategic Priorities Fund in April of 2015. We will not know whether or not our grant funding request will be accepted until the latter part of 2015—but we do remain hopeful.

We continue to work closely with our nearby three First Nations communities, the Ehattesaht/Chinehkint, Nuchatlaht and Ka:'yu:'k't'h'/Che:k'tles7et'h' on a number of important issues. Our joint efforts are focused on working with the appropriate government agencies to secure funding for much needed road improvements. It has been a pleasure to work with our neighbours in a collaborative manner. We look forward to more interaction in the future. We are a much stronger voice when we stand together.

Our list of priorities also includes replacement and/or improvement of our aging sewer system. Studies are being conducted to assist Council as to the best and most cost effective decisions that must be made in the not-too-distant future.

Other priorities on our list include bylaw compliance, community asset improvements, economic sustainability, timber tenure via the Nootka Sound Economic Development Corporation and establishing sound working relationships with our First Nations neighbours, just to mention a few.

We stand firm on our commitment to encourage residents and business to improve the overall appearance of our community, where needed. This is a very unique and special setting and deserves to be respected as such.

As always, I, together with Council, encourage citizen input as we move forward. Our objective is to be an open and honest governing body and work to the best of our ability for all of the citizens of the Village of Zeballos.

Zeballos — a tiny paradise

Zeballos has an amazing history of gold mining in the 1930s and 40s, iron mining in the 60s and logging operations past. What was once a booming gold mining area with a population of over 2000, has now become the smallest municipality in BC with a current population of 110.

Nestled in a deep valley, and sheltered from marine storms, Zeballos is the jewel of the North West Coast of Vancouver Island with our vistas of "mountain meeting ocean". It is a great place to "turn off" and "unplug". Enjoy the opportunity to breathe the clean air and listen to the wind in the mountains and the eagles giggling and whistling nearby. The proximity of wildlife, outdoor recreation and historical images make this quiet, restful village a great place to live and to visit.

Zeballos has always had a resource-based economic driver. Unfortunately, times have changed and economic sustainability will need to be found elsewhere. Many resource towns have experienced this phenomenon and the need to diversify is plain to see. The abundance of wildlife including whales, seals, spawning salmon and various waterfowl as well as bears, cougars and elk are a draw to the tourist. Sport fishing, diving, kayaking and caving opportunities are abundant and the adventures start with a left turn at signpost 320km on Highway 19, the longest driveway in BC.

Your Village Council and staff are well aware of both the opportunities and the challenges of living in such a remote community. Council is always on the search for funding solutions through grants and innovative solutions to financial issues. Municipalities across BC are suffering as infrastructures fails. Council is committed to tackle the issues head on and in the most fiscally responsible way possible.

Municipal Services & Operations Summary for 2014

1. Executive

Mayor Ted Lewis passed away while in office in August of 2014. The position was filled by Acting Mayor Brown until the election in November. Mayor elect Donnie Cox was rejoined by Councillors Jeff Coburn, Julie Colborne and Debra Morin Brown. Newly elected Kate Racey rounded out the Executive Committee to continue the business of your local government. The goals and objectives they have set for themselves keep them busy and focused. The short 2014 elected 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 another balanced budget to Council. The in-house tax notices continue to improve annually. The day to day operations are settling into a routine in a pleasant atmosphere. Staff is taking the opportunity to take courses and upgrade their skills and training.

3. Recreation Department

The Community Hall is now an inviting warm and cozy place to meet with others. It will provide opportunities for indoor recreation and fitness in our community in the coming years. In February of 2015 the Community held it's first dance in many years. The Valentine Celebration was extremely well attended and an enjoyable evening was had by all. Just goes to show, we can be a happy and lively bunch.



The Zeballos Museum, bursting with artifacts donated by current and past residents, is a favorite stop for many visitors. One can get a glimpse of the early days of Vancouver Island's only gold rush, our iron mining and logging industries. The Museum is open during the winter months on an on call basis and during the summer months, it has a part time host with regular hours.

This aging building needs attention, therefore, the museum is one of councils priorities. In 2014 it received a much needed paint job and is looking better.

4. Protective Services

The negotiations with Ehattesaht/ Chinehkint First Nation on a replacement fire engine to service Zeballos and Ehattesaht resulted in the new truck being delivered in December 2014. A second hall was established on the west side of Zeballos River until the bridge load limit can be removed with a bridge replacement.



5. Public Works Department

The public works department had many challenges throughout 2014. Budget and staffing costs were a major concern. Unfortunately good fiscal management required that staff be reduced. Work has proceeded on a priority basis which does not allow for all jobs to be accomplished, but those that are getting done are within the operating budget.

The SCADA monitoring system continues to work with our water and lift station systems. This allows staff the flexibility of monitoring from home on the weekends.

The ballpark was full of activity during the Northern Region Games hosted by the Ehattesaht First Nations in August.



An expansion project at the Zeballos Cemetery was accomplished through volunteer efforts from Totem Excavating and Donn Cox Excavating as well as Western Forest Products Engineering Department allowed for some sunlight to get through the tall protective trees and brighten the sight. The area was seeded and an access road was created to enable vehicles to reach the new plots.



The Zeballos Library looks great with the new siding and entry ramp.

As the sign out front will tell you, this heritage building was originally known as the Muckers Hall.

It has also housed the Provincial Liquor Store and subsequent Zeballos Liquor Agency.

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
2013 All Departments	Improve community appearance	Lead by example and bring village properties to a well maintained standard	Library: envelope repair & replace	Complete
			Village Office: yard and interior	yard complete
			Community Hall: envelope and roof	complete
			Museum: paint /replace lower siding	painted, gutters installed, on going
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	Ongoing
		continue annexation process to extend boundaries and increase taxable assessments	Communications with First Nation interest, ongoing	Ongoing
		foster relationships with first nation communities	have signed Protocol Agreement with Nuchatlaht Tribe: signed fire agreement with Ehatis: Fire truck purchase	Complete
	OCP Review	Continue to work toward the overdue review needed to bring OCP up to date	ICSP Complete	Funding source required
Policy and Bylaws	Continue to work toward bylaws and policies to legislate Council's actions and goals	bylaw enforcement reviewed, contact an enforcement officer	Reviewed and revised Bylaw 468,472,474,489, 490 and 492 in 2013 and 2014	
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 a cooperative project within a 45 day timeframe = \$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	Complete

Annual Progress Report and Statement of Major Projects

2013 continued	STATEMENT OF OBJECTIVES prepared 2013	STRATEGIES / ACTION implementation 2013	MEASURES & OUTCOMES collect data 2014	REPORT submit 2015
Public Works	Community Safety	campsite tree removal	continuous removal of dangerous trees	Complete
		Dyke Clearing	clearing dyke as resources permit	Ongoing
		RV Park - perimeter clearing	clear ditch line	Complete
	Reduce flooding in Residential Areas	culvert repair at N. Maquinna Ave	Complete and being monitored	Complete
		ABC Creek long term repairs	Secure funding for design of repair	Funding identified for design
	Water Supply Safety	secure water reservoir and well sight	fencing/ secure funding in 2014 property trade to acquire neighbouring property	Ongoing



This logo on the new fire truck shows the connection between the Ehatis First Nation and the Village of Zeballos

Children at play during the Northern Games at the ballpark.



Cemetery — Community member donations made an expansion possible in 2014 giving about 400 more square feet of space. Looking forward to a beautification project soon.

Annual Progress Report and Statement of Major Projects

2014	STATEMENT OF OBJECTIVES prepared 2014	STRATEGIES / ACTIONS implemented 2014	MEASURES & OUTCOMES data collected 2015	REPORT submitted 2016
2014 All Departments	Improve Community Appearance	Village properties are well maintained to a consistent standard and usage tracked	Track usage of village properties	
		Museum Expansion	porches, stairs and roof to be repaired and/or replaced	

Council/Admin	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	Receive report for Economic Development Readiness	

Policing	Increased Presence in Visibility as well as Availability	Discussion with detachment supervisors regarding scheduling	Quarterly police reports to include attendance days in Zeballos - Sergeant Craig Blanshard providing trending statistics	
		Continued communications with all levels of RCMP	Scheduled annual meetings RCMP stop at Village Office for discussions and communications when they attend to the area	

Public Safety	Improve airplane dock use, safety and atmosphere	airplane dock inspection required	upgrade signage to manage risk exposure	
			anchor line inspection and subsequent repairs	
		Negotiate MOU with all users	initialize user meeting regarding maintenance and operation of dock	

Upgrade outdated fire truck

Fire truck replacement

new fire truck delivered



A wispy morning
photo credit Lyn Hawley 2015



Annual Progress Report and Statement of Major Projects

2014 continued	STATEMENT OF OBJECTIVES prepared 2014	STRATEGIES / ACTIONS implemented 2014	MEASURES & OUTCOMES data collected 2015	REPORT submitted 2016
Public Safety	Road Safety	Sugarloaf Bridge replacement funding	Offer to Partner from AANDC, Grant application submitted to CSCD Gas Tax Strategic Priorities Fund	
			explore other leveraging methods	
		investigate parking and pinch points at Lot 501, Reno Street and south to mid Maquinna Ave.	regular observations and discussions	
			investigate possible solutions - included in discussions with bylaw officers	
		pursue pot hole and sink hole repair along all roadways working with the various jurisdictions: Forestry, Highways, Emcon, Village PW	included in 2015 budget Suncor leased land update of lease and improved signage	
Public Works	Accommodate growth of neighbouring First Nations	expand sewer to service planned growth in cooperation with Ehattesaht/ Chinehkint	Ehatis to secure funding for Phase 1 of planning process and continue with Phase 2	
Recreation/ Culture	Encourage increased fitness and socializing to promote a sense of community Revitalize walking trails	initiate programs in the Community Hall	Red & White Dance - first in 8 years Skateboard Park completed	
		PW continue to maintain existing trails		
		seek interested community members to volunteer and serve on walking committee		
		accept Canadian Rangers commitment to assist with trail maintenance		

Annual Progress Report and Statement of Major Projects

2015	STATEMENT OF OBJECTIVES prepare 2015	STRATEGIES / ACTIONS implement 2015	MEASURES & OUTCOMES data collection 2016	REPORT submitted 2017
Council/ Admin	Official Community Plan	research facilitator funding to have update completed		
	Bylaw Adherence	continue to negotiate with violators	reduced number of violation letters sent	
	Board of Variance	Establish board with community members		
		Application received, heard and granted		
	Improve and expand online presence	bring website maintenance in house		
Public Engagement	Encourage recycling	improved sorts and facilities		
		educators to visit Zeballos		
	Policy and bylaws	continue to review and update		
Public Safety	Continue to advocate for public safety on ALL roadways	Continue to engage all parties (federal, provincial, first nation and municipal) to collaborate and seek increased road improvements	improve signage	
		to collaborate and seek increased road improvements	Resolution for Road Maintenance Funding thru AVICC to UBCM forums	
		New format for Road Advisory Group	number of meetings along with results	
	Improve Emergency Preparedness	support ongoing training for ESS include ZVFD in trailing		
		send Mayor and Council to more training	increased attendance to training sessions	
attract an Emergency Program Coordinator				
	investigate a second tsunami warning siren			

Annual Progress Report and Statement of Major Projects

2015 continued	STATEMENT OF OBJECTIVES prepare 2015	STRATEGIES / ACTIONS implement 2015	MEASURES & OUTCOMES data collection 2016	REPORT submitted 2017
Public Works	Reduce flooding in Residential Areas	ABC Creek long term repairs	design complete, easements issued	
	Preserve the integrity of all public buildings	Maintenance program to include one side per year for each building wherever possible		
Recreation/ Culture	Encourage recreation and trails in the area	work with Ehatis First Nation and Village of Tahsis and BC Hydro toward a connecting trail		
		accept Canadian Rangers commitment to assist with trail maintenance		
	Beautification of Village owned properties	Enlarge and improve appearance of Cemetery		
		Work with property owners to comply with the unsightly premises bylaw		
		Hire a seasonal gardener for village properties		



Rhododendrons do well in our climate whether pruned to a tree shape as this sample at the Village Office shows or left untouched as the specimen at the Cemetery demonstrates.



Schedule of Board Remuneration 2014

	Remuneration	Expenses	Total
Mayor Lewis	\$ 2,340.00	\$ 1,578.76	\$ 3,918.76
Councillor Debra Brown	3,120.00	846.16	3,966.18
Councillor Jeff Coburn	3,120.00	364.40	3,484.40
Councillor Julie Colborne	3,120.00	2,862.74	5,982.74
Councillor Cox	3,120.00	2,363.55	5,483.55
Totals	\$ 14,820.00	\$ 8,015.63	\$ 22,835.63

Schedule of Payments to Suppliers 2014

Greater than \$25,000:

BC Hydro	\$ 32,384.80
BDO Ltd	41,605.22
Saywell Construction	49,285.58
Wetlands Pacific Inc.	35,486.33
Whistler Group for Sustainability	41,541.34
All other consolidated	364,681.34
Total Payments to Suppliers	\$ 564,984.61

Village of Zeballos

Financial Statements

For the year ended December 31, 2014

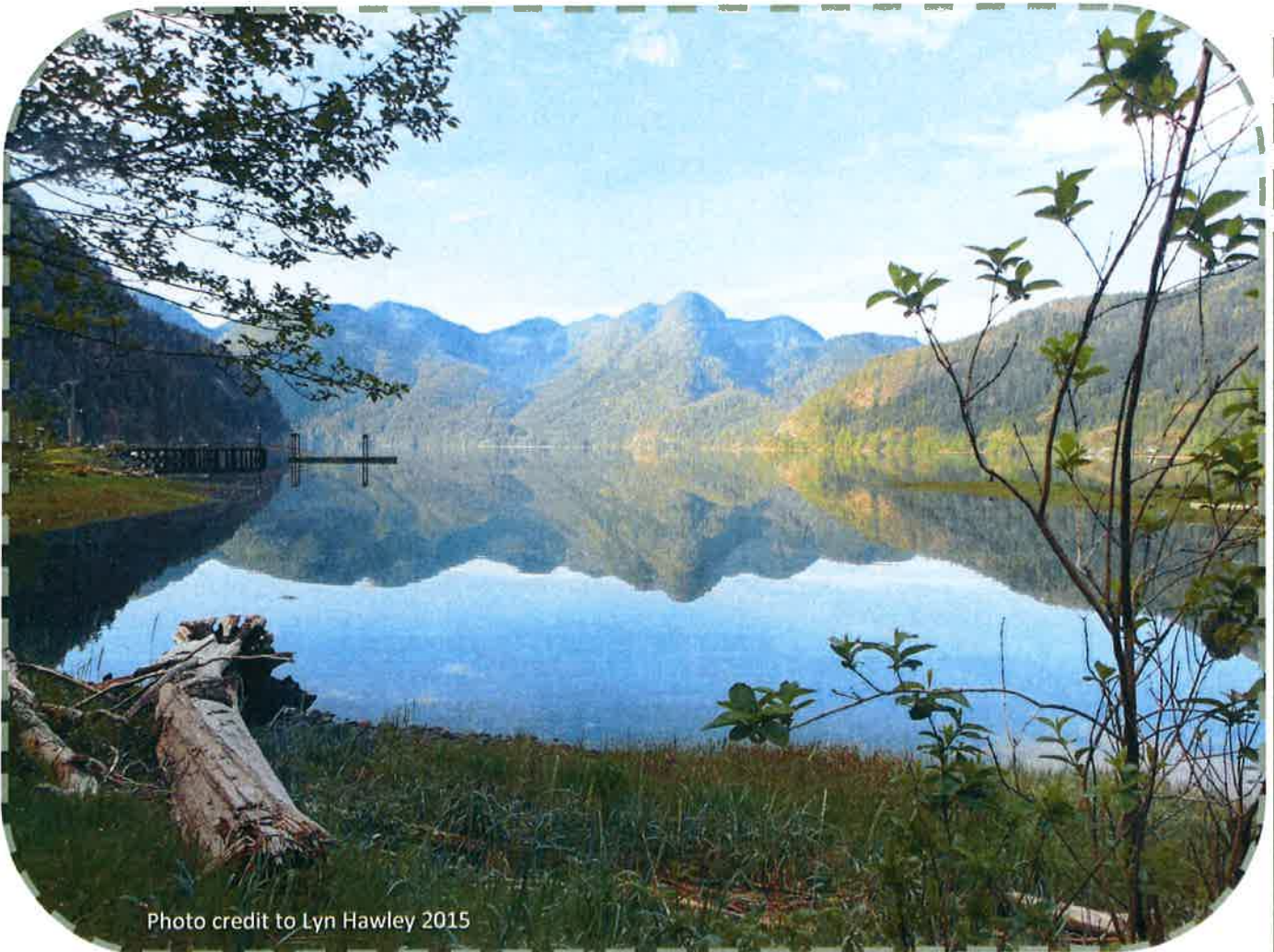


Photo credit to Lyn Hawley 2015

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

	Contents
Independent Auditor's Report	2
Management's Responsibility for Financial Reporting	3
Financial Statements	
Statement of Financial Position	4
Statement of Operations	5
Statement of Changes in Net Financial Assets	6
Statement of Cash Flows	7
Summary of Significant Accounting Policies	8 - 9
Notes to Financial Statements	10 - 18
Schedule 1 - Government Grants to the Village and Ratepayers	19
Schedule 2 - Combined Statement of Operations by Segment - 2014	20
Schedule 3 - Combined Statement of Operations by Segment - 2013	21
Unaudited Supplementary Financial Information	
General Fund	
Exhibit A - Statement of Financial Position (Unaudited)	22
Exhibit B - Operating Fund Balance and Investment in Tangible Capital Assets (Unaudited)	23
Exhibit C - Operating Fund Financial Activities (Unaudited)	24
Water Fund	
Exhibit D - Statement of Financial Position (Unaudited)	25
Exhibit E - Operating Fund Balance and Investment in Tangible Capital Assets (Unaudited)	26
Exhibit F - Operating Fund Financial Activities (Unaudited)	27
Sewer Fund	
Exhibit G - Statement of Financial Position (Unaudited)	28
Exhibit H - Operating Fund Balance and Investment in Tangible Capital Assets (Unaudited)	29
Exhibit I - Operating Fund Financial Activities (Unaudited)	30



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

BDO Canada LLP
600 Cathedral Place
925 West Georgia Street
Vancouver BC V6C 3L2 Canada

Independent Auditor's Report

To the Mayor and Councilors of the Village of Zeballos

We have audited the accompanying financial statements of the Village of Zeballos, which comprise the Statement of Financial Position as at December 31, 2014, the Statements of Operations, Changes in Net Financial Assets and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Village of Zeballos as at December 31, 2014 and results of its operations and its cash flows for the year ended in accordance with Canadian public sector accounting standards.

Supplemental Information

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

BDO Canada LLP

Chartered Accountants

Vancouver, British Columbia

May 5, 2015

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

May 5, 2015


The Council of the Village of Zeballos has delegated the responsibility for the integrity and objectivity of the financial information contained in the financial statements to the management of the Village of Zeballos. The financial statements which, in part, are based on informed judgments and estimates, have been prepared by management in accordance with Canadian public sector accounting standards, which have been applied on a basis consistent with that of the preceding year.

To assist in carrying out their responsibility, management maintains an accounting system and internal controls to provide reasonable assurance that transactions are executed and recorded in accordance with authorization, and that financial records are reliable for preparation of financial statements.

The Mayor and Council oversee management's responsibilities for the financial reporting and internal control systems. Mayor and Council review internal financial statements on a quarterly basis, and meet periodically with management to satisfy themselves that management's responsibilities are properly discharged. Council annually reviews and approves the financial statements.

The Village of Zeballos' independent auditors, BDO Canada LLP, are engaged to express an opinion as to whether these financial statements present fairly the Village of Zeballos' financial position, financial activities and cash flows in accordance with Canadian public sector accounting standards. Their opinion is based on procedures they consider sufficient to support such an opinion in accordance with Canadian generally accepted auditing standards.

The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and in accordance with Canadian public sector accounting standards.



Eileen Lovestrom
CAO

Village of Zeballos
Statement of Financial Position

December 31	2014	2013
Financial Assets		
Accounts receivable	\$ 79,491	\$ 63,168
Portfolio investments (Note 1)	662,130	730,354
Taxes and user fees receivable	65,565	62,798
Investment in Nootka Sound Economic Development Corporation (Note 2)	84,929	94,516
	892,115	950,836
Liabilities		
Bank indebtedness (Note 3)	30,799	22,564
Accounts payable and accrued liabilities	61,513	78,015
Unearned revenue (Note 4)	280,857	58,672
	373,169	159,251
Net Financial Assets	518,946	791,585
Non-Financial Assets		
Prepaid expenses	22,610	17,209
Tangible capital assets (Note 6)	3,888,672	3,727,189
	3,911,282	3,744,398
Accumulated Surplus (Note 5)	\$ 4,430,228	\$ 4,535,983

Contingencies - see Note 7

 Treasurer
  Mayor

Village of Zeballos
Statement of Operations

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

Village of Zeballos
Statement of Changes in Net Financial Assets

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

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

Village of Zeballos
Statement of Cash Flows

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

Village of Zeballos

Summary of Significant Accounting Policies

December 31, 2014

Significant Accounting Policies

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

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

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

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

Estimated useful lives of tangible capital assets are as follows:

Buildings	10 to 40 years
Fixtures, furniture, equipment and vehicles	5 to 20 years
Fire truck	30 years
Roads and bridges	10 to 100 years
Other	10 to 100 years
Water infrastructure	10 to 100 years
Sewer infrastructure	10 to 100 years

Collection of Taxes on Behalf of Other Taxation Authorities The Village collects taxation revenue on behalf of other entities. Such levies, other revenues, expenses, assets and liabilities with respect to the operations of entities are not reflected in these financial statements. Levies imposed by other taxing authorities are not included as taxes for municipal purposes. Levies imposed by Strathcona Regional District for services and general administrative services and other taxing authorities are not included.

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

Village of Zeballos
Summary of Significant Accounting Policies

December 31, 2014

Revenue Recognition (Continued)

Through the British Columbia Assessments appeal process, taxes may be adjusted by way of supplementary roll adjustments. The affects of these adjustments on taxes are recognized at the time they are awarded.

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

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

Sales of service and other revenue is recognized on an accrual basis.

Unearned Revenue

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

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

Trust Funds

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

Use of Estimates

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

Village of Zeballos
Notes to Financial Statements

December 31, 2014

1. Portfolio Investments

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

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

2. Nootka Sound Economic Development Corporation

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

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

The Village holds one of the three common shares of NSEDC and 41,993 of 140,300 (30%) preferred shares. Each shareholder has the right to elect an equal number of directors to the board of NSEDC. The Village's investment in NSEDC is recorded on a modified equity basis.

As of December 31, 2014, the logging volume has been fulfilled. The Corporation is exploring other license opportunities.

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

Village of Zeballos
Notes to Financial Statements

December 31, 2014

2. Nootka Sound Economic Development Corporation (Continued)

Condensed Supplementary Financial Statement Information of NSEDC:

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

Village of Zeballos
Notes to Financial Statements

December 31, 2014

3. Bank Indebtedness

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

4. Unearned Revenue

Included in unearned revenue are amounts related to

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

- (a) Gas tax is provided by the Government of Canada. The use of the funding is established by a funding agreement between the Village and the Union of British Columbia Municipalities.

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

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

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

Village of Zeballos
Notes to Financial Statements

December 31, 2014

5. Accumulated Surplus

The Village segregates its accumulated surplus in the following categories:

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

- (a) The Capital Works, Machinery and Equipment Depreciation Reserve was established by Bylaw #114, 1975 for the purpose of setting aside funds on an annual basis to purchase machinery and equipment.
- (b) The gas tax agreement funds consists of \$46,461 that remained unspent at December 31, 2013 plus additional funds of \$54,587 which was received in 2014 and \$ 1,862 of interest earnings. The amounts will remain in the reserve until spent on eligible projects.
- (c) The investment in non-financial assets represents amounts already spent and invested in infrastructure and other non-financial assets.

Village of Zeballos
Notes to Financial Statements

December 31, 2014

6. Tangible Capital Assets

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

Village of Zeballos
Notes to Financial Statements

December 31, 2014

7. Contingent Liabilities

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

8. Taxation - Net

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

Village of Zeballos
Notes to Financial Statements

December 31, 2014

9. Pension Plan

The Village and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly-trusted pension plan. The Plan's Board of Trustees, representing Plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of the benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 182,000 active members and approximately 75,000 retired members. Active members include approximately 36,000 contributors from local government and 5 contributors from the Village.

The most recent actuarial valuation as at December 31, 2012, indicates a liability of \$1,370 million for basic pension benefits. The next valuation will be as at December 31, 2015 with results available in 2016.

Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate, as a the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the Plan.

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

10. Funds Held in Trust

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

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

Village of Zeballos
Notes to Financial Statements

December 31, 2014

11. Segmented Information

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

General Government Administration and Other

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

Protective Services

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

Transportation Services

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

Environmental Health

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

Recreation and Cultural

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

Village of Zeballos
Notes to Financial Statements

December 31, 2014

12. Expenses by Object

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

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

13. Budget

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

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

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

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

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

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

For the year ended December 31, 2014

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

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

For the year ended December 31, 2013

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

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

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

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

For the year ended December 31	2014	2013
Balance, beginning of year	\$ 456,543	\$ 785,009
Surplus for the year	99,594	155,827
Transfers		
Appropriation from provision for future expenditures	29,580	41,648
Capital expenditures	(341,328)	(512,373)
Provision for future expenditures	(127,057)	-
To water operating	-	(13,568)
Balance, end of year	\$ 117,332	\$ 456,543
Investment in tangible capital assets		
Balance, beginning of year	\$ 2,384,968	\$ 1,990,038
Acquisition of property and equipment	341,328	512,373
Disposal of assets	(12,025)	(3,430)
Amortization	(125,963)	(114,013)
Balance, end of year	\$ 2,588,308	\$ 2,384,968

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

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

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

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

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

For the year ended December 31	2014	2013
Operating Fund balance		
Balance, beginning of year	\$ 67,360	\$ 73,684
Surplus (deficit) for the year	2,112	(11,146)
Transfers		
Transfer from general operating fund	-	13,568
Debt Principal	-	(8,746)
Balance, end of year	\$ 69,472	\$ 67,360
Investment in tangible capital assets		
Balance, beginning of year	\$ 734,736	\$ 751,223
Reduction in long-term debt	-	13,568
Amortization	(22,083)	(30,055)
Balance, end of year	\$ 712,653	\$ 734,736

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

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

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

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

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

For the year ended December 31	2014	2013
Operating Fund balance		
Balance, beginning of year	\$ (48,230)	\$ (34,065)
Deficit for the year	(40,633)	(14,165)
Transfers		
Balance, end of year	\$ (88,863)	\$ (48,230)
Investment in tangible capital assets		
Balance, beginning of year	\$ 607,487	\$ 627,139
Amortization	(19,773)	(19,652)
Balance, end of year	\$ 587,714	\$ 607,487

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

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

