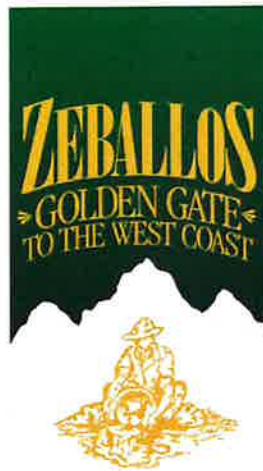


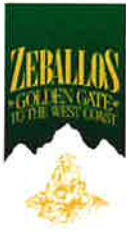
2022 Statement of Financial Information (SOFI)



THE CORPORATION OF THE VILLAGE OF ZEBALLOS

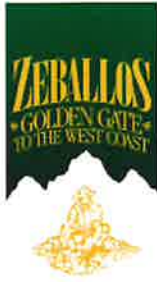
For the year ended December 31, 2022

157 Maquinna Avenue
P.O. Box 127
Zeballos, BC. V0P 2A0
Telephone: 250-761-4229
cao@zeballos.com
www.zeballos.com



THE CORPORATION OF THE VILLAGE OF ZEBALLOS

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**THE CORPORATION OF THE
VILLAGE OF ZEBALLOS**

STATEMENT OF FINANCIAL INFORMATION

SCHEDULE A

CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE A

VILLAGE OF ZEBALLOS
Financial Statements
December 31, 2022

VILLAGE OF ZEBALLOS

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Year Ended December 31, 2022

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MANAGEMENT REPORT

December 31, 2022

The Mayor and 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 properly authorized and recorded in compliance with legislative and regulatory requirements and that financial records are reliable for preparation of the financial statements. These systems are monitored and evaluated by management.

The Village of Zeballos' independent auditors, Chan Nowosad Boates Inc., Chartered Professional Accountants, are engaged to express an opinion as to whether these financial statements present fairly the Village of Zeballos' financial position and operating results in accordance with Canadian public sector accounting standards. Their opinion is based on procedures they consider sufficient to support such an opinion.

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. These statements present, in all significant respects the financial position of the Village of Zeballos as at December 31, 2022.



Pete Nelson-Smith, CAO
May 9, 2023



INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of the Village of Zeballos

Opinion

We have audited the financial statements of the Village of Zeballos (the "Village"), which comprise the statement of financial position as at December 31, 2022, and the statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Village as at December 31, 2022, and the results of its financial performance and cash flows for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

Basis for Opinion

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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

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

Other Matters

The financial statements for the year ended December 31, 2021 were audited by another firm of Chartered Professional Accountants who expressed an unqualified opinion on those statements on May 13, 2022.

Chan Nawrood Boatis Inc

Chartered Professional Accountants
Campbell River, BC

May 9, 2023

VILLAGE OF ZEBALLOS

Statement of Financial Position

December 31, 2022

2022

2021

FINANCIAL ASSETS

Cash	\$ 1,527,671	\$ 1,371,825
Temporary Investments (Note 2)	929,930	912,493
Accounts Receivable (Note 3)	<u>174,450</u>	<u>110,876</u>
	<u>2,632,051</u>	<u>2,395,194</u>

LIABILITIES

Accounts Payable and Accrued Liabilities	79,169	45,894
Unearned Revenue (Note 4)	<u>451,150</u>	<u>473,337</u>
	<u>530,319</u>	<u>519,231</u>

NET FINANCIAL ASSETS

2,101,732 1,875,963

NON-FINANCIAL ASSETS

Prepaid Expenses and Other	15,664	12,049
Tangible Capital Assets (Note 5)	<u>5,735,206</u>	<u>5,882,448</u>
	<u>5,750,870</u>	<u>5,894,497</u>

ACCUMULATED SURPLUS (Note 6)

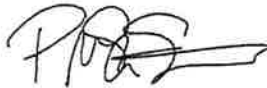
\$ 7,852,602 \$ 7,770,460

Contingencies (Note 7)

Approved by:



Mayor



Chief Administrative Officer

VILLAGE OF ZEBALLOS

Statement of Operations

Year Ended December 31, 2022

	<u>2022</u>		<u>2021</u>
	<u>Budget</u>	<u>Actual</u>	
	(Note 11)		
Revenues (Schedules 2 and 3)			
Taxation (Note 8)	\$ 217,970	\$ 218,730	\$ 207,366
Utility User Fees	41,150	43,763	42,480
Government Grants and Transfers (Schedule 1)	1,463,110	588,700	666,845
Sales of Services	111,925	142,912	116,605
Amortized Contribution of Tangible Capital Assets	-	26,789	26,789
Interest Income and Other	8,500	25,335	6,995
Donations	-	5,086	33,577
	<u>1,842,655</u>	<u>1,051,315</u>	<u>1,100,657</u>
Expenditures (Schedules 2 and 3)			
General Government Administration	1,603,789	468,765	371,358
Protective Services	30,141	34,834	27,368
Transportation Services	215,927	194,719	258,790
Environmental Health Services	37,326	35,484	36,261
Recreation and Cultural Services	88,256	135,922	80,350
Water Utility	50,145	45,061	52,085
Sewer Utility	50,684	54,388	35,912
	<u>2,076,268</u>	<u>969,173</u>	<u>862,124</u>
Annual Surplus (Deficit)	(233,613)	82,142	238,533
Accumulated Surplus - Beginning of Year	<u>7,770,460</u>	<u>7,770,460</u>	<u>7,531,927</u>
Accumulated Surplus - End of Year	<u>\$ 7,536,847</u>	<u>\$ 7,852,602</u>	<u>\$ 7,770,460</u>

VILLAGE OF ZEBALLOS

Statement of Changes in Net Financial Assets

Year Ended December 31, 2022

	<u>2022</u>		<u>2021</u>
	<u>Budget</u>	<u>Actual</u>	
	<small>(Note 11)</small>		
Annual Surplus (Deficit)	\$ (233,613)	\$ 82,142	\$ 238,533
Use of Prepaid Expenses	-	11,886	10,676
Acquisition of Prepaid Expenses	-	(15,500)	(12,049)
Net Acquisition of Tangible Capital Assets	-	(86,372)	(167,876)
Amortization of Tangible Capital Assets	-	<u>233,613</u>	<u>248,010</u>
	<u>(233,613)</u>	<u>225,769</u>	<u>317,294</u>
Net Financial Assets - Beginning of Year	<u>1,875,963</u>	<u>1,875,963</u>	<u>1,558,669</u>
Net Financial Assets - End of Year	<u>\$ 1,642,350</u>	<u>\$ 2,101,732</u>	<u>\$ 1,875,963</u>

VILLAGE OF ZEBALLOS

Statement of Cash Flows

Year Ended December 31, 2022

2022

2021

Cash Flows From Operating Activities:

Annual Surplus	\$ 82,142	\$ 238,533
Items Not Involving Cash		
Amortization of Tangible Capital Assets	233,613	248,010
Loss on Disposal of Tangible Capital Asset	<u>32,646</u>	<u>922</u>
	348,401	487,465
Changes in Non-Cash Operating Balances		
Accounts, Taxes and Rates Receivable	(63,574)	237,708
Account Payable and Accrued Liabilities	33,276	(38,150)
Deferred Revenue	(22,187)	344,135
Prepays	<u>(3,615)</u>	<u>(1,373)</u>
	<u>292,301</u>	<u>1,029,785</u>

Cash Flows From Capital Activities:

Purchase of Tangible Capital Assets	<u>(119,018)</u>	<u>(168,798)</u>
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Cash Flows From Investing Activities:

Purchase of Temporary Investments	<u>(17,437)</u>	<u>(1,613)</u>
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Increase in Cash	155,846	859,374
Cash - Beginning of Year	<u>1,371,825</u>	<u>512,451</u>
Cash - End of Year	<u>\$ 1,527,671</u>	<u>\$ 1,371,825</u>

VILLAGE OF ZEBALLOS

Notes to the Financial Statements

December 31, 2022

1. 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 taxpayers and some services to neighbouring communities. The Village prepares its financial statements in accordance with Canadian Public Sector Accounting Standards ("PSAS").

a) Temporary Investments:

Temporary investments are comprised of Municipal Finance Authority ("MFA") pooled investments. The investments are carried at market value which approximates amortized cost and earn interest.

b) 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 50 years
Equipment and vehicles	5 to 20 years
Fire truck	30 years
Road and bridges	10 to 100 years
Parks and land improvements	10 to 100 years
Water infrastructure	10 to 100 years
Sewer infrastructure	10 to 100 years

c) 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 other entities are not reflected in these financial statements.

d) Revenue Recognition:

Taxation revenues 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 Assessment's appeal process, taxes may be adjusted by way of supplementary roll adjustments. The effects of these adjustments on taxes are recognized at the time they are awarded. Levies imposed by other taxing authorities, including the Strathcona Regional District, are not included as taxation revenues for municipal purposes.

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.

VILLAGE OF ZEBALLOS

Notes to the Financial Statements

December 31, 2022

1. Significant Accounting Policies (Continued):

d) 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 liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Government grant revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Sales of services and other revenues are recognized on an accrual basis as the related service or other obligations are performed.

e) 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 recognized over the term of the service contract.

f) Trust Funds:

Trust funds held by the Village, and their related operations, are not included in these financial statements.

g) Financial Instruments:

Financial instruments consist of cash, portfolio investments, accounts receivable, and accounts payable. Unless otherwise noted, it is management's opinion that the Village is not exposed to significant interest rate, currency or credit risk arising from these financial instruments.

h) Use of Estimates:

The preparation of financial statements in accordance with PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's 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 accounts receivable, and valuation of contingencies.

i) Contaminated Sites:

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

Management has assessed its potential liabilities, including sites that are no longer in productive use and sites for which the Village accepts responsibility. There were no such sites that had contamination in excess of an environmental standard which required remediation, therefore no liability has been recorded at December 31, 2022 or December 31, 2021.

VILLAGE OF ZEBALLOS

Notes to the Financial Statements

December 31, 2022

2. Temporary Investments:

	<u>2022</u>	<u>2021</u>
MFABC Money Market Account	\$ <u>929,930</u>	\$ <u>912,493</u>

The Village's investments balance is held in the MFA's Money Market Fund (the "Fund"). The Fund's one-year yield as at December 31, 2022 was 1.92% (2021 - 0.59%), and investments within it are redeemable at any time.

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

3. Accounts Receivable:

	<u>2022</u>	<u>2021</u>
Taxes and Rates	\$ 60,950	\$ 39,013
Government Remittances Receivable	23,609	6,727
Grants Receivable	65,408	57,160
Trade and Other	<u>24,483</u>	<u>7,976</u>
	<u>\$ 174,450</u>	<u>\$ 110,876</u>

4. Unearned Revenue:

	<u>2022</u>	<u>2021</u>
Columbarium Contribution	\$ 9,400	\$ 9,600
Flood Mitigation Planning	375,000	375,000
Fire Protection Agreement	53,577	80,366
Other	<u>13,173</u>	<u>8,371</u>
	<u>\$ 451,150</u>	<u>\$ 473,337</u>

Columbarium Contribution:

The Village received a donation of \$10,000 for the construction of a columbarium during 2018. Amortization of the columbarium asset and this contribution will occur over the 50 year estimated useful of the columbarium.

Flood Mitigation Planning:

The Village received funding from the Province's Community Emergency Preparedness Fund for \$375,000 in 2021 for its Slope Hazard Mitigation project to assist the prevention of flooding hazards within the community. No construction has been performed as at December 31, 2022.

VILLAGE OF ZEBALLOS

Notes to the Financial Statements

December 31, 2022

4. Unearned Revenue (Continued):

Fire Protection Agreement:

The Village received a contribution of a fire truck with an estimated fair value of \$267,866 from the Ehattesaht First Nation in 2014. In exchange for the contribution, the Village has committed to provide fire protection services, maintain the fire truck and provide a 50% reduction of the annual fire service fee to the Ehattesaht First Nation for 10 years (2015 - 2024) as the consideration of the capital contribution. The fair value of the fire truck is being amortized to revenue over the term of the service agreement.

Other:

Other unearned revenue includes amounts related to cemetery improvement and prepaid taxes, rates and rents.

5. Tangible Capital Assets:

	Land	Buildings	Equipment and Vehicles	Roads and Bridges	Parks and Land Improv.	Water Engineering Structure	Sewer Engineering Structure	2022	2021
Cost, Beginning of Year	\$ 357,742	\$ 1,476,115	\$ 899,492	\$ 4,060,571	\$ 737,844	\$ 1,007,895	\$ 1,093,044	\$ 9,632,703	\$ 9,473,988
Additions	-	76,769	-	-	42,249	-	-	119,018	168,798
Disposals	-	-	-	-	(49,582)	-	-	(49,582)	(10,083)
Cost, End of Year	<u>357,742</u>	<u>1,552,884</u>	<u>899,492</u>	<u>4,060,571</u>	<u>730,511</u>	<u>1,007,895</u>	<u>1,093,044</u>	<u>9,702,139</u>	<u>9,632,703</u>
Accumulated Amortization, Beginning of Year	-	725,037	454,216	1,194,879	399,810	430,458	545,856	3,750,256	3,511,404
Amortization	-	50,074	39,036	74,199	17,071	26,467	26,766	233,613	248,010
Disposals	-	-	-	-	(16,936)	-	-	(16,936)	(9,159)
Accumulated Amortization, End of Year	-	<u>775,111</u>	<u>493,252</u>	<u>1,269,078</u>	<u>399,945</u>	<u>456,925</u>	<u>572,622</u>	<u>3,966,933</u>	<u>3,750,255</u>
Net Book Value, End of Year	\$ <u>357,742</u>	\$ <u>777,773</u>	\$ <u>406,240</u>	\$ <u>2,791,493</u>	\$ <u>330,566</u>	\$ <u>550,970</u>	\$ <u>520,422</u>	\$ <u>5,735,206</u>	\$ <u>5,882,448</u>

6. Accumulated Surplus:

The Village segregates its accumulated surplus into the following categories:

	2022	2021
Statutory Reserve - Capital Works, Machinery and Equipment Depreciation Reserve	\$ 43,378	\$ 42,373
Economic Development Reserve	58,237	56,888
Future Expenditures Reserve	189,798	120,741
Gas Tax Agreement - Community Works	476,036	464,487
Investment in Non-Financial Assets	5,750,870	5,894,497
Unrestricted	<u>1,334,283</u>	<u>1,191,474</u>
	\$ <u>7,852,602</u>	\$ <u>7,770,460</u>

VILLAGE OF ZEBALLOS

Notes to the Financial Statements

December 31, 2022

6. Accumulated Surplus (Continued):

Capital Works, Machinery and Equipment Depreciation Reserve:

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

Investment in Non-Financial Assets:

The Investment in Non-Financial Assets represents amounts already spent and invested in infrastructure and other non-financial assets.

7. Contingencies:

- 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 risk that the Village will need to pay any such amounts is unlikely at this time; therefore, no provision has been recorded at December 31, 2022 and 2021.
- b) The Village is partially insured through the Municipal Insurance Association of British Columbia. Should the Association pay out claims in excess of premiums received, it is possible that the Village, along with the other participants, would be required to contribute towards the deficit. Management has assessed this as unlikely at this time; therefore, no provision has been recorded at December 31, 2022 and 2021.

8. Taxation - Net:

	Budget 2022	Actual 2022	Actual 2021
General Municipal Purposes	\$ 213,942	\$ 213,942	\$ 202,458
Utilities 1% in Lieu Tax	4,028	4,788	4,909
Collections for Other Governments			
Province of British Columbia - School Tax	52,008	52,008	44,339
Strathcona Regional District	3,823	3,823	3,987
Comox Strathcona Regional Hospital District	5,750	5,750	5,634
British Columbia Assessment Authority	740	744	637
Province of BC - Police Tax	6,110	6,110	5,713
Vancouver Island Regional Library	4,568	4,568	4,414
Comox Valley Regional District Solid Waste	2,259	2,259	2,210
Balance to carry forward	\$ <u>293,228</u>	\$ <u>293,992</u>	\$ <u>274,301</u>

VILLAGE OF ZEBALLOS

Notes to the Financial Statements

December 31, 2022

8. Taxation - Net (Continued):

	Budget <u>2022</u>	Actual <u>2022</u>	Actual <u>2021</u>
Balance from carry forward	\$ 293,228	\$ 293,992	\$ 274,301
Transfers			
Province of British Columbia - School Tax	52,008	52,011	44,344
Strathcona Regional District	3,823	3,823	3,986
Comox Strathcona Regional Hospital District	5,750	5,750	5,634
British Columbia Assessment Authority	740	740	634
Province of BC - Police Tax	6,110	6,110	5,713
Vancouver Island Regional Library	4,568	4,567	4,414
Comox Valley Regional District Solid Waste	<u>2,259</u>	<u>2,261</u>	<u>2,210</u>
	<u>75,258</u>	<u>75,262</u>	<u>66,935</u>
Available for General Municipal Purposes	\$ <u>217,970</u>	\$ <u>218,730</u>	\$ <u>207,366</u>

9. Pension Plan:

The Village and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2021, the plan has about 227,000 active members and approximately 118,000 retired members. Active members include approximately 42,000 contributors from local governments.

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

The most recent valuation for the Municipal Pension Plan as at December 31, 2021 indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The Village paid \$24,894 (2021 - \$18,214) for employer contributions to the plan in fiscal 2022.

The next valuation will be as at December 31, 2024, with results available in later 2025.

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

VILLAGE OF ZEBALLOS

Notes to the Financial Statements

December 31, 2022

10. Funds Held in Trust:

At December 31, 2022, the Village held \$480 (2021 - \$480) in trust as a Cemetery Care Fund in accordance with the Cremation, Interment and Funeral Services Act of British Columbia and the Village's bylaws. These funds are not included in these financial statements.

11. Financial Plan:

The financial plan amounts represent the Financial Plan Bylaw adopted by Council on May 3, 2022.

The financial plan anticipates use of surpluses accumulated in previous years to balance against current expenditures in excess of current year revenues. In addition, it anticipates capital expenditures, amortization and transfers from reserves. The following schedule reconciles the approved financial plan to the amounts presented in the financial statements:

	<u>2022</u>
Financial Plan Bylaw	\$ -
Add:	
Capital Expenditures	199,200
Deduct:	
Transfers from Reserves	(199,200)
Amortization Adjustment	<u>(233,613)</u>
Annual Deficit Presented in Financial Statements	\$ <u>(233,613)</u>

12. Segmented Information:

The Village is a diversified municipal government institution that provides a wide range of services to its citizens. Distinguishable functional segments have been separately disclosed in Schedules 2 and 3. The nature of the segments and the activities they encompass are as follows:

General Government Administration

This is comprised of revenues and expenses of the operations of the Village that cannot be directly attributed to a specific segment and include general administrative, legislative, and fiscal services.

Protective Services

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

Transportation Services

Transportation Services is responsible for the maintenance of roads, bridges, outdoor lighting, storm drains, mechanical services and public works buildings and yards.

VILLAGE OF ZEBALLOS

Notes to the Financial Statements

December 31, 2022

12. Segmented Information (Continued):

Environmental Health Services

This is comprised of environmental services providing solid waste services to citizens.

Recreation and Culture Services

This is comprised of services meant to improve the health and development of the Village's citizens. Recreational programs like the operation of the local library, which is a service provided in concert with the Vancouver Island Regional Library.

Water Utility

This is comprised of activities related to supplying, storing, treating and transporting water.

Sewer Utility

This is comprised of activities related to gathering, treating, transporting, storing and discharging sewage or reclaimed water.

For each reported segment, revenues and expenses represent amounts that are directly attributable to the segment, in addition to indirect amounts that are allocated to each segment on a reasonable basis.

13. Contractual Rights:

The Village has entered into various agreements with parties in relation to the rent of municipal properties. The estimated contractual rights under these agreements for the years ending December 31 are as follows:

2023	\$	45,982
2024		42,221
2025		42,976
2026		19,539
2027		-
	\$	<u>150,718</u>

14. Comparative Figures:

Certain comparative figures for the year ending December 31, 2021 have been reclassified, where necessary, to conform with the presentation adopted in the current year.

VILLAGE OF ZEBALLOS

Schedule 1 - Government Grants and Transfers to the Village and Ratepayers

Year Ended December 31, 2022

	2022		2021
	Budget	Actual	
Federal Government			
General Operating			
Gas Tax Agreement - Community Works	\$ 60,000	\$ 62,589	\$ 122,220
Strategic Priorities Fund - Sugarloaf Bridge	-	-	91,619
	<u>60,000</u>	<u>62,589</u>	<u>213,839</u>
Province of BC and Federal/Provincial Programs			
General Operating			
Small Communities Protection	393,750	487,000	375,000
Gas Tax Agreement - Strategic Priorities - Other	-	-	68,271
Community Resiliency Investment Program	34,000	27,453	-
Community Emergency Preparedness Fund	750,000	-	-
Emergency Program Act Recoveries	-	-	3,782
Grants in Lieu of Taxes	9,560	6,858	5,953
COVID Restart Grant	200,000	-	-
Other Regional Grants	15,800	4,800	-
	<u>1,403,110</u>	<u>526,111</u>	<u>453,006</u>
	<u>\$ 1,463,110</u>	<u>\$ 588,700</u>	<u>\$ 666,845</u>

VILLAGE OF ZEBALLOS

Schedule 2 - Combined Statement of Operations by Segment

Year Ended December 31, 2022

	General Government Administration	Protective Services	Transportation Services	Environmental Health Services	Recreation and Culture Services	Water Utility	Sewer Utility	Total 2022 Actual	Total 2022 Budget
Revenues									(Note 11)
General Taxes, net	\$ 218,730	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 218,730	\$ 217,970
Utility User Fees	-	-	-	-	-	29,204	14,559	43,763	41,150
Government Grants and transfers									
-- Federal	62,589	-	-	-	-	-	-	62,589	60,000
-- Provincial	521,311	4,800	-	-	-	-	-	526,111	1,403,110
Sales of Services	62,884	-	13,839	32,135	34,054	-	-	142,912	111,925
Amortized Contribution of Tangible Capital Assets	-	26,789	-	-	-	-	-	26,789	-
Interest and Other Income	25,335	-	-	-	-	-	-	25,335	8,500
Donations	5,086	-	-	-	-	-	-	5,086	-
	<u>895,935</u>	<u>31,589</u>	<u>13,839</u>	<u>32,135</u>	<u>34,054</u>	<u>29,204</u>	<u>14,559</u>	<u>1,051,315</u>	<u>1,842,655</u>
Expenses									
Amortization	103,906	13,341	39,036	7,026	17,071	26,467	26,766	233,613	233,613
Goods and Services	174,967	20,533	82,829	8,704	71,457	12,922	21,950	393,362	1,513,131
Interest and Bank Charges	3,283	-	-	-	-	-	-	3,283	3,500
Professional Services	7,469	-	-	-	-	-	-	7,469	-
Labour	179,140	960	72,854	19,754	14,748	5,672	5,672	298,800	326,024
Loss of Disposal of Assets	-	-	-	-	32,646	-	-	32,646	-
	<u>468,765</u>	<u>34,834</u>	<u>194,719</u>	<u>35,484</u>	<u>135,922</u>	<u>45,061</u>	<u>54,388</u>	<u>969,173</u>	<u>2,076,268</u>
Excess (Deficiency) of Revenues over Expenses	\$ 427,170	\$ (3,245)	\$ (180,880)	\$ (3,349)	\$ (101,868)	\$ (15,857)	\$ (39,829)	\$ 82,142	\$ (233,613)

VILLAGE OF ZEBALLOS

Schedule 3 - Combined Statement of Operations by Segment

Year Ended December 31, 2021

	General Government Administration	Protective Services	Transportation Services	Environmental Health Services	Recreation and Culture Services	Water Utility	Sewer Utility	Total 2021 Actual	Total 2021 Budget
Revenues									
General Taxes, net	\$ 207,366	\$ -	\$ -	\$ -	\$ -	\$ 28,958	\$ 13,522	\$ 207,366	\$ 206,616
Utility User Fees	-	-	-	-	-	-	-	42,480	41,150
Government Grants and Transfers	213,839	-	-	-	-	-	-	213,839	-
-- Federal	436,313	3,782	12,912	-	-	-	-	453,007	1,391,320
-- Provincial	62,187	858	11,379	30,729	11,451	-	-	116,604	92,275
Sales of Services	-	-	-	-	-	-	-	-	-
Amortized Contribution of Tangible Capital Assets	-	26,789	-	-	-	-	-	26,789	-
Interest and Other Income	6,995	-	-	-	-	-	-	6,995	10,250
Donations	33,577	-	-	-	-	-	-	33,577	-
	<u>960,277</u>	<u>31,429</u>	<u>24,291</u>	<u>30,729</u>	<u>11,451</u>	<u>28,958</u>	<u>13,522</u>	<u>1,100,657</u>	<u>1,741,611</u>
Expenses									
Amortization	64,689	13,341	96,119	7,026	18,897	24,640	23,298	248,010	248,010
Goods and services	123,688	12,809	74,942	10,547	46,899	21,847	7,016	297,748	1,716,866
Interest and Bank Charges	3,311	-	-	-	-	-	-	3,311	-
Professional Services	14,454	-	-	-	-	-	-	14,454	-
Labour	165,216	1,218	87,729	18,688	14,554	5,598	5,598	298,601	-
	<u>371,358</u>	<u>27,368</u>	<u>2,58,790</u>	<u>36,261</u>	<u>80,350</u>	<u>52,085</u>	<u>35,912</u>	<u>862,124</u>	<u>1,964,876</u>
Excess (Deficiency) of Revenues over Expenses	\$ 588,919	\$ 4,061	\$ (234,499)	\$ (5,532)	\$ (68,899)	\$ (23,127)	\$ (22,390)	\$ 238,533	\$ (223,265)

VILLAGE OF ZEBALLOS

Schedule 4 - Reserve Fund Transactions

Year Ended December 31, 2022

	Unrestricted	Fire Equipment	GGS Equipment	Parks and Landscape and Other	Environmental Health	Gas Tax	Infrastructure Planning Grant	Capital Works	Economic Development	2022	2021
Balance, beginning of year	\$ (4,275)	\$ 15,032	\$ 45,837	\$ 29,122	\$ 30,926	\$ 464,487	\$ 39,706	\$ 42,373	\$ 56,888	\$ 720,096	\$ 692,612
Interest Received	352	307	1,087	635	734	11,025	942	1,005	1,349	17,436	1,612
Expenditures	(61,736)	(4,174)	-	(4,697)	-	(62,065)	-	-	-	(132,672)	(96,348)
Transfer from current funds Operating Fund	100,000	-	-	-	-	62,589	-	-	-	162,589	122,220
Balance, end of year	\$ 34,341	\$ 11,165	\$ 46,924	\$ 25,060	\$ 31,660	\$ 476,036	\$ 40,648	\$ 43,378	\$ 58,237	\$ 767,449	\$ 720,096

VILLAGE OF ZEBALLOS

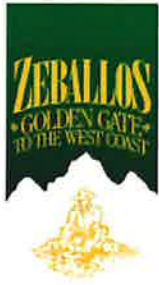
Schedule 5 - COVID-19 Safe Restart Grant Unaudited

(Unaudited)

Year Ended December 31, 2022

The Village received a grant of \$200,000 under the COVID-19 Safe Restart Grant for Local Governments in the year ending December 31, 2020. The details surrounding these funds are shown in the schedule below:

	<u>2022</u>
COVID-19 Safe Restart Funds Carried Forward	\$ 200,000
Eligible Costs	<u>-</u>
Balance, December 31, 2022	<u>\$ 200,000</u>



THE CORPORATION OF THE VILLAGE OF ZEBALLOS

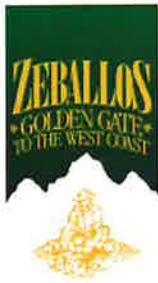
STATEMENT OF FINANCIAL INFORMATION

SCHEDULE B

Schedule of Debts

(As per Schedule 1, Section 4(1)(a) & 4(2) of the Financial Information Regulation)

The Village of Zeballos has no debts under the Financial Information Regulation during the fiscal year 2022.



THE CORPORATION OF THE VILLAGE OF ZEBALLOS

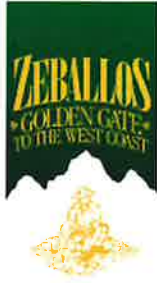
STATEMENT OF FINANCIAL INFORMATION

SCHEDULE C

Schedule of Guarantee and Indemnity Agreements

(As per Schedule 1, Section 5(3) & (4) of the Financial Information Regulation)

The Village of Zeballos has not given any guarantees or indemnities under the Guarantees and Indemnities Regulation during the fiscal year 2022.



**THE CORPORATION OF THE
VILLAGE OF ZEBALLOS**

STATEMENT OF FINANCIAL INFORMATION

SCHEDULE D

Schedule of Remuneration and Expenses

(As per Schedule 1, Section 6(2)(a) & (b) of the Financial Information Regulation)


**VILLAGE OF ZEBALLOS
COUNCIL REMUNERATION & EXPENSES
2022 FINANCIAL INFORMATION**

(As per Schedule 1, Section 6(2)(a) of the Financial Information Regulation)

COUNCIL NAME	INDEMNITY	EXPENSES	TOTAL
Colborne, Julie (Mayor)	\$ 4,774.00	\$ 4,378.76	\$ 9,152.76
Janisse, Justin (Councillor)	\$ 3,812.00	-	\$ 3,812.00
Lewis, Barb (Councillor)	\$ 3,812.00	\$ 548.00	\$ 4,360.00
Rodgers, Al (Councillor)	\$ 1,591.00	-	\$ 1,591.00
Smith, Ernie (Councillor)	\$ 1,591.00	-	\$ 1,591.00
	\$ 15,580.00	\$ 4,926.76	\$ 20,506.76



 Treasurer
 JUNE 27, 2023
 Approved by Council Res 098/2023



 Mayor
 JUNE 29, 2023
 Date

VILLAGE OF ZEBALLOS
EMPLOYEE REMUNERATION & EXPENSES
2022 FINANCIAL INFORMATION

(As per Schedule 1, Section 6(2)(b) of the Financial Information Regulation)

Employee Wages	\$	298,800.00
Employee Expenses	\$	2,981
		\$ 301,781

NOTES: 1. Employee Wages paid were for 8 employees

EMPLOYEE REMUNERATION & EXPENSES (over \$75,000)

<i>EMPLOYEE</i>	<i>Name</i>	<i>Wages</i>	<i>Expenses</i>	<i>Total</i>
N/A		\$ -	\$0.00	\$0.00

Employees earnings under \$75,000 per annum (8 employees) \$ 301,781.29

Reconciliation


Total remuneration - Elected Officials	\$	20,507
Total remuneration - Employees	\$	301,781
		\$ 322,288
Total per Financial Statement - Segmented Information (Salary, wages and employee benefits)		298,800
(*) Variance	\$	23,488

(*) The variance between the remuneration schedule and the salaries, wages, and employee benefit expenses reported in the 2022 consolidated financial statements of the Village are attributable to the following factor(s):

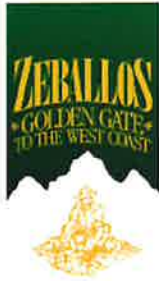
Council remuneration and expenses, and all employee expenses are reported in the Financial Statements' Statement of Operation by Segment under Goods and Services.



 Treasurer
 JUNE 27, 2023
 Approved by Council
 RES 098/2023



 Mayor
 JUNE 29, 2023
 Date

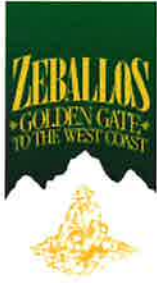


THE CORPORATION OF THE VILLAGE OF ZEBALLOS

Statement of Severance Agreements

(As per Schedule 1, Section 6(7)(a) & (b) of the Financial Information Regulation)

There were no severance agreements made with Village of Zeballos employees during the 2022 fiscal year.



**THE CORPORATION OF THE
VILLAGE OF ZEBALLOS**

STATEMENT OF FINANCIAL INFORMATION

SCHEDULE E

***Schedule of Payments made for Suppliers of
Goods and Services***

(As per Section 7(1)(a) & 7(1)(b) of the Financial Information Regulation)

VILLAGE OF ZEBALLOS
2022 FINANCIAL INFORMATION SCHEDULE
Suppliers of Goods or Services

(As per Section 7(1)(a) & 7(1)(b) of the Financial Information Regulation)

Alphabetical List of Vendors who received aggregate payments exceeding \$25,000

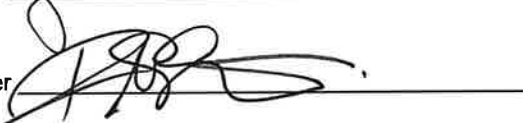
Vendor	Total amount paid during fiscal year
ANKER MECHANICAL WELDING LTD.	\$147,930.01
BC HYDRO	\$41,423.57
BDO CANADA LLP	\$49,290.00
MUNICIPAL INSURANCE ASSOCIATION OF BC	\$32,492.00
Total of Suppliers Under \$25,000	\$187,249.01
TOTAL PAID TO SUPPLIERS	\$ 458,384.59

1. Employee Wages paid were for 8 employees

Mayor



Treasurer

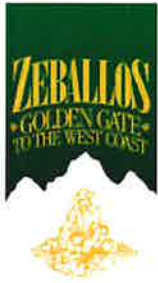


Approved by Council

JUNE 27, 2023 Res 098/2023

Date

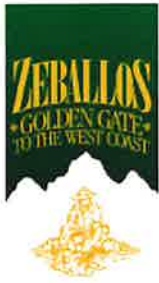
JUNE 29, 2023



THE CORPORATION OF THE VILLAGE OF ZEBALLOS

Schedule of Grant Payments *For the year ending December 31, 2022* (As per Schedule 1, Section 7(2) of the Financial Information Regulation)

There were no grant payments made by the Village of Zeballos during the 2022 fiscal year.



THE CORPORATION OF THE VILLAGE OF ZEBALLOS

Statement of Financial Information Approval

(As per Schedule 1, Section 9(2) of the Financial Information Regulation)

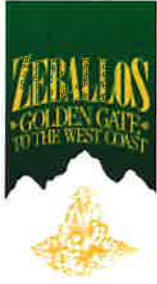
The undersigned, as authorized by the Financial Information Regulation, Schedule 1, subsection 9(2) approves all the statements and schedules included in this Statement of Financial Information produced under the Financial Information Act.

Pete Nelson-Smith
Chief Financial Officer

Julie Colborne
Mayor

Date: JUNE 29, 2023

Date: JUNE 30, 2023



THE CORPORATION OF THE VILLAGE OF ZEBALLOS

Management Report

The Financial Statements contained in this Statement of Financial Information under the *Financial Information Act* have been prepared in accordance with generally accepted accounting principles. Management is responsible for all statements and schedules and ensuring that this information is consistent, where appropriate, with the information in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Mayor and council are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and for reviewing and approving the audited financial statements and supplementary schedules contained in this Statement of Information.

The external auditors, Chan Nowosad Boates, conduct an independent examination in accordance with generally accepted auditing standards and express their opinion on the financial statements. Their examination does not relate to the other schedules and statements required by the Act. Their examination includes a review and evaluation of the Village of McBride's system of internal control and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly.



Pete Nelson-Smith
Chief Financial Officer

Date: JUNE 29, 2023