



**District of Wells**

**2015 Statement of Financial Information (SOFI)**

**For the year ended December 31, 2014**

**Financial Information Regulation, Schedule 1**  
**Checklist – Statement of Financial Information (SOFI)**

**For the Corporation:**

Corporate Name: District of Wells Contact Name: Katrina Leckovic  
 Fiscal Year End: 31 December 2014 Phone Number: (250) 994-3330  
 Date Submitted: 17 June 2015 E-mail: administrator@wells.ca

**For the Ministry:**

Ministry Name: \_\_\_\_\_ Reviewer: \_\_\_\_\_  
 Date Received: \_\_\_\_\_ Deficiencies: Yes  No   
 Date Reviewed: \_\_\_\_\_ Deficiencies Addressed: Yes  No   
 Approved (SFO): \_\_\_\_\_ Further Action Taken: \_\_\_\_\_

Distribution: Legislative Library  Ministry Retention

FIR Schedule 1 Section	Item	Yes	No	N/A	Comments
<b>General</b>					
1 (1) (a)	Statement of assets and liabilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
1 (1) (b)	Operational statement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
1 (1) (c)	Schedule of debts	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
1 (1) (d)	Schedule of guarantee and indemnity agreements	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
1 (1) (e)	Schedule of employee remuneration and expenses	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
1 (1) (f)	Schedule of suppliers of goods and services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
1 (3)	Statements prepared on a consolidated basis or for each fund, as appropriate	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
1 (4) 1 (5)	Notes to the financial statements for the statements and schedules listed above	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

FIR Schedule 1 Section	Item	Yes	No	N/A	Comments
<b>Statement of Assets &amp; Liabilities</b>					
2	<ul style="list-style-type: none"> <li>• A balance sheet prepared in accordance with GAAP or stated accounting principles / policies, and</li> <li>• Show changes in equity and surplus or deficit due to operations</li> </ul>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Operational Statement</b>					
3 (1)	<p>Prepared in accordance with GAAP or stated accounting principles / policies and consists of:</p> <ul style="list-style-type: none"> <li>• a Statement of Income or Statement of Revenue and Expenditures, and</li> <li>• a Statement of Changes in Financial Position</li> </ul>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3 (2) 3 (3)	<ul style="list-style-type: none"> <li>• The Statement of Changes in Financial Position may be omitted if it provides no additional information</li> <li>• The omission must be explained in the notes</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
3 (4)	Community colleges, school districts, and municipalities must prepare a Statement of Changes in Financial Position for the Capital Fund	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Schedule of Debts</b>					
4 (1) (a) 4 (2)	List each long-term debt (secured by debentures, mortgages, bonds, etc.), stating the amount outstanding, the interest rate, and the maturity date	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4 (1) (b)	Identify debts covered by sinking funds or reserves and amounts in these accounts	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
4 (3) 4 (4)	<ul style="list-style-type: none"> <li>• The schedule may be omitted if addressed under section 2 or 5 and it provides no additional information</li> <li>• The omission must be explained in a note to the schedule</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

FIR Schedule 1 Section	Item	Yes	No	N/A	Comments
<b>Schedule of Guarantee and Indemnity Agreements</b>					
5 (1)	List financial agreements that required government approval prior to being given (see Guarantees and Indemnities Regulation in FIA Guidance Package)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
5 (2)	State the entities involved, and the specific amount involved if known	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
5 (3) 5 (4)	<ul style="list-style-type: none"> <li>• The schedule may be omitted if addressed under section 2 or 4 and it provides no additional information</li> <li>• The omission must be explained in a note to the schedule</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
<b>Schedule of Remuneration and Expenses</b> (See Guidance Package for suggested format)					
6 (2) (a)	List separately, by name and position, the total remuneration and the total expenses for each elected official, member of the board of directors, and employee appointed by Cabinet	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
6 (2) (b)	List alphabetically each employee whose total remuneration exceeds \$75,000 and the total expenses for each [excluding the persons listed under 6 (2) (a)]	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
6 (2) (c)	Include a consolidated total for employees whose remuneration is \$75,000 or less [excluding the persons listed under 6 (2) (a)]	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
6 (2) (d)	Reconcile or explain any difference between total remuneration in this schedule and related information in the operational statement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
6 (3)	Exclude personal information other than name, position, function or remuneration and expenses of employees	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

FIR Schedule 1 Section	Item	Yes	No	N/A	Comments
<b>Schedule of Remuneration and Expenses</b> (See Guidance Package for suggested format)					
6 (6)	Report the employer portion of EI and CPP as a supplier payment to the Receiver General for Canada rather than as employee remuneration	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
6 (7) (a) 6 (7) (b)	Include a statement of severance agreements providing: <ul style="list-style-type: none"> <li>• the number of severance agreements under which payment commenced in the fiscal year being reported on for non-union employees, and</li> <li>• the range of equivalent months' compensation for them</li> </ul> (see Guidance Package for suggested format)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
6 (8)	Provide the reason for omitting a statement of severance agreements in a note to the schedule of remuneration and expenses	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
<b>Schedule of Suppliers of Goods or Services</b> (See Guidance Package for suggested format)					
7 (1) (a)	List in alphabetical order all suppliers of goods and services who received aggregate payments exceeding \$25,000	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
7 (1) (b)	Include a consolidated total of all payments to suppliers who received \$25,000 or less	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
7 (1) (c)	Reconcile or explain any difference between the consolidated total and related figures in the operational statement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
7 (2) (b)	Include a statement of payments for the purposes of grants or contributions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

FIR Schedule 1 Section	Item	Yes	No	N/A	Comments
<b>Inactive Corporations</b>					
8 (1)	The ministry reports for the corporation if the corporation is not operating to the extent required to produce a SOFI	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
8 (2) (a)	The ministry's report contains the statements and schedules required under section 1 (1), to the extent possible	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
8 (2) (b)	The ministry's report contains a statement of the operational status of the corporation (see Guidance Package regarding what to include)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
<b>Approval of Financial Information</b>					
9 (1)	Corporations other than municipalities – the SOFI is signed as approved by the board of directors or the governing body (see Guidance Package for example)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
9 (2)	Municipalities – the SOFI is approved by its council and by the officer assigned responsibility for financial administration (see Guidance Package for example)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
9 (3)	A management report is included, signed by the head and chief financial officer, or by the municipal officer assigned responsibility for financial administration (see examples in annual report at <a href="http://www.gov.bc.ca/cas/popt/">http://www.gov.bc.ca/cas/popt/</a> )	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
9 (4)	The management report explains the roles and responsibilities of the board of directors or governing body, audit committee, management, and the auditors	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
9 (5)	Signature approvals required in section 9 are for each of the statements and schedules of financial information, not just the financial statements	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

**STATEMENT OF FINANCIAL INFORMATION  
DISTRICT OF WELLS**

**Schedule Showing Payments Made for the Provision of Goods or Services in 2014**

1. Alphabetical list of suppliers who received aggregate payments exceeding \$25,000

<b>Supplier name</b>	<b>Aggregate amount paid to supplier</b>
BC Hydro and Power Authority	\$ 44,323.01
BC Pension Corporation	\$ 25,309.96
Cariboo Regional District	\$ 46,784.93
CUETS Financial	\$ 29,254.52
Emcon Services Inc.	\$ 76,734.00
Jepson Petroleum Ltd.	\$ 42,703.71
Municipal Finance Authority	\$ 70,056.12
Receiver General of Canada	\$ 84,482.99
Two Boys Ltd.	\$ 28,445.04
Total aggregate amount paid to suppliers:	\$ 448,094.28

2. Consolidated total paid to suppliers who received aggregate payments of \$25,000 or less: \$ 310,359.18

3. Total paid to suppliers: \$ 758,453.46

**STATEMENT OF FINANCIAL INFORMATION  
DISTRICT OF WELLS**

**Staff 2014 Remuneration and Expenses**

<b>Name</b>	<b>Position</b>	<b>Salary</b>	<b>Expenses</b>
Dennis Manuel	Supt. Of Public Works	\$ 82,696	\$ 5,134
Other under \$50,000		\$ 212,853	

**Mayor and Council 2014 Remuneration and Expenses**

<b>Name</b>	<b>Position</b>	<b>Remuneration</b>	<b>Expenses</b>
Robin Sharpe	Mayor	\$ 8,195	\$ 5,691
Judy Campbell	Councillor	\$ 3,330	\$ 927
Mandy Kilsby	Councillor	\$ 0	\$ 511
Lorraine Kozar	Councillor	\$ 0	\$ 376
Mike Wallace	Councillor	\$ 3,330	\$ 2,638
Virginia Wilkins	Councillor	\$ 3,330	\$ 2,817
Richard Wright	Councillor	\$ 3,330	\$ 317

**Employer portions of CPP and EI**

CPP: \$ 12,210.09

EI: \$ 4833.93



**Statement of Financial Information**  
**District of Wells**  
**Tax Exemptions 2014**  
**UNDER DIVISION 7, PART 7 OF THE COMMUNITY CHARTER**

<b>Name of Organization</b>	<b>Folio #</b>	<b>Class</b>	<b>Rate</b>	<b>Assessment</b>	<b>Tax Exempted</b>
Wells Historical Society	09351.002	6	24.42193	\$109,700	\$3,153
Wells Historical Society	05541.991	6	24.42193	\$29,700	\$1,199
Island Mountain Arts Society	01650.000	6	24.42193	\$53,600	\$1,783
Island Mountain Arts Society	01771.010	1	10.06301	\$20,700	\$208
Wells Recreation Society	01480.002	6	24.42193	\$338,900	\$8,751
Royal Canadian Legion Branch 128	01433.001	6	24.42193	\$81,100	<u>\$990</u>
				<b>TOTAL</b>	<b>\$16,085</b>

**DISTRICT OF WELLS**

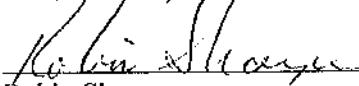
**2014**

**STATEMENT OF FINANCIAL INFORMATION APPROVAL**

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*.



\_\_\_\_\_  
Katrina Leckovic  
Position of Financial Officer/Administrator  
Date: June 17, 2015



\_\_\_\_\_  
Robin Sharpe  
Mayor  
Date: June 17, 2015

**DISTRICT OF WELLS**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

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## MANAGEMENT'S RESPONSIBILITY

The information and representations in the consolidated financial statements are the responsibility of management and have been approved by the Mayor and Council of the District of Wells. The consolidated financial statements were prepared by management in accordance with Canadian Public Sector Accounting Standards and, where necessary, reflect management's best estimates and judgements at this time. It is reasonably possible that circumstances may arise which cause actual results to differ. Management does not believe it is likely that any differences will be material.

The District of Wells maintains systems of internal accounting controls, policies and procedures to provide reasonable assurances as to the reliability of the financial records and safeguarding of its assets.

The Mayor and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and are ultimately responsible for reviewing and approving the consolidated financial statements.

The consolidated financial statements have been reviewed and approved by the Mayor and Council. The consolidated financial statements have been audited by Fraser Bevz Broughton Chartered Accountants LLP, the independent auditors, whose report follows.

April 24, 2015  
Wells, British Columbia



**FRASER BEVZ BROUGHTON**  
**Chartered Accountants LLP**

D. Kane Fraser, CPA, CA\*  
Partner

Shelley R. Bevz, CPA, CA  
Partner, Certified Aboriginal Finance Manager

Ryan Broughton, CPA, CA\*  
Partner

\*Denotes incorporated professional

**INDEPENDENT AUDITOR'S REPORT**

To the Mayor and Council,  
District of Wells

We have audited the accompanying consolidated financial statements of the District of Wells, which comprise the Consolidated Statement of Financial Position as at December 31, 2014 and the Consolidated 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 consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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



**FRASER BEVZ BROUGHTON**  
**Chartered Accountants LLP**

D. Kane Fraser, CPA, CA\*  
*Partner*

Shelley R. Bevez, CPA, CA  
*Partner, Certified Aboriginal Finance Manager*

Ryan Broughton, CPA, CA\*  
*Partner*

*\*Denotes incorporated professional*

**INDEPENDENT AUDITOR'S REPORT (continued)**

**Opinion**

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the District of Wells as at December 31, 2014, and the results of its operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Fraser Bevez Broughton*  
*Chartered Accountants LLP*

April, 24, 2015  
Quesnel, British Columbia

Fraser Bevez Broughton Chartered Accountants LLP

## District of Wells

### Consolidated Statement of Financial Position

As at December 31, 2014

	<u>2014</u>	<u>2013</u> (restated)
<b>Financial assets</b>		
Cash and investments	\$ 357,946	\$ 508,476
Taxes and accounts receivable (note 2)	156,506	163,540
Investment in wholly owned subsidiary (note 3)	955	955
	<u>515,407</u>	<u>672,971</u>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities	36,543	50,992
Due to Ministry of Finance	62,050	59,292
Deferred revenue (note 4)	26,162	124,609
Barkerville cemetery fund	1,084	1,137
District debt (note 5)	24,184	76,599
	<u>150,023</u>	<u>312,629</u>
<b>Net financial assets</b>	<u>365,384</u>	<u>360,342</u>
<b>Non-financial assets</b>		
Property acquired for taxes	4,620	4,620
Tangible capital assets (note 6)	6,174,081	6,340,111
	<u>6,178,701</u>	<u>6,344,731</u>
<b>District Surplus (note 7)</b>	<u>\$ 6,544,085</u>	<u>\$ 6,705,073</u>

## District of Wells

### Consolidated Statement of Operations

For the year ended December 31, 2014

	2014 Budget (unaudited)	2014 Actual	2013 Actual
<b>Revenue</b>			
Government grants	\$ 333,360	\$ 302,851	\$ 342,687
Taxation	177,394	174,377	175,411
Other revenue from own sources	46,170	61,332	80,218
Utility user fees	72,747	76,251	67,540
Northern Development Initiative Trust	82,500	67,197	57,395
Sale of services	14,728	15,084	15,498
Chamber co-operative marketing	1,000	467	-
Government and other contributions for capital	59,509	59,843	59,509
	<u>787,408</u>	<u>757,402</u>	<u>798,258</u>
Deferred from previous year	-	124,609	232,846
Deferred to following year	-	(26,162)	(124,609)
	<u>787,408</u>	<u>855,849</u>	<u>906,495</u>
<b>Expenses</b>			
Amortization	-	175,386	172,982
General government services	718,382	750,934	713,960
Protective services	20,312	14,334	16,489
Water utility operations	38,509	47,438	23,493
Sewer utility operations	31,659	22,776	24,044
Interest	5,168	5,969	6,286
	<u>814,030</u>	<u>1,016,837</u>	<u>957,254</u>
<b>Annual Surplus</b>	<u>(26,622)</u>	(160,988)	(50,759)
<b>District surplus, beginning of year</b>		<u>6,705,073</u>	<u>6,755,832</u>
<b>District surplus, end of year</b>		<u>\$ 6,544,085</u>	<u>\$ 6,705,073</u>



**District of Wells****Consolidated Statement of Changes in Net Financial Assets  
For the year ended December 31, 2014**

	<u>2014</u>	<u>2013</u> (restated)
Annual surplus	(160,988)	(50,759)
Amortization	175,386	172,982
Tangible assets purchased	<u>(9,356)</u>	<u>(86,686)</u>
Increase in net financial assets	5,042	35,537
Net Financial Assets, beginning of year	<u>360,342</u>	<u>324,805</u>
Net Financial Assets, end of year	<u>\$ 365,384</u>	<u>\$ 360,342</u>

## District of Wells

### Consolidated Statement of Cash Flows

For the year ended December 31, 2014

	<u>2014</u>	<u>2013</u>
<b>NET INFLOW (OUTFLOW) OF CASH:</b>		
<b>Operating Activities</b>		
Annual surplus	\$ (160,988)	\$ (50,759)
Non-cash charges to operations		
Amortization	175,386	172,982
Changes in non-cash operating balances:		
Increase in taxes and accounts receivable	7,034	6,549
Increase (decrease) in accounts payable and accrued liabilities	(14,449)	32,627
Increase in Due to Ministry of Finance	2,758	-
Increase (decrease) in deferred revenue	(98,447)	(108,237)
Increase in Barkerville cemetery fund	(53)	-
	<u>(88,759)</u>	<u>53,162</u>
<b>Capital Activities</b>		
Tangible capital asset purchases	<u>(9,356)</u>	<u>(86,686)</u>
<b>Financing Activities</b>		
District debt repayment	<u>(52,415)</u>	<u>(70,244)</u>
<b>Increase (decrease) in cash and investments</b>	<b>(150,530)</b>	<b>(103,768)</b>
<b>Cash and investments, beginning of year</b>	<u>508,476</u>	<u>612,244</u>
<b>Cash and investments, end of year</b>	<u>\$ 357,946</u>	<u>\$ 508,476</u>

## District of Wells

### Notes to the Consolidated Financial Statements For the year ended December 31, 2014

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#### General

The Notes to the Consolidated Financial Statements are an integral part of the statements. They explain the significant accounting and reporting policies, and the principles that form the basis for these statements. The Notes also provide important supplementary information and explanations, which cannot be conveniently integrated into the Consolidated Financial Statements.

#### 1. SIGNIFICANT ACCOUNTING POLICIES

##### a. Basis of Presentation

These consolidated financial statements reflect all revenues, expenses, assets and liabilities of the District of Wells. It is the District's policy to follow Canadian public sector accounting standards and apply such principles consistently. The consolidated financial statements have been prepared incorporating guidelines issued by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants as recommended by Municipal Affairs, Province of British Columbia.

The focus of Canadian public sector accounting standards is on the financial position of the District and the changes thereto. The Consolidated Statement of Financial Position reflects the combined results and activities of the District's Operating, Capital and Reserve Funds. The purposes of these funds are:

##### i. Operating Funds

Operating Funds are to be used to record the costs associated with providing District services.

##### ii. Capital Funds

Capital Funds are used to account for the acquisition costs of the District's Tangible Capital Assets, the accumulated amortization thereon, and the funding thereof including related long-term debt.

##### iii. Reserve Funds

Under the *Local Government Act* of the Province of British Columbia, the Mayor and Council of the District may, by bylaw, establish Reserve Funds for specific purposes. Money in a Reserve Fund and interest thereon must be used only for the purpose for which the fund was established. If the amount in a Reserve Fund is greater than required, the Mayor and Council may, by bylaw, transfer all or part of the balance to another Reserve Fund.

Financial assets are economic resources controlled by the government as a result of past transactions from which future economic benefits may be obtained. Liabilities are present obligations of the government to others arising from past transactions, the settlement of which is expected to result in the future sacrifice of economic benefits.

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues. Expenses are recorded in the period in which goods and services are acquired and a liability is incurred.

## District of Wells

### Notes to the Consolidated Financial Statements

For the year ended December 31, 2014

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#### 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### b. Restricted Financial Assets

Restricted financial assets include assets held in trust to be expended only in accordance with the conditions of the trust, and amounts from reserve funds set aside for future debt retirement or for future capital expenditures.

##### c. Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset, excluding all interest costs. Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue.

Amortization is provided using the straight-line method at the following rates:

Buildings	2.50%
Roads and infrastructure	2.00%
Equipment	10.00%
Water system	1.25%
Sewer system	1.25%
Mountain trails system	1.25%

##### d. Restricted and Deferred Revenues

Receipts which are restricted by the legislation of senior governments or by agreement with external parties are deferred and reported as restricted revenues. When related expenses are incurred they are brought into revenue in the year the expenses were incurred. Revenues received in advance of expenses which will be incurred in a later period are deferred until the expenses are incurred.

##### e. Use of Estimates

The preparation of consolidated financial statements in conformity 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 consolidated financial statements and the reported amounts of revenues and expenses during the period. Significant areas requiring the use of management estimates include: determination of accrued sick benefits, collectability of accounts receivable, amortization of tangible capital assets and provisions for contingencies. Actual results could differ from those estimates. Adjustments, if any, will be reflected in operations in the period of settlement.

## District of Wells

Notes to the Consolidated Financial Statements  
For the year ended December 31, 2014

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### 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### f. Adoption of new accounting policy

The District has adopted the provisions of Section PS 3260 - Liability for Contaminated Sites of the CPA Canada Public Sector Accounting Handbook. Section PS 3260 establishes standards on accounting for and disclosure of liabilities associated with the remediation of contaminated sites in order to ensure relevant and reliable information is provided and to promote uniformity and consistency of application of the standards. The District has implemented the necessary procedures to enable it to comply with the requirements of Section PS 3260 beginning with the year ended December 31, 2014. The District has applied the standard prospectively and information related to the new standard is disclosed in Note 12 to the consolidated financial statements.

### 2. TAXES AND ACCOUNTS RECEIVABLE

	<u>2014</u>	<u>2013</u>
Tax roll and utilities	\$ 72,139	\$ 59,984
GST/HST refund	6,537	12,604
Northern Development Initiative Trust	68,721	57,395
Plan H - Healthy Communities grant	2,000	-
Northern Health Authority	5,334	4,925
Other	1,775	-
Western Economic Development	-	28,632
	<u>\$ 156,506</u>	<u>\$ 163,540</u>

### 3. INVESTMENT IN WHOLLY OWNED SUBSIDIARY

Wells - Barkerville Community Forest Ltd.		
Advances	\$ 855	\$ 855
Shares	100	100
	<u>\$ 955</u>	<u>\$ 955</u>

There are no specific terms of repayment on the unsecured non-interest bearing advances. The above company is in the process of developing a community forest, the economic benefits of which will accrue to the local area. The District has submitted and received approval on their community forest, but no operations have occurred as at December 31, 2014.

## District of Wells

### Notes to the Consolidated Financial Statements

For the year ended December 31, 2014

#### 4. DEFERRED REVENUE

The District has recorded the following externally restricted revenues to be used in the completion of ongoing projects:

	<u>2014</u>	<u>2013</u>
Small Communities Grant	\$ -	\$ 124,609
Tourism (additional hotel room tax)	1,138	-
Community Works Fund	<u>25,024</u>	<u>-</u>
	<u>\$ 26,162</u>	<u>\$ 124,609</u>

The District is a participant under the Community Works Fund that provides for the District's receiving Federal gas taxes transferred under the New Deal for Cities and Communities signed by the Union of BC Municipalities, the Province of British Columbia, and the Government of Canada. Although the District has some latitude in determining which projects to pursue, the agreement provides that projects should address the reduction of greenhouse gas emissions, cleaner air and cleaner water.

Activity of the Community Works Fund	<u>2014</u>	<u>2013</u>
Balance - beginning of the year	\$ -	\$ 2,681
Received from UBCM	59,843	59,509
Interest	945	-
Eligible project expenditures	<u>(35,764)</u>	<u>(62,190)</u>
	<u>\$ 25,024</u>	<u>\$ -</u>

#### 5. DISTRICT DEBT

##### General Fund

M.F.A. Leasing Corporation - Toshiba copier lease repayable in monthly instalments of \$166 including interest at 1.25%	\$ -	\$ 1,004
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##### Water Fund

Interim Funding - Water System Upgrade Project	-	40,176
Debenture Debt	<u>24,184</u>	<u>35,419</u>
	<u>\$ 24,184</u>	<u>\$ 76,599</u>

## District of Wells

Notes to the Consolidated Financial Statements  
For the year ended December 31, 2014

### 5. DISTRICT DEBT (continued)

Estimated principal repayments required in the each of the next four years are as follows:

2014	\$	6,256
2015		6,256
2016		6,256
2017		5,416

### 6. TANGIBLE CAPITAL ASSETS

			<u>2014</u>	<u>2013</u>
	Cost	Accumulated Amortization	Net Carrying Amount	
Land	\$ 257,524	\$ -	\$ 257,524	\$ 257,524
Buildings	2,864,850	752,763	\$ 2,112,087	2,174,236
Roads and infrastructure	708,957	164,579	\$ 544,378	558,557
Mountain trail systems	181,580	6,576	\$ 175,004	176,139
Equipment	672,637	529,725	\$ 142,912	186,561
Water system	2,274,191	382,707	\$ 1,891,484	1,919,911
Sewer system	1,319,257	268,565	\$ 1,050,692	1,067,183
	<u>\$ 8,278,996</u>	<u>\$ 2,104,915</u>	<u>\$ 6,174,081</u>	<u>\$ 6,340,111</u>

Tangible Capital Asset Additions for the year are as follows:

	Cost January 1, 2014	Additions	Cost December 31, 2014
Land	\$ 257,524	\$ -	\$ 257,524
Buildings	2,855,495	9,355	\$ 2,864,850
Roads and infrastructure	708,957	-	\$ 708,957
Mountain trail systems	181,580	-	\$ 181,580
Equipment	672,637	-	\$ 672,637
Water system	2,274,191	-	\$ 2,274,191
Sewer system	1,319,257	-	\$ 1,319,257
	<u>\$ 8,269,641</u>	<u>\$ 9,355</u>	<u>\$ 8,278,996</u>

## District of Wells

Notes to the Consolidated Financial Statements  
For the year ended December 31, 2014

### 6. TANGIBLE CAPITAL ASSETS (continued)

Amortization for the year is as follows:

	Balance January 1, 2014	Amortization	Balance December 31, 2014
Buildings	\$ 681,259	\$ 71,504	\$ 752,763
Roads and infrastructure	150,400	14,179	164,579
Mountain trail systems	5,441	1,135	6,576
Equipment	486,076	43,649	529,725
Water system	354,280	28,427	382,707
Sewer system	252,074	16,491	268,565
	<u>\$ 1,929,530</u>	<u>\$ 175,385</u>	<u>\$ 2,104,915</u>

### 7. DISTRICT SURPLUS

	<u>2014</u>	<u>2013</u> (restated)
General operating fund	\$ 3,587,944	\$ 3,760,712
Water system	1,883,350	1,863,925
Sewer system	1,072,791	1,080,436
	<u>\$ 6,544,085</u>	<u>\$ 6,705,073</u>

### 8. COMMITMENTS AND CONTINGENCIES

- a. The District is jointly and severally liable under the provisions of the *Community Charter* for any default on monies borrowed by the Cariboo Regional District.
- b. Municipal Pension Plan

The District and its employees contribute to the Municipal Pension Plan (Plan), a jointly trustee pension plan. The 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 benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. The Plan has about 179,000 active members and approximately 71,000 retired members. Active members include approximately 35,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of Plan funding. The most recent valuation as at December 2012 indicated a funding deficit of \$1,370 million for basic pension benefits.



## District of Wells

Notes to the Consolidated Financial Statements  
For the year ended December 31, 2014

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### 8. COMMITMENTS AND CONTINGENCIES (continued)

#### b. Municipal Pension Plan (continued)

The next valuation will be 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 accounting). This is because the Plan records accrued liabilities and assets for the Plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, assets and costs to the individual employers participating in the Plan.

The District of Wells paid \$11,612 for employer contributions to the Plan in fiscal 2014 (\$7,453 - 2013).

#### c. Greenhouse Gas Reduction Targets

The Province of British Columbia has enacted the *Greenhouse Gas Reduction Targets Act*. The Act sets targets of reducing greenhouse gas emissions by at least 33% below 2007 levels by 2020. The Act requires that local governments comply with the Act commencing in 2011. Management has taken the necessary steps to comply with the Act. Costs of compliance will be recorded in the years such costs are incurred.

### 9. ECONOMIC DEPENDENCE

The District receives a significant portion of revenue from the Province of British Columbia through the government's Small Community Protection Program. The effect on the District's operations would be significantly adverse should the program be discontinued.

The current program's final payment was in June 2014. The Ministry of Community, Sport and Cultural Development has confirmed the new iteration of the program will continue through 2015 and beyond with \$51M allocated to small communities in 2015. Funding in fiscal 2015 to the District is going to be \$401,338 in the form of an unconditional grant.

### 10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The District's financial instruments consist of cash and investments, taxes and accounts receivable, accounts payable and accrued liabilities and District debt. Unless otherwise noted, it is management's opinion that the District is not exposed to significant interest, currency, or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

## District of Wells

Notes to the Consolidated Financial Statements  
For the year ended December 31, 2013

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### 10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The District is exposed to financial risk that arises from the credit quality of the entities to which it provides services. Credit risk arises from the possibility that the entities to which the District provides services may experience financial difficulty and be unable to fulfill their obligations. The District mitigates this risk by dealing with counterparties management considers to be of high integrity.

The District is exposed to interest rate risk arising from fluctuations in interest rates on its cash and investments. No financial instruments are held that mitigate this risk.

### 11. EXPENSES BY OBJECT

	2014 Budget (unaudited)	2014 Actual	2013 Actual
Salaries, wages and benefits	\$ 349,059	\$ 346,939	\$ 321,041
Materials and supplies	35,757	45,070	43,585
Contracted services	185,881	188,132	191,610
Rent, maintenance and utilities	164,774	180,751	146,376
Mayor and Council remuneration and travel	34,022	36,411	33,820
Insurance	25,419	24,529	26,055
Grants	12,450	10,950	23,337
Debt charges	5,168	5,969	6,286
Election costs	1,500	2,700	-
Amortization	-	175,386	172,982
	<u>\$ 814,030</u>	<u>\$ 1,016,837</u>	<u>\$ 965,092</u>

### 12. LIABILITY FOR CONTAMINATED SITES

The District is aware of 3 sites in the municipal area which are known to be contaminated with hazardous historical mine waste as noted by various site assessments and exceed the environmental standard. The Province of British Columbia has taken responsibility for remediation of these sites. The sites are in a remote location and the contamination is contained at the sites. The contamination is not likely to affect public health, safety, cause damage or otherwise impair the quality of the surrounding environment. The Province of British Columbia has posted signs indicating "caution hazardous historical mine waste" and to the District's knowledge has no further plans to remediate the sites.

Since the District does not bear responsibility for these sites, no liability related to remediation has been recognized in these financial statements.

## District of Wells

Notes to the Consolidated Financial Statements  
For the year ended December 31, 2014

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### 13. BUDGETED FIGURES

The budget amounts presented throughout these consolidated financial statements are unaudited and represent the five year financial plan bylaw approved by the District Mayor and Council on May 14, 2012.

The financial plan anticipated use of surpluses accumulated in previous years to provide for any current year expenditures in excess of current year revenues. Another significant variance is that the financial plan anticipated capital expenditures rather than amortization expense, and changes in District debt.

The summary below reconciles the 2014 adopted financial plan to the budgeted figures presented on the Consolidated Statement of Operations.

Budgeted consolidated annual surplus	\$	-
Budgeted amounts for:		
Tangible Capital Asset acquisitions		16,000
District debt principal repayments		46,432
Net transfers from reserves		<u>(89,054)</u>
Budgeted consolidated annual surplus, as reported	\$	<u>(26,622)</u>

### 14. PRIOR PERIOD ADJUSTMENT

During the year, it was determined that since inception, the District has been collecting school and police tax on properties held by the RCMP and was not paying a grant in lieu for these properties. The District is required to remit these amounts to the School Tax Authority. The comparative figures for the year ending 2013 are restated as follows:

	2014	2013
Increase to due to Ministry of Finance	\$ 62,050	\$ 59,292
Decrease to taxation revenue	\$ (2,758)	\$ -
Decrease to opening surplus	\$ (59,292)	\$ (59,292)

### 15. SUBSEQUENT EVENT

In the next fiscal year, the District plans to repair the Lowhee Dyke and begin a multi-year gravel removal plan from the creek. The costs associated with the dyke repairs will be recognized in the period as services are rendered. The estimated cost of the project is \$75,000.

## **INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION**

To the Mayor and Council,  
**District of Wells,**

We have audited and reported separately herein on the consolidated financial statement of the District of Wells as at and for the year ended December 31, 2014.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The current year's supplementary information included is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

February 18, 2015  
Quesnel, British Columbia

Fraser Bevez Broughton Chartered Accountants LLP

## District of Wells

### General Operating Fund - Statement of Financial Position

As at December 31, 2014

	<u>2014</u>	<u>2013</u> (restated)
<b>Financial assets</b>		
Cash and investments	\$ 357,946	\$ 508,476
Taxes and accounts receivable	156,506	163,540
Investment in wholly owned subsidiary	955	955
	<u>515,407</u>	<u>672,971</u>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities	36,543	50,992
Due to Ministry of Finance	62,050	59,292
Deferred revenue	26,162	124,609
Barkerville cemetery fund	1,084	1,137
District debt	-	1,004
Due to other funds	38,149	32,862
	<u>163,988</u>	<u>269,896</u>
<b>Net financial assets</b>	<u>351,419</u>	<u>403,075</u>
<b>Non-financial assets</b>		
Property acquired for taxes	4,620	4,620
Tangible capital assets	3,231,905	3,353,017
	<u>3,236,525</u>	<u>3,357,637</u>
<b>District Surplus</b>	<u>\$ 3,587,944</u>	<u>\$ 3,760,712</u>

## District of Wells

### General Operating Fund - Statement of Operations

For the year ended December 31, 2014

	2014 Budget (unaudited)	2014 Actual	2013 Actual (restated)
Revenue - page 21	\$ 627,459	\$ 594,404	\$ 643,516
Deferred from previous year	-	124,609	232,846
Deferred to following year	-	(26,162)	(124,609)
	<u>627,459</u>	<u>692,851</u>	<u>751,753</u>
<b>Expenses</b>			
Amortization	-	130,468	129,215
General government services - page 22	343,566	361,026	301,170
Civic Buildings - page 22	76,872	88,220	70,376
Fire Protection	18,312	11,763	16,070
Other protective services	2,000	2,571	420
Other - page 22	220,365	220,160	255,047
	<u>661,115</u>	<u>814,208</u>	<u>772,298</u>
<b>Annual Surplus (Deficit)</b>	<u>(33,656)</u>	(121,357)	(20,545)
District surplus, beginning of year		3,760,712	3,839,058
Transfers to water system		(51,411)	(57,801)
District surplus, end of year		<u>\$ 3,587,944</u>	<u>\$ 3,760,712</u>

## District of Wells

### General Operating Fund - Statement of Revenues

For the year ended December 31, 2014

	2014 Budget (unaudited)	2014 Actual	2013 Actual
<b>Revenue</b>			
Taxation	\$ 72,594	\$ 70,556	\$ 70,479
Other revenue from own sources	46,170	61,332	80,218
Northern Development Initiative Trust	82,500	67,197	57,395
Grants in lieu of taxes	13,638	13,133	13,769
Sale of services	14,728	15,084	15,498
Chamber co-operative marketing	1,000	467	-
Parcel tax	3,960	3,940	3,960
	<u>234,590</u>	<u>231,709</u>	<u>241,319</u>
<b>Government and other contributions</b>			
UBCM pooled funds	<u>59,509</u>	<u>59,843</u>	<u>59,509</u>
<b>Government grants</b>			
Unconditional	312,434	275,000	323,713
Community health	20,926	27,852	18,975
	<u>333,360</u>	<u>302,852</u>	<u>342,688</u>
	<u>\$ 627,459</u>	<u>\$ 594,404</u>	<u>\$ 643,516</u>

## District of Wells

### General Operating Fund - Detailed expenditures

For the year ended December 31, 2014

	2014 Budget (unaudited)	2014 Actual	2013 Actual
<b>General government</b>			
Administration	\$ 329,477	\$ 336,017	\$ 298,671
Audit and legal	15,585	16,079	13,085
Insurance and deductible claims	23,861	24,529	24,497
Legislative	35,822	39,029	35,035
Repayment of GST rebate	-	10,606	-
Office supplies and service contracts	21,500	17,445	17,707
Administration recoveries	(82,679)	(82,679)	(87,825)
	<u>343,566</u>	<u>361,026</u>	<u>301,170</u>
<b>Civic Buildings</b>			
Community hall	\$ 14,852	\$ 17,498	\$ 13,005
Municipal hall	10,270	10,767	8,725
Church	-	1,183	-
Wells/Barkerville school	51,750	58,772	48,646
	<u>76,872</u>	<u>88,220</u>	<u>70,376</u>
<b>Other</b>			
Public works	\$ 123,850	\$ 125,160	\$ 121,918
Curling rink renovation project	-	-	9,557
Temporary post office	-	-	16,956
Municipal transit	20,926	20,906	21,710
Refuse collection	13,000	13,600	12,500
Economic development	12,450	12,816	12,446
Community promotion	18,350	19,910	16,950
Housing study	-	-	13,000
Street lighting	6,864	7,059	6,675
Community forest application	800	364	464
Visitor centre operating	2,025	1,243	1,734
Barkerville cemetery	1,500	-	2,831
Interest and bank charges	600	1,153	460
Environmental study	-	-	10,166
NDIT Frontage Improvement Project	20,000	17,949	7,680
	<u>220,365</u>	<u>220,160</u>	<u>255,047</u>



**District of Wells****Water System - Statement of Financial Position****As at December 31, 2014**

	<u>2014</u>	<u>2013</u>
<b>Financial assets</b>		
Due from general operating fund	\$ 16,050	\$ 19,609
<b>Financial Liabilities</b>		
District debt	<u>24,184</u>	<u>75,595</u>
<b>Net financial assets</b>	<u>(8,134)</u>	<u>(55,986)</u>
<b>Non-financial assets</b>		
Tangible capital assets	<u>1,891,484</u>	<u>1,919,911</u>
<b>District Surplus</b>	<u>\$ 1,883,350</u>	<u>\$ 1,863,925</u>

## District of Wells

### Water System - Statement of Operations

For the year ended December 31, 2014

	<u>2014</u> <u>Budget</u> (unaudited)	<u>2014</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
<b>Revenue</b>			
Customer billings	\$ 37,861	\$ 38,589	\$ 36,057
Connection charges and custom work	1,360	1,952	315
Parcel taxes	47,092	46,848	47,092
	<u>86,313</u>	<u>87,389</u>	<u>83,464</u>
<b>Expenses</b>			
Administration	38,692	38,692	47,080
Amortization	-	28,428	27,276
Contracted services	-	9,187	-
Distribution	36,709	37,202	21,693
Hydrants	1,800	1,050	1,800
Interest	4,568	4,816	5,827
	<u>81,769</u>	<u>119,375</u>	<u>103,676</u>
<b>Annual Surplus (Deficit)</b>	<u>4,544</u>	(31,986)	(20,212)
<b>District surplus, beginning of year</b>		1,863,925	1,826,336
<b>Transfers from general operating fund</b>		<u>51,411</u>	<u>57,801</u>
<b>District surplus, end of year</b>		<u>\$ 1,883,350</u>	<u>\$ 1,863,925</u>

**District of Wells****Sewer System - Statement of Financial Position****As at December 31, 2014**

	<u>2014</u>	<u>2013</u>
<b>Financial assets</b>		
Due from general operating fund	\$ 22,099	\$ 13,253
<b>Non-financial assets</b>		
Tangible capital assets	<u>1,050,692</u>	<u>1,067,183</u>
	<u>1,050,692</u>	<u>1,067,183</u>
<b>District Surplus</b>	<u>\$ 1,072,791</u>	<u>\$ 1,080,436</u>

## District of Wells

### Sewer System - Statement of Operations

For the year ended December 31, 2014

	2014 Budget (unaudited)	2014 Actual	2013 Actual
<b>Revenue</b>			
Customer billings	\$ 32,726	\$ 33,911	\$ 31,168
Connection charges and custom work	800	1,798	-
Parcel taxes	40,110	39,900	40,110
	<u>73,636</u>	<u>75,609</u>	<u>71,278</u>
<b>Expenses</b>			
Administration	43,987	43,987	40,745
Amortization	-	16,490	16,491
Vehicle	-	2,130	-
Collection system	11,394	10,171	10,189
Lift station	7,765	3,013	6,003
Line flushing	8,000	7,463	7,852
	<u>71,146</u>	<u>83,254</u>	<u>81,280</u>
<b>Annual Surplus (Deficit)</b>	<u>2,490</u>	(7,645)	(10,002)
<b>District surplus, beginning of year</b>		<u>1,080,436</u>	<u>1,090,438</u>
<b>District surplus, end of year</b>		<u>\$ 1,072,791</u>	<u>\$ 1,080,436</u>