



District of Wells

Statement of Financial Information (SOFI)

For the year ended December 31, 2016

Financial Information Act
Financial Information Regulation (FIR), Schedule 1

Statement of Financial Information (SOFI)
Index to FIR Schedule 1 and the Checklist

Page 1: Corporation Information

Ministry Information

General: Section One

- 1(1)(a) Statement of assets and liabilities
- 1(1)(b) Operational statement
- 1(1)(c) Schedule of debts
- 1(1)(d) Schedule of guarantee and indemnity agreements
- 1(1)(e) Schedule of employee remuneration and expenses
- 1(1)(f) Schedule of suppliers of goods and services
- 1(2) [Explanatory information for reference]
- 1(3) Statements prepared on a consolidated basis or for each fund
- 1(4) & (5) Notes to the statements and schedules in section 1(1)

Page 2: Statement of Assets & Liabilities: Section Two

- 2 Balance sheet
- Changes in equity and surplus or deficit

Operational Statement: Section Three

- 3(1) Statement of Income / Statement of Revenue and Expenditures
- Statement of Changes in Financial Position
- 3(2) & (3) Omission of Statement of Changes in Financial Position, with explanation
- 3(4) Requirement for community colleges, school districts and municipalities

Statement of Debts: Section Four

- 4(1)(a) & 4(2) List and detail the schedule of long-term debts
- 4(1)(b) Identify debts covered by sinking funds / reserves
- 4(3) & (4) Omission of schedule, with explanation

Page 3: Schedule of Guarantee and Indemnity Agreements: Section Five

- 5(1) List agreements under the Guarantees and Indemnities Regulation
- 5(2) State the entities and amounts involved
- 5(3) & (4) Omission of schedule, with explanation

Page 3 & 4: Schedule of Remuneration and Expenses: Section Six

- 6(1) [Definitions for reference]
- 6(2)(a) List remuneration / expenses for each elected official, member of board, Cabinet appointees
- 6(2)(b) List each employee with remuneration exceeding \$75,000, plus expenses
- 6(2)(c) Consolidated total for all employees with remuneration of \$75,000 or less
- 6(2)(d) Reconcile difference in total remuneration above with operational statement
- 6(3) Exclude personal information other than as required

Page 3 & 4: Schedule of Remuneration and Expenses: Section Six (continued)

- 6(4) & (5) [Explanatory information for reference]
- 6(6) Report employer portion of EI and CPP as a supplier payment
- 6(7)(a) & (b) Statement of severance agreements
- 6(8) Explain an omission of statement of severance agreements
- 6(9) [Statement of severance agreements to minister – not required unless requested]

Page 4: Schedule of Suppliers of Goods or Services: Section Seven

- 7(1)(a) List suppliers receiving payments exceeding \$25,000
- 7(1)(b) Consolidated total of all payments of \$25,000 or less
- 7(1)(c) Reconcile difference in total above with operational statement
- 7(2)(a) [Explanatory information for reference]
- 7(2)(b) Statement of payments of grants or contributions
- 7(2)(c) [Explanatory information for reference]

Page 5: Inactive Corporations: Section Eight

- 8(1) Ministry to report for inactive corporations
- 8(2)(a) Contents of report – statements and schedules under section 1(1) to extent possible
- 8(2)(b) Contents of report – operational status of corporation

Approval of Financial Information: Section Nine

- 9(1) Approval of SOFI for corporations (other than municipalities)
- 9(2) Approval of SOFI for municipalities
- 9(3) Management report
- 9(4) Management report must explain roles and responsibilities
- 9(5) Signature approval is for all contents of the SOFI

Access to the Financial Information: Section Ten

- 10(1) to (3) [Explanatory information for reference]

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

For the Corporation:

Corporate Name: District of Wells Contact Name: Andrew Young
 Fiscal Year End: 31 December 2016 Phone Number: (250) 994-3330
 Date Submitted: 28 June 2017 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
General					
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"/>	Not applicable
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
Statement of Assets & Liabilities					
2	<ul style="list-style-type: none"> • A balance sheet prepared in accordance with GAAP or stated accounting principles / policies, and • Show changes in equity and surplus or deficit due to operations 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Operational Statement					
3 (1)	Prepared in accordance with GAAP or stated accounting principles / policies and consists of: <ul style="list-style-type: none"> • a Statement of Income or Statement of Revenue and Expenditures, and • a Statement of Changes in Financial Position 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3 (2) 3 (3)	<ul style="list-style-type: none"> • The Statement of Changes in Financial Position may be omitted if it provides no additional information • The omission must be explained in the notes 	<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"/>	
Schedule of Debts					
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"> • The schedule may be omitted if addressed under section 2 or 5 and it provides no additional information • The omission must be explained in a note to the schedule 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

FIR Schedule 1 Section	Item	Yes	No	N/A	Comments
Schedule of Guarantee and Indemnity Agreements					
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"> • The schedule may be omitted if addressed under section 2 or 4 and it provides no additional information • The omission must be explained in a note to the schedule 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Schedule of Remuneration and Expenses (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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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
Schedule of Remuneration and Expenses (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"> • the number of severance agreements under which payment commenced in the fiscal year being reported on for non-union employees, and • the range of equivalent months' compensation for them (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"/>	
Schedule of Suppliers of Goods or Services (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
Inactive Corporations					
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"/>	
Approval of Financial Information					
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 http://www.gov.bc.ca/cas/popt/)	<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 of Remuneration and Expenses

Staff 2016 Remuneration and Expenses

Name	Position	Salary	Expenses
Other under \$75,000		\$ 282,862.80	\$ Nil
TOTAL SALARIES and EXPENSES		\$ 282,862.80	\$ Nil

Mayor and Council 2016 Remuneration and Expenses

Name	Position	Remuneration	Expenses
Robin Sharpe	Mayor	\$ 8,526.00	\$ 4782.43
Mandy Kilsby	Councillor	\$ 3,468.00	\$ Nil
Lorraine Kozar	Councillor	\$ 3,468.00	\$ 2899.49
Virginia Wilkins	Councillor	\$ 3,468.00	\$ 754.55
Richard Wright	Councillor	\$ 3,468.00	\$ Nil

Employer Portions of CPP and EI

CPP: \$ 11565.45

EI: \$ 4549.35

STATEMENT OF FINANCIAL INFORMATION

DISTRICT OF WELLS

Schedule Showing Payments Made for the Provision of Goods or Services in 2016

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

Supplier Name	Aggregate Amount paid to supplier
BC Hydro and Power Authority	\$48,491.73
BC Pension Corporation	\$34,747.30
Cariboo Regional District	\$46,717.87
City of Quesnel	\$25,558.00
EMCON Services Inc	\$80,204.04
Receiver General of Canada	\$78,917.28
Total aggregate amount paid to suppliers:	\$314,636.22

2. Consolidated total paid to suppliers who received aggregate payments of \$25,000 or less: \$321,116.19

3. Total paid to suppliers: \$635,752.41

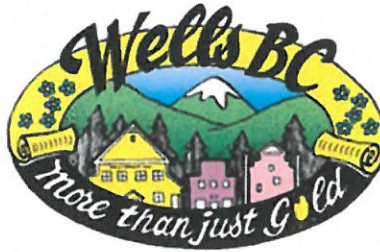
STATEMENT OF FINANCIAL INFORMATION

DISTRICT OF WELLS

Tax Exemptions for 2016 Tax Year (per Bylaw 146, 2015)

UNDER DIVISION 7, PART 7 OF THE COMMUNITY CHARTER

Name of Organization	Folio #	Class	2016 Rates	2016 Assessment	Tax Exempted
Wells Historical Society	09351.002	6	23.41361	\$ 108,200	\$ 3,007
Wells Historical Society	05541.991	6	23.41361	\$ 28,100	\$ 1,132
Island Mountain Arts Society	01650.000	6	23.41361	\$ 53,000	\$ 1,715
Island Mountain Arts Society	01771.010	1	10.16162	\$ 16,800	\$ 171
Island Mountain Arts Society	01682.002	1	10.16162	\$ 180,100	\$ 1,830
Wells Recreation Society	01480.002	6	23.41361	\$ 336,900	\$ 8,362
Royal Canadian Legion Branch 128	01433.001	6	23.41361	\$ 80,400	\$ 2,356
<u>TOTAL</u>					<u>\$ 18,573</u>



DISTRICT OF WELLS

2016 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*.

A handwritten signature in blue ink that reads 'Andrew Young'. The signature is written in a cursive style and is positioned above a horizontal line.

Andrew Young
Position of Financial Officer/Administrator
Date: June 28, 2017

A handwritten signature in black ink that reads 'Robin Sharpe'. The signature is written in a cursive style and is positioned above a horizontal line.

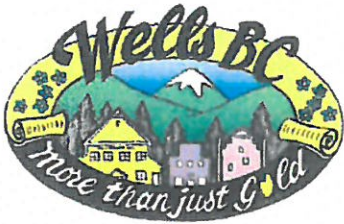
Robin Sharpe
Mayor
Date: June 28, 2016

Consolidated Financial Statements of



DISTRICT OF WELLS

Year ended December 31, 2016



DISTRICT OF WELLS

Consolidated Financial Statements

Year ended December 31, 2016

Consolidated Financial Statements

Management's Responsibility for the Consolidated Financial Statements

Independent Auditors' Report

Consolidated Statement of Financial Position 1

Consolidated Statement of Operations and Accumulated Surplus 2

Consolidated Statement of Changes in Net Financial Assets 3

Consolidated Statement of Cash Flows 4

Notes to Consolidated Financial Statements 5 - 21

DISTRICT OF WELLS
Box 219, Wells, BC V0K 2R0
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MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of the District of Wells (the "District") are the responsibility of management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The District's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

Mayor and Council meet with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by KPMG LLP, independent external auditors appointed by the District. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the District's consolidated financial statements.


Mr. Andrew Young,
Chief Administrative Officer



KPMG LLP
177 Victoria Street, Suite 400
Prince George BC V2L 5R8
Canada
Telephone (250) 563-7151
Fax (250) 563-5693

INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of the District of Wells

We have audited the accompanying consolidated financial statements of the District of Wells (the "District"), which comprise the consolidated statement of financial position as at December 31, 2016, the consolidated statements of operations and accumulated surplus, changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated 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.

Auditors' 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 consolidated 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 our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the District'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 District'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.



Page 2

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the District of Wells as at December 31, 2016, and its consolidated results of operations, its consolidated change in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Professional Accountants

April 25, 2017

Prince George, Canada



DISTRICT OF WELLS

Consolidated Statement of Financial Position

December 31, 2016, with comparative information for 2015

	2016	2015
Financial assets:		
Cash and cash equivalents	\$ 426,698	\$ 303,256
Accounts receivable (note 2)	128,338	191,756
Investment in and advances to Wells Barkerville Community Forest Corporation (note 3)	3,115	955
	<u>\$ 558,151</u>	<u>\$ 495,967</u>
Financial liabilities:		
Accounts payable and accrued liabilities	\$ 36,055	\$ 30,838
Deferred revenue	14,000	-
Long-term debt, net of sinking funds (note 4)	-	12,387
	<u>50,055</u>	<u>43,225</u>
Net financial assets	508,096	452,742
Non-financial assets:		
Prepaid expenses	4,323	8,240
Property acquired for taxes	10,163	4,620
Tangible capital assets (note 5)	6,056,509	6,026,882
	<u>6,070,995</u>	<u>6,039,742</u>
Accumulated surplus (note 6)	<u>\$ 6,579,091</u>	<u>\$ 6,492,484</u>

Commitments and contingencies (note 7)

See accompanying notes to consolidated financial statements.

 Mayor

 Chief Administrative Officer



DISTRICT OF WELLS

Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2016, with comparative information for 2015

	2016 Budget	2016 Actual	2015 Actual
Revenues:			
Taxation (note 8)	\$ 171,257	\$ 196,219	\$ 185,543
Government transfers (note 9):			
Federal	59,843	62,835	61,435
Provincial	480,357	385,158	407,461
Other	75,505	40,108	82,114
Donation in kind	-	202,395	-
Other revenue from own sources	73,859	40,740	77,442
Utility user fees	73,785	74,120	72,866
Sale of services	16,525	16,310	16,799
Total revenues	951,131	1,017,885	903,660
Expenditures:			
General government services	655,394	720,178	766,629
Protective services	21,269	18,260	12,136
Water utility	79,509	101,830	110,973
Sewer utility	73,827	91,010	90,547
Total expenditures	829,999	931,278	980,285
Annual surplus (deficit)	121,132	86,607	(76,625)
Accumulated surplus, beginning of year	6,492,484	6,492,484	6,569,109
Accumulated surplus, end of year	\$ 6,613,616	\$ 6,579,091	\$ 6,492,484

See accompanying notes to consolidated financial statements.



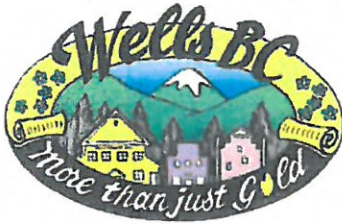
DISTRICT OF WELLS

Consolidated Statement of Changes in Net Financial Assets

Year ended December 31, 2016, with comparative information for 2015

	Budget	2016	2015
Annual surplus (deficit)	\$ 121,132	\$ 86,607	\$ (76,625)
Acquisition of tangible capital assets	(151,113)	(206,589)	(30,645)
Amortization of tangible capital assets	-	176,962	175,625
Loss on disposal of tangible capital assets	-	-	2,219
	(151,113)	(29,627)	147,199
Use of prepaid expenses	-	8,240	-
Purchase of property acquired for taxes	-	(5,543)	-
Purchase of prepaid expenses	-	(4,323)	(8,240)
Change in net financial assets	(29,981)	55,354	62,334
Net financial assets, beginning of year	452,742	452,742	390,408
Net financial assets, end of year	\$ 422,761	\$ 508,096	\$ 452,742

See accompanying notes to consolidated financial statements.



DISTRICT OF WELLS

Consolidated Statement of Cash Flows

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	\$ 86,607	\$ (76,625)
Item not involving cash:		
Amortization of tangible capital assets	176,962	175,625
Loss on disposal of tangible capital assets	-	2,219
Changes in non-cash operating working capital:		
Accounts receivable	63,417	(35,251)
Accounts payable and accrued liabilities	5,218	(67,754)
Prepaid expenses	3,917	(8,240)
Deferred revenue	14,000	(1,138)
Net change in cash from operating activities	350,121	(11,164)
Capital activities:		
Acquisition of tangible capital assets	(206,589)	(30,645)
Acquisition of property acquired for taxes	(5,543)	-
Financing activities:		
Advances to Wells Barkerville Community Forest Corporation	(2,160)	-
Repayment of long-term debt	(12,387)	(11,797)
Net change in cash from financing activities	(14,547)	(11,797)
Increase (decrease) in cash and cash equivalents	123,442	(53,606)
Cash and cash equivalents, beginning of year	303,256	356,862
Cash and cash equivalents, end of year	\$ 426,698	\$ 303,256

See accompanying notes to consolidated financial statements.



DISTRICT OF WELLS

Notes to Consolidated Financial Statements

Year ended December 31, 2016

District of Wells (the "District") is a municipality that was created in 1998 under the Community Charter, formerly the Municipal Act, a statute of the Province of British Columbia. The District's principal activities include the provision of local government services to residents of the incorporated area. These services include administrative, protective, water and sewer services.

1. Significant accounting policies:

The consolidated financial statements of the the District are prepared in accordance with Canadian generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the District are as follows:

(a) Basis of consolidation:

(i) Consolidated entities:

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the District and which are owned or controlled by the District.

(ii) Accounting for Region and School Board Transactions:

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the Region and the School Board are not reflected in these consolidated financial statements.

(iii) Trust funds:

Trust funds and their related operations administered by the District are not included in these consolidated financial statements.



DISTRICT OF WELLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

1. Significant accounting policies (continued):

(a) Basis of consolidation (continued):

(iv) Investment in Government Business Enterprises:

The District's investment in the Wells Barkerville Community Forest Corporation, a wholly-owned subsidiary, is accounted for on a modified equity basis, consistent with Canadian generally accepted accounting principles as recommended by PSAB. Under the modified equity basis, the Wells Barkerville Community Forest Corporation's accounting policies are not adjusted to conform with those of the District and inter-organizational transactions and balances are not eliminated. The District recognizes its equity interest in the annual earnings or loss of the Wells Barkerville Community Forest Corporation in its consolidated statement of operations and accumulated surplus with a corresponding increase or decrease in its investment asset account. Any dividends that the District may receive from the Wells Barkerville Community Forest Corporation will be reflected as reductions in the investment asset account.

(b) Basis of accounting:

The District follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

(c) Revenue recognition:

Revenues are recognized in accordance with the provisions of the Community Charter. The District is required to act as the agent for the collection of certain taxes and fees imposed by other authorities. Collections for other authorities are excluded from the District's taxation revenues.

Revenue unearned in the current period is reported on the consolidated statement of financial position as deferred revenue or deposits.

(d) Investment income:

Investment income is reported as revenue in the period earned. When required by the funding agency or related Act, investment income earned on deferred revenue is added to the investment and forms part of the deferred revenue balance.



DISTRICT OF WELLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

1. Significant accounting policies (continued):

(e) Cash and cash equivalents:

Cash equivalents include short-term highly liquid investments with a term to maturity of 90 days or less at acquisition.

(f) Property acquired for taxes:

Property acquired for taxes is carried at the lower of cost and net realizable value. Cost consists of the original purchase price and applicable carrying charges.

(g) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land, are amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Useful life
Building and site improvements	15 - 40 years
Machinery and equipment	5 - 20 years
Mountain trail systems	20 years
Road infrastructure	15 - 50 years
Water infrastructure	25 - 80 years
Sewer infrastructure	50 - 80 years

Tangible capital assets are tested annually for any impairment in value based on continued usefulness of the assets and their related carrying values. Any impairment in carrying value would be recorded in the period that the impairment occurs.



DISTRICT OF WELLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

1. Significant accounting policies (continued):

(g) Non-financial assets (continued):

(ii) Contributions of tangible capital assets:

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

(iii) Interest capitalization:

The District does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

(h) Contaminated sites:

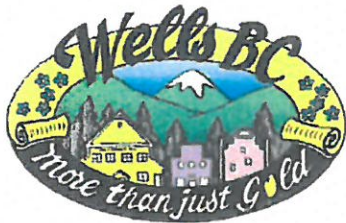
Contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard.

A liability for remediation of contaminated sites is recognized, net of any expected recoveries, when all of the following criteria are met:

- (a) an environmental standard exists,
- (b) contamination exceeds the environmental standard,
- (c) the organization is directly responsible or accepts responsibility for the liability,
- (d) future economic benefits will be given up, and
- (e) a reasonable estimate of the liability can be made.

(i) Use of estimates:

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amount of tangible capital assets and obligations related to employee future benefits. Actual results could differ from those estimates.



DISTRICT OF WELLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

2. Accounts receivable:

	2016	2015
Taxes	\$ 74,411	\$ 86,117
Grants	45,660	83,416
Sales tax	8,017	14,124
Miscellaneous	250	8,099
	\$ 128,338	\$ 191,756

3. Investment in and advances to Wells Barkerville Community Forest Corporation:

	2016	2015
Advances	\$ 3,015	\$ 855
Investment in shares	100	100
	\$ 3,115	\$ 955

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, 2016.



DISTRICT OF WELLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

4. Long-term debt, net of sinking funds:

The District issues debt instruments through the Municipal Finance Authority of British Columbia ("MFA"), pursuant to security issuing bylaws under authority of the Community Charter, to finance certain capital expenditures.

Sinking Fund balances, managed by MFA, are used to reduce long-term debt.

	By-Law Number	Interest rate	Year of maturity	Gross debt	Sinking Fund Assets	Net debt 2016	Net debt 2015
Water Fund:							
Water	3264	5.69%	2016	\$ 47,413	\$ 47,413	- \$	12,387

Debt is reported net of sinking fund balances on the statement of financial position.

- (a) Sinking fund instalments are invested by the MFA and earn income which, together with principal payments, are expected to be sufficient to retire the sinking debt at maturity. For sinking fund agreements, the MFA has established either a normal sinking fund or a capital repayment equalization fund.



DISTRICT OF WELLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

5. Tangible capital assets:

	2016							Total
	Land	Building and site improvement	Mountain trail systems	Machinery and equipment	Road infrastructure	Water infrastructure	Sewer infrastructure	
Cost:								
Balance, beginning of year	\$ 257,524	\$ 2,872,045	\$ 181,580	\$ 668,000	\$ 727,244	\$ 2,274,191	\$ 1,319,257	\$ 8,299,841
Additions	-	4,194	-	-	-	71,833	130,562	206,589
Disposal	-	-	-	-	-	-	-	-
Balance, end of year	257,524	2,876,239	181,580	668,000	727,244	2,346,024	1,449,819	8,506,430
Accumulated amortization:								
Balance, beginning of year	-	824,474	7,711	565,643	178,941	411,135	285,055	2,272,959
Amortization expense	-	71,855	1,135	43,347	14,545	28,832	17,248	176,962
Balance, end of year	-	896,329	8,846	608,990	193,486	439,967	302,303	2,449,921
Net book value, end of year	\$ 257,524	\$ 1,979,910	\$ 172,734	\$ 59,010	\$ 533,758	\$ 1,906,057	\$ 1,147,516	\$ 6,056,509

During the year, Barkerville Gold Mines Ltd. donated water and sewer infrastructure totalling \$202,395 included in additions above.



DISTRICT OF WELLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

5. Tangible capital assets (continued):

	2015							Total
	Land improvements	Building and site improvements	Mountain trail systems	Machinery and equipment	Road infrastructure	Water infrastructure	Sewer infrastructure	
Cost:								
Balance, beginning of year	\$ 257,524	\$ 2,864,650	\$ 181,580	\$ 672,637	\$ 708,957	\$ 2,274,191	\$ 1,319,257	\$ 8,278,996
Additions	-	7,195	-	5,163	18,287	-	-	30,645
Disposals	-	-	-	(9,800)	-	-	-	(9,800)
Balance, end of year	257,524	2,872,045	181,580	668,000	727,244	2,274,191	1,319,257	8,299,841
Accumulated amortization:								
Balance, beginning of year	-	752,763	6,576	529,725	164,579	382,708	268,564	2,104,915
Disposal	-	-	-	(7,581)	-	-	-	(7,581)
Amortization expense	-	71,711	1,135	43,499	14,362	28,427	16,491	175,625
Balance, end of year	-	824,474	7,711	565,643	178,941	411,135	285,055	2,272,959
Net book value, end of year	\$ 257,524	\$ 2,047,571	\$ 173,869	\$ 102,357	\$ 548,303	\$ 1,863,056	\$ 1,034,202	\$ 6,026,882



DISTRICT OF WELLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

6. Accumulated surplus:

Accumulated surplus consists of individual fund surpluses (deficiencies) and reserve funds as follows:

	2016	2015
Surplus (deficiency):		
Invested in tangible capital assets	\$ 6,056,509	\$ 6,014,495
General fund	414,393	319,549
Water utility fund	(30,582)	6,658
Sanitary sewer fund	8,194	84,256
Total surplus	6,448,514	6,424,958
Reserves set aside by Council:		
CWF restricted capital funding	130,577	67,526
Total reserve funds	130,577	67,526
	\$ 6,579,091	\$ 6,492,484



DISTRICT OF WELLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

7. Commitments and contingencies:

- (a) The District is responsible, as a member of the Cariboo Regional District, for its portion of any operating deficits or capital debt related to functions in which it participates.
- (b) The District issues debt instruments through the MFA. As a condition of these borrowings, 1% of gross proceeds are required by the MFA for the District to deposit into a debt reserve fund. The District is also required to execute demand notes in connection with each debenture whereby the District may be required to loan certain amounts to the MFA. These demand notes are contingent in nature and are not reflected in the accounts. The demand notes issued at December 31, 2016 aggregated \$Nil (2015 - \$5,655).
- (c) The District and its employees contribute to the Municipal Pension Plan ("the 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 provided are based on a formula. As at December 31, 2015, the Plan has about 189,000 active members and approximately 85,000 retired members. Active members include approximately 2 contributors from the District.

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 is then adjusted to the extent there is amortization of any funding deficit.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2015 indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis.

The District paid \$17,851 (2015 - \$19,225) for employer contributions to the Plan in fiscal 2016.

The next valuation will be as at December 31, 2018, with results available in 2019.



DISTRICT OF WELLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

7. Commitments and contingencies (continued):

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 the individual employers participating in the Plan.

- (d) The District is obligated to collect and transmit property taxes levied on District of Wells taxpayers in respect of the following bodies:

- Ministry of Education, Province of British Columbia
- Cariboo Regional District
- Cariboo-Chilcotin Regional Hospital District
- British Columbia Assessment Authority
- Municipal Finance Authority
- Royal Canadian Mounted Police

- (e) The District is a participant in the Municipal Insurance Association of British Columbia. Should the Association pay out claims in excess of premiums received, it is possible that the District, along with other participants, would be required to contribute toward the deficit.



DISTRICT OF WELLS

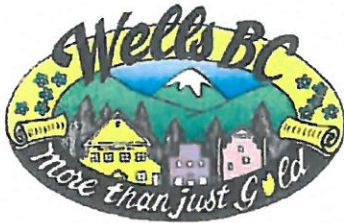
Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

8. Net taxation revenue:

As indicated in note 7(d), the District is required to collect taxes on behalf of and transfer the appropriate portion of these amounts to the government agencies below:

	2016	2015
Taxes collected:		
General purposes	\$ 183,122	\$ 174,088
Grants in lieu of taxes	14,211	14,419
Collection of other governments	105,390	127,424
	<u>302,723</u>	<u>315,931</u>
Transfers to other governments:		
Provincial government	61,808	70,857
Cariboo Regional District	24,783	34,773
Cariboo-Chilcotin Regional Hospital District	11,238	13,890
B.C. Assessment Authority	1,001	1,472
Royal Canadian Mounted Police	7,674	9,396
	<u>106,504</u>	<u>130,388</u>
	<u>\$ 196,219</u>	<u>\$ 185,543</u>



DISTRICT OF WELLS

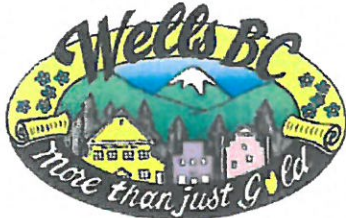
Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

9. Government transfers:

The District recognizes the transfer of government funding as expenses or revenues in the period that the events giving rise to the transfer occurred. The government transfers reported on the Consolidated Statement of Operations and Accumulated Surplus are:

	2016	2015
Provincial grants:		
Unconditional	\$ 369,682	\$ 401,338
Miscellaneous	15,476	6,123
Subtotal provincial grants	385,158	407,461
Federal grants:		
Gas tax	62,835	60,789
Community health	-	646
Subtotal federal grants	62,835	61,435
Other grants:		
Northern Development Initiative Trust	40,108	82,114
Total government transfers	\$ 488,101	\$ 551,010



DISTRICT OF WELLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

10. Segmented information:

The District is a diversified municipal organization that provides a wide range of services to its citizens. For management reporting purposes, the District's operations and activities are organized and reported by service areas. Municipal services are provided by departments and their activities are reported in these service areas. Service areas that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

a) General Government Services:

General government services operations provides the functions of corporate administration and legislative services and any other functions categorized as non-departmental in the District.

b) Protective Services:

Protective services is comprised of emergency management and regulatory services.

c) Water Utility:

The water utility installs and maintains the water systems and facilities within the District. The treatment and distribution of water in the District through Public Works is included in this segment.

d) Sewer Utility:

The sewer utility installs and maintains the sewer systems and facilities within the District. The collection of sewage in the District through Public Works is included in this segment.

The following statement provides additional information for the foregoing functions. The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.



DISTRICT OF WELLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

10. Segmented information (continued):

	2016				
	General Government	Protective Services	Water Utility	Sewer Utility	Total
Revenue:					
Government transfers	\$ 488,101	\$ -	\$ -	\$ -	\$ 488,101
Donation in kind	202,395	-	-	-	202,395
Taxation	111,287	-	45,872	39,060	196,219
Other revenue from own sources	40,740	-	-	-	40,740
Utility user fees	-	-	39,418	34,702	74,120
Sale of services	16,310	-	-	-	16,310
Total revenue	858,833	-	85,290	73,762	1,017,885
Expenses:					
Salaries, wages and employee benefits	331,963	907	-	-	332,870
Operating	270,285	15,699	34,206	19,285	339,475
Interest	894	-	4,118	-	5,012
Insurance	25,416	1,654	-	-	27,070
Amortization	130,802	-	28,832	17,248	176,882
Administrative recovery	(89,151)	-	34,674	54,477	-
Professional services	17,155	-	-	-	17,155
Mayor and council remuneration and travel	32,814	-	-	-	32,814
Total expenses	720,178	18,260	101,830	91,010	931,278
Annual surplus (\$ 138,655	\$ (18,260)	\$ (16,540)	\$ (17,248)	\$ 86,607



DISTRICT OF WELLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

10. Segmented information (continued):

	2015				
	General Government	Protective Services	Water Utility	Sewer Utility	Total
Revenue:					
Government transfers	\$ 551,010	\$ -	\$ -	\$ -	\$ 551,010
Taxation	100,157	-	46,116	39,270	185,543
Other revenue from own sources	77,442	-	-	-	77,442
Utility user fees	-	-	38,833	34,033	72,866
Sale of services	16,799	-	-	-	16,799
Total revenue	745,408	-	84,949	73,303	903,660
Expenses:					
Salaries, and employee benefits	328,102	907	-	-	329,009
Operating	322,946	9,691	27,312	27,960	387,909
Interest	1,001	-	4,395	-	5,396
Insurance	24,975	1,538	-	-	26,513
Professional services	23,778	-	-	-	23,778
Amortization	130,707	-	28,427	16,491	175,625
Administrative recovery	(96,935)	-	50,839	46,096	-
Loss on disposal of capital assets	2,219	-	-	-	2,219
Mayor and council remuneration and travel	29,836	-	-	-	29,836
Total expenses	766,629	12,136	110,973	90,547	980,285
Annual deficit	\$ (21,221)	\$ (12,136)	\$ (26,024)	\$ (17,244)	\$ (76,625)



DISTRICT OF WELLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

11. Trust funds:

The District maintains a cemetery perpetual care fund in accordance with the Cemeteries and Funeral Services Act. The trust fund balance sheet at December 31, 2016 is as follows:

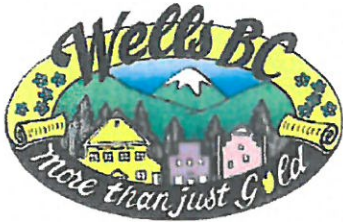
	2016	2015
Cash and cash equivalents	\$ 1,092	\$ 1,089
Cemetery trust fund	1,092	1,089

The trust funds are not included in the District's consolidated statement of financial position.

12. Budget data:

The budget data presented in these consolidated financial statements is based upon the 2016 operating and capital budgets approved by Council on May 12, 2016. Amortization was not contemplated on development of the budget and, as such, has not been included. The table below reconciles the approved budget to the budget figures reported in these consolidated financial statements.

	Budget amount
Revenues:	
Operating budget	\$ 983,171
Less:	
Transfer from other funds	(32,040)
Total revenue	951,131
Expenses:	
Operating budget	983,171
Less:	
Capital expenditures	(151,113)
Debt principal payments	(2,059)
Total expenses	829,999
Annual surplus	\$ 121,132



DISTRICT OF WELLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

13. Comparative information:

Certain of the comparative figures have been reclassified to conform with the presentation adopted for the current year.

14. Economic dependence:

The District derives a significant portion of its government grant revenue from the Province of British Columbia through the Small Community Protection Program. Any changes to this funding could have an impact on the ongoing operation of the District.