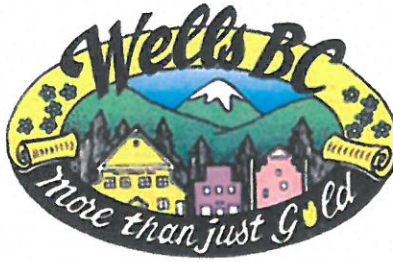




District of Wells

Statement of Financial Information (SOFI)

For the year ended December 31, 2018



District of Wells

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 black ink, appearing to read "D. Forseille", written over a horizontal line.

Donna Forseille
Chief Administrative Officer
District of Wells
June 11, 2019

A handwritten signature in black ink, appearing to read "Gabe Fourchalk", written over a horizontal line.

Gabe Fourchalk
Mayor
District of Wells
June 11, 2019

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: Donna Forseille
 Fiscal Year End: 31 December 2018 Phone Number: 250-994-3330
 Date Submitted: June 11, 2019 E-mail: admin1@wells.ca

For the Ministry:

Ministry Name: _____ Reviewer: _____
 Date Received: _____ Deficiencies:

| | | | |
|-----|--------------------------|----|--------------------------|
| Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
|-----|--------------------------|----|--------------------------|

 Date Reviewed: _____ Deficiencies Addressed:

| | | | |
|-----|--------------------------|----|--------------------------|
| Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
|-----|--------------------------|----|--------------------------|

 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 checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| 3 (4) | Community colleges, school districts, and municipalities must prepare a Statement of Changes in Financial Position for the Capital Fund | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" 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 type="checkbox"/> | <input type="checkbox"/> | <input checked="" 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 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 2018

Staff 2018 Remuneration and Expenses (combined)

| Name | Position | Salary | Expenses |
|-----------------------------|------------------------------|---------------|-----------------|
| Andrew Young | Chief Administrative Officer | \$ 69,359 | \$ 4747 |
| John Aitken | Public Works Superintendent | \$ 65,888 | \$ 1497 |
| Other under \$75,000 | | \$ 157,003 | \$ 6339 |
| TOTAL SALARIES and EXPENSES | | \$ 292,250 | \$12,583 |

Mayor and Council 2018 Remuneration and Expenses

| Name | Position | Remuneration | Expenses |
|---------------------------------|-----------------|---------------------|-----------------|
| Robin Sharpe | Mayor | \$ 2218 | \$ nil |
| Mandy Kilsby | Councillor | \$ 3909 | \$ nil |
| Lorraine Kozar | Councillor | \$ 731 | \$ nil |
| Dianne Andreesen | Councillor | \$ 1203 | \$2080 |
| Birch Kuch | Councillor | \$ 3007 | \$ 1721 |
| Lindsay Kay | Councillor | \$ 2706 | \$ 1717 |
| Jay Vermette | Mayor | \$2957 | \$2680 |
| TOTAL REMUNERATION and EXPENSES | | \$ 16,731 | \$ 8148 |

Employer Portions of CPP and EI

CPP: \$ 13,457.92

EI: \$ 4623.55

STATEMENT OF FINANCIAL INFORMATION
DISTRICT OF WELLS

Schedule Showing Payments Made for the Provision of Goods or Services in 2018

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

| Supplier Name | Aggregate Amount paid to supplier |
|---|-----------------------------------|
| BC Hydro and Power Authority | \$ 52,675 |
| BC Pension Corporation | \$ 33,753 |
| Cariboo Regional District | \$ 40,594 |
| CUETS Financial (MasterCard) | \$ 35,907 |
| EMCON Services Inc. | \$ 66,350 |
| Radloff Engineering | \$ 103,403 |
| Medical Services Plan | \$ 25,494 |
| Receiver General of Canada | \$ 106,827 |
| | |
| Total aggregate amount paid to above suppliers: | \$ 465,003 |

2. Consolidated total paid to suppliers who received aggregate payments of \$25,000 or less: \$ 1,017,884

3. Total paid to suppliers: \$ 1,482,887

**STATEMENT OF FINANCIAL INFORMATION
DISTRICT OF WELLS**

Tax Exemptions for 2018 Tax Year (per Bylaw 155, 2017)

UNDER DIVISION 7, PART 7 OF THE COMMUNITY CHARTER

| Name of Organization | Folio # | Class | 2018 Rates | 2018 Assessment | Tax Exempted |
|----------------------------------|----------------|--------------|-------------------|------------------------|-------------------------|
| Wells Historical Society | 09351.002 | 6 | 23.4136 | \$ 108,200 | \$ 3073 |
| Wells Historical Society | 05541.991 | 6 | 23.4136 | \$ 25,900 | \$ 1089 |
| Island Mountain Arts Society | 01650.000 | 6 | 23.1436 | \$ 52,100 | \$ 1720 |
| Island Mountain Arts Society | 01771.010 | 1 | 10.1614 | \$ 16,800 | \$ 640 |
| Island Mountain Arts Society | 01682.002 | 1 | 10.1614 | \$ 178,100 | \$ 2328 |
| Wells Recreation Society | 01480.002 | 6 | 23.4136 | \$ 326,900 | \$ 8348 |
| Royal Canadian Legion Branch 128 | 01433.001 | 6 | 23.4136 | \$ 85,100 | \$ 2516 |
| <u>TOTAL</u> | | | | | <u>\$ 19,714</u> |

District of Wells
PO Box 219
Wells, BC
V0K 2R0

June 4, 2019

FBB Chartered Professional Accountants LLP
#101 - 1440 Second Avenue
Prince George, BC V2L 3B6

Dear Sirs:

This representation letter is provided in connection with your audit of the financial statements of District of Wells for the year ended December 31, 2018, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with 7.

In making the representations outlined below, we took the time necessary to appropriately inform ourselves on the subject matter through inquiries of entity personnel with relevant knowledge and experience, and, where appropriate, by inspecting supporting documentation.

We confirm that (to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves):

1. Financial Statements

We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated December 31, 2018, for:

- a) Preparing and fairly presenting the financial statements in accordance with 7;
- b) Providing you all relevant information, such as:
 - i) Accounting records, supporting data and other relevant documentation,
 - ii) Minutes of meetings (such as members, board of directors and audit committees) or summaries of actions taken for which minutes have not yet been prepared, and
 - iii) Information on any other matters, of which we are aware, that is relevant to the preparation of the financial statements;
- c) Ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements; and
- d) Designing and implementing such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We have also communicated to you any deficiencies in the design and implementation or the maintenance of internal control over financial reporting of which management is aware.

2. Fraud and Non-Compliance

We have disclosed to you:

- a) All of our knowledge in relation to actual, alleged or suspected fraud affecting the entity's financial statements involving:
 - i) Management;
 - ii) Employees who have significant roles in internal control; or

- iii) Others where the fraud could have a material effect on the financial statements;
- b) All of our knowledge in relation to allegations of fraud or suspected fraud communicated by employees, former employees, analysts, regulators or others;
- c) All known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements that should be considered when preparing the financial statements;
- d) All known, actual, or possible litigation and claims that should be considered when preparing the financial statements; and
- e) The results of our risk assessments regarding possible fraud or error in the financial statements.
- f) We believe the effects of the uncorrected financial statement misstatements summarized in the accompanying schedule are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.
- g) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.

3. Related Parties

We confirm that there were no related-party relationships or transactions that occurred during the period.

4. Estimates

We acknowledge our responsibility for determining the accounting estimates required for the preparation of the financial statements in accordance with 7. Those estimates reflect our judgment based on our knowledge and experience of past and current events, and on our assumptions about conditions we expect to exist and courses of action we expect to take. We believe that the significant assumptions and measurement methods used by us in making accounting estimates, including those measured at fair value, are reasonable.

5. Subsequent Events

All events subsequent to the date of the financial statements and for which 7 requires adjustment or disclosure have been adjusted or disclosed.

6. Commitments and Contingencies

There are no commitments, contingent liabilities/assets or guarantees (written or oral) that should be disclosed in the financial statements. This includes liabilities arising from contract terms, illegal acts or possible illegal acts, and environmental matters that would have an impact on the financial statements.

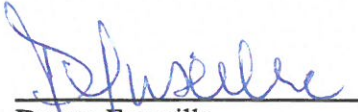
7. Adjustments

We have reviewed, approved and recorded all of your proposed adjustments to our accounting records. This includes journal entries, changes to account coding, classification of certain transactions and preparation of, or changes to, certain accounting records.

8. Misstatements

We believe the effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this letter.

Yours very truly,
District of Wells



Donna Forseille
CAO



#101 - 1440 Second Avenue Prince George, BC V2L 3B6
T: 250-563-0026 F: 250-561-7331

December 31, 2018

Donna Forseille
District of Wells
PO Box 219
Wells, BC
V0K 2R0

Dear Donna:

The Objective and Scope of the Audit

You have requested that we audit the financial statements of District of Wells, which comprise the balance sheet as at December 31, 2018, and the statements of income, retained earnings and cash flows for the year then ended, and notes to the financial statements (including a summary of significant accounting policies).

We are pleased to confirm our acceptance and our understanding of the nature, scope and terms of this audit engagement, and all services related thereto, by means of this letter (the "Engagement").

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

The Responsibilities of the Auditor

We will conduct our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the financial statements (whether due to fraud or error), design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from

error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies in internal control relevant to the audit of the financial statements that we have identified during the audit.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going-concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the financial statements (including the disclosures) and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Canadian generally accepted auditing standards.

The Responsibilities of Management

Our audit will be conducted on the basis that management and, where appropriate, those charged with governance acknowledge and understand that they have responsibility:

- a) For the preparation and fair presentation of the financial statements in accordance with 7 (OTHER).
- b) For the design and implementation of such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
- c) To provide us with timely:
 - i) Access to all information of which management is aware that is relevant to the preparation of the financial statements (such as records, documentation and other matters);
 - ii) Information about all known or suspected fraud, any allegations of fraud or suspected fraud and any known or probable instances of noncompliance with legislative or regulatory requirements;
 - iii) Additional information that we may request from management for the purpose of the audit; and
 - iv) Unrestricted access to persons within District of Wells from whom we determine it necessary to obtain audit evidence.

As part of our audit process:

- a) We will make inquiries of management about the representations contained in the financial statements. At the conclusion of the audit, we will request from management and, where appropriate, those charged with governance written confirmation concerning those representations. If such representations are not provided in writing, management

- acknowledges and understands that we would be required to disclaim an audit opinion.
- b) We will communicate any misstatements identified during the audit other than those that are clearly trivial. We request that management correct all the misstatements communicated.

Form and Content of Audit Opinion

Unless unanticipated difficulties are encountered, our report will be substantially in the following form:

INDEPENDENT AUDITORS' REPORT

To the Shareholders of:
District of Wells

Opinion

We have audited the financial statements of District of Wells, which comprise the balance sheet as at December 31, 2018, and the statements of income, retained earnings and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of District of Wells as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with 7.

Basis for Opinion

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Prince George, BC
December 31, 2018

Chartered Professional Accountants

If we conclude that a modification to our opinion on the financial statements is necessary, we will discuss the reasons with you in advance.

Confidentiality

One of the underlying principles of the profession is a duty of confidentiality with respect to client affairs. Each professional accountant must preserve the secrecy of all confidential information that becomes known during the practice of the profession. Accordingly, we will not provide any third party with confidential information concerning the affairs of District of Wells unless:

- a) We have been specifically authorized with prior consent;
- b) We have been ordered or expressly authorized by law or by the Code of Professional Conduct;
or
- c) The information requested is (or enters into) public domain.

Use and Distribution of Our Report

The examination of the financial statements and the issuance of our audit opinion are solely for the use of District of Wells and those to whom our report is specifically addressed by us. We make no representations or warranties of any kind to any third party in respect of these financial statements or our audit report, and we accept no responsibility for their use by any third party or any liability to anyone other than District of Wells.

For greater clarity, our audit will not be planned or conducted for any third party or for any specific transaction. Accordingly, items of possible interest to a third party may not be addressed and matters may exist that would be assessed differently by a third party, including, without limitation, in connection with a specific transaction. Our audit report should not be circulated (beyond District of Wells) or relied upon by any third party for any purpose, without our prior written consent.

You agree that our name may be used only with our prior written consent and that any information to which we have attached a communication be issued with that communication, unless otherwise agreed to by us in writing.

Reproduction of Auditors' Report

If reproduction or publication of our audit report (or reference to our report) is planned in an annual report or other document, including electronic filings or posting of the report on a website, a copy of the entire document should be submitted to us in sufficient time for our review and approval in writing before the publication or posting process begins.

Management is responsible for the accurate reproduction of the financial statements, the auditors' report and other related information contained in an annual report or other public document (electronic or paper-based). This includes any incorporation by reference to either full or summarized financial statements that we have audited.

We are not required to read the information contained in your website, or to consider the consistency of other information in the electronic site with the original document.

Ownership

The working papers, files, other materials, reports and work created, developed or performed by us during the course of the Engagement are the property of our firm, constitute our confidential information and will be retained by us in accordance with our firm's policies and procedures.

During the course of our work, we may provide, for your own use, certain software, spreadsheets and other intellectual property to assist with the provision of our services. Such software, spreadsheets and other intellectual property must not be copied, distributed or used for any other purpose. We also do not provide any warranties in relation to these items and will not be liable for any lost or corrupted data or other damage or loss suffered or incurred by you in connection with your use of them.

We retain the copyright and all intellectual property rights in any original materials provided to you.

Indemnity

District of Wells hereby agrees to indemnify, defend (by counsel retained and instructed by us) and hold harmless our firm (and its partners, agents or employees) from and against any and all losses, costs (including solicitors' fees), damages, expenses, claims, demands and liabilities arising out of (or in consequence of):

- a) The breach by District of Wells, or its directors, officers, agents or employees, of any of the covenants or obligations of District of Wells herein, including, without restricting the generality of the foregoing, the misuse of, or the unauthorized dissemination of, our engagement report or the financial statements in reference to which the engagement report is issued, or any other work product made available to you by our firm.
- b) A misrepresentation by a member of your management or board of directors.

Claims by the District of Wells against FBB Chartered Professional Accountants LLP related to this engagement shall be limited to the amount of fees charged by FBB Chartered Professional Accountants LLP for this engagement.

Time Frames

We will use all reasonable efforts to complete the Engagement as described in this letter within the agreed upon time frames.

However, we shall not be liable for failures or delays in performance that arise from causes beyond our reasonable control, including the untimely performance by District of Wells of its obligations.

Fees

Our professional fees will be charged in accordance with our audit proposal in the amount of \$15,000 plus GST per annum.

Conclusion

This engagement letter includes the relevant terms that will govern the Engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties.

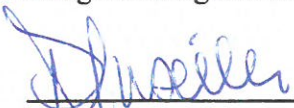
If you have any questions about the contents of this letter, please raise them with us. If the services outlined are in accordance with your requirements and if the above terms are acceptable to you, please sign the copy of this letter in the space provided and return it to us.

We appreciate the opportunity of continuing to be of service to your company.

Yours very truly,
FBB Chartered Professional Accountants LLP

Ryan Broughton, CPA, CA
Partner

Acknowledged and agreed on behalf of District of Wells by:

Per: 
Donna Forseille, CAO

Date: June 4/19.

DISTRICT OF WELLS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

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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 FBB Chartered Professional Accountants LLP, the independent auditors, whose report follows.

June 4, 2019
Wells, British Columbia



INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council,
District of Wells

Opinion

We have audited the financial statements of District of Wells, which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the District of Wells as at December 31, 2018, and its financial performance and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the 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.

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

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



INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the municipality to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*FBB Chartered Professional
Accountants LLP*

June 4, 2019
Quesnel, British Columbia

FBB Chartered Professional Accountants LLP

District of Wells**Consolidated Statement of Financial Position**

As at December 31, 2018

| | <u>2018</u> | <u>2017</u> |
|---|---------------------|---------------------|
| Financial assets | | |
| Cash and investments | \$ 714,495 | \$ 347,548 |
| Taxes and accounts receivable (note 2) | 147,001 | 158,312 |
| Investment in wholly owned subsidiary (note 3) | 207,022 | 73,633 |
| | <u>1,068,518</u> | <u>579,493</u> |
| Financial liabilities | | |
| Accounts payable and accrued liabilities (note 4) | 87,238 | 48,200 |
| Deferred revenue (note 5) | 335,787 | 45,904 |
| | <u>423,025</u> | <u>94,104</u> |
| Net financial assets | <u>645,493</u> | <u>485,389</u> |
| Non-financial assets | | |
| Property acquired for taxes | 10,163 | 10,163 |
| Prepaid expenses | 4,403 | 6,125 |
| Tangible capital assets (note 6) | 6,313,837 | 6,160,859 |
| | <u>6,328,403</u> | <u>6,177,147</u> |
| Accumulated surplus (note 7) | <u>\$ 6,973,896</u> | <u>\$ 6,662,536</u> |

District of Wells

Consolidated Statement of Operations For the year ended December 31, 2018

| | 2018 Budget (unaudited) | 2018 Actual | 2017 Actual |
|---|-------------------------------|---------------------|---------------------|
| Revenue | | | |
| Government grants | \$ 1,423,360 | \$ 1,070,460 | \$ 532,115 |
| Taxation | 174,548 | 172,711 | 198,013 |
| Other revenue from own sources | 98,672 | 90,033 | 102,034 |
| Utility user fees | 79,172 | 90,922 | 76,022 |
| Other grants | 130,017 | 57,516 | 91,202 |
| Sale of services | 18,112 | 16,796 | 16,286 |
| Equity income from subsidiary | 219,710 | 354,434 | 170,518 |
| | <u>2,143,591</u> | <u>1,852,872</u> | <u>1,186,190</u> |
| Deferred from previous year | - | 45,904 | 14,000 |
| Deferred to following year | - | (335,787) | (45,904) |
| | <u>2,143,591</u> | <u>1,562,989</u> | <u>1,154,286</u> |
| Expenses | | | |
| Amortization | - | 187,842 | 182,179 |
| General government services | 1,493,578 | 870,948 | 695,605 |
| Protective services | 31,373 | 34,605 | 22,623 |
| Water utility operations | 88,851 | 84,880 | 88,863 |
| Sewer utility operations | 76,161 | 73,354 | 81,571 |
| | <u>1,689,963</u> | <u>1,251,629</u> | <u>1,070,841</u> |
| Annual Surplus | <u>453,628</u> | 311,360 | 83,445 |
| Accumulated surplus, beginning of year | | <u>6,662,536</u> | <u>6,579,091</u> |
| Accumulated surplus, end of year | | <u>\$ 6,973,896</u> | <u>\$ 6,662,536</u> |

District of Wells

Consolidated Statement of Changes in Net Financial Assets For the year ended December 31, 2018

| | <u>2018</u> <u>Budget</u> (unaudited) | <u>2018</u> <u>Actual</u> | <u>2017</u> <u>Actual</u> |
|--|---|------------------------------|------------------------------|
| Annual surplus | \$ 453,628 | \$ 311,360 | \$ 83,445 |
| Amortization | - | 187,842 | 182,179 |
| Tangible capital assets purchased | (441,282) | (340,820) | (286,529) |
| Transfers to reserves | (92,703) | - | - |
| Proceeds of long-term debt | 80,357 | - | - |
| Change in prepaid expenses | - | 1,722 | (1,802) |
| Increase in net financial assets | - | 160,104 | (22,707) |
| Net Financial Assets, beginning of year | - | 485,389 | 508,096 |
| Net Financial Assets, end of year | <u>\$ -</u> | <u>\$ 645,493</u> | <u>\$ 485,389</u> |

District of Wells

Consolidated Statement of Cash Flows For the year ended December 31, 2018

| | <u>2018</u> | <u>2017</u> |
|--|-------------------|-------------------|
| NET INFLOW (OUTFLOW) OF CASH: | | |
| Operating activities | | |
| Annual surplus | \$ 311,360 | \$ 83,445 |
| Non-cash charges to operations | | |
| Amortization | 187,842 | 182,179 |
| Equity income of subsidiary | (354,433) | (170,518) |
| Changes in non-cash operating balances: | | |
| Taxes and accounts receivable | 11,311 | (29,972) |
| Accounts payable and accrued liabilities | 39,038 | 12,143 |
| Prepaid expenses | 1,722 | (1,802) |
| Deferred revenue | 289,883 | 31,904 |
| | <u>486,723</u> | <u>107,379</u> |
| Capital activities | | |
| Tangible capital asset purchases | <u>(340,820)</u> | <u>(286,529)</u> |
| Investing activities | | |
| Repayment of advances to subsidiary | 3,015 | - |
| Dividends received from subsidiary | 218,029 | 100,000 |
| | <u>221,044</u> | <u>100,000</u> |
| Increase (decrease) in cash and investments | 366,947 | (79,150) |
| Cash and investments, beginning of year | <u>347,548</u> | <u>426,698</u> |
| Cash and investments, end of year | <u>\$ 714,495</u> | <u>\$ 347,548</u> |

District of Wells

Notes to the Consolidated Financial Statements For the year ended December 31, 2018

The District of Wells (the "District") is a municipality established 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 the residents of the incorporated area. These services include administrative, protective, water and sewer services.

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the District are prepared in accordance with Canadian public sector accounting standards for government as recommend by Municipal Affairs British Columbia and the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. The significant accounting policies adopted by the District are as follows:

a. Basis of presentation

These consolidated financial statements reflect all revenues, expenses, assets and liabilities of the District of Wells. The District 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.

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.

District of Wells

Notes to the Consolidated Financial Statements For the year ended December 31, 2018

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

The District follows the accrual method of accounting for revenues and expenses. 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.

b. Trust funds

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

c. Collections for other agencies

The District collects taxation and other revenue for other agencies and then pays them out to these agencies. These items are not considered revenue or expenses of the District and are excluded from the consolidated financial statements.

d. Revenue recognition

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

Investment revenue is reported as revenue in the period earned. When required by the funding agency or related Act, investment income earned on deferred revenue, it is included in the deferred revenue balance.

e. Cash

Cash consists of cash and investments of a short-term nature with funds available for day to day operations.

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 the applicable carrying charges.

District of Wells

Notes to the Consolidated Financial Statements
For the year ended December 31, 2018

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Investment in government business enterprises

The District's investment in the Wells-Barkerville Community Forest Corporation (the "GBE"), a wholly-owned subsidiary, is accounted for on a modified equity basis as recommended by Canadian public sector accounting standards. Under the modified equity basis, the GBE's accounting policies are not adjusted to conform with those of the District and inter-organizational transactions are not eliminated or consolidated. The District recognizes its equity interest in the annual earnings or loss of the GBE in its consolidated statement of operations and accumulated surplus with a corresponding increase or decrease in its investment asset account. Any dividends received from the GBE are recorded as reductions in the investment asset account.

g. 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% |

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 would be recorded in the period the impairment occurs in expenses. Annual amortization is recorded in the year an asset becomes available for use and in the year of disposal. Assets under construction are not amortized until the asset is available for use.

District of Wells

Notes to the Consolidated Financial Statements
For the year ended December 31, 2018

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

f. Contaminated sites

Contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment as a result 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: an environmental standard exists, contamination exceeds the environmental standard, the organization is directly responsible or accepts responsibility for the liability, future economic benefits will be given up and a reasonable estimate can be made.

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 the use of management estimates include: determination of accrued sick benefits and carrying amount of tangible capital assets. Actual results could differ from those estimates. Adjustments, if any, will be reflected in operations in the period of settlement.

2. TAXES AND ACCOUNTS RECEIVABLE

| | <u>2018</u> | <u>2017</u> |
|---------------------------|-------------------|-------------------|
| Tax roll and utilities | \$ 74,641 | \$ 65,284 |
| GST/HST refund | 24,290 | 22,225 |
| Grants | 41,038 | 51,152 |
| Northern Health Authority | - | 5,333 |
| Other | <u>7,032</u> | <u>14,318</u> |
| | <u>\$ 147,001</u> | <u>\$ 158,312</u> |

3. INVESTMENT IN WHOLLY OWNED SUBSIDIARY

| | | |
|---|-------------------|------------------|
| Wells - Barkerville Community Forest Ltd. | | |
| Advances | \$ - | \$ 3,015 |
| Accumulated surplus | 206,922 | 70,518 |
| Shares | 100 | 100 |
| | <u>\$ 207,022</u> | <u>\$ 73,633</u> |

District of Wells

Notes to the Consolidated Financial Statements For the year ended December 31, 2018

3. INVESTMENT IN WHOLLY OWNED SUBSIDIARY (continued)

| | 2018 | 2017 |
|------------------------------|--------------------------|-------------------------|
| Operations | | |
| Revenue | \$ 378,876 | \$ 176,269 |
| Expenses | 24,443 | 10,751 |
| Net earnings | <u>354,433</u> | <u>165,518</u> |
| Less dividends | (218,029) | (95,000) |
| Accumulated surplus, opening | <u>70,518</u> | <u>-</u> |
| Accumulated surplus, ending | <u><u>\$ 206,922</u></u> | <u><u>\$ 70,518</u></u> |

The Wells - Barkerville Community Forest Corporation (the "Corporation") has entered into a Community Forest Agreement with the Province of British Columbia pursuant to an agreement in 2017 (the "agreement"). The agreement is for a 25 year term and gives the Corporation the right to harvest certain levels of timber on an annual basis and a total amount over the term of the Agreement. The advances are unsecured with no specific terms of repayment and recorded at the carrying amount. The accumulated surplus and advances are assessed annually for impairment based on audited financial statements provided by the Corporation.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | 2018 | 2017 |
|--|-------------------------|-------------------------|
| Trade payables and accrued liabilities | \$ 66,853 | \$ 26,906 |
| Payroll and withholding taxes | - | 1,551 |
| Government remittances | 4,385 | 3,743 |
| Other | <u>16,000</u> | <u>16,000</u> |
| | <u><u>\$ 87,238</u></u> | <u><u>\$ 48,200</u></u> |

5. DEFERRED REVENUE

| | | |
|--|--------------------------|-------------------------|
| Province of B.C. - CWWF project | \$ - | \$ 35,904 |
| Aging in Wells grant | 5,621 | - |
| B.C. Rural Dividend - Housing Grant | 3,109 | - |
| B.C. Rural Dividend - Business Recruitment | 10,000 | - |
| B.C. Rural Dividend - Boundary Expansion Grant | 85,000 | - |
| B.C. Rural Dividend - Wildfire Mitigation | 232,057 | - |
| B.C. Rural Dividend - Gold Rush Circle Route | <u>-</u> | <u>10,000</u> |
| | <u><u>\$ 335,787</u></u> | <u><u>\$ 45,904</u></u> |

District of Wells

Notes to the Consolidated Financial Statements For the year ended December 31, 2018

6. TANGIBLE CAPITAL ASSETS

| | | | 2018 | 2017 |
|--------------------------|---------------------|-----------------------------|---------------------|---------------------|
| | Cost | Accumulated Amortization | Net Carrying Amount | |
| Land | \$ 257,524 | \$ - | \$ 257,524 | \$ 257,524 |
| Buildings | 3,110,889 | 1,047,971 | \$ 2,062,918 | 2,101,465 |
| Roads and infrastructure | 727,244 | 222,576 | \$ 504,668 | 519,213 |
| Mountain trail systems | 181,580 | 11,116 | \$ 170,464 | 171,599 |
| Equipment | 743,503 | 700,079 | \$ 43,424 | 44,525 |
| Water system | 2,663,220 | 500,506 | \$ 2,162,714 | 1,937,140 |
| Sewer system | 1,449,819 | 337,694 | \$ 1,112,125 | 1,129,393 |
| | <u>\$ 9,133,779</u> | <u>\$ 2,819,942</u> | <u>\$ 6,313,837</u> | <u>\$ 6,160,859</u> |

Tangible Capital Asset Additions for the year are as follows:

| | Cost January 1, 2018 | Additions | Cost December 31, 2018 |
|--------------------------|-------------------------|-------------------|---------------------------|
| Land | \$ 257,524 | \$ - | \$ 257,524 |
| Buildings | 3,072,149 | 38,740 | \$ 3,110,889 |
| Roads and infrastructure | 727,244 | - | \$ 727,244 |
| Mountain trail systems | 181,580 | - | \$ 181,580 |
| Equipment | 697,831 | 45,672 | \$ 743,503 |
| Water system | 2,406,812 | 256,408 | \$ 2,663,220 |
| Sewer system | 1,449,819 | - | \$ 1,449,819 |
| | <u>\$ 8,792,959</u> | <u>\$ 340,820</u> | <u>\$ 9,133,779</u> |

Amortization for the year is as follows:

| | Balance January 1, 2018 | Amortization | Balance December 31, 2018 |
|--------------------------|----------------------------|-------------------|------------------------------|
| Buildings | \$ 970,684 | \$ 77,287 | \$ 1,047,971 |
| Roads and infrastructure | 208,031 | 14,545 | 222,576 |
| Mountain trail systems | 9,981 | 1,135 | 11,116 |
| Equipment | 653,306 | 46,773 | 700,079 |
| Water system | 469,672 | 30,834 | 500,506 |
| Sewer system | 320,426 | 17,268 | 337,694 |
| | <u>\$ 2,632,100</u> | <u>\$ 187,842</u> | <u>\$ 2,819,942</u> |

District of Wells

Notes to the Consolidated Financial Statements For the year ended December 31, 2018

7. ACCUMULATED SURPLUS

| | <u>2018</u> | <u>2017</u> |
|-------------------------------------|---------------------|---------------------|
| General operating fund | \$ 732,824 | \$ 594,832 |
| Water system | (82,970) | (93,331) |
| Sewer system | 10,205 | 1,584 |
| Invested in tangible capital assets | 6,313,837 | 6,160,859 |
| Reserves | - | (1,408) |
| | <u>\$ 6,973,896</u> | <u>\$ 6,662,536</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 197,000 active members and approximately 95,000 retired members. Active members include approximately 38,000 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 2015 indicated a funding surplus of \$2,224 million for basic pension benefits.

The next valuation will be December 31, 2018 with results available in 2019. 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 \$18,667 for employer contributions to the Plan in fiscal 2018 (\$18,110 - 2017).

- c. The District is responsible for collecting and transmitting property taxes and other levies on District of Wells taxpayers in respect of the following agencies: Ministry of Education, Cariboo Regional District, Cariboo-Chilcotin Regional Hospital District, B.C. Assessment Authority, Municipal Finance Authority and Royal Canadian Mounted Police.

District of Wells

Notes to the Consolidated Financial Statements For the year ended December 31, 2018

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.

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.

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

| | 2018 Budget (unaudited) | 2018 Actual | 2017 Actual |
|---|-------------------------------|---------------------|---------------------|
| Salaries, wages and benefits | \$ 373,997 | \$ 350,960 | \$ 305,539 |
| Materials and supplies | 372,450 | 138,025 | 48,663 |
| Contracted services | 654,509 | 317,768 | 245,966 |
| Rent, maintenance and utilities | 211,092 | 183,745 | 209,752 |
| Mayor and Council remuneration and travel | 38,303 | 35,234 | 35,761 |
| Insurance | 28,246 | 27,086 | 26,796 |
| Grants | 10,500 | 10,000 | 15,700 |
| Debt charges | 866 | 969 | 1,485 |
| Amortization | - | 187,842 | 182,179 |
| | <u>\$ 1,689,963</u> | <u>\$ 1,251,629</u> | <u>\$ 1,071,841</u> |

District of Wells

Notes to the Consolidated Financial Statements For the year ended December 31, 2018

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.

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 March 18, 2019.

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 2018 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 | 441,282 |
| Proceeds of long-term debt | (80,357) |
| Net transfers from reserves | <u>92,703</u> |
| Budgeted consolidated annual surplus, as reported | <u>\$ 453,628</u> |

14. TRUST FUNDS

The District maintains a cemetery perpetual care fund in accordance with the Cemeteries and Funeral Services Act. The funds held in trust as at December 31, 2018 are \$1,100 (2017 - \$1,096) and are not included in the District's consolidated statement of financial position.

District of Wells

Notes to the Consolidated Financial Statements
For the year ended December 31, 2018

15. 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 of the District. General services also includes protective services, which is comprised of emergency management and regulatory services.

b) Water Utility Operations:

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

c) Sewer Utility Operations

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

The operating results by segment are presented in the supplementary information.

16. COMPARATIVE FIGURES

Certain of the comparative figures, which were audited by another firm of Chartered Professional Accountants, have been reclassified to conform the the current year presentation. There were no changes to excess of revenue over expenses or accumulated surplus as a result of the changes in classification.



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, 2018.

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.

*FBB Chartered Professional
Accountants LLP*

June 4, 2019
Quesnel, British Columbia

FBB Chartered Professional Accountants LLP

District of Wells

General Operating Fund - Statement of Financial Position As at December 31, 2018

| | <u>2018</u> | <u>2017</u> |
|--|---------------------|---------------------|
| Financial assets | | |
| Cash and investments | \$ 714,495 | \$ 347,548 |
| Taxes and accounts receivable | 147,001 | 158,312 |
| Due from reserves | - | 1,408 |
| Due from water system | 82,970 | 93,331 |
| Investment in wholly owned subsidiary | 207,022 | 73,633 |
| | <u>1,151,488</u> | <u>674,232</u> |
| Financial Liabilities | | |
| Accounts payable and accrued liabilities | 87,238 | 48,200 |
| Deferred revenue | 335,787 | 45,904 |
| Due to sewer system | 10,205 | 1,584 |
| | <u>433,230</u> | <u>95,688</u> |
| Net financial assets | <u>718,258</u> | <u>578,544</u> |
| Non-financial assets | | |
| Property acquired for taxes | 10,163 | 10,163 |
| Prepaid expenses | 4,403 | 6,125 |
| Tangible capital assets | 3,038,998 | 3,094,326 |
| | <u>3,053,564</u> | <u>3,110,614</u> |
| Accumulated surplus | <u>\$ 3,771,822</u> | <u>\$ 3,689,158</u> |
| Accumulated surplus | | |
| Operating surplus | \$ 732,824 | \$ 594,832 |
| Invested in tangible capital assets | 3,038,998 | 3,094,326 |
| | <u>\$ 3,771,822</u> | <u>\$ 3,689,158</u> |

District of Wells

General Operating Fund - Statement of Operations For the year ended December 31, 2018

| | 2018 <u>Budget</u> (unaudited) | 2018 <u>Actual</u> | 2017 <u>Actual</u> |
|---|--------------------------------------|-----------------------|-----------------------|
| Revenue - page 22 | \$ 1,978,579 | \$ 1,675,656 | \$ 1,024,328 |
| Deferred from previous year | - | 45,904 | 14,000 |
| Deferred to following year | - | (335,787) | (45,904) |
| | <u>1,978,579</u> | <u>1,385,773</u> | <u>992,424</u> |
| Expenses | | | |
| Amortization | - | 139,740 | 134,351 |
| General government services - page 23 | 396,668 | 356,928 | 334,746 |
| Civic Buildings - page 23 | 93,220 | 95,799 | 84,706 |
| Protective services | 26,373 | 20,292 | 20,953 |
| Grants | 1,500 | 1,000 | - |
| Other - page 23 | 1,007,190 | 431,534 | 278,429 |
| | <u>1,524,951</u> | <u>1,045,293</u> | <u>853,185</u> |
| Annual Surplus (Deficit) | <u>453,628</u> | 340,480 | 139,239 |
| Accumulated surplus, beginning of year | | 3,689,158 | 3,478,117 |
| Transfers (to) from reserve funds | | (1,408) | 131,985 |
| Transfers to water system | | <u>(256,408)</u> | <u>(60,183)</u> |
| Accumulated surplus, end of year | | <u>\$ 3,771,822</u> | <u>\$ 3,689,158</u> |

District of Wells

General Operating Fund - Statement of Revenues For the year ended December 31, 2018

| | 2018 Budget (unaudited) | 2018 Actual | 2017 Actual |
|---|-------------------------------|---------------------|---------------------|
| Revenue | | | |
| Taxation | \$ 79,325 | \$ 77,014 | \$ 77,014 |
| Other revenue from own sources | 98,672 | 90,032 | 78,050 |
| Other grants | 130,017 | 57,516 | 63,957 |
| Grants in lieu of taxes | 13,914 | 13,536 | 22,164 |
| Sale of services | 18,112 | 16,796 | 17,256 |
| Parcel taxes | 3,880 | 3,900 | 3,880 |
| Equity income from subsidiary | 219,710 | 354,434 | 170,518 |
| | <u>563,630</u> | <u>613,228</u> | <u>432,839</u> |
| Government and other contributions | | | |
| UBCM gas tax funds | <u>62,979</u> | <u>65,951</u> | <u>62,979</u> |
| Government grants | | | |
| Unconditional | 391,922 | 425,350 | 391,922 |
| UBCM - Emergency preparedness | 3,643 | 22,461 | - |
| B.C. Rural Dividend - Housing Grant | 10,000 | 10,000 | - |
| B.C. Rural Dividend - Wildfire Mitigation | 299,450 | 299,450 | - |
| B.C. Rural Dividend - Business Recruiting | 10,000 | 10,000 | - |
| B.C. Rural Dividend - WBLC Assessment | 100,000 | 100,000 | - |
| B.C. Rural Dividend - Boundary Grant | 85,000 | 85,000 | - |
| Asset management grant | 10,000 | 8,734 | - |
| Province of B.C. - CWWF grant | 198,100 | - | 92,400 |
| B.C. Climate Action Grant | 2,500 | 3,717 | 2,920 |
| Age friendly grant | 14,900 | 10,430 | - |
| Aging in wells grant | 6,000 | - | 19,933 |
| Other grants | 199,120 | - | - |
| Community health | 21,335 | 21,335 | 21,335 |
| | <u>1,351,970</u> | <u>996,477</u> | <u>528,510</u> |
| | <u>\$ 1,978,579</u> | <u>\$ 1,675,656</u> | <u>\$ 1,024,328</u> |

District of Wells

General Operating Fund - Detailed expenditures For the year ended December 31, 2018

| | 2018 Budget (unaudited) | 2018 Actual | 2017 Actual |
|---------------------------------------|-------------------------------|----------------|----------------|
| General government | | | |
| Administration | \$ 355,375 | \$ 332,068 | \$ 323,250 |
| Audit and legal | 21,500 | 27,564 | 24,681 |
| Insurance and deductible claims | 26,446 | 25,876 | 25,043 |
| Legislative | 40,103 | 36,782 | 37,217 |
| Office supplies and service contracts | 30,900 | 31,436 | 32,834 |
| Administration recoveries | (77,656) | (96,798) | (108,279) |
| | <u>396,668</u> | <u>356,928</u> | <u>334,746</u> |
| Civic Buildings | | | |
| Community hall | \$ 30,620 | \$ 27,543 | \$ 21,231 |
| Municipal hall | 11,800 | 14,581 | 18,623 |
| Church | 900 | 635 | 1,380 |
| Wells/Barkerville school | 49,900 | 53,040 | 43,472 |
| | <u>93,220</u> | <u>95,799</u> | <u>84,706</u> |
| Other | | | |
| Public works | \$ 155,371 | \$ 150,313 | \$ 135,117 |
| Building inspection contract | 5,000 | 14,313 | 2,566 |
| Municipal transit | 22,000 | 21,730 | 21,208 |
| Refuse collection | 14,768 | 14,699 | 14,056 |
| Community promotion | 354,053 | 116,596 | 46,268 |
| Housing study | 1,500 | - | - |
| Street lighting | 7,900 | 7,408 | 9,586 |
| Visitor centre operating | 1,700 | 858 | 977 |
| Barkerville cemetery | 500 | - | - |
| Interest and bank charges | 866 | 969 | 1,485 |
| Economic development | 429,210 | 94,071 | 41,488 |
| NDIT Frontage Improvement Project | 14,322 | 10,577 | 5,678 |
| | <u>1,007,190</u> | <u>431,534</u> | <u>278,429</u> |

District of Wells
Water System - Statement of Financial Position
As at December 31, 2018

| | <u>2018</u> | <u>2017</u> |
|-------------------------------------|---------------------|---------------------|
| Financial liabilities | | |
| Due to general operating fund | \$ 82,970 | \$ 93,331 |
| Non-financial assets | | |
| Tangible capital assets | <u>2,162,714</u> | <u>1,937,140</u> |
| Accumulated Surplus | <u>\$ 2,079,744</u> | <u>\$ 1,843,809</u> |
| Accumulated Surplus | | |
| Operating surplus | (82,970) | (93,331) |
| Invested in tangible capital assets | <u>2,162,714</u> | <u>1,937,140</u> |
| | <u>\$ 2,079,744</u> | <u>\$ 1,843,809</u> |

District of Wells

Water System - Statement of Operations

For the year ended December 31, 2018

| | <u>2018</u> <u>Budget</u> (unaudited) | <u>2018</u> <u>Actual</u> | <u>2017</u> <u>Actual</u> |
|---|---|------------------------------|------------------------------|
| Revenue | | | |
| Customer billings | \$ 40,291 | \$ 44,237 | \$ 40,291 |
| Connection charges and custom work | 2,200 | 4,400 | 250 |
| Parcel taxes | 46,360 | 46,604 | 46,360 |
| | <u>88,851</u> | <u>95,241</u> | <u>86,901</u> |
| Expenses | | | |
| Administration | 41,055 | 48,275 | 8,663 |
| Amortization | - | 30,834 | 29,705 |
| Distribution | 13,900 | 7,359 | 17,774 |
| Hydrants | 3,200 | 600 | 235 |
| Operations and maintenance | 30,696 | 28,646 | 62,190 |
| | <u>88,851</u> | <u>115,714</u> | <u>118,567</u> |
| Annual Surplus (Deficit) | <u>-</u> | (20,473) | (31,666) |
| Accumulated surplus, beginning of year | | 1,843,809 | 1,814,687 |
| Transfers from general operating surplus | | <u>256,408</u> | <u>60,788</u> |
| Accumulated surplus, end of year | | <u>\$ 2,079,744</u> | <u>\$ 1,843,809</u> |

District of Wells
Sewer System - Statement of Financial Position
As at December 31, 2018

| | <u>2018</u> | <u>2017</u> |
|-------------------------------------|---------------------|---------------------|
| Financial assets | | |
| Due from general operating fund | \$ 10,205 | \$ 1,584 |
| Non-financial assets | | |
| Tangible capital assets | <u>1,112,125</u> | <u>1,129,393</u> |
| Accumulated Surplus | <u>\$ 1,122,330</u> | <u>\$ 1,130,977</u> |
| Accumulated Surplus | | |
| Operating surplus | 10,205 | 1,584 |
| Invested in tangible capital assets | <u>1,112,125</u> | <u>1,129,393</u> |
| | <u>\$ 1,122,330</u> | <u>\$ 1,130,977</u> |

District of Wells

Sewer System - Statement of Operations For the year ended December 31, 2018

| | <u>2018</u> <u>Budget</u> (unaudited) | <u>2018</u> <u>Actual</u> | <u>2017</u> <u>Actual</u> |
|--|---|------------------------------|------------------------------|
| Revenue | | | |
| Customer billings | \$ 35,481 | \$ 38,985 | \$ 35,481 |
| Connection charges and custom work | 1,200 | 3,300 | - |
| Parcel taxes | 39,480 | 39,690 | 39,480 |
| | <u>76,161</u> | <u>81,975</u> | <u>74,961</u> |
| Expenses | | | |
| Administration | 36,601 | 48,524 | 56,500 |
| Amortization | - | 17,268 | 18,123 |
| Lift station | 9,020 | 9,244 | 2,593 |
| Operations and maintenance | 27,565 | 10,847 | 18,001 |
| Vehicle | 2,975 | 4,739 | 3,872 |
| | <u>76,161</u> | <u>90,622</u> | <u>99,089</u> |
| Annual Surplus (Deficit) | <u>-</u> | (8,647) | (24,128) |
| Accumulated surplus, beginning of year | | 1,130,977 | 1,155,710 |
| Transfers (to) from general operating surplus | | <u>-</u> | <u>(605)</u> |
| Accumulated surplus, end of year | | <u>\$ 1,122,330</u> | <u>\$ 1,130,977</u> |

Local Government: Wells - 2018 (Submitted)

Display Single Form

A1 - Treasurer/Auditor Certification

Identification:

Local Government
Name of contact person
Phone number Fax No.
Email of contact person
Name of the Official appointed under s.149 Community Charter with responsibility for the preparation of these financial reporting forms

A: To be completed by the Treasurer

The attached financial information reporting forms

have been prepared in accordance with generally accepted accounting policies for local governments in BC as detailed by MAH and are consistent with the accounting records of

for the year ending December 31,

Treasurer's signature:

Date(mm-dd-yy)

B: To be completed by the Auditor (If the Auditor Prepared the Reporting Forms)

I/we have prepared the attached financial information reporting forms numbered:

From the Accounting Records of:

For the year ending:

and find them to be in accordance with the

accounting records and consistent with the reporting requirements of the Ministry

Name of Contact Person

Phone number

Fax No.

E-mail Address of Contact

The Auditor will sign this report where the auditor has either prepared or checked the financial reporting forms.

Auditor's Company

Auditor's Signature

Date(mm-dd-yy)

A2-Statement of Financial Position

SECTION 1: FINANCIAL ASSETS

| | Current Year | Previous Year |
|---------------------------------------|-----------------|------------------|
| FINANCIAL ASSETS | 714,495 a | 347,548 |
| Cash and Investments | | |
| Taxes Receivable | 48,152 b1 | 40,221 |
| Current | 26,488 b2 | 25,062 |
| Arrears | | |
| Delinquent | 74,640 b | 65,283 |
| Total Taxes Receivable | | |
| Accounts receivable | 65,328 c1 | 22,225 |
| Receivables from Governments | 7,032 c2 | 70,804 |
| Receivables from Non-Governments | 72,360 c | 93,029 |
| Total Accounts Receivable | | |
| MFA Deposits | | |
| Loans Receivable | | |
| Other Financial Investments | | |
| Property Held for Resale | 10,163 g1 | 10,163 |
| Tax Sale Property | | |
| Other | 10,163 g | 10,163 |
| Total Property Held for Resale | | |
| Other Financial Assets | 64,034 i | 73,633 |
| Government Business Enterprise Equity | 935,692 j | 589,656 |
| TOTAL FINANCIAL ASSETS | | |

SECTION 2: LIABILITIES

LIABILITIES

Temporary Borrowing (and Revenue Anticipation Borrowing)

| | | |
|--|---|--|
| | k | |
|--|---|--|

Accounts Payable and Accrued Liabilities

Government

| | | |
|-------|----|--|
| 4,385 | l1 | |
|-------|----|--|

Non-Government

| | | |
|--------|----|--------|
| 82,853 | l2 | 48,200 |
|--------|----|--------|

Total Accounts Payable and Accrued Liabilities

| | | |
|--------|---|--------|
| 87,238 | l | 48,200 |
|--------|---|--------|

Restricted Revenue

MFA Debt Reserves

| | | |
|--|----|--|
| | m1 | |
|--|----|--|

Development Cost Charges

Water

| | | |
|--|-----|--|
| | m2a | |
|--|-----|--|

Sewer

| | | |
|--|-----|--|
| | m2b | |
|--|-----|--|

Drainage

| | | |
|--|-----|--|
| | m2c | |
|--|-----|--|

Roads

| | | |
|--|-----|--|
| | m2d | |
|--|-----|--|

Parks

| | | |
|--|-----|--|
| | m2e | |
|--|-----|--|

Total DCC

| | | |
|---|----|---|
| 0 | m2 | 0 |
|---|----|---|

Developer Cash Contribution in Lieu of Parkland

| | | |
|--|----|--|
| | m3 | |
|--|----|--|

Other

| | | |
|--|----|--|
| | m4 | |
|--|----|--|

Total Restricted Revenue

| | | |
|---|---|---|
| 0 | m | 0 |
|---|---|---|

Deferred Revenue

| | | |
|---------|---|--------|
| 335,787 | n | 45,904 |
|---------|---|--------|

Long-Term Debt

MFA Debt

| | | |
|--|----|--|
| | o1 | |
|--|----|--|

Other Long-Term Debt

| | | |
|--|----|--|
| | o2 | |
|--|----|--|

Total Long-Term Debt

| | | |
|---|---|---|
| 0 | o | 0 |
|---|---|---|

Lease Liabilities

MFA Leases

| | | |
|--|----|--|
| | p1 | |
|--|----|--|

Other Leases

| | | |
|--|----|--|
| | p2 | |
|--|----|--|

Total Lease Liabilities

| | | |
|---|---|---|
| 0 | p | 0 |
|---|---|---|

Future Obligations

Landfill Closure/Post Closure Liability

| | | |
|--|----|--|
| | q1 | |
|--|----|--|

Future Payroll Obligations

| | | |
|--|----|--|
| | q2 | |
|--|----|--|

Total Future Obligations

| | | |
|---|---|---|
| 0 | q | 0 |
|---|---|---|

Other

| | | |
|--|---|--|
| | r | |
|--|---|--|

TOTAL LIABILITIES

| | | |
|---------|---|--------|
| 423,025 | s | 94,104 |
|---------|---|--------|

NET FINANCIAL ASSETS (DEBT)

| | | |
|---------|---|---------|
| 512,667 | t | 495,552 |
|---------|---|---------|

SECTION 3: NON-FINANCIAL ASSETS

NON-FINANCIAL ASSETS

Parkland

Other Land

Buildings

Equipment/Furniture/Vehicles

Engineering Structures

Water

Sewer

Drainage

Roads

Other

Total Engineering Structures

Other Tangible Capital Assets

Inventory of Supply

Prepaid Expenses

TOTAL NON-FINANCIAL ASSETS

ACCUMULATED SURPLUS/(DEFICIT)

Represented by:

Operating Fund

Reserve Fund

Water Reserve

Sewer Reserve

Other Reserve

Total Reserve Fund

Capital Fund

Equity in Tangible Capital Assets

TOTAL SURPLUS/(DEFICIT)

| | | |
|-----------|-----|-----------|
| | u | |
| 257,524 | v | 257,524 |
| 2,062,918 | w | 2,101,465 |
| 43,424 | x | 44,525 |
| 2,162,714 | y1 | 1,937,140 |
| 1,112,125 | y2 | 1,129,393 |
| | y3 | |
| 504,668 | y4 | 519,213 |
| 170,465 | y5 | 171,599 |
| 3,949,972 | y | 3,757,345 |
| | z | |
| | aa | |
| 4,403 | ab | 6,125 |
| 6,318,241 | ac | 6,166,984 |
| 6,830,908 | ad | 6,662,536 |
| 502,505 | ae | 503,087 |
| | af1 | |
| | af2 | |
| | af3 | -1,408 |
| 0 | af | -1,408 |
| | ag | |
| 6,328,403 | ah | 6,160,857 |
| 6,830,908 | ai | 6,662,536 |

A3 - Statement of Operations

SECTION 1: REVENUE

| REVENUE | Current Year | | Previous Year |
|--|------------------|----|------------------|
| Total Own Purpose Taxation (including Payments in Place (PIPs)) | 194,213 | a | 203,874 |
| Service Charges/User Fees (and Other Sale of Services) | | | |
| Water | 48,637 | b1 | 40,541 |
| Sewer | 42,285 | b2 | 35,481 |
| Solid Waste (Garbage/Recycling) | 13,336 | b3 | 9,458 |
| Parks/Rec/Culture | 1,315 | b4 | 2,290 |
| Transportation | | b5 | |
| Other | 92,178 | b6 | 100,711 |
| Total Sale of Services | 197,751 | b | 188,481 |
| Transfers from Other Governments | | | |
| Federal Govt/Agencies Conditional Transfers | 65,951 | c1 | |
| Federal Govt/Agencies Unconditional Transfers | | c2 | |
| Provincial Govt/Agencies Conditional Transfers | 567,336 | c3 | 30,194 |
| Provincial Govt/Agencies Unconditional Transfers | 429,067 | c4 | 394,842 |
| Other Provincial Govt Transfers | | c5 | 56,496 |
| Regional and Other External Conditional Transfers | 56,726 | c6 | 109,881 |
| Regional and Other External Unconditional Transfers | | c7 | |
| Total Transfers from Other Governments | 1,119,080 | c | 591,413 |
| Investment Income | | d | |
| Income from Government Business Enterprise | | e | |
| Developer Contributions | | | |
| Development Cost Charges | | f1 | |
| Other Developer Contributions | | f2 | |
| Total Developer Contributions | 0 | f | 0 |
| Gain or Loss on Disposition/Revaluation of Financial Assets | | | |
| Land held for Resale | | g1 | |
| Other | | g2 | |
| Total Gain or Loss | 0 | g | 0 |
| Gain/(Loss) on Disposition of Tangible Capital Assets | | h | |
| Other Revenue | 211,446 | i | 170,518 |
| TOTAL REVENUE | 1,722,490 | j | 1,154,286 |

SECTION 2: EXPENSES

EXPENSES

General Government

General Administration Operations

Legislative Operations

Other General Government Operations

Total General Government Operations

Interest/Foreign Exchange on Debt

Amortization

Total General Government

| | | |
|----------------|-----------|----------------|
| 320,146 | k1a | 375,029 |
| 36,782 | k1b | 37,217 |
| 95,799 | k1c | |
| 452,727 | k1 | 412,246 |
| | k2 | 1,485 |
| 46,772 | k3 | 44,316 |
| 499,499 | k | 458,047 |

Protective Services

Police Operations

Fire Protection Operations

Bylaw Enforcement Operations

Other Protective Services Operations

Total Protective Services Operations

Interest/Foreign Exchange on Debt

Amortization

Total Protective Services

| | | |
|---------------|-----------|---------------|
| | l1a | |
| 20,292 | l1b | 22,623 |
| 14,313 | l1c | 2,566 |
| | l1d | |
| 34,605 | l1 | 25,189 |
| | l2 | |
| | l3 | |
| 34,605 | l | 25,189 |

Solid Waste Management/Recycling

Operations

Interest/Foreign Exchange on Debt

Amortization

Total Solid Waste Management/Recycling

| | | |
|---------------|----------|---------------|
| 14,699 | m1 | 14,056 |
| | m2 | |
| | m3 | |
| 14,699 | m | 14,056 |

Health, Social Services and Housing

Operations

Interest/Foreign Exchange on Debt

Amortization

Total Health, Social Services and Housing

| | | |
|----------|----------|----------|
| | n1 | |
| | n2 | |
| | n3 | |
| 0 | n | 0 |

Development Services

Operations

Interest/Foreign Exchange on Debt

Amortization

Total Development Services

| | | |
|----------------|----------|----------------|
| 253,209 | o1 | 130,995 |
| | o2 | |
| | o3 | |
| 253,209 | o | 130,995 |

Transportation and Transit

Operations

Interest/Foreign Exchange on Debt

Amortization

Total Transportation and Transit

| | | |
|----------------|----------|----------------|
| 150,313 | p1 | 134,257 |
| | p2 | |
| 14,545 | p3 | 14,545 |
| 164,858 | p | 148,802 |

Parks/Recreation/Culture

Operations

| | | |
|--|----|--|
| | q1 | |
|--|----|--|

| | | | |
|---------------------------------------|------------------|----------|------------------|
| Interest/Foreign Exchange on Debt | | q2 | |
| Amortization | 78,423 | q3 | 75,490 |
| Total Parks/Recreation/Culture | 78,423 | q | 75,490 |
| Water Services | | | |
| Operations | 84,880 | r1 | 88,863 |
| Interest/Foreign Exchange on Debt | | r2 | |
| Amortization | 30,834 | r3 | 29,705 |
| Total Water Services | 115,714 | r | 118,568 |
| Sewer Services | | | |
| Operations | 73,354 | s1 | 81,571 |
| Interest/Foreign Exchange on Debt | | s2 | |
| Amortization | 17,268 | s3 | 18,123 |
| Total Sewer Services | 90,622 | s | 99,694 |
| Other Services | | | |
| Operations | | t1 | |
| Interest/Foreign Exchange on Debt | | t2 | |
| Amortization | | t3 | |
| Total Other Services | 0 | t | 0 |
| Other Adjustments | | u | |
| TOTAL EXPENSES | 1,251,629 | v | 1,070,841 |
| ANNUAL SURPLUS/(DEFICIT) | 470,861 | w | 83,445 |

A4 - Statement of Property Taxation

SECTION 1: PROPERTY TAXATION

NET PROPERTY TAXATION

Taxation

| | Current Year | | Previous Year |
|---------------------------------|----------------|----------|----------------|
| Real Property Taxes | 193,142 | a1 | 186,081 |
| Penalties and Interest on Taxes | 4,930 | a2 | 5,861 |
| Parcel Taxes | 90,194 | a3 | 89,720 |
| Local Service Taxes | | a4 | |
| 1% Utility Tax | 5,503 | a5 | 3,171 |
| Total Gross Taxation | 293,769 | a | 284,833 |

Less: Levies for Other Governments

| | | | |
|-------------------|--------|----|--------|
| School District | 66,487 | b1 | 62,746 |
| Hospital District | 13,965 | b2 | 12,598 |
| Regional District | 26,281 | b3 | 26,261 |

| | | | |
|---|----------------|----------|----------------|
| Joint Boards & Commissions (BCA/MFA) | 954 | b4 | 917 |
| Library Board | | b5 | |
| Other | 8,797 | b6 | 5,732 |
| Total Tax Levies for Other Governments | 116,484 | b | 108,254 |
| Municipal Own Purposes - Net Taxes | 177,285 | c | 176,579 |
| Other Taxes | | | |
| Business Taxes | | d1 | |
| Hotel Tax | 8,896 | d2 | 10,032 |
| Other | | d3 | |
| Total Other Taxes | 8,896 | d | 10,032 |
| Payments in Place of Taxes | | | |
| Federal Govt/Agencies PIP | 7,148 | e1 | 7,367 |
| Provincial Govt/Agencies PIP | 884 | e2 | 9,896 |
| Other PIP | | e3 | |
| Total PIP | 8,032 | e | 17,263 |
| Total Own Purpose Taxation | 194,213 | f | 203,874 |

SECTION 2: TAXES IMPOSED/COLLECTED

| | Current Year Taxation | Arrears | Delinquent | Total | |
|------------------------------------|--------------------------------------|----------------|-------------------|----------------|----------|
| Taxes Outstanding at Jan 1 | | 40,221 | 25,061 | 65,282 | g |
| Imposition of Taxes | | | | | |
| Current Year Tax Levy | 288,839 | | | 288,839 | h1 |
| Penalties Imposed | 4,930 | | | 4,930 | h2 |
| Interest Charged | | 0 | 0 | 0 | h3 |
| Total | 293,769 | 0 | 0 | 293,769 | h |
| Collections | | | | | |
| Taxes Collected | 187,750 | 13,733 | 25,061 | 226,544 | i1 |
| HOG Claimed | 57,867 | | | 57,867 | i2 |
| Penalties Collected | 0 | | | 0 | i3 |
| Interest Collected | | 0 | 0 | 0 | i4 |
| Transfer to Tax Sale Account | | | | 0 | i5 |
| Other Collections & Adjustments | 0 | | | 0 | i6 |
| Total | 245,617 | 13,733 | 25,061 | 284,411 | i |
| Balance of Taxes Receivable | 48,152 | 26,488 | 0 | 74,640 | j |

A5 - Statement of Changes in Net Financial Assets/ Net Debt

| | Current Year | | Previous Year |
|---|-----------------|---|------------------|
| Annual Surplus/(Deficit) | 470,861 | a | 83,445 |
| Acquisition of Tangible Capital Assets | 340,820 | b | 286,529 |
| Amortization of Tangible Capital Assets | 187,842 | c | 182,179 |
| (Gain)/Loss on Sale of Tangible Capital Assets | | d | |
| Proceeds on Sale of Tangible Capital Assets | | e | |
| Write Downs of Tangible Capital Assets | | f | |
| Acquisition of Supply Inventory | | g | |
| Acquisition of Prepaid Expenses | 335,787 | h | 6,125 |
| Consumption of Supply Inventory | | i | |
| Use of Prepaid Expenses | 4,403 | j | 4,323 |
| Other Adjustments | 97,401 | k | |
| Change in Net Financial Assets/Net Debt | 83,900 | L | -22,707 |
| Net Financial Assets/Net Debt at Beginning of Year | 428,767 | m | 518,259 |
| Net Financial Assets/Net Debt at End of Year | 512,667 | n | 495,552 |

B1 - Analysis of Authorized Debt and Short Term Capital Borrowing

| | Current Year | | Previous Year |
|---|-----------------|---|------------------|
| Unmatured Long-Term Debt | | | |
| Issued by the Local Government | 0 | a | |
| Issued by the MFA | 0 | b | |
| Authorized but Unissued Debt | 0 | c | |
| Capital Lease Liabilities | | d | |
| Short Term Capital Borrowing | | | |
| Amount Issued | 0 | e | |
| Authorized but unissued portion of debt | 0 | f | |
| Total Debt Issued | 0 | g | 0 |
| Total Debt Authorized but Unissued | 0 | h | 0 |
| Total Debt | 0 | i | 0 |
| Reconciliation | | | |
| Long Term Debt at Beginning of Year | 0 | j | |
| Proceeds from Debt Issues | 0 | k | |
| Debt Repayment | 0 | l | |
| Actuarial Adjustment | 0 | m | |
| Long Term Debt at End of Year | 0 | n | 0 |

B2 - Other Commitments Not included in the Statement of Financial Position

| | Current Year | | Previous Year |
|---|-----------------|---|------------------|
| i) Guarantees Under Agreement | 0 | a | 0 |
| ii) Agreements Not on Other Schedules | 0 | b | 0 |
| iii) Long-Term Liability Agreements | | | |
| a) Long-Term Agreement 1 | 0 | c | 0 |
| b) Long-Term Agreement 2 | 0 | d | 0 |
| c) Long-Term Agreement 3 | 0 | e | 0 |
| Total Debt Servicing Cost From Other Liabilities | 0 | f | 0 |
| Actual Debt Servicing Cost | 0 | g | 1,485 |
| Estimated Debt Servicing Cost on Unissued Debt | 0 | h | 0 |
| Total Debt Servicing Cost | 0 | i | 1,485 |

B2a - Loan Guarantees Under Bylaw

If the municipality guaranteed the borrowing for separate organizations through a loan authorization bylaw, please fill in this schedule. Enter:

- the loan bylaw number
- the amount of the loan bylaw
- the remainder of the third party debt still under guarantee.

| LA Bylaw Number | LA Amount | Remainder of Debt Under Guarantee | Difference |
|---|----------------------|---|------------|
| <input type="text"/> | <input type="text"/> | <input type="text"/> | 0 |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | 0 |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | 0 |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | 0 |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | 0 |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | 0 |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | 0 |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | 0 |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | 0 |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | 0 |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | 0 |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | 0 |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | 0 |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | 0 |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | 0 |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | 0 |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | 0 |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | 0 |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | 0 |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | 0 |
| Total amount no longer under liability | | | 0 |

enter payments of \$100,000 from years 3 to 5 and payments of \$150,000 for years 6 to 10. A formula will automatically calculate the current value of the contract.

| Annual Payment | Year Start | to | Year End | |
|--------------------------------|------------------------------------|----|----------------------|----------------------|
| <input type="text"/> | <input type="text"/> | | <input type="text"/> | First Payment Group |
| <input type="text"/> | <input type="text"/> | | <input type="text"/> | Second Payment Group |
| <input type="text"/> | <input type="text"/> | | <input type="text"/> | Third Payment Group |
| <input type="text"/> | <input type="text"/> | | <input type="text"/> | Fourth Payment Group |
| <input type="text"/> | <input type="text"/> | | <input type="text"/> | Fifth Payment Group |
| | 5% Preset Discount Rate | | | |
| <input type="text" value="0"/> | Net Present Value of the Agreement | | | |

5) Variable Payment Schedule

Because Variable payments change from year to year, it is difficult to predict annual costs. For this reason we will use the average annual contract cost of the last three years. If three years of data is unavailable (because the contract is less than 3 years old), use the previous one or two years of data. If the contract is brand new, use the estimated annual contract cost and insert it in the cell titled "Contract Payment One Year Ago".

| Annualised Payment* | |
|--------------------------------|-------------------------------------|
| <input type="text"/> | Contract Payment One Year Ago |
| <input type="text"/> | Contract Payment Two Years Ago |
| <input type="text"/> | Contract Payment Three Years Ago |
| <input type="text" value="0"/> | Average Contract Payment |
| <input type="text" value="0"/> | Present Value of Remaining Payments |

* An Annualised Payment is the full cost of the contract for twelve months.

If the municipality has entered into an agreement for goods or services that is not included as a liability in section A, please fill in this schedule. Enter:

1. the name of the agreement;
2. the remaining term of the agreement (the lesser of the termination or renewal date);
3. state whether the payment system is pre-set or variable.

If there are more than two such agreements, go to the other agreement schedule B2f. If there are more than three such agreements, fill in the forms using the most material agreements and place the remaining agreements on the 'agreements not on other schedules' form (B2c).

B2e - AGREEMENT 2

1) Name of Agreement

2) Remaining Years of Agreement

Years (Round to the closest integer)

3) Are Payments Preset or Variable

* Preset payments are fixed under the terms of a contract, while variable payments are not fixed by contract and may change from year to year

* **If the payments under agreement are Preset, Go to Step 4.**

* **If the payments under agreement are Variable, Skip Step 4 and Go to Step 5.**

4) Preset Payment Schedule

* Enter the Preset annual payments and the remaining years over which it is paid. For Example, if you are in the third year of a 10 year contract that has annual payments of \$100,000 for the first five years and \$150,000 for the last five years, enter payments of \$100,000 from years 3 to 5 and payments of \$150,000 for years 6 to 10. A formula will automatically calculate the current value of the contract.

| Annual Payment | Year Start | to | Year End | |
|----------------------|----------------------|----|----------------------|----------------------|
| <input type="text"/> | <input type="text"/> | | <input type="text"/> | First Payment Group |
| <input type="text"/> | <input type="text"/> | | <input type="text"/> | Second Payment Group |

| | | | |
|--------------------------------|------------------------------------|----------------------|----------------------|
| <input type="text"/> | <input type="text"/> | <input type="text"/> | Third Payment Group |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | Fourth Payment Group |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | Fifth Payment Group |
| | 5% Preset Discount Rate | | |
| <input type="text" value="0"/> | Net Present Value of the Agreement | | |

5) Variable Payment Schedule

Because Variable payments change from year to year, it is difficult to predict annual costs. For this reason we will use the average annual contract cost of the last three years. If three years of data is unavailable (because the contract is less than 3 years old), use the previous one or two years of data. If the contract is brand new, use the estimated annual contract cost and insert it in the cell titled "Contract Payment One Year Ago".

| | |
|--------------------------------|-------------------------------------|
| Annualised Payment* | |
| <input type="text"/> | Contract Payment One Year Ago |
| <input type="text"/> | Contract Payment Two Years Ago |
| <input type="text"/> | Contract Payment Three Years Ago |
| <input type="text" value="0"/> | Average Contract Payment |
| <input type="text" value="0"/> | Present Value of Remaining Payments |

* An Annualised Payment is the full cost of the contract for twelve months.

If the municipality has entered into an agreement for goods or services that is not included as a liability in section A, please fill in this schedule. Enter:

1. the name of the agreement;
2. the remaining term of the agreement (the lesser of the termination or renewal date);
3. state whether the payment system is pre-set or variable.

If there are more than three such agreements, fill in the forms using the most material agreements and place the remaining agreements on the 'agreements not on other schedules' form (B2c).

B2f - AGREEMENT 3

1) Name of Agreement

2) Remaining Years of Agreement

 Years (Round to the closest integer)

3) Are Payments Preset or Variable

* Preset payments are fixed under the terms of a contract, while variable payments are not fixed by contract and may change from year to year

* If the payments under agreement are Preset, Go to Step 4.

* If the payments under agreement are Variable, Skip Step 4 and Go to Step 5.

4) Preset Payment Schedule

* Enter the Preset annual payments and the remaining years over which it is paid. For Example, if you are in the third year of a 10 year contract that has annual payments of \$100,000 for the first five years and \$150,000 for the last five years, enter payments of \$100,000 from years 3 to 5 and payments of \$150,000 for years 6 to 10. A formula will automatically calculate the current value of the contract.

| Annual Payment (\$) | Year Start | to | Year End | |
|--------------------------------|------------------------------------|----|----------------------|----------------------|
| <input type="text"/> | <input type="text"/> | | <input type="text"/> | First Payment Group |
| <input type="text"/> | <input type="text"/> | | <input type="text"/> | Second Payment Group |
| <input type="text"/> | <input type="text"/> | | <input type="text"/> | Third Payment Group |
| <input type="text"/> | <input type="text"/> | | <input type="text"/> | Fourth Payment Group |
| <input type="text"/> | <input type="text"/> | | <input type="text"/> | Fifth Payment Group |
| | 5% Preset Discount Rate | | | |
| <input type="text" value="0"/> | Net Present Value of the Agreement | | | |

5) Variable Payment Schedule

Because Variable payments change from year to year, it is difficult to predict annual costs. For this reason we will use the average annual contract cost of the last three years. If three years of data is unavailable (because the contract is less than 3 years old), use the previous one or two years of data. If the contract is brand new, use the estimated annual contract cost and insert it in the cell titled "Contract Payment One Year Ago".

| Annualised Payment* | |
|--------------------------------|-------------------------------------|
| <input type="text"/> | Contract Payment One Year Ago |
| <input type="text"/> | Contract Payment Two Years Ago |
| <input type="text"/> | Contract Payment Three Years Ago |
| <input type="text" value="0"/> | Average Contract Payment |
| <input type="text" value="0"/> | Present Value of Remaining Payments |

* An Annualised Payment is the full cost of the contract for twelve months.

B3 - Liability Servicing Limit

| | Current Year | | Previous Year |
|---|--------------|----|---------------|
| Class 4 Assessed Value | 0 | a1 | 0 |
| Total Assessed Value (All Classes) | 15,590,500 | a2 | 13,294,500 |
| 20% of Total Assessed Value | 3,118,100 | a3 | 2,658,900 |
| Value for Calculation | 0 | a | 0 |
| Class 4 Tax Rate | 0.00000 | b1 | 0.00000 |
| Provincial Average Tax Rate | 33.38 | b2 | 33.93 |
| Value for Calculation | 0.00000 | b | 0.00000 |
| Revenues | | | |
| Municipal Revenues | 1,023,581 | c | 1,004,179 |
| Less: Actual Class 4 Revenue | 0 | d | 0 |
| Plus: Capped Class 4 Revenue | 0 | e | 0 |
| Less: Amounts Transferred to Others | | f | |
| Total Revenues | 1,023,581 | g | 1,004,179 |
| Liability Servicing Limit | 255,895 | h | 251,045 |
| Liability Servicing Cost | | | |
| Actual Debt Servicing Cost | 0 | i | 1,485 |
| Estimated Cost From Off-Balance Sheet Liabilities | 0 | j | 0 |
| Estimated Cost on Unissued Debt | 0 | k | 0 |
| Total Liability Servicing Cost | 0 | l | 1,485 |

Liability Servicing Capacity Available

255,895 m

249,560

C1 - General Statistics

SECTION 1: AREA, ROAD DISTANCE, NUMBER OF VOTERS, NUMBER OF MUNICIPAL INFO AND NUMBER OF FIRE HYDRANTS

A. Area (Hectares)

| | Land | Water | Total |
|--|--------|-------|--------|
| 1.1 Taxable Area (Assessed for Taxation) | 15,930 | | 15,930 |
| 1.2 Exempt from Taxation | | | 0 |
| 1.2.1 Public Parks | | | 0 |
| 1.2.2 Roadways | | 170 | 170 |
| 1.2.3 Other | | | 16,100 |
| Grand Total | | | |

B. Road Distance

Note: Record all distances in Kilometres. If actual data is not available, please estimate the distance.

| | Secondary Hwys | Other Municipal Roads | Total |
|---|----------------|-----------------------|-------|
| Paved Roads | | 1 | 1 |
| Unpaved Roads | | 8 | 8 |
| C. Number of Voters on the Voters List | | 138 | |
| D. Number of Municipal Employees | | 5 | |

E. Development Information

| | |
|---|---------|
| 1. Number of Bldg Permits issued in year | |
| New Residential | 3 |
| New Industrial | |
| New Commercial | |
| New Institutional | |
| Other | 4 |
| Total | 7 |
| 2. Total Building Permit Value | 2,500 |
| 3. Total Building Permit Construction Value | 500,000 |
| 4. Number of Business Licenses Issued in Year | 0 |

F. Number of Fire Hydrants

22

G. Distance of Pipes (Kms)

| | Mains | Distribution/Collector Lines |
|-------------------------|----------|------------------------------|
| 1. Storm Sewer Pipes | 1 | |
| 2. Sanitary Sewer Pipes | 3 | 6 |
| 3. Water Pipes | 3 | 8 |
| Total | 7 | 14 |

SECTION 2: WATER SYSTEMS AND SEWER SYSTEMS

H. Water Systems

| | Surface | Groundwater | Combined Surface/ Ground | |
|---|--------------------------------|----------------------------------|--------------------------------|---|
| Number of Systems | <input type="text"/> | <input type="text" value="1"/> | <input type="text"/> | |
| Shared/Regional Systems | <input type="text"/> | <input type="text"/> | <input type="text"/> | |
| Level of Treatment | | | | |
| % Water Receiving Disinfection | <input type="text"/> | <input type="text" value="100"/> | <input type="text"/> | |
| % Water Receiving Additional Treatment | <input type="text"/> | <input type="text" value="100"/> | <input type="text"/> | |
| Number of Intakes and Wells | <input type="text"/> | <input type="text" value="1"/> | <input type="text"/> | |
| Number of Service Connections | | | | |
| Residential | <input type="text"/> | <input type="text" value="141"/> | <input type="text"/> | |
| Commercial and Other | <input type="text"/> | <input type="text" value="34"/> | <input type="text"/> | |
| Industrial/Agricultural | <input type="text"/> | <input type="text"/> | <input type="text"/> | |
| Average Daily Flow (cubic metres/day) | | | | |
| Residential | <input type="text"/> | <input type="text"/> | <input type="text"/> | |
| Commercial and Other | <input type="text"/> | <input type="text"/> | <input type="text"/> | |
| Industrial/Agricultural | <input type="text"/> | <input type="text"/> | <input type="text"/> | |
| Total | <input type="text" value="0"/> | <input type="text" value="0"/> | <input type="text" value="0"/> | |
| % of Surface water from combined system | | | <input type="text"/> | % |
| % of total water from surface and ground source | <input type="text" value="0"/> | <input type="text" value="0"/> | | |

I. Sewer Systems

| | Preliminary | Primary | Secondary | Tertiary |
|--|----------------------|----------------------------------|----------------------|---------------------------------|
| Number of Systems | <input type="text"/> | <input type="text" value="1"/> | <input type="text"/> | <input type="text"/> |
| Shared/Regional Systems | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| % of Final Effluent Receiving Disinfection | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| Discharge/Outfall | <input type="text"/> | <input type="text" value="F"/> | <input type="text"/> | <input type="text"/> |
| Number of Service Connections | | | | |
| Residential | <input type="text"/> | <input type="text" value="141"/> | <input type="text"/> | <input type="text"/> |
| Commercial and Other | <input type="text"/> | <input type="text" value="34"/> | <input type="text"/> | <input type="text"/> |
| Industrial/Agricultural | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| Average Daily Flow (cubic metres/day) | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| Liquid Waste Management Plan? | | | | <input type="text" value="No"/> |


C2 - Home Owner Grant: Treasurer/Auditor Certificate

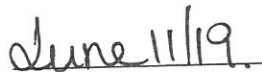
| Home Owner Grant | Number of Properties | Applied to School Tax (\$) | Applied to Other Tax (\$) | Total |
|--|----------------------|----------------------------|---------------------------|---------------|
| 1. Total Home Owner Grants credited to claimants over age 65 and others eligible for additional grants | 29 | 10,875 | 16,620 | 27,495 |
| 2. Total Home Owner Grants credited to all other claimants. | 43 | 15,392 | 14,980 | 30,372 |
| 3. Total Home Owner Grants | 72 | 26,267 | 31,600 | 57,867 |
| 4. Total Reimbursement by Province | | | | 57,867 |
| 5. Balance Due from Province | | | | 0 |

Retroactive:

Grants received per Home Owner Grant Act Section 10 (not included in lines 1 to 5 above)

Grants claimed or received during the last fiscal year are in accordance with the Home Owner Grant Act and accompanying Regulations.


 Municipal Treasurer *CAO*


 Date

Municipal Auditor

Date

Municipality

Note: This certificate does NOT replace the Final Statement of the Collector required to be filed with the Home Owner Grant Office not later than February 28 (under S.9(2) of the Home Owner Grant Act)

**** Each unit claimed on a Form A should be considered one property for the purposes of this schedule.**

C3 - Auditor's Certificate

As at December 31,

Part 8 - School Act

We have examined the records relative to Part 8 of the School Act. The examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, the Municipality of has complied with Part 8 of the School Act.

Date

Signature of Auditor