



# District of Wells

<b>Meeting Date</b>	June 14, 2016
<b>Report Date:</b>	June 7, 2016
<b>Memo to:</b>	Mayor and Council
<b>From:</b>	Andrew Young, Chief Administrative Officer
<b>Subject:</b>	2016 Annual Community Report

## **Purpose/Issue:**

To present to Council the District of Wells' 2016 Annual Community Report for the year ended December 31, 2015.

## **Background / Analysis:**

The Ministry of Community, Sport and Cultural Development (MCSCD) requires British Columbia's local governments to prepare an Annual Community report. For Council's consideration a copy of the District of Wells Annual Community report for the year ended December 31, 2015 is attached to this report. In brief, the District's Annual Community report contains the following:

- Audited annual financial statements for the previous year;
- List of the permissive tax exemptions provided by Council, and for each exemption, the amount of property tax that would have been imposed during the previous year if the exemption had not been granted;
- Report on the municipality's services and operations for the previous year;
- Progress report on the performance of the municipality with respect to established objectives and measures for 2015;
- Statement of objectives and measures that will be used as the basis for determining the municipality's performance during 2016 and the beginning of 2017.

The annual report must be made available for public inspection. And after making the report public, Council must wait a minimum of two weeks before holding a public meeting on the report. The publication period is intended to provide citizens with time to review the report, ask questions, and prepare submissions. Furthermore, Council must give notice of the date, time and place of the annual meeting in accordance with the *Community Charter's* requirements for public notice. As this year's Annual Community Report was published on Friday, June 10<sup>th</sup> the required meeting could be held on June 24<sup>th</sup> (in the evening), or on June 25<sup>th</sup> to 28<sup>th</sup> inclusive. There is no requirement that the report be submitted to the Province; however, BC's local governments are required to present their annual community reports at a public meeting before June 29th.

**Budget, Policy, Staffing:**

None

**Legal Considerations:**

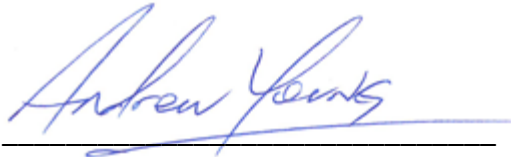
None

**Options / Recommendations:**

That Council:

1. Receives the District of Wells 2016 Annual Community Report for the year ended December 31, 2015, as presented, for public review and comment; **AND**
2. Gives notice in accordance with the Community Charter (BC) requirements for public notice that the District of Wells 2016 Annual Community Report for the year ended December 31, 2015 will be presented at an annual meeting to be held on June \_\_, 2016 at the District of Wells Council Chamber at \_\_\_\_\_ AM/PM in order to receive public comment.

Staff recommends that Council approves the above.



Andrew Young, MCIP, RPP  
Chief Administrative Officer

Attachment:

- District of Wells 2016 Annual Community Report for the year ended December 31, 2015



District of Wells

2016 Annual Community Report

For the year ended December 31, 2015

Published June 2016

**District of Wells  
2016 Annual Report  
For the year ended December 31, 2015**

**Report Contents**

1. 2015 Municipal Operations Highlights
2. Evaluation of 2015 Objectives and Actions
3. Permissive Tax Exemptions for the year ended December 31, 2015
4. Audited Financial Statements for the year ended December 31, 2015
5. 2016 Objectives and Actions



## District of Wells 2015 Municipal Operations Highlights

- Secured over \$551,010 in government and non-government grants to offset cost of municipal operations and capital projects;
- Wells-Barkerville Community Forest and planning and public consultation process;
- Approved revised Unsightly and Untidy Premises Bylaw;
- Established Huckleberry Daycare in the Wells-Barkerville Community School;
- Hosted 2<sup>nd</sup> Annual Volunteer Appreciation Night;
- Provided low or no cost facilities for local organizations including, for example:
  - Island Mountain Arts for ArtsWells and summer school programs;
  - Wells Chamber of Commerce for the Visitor Information Centre in the summer months;
  - Wells and Area Community Association for the Community Garden;
  - Wells Best Seniors for the Seniors Centre; and
  - Wells and Area Trails Society for storage of trail grooming equipment.
- Provided \$9,000 in annual grants-in-aid to local organizations;
- Operated a subsidized weekly Transit System Service between Wells and Quesnel;
- Supported the Wells Volunteer Fire Brigade providing fire protection for Wells and Barkerville and reducing local fire insurance premiums;
- Participated in joint marketing initiatives with Barkerville Historic Town and the regional Cariboo Chilcotin Coast Tourism Association;
- Supported and organized various community events, workshops and programs;
- Held ninth successful Annual Town Clean-up Event;
- Undertook general cleanup and grass cutting operations in high visibility areas, playing fields and parks throughout the tourist season;
- Continued Wednesday Snow Clearing days to improve efficiency of snow operations;
- Operated and maintained the municipal water, sewer, and garbage collection utilities;
- Operated the District website;
- Provided street lighting;
- Worked with the Province to improve signage along Highway 26;
- Minimized tax rate increase at 3% and utility rate increase of 0% in 2015;
- Operated and maintained all municipal buildings and facilities;
- Supported the construction of new Blair Street Bridge;
- Initiated Love Wells Program;
- Offered Northern Trust Façade Improvement Program in Wells; and
- Extended the Lowhee Dike to enhance flood protection in South Wells.



## DISTRICT OF WELLS EVALUATION OF 2015 GOALS AND OBJECTIVES

<b>1. Enhance Community Life</b>		
<b>OBJECTIVE</b>	<b>ACTIONS</b>	<b>PROGRESS</b>
<b>Update local legislation</b>	<ul style="list-style-type: none"> <li>– Draft an updated Fire Services Bylaw</li> <li>– Draft an Adjudication Bylaw and associated procedures</li> <li>– Evaluate and update Fees Bylaw</li> </ul>	<ul style="list-style-type: none"> <li>– Completed</li> <li>– Completed</li> <li>– Completed</li> </ul>
<b>Recognize community volunteers and local non-profit groups</b>	<ul style="list-style-type: none"> <li>– Continue to host Volunteer Appreciation Night</li> <li>– Support inter-group communications and co-operation</li> <li>– Support local non-profit organizations through grants-in-aid and property tax exemptions</li> </ul>	<ul style="list-style-type: none"> <li>– Held volunteer appreciation night on Nov 10, 2015</li> <li>– Council Committees engaged in meetings with various Non-Profit Groups</li> <li>– Done annually</li> </ul>
<b>Road safety</b>	<ul style="list-style-type: none"> <li>– Work with the Province to improve signage on Highway 26 through Wells</li> <li>– Actively seek funds to purchase a second electronic speed sign on Hwy 26</li> </ul>	<ul style="list-style-type: none"> <li>– Meetings held with MOTI area manager to rationalize, reduce and improve signage – work continues. Yellow pedestrian crossing signage installed in 2015.</li> <li>– Monies secured in early 2016 for speed sign</li> </ul>

<b>Wildlife interface</b>	<ul style="list-style-type: none"> <li>– Explore options to improve the urban/wildlife interface in Wells</li> </ul>	<ul style="list-style-type: none"> <li>– Meetings held with Ministry of FLNR officials and Wells Wildlife Smart Committee</li> </ul>
<b>Beautification</b>	<ul style="list-style-type: none"> <li>– Continue to run the Annual Spring Clean-up</li> <li>– Work with the Province to address unsightly Crown properties</li> <li>– Actively seek opportunities to enhance Willow River Park</li> </ul>	<ul style="list-style-type: none"> <li>– 2015 Spring Clean-Up ran successfully. District also successfully pursued cleanups of several private properties in 2015 under its bylaws</li> <li>– Addressed all but one of the Crown properties in Wells.</li> <li>– Added gravel fill in parkette near WRP to improve drainage</li> </ul>
<b>Community Daycare</b>	<ul style="list-style-type: none"> <li>– Support work of the Huckleberry Daycare</li> </ul>	<ul style="list-style-type: none"> <li>– Daycare established in School Building</li> </ul>
<b>Community events</b>	<ul style="list-style-type: none"> <li>– Continue to host Multiculturalism Day festivities</li> <li>– Host Canada Games Torch Relay</li> </ul>	<ul style="list-style-type: none"> <li>– Event held on June 27, 2015</li> <li>– Completed</li> </ul>

<b>2. Economic Diversification and Tourist Attraction</b>		
<b>OBJECTIVE</b>	<b>ACTIONS</b>	<b>PROGRESS</b>
<b>Increase online marketing</b>	<ul style="list-style-type: none"> <li>– Work with NDIT to develop Small Town Love program site – LoveWells</li> <li>– Create an active Facebook site for tourists</li> <li>– Improve investment attraction content on Wells.ca</li> <li>– Improve facility rental information on wells.ca</li> </ul>	<ul style="list-style-type: none"> <li>– Completed.</li> <li>– Facebook users directed to existing Wells Facebook site</li> <li>– No activity</li> <li>– Information and photographs of facilities updated (e.g. Provided content campaign materials in SnowSeekers</li> </ul>

<b>Improve tourist oriented advertising</b>	<ul style="list-style-type: none"> <li>– Increase winter tourism promotion</li> <li>– Map tourist attractions along Highway 26 and promote online</li> <li>– Promote Wells at trade shows</li> <li>– Promote Wells at the Canada Winter Games in Prince George</li> </ul>	<ul style="list-style-type: none"> <li>– Participated in 2015 SnowShow in Vernon held in conjunction with BC Snow Mobile Federation AGM</li> <li>– Map produced in partnership with Barkerville and Quesnel</li> <li>– Partnered with Barkerville Heritage Town at the Prince George Outdoor Show 2015 and PG FanCon</li> <li>– Wells promoted at the 2015 Canada Winter Games in Prince George</li> </ul>
<b>Print advertising</b>	<ul style="list-style-type: none"> <li>– Maintain existing level of print marketing</li> </ul>	<ul style="list-style-type: none"> <li>– Print marketing maintained (e.g. published ads in SnoRiders magazine).</li> </ul>
<b>Partnered marketing</b>	<ul style="list-style-type: none"> <li>– Actively partner with Barkerville Heritage Trust and other local groups on marketing initiatives</li> </ul>	<ul style="list-style-type: none"> <li>– Yes, through tradeshow, 2015 SnowShow, SnowSeekers network, Canada Winter Games, mapping products &amp; print ads</li> </ul>
<b>Facility rental</b>	<ul style="list-style-type: none"> <li>– Actively promote Wells as a wedding destination</li> </ul>	<ul style="list-style-type: none"> <li>– In Progress</li> </ul>

<b>3. Sustainable Wells</b>		
<b>OBJECTIVE</b>	<b>ACTIONS</b>	<b>PROGRESS</b>
<b>Support a sustainable community</b>	<ul style="list-style-type: none"> <li>– Support private sector initiatives that provide new employment and services</li> <li>– Support Barkerville Heritage Trust</li> <li>– Support sustainable local mining initiatives</li> <li>– Support services and housing options for an aging population</li> </ul>	<ul style="list-style-type: none"> <li>– Ongoing</li> <li>– Ongoing</li> <li>– Yes, improved relations with BGM</li> <li>– Pursued resources for Wells Health Clinic. Completed health services report for Wells</li> </ul>



	<ul style="list-style-type: none"> <li>– Support maintaining sufficient tourist and seasonal accommodation in Wells</li> <li>– Maintain Fitness Centre and actively promote membership to the facility</li> <li>– Support maintenance and development of the trail network</li> </ul>	<ul style="list-style-type: none"> <li>– Maintained existing numbers of tourist and seasonal accommodation.</li> <li>– Ongoing maintenance</li> <li>– Ongoing maintenance, supported WATS with meadow trail repairs</li> </ul>
<b>Support development of new accommodation</b>	<ul style="list-style-type: none"> <li>– Investigate viable options and actions to address the seasonal housing shortage in Wells</li> <li>– Work with the Province to expedite the release of Crown owned lots for public sale</li> </ul>	<ul style="list-style-type: none"> <li>– Ongoing</li> <li>– Ongoing, five crown lots put on the market; two were sold (but not for housing use)</li> </ul>
<b>Community planning</b>	<ul style="list-style-type: none"> <li>– Actively seek funds to develop an integrated Community Plan</li> <li>– Actively seek funds to improve municipal strategic planning</li> <li>– Complete CEEP (Community Energy and Emissions Planning) through BC Hydro</li> </ul>	<ul style="list-style-type: none"> <li>– Monies secured to initiate OCP update replacement: Integrated Community Sustainability Plan in 2016</li> <li>– See note above</li> <li>– Completed in 2015 and adopted by Council</li> </ul>
<b>Fire Brigade Sustainability</b>	<ul style="list-style-type: none"> <li>– Organize recruitment drive</li> <li>– Publicize house insurance benefits</li> <li>– Pursue member certification and training</li> </ul>	<ul style="list-style-type: none"> <li>– Recruitment drives conducted</li> <li>– Done</li> <li>– Two Fire Brigade members completed Train the Trainer courses; training of other members ongoing</li> </ul>
<b>Emergency Planning</b>	<ul style="list-style-type: none"> <li>– Continue to lobby for the creation of Circular Route from Barkerville to Hwy 16 (Purden Lake) via Bowron Lake Road</li> <li>– Update Emergency Management Plan</li> </ul>	<ul style="list-style-type: none"> <li>– Ongoing lobbying efforts by Mayor &amp; Council, and staff; Wells has support of several communities.</li> <li>– Draft update of Wells Emergency Management Plan prepared and discussed with Emergency Management Committee</li> </ul>

	<ul style="list-style-type: none"> <li>– Draft emergency preparedness informational brochure for the public</li> </ul>	<ul style="list-style-type: none"> <li>– No action</li> </ul>
<b>Community Forest</b>	<ul style="list-style-type: none"> <li>– Actively support the Wells-Barkerville Community Forest Board through staff time and administrative support</li> </ul>	<ul style="list-style-type: none"> <li>– Ongoing support given to the WCF Board</li> </ul>
<b>Support staff employed by the District of Wells</b>	<ul style="list-style-type: none"> <li>– Support staff by providing training and development opportunities</li> <li>– Support staff retention with competitive salaries, benefits and lifestyle incentives</li> <li>– Source options for municipal intern</li> </ul>	<ul style="list-style-type: none"> <li>– PW Superintendent attended EOC courses to support certification requirements; and Deputy Clerk and former CAO attended VADIM training</li> <li>– Municipal staff received 2% salary increase</li> <li>– NDIT intern worked at District for 3 month</li> </ul>
<b>Records Management</b>	<ul style="list-style-type: none"> <li>– Improve electronic file management at the District Office</li> </ul>	<ul style="list-style-type: none"> <li>– Ongoing. Network attached storage (file server) and Online Exchange established</li> </ul>
<b>Conserve and Recycle</b>	<ul style="list-style-type: none"> <li>– Work with the Cariboo Regional District and local community groups to determine local recycling options</li> <li>– Promote energy efficient options as recommended in CEEP document</li> </ul>	<ul style="list-style-type: none"> <li>– Participated in development of one year pilot recycling program through CRD and WAACA</li> <li>– Produced pamphlet on efficient woodstove operation; and installed new LED lighting in the Wells Community Hall and Municipal Hall</li> </ul>

<b>4. Public Infrastructure Management</b>		
<b>OBJECTIVE</b>	<b>ACTIONS</b>	<b>PROGRESS</b>
<b>Improve the appearance of Public Buildings</b>	<ul style="list-style-type: none"> <li>– Paint exterior of Town Hall</li> <li>– Actively seek funds for painting of the Wells-Barkerville Community School</li> <li>– Actively seek funds for renovation of the Community Church</li> </ul>	<ul style="list-style-type: none"> <li>– Exterior of municipal hall painted and Council chamber painted</li> <li>– No Action</li> <li>– Ongoing, fund application made in 2015 – no funds awarded</li> </ul>
<b>Fire Hall improvements</b>	<ul style="list-style-type: none"> <li>– Work with Barkerville Heritage Trust to construct a suitable shelter for new fire truck</li> </ul>	<ul style="list-style-type: none"> <li>– In process</li> </ul>
<b>Lowhee Dike maintenance</b>	<ul style="list-style-type: none"> <li>– Reconstruct the lower portion of the Lowhee Dike</li> <li>– Conduct regular inspections of the Lowhee Dike to assess condition and required repairs</li> </ul>	<ul style="list-style-type: none"> <li>– Dike repairs &amp; reinforcement completed in May 2015</li> <li>– Yes inspections conducted: documented brush dams in Lowhee Creek</li> </ul>
<b>Wells-Barkerville Community School improvements</b>	<ul style="list-style-type: none"> <li>– Complete security upgrades, installation of energy efficient lighting and upgrades to plumbing</li> <li>– Complete application to Canada 150 fund for further work needed on the facility</li> </ul>	<ul style="list-style-type: none"> <li>– Completed most of these desired upgrades in 2015, as well as large percentage of window replacements</li> <li>– Application for Canada 150 funding made but no funds awarded</li> </ul>
<b>Wildlife interface</b>	<ul style="list-style-type: none"> <li>– Continue to explore options to improve Urban/Wildlife interface in Wells</li> </ul>	<ul style="list-style-type: none"> <li>– Meetings held with Ministry of FLNR officials and Wells Wildlife Smart Committee</li> </ul>
<b>Blair Street Bridge</b>	<ul style="list-style-type: none"> <li>– Provide support to community groups as needed during bridge replacement project</li> </ul>	<ul style="list-style-type: none"> <li>– Completed</li> </ul>

<b>Asset Management</b>	<ul style="list-style-type: none"> <li>– Actively seek funds to complete asset management planning</li> </ul>	<ul style="list-style-type: none"> <li>– Monies secured to support this activity in 2016</li> </ul>
<b>Snow operations</b>	<ul style="list-style-type: none"> <li>– Tender for multi-year snow clearing contract</li> </ul>	<ul style="list-style-type: none"> <li>– Tender completed and 2 year contract awarded</li> </ul>
<b>Water and sewer operations</b>	<ul style="list-style-type: none"> <li>– Operate and maintain water filter</li> <li>– Install fence at water treatment facility</li> <li>– Operate and maintain Sewer Treatment Plant</li> </ul>	<ul style="list-style-type: none"> <li>– Ongoing</li> <li>– No action due to lack of funds: required in 2017 budget</li> <li>– Ongoing</li> </ul>
<b>Energy conservation</b>	<ul style="list-style-type: none"> <li>– Continue to investigate options for developing a biomass district heating system</li> <li>– Continue maintenance and operation of geothermal system at the Wells-Barkerville Community School</li> </ul>	<ul style="list-style-type: none"> <li>– Ongoing during 2015, began pursuing P3 opportunities with Ventek</li> <li>– PW Superintendent received training to help identify issues and deficiencies in the operation of the geothermal system</li> </ul>

<b>5. Municipal Financial Sustainability</b>		
<b>OBJECTIVE</b>	<b>ACTIONS</b>	<b>PROGRESS</b>
<b>Reduce debentures</b>	<ul style="list-style-type: none"> <li>– Minimize borrowing except where external funding sources are available for loan repayment</li> </ul>	<ul style="list-style-type: none"> <li>– Yes, ongoing</li> </ul>
<b>Maintain an adequate financial reserve</b>	<ul style="list-style-type: none"> <li>– Maintain reserve funds equivalent or greater than one year's total tax and utility revenue</li> </ul>	<ul style="list-style-type: none"> <li>– Yes, ongoing</li> </ul>
<b>Minimize tax and utility rate increases</b>	<ul style="list-style-type: none"> <li>– 3% Tax Rate increase in 2014 and each year thereafter until 2018 and one time 5% Utility Rate increase in 2014</li> </ul>	<ul style="list-style-type: none"> <li>– Yes, maintained prescribed municipal tax rate increase</li> </ul>

**Statement of Financial Information  
District of Wells  
Tax Exemptions for 2015 Tax Year (per Bylaw 137, 2014)  
UNDER DIVISION 7, PART 7 OF THE COMMUNITY CHARTER**

<b>Name of Organization</b>	<b>Folio #</b>	<b>Class</b>	<b>2015 Rates</b>	<b>2015 Assessment</b>	<b>Tax Exempted</b>
Wells Historical Society	09351.002	6	24.42194	\$109,700	\$3,153
Wells Historical Society	05541.991	6	24.42194	\$29,700	\$1,199
Island Mountain Arts Society	01650.000	6	24.42194	\$53,600	\$1,783
Island Mountain Arts Society	01771.010	1	10.0630	\$20,700	\$208
Wells Recreation Society	01480.002	6	24.42194	\$338,900	\$8,751
Royal Canadian Legion Branch 128	01433.001	6	24.42194	\$81,100	<u>\$990</u>
				<b>TOTAL</b>	<b>\$16,085</b>

Consolidated Financial Statements of



**DISTRICT OF WELLS**

Year ended December 31, 2015



## DISTRICT OF WELLS

Consolidated Financial Statements

Year ended December 31, 2015

### Consolidated Financial Statements

Management's Responsibility for the Consolidated Financial Statements

Independent Auditors' Report

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DISTRICT OF WELLS  
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## MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

A handwritten signature in black ink, which appears to read "Andrew Young". The signature is written in a cursive, flowing style.

Mr. Andrew Young  
Chief Administrative Officer





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## INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of District of Wells

We have audited the accompanying consolidated financial statements of District of Wells, which comprise the consolidated statement of financial position as at December 31, 2015, the consolidated statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the consolidated Financial Statements*

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

### *Auditors' Responsibility*

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

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

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



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*Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of District of Wells as at December 31, 2015, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

*Other Matter*

Without modifying our opinion, we draw attention to Note 14 to the consolidated financial statements which indicates that the comparative information presented as at and for the year ended December 31, 2014 has been restated. The consolidated financial statements of the District of Wells as at and for the year ended December 31, 2014, excluding the restatement described in Note 14 to the consolidated financial statements, were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on April 24, 2015.

As part of our audit of the consolidated financial statements as at and for the year ended December 31, 2015, we audited the restatement described in Note 14 to the consolidated financial statements that was applied to restate the comparative information as at and for the year ended December 31, 2014. In our opinion, the restatement is appropriate and has been properly applied.

We were not engaged to audit, review, or apply any procedures to the December 31, 2014 consolidated financial statements, the December 31, 2013 consolidated financial statements (not presented herein), other than with respect to the restatement described in Note 14 to the consolidated financial statements. Accordingly, we do not express an opinion or any other form of assurance on those consolidated financial statements taken as a whole.

*KPMG LLP*

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Chartered Professional Accountants

April 19, 2016

Prince George, Canada



## DISTRICT OF WELLS

### Consolidated Statement of Financial Position

December 31, 2015, with comparative information for 2014

	2015	2014 (restated - note 14)
<b>Financial assets:</b>		
Cash and cash equivalents	\$ 303,256	\$ 356,862
Accounts receivable (note 2)	191,756	156,506
Investment in and advances to Wells Barkerville Community Forest Corporation (note 3)	955	955
	\$ 495,967	\$ 514,323
<b>Financial liabilities:</b>		
Accounts payable and accrued liabilities	\$ 30,838	\$ 98,593
Deferred revenue	-	1,138
Long-term debt, net of sinking funds (note 4)	12,387	24,184
	43,225	123,915
Net financial assets	452,742	390,408
<b>Non-financial assets:</b>		
Prepaid expenses	8,240	-
Property acquired for taxes	4,620	4,620
Tangible capital assets (note 5)	6,026,882	6,174,081
	6,039,742	6,178,701
<b>Accumulated surplus</b> (note 6)	\$ 6,492,484	\$ 6,569,109

Commitments and contingencies (note 7)

See accompanying notes to consolidated financial statements.

\_\_\_\_\_ Mayor

\_\_\_\_\_ Chief Administrative Officer





## DISTRICT OF WELLS

### Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2015, with comparative information for 2014

	2015 Budget	2015 Actual	2014 Actual (restated - note 14)
<b>Revenues:</b>			
Taxation (note 8)	\$ 176,338	\$ 185,543	\$ 181,042
Government transfers (note 9):			
Federal	77,000	61,435	62,843
Provincial	449,228	407,461	389,358
Other	76,649	82,114	67,197
Other revenue from own sources	48,935	77,442	63,847
Utility user fees	74,660	72,866	76,251
Sale of services	14,620	16,799	14,484
<b>Total revenues</b>	<b>917,430</b>	<b>903,660</b>	<b>855,022</b>
<b>Expenditures:</b>			
General government services	632,593	766,629	776,219
Protective services	16,881	12,136	12,136
Water utility	80,541	110,973	119,376
Sewer utility	74,611	90,547	83,255
<b>Total expenditures</b>	<b>804,626</b>	<b>980,285</b>	<b>990,986</b>
<b>Annual surplus (deficit)</b>	<b>112,804</b>	<b>(76,625)</b>	<b>(135,964)</b>
Accumulated surplus, beginning of year	6,569,109	6,569,109	6,705,073
<b>Accumulated surplus, end of year</b>	<b>\$ 6,681,913</b>	<b>\$ 6,492,484</b>	<b>\$ 6,569,109</b>

See accompanying notes to consolidated financial statements.



## DISTRICT OF WELLS

### Consolidated Statement of Changes in Net Financial Assets

Year ended December 31, 2015, with comparative information for 2014

	Budget	2015	2014 (restated - note 14)
Annual surplus (deficit)	\$ 112,804	\$ (76,625)	\$ (135,964)
Acquisition of tangible capital assets	(109,000)	(30,645)	(9,355)
Amortization of tangible capital assets	-	175,625	175,385
Loss on disposal of tangible capital assets	-	2,219	-
	(109,000)	147,199	166,030
Purchase of prepaid expenses	-	(8,240)	-
Change in net financial assets	3,804	62,334	30,066
Net financial assets, beginning of year	390,408	390,408	360,342
Net financial assets, end of year	\$ 394,212	\$ 452,742	\$ 390,408

See accompanying notes to consolidated financial statements.



## DISTRICT OF WELLS

### Consolidated Statement of Cash Flows

Year ended December 31, 2015, with comparative information for 2014

	2015	2014 (restated - note 14)
Cash provided by (used in):		
<b>Operating activities:</b>		
Annual deficit	\$ (76,625)	\$ (135,964)
Items not involving cash:		
Amortization of tangible capital assets	175,625	175,385
Loss on disposal of tangible capital assets	2,219	-
Changes in non-cash operating working capital:		
Accounts receivable	(35,251)	7,034
Accounts payable and accrued liabilities	(67,754)	(11,691)
Prepaid expenses	(8,240)	-
Deferred revenue	(1,138)	(123,471)
Net change in cash from operating activities	(11,164)	(88,707)
<b>Capital activities:</b>		
Acquisition of tangible capital assets	(30,645)	(9,355)
<b>Financing activities:</b>		
Repayment of long-term debt	(11,797)	(52,415)
Decrease in cash and cash equivalents	(53,606)	(150,477)
Cash and cash equivalents, beginning of year	356,862	507,339
Cash and cash equivalents, end of year	\$ 303,256	\$ 356,862

See accompanying notes to consolidated financial statements.



## DISTRICT OF WELLS

Notes to Consolidated Financial Statements

Year ended December 31, 2015

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

### 1. Significant accounting policies:

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

(a) Basis of consolidation:

(i) Consolidated entities:

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

(ii) Accounting for Region and School Board Transactions:

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

(iii) Trust funds:

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





## DISTRICT OF WELLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2015

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### 1. Significant accounting policies (continued):

(a) Basis of consolidation (continued):

(iv) Investment in Government Business Enterprises:

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

(b) Basis of accounting:

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

(c) Revenue recognition:

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

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

(d) Investment income:

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





## DISTRICT OF WELLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2015

### 1. Significant accounting policies (continued):

(e) Cash and cash equivalents:

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

(f) Property acquired for taxes:

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

(g) Non-financial assets:

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

(i) Tangible capital assets:

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

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

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



## DISTRICT OF WELLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2015

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### 1. Significant accounting policies (continued):

(g) Non-financial assets (continued):

(ii) Contributions of tangible capital assets:

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

(iii) Interest capitalization:

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

(h) Contaminated sites:

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

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

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

(i) Use of estimates:

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



## DISTRICT OF WELLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2015

### 2. Accounts receivable:

	2015	2014
Taxes	\$ 86,117	\$ 72,139
Grants	83,416	76,055
Sales tax	14,124	6,537
Miscellaneous	8,099	1,775
	<b>\$ 191,756</b>	<b>\$ 156,506</b>

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

	2015	2014
Advances	\$ 855	\$ 855
Investment in shares	100	100
	<b>\$ 955</b>	<b>\$ 955</b>

There are no specific terms of repayment on the unsecured, non-interest bearing advances. The above company is in the process of developing a community forest, the economic benefits of which will accrue to the local area. The District has submitted and received approval on their community forest, but no operations have occurred as at December 31, 2015.





## DISTRICT OF WELLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2015

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

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

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

	By-Law Number	Interest rate	Year of maturity	Gross debt	Sinking Fund Assets	Net debt 2015	Net debt 2014
Water Fund:							
Water	3264	5.69%	2016	\$ 47,413	\$ 35,026	\$ 12,387	\$ 24,184

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

(a) Principal and sinking fund payments due within the next year are as follows:

	Water Fund
2016	\$ 6,256
Estimated sinking fund income	6,131
	\$ 12,387

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



## DISTRICT OF WELLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2015

### 5. Tangible capital assets:

	2015							
	Land	Building and site improvement	Mountain trail systems	Machinery and equipment	Road infrastructure	Water infrastructure	Sewer infrastructure	Total
<b>Cost:</b>								
Balance, beginning of year	\$ 257,524	\$ 2,864,850	\$ 181,580	\$ 672,637	\$ 708,957	\$ 2,274,191	\$ 1,319,257	\$ 8,278,996
Additions	-	7,195	-	5,163	18,287	-	-	30,645
Disposal	-	-	-	(9,800)	-	-	-	(9,800)
Balance, end of year	257,524	2,872,045	181,580	668,000	727,244	2,274,191	1,319,257	8,299,841
<b>Accumulated amortization:</b>								
Balance, beginning of year	-	752,763	6,576	529,725	164,579	382,708	268,564	2,104,915
Disposal	-	-	-	(7,581)	-	-	-	(7,581)
Amortization expense	-	71,711	1,135	43,499	14,362	28,427	16,491	175,625
Balance, end of year	-	824,474	7,711	565,643	178,941	411,135	285,055	2,272,959
Net book value, end of year	\$ 257,524	\$ 2,047,571	\$ 173,869	\$ 102,357	\$ 548,303	\$ 1,863,056	\$ 1,034,202	\$ 6,026,882



## DISTRICT OF WELLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2015

### 5. Tangible capital assets (continued):

	2014							
	Land	Building and site improvements	Mountain trail systems	Machinery and equipment	Road infrastructure	Water infrastructure	Sewer infrastructure	Total
<b>Cost:</b>								
Balance, beginning of year	\$ 257,524	\$ 2,855,495	\$ 181,580	\$ 672,637	\$ 708,957	\$ 2,274,191	\$ 1,319,257	\$ 8,269,641
Additions	-	9,355	-	-	-	-	-	9,355
Balance, end of year	257,524	2,864,850	181,580	672,637	708,957	2,274,191	1,319,257	8,278,996
<b>Accumulated amortization:</b>								
Balance, beginning of year	-	681,259	5,441	486,076	150,400	354,280	252,074	1,929,530
Amortization expense	-	71,504	1,135	43,649	14,179	28,427	16,491	175,385
Balance, end of year	-	752,763	6,576	529,725	164,579	382,707	268,565	2,104,915
Net book value, end of year	\$ 257,524	\$ 2,112,087	\$ 175,004	\$ 142,912	\$ 544,378	\$ 1,891,484	\$ 1,050,692	\$ 6,174,081



## DISTRICT OF WELLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2015

### 6. Accumulated surplus:

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

	2015	2014 (restated - note 14)
<b>Surplus (deficiency):</b>		
Invested in tangible capital assets	\$ 6,014,495	\$ 6,149,897
General fund	295,696	273,289
Water utility fund	(58,463)	(46,056)
Sewer utility fund	21,345	22,098
<b>Total surplus</b>	<b>6,273,073</b>	<b>6,399,228</b>
<b>Reserves set aside by Council:</b>		
Water operating	65,121	62,108
Fire department	23,853	22,749
Road capital	62,911	60,000
CWF restricted capital funding	67,526	25,024
<b>Total reserve funds</b>	<b>219,411</b>	<b>169,881</b>
	<b>\$ 6,492,484</b>	<b>\$ 6,569,109</b>





## DISTRICT OF WELLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2015

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### 7. Commitments and contingencies:

- (a) The District is responsible, as a member of the Cariboo Regional District, for its portion of any operating deficits or capital debt related to functions in which it participates.
- (b) The District issues debt instruments through the MFA. As a condition of these borrowings, 1% of gross proceeds are required by the MFA for the District to deposit into a debt reserve fund. The District is also required to execute demand notes in connection with each debenture whereby the District may be required to loan certain amounts to the MFA. These demand notes are contingent in nature and are not reflected in the accounts. The demand notes issued at December 31, 2015 aggregated \$5,655 (2014 - \$5,655).
- (c) The District and its employees contribute to the Municipal Pension Plan ("the Plan"), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for administering the Plan, including investment of assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2014, the Plan has about 185,000 active members and approximately 80,000 retired members. Active members include approximately 4 contributors from the District.

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

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2012 indicated a \$1,370 million funding deficit for basic pension benefits on a going concern basis.

The next valuation will be as at December 31, 2015, with results available in 2016.





## DISTRICT OF WELLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2015

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### 7. Commitments and contingencies (continued):

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

The District paid \$19,225 (2014 - \$13,698) for employer contributions to the Plan in fiscal 2015.

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

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

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



## DISTRICT OF WELLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2015

### 8. Net taxation revenue:

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

	2015	2014
Taxes collected:		
General purposes	\$ 174,088	\$ 167,909
Grants in lieu of taxes	14,419	13,133
Collection of other governments	127,424	129,595
	315,931	310,637
Transfers to other governments:		
Provincial government	70,857	68,732
Cariboo Regional District	34,773	35,411
Cariboo-Chilcotin Regional Hospital District	13,890	14,218
B.C. Assessment Authority	1,472	1,522
Royal Canadian Mounted Police	9,396	9,712
	130,388	129,595
	\$ 185,543	\$ 181,042



## DISTRICT OF WELLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2015

### 9. Government transfers:

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

	2015	2014
Provincial grants:		
Unconditional	\$ 401,338	\$ 385,276
Miscellaneous	6,123	4,082
Subtotal provincial grants	407,461	389,358
Federal grants:		
Gas tax	60,789	59,843
Community health	646	3,000
Subtotal federal grants	61,435	62,843
Other grants:		
Northern Development Initiative Trust	82,114	67,197
<b>Total government transfers</b>	<b>\$ 551,010</b>	<b>\$ 519,398</b>



## DISTRICT OF WELLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2015

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### 10. Segmented information:

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

a) General Government Services:

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

b) Protective Services:

Protective services is comprised of emergency management and regulatory services.

c) Water Utility:

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

d) Sewer Utility:

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

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





## DISTRICT OF WELLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2015

### 10. Segmented information (continued):

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



## DISTRICT OF WELLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2015

### 10. Segmented information (continued):

	2014				
	General Government	Protective Services	Water Utility	Sewer Utility	Total
<b>Revenue:</b>					
Government transfers	\$ 519,398	\$ -	\$ -	\$ -	\$ 519,398
Taxation	94,294	-	46,848	39,900	181,042
Other revenue from own sources	63,847	-	-	-	63,847
Utility user fees	-	-	40,542	35,709	76,251
Sale of services	14,484	-	-	-	14,484
<b>Total revenue</b>	<b>692,023</b>	<b>-</b>	<b>87,390</b>	<b>75,609</b>	<b>855,022</b>
<b>Expenses:</b>					
Salaries, and employee benefits	346,557	907	-	-	347,464
Operating	303,700	11,229	47,440	22,776	385,145
Interest	1,157	-	4,816	-	5,973
Insurance	24,529	-	-	-	24,529
Professional services	16,079	-	-	-	16,079
Amortization	130,468	-	28,427	16,490	175,385
Administrative recovery	(82,682)	-	38,693	43,989	-
Mayor and council remuneration and travel	36,411	-	-	-	36,411
<b>Total expenses</b>	<b>776,219</b>	<b>12,136</b>	<b>119,376</b>	<b>83,255</b>	<b>990,986</b>
<b>Annual deficit</b>	<b>\$ (84,196)</b>	<b>\$ (12,136)</b>	<b>\$ (31,986)</b>	<b>\$ (7,646)</b>	<b>\$ (135,964)</b>



## DISTRICT OF WELLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2015

### 11. Budget data:

The budget data presented in these consolidated financial statements is based upon the 2015 operating and capital budgets approved by Council on May 5, 2015. Amortization was not contemplated on development of the budget and, as such, has not been included. The table below reconciles the approved budget to the budget figures reported in these consolidated financial statements.

	Budget amount
Revenues:	
Operating budget	\$ 925,235
Less:	
Transfer from other funds	(7,805)
Total revenue	917,430
Expenses:	
Operating budget	919,882
Less:	
Capital expenditures	(109,000)
Debt principal payments	(6,256)
Total expenses	804,626
Annual surplus	\$ 112,804

### 12. Comparative information:

Certain 2014 comparative figures have been reclassified to conform with the consolidated financial statement presentation adopted for the current year.

### 13. Economic dependence:

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



## DISTRICT OF WELLS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2015

### 14. Restatement:

During the year, management determined that unspent funds received under the Federal Gas Tax program were included in deferred revenue instead of being included in revenue and accumulated surplus.

As a result, the prior year consolidated financial statements have been restated on a retroactive basis. The effect of the restatement is as follows:

	As Previously Reported	Increase (Decrease)	As Restated
<b>Consolidated Statement of Financial Position as at December 31, 2014:</b>			
Deferred revenue	\$ 26,162	\$ (25,024)	\$ 1,138
<b>Consolidated Statement of Operations and Accumulated Surplus for the year ended December 31, 2014:</b>			
Government grants	494,374	25,024	519,398
Annual deficit	\$ (160,988)	\$ 25,024	\$ (135,964)
Accumulated surplus, beginning	6,705,073	-	6,705,073
Accumulated surplus, ending	\$ 6,544,085	\$ 25,024	\$ 6,569,109





## 2016 GOALS AND OBJECTIVES

### 1. Enhance Community Life

OBJECTIVE	ACTIONS	RESULTS
<p><b>Update local legislation</b></p>	<ul style="list-style-type: none"> <li>• Amend Traffic Bylaw to include ATV corridor</li> <li>• Evaluate and update Comprehensive Fees Bylaw</li> <li>• Draft Sanitary Sewer and Water Bylaws</li> <li>• Conduct comprehensive review of District policies</li> <li>• Draft Records Management Policy</li> <li>• Complete implementation of Adjudication system</li> </ul>	
<p><b>Recognize community volunteers and local non-profit groups</b></p>	<ul style="list-style-type: none"> <li>• Host 3rd annual Volunteer Appreciation Night</li> <li>• Support inter-group communications and co-operation</li> <li>• Support local non-profit organizations through grants-in-aid and property tax exemptions</li> </ul>	

<b>OBJECTIVE</b>	<b>ACTIONS</b>	<b>RESULTS</b>
<b>Road safety</b>	<ul style="list-style-type: none"> <li>• Apply to ICBC's Road Improvement Program for cost sharing on second speed sign</li> </ul>	
<b>Wildlife interface</b>	<ul style="list-style-type: none"> <li>• Explore options to improve the urban/wildlife interface in Wells</li> </ul>	
<b>Beatification</b>	<ul style="list-style-type: none"> <li>• Organize Annual Spring Clean-up</li> <li>• Work with the Province to address unsightly Crown properties</li> <li>• Actively seek opportunities to enhance Willow River Park</li> </ul>	
<b>Community Events</b>	<ul style="list-style-type: none"> <li>• Support local groups to organize a winter community event</li> </ul>	
<b>Community Health and Recreation</b>	<ul style="list-style-type: none"> <li>• Maintain Fitness Centre and actively promote membership to the facility</li> <li>• Improve local medical services access</li> <li>• Support maintenance and development of the trail network</li> </ul>	

## 2. Economic Diversification and Tourist Attraction

OBJECTIVE	ACTIONS	RESULTS
<b>Increase online marketing</b>	<ul style="list-style-type: none"> <li>• Create an active Facebook site for tourists</li> <li>• Improve investment attraction content on wells.ca</li> <li>• Improve facility rental information on wells.ca</li> <li>• Actively promote lovewellsbc.com</li> </ul>	
<b>Improve tourist oriented advertising</b>	<ul style="list-style-type: none"> <li>• Increase winter tourism promotion</li> <li>• Map tourist attractions along Highway 26 and promote online</li> <li>• Promote Wells at trade shows</li> </ul>	
<b>Print advertising</b>	<ul style="list-style-type: none"> <li>• Maintain existing level of print marketing</li> </ul>	
<b>Partnered marketing</b>	<ul style="list-style-type: none"> <li>• Actively partner with Barkerville Heritage Trust and other local and regional groups on marketing initiatives</li> </ul>	
<b>Facility rental</b>	<ul style="list-style-type: none"> <li>• Actively promote Wells as a wedding destination</li> </ul>	
<b>Wells Heritage</b>	<ul style="list-style-type: none"> <li>• Work with Heritage Society to expand heritage walking tour in Wells</li> <li>• Create Heritage Registry</li> </ul>	

### 3. Sustainable Wells

OBJECTIVE	ACTIONS	RESULTS
<p><b>Support development of new employment opportunities</b></p>	<ul style="list-style-type: none"> <li>• Support private sector initiatives that provide new employment and services</li> <li>•</li> <li>• Support Barkerville Heritage Trust</li> </ul>	
<p><b>Support development of new accommodation</b></p>	<ul style="list-style-type: none"> <li>• Support services and housing options for an aging population</li> <li>• Support maintenance and development of the trail network</li> <li>• Investigate viable option and actions to address the seasonal housing shortage in Wells</li> <li>• Work with the Province to expedite the release of Crown owned lots for public sale</li> </ul>	
<p><b>Community planning</b></p>	<ul style="list-style-type: none"> <li>• Actively seek funds to develop an integrated Community Plan</li> <li>• Actively seek funds to improve municipal strategic planning</li> </ul>	
<p><b>Volunteer Fire Brigade</b></p>	<ul style="list-style-type: none"> <li>• Organize recruitment drive</li> <li>• Pursue member certification and training</li> <li>• Work with Barkerville Heritage Trust and other community partners to fund and construct a shelter for new fire truck</li> </ul>	

<b>OBJECTIVE</b>	<b>ACTIONS</b>	<b>RESULTS</b>
<b>Emergency Planning</b>	<ul style="list-style-type: none"> <li>• Update Emergency Management Plan</li> <li>• Draft emergency preparedness informational brochure for the public</li> </ul>	
<b>Community Forest</b>	<ul style="list-style-type: none"> <li>• Actively support the Wells-Barkerville Community Forest Board through staff time and administrative support</li> </ul>	
<b>Support Staff employed by the District of Wells</b>	<ul style="list-style-type: none"> <li>• Support staff by providing training and development opportunities</li> <li>• Support staff retention with competitive salaries, benefits and lifestyle incentives</li> </ul>	
<b>Wildlife interface</b>	<ul style="list-style-type: none"> <li>• Continue to explore options to improve Urban/Wildlife interface in Wells</li> </ul>	
<b>Maintain Community Church</b>	<ul style="list-style-type: none"> <li>• Access viability</li> </ul>	
<b>Energy conservation</b>	<ul style="list-style-type: none"> <li>• Investigate options for renewable energy at the School</li> <li>• Continue to utilize and promote energy efficient options as recommended in CEEP document</li> <li>• Continue maintenance and operation of geothermal system at the Wells-Barkerville Community School</li> </ul>	

<b>Reduce debentures</b>	<ul style="list-style-type: none"> <li>Minimize borrowing except where external funding sources are available for loan repayment</li> </ul>	
<b>Maintain an adequate financial reserve</b>	<ul style="list-style-type: none"> <li>Maintain reserve funds equivalent or greater than one year's total tax and utility revenue</li> </ul>	
<b>Minimize tax and utility rate increases</b>	<ul style="list-style-type: none"> <li>3% overall Tax Rate increases in 2016 and each year thereafter until 2018.</li> <li>Evaluate utility rates in 2016 to meet expenditure needs</li> </ul>	

#### 4. Public Infrastructure Management

<b>OBJECTIVE</b>	<b>ACTIONS</b>	<b>RESULTS</b>
<b>Water and Sewer Operations</b>	<ul style="list-style-type: none"> <li>Install fence at Water Plant</li> <li>Actively seek funds for emergency generators at water and sewer facilities</li> <li>Operate and maintain Sewer Treatment Plant and Water Filtration Plant</li> </ul>	
<b>Storm Water Drainage System</b>	<ul style="list-style-type: none"> <li>Complete culvert replacement in North Wells to improve lot drainage</li> </ul>	
<b>Lowhee Dike Maintenance</b>	<ul style="list-style-type: none"> <li>Conduct regular inspections of the Lowhee Dike to assess condition and undertake required repairs</li> <li>Work with Province to assess current state and future management of the Dike</li> </ul>	

<b>Maintenance of Public Facilities</b>	<ul style="list-style-type: none"><li>• Actively seek funds for painting of the Wells-Barkerville Community School</li><li>• Evaluate maintenance needs of the School and Community Hall</li><li>• Repair and refinish Town Hall floor</li><li>• Improve security of District owned facilities</li><li>• Complete maintenance of 'Welcome to Wells' display and Visitor's Information Centre</li><li>• Maintain new sections of Barkerville Cemetery</li></ul>	
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