



District of Wells

**2015 Annual Report
For the year ended December 31, 2014**

Published June 2015

**District of Wells
2015 Annual Report
For the year ended December 31, 2014**

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District of Wells 2014 Municipal Operations Highlights

- Secured over \$452,000 in government and non-government grants to offset cost of municipal operations and capital projects;
- Received final approval of the Wells-Barkerville Community Forest and commenced planning;
- Approved revised Unsightly and Untidy Premises Bylaw;
- Approved use of space in the Wells-Barkerville Community School for the Huckleberry Daycare;
- Hosted Volunteer Appreciation Night;
- Provided low or no cost facilities for local organizations including Island Mountain Arts for ArtsWells and summer school programs, the Wells Chamber of Commerce for the Visitor Information Centre in the summer, the Wells and Area Community Association for the Community Garden, the Wells Best Seniors for the Seniors Centre, the Wells Historical Society for storage in the School, and the Wells and Area Trails Society for storage of trail grooming equipment;
- Provided \$10,950 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 eighth 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;
- Initiated Wednesday Snow Clearing days to improve efficiency of snow operations;
- Operated and maintained the municipal water, sewer, and garbage collection utilities;
- Upgraded the District website;
- Provided for street lights;
- Completed a Risk Control Survey through the Municipal Insurance Association;
- Completed the a community based health project including workshops and a final report;
- Worked with the Province to improve signage along Highway 26;
- Minimized tax rate increase at 3% and utility rate increase of 5%;
- Completed painting of the Wells Community Hall;
- Paid off Water Treatment Plant loan; and
- Operated and maintained all municipal buildings and facilities.



**DISTRICT OF WELLS
EVALUATION OF 2014 GOALS AND OBJECTIVES**

1. Enrich Community Life		
OBJECTIVE	ACTIONS	PROGRESS
Adequate housing available for Wells/Barkerville seasonal residents	<p>Using the results of the 2012 Housing Study, continue actions to address the seasonal housing shortage in Wells.</p> <p>Work with the Province to expedite the release of Crown owned municipal lots for sale to public.</p>	<p>In progress.</p> <p>Advertised Crown lots for sale and assist interested persons about the lots; continue to work with Province.</p>
Town Cleanup	<p>Develop an Adjudication Bylaw and expand/update the Untidy Premises Bylaw to include residential properties with an emphasis on reducing accumulations of wrecks.</p>	<p>Unsightly Premises Bylaw adopted September 16, 2014.</p> <p>Adjudication Bylaw enacted by the Province, working to develop District Bylaw and procedures.</p>
Recognize/Recruit Community Volunteers	<p>Encourage more residents to volunteer for community organizations.</p> <p>Provide grants-in-aid to sustain non-profit organizations.</p>	<p>Ongoing.</p> <p>Provided \$10,950 in Grants-in-Aid to local non-profit organizations and of in-kind support. Provided tax exemptions to 6 properties owned by non-profit organizations.</p>
Paint the Wells Community Hall	<p>Secure Funding and complete work started in 2013.</p>	<p>Project completed including new windows on lower floor, new railings in front and completed painting of exterior.</p>

OBJECTIVE	ACTIONS	PROGRESS
Fire Brigade Sustainability	Organize recruitment drive. Publicize house insurance benefits. Pursue member certification and training.	In progress. In progress. In progress.
Fire Hall Addition	Secure grant to build addition.	In progress.
Road Safety	Secure grant to install a second electronic Speed Sign on Hwy 26.	In progress.
Wildlife Interface	Explore options to improve Urban/Wildlife interface in Wells.	Ongoing meetings of Wells Wildlife Smart Committee.
Community Daycare	Support Community Daycare through Grant-in-Aid.	Daycare supported through Grant-in-Aid to WAACA.
Blair St. Bridge	Explore funding options to replace.	Supported project through \$2000 Grant-in-Aid. Project grant successful; bridge to be completed in 2015.

2. Promote Sustainable Development		
OBJECTIVE	ACTIONS	PROGRESS
Sustainable Community	Support private sector initiatives that provide new employment and services.	Engaged private sector employers.
	Support Barkerville Heritage Trust.	Worked on various joint marketing campaigns and supported as needed throughout the year.

OBJECTIVE	ACTIONS	PROGRESS
Sustainable Community	Support local Mining initiatives.	Ongoing.
	Support services and housing options for aging population.	In progress.
	Support Community Daycare.	Support Community Daycare through grant-in-aid and provision of rental space in the Wells-Barkerville Community School.
	Support maintaining sufficient tourist accommodation in Wells.	In progress.
Emergency Planning	Continue to lobby for the creation of Circular Route from Barkerville to Hwy 16 (Purden Lake) via Bowron Lake Road.	Lobbied for Circle Route at 2014 UBCM and have the support of several communities.
	At UBCM, explore options for improving Ambulance response to backcountry incidents.	In progress.
Wells-Barkerville Community Forest	Commence operations once final approval received from Province.	Final approval received in 2014. Ongoing meetings of Community Forest Board to determine next steps.
Ensure adequate staffing for District of Wells positions	Support staff training/development	Several staff received support for training received in 2014. Supported several staff to attend conferences and training sessions.
	Support staff retention with competitive salaries, benefits and lifestyle incentives.	Staff salary increase of 2% in 2014 to remain competitive. Continue to maintain competitive staff benefits.

3. Maintain Public Infrastructure		
OBJECTIVE	ACTIONS	PROGRESS
Improve the appearance of Public Buildings	Paint Town Hall in 2014.	Deferred to 2015; repair completed to building foundation.
Church Renovation	Secure grant for repairs to Church.	Continue to actively seek funds to repair the Church.
Conserve and Recycle	Work with Regional District on local recycling options.	Have engaged with local community groups to investigate potential recycling options.
Road Maintenance	Negotiate an extension of the Road Maintenance contract with HMC for a two or more year period within budgeted rates.	Negotiated two year contract.
Snow Operations	Introduce changes to snow clearing focusing on specified days for major work and widening operations.	Implemented Wednesday snow clearing operations for major widening operations.
Water Quality	Operate and maintain water filter.	Ongoing.

4. Maintain a Healthy Financial Position		
OBJECTIVE	ACTIONS	PROGRESS
Reduce Debentures	Continue to pay down water loan. Minimize borrowing except where external funding sources are available for repayment.	Paid off water loan. Did not borrow any additional funds in 2014.

OBJECTIVE	ACTIONS	PROGRESS
Maintain an adequate financial reserve	Maintain reserve funds equivalent or greater than one year's total tax and utility revenue.	Ongoing.
Minimize Tax and Utility Rate increases	3% Tax Rate increase in 2014 and each year thereafter until 2018 and one time 5% Utility Rate increase in 2014.	Updated Utility Rates in 2014 reflecting a 5% increase. Tax Rates increased 3% in 2014.

District of Wells
Permissive Tax Exemptions for the year ended December 31, 2014
UNDER DIVISION 7, PART 7 OF THE COMMUNITY CHARTER

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

DISTRICT OF WELLS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

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MANAGEMENT'S RESPONSIBILITY

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

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

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

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

April 24, 2015
Wells, British Columbia



INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council,
District of Wells

We have audited the accompanying consolidated financial statements of the District of Wells, which comprise the Consolidated Statement of Financial Position as at December 31, 2014 and the Consolidated Statements of Operations, Changes in Net Financial Assets and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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



FRASER BEVZ BROUGHTON
Chartered Accountants LLP

D. Kane Fraser, CPA, CA*
Partner

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

Ryan Broughton, CPA, CA*
Partner

*Denotes incorporated professional

INDEPENDENT AUDITOR'S REPORT (continued)

Opinion

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

Fraser Bevz Broughton
Chartered Accountants LLP

April, 24, 2015
Quesnel, British Columbia

Fraser Bevz Broughton Chartered Accountants LLP

District of Wells

Consolidated Statement of Financial Position

As at December 31, 2014

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

District of Wells
Consolidated Statement of Operations
For the year ended December 31, 2014

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

District of Wells

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

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

District of Wells

Consolidated Statement of Cash Flows

For the year ended December 31, 2014

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

District of Wells

Notes to the Consolidated Financial Statements

For the year ended December 31, 2014

General

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

1. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Presentation

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

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

i. **Operating Funds**

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

ii. **Capital Funds**

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

iii. **Reserve Funds**

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

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

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

District of Wells

Notes to the Consolidated Financial Statements

For the year ended December 31, 2014

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Restricted Financial Assets

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

c. Tangible Capital Assets

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

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

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

d. Restricted and Deferred Revenues

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

e. Use of Estimates

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Significant areas requiring the use of management estimates include: determination of accrued sick benefits, collectability of accounts receivable, amortization of tangible capital assets and provisions for contingencies. Actual results could differ from those estimates. Adjustments, if any, will be reflected in operations in the period of settlement.

District of Wells

Notes to the Consolidated Financial Statements

For the year ended December 31, 2014

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

f. Adoption of new accounting policy

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

2. TAXES AND ACCOUNTS RECEIVABLE

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

3. INVESTMENT IN WHOLLY OWNED SUBSIDIARY

Wells - Barkerville Community Forest Ltd.

Advances	\$ 855	\$ 855
Shares	100	100
	<u>\$ 955</u>	<u>\$ 955</u>

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

District of Wells

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

4. DEFERRED REVENUE

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

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

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

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

5. DISTRICT DEBT

General Fund

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

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

District of Wells

Notes to the Consolidated Financial Statements

For the year ended December 31, 2014

5. DISTRICT DEBT (continued)

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

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

6. TANGIBLE CAPITAL ASSETS

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

Tangible Capital Asset Additions for the year are as follows:

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

District of Wells

Notes to the Consolidated Financial Statements

For the year ended December 31, 2014

6. TANGIBLE CAPITAL ASSETS (continued)

Amortization for the year is as follows:

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

7. DISTRICT SURPLUS

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

8. COMMITMENTS AND CONTINGENCIES

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

b. Municipal Pension Plan

The District and its employees contribute to the Municipal Pension Plan (Plan), a jointly trustee pension plan. The Board of Trustees, representing Plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. The Plan has about 179,000 active members and approximately 71,000 retired members. Active members include approximately 35,000 contributors from local governments.

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

District of Wells

Notes to the Consolidated Financial Statements

For the year ended December 31, 2014

8. COMMITMENTS AND CONTINGENCIES (continued)

b. Municipal Pension Plan (continued)

The next valuation will be December 31, 2015 with results available in 2016. Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension accounting). This is because the Plan records accrued liabilities and assets for the Plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, assets and costs to the individual employers participating in the Plan.

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

c. Greenhouse Gas Reduction Targets

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

9. ECONOMIC DEPENDENCE

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

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

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

District of Wells

Notes to the Consolidated Financial Statements

For the year ended December 31, 2013

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

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

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

11. EXPENSES BY OBJECT

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

12. LIABILITY FOR CONTAMINATED SITES

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

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

District of Wells

Notes to the Consolidated Financial Statements

For the year ended December 31, 2014

13. BUDGETED FIGURES

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

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

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

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

14. PRIOR PERIOD ADJUSTMENT

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

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

15. SUBSEQUENT EVENT

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

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Mayor and Council,
District of Wells,

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

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

February 18, 2015
Quesnel, British Columbia

Fraser Bevez Broughton Chartered Accountants LLP

District of Wells

General Operating Fund - Statement of Financial Position

As at December 31, 2014

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

District of Wells

General Operating Fund - Statement of Operations For the year ended December 31, 2014

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

District of Wells

General Operating Fund - Statement of Revenues

For the year ended December 31, 2014

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

District of Wells

General Operating Fund - Detailed expenditures

For the year ended December 31, 2014

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

District of Wells

Water System - Statement of Financial Position

As at December 31, 2014

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

District of Wells

Water System - Statement of Operations

For the year ended December 31, 2014

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

District of Wells

Sewer System - Statement of Financial Position

As at December 31, 2014

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

District of Wells

Sewer System - Statement of Operations For the year ended December 31, 2014

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



**DISTRICT OF WELLS
2015 GOALS AND ACTIONS**

1. Enhance Community Life	
OBJECTIVE	ACTIONS
Update local legislation	<ul style="list-style-type: none"> – Draft an updated Fire Services Bylaw – Draft an Adjudication Bylaw and associated procedures – Evaluate and update Fees Bylaw
Recognize community volunteers and local non-profit groups	<ul style="list-style-type: none"> – Continue to host Volunteer Appreciation Night – Support inter-group communications and co-operation – Support local non-profit organizations through grants-in-aid and property tax exemptions
Road safety	<ul style="list-style-type: none"> – Work with the Province to improve signage on Highway 26 through Wells – Actively seek funds to purchase a second electronic speed sign on Hwy 26
Wildlife interface	<ul style="list-style-type: none"> – Explore options to improve the urban/wildlife interface in Wells
Beatification	<ul style="list-style-type: none"> – Continue to run the Annual Spring Clean-up – Work with the Province to address unsightly Crown properties – Actively seek opportunities to enhance Willow River Park
Community Daycare	<ul style="list-style-type: none"> – Support work of the Huckleberry Daycare
Community events	<ul style="list-style-type: none"> – Continue to host Multiculturalism Day festivities – Host Canada Games Torch Relay

2. Economic Diversification and Tourist Attraction

OBJECTIVE	ACTIONS
Increase online marketing	<ul style="list-style-type: none"> – Work with NDIT to develop Small Town Love program site - LoveWells – Create an active Facebook site for tourists – Improve investment attraction content on wells.ca – Improve facility rental information on wells.ca
Improve tourist oriented advertising	<ul style="list-style-type: none"> – Increase winter tourism promotion – Map tourist attractions along Highway 26 and promote online – Promote Wells at trade shows – Promote Wells at the Canada Winter Games in Prince George
Print advertising	<ul style="list-style-type: none"> – Maintain existing level of print marketing
Partnered marketing	<ul style="list-style-type: none"> – Actively partner with Barkerville Heritage Trust and other local groups on marketing initiatives
Facility rental	<ul style="list-style-type: none"> – Actively promote Wells as a wedding destination

3. Sustainable Wells	
OBJECTIVE	ACTIONS
Support a sustainable community	<ul style="list-style-type: none"> – Support private sector initiatives that provide new employment and services – Support Barkerville Heritage Trust – Support sustainable local mining initiatives – Support services and housing options for an aging population – Support maintaining sufficient tourist and seasonal accommodation in Wells – Maintain Fitness Centre and actively promote membership to the facility – Support maintenance and development of the trail network
Support development of new accommodation	<ul style="list-style-type: none"> – Investigate viable option and actions to address the seasonal housing shortage in Wells – Work with the Province to expedite the release of Crown owned lots for public sale
Community planning	<ul style="list-style-type: none"> – Actively seek funds to develop an integrated Community Plan – Actively seek funds to improve municipal strategic planning – Complete CEEP (Community Energy and Emissions Planning) through BC Hydro
Fire Brigade Sustainability	<ul style="list-style-type: none"> – Organize recruitment drive – Publicize house insurance benefits – Pursue member certification and training
Emergency Planning	<ul style="list-style-type: none"> – Continue to lobby for the creation of Circular Route from Barkerville to Hwy 16 (Purden Lake) via Bowron Lake Road – Update Emergency Management Plan – Draft emergency preparedness informational brochure for the public
Community Forest	<ul style="list-style-type: none"> – Actively support the Wells-Barkerville Community Forest Board through staff time and

	administrative support
Support staff employed by the District of Wells	<ul style="list-style-type: none"> – Support staff by providing training and development opportunities – Support staff retention with competitive salaries, benefits and lifestyle incentives – Source options for municipal intern
Records Management	<ul style="list-style-type: none"> – Improve electronic file management at the District Office
Conserve and Recycle	<ul style="list-style-type: none"> – Work with the Cariboo Regional District and local community groups to determine local recycling options – Promote energy efficient options as recommended in CEEP document

4. Public Infrastructure Management

OBJECTIVE	ACTIONS
Improve the appearance of Public Buildings	<ul style="list-style-type: none"> – Paint exterior of Town Hall – Actively seek funds for painting of the Wells-Barkerville Community School – Actively seek funds for renovation of the Community Church
Fire Hall improvements	<ul style="list-style-type: none"> – Work with Barkerville Heritage Trust to construct a suitable shelter for new fire truck
Lowhee Dike maintenance	<ul style="list-style-type: none"> – Reconstruct the lower portion of the Lowhee Dike – Conduct regular inspections of the Lowhee Dike to assess condition and required repairs
Wells-Barkerville Community School improvements	<ul style="list-style-type: none"> – Complete security upgrades, installation of energy efficient lighting and upgrades to plumbing – Complete application to Canada 150 fund for further work needed on the facility

Wildlife interface	– Continue to explore options to improve Urban/Wildlife interface in Wells
Blair Street Bridge	– Provide support to community groups as needed during bridge replacement project
Asset Management	– Actively seek funds to complete asset management planning
Snow operations	– Tender for multi-year snow clearing contract
Water and sewer operations	<ul style="list-style-type: none"> – Operate and maintain water filter – Install fence at water treatment facility – Operate and maintain Sewer Treatment Plant
Energy conservation	<ul style="list-style-type: none"> – Continue to investigate options for developing a biomass district heating system – Continue maintenance and operation of geothermal system at the Wells-Barkerville Community School

5. Municipal Financial Sustainability	
Reduce debentures	– Minimize borrowing except where external funding sources are available for loan repayment
Maintain an adequate financial reserve	– Maintain reserve funds equivalent or greater than one year’s total tax and utility revenue
Minimize tax and utility rate increases	– 3% Tax Rate increase in 2014 and each year thereafter until 2018 and one time 5% Utility Rate increase in 2014



**DISTRICT OF WELLS
BYLAW NO. 140, 2015**

**A BYLAW OF THE DISTRICT OF WELLS TO ESTABLISH THE FINANCIAL PLAN FOR
THE YEARS 2015 to 2019.**

WHEREAS Section 165 (1) of the Community Charter requires the District Council to have a financial plan that is adopted by bylaw; and

WHEREAS the District Council has undertaken a process of public consultation regarding the proposed financial plan in accordance with Section 166 of the Community Charter.

NOW THEREFORE the Council of the District of Wells, in open meeting assembled, enacts as follows:

1. That Schedule "A", as attached hereto and made part of this bylaw, is hereby adopted as the 5 year Financial Plan of the District of Wells for the years 2015 to 2019.
2. That Schedule "B", as attached and made part of this bylaw, is hereby adopted as the 5-year Capital Expenditure program of the District of Wells for the years 2015 to 2019.
3. That Schedule "C", as attached and made part of this bylaw, is hereby adopted as the 5- year financial Plan Statement of the District of Wells for the years 2015 to 2019.
4. This bylaw may be cited for all purposes as the "District of Wells Financial Plan Bylaw No. 140, 2015"

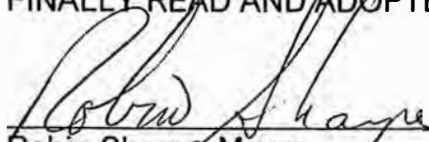
PUBLIC CONSULTATION HELD on the 21st day of April, 2015.

READ A FIRST TIME this 21st day of April, 2015.

READ A SECOND TIME this 21st day of April, 2015.

READ A THIRD TIME this 21st day of April, 2015.

FINALLY READ AND ADOPTED this 5th day of May, 2015.


Robin Sharpe, Mayor


Katrina Leckovic, CAO

DISTRICT OF WELLS
Bylaw No. 140, 2015 Schedule "A"

FINANCIAL PLAN

REVENUES	2015	2016	2017	2018	2019
Property Taxation	\$ 169,337	\$ 174,417	\$ 179,650	\$185,039	\$190,590
Grants-in-Lieu of Taxes	\$ 9,726	\$ 9,921	\$ 10,119	\$10,321	\$10,528
Services for Other Governments	\$ 6,120	\$ 6,242	\$ 6,367	\$6,495	\$6,624
Other Revenues	\$ 56,182	\$ 57,867	\$ 59,025	\$ 60,205	\$ 61,409
Government Grants	\$ 470,981	\$ 479,500	\$ 479,500	\$ 484,000	\$ 484,000
Other Grants	\$ 130,984	\$ 59,843	\$ 59,843	\$ 59,843	\$ 59,843
Transfers From Reserves	\$ -	\$ 21,006	\$ 27,192	\$ 30,418	\$ 42,073
Utility Users fees	\$ 74,100	\$ 74,100	\$ 74,100	\$77,805	\$77,805
Borrowing	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer From Accumulated Surplus	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer From Previous Year Surplus	\$ 7,805	\$ 5,353	\$ -	\$ -	\$ -
TOTAL	\$ 925,235	\$ 888,249	\$ 895,796	\$914,126	\$932,873

EXPENDITURES	2015	2016	2017	2018	2019
General Government Services	\$ 420,554	\$ 428,965	\$ 437,544	\$ 446,295	\$ 455,221
Protective Services	\$ 16,881	\$ 17,219	\$ 17,563	\$ 17,914	\$ 18,273
Public Works	\$ 152,404	\$ 156,976	\$ 161,685	\$ 166,536	\$ 171,532
Development Services & Planning	\$ 59,135	\$ 60,318	\$ 61,524	\$ 62,755	\$ 64,010
Water Utility Operations	\$ 76,423	\$ 77,951	\$ 79,510	\$ 81,101	\$ 82,723
Sewer Utility Operations	\$ 74,611	\$ 76,103	\$ 77,625	\$ 79,178	\$ 80,761
Debt Principal	\$ 6,256	\$ 6,256	\$ -	\$ -	\$ -
Debt Interest	\$ 4,118	\$ 4,118	\$ -	\$ -	\$ -
Capital	\$ 109,000	\$ 30,000	\$ 35,000	\$ -	\$ -
Fiscal Charges	\$ 500	\$ 500	\$ 500	\$ 505	\$ 510
TOTAL	\$ 919,882	\$ 858,406	\$ 870,953	\$ 854,284	\$ 873,029

Balance	\$ 5,353	\$ 29,843	\$ 24,843	\$ 59,843	\$ 59,843
Surplus to Restricted Reserves	\$ -	\$ 29,843	\$ 24,843	\$ 59,843	\$ 59,843
Surplus transferred to Future Year	\$ 5,353	\$ -	\$ -	\$ -	\$ -

DISTRICT OF WELLS
Bylaw No. 140, 2015 Schedule "B"

5 YEAR CAPITAL PLAN

REVENUES						
Revenues	2015	2016	2017	2018	2019	TOTAL
Gen. Operating Fund	\$19,955					\$19,955
Water Operating Fund						\$0
Sewer Operating Fund						\$0
Reserve Funds & Surplus						\$0
Project Grants	\$106,000	\$108,000	\$35,000			\$249,000
Local Improvement Levy						\$0
Short Term Borrowing						\$0
Long Term Borrowing						\$0
Contributions			\$0			\$0
TOTAL REVENUE	\$125,955	\$108,000	\$35,000	\$0	\$0	\$268,955

EXPENDITURES						
Expenditures	2015	2016	2017	2018	2019	TOTAL
PLANNING & DEVELOPMENT						
Community Planning/Dev.		\$78,000				\$78,000
Water Utility						\$0
Sewer Utility						\$0
Land and Civic Buildings						\$0
Public Works						\$0
TOTAL PLANNING	\$0	\$78,000	\$0	\$0	\$0	\$78,000
LAND & BUILDINGS						
Civic Buildings	\$45,600					\$45,600
Fire Dept. & EOC						\$0
Public Works						\$0
Land						\$0
						\$0
TOTAL BUILDINGS	\$45,600	\$0	\$0	\$0	\$0	\$45,600
ENGINEERING STRUCTURES						
Streets						\$0
Sidewalks						\$0
Water		\$30,000				\$30,000
Sewer			\$35,000			\$35,000
Storm Drainage						\$0
Misc. Public Works	\$75,000					\$75,000
Parks						\$0
TOTAL ENGIN. STRUCT.	\$75,000	\$30,000	\$35,000	\$0	\$0	\$140,000
SUBTOTAL PROJECTS	\$120,600	\$108,000	\$35,000	\$0	\$0	\$263,600
EQUIPMENT						
Public Works						\$0
Office/Recreation	\$5,355					\$0
Fire Department						\$0
SUBTOTAL EQUIPMENT	\$5,355	\$0	\$0	\$0	\$0	\$5,355
TOTAL EXPENDITURES	\$125,955	\$108,000	\$35,000	\$0	\$0	\$268,955

DISTRICT OF WELLS
Bylaw No. 140, 2015 Schedule "C"

2015 FINANCIAL PLAN STATEMENT

General Summary

For the past several years, the District of Wells has enjoyed a period of relative financial security resulting from a number of positive contributing factors. During those years, operational and capital costs were normally funded by current year revenues and producing a year-end surplus was the norm. In 2013 it was projected that then current spending patterns and revenue projections would result in the District beginning to face a deficit by 2015 that would increase with each passing year thereafter. Although the District has established a healthy financial reserve which could be used to address such emerging contingency issues, the magnitude of continuous and growing deficits over an extended period of years would not be sustainable.

Given the above, the District's 2015 to 2019 Financial Plan assumes a fiscally conservative stance to maintain a sustainable financial position for the municipality. While the current plan provides for the use of reserves to maintain operations, several steps could be taken to reduce the need to access reserves and help the municipality maintain a sustainable financial position:

1. In 2015 and each year thereafter, a 3% municipal tax increase;
2. In 2015 and every two years after, a Fees and Services Bylaw amendment to adjust fees to more accurately reflect municipal costs for services; and
3. In 2015 and 2018, a Garbage Bylaw amendment to increase rates to more accurately reflect the cost of providing the service;
4. In 2019, provide an increase of 5% for water and sewer user fees.

As the District strives for long-term financial sustainability, other future year cost reductions and revenue increases will be considered. Of particular importance is the continuation of the District practice of undertaking capital projects only where substantial costs can be covered by external grants.

It should be noted that development of this plan does require making assumptions regarding the stability of future municipal revenues and expenditures and most importantly, the continuation of the British Columbia Small Communities Protection Grant program. Should any of these inputs vary substantially it will be necessary to make corresponding changes to the plan in future years.

Proportion of total revenue from each funding source

Table 1 below shows the proportion of total revenue to be raised under the Plan from each funding source in 2015. At 60.4 percent, grants continue to be the largest and most important source of revenue for the municipality. Comparatively, property and parcel taxes in 2015 will account for a combined total of only 20.9 percent of the District's revenue requirements. User fees for municipal services such as the water and sewer utilities will account for an additional 13.2 percent. There is no short-term borrowing for Capital Projects in 2015. Other revenue, which is composed of services, provided to other levels of government, rentals and misc. funding make up the remaining 5.5 percent.

The above combination of grants, property taxes, user fees, and other revenue together have provided a historically stable and consistent source of operational funding for the District. For matters of capital funding, it should be noted that most District capital projects are based around external funding opportunities such as grant programs which minimize the impact of Capital work on our local taxpayer. Although this requires considerable flexibility when planning projects, it does allow a small community like Wells to undertake major projects that could not otherwise be funded. An exception to the requirement for flexible planning is the Federal Fuel Tax Rebate Program which provides stable annual funding for allowable capital projects and which was a major funding component of our recently completed Water Treatment Plant. Schedule "A" of this bylaw identifies these funds as annual transfers to Restricted Surplus where the funds reside until needed for allowable capital projects.

Table 1. Proportions of total revenue by source

Grants	60.4%
Parcel taxes	12.2%
Property value taxes	8.7%
User fees and charges	13.2%
Proceeds from borrowing	0%
Transfers from reserves	0%
Other revenue	5.5%
TOTAL	100.0%

Distribution of property taxes among the property classes

Table 2 illustrates the percentage of total property value tax revenue to be collected from each property class in 2015.

Table 2. Percentage of total property value tax by property class

Residential (Class 1)	51.0%
Utilities (Class 2)	5.3%
Major Industry (Class 4)	12.4%
Business (Class 6)	31.1%
Recreation/Non-Profit (Class 8)	0.2%
TOTAL	100.0%

Use of permissive tax exemptions

The Annual Municipal Report for 2014 will contain a list of permissive exemptions granted for the previous taxation year and the amount of tax revenue foregone. The list demonstrates the policy of council that permissive exemptions are granted to registered not-for-profit organizations that form a valuable part of our community. These include historical societies, recreational and service organizations and cultural institutions.

Tax Policy Statements

Policy Statement #1

Recognizing the fundamental requirement for the District of Wells to maintain a sustainable long term financial position it is the policy of the District of Wells that property tax increases over the span of this five-year Financial Plan should be the minimum necessary to meet that requirement.

Objective: The District of Wells increase municipal taxes at the rate of 3% in each of the 5 years of the Financial Plan.

Policy Statement #2

Within the context of the Financial Plan, Council recognizes that the District of Wells, having one of the smallest municipal tax bases in British Columbia, cannot unilaterally support municipal operations without substantial external sources of revenue. Furthermore without the annual unrestricted Provincial Small Community Protection Grant, the District of Wells would be unable to financially sustain itself. Therefore in order to sustain the municipality, it is the policy of the District to be a strong proponent for the continuation of senior government funding programs such as the B.C. Small Communities Protection Grant.

Objective: Over the five-year period of this financial plan, the District will be a strong proponent for the continuation of senior government funding programs for small municipalities in British Columbia and in particular for continuation of the B.C. Small Communities Protection Grant.

Policy Statement #3

The District of Wells shall actively pursue external grants and sources of revenue to fund any new operational programs or capital projects to minimize property tax impacts.

Objective: Over the five-year period of this financial plan, the District will minimize new operational and capital programs and projects that cannot be funded in whole or in part by external funding and grant programs.

Policy Statement #4

The District shall endeavor to minimize future changes to the proportional relationship between the property classes for tax purposes.

Objective: Using 2013 as a base year, maintain the status-quo of proportional relationships of property classes for taxation purposes.

Policy Statement #5

Council will continue to support permissive tax exemptions for properties owned by local registered non-profit organizations.

Objective: Assist local registered non-profit organizations in the community through the administration of permissive tax exemptions.

District of Wells
Strategic Community Investment Funds Plan and Progress Report

- (1) SCI Funds received or anticipated:** *Payments under the small community, regional district and traffic fine revenue sharing portions of the Strategic Community Investment Funds (SCI Funds) will be set out separately in the local government's SCI Funds Agreement.*

Strategic Community Investment Funds	Use	Date	Amount
SC Grants	local government services	March 2014	0
		June 2014	\$ 260,667
RD Grants	local government services	March 2014	0
		June 2014	0
TFRS Grants	Defray the cost of local police enforcement	March 2014	0
		June 2014	0

- (2) SCI Funds intended use, performance targets and progress made:**

Small Community or Regional District Portion of the SCI Funds

Intended Use	Performance Targets	Progress made in reporting period (by June 30, 2015)
Funding used to support essential local government infrastructure and services.	Avoid unsustainable tax increases and major service cuts.	Moderate tax rate increases were needed due to general economic circumstances, although these were minor compared to the unsustainable increases that would be needed without the SC SCI funds.

Traffic Fine Revenue Sharing Portion of the SCI Funds

Intended Use	Performance Targets	Progress made in reporting period (by June 30, 2015)
N/A		

- (3) Report Date:** 10 June 2015

Reports must be made by June 30th in each year of the SCIF Agreement.