



The Corporation of the City of Nelson
2022 STATEMENT OF FINANCIAL INFORMATION

Statement of Financial Information (SOFI)
THE CORPORATION OF THE CITY OF NELSON
Fiscal Year Ended December 31, 2022

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Statement of Financial Information (SOFI)

THE CORPORATION OF THE CITY OF NELSON

Fiscal Year Ended December 31, 2022

STATEMENT OF FINANCIAL INFORMATION APPROVAL

We, the undersigned, approve the attached statements and schedules included in this Statement of Financial Information, produced under the Financial Information Act.



Janice Morrison
Mayor



Chris Jury, CPA, CA
Chief Financial Officer

Statement of Financial Information (SOFI)

THE CORPORATION OF THE CITY OF NELSON

Fiscal Year Ended December 31, 2022

MANAGEMENT REPORT

The Financial Statements contained in this Statement of Financial Information under the *Financial Information Act* have been prepared by management in accordance with generally accepted accounting principles and the integrity and objectivity of these statements are management's responsibility.

Management is also responsible for all other schedules of financial information and for ensuring this information is consistent, where appropriate, with the information contained in the financial statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Mayor and Council are responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and for approving the financial information included in the Statement of Financial Information.

The external auditors, Grant Thornton, Chartered Professional Accountants, conduct an independent examination, in accordance with generally accepted auditing standards, and express their opinion on the financial statements. Their examination does not relate to the other schedules of financial information required by the *Financial Information Act*. Their examination includes a review and evaluation of the City's system of internal control and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly.

On behalf of The Corporation of the City of Nelson



Chris Jury, CPA, CA
Chief Financial Officer
June 20, 2023



THE CORPORATION OF THE CITY OF NELSON
FINANCIAL STATEMENTS
DECEMBER 31, 2022

THE CORPORATION OF THE CITY OF NELSON
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THE CORPORATION OF THE CITY OF NELSON MANAGEMENT REPORT

For the Year Ended December 31, 2022

RESPONSIBILITY FOR FINANCIAL REPORTING

Management is responsible for the preparation of the accompanying financial statements. The financial statements have been prepared in accordance with the accounting principles disclosed in Note 1 to the financial statements and include amounts that are based on estimates and judgments. Management believes that the financial statements fairly present The Corporation of the City of Nelson's financial position and results of operations. The integrity of the information presented in the financial statements, including estimates and judgments relating to matters not concluded by fiscal year-end, is the responsibility of management. The financial statements have been approved by Council.

Management has established and maintained appropriate systems of internal control including policies and procedures, which are designed to provide reasonable assurance that The Corporation of the City of Nelson's assets are safeguarded and that reliable financial records are maintained to form a proper basis for preparation of the financial statements.

The independent external auditors, Grant Thornton LLP, have been appointed by Council to express an opinion as to whether the financial statements present fairly, in all material respects, The Corporation of the City of Nelson's financial position, results of operations, and changes in financial position in conformity with the accounting principles disclosed in Note 1 to the financial statements. The report of Grant Thornton LLP follows and outlines the scope of their examination and their opinion on the financial statements.



Chris Jury, CPA, CA
Chief Financial Officer

Independent auditor's report

To the Mayor and Council of
The Corporation of the City of Nelson

Opinion

We have audited the financial statements of The Corporation of the City of Nelson ("the City"), which comprise the statement of financial position as at December 31, 2022, and the statements of operations, change in net debt and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Corporation of the City of Nelson as at December 31, 2022, and its results of operations, its changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. Exhibit 1 is presented for the purposes of additional information and is not a required part of the financial statements. Such information has not been subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion thereon.

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

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

Trail, Canada
May 23, 2023

Chartered Professional Accountants

THE CORPORATION OF THE CITY OF NELSON
STATEMENT OF FINANCIAL POSITION

As at December 31, 2022

	<u>2022</u>	<u>2021</u>
Financial Assets		
Cash	\$ 2,246,270	\$ 4,769,231
Investments (Note 2)	51,494,794	48,266,637
Accounts receivable (Note 3)	8,412,807	8,154,590
Long-term accounts receivable (Note 4)	1,876,449	2,155,659
MFA deposits (Note 5)	<u>271,178</u>	<u>269,590</u>
	<u>64,301,498</u>	<u>63,615,707</u>
Financial Liabilities		
Accounts payable and accrued liabilities (Note 6)	8,596,483	6,021,270
Deferred revenue (Note 7)	6,253,307	7,354,371
Accrued future payroll benefits (Note 8)	1,871,787	1,834,858
Long-term debt (Note 9)	<u>6,807,277</u>	<u>7,683,456</u>
	<u>23,528,854</u>	<u>22,893,955</u>
Net Financial Assets	40,772,644	40,721,752
Non-Financial Assets		
Tangible capital assets (Note 10)	180,391,422	170,821,047
Inventory (Note 11)	2,231,110	1,618,273
Prepaid expenses	<u>376,666</u>	<u>306,130</u>
	<u>182,999,198</u>	<u>172,745,450</u>
Accumulated Surplus (Note 12)	<u>\$223,771,842</u>	<u>\$213,467,202</u>

Commitments and Contingencies (Note 16)



Chris Jury, CFA, CA
Chief Financial Officer

THE CORPORATION OF THE CITY OF NELSON
STATEMENT OF OPERATIONS
For the Year Ended December 31, 2022

	<u>2022 Budget</u> (Note 20)	<u>2022</u>	<u>2021</u>
Revenue			
Taxes	\$ 11,531,524	\$ 11,562,329	\$ 11,017,240
Sale of services	4,375,633	4,052,566	4,032,426
Other revenue from own sources	5,093,068	4,563,345	3,734,381
Investment income	724,200	1,584,636	879,290
Government transfers - unconditional (Note 17)	823,856	917,121	821,205
Government transfers - conditional (Note 17)	8,616,606	6,142,388	6,039,605
Water user fees	2,565,678	2,571,670	2,470,084
Sewer user fees	4,819,885	4,751,578	4,629,625
Transit user fees	207,767	252,472	228,333
Nelson Hydro sales	20,305,651	20,728,017	19,389,692
Gain on disposal of tangible capital assets	-	-	142,267
	<u>59,063,868</u>	<u>57,126,122</u>	<u>53,384,148</u>
Expenses			
General government	5,054,423	4,747,149	4,009,588
Protective services	8,120,765	8,300,291	7,535,823
Transportation services	5,095,199	4,309,332	3,480,428
Environmental health services	497,143	460,379	361,699
Public health and welfare services	221,176	285,422	222,196
Parks, recreation and cultural services	2,555,528	2,409,914	2,252,292
Interest and other debt charges	530,534	448,330	458,250
Water utility operations	1,479,534	1,554,868	1,400,136
Sewer utility operations	2,087,933	1,910,291	1,981,393
Transit operations	1,848,005	1,904,878	1,735,497
Nelson Hydro operations	13,923,408	13,307,021	13,609,022
Library	981,974	904,694	912,461
Amortization	6,228,145	6,155,398	6,214,781
Loss on disposal of tangible capital assets	-	123,515	-
	<u>48,623,767</u>	<u>46,821,482</u>	<u>44,173,566</u>
Annual surplus	10,440,101	10,304,640	9,210,582
Accumulated surplus, beginning of the year	<u>213,467,202</u>	<u>213,467,202</u>	<u>204,256,620</u>
Accumulated surplus, end of the year	<u>\$223,907,303</u>	<u>\$223,771,842</u>	<u>\$213,467,202</u>

The accompanying summary of significant accounting policies and notes form an integral part of these financial statements

THE CORPORATION OF THE CITY OF NELSON
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2022

	<u>2022 Budget</u>	<u>2022</u>	<u>2021</u>
Annual surplus	\$ 10,440,101	\$ 10,304,640	\$ 9,210,582
Acquisition of tangible capital assets	(23,114,323)	(16,199,919)	(9,754,206)
Amortization of tangible capital assets	6,228,145	6,155,398	6,214,781
Proceeds on sale of tangible capital assets	-	350,631	4,377,569
Loss (gain) on disposal of tangible capital assets	<u>-</u>	<u>123,515</u>	<u>(142,267)</u>
	<u>(6,446,077)</u>	<u>734,265</u>	<u>9,906,459</u>
Acquisition of prepaid expenses	-	(70,536)	(21,336)
Consumption (acquisition) of supply inventory	<u>-</u>	<u>(612,837)</u>	<u>7,301</u>
	<u>-</u>	<u>(683,373)</u>	<u>(14,035)</u>
Increase (decrease) in net financial assets	(6,446,077)	50,892	9,892,424
Net financial assets, beginning of year	<u>40,721,752</u>	<u>40,721,752</u>	<u>30,829,328</u>
Net financial assets, end of the year	<u>\$ 34,275,675</u>	<u>\$ 40,772,644</u>	<u>\$ 40,721,752</u>

THE CORPORATION OF THE CITY OF NELSON
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2022

	<u>2022</u>	<u>2021</u>
Cash Provided by (Used In)		
Operating Activities		
Annual surplus	\$ 10,304,640	\$ 9,210,582
Items not involving cash:		
Amortization of tangible capital assets	6,155,398	6,214,781
Actuarial adjustments	(377,410)	(373,165)
Loss (gain) on disposal of tangible capital assets	<u>123,515</u>	<u>(142,267)</u>
	<u>16,206,143</u>	<u>14,909,931</u>
Increase (decrease) in non-cash operating items:		
Accounts receivable	(258,217)	(1,590,920)
Long-term accounts receivable	279,210	308,854
MFA deposits	(1,588)	8,541
Accounts payable and accrued liabilities	2,575,213	(4,774,485)
Deferred revenue	(1,101,064)	2,063,566
Accrued future payroll benefits	36,929	(119,596)
Inventory	(612,837)	7,301
Prepaid expenses	<u>(70,536)</u>	<u>(21,336)</u>
	<u>17,053,253</u>	<u>10,791,856</u>
Financing Activities		
Long-term debt repayment	(498,769)	(3,294,823)
Repayment of capital lease obligations	<u>-</u>	<u>(329,560)</u>
	<u>(498,769)</u>	<u>(3,624,383)</u>
Capital Activities		
Proceeds from disposal of tangible capital assets	350,631	4,377,569
Acquisition of tangible capital assets	<u>(16,199,919)</u>	<u>(9,754,206)</u>
	<u>(15,849,288)</u>	<u>(5,376,637)</u>
Investing Activities		
Net purchase of investments	<u>(3,228,157)</u>	<u>(4,109,983)</u>
Net decrease in Cash	(2,522,961)	(2,319,147)
Cash, beginning of year	<u>4,769,231</u>	<u>7,088,378</u>
Cash, end of year	<u>\$ 2,246,270</u>	<u>\$ 4,769,231</u>

The accompanying summary of significant accounting policies and notes form an integral part of these financial statements

THE CORPORATION OF THE CITY OF NELSON

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

1. Significant Accounting Policies

The Corporation of the City of Nelson ("the City") is a local government in the Province of British Columbia. The financial statements have been prepared in accordance with Canadian public sector accounting standards.

The following is a summary of the City's significant accounting policies:

(a) Basis of presentation

The City of Nelson's resources and operations are segregated into General, Water Utility, Wastewater Utility, Hydro Utility, Transit, and Reserve Funds for accounting and financial reporting purposes. The financial statements include all the accounts of these funds. All material inter-fund transactions and balances have been eliminated within the financial statements.

(b) Revenue recognition

Sources of revenue are recorded on the accrual basis and include revenue in the period in which the transactions or events occurred that give rise to the revenues.

Taxation revenue

Annual levies for non-optional municipal services and general administrative services are recorded as taxes for municipal purposes. Levies imposed by other taxing authorities are not included as taxes for municipal purposes. Taxes are recognized as revenue in the year they are levied.

Sale of services, user fees and Nelson Hydro sales

Sale of services and user fee revenues are recorded on the accrual basis and recognized as earned when the service or product is provided or facilities are utilized.

Grant revenues

Grant revenues are recognized when the funding becomes receivable. Non-government conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled. Grants for the acquisition of tangible capital assets are recognized in the period in which eligible expenditures are made. Revenue unearned in the current period is recorded as deferred revenue.

Government transfers

Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates can be made.

Investment income

Investment income is recorded on the accrual basis and recognized when earned.

A portion of the City's investments are invested in pooled funds of the Municipal Finance Authority of British Columbia. Earnings on these funds are allocated to the members from time to time based on the market value of the pool. The City recognized only its share of the realized earnings of the pool. This revenue is recorded as investment income and the amount is added to the cost base of the investment.

THE CORPORATION OF THE CITY OF NELSON

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

1. Significant accounting policies (continued)

(c) Deferred revenue

Deferred revenue represents funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes as well as licenses, permits, other fees and grants which have been collected, but for which the related services have not been performed and or projects have not been constructed. These amount will be recognized as revenues in the fiscal year in which it is used for the specified purpose, the services are performed and or the projects are constructed.

(d) Financial instruments

The City's financial instruments consist of cash and investments, accounts receivable, long-term accounts receivable, due from other governments, trades accounts payable and accrued liabilities, employee benefit plans and long-term debt. It is management's opinion that the City 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.

(e) Accrued future payroll benefits

The City records the cost of future payroll benefits over the employee's term of employment. Upon retirement a portion of accumulated sick leave credits are paid to the employee based on years of service.

(f) Interest and actuarial gains on long-term debt

The City records interest expense on long-term debt on an accrual basis and actuarial gains when realized as a reduction of the principal balance.

(g) Tangible capital assets

Tangible capital assets, comprised of tangible capital assets and tangible capital assets under construction, are recorded at cost and are classified according to their functional use. Amortization is recorded on a straight-line basis over the estimated useful life of the asset commencing the year the asset is put in to service. Donated tangible capital assets are reported at fair value at the time of donation. Estimated useful lives are as follows:

Buildings	10 to 75 years
Library, furniture, equipment, and vehicles	4 to 20 years
Technology	4 to 10 years
Transportation infrastructure	10 to 100 years
Parks and cemetery	10 to 50 years
Water, sewer, and storm drain infrastructure	10 to 100 years
Nelson Hydro infrastructure	10 to 100 years

THE CORPORATION OF THE CITY OF NELSON

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

1. Significant accounting policies (continued)

(h) 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) Inventory

Inventory of supplies held for consumption are recorded at the lower of weighted average cost and replacement cost.

(j) Statutory reserves

Statutory reserves are funds that have been restricted by Council. Formal establishing bylaws have been adopted pursuant to the Community Charter, which define how these reserves are to be used.

(k) Reserves set aside by Council

Reserves set aside by Council are non-statutory reserves which represent an appropriation of surplus for specific purposes. These internally restricted funds are not available for unrestricted purposes without the approval of Council.

(l) Use of estimates

The preparation of financial statements in accordance 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 financial statements, and the reported revenues and expenses during the reporting period. Significant areas requiring estimates include the estimated useful life and related amortization of tangible capital assets, future payroll benefits, allowance for doubtful accounts and provision for contingencies. Actual results could differ from management's best estimates as additional information becomes available in the future.

(m) Budget

Budget data presented in these financial statements is based on the City's Five Year Financial Plan for the years 2022-2026, adopted by Council on May 9, 2022.

(n) Municipal Pension Plan

The City's pension plan follows the guidelines of the Municipal Pension Plan which is administered by the Province of British Columbia for all British Columbia municipalities. The City and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers is responsible for administering the plan, including investment assets and administration of benefits. The plan is a multi-employer defined benefit plan.

THE CORPORATION OF THE CITY OF NELSON

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

1. Significant accounting policies (continued)

(o) Liability for contaminated sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use and all of the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the City is directly responsible, or accepts responsibility;
- it is expected that a future economic benefit will be given up; and
- a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance, and monitoring that are an integral part of the remediation strategy for a contaminated site.

There were no liabilities recorded as at December 31, 2022.

2. Investments

Investments are recorded at cost, where cost is adjusted to reflect accrued interest less any permanent decline in market value below cost. Investments are composed of the following:

	2022	2021
Bank and provincial issued bonds	\$ 848,711	\$ 885,007
Pooled investment fund	49,683,581	46,331,615
Principal protected notes and other	962,502	1,050,015
	<u>\$ 51,494,794</u>	<u>\$ 48,266,637</u>

The quoted market value of the investments at December 31, 2022 was \$49,713,138 (2021 - \$48,130,984).

3. Accounts receivable

Accounts receivable are recorded net of allowance and are comprised of the following:

	2022	2021
Property taxes	\$ 421,308	\$ 338,209
Utility billings	4,598,724	4,040,122
Other governments	404,401	358,673
Trade & other receivables	2,988,374	3,417,586
	<u>\$ 8,412,807</u>	<u>\$ 8,154,590</u>

THE CORPORATION OF THE CITY OF NELSON

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

4. Long-term accounts receivable

The City entered into an agreement with Selkirk College in April 2000, to undertake certain improvements to the Tenth Street Campus. Selkirk College is paying for the improvements over a 25 year term in equal monthly installments at the Municipal Finance Authority lending rate plus 1%.

On-bill financing refers to the financial loan service that the City of Nelson has made available for energy retrofits. The customer repays the on-bill financing loan on their regular Nelson Hydro utility bill through automatic withdrawal. The loan is available to those who reside within the City of Nelson and approval is based on payment history and property ownership verification. The maximum allowable loan is \$16,000 with the choice of a 5 or 10 year repayment term, the current fixed interest rate is 3.5% The interest rate is subject to change for any new loans on January first of each year.

The City has also entered into agreements with various organizations for goods and services or to repay long term financing agreements over an extended period of time.

	2022	2021
Selkirk College	\$ 1,115,055	\$ 1,464,043
Ecosave energy retrofits on-bill financing loans	581,619	482,709
Various other agreements	179,775	208,907
	<u>\$ 1,876,449</u>	<u>\$ 2,155,659</u>

5. Municipal Finance Authority debt reserve fund

The Municipal Finance Authority of British Columbia (MFA) provides capital financing for regional districts and their member municipalities. The MFA is required to establish a Debt Reserve Fund. The MFA must then use this fund if at any time there are insufficient funds to meet payments on its obligations. If this occurs the regional districts may be called upon to restore the fund.

Each regional district, through its member municipalities who share in the proceeds of a debt issue, is required to pay into the Debt Reserve Fund certain amounts set out in the financing agreements. The interest earned on the Debt Reserve Fund, less administrative expenses, becomes an obligation of the MFA to the regional districts.

Upon maturity of a debt issue, the unused portion of the Debt Reserve Fund established for that issue will be discharged to the Municipality. The proceeds from these discharges will be credited to income in the year they are received. As at December 31, 2022, the total of the Debt Reserve Fund was comprised of:

	2022	2022	2021	2021
	Cash deposit	Demand note	Cash deposit	Demand note
General fund	\$ 149,976	\$ 230,493	\$ 147,451	\$ 232,466
Sewer utility	14,449	31,435	17,718	40,843
Water utility	7,224	15,718	7,067	15,718
Nelson Hydro	99,529	174,898	97,354	174,898
	<u>\$ 271,178</u>	<u>\$ 452,544</u>	<u>\$ 269,590</u>	<u>\$ 463,925</u>

THE CORPORATION OF THE CITY OF NELSON

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

6. Accounts payable and accrued liabilities

	2022	2021
Trades payable	\$ 6,003,862	\$ 5,078,722
Accrued wages and benefits	1,185,968	740,772
Accrued interest	78,109	68,969
Funds held on deposit	<u>1,328,544</u>	<u>132,809</u>
	<u>\$ 8,596,483</u>	<u>\$ 6,021,272</u>

7. Deferred revenue

	Opening Balance	Contributions Received	Revenue Recognized	Ending Balance
Federal Gas Tax grant *	\$ -	\$ 523,174	\$ (523,174)	\$ -
Tax prepayments	2,488,412	2,524,166	(2,488,412)	2,524,166
Utility and Hydro prepayments	1,770,454	1,850,997	(1,770,454)	1,850,997
Other grants	2,476,315	140,486	(1,411,873)	1,204,928
Other	<u>619,190</u>	<u>287,798</u>	<u>(233,772)</u>	<u>673,216</u>
	<u>\$ 7,354,371</u>	<u>\$ 5,326,621</u>	<u>\$ (6,427,685)</u>	<u>\$ 6,253,307</u>

* The Federal Gas Tax grant is recognized into revenue and immediately transferred into the Community Works Fund reserve.

8. Accrued future payroll benefits

	2022	2021
Holiday pay	\$ 795,008	\$ 738,440
Sick leave	898,038	912,214
Banked overtime	<u>178,741</u>	<u>184,204</u>
	<u>\$ 1,871,787</u>	<u>\$ 1,834,858</u>

The City accrues holiday pay, sick leave, and banked overtime as they are earned by the employee, however, it is expected that these substantially funded liabilities will be met on a continuous basis over the long-term. Payment of these amounts will be funded from revenues of the period in which they are settled.

Employees of the City are entitled to accumulate earned benefits related to sick leave. Employees accumulate sick leave on a pro-rata basis at a rate dependent on the relevant contract or collective agreement with the City. Upon retirement from the City, employees are entitled to a portion of their accumulated sick leave based on years of service in excess of 5 years.

The deferred liability related to sick leave is valued at management's best estimate, which is based on past experience and assumptions about retirement, wage, and salary increases and employee turnover.

THE CORPORATION OF THE CITY OF NELSON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

9. Long-term debt

Debt Bylaw #	Purpose of Bylaw	Interest rate %	Year of maturity	Original issue	2022 Balance	2021 Balance
General purposes:						
3107	Catacombs	3.85%	2033	\$ 275,000	\$ 177,269	\$ 189,907
3108	Baker Street bridge	3.85%	2033	900,000	580,150	621,513
3034	Street construction	4.82%	2022	50,341	-	4,354
2863	Tenth Street campus	6.45%	2025	6,080,000	1,144,050	1,493,038
3036	Highway 3A	4.00%	2021	300,000	-	-
				<u>7,605,341</u>	<u>1,901,469</u>	<u>2,308,812</u>
Short-term financing					-	-
Water purposes:						
3038	Fairview reservoir	4.82%	2022	240,000	-	20,756
3110	Water improvements	4.90%	2029	1,000,000	441,642	495,407
				<u>1,240,000</u>	<u>441,642</u>	<u>516,163</u>
Sewer purposes:						
3037	Sewage treatment plant	4.00%	2021	550,000	-	-
3109	Sewer improvements	4.90%	2029	500,000	220,821	247,703
				<u>1,050,000</u>	<u>220,821</u>	<u>247,703</u>
Hydro purposes:						
3106	Hydro improvements	4.90%	2029	1,500,000	662,462	743,111
3223	Hydro improvements	3.05%	2032	6,000,000	3,580,883	3,867,667
				<u>7,500,000</u>	<u>4,243,345</u>	<u>4,610,778</u>
Total long-term debt					<u>\$ 6,807,277</u>	<u>\$ 7,683,456</u>

Principal payments and expected actuarial additions for the next 5 years and thereafter are as follows:

	General	Water	Sewer	Hydro	Total
2023	\$ 420,855	\$ 55,916	\$ 27,958	\$ 382,129	\$ 886,858
2024	439,512	58,153	29,067	397,414	924,146
2025	458,998	60,479	30,239	413,311	963,027
2026	63,174	62,898	31,449	429,843	587,364
2027	65,701	65,414	32,707	447,037	610,859
Thereafter	<u>453,229</u>	<u>138,782</u>	<u>69,401</u>	<u>2,173,611</u>	<u>2,835,023</u>
	<u>\$ 1,901,469</u>	<u>\$ 441,642</u>	<u>\$ 220,821</u>	<u>\$ 4,243,345</u>	<u>\$ 6,807,277</u>

THE CORPORATION OF THE CITY OF NELSON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

10. Tangible capital assets

	<u>Cost</u>	<u>Accumulated amortization</u>	<u>2022 Net book value</u>	<u>2021 Net book value</u>
Land	\$ 8,831,717	\$ -	\$ 8,831,717	\$ 8,985,717
Buildings	38,698,001	30,582,139	8,115,862	8,516,579
Vehicles	11,214,598	6,180,892	5,033,706	4,405,394
IT, equipment & furniture	5,065,412	2,404,962	2,660,450	1,782,311
Library	335,453	252,364	83,089	90,052
Natural gas system capital lease	-	-	-	-
Transportation infrastructure	36,504,983	14,561,154	21,943,829	21,103,701
Parks & cemetery	9,667,811	4,119,900	5,547,911	5,706,322
Water infrastructure	58,385,268	16,980,455	41,404,813	41,423,034
Sewer infrastructure	34,325,234	15,240,431	19,084,803	19,545,785
Storm sewer infrastructure	20,860,690	8,307,316	12,553,374	12,557,430
Hydro generators & substations	22,465,856	9,275,626	13,190,230	13,429,702
Hydro infrastructure	44,132,194	10,521,571	33,610,623	31,932,809
Assets under construction	<u>8,331,015</u>	<u>-</u>	<u>8,331,015</u>	<u>1,342,214</u>
	<u><u>\$298,818,232</u></u>	<u><u>\$118,426,810</u></u>	<u><u>\$180,391,422</u></u>	<u><u>\$170,821,050</u></u>

See schedule of tangible capital assets for more information.

11. Inventory

Inventories recognized in the statement of financial position are comprised of:

	<u>2022</u>	<u>2021</u>
General, water, sewer, transit, garage and library supplies	\$ 656,334	\$ 514,115
Fuel	82,717	68,853
Hydro operating supplies	<u>1,492,059</u>	<u>1,083,493</u>
	<u><u>\$ 2,231,110</u></u>	<u><u>\$ 1,666,461</u></u>

THE CORPORATION OF THE CITY OF NELSON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

12. **Accumulated surplus**

	<u>2022</u>	<u>2021</u>
Reserves set aside by Council		
Capital projects	\$ 1,718,387	\$ 1,913,149
Community works fund	2,393,996	2,696,533
Equipment replacement	4,139,116	4,451,390
Future power purchase	1,213,330	1,186,110
Nelson municipal library	21,899	21,373
Nelson Hydro capital	7,621,674	7,883,715
Sewer utility capital	13,822,854	10,598,714
Waterfront development	33,415	32,815
Water licence	1,424,069	2,198,307
Water utility capital	<u>5,886,872</u>	<u>6,158,637</u>
	38,275,612	37,140,743
Statutory reserves		
Land sales	1,236,975	1,366,091
Off street parking	11,081	10,881
Parks acquisition	50,602	49,702
Tax sale	<u>25,483</u>	<u>24,983</u>
	<u>1,324,141</u>	<u>1,451,657</u>
Total reserves	<u>39,599,753</u>	<u>38,592,400</u>
Surplus set aside by Council		
Airport	101,038	74,038
Art in public places	18,228	12,661
Bridge	419,789	479,789
Building reserve	1,346,279	952,358
Economic development	345,710	285,710
Downtown & waterfront	260,321	298,400
FortisBC	1,408,889	1,908,889
Insurance	412,217	402,329
Legal	20,000	20,000
Parking	7,578	7,578
Recycling reserve	340	171,339
911	99,089	91,589
10th street	<u>235,493</u>	<u>214,693</u>
	4,674,971	4,919,373
Unappropriated surplus	<u>4,797,920</u>	<u>5,353,794</u>
Total surplus	<u>9,472,891</u>	<u>10,273,167</u>
Invested in tangible capital assets	<u>174,699,198</u>	<u>164,601,635</u>
Total accumulated surplus	<u>\$223,771,842</u>	<u>\$213,467,202</u>

THE CORPORATION OF THE CITY OF NELSON

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

13. Trust funds

The Cemetery Care, Cemetery Replacement, Justice McDonald, Better Gardens, Spurway Estate and Habitat for Humanity trust funds are not reported in these financial statements. The following is a summary of trust fund transactions for the year:

	2022	2021
Balances, beginning of year	\$ 1,028,619	\$ 1,001,550
Contributions received	16,005	13,895
Interest earned	22,181	13,174
Expenses and transfers	(36,000)	-
Balances, end of year	<u>\$ 1,030,805</u>	<u>\$ 1,028,619</u>

14. Taxes levied for other paid authorities

In addition to taxes levied for municipal purposes, the City is legally obligated to collect and remit taxes levied for the following authorities. These collections and remittances are not recorded as revenue and expenses.

	2022	2021
Provincial Government - school taxes	\$ 9,702,320	\$ 9,269,533
Regional District of Central Kootenay	5,150,312	4,961,588
West Kootenay Boundary Hospital District	718,181	705,005
British Columbia Assessment Authority	186,678	174,499
Municipal Finance Authority	787	638
	<u>\$ 15,758,278</u>	<u>\$ 15,111,263</u>

15. Pension plan

The City of Nelson and its employees contribute to the Municipal Pension 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 are based on a formula. As at December 31, 2021, the plan has about 227,000 active members and approximately 118,000 retired members. Active members include approximately 42,000 contributors from local governments.

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 may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

THE CORPORATION OF THE CITY OF NELSON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

15. **Pension plan** (continued)

The City of Nelson paid \$1,631,203 (2021 - \$1,622,183) for employer contributions to the plan in fiscal 2022.

The next valuation will be as at December 31, 2024 with results available in 2025.

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 individual employers participating in the plan.

16. **Commitments and contingencies**

Regional District debt

Regional District debt is, under the provisions of the Community Charter of B.C., a direct, joint and several liability of the District and each member municipality within the District including the City of Nelson.

Claims for damages

In the normal course of a year the City is faced with lawsuits and claims for damages of a diverse nature. The City records an accrual in respect of legal claims that are likely to be successful and for which a liability amount is reasonably determinable. The remaining claims, should they be successful, will be recorded when a liability is likely and determinable.

Reciprocal insurance exchange agreement

The City is a subscribed member of the Municipal Insurance Association of British Columbia (The "Exchange") as provided by Section 3.02 of the Insurance Act of British Columbia. The main purpose of the exchange is to pool the risks of liability so as to lessen the impact upon any subscriber. Under the Reciprocal Insurance Exchange agreement, the Municipality is assessed a premium and specific deductible based on population and claims experience. The obligation of the Municipality with respect to the Exchange and/or contracts and obligations entered into by the Exchange on behalf of its subscribers in connection with the Exchange are in every case several and not joint and several. The City irrevocably and unconditionally undertakes and agrees to indemnify and save harmless the other subscribers against liability losses and costs which the other Subscriber may suffer.

17. **Government transfers**

Grants received during the year were composed of the following government transfers and other:

	2022	2022	2021	2021
	Unconditional	Conditional	Unconditional	Conditional
Federal government	\$ 159,726	\$ 391,742	\$ 179,992	\$ 140,789
Provincial government	522,845	1,125,494	427,845	5,147,030
Regional/other	<u>234,550</u>	<u>4,625,152</u>	<u>213,368</u>	<u>751,786</u>
	<u>\$ 917,121</u>	<u>\$ 6,142,388</u>	<u>\$ 821,205</u>	<u>\$ 6,039,605</u>

THE CORPORATION OF THE CITY OF NELSON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

18. Segmented information

The City is a diversified municipal government institution that provides a wide range of services to its citizens. City services are provided by departments and their activities are reported in these service areas. Departments disclosed in the segmented information, along with the services they provide, are as follows:

General government services

The departments and divisions within general government services are responsible for adopting bylaws; adopting administrative policy; levying and collecting taxes and utilities; acquiring, disposing and managing City assets; developing and maintaining information technology systems and applications; ensuring effective financial management and communication; administering City grants; developing an effective labour force; administering collective agreements and payroll; emergency planning; economic development; monitoring and reporting performance; preparing land use plans, bylaws and policies for sustainable development of the City; and ensuring that high quality City service standards are met.

Protective services

Protective services comprises police and fire services. The mandate of police services is to keep our community safe by enforcing the law, and by preventing and reducing crime. Bylaw is responsible for parking and other bylaw enforcement, as well as domestic animal control.

The mandate of the fire and rescue services is to protect life, property and the environment through the provision of emergency response, inspections, code enforcement and public education, ensuring safety for the public.

Transportation services

Transportation services is responsible for planning, building, operating and maintaining the City's physical infrastructure including roads and sidewalks, civic buildings and facilities. In addition, the divisions provide services for storm sewer services and fleet services.

Environmental health

Environmental health is responsible for the City's solid waste and recycling collection services.

THE CORPORATION OF THE CITY OF NELSON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

18. Segmented information (continued)

Public health and welfare

Public health and welfare maintains the cemetery grounds and operations for the City.

Parks, culture and recreation services

Parks, culture and recreation is responsible for providing, facilitating the development of, and maintaining high quality parks, recreation facilities and programs, the youth centre and cultural services.

Water and sewer utility operations

The water utility operates and distributes over 8 million cubic meters of drinking water annually, and maintains water mains and pump stations. The sewer and drainage utility is responsible for the collection, treatment and disposal of sanitary sewage and drainage, as well as the network of sewer mains and pump stations.

Transit

Transit is tasked with providing safe, timely and efficient public transit services within the City limits.

Nelson Hydro

This segment includes all the operating activities related to the generation, distribution and supply of the City's electricity.

Library

As a controlled entity, the City reports and is responsible for the successful operations of the Nelson municipal library.

THE CORPORATION OF THE CITY OF NELSON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

18. **Segmented information** (continued)
Statement of operations by object and function:

	General government	Protective services	Transportation services	Environmental health
Revenues				
Taxes	\$11,498,924	\$ -	\$ 63,405	\$ -
Sales of service	277,648	1,858,633	426,468	712,890
Other revenue from own services	1,523,370	199,348	109,376	(142)
Investment income	857,781	-	-	-
Grants - unconditional	515,886	107,710	-	-
Grants - conditional	1,242,125	384,851	63,011	-
Water and sewer user fees	-	-	-	-
Transit user fees	-	-	-	-
Nelson Hydro sales	-	-	-	-
	<u>15,915,734</u>	<u>2,550,542</u>	<u>662,260</u>	<u>712,748</u>
Expenditures				
Wages and benefits	2,856,261	6,910,286	1,937,700	285,890
Supplies and services	1,890,888	1,390,005	2,371,632	174,489
Interest and other debt charges	145,920	-	46,277	-
Amortization of tangible capital assets	1,072,634	103,704	1,885,214	-
Loss on disposal of tangible capital assets	-	-	23,949	-
	<u>5,965,703</u>	<u>8,403,995</u>	<u>6,264,772</u>	<u>460,379</u>
Annual Surplus (Deficit)	<u>\$ 9,950,031</u>	<u>\$(5,853,453)</u>	<u>\$(5,602,512)</u>	<u>\$ 252,369</u>

Public health & welfare	Parks recreation & cultural	Water & sewer utilities	Transit	Nelson hydro	Library	2022 Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,562,329
78,241	683,397	-	-	-	15,289	4,052,566
36,000	156,635	1,258,229	2,709	1,242,768	35,052	4,563,345
-	-	386,245	-	331,644	8,966	1,584,636
-	-	-	-	-	293,525	917,121
2,400	2,129,159	900,000	1,354,926	30,200	35,716	6,142,388
-	-	7,323,248	-	-	-	7,323,248
-	-	-	252,472	-	-	252,472
-	-	-	-	20,728,017	-	20,728,017
<u>116,641</u>	<u>2,969,191</u>	<u>9,867,722</u>	<u>1,610,107</u>	<u>22,332,629</u>	<u>388,548</u>	<u>57,126,122</u>
236,478	1,169,715	2,104,887	972,977	3,139,997	691,036	20,305,227
48,944	1,240,199	1,360,273	931,901	10,167,023	213,658	19,789,012
-	-	38,706	-	217,427	-	448,330
-	327,231	1,382,714	-	1,383,901	-	6,155,398
-	-	920	-	98,646	-	123,515
<u>285,422</u>	<u>2,737,145</u>	<u>4,887,500</u>	<u>1,904,878</u>	<u>15,006,994</u>	<u>904,694</u>	<u>46,821,482</u>
\$ <u>(168,781)</u>	\$ <u>232,046</u>	\$ <u>4,980,222</u>	\$ <u>(294,771)</u>	\$ <u>7,325,635</u>	\$ <u>(516,146)</u>	\$ <u>10,304,640</u>

THE CORPORATION OF THE CITY OF NELSON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

19. Budget data

The reconciliation of the approved budget for the current year to the budget figures reported in these financial statement is as follows:

	<u>2022</u>
Budget surplus per statement of operations	\$ 10,440,101
Less: Capital expenditures	23,114,323
Long-term debt principal repayments	513,753
Budgeted transfers to reserves	5,641,891
Add: Budgeted transfers from surplus and reserves	12,041,721
Amortization	6,228,145
Debt proceeds	<u>560,000</u>
Net annual budget	<u>\$ -</u>

THE CORPORATION OF THE CITY OF NELSON
SCHEDULE A - STATEMENT OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2022

	Opening balance	Additions & reallocation of assets under construction	Disposals	Closing balance	Accumulated amortization opening balance	Amortization expense	Reduction on disposals	Accumulated amortization closing balance	Net carrying amount end of year
Tangible capital assets									
Land	\$ 8,985,717	\$ -	\$ (154,000)	\$ 8,831,717	\$ -	\$ -	\$ -	\$ -	\$ 8,831,717
Buildings	38,247,129	450,872	-	38,698,001	29,730,550	851,589	-	30,582,139	8,115,862
Vehicles	10,524,110	1,308,670	(618,182)	11,214,598	6,118,716	581,358	(519,182)	6,180,892	5,033,706
IT, equipment & furniture	3,965,608	1,116,304	(16,500)	5,065,412	2,183,297	238,165	(16,500)	2,404,962	2,660,450
Library	321,918	15,002	(1,467)	335,453	231,866	21,965	(1,467)	252,364	83,089
Natural gas system capital lease	-	-	-	-	-	-	-	-	-
Transportation infrastructure	34,688,797	2,054,276	(238,090)	36,504,983	13,585,096	1,093,391	(117,333)	14,561,154	21,943,829
Parks and cemetery	9,498,991	168,820	-	9,667,811	3,792,669	327,231	-	4,119,900	5,547,911
Water infrastructure	57,616,999	774,524	(6,255)	58,385,268	16,193,965	791,825	(5,335)	16,980,455	41,404,813
Sewer infrastructure	34,195,858	129,907	(531)	34,325,234	14,650,073	590,889	(531)	15,240,431	19,084,803
Storm sewer infrastructure	20,591,544	271,855	(2,709)	20,860,690	8,034,114	275,081	(1,879)	8,307,316	12,553,374
Hydro generators & substations	22,212,421	253,435	-	22,465,856	8,782,719	492,907	-	9,275,626	13,190,230
Hydro infrastructure	41,645,478	2,667,457	(180,741)	44,132,194	9,712,669	890,997	(82,095)	10,521,571	33,610,623
Assets under construction	<u>1,342,211</u>	<u>7,232,495</u>	<u>(243,691)</u>	<u>8,331,015</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,331,015</u>
Total	<u>\$ 283,836,781</u>	<u>\$ 16,443,617</u>	<u>\$ (1,462,166)</u>	<u>\$ 298,818,232</u>	<u>\$ 113,015,734</u>	<u>\$ 6,155,398</u>	<u>\$ (744,322)</u>	<u>\$ 118,426,810</u>	<u>\$ 180,391,422</u>

THE CORPORATION OF THE CITY OF NELSON
EXHIBIT 1 - COVID-19 PROVINCE OF BC RESTART GRANT (UNAUDITED)
December 31, 2022

Province of BC Restart Grant reconciliation

	<u>2022</u>
COVID-19 Restart Grant opening balance	\$ 849,641
Less grant recognition:	
Revenue shortfalls	-
Facility reopening & operating costs	50,000
Emergency planning and response	50,000
Computer & other electronic technology costs	<u>83,236</u>
Remaining grant	\$ <u><u>666,405</u></u>

Statement of Financial Information (SOFI)

THE CORPORATION OF THE CITY OF NELSON

Fiscal Year Ended December 31, 2022

SCHEDULE OF DEBT

Information on all long term debt is included in the Audited Financial Statements of The Corporation of the City of Nelson.

Prepared as required by *Financial Information Regulation*, Schedule 1, section 4

Statement of Financial Information (SOFI)

THE CORPORATION OF THE CITY OF NELSON

Fiscal Year Ended December 31, 2022

SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS

The Corporation of the City of Nelson has not given any guarantees or indemnities under the Guarantees and Indemnities Regulation.

Prepared under the Financial Information Regulation, Schedule 1, section 5

Statement of Financial Information (SOFI)

THE CORPORATION OF THE CITY OF NELSON

Fiscal Year Ended December 31, 2022

STATEMENT OF SEVERANCE AGREEMENTS

There were no severance agreements made between the Corporation of the City of Nelson and its non-unionized employees during the fiscal year ended December 31, 2022.

Prepared under the Financial Information Regulation, Schedule 1, subsection 6(8)

THE CORPORATION OF THE CITY OF NELSON
SCHEDULE OF REMUNERATION AND EXPENSE
YEAR ENDED DECEMBER 31, 2022

NAME		REMUNERATION	EXPENSE
ELECTED OFFICIALS	POSITION		
Charlwood, N	Councillor	\$ 22,826	\$ 5,051
Dooley, J	Mayor	54,219	8,916
Logtenberg, R	Councillor	28,129	5,893
Morrison, J	Councillor/Mayor	32,772	3,372
Page, K	Councillor	28,129	8,814
Payne, L	Councillor	5,379	473
Pineiro, J	Councillor	5,379	473
Renwick, C	Councillor	22,826	-
Tait, E	Councillor	5,379	473
Woodward, J	Councillor	28,129	2,702
TOTAL ELECTED OFFICIALS		233,166	36,166
DETAILED EMPLOYEES > \$75,000			
Allum, J		\$ 87,651	\$ 3,080
Andrijancic, N		91,508	2,028
Arabia, L		93,284	104
Arcand, S		120,116	5,347
Austin, T		100,375	5,813
Banilevic, A		89,140	2,062
Barbour, R		88,033	1,219
Beck, D		78,328	2,066
Block, M		82,529	160
Blomme, B		110,306	5,487
Bouvet-Boisclair, G		110,164	4,827
Bush, C		80,430	3,009
Centrone, D		95,401	891
Cormack, K		194,644	5,723
Cortese, D		75,322	622
Craig, M		79,905	944
Dermody, N		131,922	685
Desrosiers, C		112,946	12,722
Donald, S		81,716	-
Dryden, I		76,655	-
Eagleson, S		102,949	2,809
Ellison, S		99,726	4,211
Elsdon, M		82,503	163
Espinoza, L		78,586	498
Ferguson, S		75,494	149
Fortier, L		78,557	202
Gould, B		79,453	3,410
Grill, M		89,871	104
Hamilton, D		142,185	-
Harding, T		149,092	473
Hebert, J		132,935	7,688
Innes, C		144,550	5,579

Jameson, R	77,816	264
Jansen, C	98,119	2,759
Jeffery, S	121,476	901
Jmaiff, B	78,844	121
Johnson, B	75,027	473
Johnson, K	123,952	-
Jones, B	81,366	149
Jury, C	136,599	8,643
Kelly, P	75,499	-
Koehle, J	111,189	2,953
Kratz, S	77,026	149
Kuziak, M	79,522	5,611
Laminski, C	86,854	267
Lauritzen, K	90,337	1,191
Lees, D	75,906	-
Lester, G	80,558	350
Lynn, L	125,143	149
Mackinnon, C	77,878	104
Maida, R	121,960	2,337
Markin, J	126,581	1,074
McClure, C	124,695	2,676
McIvor, D	137,454	163
McNeil, B	88,330	1,135
Moyle, J	78,192	1,861
Nystrom, R	120,083	1,074
Ouellette, M	115,784	1,539
Penner, M	82,794	104
Pickering, S	80,347	321
Proctor, C	86,203	1,033
Proctor, G	119,732	200
Procyshyn, J	162,262	-
Reese, A	83,824	205
Rorick, S	98,617	2,342
Rothkop, J	150,141	473
Sabo, S	78,669	-
Sangalang, J	81,512	4,403
Schmidtke, G	101,079	-
Spencer, S	193,317	1,797
Thast, C	112,070	752
Thibault, M	132,950	1,167
Topolovec, J	79,590	869
Winton, S	133,189	11,719
TOTAL DETAILED EMPLOYEES > \$75,000	7,598,763	143,399
TOTAL EMPLOYEES <= \$75,000	5,005,804	95,472
TOTAL	\$ 12,837,733	\$ 275,036
TOTAL EMPLOYER PREMIUM FOR CPP/EI		\$ 472,006

THE CORPORATION OF THE CITY OF NELSON
SCHEDULE OF PAYMENTS TO SUPPLIERS OF GOODS AND SERVICES
YEAR ENDED DECEMBER 31, 2022

DETAILED SUPPLIERS >\$25,000

<u>SUPPLIER NAME</u>	<u>EXPENSE</u>
Aardvark Pavement Marking Services	\$ 69,560
Advanced Utility Systems	69,813
Advantage Asset Tracking Inc	30,243
Aevitas Inc	100,253
AIG Insurance Company of Canada	32,349
Alumichem Canada Inc	56,869
AM Contracting	39,731
A-Mais Technologies Inc.	43,173
Amazon	26,199
Andrew Sheret Limited	129,964
Aon Reed Stenhouse Inc.	430,156
BBA Field Services Ltd.	29,644
BC Cargo Trailers	35,516
BC Transit	558,146
BGC Engineering Inc.	39,752
Bibliotheca Canada Inc.	33,543
Bill's Heavy Duty Enterprises (2004) Ltd	37,403
Black Press Group Ltd.	33,937
Boundary Electric (1985) Ltd.	109,334
Brandt Tractor Ltd	97,737
British Columbia Utilities Commission	25,163
C. Boehringer & Associates	53,523
Canadian Dewatering LP	60,712
Caro Analytical Services Ltd.	25,261
CEATI International	34,335
Central Kootenay Invasive Species	66,641
Centrix Control Solutions LP	34,833
CIMA Canada Inc	95,285
Cleaning Genies	64,072
Colliers Project Leaders Inc	43,347
Columbia Fuels	708,517
Cooper Power Systems LLC	237,018
Cornerstone General Contracting Ltd.	286,037
Cowan's Office Supplies Ltd	89,941
Cummins Canada ULC	48,229
Dawson International Truck Centres Ltd	195,280
DDC Excavating Ltd	258,822
Denise Cook Design	35,700
DHC Communications Inc	101,922
Dominic Systems Limited	40,322
Domino Highvoltage Supply Inc	189,729

Drop Sprockets	28,486
EffiStruc Consulting Inc.	53,731
Engen Services Ltd.	62,388
F12.net Inc	26,725
Fall Line Forestry Ltd.	292,522
Food Cycle Sciences Corporation	555,520
FortisBC - Electricity	6,988,568
Fred Surridge Ltd.	276,787
Frontier Power Products ULC	98,601
Gall Legge Grant Zwack LLP	156,344
GFL Environmental Inc	122,261
Gilbert Parts Depot	56,198
Grant Thornton LLP	44,573
Greatario Industrial Storage Systems	46,526
Guillevin International Co.	83,627
Hadean Aggregate Solutions Inc.	154,094
Hall Printing	36,108
High Five Maintenance Ltd	396,432
Hydraclean Restoration Services Ltd	32,069
Hywood Truck & Equipment Ltd	51,738
ICBC	60,573
Inland Allcare	94,062
Insight Canada Inc.	74,764
Integrity Pole Inspections Inc.	26,205
Intergroup Consultants	42,361
Itron Canada Inc.	50,067
J.J. Mackay Canada Limited	95,289
Jetson Consulting Engineers Ltd	74,928
John Brooks Company Ltd	39,407
Joy of Art	71,946
Kal-Tire	61,716
Kon Kast Concrete Products Inc	151,482
Kootenay Association for Science and	60,000
Kootenay Complete Tree Service Ltd	269,828
Kootenay Industrial Supply Ltd	28,980
Kootenay-Columbia Environmental	30,070
Lidstone & Company	26,328
LineStar Utility Supply Inc.	38,658
Lordco Auto Parts	68,498
Main Jet Motorsports Inc.	33,811
Maple Leaf Power Corporation	76,840
Martech Electrical Systems Ltd	795,349
Marwest Industries Ltd	1,693,101
Masse Environmental Consultants Ltd	30,102
McNally Excavating Inc.	737,898
Metsco Energy Solutions Inc.	149,077
MI Petro Construction and Supply Inc.	249,467

Minister of Finance - Accomodation & Real Estate	311,335
Minister of Finance - Water Management	211,701
Minister of Finance - Queen's Printer	98,122
Minister of Finance - Fuel Management	94,500
Mountain Logic Solutions Inc	63,557
Municipal Finance Authority	937,959
Municipal Insurance Assoc. of BC	129,740
MVA Power Inc.	237,225
MYAC Consulting Inc.	29,925
Nelson & District Airport Society	37,800
Nelson Building Centre Limited	60,738
Nelson Ford Sales (2003) Inc.	150,528
Noramco	197,519
North Mountain Construction Ltd.	196,874
Northern Transformer Corporation	783,178
NSC Minerals Ltd.	39,264
Overland West Freight Lines Ltd	29,538
Pacific Powertech Inc.	72,157
Pennco Engineering Ltd.	59,931
PetroValue Products Canada Inc.	49,996
Primary Engineering and Construction Cor	70,392
Prism Engineering	58,025
PUBLIC Communication	42,441
Radius Industrial Works Inc.	92,943
Ramm Custom Build Ltd	25,113
Rexel Utility	101,034
Richard Eskandar	27,084
SEL Schweitzer Laboratories Inc	32,756
Selkirk College	26,442
Sequoia Fuels	47,817
Shade Sails Canada Inc.	139,265
Shaw's Enterprises Ltd	33,657
SK Electronics Ltd.	43,521
SMP Sullivan Motor Products Nelson Ltd	42,941
SNC-Lavalin Inc	43,034
Speedpro Signs	25,089
Stella-Jones Inc	346,935
Superior Propane Inc.	63,645
Tamarack	32,598
Telus Mobility (BC)	48,697
Teric Power Ltd	26,250
Terry Andreychuk Consulting Ltd.	47,784
Terus Construction Ltd	2,737,383
The Nelson Arborist	31,700
Thunderbird Traffic Control and Training	50,046
Tu-Dor Lock & Security	29,653
Twin Rivers Controls Ltd	244,307

Unitech Construction Management Ltd	2,126,958
Urban Systems Ltd	502,306
Util-Assist Inc.	65,100
Vimar Equipment Ltd	51,545
Ward Engineering & Land Surveying Ltd	69,143
Wesco Distribution Canada LP	69,088
West Arm Silviculture Inc.	76,062
Westcan Advanced Communication Solutions	76,078
Wishbone Industries Limited	25,922
WorkSafe BC	376,191
X10 Technologies Inc	34,213
YRB - Yellowhead Road & Bridge	47,348
TOTAL DETAILED SUPPLIERS >\$25,000	31,214,204
TOTAL SUPPLIERS <= \$25,000	4,306,008
TOTAL SUPPLIERS	35,520,212

GRANTS AND CONTRIBUTIONS >\$25,000

Capitol Theatre	70,200
Community Futures Development Corp.	80,000
Nelson & District Arts Council	38,000
Nelson & District Chamber of Commerce	80,520
Regional District of Central Kootenay	184,200
Touchstones Nelson	227,460
TOTAL GRANTS AND CONTRIBUTIONS >\$25,000	<u>680,380</u>

TOTAL PAYMENTS, GRANTS AND CONTRIBUTIONS	<u><u>\$ 36,200,592</u></u>
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Prepared under the Financial Information Regulation, Schedule 1, section 7(1) and (2)

THE CORPORATION OF THE CITY OF NELSON
PAYMENT TO FINANCIAL STATEMENT RECONCILIATION
YEAR ENDED DECEMBER 31, 2022

S.O.F.I. Report Scheduled Payments

Remuneration	\$ 12,837,733	
Employee expenses	\$ 275,036	
Employer CPP/EI	<u>472,006</u>	13,584,775
Payments for Goods and Services		<u>36,200,592</u>
Total of Scheduled Payments		49,785,367
Total of Financial Statement Expenditures		46,821,482

The difference between the Total of Scheduled Payments and the Total Financial Statements Expenditures are due to:

- Adjustments to account for the difference between payments made on a cash basis, and the audited financial statements reporting expenditures on an accrual basis of accounting. This would include adjustments for opening and closing balances of inventories, prepaid expenses, and accrued liabilities.
- List of payments to suppliers include 100% GST while the expenditures in the financial statements are net of the applicable GST rebate.
- Capital expenditures are shown as payments to the vendor in this report. However, the total financial statement expenditures do not reflect these payments as they report amortization of all the capital assets.
- The Schedule of Payments of Goods and Services includes payments made on behalf of third parties, which are recovered from these parties and the expense is excluded from the Financial Statements.
- Payments to some suppliers are reported directly to the Balance Sheet and therefore are not reported as expenditures

Prepared under the Financial Information Regulation, Schedule 1, subsection 6(2d) and subsection 7(1b)