

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

**2011**

**Statement of Financial Information (SOFI)**

**THE CORPORATION OF THE CITY OF NELSON**

**Fiscal Year Ended December 31, 2011**

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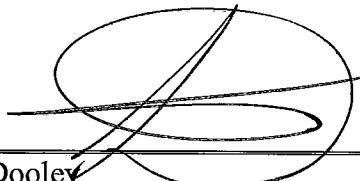
**Statement of Financial Information (SOFI)**

**THE CORPORATION OF THE CITY OF NELSON**

**Fiscal Year Ended December 31, 2011**

**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.



John Dooley  
Mayor



Colin McClure  
Chief Financial Officer

Prepared as required by *Financial Information Regulation*, Schedule 1, section 9

## **Statement of Financial Information (SOFI)**

### **THE CORPORATION OF THE CITY OF NELSON**

**Fiscal Year Ended December 31, 2011**

#### **MANAGEMENT REPORT**

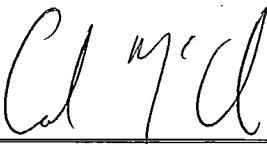
The Financial Statements contained in this Statement of Financial Information under the *Financial Information Act* have been prepared by management in accordance with generally accepted accounting principles and the integrity and objectivity of these statements are management's responsibility.

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, Berg Naqvi Lehmann, Chartered 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



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Colin McClure  
Chief Financial Officer  
June 25, 2012



## **CITY OF NELSON**

**THE CORPORATION OF THE CITY OF NELSON  
CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

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**THE CORPORATION OF THE CITY OF NELSON**  
**INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2011**

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**Management Report**

**Independent Auditors' Report**

**Financial Statements**

Consolidated Statement of Financial Position

Consolidated Statement of Operations

Consolidated Statement of Changes in Net Debt

Consolidated Statement of Cash Flows

Notes to the Consolidated Financial Statements

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**THE CORPORATION OF THE CITY OF NELSON**  
**MANAGEMENT REPORT**  
**For the Year Ended December 31, 2011**

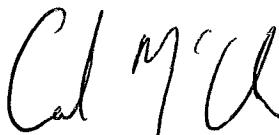
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**RESPONSIBILITY FOR FINANCIAL REPORTING**

Management is responsible for the preparation of the accompanying consolidated financial statements. The financial statements have been prepared in accordance with the accounting principles disclosed in Note 1 to the consolidated 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 consolidated 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, Berg Naqvi Lehmann, Chartered Accountants, have been appointed by Council to express an opinion as to whether the consolidated 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 consolidated financial statements. The report of Berg Naqvi Lehmann, Chartered Accountants, follows and outlines the scope of their examination and their opinion on the consolidated financial statements.



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Colin McClure, CA  
Chief Financial Officer

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of The Corporation of the City of Nelson, which comprise the consolidated statement of financial position as at December 31, 2011, and the consolidated statement of operations, consolidated statement of changes in net debt and consolidated statement of cash flows for the year then ended, and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements in accordance with Canadian public 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.

### Auditors' Responsibility

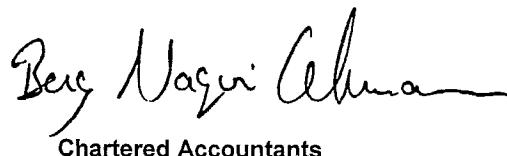
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the 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 City'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.

### Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of The Corporation of the City of Nelson as at December 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



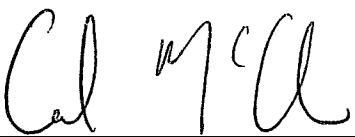
Chartered Accountants

June 25, 2012

Nelson, B.C.

**THE CORPORATION OF THE CITY OF NELSON**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
As at December 31, 2011

	<u>2011</u>	<u>2010</u>
<b>Financial Assets</b>		
Cash and cash equivalents (Note 2)	\$ 14,125,073	\$ 13,245,697
Investments (Note 3)	2,497,837	2,406,951
Accounts receivable (Note 4)	3,992,944	4,515,184
Long-term accounts receivable (Note 5)	4,327,812	4,595,434
MFA deposits (Note 6)	<u>222,966</u>	<u>482,557</u>
	<u>25,166,632</u>	<u>25,245,823</u>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities (Note 7)	4,228,057	4,605,230
Deferred revenue (Note 8)	4,161,254	4,274,828
Accrued future payroll benefits (Note 9)	2,198,254	2,339,257
Capital lease obligation (Note 10)	596,950	701,156
Debt (Note 11)	<u>14,642,134</u>	<u>18,324,195</u>
	<u>25,826,649</u>	<u>30,244,666</u>
<b>Net Debt</b>	(660,017)	(4,998,843)
<b>Non -Financial Assets</b>		
Tangible capital assets (Note 12)	138,430,648	136,870,128
Inventory (Note 13)	1,284,678	1,827,019
Prepaid expenses	<u>254,084</u>	<u>232,883</u>
	<u>139,969,410</u>	<u>138,930,030</u>
<b>Accumulated Surplus (Note 14)</b>	<u>\$139,309,393</u>	<u>\$133,931,187</u>
Commitments and Contingencies (Note 18)		

  
 Colin McClure, CA  
 Chief Financial Officer

**THE CORPORATION OF THE CITY OF NELSON**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
For the Year Ended December 31, 2011

	<u>2011 Budget</u> (Note 20)	<u>2011</u>	<u>2010</u>
<b>Revenue</b>			
Taxes	\$ 8,255,513	\$ 8,282,691	\$ 8,148,579
Sale of services	2,671,378	2,583,336	2,547,223
Other revenue from own sources	3,700,099	3,207,105	2,996,513
Investment income	62,500	2,635,193	804,392
Grants - unconditional	632,814	1,039,242	703,141
Grants - conditional	2,540,455	1,845,696	2,795,562
Water user fees	2,613,868	2,661,969	2,410,327
Sewer user fees	2,366,529	2,401,706	2,219,661
Transit user fees	295,481	275,533	270,281
Nelson Hydro sales	13,387,000	14,053,455	12,670,132
Gain on disposal of tangible capital assets	-	-	211,488
	<u>36,525,637</u>	<u>38,985,926</u>	<u>35,777,299</u>
<b>Expenses</b>			
General government	2,943,909	3,042,073	3,471,493
Protective services	5,433,397	5,226,231	5,325,046
Transportation services	3,137,409	3,288,307	2,261,165
Environmental health services	254,956	225,043	204,287
Public health and welfare services	183,235	158,505	196,980
Parks, recreation and cultural services	1,792,881	1,818,676	1,653,582
Interest and other debt charges	1,600,281	1,321,477	1,402,661
Water utility operations	1,034,422	858,068	828,361
Sewer utility operations	1,544,210	1,362,857	1,380,780
Nelson Hydro operations	9,051,637	9,536,559	8,100,470
Transit operations	1,322,533	1,239,510	1,286,125
Library	488,000	838,000	623,401
Amortization	3,657,570	4,564,093	4,443,548
Loss on disposal of tangible capital assets	-	128,321	-
	<u>32,444,440</u>	<u>33,607,720</u>	<u>31,177,899</u>
Annual surplus	4,081,197	5,378,206	4,599,400
Accumulated surplus, beginning of the year	<u>133,931,187</u>	<u>133,931,187</u>	<u>129,331,787</u>
<b>Accumulated surplus, end of the year</b>	<b><u>138,012,384</u></b>	<b><u>139,309,393</u></b>	<b><u>133,931,187</u></b>

**THE CORPORATION OF THE CITY OF NELSON**  
**CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT**  
For the Year Ended December 31, 2011

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	<u>2011 Budget</u>	<u>2011</u>	<u>2010</u>
Annual surplus	4,081,197	5,378,206	4,599,400
Acquisition of tangible capital assets	(9,733,315)	(6,260,434)	(8,465,059)
Amortization of capital assets	3,657,570	4,564,093	4,443,548
Proceeds on sale of tangible capital assets	-	7,500	723,007
Loss (gain) on disposal of tangible capital assets	-	128,321	(211,488)
	<u>(1,994,548)</u>	<u>3,817,686</u>	<u>1,089,408</u>
(Acquisition) consumption of prepaid expenses	-	(21,201)	33,270
Consumption (acquisition) of supply inventory	-	542,341	(317,930)
	<u>-</u>	<u>521,140</u>	<u>(284,660)</u>
Decrease in net debt	1,994,548	4,338,826	804,748
Net debt, beginning of year	<u>(4,998,843)</u>	<u>(4,998,843)</u>	<u>(5,803,591)</u>
<b>Net debt, end of the year</b>	<b><u>(3,004,295)</u></b>	<b><u>(660,017)</u></b>	<b><u>(4,998,843)</u></b>

**THE CORPORATION OF THE CITY OF NELSON**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the Year Ended December 31, 2011

	<u>2011</u>	<u>2010</u>
<b>Cash Provided by (Used In)</b>		
<b>Operating Activities</b>		
Annual surplus	\$ 5,378,206	\$ 4,599,400
<b>Items not involving cash:</b>		
Amortization of tangible capital assets	4,564,093	4,443,548
Actuarial adjustments	(2,117,497)	(467,861)
Loss (gain) on disposal of tangible capital assets	<u>128,321</u>	<u>(211,488)</u>
	7,953,123	8,363,599
<b>Increase (decrease) in non-cash operating items:</b>		
Accounts receivable	522,240	(786,349)
Long-term accounts receivable	267,622	52,277
MFA deposits	259,591	(56,935)
Accounts payable and accrued liabilities	(377,173)	298,448
Deferred revenue	(113,574)	(470,999)
Accrued future payroll benefits	(141,003)	52,634
Inventory	542,341	(317,930)
Prepaid expenses	<u>(21,201)</u>	<u>33,270</u>
	<u>8,891,966</u>	<u>7,168,015</u>
<b>Financing Activities</b>		
Proceeds from debt issues	-	67,200
Debt repayment	(1,564,564)	(714,744)
Repayment of capital lease obligations	<u>(104,206)</u>	<u>(174,850)</u>
	<u>(1,668,770)</u>	<u>(822,394)</u>
<b>Capital Activities</b>		
Proceeds from disposal of tangible capital assets	7,500	723,007
Acquisition of tangible capital assets	<u>(6,260,434)</u>	<u>(8,465,059)</u>
<b>Investing Activities</b>		
Net purchase of investments	(90,886)	(87,381)
	<u>(6,343,820)</u>	<u>(7,829,433)</u>
<b>Net increase (decrease) in Cash</b>	879,376	(1,483,812)
<b>Cash and cash equivalents, beginning of year</b>	<u>13,245,697</u>	<u>14,729,509</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 14,125,073</u>	<u>\$ 13,245,697</u>

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# THE CORPORATION OF THE CITY OF NELSON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2011

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### 1. Significant Accounting Policies

The Corporation of the City of Nelson (the City) is a local government in the Province of British Columbia. The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

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

(a) Principles of Consolidation

These consolidated financial statements include the accounts of all the funds of the City. Inter-fund transactions and balances have been eliminated in the consolidated 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 revenues are recognized at the time of issuing the property tax notices for the fiscal year. Sale of services and user fee revenues are recognized when the service or product is rendered by the City.

Grant revenues are recognized when the funding becomes receivable. Revenue unearned in the current period is recorded as deferred revenue.

(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) Government Transfers

Government transfers are recognized in the consolidated 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.

(e) Financial Instruments

The City's financial instruments consist of cash and short term investments, 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 Additions on Long Term Debt

The City records interest expense and actuarial additions on long-term debt on an accrual basis.

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**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2011

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**1. Significant Accounting Policies (continued)**

**(g) Tangible Capital Assets**

Tangible capital assets, comprised of capital assets and 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:

Land Improvements	15 to 20	years
Buildings	10 to 75	years
Fixtures, Furniture, Equipment & Vehicles	4 to 20	years
Technology	4 to 10	years
Roads and Paving	10 to 100	years
Bridges and other Transportation Structures	10 to 100	years
Water Infrastructure	10 to 100	years
Sewer Infrastructure	10 to 100	years
Nelson Hydro Infrastructure	10 to 100	years
Storm Drain Infrastructure	10 to 100	years

**(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 of supplies**

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 internally restricted by council. Formal establishing bylaws have been adopted pursuant of 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 consolidated financial statements in accordance with Canadian generally accepted accounting principles 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 useful lives of tangible capital assets for amortization, future employee 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) Unaudited Budget**

Budget data presented in these consolidated financial statements is unaudited and is based on the City's 5 Year Financial Plan for the years 2011-2015, adopted by Council on April 22, 2011.

**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2011

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**2. Cash and Cash Equivalents**

Cash and cash equivalents in the statement of financial position are comprised of:

	<u>2011</u>	<u>2010</u>
Cash	\$ 6,084,334	\$ 4,552,783
MFA bond and money market funds	<u>8,040,739</u>	<u>8,692,914</u>
	<u>\$ 14,125,073</u>	<u>\$ 13,245,697</u>

Municipal Finance Authority (MFA) pooled investment funds are considered equivalent to cash because of their liquidity.

**3. Investments**

Investments are carried according to the cost method, where cost is adjusted to reflect accrued interest less any permanent decline in market value below cost. Investments are composed of Government and Bank issued accrual notes and debentures as follows:

<u>Maturity</u>	2011 Carrying Value	2011 Market Value	2010 Carrying Value	2010 Market Value
2010	\$ -	\$ -	\$ 100,000	\$ 100,000
2011	5,550	5,550	-	-
2012	291,500	301,732	278,800	304,785
2013	144,116	149,834	139,116	152,902
2014	496,070	512,872	482,570	531,377
2015	262,667	283,778	252,593	301,660
2016	937,923	1,001,999	808,361	985,719
2017-2021	<u>360,011</u>	<u>397,293</u>	<u>345,511</u>	<u>457,469</u>
	<u>\$ 2,497,837</u>	<u>\$ 2,653,058</u>	<u>\$ 2,406,951</u>	<u>\$ 2,833,912</u>

**4. Accounts Receivable**

	<u>2011</u>	<u>2010</u>
Property taxes	\$ 532,785	\$ 524,300
Utility billings	1,759,279	1,795,888
Other governments	427,402	475,986
Trade & other receivables	<u>1,273,478</u>	<u>1,719,010</u>
	<u>\$ 3,992,944</u>	<u>\$ 4,515,184</u>

**5. 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%.

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.

**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2011

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**5. Long Term Accounts Receivable (continued)**

	<u>2011</u>	<u>2010</u>
Selkirk College	\$ 4,177,680	\$ 4,398,243
Various other agreements	<u>150,132</u>	<u>197,191</u>
	<u><u>\$ 4,327,812</u></u>	<u><u>\$ 4,595,434</u></u>

**6. 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, 2011, the total of the Debt Reserve Fund was comprised of:

	<u>2011</u>	<u>2011</u>	<u>2011</u>	<u>2010</u>
	<u>Cash Deposit</u>	<u>Demand Note</u>	<u>Total</u>	<u>Total</u>
General fund	\$ 169,422	\$ 512,384	\$ 681,806	\$ 772,620
Sewer utility	13,663	40,843	54,506	54,056
Water utility	17,577	45,112	62,689	62,110
Nelson Hydro	<u>22,304</u>	<u>71,350</u>	<u>93,654</u>	<u>723,910</u>
	<u><u>\$ 222,966</u></u>	<u><u>\$ 669,689</u></u>	<u><u>\$ 892,655</u></u>	<u><u>\$ 1,612,696</u></u>

**7. Accounts Payable and Accrued Liabilities**

	<u>2011</u>	<u>2010</u>
Trades payable	\$ 3,456,458	\$ 3,776,882
Accrued wages and benefits	253,006	213,022
Accrued interest	85,257	182,941
Other	<u>433,336</u>	<u>432,385</u>
	<u><u>\$ 4,228,057</u></u>	<u><u>\$ 4,605,230</u></u>

**8. Deferred Revenue**

	<u>2011</u>	<u>2010</u>
Taxes and utility rates	\$ 2,516,427	\$ 2,401,837
Community works fund	1,216,109	1,068,903
Hydro	207,839	293,490
Other	<u>220,879</u>	<u>510,598</u>
	<u><u>\$ 4,161,254</u></u>	<u><u>\$ 4,274,828</u></u>

**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2011

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**9. Accrued Future Payroll Benefits**

	<u>2011</u>	<u>2010</u>
Holiday Pay	\$ 754,438	\$ 749,029
Sick Leave	1,250,353	1,383,878
Banked Overtime	<u>193,463</u>	<u>206,350</u>
	<u>\$ 2,198,254</u>	<u>\$ 2,339,257</u>

The City accrues holiday pay, sick leave, and banked overtime as they are earned by the employee, however, it is expected that these mostly 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.

**10. Capital Lease Obligations**

a) Equipment leases

The City has various commitments to lease vehicles and equipment with the MFA.

b) Fortis BC Energy Lease

The City has entered into a 35 year capital lease with FortisBC Energy Inc (formerly Terasen Gas Inc.), commencing October 31, 2003 for the natural gas distribution system within the municipality's boundary for \$8,000,000. The City has prepaid \$7,600,000 of the capital lease obligation and has financed the prepayment through debenture debt. The remaining obligation of \$400,000 is being paid through annual lease payments of \$36,354 including interest at 8.614%.

The City has also entered into a seventeen year operating lease with FortisBC expiring October 31, 2020 whereby the City leases back to FortisBC the operations of the gas distribution system. Under the operating lease FortisBC is required to make annual lease payments to the City calculated by a formula specified in the agreement which is based on the total annual revenue generated by the transaction. At the end of the seventeen year term FortisBC has the option of making a termination payment to the City equal to the unamortized portion of the City's \$7,600,000 prepayment under the capital lease which is estimated to be \$3,900,000, or negotiate a new eighteen year operating lease with a continuation of the annual lease payments which existed under the previous seventeen year operating lease.

The minimum lease payments required under the terms of all capital leases for the next five years and thereafter are as follows:

	Fortis	Equipment	Total
2012	\$ 36,354	\$ 218,571	\$ 254,925
2013	36,354	-	36,354
2014	36,354	-	36,354
2015	36,354	-	36,354
2016	36,354	-	36,354
Thereafter	799,788	-	799,788
Less interest	<u>(602,804)</u>	<u>(375)</u>	<u>(603,179)</u>
	<u>\$ 378,754</u>	<u>\$ 218,196</u>	<u>\$ 596,950</u>

**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2011

**11. Debt**

Debt Bylaw #	Purpose of Bylaw	Interest rate %	Year of Maturity	Original Issue	2011 Balance	2010 Balance
<b><u>General Purposes:</u></b>						
2821	Street construction	5.55%	2011	\$ 225,400	\$ -	\$ 15,028
2866	Waterfront Dr	6.36%	2012	19,352	2,006	3,994
2866	Street construction	6.36%	2013	208,558	40,478	59,778
3034	Street construction	4.00%	2022	50,341	39,630	42,467
2470	Police/Library building	6.10%	2012	960,000	-	117,278
2871	Tenth Street campus	3.15%	2025	6,080,000	4,206,676	4,427,238
2917	Lakeside fields	6.06%	2012	1,000,000	97,828	218,650
3036	Highway 3A	4.00%	2021	300,000	218,203	235,869
2978	Fortis Gas	4.50%	2020	4,200,000	3,839,970	4,200,000
	Fortis Gas	CDOR+.5%	2021	<u>7,386,404</u>	<u>2,753,604</u>	<u>3,253,604</u>
				<u>20,430,055</u>	<u>11,198,395</u>	<u>12,573,906</u>
<b><u>Water Purposes:</u></b>						
3038	Fairview reservoir	4.00%	2022	240,000	188,936	202,462
2025	Water improvements	4.90%	2029	<u>1,000,000</u>	<u>929,913</u>	<u>965,642</u>
				<u>1,240,000</u>	<u>1,118,849</u>	<u>1,168,104</u>
<b><u>Sewer Purposes:</u></b>						
2559	North Shore line	8.50%	2013	150,250	18,349	29,085
2654	North Shore line	8.50%	2014	35,400	7,543	9,896
3037	Sewage treatment plant	4.00%	2021	550,000	400,040	432,427
2025	Sewer improvements	4.90%	2029	<u>500,000</u>	<u>464,957</u>	<u>482,821</u>
				<u>1,235,650</u>	<u>890,889</u>	<u>954,229</u>
<b><u>Hydro Purposes:</u></b>						
2605	Hydro plant	8.50%	2014	35,400	-	2,092,033
2917	Bonnington substation	4.00%	2021	550,000	39,131	87,460
2025	Hydro improvements	4.90%	2029	<u>500,000</u>	<u>1,394,870</u>	<u>1,448,463</u>
				<u>1,085,400</u>	<u>1,434,001</u>	<u>3,627,956</u>
<b>Total Debt</b>						<b>\$ 14,642,134</b>
						<b>\$ 18,324,195</b>

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

	General	Water	Sewer	Hydro	Total
2012	\$ 603,250	\$ 45,568	\$ 49,873	\$ 82,174	\$ 780,865
2013	522,453	45,568	49,873	50,373	668,267
2014	509,893	45,568	45,329	50,373	651,163
2015	509,893	45,568	44,258	50,373	650,092
2016	509,893	45,568	44,258	50,373	650,092
Thereafter	<u>8,543,013</u>	<u>891,009</u>	<u>657,298</u>	<u>1,150,335</u>	<u>11,241,655</u>
	<u>\$ 11,198,395</u>	<u>\$ 1,118,849</u>	<u>\$ 890,889</u>	<u>\$ 1,434,001</u>	<u>\$ 14,642,134</u>

**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2011

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**12. Tangible Capital Assets**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2011 Net Book Value</u>	<u>2010 Net Book Value</u>
Land	\$ 8,397,438	\$ -	\$ 8,397,438	\$ 8,397,438
Buildings	34,703,176	20,456,347	14,246,829	14,781,857
Vehicles	7,854,151	3,480,450	4,373,701	4,661,212
IT, equipment & furniture	2,290,529	1,095,548	1,194,981	1,349,552
Library	511,297	230,728	280,569	345,904
Natural gas system capital lease	8,186,404	2,105,075	6,081,329	6,315,226
Transportation infrastructure	18,607,587	7,746,265	10,861,322	10,384,070
Parks & cemetery	4,287,055	1,963,259	2,323,796	2,413,071
Water infrastructure	43,686,017	10,489,538	33,196,479	33,317,976
Sewer infrastructure	27,602,203	9,770,530	17,831,673	17,845,571
Storm sewer infrastructure	17,659,479	5,576,349	12,083,130	12,179,637
Hydro generators & substations	15,730,541	5,303,217	10,427,324	10,684,626
Hydro infrastructure	20,593,857	4,639,463	15,954,394	12,562,529
Assets under construction	<u>1,177,683</u>	<u>-</u>	<u>1,177,683</u>	<u>1,631,459</u>
	<u><u>\$211,287,417</u></u>	<u><u>\$ 72,856,769</u></u>	<u><u>\$138,430,648</u></u>	<u><u>\$136,870,128</u></u>

See schedule of consolidated tangible capital assets for more information.

**13. INVENTORY**

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

	<u>2011</u>	<u>2010</u>
General, Water, Sewer Transit and Garage supplies	\$ 301,961	\$ 318,353
Fuel	23,680	34,414
Hydro	<u>959,037</u>	<u>1,474,252</u>
	<u><u>\$ 1,284,678</u></u>	<u><u>\$ 1,827,019</u></u>

**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2011

**14. Accumulated Surplus**

	<u>2011</u>	<u>2010</u>
<b>Reserves set aside by Council</b>		
Capital projects	\$ 600,494	\$ 503,311
Equipment replacement	2,016,582	1,608,809
Future power purchase	915,176	885,982
Nelson municipal library	11,707	17,532
Nelson Hydro capital	1,268,263	1,191,179
Sewer utility capital	1,459,873	1,004,625
Waterfront development	35,322	33,988
Water licence	606,836	514,868
Water utility capital	<u>2,445,906</u>	<u>1,414,729</u>
	9,360,159	7,175,023
<b>Statutory reserves</b>		
Land sales	491,756	509,938
Off street parking	13,980	8,819
Parks acquisition	138,777	133,536
Tax sale	<u>20,072</u>	<u>19,314</u>
<b>Total reserves</b>	<u>10,024,744</u>	<u>7,846,630</u>
<b>Surplus set aside by Council</b>		
Recycling reserve	\$ 102,557	\$ 95,309
Insurance	354,999	387,774
Economic development	33,098	97,949
Storm sewer	-	98,414
Bridge	200,000	160,000
Airport	210,800	203,800
911	38,407	2,291
Legal	20,000	20,000
Parking	34,043	34,043
Fortis	1,212,540	1,314,810
10th street	<u>331,610</u>	<u>346,810</u>
	2,538,054	2,761,200
<b>Unappropriated (deficit) surplus</b>		
	<u>(622,649)</u>	<u>1,080,337</u>
<b>Total surplus</b>	<u>1,915,405</u>	<u>3,841,537</u>
<b>Invested in capital assets</b>	<u>127,369,244</u>	<u>122,243,020</u>
<b>Total Accumulated Surplus</b>	<u>139,309,393</u>	<u>133,931,187</u>

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**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2011

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**15. Trust Funds**

The Cemetery Care, Cemetery Replacement, Justice McDonald, Better Gardens and Spurway Estate Trust Funds are not reported in these financial statements. The following is a summary of Trust Fund transactions for the year:

	<u>2011</u>	<u>2010</u>
Balances, beginning of year	\$ 856,516	\$ 830,380
Contributions received	- -	17,882
Interest earned	<u>29,001</u>	<u>26,994</u>
	<u>885,517</u>	<u>875,256</u>
Expenses and transfers	<u>19,500</u>	<u>18,740</u>
Balances, end of year	<u><u>\$ 866,017</u></u>	<u><u>\$ 856,516</u></u>

**16. 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.

	<u>2011</u>	<u>2010</u>
Provincial Government - School taxes	\$ 8,510,135	\$ 8,630,011
Regional District of Central Kootenay	3,362,137	3,284,381
Central Kootenay Hospital District	- -	71,280
West Kootenay Boundary Hospital District	477,041	292,885
British Columbia Assessment Authority	166,935	170,286
Municipal Finance Authority	<u>417</u>	<u>415</u>
	<u><u>\$ 12,516,665</u></u>	<u><u>\$ 12,449,258</u></u>

**17. Pension Plan**

Pension Liability - The City of Nelson 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 defined. The Plan has about 173,000 active members and approximately 63,000 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 31, 2009 indicated an unfunded liability of \$1,024 million for basic pension benefits. The next valuation will be as at December 31, 2012 with results available in 2013. The actuary does not attribute portions of the surplus to individual employers. The City of Nelson paid \$1,160,756 for employer contributions to the plan in fiscal 2011 (2010 - 1,090,852).

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# THE CORPORATION OF THE CITY OF NELSON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2011

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### 18. Contingencies and Commitments

#### **Regional District Debt**

Regional District debt is under the provisions of the Community Charter of BC 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 outcome of these claims cannot be reasonably determined at this time.

#### **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.

### 19. 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; and ensuring that high quality City service standards are met.

#### **Police & Bylaw 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.

#### **Fire and Rescue Services**

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.

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**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2011

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**19. Segmented Information (continued)**

**Development Services**

Development Services is responsible for preparing land use plans, bylaws and policies for sustainable development of the City, for reviewing and approving new development and building permits and inspections, management of City owned lands, heritage planning and development of the City's official community plan.

**Engineering Services**

Engineering 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, solid waste and recycling, cemetery operations, and fleet services.

**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.

**Transit**

Tasked with providing safe, timely and efficient public transit services within the City limits.

**Library**

As a controlled entity the City reports and is responsible for the successful operations of the Nelson Municipal Library.

**Nelson Hydro**

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

**Utility Operations**

The Water Utility operates and distributes over 8 million cubic meters of drinking water, 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.

**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2011

**19. Segmented Information (continued)**  
**Statement of Operations by Object and Function**

	<u>General Government</u>	<u>Police &amp; Bylaw</u>	<u>Fire Services</u>	<u>Development Services</u>
<b>Revenues</b>				
Taxes	\$ 8,210,845	\$ -	\$ -	\$ -
Sales of Service	178,333	1,305,380	188,497	9,657
Other revenue from own services	1,633,155	164,994	-	226,324
Investment income	378,898	-	-	-
Grants - unconditional	646,184	196,630	-	-
Grants - conditional	527,641	80,765	29,460	63,297
Water user fees	-	-	-	-
Sewer user fees	-	-	-	-
Transit user fees	-	-	-	-
Nelson Hydro sales	-	-	-	-
	<u>11,575,056</u>	<u>1,747,769</u>	<u>217,957</u>	<u>299,278</u>
<b>Expenditures</b>				
Wages and benefits	1,481,410	3,158,609	1,411,878	365,194
Supplies and services	1,153,361	429,648	232,582	156,562
Interest and other debt charges	516,475	-	5,256	-
Amortization	1,664,133	66,285	83,004	-
Loss on disposal of assets	-	<u>1,000</u>	-	-
	<u>4,815,379</u>	<u>3,655,542</u>	<u>1,732,720</u>	<u>521,756</u>
<b>Annual Surplus (Deficit)</b>	<b><u>6,759,677</u></b>	<b><u>(1,907,773)</u></b>	<b><u>(1,514,763)</u></b>	<b><u>(222,478)</u></b>

Engineering Services	Culture & Recreation	Transit	Library	Nelson Hydro	Utilities	2011 Total
\$ 58,860	\$ -	\$ -	\$ -	\$ -	\$ 12,986	\$ 8,282,691
390,687	440,264	-	70,518	-	-	2,583,336
77,235	36,394	6,383	35,419	755,585	271,616	3,207,105
-	-	-	703	2,127,460	128,132	2,635,193
-	-	-	196,428	-	-	1,039,242
5,151	341,462	701,813	41,107	45,000	10,000	1,845,696
-	-	-	-	-	2,661,969	2,661,969
-	-	-	-	-	2,401,706	2,401,706
-	-	275,533	-	-	-	275,533
<u>531,933</u>	<u>818,120</u>	<u>983,729</u>	<u>344,175</u>	<u>14,053,455</u>	<u>5,486,409</u>	<u>38,985,926</u>
1,528,802	737,067	624,004	586,625	1,913,572	1,269,070	13,076,231
1,981,397	1,122,326	615,506	251,375	7,622,987	951,854	14,517,598
25,113	43,076	-	-	607,583	123,974	1,321,477
941,310	89,275	-	-	648,638	1,071,448	4,564,093
<u>33,628</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,164</u>	<u>69,529</u>	<u>128,321</u>
<u>4,510,250</u>	<u>1,991,744</u>	<u>1,239,510</u>	<u>838,000</u>	<u>10,816,944</u>	<u>3,485,875</u>	<u>33,607,720</u>
<u>(3,978,317)</u>	<u>(1,173,624)</u>	<u>(255,781)</u>	<u>(493,825)</u>	<u>6,164,556</u>	<u>2,000,534</u>	<u>5,378,206</u>

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**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2011

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**20. Budget Data**

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

	<u>2011</u>
Budget surplus per Consolidated Statement of Operations	\$ 4,081,197
Less: Capital expenditures	9,733,315
Debt principal repayments	1,275,913
Budgeted transfers to reserves	1,629,208
Add: Budgeted transfers from surplus and reserves	251,505
Amortization	3,657,570
Debt proceeds	<u>4,648,164</u>
Net annual budget	<u>\$ -</u>

**21. Comparative Figures**

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

**THE CORPORATION OF THE CITY OF NELSON  
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
For the Year Ended December 31, 2011

Tangible Capital Assets	Additions & reallocation			Accumulated Amortization			Accumulated Amortization		
	Opening Balance	of assets under Construction	Disposals	Closing Balance	Opening balance	Amortization Expense	Reduction on Disposals	Closing Balance	Net Carrying Amount End of year
Land	\$ 8,397,438	\$ -	\$ -	\$ 8,397,438	\$ -	\$ -	\$ -	\$ -	\$ 8,397,438
Buildings	34,035,028	668,148	-	34,703,176	19,253,171	1,203,176	-	20,456,347	14,246,829
Vehicles	7,775,271	160,488	(81,608)	7,854,151	3,114,059	445,999	(79,608)	3,480,450	4,373,701
IT, equipment & furniture	2,320,472	83,692	(113,635)	2,290,529	970,920	238,263	(113,635)	1,095,548	1,194,981
Library	548,800	-	(37,503)	511,297	202,896	65,335	(37,503)	230,728	280,569
Natural gas system capital lease	8,186,404	-	-	8,186,404	1,871,178	233,897	-	2,105,075	6,081,329
Transportation infrastructure	17,854,056	843,653	(90,122)	18,607,587	7,469,986	333,773	(57,494)	7,746,265	10,861,322
Parks and cemetery	4,287,055	-	-	4,287,055	1,873,984	89,275	-	1,963,259	2,323,796
Water infrastructure	43,297,250	532,580	(143,813)	43,686,017	9,979,274	580,930	(70,666)	10,489,538	33,196,479
Sewer infrastructure	27,132,054	480,502	(10,353)	27,602,203	9,286,483	490,518	(6,471)	9,770,530	17,831,673
Storm sewer infrastructure	17,521,697	137,782	-	17,659,479	5,342,060	234,289	-	5,576,349	12,083,130
Hydro generators & substations	15,730,541	-	-	15,730,541	5,045,915	257,302	-	5,303,217	10,427,324
Hydro infrastructure	16,834,963	3,807,365	(48,471)	20,593,857	4,272,434	391,336	(24,307)	4,639,463	15,954,394
Assets under construction	1,631,459	(453,776)	-	1,177,683	\$ 211,287,417	\$ 68,682,360	\$ 4,564,093	\$ 389,684	1,177,683
Total	\$ 205,552,488	\$ 6,260,434	\$ (525,505)	\$ 211,287,417	\$ 68,682,360	\$ 4,564,093	\$ 389,684	\$ 72,856,769	\$ 138,430,648

**Statement of Financial Information (SOFI)**

**THE CORPORATION OF THE CITY OF NELSON**

**Fiscal Year Ended December 31, 2011**

**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, 2011**

**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, 2011**

**STATEMENT OF SEVERANCE AGREEMENTS**

There was 1 (one) severance agreements under which payment commenced between The Corporation of the City of Nelson and its non-unionized employees during the fiscal year ended December 31, 2011.

These agreement represented 9 (nine) months of compensation.\*

\* “Compensation” means based on salary.

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

**The Corporation of the City of Nelson**  
**PAYMENT TO FINANCIAL STATEMENT RECONCILIATION**  
**Fiscal Year Ended December 31, 2011**

**S.O.F.I. Report Scheduled Payments**

Remuneration	\$ 9,261,323
Employee Expenses	188,793
Employer CPP/EI	<u>431,151</u>
	<u>\$ 9,881,267</u>
Payments for Goods and Services	<u>24,293,084</u>
<b>Total of Scheduled Payments</b>	<b><u>\$31,884,441</u></b>
<b>Total of Financial Statement Expenditures</b>	<b><u>\$33,607,720</u></b>

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% HST while the expenditures in the financial statements are net of the applicable HST rebate.
- The remuneration schedule excludes the Nelson Police Department. In addition, the Nelson Municipal Library is required to complete their own SOFI report so their expenses have not been included; however, the Library is included in the consolidated financial statements numbers.
- 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

**THE CORPORATION OF THE CITY OF NELSON**  
**SCHEDULE OF REMUNERATION AND EXPENSE**  
**YEAR ENDED DECEMBER 31, 2011**

NAME	REMUNERATION	EXPENSE
ELECTED OFFICIALS	POSITION	
Adams, Robert	Councillor	\$ 17,111
Batycki, Candace	Councillor	1,098
Charlesworth Kim	Councillor	16,036
Cherbo, Robin	Councillor	16,991
Dooley, John	Mayor	42,288
Kiss, Paula	Councillor	1,098
Kozak, Debra	Councillor	16,991
Macdonald, Donna	Councillor	18,335
Stacey, Margaret	Councillor	16,918
<b>TOTAL ELECTED OFFICIALS</b>		<b>146,867</b>
<b>DETAILED EMPLOYEES &gt; \$75,000</b>		<b>32,764</b>
Amos, Michael		109,531
Bogaard, Gilbert		78,139
Chambers, John		89,171
Colgan, Andrew		118,442
Cormack, Kevin		149,891
Daloise, Michael		119,454
De Vuono, Rodi		88,215
Fillion, Allen		122,386
Georgetti, Garth		133,868
Grypma, Simon		102,716
Hamilton, Dana		117,730
Hebert, Jeffrey		114,514
Jeffery, Scott		103,970
Johnson, Kevin		85,901
Knight, Christopher		87,558
Laybourne, Cal		147,545
Long, Frances		85,347
Love, Alex		153,867
Lynn, Logan		103,970
Maida, Rick		118,254
Malone Simon		80,016
Markin Joanna		92,796
McCarvell, Jeanette		86,568
Nystrom, Robin		102,791
Olsson, Carl		103,877
Ouellette, Martin		96,177
Patton, Robert		105,496
Pickard, Doug		92,737
Proctor, Greg		97,513
Rae, Gordon		117,894
Schneider, Fred		76,479
Slade, Robert		150,033
Thibault, Marc		106,591
Turner, Barry		81,747
Wahn, David		95,883
<b>TOTAL DETAILED EMPLOYEES &gt; \$75,000</b>		<b>3,717,066</b>
<b>TOTAL EMPLOYEES &lt;= \$75,000</b>		<b>75,812</b>
<b>TOTAL</b>	<b>\$ 9,261,323</b>	<b>\$ 188,793</b>
<b>TOTAL EMPLOYER PREMIUM FOR CPP/EI</b>		<b>\$ 431,151</b>

**THE CORPORATION OF THE CITY OF NELSON**  
**SCHEDULE OF PAYMENTS TO SUPPLIERS OF GOODS AND SERVICES**  
**YEAR ENDED DECEMBER 31, 2011**

<u>SUPPLIER NAME</u>	<u>EXPENSE</u>
<b>DETAILED SUPPLIERS &gt;\$25,000</b>	
A-3 Plumbing, Heating & Gas Fitting Ltd.	\$ 34,974
Advanced Utility Systems	30,992
Ainsworth Inc.	25,000
AM Ford (Sales) Ltd	40,893
Andreychuk, Terry	178,463
Arcright Plumbing & Heating Ltd	233,635
B R Dow Contracting Inc	28,196
BC Transit	533,954
Ben-Lor Cast Iron Works	50,299
Berg Naqvi Lehmann	71,120
Black Press Group Ltd.	32,476
Boundary Electric (1985) Ltd.	94,991
Brandt Tractor Ltd	70,539
C.G.L. Contracting Ltd	551,305
Capri Insurance - CL	283,699
City of Kelowna	28,522
ClearTech Industries Inc	27,534
Comfort Zone	63,669
Cooper Power Systems	49,885
Cowan's Office Supplies Ltd	43,850
CWA Engineers Inc.	55,117
DDC Excavating Ltd	62,745
Dean Williams Construction Ltd.	62,466
Debri Resources Ltd.	72,773
Denise Cook Design	36,850
DHC Communications Inc	127,071
Domino Holdings Inc.	104,659
Executive Flight Centre Fuel Service Ltd	35,721
Fairbank Architects Ltd	34,560
Flight Fuels Inc	35,260
FortisBC	5,870,237
Fred Surridge Ltd.	142,434
Galbraith, Fiona	62,968
Georama Holdings Ltd	26,831
Guillevin International Co.	221,967
Hach Sales & Service Canada Ltd.	40,987
Hayward Gordon Limited	27,776
HB Lanarc	79,881
HD Supply Utilities	158,565
Henkels & McCoy PEI Inc	383,015
High Five Maintenance Services	112,868
Hywood Truck & Equipment Ltd	35,295
IBI/HB Architects	48,440
ICBC	67,449
Impatient Pictures Ltd	30,420
Insight Canada Inc.	25,599
Jetson Consulting Engineers Ltd	28,538
Kilo Flagging	46,848
Kon Kast Products (2005) Ltd	31,813
Kootenay Industrial Supply Ltd	45,705
Kootenay Project Services	33,877
Lang Business Systems	109,405
Lordco Auto Parts	36,503
Maglio Building Centre Ltd	41,285
Maglio Installations Ltd.	255,395

Manulife Financial	419,103
Martech Electrical Systems Ltd	263,816
Minister of Finance - Accomadation and Real Estate	357,716
Minister of Finance - Queens Printer	76,870
Minister of Finance - Water Management	171,423
Morfco Supplies Ltd	29,098
Municipal Finance Authority	2,268,317
Municipal Insurance Assoc. of BC	149,813
Municipal Pension Plan	1,160,756
Murray Mechanical Sales Inc	120,960
Nelco Marine	43,114
Nelson Chrysler	38,711
Nelson Ready-Mix	234,939
Norpac, a division of Spartan Controls	36,298
Owen Bird Law Corporation	40,924
Pieralisi North America Inc.	184,216
Porcupine Wood Products Ltd	102,603
Radian Mechanical Inc	32,327
Range Helicopters Inc	30,215
Regional District of Central Kootenay	105,554
Rocky Point Engineering Ltd	30,213
Schoolhouse Consulting Services	27,399
Selkirk Paving	1,666,426
Shihlin Electric USA	339,857
SK Electronics Ltd.	25,978
Stella-Jones Inc	43,313
Suncor Energy Products Partnership	484,499
Superior Propane Inc.	38,808
System Innovators	28,918
Taylor-Wilton Nelson Ltd	61,634
Telus Communications (B.C.) Inc.	80,144
Temple Consulting Group Ltd.	32,212
Texcan	85,897
The City of Penticton	30,093
The Nelson Arborist	268,923
Trainor Mechanical Contractors Ltd	169,797
Trydor Industries (Canada) Ltd	67,007
Twin Rivers Controls Ltd	72,941
Urban Systems Ltd	35,911
Ward Engineering & Land Surveying Ltd	61,781
Waste Management of Canada Corporation	28,078
West Kootenay Mechanical (2001) Ltd.	137,536
Westvac Industrial Ltd.	65,639
WorkSafe BC	128,601
WSA Engineering Ltd.	30,790
<b>TOTAL DETAILED SUPPLIERS &gt;\$25,000</b>	<b>20,974,486</b>
<b>TOTAL SUPPLIERS &lt;= \$25,000</b>	<b>2,631,048</b>
<b>TOTAL SUPPLIERS</b>	<b>23,605,534</b>

**GRANTS AND CONTRIBUTIONS >\$25,000**

Capitol Theatre	55,000
Community Futures Central Kootenay	100,000
Nelson Regional Sports Council	55,000
Nelson & District Chamber of Commerce	76,000
Regional District of Central Kootenay	192,200
Touchstones Nelson	209,350
<b>TOTAL GRANTS AND CONTRIBUTIONS &gt;\$25,000</b>	<b>687,550</b>

**TOTAL PAYMENTS, GRANTS AND CONTRIBUTIONS**

**\$ 24,293,084**