



The Corporation of the City of Nelson
2013 STATEMENT OF FINANCIAL INFORMATION

Statement of Financial Information (SOFI)
THE CORPORATION OF THE CITY OF NELSON
Fiscal Year Ended December 31, 2013

TABLE OF CONTENTS

Documents are arranged in the following order:

1. Statement of Financial Information Approval
2. Management Report
3. Audited Financial Statements
4. Schedule of Debt
5. Schedule of Guarantee and Indemnity Agreements
6. Statement of Severance Agreements
7. Explanation of differences to Audited Financial Statements
8. Schedule of Remuneration and Expenses
9. Schedule of Payments for the Provision of Goods and Services

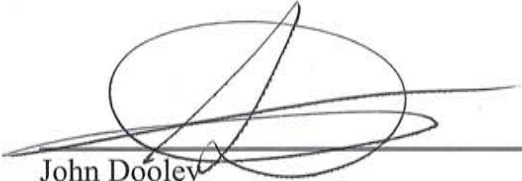
Statement of Financial Information (SOFI)

THE CORPORATION OF THE CITY OF NELSON

Fiscal Year Ended December 31, 2013

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

Statement of Financial Information (SOFI)

THE CORPORATION OF THE CITY OF NELSON

Fiscal Year Ended December 31, 2013

MANAGEMENT REPORT

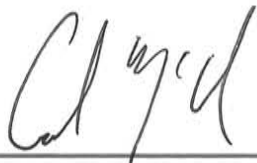
The Financial Statements contained in this Statement of Financial Information under the *Financial Information Act* have been prepared by management in accordance with generally accepted accounting principles and the integrity and objectivity of these statements are management's responsibility.

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 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



Colin McClure
Chief Financial Officer
June 9, 2014



CITY OF NELSON

THE CORPORATION OF THE CITY OF NELSON
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013

THE CORPORATION OF THE CITY OF NELSON
INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2013

Management Report

Independent Auditors' Report

Financial Statements

Consolidated Statement of Financial Position

Consolidated Statement of Operations

Consolidated Statement of Changes in Net Financial Assets

Consolidated Statement of Cash Flows

Notes to the Consolidated Financial Statements

Schedule A - Consolidated Statement of Tangible Capital Assets

THE CORPORATION OF THE CITY OF NELSON

MANAGEMENT REPORT

For the Year Ended December 31, 2013

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 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 Lehmann, Chartered Accountants, follows and outlines the scope of their examination and their opinion on the consolidated financial statements.



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, 2013, and the consolidated statement of operations, consolidated statement of changes in financial assets and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of 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 City's preparation and fair presentation 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 financial statements.

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

INDEPENDENT AUDITORS' REPORT (continued)

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Corporation of the City of Nelson as at December 31, 2013, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Chartered Accountants

April 22, 2014

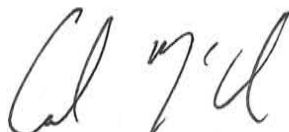
Nelson, B.C.

THE CORPORATION OF THE CITY OF NELSON
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2013

	<u>2013</u>	<u>2012</u>
Financial Assets		
Cash and cash equivalents (Note 2)	\$ 24,862,201	\$ 23,572,332
Investments (Note 3)	2,679,240	2,590,681
Accounts receivable (Note 4)	5,622,009	5,369,480
Long-term accounts receivable (Note 5)	4,190,671	4,165,784
MFA deposits (Note 6)	<u>283,837</u>	<u>268,397</u>
	<u>37,637,958</u>	<u>35,966,674</u>
Financial Liabilities		
Accounts payable and accrued liabilities (Note 7)	6,011,355	4,380,596
Deferred revenue (Note 8)	4,145,966	4,739,733
Accrued future payroll benefits (Note 9)	2,134,262	2,076,596
Capital lease obligation (Note 10)	370,799	374,944
Debt (Note 11)	<u>19,911,104</u>	<u>19,683,405</u>
	<u>32,573,486</u>	<u>31,255,274</u>
Net Financial Assets	5,064,472	4,711,400
Non -Financial Assets		
Tangible capital assets (Note 12)	143,651,629	139,755,073
Inventory (Note 13)	1,175,063	1,344,619
Prepaid expenses	<u>319,094</u>	<u>324,518</u>
	<u>145,145,786</u>	<u>141,424,210</u>
Accumulated Surplus (Note 14)	<u>\$150,210,258</u>	<u>\$146,135,610</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, 2013

	2013 Budget (Note 20)	2013	2012
Revenue			
Taxes	\$ 8,757,672	\$ 8,784,662	\$ 8,550,220
Sale of services	2,807,087	2,942,316	2,528,113
Other revenue from own sources	3,528,809	3,149,338	3,580,914
Investment income	467,100	650,007	534,260
Grants - unconditional	354,139	593,441	993,325
Grants - conditional	2,696,715	2,671,102	2,132,643
Water user fees	3,003,594	3,029,958	2,844,226
Sewer user fees	2,663,415	2,692,367	2,539,624
Transit user fees	232,848	236,134	229,622
Nelson Hydro sales	15,088,738	15,641,694	14,796,450
	<u>39,600,117</u>	<u>40,391,019</u>	<u>38,729,397</u>
Expenses			
General government	3,146,459	2,838,622	2,791,510
Protective services	5,312,362	5,245,527	4,973,608
Transportation services	3,441,475	3,578,840	3,025,957
Environmental health services	263,210	203,772	212,749
Public health and welfare services	180,110	179,650	197,346
Parks, recreation and cultural services	2,062,870	2,415,752	1,995,941
Interest and other debt charges	1,112,124	857,169	784,928
Water utility operations	1,132,531	1,114,286	1,050,286
Sewer utility operations	1,598,531	1,471,621	1,210,986
Nelson Hydro operations	10,337,715	10,533,475	9,901,336
Transit operations	1,258,729	1,379,078	1,269,497
Library	498,000	845,592	863,678
Amortization	4,957,925	4,778,361	4,607,163
Loss on disposal of tangible capital assets	-	874,626	245,967
	<u>35,302,041</u>	<u>36,316,371</u>	<u>33,130,952</u>
Annual surplus	4,298,076	4,074,648	5,598,445
Accumulated surplus, beginning of the year	<u>146,135,610</u>	<u>146,135,610</u>	<u>140,537,165</u>
Accumulated surplus, end of the year	<u>150,433,686</u>	<u>150,210,258</u>	<u>146,135,610</u>

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

THE CORPORATION OF THE CITY OF NELSON
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2013

	<u>2013 Budget</u>	<u>2013</u>	<u>2012</u>
Annual surplus	4,298,076	4,074,648	5,598,445
Acquisition of tangible capital assets	(13,431,623)	(9,623,093)	(6,262,555)
Amortization of capital assets	4,957,925	4,778,361	4,607,163
Proceeds on sale of tangible capital assets	-	73,550	85,000
Loss on disposal of tangible capital assets	-	874,626	245,967
	<u>(4,175,622)</u>	<u>178,092</u>	<u>4,274,020</u>
Consumption (acquisition) of prepaid expenses	-	5,424	(70,434)
Consumption (acquisition) of supply inventory	-	169,556	(59,941)
	<u>-</u>	<u>174,980</u>	<u>(130,375)</u>
Increase (decrease) in net financial assets	(4,175,622)	353,072	4,143,645
Net financial assets, beginning of year	<u>4,711,400</u>	<u>4,711,400</u>	<u>567,755</u>
Net financial assets, end of the year	<u>535,778</u>	<u>5,064,472</u>	<u>4,711,400</u>

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

THE CORPORATION OF THE CITY OF NELSON

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2013

	<u>2013</u>	<u>2012</u>
Cash Provided by (Used In)		
Operating Activities		
Annual surplus	\$ 4,074,648	\$ 5,598,445
Items not involving cash:		
Amortization of tangible capital assets	4,778,361	4,607,163
Actuarial adjustments	(77,544)	(177,866)
Loss on disposal of tangible capital assets	<u>874,626</u>	<u>245,967</u>
	9,650,091	10,273,709
Increase (decrease) in non-cash operating items:		
Accounts receivable	(252,529)	(260,447)
Long-term accounts receivable	(24,887)	273,711
MFA deposits	(15,440)	(45,431)
Accounts payable and accrued liabilities	1,630,759	152,539
Deferred revenue	(593,767)	578,479
Accrued future payroll benefits	57,666	(121,658)
Inventory	169,556	(59,941)
Prepaid expenses	<u>5,424</u>	<u>(70,434)</u>
	<u>10,626,873</u>	<u>10,720,527</u>
Financing Activities		
Proceeds from debt issues	1,175,000	6,000,000
Debt repayment	(869,757)	(780,863)
Repayment of capital lease obligations	<u>(4,145)</u>	<u>(222,006)</u>
	<u>301,098</u>	<u>4,997,131</u>
Capital Activities		
Proceeds from disposal of tangible capital assets	73,550	85,000
Acquisition of tangible capital assets	<u>(9,623,093)</u>	<u>(6,262,555)</u>
	<u>(9,549,543)</u>	<u>(6,177,555)</u>
Investing Activities		
Net purchase of investments	<u>(88,559)</u>	<u>(92,844)</u>
Net increase in Cash	1,289,869	9,447,259
Cash and cash equivalents, beginning of year	<u>23,572,332</u>	<u>14,125,073</u>
Cash and cash equivalents, end of year	<u>\$ 24,862,201</u>	<u>\$ 23,572,332</u>

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

THE CORPORATION OF THE CITY OF NELSON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

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.

(f) 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.

(g) 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.

THE CORPORATION OF THE CITY OF NELSON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

1. Significant Accounting Policies (continued)

(h) 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

(i) 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.

(j) Inventory of supplies

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

(k) 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.

(l) 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.

(m) 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.

(n) Budget

Budget data presented in these consolidated financial statements is based on the City's 5 Year Financial Plan for the years 2013-2017, adopted by Council on April 15, 2013.

THE CORPORATION OF THE CITY OF NELSON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

2. Cash and Cash Equivalents

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

	2013	2012
Cash	\$ 1,617,386	\$ 1,198,232
MFA bond and money market funds	<u>23,244,815</u>	<u>22,374,100</u>
	<u>\$ 24,862,201</u>	<u>\$ 23,572,332</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>	2013 Carrying Value	2013 Market Value	2012 Carrying Value	2012 Market Value
2012	\$ -	\$ -	\$ 314,353	\$ 314,427
2013	50,692	51,035	149,316	151,782
2014	199,000	198,235	510,169	520,063
2015	928,590	939,763	273,145	288,681
2016	1,000,435	1,047,282	968,611	1,023,176
2017	390,795	419,966	375,087	411,622
2019	<u>109,728</u>	<u>110,164</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,679,240</u>	<u>\$ 2,766,445</u>	<u>\$ 2,590,681</u>	<u>\$ 2,709,751</u>

4. Accounts Receivable

	2013	2012
Property taxes	\$ 582,718	\$ 566,956
Utility billings	3,652,854	3,285,699
Other governments	307,684	406,893
Trade & other receivables	<u>1,078,753</u>	<u>1,109,932</u>
	<u>\$ 5,622,009</u>	<u>\$ 5,369,480</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%.

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 CORPORATION OF THE CITY OF NELSON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

5. Long Term Accounts Receivable (continued)

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.

	2013	2012
Selkirk College	\$ 3,765,929	\$ 3,946,925
Ecosave energy retrofits on-bill financing loans	219,943	111,683
Various other agreements	<u>204,799</u>	<u>107,176</u>
	<u>\$ 4,190,671</u>	<u>\$ 4,165,784</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, 2013, the total of the Debt Reserve Fund was comprised of:

	2013 Cash Deposit	2013 Demand Note	2013 Total	2012 Total
General fund	\$ 174,919	\$ 470,990	\$ 645,909	\$ 609,729
Sewer utility	14,762	40,843	55,605	54,919
Water utility	13,043	36,091	49,134	63,220
Nelson Hydro	<u>81,113</u>	<u>174,898</u>	<u>256,011</u>	<u>252,241</u>
	<u>\$ 283,837</u>	<u>\$ 722,822</u>	<u>\$ 1,006,659</u>	<u>\$ 980,109</u>

7. Accounts Payable and Accrued Liabilities

	2013	2012
Trades payable	\$ 5,029,417	\$ 3,484,483
Accrued wages and benefits	395,913	315,384
Accrued interest	133,142	123,763
Other	<u>452,883</u>	<u>456,966</u>
	<u>\$ 6,011,355</u>	<u>\$ 4,380,596</u>

THE CORPORATION OF THE CITY OF NELSON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

8. Deferred Revenue

	2013 Opening Balance	2013 Contributions	2013 Disbursements	2013 Ending Balance
Taxes and utility rates	\$ 2,534,309	\$ 3,515,497	\$ (3,489,870)	\$ 2,559,936
Community works fund	1,315,926	445,594	(775,093)	986,427
Hydro	288,988	410,841	(288,988)	410,841
Other	600,510	56,158	(467,906)	188,762
	<u>\$ 4,739,733</u>	<u>\$ 4,428,090</u>	<u>\$ (5,021,857)</u>	<u>\$ 4,145,966</u>

9. Accrued Future Payroll Benefits

	2013	2012
Holiday Pay	\$ 752,124	\$ 696,934
Sick Leave	1,181,301	1,165,995
Banked Overtime	200,837	213,667
	<u>\$ 2,134,262</u>	<u>\$ 2,076,596</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.

10. Capital Lease Obligations

FortisBC 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 the FortisBC Energy leases for the next five years and thereafter are as follows:

2014	\$ 36,354
2015	36,354
2016	36,354
2017	36,354
2018	36,354
Thereafter	727,080
Less interest	<u>(538,051)</u>
	<u>\$ 370,799</u>

THE CORPORATION OF THE CITY OF NELSON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

11. Debt

Debt Bylaw #	Purpose of Bylaw	Interest rate %	Year of Maturity	Original Issue	2013 Balance	2012 Balance
General Purposes:						
3107	Catacombs	3.85%	2033	\$ 275,000	\$ 275,000	\$ -
3107	Baker Street bridge	3.85%	2033	900,000	900,000	-
2866	Street construction	6.36%	2013	208,558	-	20,306
3034	Street construction	4.82%	2022	50,341	33,665	36,679
2871	Tenth Street campus	3.15%	2025	6,080,000	3,794,925	3,975,921
3036	Highway 3A	4.00%	2021	300,000	181,665	199,828
2978	Fortis Gas	4.50%	2020	4,200,000	3,107,996	3,465,482
	Fortis Gas	CDOR+.5%	2021	7,386,404	2,753,604	2,753,606
				<u>19,400,303</u>	<u>11,046,855</u>	<u>10,451,822</u>
Water Purposes:						
3038	Fairview reservoir	4.82%	2022	240,000	160,498	174,867
3106	Water improvements	4.90%	2029	1,000,000	857,396	892,747
				<u>1,240,000</u>	<u>1,017,894</u>	<u>1,067,614</u>
Sewer Purposes:						
2559	North Shore line	8.50%	2013	150,250	-	7,053
2654	North Shore line	8.50%	2014	35,400	-	5,071
3037	Sewage treatment plant	4.00%	2021	550,000	333,053	366,350
3109	Sewer improvements	4.90%	2029	500,000	428,698	446,374
				<u>1,235,650</u>	<u>761,751</u>	<u>824,848</u>
Hydro Purposes:						
3110	Hydro improvements	4.90%	2029	1,500,000	1,286,094	1,339,121
3223	Hydro improvements	3.05%	2032	6,000,000	5,798,510	6,000,000
				<u>7,900,000</u>	<u>7,084,604</u>	<u>7,339,121</u>
Total Debt					\$ <u>19,911,104</u>	\$ <u>19,683,405</u>

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

	General	Water	Sewer	Hydro	Total
2014	\$ 549,352	\$ 45,568	\$ 45,329	\$ 251,863	\$ 892,112
2015	549,352	45,568	44,258	251,863	891,041
2016	549,352	45,568	44,258	251,863	891,041
2017	549,352	45,568	44,258	251,863	891,041
2018	549,352	45,568	44,258	251,863	891,041
Thereafter	<u>8,297,391</u>	<u>790,056</u>	<u>542,093</u>	<u>5,825,288</u>	<u>15,454,828</u>
	\$ <u>11,044,151</u>	\$ <u>1,017,896</u>	\$ <u>764,454</u>	\$ <u>7,084,603</u>	\$ <u>19,911,104</u>

THE CORPORATION OF THE CITY OF NELSON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

12. Tangible Capital Assets

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2013 Net Book Value</u>	<u>2012 Net Book Value</u>
Land	\$ 8,707,438	\$ -	\$ 8,707,438	\$ 8,707,438
Buildings	35,169,091	22,727,193	12,441,898	13,229,176
Vehicles	8,075,089	3,939,125	4,135,964	4,404,218
IT, equipment & furniture	2,324,786	1,198,186	1,126,600	1,169,942
Library	423,676	249,166	174,510	224,668
Natural gas system capital lease	8,186,404	2,572,869	5,613,535	5,847,432
Transportation infrastructure	19,877,495	8,256,988	11,620,507	11,190,668
Parks & cemetery	5,092,876	2,114,323	2,978,553	2,449,968
Water infrastructure	45,508,459	11,363,907	34,144,552	33,562,686
Sewer infrastructure	27,883,708	10,116,004	17,767,704	17,431,791
Storm sewer infrastructure	17,917,623	6,050,367	11,867,256	11,996,775
Hydro generators & substations	16,932,247	5,752,985	11,179,262	11,483,096
Hydro infrastructure	23,430,135	5,393,417	18,036,718	16,533,622
Assets under construction	<u>3,857,132</u>	<u>-</u>	<u>3,857,132</u>	<u>1,523,593</u>
	<u>\$223,386,159</u>	<u>\$ 79,734,530</u>	<u>\$143,651,629</u>	<u>\$139,755,073</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>2013</u>	<u>2012</u>
General, Water, Sewer Transit and Garage supplies	\$ 301,248	\$ 309,332
Fuel	37,626	50,509
Hydro	<u>836,189</u>	<u>984,778</u>
	<u>\$ 1,175,063</u>	<u>\$ 1,344,619</u>

THE CORPORATION OF THE CITY OF NELSON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

14. Accumulated Surplus

	2013	2012
Reserves set aside by Council		
Capital projects	\$ 610,937	\$ 648,680
Equipment replacement	2,473,463	2,192,155
Future power purchase	971,008	942,982
Nelson municipal library	17,935	17,690
Nelson Hydro capital	4,377,595	6,285,108
Sewer utility capital	2,591,802	2,549,410
Waterfront development	27,489	26,947
Water licence	2,288,211	791,336
Water utility capital	<u>3,200,960</u>	<u>3,096,820</u>
	16,559,400	16,551,128
Statutory reserves		
Land sales	397,245	444,885
Off street parking	14,575	14,310
Parks acquisition	144,692	142,057
Tax sale	<u>20,928</u>	<u>20,546</u>
Total reserves	<u>17,136,840</u>	<u>17,172,926</u>
Surplus set aside by Council		
Airport	\$ 182,470	\$ 199,800
Art in public places	19,748	20,653
Bridge	280,000	240,000
Building reserve	500,000	300,000
Economic development	25,437	28,970
Downtown & waterfront	38,521	-
Fortis	1,850,442	1,558,422
Insurance	374,439	365,779
Legal	20,000	20,000
Parking	34,043	34,043
Recycling reserve	133,570	107,021
911	57,407	49,907
10th street	<u>58,277</u>	<u>37,477</u>
	3,574,354	2,962,072
Unappropriated surplus	<u>2,363,409</u>	<u>2,356,963</u>
Total surplus	<u>5,937,763</u>	<u>5,319,035</u>
Invested in capital assets	<u>127,135,655</u>	<u>123,643,649</u>
Total Accumulated Surplus	<u>150,210,258</u>	<u>146,135,610</u>

THE CORPORATION OF THE CITY OF NELSON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

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>2013</u>	<u>2012</u>
Balances, beginning of year	\$ 878,985	\$ 866,017
Interest earned	<u>29,894</u>	<u>24,739</u>
	908,879	890,756
Expenses, transfers and deposits	<u>11,347</u>	<u>(11,771)</u>
Balances, end of year	<u>\$ 920,226</u>	<u>\$ 878,985</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>2013</u>	<u>2012</u>
Provincial Government - School taxes	\$ 8,627,111	\$ 8,633,273
Regional District of Central Kootenay	4,184,717	3,483,366
West Kootenay Boundary Hospital District	743,299	481,049
British Columbia Assessment Authority	169,300	166,812
Municipal Finance Authority	<u>425</u>	<u>424</u>
	<u>\$ 13,724,852</u>	<u>\$ 12,764,924</u>

17. Pension Plan

The City of Nelson and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. The Plan has about 179,000 active members and approximately 71,000 retired members. Active members include approximately 145 contributors from the City of Nelson.

The most recent actuarial valuation as at December 31, 2012 indicated a \$1,370 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2015 with results available in 2016. Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the Plan.

The City of Nelson paid \$1,164,703 for employer contributions to the plan in fiscal 2013 (2012 - \$1,149,514).

THE CORPORATION OF THE CITY OF NELSON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

18. Commitments and Contingencies

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.

THE CORPORATION OF THE CITY OF NELSON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

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

Transit is 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 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.

THE CORPORATION OF THE CITY OF NELSON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

19. **Segmented Information** (continued)

Statement of Operations by Object and Function (excluding transfers between segments)

	General Government	Police & Bylaw	Fire Services	Development Services
Revenues				
Taxes	\$ 8,725,141	\$ -	\$ -	\$ -
Sales of Service	305,985	1,308,535	203,796	8,895
Other revenue from own services	1,614,075	226,850	102	135,745
Investment income	371,216	-	-	-
Grants - unconditional	277,436	76,253	-	-
Grants - conditional	830,922	80,956	24,583	-
Water user fees	-	-	-	-
Sewer user fees	-	-	-	-
Transit user fees	-	-	-	-
Nelson Hydro sales	-	-	-	-
	<u>12,124,775</u>	<u>1,692,594</u>	<u>228,481</u>	<u>144,640</u>
Expenditures				
Wages and benefits	1,423,550	3,136,753	1,351,244	355,896
Supplies and services	1,135,941	564,988	207,891	79,665
Interest and other debt charges	460,414	-	-	-
Amortization	1,571,629	63,376	93,865	-
Loss on disposal of assets	87,307	-	-	-
	<u>4,678,841</u>	<u>3,765,117</u>	<u>1,653,000</u>	<u>435,561</u>
Annual Surplus (Deficit)	<u>7,445,934</u>	<u>(2,072,523)</u>	<u>(1,424,519)</u>	<u>(290,921)</u>

<u>Engineering Services</u>	<u>Parks Culture & Recreation</u>	<u>Transit</u>	<u>Library</u>	<u>Nelson Hydro</u>	<u>Utilities</u>	<u>2013 Total</u>
\$ 59,521	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,784,662
434,876	642,542	-	37,687	-	-	2,942,316
135,169	40,450	5,144	33,069	774,693	184,041	3,149,338
-	-	-	1,842	144,923	132,026	650,007
-	-	-	239,752	-	-	593,441
4,978	366,039	875,333	32,832	15,900	439,559	2,671,102
-	-	-	-	-	3,029,958	3,029,958
-	-	-	-	-	2,692,367	2,692,367
-	-	236,134	-	-	-	236,134
-	-	-	-	15,641,694	-	15,641,694
<u>634,544</u>	<u>1,049,031</u>	<u>1,116,611</u>	<u>345,182</u>	<u>16,577,210</u>	<u>6,477,951</u>	<u>40,391,019</u>
1,586,380	1,109,626	675,747	640,571	1,971,024	1,342,978	13,593,769
2,204,282	1,305,945	703,330	205,021	8,562,451	1,242,932	16,212,446
33,743	-	-	-	247,385	115,627	857,169
1,034,655	162,403	-	-	730,420	1,122,013	4,778,361
80,482	-	-	-	106,689	600,148	874,626
<u>4,939,542</u>	<u>2,577,974</u>	<u>1,379,077</u>	<u>845,592</u>	<u>11,617,969</u>	<u>4,423,698</u>	<u>36,316,371</u>
<u>(4,304,998)</u>	<u>(1,528,943)</u>	<u>(262,466)</u>	<u>(500,410)</u>	<u>4,959,241</u>	<u>2,054,253</u>	<u>4,074,648</u>

THE CORPORATION OF THE CITY OF NELSON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

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>2013</u>
Budget surplus per Consolidated Statement of Operations	\$ 4,298,076
Less: Capital expenditures	13,431,623
Debt principal repayments	1,049,759
Budgeted transfers to reserves	2,340,600
Add: Budgeted transfers from surplus and reserves	6,565,981
Amortization	4,957,925
Debt proceeds	<u>1,000,000</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
SCHEDULE A - CONSOLIDATED STATEMENT OF TANGIBLE CAPITAL ASSETS
For the Year Ended December 31, 2013

Tangible Capital Assets	Additions & reallocation of assets under Construction		Disposals	Accumulated Amortization		Reduction on Disposals	Accumulated Amortization		Net Carrying Amount End of year
	Opening Balance			Closing Balance	Opening balance		Expense	Closing Balance	
Land	\$ 8,707,438	\$ -	\$ -	\$ 8,707,438	\$ -	\$ -	\$ -	\$ -	\$ 8,707,438
Buildings	34,821,798	347,293	-	35,169,091	21,592,622	-	1,134,571	22,727,193	12,441,898
Vehicles	8,012,844	270,131	(207,886)	8,075,089	3,608,626	(152,801)	483,300	3,939,125	4,135,964
IT, equipment & furniture	2,336,386	257,337	(268,937)	2,324,786	1,166,444	(181,629)	213,371	1,198,186	1,126,600
Library	469,246	-	(45,570)	423,676	244,578	(45,570)	50,158	249,166	174,510
Natural gas system capital lease	8,186,404	-	-	8,186,404	2,338,972	-	233,897	2,572,869	5,613,535
Transportation infrastructure	19,167,328	939,284	(229,117)	19,877,495	7,976,660	(130,170)	410,498	8,256,988	11,620,507
Parks and cemetery	4,401,887	690,989	-	5,092,876	1,951,919	-	162,404	2,114,323	2,978,553
Water infrastructure	44,486,789	1,326,506	(304,836)	45,508,459	10,924,103	(172,113)	611,917	11,363,907	34,144,552
Sewer infrastructure	27,552,724	1,313,433	(982,449)	27,883,708	10,120,933	(515,025)	510,096	10,116,004	17,767,704
Storm sewer infrastructure	17,809,412	108,211	-	17,917,623	5,812,637	-	237,730	6,050,367	11,867,256
Hydro generators & substations	17,070,412	-	(138,165)	16,932,247	5,587,316	(118,430)	284,099	5,752,985	11,179,262
Hydro infrastructure	21,550,711	2,036,370	(156,946)	23,430,135	5,017,089	(69,992)	446,320	5,393,417	18,036,718
Assets under construction	1,523,593	2,333,539	-	3,857,132	-	-	-	-	3,857,132
Total	\$ 216,096,972	\$ 9,623,093	\$ (2,333,906)	\$ 223,386,159	\$ 76,341,899	\$ (1,385,730)	\$ 4,778,361	\$ 79,734,530	\$ 143,651,629

Statement of Financial Information (SOFI)

THE CORPORATION OF THE CITY OF NELSON

Fiscal Year Ended December 31, 2013

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, 2013

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, 2013

STATEMENT OF SEVERANCE AGREEMENTS

There was no severance agreements made between The Corporation of the City of Nelson and its non-unionized employees during the fiscal year ended December 31, 2013.

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, 2013

S.O.F.I. Report Scheduled Payments

Remuneration	\$ 9,631,416	
Employee Expenses	200,967	
Employer CPP/EI	<u>460,327</u>	\$ 10,292,710

Payments for Goods and Services	<u>27,167,704</u>
---------------------------------	-------------------

Total of Scheduled Payments	<u>\$37,460,414</u>
------------------------------------	----------------------------

Total of Financial Statement Expenditures	<u>\$36,316,371</u>
--	----------------------------

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.
- 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, 2013

NAME		REMUNERATION	EXPENSE
ELECTED OFFICIALS	POSITION		
Adams, Robert	Councillor	\$ 17,671	\$ 4,777
Batycki, Candace	Councillor	18,469	8,378
Cherbo, Robin	Councillor	17,671	5,254
Dooley, John	Mayor	45,173	4,254
Kiss, Paula	Councillor	18,469	4,007
Kozak, Debra	Councillor	17,671	4,635
Macdonald, Donna	Councillor	19,117	6,149
TOTAL ELECTED OFFICIALS		154,238	37,454
DETAILED EMPLOYEES > \$75,000			
Amos, Michael		\$ 124,832	6,401
Bogaard, Gilbert		83,370	1,340
Colgan, Andrew		128,229	1,230
Cormack, Kevin		156,751	10,441
Daloise, Michael		101,719	117
Dinwoodie, James		100,083	4,175
Fillion, Allen		128,397	434
Georgetti, Garth		155,857	1,540
Grill, Martin		76,226	3,279
Grypma, Simon		107,357	2,676
Hamilton, Dana		129,617	85
Hebert, Jeffrey		96,012	35
Jeffery, Scott		82,225	1,361
Johnson, Kevin		89,274	-
Knight, Christopher		82,686	-
Koehle, Jody		81,959	-
Laybourne, Cal		154,266	82
Long, Frances		89,476	3,360
Love, Alex		158,632	7,586
Lynn, Logan		107,778	2,936
MacDonald, Karen		82,242	1,099
Maida, Rick		99,326	1,350
Markin, Joanna		97,388	3,367
McCarvell, Jeanette		90,923	2,657
McClure, Colin		118,362	5,475
Nystrom, Robin		107,580	2,821
Olsson, Carl		126,643	612
Ouellette, Martin		82,056	35
Patton, Robert		92,111	1,559
Pickard, Doug		101,159	2,803
Proctor, Greg		79,828	35
Rae, Gordon		97,574	35
Rorick, Suzanne		80,351	1,435
Taburiaux, Youri		89,490	436
Thibault, Marc		85,340	656
Wahn, David		97,245	2,301
Zimmer, Bernie		77,952	3,174
TOTAL DETAILED EMPLOYEES > \$75,000		3,840,317	76,928
TOTAL EMPLOYEES <= \$75,000		5,636,861	86,585
TOTAL		\$ 9,631,416	\$ 200,967
TOTAL EMPLOYER PREMIUM FOR CPP/EI			\$ 460,327

THE CORPORATION OF THE CITY OF NELSON
SCHEDULE OF PAYMENTS TO SUPPLIERS OF GOODS AND SERVICES
YEAR ENDED DECEMBER 31, 2013

<u>SUPPLIER NAME</u>	<u>EXPENSE</u>
DETAILED SUPPLIERS >\$25,000	
Aardvark Pavement Marking Services	25,405
Advanced Utility Systems	31,622
Aerial Contractors Ltd.	122,496
Ainsworth Inc.	172,649
Andrew Sheret Limited	35,667
Andreychuk, Terry	204,273
Arcright Plumbing & Heating Ltd	41,759
Arctic Arrow Powerline Group Ltd	174,685
Associated Engineering (B.C.) Ltd.	108,372
Back to Black Asphalt Sealcoating	29,374
BC Transit	533,722
Berg Lehmann	57,414
Bill's Heavy Duty Enterprises (2004) Ltd	34,861
Black Press Group Ltd.	41,101
Blue Sparkle Cleaning	27,048
Brandt Tractor Ltd	80,058
Bull, Housser & Tupper	55,649
Canadian Dewatering LP	27,557
Capri Insurance - CL	300,822
CGW Plumbing & Heating Ltd	26,522
Charter Telecom Inc	55,794
Corix Control Solutions LP	116,101
Cornerstone General Contracting Ltd.	42,372
Cowan's Office Supplies Ltd	50,907
CWA Engineers Inc.	91,732
Dan Maglio Contracting Ltd	92,707
DDC Excavating Ltd	139,558
Dean Williams Construction Ltd.	28,042
Debri Resources Ltd.	79,715
Detmold Consulting Ltd.	26,407
DHC Communications Inc	156,444
Domino Highvoltage Supply Inc	177,967
Executive Flight Centre Fuel Service Ltd	40,823
FortisBC Inc	5,970,193
Fred Surridge Ltd.	159,964
Galbraith, Fiona	75,227
General Switchgear & Controls Ltd.	339,768
Georama Holdings Ltd	33,031
Gilnockie Inspection Ltd	64,993
Green Willows Janitorial	28,864
Guillevin International Co.	121,375
HD Supply Power Solutions	101,696
High Five Maintenance Services	131,949
Hil-Tech Contracting Ltd	25,741
Hywood Truck & Equipment Ltd	33,871
ICBC	69,778
Impatient Cultural Consultants Ltd	34,567
Inland Allcare	34,364
Insituform Technologies Ltd	1,109,499
Kal-Tire	42,532
Kilo Flagging	59,528
Kootenay Industrial Supply Ltd	36,268
Kootenay Lake Auto Marine Ltd.	31,310
Lang Business Systems	83,861
Maglio Installations Ltd.	648,436
Manulife Financial	399,670
Martech Electrical Systems Ltd	1,629,658
Martech Motor Winding Ltd	58,114
McNally Excavating Inc.	79,442
MINISTER OF FINANCE - Accomadation and Real Estate	410,269
MINISTER OF FINANCE - Queens Printer	66,573
MINISTER OF FINANCE - Water Management	189,196

MMM Group Limited	50,078
Municipal Finance Authority	1,637,651
Municipal Insurance Assoc. of BC	136,623
Municipal Pension Plan	1,164,703
Myra Systems Corp	87,458
Nasmyth Morrow & Bogusz	26,435
Nelson Building Centre Limited	26,007
Nelson Chrysler	51,730
Nelson Farmers Supply Ltd.	26,170
Nelson Ford Sales (2003) Inc.	35,986
Nelson Ready-Mix	92,355
Nelson Toyota Ltd	37,475
New Line Skateparks Inc.	538,902
Noramco	68,077
Pennsylvania Breaker LLC	54,080
PetroValue Products Canada Inc.	31,180
Powertech Labs Inc	64,603
Proctor, Carmen	59,241
Ray Smith Services	231,950
Regional District of Central Kootenay	132,254
Ricoh Canada Inc.	31,442
Right-of-Way Operations Group Inc.	231,307
Rocky Point Engineering Ltd	27,438
Selkirk Paving	1,565,136
SNT Engineering Ltd	28,445
Speedpro Nelson	35,883
Stella-Jones Inc	195,714
Summit Valve and Controls Inc. (BC)	35,426
Suncor Energy Products Partnership	513,021
Tac Solutions	69,188
Taylor-Wilton Nelson Ltd	63,623
Telus Communications (B.C.) Inc.	83,617
Temple Consulting Group Ltd.	30,221
Tervita Corporation	86,108
Texcan	107,303
Trainor Mechanical Contractors Ltd	114,753
TRUE Consulting	46,016
Trydor Industries (Canada) Ltd	123,737
Twin Rivers Controls Ltd	144,470
Urban Systems Ltd	30,715
Venture Mechanical Systems Ltd	64,605
Ward Engineering & Land Surveying Ltd	180,850
Waste Management of Canada Corporation	27,701
Waterhouse Environmental Services Corp.	53,370
West Arm Rock Works Ltd	44,461
West Kootenay Mechanical (2001) Ltd.	94,263
Westek Controls Ltd.	70,597
Wishbone Industries Limited	29,148
WorkSafe BC	125,287
WSA Engineering (2012) Ltd.	50,007
TOTAL DETAILED SUPPLIERS >\$25,000	24,156,168
TOTAL SUPPLIERS <= \$25,000	2,305,486
TOTAL SUPPLIERS	26,461,654
 GRANTS AND CONTRIBUTIONS >\$25,000	
Capitol Theatre	62,500
Community Futures Central Kootenay	107,500
Nelson & District Chamber of Commerce	79,000
Nelson Regional Sports Council	55,000
Regional District of Central Kootenay	184,200
Touchstones Nelson	217,850
TOTAL GRANTS AND CONTRIBUTIONS >\$25,000	706,050
TOTAL PAYMENTS, GRANTS AND CONTRIBUTIONS	\$ 27,167,704