



**The Corporation of the City of Nelson**  
**2014 STATEMENT OF FINANCIAL INFORMATION**

**Statement of Financial Information (SOFI)**  
**THE CORPORATION OF THE CITY OF NELSON**  
**Fiscal Year Ended December 31, 2014**

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8. Schedule of Remuneration and Expenses
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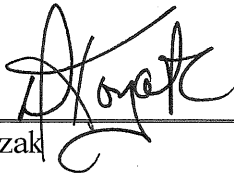
**Statement of Financial Information (SOFI)**

**THE CORPORATION OF THE CITY OF NELSON**

**Fiscal Year Ended December 31, 2014**

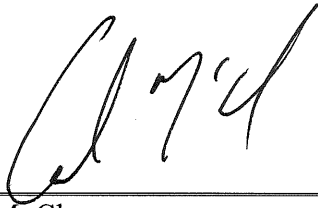
**STATEMENT OF FINANCIAL INFORMATION APPROVAL**

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



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Deb Kozak  
Mayor



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Colin McClure  
Chief Financial Officer

## Statement of Financial Information (SOFI)

### THE CORPORATION OF THE CITY OF NELSON

Fiscal Year Ended December 31, 2014

#### MANAGEMENT REPORT

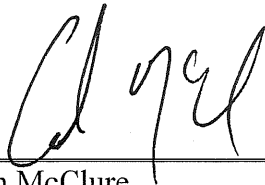
The Financial Statements contained in this Statement of Financial Information under the *Financial Information Act* have been prepared by management in accordance with generally accepted accounting principles and the integrity and objectivity of these statements are management's responsibility.

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



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Colin McClure  
Chief Financial Officer  
June 9, 2015



## **CITY OF NELSON**

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

## **CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

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**THE CORPORATION OF THE CITY OF NELSON**  
**INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2014

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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 Financial Assets

Consolidated Statement of Cash Flows

Notes to the Consolidated Financial Statements

Schedule A - Consolidated Statement of Tangible Capital Assets

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# THE CORPORATION OF THE CITY OF NELSON MANAGEMENT REPORT

For the Year Ended December 31, 2014

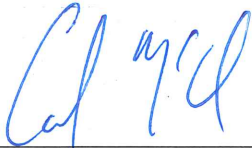
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## RESPONSIBILITY FOR FINANCIAL REPORTING

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 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.



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Colin McClure, CA  
Chief Financial Officer

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## INDEPENDENT AUDITORS' REPORT

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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, 2014, 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.



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## INDEPENDENT AUDITORS' REPORT (continued)

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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, 2014, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



**Chartered Accountants**

May 19, 2015

Nelson, B.C.

Chartered Accountants  
& Business Advisors

513 Victoria Street  
Nelson BC  
V1L 4K7

phone 250.352.3165  
fax 1.888.510.6311  
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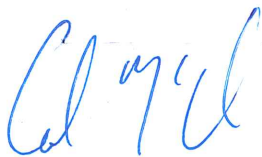
**THE CORPORATION OF THE CITY OF NELSON**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at December 31, 2014

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	<u>2014</u>	<u>2013</u>
<b>Financial Assets</b>		
Cash and cash equivalents (Note 2)	\$ 23,867,683	\$ 24,862,201
Investments (Note 3)	2,754,339	2,679,240
Accounts receivable (Note 4)	5,481,273	5,622,009
Long-term accounts receivable (Note 5)	4,392,178	4,190,671
MFA deposits (Note 6)	<u>292,063</u>	<u>283,837</u>
	<u>36,787,536</u>	<u>37,637,958</u>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities (Note 7)	5,431,290	6,011,355
Deferred revenue (Note 8)	3,327,025	4,145,966
Accrued future payroll benefits (Note 9)	2,117,150	2,134,262
Capital lease obligation (Note 10)	366,289	370,799
Debt (Note 11)	<u>18,831,123</u>	<u>19,911,104</u>
	<u>30,072,877</u>	<u>32,573,486</u>
<b>Net Financial Assets</b>	6,714,659	5,064,472
<b>Non -Financial Assets</b>		
Tangible capital assets (Note 12)	146,748,393	143,651,629
Inventory (Note 13)	1,287,955	1,175,063
Prepaid expenses	<u>298,991</u>	<u>319,094</u>
	<u>148,335,339</u>	<u>145,145,786</u>
<b>Accumulated Surplus (Note 14)</b>	<u>\$155,049,998</u>	<u>\$150,210,258</u>

Commitments and Contingencies (Note 18)



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Colin McClure, CA  
Chief Financial Officer

# THE CORPORATION OF THE CITY OF NELSON

## CONSOLIDATED STATEMENT OF OPERATIONS

For the Year Ended December 31, 2014

	2014 Budget (Note 20)	2014	2013
<b>Revenue</b>			
Taxes	\$ 8,967,797	\$ 8,957,572	\$ 8,784,662
Sale of services	3,366,961	3,150,758	2,942,316
Other revenue from own sources	3,595,973	3,143,834	3,184,852
Investment income	432,200	909,379	650,007
Grants - unconditional	596,548	604,325	593,441
Grants - conditional	2,596,037	2,916,556	2,671,102
Water user fees	3,178,240	3,164,608	3,029,958
Sewer user fees	2,796,063	2,782,927	2,692,367
Transit user fees	230,654	247,446	236,134
Nelson Hydro sales	<u>15,699,079</u>	<u>16,104,798</u>	<u>15,606,180</u>
	<u>41,459,552</u>	<u>41,982,203</u>	<u>40,391,019</u>
<b>Expenses</b>			
General government	3,225,494	3,174,515	2,835,577
Protective services	5,426,103	5,389,035	5,245,527
Transportation services	3,487,277	3,127,582	3,581,885
Environmental health services	262,151	205,284	203,772
Public health and welfare services	180,989	179,969	179,650
Parks, recreation and cultural services	2,215,608	2,495,809	2,415,752
Interest and other debt charges	1,022,210	841,027	857,169
Water utility operations	1,152,350	1,107,688	1,114,286
Sewer utility operations	1,626,505	1,750,992	1,471,621
Nelson Hydro operations	10,765,391	11,212,010	10,533,475
Transit operations	1,440,174	1,410,724	1,379,078
Library	849,298	850,104	845,592
Amortization	5,081,873	5,031,166	4,778,361
Loss on disposal of tangible capital assets	<u>-</u>	<u>366,558</u>	<u>874,626</u>
	<u>36,735,423</u>	<u>37,142,463</u>	<u>36,316,371</u>
Annual surplus	4,724,129	4,839,740	4,074,648
Accumulated surplus, beginning of the year	<u>150,210,258</u>	<u>150,210,258</u>	<u>146,135,610</u>
<b>Accumulated surplus, end of the year</b>	<u>154,934,387</u>	<u>155,049,998</u>	<u>150,210,258</u>

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

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**THE CORPORATION OF THE CITY OF NELSON**  
**CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**  
For the Year Ended December 31, 2014

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	<u>2014 Budget</u>	<u>2014</u>	<u>2013</u>
Annual surplus	4,724,129	4,839,740	4,074,648
Acquisition of tangible capital assets	(14,121,550)	(8,596,488)	(9,623,093)
Amortization of capital assets	5,081,873	5,031,166	4,778,361
Proceeds on sale of tangible capital assets	-	102,000	73,550
Loss on disposal of tangible capital assets	-	<u>366,558</u>	<u>874,626</u>
	<u>(4,315,548)</u>	<u>1,742,976</u>	<u>178,092</u>
Consumption (acquisition) of prepaid expenses	-	20,103	5,424
Consumption (acquisition) of supply inventory	-	<u>(112,892)</u>	<u>169,556</u>
	<u>-</u>	<u>(92,789)</u>	<u>174,980</u>
Increase (decrease) in net financial assets	(4,315,548)	1,650,187	353,072
Net financial assets, beginning of year	<u>5,064,472</u>	<u>5,064,472</u>	<u>4,711,400</u>
<b>Net financial assets, end of the year</b>	<u>748,924</u>	<u>6,714,659</u>	<u>5,064,472</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, 2014

	<u>2014</u>	<u>2013</u>
<b>Cash Provided by (Used In)</b>		
<b>Operating Activities</b>		
Annual surplus	\$ 4,839,740	\$ 4,074,648
<b>Items not involving cash:</b>		
Amortization of tangible capital assets	5,031,166	4,778,361
Actuarial adjustments	(188,940)	(77,544)
Loss on disposal of tangible capital assets	<u>366,558</u>	<u>874,626</u>
	10,048,524	9,650,091
<b>Increase (decrease) in non-cash operating items:</b>		
Accounts receivable	140,736	(252,529)
Long-term accounts receivable	(201,507)	(24,887)
MFA deposits	(8,226)	(15,440)
Accounts payable and accrued liabilities	(580,065)	1,630,759
Deferred revenue	(818,941)	(593,767)
Accrued future payroll benefits	(17,112)	57,666
Inventory	(112,892)	169,556
Prepaid expenses	<u>20,103</u>	<u>5,424</u>
	<u>8,470,620</u>	<u>10,626,873</u>
<b>Financing Activities</b>		
Proceeds from debt issues	-	1,175,000
Debt repayment	(891,041)	(869,757)
Repayment of capital lease obligations	<u>(4,510)</u>	<u>(4,145)</u>
	<u>(895,551)</u>	<u>301,098</u>
<b>Capital Activities</b>		
Proceeds from disposal of tangible capital assets	102,000	73,550
Acquisition of tangible capital assets	<u>(8,596,488)</u>	<u>(9,623,093)</u>
	<u>(8,494,488)</u>	<u>(9,549,543)</u>
<b>Investing Activities</b>		
Net purchase of investments	<u>(75,099)</u>	<u>(88,559)</u>
<b>Net increase in Cash</b>	(994,518)	1,289,869
<b>Cash and cash equivalents, beginning of year</b>	<u>24,862,201</u>	<u>23,572,332</u>
<b>Cash and cash equivalents, end of year</b>	\$ <u>23,867,683</u>	\$ <u>24,862,201</u>

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

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# THE CORPORATION OF THE CITY OF NELSON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2014

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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 public sector accounting standards.

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.

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**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2014

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**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 public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported revenues and expenses during the reporting period. Significant areas requiring estimates include the 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 Amended 5 Year Financial Plan for the years 2014-2018, adopted by Council on April 9, 2014.

# THE CORPORATION OF THE CITY OF NELSON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2014

### 2. Cash and Cash Equivalents

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

	2014	2013
Cash	\$ 2,963,640	\$ 1,617,386
MFA bond and money market funds	20,904,043	23,244,815
	<u>\$ 23,867,683</u>	<u>\$ 24,862,201</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:

	2014	2014	2013	2013
<u>Maturity</u>	Carrying Value	Market Value	Carrying Value	Market Value
2013	\$ -	\$ -	\$ 50,692	\$ 51,035
2014	106,649	107,120	199,000	198,235
2015	946,095	976,321	928,590	939,763
2016	1,033,437	1,067,267	1,000,435	1,047,282
2017	407,160	437,772	390,795	419,966
2019	112,998	118,472	109,728	110,164
2020	148,000	153,047	-	-
	<u>\$ 2,754,339</u>	<u>\$ 2,859,999</u>	<u>\$ 2,679,240</u>	<u>\$ 2,766,445</u>

### 4. Accounts Receivable

	2014	2013
Property taxes	\$ 545,930	\$ 582,718
Utility billings	3,404,910	3,652,854
Other governments	321,883	307,684
Trade & other receivables	1,208,550	1,078,753
	<u>\$ 5,481,273</u>	<u>\$ 5,622,009</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.



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**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2014

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**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.

	2014	2013
Selkirk College	\$ 3,520,526	\$ 3,765,929
Ecosave energy retrofits on-bill financing loans	227,727	219,943
Various other agreements	<u>643,925</u>	<u>204,799</u>
	<u>\$ 4,392,178</u>	<u>\$ 4,190,671</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, 2014, the total of the Debt Reserve Fund was comprised of:

	2014 Cash Deposit	2014 Demand Note	2014 Total	2013 Total
General fund	\$ 179,988	\$ 470,990	\$ 650,978	\$ 645,909
Sewer utility	15,190	40,843	56,033	55,605
Water utility	13,421	36,091	49,512	49,134
Nelson Hydro	<u>83,464</u>	<u>174,898</u>	<u>258,362</u>	<u>256,011</u>
	<u>\$ 292,063</u>	<u>\$ 722,822</u>	<u>\$ 1,014,885</u>	<u>\$ 1,006,659</u>

**7. Accounts Payable and Accrued Liabilities**

	2014	2013
Trades payable	\$ 4,453,235	\$ 5,029,417
Accrued wages and benefits	413,924	395,913
Accrued interest	127,797	133,142
Other	<u>436,334</u>	<u>452,883</u>
	<u>\$ 5,431,290</u>	<u>\$ 6,011,355</u>

**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2014

**8. Deferred Revenue**

	2014	2013
Taxes and utility rates	\$ 2,723,668	\$ 2,559,935
Community works fund	-	986,427
Hydro	381,187	410,841
Other	<u>222,170</u>	<u>188,763</u>
	<u>\$ 3,327,025</u>	<u>\$ 4,145,966</u>

**9. Accrued Future Payroll Benefits**

	2014	2013
Holiday Pay	\$ 721,762	\$ 752,124
Sick Leave	1,199,702	1,181,301
Banked Overtime	<u>195,686</u>	<u>200,837</u>
	<u>\$ 2,117,150</u>	<u>\$ 2,134,262</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:

2015	\$ 36,354
2016	36,354
2017	36,354
2018	36,354
2019	36,354
Thereafter	690,726
Less interest	<u>(506,207)</u>
	<u>\$ 366,289</u>

**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2014

**11. Debt**

Debt Bylaw #	Purpose of Bylaw	Interest rate %	Year of Maturity	Original Issue	2014 Balance	2013 Balance
<b>General Purposes:</b>						
3107	Catacombs	3.85%	2033	\$ 275,000	\$ 265,765	\$ 275,000
3107	Baker Street bridge	3.85%	2033	900,000	869,776	900,000
3034	Street construction	4.82%	2022	50,341	30,484	33,665
2871	Tenth Street campus	3.15%	2025	6,080,000	3,549,522	3,794,925
3036	Highway 3A	4.00%	2021	300,000	161,949	181,665
2978	Fortis Gas	4.50%	2020	4,200,000	2,714,494	3,107,996
	Fortis Gas	CDOR+.5%	2021	7,386,404	2,753,604	2,753,604
				<u>19,191,745</u>	<u>10,345,594</u>	<u>11,046,855</u>
<b>Water Purposes:</b>						
3038	Fairview reservoir	4.82%	2022	240,000	145,332	160,498
3106	Water improvements	4.90%	2029	1,000,000	818,110	857,396
				<u>1,240,000</u>	<u>963,442</u>	<u>1,017,894</u>
<b>Sewer Purposes:</b>						
3037	Sewage treatment plant	4.00%	2021	550,000	296,907	333,053
3109	Sewer improvements	4.90%	2029	500,000	409,055	428,698
				<u>1,050,000</u>	<u>705,962</u>	<u>761,751</u>
<b>Hydro Purposes:</b>						
3110	Hydro improvements	4.90%	2029	1,500,000	1,227,166	1,286,094
3223	Hydro improvements	3.05%	2032	6,000,000	5,588,959	5,798,510
				<u>7,900,000</u>	<u>6,816,125</u>	<u>7,084,604</u>
Total Debt					\$ <u>18,831,123</u>	\$ <u>19,911,104</u>

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

	General	Water	Sewer	Hydro	Total
2015	\$ 730,538	\$ 56,630	\$ 58,020	\$ 279,218	\$ 1,124,406
2016	761,042	58,895	60,341	290,387	1,170,665
2017	792,824	61,251	62,754	302,002	1,218,831
2018	825,937	63,701	65,265	314,082	1,268,985
2019	860,438	66,249	67,875	326,646	1,321,208
Thereafter	<u>6,374,815</u>	<u>656,716</u>	<u>391,707</u>	<u>5,303,790</u>	<u>12,727,028</u>
	\$ <u>10,345,594</u>	\$ <u>963,442</u>	\$ <u>705,962</u>	\$ <u>6,816,125</u>	\$ <u>18,831,123</u>

**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2014

**12. Tangible Capital Assets**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2014 Net Book Value</u>	<u>2013 Net Book Value</u>
Land	\$ 9,013,980	\$ -	\$ 9,013,980	\$ 8,707,438
Buildings	35,186,287	23,861,592	11,324,695	12,441,898
Vehicles	8,224,713	4,115,076	4,109,637	4,135,964
IT, equipment & furniture	2,857,165	1,291,969	1,565,196	1,126,600
Library	341,109	210,510	130,599	174,510
Natural gas system capital lease	8,186,404	2,806,766	5,379,638	5,613,535
Transportation infrastructure	21,039,108	8,598,265	12,440,843	11,620,507
Parks & cemetery	5,117,702	2,279,208	2,838,494	2,978,553
Water infrastructure	46,392,109	11,862,431	34,529,678	34,144,552
Sewer infrastructure	29,152,653	10,647,597	18,505,056	17,767,704
Storm sewer infrastructure	18,173,832	6,291,514	11,882,318	11,867,256
Hydro generators & substations	20,318,507	6,153,371	14,165,136	11,179,262
Hydro infrastructure	25,539,875	5,777,630	19,762,245	18,036,718
Assets under construction	<u>1,100,878</u>	<u>-</u>	<u>1,100,878</u>	<u>3,857,132</u>
	<u>\$230,644,322</u>	<u>\$ 83,895,929</u>	<u>\$146,748,393</u>	<u>\$143,651,629</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>2014</u>	<u>2013</u>
General, Water, Sewer Transit and Garage supplies	\$ 326,413	\$ 301,248
Fuel	55,200	37,626
Hydro	<u>906,342</u>	<u>836,189</u>
	<u>\$ 1,287,955</u>	<u>\$ 1,175,063</u>

**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2014

**14. Accumulated Surplus**

	2014	2013
<b>Reserves set aside by Council</b>		
Capital projects	\$ 536,604	\$ 610,937
Community works fund	1,019,147	-
Equipment replacement	2,746,589	2,473,463
Future power purchase	1,002,481	971,008
Nelson municipal library	18,488	17,935
Nelson Hydro capital	3,992,380	4,377,595
Sewer utility capital	2,760,407	2,591,802
Waterfront development	28,336	27,489
Water licence	2,104,622	2,288,211
Water utility capital	<u>3,696,972</u>	<u>3,200,960</u>
	17,906,026	16,559,400
<b>Statutory reserves</b>		
Land sales	225,192	397,245
Off street parking	15,024	14,575
Parks acquisition	106,103	144,692
Tax sale	<u>21,573</u>	<u>20,928</u>
<b>Total reserves</b>	<u>18,273,918</u>	<u>17,136,840</u>
<b>Surplus set aside by Council</b>		
Airport	\$ 192,470	\$ 182,470
Art in public places	17,247	19,748
Bridge	320,000	280,000
Building reserve	347,000	500,000
Economic development	18,155	25,437
Downtown & waterfront	97,296	38,521
Fortis	1,747,530	1,850,442
Insurance	389,092	374,439
Legal	20,000	20,000
Parking	17,578	34,043
Recycling reserve	122,860	133,570
911	66,305	57,407
10th street	<u>79,077</u>	<u>58,277</u>
	3,434,610	3,574,354
<b>Unappropriated surplus</b>	<u>2,269,962</u>	<u>2,363,409</u>
<b>Total surplus</b>	<u>5,704,572</u>	<u>5,937,763</u>
<b>Invested in capital assets</b>	<u>131,071,508</u>	<u>127,135,655</u>
<b>Total Accumulated Surplus</b>	<u>155,049,998</u>	<u>150,210,258</u>

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**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2014

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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:

	2014	2013
Balances, beginning of year	\$ 920,226	\$ 892,068
Contributions received	12,027	15,264
Interest earned	<u>23,083</u>	<u>29,894</u>
	955,336	937,226
Expenses and transfers	<u>(26,965)</u>	<u>(17,000)</u>
Balances, end of year	<u>\$ 928,371</u>	<u>\$ 920,226</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.

	2014	2013
Provincial Government - School taxes	\$ 8,413,193	\$ 8,627,111
Regional District of Central Kootenay	4,134,576	4,184,717
West Kootenay Boundary Hospital District	624,124	743,299
British Columbia Assessment Authority	168,841	169,300
Municipal Finance Authority	<u>429</u>	<u>425</u>
	<u>\$ 13,341,163</u>	<u>\$ 13,724,852</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 182,000 active members and approximately 75,000 retired members. Active members include approximately 180 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 \$1,241,170 for employer contributions to the plan in fiscal 2014 (2013 - \$1,164,703).

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**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2014

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**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.

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**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2014

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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**

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, 2014

19. **Segmented Information** (continued)

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

	<u>General Government</u>	<u>Police &amp; Bylaw</u>	<u>Fire Services</u>	<u>Development Services</u>
<b>Revenues</b>				
Taxes	\$ 8,898,262	\$ -	\$ -	\$ -
Sales of Service	688,106	1,133,126	214,208	11,726
Other revenue from own services	1,481,115	230,770	400	178,855
Investment income	385,873	-	-	-
Grants - unconditional	276,151	76,312	-	-
Grants - conditional	1,375,225	86,334	30,587	-
Water user fees	-	-	-	-
Sewer user fees	-	-	-	-
Transit user fees	-	-	-	-
Nelson Hydro sales	-	-	-	-
	<u>13,104,732</u>	<u>1,526,542</u>	<u>245,195</u>	<u>190,581</u>
<b>Expenditures</b>				
Wages and benefits	1,523,734	3,322,301	1,432,937	404,163
Supplies and services	1,381,254	449,220	205,222	61,275
Interest and other debt charges	423,239	-	-	-
Amortization	1,563,512	55,183	98,743	-
Loss on disposal of assets	-	-	-	-
	<u>4,891,739</u>	<u>3,826,704</u>	<u>1,736,902</u>	<u>465,438</u>
<b>Annual Surplus (Deficit)</b>	<u>8,212,993</u>	<u>(2,300,162)</u>	<u>(1,491,707)</u>	<u>(274,857)</u>

<u>Engineering Services</u>	<u>Parks Culture &amp; Recreation</u>	<u>Transit</u>	<u>Library</u>	<u>Nelson Hydro</u>	<u>Utilities</u>	<u>2014 Total</u>
\$ 59,310	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,957,572
507,575	555,906	-	40,111	-	-	3,150,758
82,760	38,475	1,852	32,490	920,668	176,449	3,143,834
-	-	-	2,376	237,270	283,860	909,379
-	-	-	251,862	-	-	604,325
5,670	319,318	903,780	32,242	7,400	156,000	2,916,556
-	-	-	-	-	3,164,608	3,164,608
-	-	-	-	-	2,782,927	2,782,927
-	-	247,446	-	-	-	247,446
-	-	-	-	<u>16,104,798</u>	-	<u>16,104,798</u>
<u>655,315</u>	<u>913,699</u>	<u>1,153,078</u>	<u>359,081</u>	<u>17,270,136</u>	<u>6,563,844</u>	<u>41,982,203</u>
1,618,884	1,019,794	705,960	656,482	2,010,670	1,434,740	14,129,665
1,678,129	1,475,281	704,764	193,622	9,201,340	1,423,940	16,774,047
60,855	-	-	-	247,500	109,433	841,027
1,108,024	164,885	-	-	886,310	1,154,509	5,031,166
<u>102,090</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>187,368</u>	<u>77,100</u>	<u>366,558</u>
<u>4,567,982</u>	<u>2,659,960</u>	<u>1,410,724</u>	<u>850,104</u>	<u>12,533,188</u>	<u>4,199,722</u>	<u>37,142,463</u>
<u>(3,912,667)</u>	<u>(1,746,261)</u>	<u>(257,646)</u>	<u>(491,023)</u>	<u>4,736,948</u>	<u>2,364,122</u>	<u>4,839,740</u>

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**THE CORPORATION OF THE CITY OF NELSON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
December 31, 2014

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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>2014</u>
Budget surplus per Consolidated Statement of Operations	\$ 4,724,129
Less: Capital expenditures	14,121,550
Debt principal repayments	1,076,259
Budgeted transfers to reserves	2,766,091
Add: Budgeted transfers from surplus and reserves	8,107,898
Amortization	5,081,873
Debt proceeds	<u>50,000</u>
Net annual budget	<u>\$ -</u>

**21. Change in Community Works Fund classification**

In 2014, the City of Nelson signed a new Community Works Fund agreement with the Federal Government. The new agreement removed many of the restrictive covenants that had required, under Canadian public sector accounting standards, recording any unused funds as deferred revenue at year end based. Therefore, in the current year the \$1,019,147 in unused Community works funds were recognized as revenue. To ensure these funds are tracked and these funds were set up as a reserve in the equity accounts under the title Community Works Fund.

**22. 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, 2014

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	\$ 306,542	\$ -	\$ 9,013,980	\$ -	\$ -	\$ -	\$ -	\$ 9,013,980
Buildings	35,169,091	17,196	-	35,186,287	22,727,193	-	1,134,399	23,861,592	11,324,695
Vehicles	8,075,089	602,270	(452,646)	8,224,713	3,939,125	(320,787)	496,738	4,115,076	4,109,637
IT, equipment & furniture	2,324,786	646,954	(114,575)	2,857,165	1,198,186	(114,575)	208,358	1,291,969	1,565,196
Library	423,676	-	(82,567)	341,109	249,166	(82,567)	43,911	210,510	130,599
Natural gas system capital lease	8,186,404	-	-	8,186,404	2,572,869	-	233,897	2,806,766	5,379,638
Transportation infrastructure	19,877,495	1,359,578	(197,965)	21,039,108	8,256,988	(125,735)	467,012	8,598,265	12,440,843
Parks and cemetery	5,092,876	24,826	-	5,117,702	2,114,323	-	164,885	2,279,208	2,838,494
Water infrastructure	45,508,459	1,085,142	(201,492)	46,392,109	11,363,907	(124,392)	622,916	11,862,431	34,529,678
Sewer infrastructure	27,883,708	1,268,945	-	29,152,653	10,116,004	-	531,593	10,647,597	18,505,056
Storm sewer infrastructure	17,917,623	256,209	-	18,173,832	6,050,367	-	241,147	6,291,514	11,882,318
Hydro generators & substations	16,932,247	3,386,260	-	20,318,507	5,752,985	-	400,386	6,153,371	14,165,136
Hydro infrastructure	23,430,135	2,398,820	(289,080)	25,539,875	5,393,417	(101,712)	485,925	5,777,630	19,762,245
Assets under construction	3,857,132	(2,756,254)	-	1,100,878	-	-	-	-	1,100,878
Total	\$ 223,386,159	\$ 8,596,488	\$ (1,338,325)	\$ 230,644,322	\$ 79,734,530	\$ (869,768)	\$ 5,031,167	\$ 83,895,929	\$ 146,748,393

**Statement of Financial Information (SOFI)**

**THE CORPORATION OF THE CITY OF NELSON**

**Fiscal Year Ended December 31, 2014**

**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, 2014**

**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, 2014**

**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, 2014.

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, 2014**

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

Remuneration	\$ 10,196,372	
Employee Expenses	232,586	
Employer CPP/EI	<u>494,295</u>	\$ 10,923,253

Payments for Goods and Services	<u>28,510,397</u>
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**Total of Scheduled Payments** **\$39,433,650**

**Total of Financial Statement Expenditures** **\$37,142,463**

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, 2014**

NAME		REMUNERATION	EXPENSE
<b>ELECTED OFFICIALS</b>	<b>POSITION</b>		
Adams, Robert	Councillor	\$ 17,695	\$ 4,093
Batycki, Candace	Councillor	17,095	1,993
Cherbo, Robin	Councillor	17,695	7,516
Dailly, Michael	Councillor	964	299
Dooley, John	Mayor	41,892	4,254
Kiss, Paula	Councillor	17,337	1,678
Kozak, Debra	Mayor/Councillor	19,128	8,602
Macdonald, Donna	Councillor	18,254	3,230
Morrison, Janice	Councillor	964	-
Purcell, Anna	Councillor	964	299
Warmington, Valerie	Councillor	964	415
<b>TOTAL ELECTED OFFICIALS</b>		<u>152,952</u>	<u>32,379</u>
<b>DETAILED EMPLOYEES &gt; \$75,000</b>			
Arabia, Leonard		\$ 79,921	\$ 2,103
Bogaard, Gilbert		87,067	70
Centrone, Dean		79,714	87
Colgan, Andrew		146,625	3,798
Cormack, Kevin		161,503	17,611
Daloise, Michael		99,270	1,004
Dinwoodie, James		109,407	1,270
Fillion, Allen		109,542	1,119
Georgetti, Garth		138,135	1,455
Grill, Martin		76,334	3,208
Grypma, Leo		79,229	-
Grypma, Simon		108,349	3,991
Hamilton, Dana		144,435	-
Hebert, Jeffrey		94,359	1,661
Jeffery, Scott		85,575	225
Johnson, Kevin		100,132	-
Knight, Christopher		92,377	-
Koehle, Jody		93,711	1,512
Lauritzen, Kalum		77,781	1,734
Laybourne, Cal		156,353	2,100
Long, Frances		96,158	8,303
Love, Alex		163,312	6,272
Lynn, Logan		110,994	2,253
MacDonald, Karen		85,059	3,064
Maida, Rick		101,065	1,627
Markin, Joanna		98,643	11,652
McCarvell, Jeanette		92,039	1,317
McClure, Colin		128,110	4,700
Nystrom, Robin		112,556	1,919
Olsson, Carl		132,624	560
Ouellette, Martin		83,691	-
Patton, Robert		94,615	926
Pickard, Doug		107,901	104
Proctor, Greg		80,701	-
Rae, Gordon		97,555	28
Rich, Norm		78,110	877
Rorick, Suzanne		81,609	3,033
Schneider, Fred		78,942	639
Sinstadt, Peter		84,252	1,991
Taburiaux, Youri		148,206	4,769
Thibault, Marc		87,159	816
<b>TOTAL DETAILED EMPLOYEES &gt; \$75,000</b>		<u>4,263,120</u>	<u>97,798</u>
<b>TOTAL EMPLOYEES &lt;= \$75,000</b>		<u>5,780,300</u>	<u>102,409</u>
<b>TOTAL</b>		<u>\$ 10,196,372</u>	<u>\$ 232,586</u>
<b>TOTAL EMPLOYER PREMIUM FOR CPP/EI</b>			\$ 494,295

THE CORPORATION OF THE CITY OF NELSON  
SCHEDULE OF PAYMENTS TO SUPPLIERS OF GOODS AND SERVICES  
YEAR ENDED DECEMBER 31, 2014

**DETAILED SUPPLIERS >\$25,000**

<u>SUPPLIER NAME</u>	<u>EXPENSE</u>
Aardvark Pavement Marking Services	\$ 34,394
Advanced Utility Systems	33,266
Air Canada	30,479
Amos, Mike	34,974
Andrew Sheret Limited	65,914
Andreychuk, Terry	111,349
Anixter Canada Inc.	47,318
Arcright Plumbing & Heating Ltd	47,247
Arctic Arrow Powerline Group Ltd	972,806
Asplundh Canada ULC	49,388
Associated Engineering (B.C.) Ltd.	26,185
BC Transit	604,997
Berg Lehmann	50,400
Black Press Group Ltd.	42,762
Blue Sparkle Cleaning	26,460
Boundary Electric (1985) Ltd.	58,975
Bull, Housser & Tupper LLP	53,387
Canadian Dewatering LP	33,249
Capri Insurance	277,285
Columbia Basin Broadband Corporation	378,536
Cooper Industries Electrical Inc.	152,738
Corix Water Products LP	40,489
Cowan's Office Supplies Ltd	73,587
Dan Maglio Contracting Ltd	55,928
DDC Excavating Ltd	27,563
Dean Williams Construction Ltd.	73,700
Debri Resources Ltd.	95,502
DHC Communications Inc	266,232
Domino Highvoltage Supply Inc	117,994
Edward Jones	42,997
Executive Flight Centre Fuel Service Ltd	81,195
Flight Fuels LP	45,778
FortisBC Inc	6,410,219
Fred Surridge Ltd.	117,258
Galbraith, Fiona	77,975
Georama Holdings Ltd	25,921
Gilnockie Inspection Ltd	39,983
Great West Equipment Ltd	160,472
Guillevin International Co.	98,776
HD Supply Power Solutions	83,960
High Five Maintenance Services	170,086
ICBC	72,588
Impatient Cultural Consultants Ltd	36,185
Inland Allcare	40,359
Insight Canada Inc.	33,422
Insituform Technologies Ltd	798,419
ISL Engineering and Land Services	31,987
Jetson Consulting Engineers Ltd	35,222
Kal-Tire	29,176
Kilo Flagging	85,746
Kite Refrigeration	30,997
Kootenay Industrial Supply Ltd	37,442
Lang Business Systems	77,467
Lordco Auto Parts	27,621
Maglio Building Centre Ltd	26,680
Maglio Installations Ltd.	1,020,788
Manulife Financial	410,794
Martech Electrical Systems Ltd	1,018,384
McNally Excavating Inc.	226,290

Minister of Finance - Accommodation and Real Estate	372,133
Minister of Finance - Queens Printer	71,482
Minister of Finance - Water Management	187,809
MMM Group Limited	181,628
Municipal Finance Authority	1,657,528
Municipal Insurance Association of BC	126,373
Municipal Pension Plan	1,069,148
MVA Power Inc.	40,853
Nasmyth Morrow & Bogusz	252,188
Nelson Building Centre Limited	39,066
Nelson Farmers Supply Ltd.	55,755
Nelson Ford Sales (2003) Inc.	37,137
Nelson Ready-Mix	69,822
New Line Skateparks Inc.	142,804
Noramco	63,588
Owen Bird Law Corporation	27,597
Proctor, Carmen	55,423
Rectec Industries Inc.	29,641
Regional Dist. of Cent. Koot. D/Deposit	116,114
Right-of-Way Operations Group Inc.	514,331
Rocky Mountain Phoenix	69,073
S.C. Restorations Ltd.	52,474
Selkirk Paving	1,441,680
Shihlin Electric USA	173,429
SNT Engineering Ltd	29,626
Stantec Consulting Ltd	31,106
Stella-Jones Inc	249,482
Suncor Energy Products Partnership	511,624
Superior Propane Inc.	62,230
SureLink Fencing Ltd.	30,828
SWICH Services Inc.	32,405
Tac Solutions	34,665
Taylor-Wilton Nelson Ltd	56,641
Telus Communications (B.C.) Inc.	88,639
Temple Consulting Group Ltd.	54,513
TRUE Consulting	94,097
Trydor Industries (Canada) Ltd	237,294
Twin Rivers Controls Ltd	37,523
Urban Systems Ltd	43,943
Venture Mechanical Systems Ltd	544,551
Vimar Equipment Ltd	274,202
Ward Engineering & Land Surveying Ltd	153,895
Waste Management of Canada Corporation	26,741
Waterhouse Environmental Services Corp.	48,940
Westek Controls Ltd.	215,109
Wishbone Industries Limited	31,072
Wismer & Rawlings Electric Ltd.	110,143
WorkSafe BC	183,097
<b>TOTAL DETAILED SUPPLIERS &gt;\$25,000</b>	<b>25,306,731</b>
<b>TOTAL SUPPLIERS &lt;= \$25,000</b>	<b>2,488,966</b>
<b>TOTAL SUPPLIERS</b>	<b>27,795,697</b>
 <b>GRANTS AND CONTRIBUTIONS &gt;\$25,000</b>	
Capitol Theatre	67,500
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	221,500
<b>TOTAL GRANTS AND CONTRIBUTIONS &gt;\$25,000</b>	<b>714,700</b>
 <b>TOTAL PAYMENTS, GRANTS AND CONTRIBUTIONS</b>	<b>\$ 28,510,397</b>