The Corporation of the City of Nelson

2018 STATEMENT OF FINANCIAL INFORMATION

Statement of Financial Information (SOFI)

THE CORPORATION OF THE CITY OF NELSON

Fiscal Year Ended December 31, 2018

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Statement of Financial Information (SOFI)

THE CORPORATION OF THE CITY OF NELSON

Fiscal Year Ended December 31, 2018

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, CPA, CA
Chief Financial Officer

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

Statement of Financial Information (SOFI)

THE CORPORATION OF THE CITY OF NELSON

Fiscal Year Ended December 31, 2018

MANAGEMENT REPORT

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

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

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

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

On behalf of The Corporation of the City of Nelson

Colin McClure, CPA, CA
Chief Financial Officer
June 24, 2019

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

THE CORPORATION OF THE CITY OF NELSON

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

THE CORPORATION OF THE CITY OF NELSON
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For the Year Ended December 31, 2018

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THE CORPORATION OF THE CITY OF NELSON
MANAGEMENT REPORT
For the Year Ended December 31, 2018

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, Grant Thornton LLP, 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 Grant Thornton LLP follows and outlines the scope of their examination and their opinion on the consolidated financial statements.

Colin McClure, CPA, CA
Chief Financial Officer

Grant Thornton

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INDEPENDENT AUDITOR'S REPORT

Grant Thornton LLP
513 Victoria Street
Nelson, BC
V1L 4K7

T +1 250 352 3165
F +1 250 352 7166

To the Mayor and Council
Corporation of the City of Nelson

Opinion
We have audited the accompanying consolidated financial statements of Corporation of the City of Nelson, which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statement of operations, consolidated statement of changes in net financial assets and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Corporation of the City of Nelson as at December 31, 2018, and its results of operations, its changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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

Other Matters
The consolidated financial statements of the Corporation of the City of Nelson for the year ended December 31, 2017, were audited by Berg Lehmann Chartered Professional Accountants who expressed an unmodified opinion on those statements on May 7, 2018.

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

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

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

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INDEPENDENT AUDITOR'S REPORT (continued)

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the City's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.

- Evaluate the appropriateness of accounting polices used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the City to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Grant Thornton LLP

Chartered Professional Accountants

May 6, 2019

Nelson, B.C.

THE CORPORATION OF THE CITY OF NELSON
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2018

	2018	2017
Financial Assets		
Cash and cash equivalents (Note 2)	$ 32,121,024	$ 30,642,773
Investments (Note 3)	3,045,552	3,005,368
Accounts receivable (Note 4)	7,114,429	6,123,372
Long-term accounts receivable (Note 5)	2,986,334	3,316,934
MFA deposits (Note 6)	320,748	313,917
	45,588,087	43,402,364
Financial Liabilities		
Accounts payable and accrued liabilities (Note 7)	5,907,884	5,799,638
Deferred revenue (Note 8)	4,533,720	5,768,320
Accrued future payroll benefits (Note 9)	2,010,052	1,958,590
Capital lease obligation (Note 10)	343,916	350,235
Debt (Note 11)	14,048,237	15,317,222
	26,843,809	29,194,005
Net Financial Assets	18,744,278	14,208,359
Non -Financial Assets		
Tangible capital assets (Note 12)	161,267,671	154,334,248
Inventory (Note 13)	1,231,677	1,321,861
Prepaid expenses	290,853	318,734
	162,790,201	155,974,843
Accumulated Surplus (Note 14)	$181,534,479	$170,183,202

Commitments and Contingencies (Note 18)

Colin McClure, CPA, CA
Chief Financial Officer

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 OPERATIONS
For the Year Ended December 31, 2018

	2018 Budget (Note 21)	2018	2017
Revenue			
Taxes	$ 10,462,065	$ 10,520,754	$ 10,188,590
Sale of services	3,808,118	3,686,986	3,393,001
Other revenue from own sources	3,868,372	3,609,485	3,298,250
Investment income	480,900	973,698	523,976
Grants - unconditional (Note 19)	785,557	798,291	784,993
Grants - conditional (Note 19)	6,810,391	6,260,536	2,829,650
Water user fees	3,558,112	3,543,563	3,490,223
Sewer user fees	3,053,133	3,037,346	3,001,144
Transit user fees	269,060	286,702	282,828
Nelson Hydro sales	17,404,106	18,509,343	18,353,665
	50,499,814	51,226,704	46,146,320
Expenses			
General government	3,592,808	3,524,459	3,685,146
Protective services	6,683,907	6,619,777	6,426,410
Transportation services	3,764,697	3,389,898	3,138,873
Environmental health services	277,188	217,230	257,514
Public health and welfare services	193,641	170,686	183,659
Parks, recreation and cultural services	1,994,296	2,009,118	2,170,771
Interest and other debt charges	898,602	797,155	785,489
Water utility operations	1,340,385	1,353,784	1,381,373
Sewer utility operations	1,845,134	1,796,446	1,834,528
Nelson Hydro operations	11,493,794	11,427,555	11,328,455
Transit operations	1,639,911	1,678,083	1,568,395
Library	907,237	904,865	893,786
Amortization	5,456,407	5,786,038	5,342,649
Loss on disposal of tangible capital assets	-	200,333	360,516
	40,088,007	39,875,427	39,357,564
Annual surplus	10,411,807	11,351,277	6,788,756
Accumulated surplus, beginning of the year	170,183,202	170,183,202	163,394,446
Accumulated surplus, end of the year	$180,595,009	$181,534,479	$170,183,202

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, 2018

	2018 Budget	2018	2017
Annual surplus	$ 10,411,807	$ 11,351,277	$ 6,788,756
Acquisition of tangible capital assets	(17,908,266)	(13,031,609)	(7,319,151)
Amortization of capital assets	5,456,407	5,786,038	5,342,649
Proceeds on sale of tangible capital assets	-	111,815	101,163
Loss on disposal of tangible capital assets	-	200,333	360,516
	(2,040,052)	4,417,854	5,273,933
Consumption (acquisition) of prepaid expenses	-	27,881	(54,165)
Consumption (acquisition) of supply inventory	-	90,184	(21,952)
	-	118,065	(76,117)
Increase (decrease) in net financial assets	(2,040,052)	4,535,919	5,197,816
Net financial assets, beginning of year	14,208,359	14,208,359	9,010,543
Net financial assets, end of the year	$ 12,168,307	$ 18,744,278	$ 14,208,359

THE CORPORATION OF THE CITY OF NELSON
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2018

	2018	2017
Cash Provided by (Used In)		
Operating Activities		
Annual surplus	$ 11,351,277	$ 6,788,756
Items not involving cash:		
Amortization of tangible capital assets	5,786,038	5,342,649
Actuarial adjustments	(377,944)	(327,791)
Loss on disposal of tangible capital assets	200,333	360,516
	16,959,704	12,164,130
Increase (decrease) in non-cash operating items:		
Accounts receivable	(991,057)	(339,288)
Long-term accounts receivable	330,600	446,281
MFA deposits	(6,831)	(6,005)
Accounts payable and accrued liabilities	108,246	849,570
Deferred revenue	(1,234,600)	2,163,900
Accrued future payroll benefits	51,462	(40,603)
Inventory	90,184	(21,952)
Prepaid expenses	27,881	(54,165)
	15,335,589	15,161,868
Financing Activities		
Debt repayment	(891,041)	(891,041)
Repayment of capital lease obligations	(6,319)	(5,808)
	(897,360)	(896,849)
Capital Activities		
Proceeds from disposal of tangible capital assets	111,815	101,163
Acquisition of tangible capital assets	(13,031,609)	(7,319,151)
	(12,919,794)	(7,217,988)
Investing Activities		
Net purchase of investments	(40,184)	(81,115)
Net decrease in Cash	1,478,251	6,965,916
Cash and cash equivalents, beginning of year	30,642,773	23,676,857
Cash and cash equivalents, end of year	$ 32,121,024	$ 30,642,773

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

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) Basis of Presentation

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

(b) Revenue Recognition

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

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

(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.

(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.

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

(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 Five Year Financial Plan for the years 2018-2022, adopted by Council on May 7, 2018.

(o) Expenses

Expenses are recorded in the period in which the goods or services are acquired and the liability is incurred.

(p) Liability for Contaminated Sites

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

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

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

There are no liabilities to be recorded as at December 31, 2018.

2. Cash and Cash Equivalents

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

	2018	2017
Cash	$ 5,425,275	$ 4,454,851
MFA bond and money market funds	26,695,749	26,187,922
	$ 32,121,024	$ 30,642,773

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:

Maturity	2018 Carrying Value	2018 Market Value	2017 Carrying Value	2017 Market Value
2017	$ -	$ -	$ 1,024,802	$ 1,024,802
2018	1,572,332	1,575,504	511,024	508,465
2019	305,548	285,600	301,870	292,076
2020	36,722	37,011	36,722	36,566
2021	96,171	88,200	96,171	92,248
2022	296,886	271,578	296,886	284,308
2023	399,800	360,714	399,800	387,918
Thereafter	338,093	350,596	338,093	342,412
	$ 3,045,552	$ 2,969,203	$ 3,005,368	$ 2,968,795

4. Accounts Receivable

	2018	2017
Property taxes	$ 397,038	$ 504,819
Utility billings	3,903,246	3,941,780
Other governments	224,040	273,075
Trade & other receivables	2,590,105	1,403,698
	$ 7,114,429	$ 6,123,372

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.

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.

	2018	2017
Selkirk College	$ 2,423,399	$ 2,716,047
Ecosave energy retrofits on-bill financing loans	270,585	243,030
Various other agreements	292,350	357,857
	$ 2,986,334	$ 3,316,934

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, 2018, the total of the Debt Reserve Fund was comprised of:

	2018 Cash Deposit	2018 Demand Note	2018 Total	2017 Total
General fund	$ 197,666	$ 470,990	$ 668,656	$ 664,447
Sewer utility	16,682	40,843	57,525	57,169
Water utility	14,739	36,091	50,830	50,516
Nelson Hydro	91,661	174,898	266,559	264,607
	$ 320,748	$ 722,822	$ 1,043,570	$ 1,036,739

7. **Accounts Payable and Accrued Liabilities**

	2018	2017
Trades payable	$ 5,226,264	$ 4,513,619
Accrued wages and benefits	397,525	1,007,420
Accrued interest	122,627	122,627
Funds held on deposit	161,468	155,972
	$ 5,907,884	$ 5,799,638

8. Deferred Revenue

	2018	2017
Taxes and utility prepayments	$ 2,992,267	$ 2,879,512
Hydro utility prepayments	604,922	422,078
Grants	346,918	1,966,935
Other	589,613	499,795
	$ 4,533,720	$ 5,768,320

9. Accrued Future Payroll Benefits

	2018	2017
Holiday Pay	$ 741,140	$ 739,647
Sick Leave	1,111,791	1,054,786
Banked Overtime	157,121	164,157
	$ 2,010,052	$ 1,958,590

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

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

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

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 debt with the Municipal Finance Authority. 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. Dicussions with Fortis regarding the continuation or cancellation of the lease have not yet commenced, but are expected to begin in advance of the maturity date.

11. Debt

Debt Bylaw #	Purpose of Bylaw	Interest rate %	Year of Maturity	Original Issue	2018 Balance	2017 Balance
General Purposes:						
3107	Catacombs	3.85%	2033	$ 275,000	$ 224,980	$ 235,784
3107	Baker Street bridge	3.85%	2033	900,000	736,299	771,657
3034	Street construction	4.82%	2022	50,341	16,435	20,157
2871	Tenth Street campus	3.15%	2025	6,080,000	2,452,397	2,745,044
3036	Highway 3A	4.00%	2021	300,000	74,878	97,943
2978	Fortis Gas	4.50%	2020	4,200,000	976,661	1,437,003
				11,805,341	4,481,650	5,307,588
Short-term financing		CDOR+.5%			2,753,604	2,753,604
Water Purposes:						
3038	Fairview reservoir	4.82%	2022	240,000	78,354	96,096
3106	Water improvements	4.90%	2029	1,000,000	644,611	690,570
				1,240,000	722,965	786,666
Sewer Purposes:						
3037	Sewage treatment plant	4.00%	2021	550,000	137,277	179,562
3109	Sewer improvements	4.90%	2029	500,000	322,306	345,285
				1,050,000	459,583	524,847
Hydro Purposes:						
3110	Hydro improvements	4.90%	2029	1,500,000	966,917	1,035,855
3223	Hydro improvements	3.05%	2032	6,000,000	4,663,518	4,908,662
				7,900,000	5,630,435	5,944,517
Total Debt					$ 14,048,237	$ 15,317,222

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

	General	Water	Sewer	Hydro	Total
2019	$ 3,614,042	$ 66,249	$ 67,875	$ 326,646	$ 4,074,812
2020	896,384	68,899	70,590	339,712	1,375,585
2021	416,015	71,665	73,414	353,300	914,394
2022	407,344	74,521	26,883	367,432	876,180
2023	420,855	55,916	27,959	382,129	886,859
Thereafter	(1,272,990)	385,715	192,862	3,861,216	3,166,803
	$ 4,481,650	$ 722,965	$ 459,583	$ 5,630,435	$ 11,294,633

12. Tangible Capital Assets

	Cost	Accumulated Amortization	2018 Net Book Value	2017 Net Book Value
Land	$ 9,011,828	$ -	$ 9,011,828	$ 9,011,828
Buildings	36,061,694	27,229,934	8,831,760	9,354,144
Vehicles	9,385,024	5,090,106	4,294,918	4,211,035
IT, equipment & furniture	3,993,584	1,835,563	2,158,021	1,219,314
Library	260,440	195,577	64,863	72,421
Natural gas system capital lease	8,186,404	3,742,354	4,444,050	4,677,947
Transportation infrastructure	29,928,848	11,081,150	18,847,698	16,377,302
Parks & cemetery	7,235,757	2,933,647	4,302,110	2,648,853
Water infrastructure	51,627,001	14,127,890	37,499,111	37,361,915
Sewer infrastructure	32,057,977	12,837,408	19,220,569	18,685,643
Storm sewer infrastructure	20,151,308	7,224,363	12,926,945	11,608,454
Hydro generators & substations	21,050,645	7,392,638	13,658,007	13,948,166
Hydro infrastructure	33,080,560	7,793,908	25,286,652	23,848,256
Assets under construction	721,139	-	721,139	1,308,970
	$262,752,209	$101,484,538	$161,267,671	$154,334,248

See schedule of consolidated tangible capital assets for more information.

13. Inventory

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

	2018	2017
General, Water, Sewer Transit and Garage supplies	$ 349,860	$ 376,711
Fuel	46,772	35,556
Hydro operating supplies	835,045	909,594
	$ 1,231,677	$ 1,321,861

14. Accumulated Surplus

	2018	2017
Reserves set aside by Council		
Capital projects	$ 2,291,437	$ 1,616,896
Community works fund	1,640,770	1,260,448
Equipment replacement	3,688,032	3,476,483
Future power purchase	1,106,571	1,079,908
Nelson municipal library	19,653	19,292
Nelson Hydro capital	6,359,648	4,853,717
Sewer utility capital	4,323,239	4,442,291
Waterfront development	30,183	29,537
Water licence	1,432,198	2,097,387
Water utility capital	5,440,596	4,639,080
	26,332,327	23,515,039
Statutory reserves		
Land sales	141,366	138,399
Off street parking	10,007	9,793
Parks acquisition	43,744	111,308
Tax sale	22,979	22,487
Total reserves	26,550,423	23,797,026
Surplus set aside by Council		
Airport	240,470	220,470
Art in public places	7,968	13,995
Bridge	359,789	319,789
Building reserve	949,170	540,000
Economic development	225,710	125,710
Downtown & waterfront	94,860	27,870
Fortis	640,286	683,173
Insurance	370,051	363,245
Legal	20,000	20,000
Parking	7,578	7,578
Recycling reserve	103,340	103,340
911	69,089	59,089
10th street	152,285	131,481
	3,240,596	2,615,740
Unappropriated surplus	2,444,542	2,387,600
Total surplus	5,685,138	5,003,340
Invested in capital assets	149,298,918	141,382,836
Total Accumulated Surplus	$181,534,479	$170,183,202

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:

	2018	2017
Balances, beginning of year	$ 971,257	$ 965,584
Contributions received	13,555	8,889
Interest earned	19,653	9,784
	1,004,465	984,257
Expenses and transfers	(15,000)	(13,000)
Balances, end of year	$ 989,465	$ 971,257

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.

	2018	2017
Provincial Government - School taxes	$ 8,568,817	$ 8,446,697
Regional District of Central Kootenay	4,107,175	4,145,993
West Kootenay Boundary Hospital District	721,113	697,673
British Columbia Assessment Authority	153,195	150,675
Municipal Finance Authority	525	485
	$ 13,550,825	$ 13,441,523

17. Pension Plan

The City of Nelson and its employees contribute to the Municipal Pension Plan (a jointly trusteed pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of the assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2017, the plan has about 197,000 active members and approximately 95,000 retired members. Active members include approximately 39,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent valuation of the Municipal Pension Plans at December 31, 2015, indicated a $2,224 million funding surplus for basic pension benefits on a going concern basis. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, $1,927 million was transferred to the rate stabilization account and $297 million of the surplus ensured the required contribution rates remained unchanged.

17. **Pension Plan** (continued)

The City of Nelson paid $1,602,878 (2017 - $1,539,691) for employer contributions to the plan in fiscal 2018.

The next valuation will be as at December 31, 2018 with results available in 2019.

Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

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. **Grants**

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

	2018 Unconditional	2018 Conditional	2017 Unconditional	2017 Conditional
Federal Government	$ 155,012	$ 2,175,249	$ 154,327	$ 595,484
Provincial Government	430,338	3,908,794	428,697	1,939,735
Regional / Other	212,941	176,493	201,969	294,431
	$ 798,291	$ 6,260,536	$ 784,993	$ 2,829,650

20. 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.

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.

20. **Segmented Information** (continued)

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.

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

	General Government	Police & Bylaw	Fire Services	Development Services
Revenues				
Taxes	$10,459,989	$ -	$ -	$ -
Sales of Service	236,202	1,854,062	232,105	9,847
Other revenue from own services	1,520,277	301,589	125	272,240
Investment income	546,702	-	-	-
Grants - unconditional	415,493	110,964	-	-
Grants - conditional	555,065	86,083	45,000	-
Water user fees	-	-	-	-
Sewer user fees	-	-	-	-
Transit user fees	-	-	-	-
Nelson Hydro sales	-	-	-	-
	13,733,728	2,352,698	277,230	282,087
Expenditures				
Wages and benefits	1,795,310	4,183,263	1,593,962	603,767
Supplies and services	1,298,075	424,081	417,386	119,820
Interest and other debt charges	409,510	-	-	-
Amortization	1,439,699	44,139	105,904	-
Loss on disposal of assets	-	-	-	-
	4,942,594	4,651,483	2,117,252	723,587
Annual Surplus (Deficit)	$ 8,791,134	$(2,298,785)	$(1,840,022)	$ (441,500)

Engineering Services	Parks Culture & Recreation	Transit	Library	Nelson Hydro	Utilities	2018 Total
$ 60,765	$ -	$ -	$ -	$ -	$ -	$ 10,520,754
703,764	623,663	-	27,343	-	-	3,686,986
77,389	45,807	3,453	40,329	830,355	517,921	3,609,485
-	-	-	3,644	185,712	237,640	973,698
-	-	-	271,834	-	-	798,291
3,415,092	305,165	1,101,673	35,392	1,500	715,566	6,260,536
-	-	-	-	-	3,543,563	3,543,563
-	-	-	-	-	3,037,346	3,037,346
-	-	286,702	-	-	-	286,702
-	-	-	-	18,509,343	-	18,509,343
4,257,010	974,635	1,391,828	378,542	19,526,910	8,052,036	51,226,704
1,674,281	994,884	786,983	695,027	2,160,594	1,655,220	16,143,291
1,813,682	1,012,656	891,100	209,839	9,266,960	1,495,011	16,948,610
51,620	-	-	-	247,500	88,525	797,155
1,584,802	253,289	-	-	1,082,146	1,276,059	5,786,038
111,325	-	-	-	73,960	15,048	200,333
5,235,710	2,260,829	1,678,083	904,866	12,831,160	4,529,863	39,875,427
$ (978,700)	$(1,286,194)	$ (286,255)	$ (526,324)	$ 6,695,750	$ 3,522,173	$ 11,351,277

21. 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:

		2018
Budget surplus per Consolidated Statement of Operations	$	10,411,807
Less: Capital expenditures		19,997,714
Debt principal repayments		897,362
Budgeted transfers to reserves		3,004,166
Add: Budgeted transfers from surplus and reserves		8,031,028
Amortization		5,456,407
Debt proceeds		-
Net annual budget	$	-

THE CORPORATION OF THE CITY OF NELSON
SCHEDULE A - CONSOLIDATED STATEMENT OF TANGIBLE CAPITAL ASSETS
For the Year Ended December 31, 2018

Tangible Capital Assets	Opening Balance	Additions & reallocation of assets under Construction	Disposals	Closing Balance	Accumulated Amortization Opening balance	Amortization Expense	Reduction on Disposals	Accumulated Amortization Closing Balance	Net Carrying Amount End of year
Land	$ 9,011,828	$ -	$ -	$ 9,011,828	$ -	$ -	$ -	$ -	$ 9,011,828
Buildings	35,714,384	478,025	(130,715)	36,061,694	26,360,240	972,980	(103,286)	27,229,934	8,831,760
Vehicles	8,965,714	755,749	(336,439)	9,385,024	4,754,679	586,150	(250,723)	5,090,106	4,294,918
IT, equipment & furniture	2,805,754	1,203,203	(15,373)	3,993,584	1,586,440	264,496	(15,373)	1,835,563	2,158,021
Library	263,516	-	(3,076)	260,440	191,095	7,558	(3,076)	195,577	64,863
Natural gas system capital lease	8,186,404	-	-	8,186,404	3,508,457	233,897	-	3,742,354	4,444,050
Transportation infrastructure	26,681,028	3,367,073	(119,253)	29,928,848	10,303,726	841,966	(64,542)	11,081,150	18,847,698
Parks and cemetery	5,329,211	1,906,546	-	7,235,757	2,680,358	253,289	-	2,933,647	4,302,110
Water infrastructure	50,831,144	845,041	(49,184)	51,627,001	13,469,229	699,610	(40,949)	14,127,890	37,499,111
Sewer infrastructure	30,963,591	1,118,189	(23,803)	32,057,977	12,277,948	576,450	(16,990)	12,837,408	19,220,569
Storm sewer infrastructure	18,620,317	1,641,271	(110,280)	20,151,308	7,011,863	267,496	(54,996)	7,224,363	12,926,945
Hydro generators & substations	20,990,194	145,363	(84,912)	21,050,645	7,042,028	432,118	(81,508)	7,392,638	13,658,007
Hydro infrastructure	31,057,514	2,158,980	(135,934)	33,080,560	7,209,258	650,028	(65,378)	7,793,908	25,286,652
Assets under construction	1,308,970	600,133	(1,187,964)	721,139	-	-	-	-	721,139
Total	$ 250,729,569	$ 14,219,573	$ (2,196,933)	$262,752,209	$ 96,395,321	$ 5,786,038	$ (696,821)	$101,484,538	$161,267,671

Statement of Financial Information (SOFI)

THE CORPORATION OF THE CITY OF NELSON

Fiscal Year Ended December 31, 2018

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, 2018

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, 2018

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, 2018.

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, 2018

S.O.F.I. Report Scheduled Payments

Remuneration	$ 11,560,654	
Employee Expenses	265,383	
Employer CPP/EI	532,081	$ 12,358,118
Payments for Goods and Services		31,162,638
Total of Scheduled Payments		**$43,520,756**
Total of Financial Statement Expenditures		**$39,875,427**

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 remuneration and 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, 2018

NAME		REMUNERATION	EXPENSE
ELECTED OFFICIALS	**POSITION**		
Adams, Robert	Councillor	$ 14,732	$ 45
Anderson, Brittny	Councillor	2,679	753
Cherbo, Robin	Councillor	14,732	7,911
Dailly, Michael	Councillor	15,519	3,529
Dooley, John	Mayor	6,409	433
Kozak, Debra	Mayor	35,756	2,367
Logtenberg, Rik	Councillor	2,679	753
Morrison, Janice	Councillor	18,171	1,576
Page, Keith	Councillor	2,679	753
Purcell, Anna	Councillor	16,644	4,765
Renwick, Cal	Councillor	2,679	363
Warmington, Valerie	Councillor	16,625	7,637
Woodward, Jesse	Councillor	2,679	753
TOTAL ELECTED OFFICIALS		137,251	31,593
DETAILED EMPLOYEES > $75,000			
Andrijancic, Natalie		$ 82,246	$ 2,505
Arabia, Frank		75,843	195
Austin, Timothy		87,117	887
Bouliane, Joshua		77,449	250
Capriglione, Joe		77,901	-
Centrone, Dean		90,220	136
Colgan, Andrew		149,824	2,694
Cormack, Kevin		182,027	7,536
Daloise, Michael		172,177	2,387
Gainham, Chris		115,110	10,989
Geissler, Daniel		109,848	9,719
Georgetti, Garth		93,990	-
Grill, Martin		87,555	70
Hamilton, Dana		145,841	355
Harding, Trevor		149,399	385
Hebert, Jeffrey		157,305	-
Innes, Colin		136,155	892
Jeffery, Scott		145,864	189
Johnson, Kevin		111,802	450
Jones, Brian		75,313	4,155
Jury, Chris		100,541	4,991
Knight, Christopher		97,750	-
Koehle, Jody		105,332	1,635
Laminski, Chris		76,497	70
Lauritzen, Kalum		78,606	1,868
Long, Frances		114,652	1,367
Love, Alex		183,573	15,410
Lynn, Logan		107,566	-
MacCharles, Len		129,834	7,971

Maida, Rick	160,370	2,895
Manchur, Darrel	121,277	3,207
Markin, Joanna	106,701	5,822
McClure, Colin	151,632	6,746
Mierau, Pam	115,437	3,927
Nystrom, Robin	111,406	976
Olsson, Carl	123,393	439
Ouellette, Martin	133,713	30
Patton, Robert	157,535	483
Proctor, Greg	131,023	30
Rorick, Suzanne	91,967	2,431
Rothkop, Jordon	162,379	700
Schmidtke, Gerald	81,450	-
Sinstadt, Peter	76,223	241
Sutherland, Allison	97,991	2,053
Tait, Brian	76,267	470
Tennant, Gerry	77,399	1,189
Thast, Chris	99,276	88
Thibault, Marc	146,824	-
Winton, Sarah	88,759	3,740
TOTAL DETAILED EMPLOYEES > $75,000	5,628,359	108,736
TOTAL EMPLOYEES <= $75,000	5,795,044	125,054
TOTAL	$ 11,560,654	$ 265,383
TOTAL EMPLOYER PREMIUM FOR CPP/EI		$ 532,081

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

THE CORPORATION OF THE CITY OF NELSON
SCHEDULE OF PAYMENTS TO SUPPLIERS OF GOODS AND SERVICES
YEAR ENDED DECEMBER 31, 2018

DETAILED SUPPLIERS >$25,000

SUPPLIER NAME	EXPENSE
9dot Engineering Inc.	$ 27,932
Aardvark Pavement Marking Services	34,745
Advanced Utility Systems	41,941
Altec Industries Ltd.	208,681
Andrew Sheret Limited	67,314
Aon Reed Stenhouse Inc.	174,179
Asplundh Canada ULC	321,565
Avensys Solutions Inc	34,702
BC Communications Inc	29,064
BC Transit	719,312
Bee-Clean Building Maintenance Inc	36,540
Berg Lehmann	37,905
Black Press Group Ltd.	55,380
Canadian Dewatering LP	52,191
Canadian Pacific Railway Company	83,132
Cervus Equipment	34,205
CIMA Canada Inc	25,516
Comprod Inc	35,368
Cooper Industries Electrical Inc.	139,037
Cowan's Office Supplies Ltd	60,829
DBS Energy Services Inc.	81,699
DDC Excavating Ltd	111,604
DHC Communications Inc	106,822
Domino Highvoltage Supply Inc	54,517
Doubletree Systems, Inc.	223,845
Drop Manufacturing Inc	29,016
Executive Flight Centre Fuel Service Ltd	99,641
FortisBC Inc	7,010,385
Fred Surridge Ltd.	201,389
Gale, Robert	41,000
Gall Legge Grant & Munroe LLP	113,517
Gilnockie Inspection Ltd	97,927
Great West Equipment Ltd	181,354
Guillevin International Co.	52,948
Hannah Environmental Equipment Inc	151,158
High Five Maintenance Services	308,768
Hitachi T&D Solutions, Inc.	89,992
Houle Electric Ltd.	64,535
Hywood Truck & Equipment Ltd	28,525
ICBC	72,722
Inland Allcare	53,289
Itron Canada Inc.	28,105
John Dam & Associates Inc.	27,239
Joy of Art	35,802
K.E.S. Resource Enterprises Ltd.	41,885

Kal-Tire	26,701
Kon Kast Products (2005) Ltd	31,097
Kootenay Complete Tree Service Ltd	118,671
Kootenay Precision Earthworks	32,786
Lordco Auto Parts	78,325
Magnum Wear Parts Ltd.	47,483
Manulife Financial	420,392
Maple Leaf Power Corporation	33,961
Martech Electrical Systems Ltd	1,290,066
Mar-Tech Underground Services Ltd.	564,124
Marwest Industries Ltd	1,716,995
McNally Excavating Inc.	2,593,350
Microsoft Store	27,601
Minister of Finance - Accommodation and Real Estate	217,168
Minister of Finance - Queens Printer	92,591
Minister of Finance - Water Management	204,901
Motorola Solutions Canada Inc.	78,400
Mountain Bin Service Ltd	29,871
Municipal Finance Authority	1,595,366
Municipal Insurance Assoc. of BC	128,257
Municipal Pension Plan	1,153,178
Nedco, a division of Rexel Canada	93,787
Nelson Building Centre Limited	26,859
Noramco	97,370
Norton Rose Fulbright Canada LLP	39,180
Oakcreek Golf & Turf LP.	39,658
Owen Bird Law Corporation	29,691
Parkland Refining (B.C.) Ltd	563,439
Pigott & Company	28,770
Planetworks Consulting Corporation	88,023
Prism Engineering	30,051
Rectec Industries Inc.	131,710
Regional District of Central Kootenay	117,083
Rising Edge Technologies Limited	28,462
Rollins Machinery Ltd	61,646
Safe Start Safety Ltd	68,480
Saul Hyatt	26,358
Selkirk Paving	872,640
Sensible Solutions Inc	30,044
Sitkum IT Ltd	69,652
SK Electronics Ltd.	30,901
Smiths Detection Montreal Inc.	38,360
SNC-Lavalin Inc	127,017
Softchoice LP	47,386
Speedpro Signs	27,620
Stella-Jones Inc	118,940
Sunsmith Design Fine Metal Work	41,181
Superior Propane Inc.	56,791
T2 Systems Canada Inc.	65,992
Taylor-Wilton Nelson Ltd	39,877
TCG Tunneling Company Inc.	74,875
Telus Communications (B.C.) Inc.	82,986

Terry Andreychuk Consulting Ltd.	68,453
Texcan	33,546
Trainor Mechanical Contractors Ltd	264,942
TRUE Consulting	48,559
Trydor Industries (Canada) Ltd	116,166
Urban Systems Ltd	135,933
Vector Projects Group Ltd.	36,137
VFA Canada Corporation an Accruent Co.	82,936
Vimar Equipment Ltd	279,550
Waste Management of Canada Corporation	35,114
Waterhouse Environmental Services Corp.	47,040
Wesco Distribution Canada LP	81,902
Westcan Advanced Communication Solutions	334,945
Westek Controls Ltd.	110,651
Westower Communications Ltd	134,691
Wismer & Rawlings Electric Ltd.	76,256
WorkSafe BC	206,512
WSP Canada Inc.	360,449
Zap Welding	35,120
TOTAL DETAILED SUPPLIERS >$25,000	27,692,239
TOTAL SUPPLIERS <= $25,000	2,611,999
TOTAL SUPPLIERS	30,304,238
GRANTS AND CONTRIBUTIONS >$25,000	
Capitol Theatre	67,500
Community Futures Central Kootenay	87,500
Nelson & District Arts Council	33,000
Nelson & District Chamber of Commerce	79,000
Regional District of Central Kootenay	368,400
Touchstones Nelson	223,000
TOTAL GRANTS AND CONTRIBUTIONS >$25,000	858,400
TOTAL PAYMENTS, GRANTS AND CONTRIBUTIONS	$ 31,162,638

Prepared under the Financial Information Regulation, Schedule 1, section 7(1) and (2)