

2015

ANNUAL REPORT

The Corporation of the Village of Nakusp
91—1st Street NW, Nakusp, BC V0G 1R0
www.nakusp.com

Fiscal year ending December 31, 2015



THE VILLAGE OF
N A K U S P

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Photo credit:
Craig Pulsifer Photogr

Message from the Mayor

I am pleased to present the 2015 Annual Report on behalf of Nakusp Village Council.

2015 was a busy year for council and staff and a year of change. Our former CAO, Linda Tynan, moved on to a new position, in March, after five years of working with us. We wish her continued success in career. We welcomed our new CAO, Laurie Taylor in June of 2015. Laurie comes to us from Keremeos and has over 30 years experience in the municipal field.

During council's first year of working together, we did a strategic plan to guide us in our four-year term- listed below:

Under economic development, we set our goals at researching and investing in a biomass plant if it would be profitable for the community; lobby for Broadband and lobbying support for a fixed transportation link.

Land use includes: actively support development of Industrial land; complete our review of R5 zoning and OCP as well as continue to review and amend land use policies and bylaws. We will continue to investigate options for providing water to the North.

We will continue strong lobbying for health services and improvements in our community and investigate opportunities to increase utilization of the arena complex as well as lobbying for improved access to the lake.

The Nakusp Hot Springs is also a priority with further improvements to the Chalets, investigating increased services at the springs and improve marketing as well as investment in a Hot Springs Director position.

We are also planning for and investing in maintaining safe, resilient and sustainable infrastructure in a way that provides the highest value to the taxpayers in the community.

In 2015, we implemented a new management position of Director of Recreation and Parks. We are pleased to have Terry Welsh fill the position. Terry has over 25 years of experience in the recreation field and has brought a new dimension to our management team. We are already seeing positive results in having a strong management team consisting of the CAO, Director of Operations and Director of Recreation and Parks.

The Nakusp Hot Springs pool area had a new roof placed and two cabins received new roofing. Upgrades continue on the cabins and we are getting great feedback. A marketing plan is in the works and we are seeing an increase in income.



The Director of Operations has overseen the placement of a pressure reducing valve at Nakusp East Road and Shakespeare. We were having a lot of pipes bursting because of the high water pressure in that area. Our first year of recycling has been successful with pick up every two weeks. In 2015, we saw new life breathed into the Kinsmen Centre. The Options for Sexual Health, Nakusp and Area Youth Society and the Arts council move into a newly renovated building. We also saw the old fire hall remodelled and become the Old Fire Hall Collective where there are again partnerships formed. We welcomed the first Medieval Days in Nakusp, the first Camaro run and Nakusp volunteers participated with Castlegar to set a new world record of planting 202,935 trees in one hour. We also saw the first dividends from Nakusp and Area Community Forest. Council is proud to support all these progressive projects that improve our life and our community. Thank you to each and every volunteer in our community for making Nakusp the place it is today.

Council is aware that the community is in transition and we are doing our best to be open and look at solutions for issues arising. As is human nature, lots of rumours fly around our community.

Please feel free to contact the office or council if you have concerns. It is important that we hear from you.

Sincerely,

A handwritten signature in black ink, appearing to read 'Karen Hamling', written in a cursive style.

Mayor Karen Hamling

Village of Nakusp Council



Council: (left to right)
Bill Tobey, Ulli Mueller, Karen Hamling (Mayor), Tom Zeleznik, Len Heppner

Council meets **every second & fourth Monday at 6:30 pm in Council Chambers**

THE POLICY OF COUNCIL SHALL BE:

- to promote harmony and cooperation within the Village
- to provide accountability to the Public in promoting efficiency in all facets within the Village
- to promote the attitude that Councillors and Village employees are 'here to help'
- to provide the best facilities and services possible, with careful consideration of the finances available to promote the Village of Nakusp as a desirable place to live

2015 Council Committees

- **Mayor Karen Hamling** Community Health/Community Consultative
Labour Relations

- **Mayor Karen Hamling** RDCK Municipal Director
- **Councillor Ulli Mueller** Alternate RDCK Municipal Director

- **Councillor Len Heppner** Emergency Management BC (EMBC)
Chamber of Commerce
Liaison: Nakusp and Area Youth Society

- **Councillor Ulli Mueller** Nakusp & Area Development Board
Library

- **Councillor Bill Tobey** Recreation Commission #4
Nakusp and Area Community Forest (NACFOR)

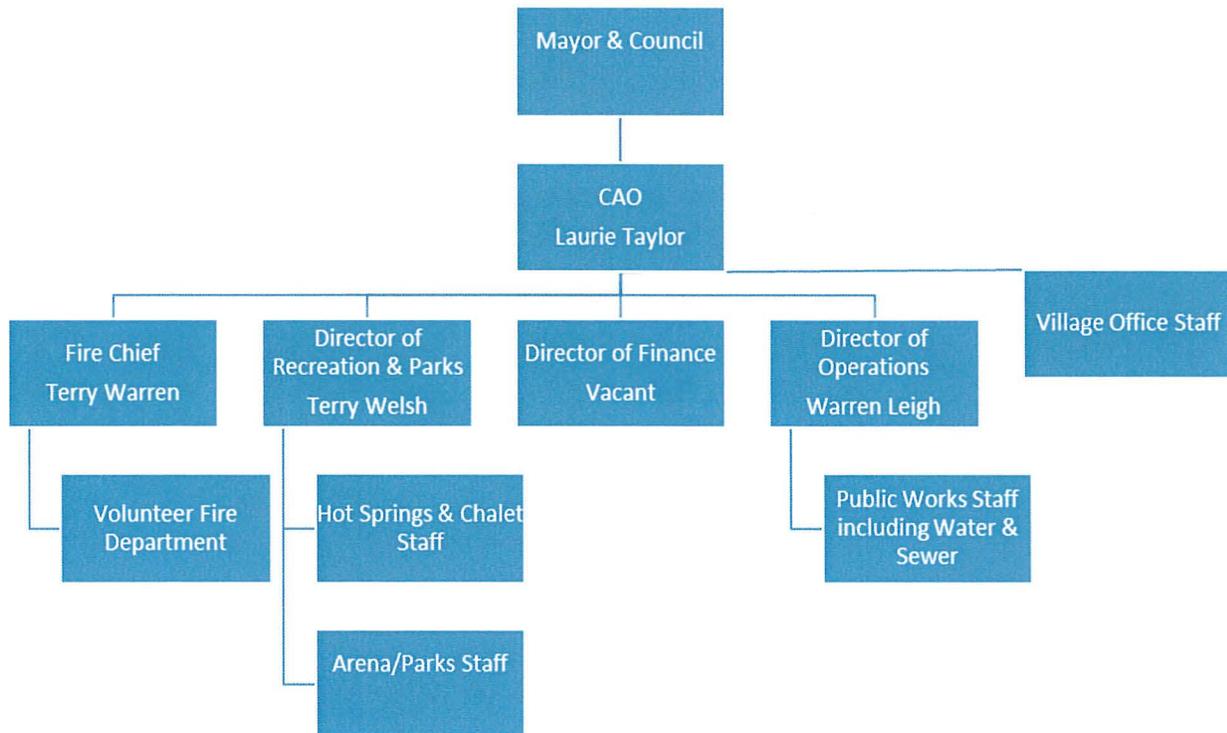
- **Councillor Tom Zeleznik** Chamber of Commerce
Nakusp and Area Development Board

- **Committee of the Whole
(COTW)** Financial Audit Committee
Community Pride Week
Planning (OCP)
Council and Sr. Management Quarterly Meetings
Park & Waterfront Plan, Downtown Revitalization
Climate Change

- **COTW & RDCK Area K
Director** Nakusp and Area K Joint Service Commission

Village Operations

Village of Nakusp Organizational Chart



Staff Contacts:

Chief Administrative Officer		
Laurie Taylor	250-265-3689 250-265-1727 (cell)	ltaylor@nakusp.com
Director of Finance		
Vacant		
Director of Operations		
Warren Leigh	250-265-3556	wleigh@nakusp.com
Director of Recreation & Parks		
Terry Welsh	250-265-4528	twelsh@nakusp.com
Fire Chief		
Terry Warren	250-265-3563	trwarren@nakusp.com

Municipal Departments

Laurie Taylor, Chief Administrative Officer (CAO)

The CAO supports Council's strategic planning efforts and oversees the administration of the Village, its officers and employees. This officer provides recommendations to Council that reflect facts, options and professional opinion pertaining to issues considered by Council and developing in the community.

The CAO takes the lead role in managing the implementation of policy direction established by Council. It provides leadership and direction to all City departments and operations.

Vacant

The Finance officer is responsible for the financial management of the Village's assets. The officer's primary responsibility is the planning, implementation, and monitoring of the Village's Five Year Financial Plan which encompasses all operations and capital revenues and expenditures.

Functions of this position include the levying and collecting of taxes and fees for water, sewer, and garbage services, the processing of accounts receivable and payable, banking, debt and investment management, and financial reporting.

Warren Leigh, Director of Operations

The Director of Operations oversees the management of the Public Works and Water and Sewer. Services encompassed under this umbrella include: potable water system; waste water treatment, building and facility maintenance, roads & sidewalks infrastructure, airport, equipment maintenance and garbage collection.

Terry Welsh—Director of Recreation and Parks

The Director of Recreation and Parks oversees the management and marketing of the Nakusp Hot Springs and Chalets, as well as the Hot Springs Campground. He is also responsible for the management of leisure services including parks, sports complex and green spaces.

Terry Warren, Fire Chief

The Nakusp & District Volunteer Fire Dept is responsible and has authority by Village Bylaws and the Fire Services Act for Protection of Life and Property, Fire Suppression, Pre-fire & Disaster Planning, Mutual Aid to Wildfire Management Branch, Rescue & Basic First Aid, Hazmat Response, Fire Prevention Programs, Local Assistants' to the Fire Commissioner for Inspection, Investigation and Enforcement.

Mission & Vision Statement



Photo credit: Deb Booth

MISSION STATEMENT

Nakusp is a vibrant rural community, where diverse economic activity exists in harmony with the natural environment and encourages healthy lifestyles.

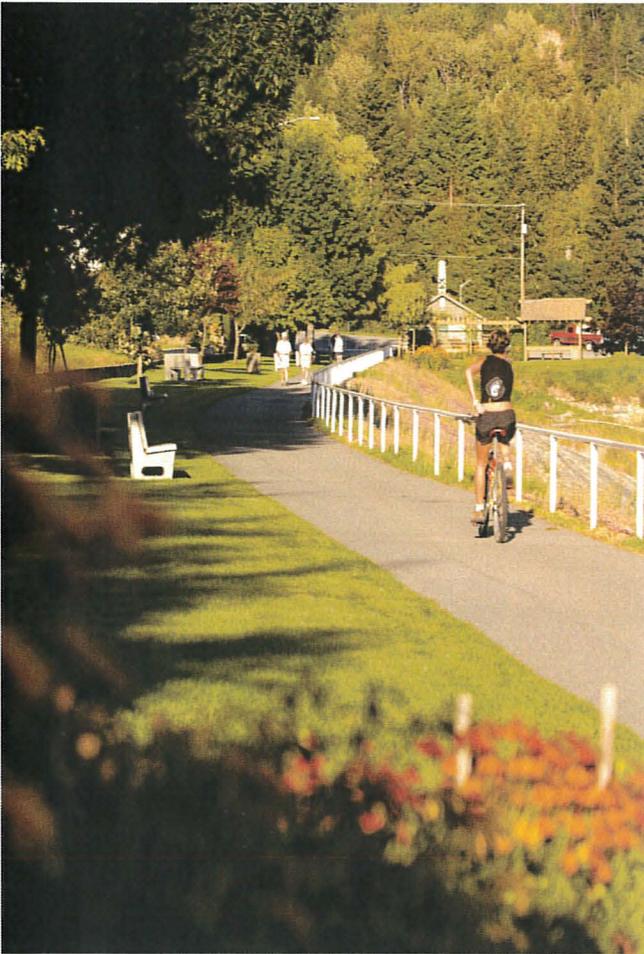
VISION STATEMENT

We will remain a vibrant rural community by preserving our history and enhancing our infrastructure to encourage economic diversification.

We will remain a regional service centre by supporting social, commercial, health and protective services.

We will remain a tourist destination centre by continuing to develop the Nakusp Hot Springs, the Waterfront and our recreational opportunities.

Community and Services



Nakusp is situated on the East shore of Upper Arrow Lake in the Selkirk Mountains in the Regional District of Central Kootenay, British Columbia. It lies approximately 160 kms north of the City of Nelson, 147 km north of the City of Castlegar, and 100 kilometres south of Revelstoke. Nakusp lies at the south terminus of Provincial Highway #23, which connects to Highway #6.

The Village of Nakusp covers an area of 1,059 hectares.

Nakusp's shoreline, forest cover, hot springs, and wetlands provide habitat for wildlife and a unique place for people to live.

The Community Charter was enacted in 2004, creating the foundation for local governments in BC. The Community Charter establishes municipalities as an order of government, giving them broad powers to provide local services, regulate activities and foster the economic, social and environmental well-being of their communities. With this increase in local autonomy comes an equal commitment for public reporting and accountability. The Charter presumes that greater accountability will encourage an improvement in service delivery, as well as improved taxpayer awareness and knowledge of municipal services. Annual reports provide an opportunity for Councils to tell their citizens what they are planning to do and how they intend to do it, and evaluate progress towards those stated goals. While involving citizens in reporting mechanisms, annual reporting helps to promote greater understanding of municipal responsibilities and priorities. The annual report includes a statement of objectives from each municipal department, as well as a progress report of the year's achievements measured against the previous year's goals.

Climate

Mean Annual Temperature	7.3 ^o C (45 ^o F)
Average July Temperature	18.3 ^o C (64.94 ^o F)
Average January Temperature	-3 ^o C (26.6 ^o F)
Annual Rainfall	650 mm (26 inches)
Total Snowfall	192.1 cm (75.6 inches)
Total Sunshine	1902 hours

Community Services

2015 Hot Springs Facts & Figures

- The Hot Springs had 39,300 visitors which was an increase of 2,690 over 2014.
- Our Campground had 3,355 site bookings, an increase of 628 bookings.
- Our Cedar Chalets continued to be a sound investment showing a profit of \$70,465.
- For the first time in a number of years the Hot Springs had a profit of \$13,835.

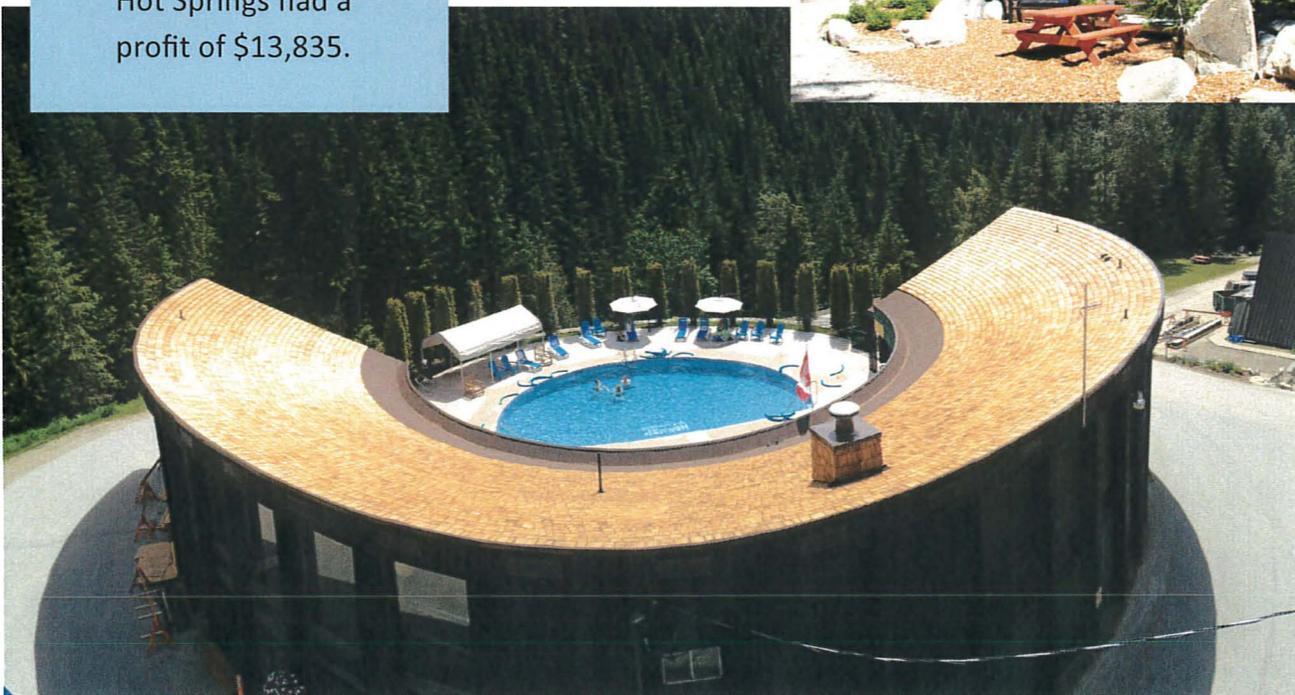
A New Chapter

The Nakusp Hot Springs, Chalets & Campgrounds is a destination that has been enjoyed by residents and visitors to the area for over a century. In 2015 the Hot Springs reached a significant milestone, turning a profit for the first time in years. This achievement bodes well for the future as it demonstrates the Hot Springs sustainability but also underscores its importance as an economic generator for our community.

Hot Springs & Chalet Improvements

Extensive improvements were made to the Hot Springs and Chalets roofs in 2015. The replacement of the Hot Spring's cedar shingle roof was successful and has added to the buildings value and life cycle.

Two of the four Chalets roofs were also replaced with metal sheeting to ensure their viability for the future.



Services Provided

Airport

- 3000' paved runway

Arena / Auditorium

- Arena
- Auditorium / kitchen rentals
- 4 sheet curling rink
- Squash court
- Hockey, figure skating

Beach

Board of Variance

Building Inspection (contracted—RDCK)

Business Licensing

Campsite

- Municipal
- Hot Springs

Cemeteries

- Legion
- Women's Institute
- Glenbank
- Catholic
- Nakusp
- Hillcrest

Emergency Services Building

Nakusp Cedar Chalets

Nakusp Hot Springs

Parks

- Waterfront Walk
- Trails
- Children's Play Park
- Skatepark
- Tennis Courts / Sportsfields

Sani-dump

Sewer System & Sewer Treatment Plant

Snow Removal

Street Lighting

Volunteer Fire Department

Water system

Water Treatment Plant

Wharf & Boat Launch

Zoning—municipal



NAKUSP HOT SPRINGS

CHALETs & CAMPGROUND

Nakusp Hot Springs

*100% owned & operated by the
Village of Nakusp*

For over a century, hot springs enthusiasts have sought out the Nakusp Hot Springs to soak away stress, invigorate energy and restore inner balance while enjoying the healing mineral water. We've been told that Nakusp Hot Springs is one of the cleanest, clearest Soaking mineral pools — 200,000 litres of fresh, filtered water enters each pool every day.

2012-2015 Municipal Objectives & Measures

2012– 2015 Priorities	Performance Measures
1. Strong Management	<ul style="list-style-type: none"> • Completion of large infrastructure projects • Up to date bylaws/policies • Improved financial reporting • Training plan for all departments
2. Improved communication	<ul style="list-style-type: none"> • Development of communication strategy
3. Proactive Infrastructure Management	<ul style="list-style-type: none"> • Proceed with repair/maintenance in accordance to long term plan. • Updated Water Service bylaw • Continued development of Tangible asset management • Development of comprehensive Long term financial projections.
4. Strong economy and tourism	<ul style="list-style-type: none"> • Support Vibrant business community—working relationships with organizations that support business • Recognize value of tourism and agriculture to Nakusp by endeavouring to be open to supporting initiatives that encourage growth of these sectors • Development of power/RV services to municipal campground. • Funding of visitor information centre
5. A Vibrant Hot Springs	<ul style="list-style-type: none"> • Exploration of additional revenue options for Hot Springs • Exploration of investment opportunities



Projects (left to right): .Sewer line relocation, Nakusp Airport improvements, completion of the Water Treatment Plant



Municipal Officers 2014

Chief Administrative Officer Laurie Taylor
 Corporate Officer Laurie Taylor
 Financial Officer Laurie Taylor
 Approving Officer Laurie Taylor
 Municipal Auditors Berg Lehmann

Progress Report on 2015 Priorities

Objective	Progress in 2015
<p>1 STRONG MANAGEMENT:</p> <p>Completion of large infrastructure projects</p>	<ul style="list-style-type: none"> • Pressure Reducing Station in Sleepy Hollow
<p>2 STRONG MANAGEMENT:</p> <p>Improved quality of information provided</p>	<ul style="list-style-type: none"> • Met statutory deadlines for financial report and audit submission • Provided regular financial reports to council on operations • Restructure to combine oversight of Hot Springs and Parks/Arena under Director of Recreation and Parks.
<p>3 STRONG MANAGEMENT:</p> <p>Improved communication</p>	<ul style="list-style-type: none"> • New Village website project went live
<p>4 ECONOMY AND TOURISM:</p> <p>Support vibrant business community and recognize the value of tourism to the Village</p>	<ul style="list-style-type: none"> • Provided financial assistance to Visitor Centre and Development Board
<p>5 VIBRANT HOT SPRINGS</p> <p>Actively support vibrant hot springs and replace the Hot Springs bridge for public safety and reliable water transmission</p>	<ul style="list-style-type: none"> • Completion of roof replacement at Nakusp Hot Springs • Start roof replacement at Nakusp Hot Springs Chalets
<p>6 PROACTIVE INFRASTRUCTURE MANAGEMENT:</p> <p>We will ensure we have long term financial projections to mitigate the impact on our residents.</p>	<ul style="list-style-type: none"> • Initiated a long-term Capital Asset Management Plan • Study on water and sewer rates

Financial Section

Included in this report are the 2015 Financial Statements prepared by Village of Nakusp and audited by Berg Lehmann LLP. The consolidated financial statements are prepared in accordance with Generally Accepted Accounting Principles for local governments, as recommended by the Public Sector Accounting Board (PSAB) of Chartered Professional Accountants Canada (CPA).

Included in the Village's audited statements is the presentation of each of the individual funds – general, water and sewer. This provides readers of the statements better understanding and hopefully better transparency of the Village's operations.

DEBT

As at December 31, 2015 the Village's debt was \$1,246,434 which is a decrease from the debt at the end of 2014. Currently the Village has loans on the following:

<u>Bylaw</u>	<u>Original Debt</u>	<u>Term</u>	<u>Debt Start Date</u>	<u>Debt Expiry Date</u>	<u>Total</u>
Bylaw 648 - Upgrades to ice plant at arena	100,000	20 yrs	2014	2034	96,642
Bylaw 648 - Auditorium roof and solar panels	275,000	20 yrs	2013	2033	256,161
Bylaw 637 - Repairs to Hot Springs in 2006 - payback borrowing from reserves	710,000	20 yrs	2011	2031	608,750
Bylaw 638 - Construction of Emergency Services Building	110,000	20 yrs	2011	2031	94,314
Bylaw 573 - Hot Springs Land Purchase	60,900	5 yrs	2010	2015	-
Bylaw 546 - Sewer Lift Station	268,586	25 yrs	2003	2028	179,012
Bylaw 419 - Sewer System Extension - Brouse/Glenbank	151,200	20 yrs	1996	2016	11,555
					<u>1,246,434</u>

The loan payments for the sewer lift station and the sewer system extension are paid from the parcel taxes on affected properties and sewer fund and not from general taxes.

Financial Section

RESERVE FUNDS

The replenishment of Reserve funds will be an area of focus for the next few years. Reserve funds are created to fund capital programs and to ensure that monies are available in the case of unforeseen emergencies affecting Village operations (e.g. a watermain break, an extreme snow event, etc.).

As seen on the financial statements, the Equipment Replacement reserve is fully funded and allows Village equipment to be replaced on a rotating basis without impacting taxation at the time of replacement. In addition, the Water Reserve is funded with approximately \$247,206, and the Sewer Reserve with \$229,363, although a large portion of these funds will be used over the next couple of years. The NACFOR Legacy Fund sits at \$585,896 and is not used to finance Village operations.

Despite the Village's success in receiving grant funding for many of our major projects, reserves have been pressured with the need to replace aging infrastructure and have dropped to marginal levels. Council intends to place focus in the coming years on rebuilding all reserve funds to a more desirable level and a primary focus for staff is to develop a long term infrastructure replacement strategy to begin this process. Together with good planning, solid financial reporting, and the aggressive pursuit of grant funding when available, the municipal infrastructure can be well maintained. With the large projects completed, we can now turn our focus to replenishing the reserve funds and reducing some of the operating expenses which have increased as a result of the oversight needed to bring the capital projects to completion and resolve some on-going issues with these large projects.

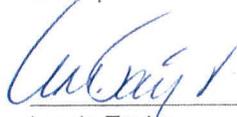
Financial Section

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 Canadian public sector accounting standards and include amounts that are based on estimates and judgments. Management believes that the financial statements fairly present the Village of Nakusp'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 Village of Nakusp'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 Professional Accountants, have been appointed by Council to express an opinion as to whether the consolidated financial statements present fairly, in all material respects, the Village of Nakusp's financial position, results of operations, and changes in financial position in accordance with Canadian public sector accounting standards. The report of Berg Lehmann, Chartered Professional Accountants, follows and outlines the scope of their examination and their opinion on the consolidated financial statements.



Laurie Taylor
Chief Administrative Officer

Financial Section

Berg
Lehmann

Chartered
Professional Accountants
& Business Advisors

513 Victoria Street
Nelson BC
V1L 4K7

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fax 250.352.7166
advice@BergLehmann.ca
www.BergLehmann.ca

INDEPENDENT AUDITORS' REPORT

To the Mayor and Council
Village of Nakusp

We have audited the accompanying consolidated financial statements of Village of Nakusp, which comprise the consolidated statement of financial position as at December 31, 2015, 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.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 Village'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 Village'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.

.../2

Financial Section

Berg
Lehmann

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INDEPENDENT AUDITORS' REPORT (continued)

To the Mayor and Council
Village of Nakusp

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Village of Nakusp as at December 31, 2015, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Chartered Professional Accountants

May 9, 2016

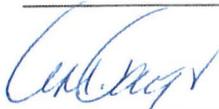
Nelson, B.C.



Financial Section

VILLAGE OF NAKUSP
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As At December 31, 2015

	2015	2014
FINANCIAL ASSETS		
Cash and equivalents	\$ 938,021	\$ 351,460
Investments (note 2)	1,090,108	1,082,599
Accounts receivable (note 3)	432,649	1,141,086
MFA debt reserve cash deposits (note 4)	21,614	21,792
Investment in NACFOR (2013) (note 5)	1,197,371	1,171,565
	3,679,763	3,768,502
LIABILITIES		
Accounts payable and accrued liabilities (note 6)	324,910	427,071
Deferred revenue (note 7)	256,556	317,672
Deposits	3,636	1,665
Capital lease obligation (note 8)	-	3,088
Interim financing	148,000	185,000
Long-term debt (note 9)	1,246,434	1,315,843
	1,979,536	2,250,339
NET FINANCIAL ASSETS	1,700,227	1,518,163
NON-FINANCIAL ASSETS		
Prepaid expenses	50,546	69,646
Inventory of materials and supplies	50,439	41,646
Tangible capital assets (schedule)	19,886,219	19,882,721
	19,987,204	19,994,013
ACCUMULATED SURPLUS	\$21,687,431	\$21,512,176
Represented by:		
Unappropriated surplus (note 10)	\$ 649,872	\$ 666,243
Statutory reserves (note 10)	1,348,403	1,295,578
Equity in tangible capital assets (note 10)	18,491,785	18,378,790
Investment in NACFOR (note 5)	1,197,371	1,171,565
	\$21,687,431	\$21,512,176
CONTINGENT LIABILITIES (note 16)		



Laurie Taylor
Chief Administrative Officer

Financial Section

VILLAGE OF NAKUSP
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2015

	2015 Budget (note 14)	2015 Actual	2014 Actual
REVENUE			
Municipal property taxes	\$ 941,507	\$ 941,469	\$ 927,685
Interest and penalties on taxes	19,000	27,730	25,860
Utility taxes and grants in lieu of taxes	74,000	76,594	74,463
General fees and charges	312,087	409,796	298,205
Hot Springs fees and other revenue	714,950	729,089	677,276
Sewer user fees and charges	337,986	331,092	320,548
Water user fees and charges	467,710	430,371	429,883
Permits and licences	21,700	23,151	23,689
Interest income	27,668	16,555	25,118
Conditional transfers from other governments	579,900	771,946	639,997
Unconditional transfer - Province of BC	380,000	385,029	232,304
Gain on sale of tangible capital assets	-	48,074	5,300
Equity income (loss) from NACFOR (2013) (note 5)	-	25,806	(212,513)
	3,876,508	4,216,702	3,467,815
EXPENDITURES (note 11)			
General government	746,880	705,837	595,013
Protective services	146,360	162,878	156,513
Transportation and public works	328,955	380,492	264,495
Waste disposal	68,700	42,559	60,122
Cemetery services	30,600	31,252	21,315
Economic development and promotion	69,000	152,687	117,919
Parks, recreation and cultural services	592,029	619,535	593,554
Hot Springs and Cedar Chalets	699,130	643,167	652,060
Sewer services	231,345	221,868	272,734
Water services	256,250	264,741	366,404
Amortization	715,127	816,431	714,651
	3,884,376	4,041,447	3,814,780
ANNUAL SURPLUS (DEFICIT)	(7,868)	175,255	(346,965)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	21,512,176	21,512,176	21,859,141
ACCUMULATED SURPLUS, END OF YEAR	\$21,504,308	\$21,687,431	\$21,512,176



Laurie Taylor
Chief Administrative Officer

Financial Section

VILLAGE OF NAKUSP
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2015

	2015	2014
ANNUAL SURPLUS	\$ 175,255	\$(346,965)
Acquisition of tangible capital assets	(819,927)	(722,851)
Amortization of tangible capital assets	816,431	714,651
Gain on sale of tangible capital assets	(48,074)	(5,300)
Proceeds on sale of tangible capital assets	48,074	5,300
	<u>171,759</u>	<u>(355,165)</u>
Net change in inventory and prepaid expenses	10,305	6,107
	<u>182,064</u>	<u>(349,058)</u>
INCREASE IN NET FINANCIAL ASSETS	182,064	(349,058)
NET FINANCIAL ASSETS, BEGINNING OF YEAR	1,518,163	1,867,221
NET FINANCIAL ASSETS, END OF YEAR	\$ 1,700,227	\$ 1,518,163

Financial Section

VILLAGE OF NAKUSP
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2015

	2015	2014
OPERATING TRANSACTIONS		
Annual surplus (deficit)	\$ 175,255	\$(346,965)
Non-cash items included in annual surplus		
Amortization	816,431	714,651
Actuarial gain on MFA long-term debt	(7,835)	(14,397)
Gain on sale of tangible capital assets	(48,074)	(5,300)
Investment loss (income) from NACFOR (2013)	(25,806)	212,513
Contributed tangible capital assets	-	-
Changes in non-cash operating balances		
Accounts receivable	708,437	(469,391)
MFA debt reserve cash deposits	178	(1,592)
Prepaid expenses and inventory	10,305	6,107
Dividends receivable from NACFOR (2013)	-	582,064
Accounts payable and accrued liabilities	(102,161)	(106,512)
Deferred revenue and deposits	(59,145)	(123,009)
Cash provided by operating transactions	1,467,585	448,169
CAPITAL TRANSACTIONS		
Purchase of tangible capital assets	(819,927)	(722,851)
Proceeds from disposal of capital assets	48,074	5,300
Cash applied to capital transactions	(771,853)	(717,551)
FINANCING TRANSACTIONS		
Proceeds from long-term debt	-	285,000
Repayment of long-term debt	(101,662)	(76,705)
Cash applied to financing transactions	(101,662)	208,295
INVESTING TRANSACTIONS		
Decrease (increase) in investments	(7,509)	191,748
Redemption of shares in NACFOR	-	23
Cash dividends received from NACFOR (2013)	-	52,616
Cash applied to (received from) investing transactions	(7,509)	244,387
INCREASE IN CASH	586,561	183,300
CASH, BEGINNING OF YEAR	351,460	168,160
CASH, END OF YEAR	\$ 938,021	\$ 351,460

Financial Section

Village of Nakusp
 Consolidated Financial Statements Schedule - Tangible Capital Assets
 For the Year Ended December 31, 2015

	Land	Park Improvements & Other	Buildings	Equipment, Furniture & Vehicles	Transportation System	Sewer System	Water System	Assets Under Construction	2015 Total	2014 Total
COST										
Opening Balance	1,368,606	357,549	8,838,142	2,285,883	3,223,635	5,375,452	6,327,588	2,799,144	30,575,999	29,853,148
Add: Additions	-	2,495,678	483,733	229,293	15,883	-	111,622	277,163	3,613,372	2,925,791
Less: Disposals	-	-	-	141,393	-	-	-	2,793,443	2,934,836	2,202,940
Closing Balance	1,368,606	2,853,227	9,321,875	2,373,783	3,239,518	5,375,452	6,439,210	282,864	31,254,535	30,575,999
ACCUMULATED AMORTIZATION										
Opening Balance		44,966	3,739,637	1,237,971	1,707,466	1,915,559	2,047,679		10,693,278	9,978,627
Add: Amortization		57,593	252,545	176,928	63,361	127,804	138,200		816,431	714,651
Less: Acc. Amortization on Disposals		-	-	141,393	-	-	-		141,393	-
Closing Balance		102,559	3,992,182	1,273,506	1,770,827	2,043,363	2,185,879	-	11,368,316	10,693,278
Net Book Value, year ended										
December 31, 2015	1,368,606	2,750,668	5,329,693	1,100,277	1,468,691	3,332,089	4,253,331	282,864	19,886,219	19,882,721
Net Book Value, year ended										
December 31, 2014	1,368,606	320,262	5,098,505	1,047,912	1,516,169	3,459,893	4,279,909	2,799,144	19,882,721	

Financial Section

VILLAGE OF NAKUSP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
As At December 31, 2015

1. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies of the Village of Nakusp.

Basis of Presentation

The consolidated financial statements of the Village of Nakusp (the Village) are the representations and responsibility of management. They have been prepared in accordance with Canadian public sector accounting standards as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

Budget information has been aggregated to comply with these reporting standards.

Basis of Accounting

The resources and operations of the Village are segregated into various funds for accounting and financial reporting purposes, each being treated as a separate entity with responsibility for the stewardship of the assets allocated to it. The Village has general, water and sewer operating and capital funds. The Village also has reserve funds that have been established for specific future requirements. The use of these funds is governed by the Community Charter and Municipal resolutions and by-laws. All interfund transfers have been eliminated. Supplementary statements for each fund on a segregated basis have been presented under "Other Financial Information".

Items recognized in the financial statements are accounted for in accordance with the accrual basis of accounting. The accrual basis of accounting recognizes the effect of transactions and events in the period in which they occur, regardless of whether there has been a receipt or payment of cash or its equivalent. Liabilities are recognized until the obligation or condition(s) underlying the liability is partly or wholly satisfied. Assets are recognized until the future economic benefit underlying the asset is partly or wholly used or lost.

Investment in Government Business Enterprise

The Village's wholly owned subsidiary, the Nakusp & Area Community Forest (2013) Inc. ("NACFOR (2013)"), is a government business enterprise, accounted for using the modified equity method. Under this method, the business enterprise's accounting principles are not adjusted to conform with those of the Village. The equity income for the year is recorded as revenue in the Village's consolidated statements of operations and the investment in NACFOR (2013) is adjusted accordingly.

Cash and Equivalents

Cash and equivalents include liquid investments with maturities of three months or less at acquisition.

Investments

Investments are recorded at cost with the exception that Municipal Finance Authority ("MFA") Pooled Investment Funds are recorded at market value. The carrying value of investments is reduced to their net realizable value if in management's opinion there is a permanent decline in value.

Financial Section

VILLAGE OF NAKUSP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As At December 31, 2015

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

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. Non-financial assets include tangible capital assets, inventory and prepaid expenses.

Tangible capital assets, comprised of capital assets and capital work-in-progress, are recorded at cost less accumulated amortization 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. Estimated useful lives are as follows:

Land	not amortized
Buildings and building components	15 to 50 years
Machinery and equipment	5 to 20 years
Furniture and equipment	5 to 20 years
Information technology	3 to 5 years
Vehicles and mobile equipment	5 to 25 years
Infrastructure	15 to 50 years

Contributed tangible capital assets are reported at fair value at the time of donation and are also recorded as revenue.

Deferred Revenue

Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the consolidated statement of financial position. The revenue is recognized in the year in which it is used for the specified purpose.

Revenue Recognition

Municipal Property Taxation

Taxation levies for Village services are recognized as revenue at the time of issuing the property tax notices for the fiscal year. Taxation levies imposed by other taxing authorities are not included in these statements.

Fees and Charges (including permits and licences)

Fees and charges are recognized as revenue when the service or product is provided by the Village. Fees include charges for water and sewer usage.

Government Transfers (conditional and unconditional grants)

Unconditional transfer revenue is recognized when it has been authorized by the transferor. Conditional transfer revenue is recognized when the transfer has been authorized by the transferor and the Village has met all the eligibility criteria, unless the transfer creates a liability (conditions on the use of the funds that have not yet been fulfilled by the Village). Conditional transfers for capital expenditures revenue are recognized when eligible expenditures are incurred by the Village.

Financial Section

VILLAGE OF NAKUSP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As At December 31, 2015

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Budget Figures

The budget figures are based on the Five-Year Financial Plan for the year 2015, per bylaw no. 654 adopted April 28, 2015.

Financial Instruments

The Village's financial instruments consist of cash, short-term investments, accounts receivable, accounts payable, capital lease obligation, and long-term debt. It is management's opinion that the Village 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.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Significant areas requiring estimates include the useful life of tangible capital assets for amortization, the determination of accrued liabilities and the provision for contingencies. Actual results could differ from management's best estimates as additional information becomes available in the future.

2. INVESTMENTS

	2015	2014
MFA Money Market and CIBC Flexible GIC Funds	\$ 1,084,431	\$ 1,077,036
MFA Intermediate Fund	2,327	2,294
MFA Short-term Bond Fund	<u>3,350</u>	<u>3,269</u>
	<u>\$ 1,090,108</u>	<u>\$ 1,082,599</u>

All funds bear interest at variable rates and can be accessed on demand.

Financial Section

VILLAGE OF NAKUSP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As At December 31, 2015

3. ACCOUNTS RECEIVABLE

	2015	2014
Municipal property taxes	\$ 198,315	\$ 173,247
Government and agency grants	128,672	250,117
Sewer user fees	35,666	37,662
Water user fees	42,975	41,044
GST rebate	849	20,536
Other	26,172	618,480
	<u>\$ 432,649</u>	<u>\$ 1,141,086</u>

4. MUNICIPAL FINANCE AUTHORITY (MFA) DEBT RESERVE DEPOSITS

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.

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 Cash Deposit, less administrative expenses, becomes an obligation of MFA to the member municipalities through the regional districts. Upon the maturity of a debt issue, the unused portion of the Debt Reserve Fund established for that issue will be discharged to the municipality, including interest earned. Use of the Cash Deposit is restricted by legislation. The detail of the cash deposits and demand notes at year end are as follows:

	Demand Notes	Cash Deposits	2015	2014
General Fund	\$ 28,234	\$ 13,461	\$ 41,695	\$ 44,563
Sewer Fund	14,181	8,153	22,334	21,906
	<u>\$ 42,415</u>	<u>\$ 21,614</u>	<u>\$ 64,029</u>	<u>\$ 66,469</u>

Only the cash portion of the Debt Reserve Fund is reported in the financial statements.

Financial Section

VILLAGE OF NAKUSP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As At December 31, 2015

5. INVESTMENT IN NACFOR (2013)

Nakusp & Area Community Forest (2013) Inc. ("NACFOR (2013)") is a wholly owned subsidiary that was created for the purpose of managing a timber license in the Nakusp area.

The Village accounts for its investment in this government business enterprise using the modified equity method. The condensed financial information of this investment for the year ending December 31, 2015 with comparative figures for December 31, 2014 are as follows:

	2015	2014
Assets		
Current assets	\$ 1,531,391	\$ 2,016,011
Long-term assets (logging roads and map data)	125,808	126,336
	<u>1,657,199</u>	<u>2,142,347</u>
Liabilities		
Current liabilities including dividends payable	128,928	691,982
Silviculture accrual	330,900	278,800
	<u>459,828</u>	<u>970,782</u>
Shareholder equity	<u>\$ 1,197,371</u>	<u>\$ 1,171,565</u>
Results of operations, net income (loss) for the year	<u>\$ 25,806</u>	<u>\$ (212,513)</u>

Financial Section

VILLAGE OF NAKUSP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As At December 31, 2015

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2015	2014
Payroll related	\$ 49,093	\$ 131,133
Trade accounts payable	248,852	259,329
Accrued liabilities	<u>26,965</u>	<u>36,609</u>
	<u>\$ 324,910</u>	<u>\$ 427,071</u>

7. DEFERRED REVENUE

These funds are externally restricted for the purposes for which they were collected.

	Balance Beginning of Year	Contributions Received	Transferred to Reserve	Eligible Expenditures	Balance End of Year
BC Hydro - wharf fund	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000
Parkland acquisition	13,272	-	-	-	13,272
Columbia Basin Trust grants	-	11,700	-	-	11,700
RDCK grants	87,702	22,625	-	(103,860)	6,467
Other miscellaneous	2,694	-	-	(2,694)	-
Prepaid taxes	114,004	125,117	-	(114,004)	125,117
	<u>\$ 317,672</u>	<u>\$ 159,442</u>	<u>\$ -</u>	<u>\$(220,558)</u>	<u>\$ 256,556</u>

8. CAPITAL LEASE OBLIGATION

	2015	2014
Municipal Finance Authority lease obligation, repaid during the year	<u>\$ -</u>	<u>\$ 3,088</u>

Financial Section

VILLAGE OF NAKUSP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As At December 31, 2015

9. LONG-TERM DEBT

	Balance, Beginning of Year	Additions	Principal	Actuarial Adjustment	Balance, End of Year
General Capital Fund					
MFA issue 117 bylaw 637	\$ 634,919	\$ -	\$ 23,843	\$ 2,326	\$ 608,750
MFA issue 117 bylaw 638	98,368	-	3,694	360	94,314
MFA issue 110 bylaw 573	11,756	-	11,244	512	-
MFA issue 126 bylaw 648	265,668	-	9,235	272	256,161
MFA issue 186 bylaw 648	100,000	-	3,358	-	96,642
	<u>1,110,711</u>	<u>-</u>	<u>51,374</u>	<u>3,470</u>	<u>1,055,867</u>
Sewer System Capital Fund					
MFA issue 63 bylaw 419	18,806	-	4,573	2,678	11,555
MFA issue 79 bylaw 546	186,326	-	5,627	1,687	179,012
	<u>205,132</u>	<u>-</u>	<u>10,200</u>	<u>4,365</u>	<u>190,567</u>
Total Long-term Debt	<u>\$1,315,843</u>	<u>\$ -</u>	<u>\$ 61,574</u>	<u>\$ 7,835</u>	<u>\$1,246,434</u>

Actuarial adjustments represent interest earned on sinking funds held by the Municipal Finance Authority. Such interest is used to reduce the principal amount of outstanding debt.

The Village's requirements for future repayments of principal on existing debt for the next five years excluding any actuarial gains that may be realized are as follows:

	General Capital	Sewer Capital	Total
2016	\$ 40,130	\$ 17,195	\$ 57,325
2017	\$ 40,130	\$ 5,630	\$ 45,760
2018	\$ 40,130	\$ 5,630	\$ 45,760
2019	\$ 40,130	\$ 5,630	\$ 45,760
2020	\$ 40,130	\$ 5,630	\$ 45,760

Financial Section

VILLAGE OF NAKUSP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As At December 31, 2015

10. ACCUMULATED SURPLUS

Accumulated surplus is represented by:

	2015	2014
Unappropriated Surplus		
General Operating Fund	\$ 273,712	\$ 290,929
Water Operating Fund	247,206	220,997
Sewer Operating Fund	<u>128,954</u>	<u>154,317</u>
	<u>649,872</u>	<u>666,243</u>
 Reserve Funds		
Community Works Gas Tax fund	165,571	171,465
Equipment replacement	326,582	360,261
Fire services equipment	169,945	149,798
General Capital	-	31,836
NACFOR (2013) Legacy Fund	585,896	582,218
Sewer	<u>100,409</u>	<u>-</u>
	<u>1,348,403</u>	<u>1,295,578</u>
 Investment in NACFOR (2013)	<u>1,197,371</u>	<u>1,171,565</u>
 Equity in Tangible Capital Assets		
General Capital Fund	10,889,684	10,838,419
Water Capital Fund	4,446,342	4,279,909
Sewer Capital Fund	<u>3,155,759</u>	<u>3,260,462</u>
	<u>18,491,785</u>	<u>18,378,790</u>
 Total Accumulated Surplus	<u>\$ 21,687,431</u>	<u>\$ 21,512,176</u>

The Unappropriated Surplus is the amount of Accumulated Surplus remaining after deducting the other appropriated surplus balances. It is available to temporarily finance operations until planned revenues (i.e. property taxes, grants etc.) are received, or for other operating or capital purposes as determined by Council.

The Reserve Funds are Accumulated Surplus that has been set-aside by decision of Council for a specified purpose. These reserves have been established by bylaw in accordance with the Community Charter and their use is restricted by the legislation. In the normal course of operations, these funds will be used to finance the future services or capital works for which they have been appropriated.

The Investment in NACFOR (2013) is equal to the NACFOR (2013) investment value on an equity basis. In the normal course of operations this investment will not be available to finance operations, but will be maintained in support of the purposes of the investment.

Investment in Tangible Capital Assets is equal to the tangible capital assets less related long-term debt. In the normal course of operations the non-financial assets will not be available to finance operations, but will be used to provide services, and the debt will be repaid by future period revenues.

Financial Section

VILLAGE OF NAKUSP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As At December 31, 2015

11. EXPENDITURES BY OBJECT

	2015	2014
Interest and bank charges	\$ 83,218	\$ 57,065
Goods and services	1,421,657	1,339,909
Wages, benefits and Council stipends	1,720,141	1,703,155
Amortization of tangible capital assets	<u>816,431</u>	<u>714,651</u>
Total operating expenditures	<u>\$ 4,041,447</u>	<u>\$ 3,814,780</u>

12. PENSION LIABILITY

The Village and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trusted pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. The plan has about 185,000 active members and approximately 80,000 retired members. Active members include approximately 37,000 contributors from local government.

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 is then adjusted to the extent there is amortization of any funding deficit.

The most recent valuation as at December 31, 2012 indicated a \$1,370 million funding deficit for basic pension benefits. The next valuation was at December 31, 2015 with results available later 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 Village paid \$106,377 (2014 - \$97,402) for employer contributions to the Plan in fiscal 2015.

Financial Section

VILLAGE OF NAKUSP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As At December 31, 2015

13. COLLECTION FOR OTHER GOVERNMENTS

The Village collected and remitted the following taxes on behalf of other Governments.

Provincial Government - School Taxes	\$ 648,117
Provincial Government - Police Tax Levy	79,976
Regional District Central Kootenay	414,039
Regional Hospital District	69,177
British Columbia Assessment Authority	14,359
Municipal Finance Authority	46
	<u>46</u>
	<u>\$ 1,225,714</u>

These amounts are not included in the Village's revenues and expenditures in the financial statements.

14. BUDGET RECONCILIATION

The following reconciles the budgeted annual deficit as shown on the consolidated statement of operations to the budget as presented in bylaw no. 654 adopted April 28, 2015.

Annual budgeted deficit as presented	\$(7,868)
Borrowing proceeds	100,000
Transfers from reserves	275,761
Transfers to reserves	(20,000)
Amortization	715,127
Debt principal payments	(125,870)
Capital expenditures	(1,023,500)
Budgeted use of prior year surplus	86,350
	<u>86,350</u>
	<u>\$ -</u>

15. ACCOUNTING CHANGES: LIABILITY FOR CONTAMINATED SITES

On January 1, 2015 the Village adopted the new Public Sector Accounting Board's standard for liability for contaminated sites PS 3260. This section establishes standards on how to account for and report a liability associated with the remediation of contaminated sites. The only contaminated sites referred to in this standard relate to sites that are either no longer in active use or resulted from unexpected environmental events (such as toxic spills or natural disasters). As defined, 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 the maximum acceptable concentrations under an environmental standard.

The adoption of PS 3260 has not resulted in any changes to the measurement and recognition of liabilities in the 2015 financial statements of the Village.

Financial Section

VILLAGE OF NAKUSP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As At December 31, 2015

16. CONTINGENT LIABILITIES

The Village, as a member of the Regional District of Central Kootenay, is jointly and severally liable for the future capital liabilities of the Regional District. The loan agreements with the Municipal Finance Authority provide that if the Authority does not have sufficient funds to meet its payments and obligations, it shall make payments from the debt reserve fund which is in turn established by a similar debt reserve fund of the Village and all other borrowing participants. If the debt reserve fund is deficient, the Authority's obligations become a liability of the Regional District, and may become a liability of the participating municipalities.

17. CEMETERY CARE TRUST FUND

The Village operates the Catholic, Hillcrest, Women's Institute, Glenbank, and Legion cemeteries and maintains a Cemetery Care Fund in accordance with the Cremation, Interment and Funeral Services Act and related Regulations. In accordance with Act and Regulations, the Village must transfer a specified minimum percentage of certain cemetery fees into the Cemetery Care Fund. The resulting equity balance in the fund is restricted in use; interest earnings are available to the Village to fund ongoing maintenance of the cemetery as required. The condensed financial information for the period ended December 31, 2015 with 2014 comparative figures are as follows:

	2015	2014
Assets		
Short-term investments	\$ 32,218	\$ 31,467
Accrued interest	237	18
	<u>32,455</u>	<u>31,485</u>
Equity	<u>\$ 32,455</u>	<u>\$ 31,485</u>
Operations		
Contributions	\$ 750	\$ 600
Interest	220	300
	<u>970</u>	<u>900</u>
Change in equity	<u>\$ 970</u>	<u>\$ 900</u>

The Cemetery Trust Fund is not included in the Village's financial statements.

Financial Section

VILLAGE OF NAKUSP
GENERAL FUND
STATEMENT OF FINANCIAL POSITION
As At December 31, 2015

FINANCIAL ASSETS	2015	2014
ASSETS		
Cash	\$ 938,021	\$ 351,460
Investments	1,090,108	1,082,599
Investment in NACFOR (2013)	1,197,371	1,171,565
Accounts receivable	27,021	639,016
Taxes receivable	198,315	173,247
MFA debt reserve cash deposits	13,461	13,843
Due from Water Fund	-	70,164
	3,464,297	3,501,894
LIABILITIES		
Accounts payable and accrued liabilities	324,910	427,071
Deferred revenue	243,284	304,400
Deposits	3,636	1,665
Capital lease obligation	-	3,088
Long-term debt	1,055,867	1,110,711
Interim financing	148,000	185,000
Due to Sewer Fund	185,544	108,706
Due to Water Fund	75,559	-
Due to Reserve Funds	1,261,266	1,308,850
	3,298,066	3,449,491
NET FINANCIAL ASSETS	166,231	52,403
NON-FINANCIAL ASSETS		
Prepaid expenses and deposits	50,546	69,646
Inventory of materials and supplies	50,439	41,646
Tangible capital assets	12,093,551	12,137,218
	12,194,536	12,248,510
ACCUMULATED SURPLUS	\$12,360,767	\$12,300,913
Represented by:		
Unappropriated surplus	\$ 273,712	\$ 290,929
Equity in tangible capital assets	10,889,684	10,838,419
Equity in NACFOR (2013)	1,197,371	1,171,565
	\$12,360,767	\$12,300,913

Financial Section

VILLAGE OF NAKUSP
GENERAL OPERATING FUND
STATEMENT OF FINANCIAL ACTIVITIES
For the Year Ended December 31, 2015

	2015	2014
REVENUE		
General taxation	\$ 931,681	\$ 917,897
Interest and penalties on taxes	27,730	25,860
Utility taxes and grants-in-lieu of taxes	76,594	74,463
General fees and charges	409,796	298,205
Hot Springs fees and other revenue	729,089	677,276
Permits and licences	23,151	23,689
Conditional transfers from other governments	638,273	634,247
Unconditional transfer - Province of BC	385,029	232,304
Investment interest	3,812	9,300
Equity income (deficit) in NACFOR	25,806	(212,513)
Proceeds on sale of tangible capital assets	48,074	-
	3,299,035	2,680,728
EXPENDITURES		
General government	705,837	594,987
Protective services	162,878	156,513
Transportation services	380,492	264,495
Waste disposal services	42,559	60,122
Cemetery services	31,252	21,315
Economic development and promotion	152,687	117,919
Parks, recreation and cultural services	619,535	593,554
Hot Springs	643,167	652,060
	2,738,407	2,460,965
TOTAL REVENUES OVER EXPENDITURES	560,628	219,763
Transfers from Reserve Funds	443,623	222,313
Transfers to Reserve Funds	(393,970)	(432,624)
General Capital expenditures	(506,760)	(199,567)
General Capital debt principal repayments	(94,932)	(70,884)
Decrease (increase) in NACFOR transferred to equity in NACFOR	(25,806)	212,513
Interim financing proceeds transferred from capital fund	-	185,000
MFA debt reserve and finance fees financed by the capital fund	-	1,165
	(577,845)	(82,084)
ANNUAL SURPLUS (DEFICIT)	(17,217)	137,679
UNAPPROPRIATED SURPLUS, BEGINNING OF YEAR	290,929	153,250
UNAPPROPRIATED SURPLUS, END OF YEAR	\$ 273,712	\$ 290,929

Financial Section

VILLAGE OF NAKUSP
WATER UTILITY FUND
STATEMENT OF FINANCIAL POSITION
As At December 31, 2015

FINANCIAL ASSETS	2015	2014
ASSETS		
Water fees receivable	\$ 42,975	\$ 41,044
Grants receivable	128,672	250,117
Due from General Fund	75,559	-
	<u>247,206</u>	<u>291,161</u>
LIABILITIES		
Due to General Operating Fund	-	70,164
	<u>247,206</u>	<u>220,997</u>
NET FINANCIAL ASSETS	247,206	220,997
TANGIBLE CAPITAL ASSETS	4,446,342	4,279,909
ACCUMULATED SURPLUS	\$ 4,693,548	\$ 4,500,906
Represented by:		
Unappropriated surplus	\$ 247,206	\$ 220,997
Equity in tangible capital assets	4,446,342	4,279,909
	<u>\$ 4,693,548</u>	<u>\$ 4,500,906</u>

Financial Section

VILLAGE OF NAKUSP
WATER UTILITY OPERATING FUND
STATEMENT OF FINANCIAL ACTIVITIES
For the Year Ended December 31, 2015

	2015	2014
REVENUE		
User fees	\$ 430,371	\$ 429,883
Conditional transfers from other governments	133,673	5,750
	564,044	435,633
EXPENSES		
Water services	264,741	366,404
NET OPERATING REVENUES OVER EXPENDITURES	299,303	69,229
Water capital expenditures	(304,633)	(380,830)
Transfer from Community Works Gas Tax reserve fund	5,786	51,500
Transfer from sewer utility fund	25,753	25,753
ANNUAL SURPLUS (DEFICIT)	26,209	(234,348)
UNAPPROPRIATED SURPLUS, BEGINNING OF YEAR	220,997	455,345
UNAPPROPRIATED SURPLUS, END OF YEAR	\$ 247,206	\$ 220,997

Financial Section

VILLAGE OF NAKUSP
SEWER UTILITY FUND
STATEMENT OF FINANCIAL POSITION
As At December 31, 2015

FINANCIAL ASSETS	2015	2014
ASSETS		
Sewer fees receivable	\$ 35,666	\$ 37,662
Due from General Fund	185,544	108,706
MFA debt reserve cash deposits	8,153	7,949
	<u>229,363</u>	<u>154,317</u>
LIABILITIES		
Due to Sewer Reserve Fund	100,409	-
Long-term debt	190,567	205,132
	<u>290,976</u>	<u>205,132</u>
NET DEBT	(61,613)	(50,815)
TANGIBLE CAPITAL ASSETS	3,346,326	3,465,594
ACCUMULATED SURPLUS	\$ 3,284,713	\$ 3,414,779
Represented by:		
Unappropriated surplus	\$ 128,954	\$ 154,317
Equity in tangible capital assets	3,155,759	3,260,462
	<u>\$ 3,284,713</u>	<u>\$ 3,414,779</u>

Financial Section

VILLAGE OF NAKUSP
SEWER UTILITY OPERATING FUND
STATEMENT OF FINANCIAL ACTIVITIES
For the Year Ended December 31, 2015

	2015	2014
REVENUE		
Parcel and specified area taxes	\$ 9,788	\$ 9,788
User fees	331,092	320,548
Interest income	4,569	10,242
Gain on sale of tangible capital assets	-	5,300
	<u>345,449</u>	<u>345,878</u>
EXPENSES		
Sewer service	<u>221,868</u>	<u>272,734</u>
TOTAL REVENUES OVER EXPENSES	<u>123,581</u>	<u>73,144</u>
Sewer capital expenditures	(8,536)	(43,622)
Sewer capital debt principal repayments	(14,565)	(20,218)
Transfer from Community Works Gas Tax Reserve fund	-	1,640
Transfer to water utility fund	(25,753)	(25,753)
Transfer to sewer reserve fund	(100,090)	-
	<u>(148,944)</u>	<u>(87,953)</u>
ANNUAL DEFICIT	<u>(25,363)</u>	<u>(14,809)</u>
UNAPPROPRIATED SURPLUS, BEGINNING OF YEAR	<u>154,317</u>	<u>169,126</u>
UNAPPROPRIATED SURPLUS, END OF YEAR	<u>\$ 128,954</u>	<u>\$ 154,317</u>

Financial Section

VILLAGE OF NAKUSP
RESERVE FUND
STATEMENT OF FINANCIAL POSITION
As At December 31, 2015

	2015	2014
FINANCIAL ASSETS		
Due from General Operating Fund	\$ 1,361,675	\$ 726,786
Dividends receivable - NACFOR (2013)	-	582,064
	1,361,675	1,308,850
LIABILITIES		
Deferred revenue - parkland acquisition	13,272	13,272
	\$ 1,348,403	\$ 1,295,578
RESERVES		
Equipment Reserve	\$ 326,582	\$ 360,261
Fire Equipment Reserve	169,945	149,798
General Capital Reserve	-	31,836
Community Works Gas Tax Reserve	165,571	171,465
NACFOR Legacy Fund	585,896	582,218
Sewer Reserve	100,409	-
	\$ 1,348,403	\$ 1,295,578

Financial Section

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Financial Section

VILLAGE OF NAKUSP
RESERVE FUND
STATEMENT OF TRANSACTIONS
 For the Year Ended December 31, 2015

	Balance, Beginning of Year	Contributions	Transfers to Other Funds	Interest Earned	Balance, End of Year
Equipment Reserve	\$ 360,261	\$ 162,149	\$(197,953)	\$ 2,125	\$ 326,582
Fire Equipment Reserve	149,798	40,000	(20,834)	981	169,945
General Capital Reserve	31,836	77,000	(108,836)	-	-
Community Works					
Gas Tax Reserve	171,465	114,821	(121,786)	1,071	165,571
NACFOR (2013) Legacy Fund	582,218	-	-	3,678	585,896
Sewer Reserve	-	100,090	-	319	100,409
	\$ 1,295,578	\$ 494,060	\$(449,409)	\$ 8,174	\$ 1,348,403

Statistical Information

PROPERTY TAX EXEMPTIONS (PTE)

Through the adoption of an annual bylaw, the Municipal Council may provide a permissive exemption from taxation to certain groups and organizations. The legal capacity to provide these permissive tax exemptions is through powers granted to the Council in the *Community Charter*.

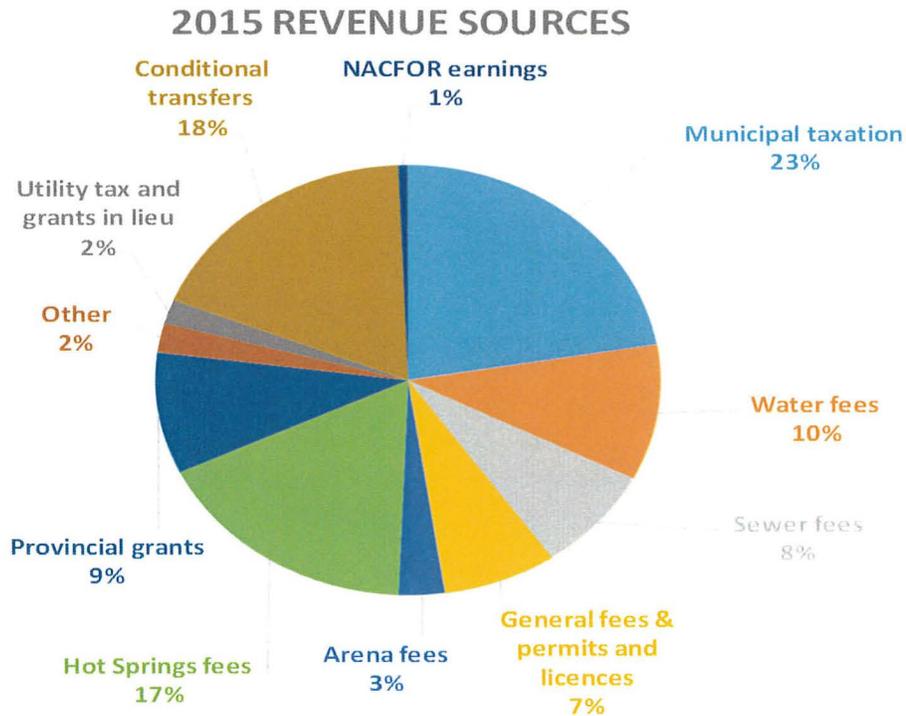
To be considered for a permissive tax exemption, an organization must submit an application and illustrate that their goals, policies, and operating principles that reflect those of the municipality; that the services provided are an extension of municipal services and that their programs are deemed to contribute to the well being of the community. They must be primarily used by residents of the Village of Nakusp and allow all Nakusp residents to participate and adhere to all Village of Nakusp bylaws and policies.

Below is a listing of organizations granted a PTE in 2015 together with the amount of municipal taxes that would have been imposed on the property if it were not exempt.

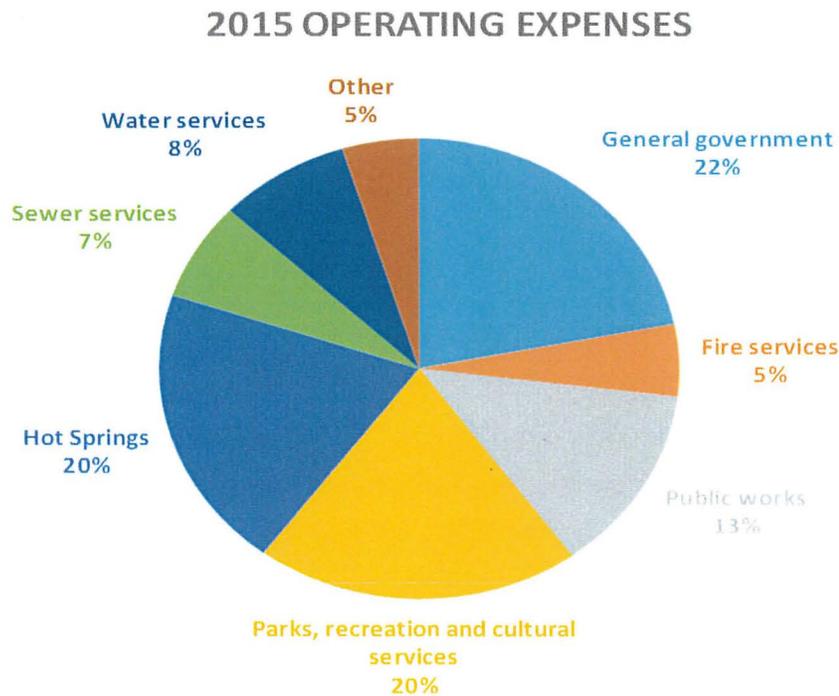
2015 Summary of Permissive Tax Exemptions	2015 Value of Exemption
Royal Canadian Legion, Branch 20	\$308
Arrow and Slokan Lakes Community Services Association	\$4,897
Nakusp Launch Club	\$5,912
Halcyon Assisted Living Society	\$5,347
Nakusp Childcare Society	\$839
Arrow Lakes Hospital Auxiliary	\$817
Total of Permissive Tax Exemptions Under Bylaw 652	\$18,120
<i>Total of 2015 PTE, as % of 2015 Municipal Levy</i>	<i>1.92%</i>
Total of General Statutory Exemptions (Bylaw 570 - Public Worship)	\$3,584
Grand Total of all Tax Exemptions	
<i>Grand Total of all Tax Exemptions, as a % of 2015 Municipal Levy</i>	<i>2.31%</i>

Statistical Information

REVENUE SOURCES 2015



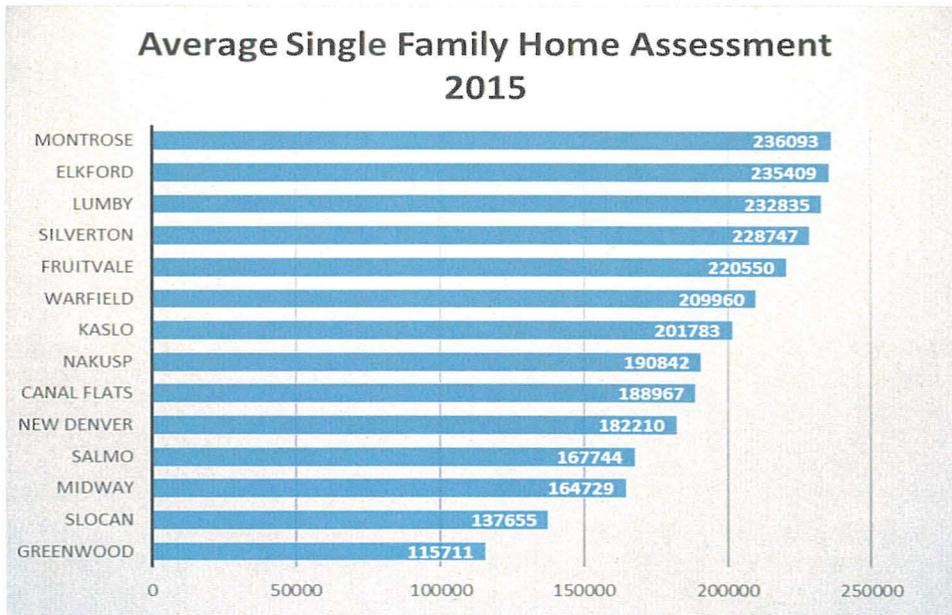
EXPENSES 2015



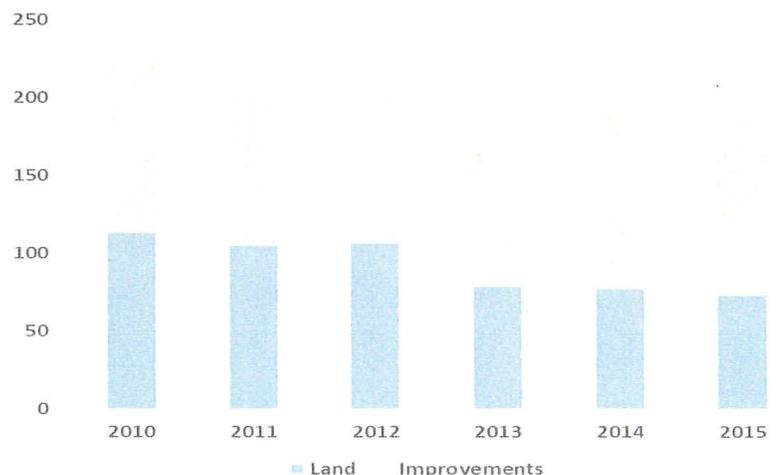
Statistical Information

TAXABLE PROPERTY ASSESSEMENTS 2015

Taxable Property Assessments	2011	2012	2013	2014	2015
01 - Residential	170,249,700	169,870,100	156,377,700	156,380,000	155,369,900
06 - Business And Other	25,621,750	26,596,200	26,381,050	26,292,150	26,207,600
05 - Light Industry	981,800	990,900	1,995,300	1,774,500	1,535,400
02 - Utilities	787,500	777,000	756,100	721,100	726,600
08 - Rec/Non Profit	336,400	539,900	547,700	580,300	756,000
09 - Farm	46,408	55,192	56,191	58,593	58,990
Total	198,023,558	198,829,292	186,114,041	185,806,643	184,654,490
<i>Percent change from prior year</i>	<i>2.96%</i>	<i>0.41%</i>	<i>-6.40%</i>	<i>-0.17%</i>	<i>-0.62%</i>



Average Single Family Home Assessed Value ('000s)

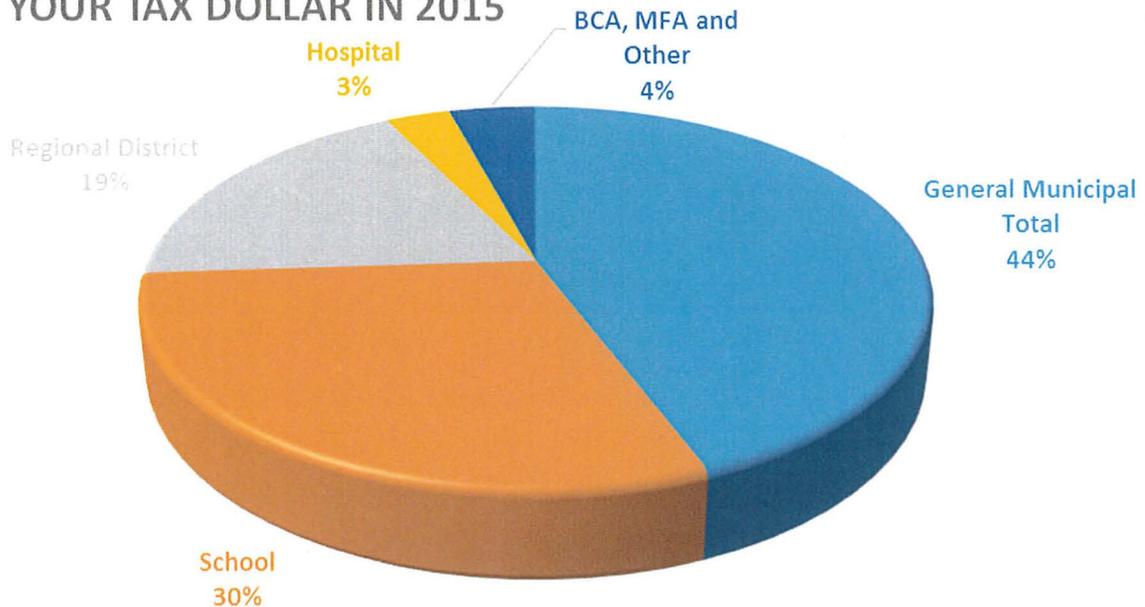


Statistical Information

MUNICIPAL COMPARISON 2015

Municipality	General Municipal Total	School	Regional District	Hospital	BCA, MFA and Other	Total Res Variable Rate Taxes
Warfield	1,478	603	411	64	97	2,652
Elkford	953	582	261	38	86	1,919
Lumby	871	516	599	68	93	2,147
Greenwood	826	339	76	35	56	1,332
Nakusp	810	549	342	58	78	1,837
Midway	706	483	95	50	67	1,401
Radium Hot Springs	694	553	161	38	67	1,514
Kaslo	685	514	446	61	78	1,783
Silverton	649	658	211	69	76	1,664
Canal Flats	608	438	243	30	67	1,388
Fruitvale	596	633	707	67	102	2,105
Slocan	572	350	239	42	57	1,261
New Denver	570	524	170	55	70	1,389
Salmo	539	427	304	42	79	1,391
Montrose	457	678	757	67	104	2,063

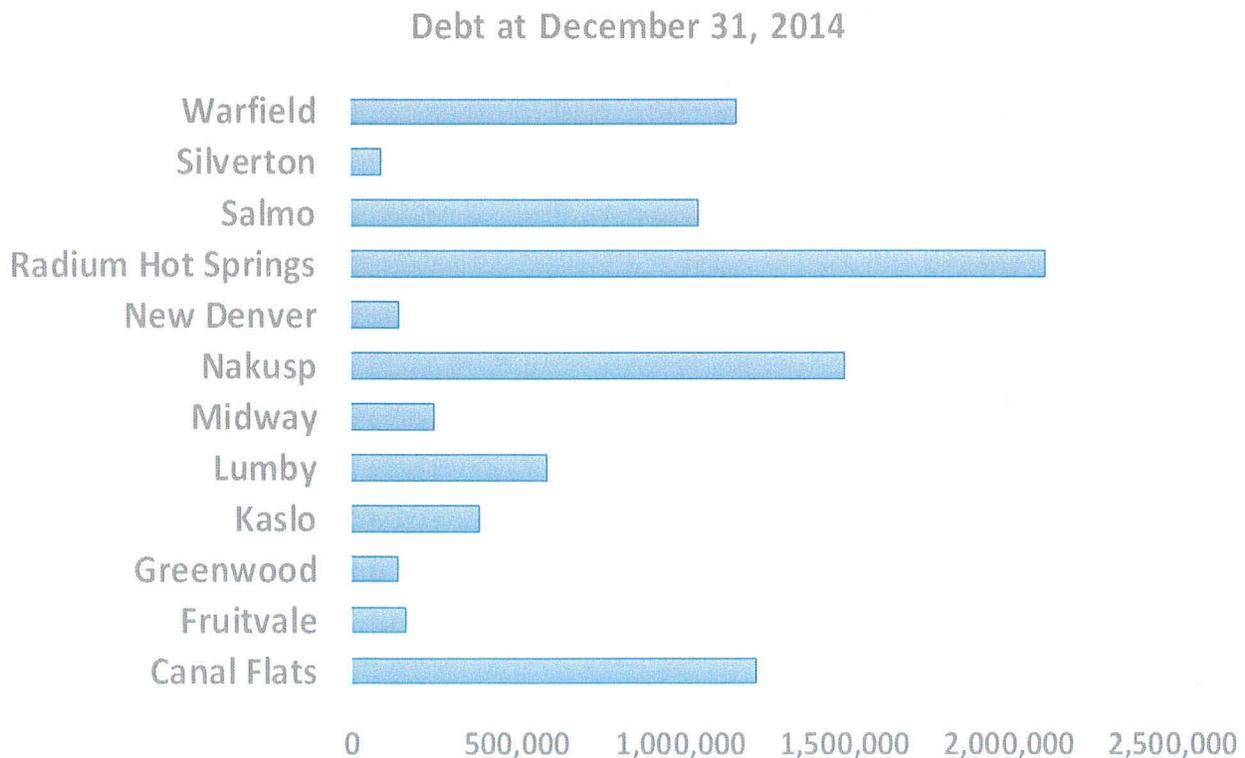
YOUR TAX DOLLAR IN 2015



Statistical Information

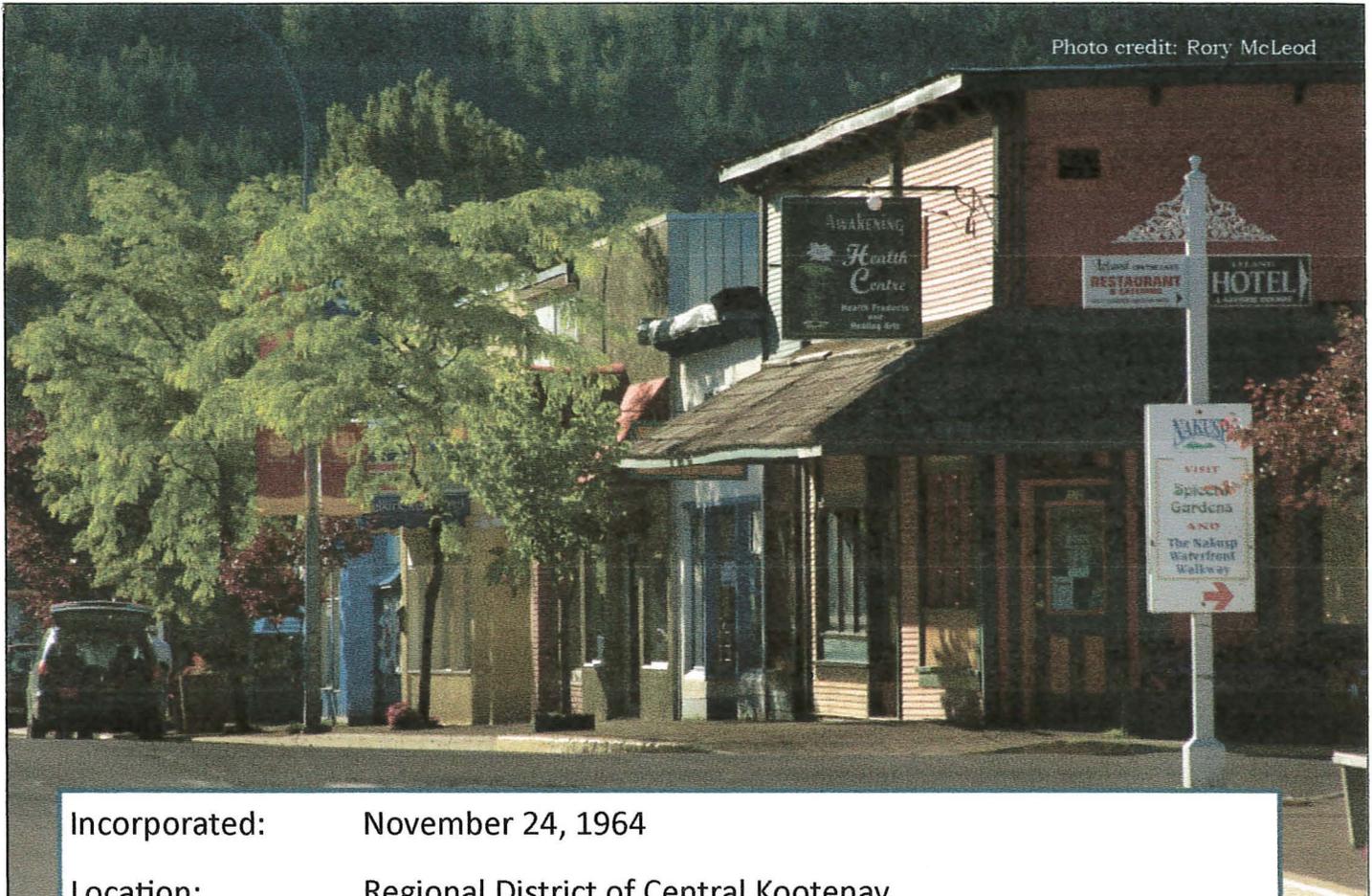
LONG TERM DEBT COMPARISONS

Municipality	Debt at December 31, 2014	Population Per Capita	
Canal Flats	\$ 1,236,587	736 \$	1,680
Fruitvale	\$ 166,717	2088 \$	80
Greenwood	\$ 142,161	695 \$	205
Kaslo	\$ 391,625	1008 \$	389
Lumby	\$ 599,215	1773 \$	338
Midway	\$ 256,919	667 \$	385
Nakusp	\$ 1,509,155	1574 \$	959
New Denver	\$ 146,636	497 \$	295
Radium Hot Springs	\$ 2,122,372	766 \$	2,771
Salmo	\$ 1,064,591	1187 \$	897
Silverton	\$ 92,745	199 \$	466
Warfield	\$ 1,181,891	1691 \$	699



Statistical Information

MUNICIPAL STATISTICS



Incorporated:	November 24, 1964
Location:	Regional District of Central Kootenay, 200 km east of Vernon, 162 km northwest of Nelson School District No. 10, Arrow Lakes
Area:	1059 hectares
Population:	1,574
Km of Roads:	Paved - 21.6 Unpaved - 5.8
Km of Lanes:	6.6
Km of Domestic Water System	26.7
Km of Sewers:	Storm - 1 Sanitary - 20.7
Employees:	26

Village of Nakusp

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THE VILLAGE OF
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