

Financial Statements of

THE CORPORATION OF THE CITY OF GRAND FORKS

For the Year Ended December 31, 2020

THE CORPORATION OF THE CITY OF GRAND FORKS
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For the Year Ended December 31, 2020

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THE CORPORATION OF THE CITY OF GRAND FORKS

Management Report

Management is responsible for the preparation of the accompanying financial statements. The financial statements have been prepared in accordance with the accounting principles disclosed in note 2 to the financial statements, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management has established and maintained a system of internal accounting controls which are designed to provide reasonable assurance that assets are safeguarded, transactions are authorized and recorded properly, and reliable financial information is produced.

The independent external auditors, KH Burch Kientz Inc., have conducted an independent examination in accordance with Canadian auditing standards and expressed their opinion in the accompanying report.

[Original signed by]

Juliette Rhodes
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of The Corporation of the City of Grand Forks

Report on the Financial Statements

Opinion

We have audited the financial statements of The Corporation of the City of Grand Forks (the City), which comprise the statement of financial position as at December 31, 2020, and the statements of operations and accumulated surplus, changes in net financial assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2020, and the results of its operations and cash flow for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

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 Financial Statements* section of our report. We are independent of the City in accordance with 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, 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.

In preparing the 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 liquidate the City or 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

(continues)

Independent Auditor's Report to the Mayor and Council of The Corporation of the City of Grand Forks
(continued)

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 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 audit 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 policies 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 financial statements, including the disclosures, and whether the 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.

Grand Forks, British Columbia
May 12, 2021

KH Burch Kientz Inc.
CHARTERED PROFESSIONAL ACCOUNTANTS

THE CORPORATION OF THE CITY OF GRAND FORKS
Statement of Financial Position

<i>As at December 31</i>	2020	2019
Financial Assets		
Cash (note 3)	\$ 20,852,091	\$ 12,258,098
Accounts receivable (note 5)	9,289,454	4,456,472
Portfolio Investments (note 6)	2,508,352	-
Municipal Finance Authority deposit (note 7)	41,835	40,992
Inventories for resale	18,831	28,831
Land held for resale	211,036	211,036
Lease receivable (note 8)	21,597	46,438
	32,943,196	17,041,867
Liabilities		
Accounts payable and accrued liabilities (note 9)	3,572,028	2,284,547
Employee future benefits (note 10)	355,222	315,892
Deferred revenues (note 11)	14,652,391	612,666
Development cost charges (note 12)	796,376	774,747
Long-term debt (note 13)	3,220,135	3,499,812
	22,596,152	7,487,664
Net financial assets	10,347,044	9,554,203
Non-financial assets		
Prepaid expenses	230,778	300,068
Right to purchase agreements (note 14)	3,315,000	-
Inventory of parts and supplies	451,142	180,873
Tangible capital assets (note 15)	39,446,641	33,186,125
	43,443,561	33,667,066
Accumulated surplus (note 16)	\$ 53,790,605	\$ 43,221,269

Juliette Rhodes, CPA, CGA
 Chief Financial Officer

Brian Taylor
 Mayor, City of Grand Forks

The accompanying notes are an integral part of these financial statements.

CORPORATION OF THE CITY OF GRAND FORKS
Statement of Operations and Accumulated Surplus

<i>For the year ended December 31</i>	2020 Budget	2020 Actual	2019 Actual
Revenue			
Property taxation (note 17)	\$ 4,225,381	\$ 4,221,996	\$ 4,090,357
Sales of services (note 18)	7,645,585	7,397,240	7,528,345
Other revenues (note 19)	526,059	818,118	968,027
Government transfers (note 20)	20,830,574	18,333,685	5,153,493
Contributions from others	5,000	15,630	27,068
Interest income	222,609	272,575	286,598
Investment income on sinking fund	-	18,288	32,088
	<u>33,455,208</u>	<u>31,077,532</u>	<u>18,085,976</u>
Expenses			
General government	1,708,359	1,439,631	1,419,144
Protective services	1,066,684	991,203	969,896
Disaster response and recovery	120,800	2,638,624	526,134
Environmental health services	267,152	257,941	254,430
Public health and welfare	97,746	83,256	67,228
Planning and development	1,133,383	699,419	545,204
Transportation services	1,279,779	1,244,310	1,280,362
Recreation and cultural services	987,929	836,405	851,978
Public real estate	263,318	298,561	233,744
Electrical services	4,225,737	3,936,182	3,877,258
Water services	669,024	660,876	623,880
Wastewater services	747,599	751,320	694,315
Debt interest	111,359	115,014	143,578
Amortization	2,013,762	1,795,069	1,766,917
Loss on disposal of tangible capital assets	-	3,900	-
Write-down of buildings for resale	-	4,756,485	-
	<u>14,692,631</u>	<u>20,508,196</u>	<u>13,254,068</u>
Annual Surplus	18,762,577	10,569,336	4,831,908
Accumulated surplus, beginning of year	<u>43,221,269</u>	<u>43,221,269</u>	<u>38,389,361</u>
Accumulated surplus, end of year	<u>\$ 61,983,846</u>	<u>\$ 53,790,605</u>	<u>\$ 43,221,269</u>

The accompanying notes are an integral part of these financial statements.

CORPORATION OF THE CITY OF GRAND FORKS
Statement of Changes in Net Financial Assets

<i>For the year ended December 31</i>	2020 Budget	2020 Actual	2019 Actual
Annual Surplus	\$ 18,762,577	\$ 10,569,336	\$ 4,831,908
Acquisition of tangible capital assets	(24,343,143)	(8,089,797)	(5,381,233)
Amortization of tangible capital assets	2,013,762	1,795,069	1,766,917
Loss on disposal of assets	-	3,900	-
Proceeds from sale of assets	-	30,312	-
Right to purchase agreements	-	(3,315,000)	-
Net change in prepaid expenses and supplies inventory	(240,000)	(200,979)	(85,060)
Increase (decrease) in Net Financial Assets	(3,806,804)	792,841	1,132,532
Net Financial Assets, beginning of year	9,554,203	9,554,203	8,421,671
Net Financial Assets, end of year	\$ 5,747,399	\$ 10,347,044	\$ 9,554,203

The accompanying notes are an integral part of these financial statements.

CORPORATION OF THE CITY OF GRAND FORKS
Statement of Cash Flow

<i>For the year ended December 31</i>	2020	2019
Operating transactions		
Annual surplus	\$ 10,569,336	\$ 4,831,908
Adjustment for non-cash items		
Amortization	1,795,069	1,766,917
Loss on disposal of tangible capital assets	3,900	-
(Increase) decrease in prepaid expenses	69,290	(35,482)
(Increase) decrease in supplies inventory	(270,269)	(49,578)
Right to purchase agreements	(3,315,000)	-
Write-down of buildings for resale	4,756,485	-
 (Increase) decrease in assets		
Accounts receivable	(4,832,982)	(542,221)
Lease receivable	24,841	23,737
MFA deposits	(843)	(9,042)
Inventories for resale	10,000	12,490
Buildings for resale	(4,756,485)	-
 Increase (decrease) in liabilities		
Accounts payable and accrued liabilities	1,287,481	(427,972)
Deferred revenues	14,039,725	(73,352)
Employee future benefits	39,330	(13,267)
Deferred development cost charges	21,629	222,385
	<u>19,441,507</u>	<u>5,706,523</u>
Capital transactions		
Acquisition of tangible capital assets	(8,089,797)	(5,381,233)
Proceeds on disposal of tangible capital assets	30,312	-
	<u>(8,059,485)</u>	<u>(5,381,233)</u>
Investing transactions		
Increase in portfolio investments	(2,508,352)	-
	<u>(2,508,352)</u>	<u>-</u>
Financing transactions		
Proceeds from borrowing	-	1,920,000
Repayment of short-term debt	-	(1,944,280)
Repayment of long-term debt	(262,543)	(253,666)
Actuarial adjustments on long term debt	(17,134)	(39,902)
	<u>(279,677)</u>	<u>(317,848)</u>
 Net increase in cash	 8,593,993	 7,442
Cash, beginning of year	12,258,098	12,250,656
Cash, end of year	<u>\$ 20,852,091</u>	<u>\$ 12,258,098</u>

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE CITY OF GRAND FORKS

Notes to the Financial Statements

For the year ended December 31, 2020

The notes to the financial statements are an integral part of these statements. They explain the significant accounting and reporting policies and the principles that form the basis of these financial statements, as well as providing supplementary information and explanations which cannot be conveniently integrated into the statements.

1. Nature of Entity

The Corporation of the City of Grand Forks ("the City") was incorporated in 1897 under the Municipal Act (now a combination of the Community Charter and the Local Government Act), a statute of the Province of British Columbia. Its principal activities include the provision of local government services to the residents of the incorporated area. These services include protective, community planning, transportation, recreational, solid waste collection, water, wastewater and electrical services.

2. Significant Accounting Policies

Basis of Presentation

The financial statements are the responsibility of and are prepared by management in accordance with Canadian Public Sector Accounting Standards and prescribed by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

The City's operations and resources are segregated into various funds for accounting and financial reporting purposes, with each fund treated as a separate entity with responsibility for the assets allocated to it. Inter-fund transactions and balances have been eliminated in the preparation of these financial statements.

The City's funds are classified as follows:

i) Operating Funds

These funds include the general, electrical, water, and wastewater operations of the City, and are used to record the operating costs associated with providing those services.

ii) Capital Funds

The capital funds record the acquisition costs of various capital assets and financing related to these assets. They include the general, electrical, water, and wastewater capital funds.

iii) Reserve Funds

Under the Community Charter, City Council may, by bylaw, establish reserve funds for specific purposes. Money in a reserve fund and the interest earned thereon must be used only for the purpose for which the fund was established. If the amount in a reserve fund exceeds the amount required, City Council may, by bylaw, transfer all or part of the balance to another reserve.

iv) Trust Funds

These funds hold cash assets that must be used for specific purposes and/or beneficiaries according to agreements or legislated requirements. The City administers trust funds for its Employee Assistance Program, Slag Remediation, and Cemetery Care Fund. In accordance with public sector accounting standards, trust funds administered by the City are not included in the City's financial statements, other than as disclosed in Note 22.

Budget Figures

The budget figures are from the 5-Year Financial Plan Bylaw, No. 2071 which was adopted on April 20, 2020. Subsequent budget amendments adopted by Council have not been included in these financial statements.

THE CORPORATION OF THE CITY OF GRAND FORKS

Notes to the Financial Statements

For the year ended December 31, 2020

Revenue Recognition

Taxation revenues are recorded upon issuance of the annual property tax notices in May. Revenues from the sale of services and user fees are recognized when the service or product is provided by the City. Franchise and other revenues are recorded as they are earned and measurable. Amounts that have been received in advance of services being rendered are recorded as deferred revenue until the City fulfills its obligations related to the provision of those services.

Transfers from other governments are recognized as revenue in the period that the transfer is authorized, eligibility criteria have been met, and a reasonable estimate of the amount can be made. If transfer agreements contain stipulations that would give rise to obligations which meet the definition of a liability, revenue is deferred and recognized as the stipulations are met.

Insurance proceeds are recognized when the amount of recovery is determinable and there is a high degree of certainty with respect to the receipt of funds.

Investment income is recorded on the accrual basis and recognized when earned.

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. The associated revenue is recognized in the year in which it is used for the specified purpose.

Expenses

Expenses are generally recognized as they are incurred based upon receipt of the goods and services and/or a legal obligation to pay is established.

Financial Instruments

The City's financial instruments consist of cash, deposits, portfolio investments, accounts receivable, accounts payable and accrued liabilities, and short and long-term debt.

Portfolio investments are recorded at cost less any write-downs associated with a loss in value that is other than a temporary decline.

Inventories for Resale

Inventories for resale consist of aviation fuel which is held at the lower of historical and replacement cost, using a weighted average basis.

Land Held For Resale

Land held for resale is recorded at the lower of cost, including transaction fees directly attributable to the acquisition and improvements to prepare the land for sale, or net realizable value. Donated land for resale has been recorded at a nominal value where its historical value is unknown.

THE CORPORATION OF THE CITY OF GRAND FORKS
Notes to the Financial Statements

For the year ended December 31, 2020

Lease Receivable

Leases receivable are initially recorded at cost. Valuation allowances are made when collection is in doubt. Interest revenue in relation to the lease is recorded at the time it is received.

Employee Future Benefits

The City and its employees participate in the Municipal Pension Plan, a jointly trustee, multi-employer contributory defined benefit pension plan. Payments made to the pension plan are expensed as incurred.

The City provides accumulated sick leave and certain other benefits to its unionized employees upon retirement. In addition, certain other post-employment benefits are provided to management staff. The liabilities and expenses for these benefits are accrued in the financial statements in the period in which they are earned.

Expenses for management sick leave are not accrued, but recognized at the time they are paid.

Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, water or sediment of a chemical, organic or radioactive material or live organism that exceeds the maximum acceptable concentrations under an environmental standard. A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

- i. an environmental standard exists;
- ii. contamination exceeds the environmental standard;
- iii. the City is directly responsible or accepts responsibility, and a reasonable estimate of the amount can be made.

The liability includes costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring.

Inventory of Parts and Supplies

Inventories held for consumption include materials and repair parts held for use by the electrical and water utilities, fuel for consumption and other items used in operations, and are valued at the lower of cost or net realizable value.

Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset, but excluding interest. The cost of tangible capital assets is amortized on a straight-line basis over the estimated useful life of the asset as follows:

General Capital Fund	Estimated Useful Life
Land	Not amortized
Land Improvements	20 - 50 years
Buildings	40 - 50 years
Engineering Structures	10 - 50 years
Machinery & Equipment	3 - 25 years
Vehicles	8 - 40 years

THE CORPORATION OF THE CITY OF GRAND FORKS
Notes to the Financial Statements

For the year ended December 31, 2020

Electrical System Capital Fund

Electrical infrastructure 5 - 40 years

Water System Capital Fund

Water infrastructure 10 - 50 years

Wastewater System Capital Fund

Wastewater infrastructure 10 - 50 years

Donated tangible capital assets are recorded at their fair value at the date of receipt.

Work in progress, which represents capital projects under construction but not yet completed, is not amortized until construction is complete and the asset is available for productive use.

Tangible capital assets that are demolished or destroyed are written off.

Long-Term Debt

Outstanding long-term debt is reported net of applicable sinking fund balances.

Debt Charges

Interest on debt is charged to current operations. Interest charges are accrued for the period from the date of the latest interest payment to the end of the year.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the reported amounts of revenues and expenses during the financial reporting period. Significant areas requiring the use of estimates include the determination of accrued payroll liabilities and employee future benefits, tangible capital asset useful lives and amortization expense, amounts receivable from insurance, provisions for contingencies, and costs recoverable from the salvage of residential housing. Actual results could differ from management's best estimates as additional information becomes available in the future.

3. Cash

Cash is comprised of unrestricted cash for operations and restricted cash for reserve funds and deferred development cost charges which are held in segregated accounts.

	2020	2019
Restricted cash		
Statutory Reserves	\$ 7,435,094	\$ 7,730,093
Development Cost Charges (see Note 13)	796,376	774,747
	8,231,470	8,504,840
Unrestricted cash	12,620,621	3,753,258
Total cash	\$ 20,852,091	\$ 12,258,098

THE CORPORATION OF THE CITY OF GRAND FORKS
Notes to the Financial Statements

For the year ended December 31, 2020

4. Operating Line of Credit

The City has an operating line of credit with Grand Forks Credit Union for an authorized amount of \$2,000,000, bearing interest at the base lending rate less 0.5%. At December 31, 2020, the balance outstanding on the operating line of credit was nil (2019 - nil).

5. Accounts Receivable

Accounts receivable are recorded net of allowances and comprise the following:

	2020	2019
Property taxes	\$ 603,372	\$ 633,786
Utility accounts receivable	1,300,013	1,286,833
Due from other governments	7,068,083	1,879,263
Trade and other receivables	<u>317,986</u>	<u>656,590</u>
	<u>\$ 9,289,454</u>	<u>\$ 4,456,472</u>

6. Portfolio Investments

Portfolio investments consist of investments held through the Municipal Finance Authority's pooled investment fund as follows:

	2020	2019
MFA Short Term Bond Fund	\$ 1,507,720	\$ -
MFA Money Market Fund	<u>1,000,632</u>	<u>-</u>
	<u>\$ 2,508,352</u>	<u>\$ -</u>

The market value of portfolio investments at December 31, 2020 was \$2,509,693. The average yield was 1.4%.

7. Municipal Finance Authority Debt Reserve Fund

The Municipal Finance Authority (MFA) provides capital funding for regional districts and their member municipalities through the issuance of debenture debt. The Debt Reserve Fund established by the Municipal Finance Authority is security held in trust to meet its obligations to debenture holders.

Municipalities sharing in the proceeds of a debt issue are required to contribute certain amounts to the debt reserve fund in the form of cash withheld from the loan proceeds and a non-interest bearing demand note. Monies paid into the Debt Reserve Fund are obligations of the Municipal Finance Authority and are refunded, with interest, upon maturity of the debt.

Only the cash portion of MFA deposits is included as a financial asset. The demand notes are contingent in nature and not reflected in the financial statements.

THE CORPORATION OF THE CITY OF GRAND FORKS
Notes to the Financial Statements

For the year ended December 31, 2020

The details of the cash deposits and demand notes at year end are as follows:

	Demand Notes	Cash Deposits	2020	2019
General Fund	\$ 17,929	\$ 11,630	\$ 29,559	\$ 29,325
Water Fund	10,024	6,884	16,908	16,770
Wastewater Fund	48,787	23,321	72,108	71,637
	\$ 76,740	\$ 41,835	\$ 118,575	\$ 117,732

8. Lease Receivable

The City has entered into a long-term capital lease agreement with the Regional District of Kootenay Boundary for the lease of a building and lands. The term of the agreement is 12 years commencing August 1, 2010, with annual payments of \$27,000 including interest at 4.65%. Interest of \$2,159 (2019 - \$3,263) was received during the year.

9. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities comprise the following:

	2020	2019
Wages and benefits	\$ 708,672	\$ 616,568
Trade payables	1,640,808	1,454,592
Property purchase agreements	933,000	-
Other taxing authorities	267,374	189,682
Accrued interest	22,174	23,705
	\$ 3,572,028	\$2,284,547

10. Employee Future Benefits

Sick leave benefits for union employees are accumulated as earned, based on provisions of the collective agreement, years of service and current wage rates, less leave taken during the year. The amount reported as employee future benefits represents sick leave allowances which have been fully accrued to the level of the employees' current accumulated entitlement. These amounts will require funding in future accounting periods as cash payments are made to employees retiring from service.

Other post-employment benefits are accrued based on the relevant agreements, using current rates of pay and vacation entitlement credits, and estimates of remaining years of service. Vacation pay accruals and other post-employment benefits payable are included in the balance of accounts payable and accrued liabilities.

THE CORPORATION OF THE CITY OF GRAND FORKS
Notes to the Financial Statements

For the year ended December 31, 2020

11. Deferred Revenues

The City records deferred revenue for funds received in advance of services being rendered. These amounts are shown as liabilities until the services are rendered or related costs are incurred.

	Balance, Beginning of Year	Contributions Received/ Returned	Revenue Earned	Balance, End of Year
Prepaid taxes	313,835	323,608	(313,835)	323,608
Prepaid utilities	52,254	44,276	(52,254)	44,276
Library maintenance contract	43,907	13,000	(15,849)	41,058
Disaster mitigation grant	-	23,194,000	(9,097,864)	14,096,136
Other grants	198,250	40,000	(106,650)	131,600
Deposits and other	4,420	11,293	-	15,713
	<u>612,666</u>	<u>23,626,177</u>	<u>(9,586,452)</u>	<u>14,652,391</u>

12. Deferred Development Cost Charges (DCCs)

Pursuant to the provisions of the Local Government Act, development cost charges are held in separate reserve funds for the purpose for which the charges have been imposed. When the related costs are incurred, the DCCs are recognized as revenue. Due to the restrictive nature of these funds, they are shown as liabilities.

	2020	2019
Balance, beginning of year	\$ 774,747	\$ 552,362
Contributions from developers	10,389	206,584
Interest on investments	11,240	15,801
Balance, end of year	<u>\$ 796,376</u>	<u>\$ 774,747</u>

The balance of deferred development cost charges comprises the following:

	2020	2019
Water development cost charges	\$ 320,988	\$ 311,299
Wastewater development cost charges	472,779	460,876
Parkland development cost charges	2,609	2,572
	<u>\$ 796,376</u>	<u>\$ 774,747</u>

13. Long-Term Debt

The City has financed certain capital expenditures by means of long-term debenture debt obtained from the Municipal Finance Authority through the Regional District of Kootenay Boundary. These loans range in term from fifteen to twenty-five years, with maturity dates from 2025 to 2044. The terms of the loan agreement require the City to provide security in the form of demand notes payable to the MFA and to deposit cash representing 1% of the gross proceeds into a debt reserve fund (see note 7).

THE CORPORATION OF THE CITY OF GRAND FORKS
Notes to the Financial Statements

For the year ended December 31, 2020

The City has also funded the purchase of assets through the MFA's equipment financing program, which takes the place of the former MFA leasing program. This debt consists of a five-year loan payable in monthly installments at a variable interest rate based on the monthly Canadian Dealer Offered Rate. The City has signed a promissory note payable to the MFA as security for this loan.

The following is a summary of the City's long-term debt obligations:

	Current Interest Rate	Term	Maturity	Balance, Beginning of Year	Payments of Principal	Actuarial Adjustment	Balance, End of Year	2020 Interest
General capital fund								
Roads - NW 79th Bylaw 1887; MFA Issue #112	3.73%	15 yrs	2025	\$ 33,003	\$ 3,495	\$ 1,480	\$ 28,028	\$ 2,207
General Fund Capital Renewal Bylaw 1923; MFA Issue #149	2.24%	25 yrs	2044	1,044,346	28,644	-	1,015,702	\$ 23,408
Water capital Fund								
Emergency Water Supply Bylaw 1922; MFA Issue #149	2.24%	25 yrs	2044	425,000	11,657	-	413,343	\$ 9,526
Water Fund Capital Renewal Bylaw 1923; MFA Issue #149	2.24%	25 yrs	2044	247,123	6,778	-	240,345	\$ 5,539
Sewer capital Fund								
City Park Lift Station Bylaw 1873; MFA Issue #126	3.85%	20 yrs	2033	1,365,572	59,001	15,654	1,290,917	\$ 67,641
Sewer Fund Capital Renewal Bylaw 1923; MFA Issue #149	2.24%	25 yrs	2044	203,531	5,583	-	197,948	\$ 4,562
Long term loan financing				\$ 3,318,575	\$ 115,158	\$ 17,134	\$ 3,186,283	\$ 112,883
Equipment financing								
2015 Cobra Ladder Truck MFA Loan #0001-0	1.22%	5 yrs	2021	\$ 181,237	\$ 147,385	\$ -	\$ 33,852	\$ 2,131
Total Long Term Debt				\$ 3,499,812	\$ 262,543	\$ 17,134	\$ 3,220,135	\$ 115,014

The estimated requirements for future repayments of principal on existing debt for the next five years are as follows:

	2021	2022	2023	2024	2025
General Fund	\$ 32,141	\$ 32,141	\$ 32,141	\$ 32,141	\$ 32,141
Water Fund	18,435	18,435	18,435	18,435	18,435
Sewer Fund	64,582	64,582	64,582	64,582	64,582
Equipment Financing	33,893	-	-	-	-
	\$ 149,051	\$ 115,158	\$ 115,158	\$ 115,158	\$ 115,158

THE CORPORATION OF THE CITY OF GRAND FORKS
Notes to the Financial Statements

For the year ended December 31, 2020

14. Right to Purchase Agreements

During 2020, the City entered into Right to Purchase Agreements with several property owners to acquire land and improvements as part of the Disaster Mitigation and Adaptation Land Acquisition program (note 29). \$3,315,000, representing the fair market value of land and improvements, was recorded at year end. Cash payments of \$2,382,000 were made during the year, with \$933,000 remaining to be paid upon completion of the purchase and sale transactions in 2021. The \$933,000 of outstanding amounts payable on these contracts has been included in accounts payable and accrued liabilities.

15. Tangible Capital Assets

Tangible capital assets consist of the following:

	Net Book Value 2020	Net Book Value 2019
General Capital Fund		
Land	\$ 5,344,730	\$ 1,749,280
Land improvements	345,254	366,422
Buildings	2,837,300	2,666,047
Machinery and equipment	844,351	765,222
Engineering structures	9,003,244	9,299,718
Storm structures	12,495	13,388
Protective services vehicles	967,890	1,052,503
Public works vehicles	1,016,311	866,939
Assets under construction	2,455,815	945,156
	22,827,390	17,724,675
Water Utility		
Plant and equipment	4,619,469	4,801,545
Assets under construction	-	42,526
	4,619,469	4,844,071
Electrical Utility		
Plant and equipment	2,230,108	2,264,594
Assets under construction	216,937	177,267
	2,447,045	2,441,861
Wastewater Utility		
Plant and equipment	8,841,462	4,111,322
Assets under construction	711,275	4,064,196
	9,552,737	8,175,518
Total Tangible Capital Assets	\$ 39,446,641	\$ 33,186,125

THE CORPORATION OF THE CITY OF GRAND FORKS
Notes to the Financial Statements

For the year ended December 31, 2020

16. Accumulated surplus comprises the following:

	2020	2019
Operating Fund	\$ 11,654,897	\$ 6,932,191
Statutory Reserves		
Capital	1,586,939	3,062,431
Community works gas tax	1,421,148	1,182,968
Land sales	1,016,929	275,477
Slag sales	847,550	854,264
Electrical capital	790,212	892,068
Water capital	109,524	233,525
Equipment replacement	62,659	61,758
Climate action	29,080	8,670
Wastewater capital	24,444	24,071
Cash in lieu of parking	4,434	4,370
	\$ 5,892,919	\$ 6,599,602
Non-Statutory Reserves		
Election reserve	15,000	-
Fire department - EOC reserve	1,283	3,163
	\$ 16,283	\$ 3,163
Investment in Non-Financial Assets		
Investment in capital assets	36,226,506	29,686,313
	\$ 53,790,605	\$ 43,221,269

17. Property Tax Revenues

Municipal taxation revenues consist of the following:

	2020	2019
Property taxes	\$ 3,881,394	\$ 3,805,285
Parcel and frontage taxes	154,153	160,348
1% utilities tax	144,859	106,323
Grants and payments in lieu of taxes	41,590	18,401
	\$ 4,221,996	\$ 4,090,357

THE CORPORATION OF THE CITY OF GRAND FORKS
Notes to the Financial Statements

For the year ended December 31, 2020

18. Sale of Services

	2020	2019
Electrical utility user fees	\$ 4,840,946	\$4,974,943
Water utility user fees	1,003,661	1,005,867
Wastewater utility user fees	931,329	914,728
Solid waste collection	276,157	259,531
Slag sales	242,169	238,176
Campground fees	40,152	51,741
Cemetery	28,010	21,098
Airport (net of cost of fuel sold)	21,186	27,040
Sundry and other	13,630	35,221
	<u>\$ 7,397,240</u>	<u>\$ 7,528,345</u>

19. Other Revenues

	2020	2019
Insurance recoveries	\$ 385,217	\$ 538,782
Penalties and interest	79,548	92,590
Leases and rentals	154,814	110,343
Licences and permits	55,241	97,410
Donations and grants	37,300	34,100
Franchise fees	62,814	59,620
Other recoveries	16,162	2,249
Other revenues	27,022	32,933
	<u>\$ 818,118</u>	<u>\$ 968,027</u>

20. Government Transfers

In 2020 the City received and recorded the following transfers from other governments:

	2020	2019
Operating transfers		
Provincial	\$ 2,335,436	\$ 2,197,787
Regional	327,852	319,700
	<u>\$ 2,663,288</u>	<u>\$ 2,517,487</u>
Capital transfers		
Federal	\$ 6,219,358	\$ 603,960
Provincial	9,451,039	2,032,046
	<u>\$ 15,670,397</u>	<u>\$ 2,636,006</u>
Total government transfers	<u>\$ 18,333,685</u>	<u>\$ 5,153,493</u>

THE CORPORATION OF THE CITY OF GRAND FORKS
Notes to the Financial Statements

For the year ended December 31, 2020

21. Reconciliation to Budget

The following reconciles the balanced statutory budget adopted by Council on April 20, 2020 with the budgeted surplus reported on the statement of operations and accumulated surplus:

Budget surplus as per the statement of operations and accumulated surplus	\$ 18,762,577
Add: Budgeted amortization expense	2,013,762
Budgeted transfer from reserves	4,073,380
Subtract: Debt principal repayments	(266,576)
Inventory expenditures	(240,000)
Tangible capital asset expenditures	(24,343,143)
	<hr/>
Surplus as per Financial Plan Bylaw No. 2071	\$ -
	<hr/>

22. Trust Funds

Funds held in trust and administered by the City, which are not included in these consolidated financial statements, include the following:

Fund Balance	2020	2019
Cemetery Care Fund	\$ 179,409	\$ 173,701
Employee Assistance Program	5,556	5,721
Slag Remediation Trust	<u>21,350</u>	<u>21,043</u>
	<u>\$ 206,315</u>	<u>\$ 200,465</u>

23. Liability for Contaminated Sites

Management has prepared an inventory of sites that are no longer in productive use. Some sites have been identified to be at risk of contamination, but remediation is not required at this time and therefore no liability has been recognized. An environmental liability could result if there is a change in land use.

24. Contingent Liabilities

Regional District of Kootenay Boundary

Under the provisions of the *Local Government Act*, Regional District debt is a direct, joint and several liability of the Regional District and each member municipality including the City. The loan agreements with the Municipal Finance Authority provide that if at any time the scheduled payments provided for in the agreements are not sufficient to meet the Authority's obligation with respect to such borrowing, the resulting deficiency becomes the liability of the member municipalities.

Legal Actions

The City is currently engaged in certain legal actions, the outcome of which is not determinable at this time. Accordingly, no provision has been made in the accounts for these actions. The amount of loss, if any, arising from these actions will be recorded in the accounts in the period in which the loss is realized.

THE CORPORATION OF THE CITY OF GRAND FORKS

Notes to the Financial Statements

For the year ended December 31, 2020

Pension Liability

The City and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2019, the plan has about 213,000 active members and approximately 106,000 retired members. Active members include approximately 41,000 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 actuarial valuation for the Municipal Pension Plan as at December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The City paid \$334,102 (2019 - \$317,236) for employer contributions to the plan in fiscal 2020.

The next valuation will be as at December 31, 2021, with results available in 2022.

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.

25. Contractual Obligations and Commitments

The City has entered into an agreement with School District No. 51 for the latter to provide technical and operational support for the City's computer and telephone network systems. Under the terms of the agreement, the City has agreed to pay \$60,000 per year from 2020 to 2023 and \$45,000 in 2024 for these services.

In 2017 the City entered into a five-year agreement with the Regional District of Kootenay Boundary for the latter to provide solid waste collection services for the City on a per unit basis through a third party contractor. The City's expenses incurred under this contract for 2020 were \$206,803 (2019 - \$207,792).

The City has significant contractual commitments for incomplete capital acquisitions and construction projects in progress. As at the end of December 2020, the City had entered into contracts totalling \$4,315,026, with expenditures to date of \$2,403,090. These contracts are planned for completion during 2021, with unexpended funds carried forward and included in the next year's annual Financial Plan.

THE CORPORATION OF THE CITY OF GRAND FORKS
Notes to the Financial Statements

For the year ended December 31, 2020

26. Contingent Assets

The City is in the process of negotiating a property lease agreement which should be finalized by the end of 2021. Under this agreement, annual revenues would be in the range of \$45,500 to \$48,300 for each of the next four years, and \$12,100 in 2025.

27. Contractual Rights

The City has entered into property lease and utility franchise and pole agreements in terms of up to twenty years. The City has contractual rights to receive the following estimated payments with respect to these agreements for the next five years:

2021	220,100
2022	132,300
2023	128,500
2024	119,700
2025	<u>83,100</u>
Total	\$683,700

On November 1, 2006, the City entered into a twenty-five year agreement to provide fire protection services for the Grand Forks Rural Fire Protection District. Under the terms of the agreement, the Fire Protection District will contribute towards a share of the City's operating costs for the municipal fire department. \$327,852 of revenue was recorded in 2020 for the portion of municipal operating costs shared with the district.

The City has entered into funding agreements with the Federal and Provincial governments with respect to various City infrastructure projects and economic development programs. To date, grant revenue of \$446,841 has been recognized based on eligible expenditures, leaving \$3,781,583 of revenue to be realized as the remaining expenditures are incurred over the next few years, as follows:

Investing in Canada Infrastructure Program	\$3,630,924
Rural Dividend Fund	91,600
BC Community Grants Project	40,000
Strategic Priorities Fund	19,059

The City is also expected to receive approximately \$965,300 of grant funding from 2021 to 2024 under the Community Works stream of the Federal Gas Tax Fund Agreement.

28. Future Accounting Changes

The effective dates of the accounting standards described below have been extended by one year due to the Covid-19 pandemic. The dates referenced below have been amended to reflect the new extended dates.

PS 3280 – Asset Retirement Obligations

This section establishes standards on how to account for and report a liability for asset retirement obligations, which are legal obligations associated with the retirement of a tangible capital asset. This standard applies to fiscal years beginning on or after April 1, 2022, with early adoption permitted.

THE CORPORATION OF THE CITY OF GRAND FORKS

Notes to the Financial Statements

For the year ended December 31, 2020

PS 3400 - Revenues

This new section establishes standards on how to account for and report on revenue, specifically with respect to differentiation between revenue arising from transactions that include performance obligations (exchange transactions) and those that do not have performance obligations (unilateral transactions). A performance obligation is an enforceable promise to provide specific goods or services to a specific payor, and can take many forms. This section applies to fiscal years beginning on or after April 1, 2023, with earlier adoption permitted.

PS 2601 - Foreign Currency Translation

This section applies to transactions which are denominated in a currency other than its reporting currency, including those which arise when a government borrows or lends funds for which the amounts payable or receivable are denominated in a foreign currency, or when it becomes party to a contract involving foreign currencies. This section revised and replaces the existing section PS 2600 *Foreign Currency Translation* and applies to fiscal years beginning on or after April 1, 2022, with early adoption permitted.

PS 3450 - Financial Instruments

This section establishes standards for recognizing and measuring all types of financial instruments, including derivatives. Financial instruments include primary instruments, such as receivables, payables and equity instruments, as well as derivatives such as financial options, futures and forwards, interest rate swaps and currency swaps. This section applies to fiscal years beginning on or after April 1, 2022, with early adoption permitted.

PS 3041 - Portfolio Investments

This section establishes standards on accounting and reporting for portfolio investments, Portfolio investments are investments in organizations which do not form part of the government reporting entity, such as equity or debt instruments issued by the investee. This section revises and replaces section PS 3040 *Portfolio Investments* and section PS 3030 *Temporary Investments* and applies to fiscal years beginning on or after April 1, 2022, with early adoption permitted.

PS 1201 - Financial Statement Presentation

This section introduces a new statement of remeasurement gains and losses to report the accumulated and annual impact of:

- unrealized gains and losses for financial instruments in the fair value category unless subject to external restrictions and unrealized foreign currency gains and losses
- amounts reclassified to the statement of operations upon derecognition or settlement
- other comprehensive income from GBEs and GBPs consolidated using the modified equity method.

This new section revises and replaces the existing PS 1200 *Financial Statement Presentation*, and must be adopted at the same time as PS 2601, PS 3041, and PS 3450.

29. Impact of the 2018 Boundary Region Floods

On May 10/11, 2018 a major flood event occurred in the Kootenay Boundary Regional District, impacting more than two hundred and fifty properties within the municipal boundaries, and causing considerable damage to several City owned properties and municipal infrastructure.

THE CORPORATION OF THE CITY OF GRAND FORKS

Notes to the Financial Statements

For the year ended December 31, 2020

In 2019 the City submitted an application to Infrastructure Canada for grant funding through the Disaster Mitigation and Adaptation Fund (DMAF) to finance flood protection and natural infrastructure projects in the flood impacted areas. In 2020, the City finalized agreements for funding of \$51.7 million, with contributions of \$20 million from the Federal Government and \$31.7million from the Province of British Columbia.

During 2020, the City incurred \$15,298,107 of expenditures under the DMAF program, including \$3,595,000 of land acquisition costs, \$4,756,485 for residential improvements, \$2,169,981 for additional buyout compensation and \$2,394,641 for program design and support, construction, and management costs. Expenditures also included cash payments of \$2,382,000 for deferred property purchase agreements which will be completed in 2021 . These agreements grant the City the right to acquire land and improvements with a fair market value of \$3,315,000. The balance of \$933,000 due upon closing in 2021 has been recorded in accounts payable.

in order to proceed with the construction of flood protection works and natural infrastructure, the residential structures which the City acquired under the DMAF land acquisition program will require removal from their current locations within the next year. The City is evaluating options for the resale, relocation or demolition of these residential improvements. Because the amount of cost recoverable upon disposition is uncertain and expectations are that they will be minimal, the City has written off the full \$4,756,485 fair market value paid for these assets. Amounts recovered from the disposal of these assets will be recorded as revenue in the fiscal period they are received.

In early 2020, the City received a cash advance of \$23,194,000 from the Province to apply against eligible program expenses. \$8,981,017 was recognized as revenue in 2020 (2019 - \$116,847), with the remaining \$14,096,136 of the advance recorded as deferred revenue. \$5,987,345 was recorded as federally eligible grant revenue in 2020 (\$2019 - \$77,898), with the \$6,065,243 total Federal contribution to date included in accounts receivable.

The City submitted a claim for final settlement to its insurance providers in 2020, which was still under review at year end. \$365,244 of additional insurance proceeds were received during the year and included in revenues. The balance of the claim is expected to be settled in 2021, with any further adjustments to be recognized as revenue upon settlement.

30. Segmented Information

The City's operations and activities are organized into various funds and departments for management reporting. The costs related to the provision of services within a particular department or fund are disclosed in the segmented information presented below.

The General Fund includes services provided by the City such as general government services, protective services, development services, recreation and culture, transportation services and public works, and environmental health and public health services. The utility operations are comprised of the water, electrical and wastewater utilities, each accounting for its own operations and programs within their own funds.

Revenues within the General Fund have been allocated to the various activities where they are directly attributable to that department. Taxation and other revenues which are not directly related to a particular activity are reported under General Government Services and have not been apportioned to the other departments within the General Fund.

THE CORPORATION OF THE CITY OF GRAND FORKS

Notes to the Financial Statements

For the year ended December 31, 2020

General Government Services

General government operations are primarily funded by property taxation. The expenses within the department include those for legislative, general administration, finance, and communications.

Protective Services

Protective services are comprised of fire protection services, building inspection, bylaw enforcement and emergency response. Grand Forks Fire/Rescue provides fire and emergency services to both the City and rural area through a contract for services with the Regional District of Kootenay Boundary. This segment also includes the expenses for additional buyout compensation paid as part of the DMAF flood protection works and natural infrastructure program.

Environmental and Public Health Services

Environmental Health services include solid and yard waste collection services contracted through agreement between the City and the Regional District Of Kootenay Boundary. Public Health services relate to operation and maintenance of the cemetery.

Planning and Development Services

The Planning and Development services department provides engineering services support to facilities, parks, roads, water, wastewater and electrical for infrastructure projects, as well as planning support for subdivisions and development, ensuring compliance with zoning and land use provisions of the community plan.

Transportation Services and Public Works

The transportation and Public Works segment includes costs for the maintenance of city streets and sidewalks, snow removal services, airport operations, maintenance and operation of the vehicle fleet, and general administrative costs for Public Works. Expenses associated with the acquisition of land for the construction of flood protection works under the DMAF program, other than compensation costs, are also included in this segment.

Recreation and Cultural Services

This segment includes costs related to the maintenance and repair of publicly owned buildings, in addition to costs for operation of parks and the City campground, and for community events support and fee for service agreements.

Electrical Utility

This segment includes all of the operating activities related to the provision of electrical services to the majority of properties within the City boundaries. Electricity is purchased from the FortisBC Inc. electrical utility for resale to the City's customers, while services are provided by the City's own electrical crews.

Water Utility

This segment includes all of the operating activities related to the treatment and distribution of water throughout the City.

THE CORPORATION OF THE CITY OF GRAND FORKS
Notes to the Financial Statements

For the year ended December 31, 2020

Wastewater Utility

This segment includes all of the operating activities related to the collection and treatment of wastewater throughout the City.

31. BC Safe Restart Grant (Unaudited)

As part of the Province of British Columbia's Economic Recovery Plan, the City received \$1,359,000 of Safe Restart Grant funding to offset the operational impacts of Covid-19. The full amount of the grant has been recognized in revenue in 2020. In accordance with the Province's reporting requirements, these financial statements include a schedule outlining the use of funds and remaining balance. The schedule provided here is not required to be and has not been audited.

CORPORATION OF THE CITY OF GRAND FORKS
Schedule of Segmented Information

December 31, 2020

	General Fund						Electrical Utility	Water Utility	Wastewater Utility	2020 Total	2019 Total
	General Government Services	Protective Services	Environment and Public Health	Development Services	Public Works & Transportation Services	Recreation Culture & Public Real Estate					
Revenue											
Taxation	4,221,996									4,221,996	4,090,357
Sale of services	249,399		304,167	6,400	21,186	40,152	4,840,946	1,003,661	931,329	7,397,240	7,528,345
Other revenues	202,843		704	22,391		573,831	13,466	2,428	2,455	818,118	968,027
Government transfers	2,133,993	2,497,833		106,650	13,133,421				461,788	18,333,685	5,153,493
Contributions from others	15,630									15,630	27,068
Interest income	269,807					2,159		51	558	272,575	286,598
Investment income	1,674							126	16,488	18,288	32,088
	7,095,342	2,497,833	304,871	135,441	13,154,607	616,142	4,854,412	1,006,266	1,412,618	31,077,532	18,085,976
Expenses											
Wages & benefits	1,376,333	770,463	47,778	347,126	809,936	270,028	498,196	214,129	301,428	4,635,417	4,416,526
General Services	112,577	101,955	51,025	11,408	14,573	32,223	15,836	3,933	6,209	349,739	422,035
Professional and Contract Services	261,931	392,315	207,607	241,101	248,613	160,839	76,552	82,055	23,773	1,694,786	1,743,265
Materials & Supplies	161,747	66,345	3,052	5,319	373,602	115,352	110,215	113,196	48,803	997,631	817,352
Telephone & Utilities	18,254	34,541		1,928	39,392	31,534	3,744	1,441	32,853	163,687	202,022
Insurance	15,007	5,212	107		89,188	48,022	7,297	19,762	29,899	214,494	162,311
Allocations	(506,218)	89,015	31,628	23,887	(330,994)	161,494	(3,527)	226,360	308,355	-	-
Purchased for resale							3,227,869			3,227,869	3,246,634
Grants & fee for service				68,650						384,124	333,428
Other expenses		2,169,981								2,169,981	-
Interest					27,746			15,065	72,203	115,014	143,578
Amortization		84,613			854,924	175,159	110,527	359,494	210,352	1,795,069	1,766,917
Loss on disposal of assets					3,900					3,900	-
Write-down of buildings for resale					4,756,485					4,756,485	-
	1,439,631	3,714,440	341,197	699,419	6,887,365	1,310,125	4,046,709	1,035,435	1,033,875	20,508,196	13,254,068
Net surplus (deficit)	5,655,711	(1,216,607)	(36,326)	(563,978)	6,267,242	(693,983)	807,703	(29,169)	378,743	10,569,336	4,831,908

THE CORPORATION OF THE CITY OF GRAND FORKS
Schedule of Tangible Capital Assets

December 31, 2020

	Cost				Accumulated Amortization				Net Book Value 2020	Net Book Value 2019
	Opening Balance	Additions	Transfers/ Disposals	Closing Balance	Opening Balance	Amortization Expense	Transfers/ Disposals	Closing Balance		
General Capital Fund										
Land	\$ 1,749,280	\$ 3,595,450		\$ 5,344,730	\$ -	\$ -	\$ -	\$ -	\$ 5,344,730	\$ 1,749,280
Land improvements	432,302			432,302	65,880	21,168	-	87,048	345,254	366,422
Buildings	6,036,673	325,243		6,361,916	3,370,626	153,990	-	3,524,616	2,837,300	2,666,047
Machinery and equipment	2,603,862	216,616	(19,717)	2,800,761	1,838,640	119,660	(1,890)	1,956,410	844,351	765,222
Engineering structures	22,615,607	340,271		22,955,878	13,315,889	636,745	-	13,952,634	9,003,244	9,299,718
Storm structures	17,850			17,850	4,462	893	-	5,355	12,495	13,388
Protective services vehicles	1,838,560			1,838,560	786,057	84,613	-	870,670	967,890	1,052,503
Public works vehicles	3,167,795	263,385	\$ (156,652)	3,274,528	2,300,856	97,628	(140,267)	2,258,217	1,016,311	866,939
Assets under construction	945,156	6,251,173	\$ (4,740,514)	2,455,815				-	2,455,815	945,156
	<u>39,407,085</u>	<u>10,992,138</u>	<u>(4,916,883)</u>	<u>45,482,340</u>	<u>21,682,410</u>	<u>1,114,697</u>	<u>(142,157)</u>	<u>22,654,950</u>	<u>22,827,390</u>	<u>17,724,675</u>
Water Utility										
Plant and equipment	10,539,127	177,418		10,716,545	5,737,582	359,494	-	6,097,076	4,619,469	4,801,545
Assets under construction	42,526	134,892	(177,418)	-					-	42,526
	<u>10,581,653</u>	<u>312,310</u>	<u>(177,418)</u>	<u>10,716,545</u>	<u>5,737,582</u>	<u>359,494</u>	<u>-</u>	<u>6,097,076</u>	<u>4,619,469</u>	<u>4,844,071</u>
Electrical Utility										
Plant and equipment	4,473,365	76,040		4,549,405	2,208,771	110,526		2,319,297	2,230,108	2,264,594
Assets under construction	177,267	115,710	(76,040)	216,937					216,937	177,267
	<u>4,650,632</u>	<u>191,750</u>	<u>(76,040)</u>	<u>4,766,342</u>	<u>2,208,771</u>	<u>110,526</u>	<u>-</u>	<u>2,319,297</u>	<u>2,447,045</u>	<u>2,441,861</u>
Wastewater Utility										
Plant and equipment	8,594,090	4,940,492		13,534,582	4,482,768	210,352	-	4,693,120	8,841,462	4,111,322
Assets under construction	4,064,196	1,587,571	(4,940,492)	711,275					711,275	4,064,196
	<u>12,658,286</u>	<u>6,528,063</u>	<u>(4,940,492)</u>	<u>14,245,857</u>	<u>4,482,768</u>	<u>210,352</u>	<u>-</u>	<u>4,693,120</u>	<u>9,552,737</u>	<u>8,175,518</u>
	<u>\$ 67,297,656</u>	<u>\$ 18,024,261</u>	<u>\$ (10,110,833)</u>	<u>\$ 75,211,084</u>	<u>\$ 34,111,531</u>	<u>\$ 1,795,069</u>	<u>\$ (142,157)</u>	<u>\$ 35,764,443</u>	<u>\$ 39,446,641</u>	<u>\$ 33,186,125</u>

CORPORATION OF THE CITY OF GRAND FORKS
Schedule of BC Safe Restart Grant Funding
(Unaudited)

Safe Restart Grant received November 2020	\$	1,359,000
Revenue Shortfalls		
General Government		(306,000)
Recreation, culture and public real estate		(25,000)
Utilities		(61,000)
Eligible Costs Incurred:		
General government services		(12,000)
Protective services		(60,000)
Recreation, culture and public real estate		(32,000)
Public works and utilities		(70,000)
Computer and technology costs		(30,000)
Balance, December 31, 2020	\$	763,000