

*Financial Statements of*

**THE CORPORATION OF THE CITY OF GRAND FORKS**

*For the Year Ended December 31, 2021*

# THE CORPORATION OF THE CITY OF GRAND FORKS

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For the Year Ended December 31, 2021

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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 Canadian public sector accounting standards, 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, BDO Canada LLP., 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

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## Independent Auditor's Report

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

### 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, 2021, and the statement of operations and accumulated surplus, the statement of changes in net financial assets and the statement of cash flows 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, 2021, and its results of operations, its change in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

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

### Other Matters

The financial statements for the year end December 31, 2020 were audited by another practitioner who expressed an unmodified opinion on those financial statements on May 12, 2021.

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of Schedule 3 of the financial statements.

### 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 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.

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.

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.

*BDO Canada LLP*

**Chartered Professional Accountants**  
Kelowna, British Columbia  
May 9, 2022

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

<b><i>As at December 31</i></b>	<b>2021</b>	<b>2020</b>
<b>Financial Assets</b>		
Cash (note 3)	\$ 17,830,505	\$ 20,852,091
Accounts receivable (note 5)	10,877,239	9,289,454
Portfolio Investments (note 6)	3,275,279	2,508,352
Municipal Finance Authority deposit (note 7)	42,547	41,835
Inventories for resale	21,144	18,831
Land held for resale	-	211,036
Lease receivable (note 8)	-	21,597
	<b>32,046,714</b>	<b>32,943,196</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (note 9)	2,522,195	3,572,028
Employee future benefits (note 10)	356,031	355,222
Deferred revenues (note 11)	12,923,315	14,652,391
Development cost charges (note 12)	845,393	796,376
Long-term debt (note 13)	3,049,175	3,220,135
	<b>19,696,109</b>	<b>22,596,152</b>
<b>Net financial assets</b>	<b>12,350,605</b>	<b>10,347,044</b>
<b>Non-financial assets</b>		
Prepaid expenses	131,523	230,778
Land under development (note 14)	-	3,315,000
Inventory of parts and supplies	373,386	451,142
Tangible capital assets (note 15)	43,555,821	39,446,641
	<b>44,060,730</b>	<b>43,443,561</b>
<b>Accumulated surplus (note 16)</b>	<b>\$ 56,411,335</b>	<b>\$ 53,790,605</b>

*[Original signed by]*

Juliette Rhodes, CPA, CGA  
Chief Financial Officer

*[Original signed by]*

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>	2021 Budget (Note 21)	2021 Actual	2020 Actual
<b>Revenue</b>			
Property taxation (note 17)	\$ 4,107,957	\$ 4,097,472	\$ 4,221,996
Sales of services (note 18)	7,476,559	7,571,925	7,397,240
Other revenues (note 19)	384,670	732,112	818,118
Government transfers (note 20)	11,519,810	7,218,732	18,333,685
Contributions from others	100,000	97,217	15,630
Interest income	116,146	179,269	272,575
Investment income on sinking fund	-	22,919	18,288
	<u>23,705,142</u>	<u>19,919,646</u>	<u>31,077,532</u>
<b>Expenses</b>			
General government	1,470,464	1,481,306	1,439,631
Protective services	1,060,385	1,002,979	991,203
Disaster response and recovery	-	248,523	2,638,624
Environmental health services	289,080	266,315	257,941
Public health and welfare	77,134	105,038	83,256
Planning and development	1,158,749	968,919	699,419
Transportation services	1,419,235	1,120,972	1,272,056
Recreation and cultural services	1,070,174	996,491	836,405
Public real estate	263,988	378,424	298,561
Electrical services	4,133,777	3,913,163	3,936,182
Water services	795,750	681,501	675,941
Wastewater services	840,369	923,752	823,523
Amortization	1,799,564	1,965,610	1,795,069
Loss on disposal of tangible capital assets	-	19,114	3,900
Write-down of tangible capital assets	-	167,509	-
Write-down of assets (note 29)	-	3,059,300	4,756,485
	<u>14,378,669</u>	<u>17,298,916</u>	<u>20,508,196</u>
<b>Annual Surplus</b>	9,326,473	2,620,730	10,569,336
Accumulated surplus, beginning of year	<u>53,790,605</u>	<u>53,790,605</u>	<u>43,221,269</u>
<b>Accumulated surplus, end of year</b>	\$ 63,117,078	\$ 56,411,335	\$ 53,790,605

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><b>For the year ended December 31</b></i>	2021 Budget (Note 21)	2021 <b>Actual</b>	2020 Actual
Annual Surplus	\$ 9,326,473	\$ <b>2,620,730</b>	\$ 10,569,336
Acquisition of tangible capital assets	(12,837,488)	<b>(6,248,798)</b>	(8,089,797)
Amortization of tangible capital assets	1,799,564	<b>1,965,610</b>	1,795,069
(Gain) loss on disposal of assets	-	<b>(3,202)</b>	3,900
Proceeds from sale of assets	-	<b>9,702</b>	30,312
Write-down of tangible capital assets	-	<b>167,509</b>	-
Change in land under development	-	<b>3,315,000</b>	(3,315,000)
Net change in prepaid expenses and supplies inventory	-	<b>177,010</b>	(200,979)
Increase (decrease) in Net Financial Assets	(1,711,451)	<b>2,003,561</b>	792,841
Net Financial Assets, beginning of year	10,347,044	<b>10,347,044</b>	9,554,203
Net Financial Assets, end of year	\$ 8,635,593	\$ <b>12,350,605</b>	\$ 10,347,044

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



**CORPORATION OF THE CITY OF GRAND FORKS**  
**Statement of Cash Flow**

***For the year ended December 31***

	<b>2021</b>	<b>2020</b>
<b>Operating transactions</b>		
Annual surplus	\$ 2,620,730	\$ 10,569,336
Adjustment for non-cash items		
Amortization of tangible capital assets	1,965,610	1,795,069
(Gain) loss on disposal of assets	(3,202)	3,900
Decrease in prepaid expenses	99,255	69,290
Decrease in land held for resale	211,036	-
Decrease (increase) in supplies inventory	77,756	(270,269)
Actuarial adjustments on long term debt	(21,688)	(17,134)
Write-down of tangible capital assets	167,509	-
Write-down of buildings for resale	3,059,300	4,756,485
(Increase) decrease in assets		
Accounts receivable	(1,587,785)	(4,832,982)
Lease receivable	21,597	24,841
MFA deposits	(712)	(843)
Inventories for resale	(2,313)	10,000
Buildings for resale	255,700	(8,071,485)
Increase (decrease) in liabilities		
Accounts payable and accrued liabilities	(1,049,834)	1,287,481
Deferred revenues	(1,729,076)	14,039,725
Employee future benefits	809	39,330
Deferred development cost charges	49,017	21,629
	<u>4,133,709</u>	<u>19,424,373</u>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(6,248,798)	(8,089,797)
Proceeds on disposal of tangible capital assets	9,702	30,312
	<u>(6,239,096)</u>	<u>(8,059,485)</u>
<b>Investing transactions</b>		
Increase in portfolio investments	(766,927)	(2,508,352)
	<u>(766,927)</u>	<u>(2,508,352)</u>
<b>Financing transactions</b>		
Repayment of long-term debt	(149,272)	(262,543)
	<u>(149,272)</u>	<u>(262,543)</u>
Net (decrease) increase in cash	(3,021,586)	8,593,993
Cash, beginning of year	20,852,091	12,258,098
<b>Cash, end of year</b>	<u>\$ 17,830,505</u>	<u>\$ 20,852,091</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, 2021*

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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").

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.

#### Budget Figures

The budget figures are from the 5-Year Financial Plan Bylaw, No. 2078 which was adopted on March 22, 2021. Subsequent budget amendments adopted by Council have not been included in these financial statements.

#### Revenue Recognition

Taxation revenues are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxation event occurs. 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.

# THE CORPORATION OF THE CITY OF GRAND FORKS

## Notes to the Financial Statements

*For the year ended December 31, 2021*

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### 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.

### 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.

### 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 replacement cost.

# THE CORPORATION OF THE CITY OF GRAND FORKS

## Notes to the Financial Statements

*For the year ended December 31, 2021*

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### 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:

<b>Asset Class</b>	<b>Estimated Useful Life</b>
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
Electrical Utility Plant & Equipment	5 - 40 years
Water Utility Plant & Equipment	10 - 50 years
Wastewater Utility Plant & Equipment	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 are written down when conditions indicate that they no longer contribute to the City's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations.

### 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.

### 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.

### 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, utility revenue accruals, 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.

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

*For the year ended December 31, 2021*

**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.

	2021	2020
Restricted cash		
Statutory Reserves	\$ 6,534,077	\$ 7,435,094
Development Cost Charges (see Note 12)	<u>845,393</u>	<u>796,376</u>
	7,379,470	8,231,470
Unrestricted cash	<u>10,451,035</u>	<u>12,620,621</u>
Total cash	<u>\$ 17,830,505</u>	<u>\$ 20,852,091</u>

**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, secured by a promissory note and bearing interest at the base lending rate less 0.5%. At December 31, 2021, the balance outstanding on the operating line of credit was \$Nil (2020 - \$Nil).

**5. Accounts Receivable**

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

	2021	2020
Property taxes	\$ 476,235	\$ 603,372
Utility accounts receivable	1,288,039	1,300,013
Due from other governments (Note 29)	8,577,021	7,068,083
Trade and other receivables	<u>535,944</u>	<u>317,986</u>
	<u>\$ 10,877,239</u>	<u>\$ 9,289,454</u>

**6. Portfolio Investments**

	2021	2020
Term deposit, maturing December, 2022	\$ 735,000	\$ -
MFA Short Term Bond Fund	1,538,118	1,507,720
MFA Money Market Fund	<u>1,002,161</u>	<u>1,000,632</u>
	<u>\$ 3,275,279</u>	<u>\$ 2,508,352</u>

The market value of portfolio investments at December 31, 2021 was \$3,233,843 (2020 - \$2,509,693), with yields from 0.3% to 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.

# THE CORPORATION OF THE CITY OF GRAND FORKS

## Notes to the Financial Statements

*For the year ended December 31, 2021*

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

	Demand Notes	Cash Deposits	2021	2020
General Fund	\$ 17,929	\$ 11,828	\$ <b>29,757</b>	\$ 29,559
Water Fund	10,024	7,001	<b>17,025</b>	16,908
Wastewater Fund	48,787	23,718	<b>72,505</b>	72,108
	<b>\$ 76,740</b>	<b>\$ 42,547</b>	<b>\$ 119,287</b>	<b>\$ 118,575</b>

### 8. Lease Receivable

During the year, the City concluded a long-term lease agreement with the Regional District of Kootenay Boundary for the lease of a building and lands. The term of the agreement was 12 years commencing August 1, 2010, with annual payments of \$27,000 including interest at 4.65%. Interest of \$1,005 (2020 - \$2,159) was received during the year.

### 9. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities comprise the following:

	2021	2020
Wages and benefits	\$ <b>666,652</b>	\$ 708,672
Trade payables	<b>1,626,566</b>	1,640,808
Property purchase agreements (Note 14)	-	933,000
Other taxing authorities	<b>208,033</b>	267,374
Accrued interest	<b>20,944</b>	22,174
	<b>\$ 2,522,195</b>	<b>\$3,572,028</b>

### 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, 2021*

### 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	\$ 323,608	\$ 362,672	\$ (323,608)	\$ 362,672
Prepaid utilities	44,276	56,954	(44,276)	56,954
Library maintenance contract	41,058	13,000	(12,895)	41,163
Disaster mitigation grant (Note 29)	14,096,136	-	(3,387,312)	10,708,824
Other grants	131,600	1,841,896	(250,396)	1,723,100
Deposits and other	15,713	21,214	(6,325)	30,602
	<u>\$ 14,652,391</u>	<u>\$ 2,295,736</u>	<u>\$ (4,024,812)</u>	<u>\$ 12,923,315</u>

### 12. 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.

	2021	2020
Balance, beginning of year	\$ 796,376	\$ 774,747
Contributions from developers	41,162	10,389
Interest on investments	7,855	11,240
Balance, end of year	<u>\$ 845,393</u>	<u>\$ 796,376</u>

The balance of deferred development cost charges comprises the following:

	2021	2020
Water development cost charges	\$ 345,083	\$ 320,988
Wastewater development cost charges	497,676	472,779
Parkland development cost charges	2,634	2,609
	<u>\$ 845,393</u>	<u>\$ 796,376</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, 2021*

The City 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, consisting of a five-year loan payable in monthly installments at a variable interest rate based on the monthly Canadian Dealer Offered Rate, was retired during 2021.

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	2021 Interest
<b>General</b>								
Roads - NW 79th Bylaw 1887; MFA Issue #112	3.73%	15 yrs	2025	\$ 28,028	\$ 3,758	\$ 1,469	\$ 22,801	\$ 896
General Fund Capital Renewal Bylaw 1923; MFA Issue #149	2.24%	25 yrs	2044	1,015,702	28,644	859	986,199	23,393
<b>Water Utility</b>								
Emergency Water Supply Bylaw 1922; MFA Issue #149	2.24%	25 yrs	2044	413,343	11,657	350	401,336	9,520
Water Fund Capital Renewal Bylaw 1923; MFA Issue #149	2.24%	25 yrs	2044	240,345	6,778	203	233,364	5,536
<b>Sewer Utility</b>								
City Park Lift Station Bylaw 1873; MFA Issue #126	3.85%	20 yrs	2033	1,290,917	59,000	18,640	1,213,277	67,642
Sewer Fund Capital Renewal Bylaw 1923; MFA Issue #149	2.24%	25 yrs	2044	197,948	5,583	167	192,198	4,559
<b>Long term loan financing</b>				\$ 3,186,283	\$ 115,420	\$ 21,688	\$ 3,049,175	\$ 111,546
<b>Equipment financing</b>								
2015 Cobra Ladder Truck MFA Loan #0001-0	1.22%	5 yrs	2021	\$ 33,852	\$ 33,852	\$ -	\$ -	\$ 42
<b>Total Long Term Debt</b>				\$ 3,220,135	\$ 149,272	\$ 21,688	\$ 3,049,175	\$ 111,588

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

	2022	2023	2024	2025	2026
General	\$ 32,402	\$ 32,402	\$ 32,402	\$ 32,402	\$ 28,644
Water Utility	18,435	18,435	18,435	18,435	18,435
Sewer Utility	64,583	64,583	64,583	64,583	64,583
	\$ 115,420	\$ 115,420	\$ 115,420	\$ 115,420	\$ 111,662



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

*For the year ended December 31, 2021*

**14. Land Under Development**

During 2021, the City completed purchase transactions which were the subject of prior year Right to Purchase Agreements with property owners for the acquisition of land and improvements under the Disaster Mitigation and Adaptation Land Acquisition program (note 29). \$933,000 was paid during the year for the outstanding contract payments under these agreements.

**15. Tangible Capital Assets**

Tangible capital assets consist of the following:

	Net Book Value 2021	Net Book Value 2020
<b>General</b>		
Land	\$ 6,933,132	\$ 5,344,730
Land improvements	324,086	345,254
Buildings	3,138,254	2,837,300
Machinery and equipment	925,961	844,351
Engineering structures	8,822,932	9,003,244
Storm structures	72,870	12,495
Protective services vehicles	929,273	967,890
Public works vehicles	1,004,752	1,016,311
Assets under construction	5,694,814	2,455,815
	<b>27,846,074</b>	<b>22,827,390</b>
<b>Water Utility</b>		
Plant and equipment	4,253,617	4,619,469
Assets under construction	34,148	-
	<b>4,287,765</b>	<b>4,619,469</b>
<b>Electrical Utility</b>		
Plant and equipment	2,118,233	2,230,108
Assets under construction	49,429	216,937
	<b>2,167,662</b>	<b>2,447,045</b>
<b>Wastewater Utility</b>		
Plant and equipment	9,254,320	8,841,462
Assets under construction	-	711,275
	<b>9,254,320</b>	<b>9,552,737</b>
<b>Total Tangible Capital Assets</b>	<b>\$ 43,555,821</b>	<b>\$ 39,446,641</b>

See Schedule 2 for additional information on the City's tangible capital assets.

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

*For the year ended December 31, 2021*

16. Accumulated surplus comprises the following:

	2021	2020
<b>Operating</b>	<b>\$ 9,340,513</b>	<b>\$ 11,654,897</b>
<b>Statutory Reserves</b>		
Community works gas tax	1,738,497	1,421,148
Capital	1,579,441	1,586,939
Land sales	1,026,632	1,016,929
Slag sales	1,010,700	847,550
Electrical capital	798,400	790,212
Equipment replacement	199,063	62,659
Water capital	110,735	109,524
Climate action	41,536	29,080
Wastewater capital	24,695	24,444
Cash in lieu of parking	4,477	4,434
	<b>\$ 6,534,176</b>	<b>\$ 5,892,919</b>
<b>Non-Statutory Reserves</b>		
Election reserve	30,000	15,000
Fire department - EOC reserve	-	1,283
	<b>\$ 30,000</b>	<b>\$ 16,283</b>
<b>Investment in Non-Financial Assets</b>		
Investment in tangible capital assets	40,506,646	36,226,506
	<b>\$ 56,411,335</b>	<b>\$ 53,790,605</b>

**17. Property Tax Revenues**

Municipal taxation revenues consist of the following:

	2021	2020
Property taxes	\$ 3,957,316	\$ 3,881,394
Parcel and frontage taxes	5,774	154,153
1% utilities tax	101,513	144,859
Grants and payments in lieu of taxes	32,869	41,590
	<b>\$ 4,097,472</b>	<b>\$ 4,221,996</b>

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

*For the year ended December 31, 2021*

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**18. Sale of Services**

	2021	2020
Electrical utility user fees	\$ 5,039,483	\$ 4,840,946
Water utility user fees	1,012,362	1,003,661
Wastewater utility user fees	902,503	931,329
Solid waste collection	275,251	276,157
Slag sales	195,008	242,169
Campground fees	55,760	40,152
Cemetery	37,544	28,010
Airport (net of cost of fuel sold)	31,743	21,186
Sundry and other	22,271	13,630
	<u>\$ 7,571,925</u>	<u>\$ 7,397,240</u>

**19. Other Revenues**

	2021	2020
Leases and rentals	\$ 264,301	\$ 154,814
Licences and permits	125,814	55,241
Donations and grants	106,310	37,300
Penalties and interest	83,249	79,548
Insurance recoveries	69,484	385,217
Franchise fees	62,529	62,814
Other revenues	20,425	27,022
Other recoveries	-	16,162
	<u>\$ 732,112</u>	<u>\$ 818,118</u>

**20. Government Transfers**

In 2021 the City received and recorded the following transfers from other governments:

	2021	2020
<b>Operating transfers</b>		
Provincial	\$ 800,844	\$ 2,335,436
Regional	311,248	327,852
	<u>\$ 1,112,092</u>	<u>\$ 2,663,288</u>
<b>Capital transfers</b>		
Federal	\$ 2,574,112	\$ 6,219,358
Provincial	3,469,102	9,451,039
Regional	63,426	-
	<u>\$ 6,106,640</u>	<u>\$ 15,670,397</u>
<b>Total government transfers</b>	<u>\$ 7,218,732</u>	<u>\$ 18,333,685</u>

# THE CORPORATION OF THE CITY OF GRAND FORKS

## Notes to the Financial Statements

*For the year ended December 31, 2021*

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### 21. Reconciliation to Budget

The following reconciles the balanced statutory budget adopted by Council on March 22, 2021 with the budgeted surplus reported on the statement of operations and accumulated surplus:

Budget surplus as per the statement of operations and accumulated surplus	\$ 9,326,473
Add: Amortization expense	1,799,564
Transfers from reserves and surplus	1,834,388
Proceeds from borrowing	26,114
Subtract: Debt principal repayments	(149,051)
Tangible capital asset expenditures	(12,837,488)
Financial Plan Balance per Bylaw No. 2078	<u>\$ -</u>

### 22. Trust Funds

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

	2021	2020
<b>Fund Balance</b>		
Cemetery Care Fund	\$ 181,117	\$ 179,409
Employee Assistance Program	6,514	5,556
Slag Remediation Trust	<u>21,554</u>	<u>21,350</u>
	<u>\$ 209,185</u>	<u>\$ 206,315</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, 2021*

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### **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, 2020, the plan has about 220,000 active members and approximately 112,000 retired members. Active members include approximately 42,000 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 \$345,749 (2020 - \$334,102) for employer contributions to the plan in fiscal 2021.

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 2022 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 2021 were \$207,579 (2020 - \$206,803).

The City has significant contractual commitments for incomplete capital acquisitions and construction projects in progress. As at the end of December 2021, the City had entered into contracts totalling \$3,778,948, with expenditures to date of \$2,608,154. These contracts are planned for completion during 2022, 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, 2021*

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### 26. Contingent Assets

The City has entered into a partnership agreement with the Osoyoos Indian Band (OIB) to relocate up to 10 residential buildings from flood prone areas to other locations within the City. Under the terms of the agreement, the City will contribute the houses and development lands, with OIB providing the development services for relocation and reconstruction of the properties for resale. Sale proceeds, net of development costs, will be shared equally by the City and OIB. An estimate of the City's share of proceeds cannot be made, due to the volatility of commodity prices and uncertainties in the current real estate market.

### 27. Contractual Rights

The City has entered into property lease and utility franchise and pole agreements with 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:

2022	190,300
2023	187,500
2024	174,200
2025	96,000
2026	<u>67,800</u>
Total	\$715,800

The City is entitled to minimum annual payments of \$116,000 for a land lease and the removal of material from City-owned slag piles under the terms of an agreement ending in March 2036.

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. \$287,133 of revenue was recorded in 2021 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 \$490,596 has been recognized based on eligible expenditures, leaving \$7,951,481 of revenue to be realized as the remaining expenditures are incurred over the next few years, as follows:

Investing in Canada Infrastructure Program	\$7,040,277
Rural Dividend Fund	7,609
BC Community Grants Project	18,210
Tourism Dependent Community Fund	209,500
Strengthening Communities' Services Program	175,885
Local Government Development Approvals Program	500,000

The City is also expected to receive approximately \$482,800 of grant funding from 2022 to 2023 under the Community Works Fund.

# THE CORPORATION OF THE CITY OF GRAND FORKS

## Notes to the Financial Statements

*For the year ended December 31, 2021*

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### 28. Future Accounting Changes

#### **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.

#### **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.

# THE CORPORATION OF THE CITY OF GRAND FORKS

## Notes to the Financial Statements

*For the year ended December 31, 2021*

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### 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.

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 2021, the City incurred \$5,680,451 (2020 - \$15,298,107) of expenditures under the DMAF program, including \$3,343,539 (2020 - \$2,394,641) for program design and construction and \$165,012 (2020 - \$2,169,981) for additional buyout compensation. The City recorded \$1,482,600 (2020 - \$3,595,000) for land and \$3,071,300 (2020 - \$4,756,485) for residential improvements acquired under the program, with \$2,382,000 of these amounts prepaid in 2020.

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 require removal from their current locations during 2022. The City has initiated a salvage program for the resale, relocation or demolition of these residential improvements. Because the salvage revenues are uncertain and expectations are that they will be minimal, the City has written off an additional \$3,059,300 for the improvements acquired in 2021 (2020 - \$4,756,485). 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. \$3,387,312 was recognized as revenue in 2021 (2020 - \$8,981,017), with the remaining \$10,708,824 of the advance recorded as deferred revenue (Note 11). \$2,093,709 was recorded as federally eligible grant revenue in 2021 (2020 - \$5,987,345), with the \$8,158,952 total Federal contribution to date included in accounts receivable.

The City's final insurance claim was settled during the year, with \$63,505 of additional proceeds received and included in revenues.

### 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, 2021*

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### **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, Culture and Public Real Estate**

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, 2021*

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**Wastewater Utility**

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

**CORPORATION OF THE CITY OF GRAND FORKS**  
**Schedule of Segmented Information**

*December 31, 2021*

	<b>General Fund</b>										
	General Government Services	Protective Services	Environment and Public Health	Planning and Development Services	Transportation Services and Public Work	Recreation Culture & Public Real Estate	<b>Electrical Utility</b>	<b>Water Utility</b>	<b>Wastewater Utility</b>	<b>2021 Total</b>	<b>2020 Total</b>
<b>Revenue</b>											
Taxation	\$ 4,097,472									\$ 4,097,472	\$ 4,221,996
Sale of services	202,389	1,890	312,795	13,000	31,743	55,760	5,039,483	1,012,362	902,503	7,571,925	7,397,240
Other revenues	164,555		1,285	93,014		433,381	24,312	11,331	4,234	732,112	818,118
Government transfers	1,142,903	539,686		83,991	5,452,152					7,218,732	18,333,685
Contributions from others				67,473					29,744	97,217	15,630
Interest income	145,823					1,005		43	471	147,342	264,223
Investment income	34,500							683	19,663	54,846	26,640
	<b>\$ 5,787,642</b>	<b>\$ 541,576</b>	<b>\$ 314,080</b>	<b>\$ 257,478</b>	<b>\$ 5,483,895</b>	<b>\$ 490,146</b>	<b>\$ 5,063,795</b>	<b>\$ 1,024,419</b>	<b>\$ 956,615</b>	<b>\$ 19,919,646</b>	<b>\$ 31,077,532</b>
<b>Expenses</b>											
Wages & benefits	1,451,593	589,634	65,667	526,092	849,150	336,495	443,227	215,485	301,694	4,779,037	4,635,417
General Services	58,324	118,093	61,183	40,216	29,900	9,820	11,062	3,798	10,082	342,478	349,739
Professional and Contract Services	247,274	173,190	208,863	236,813	146,539	195,360	58,199	68,956	52,585	1,387,779	1,694,786
Materials & Supplies	207,393	68,758	3,065	3,885	306,876	170,616	131,457	116,587	74,097	1,082,734	997,631
Telephone & Utilities	11,961	36,284		6,528	34,668	39,207	4,314	1,799	48,637	183,398	163,687
Insurance	18,415	5,723	143		67,728	65,817	8,424	21,275	40,202	227,727	214,494
Labour, utility and IT cost allocations	(513,654)	94,808	32,432	24,885	(338,221)	185,017	(48,067)	238,546	324,254	-	-
Purchased for resale							3,304,547			3,304,547	3,227,869
Grants & fee for service				130,500		372,583				503,083	384,124
Other expenses		165,012								165,012	2,169,981
Interest					24,332			15,055	72,201	111,588	115,014
Amortization		85,021			891,035	174,819	111,875	365,852	337,008	1,965,610	1,795,069
Loss on disposal of assets		(6,226)			3,024				22,316	19,114	3,900
Write-down of assets					3,059,300		167,509			3,226,809	4,756,485
	<b>\$ 1,481,306</b>	<b>\$ 1,330,297</b>	<b>\$ 371,353</b>	<b>\$ 968,919</b>	<b>\$ 5,074,331</b>	<b>\$ 1,549,734</b>	<b>\$ 4,192,547</b>	<b>\$ 1,047,353</b>	<b>\$ 1,283,076</b>	<b>\$ 17,298,916</b>	<b>\$ 20,508,196</b>
<b>Net surplus (deficit)</b>	<b>\$ 4,306,336</b>	<b>(788,721)</b>	<b>(57,273)</b>	<b>(711,441)</b>	<b>\$ 409,564</b>	<b>(1,059,588)</b>	<b>\$ 871,248</b>	<b>(22,934)</b>	<b>(326,461)</b>	<b>\$ 2,620,730</b>	<b>\$ 10,569,336</b>

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

**December 31, 2021**

	Cost				Accumulated Amortization				Net Book Value 2021	Net Book Value 2020
	Opening Balance	Additions	Transfers/ Disposals	Closing Balance	Opening Balance	Amortization Expense	Transfers/ Disposals	Closing Balance		
<b>General</b>										
Land	\$ 5,344,730	\$ 1,588,402		\$ 6,933,132	\$ -			\$ -	<b>\$ 6,933,132</b>	\$ 5,344,730
Land improvements	432,302			432,302	87,048	21,168		108,216	<b>324,086</b>	345,254
Buildings	6,361,916	454,605	(32,665)	6,783,856	3,524,616	153,651	(32,665)	3,645,602	<b>3,138,254</b>	2,837,300
Machinery and equipment	2,800,761	212,597	(18,989)	2,994,369	1,956,410	130,987	(18,989)	2,068,408	<b>925,961</b>	844,351
Engineering structures	22,955,878	457,800		23,413,678	13,952,634	638,112		14,590,746	<b>8,822,932</b>	9,003,244
Storm structures	17,850	61,524		79,374	5,355	1,149		6,504	<b>72,870</b>	12,495
Protective services vehicles	1,838,561	48,904	(32,620)	1,854,845	870,671	85,021	(30,120)	925,572	<b>929,273</b>	967,890
Public works vehicles	3,274,528	113,228	(33,902)	3,353,854	2,258,217	120,787	(29,902)	2,349,102	<b>1,004,752</b>	1,016,311
Assets under construction	2,455,815	5,965,023	(2,726,024)	5,694,814	-			-	<b>5,694,814</b>	2,455,815
	<u>45,482,341</u>	<u>8,902,083</u>	<u>(2,844,200)</u>	<u>51,540,224</u>	<u>22,654,951</u>	<u>1,150,875</u>	<u>(111,676)</u>	<u>23,694,150</u>	<u><b>27,846,074</b></u>	<u>22,827,390</u>
<b>Water Utility</b>										
Plant and equipment	10,716,545			10,716,545	6,097,076	365,852		6,462,928	<b>4,253,617</b>	4,619,469
Assets under construction	-	34,148		34,148					<b>34,148</b>	-
	<u>10,716,545</u>	<u>34,148</u>	<u>-</u>	<u>10,750,693</u>	<u>6,097,076</u>	<u>365,852</u>	<u>-</u>	<u>6,462,928</u>	<u><b>4,287,765</b></u>	<u>4,619,469</u>
<b>Electrical Utility</b>										
Plant and equipment	4,549,405		(21,930)	4,527,475	2,319,297	111,875	(21,930)	2,409,242	<b>2,118,233</b>	2,230,108
Assets under construction	216,937		(167,508)	49,429					<b>49,429</b>	216,937
	<u>4,766,342</u>	<u>-</u>	<u>(189,438)</u>	<u>4,576,904</u>	<u>2,319,297</u>	<u>111,875</u>	<u>(21,930)</u>	<u>2,409,242</u>	<u><b>2,167,662</b></u>	<u>2,447,045</u>
<b>Wastewater Utility</b>										
Plant and equipment	13,534,579	749,866	(42,751)	14,241,694	4,693,117	337,008	(42,751)	4,987,374	<b>9,254,320</b>	8,841,462
Assets under construction	711,275		(711,275)	-					<b>-</b>	711,275
	<u>14,245,854</u>	<u>749,866</u>	<u>(754,026)</u>	<u>14,241,694</u>	<u>4,693,117</u>	<u>337,008</u>	<u>(42,751)</u>	<u>4,987,374</u>	<u><b>9,254,320</b></u>	<u>9,552,737</u>
	<u>\$ 75,211,082</u>	<u>\$ 9,686,097</u>	<u>\$ (3,787,664)</u>	<u>\$ 81,109,515</u>	<u>\$ 35,764,441</u>	<u>\$ 1,965,610</u>	<u>\$ (176,357)</u>	<u>\$ 37,553,694</u>	<u><b>\$ 43,555,821</b></u>	<u>\$ 39,446,641</u>

Included in the cost of transfers/disposals are \$350,365 of disposals and \$3,437,299 of completed assets under construction.

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

<b>Safe Restart Grant received November 2020</b>	<b>\$</b>	<b>1,359,000</b>
<b>Unspent balance, January 1, 2021</b>	<b>\$</b>	<b>763,000</b>
Revenue shortfalls		
General government		(275,000)
Recreation, culture and public real estate		(23,000)
Increased operating costs		
General government		(25,000)
Protective services		(68,000)
Recreation, culture and public real estate		(15,000)
Public works and utilities		(25,000)
Computer and technology costs		(37,000)
<b>Unspent balance, December 31, 2021</b>	<b>\$</b>	<b>295,000</b>