



Settle down.[®]

2025 ANNUAL REPORT



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MESSAGE FROM THE MAYOR

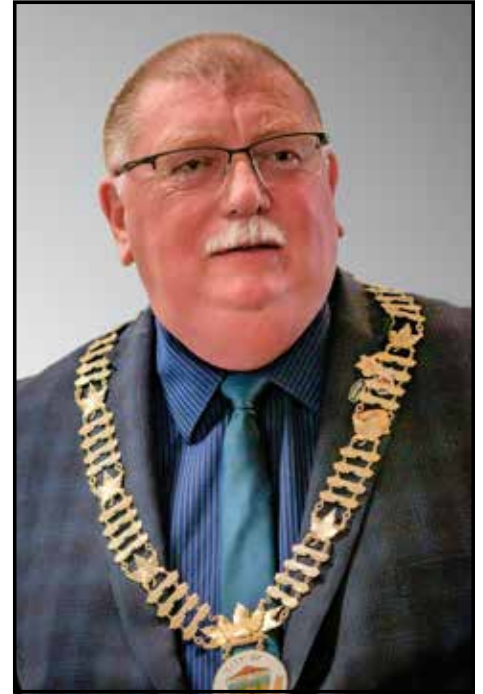
The City completed several major projects in 2025. The Valley Heights area got a lot of attention, with the electrical upgrade completed by last summer, and the start of the long-awaited reservoir replacement project beginning with site preparation work in the fall.

Council remains committed to ensuring the availability of quality healthcare, and continue to work together with Interior Health and our local physicians and other healthcare providers to support Boundary Hospital.

Steady progress has been made on the flood mitigation program, and the end is in sight as most of the work packages were at or near completion at year-end. The completion of the program in 2026 means that there is plenty of reporting now due in order to complete the requirements of the many grants which funded the work.

Grand Forks continues to see support and interest from the Provincial and Federal governments. We again enjoyed hosting provincial MLA's and MP's who visited our community, often with grant announcements in tow.

The proposed Boundary Extension remains with the province for their review, and we look forward to their continued feedback.



Everett Baker, Mayor,
June 2026



CITY COUNCIL



Everett Baker
Mayor

Liaison to:
Minister Responsible for Housing
BC Housing
Interior Health Authority
Minister of Health
Regional District of Kootenay-Boundary
West Kootenay and Boundary Regional
Hospital District
MIABC (alt)



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Zak Eburne-Stoodley
Councillor

Liaison to:
Boundary Museum
Discover Grand Forks

David Mark
Councillor

Liaison to:
Royal Canadian Mounted Police
Grand Forks Fire/Rescue



Neil Krog
Councillor

Liaison to:
Gallery 2
Grand Forks Airport

Christine Thompson
Councillor

Liaison to:
Boundary Country Regional Chamber
of Commerce
Municipal Insurance Association of BC
Accessibility Advisory Committee



Deborah Lafleur
Councillor

Liaison to:
GF Community Trails Society
Hotel Developers
Seniors Committee
Grand Forks and District Public Library
GF and District Recreation Commission
Accessibility Advisory Committee (alt)

Rod Zielinski
Councillor

Liaison to:
Regional District of Kootenay Boundary (alt)
West Kootenay and Boundary Regional
Hospital District (alt)



BUILDING INSPECTION

Building Inspection

The department is responsible for the full range of tasks associated with the City of Grand Forks Building Bylaw, including but not limited to:

- Issuing building and plumbing permits.
- Performing building and plumbing inspections.
- Assisting developers and property owners with their construction concepts.
- Working closely with all other municipal departments to ensure all city interests are observed.



2025 Highlights

2025 was an average year for building permit applications, however construction values were higher than average. The department handled 134 development inquiries.



AND BYLAW SERVICES

Goals for 2026

- A 33-unit hotel complex and additional townhomes are underway.
- Implementation of a succession plan for the department is a priority.

Bylaw Services



The department supports and reinforces community standards set out within the City's regulatory bylaws in accordance with the City's bylaw enforcement policies. The department also works to liaise with the City's unhoused population to monitor use of public areas and support access to services where possible.

Bylaw Services supports and works with other city departments and external agencies as an active partner in promoting and maintaining community safety and contributing to effective City operations.

2025 Highlights

- A new Animal Control position was created in 2025 after the Regional District discontinued the animal control service in the Grand Forks area. Feedback received in the first months of the service have been positive.
- There was a significant increase in calls for bylaw services, likely due in part to increased public awareness, visibility of bylaw enforcement officers in the community, and proactive enforcement.
- Property use and parking complaints increased in 2025, while complaints related to unsightly premises were consistent with previous years' statistics.

Goals for 2026

- Continue to monitor and respond to unauthorized transient camps and activity in public areas and on municipal property throughout the year.
- Continue to monitor and respond to complaints and/or general regulatory issues identified in the community.
- Continue to support and participate in various community safety initiatives as they arise or are identified – emergency program, crime prevention, presence and deterrence, public awareness, and education.
- Continue to support initiatives, training and equipment for safety of Bylaw Enforcement Officers.
- Review and update regulatory bylaws as need identified / directed.



BYLAW ENFORCEMENT

143 Bylaw Responses
240 Community Safety Calls

CORPORATE SERVICES AND

Corporate Services' primary function is to ensure that the Corporation is meeting its statutory and legislative obligations. The main responsibilities include preparation of agendas and minutes of Council, records management and retention of documents, providing administrative support for Mayor and Council, assisting the public with Freedom of Information requests, assisting in the development of policies, bylaws, and contracts, long-term strategic planning and oversight of municipal elections.

The department is responsible for corporate communications internally and externally, including the city website, social media, media relations, public engagement and consultation programs in collaboration with Senior Managers and/or Council. We prepare the legislatively required annual report, liaise between media and Council, and ensure the organization's brand guidelines are maintained in all communications, produces newsletters and media releases.

Corporate Services also oversees Community Services and involves coordinating fee-for-service agreements and engaging with key community groups and committees as required.

Corporate Services also oversees all Information Technology activity for the organization, and supports other areas of the City's operation as needed.



COUNCIL MEETINGS

- 17 Regular Meetings
- 10 Committee of the Whole
- 7 Public Hearings and Special Meetings

2025 Highlights

- Staff continued to work on the Boundary Extension application which was submitted to the province in mid-2024. The province's review process has included consultations with several ministries.
- The accessibility advisory committee received a grant to conduct a review of accessible parking in the downtown core. The fulfillment of this work was overseen by the Corporate department.
- The vacant Administration Assistant position was filled in May.



Goals for 2026

Corporate & Legislative Services

- Records Management - Updating bylaws and policies which are showing their age.

General Municipal Election

- The 2026 Municipal General Election will be held in October. Staff will be focussed on this significant event starting in Q2 with required planning for the election, including staffing, facilities, and logistics, and will coordinate with contractors and services providers as needed. The nomination period will open in September, and several legislated timelines and activities will begin at that point.

INFORMATION TECHNOLOGY

2025 Highlights

- A website theme update was completed by IT and Communications resulting in a switch from light-on-dark to dark-on-light for better readability.
- Network upgrades for the water/wastewater SCADA system continue to be deployed in phases as part of a multi-year capital project.
- Refresh of the cybersecurity campaign issued to all staff.



INFORMATION TECHNOLOGY

- 127 desktop computers
- 82 devices upgraded to Windows 11
- 20 sites connected to City network
- 5 security training campaigns delivered

Goals for 2026

Information Technology

- Activation of additional Camera/Security infrastructure at remote sites.
- Complete the upgrade of the Public Works fire alarm panel.
- Continue the ongoing water/wastewater SCADA network device upgrades.

Communications

- Support the Flood Mitigation Program (FMP) and Emergency Operations as events require.
- Support the OMNII project's public introduction as part of the Development Approvals Procedures updates.

PLANNING AND DEVELOPMENT

The primary goal of the department is to direct development in such a manner that it results in a thriving community. This is largely done by actively engaging with current and long-term plans which manage essential community functions such as land use, infrastructure and asset management, and environmental protection. Operationally, the department is responsible for maintaining, updating, and administering land use related bylaws and policies while adhering to legislated requirements. Some common processes handled by the department include subdivisions, servicing, rezoning, land title permits and charges, and bylaw interpretation.

The Manager of Strategic Initiatives / Flood Recovery coordinates land acquisition, land management and ecosystem planning, and development initiatives related to flood recovery and mitigation. The Manager also supports the Department in long range planning, major development and capital project review, and sustainability and asset management planning.

2025 Highlights

- GIS team created a mobile app for real-time data collection for bylaw enforcement officers.
- Completed testing and revisions of the OMNII system.
- Updated the Official Community Plan to integrate updates required by the province as a result of legislative changes and the completion of the City's Housing Needs Report.
- Completed final draft of the Development Approvals Procedures Bylaw



Goals for 2026

General

- Completion of and implementation of *Project OMNII: Optimized Municipal Network of Integrated Information* including release of tools to the public and integration of processes with other departments. Testing, revisions, and documentation in progress.

Business Licencing

- Review of the current Business Licence Bylaw to determine required updates.
- Processing of business licences and relevant enquiries.

Current Planning

- Administration of liquor and cannabis licence processes.
- Administration of land use planning processes including: development permits, development variance permits, strata conversions, subdivisions, temporary use permits, zoning amendments/updates and OCP amendments/updates.
- Administration of land tenure processes including leases, licences of occupation, stewardship agreements, statutory rights-of-way, road dedications, road closures, etc...
- Registration of permits and charges at the Land Titles Office.



DEVELOPMENT AND PLANNING

533	Development Enquiries
55	Business Licence Enquiries
7	Development Permits Issued
2	Zoning Amendments
2	Temporary Use Permits
277	BC One Call Reviews

Long Range Planning

- Updates to the Zoning Bylaw for alignment with the OCP and general housekeeping.
- Updates to the Zoning Bylaw for alignment with completed flood mitigation projects.
- Update to the OCP for groundwater protection.
- Updates to the administrative section of the Subdivision, Development and Servicing Bylaw.



FINANCE DEPARTMENT

The Finance Department has six staff members that include the Chief Financial Officer, an Accountant/Comptroller, a Payments Clerk, a Revenue Clerk, an Accounting Clerk, and an Administrative Assistant.

The Finance Department provides financial expertise, administers financial legislation, and develops and implements financial policies and controls within the organization. The department's key areas of responsibility include:

- corporate financial planning and budgeting
- monitoring and reporting income, expenses, capital expenditures and grants
- providing support to business operations
- property tax, utility billing and business licence invoicing and collections
- accounts payable and payroll processing
- cemetery administration
- reception and telephone answering services

2025 Highlights

- Staff continued to provide expenditure reporting and claims support for the Flood Mitigation Program to the Capital Projects team. A total of nine separate funding streams were managed, totalling over \$5M during the year.
- Continued the implementation of CaseWare accounting software, expanding its capabilities to streamline the year-end and audit process.
- Revision of the City's procurement policy, aligning thresholds and processes with current best practices, and incorporating local preference considerations.
- Successfully recruited and onboarded a new City Hall receptionist following the retirement of the City's long-serving receptionist.

Goals for 2026

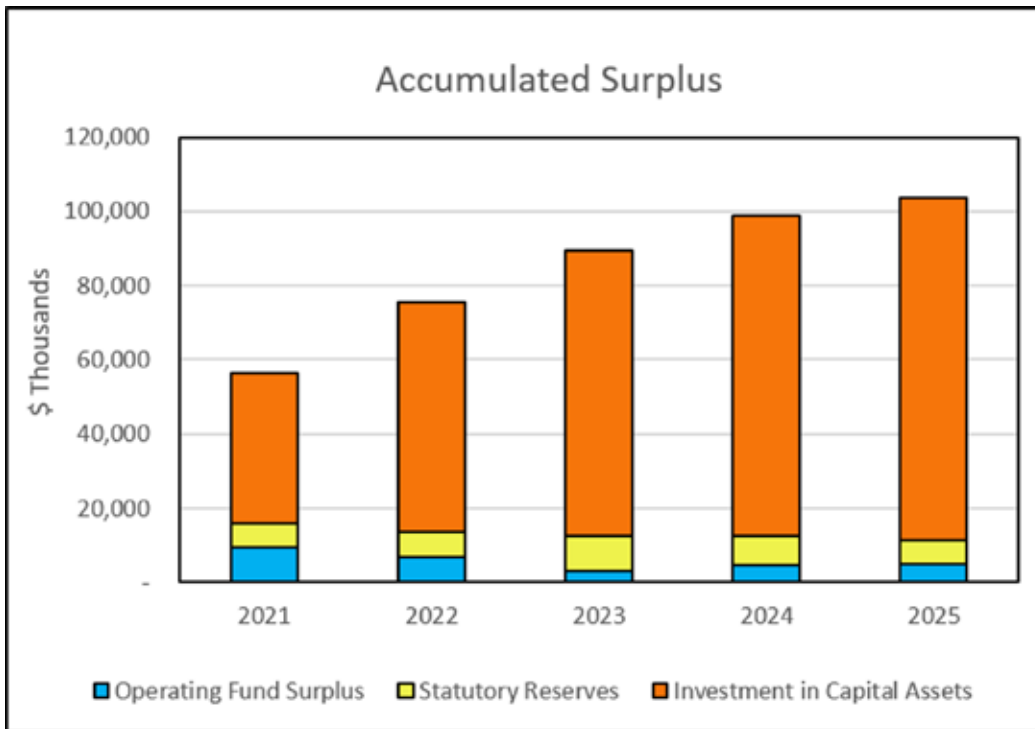
- Focus on succession planning and cross-training within the department.
- Focus on education and training opportunities for finance staff.
- Continue with completing ongoing projects as follows:
 - * Revision of the current Tangible Capital Asset policy
 - * Clean-up data in the Vadim financial system
 - * Review and documentation of Finance internal policies and procedures
- Continue providing support for the Capital Projects team in capital project reporting and claims submission for the Flood Mitigation & General Capital Programs.

Financial Highlights for 2025

The annual surplus for 2025 was \$4,917,598.

Accumulated surplus increased from \$98,686,785 in 2024 to \$103,604,383 at the end of 2025.

Net financial assets decreased from \$8,771,306 in 2024 to \$7,759,003 at the end of 2025.

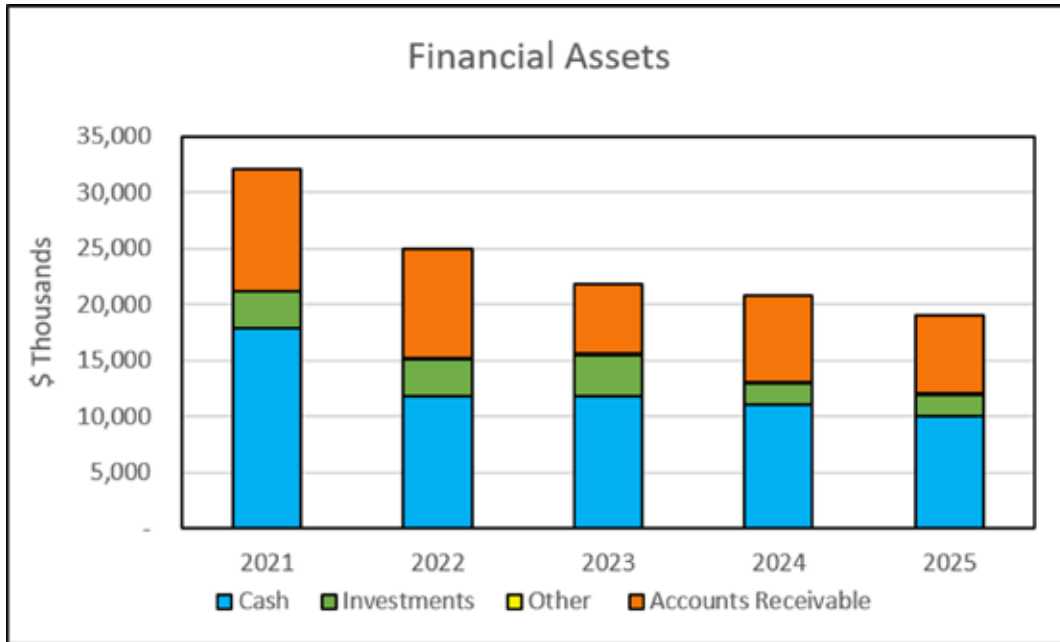


Reserve funds decreased from \$8,024,498 to \$6,352,228 with \$658,804 contributed into reserves and \$2,331,074 used to fund capital projects

Cash and investments decreased by \$961,779 to \$11,968,248

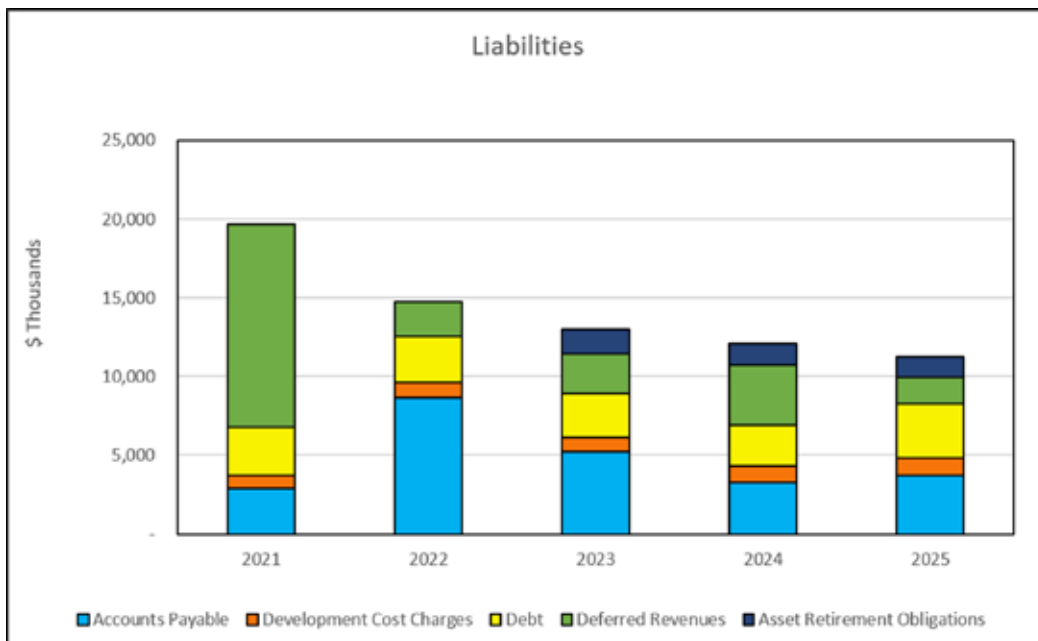
FINANCIAL SERVICES

2,500	Utility Accounts
3,060	Property Tax Folios
1,514	Homeowner Grants
420	Business Licenses
500	Active Supplier Accounts



Operating expenditures

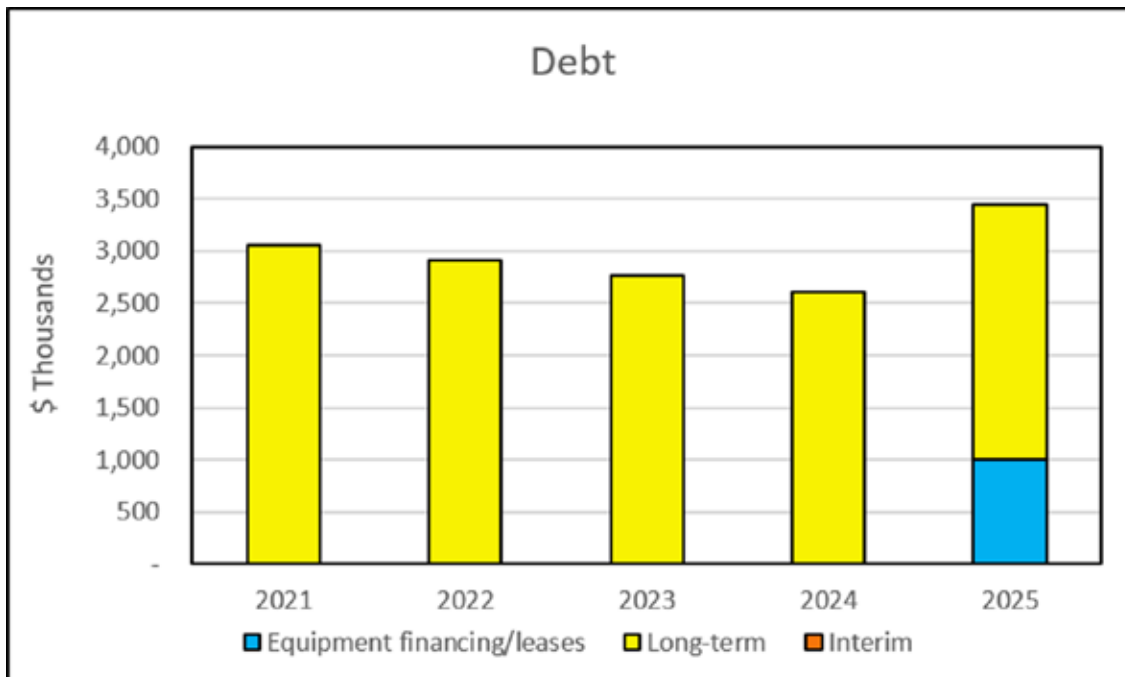
- \$1,541,281 for general government services.
- \$1,532,664 for protective services, supporting fire rescue, security services, building inspection, and bylaw enforcement and includes \$73,510 in operational flood mitigation related expenses.
- \$2,300,764 for transportation services, supporting roads and fleet operations.
- \$2,277,304 for recreation and culture, supporting parks maintenance and contributions to community organizations including Gallery 2, the Boundary Museum, the Boundary Regional Chamber of Commerce, and the Phoenix Mountain Alpine Ski Society, and includes \$519,781 for City-owned facilities, of which \$53,463 relates to the housing rental program, offset by \$125,880 in rental program revenues.
- \$417,099 for environment and public health services, including \$301,623 for solid waste management services and \$115,476 for cemetery maintenance and upkeep.
- \$810,824 for engineering, planning and development services
- \$7,779,942 of operating expenditures for the electrical, water and wastewater utilities.



Capital expenditures

Tangible capital assets increased in 2025 as the City continued to invest in infrastructure renewal and the completion of major capital projects. During the year, the City acquired approximately \$8.5 million in tangible capital assets, which includes both assets placed into service during the year and expenditures on projects under construction. Of this total, approximately \$5.4 million related to the Flood Mitigation Program. As a result of these capital activities, the net book value of tangible capital assets increased from \$88.7 million at the end of 2024 to \$94.6 million at December 31, 2025. Capital projects completed and placed into service during 2025 included:

- Valley Heights electrical upgrade (\$1.33M)
- John Deere 544P loader (\$345.8k)
- Various sewer infrastructure projects, including downtown sewer replacement and WWTP phase 2 upgrades (\$284.2k)
- Donated assets, including Gallery washroom upgrades, Skateboard Park phase 2, and the Spray Park pavilion (\$209.8k)
- Wells 3 and 3A chlorinator replacement (\$91.0k)
- Various paving and sidewalk rehabilitation projects (\$74.7k)
- Fire Department equipment, including SCBA voice amplifiers, turnout gear washer, uniforms and rehabilitation vehicle (\$78.4k)
- Ford F-150 bylaw truck (\$60.0k)
- Rental program septic system replacement (\$32.0k)
- Information technology and equipment (\$29.0k)



- Debt has increased by \$840,444, from \$2,605,585 to \$3,446,029, primarily due to the receipt of \$1,000,000 in MFA equipment financing related to the purchase of a new fire engine.

EMERGENCY SERVICES / FIRE DEPARTMENT

Grand Forks Fire/Rescue (GFFR) provides emergency services to the City of Grand Forks and Rural Grand Forks (Area 'D') through a contract for service agreement with the Regional District of Kootenay Boundary (RDKB).

The fire department responds to an area that covers 24km to the west, 11km to the east, over 42 km up the North Fork and south to the border with approximately 9000 customers.

GFFR trains to the national standard for firefighters (NFPA 1001 level 2) which exceeds the minimum training standards for structural responses set forth by the province, in the British Columbia Fire Service Structure Firefighters Minimum Training Standards. In addition, to fire suppression responses, GFFR members also take training for various rescue disciplines.

The services and specialized disciplines GFFR provided includes fire suppression (structural, vehicle and wildland), medical first responder, highway rescue for auto extrication, low and high angle rope rescue, swift water awareness, confined space rescue, and hazardous materials response. We also perform fire inspections, fire investigation, fire prevention and safety education in the community. Additionally, we function as the emergency coordinator and assist the Regional District with executing the emergency plan for the city and Boundary areas during major events.

2025 Highlights

- Switched to a new records management and incident response platform along with other departments dispatched through Kelowna. The First Due platform added the ability to provide options for residents to provide additional details to the fire department about their homes and any special needs through the "Community Connect" app.

Goals for 2026

- Replace Fire and Safety Bylaw No. 1965 with a new bylaw updated to current standards and best practices.
- Review and revise Standard Operational Guidelines.
- Review and Revise Fire Protection Services Agreement with RDKB
- Fleet Optimization Plan
- Replace aged out C357 with Tahoe Command Unit
- Increase participation and expand customer engagement in Community Connect.





- Continue work to ensure compliance with the OFC fire department audit report
- Reinstate Swiftwater Technician training and re-establish operational response capacity for water rescue incidents
- Increase community awareness and compliance through education on the updated Fire Safety Bylaw
- Continue to revitalize POC firefighter succession planning program
- Plan replacement of E351 at Station 351 (North Fork)
- Implement Health Program for firefighters
- Fire inspections and public education
 - 200 + fire inspections projected to be completed annually
 - Training of firefighters to assist with pre-plans and inspections.
 - Continue Lock Box Program
 - Annual Open House for Fire Prevention Week
 - Annual smoke alarm campaign
 - Monthly media Safety messaging
- Training
 - Continue Full-Service Firefighting Training
 - Ensure continuous First Responder training and compliance with evolving scope of practice standards





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PARKS

210,000 m² of Green Space
10 Parks
4 Sports Fields
1150 Trees
30 Planters
40 Irrigation Timers
62 Garbage Cans
60 Picnic Tables
2.3 km of Dike Trails

PUBLIC WORKS

The Public Works Department is responsible for maintaining all aspects of transportation and outdoor recreation throughout the City. The Grand Forks Public Works Department maintains the parks, cemetery, and other greenspaces. Public Works also installs and maintains the hanging baskets, flower beds and planters throughout the City.

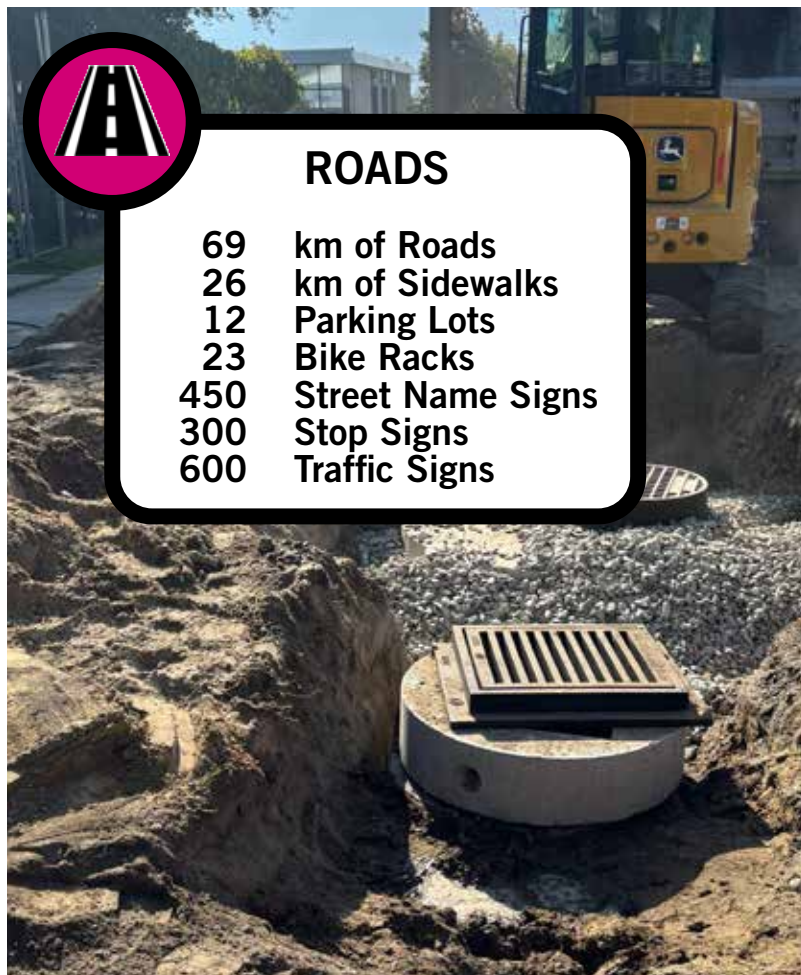
The Department maintains roads, lanes, and sidewalks within the City. Some of the maintenance activities include snow removal, sanding, pavement repairs, street sweeping, line painting and maintenance of storm drainage infrastructure. Public Works also cares for the many trees and boulevards that make up our beautiful green spaces.

The Fleet Maintenance Technician maintains all City equipment, including the Fire Department's vehicles.

The City of Grand Forks also owns and operates a municipal airport which is managed and maintained by Public Works. In addition to partnering with many special interest groups on initiatives which benefit the community, Public Works also finds time to support the many varied events that are put on during the year.

2025 Highlights

- Completed upgrades to several municipal facilities including the Airport Terminal and Generator buildings, washroom improvements in City Park, preparations for the columbarium at Evergreen Cemetery, and in-kind support for the Skate Park Expansion project.



ROADS

69	km of Roads
26	km of Sidewalks
12	Parking Lots
23	Bike Racks
450	Street Name Signs
300	Stop Signs
600	Traffic Signs

Goals for 2026

- Ongoing paving program to maintain the road network and replace sections of sidewalk.
- Tree replacement program for parks and boulevards.



ELECTRICAL UTILITY

The City of Grand Forks is one of five municipalities in the province that owns, operates, and maintains an Electrical Distribution System: providing electrical service to the residential, commercial, and industrial customers.

The Electrical Department is responsible for operating and maintaining all aspects of the Electrical Distribution System within the City. The system consists of infrastructure such as a substation, poles, transformers, primary & secondary lines, streetlights, and meters.

Regular operation and maintenance activities include, but are not limited to, service connections and disconnections, switch replacements, transformer installations and replacements, pole replacements, streetlight maintenance, meter reading, meter replacements, cross arm replacements and infrastructure inspections.

In addition, the Electrical Department provides support and/or works with various other departments on tasks such as: Tree Pruning, Gyro Park Holiday Light-Up, development reviews and planning, and various event requests.

2025 Highlights

- The electrical utility crew replaced two pad-mount transformers and 200 meters of underground primary cable in response to an extended power outage in Valley Heights which ultimately led to the capital project to overhaul the Valley Heights electrical distribution system.
- Over 200 electrical meters were sent for testing as part of the requirements to have the accuracy verified for the over 1300 meters connected to the City electrical system.

Goals for 2026

- Fill the vacancy for a Journeyman Lineman that was open at the end of the year. (Completed)
- Continue ongoing system maintenance program.



ELECTRICAL UTILITY

2,413	Service Connections
33	km of Primary Lines
76	km of Secondary Lines
518	Transformers
778	Streetlights
1,257	Power Poles
1	Switchyard



WATER AND WASTEWATER UTILITIES

The Water Department is responsible for operating and maintaining all aspects of a Class 3 Water Distribution System throughout the City. The system consists of infrastructure such as mains, services, wells, chlorination units, reservoirs, a booster station, a pressure reducing station, valves, and fire hydrants.

The Wastewater Department is responsible for operating and maintaining all aspects of the Class 2 Wastewater Treatment System and Class 3 Wastewater Collection System throughout the City. The systems consist of infrastructure such as mains, services, lift stations, generators, lagoons, a complete treatment facility and disinfection system.

2025 Highlights

- Wastewater Treatment Plant upgrades including the Headworks Spiral, Brush, and Sensor Replacements.

Goals for 2026

- Continue with the department's routine maintenance program.
- Continue to support the professional development of the City's Water / Sewer employees with their EOCP certifications.



WASTEWATER UTILITY

1,635	Customer Connections
37	km of Sewer Mains
388	Manholes
7	Lift Stations
2	Sewage Lagoons
2	Aerobic Digesters
40	Aeration Diffusers



WATER UTILITY

1,886	Customer Connections
1,933	Water Meters
55	km of Water Mains
5	Wells
771	Valves
246	Fire Hydrants
2	Reservoirs

CAPITAL PROJECTS

The Capital Projects Department provides leadership and capacity in planning, funding and implementing major capital projects funded by grants or Council strategic funding decisions. The Flood Mitigation Program (FMP) has been the major focus of work over the past several years, and by providing dedicated internal capacity for project planning and management this department enables continued progress in major capital works and related community initiatives.

Capital Project Delivery

The department is responsible for all aspects of major capital project delivery, including:

- Scoping projects and supporting related Council decisions
- Applying for and administering grants in collaboration with Financial Administration
- Procuring and coordinating consulting services
- Coordinating regulatory approvals and environmental management
- Procuring civil and related contractors and managing projects
- Developing project documentation and supporting handover to operations

Asset Management, Planning and Community Resilience

The department also provides support functions in collaboration with other departments, including:

- Asset management and infrastructure planning, condition and capacity studies, modeling studies, and phasing plans
- Support for long-range community and environmental planning
- Review of development projects in relation to civil infrastructure, environmental management, and community resilience
- Emergency management support, including emergency operations, planning, recovery and mitigation / risk reduction

2025 Highlights

- Secured legal access to build the South Ruckle dike on private property where necessary; secured all regulatory permits and environmental authorizations.
- Completed the 600 meter long South Ruckle dike.
- Installed the South Ruckle drainage network.
- Completed the design and replacement of electrical infrastructure and voltage conversion in the Valley Heights neighbourhood.
- Completed detailed design and vendor procurement for the East Zone water reservoir replacement
- Completed bulk excavation and pad preparation at the new reservoir site.
- Conducted demolition at five sites purchased through the flood mitigation land acquisition program
- Replaced aging sidewalk on 2nd St downtown near Market Ave.
- Replaced failing sewer main and manhole on 3rd St downtown near Market Ave.
- Completed a comprehensive evaluation of priority sewer mains and highway 3 underground utilities in collaboration with other departments and consultants.
- Submitted a \$6.8 million grant application to Strategic Priorities Fund for critical sewer upgrades.



- ### Goals for 2026
- Install and commission the new East Zone Water Reservoir
 - Find new water sources for future well development
 - Wrap up all funding agreement obligations related to the Flood Mitigation Program
 - Complete all permitting related requirements of the Flood Mitigation Program
 - Turn focus towards critical sewer replacement projects utilizing Strategic Priority Fund grant money if received
 - Apply to Infrastructure Canada to rescope the ICIP stormwater project to instead focus on sewer infrastructure
 - Complete comprehensive City wide sewer model based on recent flow monitoring efforts

CAPITAL

2025 Capital Projects

Public Works Facility Upgrades
Evergreen Cemetery Columbarium
Fire Department SCBA Comm's Upgrades
Fleet Replacement - Electrical Bucket Truck
Fleet Replacement - Public Works Loader
Fleet Replacement - Bylaw Enforcement Truck
Valley Heights Electrical System Replacement
Flood Mitigation - South Ruckle
Annual IT Device Replacements
Annual Paving Program
Utility Pole Replacements



2025 Projects Still in Progress

Flood Mitigation Program
Public Works Alarm Panel Replacement
Water/Sewer SCADA Network Upgrades

PROJECTS

2026 New Capital Projects

- Fire Department Diesel Exhaust Extractor
- Fire Department Swiftwater Rescue Equipment
- Fleet - Mini Excavator
- Fleet - Public Works Trucks
- Capital Infrastructure Assessments
- Aerial Imagery
- GIS Software and Server Upgrades
- Annual Paving Program
- Annual Office Equipment and Technology Upgrades



Settle down.

PERMISSIVE PROPERTY

In accordance with Division 7 of Part 7 of the Community Charter, permissive property tax exemptions by Council in 2025.

Athletic, Charitable, or Philanthropic Organizations

Organization	Civic Address	Value of Permissive Exemption
Boundary Helping Hands Feline Rescue Society	7114 2nd Street	\$1,325.58
Circle of Indigenous Nations Society	7525 12th Street	\$2,558.52
Grand Forks & District Housing Society	7130 9th Street	\$696.45
Grand Forks Art Gallery Society	524 Central Avenue	\$13,380.33
Grand Forks Auxiliary to the Boundary Hospital Society	7239 2nd Street	\$2,672.12
Grand Forks Curling Club	7230 - 21st Street	\$6,532.19
Grand Forks Masonic Building Society	366 Market Ave	\$466.12
Grand Forks Seniors Society	565 71st Avenue	\$5,521.16
Grand Forks Slavonic Senior Citizens Society	686 72nd Ave	\$370.73
Kootenay Society for Community Living	556 & 558 73rd Avenue	\$1,948.52
Phoenix Manor Society	876 72nd Ave	\$2,558.52
Royal Canadian Legion Br. 59	7353 6th Street	\$1856.80
Sculpture Art Academy	Riverside Drive	NONE
Sunshine Valley Child Care Society	978 72nd Ave	\$1408.23

TAX EXEMPTIONS

the following properties in the City of Grand Forks were provided

Hospital and Public Worship Organizations

Organization	Civic Address	Value of Permissive Exemption
BC Conference of Mennonite Brethren Churches	7048 Donaldson Drive	\$95.39
Christ Lutheran Church of Grand Forks	7328 19th Street	\$71.43
First Baptist Church of Grand Forks	2495 76th Avenue	\$71.89
Grand Forks Baptist Church	7850 2nd Street	\$694.46
Grand Forks Christian Centre Society	7525 4th Street	\$32.95
Jehovah's Witnesses Church	7680 Donaldson Drive	\$76.27
Pentecostal Assemblies of Canada	2826 75th Avenue	\$73.50
Roman Catholic Bishop of Nelson	7249 9th Street	\$179.49
Synod of the Diocese of Kootenay	7252 7th Street	\$223.04
Trustees of the Congregation of United Church of Canada	920 Central Ave	\$146.31

Declaration of Disqualifications

In accordance with Part 4 Division 5 of the Community Charter, the City of Grand Forks must include in the Annual Municipal Report any Declarations of Disqualification made against individual members of Council in the previous year.

There are no Declarations of Disqualification to report in 2025 for the Council of the City of Grand Forks.

THE CORPORATION OF THE CITY OF GRAND FORKS
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For the Year Ended December 31, 2025

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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]

Marcus Lebler
Chief Financial Officer

Independent Auditor's Report

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, 2025, 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, 2025, 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 Matter

We draw attention to the fact that the supplementary information in Schedule 3 does not form part of the audited financial statements. We have not audited or reviewed this supplementary information and, accordingly, we do not express any opinion, review conclusion or any form of assurance on this supplementary information.

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 4, 2026

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

As at December 31	2025	2024
Financial Assets		
Cash (note 3)	\$ 10,027,570	\$ 11,048,484
Accounts receivable (note 5)	6,956,312	7,826,009
Portfolio Investments (note 6)	1,940,678	1,881,543
Municipal Finance Authority deposit (note 7)	46,734	46,411
Inventories for resale	23,789	32,439
	18,995,083	20,834,886
Liabilities		
Accounts payable and accrued liabilities (note 8)	3,245,902	2,843,171
Employee future benefits (note 9)	459,831	433,650
Deferred revenues (note 10)	1,684,695	3,808,943
Development cost charges (note 11)	1,117,808	1,011,788
Long-term debt (note 12)	3,446,029	2,605,585
Asset retirement obligations (note 13)	1,281,815	1,360,443
	11,236,080	12,063,580
Net financial assets	7,759,003	8,771,306
Non-financial assets		
Prepaid expenses	449,300	172,458
Inventory of parts and supplies	806,011	994,243
Tangible capital assets (schedule 2)	94,590,069	88,748,778
	95,845,380	89,915,479
Accumulated surplus (note 14)	\$ 103,604,383	\$ 98,686,785

[Original signed by]

Marcus Lebler, CPA, CA
 Chief Financial Officer

[Original signed by]

Everett Baker
 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>	2025 Budget (Note 19)	2025 Actual	2024 Actual
Revenue			
Property taxation (note 15)	\$ 4,733,226	\$ 4,733,134	\$ 4,479,890
Sales of services (note 16)	8,889,098	8,918,686	8,519,255
Other revenues (note 17)	680,791	663,102	710,856
Development cost charges	711,121	16,917	92,674
Government transfers (note 18)	10,651,537	6,660,364	10,230,566
Contributed assets	-	205,607	-
Interest income	251,448	335,377	594,103
Investment income on sinking fund	-	39,289	34,738
Gain on disposal of capital assets	-	5,000	234,979
	25,917,221	21,577,476	24,897,061
Expenses			
General government	1,754,517	1,541,281	1,626,288
Protective services	1,366,289	1,374,791	1,247,595
Disaster response and recovery	-	73,510	27,437
Environmental health services	305,518	301,623	295,865
Public health and welfare	104,372	115,476	106,183
Planning and development	1,044,251	810,824	774,884
Transportation services	1,197,874	1,225,042	1,284,887
Recreation and cultural services	1,321,527	1,407,815	1,102,379
Public real estate	367,768	519,781	482,754
Electrical services	4,824,017	4,793,611	4,451,877
Water services	820,002	759,246	705,129
Wastewater services	1,017,837	1,166,084	1,124,358
Amortization	2,363,667	2,349,702	2,290,700
Accretion expense	-	58,476	55,808
Loss (gain) on revaluation of ARO	-	162,616	(212,580)
Loss on disposal of tangible capital assets	-	-	216,230
	16,487,639	16,659,878	15,579,794
Annual Surplus	9,429,582	4,917,598	9,317,267
Accumulated surplus, beginning of year	98,686,785	98,686,785	89,369,518
Accumulated surplus, end of year	\$ 108,116,367	\$ 103,604,383	\$ 98,686,785

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>	2025 Budget (Note 19)	2025 Actual	2024 Actual
Annual Surplus	\$ 9,429,582	\$ 4,917,598	\$ 9,317,267
Acquisition of tangible capital assets	(15,554,774)	(8,500,713)	(11,767,149)
Amortization of tangible capital assets	2,363,667	2,349,702	2,290,700
(Increase) decrease in tangible capital assets due to asset retirement obligations	-	299,720	28,620
Net gain on disposal of assets	-	(5,000)	(18,749)
Proceeds from sale of assets	-	15,000	282,779
Net change in prepaid expenses and supplies inventory	-	(88,610)	(103,139)
Increase (decrease) in Net Financial Assets	(3,761,525)	(1,012,303)	30,329
Net Financial Assets, beginning of year	8,771,306	8,771,306	8,740,977
Net Financial Assets, end of year	\$ 5,009,781	\$ 7,759,003	\$ 8,771,306

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

CORPORATION OF THE CITY OF GRAND FORKS
Statement of Cash Flows

For the year ended December 31

	2025	2024
Operating transactions		
Annual surplus	\$ 4,917,598	\$ 9,317,267
Adjustment for non-cash items		
Amortization of tangible capital assets	2,349,702	2,290,700
Accretion expense	58,476	55,808
Loss (gain) on revaluation of ARO	162,616	(212,580)
Net gain on disposal of assets	(5,000)	(18,749)
Contributed tangible capital assets	205,607	-
(Increase) decrease in prepaid expenses	(276,842)	253,644
(Increase) decrease in supplies inventory	188,232	(356,783)
Actuarial adjustments on long term debt	(38,549)	(33,440)
(Increase) decrease in assets		
Accounts receivable	869,697	(1,653,782)
MFA deposits	(323)	(1,562)
Inventories for resale	8,650	13,550
Increase (decrease) in liabilities		
Accounts payable and accrued liabilities	402,731	(1,993,679)
Deferred revenues	(2,124,248)	1,256,550
Employee future benefits	26,181	60,439
Deferred development cost charges	106,020	60,463
	<u>6,850,548</u>	<u>9,037,846</u>
Capital transactions		
Acquisition of tangible capital assets (cash)	(8,706,320)	(11,767,149)
Proceeds on disposal of tangible capital assets	15,000	282,779
	<u>(8,691,320)</u>	<u>(11,484,370)</u>
Investing transactions		
(Increase) decrease in portfolio investments	(59,135)	1,769,024
Financing transactions		
Proceeds from long-term debt	1,000,000	-
Repayment of long-term debt	(121,007)	(121,006)
	<u>878,993</u>	<u>(121,006)</u>
Net increase (decrease) in cash	(1,020,914)	(798,506)
Cash, beginning of year	11,048,484	11,846,990
Cash, end of year	<u>\$ 10,027,570</u>	<u>\$ 11,048,484</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, 2025

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. 2114 which was adopted on April 14, 2025. Subsequent budget amendments adopted by Council have not been included in these financial statements.

Financial Instruments

A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The financial assets and financial liabilities portray these rights and obligations in the financial statements. The City recognizes a financial instrument when it becomes a party to a financial instrument contract.

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

Cash and equity instruments quoted in an active market are measured at fair value. All other financial instruments, are measured at cost or amortized cost. Municipal investments in pooled investment funds are considered financial assets and measured at cost. The carrying amount of each of these financial instruments is presented on the statement of financial position.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations. There are no measurement gains or losses during the periods presented; therefore, no statement of remeasurement gains or losses is included in these financial statements.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

THE CORPORATION OF THE CITY OF GRAND FORKS

Notes to the Financial Statements

For the year ended December 31, 2025

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.

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.

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 CORPORATION OF THE CITY OF GRAND FORKS

Notes to the Financial Statements

For the year ended December 31, 2025

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

Asset Retirement Obligations

An asset retirement obligation is a legal obligation associated with the retirement of a tangible capital asset that the City will be required to settle. The City recognizes asset retirement obligations when there is a legal obligation to incur retirements costs in relation to a tangible capital asset, the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made.

Asset retirement obligations are initially measured at the best estimate of the amount required to retire a tangible capital asset at the financial statement date. The estimate of a liability includes costs directly attributable to asset retirement activities.

Asset retirement obligations are recorded as liabilities with a corresponding increase to the carrying amount of the related tangible capital asset. Subsequently, the asset retirement costs are allocated to expenses over the useful life of the tangible capital asset. The obligation is adjusted to reflect period-to-period changes in the liability resulting from the passage of time and for revisions to either the timing or the amount of the original estimate of the undiscounted cash flows or the discount rate.

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.

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:

Asset Class	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
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.

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

For the year ended December 31, 2025

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 20.

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, judgments related to amounts to settle asset retirement obligations, 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.

	2025	2024
Restricted cash		
Statutory Reserves	\$ 6,959,706	\$ 9,005,686
Development Cost Charges (see Note 11)	1,117,808	1,011,788
	8,077,514	10,017,474
Unrestricted cash	1,950,056	1,031,010
Total cash	\$ 10,027,570	\$ 11,048,484

4. Operating Line of Credit

The City has an operating line of credit with Beem 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, 2025, the balance outstanding on the operating line of credit was \$Nil (2024 - \$Nil).

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

For the year ended December 31, 2025

5. Accounts Receivable

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

	2025	2024
Property taxes	\$ 636,013	\$ 645,201
Utility accounts receivable	1,460,607	1,348,225
Due from other governments (Note 26)	4,638,415	5,339,892
Trade and other receivables	<u>221,277</u>	<u>492,691</u>
	\$ 6,956,312	\$ 7,826,009

6. Portfolio Investments

	2025	2024
Term deposit, maturing June, 2026	\$ 815,429	\$ 793,550
Term deposit, maturing March, 2026	207,149	198,500
MFA Short Term Bond Fund	<u>918,100</u>	<u>889,493</u>
	\$ 1,940,678	\$ 1,881,543

The market value of portfolio investments at December 31, 2025 was \$1,908,521 (2024 - \$1,844,464), with yields from 2.8% to 3.6%.

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

	Demand Notes	Cash Deposits	2025	2024
General Fund	\$ 17,379	\$ 12,992	\$ 30,371	\$ 30,831
Water Fund	9,717	7,690	17,407	17,661
Wastewater Fund	47,291	26,052	73,343	74,659
	<u>\$ 74,387</u>	<u>\$ 46,734</u>	\$ 121,121	\$ 123,151

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

For the year ended December 31, 2025

8. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities comprise the following:

	2025	2024
Wages and benefits	\$ 845,827	\$ 773,131
Trade payables	2,045,115	1,708,573
Other taxing authorities	332,449	340,368
Accrued interest	22,511	21,099
	<u>\$ 3,245,902</u>	<u>\$ 2,843,171</u>

9. 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.

10. 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	\$ 432,117	\$ 418,088	\$ (432,117)	\$ 418,088
Prepaid utilities	47,186	56,299	(47,186)	56,299
Library maintenance contract	34,303	15,000	(15,049)	34,254
Flood mitigation program grants (Note 26)	1,987,657	-	(1,987,657)	-
Other grants	1,182,451	367,694	(538,481)	1,011,664
Deposits and other	125,229	81,102	(41,941)	164,390
	<u>\$ 3,808,943</u>	<u>\$ 938,183</u>	<u>\$ (3,062,431)</u>	<u>\$ 1,684,695</u>

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

For the year ended December 31, 2025

11. 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.

	2025	2024
Balance, beginning of year	\$1,011,788	\$ 951,325
Contributions from developers	90,328	102,016
Interest on investments	32,609	51,121
Projects funded	(16,917)	(92,674)
Balance, end of year	<u>\$1,117,808</u>	<u>\$1,011,788</u>

The balance of deferred development cost charges comprises the following:

	2025	2024
Water development cost charges	\$ 551,361	\$ 489,631
Wastewater development cost charges	563,364	519,170
Parkland development cost charges	3,083	2,987
	<u>\$1,117,808</u>	<u>\$1,011,788</u>

12. 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 twenty to twenty-five years, with maturity dates from 2033 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 City has also funded the purchase of assets through the MFA's equipment financing 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 CORPORATION OF THE CITY OF GRAND FORKS
Notes to the Financial Statements

For the year ended December 31, 2025

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	2025 Interest
General								
Roads - NW 79th Bylaw 1887; MFA Issue #112	3.73%	15 yrs	2025	\$ 5,998	\$ 3,758	\$ 2,240	\$ -	\$ 896
General Fund Capital Renewal Bylaw 1923; MFA Issue #149	2.24%	25 yrs	2044	892,271	28,645	4,562	859,064	23,393
Water Utility								
Emergency Water Supply Bylaw 1922; MFA Issue #149	2.24%	25 yrs	2044	363,112	11,657	1,857	349,598	9,520
Water Fund Capital Renewal Bylaw 1923; MFA Issue #149	2.24%	25 yrs	2044	211,137	6,778	1,080	203,279	5,536
Sewer Utility								
City Park Lift Station Bylaw 1873; MFA Issue #126	3.85%	20 yrs	2033	959,174	64,587	27,921	866,666	79,412
Sewer Fund Capital Renewal Bylaw 1923; MFA Issue #149	2.24%	25 yrs	2044	173,893	5,582	889	167,422	4,559
Long Term Loan Financing				2,605,585	121,007	38,549	2,446,029	123,316
Equipment financing								
2025 Freightliner Fire Engine MFA Loan #0002-1	2.91%	5 yrs	2030	-	-	-	1,000,000	2,153
Total Long Term Debt				\$ 2,605,585	\$ 121,007	\$ 38,549	\$ 3,446,029	\$ 125,469

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

	General	Water Utility	Sewer Utility	Total
2026	\$ 83,644	\$ 18,435	\$ 70,170	\$ 172,249
2027	85,264	18,435	70,170	173,869
2028	86,800	18,435	70,170	175,405
2029	88,519	18,435	70,170	177,124
2030	90,217	18,435	70,170	178,822
Thereafter	1,109,795	258,088	271,916	1,639,799
	1,544,239	350,263	622,766	2,517,268
Actuarial Adjustment	314,824	202,615	411,322	928,761
Total Long Term Debt	\$ 1,859,063	\$ 552,878	\$ 1,034,088	\$ 3,446,029

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

For the year ended December 31, 2025

13. Asset Retirement Obligations

The City owns and operates several tangible capital assets that are known to contain asbestos and lead-based paint. These materials present a health hazard upon demolition, renovation, or replacement of the related assets. The City has a legal obligation to remediate and dispose of these hazardous materials and therefore recognizes asset retirement obligations (AROs) with corresponding increases to the related tangible capital assets. The capitalized ARO costs are amortized on a straight-line basis over the remaining useful lives of the related assets.

The ARO liability represents the present value of estimated future remediation costs associated with the retirement of the City's tangible capital assets. The timing of these expenditures is expected to occur over the period in which the related assets are replaced, renovated, or disposed of.

	2025	2024
Opening asset retirement obligation	\$ 1,360,443	\$ 1,545,835
Loss (gain) on revaluation	162,616	(212,580)
Decrease due to re-measurement	(299,720)	-
Decrease due to sale of ARO asset	-	(28,620)
Increase due to accretion	58,476	55,808
Closing asset retirement obligation	<u>\$ 1,281,815</u>	<u>\$ 1,360,443</u>

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

For the year ended December 31, 2025

14. Accumulated Surplus

Accumulated surplus comprises the following:

	2025	2024
Operating	\$ 5,078,115	\$ 4,489,094
Statutory Reserves		
Community Works Fund	1,186,444	1,368,611
Slag sales	1,496,182	1,630,547
Land sales	801,197	1,280,040
Electrical capital	95,199	915,512
Capital	195,296	332,236
Climate action	201,465	195,219
Water capital	77,899	75,124
Equipment replacement	40,773	39,509
Wastewater capital	16,368	15,784
Cash in lieu of parking	5,238	5,075
	\$ 4,116,061	\$ 5,857,657
Non-Statutory Reserves		
Growing Communities Fund	2,236,167	2,166,841
Election reserve	30,000	30,000
	\$ 2,266,167	\$ 2,196,841
Investment in Non-Financial Assets		
Investment in tangible capital assets	92,144,040	86,143,193
	\$ 103,604,383	\$ 98,686,785

15. Property Tax Revenues

Municipal taxation revenues consist of the following:

	2025	2024
Property taxes	\$ 4,583,813	\$ 4,325,881
Parcel and frontage taxes	5,826	5,826
1% utilities tax	106,917	112,972
Grants and payments in lieu of taxes	36,578	35,211
	\$ 4,733,134	\$ 4,479,890

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

For the year ended December 31, 2025

16. Sale of Services

	2025	2024
Electrical utility user fees	\$ 5,887,057	\$ 5,689,357
Water utility user fees	1,212,285	1,115,106
Wastewater utility user fees	1,146,917	1,049,596
Solid waste collection	321,221	309,763
Slag sales	148,018	174,959
Campground fees	101,635	99,131
Airport (net of cost of fuel sold)	33,124	24,414
Cemetery	38,282	24,912
Sundry and other	30,147	32,017
	<u>\$ 8,918,686</u>	<u>\$ 8,519,255</u>

17. Other Revenues

	2025	2024
Leases and rentals	\$ 213,405	\$ 232,837
Donations and grants	57,168	42,598
Licences and permits	88,908	81,187
Penalties and interest	119,409	111,454
Franchise fees	78,385	87,956
Other revenues	65,056	130,512
Insurance and other recoveries	40,771	24,312
	<u>\$ 663,102</u>	<u>\$ 710,856</u>

18. Government Transfers

In 2025 the City received and recorded the following transfers from other governments:

	2025	2024
Operating transfers		
Provincial	\$ 531,000	\$ 1,027,610
Regional	514,054	431,909
	<u>\$ 1,045,054</u>	<u>\$ 1,459,519</u>
Capital transfers		
Federal	\$ -	\$ 2,139,090
Provincial	5,323,217	6,158,439
Regional	292,093	473,518
	<u>\$ 5,615,310</u>	<u>\$ 8,771,047</u>
Total government transfers	<u>\$ 6,660,364</u>	<u>\$ 10,230,566</u>

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

For the year ended December 31, 2025

19. Reconciliation to Budget

The following reconciles the balanced statutory budget adopted by Council on April 14, 2025 with the budgeted surplus reported on the statement of operations and accumulated surplus:

Budget surplus as per the statement of operations and accumulated surplus	\$ 9,429,582
Add: Amortization expense	2,363,667
Proceeds from borrowing	1,000,000
Transfers from reserves and surplus	2,919,284
Subtract: Debt principal repayments	(157,789)
Tangible capital asset expenditures	(15,554,744)
Financial Plan Balance per Bylaw No. 2114	<u>\$ -</u>

20. Trust Funds

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

Fund Balance	2025	2024
Cemetery Care Fund	\$ 244,354	\$ 229,662
Employee Assistance Program	13,520	11,092
Slag Remediation Trust	25,217	24,435
	<u>\$ 283,091</u>	<u>\$ 265,189</u>

21. Liability for Contaminated Sites

The City recognizes a liability for the remediation of a contaminated site when the site is no longer in productive use or an unexpected event resulting in contamination has occurred and the following criteria are satisfied: an environmental standard exists, contamination exceeds the standard, the government has responsibility for remediation, future economic benefits will be given up, and a reasonable estimate can be made. The estimate of a liability includes costs directly attributable to remediation activities and is measured based on the City's best estimate of the amount required to remediate the contaminated sites. Subsequent revisions to the amount previously recognized are accounted for in the period in which revisions are made.

22. 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, 2025

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, 2024, the plan has about 273,000 active members and approximately 133,000 retired members. Active members include approximately 47,000 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, 2024, indicated a \$2,675 million funding surplus for basic pension benefits on a going concern basis.

The next valuation will be as at December 31, 2027.

The City paid \$360,483 (2024 - \$352,156) for employer contributions to the plan in fiscal 2025.

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.

23. 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 \$50,000 per year for these services to the end of 2027.

In 2022 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 2025 were \$249,673 (2024 - \$246,260).

The City has contractual commitments for incomplete capital acquisitions and construction projects in progress. As at the end of December 2025, the City had entered into contracts totaling \$6,883,255, with expenditures to date of \$3,377,076. These contracts are planned for completion during 2026, 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, 2025

24. 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:

2026	238,862
2027	240,987
2028	243,152
2029	232,908
2030	<u>234,916</u>
Total	\$1,190,825

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. \$477,716 of revenue was recorded in 2025 for the portion of municipal operating costs shared with the district.

The City is also expected to receive approximately \$250,647 of grant funding in 2026 under the Community Works Fund.

25. Comparative Figures

Certain prior year balances have been reclassified to conform with current year presentation.

THE CORPORATION OF THE CITY OF GRAND FORKS

Notes to the Financial Statements

For the year ended December 31, 2025

26. 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 \$31.7 million from the Province of British Columbia. Additional funding was secured in 2023 under the Provincial Community Emergency Preparedness Fund (CEPF) of \$1.8 million and Disaster Financial Assistance Program (DFA) of \$1.4 million. Further funding was secured in 2024 under the CEPF of \$6.6 million and DFA of \$1.8 million.

Expenditures under the Flood Mitigation Program totaled \$5,414,981 in 2025 (2024 – \$9,595,610).

In 2025, the City received a final CEPF grant payment of \$882,908 and recognized total CEPF grant revenue of \$4,731,596, including \$1,987,657 related to amounts deferred from 2024 and \$2,743,939 recognized with a corresponding 2025 year-end receivable balance.

All Disaster Financial Assistance (DFA) funding related to the Flood Mitigation Program was fully recognized in 2024, with no additional DFA revenue related to this program recognized in 2025.

27. 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, 2025

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.

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 and 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.

Wastewater Utility

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

THE CORPORATION OF THE CITY OF GRAND FORKS

Notes to the Financial Statements

For the year ended December 31, 2025

28. Financial Instruments

Financial Instrument Risk Management

The Municipality is exposed to credit risk, liquidity risk, and interest rate risk from its financial instruments. This note describes the Municipality's objectives, policies, and processes for managing and monitoring those risks. There have not been any changes from the prior year in the Municipality's exposure to the above risks or the policies, procedures and methods it uses to manage and monitor the risks.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Municipality is exposed to credit risk through its cash, accounts receivable, and portfolio investments.

The Municipality manages its cash and accounts receivable credit risk by credit approval processes, holding cash at provincially regulated financial institutions with 100% insured deposit protection and through the diversified nature of the residents of the Municipality. The Municipality measures its exposure to credit risk based on the duration accounts are outstanding and historical collection trends. The maximum exposure to credit risk at the financial statement date is the carrying value of its cash and accounts receivable as outlined in Note 3 and 5. Accounts receivable arise primarily as a result of utilities and due from other governments. Based on this knowledge, credit risk of cash and accounts receivable are assessed as low.

The Municipality manages exposure to credit risk for portfolio investments by ensuring adequate diversification and by maintaining its investments in the Municipal Finance Authority which meets the investment requirements of Section 183 of the Community Charter of the Province of BC. As a result, the Municipality has reduced exposure to market or value risk. The maximum exposure to credit risk at the financial statement date is the carrying value of its portfolio investments as outlined in Note 6.

Liquidity Risk

Liquidity risk is the risk that the Municipality will encounter difficulty in meeting obligations associated with financial liabilities. The Municipality is exposed to liquidity risk through its accounts payable, accrued liabilities and long-term debt.

The Municipality manages this risk by having in place a planning, budgeting and forecasting process to help determine the funds required to support the normal operating requirements. The Municipality's five-year financial plan is approved by the Mayor and Council, which includes operational activities and capital investments. The adoption of annual revenue anticipation bylaws also help manage this risk exposure. The Municipality measures its exposure to liquidity risk based on monitoring actual and forecasted cash flows.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Municipality is exposed to interest rate risk through its long-term debt and the value of portfolio investments.

The Municipality manages interest rate risk on its long-term debt by holding all debt through MFA at a fixed rate. Therefore, fluctuations in market interest rates would not impact future cash flows and operations relating to long-term debt. See Note 12 for interest rates and maturity dates for long term debt.

Investments that are subject to interest rate risk are MFA pooled investment funds (see Note 6). The risk is caused by changes in interest rates. As interest rates rise, the fair value of the MFA pooled investment funds decrease and, as interest rates fall, the fair value of these investments increase.

As a result of diversification by security type, only a portion of the overall investment portfolio is exposed to interest rate risk.

CORPORATION OF THE CITY OF GRAND FORKS
Schedule 1 - Schedule of Segmented Information

December 31, 2025

	General Fund										2025 Total	2024 Total		
	General Government Services	Protective Services	Environment and Public Health	Planning and Development Services	Transportation Services and Public Works	Recreation and Culture & Public Real Estate	Electrical Utility	Water Utility	Wastewater Utility	Total				
Revenue														
Taxation	\$ 4,733,134	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,733,134	\$ 4,479,890
Sale of services	155,471	-	359,502	15,895	33,124	108,434	5,887,058	1,212,285	1,146,917	-	1,212,285	1,146,917	8,918,686	8,519,255
Other revenues	269,957	32,177	1,601	51,458	-	270,574	26,995	5,040	5,300	-	5,040	5,300	663,102	710,856
Development cost charges	-	-	-	-	-	-	-	-	16,917	-	-	16,917	16,917	92,674
Government transfers	804,942	532,204	-	-	4,807,273	-	-	515,945	-	-	515,945	-	6,660,364	10,230,566
Contributed assets	-	-	-	-	-	205,607	-	-	-	-	-	-	205,607	-
Interest income	334,373	-	-	-	-	-	-	229	775	-	229	775	335,377	594,103
Investment income	-	-	-	-	6,501	-	-	3,082	29,706	-	3,082	29,706	39,289	34,738
Gain on disposal of capital assets	-	-	-	-	5,000	-	-	-	-	-	-	-	5,000	234,979
	6,297,877	564,381	361,103	67,353	4,851,898	584,615	5,914,053	1,736,581	1,199,615	1,199,615	1,736,581	1,199,615	21,577,476	24,897,061
Expenses														
Wages & benefits	1,522,206	795,864	75,116	675,234	998,070	578,905	562,373	261,117	370,618	-	261,117	-	5,839,503	5,625,379
General Services	120,990	88,593	53,875	10,771	17,481	9,362	19,349	11,238	17,754	-	11,238	-	349,413	355,348
Professional and Contract Services	252,734	134,719	250,138	91,427	192,197	212,148	60,697	34,169	44,475	-	34,169	-	1,272,704	1,292,425
Materials & Supplies	221,996	150,955	3,286	1,259	451,249	228,850	308,787	201,629	130,357	-	201,629	-	1,698,368	1,374,728
Telephone & Utilities	12,401	30,559	307	3,453	33,501	37,533	3,354	1,161	110,471	-	1,161	-	232,740	208,235
Insurance	33,964	9,346	1,160	-	85,480	167,551	8,954	34,646	35,946	-	34,646	-	377,047	344,598
Labour, utility and IT cost allocations	(623,010)	238,265	33,217	28,680	(579,378)	272,426	80,754	200,230	372,492	-	200,230	-	23,676	(975)
Purchased for resale	-	-	-	-	-	-	3,749,343	-	-	-	-	-	3,749,343	3,534,765
Grants & fee for service	-	-	-	-	-	420,821	-	-	-	-	-	-	420,821	371,817
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	26,442	-	-	15,056	83,971	-	15,056	-	125,469	123,316
Amortization	-	84,363	-	-	1,075,722	329,892	99,949	394,455	365,321	-	394,455	-	2,349,702	2,290,700
Accretion expense	-	-	-	-	-	6,567	-	51,909	-	-	51,909	-	58,476	55,808
Loss (gain) on revaluation of ARO	-	-	-	-	-	13,249	-	149,367	-	-	149,367	-	162,616	(212,580)
Loss on disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	216,230
	1,541,281	1,532,664	417,099	810,824	2,300,764	2,277,304	4,893,560	1,354,977	1,531,405	1,531,405	1,354,977	1,531,405	16,659,878	15,579,794
Net surplus (deficit)	\$ 4,756,596	\$ (968,283)	\$ (55,996)	\$ (743,471)	\$ 2,551,134	\$ (1,692,689)	\$ 1,020,493	\$ 381,604	\$ (331,790)	\$ (331,790)	\$ 381,604	\$ (331,790)	\$ 4,917,598	\$ 9,317,267

THE CORPORATION OF THE CITY OF GRAND FORKS
Schedule 2 - Schedule of Tangible Capital Assets

December 31, 2025

	Cost			Accumulated Amortization			Net			
	Opening Balance	Additions	Transfers/Disposals	Closing Balance	Opening Balance	Amortization Expense	Transfers/Disposals	Closing Balance	Book Value 2025	Net Book Value 2024
General										
Land	\$ 6,902,758	\$ -	\$ -	6,902,758	\$ -	\$ -	\$ -	\$ -	\$ 6,902,758	\$ 6,902,758
Land improvements	450,493	32,021	-	482,514	172,174	22,522	-	194,696	287,818	278,319
Buildings	7,618,522	113,088	-	7,731,610	4,105,179	211,630	-	4,316,809	3,414,801	3,513,343
Buildings due to ARO	133,561	-	(8,423)	125,138	21,655	9,126	(1,878)	28,903	96,235	111,906
Machinery and equipment	4,411,001	93,270	-	4,504,271	2,589,562	248,370	-	2,837,932	1,666,339	1,821,439
Engineering structures	26,219,967	171,389	-	26,391,356	16,711,485	721,454	-	17,432,939	8,958,417	9,508,482
Storm structures	79,374	-	-	79,374	18,410	3,969	-	22,379	56,995	60,964
Protective services vehicles	1,954,313	14,078	-	1,968,391	1,166,542	84,363	-	1,250,905	717,486	787,771
Public works vehicles	3,840,873	405,762	(125,000)	4,121,635	2,267,977	188,543	(115,000)	2,341,520	1,780,115	1,572,896
Assets under construction	47,516,761	6,027,184	(587,826)	52,956,119	-	-	-	-	52,956,119	47,516,761
	99,127,623	6,856,792	(721,249)	105,263,166	27,052,984	1,489,977	(116,878)	28,426,083	76,837,083	72,074,639
Water Utility										
Plant and equipment	11,651,699	90,950	-	11,742,649	7,499,236	349,494	-	7,848,730	3,893,919	4,152,463
Plant and equipment due to ARO	1,312,072	-	(322,941)	989,131	123,968	44,961	(29,766)	139,163	849,968	1,188,104
Assets under construction	79,170	623,022	(90,950)	611,242	-	-	-	-	611,242	79,170
	13,042,941	713,972	(413,891)	13,343,022	7,623,204	394,455	(29,766)	7,987,893	5,355,129	5,419,737
Electrical Utility										
Plant and equipment	4,579,201	1,326,318	-	5,905,519	2,738,889	99,949	-	2,838,838	3,066,681	1,840,312
Assets under construction	18,686	1,326,318	(1,345,004)	-	-	-	-	-	-	18,686
	4,597,887	2,652,636	(1,345,004)	5,905,519	2,738,889	99,949	-	2,838,838	3,066,681	1,858,998
Wastewater Utility										
Plant and equipment	15,297,339	284,176	-	15,581,515	6,040,814	365,321	-	6,406,135	9,175,380	9,256,525
Assets under construction	138,879	301,093	(284,176)	155,796	-	-	-	-	155,796	138,879
	15,436,218	585,269	(284,176)	15,737,311	6,040,814	365,321	-	6,406,135	9,331,176	9,395,404
	\$ 132,204,669	\$ 10,808,669	\$ (2,764,320)	\$ 140,249,018	\$ 43,455,891	\$ 2,349,702	\$ (146,644)	\$ 45,658,949	\$ 94,590,069	\$ 88,748,778

CORPORATION OF THE CITY OF GRAND FORKS
Schedule 3 - Schedule of Growing Communities Fund
(Unaudited)

The Province of British Columbia distributed conditional GCF grants to communities at the end of March 2023 to help local governments build community infrastructure and amenities to meet the demands of population growth. The GCF provided a one-time total of \$1 billion in grants to all 161 municipalities and 27 regional districts in British Columbia.

The City of Grand Forks received \$1,981,000 of GCF funding in March 2023.

Balance, beginning of year	\$ 2,166,841
Interest earned	69,326
Eligible costs	-
Unspent balance, December 31, 2025	<u>\$ 2,236,167</u>



Settle down.®

