



Settle down.

THE CORPORATION OF THE CITY OF GRAND FORKS

2019 STATEMENT OF FINANCIAL INFORMATION

THE CORPORATION OF THE CITY OF GRAND FORKS
Statement of Financial Information
Fiscal Year Ended December 31, 2019

TABLE OF CONTENTS

Statement of Financial Information Approval

Management Report

Audited Financial Statements

Statement of Changes in Financial Position for the Capital Fund

Schedule of Debt

Schedule of Guarantee and Indemnity Agreements

Statement of Severance Agreements

Schedules of Remuneration and Expenses

Schedules of Supplier and Grant Payments

Reconciliation of Supplier Payments

THE CORPORATION OF THE CITY OF GRAND FORKS
Statement of Financial Information
Fiscal Year Ended December 31, 2019

STATEMENT OF FINANCIAL INFORMATION APPROVAL

The undersigned, as authorized by the Financial Information Regulation, Schedule 1, subsection 9(2), approve all the statements and schedules included in this Statement of Financial Information, produced under the *Financial Information Act*.

[Original signed by]

Brian Taylor, Mayor
On behalf of Council

Date: June 29, 2020

[Original signed by]

Juliette Rhodes, CPA, CGA
Chief Financial Officer

Date: June 29, 2020

THE CORPORATION OF THE CITY OF GRAND FORKS
Statement of Financial Information
Fiscal Year Ended December 31, 2019

MANAGEMENT REPORT

The Financial Statements contained in this Statement of Financial Information under the *Financial Information Act* have been prepared by management in accordance with generally accepted accounting principles or stated accounting principles, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all the statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Mayor and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and for reviewing and approving the audited financial statements and supplementary schedules contained in this Statement of Financial Information.

The external auditors, KH Burch Kientz Inc., conduct an independent examination, in accordance with generally accepted auditing standards, and express their opinion on the financial statements. Their examination does not relate to the other schedules and statements required by the Act. Their examination includes a review and evaluation of the corporation's system of internal control and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly.

On behalf of The Corporation of the City of Grand Forks

[Original signed by]

Juliette Rhodes
Chief Financial Officer

May 11, 2020

Financial Statements of

THE CORPORATION OF THE CITY OF GRAND FORKS

For the Year Ended December 31, 2019

THE CORPORATION OF THE CITY OF GRAND FORKS
Index to Financial Statements
For the Year Ended December 31, 2019

	Page
Management Report	2
Independent Auditor's Report	3-4
Financial Statements	
Statement of Financial Position	5
Statement of Operations and Accumulated Surplus	6
Statement of Changes in Net Financial Assets	7
Statement of Cash Flow	8
Notes to the Financial Statements	9-25
Other Financial Information	
1. Schedule of Segmented Information	26
2. Schedule of Tangible Capital Assets	27

THE CORPORATION OF THE CITY OF GRAND FORKS

Management Report

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

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

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

Juliette Rhodes
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Opinion

We have audited the financial statements of The Corporation of the City of Grand Forks (the City), which comprise the statement of financial position as at December 31, 2019, and the statements of operations and accumulated surplus, changes in net financial assets and cash flow for the year then ended, notes to the financial statements, including a summary of significant accounting policies and other financial information consisting of schedules attached to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2019, and the results of its operations and cash flow for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

Basis for Opinion

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

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

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

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

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

(continues)

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.

Grand Forks, British Columbia
May 11, 2020

KH Burch Kientz Inc.
CHARTERED PROFESSIONAL ACCOUNTANTS

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

<i>As at December 31</i>	2019	2018
Financial Assets		
Cash (note 3)	\$ 12,258,098	\$ 12,250,656
Accounts receivable (note 5)	4,456,472	3,914,251
Municipal Finance Authority deposit (note 6)	40,992	31,950
Inventories for resale	28,831	41,321
Land held for resale	211,036	211,036
Lease receivable (note 7)	46,438	70,175
	17,041,867	16,519,389
Liabilities		
Accounts payable and accrued liabilities (note 8)	2,284,547	2,712,519
Employee future benefits (note 9)	315,892	329,159
Deferred revenues (note 10)	612,666	686,018
Temporary loan (note 11)	-	1,944,280
Development cost charges (note 12)	774,747	552,362
Long-term debt (note 13)	3,499,812	1,873,380
	7,487,664	8,097,718
Net financial assets	9,554,203	8,421,671
Non-financial assets		
Prepaid expenses	300,068	264,586
Inventory of parts and supplies	180,873	131,295
Tangible capital assets (note 14)	33,186,125	29,571,809
	33,667,066	29,967,690
Accumulated surplus (note 15)	\$ 43,221,269	\$ 38,389,361

Juliette Rhodes, CPA, CGA
Chief Financial Officer

Brian Taylor
Mayor, City of Grand Forks

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

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

<i>For the year ended December 31</i>	2019 Budget	2019 Actual	2018 Actual
Revenue			
Property taxation (note 16)	\$ 4,089,731	\$ 4,090,357	\$ 4,083,308
Sales of services (note 17)	7,508,772	7,528,345	7,965,414
Other revenues (note 18)	714,426	968,027	1,565,493
Government transfers (note 19)	22,046,082	5,153,493	2,418,618
Contributions from others	21,428	27,068	22,707
Interest income	191,043	286,598	222,628
Investment income on sinking fund	-	32,088	35,676
Gain on disposal of tangible capital assets	-	-	59,315
	34,571,482	18,085,976	16,373,159
Expenses			
General government	1,409,487	1,419,144	1,137,070
Protective services	921,416	969,896	881,668
Disaster response and recovery	1,528,500	526,134	1,862,326
Environmental health services	259,160	254,430	245,383
Public health and welfare	73,230	67,228	45,435
Planning and development	726,900	545,204	327,647
Transportation services	1,228,684	1,280,362	1,308,015
Recreation and cultural services	957,624	851,978	906,579
Public real estate	294,200	233,744	238,414
Electrical services	4,034,415	3,877,258	4,259,503
Water services	779,430	623,880	663,709
Wastewater services	701,960	694,315	702,991
Debt interest	162,491	143,578	134,259
Amortization	1,975,420	1,766,917	1,724,781
	15,052,917	13,254,068	14,437,780
Annual Surplus	19,518,565	4,831,908	1,935,379
Accumulated surplus, beginning of year	38,389,361	38,389,361	36,453,982
Accumulated surplus, end of year	\$ 57,907,926	\$ 43,221,269	\$ 38,389,361

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>	2019 Budget	2019 Actual	2018 Actual
Annual Surplus	\$ 19,518,565	\$ 4,831,908	\$ 1,935,379
Acquisition of tangible capital assets	(26,967,471)	(5,381,233)	(2,965,985)
Amortization of tangible capital assets	1,975,420	1,766,917	1,724,781
Gain on sale of assets	-	-	(59,315)
Proceeds from sale of assets	-	-	239,374
Net change in prepaid expenses and supplies inventory	(50,000)	(85,060)	(90,289)
Increase (decrease) in Net Financial Assets	(5,523,486)	1,132,532	783,945
Net Financial Assets, beginning of year	8,421,671	8,421,671	7,637,726
Net Financial Assets, end of year	\$ 2,898,185	\$ 9,554,203	\$ 8,421,671

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

CORPORATION OF THE CITY OF GRAND FORKS
Statement of Cash Flow

<i>For the year ended December 31</i>	2019	2018
Operating transactions		
Annual surplus	\$ 4,831,908	\$ 1,935,379
Adjustment for non-cash items		
Amortization	1,766,917	1,724,781
Gain on disposal of tangible capital assets	-	(59,315)
(Increase) decrease in prepaid expenses	(35,482)	(71,158)
(Increase) decrease in supplies inventory	(49,578)	(19,131)
 (Increase) decrease in assets		
Accounts receivable	(542,221)	(1,332,277)
Lease receivable	23,737	22,683
MFA deposits	(9,042)	(681)
Inventories for resale	12,490	(25,194)
 Increase (decrease) in liabilities		
Accounts payable and accrued liabilities	(427,972)	1,030,227
Deferred revenue	(73,352)	217,982
Employee future benefits	(13,267)	8,778
Deferred development cost charges	222,385	25,925
	<u>5,706,523</u>	<u>3,457,999</u>
Capital transactions		
Acquisition of tangible capital assets	(5,381,233)	(2,965,985)
Proceeds on disposal of tangible capital assets	-	239,374
	<u>(5,381,233)</u>	<u>(2,726,611)</u>
Financing transactions		
Proceeds from borrowing	1,920,000	643,739
Repayment of short-term debt	(1,944,280)	(72,253)
Repayment of long-term debt	(253,666)	(251,111)
Actuarial adjustments on long term debt	(39,902)	(34,041)
	<u>(317,848)</u>	<u>286,334</u>
 Net increase in cash	7,442	1,017,722
Cash, beginning of year	12,250,656	11,232,934
Cash, end of year	<u>\$ 12,258,098</u>	<u>\$ 12,250,656</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, 2019

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

1. Nature of Entity

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

2. Significant Accounting Policies

Basis of Presentation

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

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

The City's funds are classified as follows:

i) Operating Funds

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

ii) Capital Funds

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

iii) Reserve Funds

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

iv) Trust Funds

These funds hold cash assets that must be used for specific purposes and/or beneficiaries according to agreements or legislated requirements. The City administers trust funds for its Employee Assistance Program, Slag Remediation, and Cemetery Care Fund. In accordance with public sector accounting standards, trust funds administered by the City are not included in the City's financial statements, other than as disclosed in Note 21.

Budget Figures

The budget figures are from the 5-Year Financial Plan Bylaw, No. 2055 which was adopted on April 8, 2019. Subsequent budget amendments adopted by Council have not been included in these financial statements.

THE CORPORATION OF THE CITY OF GRAND FORKS

Notes to the Financial Statements

For the year ended December 31, 2019

Revenue Recognition

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

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

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

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

Deferred Revenue

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

Expenses

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

Financial Instruments

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

Inventories for Resale

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

Land Held For Resale

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

Lease Receivable

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

Employee Future Benefits

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

THE CORPORATION OF THE CITY OF GRAND FORKS

Notes to the Financial Statements

For the year ended December 31, 2019

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

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

Liability for Contaminated Sites

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

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

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

Inventory of Parts and Supplies

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

Tangible Capital Assets

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

General Capital Fund	Estimated Useful Life
Land	Not amortized
Land Improvements	20 - 50 years
Buildings	40 - 50 years
Engineering Structures	10 - 50 years
Machinery & Equipment	3 - 25 years
Vehicles	8 - 40 years
Electrical System Capital Fund	
Electrical infrastructure	5 - 40 years
Water System Capital Fund	
Water infrastructure	10 - 50 years
Wastewater System Capital Fund	
Wastewater infrastructure	10 - 50 years

THE CORPORATION OF THE CITY OF GRAND FORKS

Notes to the Financial Statements

For the year ended December 31, 2019

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

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

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

Long-Term Debt

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

Debt Charges

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

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the reported amounts of revenues and expenses during the financial reporting period. Significant areas requiring the use of estimates include the determination of accrued payroll liabilities and employee future benefits, tangible capital asset useful lives and amortization expense, amounts receivable from insurance, and provisions for contingencies. 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.

	2019	2018
Restricted cash		
Statutory Reserves	\$ 7,730,093	\$ 6,295,814
Restricted Revenues (see Note 12)	<u>774,747</u>	<u>552,362</u>
	8,504,840	6,848,176
Unrestricted cash	<u>3,753,258</u>	<u>5,402,480</u>
Total cash	<u>\$ 12,258,098</u>	<u>\$ 12,250,656</u>

4. Operating Line of Credit

The City has an operating line of credit with Grand Forks Credit Union for an authorized amount of \$2,000,000, bearing interest at the base lending rate less 0.5%. At December 31, 2019, the balance outstanding on the operating line of credit was nil (2018 - nil).

5. Accounts Receivable

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

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

For the year ended December 31, 2019

	2019	2018
Property taxes	\$ 633,786	\$ 736,149
Utility accounts receivable	1,286,833	1,538,534
Due from other governments	1,879,263	933,439
Trade and other receivables	656,590	706,129
	<u>\$ 4,456,472</u>	<u>\$ 3,914,251</u>

6. 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	2019	2018
General Fund	\$ 17,929	\$ 11,396	\$ 29,325	\$ 35,959
Water Fund	10,024	6,746	16,770	-
Wastewater Fund	48,787	22,850	71,637	76,676
	<u>\$ 76,740</u>	<u>\$ 40,992</u>	<u>\$ 117,732</u>	<u>\$ 112,635</u>

7. Lease Receivable

The City has entered into a long-term capital lease agreement with the Regional District of Kootenay Boundary for the lease of a building and lands. The term of the agreement is 12 years commencing August 1, 2010, with annual payments of \$27,000 including interest at 4.65%. Interest of \$3,263 (2018 - \$4,318) was received during the year.

8. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities comprise the following:

	2019	2018
Wages and benefits	\$ 616,568	\$ 516,561
Trade payables	1,454,592	2,030,923
Other taxing authorities	189,682	154,089
Accrued interest	23,705	10,946
	<u>\$ 2,284,547</u>	<u>\$ 2,712,519</u>

THE CORPORATION OF THE CITY OF GRAND FORKS

Notes to the Financial Statements

For the year ended December 31, 2019

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	310,080	313,835	(310,080)	313,835
Prepaid utilities	52,334	52,254	(52,334)	52,254
Library maintenance contract	35,891	13,000	(4,984)	43,907
Grants	283,373	331,800	(416,923)	198,250
Deposits and other	4,340	80	-	4,420
	686,018	710,969	(784,321)	612,666

11. Temporary Loan

In 2012, the City completed the approval process for two long-term loans of up to \$1,300,000 and \$4,200,000 with the Municipal Finance Authority for the capital funding of emergency water supply for fire flow protection and renewal of road, water, and wastewater infrastructure.

In the fall of 2019, the temporary loan balances were converted to long-term debenture debt issued through the Municipal Finance Authority (see note 13).

	Authorized Amount	Balance, Beginning of Year	Principal Repayment	Balance on Conversion	Balance End of Year	Interest Payments 2019	Interest Payments 2018
Bylaw 1950	\$ 1,300,000	404,037	(22,447)	(381,590)	-	8,121	7,740
Bylaw 1998	\$ 4,200,000	1,540,243	(77,012)	(1,463,231)	-	31,063	22,459
	\$ 5,500,000	1,944,280	(99,459)	(1,844,821)	-	39,184	30,199

12. Deferred Development Cost Charges (DCCs)

Pursuant to the provisions of the Local Government Act, development cost charges are held in separate reserve funds for the purpose for which the charges have been imposed. When the

THE CORPORATION OF THE CITY OF GRAND FORKS

Notes to the Financial Statements

For the year ended December 31, 2019

related costs are incurred, the DCCs are recognized as revenue. Due to the restrictive nature of these funds, they are shown as liabilities.

	2019	2018
Balance, beginning of year	\$ 552,362	\$ 526,437
Contributions from developers	206,584	15,708
Interest on investments	15,801	10,217
Balance, end of year	<u>\$ 774,747</u>	<u>\$ 552,362</u>

The balance of deferred development cost charges comprises the following:

	2019	2018
Water development cost charges	\$ 311,299	\$ 198,952
Wastewater development cost charges	460,876	350,896
Parkland development cost charges	2,572	2,514
	<u>\$ 774,747</u>	<u>\$552,362</u>

13. Long-Term Debt

The City has financed certain capital expenditures by means of long-term debenture debt obtained from the Municipal Finance Authority through the Regional District of Kootenay Boundary. These loans range in term from ten to twenty-five years, with maturity dates from 2019 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 6).

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

In the fall of 2019, the City converted its existing short-term debt under Loan Authorization and Temporary Borrowing Bylaws 1922/1950 and 1923/1998 into long-term debenture debt issued through the Municipal Finance Authority. In addition to the amounts required to retire the short-term debt, the City requested additional proceeds in order to complete the capital projects for which the borrowing was originally obtained.

	Authorized Amount	Interest Rate	Term	Short-term Debt Converted	Additional Proceeds	Total Loan Long-term Proceeds
Bylaw 1922	\$ 1,300,000	2.24%	25 years	381,590	43,410	425,000
Bylaw 1923	\$ 4,200,000	2.24%	25 years	1,463,231	31,769	1,495,000
	<u>\$ 5,500,000</u>			<u>1,844,821</u>	<u>75,179</u>	<u>1,920,000</u>

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

For the year ended December 31, 2019

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

	Current Interest Rate	Term	Maturity	Balance, Beginning of Year	Loan Proceeds	Payments of Principal	Actuarial Adjustment	Balance, End of Year	2019 Interest
General capital fund									
Roads									
Bylaw 1863; MFA Issue #106	4.13%	10 yrs	2019	\$ 59,274	\$ -	\$ 41,645	\$ 17,629	\$ -	\$ 16,181
Roads - NW 79th									
Bylaw 1887; MFA Issue #112	3.73%	15 yrs	2025	37,788	-	3,496	\$ 1,289	33,003	\$ 2,611
General Fund Capital Renewal									
Bylaw 1923; MFA Issue #149	2.24%	25 yrs	2044	-	1,044,346	-	\$ -	1,044,346	\$ 5,305
Water capital Fund									
Emergency Water Supply									
Bylaw 1922; MFA Issue #149	2.24%	25 yrs	2044	-	425,000	-	\$ -	425,000	\$ 2,159
Water Fund Capital Renewal									
Bylaw 1923; MFA Issue #149	2.24%	25 yrs	2044	-	247,123	-	\$ -	247,123	\$ 1,255
Sewer capital Fund									
Ruckle Lift Station									
Bylaw 1498; MFA Issue #70	2.30%	20 yrs	2019	14,698	-	6,495	\$ 8,203	-	\$ 1,719
City Park Lift Station									
Bylaw 1873; MFA Issue #126	3.85%	20 yrs	2033	1,437,355	-	59,000	\$ 12,783	1,365,572	\$ 67,642
Sewer Fund Capital Renewal									
Bylaw 1923; MFA Issue #149	2.24%	25 yrs	2044	-	203,531	-	\$ -	203,531	\$ 1,034
Long term loan financing				\$1,549,115	\$1,920,000	\$ 110,636	\$ 39,904	\$3,318,575	\$ 97,906
Equipment financing									
2015 Cobra Ladder Truck									
MFA Loan #0001-0	2.50%	5 yrs	2021	\$ 324,265	\$ -	\$ 143,028	\$ -	\$ 181,237	\$ 6,488
Total Long Term Debt				\$1,873,380	\$1,920,000	\$ 253,664	\$ 39,904	\$3,499,812	\$ 104,394

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

	2020	2021	2022	2023	2024
General Fund	\$ 32,141	\$ 32,141	\$ 32,141	\$ 32,141	\$ 32,141
Water Fund	\$ 18,435	\$ 18,435	\$ 18,435	\$ 18,435	\$ 18,435
Sewer Fund	64,582	64,582	64,582	64,582	64,582
Equipment Financing	146,658	34,580	-	-	-
	\$ 261,816	\$ 149,738	\$ 115,158	\$ 115,158	\$ 115,158

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

For the year ended December 31, 2019

14. Tangible Capital Assets

Tangible capital assets consist of the following:

	Net Book Value 2019	Net Book Value 2018
General Capital Fund		
Land	\$ 1,749,280	\$ 1,643,339
Land improvements	366,422	387,590
Buildings	2,666,047	2,680,522
Machinery and equipment	765,222	618,420
Engineering structures	9,299,718	8,378,989
Storm structures	13,388	14,280
Protective services vehicles	1,052,503	1,137,117
Public works vehicles	866,939	1,097,795
Assets under construction	945,156	462,706
	17,724,675	16,420,758
Water Utility		
Plant and equipment	4,801,545	4,701,436
Assets under construction	42,526	90,528
	4,844,071	4,791,964
Electrical Utility		
Plant and equipment	2,264,594	1,987,284
Assets under construction	177,267	167,509
	2,441,861	2,154,793
Wastewater Utility		
Plant and equipment	4,111,322	4,156,086
Assets under construction	4,064,196	2,048,208
	8,175,518	6,204,294
Total Tangible Capital Assets	\$ 33,186,125	\$ 29,571,809

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

For the year ended December 31, 2019

15. Accumulated surplus comprises the following:

	2019	2018
Operating Fund	\$ 6,932,191	\$ 5,261,329
Statutory Reserves		
Capital	3,062,431	3,974,336
Community works gas tax	1,182,968	736,243
Electrical capital	892,068	1,050,990
Slag sales	854,264	718,584
Land sales	275,477	469,740
Water capital	233,525	269,536
Equipment replacement	61,758	60,153
Wastewater capital	24,071	46,562
Climate action	8,670	30,159
Cash in lieu of parking	4,370	4,272
	\$ 6,599,602	\$ 7,360,575
Non-Statutory Reserves		
Fire department - EOC reserve	3,163	13,308
	\$ 3,163	\$ 13,308
Investment in Non-Financial Assets		
Investment in capital assets	29,686,313	25,754,149
	\$ 43,221,269	\$ 38,389,361

16. Property Tax Revenues

Municipal taxation revenues comprise the following:

	2019	2018
Property taxes	\$ 3,805,285	\$ 3,805,740
Parcel and frontage taxes	160,348	161,047
1% utilities tax	106,323	99,895
Grants and payments in lieu of taxes	18,401	16,626
	\$ 4,090,357	\$ 4,083,308

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

For the year ended December 31, 2019

17. Sale of Services

	2019	2018
Electrical utility user fees	\$ 4,974,943	\$5,606,109
Water utility user fees	1,005,867	942,198
Wastewater utility user fees	914,728	897,740
Solid waste collection	259,531	230,116
Slag sales	238,176	199,426
Campground fees	51,741	6,717
Cemetery	21,098	23,461
Airport (net of cost of fuel sold)	27,040	41,167
Sundry and other	35,221	18,480
	<u>\$ 7,528,345</u>	<u>\$ 7,965,414</u>

18. Other Revenues

	2019	2018
Insurance recoveries	\$ 538,782	\$ 1,129,289
Penalties and interest	92,590	104,165
Leases and rentals	110,343	104,907
Licences and permits	97,410	69,799
Donations and grants	34,100	57,165
Franchise fees	59,620	63,958
Other recoveries	2,249	14,483
Other revenues	32,933	21,727
	<u>\$ 968,027</u>	<u>\$ 1,565,493</u>

19. Government Transfers

In 2019 the City received and recorded the following transfers from other governments:

	2019	2018
Operating transfers		
Provincial	\$ 2,197,787	\$ 1,202,301
Regional	319,700	282,875
	<u>\$ 2,517,487</u>	<u>\$ 1,485,176</u>
Capital transfers		
Federal	\$ 603,960	\$ 284,278
Provincial	2,032,046	649,164
	<u>\$ 2,636,006</u>	<u>\$ 933,442</u>
Total government transfers	<u>\$ 5,153,493</u>	<u>\$ 2,418,618</u>

THE CORPORATION OF THE CITY OF GRAND FORKS

Notes to the Financial Statements

For the year ended December 31, 2019

20. Reconciliation to Budget

The following reconciles the balanced statutory budget adopted by Council on April 8, 2019 with the budgeted surplus reported on the statement of operations and accumulated surplus:

Budget surplus as per the statement of operations and accumulated surplus	\$ 19,518,565
Add: Budgeted amortization expense	1,975,420
Budgeted transfer from reserves	4,985,217
Debt proceeds	891,116
Subtract: Debt principal repayments	(352,847)
Inventory expenditures	(50,000)
Tangible capital asset expenditures	(26,967,471)
Surplus as per Financial Plan Bylaw No. 2055	<u>\$ -</u>

21. Trust Funds

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

	2019	2018
Fund Balance		
Cemetery Care Fund	\$ 173,701	\$ 167,472
Employee Assistance Program	5,721	8,879
Slag Remediation Trust	21,043	20,569
	<u>\$ 200,465</u>	<u>\$ 196,920</u>

22. Liability for Contaminated Sites

Management has prepared an inventory of sites that are no longer in productive use. These sites have been evaluated by management to be at low risk of contamination exceeding applicable environmental standards which would require remediation. Therefore, no liability has been recognized and included in these financial statements.

23. 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, 2019

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, 2018, the plan has about 205,000 active members and approximately 101,000 retired members. Active members include approximately 40,000 contributors from local governments.

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

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The City paid \$317,236 (2018 - \$294,123) for employer contributions to the plan in fiscal 2019.

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

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

24. Contractual Obligations and Commitments

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

In 2017 the City entered into a five-year agreement with the Regional District of Kootenay Boundary for the latter to provide solid waste collection services for the City on a per unit basis through a third party contractor. The City's expenses incurred under this contract for 2019 were \$207,792 (2018 - \$201,705).

The City has significant contractual commitments for incomplete capital acquisitions and construction projects in progress. As at the end of December 2019, the City had entered into contracts totalling \$4,738,191, with expenditures to date of \$2,212,539. These contracts are planned for completion during 2020, 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, 2019

25. Contingent Assets

The City is or will be in the process of negotiating property rental agreements and lease extension options with several parties which should be finalized by the end of 2020. Under these agreements, annual revenues would be in the range of \$56,000 to \$86,000 for each of the next five years.

26. Contractual Rights

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

2020	129,508
2021	115,697
2022	117,697
2023	113,647
2024	<u>107,977</u>
Total	\$584,526

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. \$319,700 of revenue was recorded in 2019 for the portion of municipal operating costs shared with the district.

The City has entered into funding agreements with the Federal and Provincial governments with respect to various City infrastructure projects and economic development programs. To date, grant revenue of \$3,686,261 has been recognized based on eligible expenditures, leaving \$693,705 of revenue to be realized as the remaining expenditures are incurred over the next two years, as follows:

New Building Canada Fund	\$ 99,709
Clean Water and Wastewater Fund	362,079
Strategic Priorities Fund	25,433
Community Emergency Preparedness Fund	8,234
Rural Dividend Fund	198,250

The City is also expected to receive approximately \$1,190,000 of grant funding from 2020 to 2024 under the Community Works stream of the Federal Gas Tax Fund Agreement.

27. Future Accounting Changes

PS 3400 - Revenues

This new Section establishes standards on how to account for and report on revenue, specifically with respect to differentiation between revenue arising from transactions that include performance obligations (exchange transactions) and those that do not have performance obligations (unilateral transactions). A performance obligation is an enforceable promise to provide specific goods or services to a specific payor, and can take many forms. This Section applies to fiscal years beginning on or after April 1, 2022, with earlier adoption permitted.

THE CORPORATION OF THE CITY OF GRAND FORKS

Notes to the Financial Statements

For the year ended December 31, 2019

PS 2601 - Foreign Currency Translation

This section applies to transactions which are denominated in a currency other than its reporting currency, including those which arise when a government borrows or lends funds for which the amounts payable or receivable are denominated in a foreign currency, or when it becomes party to a contract involving foreign currencies. This section revised and replaces the existing section PS 2600 *Foreign Currency Translation* and applies to fiscal years beginning on or after April 1, 2021, with early adoption permitted.

PS 3450 - Financial Instruments

This section establishes standards for recognizing and measuring all types of financial instruments, including derivatives. Financial instruments include primary instruments, such as receivables, payables and equity instruments, as well as derivatives such as financial options, futures and forwards, interest rate swaps and currency swaps. This section applies to fiscal years beginning on or after April 1, 2021, with early adoption permitted.

PS 3041 - Portfolio Investments

This section establishes standards on accounting and reporting for portfolio investments, Portfolio investments are investments in organizations which do not form part of the government reporting entity, such as equity or debt instruments issued by the investee. This section revises and replaces section PS 3040 *Portfolio Investments* and section PS 3030 *Temporary Investments* and applies to fiscal years beginning on or after April 1, 2021, with early adoption permitted.

PS 1201 - Financial Statement Presentation

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

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

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

28. 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 incurred \$141,889 (2018 - \$558,753) of flood recovery expenses and \$939,399 of capital flood mitigation expenditures, \$1,029,032 of which was recoverable from Emergency Management BC. \$989,728 of this amount was received prior to December 31, 2019, with the remaining \$39,304 included in accounts receivable at year end.

During the year, the City completed a substantial amount of building and infrastructure repairs, most of which will be reimbursed by the City's insurance provider and the Government of British Columbia's Disaster Financial Assistance Program. \$663,154 (2018 - \$1,199,558) of remediation expenses and capital repairs were incurred to December 31, 2019, with \$482,025 of associated revenue recognized during the same period. The City received \$366,817 in additional insurance proceeds during the year.

THE CORPORATION OF THE CITY OF GRAND FORKS

Notes to the Financial Statements

For the year ended December 31, 2019

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. Funding of \$49.9 million under the DMAF program was approved in 2019 with contributions of \$19.9 million from the Federal Government, \$29 million from the Province of British Columbia, and \$1 million from the City. The City also received approval from the Province for additional funding of \$2.67 million to finance supplementary projects outside the scope of the DMAF program.

29. 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.

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 victim services. 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.

THE CORPORATION OF THE CITY OF GRAND FORKS

Notes to the Financial Statements

For the year ended December 31, 2019

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.

Recreation and Cultural Services

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

Electrical Utility

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

Water Utility

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

Wastewater Utility

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

30. Comparative Figures

Certain of the comparative figures have been restated to conform to the current year's presentation.

CORPORATION OF THE CITY OF GRAND FORKS
Schedule of Segmented Information

December 31, 2019

	General Fund										
	General Government Services	Protective Services	Environment and Public Health	Development Services	Public Works & Transportation Services	Recreation Culture & Public Real Estate	Electrical Utility	Water Utility	Wastewater Utility	2019 Total	2018 Total
Revenue											
Taxation	4,084,317								6,040	4,090,357	4,083,308
Sale of services	243,815		295,303	7,984	33,964	51,741	4,974,943	1,005,867	914,728	7,528,345	7,965,414
Other revenues	183,840		1,366	65,535		683,225	24,105	4,848	5,108	968,027	1,565,493
Government transfers	1,365,387	319,700		148,920	1,529,386			128,000	1,662,100	5,153,493	2,418,618
Contributions from others	1,800					16,268	9,000			27,068	22,707
Interest income	282,389					3,263		9	937	286,598	222,628
Investment income	15,146								16,942	32,088	35,676
Gain on disposal of assets										-	59,315
	6,176,694	319,700	296,669	222,439	1,563,350	754,497	5,008,048	1,138,724	2,605,855	18,085,976	16,373,159
Expenses											
Wages & benefits	1,267,094	697,326	39,576	266,826	960,380	266,908	487,665	209,836	220,915	4,416,526	4,306,872
General Services	155,452	65,416	46,778	41,958	36,620	47,030	10,974	7,560	10,247	422,035	461,549
Professional and Contract Services	351,114	178,462	208,650	209,337	161,345	498,744	76,240	35,689	23,684	1,743,265	2,368,422
Materials & Supplies	134,003	52,890	2,834	3,968	295,807	125,632	66,188	95,495	40,535	817,352	983,366
Telephone & Utilities	7,579	32,452	14	2,160	38,375	30,282	3,869	1,545	85,746	202,022	212,941
Insurance	14,528	3,066	62		75,476	28,944	6,520	13,900	19,815	162,311	156,932
Allocations	(510,626)	82,173	23,744	20,955	(287,641)	138,999	(20,832)	259,855	293,373	-	-
Purchased for resale							3,246,634			3,246,634	3,738,303
Grants & fee for service						333,428				333,428	350,355
Interest					52,081			16,781	74,716	143,578	134,259
Amortization		84,613			828,782	168,374	115,910	363,997	205,241	1,766,917	1,724,781
	1,419,144	1,196,398	321,658	545,204	2,161,225	1,638,341	3,993,168	1,004,658	974,272	13,254,068	14,437,780
Net surplus (deficit)	4,757,550	(876,698)	(24,989)	(322,765)	(597,875)	(883,844)	1,014,880	134,066	1,631,583	4,831,908	1,935,379

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

December 31, 2019

	Cost				Accumulated Amortization				Net Book Value 2019	Net Book Value 2018
	Opening Balance	Additions	Transfers/ Disposals	Closing Balance	Opening Balance	Amortization Expense	Transfers/ Disposals	Closing Balance		
General Capital Fund										
Land	\$ 1,643,339	\$ 105,941		\$ 1,749,280	\$ -	\$ -	\$ -	\$ -	\$ 1,749,280	\$ 1,643,339
Land improvements	432,302			432,302	44,712	21,168	-	65,880	366,422	387,590
Buildings	5,903,942	132,731		6,036,673	3,223,420	147,206	-	3,370,626	2,666,047	2,680,522
Machinery and equipment	2,340,638	263,224		2,603,862	1,722,218	116,422	-	1,838,640	765,222	618,420
Engineering structures	21,088,474	1,527,133		22,615,607	12,709,485	606,404	-	13,315,889	9,299,718	8,378,989
Storm structures	17,850			17,850	3,570	892	-	4,462	13,388	14,280
Protective services vehicles	1,838,560			1,838,560	701,443	84,614	-	786,057	1,052,503	1,137,117
Public works vehicles	3,613,649	15,295	\$ (461,149)	3,167,795	2,515,854	105,063	(320,061)	2,300,856	866,939	1,097,795
Assets under construction	462,706	2,470,580	\$ (1,988,130)	945,156					945,156	462,706
	37,341,460	4,514,904	(2,449,279)	39,407,085	20,920,702	1,081,769	(320,061)	21,682,410	17,724,675	16,420,758
Water Utility										
Plant and equipment	10,075,021	464,106		10,539,127	5,373,585	363,997	-	5,737,582	4,801,545	4,701,436
Assets under construction	90,528	416,104	(464,106)	42,526					42,526	90,528
	10,165,549	880,210	(464,106)	10,581,653	5,373,585	363,997	-	5,737,582	4,844,071	4,791,964
Electrical Utility										
Plant and equipment	3,760,083	252,133	461,149	4,473,365	1,772,799	115,911	320,061	2,208,771	2,264,594	1,987,284
Assets under construction	167,509	261,891	(252,133)	177,267					177,267	167,509
	3,927,592	514,024	209,016	4,650,632	1,772,799	115,911	320,061	2,208,771	2,441,861	2,154,793
Wastewater Utility										
Plant and equipment	8,433,613	160,477		8,594,090	4,277,527	205,241	-	4,482,768	4,111,322	4,156,086
Assets under construction	2,048,208	2,176,464	(160,476)	4,064,196					4,064,196	2,048,208
	10,481,821	2,336,941	(160,476)	12,658,286	4,277,527	205,241	-	4,482,768	8,175,518	6,204,294
	\$ 61,916,422	\$ 8,246,079	\$ (2,864,845)	\$ 67,297,656	\$ 32,344,613	\$ 1,766,918	\$ -	\$ 34,111,531	\$ 33,186,125	\$ 29,571,809

THE CORPORATION OF THE CITY OF GRAND FORKS
Statement of Financial Information
Fiscal Year Ended December 31, 2019

STATEMENT OF CHANGES IN FINANCIAL POSITION
CAPITAL FUND

	Actual 2019	Actual 2018
Revenue		
Donations from groups and individuals	\$ 16,268	\$ 13,732
Government transfers	3,465,082	702,236
	<u>3,481,350</u>	<u>715,968</u>
Transfer from Development Cost Charges	-	-
Transfer from Other Restricted Revenues	<u>-</u>	<u>-</u>
	<u>3,481,350</u>	<u>715,968</u>
Expenditures		
General fund	2,526,774	1,181,491
Utilities	2,854,459	1,784,494
	<u>5,381,233</u>	<u>2,965,985</u>
Net change in financial assets	(1,899,883)	(2,250,017)
Expenditures funded by debt	45,830	643,739
Transfers from operating funds	230,619	70,415
Transfers from reserves	<u>1,623,434</u>	<u>1,535,863</u>
Increase in capital funds	<u>-</u>	<u>-</u>

THE CORPORATION OF THE CITY OF GRAND FORKS

Statement of Financial Information

Fiscal Year Ended December 31, 2019

SCHEDULE OF DEBT

	Bylaw	Interest Rate	Maturity	Original Issue	Balance, Dec 31, 2018	Additions	Payments of Principal	Actuarial Adjustment	Balance, Dec 31, 2019
General Fund									
Road System Improvements	1863	4.13%	2019	\$ 500,000	\$ 59,274	\$ -	\$ 41,645	\$ 17,629	\$ -
Roads - NW 79th	1887	3.73%	2025	70,000	37,788	-	3,496	1,289	33,003
General Fund Capital Renewal	1923	2.24%	2044	1,044,346	-	1,044,346	-	-	1,044,346
Water Fund									
Emergency Water Supply	1922	2.24%	2044	425,000	-	425,000	-	-	425,000
Water Fund Capital Renewal	1923	2.24%	2044	247,123	-	247,123	-	-	247,123
Sewer Fund									
Ruckle Lift Station	1498	2.30%	2019	195,944	14,698	-	6,495	8,203	-
City Park Lift Station	1873	3.85%	2033	1,756,920	1,437,355	-	59,000	12,783	1,365,572
Sewer Fund Capital Renewal	1923	2.24%	2044	203,531	-	203,531	-	-	203,531
Total Debenture Debt				\$ 4,442,864	\$ 1,549,115	\$ 1,920,000	\$ 110,636	\$ 39,904	\$ 3,318,575
Equipment Financing									
2015 Cobra Platform Ladder Truck	n/a	2.50%	2021	\$ 722,518	\$ 324,265	\$ -	\$ 143,028	\$ -	181,237
Total Equipment Financing				\$ 722,518	\$ 324,265	\$ -	\$ 143,028	\$ -	\$ 181,237
Total Long Term Debt				\$ 5,165,382	\$ 1,873,380	\$ 1,920,000	\$ 253,664	\$ 39,904	\$ 3,499,812

THE CORPORATION OF THE CITY OF GRAND FORKS

Statement of Financial Information

Fiscal Year Ended December 31, 2019

SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS

The Corporation of the City of Grand Forks has not given any guarantees or indemnities under the Guarantees and Indemnities Regulation.

THE CORPORATION OF THE CITY OF GRAND FORKS

Statement of Financial Information

Fiscal Year Ended December 31, 2019

STATEMENT OF SEVERANCE AGREEMENTS

There was one severance agreement under which payment commenced between The Corporation of the City of Grand Forks and its non-unionized employees during the fiscal year ended December 31, 2019.

This agreement represents thirteen months of compensation, based on the value of salary and vacation benefits.

THE CORPORATION OF THE CITY OF GRAND FORKS

Statement of Financial Information

Fiscal Year Ended December 31, 2019

SCHEDULE OF REMUNERATION AND EXPENSES
FOR ELECTED OFFICIALS

Name	Position	Remuneration	Expenses	Benefits	Total
Eburne-Stoodley, Zak	Councillor	19,052	1,613	1,442	22,107
Korolek, Catherine	Councillor	19,502	6,706	3,303	29,511
Krog, Neil D.	Councillor	20,798	-	3,311	24,109
Moslin, Chris	Councillor	19,502	6,349	3,303	29,154
Taylor, Brian	Mayor	26,422	7,766	1,442	35,630
Thompson, Christine	Councillor	18,602	8,540	3,577	30,719
Zielinski, Rod	Councillor	19,502	5,690	3,303	28,495
Total Elected Officials		\$ 143,380	\$ 36,664	\$ 19,681	\$ 199,725

Contracts reported under Section 107 of the Community Charter:

None.

THE CORPORATION OF THE CITY OF GRAND FORKS

Statement of Financial Information

Fiscal Year Ended December 31, 2019

SCHEDULE OF EMPLOYEE REMUNERATION AND EXPENSES

Name	Position	Remuneration	Expenses	Total
Bruce, David	Manager, Building Inspection & Bylaw	\$ 94,937	\$ 1,988	\$ 96,925
Cassidy, Michael	Utilities Operator	78,352	638	78,990
Chambers, Steven	Electrical Coordinator	112,962	286	113,248
Chapman, Dean	Utilities Coordinator	81,493	4,290	85,783
Drexler, Daniel	Corporate Officer	105,599	18,791	124,390
Espenhain, Kenneth	Public Works Operator	75,862	1,033	76,895
Federico, Leonard	Asst. Utilities Coordinator	92,410	3,810	96,220
Feenstra, John	Utilities Operator	77,788	460	78,248
Fofonoff, Rodney	Asst. Public Works Coordinator	82,478	260	82,738
Heinrich, Diane	Chief Administrative Officer	110,493	6,060	116,553
Heriot, Dale	Fire Chief	150,159	1,581	151,740
Howard, Steven	Public Works Coordinator	82,281	2,930	85,211
Jalbert, Myles	Electrical Lineman	109,290	864	110,154
McKinnon, Kevin	Deputy Corporate Officer	83,334	10,446	93,780
Nielsen, Darryl	Mechanic	84,863	943	85,806
Piche, Richard	Deputy Fire Chief	77,427	8,768	86,195
Raybould, Sam	Electrical Lineman	108,903	315	109,218
Reid, David	Manager Of Operations	113,901	7,177	121,078
Rhodes, Juliette	Chief Financial Officer	114,613	1,430	116,043
Salamandyk, Earl	Public Works/Airport Operator	83,166	427	83,593
Seigler, George	Fire Chief	101,327	1,327	102,654
Sheets, Dolores	Manager of Dev. & Engineering	99,855	9,728	109,583
Sorensen-Lawrence, Benjack	Utilities Operator	86,461	447	86,908
Watt, Graham	Recovery Manager	93,108	5,634	98,742
Wey, Roy	Accountant/Comptroller	75,491	2,107	77,598
Employee remuneration over \$75,000 and expenses		\$ 2,376,553	\$ 91,740	\$ 2,468,293
Consolidated total of other employees with remuneration of \$75,000 or less		\$ 1,176,294	\$ 31,404	\$ 1,207,698
Total Employees		\$ 3,552,847	\$ 123,144	\$ 3,675,991

Reconciliation

Total remuneration - elected officials	\$ 143,380
Total remuneration - other employees	3,552,847
Subtotal	3,696,227
Reconciling items	
Employer CPP, EI, EHT and Worksafe premiums	291,267
Pension and group benefits	452,288
Labour and benefits charged to capital accounts	(126,096)
Accruals	72,487
Other adjustments	30,353

Wages and benefits per Financial Statements

\$ 4,416,526

THE CORPORATION OF THE CITY OF GRAND FORKS**Statement of Financial Information****Fiscal Year Ended December 31, 2019****SCHEDULE OF SUPPLIER PAYMENTS**

Supplier Name	Amount
Aardvark Pavement Marking Services	\$ 40,946
Allen, Erinne	26,100
Allin, Doug	41,500
Anixter	29,182
Arctic Powerline Group Ltd	30,255
Argosy Construction Group Inc.	37,852
B.C. Assessment Authority	38,498
Boundary Country Regional Chamber Of Commerce	25,556
Cam Tran Co. Ltd.	44,831
CapriCMW Insurance	252,656
Castle Fuels (2008) Inc.	118,521
CFDC - Boundary Area	59,800
City Of Nelson	59,048
Collabria	85,767
Cupe Local 4728	43,099
Cooper Industries Electrical	27,279
Eecol Electric Corp.	37,742
Emco Corporation	113,411
Fortis BC	3,612,899
Fred Surridge Ltd.	90,294
Governance Plus	55,897
Grand Forks Janitorial Services	45,848
Grand Forks Volunteer Firefighters Association	64,599
Hydraclean Disaster Restoration	716,301
IA Financial	25,600
Iconix Waterworks	26,526
Inland Contracting Ltd.	43,586
Innova Strategy Group	29,352
Insituform Technologies Ltd.	77,406
Itron Canada Inc.	107,377
KH Burch Kientz Inc.	27,605
Keystone Appraisals Inc.	161,152
K.Louise Currier Notary Public In Trust	62,605
Lime Creek Logging Ltd.	901,709
Lordco Parts Ltd	25,046

THE CORPORATION OF THE CITY OF GRAND FORKS**Statement of Financial Information****Fiscal Year Ended December 31, 2019****SCHEDULE OF SUPPLIER PAYMENTS**

Supplier Name	Amount
Maple Reinders Constructors Ltd.	\$ 1,503,167
Martech Electrical Systems	53,895
Minister Of Finance (MSP)	28,688
Minister Of Finance (EHT)	53,826
Minister Of Finance (School Tax)	348,958
Minister Of Finance (PST)	42,731
Municipal Finance Authority	2,133,127
Municipal Insurance Association of BC	33,913
Municipal Pension Plan	592,412
Nor-Ex Engineering Ltd.	154,403
Northern Computer	29,996
Owen Bird Law Corporation	26,482
Pacific Blue Cross	216,157
Petro Value Products Canada Inc.	38,082
Pica Engineering	36,919
Power Paving Ltd.	187,829
Receiver General for Canada	1,014,385
Regional District Of Kootenay Boundary	2,006,154
R.L. Mattiussi Advisory Services Inc.	35,805
School District #51 (Boundary)	107,502
Sky Fire Energy	40,772
Terus Construction Ltd.	487,242
Urban Systems Ltd.	730,521
Wesco Distribution Canada LP	132,415
West Kootenay Boundary Regional Hospital	191,019
WorkSafeBC	48,049
Young Anderson Barristers & Solicitors	76,486
Supplier payments greater than \$25,000	\$ 17,536,780
Supplier payments less than or equal to \$25,000	1,483,949
Total Supplier Payments	\$ 19,020,729

THE CORPORATION OF THE CITY OF GRAND FORKS

Statement of Financial Information

Fiscal Year Ended December 31, 2019

SCHEDULE OF GRANT PAYMENTS

<u>Supplier Name</u>	<u>Amount</u>
Boundary Museum Society	\$ 106,600
Grand Forks Art Gallery Society	157,696
Grand Forks Downtown Business Association	42,000
Grant payments greater than \$25,000	\$ 306,296

RECONCILIATION OF SUPPLIER PAYMENTS

Supplier payments greater than \$25,000	\$ 17,536,780
Supplier payments less than or equal to \$25,000	1,483,949
Grant payments greater than \$25,000	<u>306,296</u>
Subtotal	19,327,025
Reconciling items	
Employee remuneration and expenses	3,856,035
Amortization of tangible capital assets	1,766,917
Employee payroll withholdings	(1,132,556)
Payments to other taxing authorities	(2,114,368)
Capital expenditures	(5,381,233)
GST rebates and input tax credits	(524,318)
PST collected on revenues	(17,474)
Debt principal payments	(2,197,946)
Change in inventories and prepaid expenses	(72,570)
Accruals and other adjustments*	<u>(255,444)</u>
Total expenses per Statement of Operations	<u>\$ 13,254,068</u>

* The financial statements are prepared on an accrual basis, whereas the schedule of payments made to suppliers represents amounts paid on the cash basis. Additionally, payments made to suppliers include GST which is recoverable, and thus not included in expenses.