GRAND FORKS
— BC —
Settle down.

THE CORPORATION OF THE CITY OF GRAND FORKS

2023 STATEMENT OF FINANCIAL INFORMATION

THE CORPORATION OF THE CITY OF GRAND FORKS
Statement of Financial Information
Fiscal Year Ended December 31, 2023

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Statement of Financial Information
Fiscal Year Ended December 31, 2023

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]

Everett Baker, Mayor
On behalf of Council

Date: June 12, 2024

[Original signed by]

Marcus Lebler, CPA, CA
Chief Financial Officer

Date: June 12, 2024

Prepared pursuant to *Financial Information Regulation,* Schedule 1, section 9

THE CORPORATION OF THE CITY OF GRAND FORKS
Statement of Financial Information
Fiscal Year Ended December 31, 2023

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, BDO Canada LLP., 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]

Marcus Lebler, CPA, CA
Chief Financial Officer

June 12, 2024

Prepared pursuant to *Financial Information Regulation,* Schedule 1, section 9

Financial Statements of

THE CORPORATION OF THE CITY OF GRAND FORKS

For the Year Ended December 31, 2023

THE CORPORATION OF THE CITY OF GRAND FORKS
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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

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Fax: 250 763 4457
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BDO Canada LLP
1631 Dickson Avenue, Suite 500
Kelowna, BC V1Y 0B5

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, 2023, 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, 2023, 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 6, 2024

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

As at December 31	**2023**	2022
Financial Assets		
Cash (note 3)	**$ 11,846,990**	$ 11,769,952
Accounts receivable (note 5)	**6,172,227**	9,758,095
Portfolio Investments (note 6)	**3,650,567**	3,335,216
Municipal Finance Authority deposit (note 7)	**44,849**	43,497
Inventories for resale	**45,989**	18,232
	21,760,622	24,924,992
Liabilities		
Accounts payable and accrued liabilities (note 8)	**4,836,850**	8,338,938
Employee future benefits (note 9)	**373,211**	350,096
Deferred revenues (note 10)	**2,552,393**	2,238,127
Development cost charges (note 11)	**951,325**	925,803
Long-term debt (note 12)	**2,760,031**	2,907,151
Asset retirement obligations (note 13)	**1,545,835**	-
	13,019,645	14,760,115
Net financial assets	**8,740,977**	10,164,877
Non-financial assets		
Prepaid expenses	**426,102**	129,060
Inventory of parts and supplies	**637,460**	384,122
Tangible capital assets (schedule 2)	**79,564,979**	64,712,710
	80,628,541	65,225,892
Accumulated surplus (note 14)	**$ 89,369,518**	$ 75,390,769

[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

For the year ended December 31	2023 Budget (Note 19)	**2023 Actual**	2022 Actual
Revenue			
Property taxation (note 15)	$ 4,306,356	**$ 4,303,958**	$ 4,174,548
Sales of services (note 16)	7,878,115	**7,895,096**	7,790,267
Other revenues (note 17)	657,713	**759,792**	710,760
Development cost charges	500,000	**46,205**	-
Government transfers (note 18)	17,119,825	**14,749,631**	20,364,064
Contributions from others	-	**334,796**	352,401
Interest income	278,000	**769,295**	313,250
Investment income on sinking fund	-	**32,067**	27,880
Gain on disposal of capital assets	-	**634,289**	-
	30,740,009	**29,525,129**	33,733,170
Expenses			
General government	1,710,624	**1,657,576**	1,448,230
Protective services	1,232,407	**1,251,605**	1,278,017
Disaster response and recovery	-	**166,381**	95,547
Environmental health services	276,804	**276,888**	265,134
Public health and welfare	98,360	**104,757**	81,645
Planning and development	1,169,510	**930,545**	810,882
Transportation services	1,313,953	**1,253,709**	1,275,402
Recreation and cultural services	1,097,363	**1,080,017**	1,051,765
Public real estate	329,670	**383,749**	390,260
Electrical services	4,464,125	**4,342,838**	4,080,938
Water services	703,038	**728,713**	735,080
Wastewater services	904,510	**1,066,501**	996,680
Amortization	2,087,336	**2,179,396**	2,068,656
Accretion	-	**68,687**	
Loss on disposal of tangible capital assets	-	**55,018**	-
Write-down of assets (note 26)	-	**-**	175,500
	15,387,700	**15,546,380**	14,753,736
Annual Surplus	15,352,309	**13,978,749**	18,979,434
Accumulated surplus, beginning of year	75,390,769	**75,390,769**	56,411,335
Accumulated surplus, end of year	$ 90,743,078	**$ 89,369,518**	$ 75,390,769

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

For the year ended December 31	2023 Budget (Note 19)	**2023 Actual**	2022 Actual
Annual Surplus	$ 15,352,309	**$ 13,978,749**	$ 18,979,434
Acquisition of tangible capital assets	(18,628,955)	**(15,606,374)**	(23,225,545)
Amortization of tangible capital assets	2,087,336	**2,179,396**	2,068,656
Increase in tangible capital assets due to asset retirement obligations		**(1,477,148)**	-
(Gain) loss on disposal of assets	-	**(579,271)**	-
Proceeds from sale of assets	-	**631,128**	-
Net change in prepaid expenses and supplies inventory	-	**(550,380)**	(8,273)
Increase (decrease) in Net Financial Assets	(1,189,310)	**(1,423,900)**	(2,185,728)
Net Financial Assets, beginning of year	10,164,877	**10,164,877**	12,350,605
Net Financial Assets, end of year	$ 8,975,567	**$ 8,740,977**	$ 10,164,877

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

CORPORATION OF THE CITY OF GRAND FORKS
Statement of Cash Flow

For the year ended December 31	**2023**	2022
Operating transactions		
Annual surplus	**$ 13,978,749**	$ 18,979,434
Adjustment for non-cash items		
Amortization of tangible capital assets	**2,179,396**	2,068,656
Accretion	**68,687**	
Gain on disposal of assets	**(579,271)**	-
(Increase) decrease in prepaid expenses	**(297,042)**	2,463
Increase in supplies inventory	**(253,338)**	(10,736)
Actuarial adjustments on long term debt	**(31,701)**	(26,605)
Write-down of buildings for resale	**-**	175,500
(Increase) decrease in assets		
Accounts receivable	**3,585,868**	1,119,144
MFA deposits	**(1,352)**	(950)
Inventories for resale	**(27,757)**	2,912
Buildings for resale	**-**	(175,500)
Increase (decrease) in liabilities		
Accounts payable and accrued liabilities	**(3,502,088)**	5,816,743
Deferred revenues	**314,266**	(10,685,188)
Employee future benefits	**23,115**	(5,935)
Deferred development cost charges	**25,522**	80,410
	15,483,054	17,340,348
Capital transactions		
Acquisition of tangible capital assets	**(15,606,374)**	(23,225,545)
Proceeds on disposal of tangible capital assets	**631,128**	-
	(14,975,246)	(23,225,545)
Investing transactions		
Increase in portfolio investments	**(315,351)**	(59,937)
Financing transactions		
Repayment of long-term debt	**(115,419)**	(115,419)
Net (decrease) increase in cash	**77,038**	(6,060,553)
Cash, beginning of year	**11,769,952**	17,830,505
Cash, end of year	**$ 11,846,990**	$ 11,769,952

The accompanying notes are an integral part of these financial statements

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. 2097 which was adopted on April 17, 2023. 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.

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 trusteed, multi-employer contributory defined benefit pension plan. Payments made to the pension plan are expensed as incurred.

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

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

Liability for Contaminated Sites

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

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

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

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.

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.

	2023	2022
Restricted cash		
Statutory Reserves	**$ 8,688,767**	$ 6,530,256
Development Cost Charges (see Note 11)	**951,325**	925,803
	9,640,092	7,456,059
Unrestricted cash	**2,206,898**	4,313,893
Total cash	**$ 11,846,990**	$ 11,769,952

4. Operating Line of Credit

The City has an operating line of credit with Grand Forks Credit Union for an authorized amount of $2,000,000, secured by a promissory note and bearing interest at the base lending rate less 0.5%. At December 31, 2023, the balance outstanding on the operating line of credit was $Nil (2022 - $Nil).

5. Accounts Receivable

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

	2023	2022
Property taxes	$ 582,297	$ 535,980
Utility accounts receivable	1,312,819	1,294,753
Due from other governments (Note 26)	3,146,250	7,681,514
Trade and other receivables	1,130,861	245,848
	$ 6,172,227	$ 9,758,095

6. Portfolio Investments

	2023	2022
Term deposit, maturing December, 2024	$ 761,195	$ 738,307
MFA Short Term Bond Fund	1,263,956	1,575,348
MFA Money Market Fund	1,625,416	1,021,561
	$ 3,650,567	$ 3,335,216

The market value of portfolio investments at December 31, 2023 was $3,548,995 (2022 - $3,206,456), with yields from 4.0% to 5.4%.

7. Municipal Finance Authority Debt Reserve Fund

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

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

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

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

	Demand Notes	Cash Deposits	2023	2022
General Fund	$ 17,929	$ 12,468	$ 30,397	$ 30,021
Water Fund	10,024	7,380	17,404	17,182
Wastewater Fund	48,787	25,001	73,788	73,034
	$ 76,740	$ 44,849	$ 121,589	$ 120,237

8. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities comprise the following:

	2023	2022
Wages and benefits	**$ 759,966**	$ 686,041
Trade payables	**3,786,786**	7,391,025
Other taxing authorities	**267,701**	242,204
Accrued interest	**22,397**	19,668
	$ 4,836,850	$ 8,338,938

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	$ 368,881	$ 418,394	$ (368,881)	**$ 418,394**
Prepaid utilities	44,461	41,928	(44,461)	**41,928**
Library maintenance contract	30,694	13,000	(12,286)	**31,408**
Disaster mitigation grants (Note 26)	-	9,356,408	(8,556,139)	**800,269**
Other grants	1,448,314	37,488	(286,418)	**1,199,384**
Deposits and other	345,777	79,329	(364,096)	**61,010**
	$ 2,238,127	$ 9,946,547	$ (9,632,281)	**$ 2,552,393**

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.

	2023	2022
Balance, beginning of year	**$ 925,803**	$ 845,393
Contributions from developers	**21,770**	58,934
Interest on investments	**49,957**	21,476
Projects funded	**(46,205)**	-
Balance, end of year	**$ 951,325**	$ 925,803

The balance of deferred development cost charges comprises the following:

	2023	2022
Water development cost charges	**$ 415,473**	$ 383,679
Wastewater development cost charges	**533,060**	539,425
Parkland development cost charges	**2,792**	2,699
	$ 951,325	$ 925,803

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 fifteen to twenty-five years, with maturity dates from 2025 to 2044. The terms of the loan agreement require the City to provide security in the form of demand notes payable to the MFA and to deposit cash representing 1% of the gross proceeds into a debt reserve fund (see Note 7).

The 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**	2023 Interest
General								
Roads - NW 79th Bylaw 1887; MFA Issue #112	3.73%	15 yrs	2025	$ 17,392	$ 3,757	$ 1,841	**$ 11,794**	$ 896
General Fund Capital Renewal Bylaw 1923; MFA Issue #149	2.24%	25 yrs	2044	955,811	28,644	2,656	**924,511**	23,393
Water Utility								
Emergency Water Supply Bylaw 1922; MFA Issue #149	2.24%	25 yrs	2044	388,969	11,657	1,081	**376,231**	9,520
Water Fund Capital Renewal Bylaw 1923; MFA Issue #149	2.24%	25 yrs	2044	226,173	6,778	629	**218,766**	5,536
Sewer Utility								
City Park Lift Station Bylaw 1873; MFA Issue #126	3.85%	20 yrs	2033	1,132,530	59,001	24,976	**1,048,553**	70,737
Sewer Fund Capital Renewal Bylaw 1923; MFA Issue #149	2.24%	25 yrs	2044	186,276	5,582	518	**180,176**	4,559
Total Long Term Debt				$ 2,907,151	$ 115,419	$ 31,701	**$ 2,760,031**	$ 114,641

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

	General	**Water Utility**	**Sewer Utility**	**Total**
2024	$ 32,402	$ 18,435	$ 70,170	$ 121,007
2025	32,402	18,435	70,170	121,007
2026	28,644	18,435	70,170	117,249
2027	28,644	18,435	70,170	117,249
2028	28,644	18,435	70,170	117,249
Thereafter	458,307	294,958	412,255	1,165,520
	609,043	387,133	763,105	1,759,281
Actuarial Adjustment	327,259	207,865	465,626	1,000,750
Total Long Term Debt	$ 936,302	$ 594,998	$ 1,228,731	$ 2,760,031

13. Asset Retirement Obligations

The City owns and operates several assets that are known to have asbestos and lead paint, which represent a health hazard upon demolition or renovation of the assets. There is a legal obligation to remove and dispose of the hazardous materials. Following the adoption of Public Accounting Standard PS 3280 *Asset Retirement Obligations*, the City recognized an obligation relating to the removal of the hazardous materials in these assets as estimated at January 1, 2023. The transition and recognition of asset retirement obligations involved an accompanying increase to the Buildings and Water Infrastructure capital assets. The increase in capital assets is amortized on a straight-line basis over the remaining expected useful life of the related assets.

The City has adopted this standard prospectively. Under the prospective method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard. Estimated costs totaling $2,585,148 have been discounted using a present value calculation with a discount rate of 4.65%. The timing of these expenditures is estimated to occur between 2024 and 2043 with the regular replacement, renovation, or disposal of assets. No recoveries are expected at this time.

	2023	2022
Opening asset retirement obligation	**$ -**	$ -
Initial recognition of expected discounted cash flows	**1,477,148**	-
Increase due to accretion	**68,687**	-
Closing asset retirement obligation	**$ 1,545,835**	$ -

14. Accumulated Surplus

Accumulated surplus comprises the following:

	2023	2022
Operating	**$ 3,336,631**	$ 7,031,959
Statutory Reserves		
Growing Communities Fund	**2,062,556**	-
Capital	**1,682,078**	1,598,325
Community Works Fund	**1,111,416**	1,432,129
Slag sales	**1,382,965**	1,226,927
Land sales	**1,324,137**	858,107
Electrical capital	**870,880**	817,702
Equipment replacement	**425,717**	404,224
Water capital	**119,355**	113,412
Climate action	**187,439**	42,548
Wastewater capital	**26,617**	25,292
Cash in lieu of parking	**4,778**	4,585
	$ 9,197,938	$ 6,523,251
Non-Statutory Reserves		
Election reserve	**30,000**	30,000
	$ 30,000	$ 30,000
Investment in Non-Financial Assets		
Investment in tangible capital assets	**76,804,949**	61,805,559
	$ 89,369,518	$ 75,390,769

15. Property Tax Revenues

Municipal taxation revenues consist of the following:

	2023	2022
Property taxes	$ 4,155,484	$ 4,037,894
Parcel and frontage taxes	5,826	5,826
1% utilities tax	108,165	98,469
Grants and payments in lieu of taxes	34,483	32,359
	$ 4,303,958	$ 4,174,548

16. Sale of Services

	2023	2022
Electrical utility user fees	**$ 5,285,807**	$ 5,230,099
Water utility user fees	**1,005,644**	955,467
Wastewater utility user fees	**983,097**	944,333
Solid waste collection	**282,365**	275,379
Slag sales	**170,680**	181,888
Campground fees	**77,458**	86,269
Airport (net of cost of fuel sold)	**26,248**	41,421
Cemetery	**38,205**	25,946
Sundry and other	**25,592**	49,465
	$ 7,895,096	$ 7,790,267

17. Other Revenues

	2023	2022
Leases and rentals	**$ 242,412**	$ 229,462
Donations and grants	**48,971**	134,750
Licences and permits	**121,670**	91,612
Penalties and interest	**102,792**	81,633
Franchise fees	**92,591**	73,641
Other revenues	**131,670**	94,260
Insurance and other recoveries	**19,686**	5,402
	$ 759,792	$ 710,760

18. Government Transfers

In 2023 the City received and recorded the following transfers from other governments:

	2023	2022
Operating transfers		
Provincial	**$ 3,005,833**	$ 926,604
Regional	**638,553**	645,614
	$ 3,644,386	$ 1,572,218
Capital transfers		
Federal	**$ 5,281,479**	$ 4,408,132
Provincial	**5,479,391**	14,058,945
Regional	**344,375**	324,769
	$ 11,105,245	$ 18,791,846
Total government transfers	**$ 14,749,631**	$ 20,364,064

19. Reconciliation to Budget

The following reconciles the balanced statutory budget adopted by Council on April 17, 2023 with the budgeted surplus reported on the statement of operations and accumulated surplus:

Budget surplus as per the statement of operations and accumulated surplus		$ 15,352,309
Add:	Amortization expense	2,087,336
	Transfers from reserves and surplus	1,304,730
Subtract:	Debt principal repayments	(115,420)
	Tangible capital asset expenditures	(18,628,955)
Financial Plan Balance per Bylaw No. 2097		$ -

20. Trust Funds

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

	2023	2022
Fund Balance		
Cemetery Care Fund	**$ 214,656**	$ 197,562
Employee Assistance Program	**9,200**	8,319
Slag Remediation Trust	**23,198**	22,079
	$ 247,054	$ 227,960

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.

Pension Liability

The City and its employees contribute to the Municipal Pension Plan (a jointly trusteed 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, 2022, the plan has about 240,000 active members and approximately 124,000 retired members. Active members include approximately 43,000 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, 2021, indicated a $3,761 million funding surplus for basic pension benefits on a going concern basis.

The City paid $368,901 (2022 - $343,897) for employer contributions to the plan in fiscal 2023.

The next valuation will be as at December 31, 2024.

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 $45,000 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 2023 were $229,957 (2022 - $213,183).

The City has significant contractual commitments for incomplete capital acquisitions and construction projects in progress. As at the end of December 2023, the City had entered into contracts totaling $38,974,565, with expenditures to date of $33,210,246. These contracts are planned for completion during 2024, with unexpended funds carried forward and included in the next year's annual Financial Plan.

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:

2024	226,951
2025	133,863
2026	122,307
2027	122,897
2028	123,497
Total	$729,515

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. $348,607 of revenue was recorded in 2023 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 $923,098 has been recognized based on eligible expenditures, leaving $7,192,179 of revenue to be realized as the remaining expenditures are incurred over the next few years, as follows:

Investing in Canada Infrastructure Program	$7,040,277
Next Generation 911 Funding Program	45,000
Local Government Development Approvals Program	106,902

The City is also expected to receive approximately $246,700 of grant funding in 2024 under the Community Works Fund.

25. 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, 2023, with earlier adoption permitted.

PS 3160 - Public Private Partnerships

This new section establishes standards on how to account for public private partnership arrangements. The main features of the new Section are:

- Public private partnership infrastructure is procured by a public sector entity using a private sector partner that is obligated to design, build, acquire or better infrastructure; finance the infrastructure past the point where the infrastructure is ready for use; and operate and/or maintain the infrastructure.
- Public private partnership infrastructure is recognized as an asset when the public sector entity acquires control of the infrastructure. A liability is recognized when the public sector entity recognizes an asset.
- An infrastructure asset acquired in a private partnership arrangement is recorded at the public sector entity's cost. The liability is initially measured at the cost of the infrastructure asset.
- Subsequent measurement of the infrastructure asset is based on the asset cost amortized in a rational and systematic manner over the useful life of the asset.
- Subsequent measurement of a financial liability should be at amortized cost using the effective interest method. For a performance obligation, revenue should be recognized and the liability reduced in accordance with the substance of the public private partnership agreement.

This Section applies to fiscal years beginning on or after April 1, 2023, with earlier adoption permitted.

PSG-8 – Purchased Intangibles

This new Guideline explains the scope of the intangibles now allowed to be recognized in financial statements given the removal of the recognition prohibition relating to purchased intangibles in Section PS 1000. The main features of the new Guideline are:

- A definition of purchased intangibles.
- Examples of items that are not purchased intangibles.
- References to other guidance in the PSA Handbook on intangibles.
- Reference to the asset definition, general recognition criteria and the GAAP hierarchy for accounting for purchased intangibles.
- Retroactive or prospective application is permitted.

This Section applies to fiscal years beginning on or after April 1, 2023, with earlier adoption permitted.

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.

During 2023, the City incurred $13,287,301 (2022 - $21,170,485) of expenditures under the Flood Mitigation Program, including $13,279,946 (2021 - $20,901,076) for program design and construction and $Nil (2022 - $36,161) for additional buyout compensation. The City recorded $Nil (2022 - $42,500) for land and $Nil (2022 - $175,500) for residential improvements acquired under the DMAF program.

In order to proceed with the construction of flood protection works and natural infrastructure, the residential structures which the City acquired under the DMAF land acquisition program require removal from their current locations. The City initiated a salvage program for the resale, relocation or demolition of these residential improvements, with revenues of $Nil received in 2023 (2022 - $20,800). The City has written off an additional $Nil for the improvements acquired in 2023 (2022 - $175,500). Any additional amounts recovered from the disposal of these assets will be recorded as revenue in the fiscal period they are received.

The City received a Provincial DMAF cash advance of $23,194,000 in 2020 and an additional $8,473,479 in 2023 to apply against eligible program expenses. $4,341,299 was recognized as revenue in 2023 (2022 - $14,040,735), with $800,269 of this amount applied to deferred revenue (Note 10) at the end of 2023. $5,281,479 was recorded as federally eligible DMAF grant revenue in 2023 (2022 - $4,408,132), with a year end receivable balance of $2,566,750.

The City received a CEPF cash advance of $882,929 in 2023 with $1,103,080 recognized as revenue with a remaining receivable balance of $220,151. Additionally, $35,012 of DFA revenue was recognized in 2023 with an equal corresponding receivable balance.

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.

General Government Services

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

Protective Services

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

Environmental and Public Health Services

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

Planning and Development Services

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

Transportation Services and Public Works

The transportation and Public Works segment includes costs for the maintenance of city streets and sidewalks, snow removal services, airport operations, maintenance and operation of the vehicle fleet, and general administrative costs for Public Works. Expenses associated with the acquisition of land 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.

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, 2023

	General Fund										
	General Government Services	Protective Services	Environment and Public Health	Planning and Development Services	Transportation Services and Public Works	Recreation Culture & Public Real Estate	**Electrical Utility**	**Water Utility**	**Wastewater Utility**	**2023 Total**	2022 Total
Revenue											
Taxation	$ 4,303,958	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 4,303,958**	$ 4,174,548
Sale of services	180,337	-	320,570	15,620	26,248	77,773	5,285,807	1,005,644	983,097	**7,895,096**	7,790,267
Other revenues	352,339	500	1,257	84,486	-	290,884	21,938	4,201	4,187	**759,792**	710,760
Development cost charges	-	-	-	-	-	-	-	-	46,205	**46,205**	-
Government transfers	940,217	588,905	-	270,016	12,940,239	-	10,254	-	-	**14,749,631**	20,364,064
Contributions from others	-	385	-	-	4,000	-	-	330,411	-	**334,796**	352,401
Interest income	768,319	-	-	-	-	-	-	222	754	**769,295**	313,250
Investment income	-	-	-	-	4,754	-	-	1,845	25,468	**32,067**	27,880
Gain on disposal of capital assets	-	-	-	-	-	634,289	-	-	-	**634,289**	-
	6,545,170	589,790	321,827	370,122	12,975,241	1,002,946	5,317,999	1,342,323	1,059,711	**29,525,129**	33,733,170
Expenses											
Wages & benefits	1,578,988	861,736	68,673	578,117	919,422	403,037	623,956	219,599	333,791	**5,587,319**	5,090,989
General Services	118,253	123,177	49,127	21,687	18,844	10,388	11,551	8,196	15,349	**376,572**	344,439
Professional and Contract Services	244,456	84,733	230,716	302,632	149,278	169,302	113,257	71,296	65,307	**1,430,977**	1,312,276
Materials & Supplies	208,967	159,953	5,541	3,953	419,962	137,527	189,457	165,244	101,306	**1,391,910**	1,250,042
Telephone & Utilities	13,963	42,751	-	2,908	29,817	44,118	3,183	1,217	87,851	**225,808**	236,339
Insurance	28,443	9,460	475	-	71,063	115,610	7,563	26,783	52,266	**311,663**	272,122
Labour, utility and IT cost allocations	(535,494)	136,174	27,113	21,249	(378,967)	199,493	(23,593)	221,323	335,335	**2,633**	-
Purchased for resale	-	-	-	-	-	-	3,417,465	-	-	**3,417,465**	3,374,210
Grants & fee for service	-	-	-	-	-	384,291	-	-	-	**384,291**	481,457
Other expenses	-	-	-	-	-	-	-	-	-	**-**	36,161
Interest	-	-	-	-	24,289	-	-	15,055	75,297	**114,641**	111,545
Amortization	-	75,733	-	-	958,930	287,206	111,823	396,808	348,896	**2,179,396**	2,068,656
Accretion	-	-	-	-	-	7,676	-	61,011	-	**68,687**	-
Loss on disposal of assets	-	-	-	-	-	55,018	-	-	-	**55,018**	-
Write-down of assets	-	-	-	-	-	-	-	-	-	**-**	175,500
	1,657,576	1,493,717	381,645	930,546	2,212,638	1,813,666	4,454,662	1,186,532	1,415,398	**15,546,380**	14,753,736
Net surplus (deficit)	**$ 4,887,594**	**$ (903,927)**	**$ (59,818)**	**$ (560,424)**	**$ 10,762,603**	**$ (810,720)**	**$ 863,337**	**$ 155,791**	**$ (355,687)**	**$ 13,978,749**	**$ 18,979,434**

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

December 31, 2023

	Cost				Accumulated Amortization				**Net**	Net
	Opening Balance	Additions	Transfers/ Disposals	Closing Balance	Opening Balance	Amortization Expense	Transfers/ Disposals	Closing Balance	**Book Value 2023**	Book Value 2022
General										
Land	$ 6,975,632	$ -	$ (51,857)	$ 6,923,775	$ -	$ -	$ -	$ -	**$ 6,923,775**	$ 6,975,632
Land improvements	432,302	-	-	432,302	129,384	21,167	-	150,551	**281,751**	302,918
Buildings	7,683,183	311,392	-	7,994,575	3,820,517	221,025	-	4,041,542	**3,953,033**	3,862,666
Buildings due to ARO	-	165,076	-	165,076	-	12,080	-	12,080	**152,996**	-
Machinery and equipment	3,260,937	522,066	(13,527)	3,769,476	2,217,933	159,071	(13,527)	2,363,477	**1,405,999**	1,043,004
Engineering structures	25,522,221	353,469	-	25,875,690	15,276,250	708,890	-	15,985,140	**9,890,550**	10,245,971
Storm structures	79,374	-	-	79,374	10,473	3,969	-	14,442	**64,932**	68,901
Protective services vehicles	1,854,845	-	-	1,854,845	1,015,076	75,733	-	1,090,809	**764,036**	839,769
Public works vehicles	3,353,854	102,699	-	3,456,553	2,473,575	119,933	-	2,593,508	**863,045**	880,279
Assets under construction	24,947,349	14,547,778	(1,185,879)	38,309,248	-	-	-	-	**38,309,248**	24,947,349
	74,109,697	16,002,480	(1,251,263)	88,860,914	24,943,208	1,321,868	(13,527)	26,251,549	**62,609,365**	49,166,489
Water Utility										
Plant and equipment	10,754,575	651,156	-	11,405,731	6,818,146	334,327	-	7,152,473	**4,253,258**	3,936,429
Plant and equipment due to ARO	-	1,312,072	-	1,312,072	-	62,480	-	62,480	**1,249,592**	-
Assets under construction	123,948	551,517	(651,157)	24,308	-	-	-	-	**24,308**	123,948
	10,878,523	2,514,745	(651,157)	12,742,111	6,818,146	396,807	-	7,214,953	**5,527,158**	4,060,377
Electrical Utility										
Plant and equipment	4,579,201	-	-	4,579,201	2,521,548	111,824	-	2,633,372	**1,945,829**	2,057,653
Assets under construction	-	-	-	-	-	-	-	-	**-**	-
	4,579,201	-	-	4,579,201	2,521,548	111,824	-	2,633,372	**1,945,829**	2,057,653
Wastewater Utility										
Plant and equipment	14,606,465	518,302	-	15,124,767	5,339,448	348,897	-	5,688,345	**9,436,422**	9,267,017
Assets under construction	161,174	403,333	(518,302)	46,205	-	-	-	-	**46,205**	161,174
	14,767,639	921,635	(518,302)	15,170,972	5,339,448	348,897	-	5,688,345	**9,482,627**	9,428,191
	$ 104,335,060	$ 19,438,860	$ (2,420,722)	$ 121,353,198	$ 39,622,350	$ 2,179,396	$ (13,527)	$ 41,788,219	**$ 79,564,979**	$ 64,712,710

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	**$**	**-**
Contribution, March, 2023		1,981,000
Interest earned		81,556
Eligible costs		-
Unspent balance, December 31, 2023	**$**	**2,062,556**

THE CORPORATION OF THE CITY OF GRAND FORKS
Statement of Financial Information
Fiscal Year Ended December 31, 2023

STATEMENT OF CHANGES IN FINANCIAL POSITION
CAPITAL FUND

	Actual 2023	Actual 2022
Revenue		
Donations from groups and individuals	$ -	$ 348,468
Government transfers	10,858,528	18,605,762
	10,858,528	18,954,230
Transfer from Development Cost Charges	46,205	-
Transfer from Other Restricted Revenues	-	-
	10,904,733	18,954,230
Expenditures		
General fund	14,651,525	22,569,474
Utilities	954,849	656,071
	15,606,374	23,225,545
Net change in financial assets	(4,701,641)	(4,271,315)
Expenditures funded by debt	-	-
Transfers from operating funds	3,825,375	3,415,446
Transfers from reserves	876,266	855,869
Increase in capital funds	-	-

THE CORPORATION OF THE CITY OF GRAND FORKS
Statement of Financial Information
Fiscal Year Ended December 31, 2023

SCHEDULE OF DEBT

	Bylaw	Interest Rate	Maturity	Original Issue	Balance, Dec 31, 2022	Payments of Principal	Actuarial Adjustment	Balance, Dec 31, 2023
General Fund								
Roads - NW 79th	1887	3.73%	2025	70,000	17,392	3,757	1,841	11,794
General Fund Capital Renewal	1923	2.24%	2044	1,044,346	955,811	28,644	2,656	924,511
Water Fund								
Emergency Water Supply	1922	2.24%	2044	425,000	388,969	11,657	1,081	376,231
Water Fund Capital Renewal	1923	2.24%	2044	247,123	226,173	6,778	629	218,766
Sewer Fund								
City Park Lift Station	1873	3.85%	2033	1,756,920	1,132,530	59,001	24,976	1,048,553
Sewer Fund Capital Renewal	1923	2.24%	2044	203,531	186,276	5,582	518	180,176
Total Long-Term Debt				$ 3,746,920	$ 2,907,151	$ 115,419	$ 31,701	$ 2,760,031

Prepared pursuant to *Financial Information Regulation,* Schedule 1, section 4

THE CORPORATION OF THE CITY OF GRAND FORKS
Statement of Financial Information
Fiscal Year Ended December 31, 2023

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, 2023

STATEMENT OF SEVERANCE AGREEMENTS

There were no severance agreements made between The Corporation of the City of Grand Forks and its non-unionized employees during the fiscal year ended December 31, 2023.

THE CORPORATION OF THE CITY OF GRAND FORKS

Statement of Financial Information

Fiscal Year Ended December 31, 2023

SCHEDULE OF REMUNERATION AND EXPENSES FOR ELECTED OFFICIALS

Name	Position	Remuneration	Expenses	Benefits	Total
Baker, Everett	Mayor	30,067	10,626	3,860	44,553
Eburne-Stoodley, Zak	Councillor	20,067	6,580	1,524	28,171
Krog, Neil D.	Councillor	20,067	-	3,860	23,927
Lafleur, Deborah	Councillor	20,067	5,320	3,860	29,247
Mark, David	Councillor	20,067	-	3,860	23,927
Thompson, Christine	Councillor	20,067	6,240	3,860	30,167
Zielinski, Rod	Councillor	20,067	3,815	3,860	27,742
Total Elected Officials		**$ 150,469**	**$ 32,581**	**$ 24,684**	**$ 207,734**

Prepared pursuant to the *Community Charter*, Section 168(1) and *Financial Information Regulation,* Schedule 1, subsection 1(1)(e)

THE CORPORATION OF THE CITY OF GRAND FORKS

Statement of Financial Information

Fiscal Year Ended December 31, 2023

SCHEDULE OF EMPLOYEE REMUNERATION AND EXPENSES

Name	Position	Remuneration	Expenses	Total
Adams, Alex	Public Works Manager	$ 125,209	$ 752	$ 125,961
Becker, Hennie	Electrical Coordinator	129,222	3,275	132,497
Cassidy, Michael	Utilities Operator	88,528	2,611	91,139
Chapman, J. Dean	Utilities Coordinator	89,129	2,010	91,139
Dinsdale, Justin	Capital Projects/Utilities Manager	160,455	920	161,375
Drexler, Daniel Frank	Corporate Officer	126,284	1,634	127,918
Dykhuizen, Rosemary	Engineering Technologist	77,819	237	78,056
Espenhain, Kenneth	Public Works Operator	82,372	109	82,481
Federico, Leonard	Asst. Utilities Coordinator	97,969	1,883	99,852
Feenstra, John	Public Works Operator	80,830	250	81,080
Fofonoff, Rodney W.	Asst. Public Works Coordinator	87,545	660	88,205
Gillis, Shane	Public Works Operator	83,360	286	83,646
Howard, Steven Douglas	Public Works Coordinator	88,830	1,028	89,858
Jalbert, Brittany	Deputy Fire Chief	83,084	5,827	88,911
Jalbert, Myles	Electrical Lineman	120,633	816	121,449
Kalb, Florian	Electrical Lineman	126,456	3,591	130,047
Mckinnon, Kevin Robert	Deputy Corporate Officer	95,148	3,575	98,723
Nielsen, Darryl R	Mechanic	90,820	-	90,820
Orser, Tyson	Public Works Operator	78,118	386	78,504
Piche, Richard	Deputy Fire Chief	88,116	5,589	93,705
Redfearn, Duncan	Chief Administrative Officer	173,795	4,677	178,472
Rhodes, Juliette	Chief Financial Officer	125,789	1,203	126,992
Runciman, James	Fire Chief	122,576	3,710	126,286
Sheets, Dolores D.	Manager of Dev. & Engineering	109,066	429	109,495
Shelloff, Alan	Public Works Operator	81,240	325	81,565
Sorensen-Lawrence, Benjack	Utilities Operator	92,807	4,038	96,845
Stevens, Benjamin	Project Manager	108,113	3,141	111,254
Strohmann, Morgan	IT Coordinator	93,042	2,353	95,395
Strzelec, Christopher	Utilities Operator	84,858	2,144	87,002
Tresnich, Darren	Public Works Operator	79,301	275	79,576
Van Der Zande, Gregory	Electrician	81,425	819	82,244
Watt, Graham	Manager of Strategic Initiatives	104,346	964	105,310
Wey, Roy	Accountant/Comptroller	79,516	-	79,516
Wilson, Jon	Community Safety Bylaw Officer	77,430	2,472	79,902
Employee remuneration over $75,000 and expenses		**$ 3,413,231**	**$ 61,989**	**$ 3,475,220**
Consolidated total of other employees with remuneration of $75,000 or less		**$ 920,281**	**$ 47,529**	**$ 967,810**
Total Employees		**$ 4,333,512**	**$ 109,518**	**$ 4,443,030**

Prepared pursuant to *Financial Information Regulation,* Schedule 1, section 6

THE CORPORATION OF THE CITY OF GRAND FORKS

Statement of Financial Information

Fiscal Year Ended December 31, 2023

RECONCILIATION OF REMUNERATION AND EXPENSES

Total remuneration - elected officials	$	150,469
Total remuneration - other employees		4,333,512
Subtotal		4,483,981
Reconciling items		
Employer CPP, EI, EHT and Worksafe premiums		415,067
Pension and group benefits		552,419
Labour and benefits charged to capital accounts		-
Accruals and other adjustments		135,852
Wages and benefits per Financial Statements	**$**	**5,587,319**

Prepared pursuant to *Financial Information Regulation,* Schedule 1, section 6

THE CORPORATION OF THE CITY OF GRAND FORKS
Statement of Financial Information
Fiscal Year Ended December 31, 2023

SCHEDULE OF SUPPLIER PAYMENTS

Supplier Name		Amount
759817 Alberta Ltd.	$	36,156
Acera Insurance Services Ltd.		547,149
ADR Contracting		36,962
Associated Engineering (B.C.) Ltd.		1,420,566
Aviation Ground Fueling Technologies (2020) Ltd.		48,207
B.C. Assessment Authority		47,899
Bdo Canada LLP		70,108
Carvello Law		56,889
Castle Fuels (2008) Inc.		144,404
Centralsquare Technologies LLC		55,815
Chandos Construction Ltd.		14,762,518
Collabria Financial Services Inc.		167,031
Cupe Local 4728		53,098
Domino Highvoltage Supply Inc.		68,789
Eecol Electric Corp.		32,951
Electrogas Monitors		147,315
Fortis BC		3,882,400
Fred Surridge Ltd.		45,081
Governance Plus Security Ltd.		27,792
Grand Forks Janitorial Services		39,034
Green Roots Play Equipment Inc.		148,052
Hydraclean Restoration Services Ltd.		448,315
Iconix Waterworks LP		52,319
Industrial Machine Inc.		107,498
Inera Consulting Services Ltd.		61,925
Infracon Construction Ltd.		807,103
Iosecure		37,693
ISE Metal Inc.		86,547
Jay'S Fire Safety Inc.		34,457
Keimber Ventures Ltd DBA Granby Sand & Gravel		30,084
Lime Creek Logging Ltd.		86,272
Martech Electrical Systems		27,557
Marwest Industries Ltd.		520,258
Minister Of Finance - EHT		84,017
Minister Of Finance - School Tax		630,013

THE CORPORATION OF THE CITY OF GRAND FORKS

Statement of Financial Information

Fiscal Year Ended December 31, 2023

SCHEDULE OF SUPPLIER PAYMENTS

Supplier Name		Amount
Municipal Insurance Association Of BC	$	34,163
Municipal Pension Plan		675,331
MVA Power Inc.		286,061
Pacific Blue Cross		266,320
Petro Value Products Canada Inc.		102,390
Peters Bros Construction Ltd.		452,199
Pole-Tec Services Ltd.		47,288
Receiver General		1,194,544
Regional District Of Kootenay Boundary		2,441,017
Rexel Canada Electrical Inc. - Utility		33,222
Rocky Mountain Phoenix		33,684
School District #51 (Boundary)		52,125
Terracom Systems Ltd		38,515
Terus Construction - A Division Of Colas Western Canada Inc.		152,652
Trowelex Rentals & Sales		36,243
Turning Point Technology Services Inc.		40,292
Urban Systems Ltd.		307,331
West Kootenay Boundary Regional Hospital		173,746
Wholesale Fire & Rescue Ltd.		33,539
Wild Harvest Inc. Dba Sagebrush Nursery		93,851
Wiseacre Homes And Realty Ltd.		166,187
Worksafe BC		100,640
WSP Canada Inc.		28,927
Y&R Water		41,127
Young Anderson Barristers & Solicitors		154,088
Supplier payments greater than $25,000	**$**	**31,837,756**
Supplier payments less than or equal to $25,000		**1,443,996**
Total Supplier Payments	**$**	**33,281,752**

Prepared pursuant to *Financial Information Regulation,* Schedule 1, section 7

THE CORPORATION OF THE CITY OF GRAND FORKS

Statement of Financial Information
Fiscal Year Ended December 31, 2023

SCHEDULE OF GRANT PAYMENTS

Supplier Name		Amount
Boundary Country Regional Chamber Of Commerce	$	192,115
Boundary Museum Society		114,798
Grand Forks Art Gallery Society		167,000
Grant payments greater than $25,000	**$**	**473,913**
Grant payments less than or equal to $25,000		**67,082**
Total Grant Payments	**$**	**540,995**

RECONCILIATION OF SUPPLIER PAYMENTS

Supplier payments greater than $25,000	$	31,837,756
Supplier payments less than or equal to $25,000		1,443,996
Grant payments greater than $25,000		473,913
Grant payments less than $25,000		67,082
Subtotal		33,822,747
Reconciling items		
Employee remuneration and expenses		4,626,080
Amortization of tangible capital assets		2,179,396
Accretion expense		68,687
Loss on disposal of tangible capital assets		55,018
Employee payroll withholdings		(1,432,676)
Payments to other taxing authorities		(2,729,530)
Capital expenditures		(15,568,044)
GST rebates and input tax credits		(1,142,982)
Debt principal payments		(115,419)
Change in accounts payable and accrued liabilities		(3,502,088)
Change in inventories and prepaid expenses		(578,137)
Other adjustments*		(136,672)
Total expenses per Statement of Operations	**$**	**15,546,380**

* 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.