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THE CORPORATION OF THE CITY OF GRAND FORKS

2016 STATEMENT OF FINANCIAL INFORMATION

THE CORPORATION OF THE CITY OF GRAND FORKS
Statement of Financial Information
Fiscal Year Ended December 31, 2016

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THE CORPORATION OF THE CITY OF GRAND FORKS
Statement of Financial Information
Fiscal Year Ended December 31, 2016

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*.

Frank Konrad, Mayor
On behalf of Council

Date: _____

Juliette Rhodes, CPA, CGA
Chief Financial Officer

Date: _____

THE CORPORATION OF THE CITY OF GRAND FORKS
Statement of Financial Information
Fiscal Year Ended December 31, 2016

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, 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, Kemp Harvey 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



Juliette Rhodes
Chief Financial Officer

June 16, 2017

Financial Statements of

THE CORPORATION OF THE CITY OF GRAND FORKS

For the Year Ended December 31, 2016

THE CORPORATION OF THE CITY OF GRAND FORKS
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For the Year Ended December 31, 2016

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THE CORPORATION OF THE CITY OF GRAND FORKS

Management Report

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

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

The independent external auditors, Kemp Harvey 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



KEMP HARVEY BURCH KIENTZ INC.

Chartered Professional Accountants

J.R. (Jim) Burch, FCPA, FCGA
Sylvia Burch, CPA, CGA
K. Sarah Kientz, BBA(App), CPA, CGA

T: 250.442.2121
www.kempharvey.com

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of The Corporation of the City of Grand Forks, which comprise the statement of financial position as at December 31, 2016 and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Corporation of the City of Grand Forks as at December 31, 2016 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Grand Forks, British Columbia
May 11, 2017

Kemp Harvey Burch Kientz Inc.
CHARTERED PROFESSIONAL ACCOUNTANTS

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

<i>As at December 31</i>	2016	2015
Financial Assets		
Cash (note 3)	\$ 9,807,500	\$ 8,213,970
Accounts receivable (note 5)	2,299,569	2,545,851
Municipal Finance Authority deposit (note 6)	30,671	29,837
Inventories for resale	40,435	41,770
Land held for resale	211,036	1
Lease receivable (note 7)	114,532	135,243
	12,503,743	10,966,672
Liabilities		
Accounts payable and accrued liabilities (note 8)	1,317,638	1,471,405
Employee future benefits (note 9)	338,504	393,011
Deferred revenues (note 10)	333,344	333,787
Temporary loan (note 11)	1,246,589	1,246,589
Development cost charges (note 12)	515,399	510,146
Obligations under capital lease (note 13)	-	2,677
Long-term debt (note 14)	2,438,571	1,966,472
	6,190,045	5,924,087
Net financial assets	6,313,698	5,042,585
Non-financial assets		
Prepaid expenses	228,789	164,656
Inventory of parts and supplies	149,866	180,422
Tangible capital assets (note 15)	27,306,367	27,621,130
	27,685,022	27,966,208
Accumulated surplus (note 16)	\$ 33,998,720	\$ 33,008,793



Juliette Rhodes, CPA, CGA
Chief Financial Officer



Frank Konrad
Mayor, City of Grand Forks

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

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

<i>For the year ended December 31</i>	2016 Budget	2016 Actual	2015 Actual
Revenue			
Property taxation (note 17)	\$ 3,768,298	\$ 3,772,935	\$ 3,236,924
Sales of services (note 18)	6,912,388	6,920,108	6,622,376
Other revenues (note 19)	749,608	736,055	673,759
Government transfers (note 20)	1,106,115	946,450	1,165,225
Contributions from others	6,250	17,190	163,907
Interest income	70,500	101,376	94,542
Investment income on sinking fund	-	32,060	17,794
Insurance proceeds	-	-	220,250
Gain on disposal of tangible capital assets	-	239,726	76,352
	12,613,159	12,765,900	12,271,129
Expenses			
General government	1,306,094	1,201,042	1,218,608
Protective services	820,914	789,860	698,395
Environmental health services	186,000	170,029	184,449
Public health and welfare	92,355	60,501	77,883
Planning and development	425,860	392,577	477,580
Transportation services	1,173,791	960,103	855,818
Recreation and cultural services	873,876	875,316	841,774
Public real estate	279,300	229,447	251,685
Electrical services	4,097,670	3,880,431	3,815,375
Water services	766,590	811,180	717,750
Sewer services	699,946	644,533	678,166
Debt interest	95,105	120,510	110,377
Amortization	1,656,491	1,640,444	1,628,303
	12,473,992	11,775,973	11,556,163
Annual Surplus	139,167	989,927	714,966
Accumulated surplus, beginning of year	33,008,793	33,008,793	32,293,827
Accumulated surplus, end of year	\$ 33,147,960	\$ 33,998,720	\$ 33,008,793

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

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

<i>For the year ended December 31</i>	2016 Budget	2016 Actual	2015 Actual
Annual Surplus	\$ 139,167	\$ 989,927	\$ 714,966
Acquisition of tangible capital assets	(6,436,020)	(1,329,363)	(2,189,133)
Amortization of tangible capital assets	1,656,491	1,640,444	1,628,303
Gain on sale of assets	-	(239,726)	(76,352)
Proceeds from sale of assets	-	243,408	166,912
Net change in prepaid expenses and supplies inventory	-	(33,577)	78,722
Increase in Net Financial Assets	(4,640,362)	1,271,113	323,418
Net Financial Assets, beginning of year	4,719,167	5,042,585	4,719,167
Net Financial Assets, end of year	\$ 78,805	\$ 6,313,698	\$ 5,042,585

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

THE CORPORATION OF THE CITY OF GRAND FORKS
Statement of Cash Flows

For the year ended December 31

	2016	2015
Operating Transactions		
Annual surplus	\$ 989,927	\$ 714,966
Non-cash items:		
Amortization	1,640,444	1,628,303
Increase in prepaid expenses	(64,134)	(35,683)
Decrease in supplies inventory	30,556	114,405
Gain on disposal of tangible capital assets	(239,726)	(76,352)
Changes to financial assets/liabilities		
(Increase) decrease in		
Decrease in accounts receivable	246,282	538,531
Decrease in lease receivable	20,711	19,791
Increase in MFA deposits	(834)	(745)
Increase in inventories for resale	(209,701)	(8,334)
Decrease in accounts payable	(153,765)	(930,550)
Decrease in deferred revenue	(443)	(39,286)
Decrease in employee future benefits	(54,507)	(71,404)
Increase in deferred development cost charges	5,253	5,676
Decrease in deposit	-	388,029
	<u>2,210,063</u>	<u>2,247,347</u>
Capital Transactions		
Acquisition of tangible capital assets	(1,329,363)	(2,189,133)
Proceeds on disposal of tangible capital assets	243,408	166,912
	<u>(1,085,955)</u>	<u>(2,022,221)</u>
Investing Transactions		
Decrease in investments	-	549,366
	<u>-</u>	<u>549,366</u>
Financing Transactions		
Proceeds from borrowing	722,518	983,430
Debt repayments	(230,101)	(161,129)
Actuarial adjustments on long term debt	(22,995)	(17,794)
	<u>469,422</u>	<u>804,507</u>
Increase/decrease in cash	1,593,530	1,578,999
Cash, beginning of year	8,213,970	6,634,971
Cash, end of year	<u>\$ 9,807,500</u>	<u>\$ 8,213,970</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, 2016

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 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, sewer 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 Canadian Institute of Chartered Professional Accountants.

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 sewer 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 sewer capital funds.

iii) Reserve Funds

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

iv) Trust Funds

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

Budget Figures

The budget figures are from the 5-Year Financial Plan Bylaw, No. 2024 which was adopted on April 11, 2016. 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, 2016

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.

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

Inventories consist of supplies and repair parts held for use by the electrical utility, fuel used in operations, and aviation fuel for resale. Inventory is recorded at cost, on a weighted average or specific item basis.

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.

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.

THE CORPORATION OF THE CITY OF GRAND FORKS

Notes to the Financial Statements

For the year ended December 31, 2016

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
Sewer System Capital Fund	
Sewer infrastructure	10 - 50 years

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

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

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, and provisions for contingencies. Actual results could differ from management's best estimates as additional information becomes available in the future.

THE CORPORATION OF THE CITY OF GRAND FORKS

Notes to the Financial Statements

For the year ended December 31, 2016

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.

	2016	2015
Restricted cash		
Statutory Reserves	\$ 5,449,614	\$ 3,564,582
Restricted Revenues	<u>515,399</u>	<u>510,146</u>
	5,965,013	4,074,728
Unrestricted cash	<u>3,842,487</u>	<u>4,139,242</u>
Total cash	<u>\$ 9,807,500</u>	<u>\$ 8,213,970</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, 2016, the balance outstanding on the operating line of credit was nil (2015 - nil).

5. Accounts Receivable

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

	2016	2015
Property taxes	\$ 770,397	\$ 771,060
Utility accounts receivable	1,342,982	1,243,688
Due from other governments	36,344	44,760
Insurance proceeds receivable	-	393,796
Trade and other receivables	<u>149,846</u>	<u>92,547</u>
	<u>\$ 2,299,569</u>	<u>\$ 2,545,851</u>

6. Municipal Finance Authority Debt Reserve Fund

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

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

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

THE CORPORATION OF THE CITY OF GRAND FORKS

Notes to the Financial Statements

For the year ended December 31, 2016

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

	Demand Notes	Cash Deposits	2016	2015
General Fund	\$ 28,501	\$ 7,159	\$ 35,660	\$ 35,466
Sewer Fund	52,185	23,512	75,697	75,057
	<u>\$ 80,686</u>	<u>\$ 30,671</u>	<u>\$ 111,357</u>	<u>\$ 110,523</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 \$6,289 (2016 - \$7,209) was received during the year.

8. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities comprise the following:

	2016	2015
Wages and benefits	\$ 465,942	\$ 470,908
Trade payables	762,655	769,578
Other taxing authorities	74,891	207,706
Accrued interest	<u>14,150</u>	<u>23,213</u>
	<u>\$ 1,317,638</u>	<u>\$1,471,405</u>

9. Employee Future Benefits

The City provides sick leave and certain other benefits to its unionized employees upon retirement. The liabilities and expenses for post-employment sick leave benefits are recognized in the financial statements in the period in which they are earned, and as at the end of 2016 are fully accrued to the level of the employees' current accumulated entitlement.

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

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.

THE CORPORATION OF THE CITY OF GRAND FORKS

Notes to the Financial Statements

For the year ended December 31, 2016

Deferred Revenues

	Balance, Beginning of Year	Contributions Received	Revenue Earned	Balance, End of Year
Prepaid taxes	240,510	257,890	(240,510)	257,890
Prepaid utilities	37,038	36,697	(37,038)	36,697
Library maintenance contract	26,100	13,000	(11,365)	27,735
Victim assistance	1,243	35,809	(37,052)	-
Grants	22,120	-	(22,120)	-
Deposits and other	6,776	10,821	(6,575)	11,022
	333,787	354,217	(354,660)	333,344

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 sewer infrastructure.

The City passed temporary borrowing bylaws for these loans, authorizing interim financing with the Municipal Financing Authority up to the total amount of the loans. These interim loans are demand, non-revolving loans, bearing daily interest at a floating rate which is currently at approximately 1.4% per annum. The City has issued promissory notes which require the repayment of principal by September 30, 2019, should the interim loans not be converted to long-term debt prior to that date.

To date, the City has drawn \$370,719 and \$875,870 against these loans, and during 2016 made interest payments of \$5,146 and \$12,160 (2015 - \$4,737 and \$10,136).

12. Deferred Development Cost Charges (DCCs)

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

	2016	2015
Balance, beginning of year	\$ 510,146	\$ 504,470
Interest on investments	5,253	5,676
Balance, end of year	\$ 515,399	\$ 510,146

The balance of deferred development cost charges comprises the following:

	2016	2015
Water development cost charges	\$ 182,628	\$ 180,762
Sewer development cost charges	330,333	326,970
Parkland development cost charges	2,438	2,414
	\$ 515,399	\$510,146

THE CORPORATION OF THE CITY OF GRAND FORKS

Notes to the Financial Statements

For the year ended December 31, 2016

13. Obligations under Capital Lease

The City entered into capital lease agreements with the Municipal Finance Authority to finance the acquisition of certain equipment purchases. During the year, the City made principal payments of \$2,677 to extinguish its obligations in full under these agreements.

14. Long-Term Debt

The City has financed certain capital expenditures by means of long-term debenture debt obtained from the Municipal Finance Authority (MFA) through the Regional District of Kootenay Boundary. These loans range in term from ten to twenty years, with maturity dates from 2019 to 2033. The terms of the loan agreement require the City to deposit 1% of the gross proceeds into a debt reserve fund (see note 6) in addition to the issuance of a demand note payable to the MFA.

At the beginning of the year, the City received funding from the MFA under its equipment financing program, which takes the place of the former MFA leasing program. This consists of a five-year loan with variable interest based on the monthly Canadian Dealer Offered Rate. The City has signed a promissory note payable to the MFA in respect of this loan.

	Current Interest Rate	Term	Maturity	Balance, Beginning of Year	Additions	Payments of Principal	Actuarial Adjustment	Balance, End of Year
General capital fund								
Roads Bylaw No. 1863; MFA Issue #106	4.13%	10 yrs	2019	\$ 223,766	\$ -	\$ 41,645	\$ 11,049	\$ 171,072
Roads - NW 79th Bylaw No. 1887; MFA Issue #112	3.73%	15 yrs	2025	51,065	-	3,496	757	46,812
Sewer capital Fund								
Ruckle Lift Station Bylaw No. 1498; MFA Issue #70	2.30%	20 yrs	2019	55,082	-	6,496	6,375	42,211
City Park Lift Station Bylaw No. 1873; MFA Issue #126	3.85%	20 yrs	2033	1,636,559	-	59,001	4,814	1,572,744
Long term loan financing				\$ 1,966,472	\$ -	\$ 110,638	\$ 22,995	\$ 1,832,839
Equipment financing								
2015 Cobra Platform Ladder Truck MFA Loan #0001-0	1.40%	5 yrs	2021	\$ -	\$ 722,518	\$ 116,786	\$ -	605,732
Total Long Term Debt				\$ 1,966,472	\$ 722,518	\$ 227,424	\$ 22,995	\$ 2,438,571

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

For the year ended December 31, 2016

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

	2017	2018	2019	2020	2021
General Fund	\$ 45,141	\$ 45,141	\$ 45,141	\$ 3,496	\$ 3,496
Sewer Fund	65,495	65,495	65,495	59,000	59,000
Equipment Financing	141,911	143,949	145,977	148,028	25,867
	<u>\$ 254,564</u>	<u>\$ 256,603</u>	<u>\$ 258,632</u>	<u>\$ 212,544</u>	<u>\$ 90,384</u>

15. Tangible Capital Assets

Tangible capital assets consist of the following:

	Net Book Value 2016	Net Book Value 2015
General Capital Fund		
Land	\$ 1,672,841	\$ 1,671,262
Land improvements	418,423	19,379
Buildings	3,056,614	3,202,233
Machinery and equipment	962,107	1,010,156
Engineering structures	8,828,623	9,781,089
Storm structures	16,065	16,958
Protective services vehicles	1,306,343	1,390,956
Public works vehicles	917,820	1,022,384
	<u>\$ 17,178,836</u>	<u>\$ 18,114,417</u>
Water Utility		
Plant and equipment	4,796,774	4,180,503
Electrical Utility		
Plant and equipment	1,154,681	1,096,240
Sewer Utility		
Plant and equipment	4,176,076	4,229,970
Total Tangible Capital Assets	<u>\$ 27,306,367</u>	<u>\$ 27,621,130</u>

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

For the year ended December 31, 2016

16. Accumulated surplus comprises the following:

	2016	2015
Operating Fund	\$ 5,902,648	\$ 4,940,482
Statutory Reserves		
Capital	2,507,400	155,820
Slag sales	594,737	1,444,811
Equipment replacement	482,242	527,161
Community works gas tax	396,407	899,650
Land sales	262,894	501,412
Water capital	98,000	-
Electrical capital	56,622	-
Climate action	31,505	29,574
Sewer capital	30,000	-
Cash in lieu of parking	4,144	4,102
Tax sale land	-	63,235
	\$ 4,463,951	\$ 3,625,765
Non-Statutory Reserves		
Fire department - EOC reserve	5,913	32,154
Election reserve	5,000	5,000
	\$ 10,913	\$ 37,154
Investment in Non-Financial Assets		
Investment in capital assets	23,621,208	24,405,392
	\$ 33,998,720	\$ 33,008,793

17. Property Tax Revenues

Municipal taxation revenues comprise the following:

	2016	2015
Property taxes	\$ 3,411,083	\$ 3,033,915
Parcel and frontage taxes	240,762	91,407
1% utilities tax	106,223	99,212
Grants and payments in lieu of taxes	14,867	12,390
	\$ 3,772,935	\$ 3,236,924

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

For the year ended December 31, 2016

18. Sale of Services

	2016	2015
Electrical utility user fees	\$ 4,619,292	\$4,420,010
Water utility user fees	892,888	837,182
Sewer utility user fees	870,526	801,249
Slag sales	208,964	246,721
Solid waste collection	206,550	195,808
Campground fees	60,491	48,571
Airport (net of cost of fuel sold)	31,511	47,032
Cemetery	20,314	17,737
Sundry and other	9,572	8,066
	<u>\$ 6,920,108</u>	<u>\$ 6,622,376</u>

19. Other Revenues

	2016	2015
Fire district recoveries	\$ 226,650	\$ 267,771
Leases and rentals	120,834	104,678
Penalties and interest	102,935	99,556
Donations and grants	70,300	1,800
Franchise fees	60,963	69,628
Licences and permits	53,287	39,797
Other recoveries	70,400	81,948
Other revenues	30,686	8,581
	<u>\$ 736,055</u>	<u>\$ 673,759</u>

20. Government Transfers

In 2016 the City received and recorded the following transfers from other governments:

	2016	2015
Operating transfers		
Federal	\$ 97,475	\$ 12,000
Provincial	540,667	587,074
	<u>\$ 638,142</u>	<u>\$ 599,074</u>
Capital transfers		
Federal	\$ 253,210	\$ 214,785
Provincial	55,098	351,366
	<u>\$ 308,308</u>	<u>\$ 566,151</u>
Total government transfers	<u>\$ 946,450</u>	<u>\$ 1,165,225</u>

THE CORPORATION OF THE CITY OF GRAND FORKS

Notes to the Financial Statements

For the year ended December 31, 2016

21. Reconciliation to Budget

The following reconciles the balanced statutory budget adopted by Council on April 11, 2016 with the budgeted surplus reported on the statement of operations and accumulated surplus:

Budget surplus as per the statement of operations and accumulated surplus	\$ 139,167
Add: Budgeted amortization expense	1,656,491
Budgeted transfer from reserves	617,598
Debt proceeds	4,252,914
Subtract: Debt principal repayments	(230,150)
Tangible capital asset expenditures	(6,436,020)
Surplus as per Financial Plan Bylaw No. 2024	<u>\$ -</u>

22. Trust Funds

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

	2016	2015
Fund Balance		
Cemetery Care Fund	\$ 152,673	\$148,799
Employee Assistance Program	8,825	10,318
Slag Remediation Trust	9,907	-
	<u>\$ 171,405</u>	<u>\$159,117</u>

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 of Grand Forks. 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, 2016

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, 2015, the plan has about 189,000 active members and approximately 85,000 retired members. Active members include approximately 37,000 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 is then adjusted to the extent there is amortization of any funding deficit.

The most recent valuation for the Municipal Pension Plan as at December 31, 2015, indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis.

The City of Grand Forks paid \$274,612 (2015 - \$285,161) for employer contributions to the plan in fiscal 2016.

The next valuation will be as at December 31, 2018, with results available in 2019.

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. Future Accounting Changes

PS 2200 – Related Party Disclosures

This new section defines a related party and establishes disclosure requirements for related party transactions. Disclosure of information about related party transactions and their underlying relationship is required when such transactions have occurred at a value other than that which would have taken place with unrelated parties. This section applies to fiscal years beginning on or after April 1, 2017, with early adoption permitted.

PS 3320 - Contingent Assets

This section defines and establishes disclosure standards for contingent assets. Contingent assets are possible assets arising from existing conditions or situations involving uncertainty, which will ultimately be resolved when one or more future events, not wholly within the public sector entity's control, occur or fail to occur. Resolution of the uncertainty will confirm the existence or non-existence of the asset. This standard applies to fiscal years beginning on or after April 1, 2017, with early adoption permitted.

THE CORPORATION OF THE CITY OF GRAND FORKS

Notes to the Financial Statements

For the year ended December 31, 2016

PS 3380 -Contractual Rights

Contractual rights are rights to economic resources arising from contracts or agreements that will result in a future asset and revenue. They may include contractual rights to receive payments under shared cost agreements or lease payments. Disclosure of information about contractual rights under this section applies to fiscal years beginning on or after April 1, 2017, with early adoption permitted.

25. 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 sewer 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, sewer 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, 2016

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.

Sewer Utility

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

26. 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, 2016

	General Fund							Sewer Utility	Water Utility	2016 Total	2015 Total
	General Government Services	Protective Services	Environment and Public Health	Development Services	Public Works & Transportation Services	Recreation Culture & Public Real Estate					
Revenue											
Taxation	3,766,894							6,041		3,772,935	3,236,924
Sale of services	218,536		226,864		31,511	60,491	870,526	892,888		6,920,108	6,622,376
Other revenues	279,922	226,650	1,324			191,134	5,027	5,043		736,055	673,759
Government transfers	810,401	38,871			54,033	22,063	21,082			946,450	1,165,225
Contributions from others						9,190		8,000		17,190	163,907
Interest income	100,737									101,376	94,542
Investment income	14,873						639			32,060	17,794
Insurance proceeds							17,187				220,250
Gain on disposal of assets											76,352
Interfund transfers	437,330					239,726		(437,330)		239,726	
	5,628,693	265,521	228,188	-	85,544	522,604	920,502	897,931		12,765,900	12,271,129
Expenses											
Wages & benefits	663,203	452,271	42,728	247,247	594,476	361,831	416,815	493,161		3,856,078	3,776,837
General Services	166,272	87,822	14,011	38,792	55,421	67,089	12,016	12,916		464,176	474,237
Professional and Contract Services	251,764	122,552	158,642	95,372	129,521	109,885	25,265	104,514		1,086,678	1,086,237
Materials & Supplies	70,483	36,413	1,992	8,789	251,096	88,409	27,712	56,034		642,525	653,464
Telephone & Utilities	31,255	32,154	144	2,377	47,835	32,811	76,174	9,093		235,429	214,748
Insurance	18,065	12,134	89	-	64,211	37,984	46,776	19,753		209,481	193,832
Allocations	-	46,514	12,924	-	(182,456)	122,535	39,775	115,709		-	-
Purchased for resale	-	-	-	-	-	-	-	-		3,236,433	3,146,228
Grants & fee for service	-	-	-	-	-	284,219	-	-		284,219	271,900
Interest					40,446			6,727		120,510	110,377
Amortization		84,613			986,401	150,579		204,194		1,640,444	1,628,303
	1,201,042	874,473	230,530	392,577	1,986,951	1,255,342	890,782	1,022,101		11,775,973	11,556,163
Net surplus (deficit)	4,427,651	(608,952)	(2,342)	(392,577)	(1,901,407)	(732,738)	29,720	(124,170)		989,927	714,966

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

December 31, 2016

	Cost			Accumulated Amortization			Net	
	Opening Balance	Additions	Transfers/ Disposals	Opening Balance	Amortization Expense	Disposals	Book Value 2016	Net Book Value 2015
General Capital Fund								
Land	\$ 1,671,262	\$ 1,579		\$ -	\$ -	\$ -	\$ 1,672,841	\$ 1,671,262
Land improvements	19,775	86,665	\$ 316,074	396	3,695		418,423	19,379
Buildings	6,003,737	1,265		2,801,504	146,884		3,056,614	3,202,233
Machinery and equipment	2,250,962	149,808		1,240,806	197,857		962,107	1,010,156
Engineering structures	20,646,752	-	\$ (354,923)	10,865,663	632,709	(35,166)	8,828,623	9,781,089
Storm structures	17,850	-		892	893		16,065	16,958
Protective services vehicles	1,838,560	-		447,604	84,613		1,306,343	1,390,956
Public works vehicles	3,349,945	50,377		2,327,561	154,941		917,820	1,022,384
	\$ 35,798,843	\$ 289,694	\$ (38,849)	\$ 17,684,426	\$ 1,221,592	\$ (35,166)	\$ 17,178,836	\$ 18,114,417
Water Utility								
Plant and equipment	8,666,399	820,465	-	4,485,896	204,194		4,796,774	4,180,503
Electrical Utility								
Plant and equipment	2,736,250	100,186	-	1,640,010	41,745		1,154,681	1,096,240
Sewer Utility								
Plant and equipment	7,980,035	119,019	-	3,750,065	172,913		4,176,076	4,229,970
	\$ 55,181,527	\$ 1,329,364	\$ (38,849)	\$ 27,560,397	\$ 1,640,444	\$ (35,166)	\$ 27,306,367	\$ 27,621,130

THE CORPORATION OF THE CITY OF GRAND FORKS
Statement of Financial Information
Fiscal Year Ended December 31, 2016

STATEMENT OF CHANGES IN FINANCIAL POSITION
CAPITAL FUND

	Actual 2016	Actual 2015
Revenue		
Donations from groups and individuals	\$ 41,550	\$ -
Government transfers	77,090	723,565
	118,640	723,565
Transfer from Development Cost Charges	-	-
Transfer from Other Restricted Revenues	-	-
	118,640	723,565
Expenditures		
General fund	289,694	1,566,601
Utilities	1,039,670	622,995
	1,329,364	2,189,596
Net change in financial assets	(1,210,724)	(1,466,031)
Expenditures funded by debt		
Transfers from operating funds	59,168	742,466
Transfers from reserves	1,151,556	723,565
Increase in capital funds	-	-

THE CORPORATION OF THE CITY OF GRAND FORKS

Statement of Financial Information

Fiscal Year Ended December 31, 2016

SCHEDULE OF DEBT

	Bylaw	Interest Rate	Maturity	Original Issue	Balance, Dec 31, 2015	Additions	Payments of Principal	Actuarial Adjustment	Balance, Dec 31, 2016
General Fund									
Road System Improvements	1863	4.13%	2019	\$ 500,000	\$ 223,766	\$ -	\$ 41,645	\$ 11,049	\$ 171,072
Roads - NW 79th	1887	3.73%	2025	70,000	51,065	-	3,496	757	46,812
Sewer Fund									
Ruckle Lift Station	1498	2.30%	2019	195,944	55,082	-	6,496	6,375	42,211
City Park Lift Station	1873	3.85%	2033	1,756,920	1,636,559	-	59,001	4,814	1,572,744
Total Debenture Debt				<u>\$ 2,522,864</u>	<u>\$ 1,966,472</u>	<u>\$ -</u>	<u>\$ 110,638</u>	<u>\$ 22,995</u>	<u>\$ 1,832,839</u>
Equipment Financing									
2015 Cobra Platform Ladder Truck	n/a	1.40%	2021	\$ 722,518	\$ -	\$ 722,518	\$ 116,786	\$ -	605,732
Total Equipment Financing				<u>\$ 722,518</u>	<u>\$ -</u>	<u>\$ 722,518</u>	<u>\$ 116,786</u>	<u>\$ -</u>	<u>\$ 605,732</u>
Total Long Term Debt				<u>\$ 3,245,382</u>	<u>\$ 1,966,472</u>	<u>\$ 722,518</u>	<u>\$ 227,424</u>	<u>\$ 22,995</u>	<u>\$ 2,438,571</u>

THE CORPORATION OF THE CITY OF GRAND FORKS

Statement of Financial Information

Fiscal Year Ended December 31, 2016

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, 2016

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, 2016.

THE CORPORATION OF THE CITY OF GRAND FORKS

Statement of Financial Information

Fiscal Year Ended December 31, 2016

SCHEDULE OF REMUNERATION AND EXPENSES
FOR ELECTED OFFICIALS

Name	Position	Remuneration	Expenses	Benefits	Total
Butler, Julia	Councillor	\$ 17,079	\$ 5,429	\$ 3,073	\$ 25,581
Hammett, Chris	Councillor	17,979	6,203	1,222	25,404
Konrad, Frank	Mayor	24,368	6,440	3,073	33,881
Krog, Neil D.	Councillor	19,701	165	3,073	22,939
Ross, Colleen	Councillor	17,979	7,799	1,222	27,000
Thompson, Christine	Councillor	17,079	4,272		21,351
Tripp, Beverley	Councillor	10,205	2,623	1,537	14,365
Total Elected Officials		\$ 124,390	\$ 32,931	\$ 13,200	\$ 170,521

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, 2016

SCHEDULE OF EMPLOYEE REMUNERATION AND EXPENSES

Name	Position	Remuneration	Expenses	Total
Allin, Doug	Chief Administrative Officer	\$ 151,606	\$ 13,571	\$ 165,177
Chambers, Steven	Electrical Lineman	103,749	1,252	105,001
Chapman, Dean	Utilities Coordinator	81,027	7,559	88,586
Drexler, Daniel	Deputy Operations Manager	76,906	5,026	81,932
Federico, Leonard	Utilities Operator 2	90,975	307	91,282
Feenstra, John	Utilities Operator 1	75,452	2,304	77,756
Fofonoff, Rodney	Asst. Public Works Coordinator	75,558	4,632	80,190
Heinrich, Diane	Corporate Officer	106,279	3,414	109,693
Heriot, Dale	Fire Chief	104,061	5,158	109,219
Howard, Steven	Public Works Coordinator	76,034	240	76,274
Kopan, Wayne	Mgr Building Inspection/ Bylaw	112,525	861	113,386
Mckinnon, Kevin	Deputy Fire Chief	77,183	2,665	79,848
Nielsen, Darryl	Mechanic	77,374	512	77,886
Reid, David	Manager Of Operations	105,041	6,045	111,086
Salamandyk, Earl	Operator 4/Airport	75,647	690	76,337
Sheets, Dolores	Manager of Dev. & Engineering	85,156	7,108	92,264
Shepherd, Roxanne	Chief Financial Officer	89,663	2,067	91,730
Sorensen-Lawrence, Benjack	Utilities Operator 2	85,260	190	85,450
Traynor, James	Parks Journeyman	92,012	190	92,202
Weber, Rick	Electrical Lineman	104,080	-	104,080
Winton, Sarah	Deputy Corporate Officer	97,088	6,737	103,825
Zielinski, Rod	Electrical Coordinator	113,626	140	113,766
Employee remuneration over \$75,000 and expenses		\$ 2,056,302	\$ 70,668	\$ 2,126,970
Consolidated total of other employees with remuneration of \$75,000 or less		\$ 1,103,060	\$ 96,354	\$ 1,199,414
Total Employees		\$ 3,159,362	\$ 167,022	\$ 3,326,384

Reconciliation

Total remuneration - elected officials	\$ 124,390
Total remuneration - other employees	3,159,362
Subtotal	3,283,752
Reconciling items	
Employer CPP, EI and WCB premiums	205,614
Pension and group benefits	416,404
2016 labour accrual	16,509
2015 labour accrual	(15,700)
Labour and benefits charged to capital accounts	(27,347)
Other adjustments	(23,154)

Wages and benefits per Financial Statements	\$ 3,856,078
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THE CORPORATION OF THE CITY OF GRAND FORKS

Statement of Financial Information

Fiscal Year Ended December 31, 2016

SCHEDULE OF SUPPLIER PAYMENTS

Supplier Name	Amount
Aardvark Pavement Marking Services	\$ 38,194
Argosy Construction Group Inc.	355,352
B.C. Assessment Authority	42,721
Berg Lehmann	45,675
Black Press Group	33,237
Boundary Electric (1985) Ltd.	32,055
Canadian Electric Vehicles Ltd.	40,881
Capri Insurance	56,821
Cascade Pro Electric Inc.	82,537
City of Nelson	56,082
Commonspace Consulting Ltd.	25,717
Corix Water Products Ltd	29,126
CU Credit c/o Cuets	48,670
CUPE Local 4728	38,209
Dave Dale Insurance Ltd.	119,580
Cooper Industries Electrical	36,932
Fortis BC Inc. (Electrical)	3,456,291
Fred Surridge Ltd.	247,166
Government Of Canada - CSB	28,800
Grand Forks Concrete & Gravel Ltd.	26,552
Grand Forks Janitorial Services	45,205
Grand Forks Volunteer Firefighters Association	64,000
Insurance Corporation of British Columbia	29,365
Mainstream Mechanical Ltd.	124,289
McEwan & Co Law Corporation in Trust	201,161
Mearls Machine Works Ltd.	55,641
Minister of Finance (BCMSP)	51,517
Minister of Finance (PST)	176,861
Minister of Finance (School Tax)	418,256
MSC Enterprises Ltd.	25,240
Municipal Finance Authority	164,612
Municipal Insurance Association of BC	38,833
Municipal Pension Plan	530,269
Pacific Blue Cross	191,541
Petro Value Products Canada Inc.	61,583
Power Paving Ltd.	25,995

THE CORPORATION OF THE CITY OF GRAND FORKS

Statement of Financial Information

Fiscal Year Ended December 31, 2016

SCHEDULE OF SUPPLIER PAYMENTS

Supplier Name	Amount
Receiver General for Canada (CRA)	\$ 880,052
Regional District of Kootenay Boundary	1,753,351
Smith Plan Consulting Inc.	34,141
Spring Fuel Distributors Inc	77,981
Stella Jones Canada Inc.	25,331
Suttle Recreation	44,302
Telus Communications (BC) Inc.	31,213
Tomko Sports Systems Inc	33,697
Urban Systems Ltd.	286,164
Vadim Computer Management Group Ltd.	38,500
West Kootenay Boundary Regional Hospital	184,591
Workers Compensation Board	51,100
Worktech Inc.	27,911
Young Anderson Barristers & Solicitors	85,092
Supplier payments greater than \$25,000	\$ 10,598,392
Supplier payments less than or equal to \$25,000	1,312,772
Total Supplier Payments	\$ 11,911,164

SCHEDULE OF GRANT PAYMENTS

Supplier Name	Amount
Grand Forks Art Gallery Society	\$ 147,000
Boundary Museum	95,000
Grant payments greater than \$25,000	\$ 242,000

THE CORPORATION OF THE CITY OF GRAND FORKS

Statement of Financial Information

Fiscal Year Ended December 31, 2016

RECONCILIATION OF SUPPLIER PAYMENTS

Supplier payments greater than \$25,000	\$ 10,598,392
Supplier payments less than or equal to \$25,000	1,312,772
Grant payments greater than \$25,000	<u>242,000</u>
Subtotal	12,153,164
Reconciling items	
Employee remuneration and expenses	3,483,705
Amortization of tangible capital assets	1,640,444
Employee payroll withholdings	(747,765)
Payments to other taxing authorities	(1,980,969)
Capital expenditures	(1,329,364)
GST rebates and input tax credits	(322,918)
PST collected on revenues	(158,319)
Debt principal payments	(227,424)
Change in inventories and prepaid expenses	(243,278)
Accruals and other adjustments*	<u>(491,303)</u>
Total expenses per Statement of Operations	<u>11,775,973</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.