

The Corporation of the City of Grand Forks

Table of Contents

2004 Annual Financial Report

Auditor's Report

Significant Accounting Policies:

Page 1

Page 2

Financial Statements for the year ended December 31, 2004

Statement A	Consolidated Statement of Financial Position
Statement B	Consolidated Statement of Financial Activities
Statement C	Consolidated Statement of Changes in Financial Position
Statement D	Consolidated Statement of Operating Fund Balances
Statement E	Consolidated Statement of Changes in Operating Fund Balances
Statement F	Consolidated Statement of Capital Fund Balances
Statement G	Consolidated Statement of Changes in Capital Fund Balances
Statement H	Consolidated Statement of Reserve Fund Balances
Statement I	Consolidated Statement of Changes in Reserve Fund Balances
Statement J	Statement of Severance Agreements
Notes to the Consolidated Financial Statements	
	Page 1
	Page 2
	Page 3
	Page 4
Schedule 1	Schedule of Capital Assets
Schedule 2	Debenture Debt
Schedule 3	Tax Levies
Schedule 4	Other Revenue from Own Sources
Schedule 5	Grants
Schedule 6	Sales of Goods and Services
Schedule 7	Continuity Schedule of Restricted Revenues
Schedule 8	Interest and Investment Income
Schedule 9	Expenditures by Function
Schedule 10	Expenditures by Object
Schedule 11	Financial Position by Fund
Schedule 12	Financial Activities by Fund
Schedule 13	Continuity Schedule of Unexpended Appropriations
Schedule 14	Continuity Schedule of Reserves
Schedule 15	Schedule of Remuneration and Expenses - Employees
Schedule 16	Schedule Showing Payments for Provision of Goods or Services
Schedule 17	Schedule of Capital Projects Undertaken

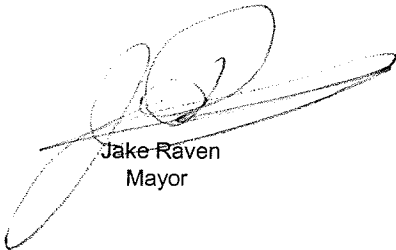
The Corporation of the City of Grand Forks
Annual Financial Report
for the year ended December 31, 2004

The information in this Annual Financial Report is the responsibility of management. The consolidated financial statements have been prepared in accordance with accounting principles generally accepted for British Columbia municipalities and are outlined under "Significant Accounting Policies" which appear on pages immediately following the Auditor's Report. These include some amounts based on management's best estimates and careful judgment.


Management maintains a system of internal accounting controls to provide reasonable assurance that assets are safeguarded and that transactions are authorized, recorded, and reported properly.

Frank O. Koide, Chartered Accountant, the City's independent auditor, has audited the accompanying financial statements. His report accompanies this statement.

Council carries out its responsibility for the consolidated financial statements by meeting twice monthly with management and at least once annually with its independent auditor to review his activities and to discuss auditing, internal control, accounting policy, and financial reporting matters. The auditor has unrestricted access to the City operations and to Council. The audited consolidated financial statements are submitted to Council for approval. Council also reviews the recommendations of the independent auditor for improvements to controls and the actions of management to implement such recommendations.



Jake Raven
Mayor



J. C. Lambie
Chief Administrative Officer



Dan Zabinsky
Treasurer

Frank O. Koide

Chartered Accountant

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AUDITOR'S REPORT

To the Mayor and Councillors
of the Corporation of the City of Grand Forks
British Columbia

I have audited the consolidated balance sheet of the Corporation of the City of Grand Forks as at December 31, 2004 and the consolidated statement of financial activities, changes in financial position, and changes in operating fund balances for the year then ended. These financial statements are the responsibility of the municipality's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. These standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the municipality as at December 31, 2004 and the results of its operations and the changes in its financial position for the year then ended, in accordance with the accounting principles disclosed in the financial statements. As required by the Local Government Act (British Columbia), I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Grand Forks, B.C.
April 28, 2005



CHARTERED ACCOUNTANT



Member of
Institute of Chartered Accountants of British Columbia

The Corporation of the City of Grand Forks
Significant Accounting Policies
for the year ended December 31, 2004

A. Basis of Presentation

It is the City's policy to follow the accounting principles generally accepted for British Columbia municipalities and to apply such principles consistently. These Consolidated Financial Statements include the operations of the General, Water, Sewer, Electrical, Capital, and Reserve Funds. They have been prepared using guidelines issued by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The financial resources and operations of the City have been consolidated for financial statement purposes and include the accounts of all the funds of the City totaling \$6,459,053 as noted below.

Operating Funds - These funds include the sewer, water, and electrical utilities and report the principal operating activities of the City. As at December 31, 2004, the fund balances were as follows:

	2004	2003
General Revenue Fund	\$376,271	\$538,173
Water Revenue Fund	928,763	798,122
Electrical Revenue Fund	463,400	427,705
Sewer Revenue Fund	307,148	278,038
	2,075,583	2,042,038

Capital Funds - These funds are used to acquire capital assets. The equity in capital assets represents the difference between historical cost of assets acquired and remaining debt. Equity balances are reported on the following page under Policy D. Capital Assets.

Reserve Funds - These funds have been created to hold assets for specific future requirements. They are comprised of the funds shown in Schedule 14

Reserve Funds	4,383,470	4,097,493
	\$6,459,053	\$6,139,531

B. Accrual Accounting

The Accrual method for reporting revenues and expenditures has been used.

C. Deferred Charges

Payments for operating expenditures pertaining to future years are carried as deferred charges. They are recorded as expenditures when the economic benefits are realized.

The Corporation of the City of Grand Forks
Significant Accounting Policies
for the year ended December 31, 2004

D. Capital Assets

Capital assets purchased or constructed and work in process are reported as capital expenditures and are classified according to their functional use. Accumulated capital expenditures are reported on Schedule 1. Depreciation is not recorded. Equity in Capital Assets is reflected in each Capital Fund as follows:

	<u>2004</u>	<u>2003</u>
General Capital Fund	\$23,935,250	\$23,050,281
Water Capital Fund	5,389,930	5,131,123
Electrical Capital Fund	1,913,739	1,718,141
Sewer Capital Fund	5,548,194	5,270,991
	<u>\$36,787,113</u>	<u>\$35,170,536</u>

E. Restricted Revenues and Deferred Revenues

Receipts which are restricted by the legislation of senior governments or by agreements with external parties are deferred and reported as restricted revenues. When qualifying expenditures are incurred restricted revenues are brought into revenue at equal amounts. These revenues are shown on Schedule 7.

Revenues received in advance of expenditures which will be incurred in a later period are deferred until they are earned by being matched against those expenditures.

F. Local Improvements

The City records expenditures for capital assets funded by local improvement agreements as they are incurred. Revenues are recognized over the term of the local improvement agreements as they are collected.

G. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted for municipalities requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditure during the accounting period. Significant areas requiring the use of management estimates relate to the determination of accrued vacation leave and sick benefits and severance liability, collectibility of accounts receivable, deferred charges and provisions for contingencies. Actual results could differ from those estimates. Adjustments, if any, will be reflected in operations in the period of settlement.

H. Annual Budget

The Budget used to compare actual results with those planned is the Budget which Council approved in establishing taxation rates for 2004. Where Council approved amendments to the Budget, those changes will be disclosed in the Notes to the Financial Statements.


I. Property held for Resale

Recoverable development costs for properties currently under agreement for sale expected to be completed within one year are recorded as Property Held for Resale. Proceeds of sale, net of these development costs, are recorded as Proceeds from Land Disposal.

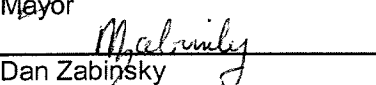
The Corporation of the City of Grand Forks
Consolidated Statement of Financial Position
as at December 31, 2004

	<u>2004</u>	<u>Restated</u> (see Note 10) <u>2003</u>
Financial Assets		
Cash and Temporary Investments (Note 1)	\$6,757,222	\$6,682,657
Accounts Receivable (Note 2)	1,383,465	1,482,494
Lease Deposit (Note 3)	0	15,000
Inventories for Resale (Note 4)	21,626	22,346
	<u>8,162,313</u>	<u>8,202,497</u>
Liabilities		
Accounts Payable (Note 5)	1,367,052	1,637,001
Deferred Revenues	315,360	316,853
Restricted Revenues (Schedule 7)	23,626	45,706
Due to Trust	6,414	5,201
Long Term Debt (Schedule 2) (Note 6)	597,033	1,019,293
	<u>2,309,485</u>	<u>3,024,054</u>
Net Financial Assets	5,852,828	5,178,443
Unexpended Appropriations (Schedule 13) (Note 7)	(18,333)	(159,287)
Inventories of Supplies	0	48,795
Capital Assets (Schedule 1) (Note 12)	<u>37,411,671</u>	<u>36,242,116</u>
	<u>\$43,246,166</u>	<u>\$41,310,067</u>
Equity		
Fund Balances	\$6,459,053	\$6,139,531
Equity in Capital Assets (Note 9)	<u>36,787,113</u>	<u>35,170,536</u>
	<u>\$43,246,166</u>	<u>\$41,310,067</u>

The Accompanying Notes form an integral part of these Financial Statements
Contingencies and commitments are described in Note 11.



Jake Raven
Mayor



Dan Zabinsky
Treasurer

The Corporation of the City of Grand Forks
Consolidated Statement of Financial Activities
for the year ended December 31, 2004

	<u>Actual 2004</u>	<u>Budget 2004</u>	<u>Restated Actual 2003</u> (see Note 10)
Revenue			
Taxes (Schedule 3)	\$1,897,665	\$1,892,423	\$1,897,850
Sales of goods and services (Schedule 6)	4,460,535	4,236,775	4,214,234
Other revenues from own sources (Schedule 4)	390,291	270,954	1,865,699
Senior government grants - Operating (Schedule 5)	356,133	355,780	380,370
Senior government grants - Capital (Schedule 5)	12,486	34,070	194,247
Interest income (Schedule 8)	202,931	208,950	220,486
Investment income on sinking funds (Schedule 8) (Note 6)	67,232	0	140,538
	<u>7,387,273</u>	<u>6,998,952</u>	<u>8,913,424</u>
Interest restricted (Schedule 7)	(131)	0	(162)
Net transfers Unexpended Park Improvements (Schedule 7)	5,241	0	0
Transfer from Unexpended Airport Grant	6,469	0	0
Debt forgiven	214,109	0	0
Annual lease applied to capital project	2,762	0	0
Transfer to Library Maintenance	(3,455)	(3,800)	(2,990)
	<u>7,612,268</u>	<u>6,995,152</u>	<u>8,910,272</u>
Expenditures (Schedule 9)			
General government	1,105,622	1,214,687	1,502,071
Protective services	285,656	304,944	358,728
Transportation services	1,307,100	1,291,886	1,198,694
Environmental health services	85,935	86,610	79,731
Public health and welfare	67,298	83,484	66,936
Environmental development	167,163	141,229	123,345
Recreation and cultural services	634,390	633,855	463,445
Utility services	3,181,192	3,368,071	3,227,687
Fiscal charges	125,526	128,905	162,876
	<u>6,959,882</u>	<u>7,253,671</u>	<u>7,183,513</u>
Future Expenditures - Airport	(22,000)	0	44,000
	<u>6,937,882</u>	<u>7,253,671</u>	<u>7,227,513</u>
Change in Net Financial Assets	674,386	(258,519)	1,682,758
Appropriations unexpended (Schedule 13)	85,587	0	(241,396)
Unspent appropriations returned (Schedule 13)	55,367	0	103,108
Supplies inventory change	0	0	(168,863)
Depletable asset change	(48,795)	0	(2,136)
Capital Fund Accounts Payable	(22,000)	0	44,000
Capital project funding deferred	(2,762)	0	8,287
Debt principal reduced (Schedule 2)	(422,260)	(153,934)	(447,301)
Capital debt incurred	0	0	220,000
	<u>319,522</u>	<u>(412,453)</u>	<u>1,198,457</u>
Increase (Decrease) in Consolidated Fund Balances	319,522	(412,453)	1,198,457
Consolidated Fund Balances - Beginning of Year	<u>6,139,531</u>	<u>6,139,531</u>	<u>4,941,074</u>
Consolidated Fund Balances - End of Year	<u>\$6,459,053</u>	<u>\$5,727,078</u>	<u>\$6,139,531</u>

The Corporation of the City of Grand Forks
Consolidated Statement of Changes in Financial Position
for the year ended December 31, 2004

	<u>2004</u>	Restated (see Note 10) <u>2003</u>	
Cash and Temporary Investments Provided By (Used For):			
Operations:			
Excess Revenue over Expenditures	\$674,386	\$1,682,758	
Decrease (Increase) in Non-Cash Financial Assets			
Accounts Receivable	99,029	(160,273)	
Deferred Charges and Other	15,000	0	
Property and Inventories for Resale	720	(1,477)	
	<u>789,135</u>	<u>1,521,008</u>	
Increase (Decrease) in Short Term Liabilities			
Accounts Payable and Accrued Liabilities	(269,949)	483,136	
Deferred Revenues	(1,493)	39,308	
Restricted Revenues	(22,080)	8,762	
Trust	1,213	(434)	
	<u>496,826</u>	<u>2,051,780</u>	
Financing:			
Debt Principal Reduced	(422,261)	(447,301)	
Debt Issued	0	220,000	
	<u>(422,261)</u>	<u>(227,301)</u>	
Increase (Decrease) in Cash and Temporary Investments	74,565	1,824,479	
Cash and Temporary Investments - Beginning of Year	6,682,657	4,858,178	
Cash and Temporary Investments - End of Year	<u>\$6,757,222</u>	<u>\$6,682,657</u>	
	<u>2004</u>	<u>2003</u>	<u>2002</u>
Represented By:			
Cash and Temporary Investments (Statement A)	<u>\$6,757,222</u>	<u>\$6,682,657</u>	<u>\$4,858,178</u>

The Corporation of the City of Grand Forks
Consolidated Statement of Operating Fund Balances
as at December 31, 2004

	<u>2004</u>	<u>Restated</u> (see Note 10) <u>2003</u>
Financial Assets		
Cash and Temporary Investments (Note 1)	\$2,580,560	\$2,485,938
Accounts Receivable (Note 2)	1,325,134	1,434,571
Lease Deposit (Note 3)	0	15,000
Inventories for Resale (Note 4)	<u>21,626</u>	<u>22,346</u>
	<u>3,927,321</u>	<u>3,957,855</u>
Liabilities		
Accounts Payable (Note 5)	1,345,052	1,573,388
Deferred Revenues	315,360	316,853
Restricted Revenues (Schedule 7)	23,626	45,707
Due to Trust	<u>6,414</u>	<u>5,201</u>
	<u>1,690,452</u>	<u>1,941,149</u>
Net Financial Assets	2,236,868	2,016,706
Unexpended Appropriations (Schedule 13)	(18,333)	(159,287)
Due from Capital Fund	5,525	8,287
Due from (to) Reserves	(148,478)	127,537
Inventories for Own Use	<u>0</u>	<u>48,795</u>
	<u>\$2,075,582</u>	<u>\$2,042,038</u>
Operating Fund Equity		
Unadjusted Fund Surpluses	\$2,075,582	\$1,993,243
Equity in Depletable Assets	<u>0</u>	<u>48,796</u>
Fund Balances	<u>\$2,075,582</u>	<u>\$2,042,039</u>

The Corporation of the City of Grand Forks
Consolidated Statement of Changes in Operating Fund Balances
for the year ended December 31, 2004

	<u>Actual</u> <u>2004</u>	<u>Budget</u> <u>2004</u>	<u>Actual</u> <u>2003</u>
Revenue			
Taxes (Schedule 3)			
Real property, special assessments, grants in lieu	\$4,333,660	\$4,333,920	\$4,348,962
Less: collections for other governments	(2,435,995)	(2,441,497)	(2,451,112)
Taxes (Schedule 3)	<u>\$1,897,665</u>	<u>\$1,892,423</u>	<u>\$1,897,850</u>
Sales of goods and services (Schedule 6)	4,225,596	4,041,275	3,909,989
Other revenues from own sources (Schedule 4)	257,101	249,154	563,275
Senior government grants - Operating (Schedule 5)	356,133	355,780	380,370
Investment income on sinking funds	67,232	47,687	140,538
Interest and investment income (Schedule 8)	63,781	57,500	73,021
	<u>6,867,508</u>	<u>6,643,819</u>	<u>6,965,043</u>
Debt forgiven	214,109	0	0
Annual lease applied to capital project	2,763	0	0
Transfer to James Donaldson Park	0	(2,664)	0
Transfer to Library Maintenance	(3,455)	(3,800)	(7,213)
	<u>7,080,924</u>	<u>6,637,355</u>	<u>6,957,830</u>
Expenditures (Schedule 9)			
General government	968,103	1,088,992	978,614
Protective services	242,805	253,744	340,776
Transportation services	869,788	881,276	859,743
Environmental health services	85,935	86,610	79,731
Public health and welfare	67,298	83,484	66,936
Environmental development	121,229	141,229	122,993
Recreation and cultural services	470,017	469,235	416,903
Utility services	2,817,626	2,866,377	2,659,424
Fiscal charges	125,526	128,905	162,876
	<u>5,768,327</u>	<u>5,999,852</u>	<u>5,687,996</u>
Change in Financial Assets	1,312,598	637,503	1,269,834
Transfers to Capital - Current Year Revenues	(241,548)	(330,504)	(293,047)
Transfers to Capital - Prior Year Surplus	(350,219)	(307,405)	(279,927)
Transfer to Equipment Replacement Reserve	(50,000)	(50,000)	(31,750)
Transfer to Capital Reserve	(163,470)	0	0
Due from Capital reduced	(2,763)	0	0
Transfer from Prior Years' Surplus	0	113,728	0
Supplies Inventory change	0	0	(168,861)
Transfer from Reserve to reduce debt	0	0	223,121
Debt Principal reduced	(422,260)	(208,152)	(447,301)
	<u>82,339</u>	<u>(144,830)</u>	<u>272,069</u>
Increase (Decrease) in Operating Fund Balances	82,339	(144,830)	272,069
Operating Fund Balances - Beginning of Year	<u>1,993,243</u>	<u>1,993,243</u>	<u>1,721,174</u>
Operating Fund Balances - End of Year	<u><u>\$2,075,582</u></u>	<u><u>\$1,848,413</u></u>	<u><u>\$1,993,243</u></u>

Statement F

The Corporation of the City of Grand Forks
Consolidated Statement of Capital Fund Balances
as at December 31, 2004

	<u>2004</u>	Restated (see Note 10) <u>2003</u>
Financial Assets	\$0	\$0
Liabilities		
Accounts Payable (Note 5)	22,000	44,000
Long Term Debt (Schedule 2) (Note 6)	<u>597,033</u>	<u>1,019,293</u>
	619,033	1,063,293
Net Financial Assets	(619,033)	(1,063,293)
Due to General Revenue Fund	(5,525)	(8,287)
Capital Assets (Schedule 1) (Note 12)	<u>37,411,671</u>	<u>36,242,116</u>
	<u>\$36,787,113</u>	<u>\$35,170,536</u>
Equity in Capital Assets		
General Capital Fund (Schedule 11)	\$23,935,250	\$23,050,281
Water Capital Fund (Schedule 11)	5,389,930	5,131,123
Electrical Capital Fund (Schedule 11)	1,913,739	1,718,141
Sewer Capital Fund (Schedule 11)	<u>5,548,194</u>	<u>5,270,991</u>
	<u>\$36,787,113</u>	<u>\$35,170,536</u>

The Corporation of the City of Grand Forks
Consolidated Statement of Changes in Capital Fund Balances
for the year ended December 31, 2004

	Actual 2004	Budget 2004	Actual 2003
Revenue			
Donations from groups and individuals (Schedule 4)	\$21,306	\$10,500	\$2,313
Recovery from third party less deferred (Schedule 6)	0	0	45,833
Senior government grants - Capital (Schedule 5)	12,486	34,070	194,247
	<u>33,792</u>	<u>44,570</u>	<u>242,393</u>
Transfer from Library Maintenance Fund	0	0	4,223
Transfer from Park Improvement Accounts	5,241	0	0
Transfer from Unexpended Airport Grant	6,469	0	0
	<u>45,502</u>	<u>44,570</u>	<u>246,616</u>
Expenditures (Schedule 9)			
General government	137,519	125,695	523,457
Protective services	42,850	51,200	17,952
Transportation services	437,313	410,610	338,951
Environmental development	45,934	0	353
Recreation and cultural services	164,373	164,620	46,542
Utility services	363,566	501,694	568,264
	<u>1,191,555</u>	<u>1,253,819</u>	<u>1,495,519</u>
Multiple Year Expenditures - Airport	(22,000)	0	44,000
Change in Financial Assets	(1,124,053)	(1,209,249)	(1,292,903)
Capital Funding from Reserves (Statement I)	554,287	571,340	447,642
	<u>554,287</u>	<u>571,340</u>	<u>447,642</u>
Expenditures funded by Debt or Operating Surplus	(569,766)	(637,909)	(845,261)
Capital loan debt incurred	0	0	220,000
Change in Capital Fund Accounts Payable	(22,000)	0	44,000
Capital project funding deferred	0	0	8,287
Transfers from Operating - Prior Year Surplus	350,219	307,405	279,927
Transfers from Operating - Current Year Revenues	241,548	330,504	293,047
	<u>241,548</u>	<u>330,504</u>	<u>293,047</u>
Increase (Decrease) in Capital Fund Balances	0	0	0
Capital Fund Balances - Beginning of Year	0	0	0
Capital Fund Balances (Due to Operating Funds) - End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

The Corporation of the City of Grand Forks
Consolidated Statement of Reserve Fund Balances
as at December 31, 2004

	<u>2004</u>	<u>Restated</u> (see Note 10) <u>2003</u>
Financial Assets		
Cash and Temporary Investments (Note 1)	\$4,176,662	\$4,196,719
Accounts Receivable (Note 2)	58,331	47,924
	<u>4,234,992</u>	<u>4,244,643</u>
Liabilities		
Accounts Payable (Note 5)	0	19,613
	<u>4,234,992</u>	<u>4,225,030</u>
Net Financial Assets		
	<u>4,234,992</u>	<u>4,225,030</u>
Due from (to) Own Funds		
General Revenue Fund	148,478	(127,537)
	<u>148,478</u>	<u>(127,537)</u>
Reserve Fund Balances		
	<u>\$4,383,470</u>	<u>\$4,097,493</u>
Equity - Reserve Fund Balances		
Domestic Water System Reserve	\$2,846	\$2,782
Water Development Cost Charges Reserve	197,049	182,560
Sewer Development Cost Charges Reserve	160,554	147,119
Cash in Lieu of Parking Reserve	13,187	12,893
Tax Sale Lands Reserve	50,673	49,541
Equipment Replacement Reserve	87,968	37,323
Capital Reserve	163,470	0
Land Sale Reserve	2,111,026	1,975,922
Slag Sale Reserve	1,596,697	1,689,353
	<u>\$4,383,470</u>	<u>\$4,097,493</u>

The Corporation of the City of Grand Forks
Consolidated Statement of Changes in Reserve Fund Balances
for the year ended December 31, 2004

	<u>Actual 2004</u>	<u>Budget 2004</u>	<u>Actual 2003</u>
Receipts			
Interest allocated to Reserves (Schedules 8 and 14)	139,019	151,250	147,303
Land sale proceeds (Schedule 14)	91,671	5,000	1,260,010
Development cost charges (Schedules 4 and 14)	20,212	6,300	40,100
Slag sales (Schedules 6 and 14)	234,939	195,500	258,412
	<u>485,841</u>	<u>358,050</u>	<u>1,705,825</u>
Change in Financial Assets			
	485,841	358,050	1,705,825
Other Additions			
Transfer from Operating Funds	213,470	100,000	31,750
Unspent Appropriations returned to Reserves (Schedule 14)	55,367	0	103,108
	<u>754,678</u>	<u>458,050</u>	<u>1,840,683</u>
Appropriations Expended			
Debt retirement from Land Sales Reserve	0	0	223,121
General Capital from Land Sales Reserve	145,934	100,000	0
General Capital from Slag Sales Reserve	408,353	465,700	371,341
Water Capital from Slag Sales Reserve	0	0	9,304
Sewer Capital from Slag Sales Reserve	0	0	9,304
General Capital from Equipment Replacement Reserve	0	5,640	57,693
	<u>554,287</u>	<u>571,340</u>	<u>670,763</u>
	<u>200,391</u>	<u>(113,290)</u>	<u>1,169,920</u>
Appropriation Bylaws			
General Capital from Land Sales Reserve	50,000	100,000	323,121
less Expended	(145,934)	(100,000)	(223,121)
General Capital from Slag Sales Reserve	418,700	465,700	512,428
less Expended	(408,353)	(465,700)	(371,341)
Water Capital from Slag Sales Reserve	0	0	9,304
less Expended	0	0	(9,304)
Sewer Capital from Slag Sales Reserve	0	0	9,304
less Expended	0	0	(9,304)
General Capital from Equipment Replacement Reserve	0	5,640	58,000
less Expended	0	(5,640)	(57,693)
	<u>(85,587)</u>	<u>0</u>	<u>241,394</u>
Increase (Decrease) in Reserve Fund Balances	285,978	(113,290)	928,526
Reserve Fund Balances - Beginning of Year	<u>4,097,493</u>	<u>4,097,493</u>	<u>3,168,967</u>
Reserve Fund Balances - End of Year	<u>4,383,470</u>	<u>\$3,984,203</u>	<u>\$4,097,493</u>

The Corporation of the City of Grand Forks
Statement of Severance Agreements
for the year ended December 31, 2004

There was one severance agreement under which payment commenced between the City of Grand Forks and a non-unionized employee during the year ended December 31, 2003. Payments were remitted during the year ended December 31, 2004.

Severance Agreement Payable - December 31, 2003	\$128,286
Payments issued during 2004	<u>(\$128,286)</u>
Balance - December 31, 2004	<u><u>\$0</u></u>

Prepared under the Financial Information Regulation, Schedule 1, subsection 6(7).

The Corporation of the City of Grand Forks
Notes to the Consolidated Financial Statements
for the year ended December 31, 2004

1. Cash and Temporary Investments:	2004	2003			
Cash	\$1,000	\$1,000			
Operating and other bank accounts	2,579,560	2,484,938			
Reserve fund bank accounts	3,175,800	3,257,542			
Temporary Investments (Term Deposits)	1,000,861	939,177			
	<u>\$6,757,222</u>	<u>\$6,682,657</u>			
In addition, the City holds bank accounts of \$99,081 for trusts comprised as follows:					
	Balance	Interest			Balance
	December 31, 2003	Earned	Receipts	Disbursements	December 31, 2004
Cemetery	\$92,954	\$2,124	\$3,336	\$3,336	\$95,078
Employee Assistance Program	3,526	86	1,504	1,113	4,003
	<u>\$96,480</u>	<u>\$2,210</u>	<u>\$4,840</u>	<u>\$4,449</u>	<u>\$99,081</u>
2. Accounts Receivable:					
	2004	2003			
Property Taxes	\$411,374	\$354,435			
Other Governments	35,927	282,549			
General	47,975	33,195			
Accrued Interest on Reserve Term Deposit	37,358	34,960			
Utility Bills Receivable (see Schedule 11)	850,831	777,356			
	<u>\$1,383,465</u>	<u>\$1,482,494</u>			
3. Deferred Charges and Other					
Security Deposit on Heavy Equipment Lease	<u>\$0</u>	<u>\$15,000</u>			
4. Inventories for Resale					
Aviation Fuel	\$11,387	\$12,107			
Land Held for Resale	10,239	10,239			
	<u>\$21,626</u>	<u>\$22,346</u>			
5. Accounts Payable and Accrued Liabilities:					
General Trade Payables	\$440,939	\$581,305			
Severance Agreement Payable	0	128,286			
Due to Other Governments	1,260	7,263			
Salaries and Wages Payable	108,130	43,270			
Contractor Holdbacks	0	27,848			
Deferred Payments: Capital	22,000	44,000			
Accrued Vacation Pay	179,488	170,945			
Accrued Sick and Severance - Union Employees	369,972	375,802			
Accrued Sick Leave - Management	238,315	247,956			
	<u>1,360,103</u>	<u>1,626,675</u>			
Accrued Interest on Water Fund Debt	5,806	6,816			
Accrued Interest on Sewer Fund Debt	1,142	3,511			
	<u>\$1,367,052</u>	<u>\$1,637,001</u>			

Employees accrue vacation credits, which are charged to operations in the year they are earned. Unused vacation is recorded as a liability.

Under Article 14 of the contract between the City and the Canadian Union of Public Employees Local 2254, employees accumulate one and a half days each month of sick leave to a maximum of 150 days. Any employee absent for medical reasons has his pay charged against and deducted from any sick leave he has accumulated. Upon retirement, any employee having accumulated sick leave is eligible to receive a cash gratuity payment. The payment amount is a percentage of accumulated leave based on years of service. Contracts between the City and members of its management team establish a sick leave bank for managers which provides full pay for any management employee from onset of illness until coverage commences under long term disability insurance. The sick leave bank contains a total of 1,086 days. As at December 31, 2004 the accrual was 100% of the maximum sick leave bank (at December 31, 2003 - 100%).

The Corporation of the City of Grand Forks
Notes to the Consolidated Financial Statements
for the year ended December 31, 2004

6. Long Term Debt:

Debt principal is reported net of Sinking Fund balances. Sinking fund earnings are combined with debt principal payments to reduce the balance of debt outstanding.

	<u>2004</u>	<u>2003</u>
MFA Debenture debt issued and outstanding: (Schedule 2)	\$338,309	\$635,217
Grand Forks District Savings Credit Union term loan, 6% interest	52,292	82,837
Chrysler Credit Corporation, Conditional Sales Agreement 3.8% interest	0	4,690
Pacific & Western Capital Leases	206,432	296,549
	<u>\$597,033</u>	<u>\$1,019,293</u>

The following debt principal amounts are payable over the next five years:

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Water Debenture	\$40,627	\$42,659	\$44,792	\$47,031	\$0
Sewer Debenture	7,563	7,941	8,338	8,755	9,193
Credit Union Term Loan	32,442	19,850	0	0	0
Capital Leases	69,992	46,647	49,982	39,812	0
	<u>\$150,624</u>	<u>\$117,096</u>	<u>\$103,112</u>	<u>\$95,599</u>	<u>\$9,193</u>

7. Unfunded Work-In-Process:

Unfunded work-in-process (representing capital works under construction at year-end for which funding has not yet been drawn) is as follows:

	<u>2004</u>	<u>2003</u>
Downtown Revitalization	\$0	\$12,000
City Hall Renovation, Heating System & Furnishings	289,285	291,616
less expended during 2004 & 2003	(277,453)	(174,329)
Airport AWOS System	67,239	77,839
less expended during 2004 & 2003	(45,239)	(23,239)
Youth Park	149,415	113,068
less expended during 2004 & 2003	(149,415)	(13,068)
Capital Tree Replacement	7,586	0
less expended during 2004	(1,086)	0
Granby Crossing Water Main	292,095	288,366
less expended during 2004 & 2003	(292,095)	(273,366)
Electrical Substation Upgrade	145,037	141,546
less expended during 2004 & 2003	(145,037)	0
Sanitary Sewer Inflow & Infiltration Study	31,379	24,137
less expended during 2004 & 2003	(31,379)	(17,137)
	<u>\$40,333</u>	<u>\$447,433</u>
Funding to be provided by:		
Slag Sales Reserve Fund	\$18,333	\$129,287
Land Sales Reserve Fund	0	100,000
Total from Statutory Reserves	18,333	229,287
Less Funds to be Appropriated in 2004	0	(70,000)
Total Unexpended Appropriations from Statutory Reserves (Schedule 13)	18,333	159,287
Canada-BC Infrastructure Grants	0	10,000
General Revenues 2004	0	27,300
General Revenues 2005	22,000	27,300
Water Fund Surplus	0	5,000
Electrical Fund Surplus	0	109,000
Electrical Revenues 2004	0	32,546
Sewer Fund Surplus	0	7,000
	<u>\$40,333</u>	<u>\$377,433</u>

The Corporation of the City of Grand Forks
Notes to the Consolidated Financial Statements
for the year ended December 31, 2004

Page 3

8. Debt Reserve Fund:

The Municipal Finance Authority of British Columbia provides capital financing for regional districts and their member municipalities. The Authority is required to establish a Debt Reserve Fund. Each regional district through its member municipalities who share in the proceeds of the debt issue is required to pay into the Debt Reserve Fund certain amounts set out in the debt agreements. The interest earned by the Fund less administrative expenses becomes an obligation to the regional districts. If at any time a regional district has insufficient funds to meet payments on its obligations, it must then use the monies to its credit within the Debt Reserve Fund.

Upon maturity of a debt issue, the unused portion of the Debt Reserve Fund established for that issue will be discharged to the Municipality. The proceeds from these discharges will be credited to income in the year they are received. As at December 31, the total of the Debt Reserve Fund was:

	2004	2003
Water	\$86,745	\$111,635
Sewer	9,045	68,478
	\$95,790	\$180,113

9. Equity in Capital Assets

Equity in Capital Assets represents the total capital assets less long term debt assumed to acquire those assets. The change in Equity in Capital Assets is as follows:

	2004	2003
Equity in Capital Assets - Beginning of the year	\$35,170,536	\$33,456,004
Add: Capital Expenditures	1,191,555	1,267,231
Reduction in Multiple Year Payable	(22,000)	0
Reduction in Short Term Debt	24,762	0
Reduction in Long Term Debt	422,260	447,301
	\$36,787,113	\$35,170,536

Equity in Capital Assets in each Capital Fund is stated on Page 2 of Significant Accounting Policies.

10. Restatement of Prior Year Figures

(a) Presentation Changes

In an effort to conform to the guidelines issued by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants and the presentation required under subsection 328.(3) of the Local Government Act, certain of the 2003 comparative figures have been reclassified.

11. Commitments and Contingencies

(a) Contingent Liabilities

(i) The City, as a member of the Regional District of Kootenay Boundary, is jointly and severally liable for the net capital liabilities of the Regional District. The loan agreements with the Municipal Finance Authority provide that if the Authority does not have sufficient funds to meet payments on its obligations it shall make payments from the Debt Reserve Fund which is in turn established by a similar Debt Reserve Fund of the City and all other borrowing participants. If the Debt Reserve Fund is deficient, the Authority's obligations become a liability of the Regional District and may become a liability of the participating municipalities.

(ii) The City is currently involved in litigation with a former employee for additional compensation upon termination. At the time of issuing the financial statements there has not been any determination as to whether or not the City will be held liable or what the total costs may be, if any. Therefore, no amounts have been reflected in the accounts of the City.

(b) Pension Liability

The City and its employees contribute to the Municipal Pension Plan (the plan), a jointly trusteed pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 130,000 active members and approximately 45,000 retired members. Active members include approximately 29,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent valuation as at December 31, 2003 indicated an unfunded liability of \$789 million for basic pension benefits. The next valuation will be as at December 31, 2006 with results available in 2007. The actuary does not attribute portions of the unfunded liability to individual employers. The City of Grand Forks paid \$104,926 for employer contributions to the plan in fiscal year 2004.

11. Commitments and Contingencies (continued)

(c) Reciprocal Insurance Exchange Agreement

The City is a subscribed member of the Municipal Insurance Association of British Columbia (The "Exchange") as provided by Section 3.02 of the Insurance Act of the Province of British Columbia. The main purpose of the Exchange is to pool the risks of liability so as to lessen the impact upon any subscriber. Under the Reciprocal Insurance Exchange Agreement, the City is assessed a premium and specific deductible for its claims based on population. The obligation of the City with respect to the Exchange and/or contracts and obligations entered into by the Exchange on behalf of its subscribers in connection with the Exchange are in every case several, not joint and several. The City irrevocably and unconditionally undertakes and agrees to indemnify and save harmless the other subscribers against liability losses and costs which the other subscriber may suffer.

(d) Lease Commitments

The City has obligations under long-term, non-cancelable operating leases for office, works and firefighting equipment and long-term capital leases for works equipment. Future minimum lease payments for each commitment for each of the five succeeding years are as follows:

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Operating Leases					
Office Equipment	\$23,601	\$13,888	\$5,944	\$3,689	\$480
Capital Leases					
Public Works Equipment	82,100	54,866	54,866	41,149	0
	<u>\$105,701</u>	<u>\$68,754</u>	<u>\$60,810</u>	<u>\$44,838</u>	<u>\$480</u>

(e) Contractual Obligations

The City has contracted with the Regional District of Kootenay Boundary to provide Building and Plumbing Inspection services. Under the contract the City is obliged to pay the Regional District a requisition based on various components calculated annually and the Regional District is obliged to remit all fees collected on behalf of the City.

(f) Property Held for Development

The City holds real property which it intends to offer for sale in the future under terms compatible with its development plans.

12. Restricted Assets

The City has recorded various recreational buildings and parks which are subject to contractual agreements with the Regional District of Kootenay Boundary and various user groups.

13. Budget Amendments

Budget amendments for additional expenditures approved by Council resolution and confirmed by a Bylaw amending the Five Year Financial Plan were as follows:

Bylaw 1767 - December 2004	Wetlands land acquisition	\$50,000
	Increase general fund capital	62,490
	Decrease water fund capital	(77,830)
	Decrease sewer fund capital	(56,000)
	Defer specified capital projects to future years	113,470

Funding for increased capital project costs was provided by community donations of \$10,805, a transfer from the Land Sales Reserve Fund of \$50,000 and an increased transfer from Surplus. Water fund project cost reductions resulted in a smaller Infrastructure grant and less being drawn from Water Surplus.

The Corporation of the City of Grand Forks
Schedule of Capital Assets
as at December 31, 2004

	<u>2004</u>	<u>2003</u>
General Capital Fund		
Land - Infrastructure	\$1,175,501	\$1,129,566
Land - Industrial Development for Resale (Note 11f)	1,038,640	1,038,640
Downtown Revitalization	916,818	916,818
Buildings	6,277,137	6,190,834
Machinery and Equipment	5,261,742	5,060,005
Engineering Structures	<u>9,319,394</u>	<u>8,847,379</u>
	<u>\$23,989,232</u>	<u>\$23,183,243</u>
Waterworks Capital Fund	<u>\$5,565,040</u>	<u>\$5,423,434</u>
Electrical Utility Capital Fund	<u>\$1,913,739</u>	<u>\$1,718,141</u>
Sanitary Sewer Capital Fund	<u>\$5,943,660</u>	<u>\$5,917,298</u>
	<u>\$37,411,671</u>	<u>\$36,242,116</u>

The Corporation of the City of Grand Forks
Long Term Debt
for the year ended December 31, 2004

A. DEBENTURES				Original	Debentures	Interest	Retirements	Debenture	Interest	
Date of Issue	Bylaw	Purpose	Maturity Dates	Debt	Outstanding	Paid in 2004	in 2004	Debt	Rates	
				Before 2004	Retirement				December 31, 2004	
Waterworks Capital Fund										
November 23, 1983	1166	Waterworks System Improvements	1983 - 2008	696,000	213,802	50,460	38,693	175,109	7.25%	
December 5, 1984	1192	Waterworks System Improvements	1984 - 2009	218,000	78,509	14,170	78,509	0	6.50%	
				<u>914,000</u>	<u>292,311</u>	<u>64,630</u>	<u>117,202</u>	<u>175,109</u>		
Sanitary Sewer Capital Fund										
December 5, 1984	1192	Sanitary Sewer System	1984 - 2009	479,000	172,504	31,135	172,504	0	6.50%	
March 24, 1999	1556	Ruckle Sewer Extension	1999 - 2019	195,944	170,403	10,757	7,203	163,200	5.50%	
				<u>674,944</u>	<u>342,906</u>	<u>41,892</u>	<u>179,706</u>	<u>163,200</u>		
Total Debenture Debt				<u>1,588,944</u>	<u>635,217</u>	<u>106,522</u>	<u>296,908</u>	<u>338,309</u>		
B. TERM LOANS FROM GRAND FORKS DISTRICT SAVINGS CREDIT UNION										
Sanitary Sewer Capital Fund										
July 20, 2001	1661	Boundary Lift Station	2001 - 2006	150,000	82,837	4,151	30,545	52,292	6.00%	
C. CAPITAL LEASES AND CONDITIONAL SALES AGREEMENT TO FUND EQUIPMENT ACQUISITIONS										
General Capital Fund										
June 9, 2000	n/a	2000 Dodge Dakota 4X4 Pickup	2000 - 2004	35,137	4,690	53	4,690	0	3.80%	
June 15, 2000	n/a	1995 Profire Tanker	2000 - 2005	101,740	33,167	1,697	23,046	10,121	8.27%	
September 1, 2000	n/a	Genset & Trailer	2000 - 2005	38,368	14,724	874	8,596	6,128	8.92%	
October 1, 2000	n/a	John Deere Loader Backhoe	2000 - 2005	39,000	15,661	948	8,678	6,984	8.92%	
May 15, 2001	n/a	Hustler Mower	2001 - 2005	33,333	12,432	617	9,207	3,225	8.69%	
				<u>247,578</u>	<u>80,675</u>	<u>4,189</u>	<u>54,218</u>	<u>26,457</u>		
Sanitary Sewer Capital Fund										
October 1, 2001	n/a	Vactor Jet Rodder	2001 - 2008	300,166	220,564	14,041	40,590	179,975	7.36%	
Total Capital Lease and Conditional Sales Agreement Debt				<u>547,744</u>	<u>301,239</u>	<u>18,231</u>	<u>94,807</u>	<u>206,432</u>		
Total Long Term Debt				<u>\$2,286,688</u>	<u>\$1,019,293</u>	<u>\$128,904</u>	<u>\$422,260</u>	<u>\$597,033</u>		

The Corporation of the City of Grand Forks
Tax Levies
for the year ended December 31, 2004

	<u>Actual 2004</u>	<u>Budget 2004</u>	<u>Actual 2003</u>
General purposes - gross taxes	\$1,794,561	\$1,795,840	\$1,795,840
Special assessments and local improvements	82,063	74,583	73,357
Grants in lieu of taxes	21,041	22,000	28,652
Total taxes for municipal purposes	<u>\$1,897,665</u>	<u>\$1,892,423</u>	<u>\$1,897,850</u>
Collections for other governments:			
School District #51	1,447,305	1,448,550	1,502,678
British Columbia Assessment Authority	40,496	43,986	44,006
Regional District of Kootenay Boundary	855,981	856,673	798,344
Regional Hospital District	92,147	92,223	106,018
Municipal Finance Authority	66	65	65
Total collections for other governments	<u>2,435,995</u>	<u>2,441,497</u>	<u>2,451,112</u>
Real Property, Special Assessments, Grants In Lieu	<u>\$4,333,660</u>	<u>\$4,333,920</u>	<u>\$4,348,962</u>

The Corporation of the City of Grand Forks
Other Revenue from Own Sources
for the year ended December 31, 2004

	<u>Actual</u> <u>2004</u>	<u>Budget</u> <u>2004</u>	<u>Actual</u> <u>2003</u>
General Revenue Fund:			
Operating			
Building permits	\$17,165	\$15,000	\$26,615
Business licenses	28,655	34,500	29,147
Concessions and franchise	71,863	73,350	69,194
Penalties and interest on taxes	55,913	60,000	59,840
Commissions	4,178	4,200	4,162
Insurance recovery	5,276	5,000	4,810
Provincial Emergency and Fire recoveries	4,947	0	265,528
Economic Development Legal Fees recoveries	551	0	38,068
Other Recoveries	16,813	6,400	15,562
Property rentals	48,610	49,040	47,430
	<u>253,971</u>	<u>247,490</u>	<u>560,356</u>
Restricted			
Class E liquor licenses (Schedule 7)	3,130	1,664	2,919
	<u>257,101</u>	<u>249,154</u>	<u>563,275</u>
Reserves			
Land Sales (Schedule 14)	91,671	5,000	1,260,010
Development cost charges (Schedule 14)	20,212	6,300	40,099
	<u>368,985</u>	<u>260,454</u>	<u>1,863,386</u>
Capital			
Donations from groups or individuals	21,306	10,500	0
	<u>390,291</u>	<u>270,954</u>	<u>1,863,386</u>
Water Fund:			
Capital			
Donations from groups or individuals	0	0	2,313
	<u>0</u>	<u>0</u>	<u>2,313</u>
	<u>\$390,291</u>	<u>\$270,954</u>	<u>\$1,865,699</u>

The Corporation of the City of Grand Forks
Grants
for the year ended December 31, 2004

	<u>Actual 2004</u>	<u>Budget 2004</u>	<u>Actual 2003</u>
Operating			
General - Small Communities Protection	\$284,191	\$284,191	\$284,191
General - Emergency Preparedness	0	0	3,096
General - Victim Assistance	24,000	24,000	26,201
	<u>308,191</u>	<u>308,191</u>	<u>313,488</u>
Water - Revenue Sharing	44,003	43,650	62,943
Sewer - Revenue Sharing	3,939	3,939	3,939
	<u>3,939</u>	<u>3,939</u>	<u>3,939</u>
Total Operating Grants	<u><u>\$356,133</u></u>	<u><u>\$355,780</u></u>	<u><u>\$380,370</u></u>
Capital			
Water - Infrastructure	12,486	34,070	191,196
Water - Other	0	0	3,051
	<u>0</u>	<u>0</u>	<u>3,051</u>
Total Capital Grants	<u><u>\$12,486</u></u>	<u><u>\$34,070</u></u>	<u><u>\$194,247</u></u>

The Corporation of the City of Grand Forks
Sales of Goods and Services
for the year ended December 31, 2004

	<u>Actual 2004</u>	<u>Budget 2004</u>	<u>Actual 2003</u>
General Revenue Fund:			
Operating			
Garbage	\$87,213	\$87,650	\$87,382
Cemetery	21,517	22,000	23,277
Airport (net of cost of fuel sold)	19,229	13,734	25,184
Transportation Custom Work Orders	12,922	0	15,042
Environmental Development	4,150	5,401	5,900
Sundry	5,132	3,600	5,458
	<u>150,163</u>	<u>132,385</u>	<u>162,242</u>
Reserves			
Slag	<u>234,939</u>	<u>195,500</u>	<u>258,412</u>
Total General Revenue Fund	<u>385,102</u>	<u>327,885</u>	<u>420,654</u>
Water Revenue Fund:			
User Fees	601,455	599,000	601,220
Connection Fees and Custom Work Orders	18,346	1,990	19,205
Penalties	5,438	6,400	6,387
	<u>625,240</u>	<u>607,390</u>	<u>626,812</u>
Less: Discounts for early payment	<u>(22,156)</u>	<u>(22,000)</u>	<u>(21,991)</u>
Total Water Revenue Fund	<u>603,084</u>	<u>585,390</u>	<u>604,821</u>
Electrical Revenue Fund:			
User Fees	2,747,859	2,647,000	2,454,531
Connection Fees and Custom Work Orders	45,585	16,000	18,744
Penalties	34,151	30,000	32,900
Pole Fees and Sundry	6,786	4,800	6,689
	<u>2,834,380</u>	<u>2,697,800</u>	<u>2,512,865</u>
Total Electrical Revenue Fund	<u>2,834,380</u>	<u>2,697,800</u>	<u>2,512,865</u>
Sewer Revenue Fund:			
User Fees	640,632	635,400	635,419
Connection Fees and Custom Work Orders	8,110	0	4,380
Penalties	8,305	9,200	9,151
	<u>657,048</u>	<u>644,600</u>	<u>648,950</u>
Less: Discounts for early payment	<u>(19,080)</u>	<u>(18,900)</u>	<u>(18,889)</u>
Total Sewer Revenue Fund	<u>637,968</u>	<u>625,700</u>	<u>630,061</u>
General Capital Fund:			
Transportation Custom Work Orders	<u>0</u>	<u>0</u>	<u>28,649</u>
Electrical Capital Fund:			
Electrical Custom Work Orders	<u>0</u>	<u>0</u>	<u>25,471</u>
Total Sales of Goods and Services	<u>\$4,460,535</u>	<u>\$4,236,775</u>	<u>\$4,222,521</u>

The Corporation of the City of Grand Forks
Continuity Schedule of Restricted Revenues
for the year ended December 31, 2004

	<u>Balance</u> <u>December 31, 2003</u>	<u>Interest</u> <u>Earned</u>	<u>Collections</u>	<u>Expenditures</u>	<u>Balance</u> <u>December 31, 2004</u>
H.A.R.P. Design	5,894	0	0	0	5,894
Airport Development	6,469	0	0	6,469	0
Granby Dyking	15,927	0	0	0	15,927
Park Improvements	5,150	91	4,416	9,656	0
Business Improvement Area	1,765	40	0	0	1,806
Youth Park	10,501	0	6,389	16,890	0
	<u>\$45,706</u>	<u>\$131</u>	<u>\$10,805</u>	<u>\$33,016</u>	<u>\$23,626</u>

The Corporation of the City of Grand Forks
Interest and Investment Income
for the year ended December 31, 2004

	<u>Actual 2004</u>	<u>Budget 2004</u>	<u>Actual 2003</u>
Income from sources requiring restriction or deferment			
Reserves: (Schedule 14)			
Water Reserve	\$64	\$80	\$80
Equipment Reserve	645	1,300	1,298
Tax Land Sale Reserve	1,132	1,420	1,432
Cash in Lieu of Parking Reserve	295	375	373
Water Development Cost Charges Reserve	4,263	4,900	4,892
Sewer Development Cost Charges Reserve	3,450	3,900	3,947
Land Sales Reserve	89,367	84,000	79,408
Slag Sales Reserve	39,804	55,275	55,873
	<u>139,019</u>	<u>151,250</u>	<u>147,303</u>
Other Restricted Accounts:			
Business Improvement Area	40	50	51
Donaldson Park Improvements	91	150	111
	<u>131</u>	<u>200</u>	<u>162</u>
	<u>139,150</u>	<u>151,450</u>	<u>147,465</u>
Income available for general use			
Cemetery Account	2,124	2,500	2,688
General Account	61,658	55,000	70,333
	<u>63,781</u>	<u>57,500</u>	<u>73,021</u>
	<u>\$202,931</u>	<u>\$208,950</u>	<u>\$220,486</u>
Investment income on sinking funds			
Water Fund (applied against debenture debt)	31,084	31,085	44,901
Water Fund (one time final refund bond issue surplus)	11,556	0	80,586
Sewer Fund (applied against debenture debt)	16,602	16,602	15,051
Sewer Fund (one time final refund bond issue surplus)	7,990	0	0
	<u>\$67,232</u>	<u>\$47,687</u>	<u>\$140,538</u>

The Corporation of the City of Grand Forks
Expenditures by Function
for the year ended December 31, 2004

	Operating		Capital		Total		Restated (see Note 10)
	<u>Actual 2004</u>	<u>Budget 2004</u>	<u>Actual 2004</u>	<u>Budget 2004</u>	<u>Actual 2004</u>	<u>Budget 2004</u>	<u>Actual 2003</u>
General government	\$968,103	\$1,088,992	\$137,519	\$125,695	\$1,105,622	\$1,214,687	\$1,502,071
Protective services	242,805	253,744	42,850	51,200	285,656	304,944	358,728
Transportation services	869,788	881,276	437,313	410,610	1,307,100	1,291,886	1,198,694
Environmental health services	85,935	86,610	0	0	85,935	86,610	79,731
Public health and welfare	67,298	83,484	0	0	67,298	83,484	66,936
Environmental development	121,229	141,229	45,934	0	167,163	141,229	123,345
Recreation and cultural services	470,017	469,235	164,373	164,620	634,390	633,855	463,445
Utility services	2,817,626	2,866,377	363,566	501,694	3,181,192	3,368,071	3,227,687
Fiscal charges	125,526	128,905	0	0	125,526	128,905	162,876
	<u>\$5,768,327</u>	<u>\$5,999,852</u>	<u>\$1,191,555</u>	<u>\$1,253,819</u>	<u>\$6,959,882</u>	<u>\$7,253,671</u>	<u>\$7,183,513</u>

The Corporation of the City of Grand Forks
Expenditures by Object
for the year ended December 31, 2004

	Operating		Capital		Total		Restated (see Note 10)
	Actual 2004	Budget 2004	Actual 2004	Budget 2004	Actual 2004	Budget 2004	Actual 2003
Wages and employee benefits	\$2,293,468	\$2,361,278	\$96,249	\$58,505	2,389,717	\$2,419,783	\$2,315,852
Direct costs electricity and garbage	1,839,313	1,801,100	0	0	1,839,313	1,801,100	1,611,320
Subcontracts	380,418	436,293	493,815	597,020	874,232	1,033,313	852,070
Materials and supplies	332,882	349,539	211,648	206,651	544,530	556,190	441,453
Capital Equipment purchases	0	0	291,340	337,463	291,340	337,463	429,002
Debt interest and bank charges	140,054	144,655	0	0	140,054	144,655	177,650
Insurance	117,747	140,669	0	0	117,747	140,669	112,359
Professional fees	87,969	135,860	29,720	32,860	117,689	168,720	181,090
Heat and light	113,676	105,173	0	0	113,676	105,173	108,220
Grants	74,777	85,164	0	0	74,777	85,164	64,962
Office, delivery and sundry	69,023	79,637	3,635	1,000	72,658	80,637	50,997
Vehicle and equipment costs	65,349	67,400	0	0	65,349	67,400	63,528
Telecommunications	63,634	64,920	0	0	63,634	64,920	64,028
Conferences, seminars and training	57,654	85,900	0	0	57,654	85,900	66,827
Repairs, maintenance, service and equipment	32,952	28,673	20,023	20,320	52,975	48,993	111,525
Land and building purchases	0	0	45,127	0	45,127	0	277,369
Lease and rental	43,840	55,383	0	0	43,840	55,383	75,667
Advertising and promotion	32,216	38,960	0	0	32,216	38,960	23,323
Fees, dues and licenses	20,674	19,248	0	0	20,674	19,248	12,726
Bad debts	2,678	0	0	0	2,678	0	21,288
Severance Agreement	0	0	0	0	0	0	122,257
	<u>\$5,768,327</u>	<u>\$5,999,852</u>	<u>\$1,191,555</u>	<u>\$1,253,819</u>	<u>6,959,882</u>	<u>\$7,253,671</u>	<u>\$7,183,513</u>

The Corporation of the City of Grand Forks
Financial Position by Fund
as at December 31, 2004

General Revenue Fund	2004	Restated (see Note 10) 2003
Financial Assets		
Cash and Temporary Investments (Note 1)	\$2,580,560	\$2,485,938
Accounts Receivable (Note 2)	803,829	949,249
Lease Deposit (Note 3)	0	15,000
Inventories for Resale (Note 4)	21,626	22,346
	<u>3,406,015</u>	<u>3,472,533</u>
Liabilities		
Accounts Payable (Note 5)	1,338,104	1,563,062
Deferred Revenues	315,360	316,853
Restricted Revenues (Schedule 7)	23,626	45,706
Due to Trust	6,414	5,201
	<u>1,683,505</u>	<u>1,930,822</u>
Net Financial Assets	<u>1,722,511</u>	<u>1,541,711</u>
Inventories for Own Use	0	6,971
Unexpended Appropriations (Schedule 13)	<u>(18,333)</u>	<u>(159,287)</u>
Due from (to) Own Funds		
General Capital Fund	5,524	8,287
Water Revenue Fund	(925,815)	(783,592)
Electrical Revenue Fund	31,715	49,288
Sewer Revenue Fund	(290,855)	(252,742)
	<u>(1,179,430)</u>	<u>(978,759)</u>
Due from (to) Reserves		
Land Sales Reserve	(47)	100,000
Slag Sales Reserve	15,039	59,287
Capital Reserve	(163,470)	0
Equipment Replacement Reserve	0	(31,750)
	<u>(148,478)</u>	<u>127,537</u>
	<u>\$376,271</u>	<u>\$538,173</u>
Equity		
General Fund Surplus (Schedule 12)	\$376,271	\$531,202
Equity in Depletable Assets	0	6,971
General Fund Equity	<u>\$376,271</u>	<u>\$538,173</u>

The Corporation of the City of Grand Forks
Financial Position by Fund
as at December 31, 2004

Schedule 11
(continued)

Water Revenue Fund		
	<u>2004</u>	<u>2003</u>
Financial Assets		
Accounts Receivable (Note 2)	\$8,755	\$7,781
Liabilities		
Accounts Payable (Note 5)	5,806	6,816
Net Financial Assets	<u>2,948</u>	<u>965</u>
Inventories for Own Use	0	13,565
Due from (to) Own Funds		
General Revenue Fund	925,815	783,592
	<u>\$928,763</u>	<u>\$798,122</u>
Equity		
Water Fund Surplus (Schedule 12)	928,763	784,557
Equity in Depletable Assets	0	13,565
Water Fund Equity	<u>\$928,763</u>	<u>\$798,122</u>
Electrical Revenue Fund		
	<u>2004</u>	<u>2003</u>
Financial Assets		
Accounts Receivable (Note 2)	\$495,115	\$462,963
Liabilities		
	0	0
Net Financial Assets	<u>495,115</u>	<u>462,963</u>
Inventories for Own Use	0	14,030
Due from (to) Own Funds		
General Revenue Fund	(31,715)	(49,288)
	<u>\$463,400</u>	<u>\$427,705</u>
Equity		
Electrical Fund Surplus (Schedule 12)	463,400	413,675
Equity in Depletable Assets	0	14,030
Electrical Fund Equity	<u>\$463,400</u>	<u>\$427,705</u>
Sewer Revenue Fund		
	<u>2004</u>	<u>2003</u>
Financial Assets		
Accounts Receivable (Note 2)	\$17,436	\$14,577
Liabilities		
Accounts Payable (Note 5)	1,142	3,510
Net Financial Assets	<u>16,294</u>	<u>11,067</u>
Inventories for Own Use	0	14,229
Due from (to) Own Funds		
General Revenue Fund	290,855	252,742
	<u>\$307,148</u>	<u>\$278,038</u>
Equity		
Sewer Fund Surplus (Schedule 12)	307,148	263,809
Equity in Depletable Assets	0	14,229
Sewer Fund Equity	<u>\$307,148</u>	<u>\$278,038</u>

The Corporation of the City of Grand Forks
Financial Position by Fund
as at December 31, 2004

Schedule 11
(continued)

General Capital Fund		
	<u>2004</u>	<u>2003</u>
Financial Assets	\$0	\$0
Liabilities		
Accounts Payable (Note 5)	22,000	44,000
Long Term Debt (Schedule 2) (Note 6)	<u>26,457</u>	<u>80,675</u>
	48,457	124,675
Net Financial Assets	(48,457)	(124,675)
Due from (to) Own Funds		
General Revenue Fund	(5,525)	(8,287)
Capital Assets (Schedule 1) (Note 12)	<u>23,989,232</u>	<u>23,183,243</u>
Equity		
Equity in Capital Assets (Note 9)	<u>\$23,935,250</u>	<u>\$23,050,281</u>
Water Capital Fund		
	<u>2004</u>	<u>2003</u>
Financial Assets	\$0	\$0
Liabilities		
Long Term Debt (Schedule 2) (Note 6)	<u>175,109</u>	<u>292,311</u>
Net Financial Assets	(175,109)	(292,311)
Capital Assets (Schedule 1) (Note 12)	<u>5,565,040</u>	<u>5,423,434</u>
Equity		
Equity in Capital Assets (Note 9)	<u>\$5,389,930</u>	<u>\$5,131,123</u>
Electrical Capital Fund		
	<u>2004</u>	<u>2003</u>
Net Financial Assets	\$0	\$0
Capital Assets (Schedule 1) (Note 12)	<u>1,913,739</u>	<u>1,718,141</u>
Equity		
Equity in Capital Assets (Note 9)	<u>\$1,913,739</u>	<u>\$1,718,141</u>
Sewer Capital Fund		
	<u>2004</u>	<u>2003</u>
Financial Assets	\$0	\$0
Liabilities		
Long Term Debt (Schedule 2) (Note 6)	<u>395,467</u>	<u>646,307</u>
Net Financial Assets	(395,467)	(646,307)
Due from (to) Own Funds		
Sewer Revenue Fund	0	0
Capital Assets (Schedule 1) (Note 12)	<u>5,943,660</u>	<u>5,917,298</u>
Equity		
Equity in Capital Assets (Note 9)	<u>\$5,548,194</u>	<u>\$5,270,991</u>

The Corporation of the City of Grand Forks
Financial Position by Fund
as at December 31, 2004

Schedule 11
(continued)

Reserve Fund		
	<u>2004</u>	<u>2003</u>
Financial Assets		
Cash and Temporary Investments (Note 1)	\$4,176,662	\$4,196,719
Accounts Receivable (Note 2)	58,331	47,924
	<u>4,234,992</u>	<u>4,244,643</u>
Liabilities	<u>0</u>	<u>19,613</u>
Net Financial Assets	4,234,992	4,225,030
Due from (to) Own Funds		
General Revenue Fund	148,478	(127,537)
Equity - Reserve Fund Balances	<u><u>\$4,383,470</u></u>	<u><u>\$4,097,493</u></u>
Equity - Reserve Fund Balances		
Domestic Water System Reserve	\$2,846	\$2,782
Water Development Cost Charges Reserve	197,049	182,560
Sewer Development Cost Charges Reserve	160,554	147,119
Tax Sale Lands Reserve	50,673	49,541
Cash in Lieu of Parking Reserve	13,187	12,893
Equipment Replacement Reserve	87,968	37,323
Land Sale Reserve	2,111,026	1,975,922
Capital Reserve	163,470	0
Slag Sale Reserve	1,596,697	1,689,353
	<u><u>\$4,383,470</u></u>	<u><u>\$4,097,493</u></u>

The Corporation of the City of Grand Forks
Financial Activities by Fund
for the year ended December 31, 2004

General Fund	Actual 2004	Budget 2004	Restated Actual 2003 (see Note 10)
Revenue			
Taxes (Schedule 3)			
Real property, special assessments, grants in lieu	4,327,620	\$4,327,880	\$4,342,922
Less: collections for other governments	<u>(2,435,995)</u>	<u>(2,441,497)</u>	<u>(2,451,112)</u>
Taxes (Schedule 3)	1,891,625	\$1,886,383	\$1,891,809
Sales of goods and services (Schedule 6)	385,102	327,885	449,303
Other revenues from own sources (Schedule 4)	390,291	270,954	1,863,386
Senior government grants - Operating (Schedule 5)	308,191	308,191	313,488
Interest income (Schedule 8)	<u>202,931</u>	<u>208,950</u>	<u>220,486</u>
	3,178,140	3,002,363	4,738,471
Transfer to Library Maintenance	(3,455)	(3,800)	(7,213)
Transfer from Library Maintenance for Capital Project	0	0	4,223
Capital project funding deferred	2,762	0	(8,287)
Transfer to James Donaldson Park Reserve (Schedule 7)	0	(2,664)	0
Transfer from Park Improvement Accounts for Capital Project	5,241	0	0
Transfer from Unexpended Airport Grant for Capital Project	6,469	0	0
Restricted Interest (Schedule 7)	<u>(131)</u>	<u>(200)</u>	<u>(162)</u>
	3,189,025	2,995,699	4,727,033
Expenditures			
General government	1,105,622	1,214,687	1,502,071
Protective services	285,656	304,944	358,728
Transportation services	1,307,100	1,291,886	1,198,694
Environmental health services	85,935	86,610	79,731
Public health and welfare	67,298	83,484	66,936
Environmental development	167,163	141,229	123,345
Recreation and cultural services	634,390	633,855	463,445
Fiscal charges	4,189	4,189	11,353
	<u>3,657,353</u>	<u>3,760,884</u>	<u>3,804,304</u>
Multiple Year Expenditures - Airport	<u>(22,000)</u>	0	44,000
	3,635,353	3,760,884	3,848,304
Change in Net Financial Assets			
Appropriation from Land Sales Reserve	(446,327)	(765,185)	878,729
Appropriation from Land Sales Reserve	145,934	100,000	223,121
Appropriation from Equipment Replacement Reserve	0	5,640	57,693
Appropriation from Slag Sales Reserve	408,353	465,700	371,341
Transfer Income to Reserves (Schedule 14)	(444,292)	(256,800)	(1,558,522)
Transfer from Electrical Fund	399,400	399,400	242,686
Capital project funding deferred	(2,762)	0	8,287
Long term trade accounts payable	(22,000)	0	44,000
Debt incurred	0	0	220,000
Principal repaid	(54,218)	(54,218)	(274,916)
Interest on Reserve Accounts (Schedule 8)	<u>(139,019)</u>	<u>(151,250)</u>	<u>(147,303)</u>
Increase (Decrease) in General Fund Balance	<u>(154,931)</u>	<u>(256,713)</u>	<u>65,115</u>
General Fund Balance - Beginning of Year - Restated	531,202	531,202	466,087
General Fund Balance - End of Year	<u>376,271</u>	<u>\$274,489</u>	<u>\$531,202</u>

The Corporation of the City of Grand Forks
Financial Activities by Fund
for the year ended December 31, 2004

Schedule 12
(continued)

Water Fund			
	Actual 2004	Budget 2004	Actual 2003
Revenue			
Sales of goods and services (Schedule 6)	\$603,084	\$585,390	\$604,821
Other revenues from own sources (Schedule 4)	0	0	2,313
Investment income on sinking funds (Note 6)	42,641	31,085	125,487
Senior government grants - Operating (Schedule 5)	44,003	43,650	62,943
Senior government grants - Capital (Schedule 5)	12,486	34,070	194,247
	<u>702,214</u>	<u>694,195</u>	<u>989,811</u>
Add: Debt forgiven	66,967	0	0
	<u>769,180</u>	<u>694,195</u>	<u>989,811</u>
Expenditures			
Utility services	434,152	556,981	708,188
Fiscal charges	63,621	64,630	87,149
	<u>497,773</u>	<u>621,611</u>	<u>795,337</u>
Change in Net Financial Assets	271,407	72,584	194,474
Appropriation from Slag Sales Reserve	0	0	9,304
Principal repaid	(117,202)	(50,235)	(74,667)
Transfer Income to Reserves (Schedule 14)	(10,000)	0	0
Supplies Inventory written off	0	0	(46,070)
	<u>144,206</u>	<u>22,349</u>	<u>83,041</u>
Increase (Decrease) in Water Fund Balance	144,206	22,349	83,041
Water Fund Balance - Beginning of Year - Restated	<u>784,557</u>	<u>784,557</u>	<u>701,516</u>
Water Fund Balance - End of Year	<u><u>\$928,763</u></u>	<u><u>\$806,906</u></u>	<u><u>\$784,557</u></u>

The Corporation of the City of Grand Forks
Financial Activities by Fund
for the year ended December 31, 2004

Schedule 12
 (continued)

Electrical Fund			
	Actual 2004	Budget 2004	Actual 2003
Revenue			
Sales of goods and services (Schedule 6)	\$2,834,380	\$2,697,800	\$2,538,335
Expenditures			
Utility services	<u>2,335,255</u>	<u>2,313,020</u>	<u>2,098,403</u>
Change in Net Financial Assets	499,125	384,780	439,932
Supplies Inventory change	0	0	(103,942)
Transfer Income to Reserves (Schedule 14)	(50,000)	(50,000)	(31,750)
Transfer to General Fund	<u>(399,400)</u>	<u>(399,400)</u>	<u>(242,686)</u>
Increase (Decrease) in Electrical Fund Balance	49,725	(64,620)	61,554
Electrical Fund Balance - Beginning of Year - Restated	<u>413,675</u>	<u>413,675</u>	<u>352,121</u>
Electrical Fund Balance - End of Year	<u><u>\$463,400</u></u>	<u><u>\$349,055</u></u>	<u><u>\$413,675</u></u>

The Corporation of the City of Grand Forks
Financial Activities by Fund
for the year ended December 31, 2004

Schedule 12
(continued)

Sewer Fund			
	<u>Actual</u> <u>2004</u>	<u>Budget</u> <u>2004</u>	<u>Actual</u> <u>2003</u>
Revenue			
Taxes (Schedule 3)			
Special assessments	\$6,040	\$6,040	\$6,041
Sales of goods and services (Schedule 6)	637,968	625,700	630,061
Investment income on sinking funds (Note 6)	24,592	16,602	15,051
Senior government grants - Operating (Schedule 5)	3,939	3,939	3,939
	672,539	652,281	655,092
Add: Debt forgiven	147,142	0	0
	819,682	652,281	655,092
Expenditures			
Utility services	411,785	498,070	421,096
Fiscal charges	57,716	60,086	64,373
	469,501	558,156	485,469
Change in Net Financial Assets	350,180	94,125	169,623
Supplies Inventory written off	0	0	(18,851)
Appropriation from Slag Sales Reserve	0	0	9,304
Transfer Income to Reserves (Schedule 14)	(56,000)	0	0
Debt Principal Reduced	(250,841)	(103,699)	(97,718)
	43,339	(9,574)	62,358
Increase (Decrease) in Sewer Fund Balance			
Sewer Fund Balance - Beginning of Year - Restated	263,809	263,809	201,451
Sewer Fund Balance - End of Year	\$307,148	\$254,235	\$263,809

The Corporation of the City of Grand Forks
Continuity Schedule of Unexpended Appropriations
for the year ended December 31, 2004

	<u>Balance</u> <u>December 31, 2003</u>	<u>New</u> <u>Appropriations</u>	<u>Unspent Appropriations</u> <u>Returned</u>	<u>Expenditures</u>	<u>Balance</u> <u>December 31, 2004</u>
Unexpended Appropriations:					
- Slag Sales Reserve	\$59,287	\$418,700	\$51,301	\$408,353	\$18,333
- Land Sales Reserve	100,000	50,000	4,066	145,934	0
	<u>\$159,287</u>	<u>\$468,700</u>	<u>\$55,367</u>	<u>\$554,287</u>	<u>\$18,333</u>

The Corporation of the City of Grand Forks
Continuity Schedule of Reserves
for the year ended December 31, 2004

	<u>Balance</u> <u>December 31, 2003</u>	<u>Interest</u> <u>Earned</u>	<u>Transfer from</u> <u>Operating Funds</u>	<u>Collections</u>	<u>Unused Appropriations</u>		<u>Balance</u> <u>December 31, 2004</u>
					<u>Returned</u>	<u>Appropriations</u>	
Domestic Water System Reserve	\$2,782	\$64	\$0	\$0	\$0	\$0	\$2,846
Water Development Cost Charges Reserve	182,559	4,263	0	10,227	0	0	197,049
Sewer Development Cost Charges Reserve	147,118	3,450	0	9,985	0	0	160,554
Equipment Replacement Reserve	37,323	645	50,000	0	0	0	87,968
Land Sale Reserve	1,975,922	89,367	0	91,671	4,066	50,000	2,111,026
Tax Sale Lands Reserve	49,541	1,132	0	0	0	0	50,673
Cash-In-Lieu of Parking Reserve	12,893	295	0	0	0	0	13,187
Slag Sale Reserve	1,689,353	39,804	0	234,939	51,301	418,700	1,596,697
Capital Reserve	0	0	163,470	0	0	0	163,470
	<u>\$4,097,493</u>	<u>\$139,019</u>	<u>\$213,470</u>	<u>\$346,822</u>	<u>\$55,367</u>	<u>\$468,700</u>	<u>\$4,383,470</u>

The Corporation of the City of Grand Forks
Schedule showing the remuneration and expenses paid to or on behalf of each employee
for the year ended December 31, 2004

1. Elected Officials

<u>Name</u>	<u>Position</u>	<u>Remuneration</u>	<u>Expenses</u>	<u>Total</u>
Ann Gordon	Councillor	13,215	2,279	15,494
Michael Kanigan	Councillor	13,215	0	13,215
Neil Krog	Councillor	13,215	2,818	16,033
Patrick O'Doherty	Councillor	13,215	0	13,215
Jake Raven	Mayor	18,124	3,650	21,774
Tom Shkrabuik	Councillor	13,215	1,091	14,306
Robert Smith	Councillor	13,215	2,004	15,219
Total: Elected Officials		97,414	11,842	109,256

2. Other Employees

<u>Name</u>	<u>Position</u>	<u>Remuneration</u>	<u>Expenses</u>	<u>Total</u>
John C. Lambie	CAO	116,473	13,701	130,175
Sergio Federico	Electrical Foreman	79,088	359	79,446
Ron Williamson	Water/Sewer Foreman	75,135	402	75,536
Other 35 employees (Under \$75,000)		1,658,378	43,191	1,701,569
Total: Other Employees		1,929,074	57,652	1,986,726

Subtotal: All Remuneration

2,026,489

Reconciling Items

Payroll taxes (CPP, EI, WCB)	125,222
Superannuation	104,926
Health Insurance	61,365
2004 yearend accruals less 2003	71,714

Wages and employee benefits

2,389,717

(Schedule 10)

The Corporation of the City of Grand Forks
 Schedule showing payments made for the provision of goods, services, grants or contributions
 for the year ended December 31, 2004

1. Alphabetical list of suppliers who received aggregate payments exceeding \$25,000	Aggregate amount paid
<u>Supplier name</u>	
Alpine (Interior) Disposal	\$63,216
Bank of Nova Scotia	44,695
B.C. Assessment Authority	41,157
Boundary Fuels & Lubricants	67,495
Boundary Waterworks & Fencing	31,650
Brandt Tractor Ltd.	37,048
Canada Life	28,156
Cantex Engineering & Construction Ltd.	306,201
City of Nelson	56,124
Clark, Alistair (General Contractor)	35,055
Dave Dale Insurance	52,059
Dave Harasym Consulting Inc.	25,753
FortisBC Inc.	2,128,994
Grand Forks Chamber of Commerce	59,441
Grand Forks Construction Services	52,406
Grand Forks District Savings Credit Union Mortgage	34,696
Grand Forks Janitorial Services	38,653
Grand Forks Volunteer Fire Department	34,725
Guillevin International	44,155
Ikon Office Solutions Inc.	27,164
J & E Enterprises	41,124
Kerr Wood Leidal Associates	57,994
Ludowicz Mellett Law Office (In Trust)	45,413
Maglio Installations	99,552
Mainstream Mechanical Ltd.	36,047
Martech Power & Distribution Products	85,978
Medical Services Plan of B.C.	31,404
Minister of Finance - Social Services Tax	122,164
Minister of Finance - Real Property Taxation	757,907
Municipal Insurance	31,543
Municipal Pension Plan	197,015
Pacific Blue Cross	60,066
Pacific & Western Public Sector Financing Corp	123,907
Phoenix Marine Services Inc.	30,799
Receiver General for Canada	616,210
Regional District of Kootenay Boundary	1,118,206
Schlumbergersema	52,935
Spray-Air Technologies Ltd.	29,851
Terasen Gas Inc.	29,004
Thompson, Christine P.	110,027
Unifab Industries Ltd.	47,027
Voda Computer Systems Ltd.	29,863
West Kootenay Boundary Regional Hospital District	81,061
	<u>7,043,939</u>
2. Consolidated total paid to suppliers who received aggregate payments of \$25,000 or less	1,310,594
3. Payments to suppliers for grants and contributions exceeding \$25,000	
Boundary Museum	40,213
Subtotal: All payments for goods, services, grants and contributions	<u>8,394,745</u>
Reconciling Items	
Payroll deduction and benefit payments	(919,611)
Payments issued against debt principal	(160,465)
Overpayment refunds issued on tax and utility accounts	(38,560)
Taxes collected for other authorities	(2,435,995)
	<u>4,840,114</u>
Total Expenditures in year (Schedules 9 & 10)	6,959,882
less Wages and employee benefits (Schedule 10 & 15)	(2,389,717)
Net payments for goods, services, grants and contributions in year	4,570,165
deduct: 2004 Accounts payable and accrued liabilities	(1,367,052)
add: 2003 Accounts payable and accrued liabilities	1,637,001
	<u>4,840,114</u>

The Corporation of the City of Grand Forks
Schedule of Capital Projects Undertaken
for the year ended December 31, 2004

GENERAL FUND		
CITY HALL FURNISHINGS AND OFFICE EQUIPMENT		34,396
CITY HALL RENOVATIONS		86,303
COUNCIL FURNITURE		16,821
PROTECTIVE SERVICES EQUIPMENT		42,850
PUBLIC WORKS OFFICE EQUIPMENT		9,047
PUBLIC WORKS MACHINERY AND OPERATING EQUIPMENT		98,623
CULVERT REPLACEMENT		49,778
VALLEY HEIGHTS DRIVE		223,263
CRACK SEALING		18,907
SIDEWALKS		14,608
CAPITAL TREE REPLACEMENTS		1,086
AWOS EQUIPMENT PURCHASE INSTALMENT		22,000
BARBARA ANN TENNIS COURTS RESURFACING		9,000
DONALDSON IRRIGATION		19,026
SKATEBOARD YOUTH PARK CONSTRUCTION		136,347
WETLANDS LAND PURCHASE		45,934
		<u>827,989</u>
FUNDED BY:		
APPROPRIATIONS FROM SLAG SALES RESERVE		408,353
APPROPRIATIONS FROM LAND SALES RESERVE		145,934
PRIOR YEARS' SURPLUS		222,116
CURRENT YEAR COMMUNITY FUNDRAISING		21,306
UNEXPENDED GRANTS AND CONTRIBUTIONS - PRIOR YEARS'		11,710
CURRENT YEAR'S REVENUES (TAXATION)		18,570
		<u>827,989</u>
WATER FUND		
EAST ZONE RESERVOIR RESTORATION ASSESSMENT		30,378
GRANBY CROSSING WATER MAIN COMPLETION		18,729
2ND STREET WATERLINE REPLACEMENT		86,717
MACHINERY AND OPERATING EQUIPMENT		5,782
		<u>141,606</u>
FUNDED BY:		
FEDERAL-PROVINCIAL INFRASTRUCTURE GRANT		12,486
PRIOR YEARS' SURPLUS		6,243
CURRENT YEAR'S REVENUES (USER FEES)		122,877
		<u>141,606</u>
ELECTRICAL FUND		
SUBSTATION UPGRADE		145,037
ELECTRONIC METERS		50,561
		<u>195,598</u>
FUNDED BY:		
PRIOR YEARS' SURPLUS		109,000
CURRENT YEAR'S REVENUES (USER FEES)		86,598
		<u>195,598</u>
SEWER FUND		
INFLOW AND INFILTRATION STUDY		14,241
MACHINERY AND OPERATING EQUIPMENT		12,121
		<u>26,362</u>
FUNDED BY:		
PRIOR YEARS' SURPLUS		12,860
CURRENT YEAR'S REVENUES (USER FEES)		13,502
		<u>26,362</u>
TOTAL EXPENDITURES ON CAPITAL	(Schedules 9 & 10)	<u>1,191,555</u>