

**Annual Report for the
CITY OF GRAND FORKS**



As presented by City Council on June 26, 2006



City of Grand Forks
2005 ANNUAL REPORT
June, 2006

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Audited Financial Statements:

The Corporation of the City of Grand Forks

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The Corporation of the City of Grand Forks
Annual Financial Report
for the year ended December 31, 2005

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.

Berg Naqvi Lehmann, Chartered Accountants, the City's independent audit firm, has audited the accompanying financial statements. The resulting auditor's report accompanies this statement.

Council carries out its responsibility for the consolidated financial statements by meeting periodically 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.



V. Kumar
Chief Administrative Officer



Dan Zabinsky
Treasurer

AUDITORS' REPORT

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

We have audited the Consolidated Statement of Financial Position of The Corporation of the City of Grand Forks as at December 31, 2005 and the Consolidated Statement of Financial Activities and the Consolidated Statement of Changes in Financial Position for the year then ended. These financial statements are the responsibility of the City's management. 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 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 overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of The Corporation of the City of Grand Forks as at December 31, 2005 and the results of its financial activities, and changes in its fund balances and financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

The prior year's figures were reported on by another firm of Chartered Accountants.

Our audit was made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information included in the Other Financial Information section is presented for purposes of additional analysis. Such supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

Berg Naqvi Lehmann

Chartered Accountants

April 20, 2006

The Corporation of the City of Grand Forks
Significant Accounting Policies
for the year ended December 31, 2005

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 \$7,261,061 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, 2005, the fund balances were as follows:

	2005	2004
General Revenue Fund	\$385,521	\$376,272
Water Revenue Fund	1,169,622	928,763
Electrical Revenue Fund	555,134	463,400
Sewer Revenue Fund	438,785	307,148
	2,549,062	2,075,583

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	4,711,999	4,383,471
	\$7,261,061	\$6,459,053

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, 2005

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. Commencing in 2005, the City has begun a process of reviewing its accumulated capital expenditures and has eliminated from total Capital Assets any items not deemed to be Tangible Capital Assets on hand. Remaining historical costs are reported on Schedule 1. Depreciation is not recorded. Equity in Capital Assets is reflected in each Capital Fund as follows:

	2005	2004
General Capital Fund	\$22,545,622	\$23,935,250
Water Capital Fund	5,374,544	5,389,930
Electrical Capital Fund	2,122,119	1,913,739
Sewer Capital Fund	5,568,768	5,548,194
	\$35,611,053	\$36,787,113

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 2005. Where Council approved amendments to the Budget, those changes will be disclosed in the Notes to the Financial Statements.

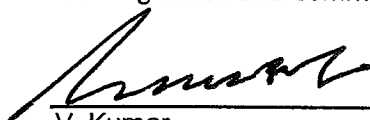
I. Property held for Resale

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.

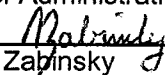
The Corporation of the City of Grand Forks
Consolidated Statement of Financial Position
as at December 31, 2005

	<u>2005</u>	<u>2004</u>
Financial Assets		
Cash and Temporary Investments (Note 1)	\$7,552,473	\$6,757,222
Accounts Receivable (Note 2)	1,435,215	1,383,465
Inventories for Resale (Note 3)	25,975	21,626
	<u>9,013,663</u>	<u>8,162,313</u>
Liabilities		
Accounts Payable (Note 4)	1,401,130	1,367,052
Deferred Revenues	326,514	315,360
Restricted Revenues (Schedule 7)	28,318	23,626
Due to (from) Trust	(598)	6,414
Long Term Debt (Schedule 2) (Note 5)	457,861	597,033
	<u>2,213,226</u>	<u>2,309,485</u>
Net Financial Assets	6,800,438	5,852,828
Unexpended Appropriations (Schedule 13) (Note 6)	0	(18,333)
Capital Assets (Schedule 1) (Note 11)	<u>36,071,676</u>	<u>37,411,671</u>
	<u>\$42,872,114</u>	<u>\$43,246,166</u>
Equity		
Fund Balances	\$7,261,061	\$6,459,053
Equity in Capital Assets (Note 8)	<u>35,611,053</u>	<u>36,787,113</u>
	<u>\$42,872,114</u>	<u>\$43,246,166</u>

The Accompanying Notes form an integral part of these Financial Statements
Contingencies and commitments are described in Note 10.



V. Kumar
Chief Administrative Officer



Dan Zabinsky
Treasurer

The Corporation of the City of Grand Forks
Consolidated Statement of Financial Activities
for the year ended December 31, 2005

	Actual 2005	Budget 2005	Restated Actual 2004
Revenue			(see Note 9)
Taxes (Schedule 3)	\$1,901,071	\$1,901,097	\$1,897,665
Sales of goods and services (Schedule 6)	4,754,952	4,524,662	4,460,535
Other revenues from own sources (Schedule 4)	387,680	251,557	390,291
Senior government grants - Operating (Schedule 4)	350,709	355,352	356,133
Senior government grants - Capital (Schedule 5)	611,744	469,364	12,486
Interest income (Schedule 8)	242,369	224,030	202,931
Investment income on sinking funds (Schedule 8) (Note 5)	77,788	0	67,232
	<u>8,326,312</u>	<u>7,726,062</u>	<u>7,387,273</u>
Interest restricted (Schedule 7)	(48)	(30)	(131)
Net transfers Unexpended Park Improvements (Schedule 7)	0	0	5,241
Transfer from Unexpended Airport Grant	0	0	6,469
Debt forgiven	0	0	214,109
Annual lease applied to capital project	2,762	0	2,762
Transfer to Library Maintenance	0	(3,800)	(3,455)
	<u>8,329,026</u>	<u>7,722,232</u>	<u>7,612,268</u>
Expenditures (Schedule 9)			
General government	1,057,376	1,144,251	1,101,752
Public real estate	239,417	219,006	167,115
Protective services	230,329	281,972	267,651
Transportation services	1,908,881	1,676,845	1,208,429
Environmental health services	110,694	116,535	85,935
Public health and welfare	67,026	73,423	67,298
Environmental development	109,317	134,913	167,163
Recreation and cultural services	375,616	366,842	587,821
Utility services	3,229,442	3,485,024	3,181,192
Fiscal charges	75,315	75,228	125,526
	<u>7,403,415</u>	<u>7,574,039</u>	<u>6,959,882</u>
Future Expenditures - Airport	(22,000)	0	(22,000)
	<u>7,381,415</u>	<u>7,574,039</u>	<u>6,937,882</u>
Change in Net Financial Assets	947,611	148,193	674,385
Appropriations unexpended (Schedule 13)	0	0	85,587
Unspent appropriations returned (Schedule 13)	18,333	0	55,367
Depletable asset change	0	0	(48,795)
Capital Fund Accounts Payable	(22,000)	0	(22,000)
Capital project funding deferred	(2,762)	0	(2,762)
Debt principal reduced (Schedule 2)	(151,673)	(150,626)	(422,260)
Capital debt incurred	12,500	0	0
	<u>802,009</u>	<u>(2,433)</u>	<u>319,521</u>
Increase (Decrease) in Consolidated Fund Balances	802,009	(2,433)	319,521
Consolidated Fund Balances - Beginning of Year	<u>6,459,053</u>	<u>6,459,053</u>	<u>6,139,531</u>
Consolidated Fund Balances - End of Year	<u>\$7,261,061</u>	<u>\$6,456,620</u>	<u>\$6,459,053</u>

The Corporation of the City of Grand Forks
Consolidated Statement of Changes in Financial Position
for the year ended December 31, 2005

	<u>2005</u>	<u>Restated</u> (see Note 10) <u>2004</u>	
Cash and Temporary Investments Provided By (Used For):			
Operations:			
Excess Revenue over Expenditures	\$947,611	\$674,385	
Decrease (Increase) in Non-Cash Financial Assets			
Accounts Receivable	(51,750)	99,029	
Deferred Charges and Other	0	15,000	
Property and Inventories for Resale	(4,349)	720	
	<u>891,512</u>	<u>789,134</u>	
Increase (Decrease) in Short Term Liabilities			
Accounts Payable and Accrued Liabilities	34,078	(269,949)	
Deferred Revenues	11,154	(1,493)	
Restricted Revenues	4,692	(22,080)	
Trust	(7,012)	1,213	
	<u>934,424</u>	<u>496,825</u>	
Financing:			
Debt Principal Reduced	(151,673)	(422,261)	
Debt Issued	12,500	0	
	<u>(139,173)</u>	<u>(422,261)</u>	
Increase (Decrease) in Cash and Temporary Investments	795,251	74,565	
Cash and Temporary Investments - Beginning of Year	<u>6,757,222</u>	<u>6,682,657</u>	
Cash and Temporary Investments - End of Year	<u>\$7,552,473</u>	<u>\$6,757,222</u>	
	<u>2005</u>	<u>2004</u>	<u>2003</u>
Represented By:			
Cash and Temporary Investments (Statement A)	<u>\$7,552,473</u>	<u>\$6,757,222</u>	<u>\$6,682,657</u>

The Corporation of the City of Grand Forks
Consolidated Statement of Operating Fund Balances
as at December 31, 2005

	<u>2005</u>	<u>2004</u>
Financial Assets		
Cash and Temporary Investments (Note 1)	\$3,075,497	\$2,580,560
Accounts Receivable (Note 2)	1,417,863	1,325,134
Inventories for Resale (Note 3)	25,975	21,626
	<u>4,519,334</u>	<u>3,927,320</u>
Liabilities		
Accounts Payable (Note 4)	1,401,130	1,345,052
Deferred Revenues	326,514	315,360
Restricted Revenues (Schedule 7)	28,318	23,626
Due to (from) Trust	(598)	6,414
	<u>1,755,365</u>	<u>1,690,452</u>
Net Financial Assets	2,763,969	2,236,868
Unexpended Appropriations (Schedule 13)	0	(18,333)
Due from Capital Fund	2,762	5,524
Due from (to) Reserves	(217,670)	(148,478)
	<u>\$2,549,061</u>	<u>\$2,075,582</u>
Operating Fund Equity		
Fund Balances	<u>\$2,549,061</u>	<u>\$2,075,582</u>

The Corporation of the City of Grand Forks
Consolidated Statement of Changes in Operating Fund Balances
for the year ended December 31, 2005

	<u>Actual 2005</u>	<u>Budget 2005</u>	<u>Actual 2004</u>
Revenue			
Taxes (Schedule 3)			
Real property, special assessments, grants in lieu	\$4,487,301	\$4,488,223	\$4,333,660
Less: collections for other governments	(2,586,231)	(2,587,126)	(2,435,995)
Taxes (Schedule 3)	\$1,901,071	\$1,901,097	\$1,897,665
Sales of goods and services (Schedule 6)	4,329,188	4,174,646	4,225,596
Other revenues from own sources (Schedule 4)	292,994	246,457	257,101
Senior government grants - Operating (Schedule 5)	350,709	355,352	356,133
Investment income on sinking funds	77,788	69,867	67,232
Interest and investment income (Schedule 8)	104,203	71,000	63,781
	<u>7,055,952</u>	<u>6,818,419</u>	<u>6,867,508</u>
Debt forgiven	0	0	214,109
Annual lease applied to capital project	2,762	0	2,762
Transfer to Library Maintenance	0	(3,800)	(3,455)
	<u>7,058,715</u>	<u>6,814,619</u>	<u>7,080,924</u>
Expenditures (Schedule 9)			
General government	1,005,708	1,078,765	\$964,233
Public real estate	239,417	219,006	\$167,115
Protective services	190,567	238,172	224,801
Transportation services	828,717	688,411	771,116
Environmental health services	110,694	116,535	85,935
Public health and welfare	67,026	73,423	67,298
Environmental development	109,317	134,913	121,229
Recreation and cultural services	372,116	356,842	423,448
Utility services	2,862,089	2,979,472	2,817,626
Fiscal charges	75,315	75,228	125,526
	<u>5,860,967</u>	<u>5,960,767</u>	<u>5,768,327</u>
Less: reallocation of Internal charges	0	0	0
	<u>5,860,967</u>	<u>5,960,767</u>	<u>5,768,327</u>
Change in Financial Assets	1,197,748	853,852	1,312,598
Transfers to Capital - Current Year Revenues	(378,602)	(511,422)	(241,548)
Transfers to Capital - Prior Year Surplus	(1,231)	(45,000)	(350,219)
Transfer to Equipment Replacement Reserve	(50,000)	(50,000)	(50,000)
Transfer to Capital Reserve	(140,000)	(140,000)	(163,470)
Due from Capital reduced	(2,762)	0	(2,762)
Transfer from Prior Years' Surplus	0	(56,562)	0
Debt Principal reduced	(151,673)	(150,626)	(422,260)
	<u>473,479</u>	<u>(99,758)</u>	<u>82,339</u>
Increase (Decrease) in Operating Fund Balances	473,479	(99,758)	82,339
Operating Fund Balances - Beginning of Year	<u>2,075,582</u>	<u>2,075,582</u>	<u>1,993,243</u>
Operating Fund Balances - End of Year	<u>\$2,549,061</u>	<u>\$1,975,824</u>	<u>\$2,075,582</u>

The Corporation of the City of Grand Forks
Consolidated Statement of Capital Fund Balances
as at December 31, 2005

	<u>2005</u>	<u>2004</u>
Financial Assets	\$0	\$0
Liabilities		
Accounts Payable (Note 4)	0	22,000
Long Term Debt (Schedule 2) (Note 5)	457,861	597,033
	<u>457,861</u>	<u>619,033</u>
Net Financial Assets	(457,861)	(619,033)
Due to General Revenue Fund	(2,762)	(5,524)
Capital Assets (Schedule 1) (Note 11)	<u>36,071,676</u>	<u>37,411,671</u>
	<u>\$35,611,053</u>	<u>\$36,787,113</u>
Equity in Capital Assets		
General Capital Fund (Schedule 11)	\$22,545,622	\$23,935,250
Water Capital Fund (Schedule 11)	5,374,544	5,389,930
Electrical Capital Fund (Schedule 11)	2,122,119	1,913,739
Sewer Capital Fund (Schedule 11)	5,568,768	5,548,194
	<u>\$35,611,053</u>	<u>\$36,787,113</u>

The Corporation of the City of Grand Forks
Consolidated Statement of Changes in Capital Fund Balances
for the year ended December 31, 2005

	<u>Actual 2005</u>	<u>Budget 2005</u>	<u>Actual 2004</u>
Revenue			
Donations from groups and individuals (Schedule 4)	\$0	\$0	\$21,306
Recovery from third party less deferred (Schedule 6)	132,455	130,016	0
Senior government grants - Capital (Schedule 5)	611,744	469,364	12,486
	<u>744,199</u>	<u>599,380</u>	<u>33,792</u>
Transfer from Park Improvement Accounts	0	0	5,241
Transfer from Unexpended Airport Grant	0	0	6,469
	<u>744,199</u>	<u>599,380</u>	<u>45,502</u>
Expenditures (Schedule 9)			
General government	51,668	65,486	\$137,519
Protective services	39,762	43,800	42,850
Transportation services	1,080,165	988,434	437,313
Environmental development	0	0	45,934
Recreation and cultural services	3,500	10,000	164,373
Utility services	367,353	505,552	363,566
	<u>1,542,448</u>	<u>1,613,272</u>	<u>1,191,555</u>
Multiple Year Expenditures - Airport	(22,000)	0	(22,000)
Change in Financial Assets	(776,249)	(1,013,892)	(1,124,053)
Capital Funding from Reserves (Statement I)	405,916	457,470	554,287
Expenditures funded by Debt or Operating Surplus	(370,333)	(556,422)	(569,766)
Capital loan debt incurred	12,500	0	0
Change in Capital Fund Accounts Payable	(22,000)	0	(22,000)
Transfers from Operating - Prior Year Surplus	1,231	45,000	350,219
Transfers from Operating - Current Year Revenues	378,602	511,422	241,548
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, 2005

	<u>2005</u>	<u>Restated</u> (see Note 10) <u>2004</u>
Financial Assets		
Cash and Temporary Investments (Note 1)	\$4,476,976	\$4,176,662
Accounts Receivable (Note 2)	17,353	58,331
Net Financial Assets	4,494,329	4,234,992
Due from (to) Own Funds		
General Revenue Fund	217,670	148,478
Reserve Fund Balances	<u>\$4,711,999</u>	<u>\$4,383,470</u>
Equity - Reserve Fund Balances		
Domestic Water System Reserve	\$2,922	\$2,846
Water Development Cost Charges Reserve	219,840	197,049
Sewer Development Cost Charges Reserve	172,172	160,554
Cash in Lieu of Parking Reserve	13,541	13,187
Tax Sale Lands Reserve	52,032	50,673
Equipment Replacement Reserve	140,521	87,968
Capital Reserve	236,000	163,470
Land Sale Reserve	2,258,539	2,111,026
Slag Sale Reserve	1,616,433	1,596,697
	<u>\$4,711,999</u>	<u>\$4,383,470</u>

The Corporation of the City of Grand Forks
Consolidated Statement of Changes in Reserve Fund Balances
for the year ended December 31, 2005

	<u>Actual 2005</u>	<u>Budget 2005</u>	<u>Actual 2004</u>
Receipts			
Interest allocated to Reserves (Schedules 8 and 14)	138,117	153,000	139,019
Land sale proceeds (Schedule 14)	70,287	5,100	91,671
Development cost charges (Schedules 4 and 14)	24,398	0	20,212
Slag sales (Schedules 6 and 14)	293,309	220,000	234,939
	<hr/>	<hr/>	<hr/>
Change in Financial Assets	526,112	378,100	485,841
Other Additions			
Transfer from Operating Funds	190,000	190,000	213,470
Unspent Appropriations returned to Reserves (Schedule 14)	18,333	0	55,367
	<hr/>	<hr/>	<hr/>
	734,444	568,100	754,678
Appropriations Expended			
General Capital from Capital Reserve	47,470	47,470	0
General Capital from Land Sales Reserve	0	0	145,934
General Capital from Slag Sales Reserve	338,446	390,000	408,353
Water Capital from Capital Reserve	10,000	10,000	0
Sewer Capital from Capital Reserve	10,000	10,000	0
	<hr/>	<hr/>	<hr/>
	405,916	457,470	554,287
	<hr/>	<hr/>	<hr/>
	328,529	110,630	200,391
Appropriation Bylaws			
General Capital from Land Sales Reserve	0	0	50,000
less Expended	0	0	(145,934)
General Capital from Slag Sales Reserve	0	0	418,700
less Expended	0	0	(408,353)
	<hr/>	<hr/>	<hr/>
	0	0	(85,587)
	<hr/>	<hr/>	<hr/>
Increase (Decrease) in Reserve Fund Balances	328,529	110,630	285,978
Reserve Fund Balances - Beginning of Year	<hr/>	<hr/>	<hr/>
	4,383,470	4,383,470	4,097,493
Reserve Fund Balances - End of Year	<hr/>	<hr/>	<hr/>
	4,711,999	\$4,494,100	\$4,383,470

The Corporation of the City of Grand Forks
Statement of Severance Agreements
for the year ended December 31, 2005

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. A final out-of-court settlement was reached and payment rendered in 2006

Severance Agreement Payable - December 31, 2003	\$128,286
Payments issued during 2004	<u>(128,286)</u>
Balance - December 31, 2004	0
Final settlement	<u>50,000</u>
Balance - December 31, 2005	<u><u>\$50,000</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, 2005

1. Cash and Temporary Investments:	2005	2004
Cash	\$1,000	\$1,000
Operating and other bank accounts	3,074,497	2,579,560
Reserve fund bank accounts	4,476,976	3,175,800
Temporary Investments (Term Deposits)	0	1,000,862
	\$7,552,473	\$6,757,222

In addition, the City holds bank accounts of \$108,222 for trusts comprised as follows:

	Balance	Interest	Receipts	Disbursements	Balance
	December 31, 2004	Earned			December 31, 2005
Cemetery	\$95,077	\$2,712	\$8,528	\$2,114	\$104,203
Employee Assistance Program	4,003	97	1,502	1,584	4,019
	\$99,081	\$2,809	\$10,030	\$3,698	\$108,222

2. Accounts Receivable:	2005	2004
Property Taxes	\$282,774	\$411,374
Other Governments	129,419	35,927
General	188,402	47,975
Accrued Interest on Reserve Term Deposit	0	37,358
Utility Bills Receivable (see Schedule 11)	834,620	850,831
	\$1,435,215	\$1,383,465

3. Inventories for Resale		
Aviation Fuel	\$15,736	\$11,387
Land Held for Resale	10,239	10,239
	\$25,975	\$21,626

4. Accounts Payable and Accrued Liabilities:		
General Trade Payables	\$500,803	\$440,939
Severance Agreement Payable	50,000	0
Due to Other Governments	0	1,260
Salaries and Wages Payable	81,161	108,130
Deferred Payments: Capital	0	22,000
Accrued Vacation Pay	197,064	179,488
Accrued Sick and Severance - Union Employees	371,478	369,972
Accrued Sick Leave - Management	193,835	238,315
	1,394,342	1,360,103
Accrued Interest on Water Fund Debt	5,806	5,806
Accrued Interest on Sewer Fund Debt	982	1,142
	\$1,401,130	\$1,367,052

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 (and its successor Local 4728), employees accumulate one and one half days each month of sick leave to a maximum of 150 days. Employees absent for medical reasons have wages charged against, and deducted from, sick leave 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 of 1086 days for managers which provides full pay for any management employee from onset of illness until coverage commences under long term disability insurance. As at December 31, 2005 the accrual was 62.2% of the maximum sick leave bank (at December 31, 2004 - 100%).

The Corporation of the City of Grand Forks
Notes to the Consolidated Financial Statements
for the year ended December 31, 2005

5. 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>2005</u>	<u>2004</u>
MFA Debenture debt issued and outstanding: (Schedule 2)	\$290,119	\$338,309
Grand Forks District Savings Credit Union term loan, 6% interest	19,850	52,292
MFA Public Body Leasing Capital Lease	11,451	0
Pacific & Western Capital Leases	136,440	206,432
	<u>\$457,860</u>	<u>\$597,033</u>

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Water Debenture	\$42,659	\$44,792	\$47,031	\$0	\$0
Sewer Debenture	7,941	8,338	8,755	9,193	9,653
Credit Union Term Loan	19,850	0	0	0	0
Capital Leases	49,100	52,515	42,427	2,700	1,150
	<u>\$119,550</u>	<u>\$105,645</u>	<u>\$98,213</u>	<u>\$11,893</u>	<u>\$10,803</u>

6. 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>2005</u>	<u>2004</u>
City Hall Renovation, Heating System & Furnishings	289,285	289,285
less expended during 2004 & 2003	(277,453)	(277,453)
less funding permitted to lapse	(11,833)	0
Airport AWOS System	67,239	67,239
less expended during 2005, 2004 & 2003	(67,239)	(45,239)
Capital Tree Replacement	7,586	7,586
less expended during 2005 & 2004	(6,246)	(1,086)
less funding permitted to lapse	(1,341)	0
	<u>\$0</u>	<u>\$40,333</u>
Funding to be provided by:		
Slag Sales Reserve Fund	\$0	\$18,333
Total Unexpended Appropriations from Statutory Reserves (Schedule 13)	0	18,333
General Revenues 2005	0	22,000
	<u>\$0</u>	<u>\$40,333</u>

The Corporation of the City of Grand Forks
Notes to the Consolidated Financial Statements
for the year ended December 31, 2005

Page 3

7. 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:

	<u>2005</u>	<u>2004</u>
Water	\$88,814	\$86,745
Sewer	9,161	9,045
	<u>\$97,975</u>	<u>\$95,790</u>

8.A 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:

	<u>2005</u>	<u>2004</u>
Equity in Capital Assets - Beginning of the year	\$36,787,113	\$35,170,536
Add: Capital Expenditures	1,542,448	1,191,555
Write down based on Tangible Capital Assets analysis	(2,860,442)	0
Assets purchase funded by Debt	(12,500)	0
Reduction in Multiple Year Payable	(22,000)	(22,000)
Reduction in Short Term Debt	24,762	24,762
Reduction in Long Term Debt	151,673	422,260
	<u>\$35,611,054</u>	<u>\$36,787,113</u>

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

9. 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 2004 comparative figures have been reclassified.

10. 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 has settled a loss of office litigation with a former employee for additional compensation upon termination. The City's liability has now been established and is reflected in the financial statements. Therefore, no contingent liability remains.

(b) Pension Liability

The City and its employees contribute to the Municipal Pension Plan (the plan), a jointly trustee 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 48,000 retired members. Active members include approximately 30,000 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 \$122,989 for employer contributions to the plan in fiscal year 2005.

The Corporation of the City of Grand Forks
Notes to the Consolidated Financial Statements
for the year ended December 31, 2005

10. 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 equipment and long-term capital leases for office and public works equipment. Future minimum lease payments for each commitment for each of the five succeeding years are as follows:

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Operating Leases					
Office Equipment	\$12,851	\$5,408	\$3,659	\$449	\$440
Capital Leases					
Office Equipment	2,978	2,978	2,978	2,978	1,241
Public Works Equipment	58,455	58,455	43,841	0	0
	<u>\$74,284</u>	<u>\$66,841</u>	<u>\$50,478</u>	<u>\$3,428</u>	<u>\$1,681</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.

11. 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.

The Corporation of the City of Grand Forks
Schedule of Capital Assets
as at December 31, 2005

	<u>2005</u>	<u>2004</u>
General Capital Fund		
Land - Infrastructure	\$1,130,005	\$1,175,501
Land - Industrial Development for Resale (Note 11f)	930,684	1,038,640
Downtown Revitalization	916,818	916,818
Buildings	4,663,999	6,277,137
Machinery and Equipment	4,965,076	5,261,742
Engineering Structures	<u>9,953,255</u>	<u>9,319,394</u>
	<u>\$22,559,836</u>	<u>\$23,989,232</u>
Waterworks Capital Fund	<u>\$5,509,026</u>	<u>\$5,565,040</u>
Electrical Utility Capital Fund	<u>\$2,122,119</u>	<u>\$1,913,739</u>
Sanitary Sewer Capital Fund	<u>\$5,880,695</u>	<u>\$5,943,660</u>
	<u>\$36,071,676</u>	<u>\$37,411,671</u>

The Corporation of the City of Grand Forks
Long Term Debt
for the year ended December 31, 2005

<u>Date of Issue</u>	<u>Bylaw</u>	<u>Purpose</u>	<u>Maturity Dates</u>	<u>Original Debenture Debt</u>	<u>Debt</u>		<u>Interest Paid in 2005</u>	<u>Retirements in 2005</u>	<u>Debenture Debt December 31, 2005</u>	<u>Interest Rates</u>
					<u>Outstanding Before 2005 Retirement</u>					
A. DEBENTURES										
<i>Waterworks Capital Fund</i>										
November 23, 1983	1166	Waterworks System Improvements	1983 - 2008	696,000	175,109		50,460	40,627	134,482	7.25%
<i>Sanitary Sewer Capital Fund</i>										
March 24, 1999	1556	Ruckle Sewer Extension	1999 - 2019	195,944	163,200		10,757	7,563	155,637	5.50%
<i>Total Debenture Debt</i>				891,944	338,309		61,217	48,190	290,119	
B. TERM LOANS FROM GRAND FORKS DISTRICT SAVINGS CREDIT UNION										
<i>Sanitary Sewer Capital Fund</i>										
July 20, 2001	1661	Boundary Lift Station	2001 - 2006	150,000	52,292		2,254	32,442	19,850	6.00%
C. CAPITAL LEASES AND CONDITIONAL SALES AGREEMENT TO FUND EQUIPMENT ACQUISITIONS										
<i>General Capital Fund</i>										
June 15, 2000	n/a	1995 Profire Tanker	2000 - 2005	101,740	10,121		188	10,121	0	8.27%
September 1, 2000	n/a	Genset & Trailer	2000 - 2005	38,368	6,128		186	6,128	(0)	8.92%
October 1, 2000	n/a	John Deere Loader Backhoe	2000 - 2005	39,000	6,984		236	6,984	0	8.92%
May 15, 2001	n/a	Hustler Mower	2001 - 2005	33,333	3,225		50	3,225	(0)	8.69%
May 28, 2005	n/a	Xerox Multifunction Copier/Fax/Scanner	2005 - 2010	12,500	12,500		247	1,049	11,451	3.25%
				224,941	38,957		907	27,506	11,451	
<i>Sanitary Sewer Capital Fund</i>										
October 1, 2001	n/a	Vactor Jet Rodder	2001 - 2008	300,166	179,975		11,097	43,534	136,440	7.36%
<i>Total Capital Lease and Conditional Sales Agreement Debt</i>				525,107	218,932		12,004	71,040	147,892	
<i>Total Long Term Debt</i>				\$1,567,051	\$609,533		\$75,475	\$151,673	\$457,860	

The Corporation of the City of Grand Forks
Tax Levies
for the year ended December 31, 2005

	<i>Assessments</i>	<i>Rate per \$1,000</i>	<u>Actual 2005</u>	<u>Budget 2005</u>	<u>Actual 2004</u>
Municipal property taxes:					
- Residential	\$195,078,020	3.74	\$730,168	\$730,197	\$738,192
- Utilities	1,042,270	24.27	25,298	25,298	25,816
- Major industry	14,400,600	42.11	606,461	606,461	618,839
- Light industry	1,926,000	10.08	19,423	19,423	19,819
- Business	41,912,650	9.87	413,531	413,531	390,577
- Recreational	16,300	10.80	176	176	180
- Farm	187,100	5.96	1,116	1,116	1,139
General purposes - municipal taxes			1,796,174	1,796,202	1,794,561
Special assessments and local improvements			87,768	87,767	82,063
Grants in lieu of taxes			17,129	17,128	21,041
Total taxes for municipal purposes			<u>\$1,901,071</u>	<u>\$1,901,097</u>	<u>\$1,897,665</u>
Collections for other governments:					
School District #51			1,461,291	1,461,320	1,447,305
Regional District of Kootenay Boundary			911,357	912,144	855,981
Regional Hospital Districts			173,060	173,139	92,147
British Columbia Assessment Authority			40,450	40,450	40,496
Municipal Finance Authority			73	73	66
Total collections for other governments			<u>2,586,231</u>	<u>2,587,126</u>	<u>2,435,995</u>
Real Property, Special Assessments, Grants In Lieu			<u>\$4,487,301</u>	<u>\$4,488,223</u>	<u>\$4,333,660</u>

The Corporation of the City of Grand Forks
Other Revenue from Own Sources
for the year ended December 31, 2005

	<u>Actual 2005</u>	<u>Budget 2005</u>	<u>Actual 2004</u>
General Revenue Fund:			
Operating			
Building permits	\$42,729	\$17,000	\$17,165
Business licenses	29,948	30,000	28,655
Concessions and franchise	72,657	74,817	71,863
Penalties and interest on taxes	54,813	60,000	55,913
Commissions	4,181	4,200	4,178
Insurance recovery	174	5,000	5,276
Provincial Emergency and Fire recoveries	798	0	4,947
Economic Development Legal Fees recoveries	0	0	0
Other Recoveries	37,369	6,400	17,363
Property rentals	49,920	49,040	48,610
	<u>292,590</u>	<u>246,457</u>	<u>253,971</u>
Restricted			
Class E liquor licenses (Schedule 7)	404	0	3,130
	<u>292,994</u>	<u>246,457</u>	<u>257,101</u>
Reserves			
Land Sales (Schedule 14)	70,287	5,100	91,671
Development cost charges (Schedule 14)	24,398	0	20,212
	<u>387,680</u>	<u>251,557</u>	<u>368,985</u>
Capital			
Donations from groups or individuals	0	0	21,306
	<u>0</u>	<u>0</u>	<u>21,306</u>
	<u>\$387,680</u>	<u>\$251,557</u>	<u>\$390,291</u>

The Corporation of the City of Grand Forks
Grants
for the year ended December 31, 2005

	<u>Actual 2005</u>	<u>Budget 2005</u>	<u>Actual 2004</u>
Operating			
General - Small Communities Protection	\$284,191	\$284,191	\$284,191
General - Victim Assistance	24,356	29,000	24,000
	<u>308,547</u>	<u>313,191</u>	<u>308,191</u>
Water - Revenue Sharing	34,162	34,161	44,003
Water - Drought Management Plan	8,000	8,000	0
Sewer - Revenue Sharing	0	0	3,939
	<u>0</u>	<u>0</u>	<u>3,939</u>
Total Operating Grants	<u><u>\$350,709</u></u>	<u><u>\$355,352</u></u>	<u><u>\$356,133</u></u>
 Capital			
General - Provincial Airport Upgrade	469,364	469,364	0
General - Other Airport Upgrade	142,380	0	0
Water - Infrastructure	0	0	12,486
	<u>0</u>	<u>0</u>	<u>12,486</u>
Total Capital Grants	<u><u>\$611,744</u></u>	<u><u>\$469,364</u></u>	<u><u>\$12,486</u></u>

The Corporation of the City of Grand Forks
Sales of Goods and Services
for the year ended December 31, 2005

	<u>Actual 2005</u>	<u>Budget 2005</u>	<u>Actual 2004</u>
General Revenue Fund:			
Operating			
Garbage	\$105,215	\$104,616	\$87,213
Cemetery	19,340	20,510	21,517
Airport (net of cost of fuel sold)	24,899	18,751	19,229
Transportation Custom Work Orders	11,524	5,000	12,922
Environmental Development	6,894	5,509	4,150
Sundry	6,515	4,220	5,132
	<u>174,387</u>	<u>158,606</u>	<u>150,163</u>
Reserves			
Slag	<u>293,309</u>	<u>220,000</u>	<u>234,939</u>
Total General Revenue Fund	<u>467,696</u>	<u>378,606</u>	<u>385,102</u>
Water Revenue Fund:			
User Fees	613,264	610,980	601,455
Connection Fees and Custom Work Orders	23,710	8,490	18,346
Penalties	5,922	6,400	5,438
	<u>642,896</u>	<u>625,870</u>	<u>625,240</u>
Less: Discounts for early payment	<u>(22,719)</u>	<u>(22,650)</u>	<u>(22,156)</u>
Total Water Revenue Fund	<u>620,177</u>	<u>603,220</u>	<u>603,084</u>
Electrical Revenue Fund:			
User Fees	2,820,313	2,704,000	2,747,859
Connection Fees and Custom Work Orders	34,636	31,000	45,585
Penalties	28,630	30,000	34,151
Pole Fees and Sundry	2,983	4,800	6,786
	<u>2,886,561</u>	<u>2,769,800</u>	<u>2,834,380</u>
Total Electrical Revenue Fund (Schedule 11)	<u>2,886,561</u>	<u>2,769,800</u>	<u>2,834,380</u>
Sewer Revenue Fund:			
User Fees	657,754	648,720	640,632
Connection Fees and Custom Work Orders	2,073	5,000	8,110
Penalties	8,195	9,200	8,305
	<u>668,022</u>	<u>662,920</u>	<u>657,048</u>
Less: Discounts for early payment	<u>(19,958)</u>	<u>(19,900)</u>	<u>(19,080)</u>
Total Sewer Revenue Fund	<u>648,063</u>	<u>643,020</u>	<u>637,968</u>
Electrical Capital Fund:			
Electrical Custom Work Orders (Schedule 11)	<u>132,455</u>	<u>130,016</u>	<u>0</u>
Total Sales of Goods and Services	<u>\$4,754,952</u>	<u>\$4,524,662</u>	<u>\$4,460,535</u>

The Corporation of the City of Grand Forks
Continuity Schedule of Restricted Revenues
for the year ended December 31, 2005

	<u>Balance</u> <u>December 31, 2004</u>	<u>Interest</u> <u>Earned</u>	<u>Collections</u>	<u>Expenditures</u>	<u>Balance</u> <u>December 31, 2005</u>
H.A.R.P. Design	5,894	0	0	0	5,894
Granby Dyking	15,927	0	0	0	15,927
Business Improvement Area	1,805	48	0	0	1,854
Victim Assistance Program	0	0	29,000	24,356	4,643
	<u>\$23,626</u>	<u>\$48</u>	<u>\$29,000</u>	<u>\$24,356</u>	<u>\$28,318</u>

The Corporation of the City of Grand Forks
Interest and Investment Income
for the year ended December 31, 2005

	<u>Actual 2005</u>	<u>Budget 2005</u>	<u>Actual 2004</u>
Income from sources requiring restriction or deferment			
Reserves: (Schedule 14)			
Water Reserve	\$76	\$82	\$64
Equipment Reserve	2,552	1,326	645
Tax Land Sale Reserve	1,359	1,448	1,132
Cash in Lieu of Parking Reserve	354	383	295
Water Development Cost Charges Reserve	5,524	4,250	4,263
Sewer Development Cost Charges Reserve	4,487	3,450	3,450
Land Sales Reserve	77,226	85,680	89,367
Slag Sales Reserve	46,539	56,381	39,804
	<u>138,117</u>	<u>153,000</u>	<u>139,019</u>
Other Restricted Accounts:			
Business Improvement Area	48	30	40
Donaldson Park Improvements	0	0	91
	<u>48</u>	<u>30</u>	<u>131</u>
	<u>138,165</u>	<u>153,030</u>	<u>139,150</u>
Income available for general use			
Cemetery Account	2,712	2,000	2,124
Airport Account	8,805	9,000	0
General Account	92,687	60,000	61,658
	<u>104,203</u>	<u>71,000</u>	<u>63,781</u>
	<u>\$242,369</u>	<u>\$224,030</u>	<u>\$202,931</u>
Investment income on sinking funds			
Water Fund (applied against debenture debt)	26,045	26,044	31,084
Water Fund (one time final refund bond issue surplus)	21,127	13,207	11,556
Sewer Fund (applied against debenture debt)	1,637	1,637	16,602
Sewer Fund (one time final refund bond issue surplus)	28,979	28,979	7,990
	<u>\$77,788</u>	<u>\$69,867</u>	<u>\$67,232</u>

The Corporation of the City of Grand Forks
Expenditures by Function
for the year ended December 31, 2005

Schedule 9

	Operating		Capital		Total		Restated
	Actual <u>2005</u>	Budget <u>2005</u>	Actual <u>2005</u>	Budget <u>2005</u>	Actual <u>2005</u>	Budget <u>2005</u>	(see Note 10) Actual <u>2004</u>
General government	\$1,005,708	\$1,078,765	\$51,668	\$65,486	\$1,057,376	\$1,144,251	\$1,101,752
Public real estate	239,417	219,006	0	0	239,417	219,006	167,115
Protective services	190,567	238,172	39,762	43,800	230,329	281,972	267,651
Transportation services	828,717	688,411	1,080,165	988,434	1,908,881	1,676,845	1,208,429
Environmental health services	110,694	116,535	0	0	110,694	116,535	85,935
Public health and welfare	67,026	73,423	0	0	67,026	73,423	67,298
Environmental development	109,317	134,913	0	0	109,317	134,913	167,163
Recreation and cultural services	372,116	356,842	3,500	10,000	375,616	366,842	587,821
Utility services	2,862,089	2,979,472	367,353	505,552	3,229,442	3,485,024	3,181,192
Fiscal charges	75,315	75,228	0	0	75,315	75,228	125,526
	<u>\$5,860,967</u>	<u>\$5,960,767</u>	<u>\$1,542,448</u>	<u>\$1,613,272</u>	<u>\$7,403,415</u>	<u>\$7,574,039</u>	<u>\$6,959,882</u>

The Corporation of the City of Grand Forks
Expenditures by Object
for the year ended December 31, 2005

	Operating		Capital		Total		Restated (see Note 9)
	<u>Actual 2005</u>	<u>Budget 2005</u>	<u>Actual 2005</u>	<u>Budget 2005</u>	<u>Actual 2005</u>	<u>Budget 2005</u>	<u>Actual 2004</u>
Wages and employee benefits	\$2,257,920	\$2,380,304	\$101,545	\$46,170	\$2,359,465	\$2,426,474	\$2,389,717
Purchased electricity	1,798,042	1,765,000	0	0	1,798,042	1,765,000	1,753,619
Subcontracts	418,180	389,842	1,019,563	1,063,263	1,437,743	1,453,105	882,409
Materials and supplies	336,586	340,156	58,161	54,737	394,747	394,893	544,530
Capital Equipment purchases	0	0	298,127	207,122	298,127	207,122	291,340
Insurance	129,588	142,493	0	0	129,588	142,493	117,747
Heat and light	121,641	106,807	0	0	121,641	106,807	113,676
Professional fees	73,080	119,742	42,573	223,000	115,653	342,742	117,689
Vehicle and equipment operating costs	92,898	93,812	22,478	18,980	115,375	112,792	110,146
Residential garbage pickup and tipping fees	106,914	116,025			106,914	116,025	85,695
Office, delivery and sundry	103,360	108,343	0	0	103,360	108,343	75,336
Debt interest and bank charges	88,614	90,993	0	0	88,614	90,993	140,054
Conferences, seminars and training	83,273	94,707	0	0	83,273	94,707	57,654
Grants	62,427	64,288	0	0	62,427	64,288	74,777
Telecommunications	55,998	66,231	0	0	55,998	66,231	63,634
Severance Agreement	50,000	0	0	0	50,000	0	0
Advertising and promotion	37,734	36,315	0	0	37,734	36,315	32,216
Lease and rental	25,150	25,119	0	0	25,150	25,119	43,840
Fees, dues and licenses	19,564	20,590	0	0	19,564	20,590	20,674
Land and building purchases	0	0	0	0	0	0	45,127
	<u>\$5,860,967</u>	<u>\$5,960,767</u>	<u>\$1,542,448</u>	<u>\$1,613,272</u>	<u>7,403,415</u>	<u>\$7,574,039</u>	<u>\$6,959,882</u>

The Corporation of the City of Grand Forks
Financial Position by Fund
as at December 31, 2005

General Revenue Fund	2005	Restated (see Note 9) 2004
Financial Assets		
Cash and Temporary Investments (Note 1)	\$3,075,497	\$2,580,560
Accounts Receivable (Note 2)	846,611	803,829
Inventories for Resale (Note 3)	25,975	21,626
Due from Trust	598	0
	<u>3,948,681</u>	<u>3,406,015</u>
Liabilities		
Accounts Payable (Note 4)	1,394,342	1,338,104
Deferred Revenues	326,514	315,360
Restricted Revenues (Schedule 7)	28,318	23,626
Due to Trust	0	6,414
	<u>1,749,175</u>	<u>1,683,504</u>
Net Financial Assets	<u>2,199,506</u>	<u>1,722,511</u>
Unexpended Appropriations (Schedule 13)	0	(18,333)
Due from (to) Own Funds		
General Capital Fund	2,762	5,524
Water Revenue Fund	(1,165,495)	(925,815)
Electrical Revenue Fund	(14,127)	31,715
Sewer Revenue Fund	(419,454)	(290,855)
	<u>(1,596,314)</u>	<u>(1,179,430)</u>
Due from (to) Reserves		
Land Sales Reserve	0	(47)
Slag Sales Reserve	18,330	15,039
Capital Reserve	(236,000)	(163,470)
	<u>(217,670)</u>	<u>(148,478)</u>
	<u>\$385,521</u>	<u>\$376,271</u>
Equity		
General Fund Equity	<u>\$385,521</u>	<u>\$376,272</u>

The Corporation of the City of Grand Forks
Financial Position by Fund
as at December 31, 2005

Schedule 11
(continued)

Water Revenue Fund		
	<u>2005</u>	<u>2004</u>
Financial Assets		
Accounts Receivable (Note 2)	\$9,933	\$8,755
Liabilities		
Accounts Payable (Note 4)	5,806	5,806
Net Financial Assets	<u>4,126</u>	<u>2,948</u>
Due from (to) Own Funds		
General Revenue Fund	1,165,495	925,815
	<u>\$1,169,622</u>	<u>\$928,763</u>
Equity		
Water Fund Equity	<u>\$1,169,622</u>	<u>\$928,763</u>
Electrical Revenue Fund		
	<u>2005</u>	<u>2004</u>
Financial Assets		
Accounts Receivable (Note 2)	\$541,007	\$495,115
Liabilities		
	0	0
Net Financial Assets	<u>541,007</u>	<u>495,115</u>
Due from (to) Own Funds		
General Revenue Fund	14,127	(31,715)
	<u>\$555,134</u>	<u>\$463,400</u>
Equity		
Electrical Fund Equity	<u>\$555,134</u>	<u>\$463,400</u>
Sewer Revenue Fund		
	<u>2005</u>	<u>2004</u>
Financial Assets		
Accounts Receivable (Note 2)	\$20,312	\$17,436
Liabilities		
Accounts Payable (Note 4)	982	1,142
Net Financial Assets	<u>19,330</u>	<u>16,294</u>
Due from (to) Own Funds		
General Revenue Fund	419,454	290,855
	<u>\$438,785</u>	<u>\$307,148</u>
Equity		
Sewer Fund Equity	<u>\$438,785</u>	<u>\$307,148</u>

The Corporation of the City of Grand Forks
Financial Position by Fund
as at December 31, 2005

Schedule 11
(continued)

General Capital Fund		
	<u>2005</u>	<u>2004</u>
Financial Assets	\$0	\$0
Liabilities		
Accounts Payable (Note 4)	0	22,000
Long Term Debt (Schedule 2) (Note 5)	11,451	26,457
	<u>11,451</u>	<u>48,457</u>
Net Financial Assets	(11,451)	(48,457)
Due from (to) Own Funds		
General Revenue Fund	(2,762)	(5,524)
Capital Assets (Schedule 1) (Note 11)	<u>22,559,836</u>	<u>23,989,232</u>
Equity		
Equity in Capital Assets (Note 8)	<u>\$22,545,622</u>	<u>\$23,935,250</u>
Water Capital Fund		
	<u>2005</u>	<u>2004</u>
Financial Assets	\$0	\$0
Liabilities		
Long Term Debt (Schedule 2) (Note 5)	134,482	175,109
Net Financial Assets	<u>(134,482)</u>	<u>(175,109)</u>
Capital Assets (Schedule 1) (Note 11)	<u>5,509,026</u>	<u>5,565,040</u>
Equity		
Equity in Capital Assets (Note 8)	<u>\$5,374,544</u>	<u>\$5,389,930</u>
Electrical Capital Fund		
	<u>2005</u>	<u>2004</u>
Net Financial Assets	\$0	\$0
Capital Assets (Schedule 1) (Note 11)	<u>2,122,119</u>	<u>1,913,739</u>
Equity		
Equity in Capital Assets (Note 8)	<u>\$2,122,119</u>	<u>\$1,913,739</u>
Sewer Capital Fund		
	<u>2005</u>	<u>2004</u>
Financial Assets	\$0	\$0
Liabilities		
Long Term Debt (Schedule 2) (Note 5)	311,927	395,467
Net Financial Assets	<u>(311,927)</u>	<u>(395,467)</u>
Capital Assets (Schedule 1) (Note 11)	<u>5,880,695</u>	<u>5,943,660</u>
Equity		
Equity in Capital Assets (Note 8)	<u>\$5,568,768</u>	<u>\$5,548,194</u>

The Corporation of the City of Grand Forks
Financial Position by Fund
as at December 31, 2005

Schedule 11
(continued)

Reserve Fund		
	<u>2005</u>	<u>2004</u>
Financial Assets		
Cash and Temporary Investments (Note 1)	\$4,476,976	\$4,176,662
Accounts Receivable (Note 2)	17,353	58,331
	<u>4,494,329</u>	<u>4,234,992</u>
Liabilities	<u>0</u>	<u>0</u>
Net Financial Assets	4,494,329	4,234,992
Due from (to) Own Funds		
General Revenue Fund	<u>217,670</u>	<u>148,478</u>
Equity - Reserve Fund Balances	<u><u>\$4,711,999</u></u>	<u><u>\$4,383,470</u></u>
Equity - Reserve Fund Balances		
Domestic Water System Reserve	\$2,922	\$2,846
Water Development Cost Charges Reserve	219,840	197,049
Sewer Development Cost Charges Reserve	172,172	160,554
Tax Sale Lands Reserve	52,032	50,673
Cash in Lieu of Parking Reserve	13,541	13,187
Equipment Replacement Reserve	140,521	87,968
Land Sale Reserve	2,258,539	2,111,026
Capital Reserve	236,000	163,470
Slag Sale Reserve	<u>1,616,433</u>	<u>1,596,697</u>
	<u><u>\$4,711,999</u></u>	<u><u>\$4,383,470</u></u>

The Corporation of the City of Grand Forks
Financial Activities by Fund
for the year ended December 31, 2005

General Fund	Actual 2005	Budget 2005	Restated Actual 2004 (see Note 9)
Revenue			
Taxes (Schedule 3)			
Real property, special assessments, grants in lieu	4,481,261	\$4,482,183	4,327,620
Less: collections for other governments	<u>(2,586,231)</u>	<u>(2,587,126)</u>	<u>(2,435,995)</u>
Taxes (Schedule 3)	1,895,030	\$1,895,057	\$1,891,625
Sales of goods and services (Schedule 6)	467,696	378,606	385,102
Other revenues from own sources (Schedule 4)	387,680	251,557	390,291
Senior government grants - Operating (Schedule 4)	308,547	313,191	308,191
Senior government grants - Capital (Schedule 5)	611,744	469,364	0
Interest income (Schedule 8)	<u>242,369</u>	<u>224,030</u>	<u>202,931</u>
	3,913,066	3,531,805	3,178,140
Transfer to Library Maintenance	0	(3,800)	(3,455)
Capital project funding deferred	2,762	0	2,762
Transfer from Park Improvement Accounts for Capital Project	0	0	5,241
Transfer from Unexpended Airport Grant for Capital Project	0	0	6,469
Restricted Interest (Schedule 7)	<u>(48)</u>	<u>(30)</u>	<u>(131)</u>
	3,915,779	3,527,975	3,189,025
Expenditures			
General government	1,057,376	1,144,251	1,101,752
Public real estate	239,417	219,006	167,115
Protective services	230,329	281,972	267,651
Transportation services	1,908,881	1,676,845	1,208,429
Environmental health services	110,694	116,535	85,935
Public health and welfare	67,026	73,423	67,298
Environmental development	109,317	134,913	167,163
Recreation and cultural services	375,616	366,842	587,821
Fiscal charges	907	660	4,189
	4,099,564	4,014,447	3,657,353
Multiple Year Expenditures - Airport	<u>(22,000)</u>	<u>0</u>	<u>(22,000)</u>
	4,077,564	4,014,447	3,635,353
Change in Net Financial Assets	(161,785)	(486,472)	(446,327)
Appropriation from Land Sales Reserve	0	0	145,934
Appropriation from Capital Reserve	47,470	47,470	0
Appropriation from Slag Sales Reserve	338,446	390,000	408,353
Transfer Income to Reserves (Schedule 14)	(437,995)	(274,100)	(444,292)
Transfer from Electrical Fund	401,000	401,000	399,400
Capital project funding deferred	(2,762)	0	(2,762)
Long term trade accounts payable	(22,000)	0	(22,000)
Debt incurred	12,500	0	0
Principal repaid	(27,506)	(26,460)	(54,218)
Interest on Reserve Accounts (Schedule 8)	<u>(138,117)</u>	<u>(153,000)</u>	<u>(139,019)</u>
Increase (Decrease) in General Fund Balance	9,250	(101,562)	(154,931)
General Fund Balance - Beginning of Year - Restated	376,272	376,272	531,202
General Fund Balance - End of Year	<u>385,521</u>	<u>\$274,710</u>	<u>\$376,272</u>

The Corporation of the City of Grand Forks
Financial Activities by Fund
for the year ended December 31, 2005

Schedule 12
(continued)

Water Fund			
	Actual 2005	Budget 2005	Actual 2004
Revenue			
Sales of goods and services (Schedule 6)	\$620,177	\$603,220	\$603,084
Investment income on sinking funds (Note 6)	47,172	39,251	42,641
Senior government grants - Operating (Schedule 5)	42,162	42,161	44,003
Senior government grants - Capital (Schedule 5)	0	0	12,486
	<u>709,510</u>	<u>684,632</u>	<u>702,214</u>
Add: Debt forgiven	0	0	66,967
	<u>709,510</u>	<u>684,632</u>	<u>769,180</u>
Expenditures			
Utility services	362,564	565,733	434,152
Fiscal charges	50,460	50,460	63,621
	<u>413,024</u>	<u>616,193</u>	<u>497,773</u>
Change in Net Financial Assets	296,486	68,439	271,407
Appropriation from Capital Reserve	10,000	10,000	0
Principal repaid	(40,627)	(40,627)	(117,202)
Transfer Income to Reserves (Schedule 14)	(25,000)	(25,000)	(10,000)
	<u>240,859</u>	<u>12,812</u>	<u>144,206</u>
Increase (Decrease) in Water Fund Balance	240,859	12,812	144,206
Water Fund Balance - Beginning of Year - Restated	<u>928,763</u>	<u>928,763</u>	<u>784,557</u>
Water Fund Balance - End of Year	<u>\$1,169,622</u>	<u>\$941,575</u>	<u>\$928,763</u>

The Corporation of the City of Grand Forks
Financial Activities by Fund
for the year ended December 31, 2005

Schedule 12
(continued)

Electrical Fund			
	Actual 2005	Budget 2005	Actual 2004
Revenue			
Sales of goods and services - Operating (Schedule 6)	\$2,886,561	\$2,769,800	\$2,834,380
Electrical Custom Work Orders - Capital (Schedule 6)	132,455	130,016	0
	<u>3,019,016</u>	<u>2,899,816</u>	<u>2,834,380</u>
Expenditures			
Purchased electricity (Schedule 10)	1,798,042	1,765,000	1,753,619
Utility services	678,240	639,260	581,636
	<u>2,476,282</u>	<u>2,404,260</u>	<u>2,335,255</u>
Change in Net Financial Assets	542,734	495,556	499,126
Transfer Income to Reserves (Schedule 14)	(50,000)	(50,000)	(50,000)
Transfer to General Fund	(401,000)	(401,000)	(399,400)
	<u>(401,000)</u>	<u>(401,000)</u>	<u>(399,400)</u>
Increase (Decrease) in Electrical Fund Balance	91,734	44,556	49,726
Electrical Fund Balance - Beginning of Year - Restated	463,400	463,400	413,674
	<u>463,400</u>	<u>463,400</u>	<u>413,674</u>
Electrical Fund Balance - End of Year	<u>\$555,134</u>	<u>\$507,956</u>	<u>\$463,400</u>

The Corporation of the City of Grand Forks
Financial Activities by Fund
for the year ended December 31, 2005

Schedule 12
(continued)

Sewer Fund			
	Actual 2005	Budget 2005	Actual 2004
Revenue			
Taxes (Schedule 3)			
Special assessments	\$6,041	\$6,040	\$6,041
Sales of goods and services (Schedule 6)	648,063	643,020	637,968
Investment income on sinking funds (Note 5)	30,617	30,616	24,592
Senior government grants - Operating (Schedule 5)	0	0	3,939
	<u>684,720</u>	<u>679,676</u>	<u>672,539</u>
Add: Debt forgiven	0	0	147,142
	<u>684,720</u>	<u>679,676</u>	<u>819,682</u>
Expenditures			
Utility services	390,597	515,031	411,785
Fiscal charges	23,948	24,108	57,716
	<u>414,544</u>	<u>539,139</u>	<u>469,501</u>
Change in Net Financial Assets	270,176	140,537	350,180
Appropriation from Capital Reserve	10,000	10,000	0
Transfer Income to Reserves (Schedule 14)	(65,000)	(65,000)	(56,000)
Debt Principal Reduced	(83,540)	(83,539)	(250,841)
	<u>131,636</u>	<u>1,998</u>	<u>43,339</u>
Increase (Decrease) in Sewer Fund Balance	131,636	1,998	43,339
Sewer Fund Balance - Beginning of Year - Restated	<u>307,148</u>	<u>307,148</u>	<u>263,809</u>
Sewer Fund Balance - End of Year	<u>\$438,785</u>	<u>\$309,146</u>	<u>\$307,148</u>

The Corporation of the City of Grand Forks
Continuity Schedule of Unexpended Appropriations
for the year ended December 31, 2005

	<u>Balance</u> <u>December 31, 2004</u>	<u>New</u> <u>Appropriations</u>	<u>Unspent Appropriations</u> <u>Returned</u>	<u>Expenditures</u>	<u>Balance</u> <u>December 31, 2005</u>
Unexpended Appropriations: - Slag Sales Reserve	\$18,333	\$338,446	\$18,333	\$338,446	\$0
	<u>\$18,333</u>	<u>\$338,446</u>	<u>\$18,333</u>	<u>\$338,446</u>	<u>(\$0)</u>

The Corporation of the City of Grand Forks
Continuity Schedule of Reserves
for the year ended December 31, 2005

	<u>Balance</u> <u>December 31, 2004</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, 2005</u>
					<u>Returned</u>	<u>Appropriations</u>	
Domestic Water System Reserve	\$2,846	\$76	\$0	\$0	\$0	\$0	\$2,922
Water Development Cost Charges Reserve	197,049	5,524	0	17,267	0	0	219,840
Sewer Development Cost Charges Reserve	160,554	4,487	0	7,131	0	0	172,172
Equipment Replacement Reserve	87,968	2,552	50,000	0	0	0	140,521
Land Sale Reserve	2,111,026	77,226	0	70,287	0	0	2,258,539
Tax Sale Lands Reserve	50,673	1,359	0	0	0	0	52,032
Cash-In-Lieu of Parking Reserve	13,187	354	0	0	0	0	13,541
Slag Sale Reserve	1,596,697	46,539	0	293,309	18,333	338,446	1,616,433
Capital Reserve	163,470	0	140,000	0	0	67,470	236,000
	<u>\$4,383,470</u>	<u>\$138,117</u>	<u>\$190,000</u>	<u>\$387,994</u>	<u>\$18,333</u>	<u>\$405,916</u>	<u>\$4,711,999</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, 2005

1. Elected Officials

<u>Name</u>	<u>Position</u>	<u>Remuneration</u>	<u>Expenses</u>	<u>Total</u>
Ann Gordon	Councillor	15,141	2,696	17,837
Tom Hinter	Councillor	1,088	0	1,088
Michael Kanigan	Councillor	14,054	6,586	20,639
Neil Krog	Councillor/Mayor	15,504	3,753	19,257
Chris Moslin	Councillor	1,088	0	1,088
Patrick O'Doherty	Councillor	15,141	2,827	17,969
Jake Raven	Mayor	18,807	3,780	22,587
Gene Robert	Councillor	1,088	210	1,298
Tom Shkrabuik	Councillor	15,141	0	15,141
Robert Smith	Councillor	14,054	0	14,054
Total: Elected Officials		111,106	19,852	130,958

2. Other Employees

<u>Name</u>	<u>Position</u>	<u>Remuneration</u>	<u>Expenses</u>	<u>Total</u>
Lynne Burch	City Clerk	81,115	2,821	83,936
Sergio Federico	Electrical Foreman	78,062	172	78,234
William Harp	Electrical Lineman	76,200	201	76,401
Blair Macgregor	Fire Chief	76,676	3,530	80,206
Brian Porter	Works Superintendent	78,571	743	79,314
Ron Williamson	Utilities Foreman	84,549	19,798	104,348
Other 35 employees (Under \$75,000)		1,489,710	53,254	1,542,964
Total: Other Employees		1,964,883	80,520	2,045,404

Subtotal: All Remuneration

2,075,990

Reconciling Items

Payroll taxes (CPP, EI, WCB)	127,942
Employer Pension Contributions	122,989
Health Insurance	62,657
2005 yearend accruals less 2004	<u>(30,112)</u>

Wages and employee benefits

2,359,465

(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, 2005

1. Alphabetical list of suppliers who received aggregate payments exceeding \$25,000

<u>Supplier name</u>	<u>Aggregate amount paid</u>
Alpine (Interior) Disposal	\$84,645
Arrow Installations Ltd.	107,803
B.C. Assessment Authority	40,726
Carte International Inc.	25,456
Chamber of Commerce	41,968
City of Nelson	42,142
Coast Capital Savings	29,217
Dave Dale Insurance	54,832
Drexler Computer Systems Ltd	30,470
FortisBC Inc.	1,992,768
Grand Forks District Savings Credit Union	36,648
Grand Forks Janitorial Services	38,360
Grand Forks Volunteer Fire Department	30,700
Great West Life Assurance Company	31,010
Guillevin International	64,025
Itron Canada Inc.	58,270
Kootenay Boundary Regional Hospital District	26,596
Medical Services Plan (Revenue Services BC)	32,256
Minister of Finance - Social Services Tax	117,591
Minister of Finance - Real Property Taxation	774,232
Municipal Insurance	34,685
Municipal Pension Plan	232,071
Pacific Blue Cross	61,182
Pacific & Western Public Sector Financing Corp	93,193
Receiver General for Canada	601,338
Redi Electric	26,702
Regional District of Kootenay Boundary	1,073,051
Seal Tec Industries Ltd	42,826
Selkirk Paving Ltd.	944,609
Sequoia Fuels	38,636
Terasen Gas Inc.	26,325
Twin Lake Service	73,024
Unifab Industries Ltd.	34,079
Vadim Computer Management Group	47,443
West Kootenay Boundary Regional Hospital District	147,655
Workers Compensation Board	28,953
	<hr/>
	7,165,485

2. Consolidated total paid to suppliers who received aggregate payments of \$25,000 or less

1,351,719

3. Payments to suppliers for grants and contributions exceeding \$25,000

Boundary Museum 40,213

Subtotal: All payments for goods, services, grants and contributions

8,557,417

Reconciling Items

Payroll deduction and benefit payments	(1,090,457)
Payments issued against debt principal	(123,991)
Overpayment refunds	(42,996)
Taxes collected for other authorities	(2,260,994)
	<hr/>
	5,038,979
	<hr/> <hr/>

Total Expenditures in year (Schedules 9 & 10)

7,403,415

less Wages and employee benefits (Schedule 10 & 15) (2,359,465)

Net payments for goods, services, grants and contributions in year 5,043,950

deduct: 2005 Accounts payable and accrued liabilities (464,731)

add: 2004 Accounts payable and accrued liabilities 459,761

5,038,979

The Corporation of the City of Grand Forks
Schedule of Capital Projects Undertaken
for the year ended December 31, 2005

GENERAL FUND	
CITY HALL FURNISHINGS AND OFFICE EQUIPMENT	21,173
COUNCIL CHAMBERS EQUIPMENT	30,495
PROTECTIVE SERVICES EQUIPMENT	39,762
PUBLIC WORKS OFFICE EQUIPMENT	12,614
PUBLIC WORKS MACHINERY AND OPERATING EQUIPMENT	27,955
STORM WATER DRAINAGE SYSTEMS	9,380
PAVING AND ROADWORK	255,781
CRACK SEALING	20,012
SIDEWALKS (INCLUDING HUTTON SCHOOL)	115,519
CAPITAL TREE REPLACEMENTS	5,159
AWOS EQUIPMENT PURCHASE INSTALMENT	22,000
AIRPORT RUNWAY & SIGNAGE UPGRADE	579,265
AIRPORT FUEL STORAGE AND DISPENSING	32,478
COMMUNITY TRAILS CONTRIBUTION	3,500
	<u>1,175,095</u>
FUNDED BY:	
GRANTS AND CONTRIBUTIONS - PROVINCE OF BC	469,364
APPROPRIATIONS FROM SLAG SALES RESERVE	338,446
GRANTS AND CONTRIBUTIONS - RDKB	142,380
BORROWING	12,500
PRIOR YEARS' SURPLUS	48,701
CURRENT YEAR'S REVENUES (TAXATION)	163,705
	<u>1,175,095</u>
WATER FUND	
WEST ZONE RESERVOIR ASSESSMENT	582
DCC BYLAW REVIEW	11,375
17TH STREET WATERLINE REPLACEMENT	92,592
MACHINERY AND OPERATING EQUIPMENT	1,143
	<u>105,692</u>
FUNDED BY:	
PRIOR YEARS' SURPLUS	10,000
CURRENT YEAR'S REVENUES (USER FEES)	95,692
	<u>105,692</u>
ELECTRICAL FUND	
MOVING POWER LINES	132,455
MACHINERY AND OPERATING EQUIPMENT	2,035
ELECTRONIC METERS	107,132
	<u>241,622</u>
FUNDED BY:	
CUSTOM WORK ORDER BILLING	132,455
CURRENT YEAR'S REVENUES (USER FEES)	109,167
	<u>241,622</u>
SEWER FUND	
DCC BYLAW REVIEW	11,375
MACHINERY AND OPERATING EQUIPMENT	8,664
	<u>20,039</u>
FUNDED BY:	
PRIOR YEARS' SURPLUS	10,000
CURRENT YEAR'S REVENUES (USER FEES)	10,039
	<u>20,039</u>
TOTAL EXPENDITURES ON CAPITAL	<u>1,542,448</u>
	(Schedules 9 & 10)

STATISTICAL SECTION

The Corporation of the City of Grand Forks

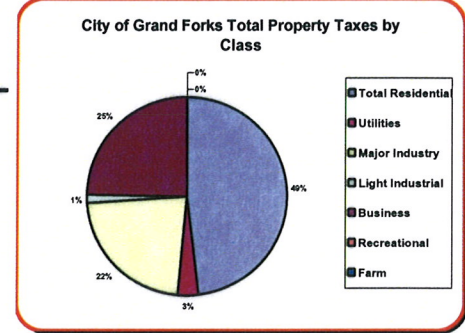
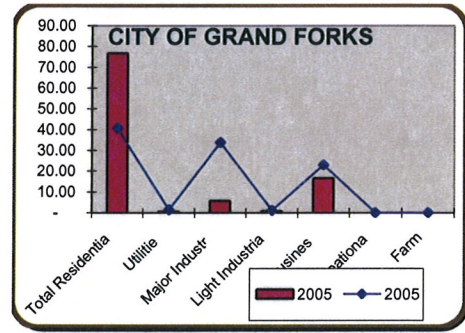
Assessment / Taxation Comparative Statistics

As At December 31, 2005

	2005	2004	2003
Assessments for General Taxation			
Residential	\$ 195,078,020	\$ 173,091,305	\$ 171,033,491
Utilities	\$ 1,042,270	\$ 1,011,495	\$ 1,024,105
Major Industry	\$ 14,400,600	\$ 14,569,800	\$ 15,240,200
Light Industry	\$ 1,926,000	\$ 1,841,400	\$ 1,620,100
Business	\$ 41,912,650	\$ 38,375,850	\$ 37,749,100
Recreational	\$ 16,300	\$ 14,500	\$ 14,500
Farm	\$ 187,100	\$ 187,300	\$ 177,500
Total Taxable Assessments	\$ 254,562,940	\$ 229,091,650	\$ 226,858,996
Total School Tax Assessments	\$ 257,228,304	\$ 231,825,804	\$ 228,549,272
Municipal Tax Rates per \$1,000			
Residential	3.7431	4.2652	4.3348
Utilities	24.2723	25.5221	25.9002
Major Industry	42.1136	42.4741	43.1742
Light Industry	10.0846	10.7629	19.5931
Business	9.8665	10.2088	10.3601
Recreational	10.7975	12.3973	12.6142
Farm	5.9648	6.0793	6.1554
School Tax Rate per \$1,000			
Residential	4.0587	4.6289	5.0618
Utilities	14.9000	15.0000	15.0000
Major Industry	12.5000	12.5000	12.5000
Light Industry	9.6000	9.9000	9.9000
Business	9.0000	9.9000	9.9000
Recreational	4.5000	4.5000	4.5000
Farm	6.8000	6.8000	6.8000
Residential Tax Rate per \$1,000			
General	3.7431	4.2652	4.3348
Local School Levy	4.0587	4.6289	5.0618
Regional District	2.4693	2.5319	2.3917
Regional Hospital District	0.4689	0.2726	0.3177
BC Assessment Authority	0.092	0.1057	0.1159
Municipal Finance Authority	0.0003	0.0003	0.0003
Total Residential Rate	10.8323	11.8046	12.2222
City Taxation Revenues			
Residential	\$ 730,197	\$ 738,269	\$ 741,390
Utilities	\$ 25,298	\$ 25,815	\$ 26,525
Major Industry	\$ 606,461	\$ 618,839	\$ 657,984
Light Industry	\$ 19,423	\$ 19,819	\$ 31,743
Business	\$ 413,531	\$ 391,771	\$ 391,084
Recreational	\$ 176	\$ 180	\$ 183
Farm	\$ 1,116	\$ 1,139	\$ 1,093
Total City Tax Revenues	\$ 1,796,202	\$ 1,795,832	\$ 1,850,002

**CITY OF GRAND FORKS
PROPERTY ASSESSMENTS, RATES, TAXES**

2005 Revised (Authenticated)Rc ASSESSMENTS	General 2005	Hospital 2005	School 2005
Residential Land	60,250,820	59,203,770	59,203,770
Residential Improve	134,827,200	134,827,200	134,827,200
Total Residential	195,078,020	194,030,970	194,030,970
Utilities	1,042,270	4,784,370	4,848,234
Major Industry	14,400,600	14,400,600	14,400,600
Light Industry	1,926,000	1,926,000	1,926,000
Business	41,912,650	41,912,650	41,912,650
Recreational	16,300	16,300	16,300
Farm	187,100	93,550	93,550
TOTAL	254,562,940	257,164,440	257,228,304



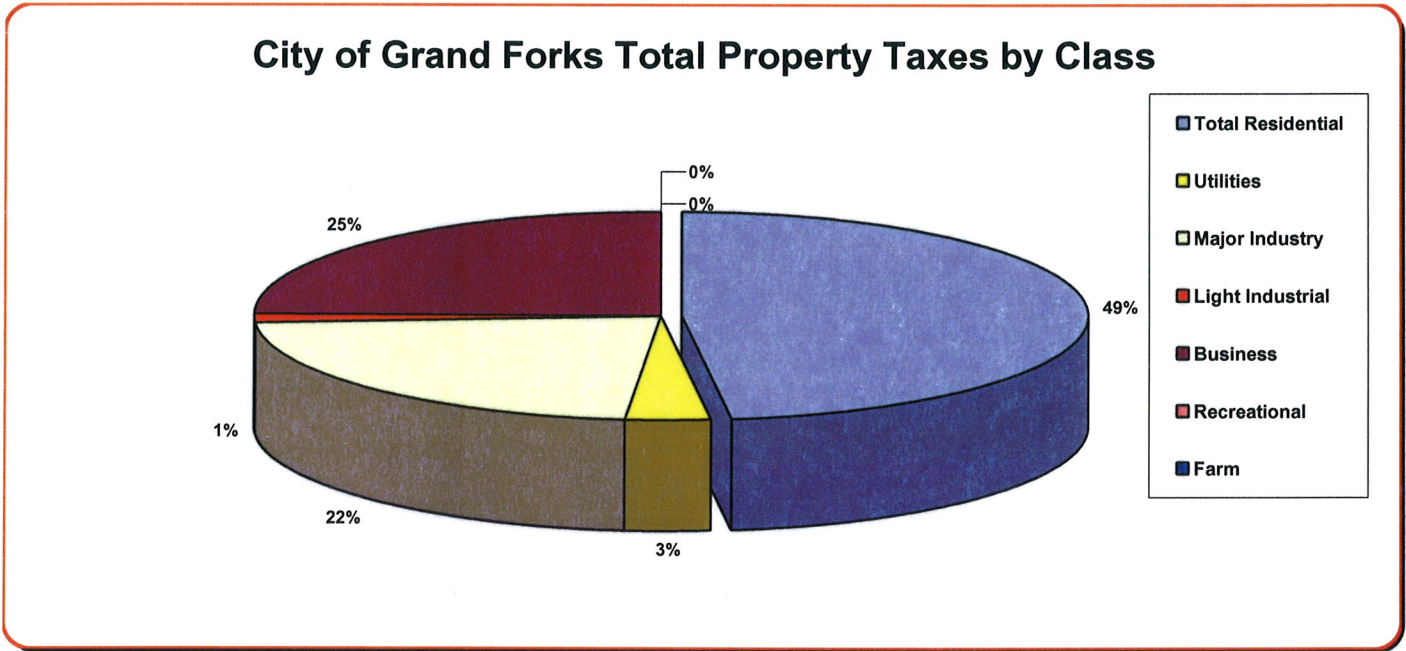
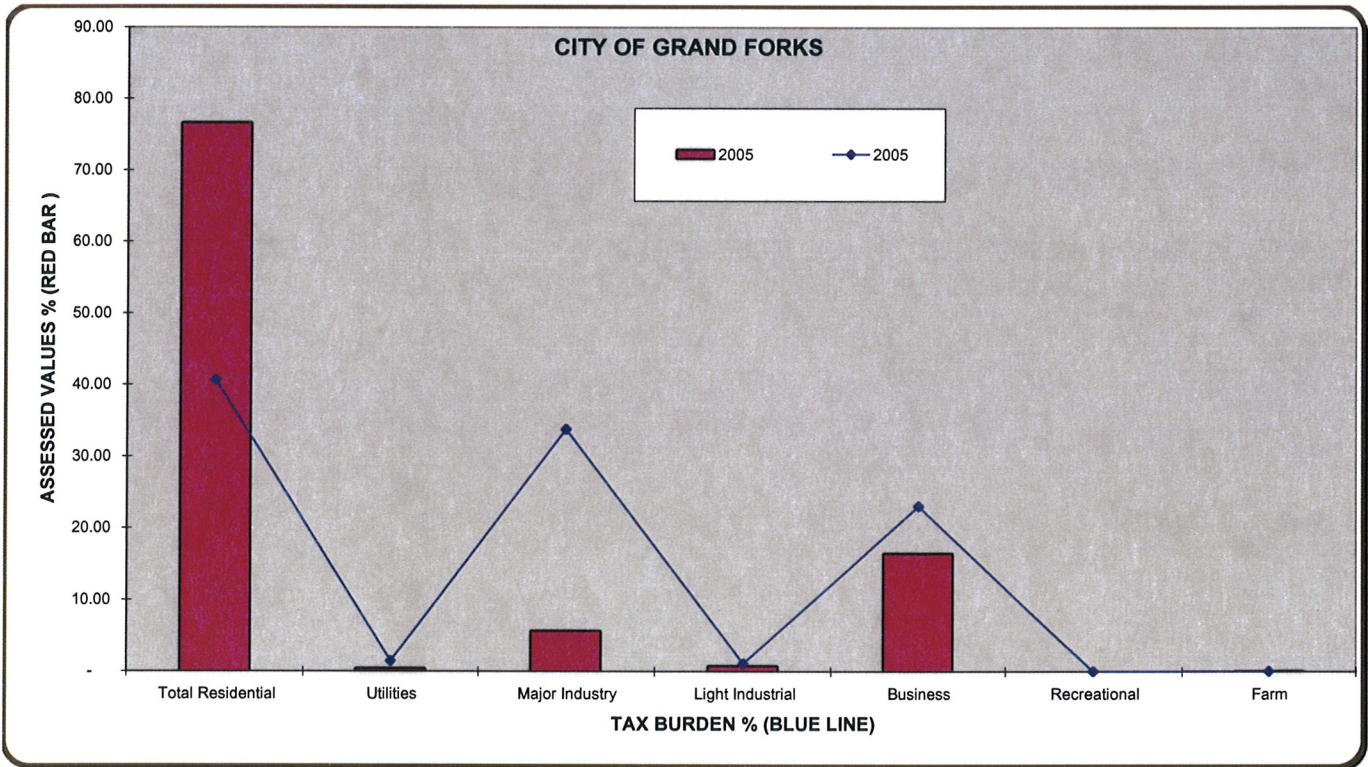
PROPERTY CLASS ASSESSMENTS PERCENTAGE OF TOTAL ASSESSMENTS	2005	2005	2005
Total Residential	76.63	75.45	75.43
Utilities	0.41	1.86	1.88
Major Industry	5.66	5.60	5.60
Light Industrial	0.76	0.75	0.75
Business	16.46	16.30	16.29
Recreational	0.01	0.01	0.01
Farm	0.07	0.04	0.04

TAX RATES	City	School	Hospital	RDKB	MFA	BCAA	Total 2005	Total 2004	Change	
Residential Land	1.00	3.7431	4.0587	0.4689	2.4693	0.0003	0.092	10.8323	11.8046	-0.9723
Residential Improvemen	1.00	3.7431	4.0587	0.4689	2.4693	0.0003	0.092	10.8323	11.8046	-0.9723
Utilities	6.48	24.2723	14.9000	1.6412	8.6425	0.0005	0.5239	49.9804	50.8806	-0.9002
Major Industry	11.25	42.1136	12.5000	1.5943	8.3956	0.0005	0.5239	65.1279	65.0521	0.0758
Light Industry	2.69	10.0846	9.6000	1.5943	8.3956	0.0005	0.286	29.9610	30.4944	-0.5334
Business	2.64	9.8665	9.6000	1.1488	6.0498	0.0001	0.286	26.9512	27.2757	-0.3245
Recreational	2.88	10.7975	4.5000	0.4689	2.4693	0.0002	0.092	18.3279	19.8077	-1.4798
Farm	1.59	5.9648	6.8000	0.4689	2.4693	0.0002	0.092	15.7952	15.7897	0.0055

TAX REVENUE	City	School	Hospital	RDKB	MFA	BCAA	Total 2005	Total 2004	Change
Parcel tax	-	-	-	-	-	-	-	-	-
Residential Land	225,525	240,290	27,761	146,191	18	5,447	645,232	589,122	56,110
Residential Improvements	504,672	547,223	63,222	332,927	40	12,404	1,460,489	1,447,783	12,706
Total Residential	730,197	787,513	90,983	479,119	58	17,851	2,105,721	2,036,905	68,816
Utilities	25,298	72,239	7,852	41,349	2	2,507	149,247	143,965	5,282
Major Industry	606,461	180,008	22,959	120,902	7	7,544	937,881	947,796	-9,915
Light Industry	19,423	18,490	3,071	16,170	1	551	57,705	56,152	1,553
Business	413,531	402,361	48,151	253,561	4	11,987	1,129,596	1,046,728	82,868
Recreational	176	73	8	40	0	1	299	287	12
Farm	1,116	636	44	231	0	9	2,036	2,048	-12
TOTAL REVENUE	1,796,202	1,461,320	173,067	911,372	73	40,450	4,382,484	4,233,881	148,603
Requisition amount	1,848,888	-	173,067	911,372	-	-	-	-	-
Variance	-	52,686	-	0	0	-	-	-	-

PROPERTY CLASS REVENUE PERCENTAGE OF TOTAL TAX REVENUE

	2005 City	2005 School	2005 Hospital	2005 RDKB	2005 MFA	2005 BCAA	Percent of Total Taxes Total 2005
Total Residential	40.65	53.89	52.57	52.57	79.76	44.13	48.11
Utilities	1.41	4.94	4.54	4.54	3.28	6.20	3.40
Major Industry	33.76	12.32	13.27	13.27	9.87	18.65	22.39
Light Industrial	1.08	1.27	1.77	1.77	1.32	1.36	1.33
Business	23.02	27.53	27.82	27.82	5.74	29.63	24.72
Recreational	0.01	0.01	0.00	0.00	0.00	0.00	0.01
Farm	0.06	0.04	0.03	0.03	0.03	0.02	0.05
	100.00	100.00	100.00	100.00	100.00	100.00	100.00



Statement of Property Tax Exemptions

In accordance with Section 224 of the Community Charter, the following properties in the City of Grand Forks were provided permissive property tax exemptions by Council in **2005**.

Legal Description	Civic Address	Organization	Value of Permissive Exemption
Lot 1, D.L. 380, S.D.Y.D., Plan KAP54909	7230-21 st Street	Grand Forks Curling Club	\$6,115.26
Lot 5, Block 10, D.L. 108, S.D.Y.D., Plan 23	366 Market Avenue	Grand Forks Masonic Building	\$935.06
Lot A, D.L. 108, S.D.Y.D., Plan 38294	978 72 nd Avenue	Sunshine Valley Little Peoples Centre	\$954.12
Lot 1, Plan KAP64032, D.L. 381, S.D.Y.D. (Split of Property)	1200 Central Avenue	Perley Play Station	\$478.74
Lots 10 and 17 – 20, Block 18, D.L. 108, S.D.Y.D., Plan 86	565 71 st Avenue (City Park)	Grand Forks Senior Citizens, Branch No. 68	\$1350.72
Lot 8, Block 25, Plan 23, DL 108 S.D.Y.D.	686 72 Ave	Slavonic Senior Citizen's Centre	\$1,166.13
Lot 3 DL 108 S.D.Y.D. Plan 72	7239 2 nd St	Hospital Auxiliary Thrift Shop	\$1,288.56
Lots 23, 24, 25, 26 Block 29, DL 108 S.D.Y.D. 121	7353 6 th St	Royal Canadian Legion	\$2,362.04

In accordance with Municipal Bylaws adopted with the Assent of the Electors, the following properties in the City of Grand Forks were provided permissive property tax exemptions in **2005**.

Legal Description	Civic Address	Organization	Bylaw No. Expiry Date	Value of Permissive Exemption
Lot 15 and Lot 16, Block 5, D.L. 108, S.D.Y.D.	7474-3 rd Street	Boundary Home Support Services Association	Bylaw No. 1488 Expires in 2006	\$217.06

Plan 23				
Lot 1, D.L. 520, S.D.Y.D., Plan KAP59893	8120 Donaldson Drive	Boundary Branch, Society for the Prevention of Cruelty to Animals	Bylaw No. 1489 Expires in 2006 Partial Exemption	\$686.71
Lot 1, D.L. 585, S.D.Y.D., Plan 27903	7850-2 nd Street	Grand Forks Wildlife Association	Bylaw No. 1493 Expires in 2006	\$1783.75

Declaration and Identification of Disqualified Council Members

None

The Corporation of the City of Grand Forks Message From the Mayor and Council

As your elected representatives on the City of Grand Forks Council, we believe that accountability to taxpayers means listening to your views and making decisions that reflect those views. It means spending wisely. It also means keeping you informed on the way your tax dollars are being spent on municipal services to make your city the best place for you and your family to live and work.

The 2005 Annual Report produced herein provides full financial statements for your perusal as well as a progress report on the previous year's objectives. In addition we have included a full copy of Council's Strategic Plan and a new statistical summary section. All of the information provided is our way of keeping the public informed of what has been accomplished on your behalf.

In 2005 we welcomed two key members of our management team, Victor Kumar, City Manager and Dan Zabinsky, Deputy Clerk / Treasurer. Both have over twenty five years of experience in both private and municipal settings.

We also welcomed three new Councillors, Tom Hinter, Chris Moslin and Gene Robert and new mayor Neil Krog. Many thanks go to the departing Councillors and Mayor for their dedication to the residents of the City.

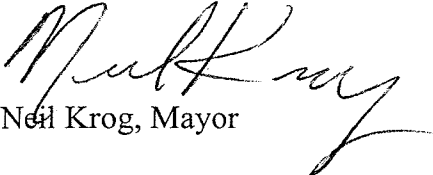
In conjunction with the Regional District of Kootenay Boundary, two referenda were approved by the voters of Areas C and D for contributions to the operating expenses of the Boundary Museum and the proposed Community Centre.

Two major sidewalk projects were completed – one on Boundary Rd and the other in front of Hutton School.

At our airport the runway was repaved, a new fuel dispensing system was installed and signage was upgraded with assistance from the Province of BC and the Regional District of Kootenay Boundary.

In our utility funds a new water line was installed on 17th St and upgrades to electrical meters were completed.

Council believes that sound financial management will enhance the City's economic prospects and quality of life through prudent spending and reasonable tax rates., leading to economic growth and expansion. To this end, the City's finances have continued to be in good shape. In the coming year Council will be placing emphasis on making tax and utility rates fair and equitable for ratepayers.


Neil Krog, Mayor

Progress Report for the Previous Year's Objectives - Year (2005)

Last year Council and Staff prepared objectives, based on Council's long range planning, which it hoped to accomplish in 2005.

Objective	Strategies	Measures	Current Status
Review the impact of Development on the Kettle And Granby Rivers to ensure That there is adequate supply Of potable water for City residents	Continue working With the Water Availability Committee to lobby senior governments to involve Local government	Establishment of Local Water Management Boards or other Such mechanism That gives local Authority over water management	Resolution to UBCM still being followed up.
Close roads and consolidate properties that make up cemetery	Under the new community charter proceed with Highway Closure and Removal of Dedication Bylaws	New plan for cemetery by year end	Project not a priority after further review
Review long term Infrastructure requirements	Prepare a long term plan And identify funding	Review recommendations during annual budget process	Item identified and listed as priority at Strategic Planning Session
Set long term goals for reserve funds	Create policies for contributing & expending reserve funds	Permanent funds reserved for future development	To be dealt with during upcoming budget sessions

City of Grand Forks
**Strategic
Action Planning
Workshop**

December 9 & 10, 2005

FACILITATED
BY

DAVE FAIRBAIRN



TRAINING CORP.

CITY of GRAND FORKS

**STRATEGIC ACTION PLANNING
WORKSHOP**

December 9 & 10, 2005

PARTICIPANTS

**COUNCIL & STAFF/ADMINISTRATION
PARTICIPANTS**

Tom Hinter

Wayne Kopan

Mike Noseworthy

Neil Krog

Linda Engels

Lynne Burch

Gene Robert

Blair McGregor

Tom Shkrabuik

Victor Kumar

Chris Moslin

Dan Zabinski

Ann Gordon

Facilitated By

Dave Fairbairn



TRAINING CORP.

BACKGROUND

Grand Forks Council and the Administrator decided to get off to a running start by engaging in a 2-day Strategic Action Planning workshop within weeks of the election of a new Council. Some Councils wait several months to engage in much systematic action planning if they ever do it. The risk in delaying formal planning is that early decisions can be sporadic, energy can be wasted pursuing unimportant or wrong issues and the organization becomes unfocused. This Council intends to be more pro-active rather than entirely re-active and they want clear and agreed upon direction for themselves and the community.

Some new Council members have joined incumbents in this Council. It was important to determine early if everyone was on the same page. If differences in direction existed it was necessary to find ways of accommodating those differences. If possible, it would be very useful to agree on a set of priorities on which Council could work. An underlying aim of the workshop was to establish cohesiveness in Council and to develop co-operative working relationships between Councillors.

A key decision was made to invite and involve staff in the Action Planning workshop. Both administrative and unionized staff was engaged as full partners in the action planning process. The idea was to tap into their experience, unique knowledge of the city, and their ideas on future direction. The workshop composition was about 50-50 between Council and Staff/Administration.

WORKSHOP PROCESS

The workshop process chosen by the facilitator was one that had been successfully used over several years with many Councils, Boards, and organizations in 3 or 4 different provinces. It is a functional and uncomplicated format that does not get in the road of group thinking or group decision-making. The process is systematic and clear-cut.

- 1) Determine **VALUES & VISION** for the organization.
- 2) Exhaustively brainstorm all of the areas upon which the City could focus.
- 3) Select and agree on 3 to 7 areas of **PRIMARY FOCUS**.
- 4) Establish clear **GOAL-SETS** for each **PRIMARY FOCUS AREA**.

If any time is available in the workshop the group can engage in action planning around each **GOAL-SET**. It is rare that a group would get to this **STRATEGY & TACTICS** phase in a 2-day workshop. Usually strategy and tactics for each goal are developed by the people in charge of achieving them.

VALUES

VALUES & VISION combine to define the **MISSION OF THE GROUP OR ORGANIZATION**. **VALUES** are the foundation upon which the organization is built.

In the workshop, participants needed to share their individual **VALUES** and what they most cared about for the city. The hope was that most individual **VALUES** could be accommodated in an agreed upon group **VALUES** framework.

To help focus the discussion the facilitator supplied 6 conversation-stimulating questions. To ensure maximum input, participants were split into 3 sub-groups to simultaneously discuss each question. Sub-groups were composed of both Council and Staff.

Responses from each sub-group are listed under the appropriate question. Duplicate or similar responses are expected and only indicate that more than one group came up with the same idea.

1. <i>Who are our major stakeholders?</i>

- | | |
|--|--|
| <ul style="list-style-type: none">• City employees• Seniors• Families• Industries• Small business• Motivated, interested citizens• Cultural groups• Volunteers - e.g. Firefighters• Young adults | <ul style="list-style-type: none">• Property owners• Non resident users and service providers• Area C & D• Tax payers• Community service groups• Interest groups - art / museum / sports, etc.• Other levels of government (OLG) |
|--|--|

2. *What 4 or 5 things do you most care about as a COUNCIL / ADMIN team?*

- Functional work ability
- Openness
- Treat each other with respect
- Quality of life
- Achieve goals / move forward
- Develop amenities
- Fairness and equity in rate setting
- Environment
- Heritage
- Service to taxpayers
- Infrastructure
- Pride
- Different and unique as a Council
- Health
- Safety
- Recreation
- Core services
- Infrastructure
- Employment
- Heritage
- Environment
- Quality of life
- Democratic process
- Fair and equitable service
- Nurture and grow economy
- Recreational facilities
- Access issues
- Being positive
- Attracting visitors and non-residents

3 *What image do we want to project as a COUNCIL / ADMIN team? (5 or 6 factors)*

- Transparency
- Communication
- Organized
- Pro-active
- Progressive
- Process and follow-thru
- Positive
- Approachable, open, sympathetic
- Efficient, effective economics
- Leadership / decisions / solutions
- Admit and correct mistakes
- Honest and integrity
- Open accountable, efficient
- Best Council ever

4. *What makes us different, special, unique as a COUNCIL / ADMIN team and / or as a community?*

- Community
 - Heritage
 - Beauty
 - Quality of people
- Team
 - Involvement
 - Loyal, dedicated
 - Expertise / professionalism
- Caring
- Heritage
- History
- Geographic location
- Diversity
- Natural recreation
- City finances
- Diversity
- Experience
- Education / skill mix

5. *If we were not here, what would be lost to the City of Grand Forks?*

- Continuity
- Loss of experience
- Loss of energy
- Loss of passion, tenacity
- Commitment
- Caring employees
- Vast knowledge
- Jobs done properly
- Experience / freshness mix

6. *What are our CORE VALUES as a COUNCIL / ADMIN team (based on our discussion of the first five questions)?*

- Heritage preservation and show casing
- Planning for 2010
- Maintain quality of life
- Integration with environment
- Democratic process
- Involved community
- Maintain high level services
- Fill empty stores
- Encourage economy and development e.g. - wineries & breweries, etc.
- Functional work ability
- Treat each other with respect
- Open dealing
- Accountability
- Promote community process
- Efficiency/effectiveness
- Awareness of community needs and wants
- Interest
- Passion
- Commitment
- Determination
- Preservation
- Transparent
- Respect
- Consistency and discipline
- Understanding

SUMMARY – VALUES

The discussion on **VALUES** revealed a number of common and recurring threads which are fairly well captured in the comments listed in Question #6. As a snapshot though the following **VALUES** seem most important and deeply held.

- *maintain and enhance the quality of life in the Community, including cultural, recreation, heritage and environmental pursuits,*
- *government that is open, transparent, committed, responsible, accountable and respectful of all stakeholders,*
- *controlled economic development including the enhancement of existing economic engines such as downtown revitalization,*
- *maintain and enhance community infrastructure and city services.*

VISION

VALUES define what the organization or group stands for. **VISION** reflects what the group or organization wants to become. **VISION** speaks to the future and defines direction.

The sub-groups followed the same process as they used in the **VALUES** discussion. Six facilitator-provided questions formed the basis for their discussion and the results are presented in a similar fashion. Naturally the groups **VISION** should be consistent with their **VALUES**.

1. *What do we want Grand Forks to look like in 2 or 3 years because of our efforts?*

- Revitalized downtown core
 - fill existing stores
 - attractive streets and alleys
- Better waterfront access
 - forks of rivers
 - Black Train Bridge
 - Riverside drive
- Continuation of boulevards to west 19th to Spraggot
- Integrated trails and pathway system / walkway - courthouse to river forks
- Transit system
- Paving Trans-Canada trail (from Grand Forks to Christina Lake)
- Financially healthy
- Aesthetically pleasing
- Tourist amenities
- Increased social and recreational amenities
- Exemplary political and admin team
- Improved relation with Areas C & D
- Recognized locally and provincially as trendsetter, leaders, model community
- Maintained continued affordability of are (taxes, utility, housing)
- Public transit / taxes
- Boundary expansion
- Planned and sustainable growth
- Improved green spaces and beautification
- Accomplish a unified direction of Council and Community
- Readiness of West-End for expansion

2. *What do we want people to say about us in 12 to 18 months?*

- Damn good job
- Physical accomplishments
- Openness
- Focused
- Fiscally responsible
- Disciplined
- Progressive decision-making
- Culturally aware
- Sensitive
- Work together
- Things are being accomplished

3. *What are our biggest hopes for accomplishments we could make in the next 12 to 18 months?*

- Set priorities within fiscal means
- Planned green space
- Settle the Museum / Visitor's Information Center and Community Hall issues
- Televise Council meetings
- Improve community communication
- Deck the Black Train Bridge
- Move Court service
- Put Court house to work as a show case
- In house co-op process / city team
- Start curb and gutter program
- Open communication to those we serve
- Electorate and understand and share the vision
- Public consultation completed - community center construction started
- Virtually complete Community Hall
- Introduce Boundary expansion to the West
- Complete Parks / Recreation master plan
- Complete DLP and zoning review
- Cohesive functioning team

4. *What should we start doing or do more of?*

- Listening
- Communication
- Taking action
- Minimize conflict with community
- Build consensus and cooperation
- Reward productivity
- Priorize / completion / discipline
- Process toward better air quality
- Council availability
- Communication - internal - staff and council

5. *What are the most important directions we need to be working towards?*

- Openness availability and information gathering
- revitalize / beautification
- Establish and retain Public trust
- Referendum on big decisions
- Improve / upgrade infrastructure
- Excellent in-service delivery
- Maintain and improve skill levels of organization
- Clarification of focus and direction - staff and council
- Fair and equitable tax rate and structure
- Discipline on accomplishing priorities

6. *On the basis of our discussion of the first 5 questions, what are the 5 or 6 major components of a comprehensive **VISION** for the COUNCIL / ADMIN team and the city?*

- Clear direction between policy and operations
- Consistent in decisions and process with follow-thru
- Completing tasks and projects or remove them
- Fiscally responsible
- Vital and vibrant downtown
- Improved inclusive democratic process
- Safe community - easy to move in
- Model program for quality of air and water
- Open to job creation
- Clear, beautiful, safe community
- Good business decisions
- Good financial health
- Exemplary political and admin team
- Develop and improve infrastructure and amenities
- Excellent working
- Develop and preserve the unique interwoven fabric of the community

SUMMARY – VISION

Again, the ideas listed under Question #6 provide a good summary of the direction the group sees for the community.

- *Council wants to be action and achievement oriented and goal-driven.*
- *They want to communicate more and be more inclusive with all their stakeholders.*
- *Demonstrate excellence with an exemplary political and administrative team.*
- *Develop and improve infrastructure and community amenities.*
- *Preserve and enhance quality of life.*

POTENTIAL FOCUS AREAS

FOCUS AREAS are areas of endeavor —not single tasks. For example, “recreation” or “develop city parks and trails” would be **FOCUS AREAS**. “Putting a float in a parade” or “painting an office” would not be.

Participants were again placed in re-blended sub-groups and asked to exhaustively brainstorm for as many **POTENTIAL FOCUS AREAS** that they possibly could. All ideas are recorded below. Duplications indicate that more than one group came up with the same **FOCUS AREA**.

Participants did an excellent job of listing over 50 **POTENTIAL FOCUS AREAS** including duplicates. This is an excellent list to have available as it can be revisited at any time especially in future planning sessions.

- Water supply
- Working relationships
- Quality of life
- Recreation
- Communication
- Positive atmosphere for development
- Sound financial stewardship
- Improved democratic process
- Environmental issues
- Service delivery
- Develop city parks and trails
- Maintain and upgrade equipment
- Signage and banners
- Develop water front and pathways
- Municipal transportation
- Employees training
- Arts and culture
- Visitors info center
- Side walks and roads
- Tourism
- Transportation infrastructure
- Utility infrastructure
- Facility infrastructure
- Economics
- Expansion
- Granting
- Partnerships
- Boundary expansion
- Land use
- Improve educational opportunity
- Crime prevention and policing
- Health and safety
- Water park
- Available industrial lanes
- Public facilities / year round washrooms
- Replace aging sewer lines
- Festivals / fairs / tournaments
- Downtown holiday lighting
- Relationship building
- Working with other boundary communities
- Levels of reserve funding
- More functions in city parks
- 2010 Olympics
- Tourist attractions
- Arts and culture
- Disabled challenges
- Transportation
- Conventions
- Vision focus
- Rivers
- Policing
- Family focus
- Employment opportunities.

PRIMARY FOCUS AREAS

Organizations usually cannot focus with equal intensity on over 50 **FOCUS AREAS** unless they are very large and abundantly staffed. In re-blended sub-groups to minimize pre-existing bias, each sub-group was asked to select the most important and vital 5 focus areas from the list of 50. If all three groups selected the same focus area that would become a **PRIMARY FOCUS AREA**. A selection by 2 of the 3 groups was negotiated either in or out by the total group. Even a selection by a single group was discussed at length to see if inclusion made sense. The 3 lists are reproduced below.

PRIMARY FOCUS AREAS

- | <u>Group 1</u> | <u>- Group 2</u> | <u>Group 3</u> |
|---|---|---|
| <ul style="list-style-type: none">• Parks / Rec plan and implementation• Working relationship council & staff• Utility infrastructure• Transportation• Economic development | <ul style="list-style-type: none">• Infrastructure• Economic development• Location of VIC/ Community Hall/ Museum complete• Tourism amenities improvement• (equipment upgrades) | <ul style="list-style-type: none">• Community amenities• Partnerships• Quality of Life - environmental issues• Boundary expansion (land use) |

After extensive discussion, 5 **PRIMARY FOCUS AREAS** were selected. These are the areas that deserve special attention by Council and Staff. Any extra time and effort apart from running the city should be expended on these areas first.

PRIMARY FOCUS AREAS
for
City of Grand Forks

- ! COMMUNITY AMENITIES**
- ! INFRASTRUCTURE**
- ! PARTNERSHIPS**
- ! ECONOMIC DEVELOPMENT**
- ! QUALITY OF LIFE**

GOAL SETTING

PRIMARY FOCUS AREAS are usually not well enough defined to stimulate action. **GOALS** need to be set to determine exactly **WHAT** will be done to realize accomplishments in each **PRIMARY FOCUS AREA**. Goal-setting teams were formed as much as possible according to participants interest in one or more **PRIMARY FOCUS AREA**.

Participants were instructed to ensure each **GOAL** they set adhered to the following criteria.

- ! SPECIFIC
- ! MEASURABLE
- ! ACHIEVABLE
- ! REALISTIC
- ! TIME-FRAMED

Each **GOAL-SET** is listed below under the corresponding **PRIMARY FOCUS AREA**. At the end of each **GOAL-SET**, the name of a "*monitor*" is listed. Monitors oversee activity and progress in the **PRIMARY FOCUS AREA** and ensure that **GOALS** are achieved.

GOALS

Primary Focus Area:	PARTNERSHIPS
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GOALS

- | | |
|-----|--|
| 1. | Meet with Council and Staff on quarterly basis commencing January 31, 2006. |
| 2. | Meet with Union executive on a quarterly basis commencing February 15, 2006. |
| 3. | Council to meet jointly with area Directors from C, D, E and City of Greenwood, Village of Midway to discuss Boundary issues on quarterly basis commencing March 31, 2006. |
| 4. | Work with the 2010 Provincial Olympic comm. -Minimum of Economic Development to bring competition to Grand Forks before 2010. |
| 5. | To attract funds to build relationship with Russian Olympic team because of our heritage. |
| 6. | Advise of availability of Grand Forks airport to bring athletes to West Kootenay areas. |
| 7. | Advise Trail, Red Mountain Olympic organizers within 60 days of airport availability. |
| 8. | Initiate contact with USCC within 30 days to assist with accommodating Russian athletes and to plan and advise of Council's intent. |
| 9. | Have Mayor and City Manager meet with key Ministers in Victoria to discuss Grand Forks issues annually during Legislative Session. |
| 10. | Meet M.P. on semi-annual basis commencing after Federal election to discuss and provide input on Federal issues. |
| 11. | Council to appoint Councillor as liaison to Chamber within 30 days who will attend Chamber meetings and keep Council and Chamber informed. Meet Quarterly with Chamber Board and Council commencing February 15, 2006. |
| 12. | Council to appoint Councillor as liaison to Art Gallery within 30 days who will attend Art Gallery meetings and keep Council and Art Gallery informed. Meet quarterly with Art Gallery Board and Council commencing February 28, 2006. |
| 13. | Council appoint Councillor as liaison to Museum within 30 days to attend Museum meetings and keep Council and Museum informed. Meet quarterly with Museum Board and Council commencing March 1, 2006 |

Primary Focus Area:	PARTNERSHIPS continued . . .
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GOALS continued . . .

14.	Communicate with Citizens by newsletter on monthly basis.
15.	Create link on City website inviting comments commencing December 10, 2005.
16.	Community immediately insure email address on all outgoing correspondence.
17.	Conduct annual survey to prioritize services and issues in next 120 days.
18.	Conduct community meetings away from Council chambers twice per year commencing May 2006 and November 2006.
19.	Train employees on handling customer complaints commencing February 2006.
20.	Install video camera and sound system in chambers before January 31, 2006.
21.	Make available public facilities within 2006 after VIC has been relocated.

MONITOR: Gene Robert

Primary Focus Area:	COMMUNITY AMENITIES
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GOALS

1.	Complete Community Hall in time for Grand Opening Ceremony July 1, 2007.
2.	Complete VIC for occupation by September 15, 2006.
3.	Make decision regarding Museum location by May 15, 2006.
4.	Complete Museum ready for occupancy by May 31, 2007.
5.	Cleanup City Park waterfront area by June 15, 2006.
6.	Review and revise City Park Plan to set priorities for Park V/G by March 15, 2006.
7.	Develop master plan for all City Parks, playing fields, trails by March 15, 2007.
8.	Persuade downtown business community to become involved in working pro-actively with us to make streets and alleys more attractive - 1 st meeting of comprehensive group by April 15, 2006.

MONITORS: Chris Moslin, Tom Shkrabuik

SEE: APPENDIX A — NOTES

Primary Focus Area:	ECONOMIC DEVELOPMENT
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GOALS

1.	Commit funding in 2006 - 2010 Financial Plan = Business Licence Revenue to develop an Economic Development Strategy.
2.	Identify Economic Development Partners prior to February 15, 2006. ie: Existing Business Community Chamber CFDC BEDC Tourism Commission
3.	Meet with partners by March 15, 2006 to develop terms of reference and select facilitator for Economic Development Strategy.
4.	Develop Draft Strategy by June 16, 2006 through outside facilitation.
5.	Receive consultants' / Facilitator's Report by October 15, 2006 for final recommendations.
6.	Approve Final Report by November 30, 2006. (Council)
7.	Initiate economic development strategy recommendations starting in January 2007.

MONITORS: Tom Hinter, Neil Krog

Primary Focus Area:	QUALITY OF LIFE
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ENVIRONMENT GOALS

1.	Initiate an Air Quality Management Plan that includes council, staff, industry, public groups and other levels of government by January 31, 2006.
2.	Host a public forum with possible separate meeting with industry on receipt of data.
3.	Revisit past reports concerning aquifers by March 31, 2006.
4.	Participate in the annual Rivers' Day clean-up in June ?, 2006.
5.	Investigate the Kettle River set back and public access by January 31, 2006.
6.	Investigate slag rolling into Granby River and potential damage by February 28, 2006.

Primary Focus Area:

QUALITY OF LIFE continued . . .

PUBLIC ACCESSIBILITY

1. Write a letter to CPR concerning the Black Train Bridge and trails by January 31, 2006.
2. Instruct staff to develop a scheduled bus route / bus by January 31, 2006.

FOLLOW-UP: PHOENIX SKI HILL

Primary Focus Area:

QUALITY OF LIFE continued . . .

ARTS & CULTURE

1. Establish a committee to facilitate the development of Arts and Council by May 31, 2006.

NOTE: Add Health & Safety / Rec Facilities
Follow-up funding for Ski Hill

MONITORS: Gene Robert, Tom Shkrabuik

Primary Focus Area:

INFRASTRUCTURE

GOALS

1. Develop electrical rate structure to ensure fairness and equity. Comparable with Fortis within 2 years. Start immediate - January 31, 2006.
2. Water: in order to ensure equity and conservation of a limited resource.
3. Install metering by December 2007.
4. Implement universal metering rates by January 2008.
5. Reservoir: completed engineering study by end of 2006.
6. Construction to begin in 2007.
7. Upgrade East end reservoir by spring 2006.
(a) Secure funding.
8. Transportation: review with staff installation and upgrade of sidewalks and paving plan by end of March 2006.

Primary Focus Area:	INFRASTRUCTURE continued . . .
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GOALS

9.	Review road safety: within City limits! – with Highways department.
10.	Complete coal chute connector in partnership with highways by 2009.
11.	Review Trail req to complete TCT from CC to Highway 3 by December 2006.
12.	Assess needs of court operations to facilitate relocation by March 2006. (a) Possible relocation of Museum and VIC into Court House.

Feedback Goals Suggestions:

Goal #10 Infrastructure:

- Secure funding to complete Coalchute Connector - Date.

Goal #11

- Write an enabling goal re negotiation with CPR.

MONITORS: Tom Hinter, Ann Gordon

The group did a terrific job with their **GOAL-SETTING**. They wrote **58 GOALS** under **5 PRIMARY FOCUS AREAS**. The **GOAL-SETS** are comprehensive and the individual **GOALS** are of high quality. If they can translate the **GOALS** from paper to action a great deal will be accomplished for the **CITY OF GRAND FORKS**.

SUMMARY

The group performed in excellent fashion from the start of the workshop to the end. Of special note was the way Council and Staff worked together so smoothly. Staff provided tremendous input to the workshop and Council was very responsive to their ideas. Never having engaged in an action-planning workshop before, the group quickly established and maintained close working relationships throughout the workshop.

Participants displayed talent in all aspects of the workshop and worked extremely hard to achieve top-notch results. They intensively discussed **VALUES & VISION**, brain stormed over **50 POTENTIAL FOCUS AREAS** and prioritized **5 PRIMARY FOCUS AREAS**. The group was especially strong in setting **58 high quality GOALS** in **5 GOAL-SETS**.

All the participants should feel satisfied and proud of their efforts and results in a very worthwhile 2 days. Good luck and good performance.

*Dave Fairbairn
Executive Director
Impact Training Corp.*

Appendix A — Notes

The group setting **GOALS** on Community Amenities also did some action planning for the achievement of those **GOALS** which are included in this APPENDIX.

COMMUNITY AMENITIES

COMMUNITY CENTRE

Ensure 2006 - 2010 Financial Plan includes \$1.5 M

1.	Determine site for Community Centre by February 15, 2006
2.	Refine usage/size by February 28, 2006 (includes Public consultation)
3.	Commission plans to be completed by May 31, 2006.
4.	Amend 5 year Financial Plan to cover cost estimates by July 15.
5.	Tender the project to close June 30.
6.	Award and start construction no later than August 1.
7.	Completion of construction no later than mid June.
8.	Grand opening July 1, 2007.

VIC MUSEUM

Ensure 2006 - 2010 Financial Plan includes funding to cover.

1.	Public consultation process by March 15, 2006.
2.	Determine site(s) by February 15, 2006.
3.	Plans to be completed by May 31, 2006.
4.	Completion (available to move in) by September 15. VIC by May 31, 2007.
5.	Completion of Museum date (to be reviewed) after September 3).

PARKS & RECREATION MASTER PLAN

- | | |
|----|---|
| 1. | Review of existing City Park plan to determine keepers and discards.
a) Form team by January 15, 2006
b) Review/revise plan March 15, 2006
c) Clean-up river frontage trees/grass May 15, 2006
d) Picnic tables placed by June 15, 2006
e) ??? Pergolas gazebos built by June 15, 2007 |
| 2. | Development of city wide master plan incorporating existing material by March 31, 2007. Will include parks, green spaces, trails – immediate start. |

TOURISM AMENITIES

- | | |
|----|--|
| 1. | Persuade downtown business community to become involved working pro-actively with us to make streets and alleys more attractive – initiate liaison by April 15, 2006 (meeting of comprehensive group). |
|----|--|