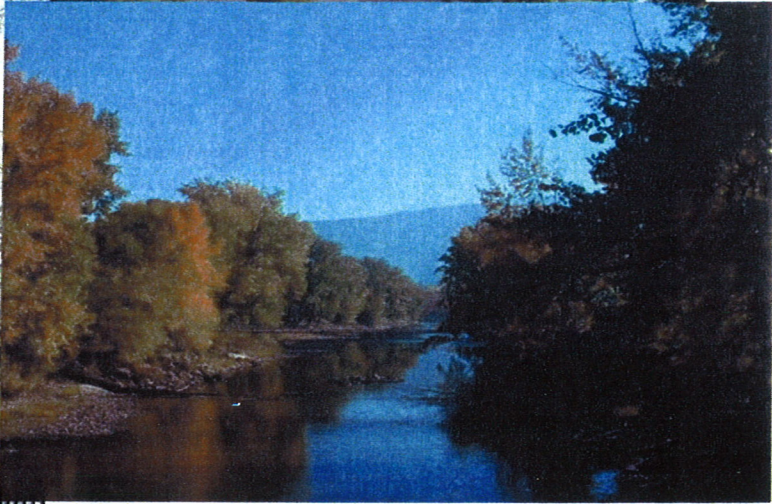


**Annual Report for the
CITY OF GRAND FORKS**



As presented by City Council on June 25, 2007



City of Grand Forks
2006 ANNUAL REPORT
June, 2007

CONTENTS

- 1. Open Letter from the Mayor and Council – Report Respecting Municipal Services and Operations for 2006 and Plans for 2007**
- 2. Audited Financial Statements**
- 3. Statistical Section**
- 4 Statement of Property Tax Exemptions**
- 5 Declaration and Identification of Disqualified Council Members**
- 6 City of Grand Forks Strategic Plan 2006 to 2008**

Report Respecting Municipal Services and Operations for 2006 and Plans for 2007

An Open Letter to the Citizens of Grand Forks from Mayor Neil Krog and Council

June 25, 2007

I am pleased to take this opportunity to provide this update to the citizens of Grand Forks regarding municipal services and operations in the City of Grand Forks for the year 2006. 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. To that end Council arranged for two public meetings in November 2006 to present the financial position of the City and to review capital plans for the coming year 2007.

The 2006 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 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 2006 we welcomed a new member of our management team, Wayne Kopan, Manager of Works and Services. Wayne has over twenty years of experience in both private and municipal settings.

Council has embarked on an aggressive plan to upgrade the City's infrastructure in the next two years. Plans have been developed for an upgraded City Park, Town Square, Cycling Network and a new Lift Station in City Park. As well the City has recently received a provincial grant to upgrade the dike in Riverside Dr, and the City has purchased a building on Central Ave to house Court Services. This building will allow Court Services to move, which will free up space in the old Courthouse building for the Art Gallery and Museum.

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 continue placing emphasis on making tax and utility rates fair and equitable for ratepayers.

Neil Krog, Mayor

Audited Financial Statements:

City of Grand Forks
2006 *ANNUAL REPORT*
June, 2007

The Corporation of the City of Grand Forks

Table of Contents

2006 Annual Financial Report

Auditor's Report

Significant Accounting Policies:

Page 1

Page 2

Financial Statements for the year ended December 31, 2006

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

The Corporation of the City of Grand Forks
Annual Financial Report
for the year ended December 31, 2006

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, 2006 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, 2006 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.

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 10, 2007

The Corporation of the City of Grand Forks
Significant Accounting Policies
for the year ended December 31, 2006

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 \$7,773,478 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, 2006, the fund balances were as follows:

	2006	Restated (see Note 9) 2005
General Revenue Fund	\$399,652	\$385,521
Water Revenue Fund	1,043,853	1,169,622
Electrical Revenue Fund	290,621	555,134
Sewer Revenue Fund	515,352	438,785
	2,249,477	2,549,061

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	5,524,001	4,319,987
	\$7,773,478	\$6,869,048

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, 2006

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:

	2006	2005
General Capital Fund	\$22,310,922	\$22,545,622
Water Capital Fund	6,053,290	5,374,544
Electrical Capital Fund	2,417,643	2,122,119
Sewer Capital Fund	5,682,388	5,568,768
	\$36,464,243	\$35,611,054

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 2006. 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, 2006

	<u>2006</u>	<u>Restated</u> (see Note 9) <u>2005</u>
Financial Assets		
Cash (Note 1)	\$8,925,757	\$7,552,473
Accounts Receivable (Note 2)	1,416,201	1,435,215
Lease Deposit (Note 3)	5,000	0
Due from (to) Trust	1,217	598
Inventories for Resale (Note 3)	<u>20,658</u>	<u>25,975</u>
	<u>10,368,833</u>	<u>9,014,262</u>
Liabilities		
Accounts Payable (Notes 4 and 10.g)	1,843,739	1,401,131
Deferred Revenues	330,539	326,514
Restricted Revenues (Schedule 7)	500,571	420,330
Long Term Debt (Schedule 2) (Note 5)	<u>246,487</u>	<u>457,860</u>
	<u>2,921,336</u>	<u>2,605,835</u>
Net Financial Assets	7,447,497	6,408,426
Inventories of Supplies	79,494	0
Capital Assets (Schedule 1) (Note 11)	<u>36,710,730</u>	<u>36,071,676</u>
	<u>\$44,237,721</u>	<u>\$42,480,102</u>
Equity		
Fund Balances	\$7,773,478	\$6,869,048
Equity in Capital Assets (Note 8)	<u>36,464,243</u>	<u>35,611,054</u>
	<u>\$44,237,721</u>	<u>\$42,480,102</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, 2006

	<u>Actual</u> <u>2006</u>	<u>Budget</u> <u>2006</u>	<u>Restated</u> <u>Actual</u> <u>2005</u>
Revenue			(see Note 9)
Taxes (Schedule 3)	\$2,359,428	\$2,028,797	\$1,901,071
Sales of goods and services (Schedule 6)	4,554,443	4,399,645	4,754,952
Other revenues from own sources (Schedule 4)	1,194,555	242,251	387,679
Senior government grants - Operating (Schedule 5)	602,277	706,501	350,709
Senior government grants - Capital (Schedule 5)	180,667	274,970	611,744
Interest income (Schedule 8)	388,014	174,612	242,369
Investment income on sinking funds (Schedule 8) (Note 5)	58,334	30,091	77,788
	<u>9,337,718</u>	<u>7,856,867</u>	<u>8,326,311</u>
Interest restricted (Schedule 7)	(17,357)	(9,030)	(10,059)
Debt forgiven	134,482	0	0
Annual lease applied to capital project	2,762	0	2,762
Transfer to Library Maintenance	(3,974)	(3,800)	0
	<u>9,453,630</u>	<u>7,844,037</u>	<u>8,319,014</u>
Expenditures (Schedule 9)			
General government	1,125,525	1,221,875	1,057,376
Public real estate	257,601	892,028	239,417
Protective services	400,893	326,953	230,329
Transportation services	1,134,314	1,684,705	1,908,881
Environmental health services	143,587	143,989	110,694
Public health and welfare	82,462	75,993	67,026
Environmental development	214,077	418,008	109,317
Recreation and cultural services	557,240	518,727	375,616
Distribution based on electrical consumption	336,592	0	0
Utility services	4,123,475	4,338,520	3,229,442
Fiscal charges	38,795	69,930	75,315
	<u>8,414,560</u>	<u>9,690,728</u>	<u>7,403,415</u>
Future Expenditures - Airport	0	0	(22,000)
	<u>8,414,560</u>	<u>9,690,728</u>	<u>7,381,415</u>
Change in Net Financial Assets	1,039,070	(1,846,691)	937,599
Appropriations unexpended (Schedule 13)	0	0	0
Unspent appropriations returned (Schedule 13)	0	0	18,333
Supplies inventory change	79,494	0	0
Depletable asset change	0	0	0
Capital Fund Accounts Payable	0	0	(22,000)
Capital project funding deferred	(2,762)	0	(2,762)
Debt principal reduced (Schedule 2)	(211,373)	(119,551)	(151,673)
Capital debt incurred	0	90,000	12,500
	<u>904,430</u>	<u>(1,876,242)</u>	<u>791,997</u>
Increase (Decrease) in Consolidated Fund Balances	904,430	(1,876,242)	791,997
Consolidated Fund Balances - Beginning of Year	<u>6,869,048</u>	<u>6,869,048</u>	<u>6,077,051</u>
Consolidated Fund Balances - End of Year	<u>\$7,773,478</u>	<u>\$4,992,806</u>	<u>\$6,869,048</u>

The Corporation of the City of Grand Forks
Consolidated Statement of Changes in Cash Flows
for the year ended December 31, 2006

	<u>2006</u>	<u>Restated</u> (see Note 9) <u>2005</u>	
Cash Provided By (Used For):			
Operations:			
Change in Net Financial Assets	\$1,039,070	\$937,599	
Decrease (Increase) in Non-Cash Financial Assets			
Accounts Receivable	19,014	(51,750)	
Deferred Charges and Other	(5,000)	0	
Trust	(619)	(7,012)	
Property and Inventories for Resale	<u>5,318</u>	<u>(4,349)</u>	
	1,057,783	874,488	
Increase (Decrease) in Short Term Liabilities			
Accounts Payable and Accrued Liabilities	442,609	34,078	
Deferred Revenues	4,024	11,154	
Restricted Revenues	<u>80,241</u>	<u>14,704</u>	
	<u>1,584,656</u>	<u>934,424</u>	
Financing:			
Debt Principal Reduced	(211,373)	(151,673)	
Debt Issued	<u>0</u>	<u>12,500</u>	
	<u>(211,373)</u>	<u>(139,173)</u>	
Increase (Decrease) in Cash	1,373,284	795,251	
Cash - Beginning of Year	<u>7,552,473</u>	<u>6,757,222</u>	
Cash - End of Year	<u>\$8,925,757</u>	<u>\$7,552,473</u>	
Represented By:	<u>2006</u>	<u>2005</u>	<u>2004</u>
Cash (Statement A)	<u>\$8,925,757</u>	<u>\$7,552,473</u>	<u>\$6,757,222</u>

The Corporation of the City of Grand Forks
Consolidated Statement of Operating Fund Balances
as at December 31, 2006

	<u>2006</u>	<u>Restated</u> (see Note 9) <u>2005</u>
Financial Assets		
Cash and Temporary Investments (Note 1)	\$3,697,322	\$3,467,509
Accounts Receivable (Note 2)	1,397,342	1,417,863
Lease Deposit (Note 3)	5,000	0
Due to (from) Trust	1,217	598
Inventories for Resale (Note 3)	<u>20,658</u>	<u>25,975</u>
	<u>5,121,538</u>	<u>4,911,945</u>
Liabilities		
Accounts Payable (Note 4)	1,843,739	1,401,131
Deferred Revenues	330,539	326,514
Restricted Revenues (Schedule 7)	<u>500,571</u>	<u>420,330</u>
	<u>2,674,849</u>	<u>2,147,975</u>
Net Financial Assets	2,446,690	2,763,969
Due from Capital Fund	0	2,762
Due from (to) Reserves	(276,707)	(217,670)
Inventories for Own Use	79,494	0
	<u>\$2,249,477</u>	<u>\$2,549,061</u>
Operating Fund Equity		
Fund Balances	<u>\$2,249,477</u>	<u>\$2,549,061</u>

The Corporation of the City of Grand Forks
Consolidated Statement of Changes in Operating Fund Balances
for the year ended December 31, 2006

	<u>Actual 2006</u>	<u>Budget 2006</u>	<u>Actual 2005</u>
Revenue			
Taxes (Schedule 3)			
Real property, special assessments, grants in lieu	\$5,139,909	\$4,615,851	\$4,487,301
Less: collections for other governments	(2,780,481)	(2,587,054)	(2,586,231)
Taxes (Schedule 3)	<u>\$2,359,428</u>	<u>\$2,028,797</u>	<u>\$1,901,071</u>
Sales of goods and services (Schedule 6)	4,255,676	4,149,645	4,329,188
Other revenues from own sources (Schedule 4)	426,055	242,251	292,994
Senior government grants - Operating (Schedule 5)	456,415	706,501	350,709
Investment income on sinking funds	58,334	30,091	77,788
Interest and investment income (Schedule 8)	<u>173,123</u>	<u>67,700</u>	<u>104,203</u>
	7,729,032	7,224,985	7,055,952
Debt forgiven	134,482	0	0
Annual lease applied to capital project	2,762	0	2,762
Transfer to Library Maintenance	(3,974)	(3,800)	0
	<u>7,862,302</u>	<u>7,221,185</u>	<u>7,058,715</u>
Expenditures (Schedule 9)			
General government	1,046,892	1,146,875	\$1,005,708
Public real estate	257,601	272,028	\$239,417
Protective services	358,095	281,953	190,567
Transportation services	797,618	978,510	828,717
Environmental health services	143,587	143,989	110,694
Public health and welfare	82,462	75,993	67,026
Environmental development	203,839	218,008	109,317
Recreation and cultural services	518,444	444,727	372,116
Distribution based on electrical consumption	336,592	0	0
Utility services	3,244,505	3,350,920	2,862,089
Fiscal charges	38,795	69,930	75,315
	<u>7,028,429</u>	<u>6,982,933</u>	<u>5,860,967</u>
Change in Financial Assets	833,873	238,252	1,197,748
Transfers to Capital - Current Year Revenues	(469,502)	(376,568)	(378,602)
Transfers to Capital - Prior Year Surplus	(331,614)	(350,977)	(1,231)
Transfer to Equipment Replacement Reserve	(150,000)	(50,000)	(50,000)
Transfer to Capital Reserve	(47,700)	(50,000)	(140,000)
Transfer from Slag Sales Reserve	0	198,300	0
Due from Capital reduced	(2,762)	0	(2,762)
Transfer from Prior Years' Surplus	0	0	0
Supplies Inventory change	79,494	0	0
Transfer from Reserve to reduce debt	0	0	0
Debt Principal reduced	<u>(211,373)</u>	<u>(119,551)</u>	<u>(151,673)</u>
Increase (Decrease) in Operating Fund Balances	(299,584)	(510,544)	473,479
Operating Fund Balances - Beginning of Year	<u>2,549,061</u>	<u>2,549,061</u>	<u>2,075,582</u>
Operating Fund Balances - End of Year	<u><u>\$2,249,477</u></u>	<u><u>\$2,038,517</u></u>	<u><u>\$2,549,061</u></u>

The Corporation of the City of Grand Forks
Consolidated Statement of Capital Fund Balances
as at December 31, 2006

	<u>2006</u>	<u>2005</u>
Financial Assets	\$0	\$0
Liabilities		
Long Term Debt (Schedule 2) (Note 5)	<u>246,487</u>	<u>457,860</u>
	246,487	457,860
Net Financial Assets	(246,487)	(457,860)
Due to General Revenue Fund	0	(2,762)
Capital Assets (Schedule 1) (Note 11)	<u>36,710,730</u>	<u>36,071,676</u>
	<u>\$36,464,243</u>	<u>\$35,611,054</u>
Equity in Capital Assets		
General Capital Fund (Schedule 11)	\$22,310,922	\$22,545,622
Water Capital Fund (Schedule 11)	6,053,290	5,374,544
Electrical Capital Fund (Schedule 11)	2,417,643	2,122,119
Sewer Capital Fund (Schedule 11)	<u>5,682,388</u>	<u>5,568,768</u>
	<u>\$36,464,243</u>	<u>\$35,611,054</u>

The Corporation of the City of Grand Forks
Consolidated Statement of Changes in Capital Fund Balances
for the year ended December 31, 2006

	Actual 2006	Budget 2006	Actual 2005
Revenue			
Recovery from third party less deferred (Schedule 6)	\$21,255	0	132,455
Senior government grants - Capital (Schedule 5)	180,667	274,970	611,744
	<u>201,922</u>	<u>274,970</u>	<u>744,199</u>
Expenditures (Schedule 9)			
General government	78,633	695,000	\$51,668
Protective services	42,798	45,000	39,762
Transportation services	336,696	706,195	1,080,165
Environmental development	10,238	200,000	0
Recreation and cultural services	38,796	74,000	3,500
Utility services	878,970	987,600	367,353
	<u>1,386,131</u>	<u>2,707,795</u>	<u>1,542,448</u>
Multiple Year Expenditures - Airport	0	0	(22,000)
Change in Financial Assets	(1,184,209)	(2,432,825)	(776,249)
Capital Funding from Reserves (Statement I)	383,092	1,615,280	405,916
Expenditures funded by Debt or Operating Surplus	(801,116)	(817,545)	(370,333)
Capital loan debt incurred	0	90,000	12,500
Change in Capital Fund Accounts Payable	0	0	(22,000)
Transfers from Operating - Prior Year Surplus	331,614	350,977	1,231
Transfers from Operating - Current Year Revenues	469,502	376,568	378,602
Increase (Decrease) in Capital Fund Balances	(0)	0	0
Capital Fund Balances - Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
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, 2006

	<u>2006</u>	<u>Restated</u> (see Note 9) <u>2005</u>
Financial Assets		
Cash and Temporary Investments (Note 1)	\$5,228,435	\$4,084,964
Accounts Receivable (Note 2)	<u>18,859</u>	<u>17,353</u>
Net Financial Assets	5,247,294	4,102,317
Due from (to) Own Funds		
General Revenue Fund	<u>276,707</u>	<u>217,670</u>
Reserve Fund Balances	<u>\$5,524,001</u>	<u>\$4,319,987</u>
Equity - Reserve Fund Balances		
Domestic Water System Reserve	\$3,042	\$2,922
New Deal Community Works Fund Reserve	149,502	0
Cash in Lieu of Parking Reserve	14,094	13,541
Tax Sale Lands Reserve	54,159	52,032
Equipment Replacement Reserve	161,035	140,521
Capital Reserve	258,700	236,000
Land Sale Reserve	3,142,148	2,258,539
Slag Sale Reserve	<u>1,741,321</u>	<u>1,616,433</u>
	<u>\$5,524,001</u>	<u>\$4,319,987</u>

The Corporation of the City of Grand Forks
Consolidated Statement of Changes in Reserve Fund Balances
for the year ended December 31, 2006

	Actual 2006	Budget 2006	Restated Actual 2005
Receipts			(see Note 9)
Interest allocated to Reserves (Schedules 8 and 14)	197,534	97,882	128,106
Land sale proceeds (Schedule 14)	768,500	10,000	70,287
Development cost charges (Schedules 4 and 14)	0	0	24,398
Grant proceeds placed in reserve (Schedule 5)	145,862	72,950	0
Slag sales (Schedules 6 and 14)	<u>277,511</u>	<u>250,000</u>	<u>293,309</u>
Change in Financial Assets	1,389,407	430,832	516,101
Other Additions			
Transfer from Operating Funds	197,700	100,000	190,000
Unspent Appropriations returned to Reserves (Schedule 14)	0	0	18,333
	<u>1,587,107</u>	<u>530,832</u>	<u>724,434</u>
Appropriations Expended			
General Capital from Capital Reserve	0	0	47,470
General Capital from Land Sales Reserve	0	200,000	0
General Capital from Slag Sales Reserve	224,200	914,030	338,446
General Operating from Slag Sales Reserve	0	198,300	0
Water Capital from Capital Reserve	25,000	25,000	10,000
Water Capital from DCC Reserve	0	227,500	0
Electrical Capital from Equipment Replacement Reserve	31,750	31,750	0
Sewer Capital from Capital Reserve	0	110,000	10,000
General Capital from Equipment Replacement Reserve	<u>102,142</u>	<u>107,000</u>	<u>0</u>
	<u>383,092</u>	<u>1,813,580</u>	<u>405,916</u>
Increase (Decrease) in Reserve Fund Balances	1,204,014	(1,282,748)	318,518
Reserve Fund Balances - Beginning of Year (restated)	<u>4,319,987</u>	<u>4,319,987</u>	<u>4,001,470</u>
Reserve Fund Balances - End of Year	<u><u>5,524,001</u></u>	<u><u>\$3,037,239</u></u>	<u><u>\$4,319,987</u></u>

The Corporation of the City of Grand Forks
Statement of Severance Agreements
for the year ended December 31, 2006

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

Final settlement	50,000
Payment rendered during 2006	<u>(50,000)</u>
Balance - December 31, 2006	<u><u>\$0</u></u>

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

The Corporation of the City of Grand Forks
Notes to the Consolidated Financial Statements
for the year ended December 31, 2006

Page 1

	2006	Restated (see Note 9) 2005
1. Cash:		
Cash	\$900	\$1,000
Operating and other bank accounts	3,232,370	3,072,643
Restricted bank accounts	464,052	393,866
Reserve fund bank accounts	5,228,435	4,084,964
	<u>\$8,925,757</u>	<u>\$7,552,473</u>

In addition, the City holds bank accounts of \$112,282 for trusts comprised as follows:

	Balance December 31, 2005	Interest Earned	Receipts	Disbursements	Balance December 31, 2006
Cemetery	\$104,203	\$4,260	\$0	\$0	\$108,463
Employee Assistance Program	4,019	148	1,612	1,961	3,819
	<u>\$108,222</u>	<u>\$4,409</u>	<u>\$1,612</u>	<u>\$1,961</u>	<u>\$112,282</u>

2. Accounts Receivable:	2006	2005
Property Taxes	\$260,543	\$282,774
Other Governments	397,769	129,419
General	65,835	188,402
Utility Bills Receivable (see Schedule 11)	692,053	834,620
	<u>\$1,416,201</u>	<u>\$1,435,215</u>
3. Inventories for Resale		
Aviation Fuel	\$20,657	\$15,736
Land Held for Resale (written down in prior years)	1	10,239
	<u>\$20,658</u>	<u>\$25,975</u>
4. Accounts Payable and Accrued Liabilities:		
General Trade Payables	\$877,771	\$500,803
Severance Agreement Payable	0	50,000
Due to Other Governments	12,083	0
Salaries and Wages Payable	89,840	81,161
Contractor Holdbacks Payable	32,508	0
Accrued Vacation Pay	213,758	197,064
Accrued Sick and Severance - Union Employees	370,294	371,478
Accrued Sick Leave - Management	246,601	193,835
	<u>1,842,855</u>	<u>1,394,342</u>
Accrued Interest on Water Fund Debt	0	5,806
Accrued Interest on Sewer Fund Debt	884	982
	<u>\$1,843,739</u>	<u>\$1,401,130</u>

Employees accrue vacation credits, which are charged to operations in the year they are earned. Unused vacation is recorded as a liability. Under Article 14 of the contract between the City and the Canadian Union of Public Employees Local 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, 2006 the accrual was 79.2% of the maximum sick leave bank (at December 31, 2005 - 62.2%).

The Corporation of the City of Grand Forks
Notes to the Consolidated Financial Statements
for the year ended December 31, 2006

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>2006</u>	<u>2005</u>
MFA Debenture debt issued and outstanding: (Schedule 2)	\$147,696	\$290,119
Grand Forks District Savings Credit Union term loan, 6% interest	0	19,850
MFA Public Body Leasing Capital Lease	8,998	11,451
Pacific & Western Capital Leases	89,794	136,440
	<u>\$246,487</u>	<u>\$457,860</u>

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Sewer Debenture	8,338	8,755	9,193	9,653	10,135
Capital Leases	52,515	42,427	2,700	1,150	0
	<u>\$60,853</u>	<u>\$51,182</u>	<u>\$11,893</u>	<u>\$10,803</u>	<u>\$10,135</u>

6. Community Works Fund Agreement

The City has entered into a Community Works Fund Agreement administered by the Union of B.C. Municipalities as an agent for the Federal Government under the New Deal Gas Tax Transfer Agreement. Funding is provided based on population and spending of funds received and related interest is limited to approved eligible projects. Unexpended funds must be retained in a reserve until eligible projects are undertaken. Schedule 13 attached to these financial statements shows funds received to date and interest earned. Future funding is projected over the next three years:

	<u>2007</u>	<u>2008</u>	<u>2009</u>
	<u>\$95,895</u>	<u>\$119,115</u>	<u>\$217,900</u>

The Corporation of the City of Grand Forks
Notes to the Consolidated Financial Statements
for the year ended December 31, 2006

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, 2006 the total of the Debt Reserve Fund was:

	2006	2005
Water	\$0	\$88,814
Sewer	9,286	9,161
	\$9,286	\$97,975

8. 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:

	2006	2005
Equity in Capital Assets - Beginning of the year	\$35,611,054	\$36,787,113
Add: Capital Expenditures	1,386,131	1,542,448
Write down based on Tangible Capital Assets analysis	0	(2,860,442)
Original costs of property sold in year	(747,077)	0
Assets purchase funded by Debt	0	(12,500)
Reduction in Multiple Year Payable	0	(22,000)
Reduction in Short Term Debt	2,762	24,762
Reduction in Long Term Debt	211,373	151,673
	\$36,464,242	\$35,611,054

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 2005 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.

(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 140,000 active members and approximately 51,000 retired members. Active members include approximately 31,000 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 \$153,072 for employer contributions to the plan in fiscal year 2006.

The information shown above represents the most current information available at the time of financial report preparation.

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>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Operating Leases					
Office Equipment	\$6,096	\$4,073	\$863	\$863	\$863
Capital Leases					
Office Equipment	2,978	2,978	2,978	1,241	0
Public Works Equipment	58,455	43,841	0	0	0
	<u>\$67,529</u>	<u>\$50,892</u>	<u>\$3,842</u>	<u>\$2,104</u>	<u>\$863</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.

(g) Accounts Payable for Goods not Received during the fiscal year

The City has included in its expenditures for the fiscal year 2006 and its accounts payable as at December 31, 2006, assets ordered during the year to fulfil priorities established for 2006 capital acquisitions in its 2006-2010 Five Year Financial Plan. Although the assets were not physically delivered to the City during 2006, the legal obligation to complete the purchase existed and the items were received and full payment was rendered prior to the preparation of the 2006 Annual Financial Report

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, 2006

	<u>2006</u>	<u>2005</u>
General Capital Fund		
Land - Infrastructure	\$1,140,243	\$1,130,005
Land - Industrial Development for Resale (Note 10f)	183,607	930,684
Downtown Revitalization	916,818	916,818
Buildings	4,663,999	4,663,999
Machinery and Equipment	5,379,123	4,965,076
Engineering Structures	<u>10,036,131</u>	<u>9,953,255</u>
	<u>\$22,319,920</u>	<u>\$22,559,836</u>
Waterworks Capital Fund	<u>\$6,053,289</u>	<u>\$5,509,026</u>
Electrical Utility Capital Fund	<u>\$2,417,643</u>	<u>\$2,122,119</u>
Sanitary Sewer Capital Fund	<u>\$5,919,878</u>	<u>\$5,880,695</u>
	<u>\$36,710,730</u>	<u>\$36,071,676</u>

The Corporation of the City of Grand Forks
Long Term Debt
for the year ended December 31, 2006

<u>Date of Issue</u>	<u>Bylaw</u>	<u>Purpose</u>	<u>Maturity Dates</u>	<u>Debt</u>				<u>Long Term Debt December 31, 2006</u>	<u>Interest Rates</u>
				<u>Original Debenture Debt</u>	<u>Outstanding Before 2006 Retirement</u>	<u>Interest Paid in 2006</u>	<u>Retirements in 2006</u>		
A. DEBENTURES (covered by Debt Reserve Fund - Note 7)									
<i>Waterworks Capital Fund</i>									
November 23, 1983	1166	Waterworks System Improvements	1983 - 2008	696,000	134,482	19,424	134,482	0	7.25%
<i>Sanitary Sewer Capital Fund</i>									
March 24, 1999	1556	Ruckle Sewer Extension	1999 - 2019	195,944	155,637	10,757	7,941	147,696	5.50%
Total Debenture Debt				891,944	290,119	30,181	142,423	147,696	
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	19,850	300	19,850	0	6.00%
C. CAPITAL LEASES AND CONDITIONAL SALES AGREEMENT TO FUND EQUIPMENT ACQUISITIONS									
<i>General Capital Fund</i>									
May 28, 2005	n/a	Xerox Multifunction Copier/Fax/Scanner	2005 - 2010	12,500	11,451	329	2,454	8,998	3.25%
				12,500	11,451	329	2,454	8,998	
<i>Sanitary Sewer Capital Fund</i>									
October 1, 2001	n/a	Vactor Jet Rodder	2001 - 2008	300,166	136,440	7,984	46,647	89,794	7.36%
Total Capital Lease and Conditional Sales Agreement Debt				312,666	147,892	8,314	49,100	98,791	
Total Long Term Debt				\$1,354,610	\$457,860	\$38,795	\$211,373	\$246,487	

The Corporation of the City of Grand Forks
Tax Levies
for the year ended December 31, 2006

	<i>Assessments</i>	<i>Rate per \$1,000</i>	<u>Actual 2006</u>	<u>Budget 2006</u>	<u>Actual 2005</u>
Municipal property taxes:					
- Residential	\$217,936,820	3.80	\$827,912	\$789,464	\$730,168
- Utilities	1,070,700	30.24	32,381	27,596	25,298
- Major industry	14,202,500	52.21	741,470	661,540	606,461
- Light industry	1,973,800	12.50	22,560	21,187	19,423
- Business	43,654,050	11.73	504,622	418,803	413,531
- Recreational	51,400	7.50	386	192	176
- Farm	190,428	7.50	1,428	1,218	1,116
General levy - municipal taxes			2,130,759	1,920,000	1,796,174
Flat tax - road maintenance			114,320	0	0
Special assessments and local improvements			91,124	91,223	87,768
Grants in lieu of taxes			23,225	17,574	17,129
Total taxes for municipal purposes			<u>\$2,359,428</u>	<u>\$2,028,797</u>	<u>\$1,901,071</u>
Collections for other governments:					
School District #51			1,531,736	1,461,320	1,461,291
Regional District of Kootenay Boundary			992,477	912,144	911,357
Regional Hospital Districts			214,183	173,067	173,060
British Columbia Assessment Authority			42,003	40,450	40,450
Municipal Finance Authority			82	73	73
Total collections for other governments			<u>2,780,481</u>	<u>2,587,054</u>	<u>2,586,231</u>
Real Property, Special Assessments, Grants In Lieu			<u>\$5,139,909</u>	<u>\$4,615,851</u>	<u>\$4,487,301</u>

The Corporation of the City of Grand Forks
Other Revenue from Own Sources
for the year ended December 31, 2006

	Actual 2006	Budget 2006	Restated Actual 2005 (see Note 9)
General Revenue Fund:			
Operating			
Building permits	\$94,945	\$15,000	\$42,729
Business licenses	29,710	30,000	29,948
Concessions and franchise	81,839	73,000	72,657
Penalties and interest on taxes	58,210	55,000	54,813
Commissions	4,184	4,211	4,181
Provincial Emergency and Fire recoveries	92,489	0	798
Other Recoveries	15,118	6,000	37,543
Property rentals	49,560	49,040	49,920
	<u>426,055</u>	<u>232,251</u>	<u>292,590</u>
Restricted			
Water Development Cost Charges (Schedule 7)	13,636	5,000	17,267
Sewer Development Cost Charges (Schedule 7)	13,311	5,000	7,131
Class E liquor license	0	0	404
	<u>453,002</u>	<u>242,251</u>	<u>317,392</u>
less: Transfer to Unexpended	(13,636)	(5,000)	
	<u>(13,311)</u>	<u>(5,000)</u>	
	426,055	232,251	317,392
Reserves			
Land Sales (Schedule 14)	768,500	10,000	70,287
	<u>768,500</u>	<u>10,000</u>	<u>70,287</u>
	<u>\$1,194,555</u>	<u>\$242,251</u>	<u>\$387,679</u>

The Corporation of the City of Grand Forks
Grants
for the year ended December 31, 2006

	<u>Actual 2006</u>	<u>Budget 2006</u>	<u>Actual 2005</u>
Operating			
General - Small Communities Protection	\$335,435	\$284,191	\$284,191
General - Airshed Management	40,000	0	0
General - Crystal Meth Strategies	15,000	0	0
General - Airport Operations	7,620	7,620	0
General - Dyke Crest Gauges	6,872	0	0
General - Sundry Contributions from Regional District	4,100	0	0
General - Summer Student Program	2,130	0	0
General - OCP/Zoning Bylaw Updates	0	30,000	0
General - New Deal Gas Tax Grant	145,862	72,950	0
General - Victim Assistance	28,178	24,000	24,356
	<hr/>	<hr/>	<hr/>
- General Fund Operating Grants	585,196	418,761	308,547
Transfer New Deal to Reserves (Schedule 14)	(145,862)	0	0
	<hr/>	<hr/>	<hr/>
Water - Revenue Sharing	17,081	34,161	34,162
Water - Drought Management Plan	0	0	8,000
Water - New Deal Gas Tax Grant	0	72,912	0
Water - Reservoir Repairs (see Capital)	0	180,667	0
	<hr/>	<hr/>	<hr/>
Total Operating Grants	<u>\$456,415</u>	<u>\$706,501</u>	<u>\$350,709</u>
Capital			
General - Provincial Airport Upgrade	0	0	469,364
General - Provincial Legacy Grant	0	250,000	0
General - Tourism Visitor Information Centre	0	24,970	0
General - Other Airport Upgrade	0	0	142,380
	<hr/>	<hr/>	<hr/>
Water - Reservoir Capital Upgrade (see Operations)	180,667	0	0
	<hr/>	<hr/>	<hr/>
Total Capital Grants	<u>\$180,667</u>	<u>\$274,970</u>	<u>\$611,744</u>

The Corporation of the City of Grand Forks
Sales of Goods and Services
for the year ended December 31, 2006

	<u>Actual 2006</u>	<u>Budget 2006</u>	<u>Actual 2005</u>
General Revenue Fund:			
Operating			
Garbage	\$140,378	\$140,800	\$105,215
Cemetery	33,521	19,400	19,340
Airport (net of cost of fuel sold)	24,497	18,145	24,899
Transportation Custom Work Orders	3,610	7,500	11,524
Environmental Development	9,386	7,500	6,894
Campground	33,632	0	0
Sundry	6,860	3,200	6,515
	<u>251,883</u>	<u>196,545</u>	<u>174,387</u>
Reserves			
Slag	<u>277,511</u>	<u>250,000</u>	<u>293,309</u>
Total General Revenue Fund (Schedule 12)	<u>529,394</u>	<u>446,545</u>	<u>467,696</u>
Water Revenue Fund:			
User Fees	620,026	615,000	613,264
Connection Fees and Custom Work Orders	15,812	10,950	23,710
Penalties	3,357	5,500	5,922
	<u>639,196</u>	<u>631,450</u>	<u>642,896</u>
Less: Discounts for early payment	<u>(22,797)</u>	<u>(22,650)</u>	<u>(22,719)</u>
Total Water Revenue Fund (Schedule 12)	<u>616,398</u>	<u>608,800</u>	<u>620,177</u>
Electrical Revenue Fund:			
User Fees	2,642,868	2,640,000	2,820,313
Connection Fees and Custom Work Orders	40,600	16,000	34,636
Penalties	26,410	30,000	28,630
Pole Fees and Sundry	2,608	4,800	2,983
	<u>2,712,486</u>	<u>2,690,800</u>	<u>2,886,561</u>
Total Electrical Revenue Fund (Schedule 12)	<u>2,712,486</u>	<u>2,690,800</u>	<u>2,886,561</u>
Sewer Revenue Fund:			
User Fees	668,425	660,000	657,754
Connection Fees and Custom Work Orders	16,397	5,100	2,073
Penalties	3,993	8,300	8,195
Sludge Processing and Sundry	6,400	0	0
	<u>695,215</u>	<u>673,400</u>	<u>668,022</u>
Less: Discounts for early payment	<u>(20,306)</u>	<u>(19,900)</u>	<u>(19,958)</u>
Total Sewer Revenue Fund (Schedule 12)	<u>674,909</u>	<u>653,500</u>	<u>648,063</u>
Electrical Capital Fund:			
Electrical Custom Work Orders (Schedule 12)	<u>21,255</u>	<u>0</u>	<u>132,455</u>
Total Sales of Goods and Services	<u>\$4,554,443</u>	<u>\$4,399,645</u>	<u>\$4,754,952</u>

The Corporation of the City of Grand Forks
Continuity Schedule of Restricted Revenues
for the year ended December 31, 2006

	Restated (see Note 9) Balance <u>December 31, 2005</u>	Interest Earned	Collections	Expenditures	Balance <u>December 31, 2006</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	1,854	76	0	0	1,930
Water Development Cost Charges	219,840	9,412	13,636	0	242,888
Sewer Development Cost Charges	172,172	7,407	13,311	0	192,890
Special Museum Relocation	0	462	25,882	0	26,344
RDKB Community Centre Operations	0	0	12,147	0	12,147
Victim Assistance Program	4,643	0	26,085	28,178	2,551
	<u>\$420,330</u>	<u>\$17,357</u>	<u>\$91,061</u>	<u>\$28,178</u>	<u>\$500,571</u>

The Corporation of the City of Grand Forks
Interest and Investment Income
for the year ended December 31, 2006

	<u>Actual</u> <u>2006</u>	<u>Budget</u> <u>2006</u>	<u>Restated</u> <u>Actual</u> <u>2005</u> (see Note 9)
Income from sources requiring restriction or deferment			
Reserves: (Schedule 14)			
Water Reserve	\$119	\$82	\$76
Equipment Reserve	4,406	1,500	2,552
Tax Land Sale Reserve	2,127	1,000	1,359
Cash in Lieu of Parking Reserve	554	300	354
New Deal Gas Tax Transfer	3,641	0	0
Land Sales Reserve	115,109	50,000	77,226
Slag Sales Reserve	71,577	45,000	46,539
	<u>197,534</u>	<u>97,882</u>	<u>128,106</u>
Other Restricted Accounts: (Schedule 7)			
Business Improvement Area	76	30	48
Water Development Cost Charges Reserve	9,412	5,000	5,524
Sewer Development Cost Charges Reserve	7,407	4,000	4,487
Special Museum Relocation	462	0	0
	<u>17,357</u>	<u>9,030</u>	<u>10,059</u>
Income available for general use			
Cemetery Account	4,260	2,700	2,712
Airport Account	440	0	8,805
General Account	168,423	65,000	92,687
	<u>173,123</u>	<u>67,700</u>	<u>104,203</u>
	<u>\$388,014</u>	<u>\$174,612</u>	<u>\$242,369</u>
Investment income on sinking funds			
Water Fund (applied against debenture debt)	0	28,076	26,045
Water Fund (one time final refund bond issue surplus)	56,319	0	21,127
Sewer Fund (applied against debenture debt)	2,015	2,015	1,637
Sewer Fund (one time final refund bond issue surplus)	0	0	28,979
	<u>\$58,334</u>	<u>\$30,091</u>	<u>\$77,788</u>

The Corporation of the City of Grand Forks
Expenditures by Function
for the year ended December 31, 2006

	Operating		Capital		Total		
	<u>Actual 2006</u>	<u>Budget 2006</u>	<u>Actual 2006</u>	<u>Budget 2006</u>	<u>Actual 2006</u>	<u>Budget 2006</u>	<u>Actual 2005</u>
General government	\$1,046,892	\$1,146,875	\$78,633	\$75,000	\$1,125,525	\$1,221,875	\$1,057,376
Public real estate	257,601	272,028	0	620,000	257,601	892,028	239,417
Protective services	358,095	281,953	42,798	45,000	400,893	326,953	230,329
Transportation services	792,694	978,510	336,696	706,195	1,129,390	1,684,705	1,908,881
Residential garbage disposal	143,587	143,989	0	0	143,587	143,989	110,694
Cemetery services	82,462	75,993	0	0	82,462	75,993	67,026
Economic and community services	203,839	218,008	10,238	200,000	214,077	418,008	109,317
Recreation and cultural services	518,444	444,727	38,796	74,000	557,240	518,727	375,616
Distribution based on electrical consumption	336,592	0	0	0	336,592	0	0
Utility services	3,169,934	3,350,920	878,970	987,600	4,048,904	4,338,520	3,229,442
Fiscal charges	38,795	69,930	0	0	38,795	69,930	75,315
	<u>\$6,948,935</u>	<u>\$6,982,933</u>	<u>\$1,386,131</u>	<u>\$2,707,795</u>	<u>\$8,335,066</u>	<u>\$9,690,728</u>	<u>\$7,403,415</u>
Utility Services							
Water	431,156	686,219	544,263	436,500	975,419	1,122,719	362,564
Electrical	2,291,435	2,250,461	295,524	330,000	2,586,959	2,580,461	2,476,282
Sewer	447,343	414,240	39,183	221,100	486,526	635,340	390,597
	<u>3,169,934</u>	<u>3,350,920</u>	<u>878,970</u>	<u>987,600</u>	<u>4,048,904</u>	<u>4,338,520</u>	<u>3,229,442</u>
Fiscal Charges							
General	329	330	0	0	329	330	907
Water	19,424	50,460	0	0	19,424	50,460	50,460
Sewer	19,042	19,140	0	0	19,042	19,140	23,948
(Schedule 2)	<u>38,795</u>	<u>69,930</u>	<u>0</u>	<u>0</u>	<u>38,795</u>	<u>69,930</u>	<u>75,315</u>

The Corporation of the City of Grand Forks
Expenditures by Object
for the year ended December 31, 2006

	Operating		Capital		Total		
	<u>Actual 2006</u>	<u>Budget 2006</u>	<u>Actual 2006</u>	<u>Budget 2006</u>	<u>Actual 2006</u>	<u>Budget 2006</u>	<u>Actual 2005</u>
Wages and employee benefits	\$2,635,122	\$2,494,358	\$121,082	\$21,922	\$2,756,204	\$2,516,280	\$2,359,465
Purchased electricity	1,943,001	1,874,000	0	0	1,943,001	1,874,000	1,798,042
Subcontracts	497,675	751,447	420,049	1,337,500	917,724	2,088,947	1,437,743
Capital Equipment purchases	0	0	683,680	739,295	683,680	739,295	298,127
Materials and supplies	393,719	460,925	111,819	64,188	505,538	525,113	394,747
Electrical consumption rebate	336,592	0	0	0	336,592	0	0
Professional fees	168,484	258,550	24,849	337,000	193,333	595,550	115,653
Residential garbage pickup and tipping fees	143,588	142,489	0	0	143,588	142,489	106,914
Heat and light	141,442	134,430	0	0	141,442	134,430	121,641
Insurance	128,790	133,395	0	0	128,790	133,395	129,588
Vehicle and equipment operating costs	101,418	133,805	14,414	7,890	115,832	141,695	115,375
Office, delivery and sundry	110,956	136,926	0	0	110,956	136,926	103,360
Conferences, seminars and training	81,963	102,866	0	0	81,963	102,866	83,273
Grants	72,010	114,877	0	0	72,010	114,877	62,427
Telecommunications	60,468	84,441	0	0	60,468	84,441	55,998
Debt interest and bank charges	52,133	80,680	0	0	52,133	80,680	88,614
Advertising and public information	49,418	43,526	0	0	49,418	43,526	37,734
Fees, dues and licenses	18,396	22,224	0	0	18,396	22,224	19,564
Lease and rental	13,760	13,994	0	0	13,760	13,994	25,150
Land and building acquisitions	0	0	10,238	200,000	10,238	200,000	0
Severance Agreement	0	0	0	0	0	0	50,000
	<u>\$6,948,935</u>	<u>\$6,982,933</u>	<u>\$1,386,131</u>	<u>\$2,707,795</u>	<u>8,335,066</u>	<u>\$9,690,728</u>	<u>\$7,403,415</u>

The Corporation of the City of Grand Forks
Financial Position by Fund
as at December 31, 2006

General Revenue Fund	2006	Restated (see Note 9) 2005
Financial Assets		
Cash and Temporary Investments (Note 1)	\$3,697,322	\$3,467,509
Accounts Receivable (Note 2)	956,713	846,611
Lease Deposit (Note 3)	5,000	0
Inventories for Resale (Note 3)	20,658	25,975
Due from Trust	1,217	598
	<u>4,680,910</u>	<u>4,340,692</u>
Liabilities		
Accounts Payable (Note 4)	1,842,855	1,394,342
Deferred Revenues	330,539	326,514
Restricted Revenues (Schedule 7)	500,571	420,330
	<u>2,673,964</u>	<u>2,141,187</u>
Net Financial Assets	<u>2,006,946</u>	<u>2,199,506</u>
Inventories for Own Use	4,924	0
Due from (to) Own Funds		
General Capital Fund	0	2,762
Water Revenue Fund	(1,019,426)	(1,165,495)
Electrical Revenue Fund	175,161	(14,127)
Sewer Revenue Fund	(491,245)	(419,454)
	<u>(1,335,510)</u>	<u>(1,596,314)</u>
Due from (to) Reserves		
Equipment Replacement Reserve	(118,250)	0
Slag Sales Reserve	100,243	18,330
Capital Reserve	(258,700)	(236,000)
	<u>(276,707)</u>	<u>(217,670)</u>
	<u>\$399,652</u>	<u>\$385,521</u>
Equity		
General Fund Equity	<u>\$399,652</u>	<u>\$385,521</u>

The Corporation of the City of Grand Forks
Financial Position by Fund
as at December 31, 2006

Schedule 11
(continued)

Water Revenue Fund		
	<u>2006</u>	<u>2005</u>
Financial Assets		
Accounts Receivable (Note 2)	\$8,988	\$9,933
Liabilities		
Accounts Payable (Note 4)	0	5,806
Net Financial Assets	<u>8,988</u>	<u>4,126</u>
Inventories for Own Use	15,439	0
Due from (to) Own Funds		
General Revenue Fund	<u>1,019,426</u>	<u>1,165,495</u>
	<u>\$1,043,853</u>	<u>\$1,169,622</u>
Equity		
Water Fund Equity	<u>\$1,043,853</u>	<u>\$1,169,622</u>
Electrical Revenue Fund		
	<u>2006</u>	<u>2005</u>
Financial Assets		
Accounts Receivable (Note 2)	\$412,591	\$541,007
Net Financial Assets	412,591	541,007
Inventories for Own Use	53,191	0
Due from (to) Own Funds		
General Revenue Fund	<u>(175,161)</u>	<u>14,127</u>
	<u>\$290,621</u>	<u>\$555,134</u>
Equity		
Electrical Fund Equity	<u>\$290,621</u>	<u>\$555,134</u>
Sewer Revenue Fund		
	<u>2006</u>	<u>2005</u>
Financial Assets		
Accounts Receivable (Note 2)	\$19,050	\$20,312
Liabilities		
Accounts Payable (Note 4)	884	982
Net Financial Assets	<u>18,166</u>	<u>19,330</u>
Inventories for Own Use	5,941	0
Due from (to) Own Funds		
General Revenue Fund	<u>491,245</u>	<u>419,454</u>
	<u>\$515,352</u>	<u>\$438,785</u>
Equity		
Sewer Fund Equity	<u>\$515,352</u>	<u>\$438,785</u>

The Corporation of the City of Grand Forks
Financial Position by Fund
as at December 31, 2006

Schedule 11
(continued)

General Capital Fund		
	<u>2006</u>	<u>2005</u>
Financial Assets	\$0	\$0
Liabilities		
Long Term Debt (Schedule 2) (Note 5)	8,998	11,451
	<u>8,998</u>	<u>11,451</u>
Net Financial Assets	(8,998)	(11,451)
Due from (to) Own Funds		
General Revenue Fund	0	(2,762)
Capital Assets (Schedule 1) (Note 11)	<u>22,319,920</u>	<u>22,559,836</u>
Equity		
Equity in Capital Assets (Note 8)	<u>\$22,310,922</u>	<u>\$22,545,622</u>
Water Capital Fund		
	<u>2006</u>	<u>2005</u>
Financial Assets	\$0	\$0
Liabilities		
Long Term Debt (Schedule 2) (Note 5)	0	134,482
Net Financial Assets	<u>0</u>	<u>(134,482)</u>
Capital Assets (Schedule 1) (Note 11)	<u>6,053,289</u>	<u>5,509,026</u>
Equity		
Equity in Capital Assets (Note 8)	<u>\$6,053,289</u>	<u>\$5,374,544</u>
Electrical Capital Fund		
	<u>2006</u>	<u>2005</u>
Net Financial Assets	\$0	\$0
Capital Assets (Schedule 1) (Note 11)	<u>2,417,643</u>	<u>2,122,119</u>
Equity		
Equity in Capital Assets (Note 8)	<u>\$2,417,643</u>	<u>\$2,122,119</u>
Sewer Capital Fund		
	<u>2006</u>	<u>2005</u>
Financial Assets	\$0	\$0
Liabilities		
Long Term Debt (Schedule 2) (Note 5)	237,489	311,927
Net Financial Assets	<u>(237,489)</u>	<u>(311,927)</u>
Capital Assets (Schedule 1) (Note 11)	<u>5,919,878</u>	<u>5,880,695</u>
Equity		
Equity in Capital Assets (Note 8)	<u>\$5,682,388</u>	<u>\$5,568,768</u>

The Corporation of the City of Grand Forks
Financial Position by Fund
as at December 31, 2006

Schedule 11
 (continued)

Reserve Fund		
	<u>2006</u>	<u>2005</u>
Financial Assets		
Cash and Temporary Investments (Note 1)	\$5,228,435	\$4,084,964
Accounts Receivable (Note 2)	<u>18,859</u>	<u>17,353</u>
	5,247,294	4,102,317
Liabilities	<u>0</u>	<u>0</u>
Net Financial Assets	5,247,294	4,102,317
Due from (to) Own Funds		
General Revenue Fund	<u>276,707</u>	<u>217,670</u>
Equity - Reserve Fund Balances	<u>\$5,524,001</u>	<u>\$4,319,987</u>
Equity - Reserve Fund Balances		
Domestic Water System Reserve	\$3,042	\$2,922
New Deal Community Works Fund Reserve	149,502	0
Tax Sale Lands Reserve	54,159	52,032
Cash in Lieu of Parking Reserve	14,094	13,541
Equipment Replacement Reserve	161,035	140,521
Land Sale Reserve	3,142,148	2,258,539
Capital Reserve	258,700	236,000
Slag Sale Reserve	<u>1,741,321</u>	<u>1,616,433</u>
	<u>\$5,524,001</u>	<u>\$4,319,987</u>

The Corporation of the City of Grand Forks
Financial Activities by Fund
for the year ended December 31, 2006

General Fund	Actual 2006	Budget 2006	Restated Actual 2005 (see Note 9)
Revenue			
Taxes (Schedule 3)			
Real property, special assessments, grants in lieu	5,133,869	\$4,609,811	4,481,261
Less: collections for other governments	(2,780,481)	(2,587,054)	(2,586,231)
Taxes (Schedule 3)	<u>2,353,387</u>	<u>\$2,022,757</u>	<u>\$1,895,030</u>
Sales of goods and services (Schedule 6)	529,394	446,545	467,696
Other revenues from own sources (Schedule 4)	1,194,555	242,251	387,679
Senior government grants - Operating (Schedule 4)	585,196	418,761	308,547
Senior government grants - Capital (Schedule 5)	0	274,970	611,744
Interest income (Schedule 8)	388,014	174,612	242,369
	<u>5,050,546</u>	<u>3,579,896</u>	<u>3,913,065</u>
Transfer to Library Maintenance	(3,974)	(3,800)	0
Capital project funding deferred	2,762	0	2,762
Restricted Interest (Schedule 7)	(17,357)	(9,030)	(10,059)
	<u>5,031,977</u>	<u>3,567,066</u>	<u>3,905,768</u>
Expenditures			
General government	1,125,525	1,221,875	1,057,376
Public real estate	257,601	892,028	239,417
Protective services	400,893	326,953	230,329
Transportation services	1,134,314	1,684,705	1,908,881
Residential garbage disposal	143,587	143,989	110,694
Cemetery services	82,462	75,993	67,026
Economic and community services	214,077	418,008	109,317
Recreation and cultural services	557,240	518,727	375,616
Distribution based on electrical consumption	336,592	0	0
Fiscal charges	329	330	907
	<u>4,252,619</u>	<u>5,282,608</u>	<u>4,099,564</u>
Multiple Year Expenditures - Airport	0	0	(22,000)
	<u>4,252,619</u>	<u>5,282,608</u>	<u>4,077,564</u>
Change in Net Financial Assets	779,358	(1,715,542)	(171,797)
Appropriation from Land Sales Reserve	0	200,000	0
Appropriation from Equipment Replacement Reserve	102,142	107,000	0
Appropriation from Capital Reserve	0	0	47,470
Appropriation from Slag Sales Reserve	224,200	1,112,330	338,446
Transfer Income to Reserves (Schedule 14)	(1,341,873)	(309,000)	(437,995)
Transfer from Electrical Fund	395,346	401,000	401,000
Transfer from Water Fund	26,392	28,000	0
Transfer from Sewer Fund	26,392	38,000	0
Capital project funding deferred	(2,762)	0	(2,762)
Supplies Inventory change	4,924	0	0
Long term trade accounts payable	0	0	(22,000)
Debt incurred	0	90,000	12,500
Principal repaid	(2,454)	(2,454)	(27,506)
Interest on Reserve Accounts (Schedule 8)	(197,534)	(97,882)	(128,106)
Increase (Decrease) in General Fund Balance	<u>14,131</u>	<u>(148,548)</u>	<u>9,249</u>
General Fund Balance - Beginning of Year - Restated	<u>385,521</u>	<u>385,521</u>	<u>376,272</u>
General Fund Balance - End of Year	<u><u>399,652</u></u>	<u><u>\$236,973</u></u>	<u><u>\$385,521</u></u>

The Corporation of the City of Grand Forks
Financial Activities by Fund
for the year ended December 31, 2006

Schedule 12
(continued)

Water Fund			
	Actual 2006	Budget 2006	Actual 2005
Revenue			
Sales of goods and services (Schedule 6)	\$616,398	\$608,800	\$620,177
Investment income on sinking funds (Note 5)	56,319	28,076	47,172
Senior government grants - Operating (Schedule 5)	17,081	34,161	42,162
Senior government grants - Capital (Schedule 5)	180,667	0	0
	<u>870,465</u>	<u>671,037</u>	<u>709,510</u>
Add: Debt forgiven	134,482	0	0
	<u>1,004,947</u>	<u>671,037</u>	<u>709,510</u>
Expenditures			
Utility services	990,858	1,122,719	362,564
Fiscal charges	19,424	50,460	50,460
	<u>1,010,282</u>	<u>1,173,179</u>	<u>413,024</u>
Change in Net Financial Assets	(5,334)	(502,142)	296,486
Transfer to General Capital Fund	(26,392)	(28,000)	0
Appropriation from Capital Reserve	25,000	25,000	10,000
Appropriation from Development Cost Charge Reserve	0	227,500	0
Principal repaid	(134,482)	(42,659)	(40,627)
Transfer Income to Reserves (Schedule 14)	0	0	(25,000)
Supplies Inventory change	15,439	0	0
	<u>(125,769)</u>	<u>(320,301)</u>	<u>240,859</u>
Increase (Decrease) in Water Fund Balance	(125,769)	(320,301)	240,859
Water Fund Balance - Beginning of Year - Restated	<u>1,169,622</u>	<u>1,169,622</u>	<u>928,763</u>
Water Fund Balance - End of Year	<u>\$1,043,853</u>	<u>\$849,321</u>	<u>\$1,169,622</u>

The Corporation of the City of Grand Forks
Financial Activities by Fund
for the year ended December 31, 2006

Schedule 12
(continued)

Electrical Fund			
	Actual 2006	Budget 2006	Actual 2005
Revenue			
Sales of goods and services - Operating (Schedule 6)	\$2,712,486	\$2,690,800	\$2,886,561
Electrical Custom Work Orders - Capital (Schedule 6)	21,255	0	132,455
	<u>2,733,741</u>	<u>2,690,800</u>	<u>3,019,016</u>
Expenditures			
Purchased electricity (Schedule 10)	1,943,001	1,874,000	1,798,042
Utility services	697,149	706,461	678,240
	<u>2,640,150</u>	<u>2,580,461</u>	<u>2,476,282</u>
Change in Net Financial Assets	93,591	110,339	542,734
Supplies Inventory change	53,191	0	0
Appropriation from Equipment Replacement Reserve	31,750	31,750	0
Transfer Income to Reserves (Schedule 14)	(47,700)	(50,000)	(50,000)
Transfer to General Fund	<u>(395,346)</u>	<u>(401,000)</u>	<u>(401,000)</u>
Increase (Decrease) in Electrical Fund Balance	(264,514)	(308,911)	91,734
Electrical Fund Balance - Beginning of Year - Restated	<u>555,134</u>	<u>555,134</u>	<u>463,400</u>
Electrical Fund Balance - End of Year	<u><u>\$290,621</u></u>	<u><u>\$246,223</u></u>	<u><u>\$555,134</u></u>

The Corporation of the City of Grand Forks
Financial Activities by Fund
for the year ended December 31, 2006

Schedule 12
(continued)

Sewer Fund			
	Actual <u>2006</u>	Budget <u>2006</u>	Actual <u>2005</u>
Revenue			
Taxes (Schedule 3)			
Special assessments	\$6,041	\$6,040	\$6,041
Sales of goods and services (Schedule 6)	674,909	653,500	648,063
Investment income on sinking funds (Note 5)	2,015	2,015	30,617
	<u>682,965</u>	<u>661,555</u>	<u>684,720</u>
Expenditures			
Utility services	492,467	635,340	390,597
Fiscal charges	19,042	19,140	23,948
	<u>511,509</u>	<u>654,480</u>	<u>414,544</u>
Change in Net Financial Assets	171,456	7,075	270,176
Supplies Inventory change	5,941	0	0
Transfer to General Capital Fund	(26,392)	(38,000)	0
Appropriation from Capital Reserve	0	110,000	10,000
Transfer Income to Reserves (Schedule 14)	0	0	(65,000)
Debt Principal Reduced	(74,438)	(74,438)	(83,540)
Increase (Decrease) in Sewer Fund Balance	76,567	4,637	131,636
Sewer Fund Balance - Beginning of Year - Restated	<u>438,785</u>	<u>438,785</u>	<u>307,148</u>
Sewer Fund Balance - End of Year	<u><u>\$515,352</u></u>	<u><u>\$443,422</u></u>	<u><u>\$438,785</u></u>

The Corporation of the City of Grand Forks
Continuity Schedule of Community Works Fund (Federal Gas Tax New Deal Transfers)
for the year ended December 31, 2006

Schedule 13

	<u>Balance</u> <u>December 31, 2005</u>	<u>Transfers in</u> <u>Current Year</u>	<u>Interest Earned</u> <u>on Unexpended</u>	<u>Expenditures</u>	<u>Balance</u> <u>December 31, 2006</u>
Community Works Fund Transfers	\$0	\$145,862	\$3,641	\$0	\$149,502
	(\$0)	\$145,862	\$3,641	\$0	\$149,502

The Corporation of the City of Grand Forks
Continuity Schedule of Reserves
for the year ended December 31, 2006

Schedule 14

	<u>Balance</u> <u>December 31, 2005</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, 2006</u>
					<u>Returned</u>	<u>Appropriations</u>	
Domestic Water System Reserve	\$2,922	\$119	\$0	\$0	\$0	\$0	\$3,042
Equipment Replacement Reserve	140,521	4,406	150,000	0	0	133,892	161,035
Land Sale Reserve	2,258,539	115,109	0	768,500	0	0	3,142,148
Tax Sale Lands Reserve	52,032	2,127	0	0	0	0	54,159
Cash-In-Lieu of Parking Reserve	13,541	554	0	0	0	0	14,094
Slag Sale Reserve	1,616,433	71,577	0	277,511	0	224,200	1,741,321
New Deal Community Works Fund Reserve	0	3,641	0	145,862	0	0	149,502
Capital Reserve	236,000	0	47,700	0	0	25,000	258,700
	<u>\$4,319,987</u>	<u>\$197,534</u>	<u>\$197,700</u>	<u>\$1,191,873</u>	<u>\$0</u>	<u>\$383,092</u>	<u>\$5,524,001</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, 2006

1. Elected Officials

<u>Name</u>	<u>Position</u>	<u>Remuneration</u>	<u>Expenses</u>	<u>Total</u>
Ann Gordon	Councillor	14,452	2,354	16,806
Tom Hinter	Councillor	14,452	3,655	18,107
Neil Krog	Councillor/Mayor	19,269	4,327	23,595
Chris Moslin	Councillor	14,452	2,923	17,374
Patrick O'Doherty	Councillor	14,452	644	15,095
Gene Robert	Councillor	14,452	4,111	18,562
Tom Shkrabuik	Councillor	14,452	0	14,452
Total: Elected Officials		105,978	18,013	123,991

2. Other Employees

<u>Name</u>	<u>Position</u>	<u>Remuneration</u>	<u>Expenses</u>	<u>Total</u>
Lynne Burch	City Clerk	86,810	3,506	90,316
Sergio Federico	Electrical Coordinator- Retired	92,195	82	92,277
William Harp	Electrical Lineman	77,599	120	77,719
Mike Imrie	Water & Sewer System Coordinator	108,562	2,777	111,339
Wayne Kopan	Works & Services Manager	78,734	113	78,847
Victor Kumar	City Manager	128,920	9,293	138,214
Blair Macgregor	Fire Chief	79,932	2,689	82,621
Gary Onions	Electrical Coordinator	77,787	345	78,131
Earl Salamandyk	Sewer & Water Equipment Operator	80,649	1,682	82,331
Dan Zabinsky	Treasurer/Deputy Clerk	82,971	2,602	85,573
Other 34 employees (Under \$75,000)		1,352,569	15,719	1,368,288
Total: Other Employees		2,246,728	38,929	2,285,656

Subtotal: All Remuneration**2,352,706****Reconciling Items**

Payroll taxes (CPP, EI, WCB)	135,320
Employer Pension Contributions	153,072
Health Insurance	64,354
Reductions	(20,486)
2006 yearend accruals less 2005	71,238

Wages and employee benefits**2,756,204**

(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, 2006

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

<u>Supplier name</u>	<u>Aggregate amount paid</u>
Alpine (Interior) Disposal	\$119,968
A.M. Ford Sales Ltd.	\$34,886
Arrow Installations Ltd.	47,265
B.C. Assessment Authority	42,032
British Columbia Life & Casualty Company	32,461
Bi Pure Water (Canada) Inc.	32,957
Chamber of Commerce	76,839
Champion Chevrolet	33,819
City of Nelson	73,069
Dave Dale Insurance	52,699
Drexler Computer Systems Ltd	53,720
FortisBC Inc.	2,165,548
Grand Forks Janitorial Services	37,474
Grand Forks Volunteer Fire Department	39,529
Guillevin International	33,937
Hasson Holdings Ltd.	50,000
Heenan Blaikie In Trust	50,000
Insurance Corporation of B.C.	28,171
International Safety Instruments	29,948
Itron Canada Inc.	66,369
Kerr Wood Liedal Associates	40,912
Kootenay Boundary Regional Hospital District	35,086
Layfield Environmental Systems	310,129
Medical Services Plan (Revenue Services BC)	33,624
Minister of Finance - Social Services Tax	105,793
Minister of Finance - Real Property Taxation	614,002
Municipal Insurance	39,021
Municipal Pension Plan	287,967
Pacific Blue Cross	70,803
Pacific & Western Public Sector Financing Corp	62,006
Points West Audio Visual Ltd.	31,303
Profire Emergency Equipment Inc.	34,639
Receiver General for Canada	652,462
Redi Electric	25,211
Regional District of Kootenay Boundary	1,119,350
Selkirk Paving Ltd.	77,194
Sequoia Fuels	54,623
TD Waterhouse Canada Inc.	46,305
Terasen Gas Inc.	28,547
Twin Lake Service	82,696
Unifab Industries Ltd.	25,641
Vadim Computer Management Group	48,429
Vimar Equipment Ltd.	100,970
Voda Computer Systems Ltd.	54,007
West Kootenay Boundary Regional Hospital District	179,229
Workers Compensation Board	31,382
	<u>7,292,020</u>

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

1,499,404

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

Boundary Museum 40,213

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

8,831,636

Reconciling Items

Payroll deduction and benefit payments	(1,229,433)
Payments issued against debt principal	(74,876)
Overpayment refunds	(48,090)
Taxes collected for other authorities	(2,211,465)
	<u>5,267,771</u>

Total Expenditures in year (Schedules 9 & 10)

8,335,066

less Electrical consumption distribution (336,592)

less Wages and employee benefits (Schedule 10 & 15) (2,756,204)

Net payments for goods, services, grants and contributions in year 5,242,270

2006 yearend accruals less 2005 25,501

5,267,771

The Corporation of the City of Grand Forks
Schedule of Capital Projects Undertaken
for the year ended December 31, 2006

GENERAL FUND	
CITY HALL OFFICE EQUIPMENT AND FURNISHINGS	72,735
MOBILE SOUND EQUIPMENT	5,898
PROTECTIVE SERVICES EQUIPMENT	42,798
PUBLIC WORKS YARD EQUIPMENT	21,385
PUBLIC WORKS MACHINERY AND MOBILE EQUIPMENT	271,231
PAVING AND ROADWORK	44,080
LAND ACQUISITION	10,238
CITY PARK UPGRADE	17,515
IRRIGATION MANAGEMENT CONTROL SYSTEM	21,281
	<u>507,161</u>
FUNDED BY:	
APPROPRIATIONS FROM EQUIPMENT REPLACEMENT RESERVE	102,142
APPROPRIATIONS FROM SLAG SALES RESERVE	230,098
CURRENT YEAR'S REVENUES (WATER)	26,392
CURRENT YEAR'S REVENUES (SEWER)	26,392
CURRENT YEAR'S REVENUES (TAXATION)	122,137
	<u>507,161</u>
WATER FUND	
EAST ZONE RESERVOIR UPGRADE	488,108
COMMERCIAL WATER METERING PROGRAM	52,655
MACHINERY AND OPERATING EQUIPMENT	3,500
	<u>544,263</u>
FUNDED BY:	
CANADA-BC INFRASTRUCTURE GRANT	180,667
APPROPRIATIONS FROM CAPITAL RESERVE	25,000
PRIOR YEARS' SURPLUS	132,655
CURRENT YEAR'S REVENUES (USER FEES)	205,941
	<u>544,263</u>
ELECTRICAL FUND	
IMPROVE ELECTRICAL SUPPLY POINTS	64,514
MACHINERY AND OPERATING EQUIPMENT	300
ELECTRICAL LINE TRUCK	230,710
	<u>295,524</u>
FUNDED BY:	
CUSTOM WORK ORDER BILLING	21,255
PRIOR YEARS' SURPLUS	198,960
APPROPRIATIONS FROM EQUIPMENT REPLACEMENT RESERVE	31,750
CURRENT YEAR'S REVENUES (USER FEES)	43,559
	<u>295,524</u>
SEWER FUND	
SEWER LINE AND PUMPING STATION UPGRADE	11,169
MACHINERY AND OPERATING EQUIPMENT	28,014
	<u>39,183</u>
FUNDED BY:	
CURRENT YEAR'S REVENUES (USER FEES)	39,183
	<u>39,183</u>
TOTAL EXPENDITURES ON CAPITAL	<u>1,386,131</u>
	(Schedules 9 & 10)

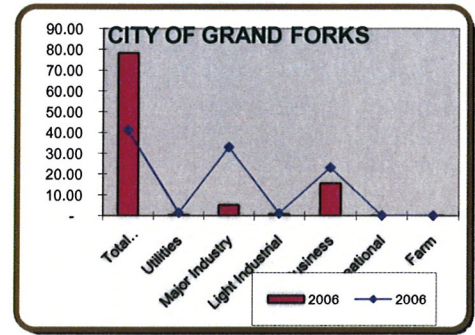
STATISTICAL SECTION

The Corporation of the City of Grand Forks Assessment / Taxation Comparative Statistics As At December 31, 2006

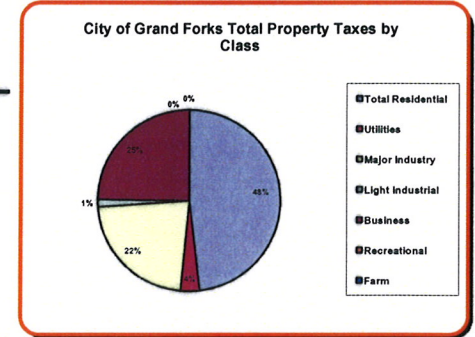
	2006	2005	2004	2003
Assessments for General Taxation				
Residential	\$ 217,786,820.00	\$ 195,078,020	\$ 173,091,305	\$ 171,033,491
Utilities	\$ 1,070,700.00	\$ 1,042,270	\$ 1,011,495	\$ 1,024,105
Major Industry	\$ 14,202,500.00	\$ 14,400,600	\$ 14,569,800	\$ 15,240,200
Light Industry	\$ 1,848,800.00	\$ 1,926,000	\$ 1,841,400	\$ 1,620,100
Business	\$ 43,096,450.00	\$ 41,912,650	\$ 38,375,850	\$ 37,749,100
Recreational	\$ 51,400.00	\$ 16,300	\$ 14,500	\$ 14,500
Farm	\$ 190,428.00	\$ 187,100	\$ 187,300	\$ 177,500
Total Taxable Assessments	\$ 278,247,098.00	\$ 254,562,940	\$ 229,091,650	\$ 226,858,996
Total School Tax Assessments	\$ 285,931,442.00	\$ 257,228,304	\$ 231,825,804	\$ 228,549,272
Municipal Tax Rates per \$1,000				
Residential	3.8000	3.7431	4.2652	4.3348
Utilities	30.2432	24.2723	25.5221	25.9002
Major Industry	52.2070	42.1136	42.4741	43.1742
Light Industry	12.5000	10.0846	10.7629	19.5931
Business	11.7300	9.8665	10.2088	10.3601
Recreational	7.5000	10.7975	12.3973	12.6142
Farm	7.5000	5.9648	6.0793	6.1554
School Tax Rate per \$1,000				
Residential	3.7081	4.0587	4.6289	5.0618
Utilities	14.9000	14.9000	15.0000	15.0000
Major Industry	12.5000	12.5000	12.5000	12.5000
Light Industry	9.2000	9.6000	9.9000	9.9000
Business	9.2000	9.0000	9.9000	9.9000
Recreational	4.2000	4.5000	4.5000	4.5000
Farm	6.8000	6.8000	6.8000	6.8000
Residential Tax Rate per \$1,000				
General	3.8000	3.7431	4.2652	4.3348
Local School Levy	3.7081	4.0587	4.6289	5.0618
Regional District	2.4143	2.4693	2.5319	2.3917
Regional Hospital District	0.5210	0.4689	0.2726	0.3177
BC Assessment Authority	0.0816	0.092	0.1057	0.1159
Municipal Finance Authority	0.0003	0.0003	0.0003	0.0003
Total Residential Rate	10.5253	10.8323	11.8046	12.2222
City Taxation Revenues				
Residential	\$ 827,590.00	\$ 730,197	\$ 738,269	\$ 741,390
Utilities	\$ 32,381.00	\$ 25,298	\$ 25,815	\$ 26,525
Major Industry	\$ 741,470.00	\$ 606,461	\$ 618,839	\$ 657,984
Light Industry	\$ 23,110.00	\$ 19,423	\$ 19,819	\$ 31,743
Business	\$ 505,521.00	\$ 413,531	\$ 391,771	\$ 391,084
Recreational	\$ 386.00	\$ 176	\$ 180	\$ 183
Farm	\$ 1,328.00	\$ 1,116	\$ 1,139	\$ 1,093
Flat Tax	\$ 114,000.00			
Total City Tax Revenues	\$ 2,245,786	\$ 1,796,202	\$ 1,795,832	\$ 1,850,002
Electrical Credit to Taxes	\$ (400,000)			

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

2006 Revised (Authenticated)Ro ASSESSMENTS	General 2006	Hospital 2006	School 2006
Residential Land	687	68,942,820	67,742,120
Residential Improv		148,844,000	148,844,000
Total Residential	2472	217,786,820	216,586,120
Utilities	31	1,070,700	4,886,600
Major Industry	13	14,202,500	19,303,500
Light Industry	13	1,848,800	1,848,800
Business	478	43,106,450	43,106,450
Recreational	44	51,400	51,400
Farm	11	190,428	95,212
TOTAL	3062	278,257,098	285,878,082



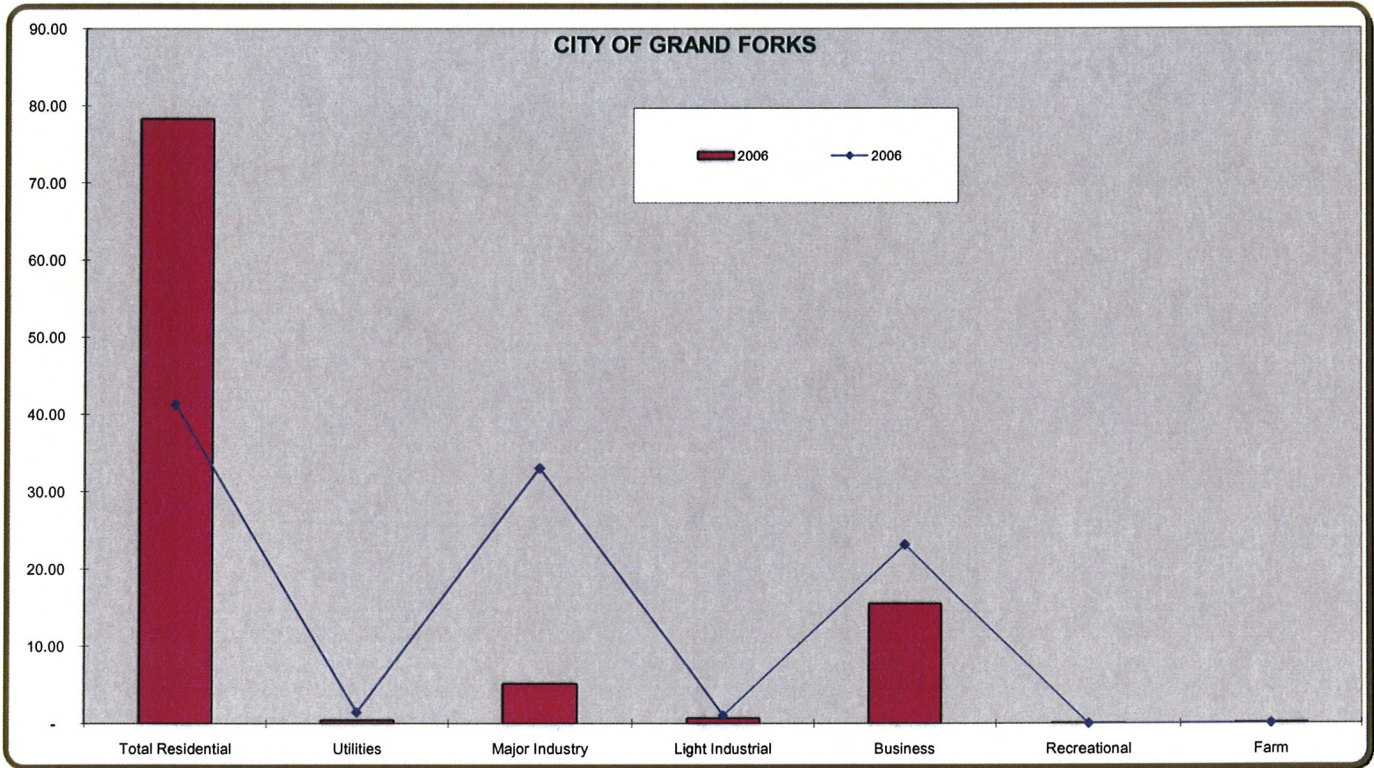
PROPERTY CLASS ASSESSMENTS PERCENTAGE OF TOTAL ASSESSMENTS				
		2006	2006	2006
Total Residential	1	78.27	75.76	75.74
Utilities	2	0.38	1.71	1.73
Major Industry	4	5.10	6.75	6.75
Light Industrial	5	0.66	0.65	0.65
Business	6	15.49	15.08	15.08
Recreational	8	0.02	0.02	0.02
Farm	9	0.07	0.03	0.03



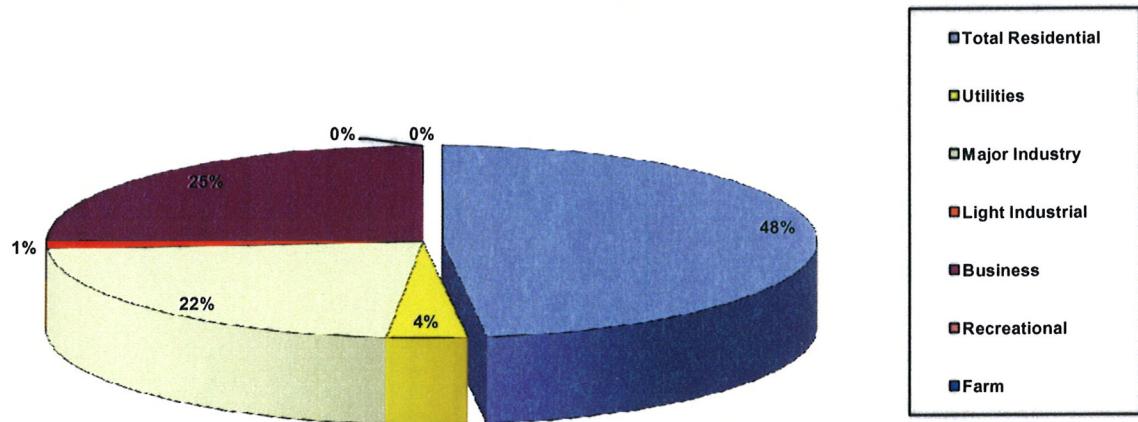
TAX RATES		City	School	Hospital	RDKB	MFA	BCAA	Total 2006	Total 2005	Change
Residential Land	1.00	3.8000	3.7081	0.5210	2.4143	0.0003	0.0816	10.5253	10.8323	-0.3070
Residential Improver	1.00	3.8000	3.7081	0.5210	2.4143	0.0003	0.0816	10.5253	10.8323	-0.3070
<small>Be Reg 329/96 rate can't exceed \$40 or 2.5x city</small>	-	-	-	-	-	-	-	-	-	-
Utilities	7.96	30.2432	14.9000	1.8236	8.4500	0.0005	0.5145	55.9318	49.9804	5.9514
Major Industry	13.74	52.2070	12.5000	1.7714	8.2085	0.0005	0.5145	75.2020	65.1279	10.0741
Light Industry	3.29	12.5000	9.2000	1.7714	8.2085	0.0005	0.2647	31.9452	29.9610	1.9842
Business	3.09	11.7300	9.2000	1.2765	5.9150	0.0001	0.2647	28.3863	26.9512	1.4351
Recreational	1.97	7.5000	4.2000	0.5210	2.4143	0.0002	0.0816	14.7171	18.3279	-3.6108
Farm	1.97	7.5000	6.8000	0.5210	2.4143	0.0002	0.0816	17.3171	15.7952	1.5219

TAX REVENUE		City	School	Hospital	RDKB	MFA	BCAA	Total 2006	Total 2005	Change
Residential Land		261,983	251,195	35,295	163,548	20	5,528	717,568	589,122	128,446
Residential Improvements		565,607	551,928	77,551	359,350	45	12,146	1,566,626	1,447,783	118,843
Total Residential		827,590	803,123	112,846	522,897	65	17,673	2,284,194	2,036,905	247,289
Utilities		32,381	73,754	8,911	41,292	2	2,514	158,855	143,965	14,890
Major Industry		741,470	241,294	34,195	158,453	10	9,932	1,185,353	947,796	237,557
Light Industry		23,110	17,009	3,275	15,176	1	489	59,060	56,152	2,908
Business		505,639	396,579	55,025	254,973	4	11,410	1,223,630	1,046,728	176,902
Recreational		386	216	27	124	0	4	756	287	469
Farm		1,428	647	50	230	0	8	2,363	2,048	315
Parcel Tax		114,420						140,000		
TOTAL REVENUE		2,246,424	1,532,623	214,328	993,145	82	42,031	5,028,633	4,233,881	794,752
Variance				214,315	993,086					
				13	59					

PROPERTY CLASS REVENUE PERCENTAGE OF TOTAL TAX REVENUE								Percent of Total Taxes
	2006 City	2006 School	2006 Hospital	2006 RDKB	2006 MFA	2006 BCAA		Total 2006
Total Residential	41.29	52.40	52.65	52.65	78.92	42.05		48.11
Utilities	1.44	4.81	4.16	4.16	2.97	5.98		3.40
Major Industry	33.03	15.74	15.95	15.95	11.72	23.63		22.39
Light Industrial	1.03	1.11	1.53	1.53	1.12	1.16		1.33
Business	23.13	25.88	25.67	25.67	5.24	27.15		24.72
Recreational	0.02	0.01	0.01	0.01	0.01	0.01		0.01
Farm	0.06	0.04	0.02	0.02	0.02	0.02		0.05
	100.00	100.00	100.00	100.00	100.00	100.00		100.00



City of Grand Forks Total Property Taxes by Class



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 2006.

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	\$7,270.25
Lot 5, Block 10, D.L. 108, S.D.Y.D., Plan 23	366 Market Avenue	Grand Forks Masonic Building	\$649.50
Lot A, D.L. 108, S.D.Y.D., Plan 38294	978 72 nd Avenue	Sunshine Valley Little Peoples Centre	\$968.62
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	\$1,605.84
Lot 8, Block 25, Plan 23, DL 108 S.D.Y.D.	686 72 Ave	Slavonic Senior Citizen's Centre	\$810.00
Lot 3 DL 108 S.D.Y.D. Plan 72	7239 2 nd St	Hospital Auxiliary Thrift Shop	\$1,531.94
Lots 23, 24, 25, 26 Block 29, DL 108 S.D.Y.D. 121	7353 6 th St	Royal Canadian Legion	\$2,808.16

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 2006.

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. Plan 23	7474-3 rd Street	Boundary Home Support Services Association	Bylaw No. 1488 Expires in 2006	\$1,283.26
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	\$861.41
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	\$1239.00

In accordance with Section 226 of the Community Charter, the following properties in the City of Grand Forks were provided property tax exemptions in 2006.

Legal Description	Civic Address	Organization	Expiry Date	Value of Tax Exemption
Lot 1 Plan 43597	570 - 68 Ave	Pope & Talbot Ltd	2015	\$266,307.90

Declaration and Identification of Disqualified Council Members

None

**CITY OF GRAND FORKS
STRATEGIC PLAN: 2006-08**

	GOAL	RESULTS ACHIEVED	COMMENTS	COMPLETION
A	PARTNERSHIPS			
1.	Meet with Council and Staff on quarterly basis commencing January 31, 2006.	Council met with Public Works Staff on June 27 and Office Staff on July 7; once during 2006. Council/Management held employee appreciation and awards lunch on December 6 th , 2006.	Quarterly meeting is too much. Switch to semi-annual	On-going- part of good governance and management practices
2.	Meet with Union executive on a quarterly basis commencing February 15, 2006.	Management meets with Union Executives as part of Labour Management monthly meetings	8 meetings cancelled due to summer holidays and water reservoir project.	On-going; part of good management practice
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.	Council met with C, D, E, Greenwood and Midway on April 26 th , 2006..	October 2006 meeting cancelled due to lack of attendance. Next meeting January 2007. Hosted by RDKB.	On-going; part of good governance and working together for regional benefits.
4.	Work with the 2010 Provincial Olympic Committee. -Minimum of Economic Development to bring competition to Grand Forks before 2010.			December 31 st 2009
5.	To attract funds to build relationship with Russian Olympic team because of our heritage.			December 31 st , 2009
6.	Advise of availability of Grand Forks airport to bring athletes to West Kootenay areas.		Airport Certification and Notification published in the Pilots Manual	On-going; marketing and growth issues
7.	Advise Trail, Red Mountain Olympic organizers within 60 days of airport availability.		Arrange meeting in 2007 before April 30 th	On-going, regional marketing
8.	Initiate contact with USCC within 30 days to assist with accommodating Russian athletes and to plan and advise of Council's intent.		Arrange contact and establish relations with Russian Olympic Team- might be beyond City's resources	December 2007
9.	Have Mayor and City Manager meet with key Ministers in Victoria to discuss Grand Forks issues annually during Legislative Session.	Meetings occurred during UBCM convention in Victoria from Oct.23-27	Evaluate issues and await the announcement of Spring 2007 Legislative Session	On-going; part of good governance and relationship with the Provincial government

**CITY OF GRAND FORKS
STRATEGIC PLAN: 2006-08**

	GOAL	RESULTS ACHIEVED	COMMENTS	COMPLETION
10.	Meet M.P. on semi-annual basis commencing after Federal election to discuss and provide input on Federal issues.	Contacted MP. Letter sent regarding future meeting based on issues.	MP wanted to have a Community style meeting with all elected members present in a Forum. Offer declined	On-going and subject to availability of the MP, Federal Election and Federal Issues affecting the City
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.	Councillor Tom Hinter appointed. Quarterly Meetings occurred: Meeting Dates:		November 30 th , 2008 Current Term of Council expires
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.	Councillor Gene Robert appointed as liaison.	Councillor Robert provides reports to Council at Council and Committee meetings. Commence Council and Board Meeting in 2007	November 30 th , 2008 Current Term of Council expires
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	Councillor Gene Robert appointed as liaison	Councillor Robert provides reports to Council at Council and Committee meetings Commence Council and Board Meeting in 2007.	November 30 th , 2008 Current Term of Council Expires
14.	Communicate with Citizens by newsletter on monthly basis.	News Letter mailed as follows: Jan 2006, Feb 2006, March 2006, June 2006, Aug 2006 and Nov 2006	News letter well received by the Community.	On-going: communicating with taxpayers on regular basis.
15.	Create link on City website inviting comments commencing December 10, 2005.	Link previously existed but was taken offline due to too much SPAM	Administration working with webhost to bring this feature back as soon as possible.	On-going; use of technology to assist citizens.
16.	Community immediately insure email address on all outgoing correspondence.	Email address appears on outgoing correspondence		On-going: part of rapid communication & responses

**CITY OF GRAND FORKS
STRATEGIC PLAN: 2006-08**

	GOAL	RESULTS ACHIEVED	COMMENTS	COMPLETION
17.	Conduct annual survey to prioritize services and issues in next 120 days.	November: 27 th , 2006 at Seniors Centre on input on City services and projects	Financial Plan presentation to the Community on November 20 th & 27 th and in the City's Newsletter.	Annually-part of seeking taxpayer/ratepayer input on services and funding sources.
18.	Conduct community meetings away from Council chambers twice per year commencing May 2006 and November 2006.	Community meetings occurred as follows: November 20 th : Council Meeting at GFSS	Next Proposed Community meeting: <u>April 16, 2007</u> at GFSS gymnasium booked (auditorium not available) <u>November 20, 2007</u> at GFSS, auditorium tentatively booked, gymnasium cannot be booked until after school programs are set in mid 2007.	Semi-annual meeting in the Community to seek citizens input and provide responses.
19.	Train employees on handling customer complaints commencing February 2006.	New customer complaint form produced. Staff meets weekly to discuss and train on customer service issues.	Training sessions took place in 2005 as well as weekly training in 2006.	Ongoing training takes place at weekly meetings.
20.	Install video camera and sound system in chambers before January 31, 2006.	Sound system installed Sunshine Cable televises Council and Committee Meetings		On-going :Communication to citizens using technology.
21.	Make available public facilities within 2006 after VIC has been relocated.		Council approved feasibility funds to examine the options for the relocation of Court Services.	December 31 st , 2007
	COMMUNITY AMENITIES			
1.	Complete Community Hall in time for Grand Opening Ceremony July 1, 2007.	Consultation through a Focused Group and recommendations received by March 31 st , 2006. Location chosen by Council. 1 st Phase completed by November 30 th , 2006: Hiring of architect to provide design, conceptual drawings and preliminary costs of the project.	Released to the Public for input: November 20 th , 2006. Grant application letter sent to RDK to apply for Municipal Rural Infrastructure Grant before January 31 st , 2007	November 30 th , 2006

CITY OF GRAND FORKS STRATEGIC PLAN: 2006-08				
	GOAL	RESULTS ACHIEVED	COMMENTS	COMPLETION
2.	Complete VIC for occupation by September 15, 2006.		First Feasibility funds spent on appraisal of a property. Owner wanted twice the appraised value. Declined. 2 nd Option: Council approved feasibility study funds to examine options for the relocation of Court Services.	November 30 th , 2007
3.	Make decision regarding Museum location by May 15, 2006.		First Feasibility funds spent on appraisal of a property. Owner wanted twice the appraised value. Declined. 2 nd Option: Council approved feasibility study funds to examine options for the relocation of Court Services.	December 31 st , 2007
4.	Complete Museum ready for occupancy by May 31, 2007.		Possible relocation by during 2007.	December 31 st , 2007
5.	Cleanup City Park waterfront area by June 15, 2006.	Flood in May 2006. Project delayed. Trees removed in the fall. Delayed due to reservoir work	Project carried into 2007 and expanded.	December 31 st , 2007
6.	Review and revise City Park Plan to set priorities for Park V/G by March 15, 2006.	Conceptual Park Plan presented to Council and the Public November 20 th & November 27 th , 2006	Conceptual drawings underway and project to commence in 2007	December 31 st , 2007
7.	Develop master plan for all City Parks, playing fields, trails by March 15, 2007.	Conceptual Park Plan for City Park done. Conceptual proposed Trail development on Granby River done Council approved in principle plans for parks and trails as part of the Financial Package in November 2006.	Conceptual drawings under development for Community presentation.	January 31 st , 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.	Project of Work Plan discussed with Council and Staff and Plan approved for beautification of the City. Discussions occurred with the Chamber during quarterly meetings.		October 31 st , 2008

**CITY OF GRAND FORKS
STRATEGIC PLAN: 2006-08**

	GOAL	RESULTS ACHIEVED	COMMENTS	COMPLETION
	ECONOMIC DEVELOPMENT			
1.	Commit funding in 2006 - 2010 Financial Plan = Business Licence Revenue to develop an Economic Development Strategy.	Economic Development Funding provided through RDKB. EDO for Westend hired on Contract. Jan- Dec: 06		December 31 st , 2007
2.	Identify Economic Development Partners prior to February 15, 2006. ie: Existing Business Community Chamber CFDC BEDC Tourism Commission	Conducted by BEDC	BEDC assigned the task	December 31 st , 2006
3.	Meet with partners by March 15, 2006 to develop terms of reference and select facilitator for Economic Development Strategy.	Economic Development Strategy Developed with the assistance of a Facilitator	Participants: City Council, EDO, Area C,D & E and representatives from Greenwood and Midway.	June 30 th , 2006
4.	Develop Draft Strategy by June 16, 2006 through outside facilitation.	Draft Strategy completed;	Strategy to be implemented by EDO and BEDC	June 30 th , 2006
5.	Receive consultants' / Facilitator's Report by October 15, 2006 for final recommendations.	Report of the Facilitator Received: Date May 2006	EDO to pursue the Strategy. EDO is a regional district contract employee and reports to RDKB and not to the City.	July 31 st , 2006
6.	Approve Final Report by November 30, 2006. (Council)	Report presented to Council as information.	BEDC- Regional District Committee assigned the task of implementing the Strategy. City of Grand Forks is a member of BEDC.	July 31 st , 2006
7.	Initiate economic development strategy recommendations starting in January 2007.		EDC service under review for 2007 by RDKB.	December 31 st , 2007
	QUALITY OF LIFE: ENVIRONMENT			

CITY OF GRAND FORKS STRATEGIC PLAN: 2006-08				
	GOAL	RESULTS ACHIEVED	COMMENTS	COMPLETION
1.	Initiate an Air Quality Management Plan that includes council, staff, industry, public groups and other levels of government by January 31, 2006.	Council appointed a Volunteer Community Committee : date January 23 Representations of the City, Industry and Provincial Government, Interior Health and other stakeholders	Funds committed by the City.	March 31 st , 2006
2.	Host a public forum with possible separate meeting with industry on receipt of data.	Public Forum hosted: dates November 20 and 27, 2006	Committee discussions continuing.	September 30 th , 2006
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.	Kettle River setback. Riparian Areas. No public access on the south side. Private properties	Preliminary Discussions occurred with P&T on trade-off of road closure and pedestrian access from the black train bridge to South Ruckles.	June 30 th , 2007
6.	Investigate slag rolling into Granby River and potential damage by February 28, 2006.	Review undertaken by staff. Not an issue.		July 31 st , 2006
	QUALITY OF LIFE: Public Accessibility			
1.	Write a letter to CPR concerning the Black Train Bridge and trails by January 31, 2006.	Email communication occurred during 2006. No formal letter written by the City	Awaiting a written letter from CPR of the Offer to sell black train bridge and other R.O.W lands : Terms and Conditions	December 31 st , 2007
2.	Instruct staff to develop a scheduled bus route / bus by January 31, 2006.	Council approved a resolution asking RDKB to seek the assistance of BC Transit to conduct feasibility Study. Date: July 17	Awaiting the result of the feasibility study.	June 30 th , 2006
	QUALITY OF LIFE: Arts & Culture			

**CITY OF GRAND FORKS
STRATEGIC PLAN: 2006-08**

	GOAL	RESULTS ACHIEVED	COMMENTS	COMPLETION
1.	Establish a committee to facilitate the development of Arts and Council by May 31, 2006.	Council approved the establishment of a Regional Arts Council: Letter written seeking appointment of members to the Committee: date May 30 Committee appointments on hold until the regional scan are completed.	Regional District funding project to do a cultural scan.	March 31 st , 2007
	INFRASTRUCTURE			
1.	Develop electrical rate structure to ensure fairness and equity. Comparable with Fortis with in 2 years. Start immediate - January 31, 2006.	Electrical Rate Structure completed and approved for implementation; Date: February 6, 2006	3-year graduated scale; 2% within Fortis Rate for residential and commercial equal to Fortis.	June 30 th , 2006
2.	Water: in order to ensure equity and conservation of a limited resource	Water and Sewer Rate structure report to Council on December 18 th , 2006	Recommendation: Install meters to all commercial and institutional ratepayers in 2007	January 31 st , 2007
3.	Install metering by December 2007	Report to Council on Dec. 18 th , 2006	2007 installation recommended	June 30 th , 2007
4.	Implement universal metering rates by January 2008		Report scheduled before Council in November 2007	June 30 th , 2008
5.	Reservoir: completed engineering study by end of 2006	Project delayed	Funds approved in 2007-2011 Five Year Plan	December 31 st , 2007
6.	Construction to begin in 2007.		Engineering to be done in 2007	December 31 st , 2008
7.	Upgrade East end reservoir by spring 2006. (a)Secure funding.	Project commenced at low water consumption month of October 2006 and completed December 14 th , 2006	\$180,667 funding from the Province of BC	December 31 st , 2006

**CITY OF GRAND FORKS
STRATEGIC PLAN: 2006-08**

	GOAL	RESULTS ACHIEVED	COMMENTS	COMPLETION
8.	Transportation: review with staff installation and upgrade of sidewalks and paving plan by end of March 2006.	Paving and sidewalk plan resented as part of 2007-2011 Financial Plan: November 20, 2006	Plan approved for implementation	December 31 st , 2008
9	Review road safety: within City limits! – with Highways department.	Highways conducted feasibility Study and completed: Date April 2006	Feasibility study Draft Report under Review by Highways	June 30 th , 2007
10	Complete Coashutte Road connector in partnership with highways by 2009.		Not a priority with Highways. Not enough volume of Traffic on #3. Project 25 to 30 years away depending upon the growth in traffic volumes.	December 31 st 2035
11	Review Trail req to complete Trans Canada Trail from Coalshutte Road to Highway 3 by December 2006.		Property owned by CP and not a high priority with CP.	December 31 st , 2007
12	Assess needs of court operations to facilitate relocation by March 2006. (a)Possible relocation of Museum and VIC into Court House.	Council approved feasibility funding: Date October 16, 2006 Architect hired and design done . Submitted to Court Services for approval.		December 31 st , 2007