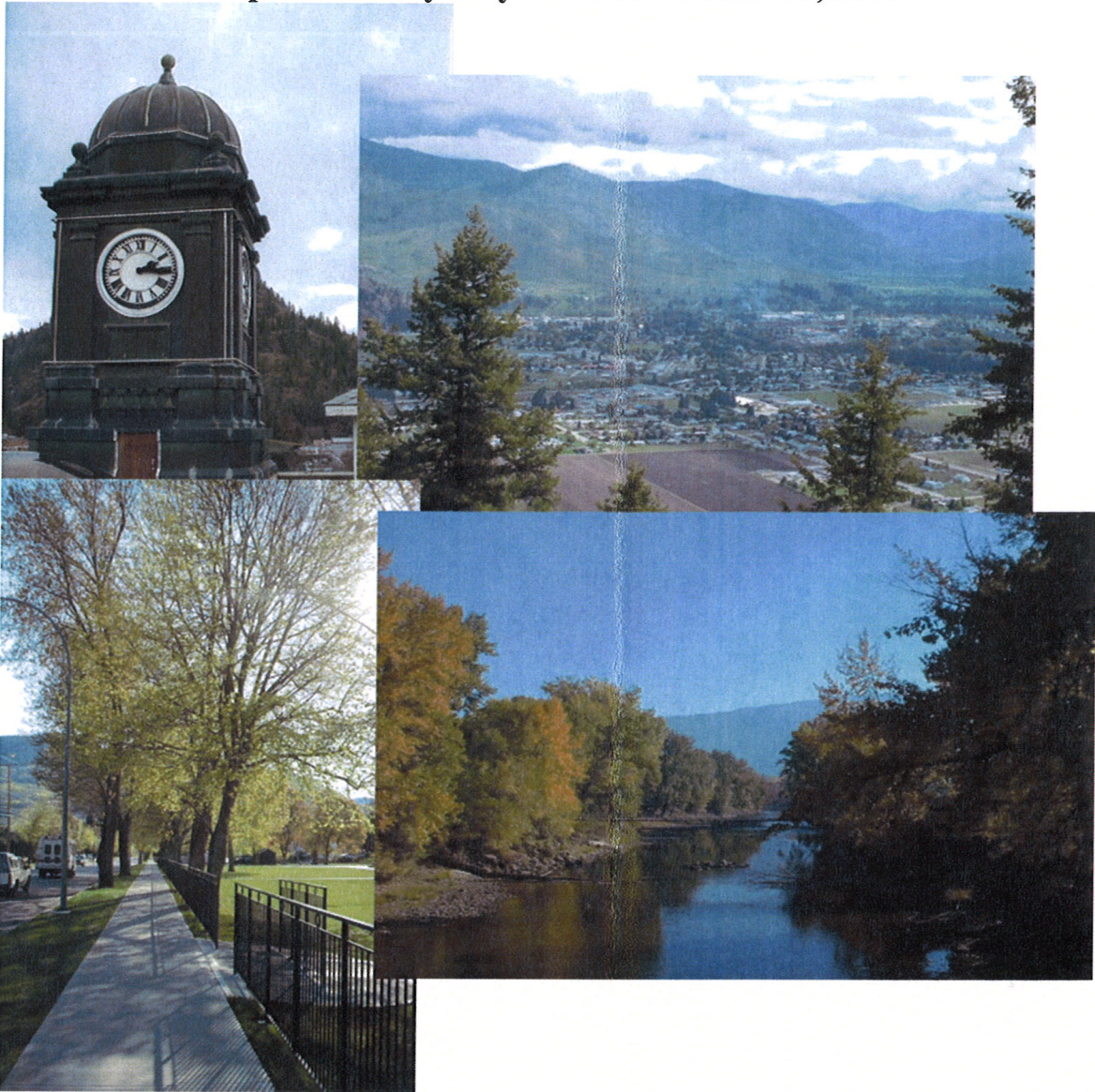


**Annual Report for the  
CITY OF GRAND FORKS**



**As presented by City Council on June 30, 2008**



City of Grand Forks  
*2007 ANNUAL REPORT*  
June, 2008



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## **Report Respecting Municipal Services and Operations for 2007 and Plans for 2008**

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

June 30, 2008

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 2007. 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 and investing in the future of your community. 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 public meetings in November 2007 to present the financial position of the City and to review capital plans for the coming year 2008.

The 2007 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 2007 we saw the retirement of the City's Deputy Clerk/Treasurer, Dan Zabinsky, CMA, and welcomed three new members to our management team:

- Sasha Jeneane Bird, AScT, Manager of Technical Services and Utilities;
- Dale Heriot, Deputy Fire Chief; and
- Linda Engels, FCGA, Chief Financial Officer.

Sasha comes to us with a Certificate in Applied Science Technology (Engineering) and experience in consulting engineering firms and municipal government settings. Dale brings experience from the private sector, volunteer fire departments and regional district employment while Linda has over nine years of service with the City of Grand Forks and several years of accounting and management experience in private industry, the public (accounting) practice and public service sectors. Dan has remained within the community and provides guidance at our request, assisting the consultants engaged to develop the Integrated Sustainable Community Plan for Grand Forks and the restoration of the Historic Courthouse building to house the combined Art Gallery, Museum of local Arts and Culture and Visitor Information Centre.

Council has embarked on an aggressive plan to upgrade the City's infrastructure during the three year term from December 2005 to November 2008. Work is well in progress for an upgraded City Park and Campground along the Kettle River; a showcase Public Square, clearly visible from Central Avenue, enhancing community access to Gyro Park, the Public Library and the new combined Community Arts & Cultural Centre housed in the Historic Courthouse Building; Community Trails, Riverwalks, Parks and Cycling Networks providing pedestrian links throughout the City; and a new Lift Station in City Park to maintain the integrity of the City's Sanitary Sewer System while using energy conserving Heat Exchange technology to provide much needed public facilities. The City continues to access provincial grant programs to study, plan and upgrade flood control programs along the Granby and Kettle Rivers. Court Services has now been moved into the building on Central Ave purchased and renovated to meet Court Services specifications. The property was subdivided to allow for the land and building to be used to the best advantage to the community.

Council believes that sound financial management will enhance the City's economic prospects and quality of life through prudent spending and reasonable tax rates for all sectors, leading to economic growth and expansion. Council continues placing emphasis on making tax and utility rates fair and equitable for ratepayers. A change in ownership of one major industry and the closure of another have resulted in rescheduling some elements in Council's strategic plan. Council is encouraged by the significant investment currently underway in the industrial area. The presence of an international industrial company, willing to expand its operation while investing in the technology necessary to improve City air quality will provide a template for future commercial development.

Neil Krog, Mayor

# The Corporation of the City of Grand Forks

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**The Corporation of the City of Grand Forks**  
**Annual Financial Report**  
**for the year ended December 31, 2007**

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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



Linda Engels  
Chief Financial Officer

### AUDITORS' REPORT

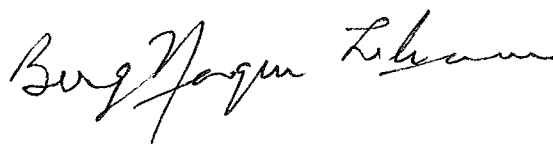
To The Mayor and Councillors of  
The Corporation of the City of Grand Forks

We have audited the Consolidated Statement of Financial Position of The Corporation of the City of Grand Forks as at December 31, 2007 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, 2007 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.



Chartered Accountants

April 11, 2008

**The Corporation of the City of Grand Forks**  
**Significant Accounting Policies**  
**for the year ended December 31, 2007**

**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 \$5,045,292 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, 2007, the fund balances were as follows:

	2007	2006
General Revenue Fund	\$362,574	\$399,651
Water Revenue Fund	\$488,214	\$1,043,853
Electrical Revenue Fund	\$368,042	\$290,621
Sewer Revenue Fund	\$481,414	\$515,352
	\$1,700,243	\$2,249,477

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	\$3,345,049	\$5,524,001
	\$5,045,292	\$7,773,478

**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, 2007**

**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. In 2007, the City segregated the fleet of vehicles and equipment, adjusted the records to ensure each piece of equipment was recorded at historical acquisition cost, that the estimated useful life of each piece of equipment was identified and that accumulated depreciation was recorded. This process will be extended during 2008 with the intent that the City will be fully compliant with Canadian Institute of Chartered Accountants Public Sector reporting requirements by January 1, 2009. Capital asset historical costs are reported on Schedule 1. Amortization of equipment in the fleet has been reported. Equity in Capital Assets is reflected in each Capital Fund as follows:

	2007	2006
General Capital Fund	\$24,844,597	\$22,310,922
Water Capital Fund	\$6,703,742	\$6,053,289
Electrical Capital Fund	\$2,233,819	\$2,417,643
Sewer Capital Fund	\$5,467,484	\$5,682,388
	\$39,249,642	\$36,464,243

**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 2007. 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, 2007**

	<u>2007</u>	<u>2006</u>
<b>Financial Assets</b>		
Cash (Note 1)	\$6,221,218	\$8,925,757
Accounts Receivable (Note 2)	\$1,363,914	\$1,416,201
Lease Deposit (Note 3)	\$55,200	\$5,000
Due from (to) Trust	\$1,134	\$1,217
Inventories for Resale (Note 3)	\$26,823	\$20,658
	<u>\$7,668,289</u>	<u>\$10,368,833</u>
<b>Liabilities</b>		
Accounts Payable (Notes 4 and 10.g)	\$2,107,149	\$1,843,739
Deferred Revenues	\$336,684	\$330,539
Restricted Revenues (Schedule 7)	\$367,709	\$500,571
Long Term Debt (Schedule 2) (Note 5)	\$408,992	\$246,487
	<u>\$3,220,534</u>	<u>\$2,921,336</u>
<b>Net Financial Assets</b>	\$4,447,755	\$7,447,497
Inventories of Supplies	\$188,544	\$79,494
<b>Capital Assets (Schedule 1) (Note 11)</b>	<u>\$39,658,634</u>	<u>\$36,710,730</u>
	<u>\$44,294,934</u>	<u>\$44,237,721</u>
<b>Equity</b>		
Fund Balances	\$5,045,292	\$7,773,478
Equity in Capital Assets (Note 8)	<u>\$39,249,642</u>	<u>\$36,464,243</u>
	<u>\$44,294,934</u>	<u>\$44,237,721</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

  
Linda Engels  
Chief Financial Officer

**The Corporation of the City of Grand Forks**  
**Consolidated Statement of Financial Activities**  
**for the year ended December 31, 2007**

	<b>Actual 2007</b>	<b>Budget 2007</b>	<b>Actual 2006</b>
<b>Revenue</b>			
Taxes (Schedule 3)	\$2,419,966	\$2,417,179	\$2,359,428
Sales of goods and services (Schedule 6)	4,772,943	4,644,043	4,554,443
Other revenues from own sources (Schedule 4)	564,986	1,084,672	1,194,555
Senior government grants - Operating (Schedule 5)	558,694	549,679	602,277
Senior government grants - Capital (Schedule 5)	228,601	5,853,000	180,667
Development cost charge funding - Capital (Schedule 7)	200,000	350,000	0
Other restricted revenues - Capital (Schedule 7)	21,332	0	0
Interest income (Schedule 8)	384,626	284,010	388,014
Investment income on sinking funds (Schedule 8) (Note 5)	2,412	2,413	58,334
	<u>9,153,559</u>	<u>15,184,996</u>	<u>9,337,718</u>
Interest restricted (Schedule 7)	(22,291)	(16,530)	(17,357)
Debt forgiven	0	0	134,482
Annual lease applied to capital project	0	0	2,762
Transfer to Library Maintenance	(5,778)	0	(3,974)
	<u>9,125,490</u>	<u>15,168,466</u>	<u>9,453,630</u>
<b>Expenditures (Schedule 9)</b>			
General government	1,078,567	1,143,624	1,125,525
Public real estate	2,362,593	9,852,191	257,601
Protective services	508,527	436,964	400,893
Transportation services	1,974,695	2,016,860	1,134,314
Environmental health services	145,698	146,119	143,587
Public health and welfare	88,526	88,510	82,462
Environmental development	292,263	194,045	214,077
Recreation and cultural services	787,031	807,302	557,240
Distribution based on electrical consumption	298,700	300,000	336,592
Utility services	4,569,187	4,993,188	4,123,475
Fiscal charges	19,446	15,708	38,795
	<u>12,125,231</u>	<u>19,994,511</u>	<u>8,414,560</u>
<b>Change in Net Financial Assets</b>	(2,999,741)	(4,826,045)	1,039,070
Supplies inventory change	109,050	0	79,494
Capital project funding deferred	0	0	(2,762)
Debt principal reduced (Schedule 2)	(89,442)	(60,821)	(211,373)
Capital debt incurred	251,947	2,200,000	0
	<u>(2,728,186)</u>	<u>(2,686,866)</u>	<u>904,429</u>
<b>Increase (Decrease) in Consolidated Fund Balances</b>	(2,728,186)	(2,686,866)	904,429
<b>Consolidated Fund Balances - Beginning of Year</b>	<u>7,773,477</u>	<u>7,773,477</u>	<u>6,869,048</u>
<b>Consolidated Fund Balances - End of Year</b>	<u>\$5,045,292</u>	<u>\$5,086,611</u>	<u>\$7,773,477</u>

**The Corporation of the City of Grand Forks**  
**Consolidated Statement of Changes in Cash Flows**  
for the year ended December 31, 2007

	<u>2007</u>	<u>2006</u>	
<b>Cash Provided By (Used For):</b>			
<b>Operations:</b>			
Change in Net Financial Assets	(\$2,999,742)	\$1,039,070	
Decrease (Increase) in Non-Cash Financial Assets			
Accounts Receivable	\$52,287	19,014	
Deferred Charges and Other	(\$50,200)	(5,000)	
Trust	\$83	(619)	
Property and Inventories for Resale	(\$6,165)	5,318	
	<u>(\$3,003,737)</u>	<u>1,057,783</u>	
Increase (Decrease) in Short Term Liabilities			
Accounts Payable and Accrued Liabilities	\$263,409	442,609	
Deferred Revenues	\$6,145	4,024	
Restricted Revenues	(\$132,862)	80,241	
	<u>(\$2,867,045)</u>	<u>1,584,657</u>	
<b>Financing:</b>			
Debt Principal Reduced	(\$89,442)	(211,373)	
Debt Issued	\$251,947	0	
	<u>\$162,505</u>	<u>(211,373)</u>	
<b>Increase (Decrease) in Cash</b>	<u>(\$2,704,539)</u>	<u>1,373,284</u>	
<b>Cash - Beginning of Year</b>	<u>\$8,925,757</u>	<u>7,552,473</u>	
<b>Cash - End of Year</b>	<u>\$6,221,218</u>	<u>\$8,925,757</u>	
	<u>2007</u>	<u>2006</u>	<u>2005</u>
<b>Represented By:</b>			
Cash (Statement A)	<u>\$6,221,218</u>	<u>\$8,925,757</u>	<u>\$7,552,473</u>

**The Corporation of the City of Grand Forks**  
**Consolidated Statement of Operating Fund Balances**  
**as at December 31, 2007**

	<u>2007</u>	<u>2006</u>
<b>Financial Assets</b>		
Cash and Temporary Investments (Note 1)	\$3,015,617	\$3,697,322
Accounts Receivable (Note 2)	1,349,761	1,397,342
Lease Deposit (Note 3)	55,200	5,000
Due to (from) Trust	1,134	1,217
Inventories for Resale (Note 3)	26,823	20,658
	<u>4,448,535</u>	<u>5,121,539</u>
<b>Liabilities</b>		
Accounts Payable (Note 4)	2,107,149	1,843,739
Deferred Revenues	336,684	330,539
Restricted Revenues (Schedule 7)	367,709	500,571
	<u>2,811,542</u>	<u>2,674,849</u>
<b>Net Financial Assets</b>	1,636,993	2,446,690
Due from (to) Reserves	(125,295)	(276,707)
Inventories for Own Use	188,544	79,494
	<u>\$1,700,243</u>	<u>\$2,249,477</u>
<b>Operating Fund Equity</b>		
Fund Balances	<u>\$1,700,243</u>	<u>\$2,249,477</u>



**The Corporation of the City of Grand Forks**  
**Consolidated Statement of Changes in Operating Fund Balances**  
**for the year ended December 31, 2007**

	<u>Actual 2007</u>	<u>Budget 2007</u>	<u>Actual 2006</u>
<b>Revenue</b>			
Taxes (Schedule 3)			
Real property, special assessments, grants in lieu	\$5,393,790	\$5,341,229	\$5,139,909
Less: collections for other governments	(2,973,825)	(2,924,050)	(2,780,481)
Taxes (Schedule 3)	\$2,419,966	\$2,417,179	\$2,359,428
Sales of goods and services (Schedule 6)	4,476,094	4,369,043	4,255,676
Other revenues from own sources (Schedule 4)	528,271	484,672	426,055
Senior government grants - Operating (Schedule 5)	462,846	453,679	456,415
Investment income on sinking funds	2,412	2,413	58,334
Interest and investment income (Schedule 8)	161,595	103,000	173,123
	<u>8,051,184</u>	<u>7,829,986</u>	<u>7,729,032</u>
Debt forgiven	0	0	134,482
Annual lease applied to capital project	0	0	2,762
Transfer to Library Maintenance	(5,778)	0	(3,974)
	<u>8,045,406</u>	<u>7,829,986</u>	<u>7,862,302</u>
<b>Expenditures (Schedule 9)</b>			
General government	1,004,424	1,043,624	\$1,046,892
Public real estate	271,270	307,191	\$257,601
Protective services	503,227	436,964	358,095
Transportation services	922,600	966,860	797,618
Environmental health services	145,698	146,119	143,587
Public health and welfare	88,526	88,510	82,462
Environmental development	292,263	194,045	203,839
Recreation and cultural services	507,163	487,302	518,444
Distribution based on electrical consumption	298,700	300,000	336,592
Utility services	3,652,976	3,425,363	3,244,505
Fiscal charges	19,446	15,708	38,795
	<u>7,706,292</u>	<u>7,411,686</u>	<u>7,028,429</u>
<b>Change in Financial Assets</b>	339,114	418,300	833,873
Transfers to Capital - Current Year Revenues	(224,431)	(270,320)	(469,502)
Transfers to Capital - Prior Year Surplus	(532,557)	(430,505)	(331,614)
Transfer to Equipment Replacement Reserve	(135,000)	(135,000)	(150,000)
Transfer to Capital Reserve	(16,341)	(16,341)	(47,700)
Due from Capital reduced	0	0	(2,762)
Supplies Inventory change	109,050	0	79,494
Debt Principal reduced	(89,068)	(60,821)	(211,373)
	<u>(549,233)</u>	<u>(494,687)</u>	<u>(299,585)</u>
<b>Increase (Decrease) in Operating Fund Balances</b>	(549,233)	(494,687)	(299,585)
<b>Operating Fund Balances - Beginning of Year</b>	<u>2,249,476</u>	<u>2,249,476</u>	<u>2,549,061</u>
<b>Operating Fund Balances - End of Year</b>	<u>\$1,700,243</u>	<u>\$1,754,789</u>	<u>\$2,249,476</u>

**The Corporation of the City of Grand Forks**  
**Consolidated Statement of Capital Fund Balances**  
as at December 31, 2007

	<u>2007</u>	<u>2006</u>
<b>Financial Assets</b>	\$0	\$0
<b>Liabilities</b>		
Long Term Debt (Schedule 2) (Note 5)	<u>408,992</u>	<u>246,487</u>
	408,992	246,487
<b>Net Financial Assets</b>	(408,992)	(246,487)
<b>Capital Assets (Schedule 1) (Note 11)</b>	<u>39,658,634</u>	<u>36,710,730</u>
	<u>\$39,249,642</u>	<u>\$36,464,242</u>
<b>Equity in Capital Assets</b>		
General Capital Fund (Schedule 11)	\$24,844,597	\$22,310,922
Water Capital Fund (Schedule 11)	6,703,742	6,053,289
Electrical Capital Fund (Schedule 11)	2,233,819	2,417,643
Sewer Capital Fund (Schedule 11)	<u>5,467,484</u>	<u>5,682,388</u>
	<u>\$39,249,642</u>	<u>\$36,464,243</u>

**The Corporation of the City of Grand Forks**  
**Consolidated Statement of Changes in Capital Fund Balances**  
**for the year ended December 31, 2007**

	<u>Actual 2007</u>	<u>Budget 2007</u>	<u>Actual 2006</u>
<b>Revenue</b>			
Donations from groups and individuals (Schedule 4)	\$8,445	\$100,000	\$0
Recovery from third party less deferred (Schedule 6)	0	0	21,255
Senior government grants - Capital (Schedule 5)	228,601	5,853,000	180,667
	<u>237,046</u>	<u>5,953,000</u>	<u>201,922</u>
Transfer from Development Cost Charges (Schedule 7)	200,000	350,000	0
Transfer from Other Restricted Revenues (Schedule 7)	21,332	0	0
	<u>458,378</u>	<u>6,303,000</u>	<u>201,922</u>
<b>Expenditures (Schedule 9)</b>			
General government	2,165,465	9,645,000	\$78,633
Protective services	5,300	0	42,798
Transportation services	1,052,095	1,050,000	336,696
Environmental development	0	0	10,238
Recreation and cultural services	279,868	320,000	38,796
Utility services	916,212	1,567,825	878,970
	<u>4,418,940</u>	<u>12,582,825</u>	<u>1,386,131</u>
<b>Change in Financial Assets</b>	(3,960,562)	(6,279,825)	(1,184,209)
Capital Funding from Reserves (Statement I)	<u>2,952,000</u>	<u>3,379,000</u>	<u>383,092</u>
<b>Expenditures funded by Debt or Operating Surplus</b>	(1,008,562)	(2,900,825)	(801,116)
Capital loan debt incurred	251,573	2,200,000	0
Transfers from Operating - Prior Year Surplus	532,557	430,505	331,614
Transfers from Operating - Current Year Revenues	<u>224,431</u>	<u>270,320</u>	<u>469,502</u>
<b>Increase (Decrease) in Capital Fund Balances</b>	(0)	0	(0)
<b>Capital Fund Balances - Beginning of Year</b>	<u>(0)</u>	<u>(0)</u>	<u>0</u>
<b>Capital Fund Balances (Due to Operating Funds) - End of Year</b>	<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, 2007

	<u>2007</u>	<u>2006</u>
<b>Financial Assets</b>		
Cash and Temporary Investments (Note 1)	\$3,205,601	\$5,228,435
Accounts Receivable (Note 2)	14,154	18,859
<b>Net Financial Assets</b>	3,219,754	5,247,294
<b>Due from (to) Own Funds</b>		
General Revenue Fund	125,294	276,707
<b>Reserve Fund Balances</b>	<u>\$3,345,049</u>	<u>\$5,524,001</u>
<b>Equity - Reserve Fund Balances</b>		
Domestic Water System Reserve	\$0	\$3,042
New Deal Community Works Fund Reserve	253,093	149,502
Cash in Lieu of Parking Reserve	14,720	14,094
Tax Sale Lands Reserve	56,563	54,159
Equipment Replacement Reserve	167,120	161,035
Capital Reserve	275,041	258,700
Land Sale Reserve	1,056,722	3,142,148
Slag Sale Reserve	1,521,790	1,741,321
	<u>\$3,345,049</u>	<u>\$5,524,001</u>

**The Corporation of the City of Grand Forks**  
**Consolidated Statement of Changes in Reserve Fund Balances**  
**for the year ended December 31, 2007**

	<u>Actual 2007</u>	<u>Budget 2007</u>	<u>Actual 2006</u>
<b>Receipts</b>			
Interest allocated to Reserves (Schedules 8 and 14)	\$ 200,740	\$ 164,480	\$ 197,534
Equipment sale proceeds (Schedules 6 and 14)	11,196	0	0
Land sale proceeds (Schedule 14)	17,074	500,000	768,500
Grant proceeds placed in reserve (Schedule 5)	95,848	96,000	145,862
Slag sales (Schedules 6 and 14)	<u>296,849</u>	<u>275,000</u>	<u>277,511</u>
<b>Change in Financial Assets</b>	621,706	1,035,480	1,389,407
<b>Other Additions</b>			
Transfer from Operating Funds	<u>151,341</u>	<u>151,341</u>	<u>197,700</u>
	773,047	1,186,821	1,587,107
<b>Appropriations Expended</b>			
General Capital from Land Sales Reserve	2,207,733	2,725,000	0
General Capital from Slag Sales Reserve	596,149	509,000	224,200
Water Capital from Capital Reserve	0	0	25,000
Water Capital from Water Reserve	3,118	0	0
Electrical Capital from Equipment Replacement Reserve	0	0	31,750
General Capital from Equipment Replacement Reserve	<u>145,000</u>	<u>145,000</u>	<u>102,142</u>
	<u>2,952,000</u>	<u>3,379,000</u>	<u>383,092</u>
<b>Increase (Decrease) in Reserve Fund Balances</b>	<u>(2,178,953)</u>	<u>(2,192,179)</u>	<u>1,204,014</u>
<b>Reserve Fund Balances - Beginning of Year (restated)</b>	<u>5,524,001</u>	<u>5,524,001</u>	<u>4,319,987</u>
<b>Reserve Fund Balances - End of Year</b>	<u>\$ 3,345,049</u>	<u>\$3,331,822</u>	<u>\$5,524,001</u>



**The Corporation of the City of Grand Forks  
Statement of Severance Agreements  
for the year ended December 31, 2007**

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There were no severance agreements under which payments were made in the year between the City of Grand Forks and any employee.

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, 2007**

Page 1

<b>1. Cash:</b>	<b>2007</b>	<b>2006</b>
Cash	\$800	\$900
Operating and other bank accounts	2,496,199	3,232,370
Restricted bank accounts	518,618	464,052
Reserve fund bank accounts	3,205,601	5,228,435
	<u>\$6,221,218</u>	<u>\$8,925,757</u>

In addition, the City holds bank accounts of \$118,670 for trusts comprised as follows:

	<b>Balance</b>	<b>Interest</b>			<b>Balance</b>
	<b>December 31, 2006</b>	<b>Earned</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>December 31, 2007</b>
Cemetery	\$108,463	\$4,815	\$0	\$0	\$113,278
Employee Assistance Program	3,819	195	1,760	382	5,392
	<u>\$112,282</u>	<u>\$5,010</u>	<u>\$1,760</u>	<u>\$382</u>	<u>\$118,670</u>

<b>2. Accounts Receivable:</b>	<b>2007</b>	<b>2006</b>
Property Taxes	\$247,791	\$260,543
Other Governments	384,419	397,769
General	40,962	65,835
Utility Bills Receivable (see Schedule 11)	690,742	692,053
	<u>\$1,363,914</u>	<u>\$1,416,201</u>

<b>3. Inventories for Resale</b>		
Aviation Fuel	\$26,822	\$20,657
Land Held for Resale (written down in prior years)	1	1
	<u>\$26,823</u>	<u>\$20,658</u>

<b>4. Accounts Payable and Accrued Liabilities:</b>		
General Trade Payables	\$1,089,549	\$877,771
Due to Other Governments	2,465	12,083
Salaries and Wages Payable	90,052	89,840
Contractor Holdbacks Payable	72,607	32,508
Accrued Vacation Pay	224,487	213,758
Accrued Sick and Severance - Union Employees	367,036	370,294
Accrued Sick Leave - Management	260,069	246,601
	<u>2,106,264</u>	<u>1,842,855</u>
Accrued Interest on Sewer Fund Debt	884	884
	<u>\$2,107,149</u>	<u>\$1,843,739</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, 2007 the accrual was 88% of the maximum sick leave bank (at December 31, 2006 - 79%).

**The Corporation of the City of Grand Forks**  
**Notes to the Consolidated Financial Statements**  
**for the year ended December 31, 2007**

**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>2007</u>	<u>2006</u>
MFA Debenture debt issued and outstanding: (Schedule 2)	\$139,358	\$147,696
MFA Public Body Leasing Capital Lease	229,823	8,998
Pacific & Western Capital Leases	39,812	89,794
	<u>\$408,992</u>	<u>\$246,487</u>

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Sewer Debenture	8,755	9,193	9,653	10,135	10,642
Capital Leases	92,816	53,089	51,539	51,539	21,800
	<u>\$101,571</u>	<u>\$62,282</u>	<u>\$61,192</u>	<u>\$61,674</u>	<u>\$32,442</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 five years:

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
	<u>\$119,115</u>	<u>\$217,900</u>	<u>\$217,900</u>	<u>\$212,698</u>	<u>\$212,698</u>

**The Corporation of the City of Grand Forks**  
**Notes to the Consolidated Financial Statements**  
**for the year ended December 31, 2007**

**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:

	<u>2007</u>	<u>2006</u>
Sewer	\$9,409	\$9,286

**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:

	<u>2007</u>	<u>2006</u>
<b>Equity in Capital Assets - Beginning of the year</b>	\$36,464,243	\$35,611,054
Add: Capital Expenditures	4,418,940	1,386,131
Equipment Historical Cost adjustment based on Tangible Capital Assets analysis	416,377	0
Equipment Amortization adjustment based on Tangible Capital Assets analysis	(1,797,108)	0
Original costs of property sold in year	(90,305)	(747,077)
Assets purchase funded by Debt	(251,947)	0
Reduction in Short Term Debt	0	2,762
Reduction in Long Term Debt	89,442	211,373
	<u>\$39,249,642</u>	<u>\$36,464,243</u>

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

**9. Annual Budget**

Bylaw 1829 - 5 Year Financial Plan 2007-2011 established the 2007 Annual Budget to set 2007 Tax Rates. Bylaw 1841 5 Year Financial Plan 2007-2011 Revised increased the 2007 Annual Budget for Other Expenditures, Debt Interest, Debt Principal repayment and Transfers from Accumulated Surplus to confirm Council resolutions to deal with specific events.

**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 144,000 active members and approximately 51,000 retired members. Active members include approximately 35,000 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, 2006 indicated a surplus of \$438 million for basic pension benefits. The next valuation will be as at December 31, 2009 with results available in 2010. The actuary does not attribute portions of the unfunded liability to individual employers. The City of Grand Forks paid \$185,206 for employer contributions to the plan in fiscal year 2007.

**The Corporation of the City of Grand Forks**  
**Notes to the Consolidated Financial Statements**  
**for the year ended December 31, 2007**

**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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Operating Leases</b>					
Office Equipment	\$3,830	\$3,830	\$470	\$470	\$470
<b>Capital Leases</b>					
Office Equipment	\$16,378	\$16,378	\$14,560	\$13,261	6,556
Public Works Equipment	96,562	50,671	50,671	50,671	21,113
	<u>\$116,770</u>	<u>\$70,880</u>	<u>\$65,702</u>	<u>\$64,403</u>	<u>\$28,140</u>

**(e) Contractual Obligations**

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

**(f) Property Held for Development**

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

**11. Restricted Assets**

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



**The Corporation of the City of Grand Forks**  
**Schedule of Capital Assets**  
as at December 31, 2007

	<b>2007</b>			<b>2006</b>
	Historical Cost	Accumulated Amortization	Net Book Value	Net Book Value
<b>General Capital Fund</b>				
Land - Infrastructure	\$ 1,230,243		\$0 \$ 1,230,243	\$1,140,243
Land - Industrial Development for Resale (Note 10f)	183,607		0 183,607	183,607
Downtown Revitalization	1,352,880		0 1,352,880	916,818
Buildings	6,343,521		0 6,343,521	4,663,999
Engineering Structures	10,724,797		0 10,724,797	10,036,131
Machinery and Equipment	2,578,527		0 2,578,527	5,379,123
Equipment Fleet-Emergency	1,092,180	(380,180)	712,000	0
Equipment Fleet-Public Works	3,315,793	(1,416,928)	1,898,864	0
	<u>\$26,821,546</u>	<u>(\$1,797,108)</u>	<u>\$25,024,438</u>	<u>\$22,319,920</u>
<b>Waterworks Capital Fund</b>	<u>\$6,703,742</u>		<u>\$0 \$6,703,742</u>	<u>\$6,053,289</u>
<b>Electrical Utility Capital Fund</b>	<u>\$2,233,819</u>		<u>\$0 \$2,233,819</u>	<u>\$2,417,643</u>
<b>Sanitary Sewer Capital Fund</b>	<u>\$5,696,635</u>		<u>\$0 \$5,696,635</u>	<u>\$5,919,878</u>
	<u>\$41,455,742</u>	<u>(\$1,797,108)</u>	<u>\$39,658,634</u>	<u>\$36,710,730</u>

**The Corporation of the City of Grand Forks**  
**Long Term Debt**  
**for the year ended December 31, 2007**

<b>A. DEBENTURES</b> (covered by Debt Reserve Fund - Note 7)				<b>Original</b>	<b>Debt</b>	<b>Debt</b>	<b>Interest</b>	<b>Principal</b>	<b>Long Term</b>	<b>Interest</b>
<b>Date of Issue</b>	<b>Bylaw</b>	<b>Purpose</b>	<b>Maturity Dates</b>	<b>Debt</b>	<b>Outstanding</b>	<b>Advanced</b>	<b>paid in</b>	<b>Retirements</b>	<b>Debt</b>	<b>Rates</b>
				<b>end of</b>	<b>during</b>	<b>2007</b>	<b>2007</b>	<b>2007</b>	<b>December 31, 2007</b>	
<b>Sanitary Sewer Capital Fund</b>										
March 24, 1999	1556	Ruckle Sewer Extension	1999 - 2019	195,944	147,696		10,757	8,338	139,358	5.50%
<b>Total Debenture Debt</b>				195,944	147,696		10,757	8,338	139,358	
<b>B. CAPITAL LEASES AND CONDITIONAL SALES AGREEMENT TO FUND EQUIPMENT ACQUISITIONS</b>										
<b>General Capital Fund</b>										
April 19, 2007	n/a	CanCADD Plotter/Printer/Copier	2007 - 2012	32,073		32,073	566	4,276	27,797	5.25%
May 19, 2007	n/a	2007 Sterling with Elgin Sweeper	2007 - 2012	199,785		199,785	3,083	23,308	176,477	5.00%
September 19, 2007	n/a	Pitney Bowes Folder Inserter	2007 - 2012	20,089		20,089	140	1,004	19,085	5.25%
May 28, 2005	n/a	Xerox Multifunction Copier/Fax/Scanner	2005 - 2010	12,500	8,998		250	2,533	6,464	3.25%
				264,447	8,998	251,947	4,039	31,122	229,823	
<b>Sanitary Sewer Capital Fund</b>										
October 1, 2001	n/a	Vactor Jet Rodder	2001 - 2008	300,166	89,794		4,650	49,982	39,812	7.36%
<b>Total Capital Lease and Conditional Sales Agreement Debt</b>				564,613	98,791	251,947	8,688	81,104	269,635	
<b>Total Long Term Debt</b>				<b>\$760,557</b>	<b>\$246,487</b>	<b>\$251,947</b>	<b>\$19,446</b>	<b>\$89,442</b>	<b>\$408,992</b>	

**The Corporation of the City of Grand Forks**  
**Tax Levies**  
**for the year ended December 31, 2007**

	<i>Assessments</i>	<i>Rate per \$1,000</i>	<u>Actual 2007</u>	<u>Budget 2007</u>	<u>Actual 2006</u>
<b>Municipal property taxes:</b>					
- Residential	\$278,997,470	3.08	\$858,447	\$858,000	\$827,912
- Utilities	961,805	34.00	32,701	32,000	32,381
- Major industry	16,058,300	46.73	750,340	750,000	741,470
- Light industry	1,853,500	12.50	23,169	23,000	22,560
- Business	48,889,330	10.59	517,738	517,000	504,622
- Recreational	27,900	7.50	209	150	386
- Farm	185,171	7.50	1,389	1,150	1,428
General levy - municipal taxes			2,183,994	2,181,300	2,130,759
Flat tax - road maintenance			116,200	120,000	114,320
Special assessments and local improvements			98,536	95,279	91,124
Grants in lieu of taxes			21,236	20,600	23,225
<b>Total taxes for municipal purposes</b>			<u>\$2,419,966</u>	<u>\$2,417,179</u>	<u>\$2,359,428</u>
<b>Collections for other governments:</b>					
School District #51			1,575,231	1,532,531	1,531,736
Regional District of Kootenay Boundary			1,002,971	993,086	992,477
Regional Hospital Districts			207,819	214,315	214,183
Provincial Policing			145,023	142,008	0
British Columbia Assessment Authority			42,679	42,028	42,003
Municipal Finance Authority			102	82	82
<b>Total collections for other governments</b>			<u>2,973,825</u>	<u>2,924,050</u>	<u>2,780,481</u>
<b>Real Property, Special Assessments, Grants In Lieu</b>			<u>\$5,393,790</u>	<u>\$5,341,229</u>	<u>\$5,139,909</u>

**The Corporation of the City of Grand Forks**  
**Other Revenue from Own Sources**  
**for the year ended December 31, 2007**

	<u>Actual 2007</u>	<u>Budget 2007</u>	<u>Actual 2006</u>
<b>General Revenue Fund:</b>			
<b>Operating</b>			
Building permits	\$39,100	\$30,000	\$94,945
Business licenses	29,678	30,000	29,710
Concessions and franchise	80,604	81,000	81,839
Penalties and interest on taxes	54,687	57,000	58,210
Commissions	4,369	4,330	4,184
Donations	2,550	0	0
Provincial Emergency and Fire recoveries	810	0	92,489
Rural Fire recovery	197,409	227,022	0
Other recoveries	40,901	6,000	15,118
Property rentals	78,164	49,320	49,560
	<u>528,271</u>	<u>484,672</u>	<u>426,055</u>
<b>Restricted</b>			
Water Development Cost Charges (Schedule 7)	21,428	12,000	13,636
Sewer Development Cost Charges (Schedule 7)	13,789	10,000	13,311
	<u>563,488</u>	<u>506,672</u>	<u>453,002</u>
less: Transfer to Unexpended	(21,428)	(12,000)	(13,636)
	<u>(13,789)</u>	<u>(10,000)</u>	<u>(13,311)</u>
	<u>528,271</u>	<u>484,672</u>	<u>426,055</u>
<b>Reserves</b>			
Equipment (Schedule 14)	11,196	0	0
Land Sales (Schedule 14)	17,074	500,000	768,500
	<u>28,270</u>	<u>500,000</u>	<u>768,500</u>
<b>Capital</b>			
Donations from groups or individuals	8,445	100,000	0
	<u>8,445</u>	<u>100,000</u>	<u>0</u>
	<u>\$564,986</u>	<u>\$1,084,672</u>	<u>\$1,194,555</u>

**The Corporation of the City of Grand Forks**  
**Grants**  
for the year ended December 31, 2007

	<u>Actual</u> <u>2007</u>	<u>Budget</u> <u>2007</u>	<u>Actual</u> <u>2006</u>
<b>Operating</b>			
General - Small Communities Protection	\$389,450	\$386,679	\$335,435
General - Airshed Management	22,500	40,000	40,000
General - Crystal Meth Strategies	2,648	0	15,000
General - Airport Operations	0	0	7,620
General - Dike and Flood Protection	7,895	0	6,872
General - Sundry Contributions from Regional District	0	0	4,100
General - Summer Student Program	2,012	0	2,130
General - Police Tax Implementation	1,000	0	0
General - New Deal Gas Tax Grant	95,848	96,000	145,862
General - Victim Assistance	27,341	27,000	28,178
	<hr/>	<hr/>	<hr/>
- General Fund Operating Grants	548,694	549,679	585,196
Transfer New Deal to Reserves (Schedule 14)	(95,848)	(26,000)	(145,862)
Transfer New Deal to Capital		(70,000)	
	<hr/>	<hr/>	<hr/>
Water - Revenue Sharing	0	0	17,081
Sewer - Sanitary Sewer Modelling	10,000	0	0
	<hr/>	<hr/>	<hr/>
<b>Total Operating Grants</b>	<u>\$462,846</u>	<u>\$453,679</u>	<u>\$456,415</u>
<b>Capital</b>			
General - Community Centre Infrastructure Grant	0	4,400,000	0
General - Town Centre Grant	0	400,000	0
General - Live Sites Grant	0	330,000	0
General - Green Cities Grant	0	100,000	0
General - New Deal Water Conservation Initiatives	0	70,000	0
General - Granby Dike Reinforcement	136,601	0	0
General - Circuit Court Relocation	92,000	0	0
	<hr/>	<hr/>	<hr/>
Water - Capital Upgrade	0	220,000	180,667
Sewer - Lift Station Infrastructure Grants	0	333,000	0
	<hr/>	<hr/>	<hr/>
<b>Total Capital Grants</b>	<u>\$228,601</u>	<u>\$5,853,000</u>	<u>\$180,667</u>



**The Corporation of the City of Grand Forks**  
**Sales of Goods and Services**  
for the year ended December 31, 2007

	<u>Actual 2007</u>	<u>Budget 2007</u>	<u>Actual 2006</u>
<b>General Revenue Fund:</b>			
<b>Operating</b>			
Garbage	\$141,316	\$141,700	\$140,378
Cemetery	25,557	24,000	33,521
Airport (net of cost of fuel sold)	21,622	21,943	24,497
Transportation Custom Work Orders	19,344	7,600	3,610
Environmental Development	11,500	5,500	9,386
Campground	39,662	37,000	33,632
Sundry	9,279	4,000	6,860
	<u>268,278</u>	<u>241,743</u>	<u>251,883</u>
<b>Reserves</b>			
Slag	296,849	275,000	277,511
	<u>296,849</u>	<u>275,000</u>	<u>277,511</u>
<b>Total General Revenue Fund (Schedule 12)</b>	<u>565,127</u>	<u>516,743</u>	<u>529,394</u>
<b>Water Revenue Fund:</b>			
User Fees	621,211	620,000	620,026
Connection Fees and Custom Work Orders	5,156	8,500	15,812
Penalties	3,704	6,000	3,357
	<u>630,071</u>	<u>634,500</u>	<u>639,196</u>
Less: Discounts for early payment	(22,839)	(23,000)	(22,797)
	<u>(22,839)</u>	<u>(23,000)</u>	<u>(22,797)</u>
<b>Total Water Revenue Fund (Schedule 12)</b>	<u>607,233</u>	<u>611,500</u>	<u>616,398</u>
<b>Electrical Revenue Fund:</b>			
User Fees	2,894,591	2,803,000	2,642,868
Connection Fees and Custom Work Orders	30,121	22,000	40,600
Penalties	10,085	30,000	26,410
Pole Fees and Sundry	3,070	4,800	2,608
	<u>2,937,867</u>	<u>2,859,800</u>	<u>2,712,486</u>
<b>Total Electrical Revenue Fund (Schedule 12)</b>	<u>2,937,867</u>	<u>2,859,800</u>	<u>2,712,486</u>
<b>Sewer Revenue Fund:</b>			
User Fees	665,889	660,000	668,425
Connection Fees and Custom Work Orders	4,793	6,000	16,397
Penalties	4,051	10,000	3,993
Sludge Processing and Sundry	8,650	0	6,400
	<u>683,383</u>	<u>676,000</u>	<u>695,215</u>
Less: Discounts for early payment	(20,666)	(20,000)	(20,306)
	<u>(20,666)</u>	<u>(20,000)</u>	<u>(20,306)</u>
<b>Total Sewer Revenue Fund (Schedule 12)</b>	<u>662,717</u>	<u>656,000</u>	<u>674,909</u>
<b>Electrical Capital Fund:</b>			
Electrical Custom Work Orders (Schedule 12)	0	0	21,255
	<u>0</u>	<u>0</u>	<u>21,255</u>
<b>Total Sales of Goods and Services</b>	<u>\$4,772,943</u>	<u>\$4,644,043</u>	<u>\$4,554,443</u>

**The Corporation of the City of Grand Forks**  
**Continuity Schedule of Restricted Revenues**  
**for the year ended December 31, 2007**

	Restated 0 Balance <u>December 31, 2006</u>	Interest Earned	Collections	Expenditures	Balance <u>December 31, 2007</u>
H.A.R.P. Design	5,894	0	0	5,894	\$0
Sustainable Community Planning	0	0	1,000	0	\$1,000
Granby Dyking	15,927	0	0	13,476	\$2,451
Community Tourism Initiatives	0	0	30,535	0	\$30,535
Business Improvement Area	1,930	32	0	1,962	\$0
Water Development Cost Charges	242,888	11,873	21,428	200,000	\$76,190
Sewer Development Cost Charges	192,890	9,216	13,789	0	\$215,895
Special Museum Relocation	26,344	1,169	0	0	\$27,514
RDKB Community Centre Operations	12,147	0	0	0	\$12,147
Victim Assistance Program	2,551	0	26,768	27,341	\$1,978
	<u>\$500,571</u>	<u>\$22,291</u>	<u>\$93,520</u>	<u>\$248,673</u>	<u>\$367,709</u>

**The Corporation of the City of Grand Forks**  
**Interest and Investment Income**  
**for the year ended December 31, 2007**

	<u>Actual 2007</u>	<u>Budget 2007</u>	<u>Actual 2006</u>
<b>Income from sources requiring restriction or deferment</b>			
Reserves: (Schedule 14)			
Water Reserve	\$76	\$80	\$119
Equipment Reserve	4,889	2,000	4,406
Tax Land Sale Reserve	2,404	2,000	2,127
Cash in Lieu of Parking Reserve	626	400	554
New Deal Gas Tax Transfer	7,743	0	3,641
Land Sales Reserve	105,233	100,000	115,109
Slag Sales Reserve	79,769	60,000	71,577
	<u>200,740</u>	<u>164,480</u>	<u>197,534</u>
Other Restricted Accounts: (Schedule 7)			
Business Improvement Area	32	30	76
Water Development Cost Charges Reserve	11,873	9,000	9,412
Sewer Development Cost Charges Reserve	9,216	7,500	7,407
Special Museum Relocation	1,169	0	462
	<u>22,291</u>	<u>16,530</u>	<u>17,357</u>
<b>Income available for general use</b>			
Cemetery Account	5,071	3,000	4,260
Airport Account	0	0	440
General Account	156,525	100,000	168,423
	<u>161,595</u>	<u>103,000</u>	<u>173,123</u>
	<u>\$384,626</u>	<u>\$284,010</u>	<u>\$388,014</u>
<b>Investment income on sinking funds</b>			
Water Fund (one time final refund bond issue surplus)	0	0	56,319
Sewer Fund (applied against debenture debt)	2,412	2,413	2,015
	<u>\$2,412</u>	<u>\$2,413</u>	<u>\$58,334</u>

**The Corporation of the City of Grand Forks**  
**Expenditures by Function**  
**for the year ended December 31, 2007**

	Operating		Capital		Total		
	<u>Actual 2007</u>	<u>Budget 2007</u>	<u>Actual 2007</u>	<u>Budget 2007</u>	<u>Actual 2007</u>	<u>Budget 2007</u>	<u>Actual 2006</u>
General government	\$1,004,424	\$1,043,624	\$74,143	\$100,000	\$1,078,567	\$1,143,624	\$1,125,525
Public real estate	271,270	307,191	2,091,323	9,545,000	2,362,593	9,852,191	257,601
Protective services	503,227	436,964	5,300	0	508,527	436,964	400,893
Transportation services	918,504	966,860	1,052,095	1,050,000	1,970,598	2,016,860	1,129,390
Residential garbage disposal	145,698	146,119	0	0	145,698	146,119	143,587
Cemetery services	88,526	88,510	0	0	88,526	88,510	82,462
Economic and community services	292,263	194,045	0	0	292,263	194,045	214,077
Recreation and cultural services	507,163	487,302	279,868	320,000	787,031	807,302	557,240
Distribution based on electrical consumption	298,700	300,000	0	0	298,700	300,000	336,592
Utility services	3,548,022	3,425,363	916,212	1,567,825	4,464,234	4,993,188	4,048,904
Fiscal charges	19,446	15,708	0	0	19,446	15,708	38,795
	<u>\$7,597,242</u>	<u>\$7,411,686</u>	<u>\$4,418,940</u>	<u>\$12,582,825</u>	<u>\$12,016,181</u>	<u>\$19,994,511</u>	<u>\$8,335,066</u>

**The Corporation of the City of Grand Forks**  
**Expenditures by Object**  
**for the year ended December 31, 2007**

	Operating		Capital		Total		
	<u>Actual 2007</u>	<u>Budget 2007</u>	<u>Actual 2007</u>	<u>Budget 2007</u>	<u>Actual 2007</u>	<u>Budget 2007</u>	<u>Actual 2006</u>
Wages and employee benefits	\$2,889,540	\$2,853,202	\$103,207	\$29,000	\$2,992,747	\$2,882,202	\$2,756,204
Subcontracts	652,025	657,650	1,795,545	10,536,000	2,447,570	11,193,650	917,724
Purchased electricity	2,023,149	1,996,000	0	0	2,023,149	1,996,000	1,943,001
Land and building acquisitions	0	0	895,000	900,000	895,000	900,000	10,238
Professional fees	253,472	154,839	587,685	0	841,157	154,839	193,333
Materials and supplies	335,572	385,251	347,121	537,000	682,693	922,251	505,538
Capital Equipment purchases	0	0	640,289	567,825	640,289	567,825	683,680
Electrical consumption rebate	298,700	300,000	0	0	298,700	300,000	336,592
Vehicle and equipment operating costs	179,594	84,900	35,448	13,000	215,041	97,900	115,832
Insurance	158,901	149,032	0	0	158,901	149,032	128,790
Heat and light	147,078	136,284	0	0	147,078	136,284	141,442
Residential garbage pickup and tipping fees	145,698	144,619	0	0	145,698	144,619	143,588
Office, delivery and sundry	132,959	157,586	6,505	0	139,464	157,586	110,956
Registration, tuition, travel & accommodations	Footnote 1 103,125	122,318	0	0	103,125	122,318	81,963
Grants	70,161	60,127	0	0	70,161	60,127	72,010
Internet and Telecommunications	65,761	91,942	0	0	65,761	91,942	60,468
Advertising and public information	50,459	53,324	3,850	0	54,308	53,324	49,418
Debt interest and bank charges	45,658	26,458	0	0	45,658	26,458	52,133
Fees, dues and licenses	34,374	23,654	4,291	0	38,665	23,654	18,396
Lease and rental	11,017	14,500	0	0	11,017	14,500	13,760
	<u>\$7,597,242</u>	<u>\$7,411,686</u>	<u>\$4,418,940</u>	<u>\$12,582,825</u>	<u>12,016,181</u>	<u>\$19,994,511</u>	<u>\$8,335,066</u>

Footnote 1 Costs associated with travel on economic and community issues, representations to Federal and Provincial governments, and legislation mandated employee training and development

**The Corporation of the City of Grand Forks**  
**Financial Position by Fund**  
as at December 31, 2007

<b>General Revenue Fund</b>		
	<u>2007</u>	<u>2006</u>
<b>Financial Assets</b>		
Cash and Temporary Investments (Note 1)	\$3,015,617	\$3,697,322
Accounts Receivable (Note 2)	\$671,080	956,713
Prepaid Lease and Deposit	\$55,200	5,000
Inventories for Resale (Note 3)	\$26,823	20,658
Due from Trust	\$1,134	1,217
	<u>\$3,769,854</u>	<u>4,680,910</u>
<b>Liabilities</b>		
Accounts Payable (Note 4)	\$2,106,264	1,842,855
Deferred Revenues	\$336,684	330,539
Restricted Revenues (Schedule 7)	\$367,709	500,571
	<u>\$2,810,657</u>	<u>2,673,965</u>
<b>Net Financial Assets</b>		
	<u>\$959,197</u>	<u>2,006,945</u>
Inventories for Own Use	<u>\$9,020</u>	<u>4,924</u>
<b>Due from (to) Own Funds</b>		
Water Revenue Fund	(\$413,187)	(1,019,426)
Electrical Revenue Fund	\$349,738	175,161
Sewer Revenue Fund	(\$416,900)	(491,245)
	<u>(\$480,349)</u>	<u>(1,335,510)</u>
<b>Due from (to) Reserves</b>		
Equipment Replacement Reserve	\$42,673	(118,250)
Slag Sales Reserve	(\$15,883)	100,243
Capital Reserve	(\$275,041)	(258,700)
Land Sales Reserve	\$122,957	0
	<u>(\$125,294)</u>	<u>(276,707)</u>
	<u>\$362,574</u>	<u>\$399,651</u>
<b>Equity</b>		
General Fund Equity (Schedule 12)	<u>\$362,574</u>	<u>\$399,651</u>

**The Corporation of the City of Grand Forks**  
**Financial Position by Fund**  
**as at December 31, 2007**

**Schedule 11**  
(continued)

<b>Water Revenue Fund</b>		
	<u><b>2007</b></u>	<u><b>2006</b></u>
<b>Financial Assets</b>		
Accounts Receivable (Note 2)	\$48,622	\$8,988
<b>Net Financial Assets</b>		
Inventories for Own Use	48,622	8,988
	26,405	15,439
<b>Due from (to) Own Funds</b>		
General Revenue Fund	413,187	1,019,426
	<u>\$488,214</u>	<u>\$1,043,852</u>
<b>Equity</b>		
Water Fund Equity	<u>\$488,214</u>	<u>\$1,043,852</u>
<b>Electrical Revenue Fund</b>		
	<u><b>2007</b></u>	<u><b>2006</b></u>
<b>Financial Assets</b>		
Accounts Receivable (Note 2)	\$570,918	\$412,591
<b>Net Financial Assets</b>		
Inventories for Own Use	570,918	412,591
	146,862	53,191
<b>Due from (to) Own Funds</b>		
General Revenue Fund	(349,738)	(175,161)
	<u>\$368,042</u>	<u>\$290,621</u>
<b>Equity</b>		
Electrical Fund Equity	<u>\$368,042</u>	<u>\$290,621</u>
<b>Sewer Revenue Fund</b>		
	<u><b>2007</b></u>	<u><b>2006</b></u>
<b>Financial Assets</b>		
Accounts Receivable (Note 2)	\$59,141	\$19,050
<b>Liabilities</b>		
Accounts Payable (Note 4)	884	884
<b>Net Financial Assets</b>		
Inventories for Own Use	58,257	18,166
	6,257	5,941
<b>Due from (to) Own Funds</b>		
General Revenue Fund	416,900	491,245
	<u>\$481,414</u>	<u>\$515,352</u>
<b>Equity</b>		
Sewer Fund Equity	<u>\$481,414</u>	<u>\$515,352</u>

**The Corporation of the City of Grand Forks**  
**Financial Position by Fund**  
**as at December 31, 2007**

**Schedule 11**  
(continued)

<b>General Capital Fund</b>		
	<u><b>2007</b></u>	<u><b>2006</b></u>
<b>Financial Assets</b>	\$0	\$0
<b>Liabilities</b>		
Long Term Debt (Schedule 2) (Note 5)	229,823	8,998
	<u>229,823</u>	<u>8,998</u>
<b>Net Financial Assets</b>	(229,823)	(8,998)
<b>Due from (to) Own Funds</b>		
Sewer Capital Fund	49,982	0
<b>Capital Assets (Schedule 1) (Note 11)</b>	25,024,438	22,319,920
<b>Equity</b>		
Equity in Capital Assets (Note 8)	<u>\$24,844,597</u>	<u>\$22,310,922</u>
<b>Water Capital Fund</b>		
	<u><b>2007</b></u>	<u><b>2006</b></u>
<b>Financial Assets</b>	\$0	\$0
<b>Capital Assets (Schedule 1) (Note 11)</b>	6,703,742	6,053,289
<b>Equity</b>		
Equity in Capital Assets (Note 8)	<u>\$6,703,742</u>	<u>\$6,053,289</u>
<b>Electrical Capital Fund</b>		
	<u><b>2007</b></u>	<u><b>2006</b></u>
<b>Net Financial Assets</b>	\$0	\$0
<b>Capital Assets (Schedule 1) (Note 11)</b>	2,233,819	2,417,643
<b>Equity</b>		
Equity in Capital Assets (Note 8)	<u>\$2,233,819</u>	<u>\$2,417,643</u>
<b>Sewer Capital Fund</b>		
	<u><b>2007</b></u>	<u><b>2006</b></u>
<b>Financial Assets</b>	\$0	\$0
<b>Liabilities</b>		
Long Term Debt (Schedule 2) (Note 5)	179,170	237,490
<b>Net Financial Assets</b>	(179,170)	(237,490)
<b>Due from (to) Own Funds</b>		
General Capital Fund	(49,982)	0
<b>Capital Assets (Schedule 1) (Note 11)</b>	5,696,635	5,919,878
<b>Equity</b>		
Equity in Capital Assets (Note 8)	<u>\$5,467,484</u>	<u>\$5,682,388</u>



**The Corporation of the City of Grand Forks**  
**Financial Position by Fund**  
**as at December 31, 2007**

**Schedule 11**  
(continued)

<b>Reserve Fund</b>		
	<u><b>2007</b></u>	<u><b>2006</b></u>
<b>Financial Assets</b>		
Cash and Temporary Investments (Note 1)	\$3,205,601	\$5,228,435
Accounts Receivable (Note 2)	14,154	18,859
	<u>3,219,754</u>	<u>5,247,294</u>
<b>Liabilities</b>	<u>0</u>	<u>0</u>
<b>Net Financial Assets</b>	3,219,754	5,247,294
<b>Due from (to) Own Funds</b>		
General Revenue Fund	<u>125,294</u>	<u>276,707</u>
<b>Equity - Reserve Fund Balances</b>	<u><u>\$3,345,049</u></u>	<u><u>\$5,524,001</u></u>
<b>Equity - Reserve Fund Balances</b>		
Domestic Water System Reserve	\$0	\$3,042
New Deal Community Works Fund Reserve	253,093	149,502
Tax Sale Lands Reserve	56,563	54,159
Cash in Lieu of Parking Reserve	14,720	14,094
Equipment Replacement Reserve	167,120	161,035
Land Sale Reserve	1,056,722	3,142,148
Capital Reserve	275,041	258,700
Slag Sale Reserve	<u>1,521,790</u>	<u>1,741,321</u>
	<u><u>\$3,345,049</u></u>	<u><u>\$5,524,001</u></u>

**The Corporation of the City of Grand Forks**  
**Financial Activities by Fund**  
for the year ended December 31, 2007

General Fund	Actual <u>2007</u>	Budget <u>2007</u>	Actual <u>2006</u>
<b>Revenue</b>			
Taxes (Schedule 3)			
Real property, special assessments, grants in lieu	5,387,750	\$5,335,189	5,133,869
Less: collections for other governments	<u>(2,973,825)</u>	<u>(2,924,050)</u>	<u>(2,780,481)</u>
Taxes (Schedule 3)	2,413,925	\$2,411,139	\$2,353,387
Sales of goods and services (Schedule 6)	565,127	516,743	529,394
Other revenues from own sources (Schedule 4)	564,986	1,084,672	1,194,555
Senior government grants - Operating (Schedule 5)	548,694	549,679	585,196
Senior government grants - Capital (Schedule 5)	228,601	5,300,000	0
Interest income (Schedule 8)	384,626	284,010	388,014
	<u>4,705,958</u>	<u>10,146,243</u>	<u>5,050,546</u>
Transfer to Library Maintenance	(5,778)	0	(3,974)
Capital project funding deferred	0	0	2,762
Restricted Interest (Schedule 7)	<u>(22,291)</u>	<u>(16,530)</u>	<u>(17,357)</u>
	4,677,889	10,129,713	5,031,977
<b>Expenditures</b>			
General government	1,078,567	1,143,624	1,125,525
Public real estate	2,362,593	9,852,191	257,601
Protective services	508,527	436,964	400,893
Transportation services	1,974,695	2,016,860	1,134,314
Residential garbage disposal	145,698	146,119	143,587
Cemetery services	88,526	88,510	82,462
Economic and community services	292,263	194,045	214,077
Recreation and cultural services	787,031	807,302	557,240
Distribution based on electrical consumption	298,700	300,000	336,592
Fiscal charges	4,039	300	329
	<u>7,540,637</u>	<u>14,985,915</u>	<u>4,252,619</u>
<b>Change in Net Financial Assets</b>	(2,862,748)	(4,856,202)	779,358
Appropriation from Land Sales Reserve	2,207,733	2,725,000	0
Appropriation from Equipment Replacement Reserve	145,000	145,000	102,142
Appropriation from Slag Sales Reserve	596,149	509,000	224,200
Appropriation from Unexpended	21,332	0	0
Transfer Income to Reserves (Schedule 14)	(555,966)	(1,006,000)	(1,341,873)
Transfer from Electrical Fund	352,361	350,000	395,346
Transfer from Water Fund	19,254	20,000	26,392
Transfer from Sewer Fund	15,626	16,000	26,392
Capital project funding deferred	0	0	(2,762)
Supplies Inventory change	4,096	0	4,924
Debt incurred	251,947	2,200,000	0
Principal repaid	(31,122)	(2,500)	(2,454)
Interest on Reserve Accounts (Schedule 8)	<u>(200,740)</u>	<u>(164,480)</u>	<u>(197,534)</u>
<b>Increase (Decrease) in General Fund Balance</b>	(37,078)	(64,182)	14,130
<b>General Fund Balance - Beginning of Year - Restated</b>	<u>399,651</u>	<u>399,651</u>	<u>385,521</u>
<b>General Fund Balance - End of Year</b>	<u><u>362,574</u></u>	<u><u>\$335,469</u></u>	<u><u>\$399,651</u></u>

**The Corporation of the City of Grand Forks**  
**Financial Activities by Fund**  
**for the year ended December 31, 2007**

**Schedule 12**  
(continued)

<b>Water Fund</b>			
	<b>Actual 2007</b>	<b>Budget 2007</b>	<b>Actual 2006</b>
<b>Revenue</b>			
Sales of goods and services (Schedule 6)	\$607,233	\$611,500	\$616,398
Investment income on sinking funds (Note 5)	0	0	56,319
Senior government grants - Operating (Schedule 5)	0	0	17,081
Senior government grants - Capital (Schedule 5)	0	220,000	180,667
	<u>607,233</u>	<u>831,500</u>	<u>870,465</u>
Add: Debt forgiven	0	0	134,482
	<u>607,233</u>	<u>831,500</u>	<u>1,004,947</u>
<b>Expenditures</b>			
Utility services	1,357,702	1,349,305	990,858
Fiscal charges	0	0	19,424
	<u>1,357,702</u>	<u>1,349,305</u>	<u>1,010,282</u>
<b>Change in Net Financial Assets</b>	(750,469)	(517,805)	(5,334)
Transfer to General Capital Fund	(19,254)	(20,000)	(26,392)
Appropriation from Capital Reserve	0	0	25,000
Appropriation from Water Development Cost Charges	200,000	250,000	0
Appropriation from Water Reserve	3,118	0	0
Principal repaid	0	0	(134,482)
Supplies Inventory change	10,967	0	15,439
	<u>(555,638)</u>	<u>(287,805)</u>	<u>(125,770)</u>
<b>Increase (Decrease) in Water Fund Balance</b>	(555,638)	(287,805)	(125,770)
<b>Water Fund Balance - Beginning of Year - Restated</b>	<u>1,043,852</u>	<u>1,043,852</u>	<u>1,169,622</u>
<b>Water Fund Balance - End of Year</b>	<u><u>\$488,214</u></u>	<u><u>\$756,047</u></u>	<u><u>\$1,043,852</u></u>

**The Corporation of the City of Grand Forks**  
**Financial Activities by Fund**  
**for the year ended December 31, 2007**

**Schedule 12**  
(continued)

<b>Electrical Fund</b>			
	<b>Actual 2007</b>	<b>Budget 2007</b>	<b>Actual 2006</b>
<b>Revenue</b>			
Sales of goods and services - Operating (Schedule 6)	\$2,937,867	\$2,859,800	\$2,712,486
Electrical Custom Work Orders - Capital (Schedule 6)	0	0	21,255
	<u>2,937,867</u>	<u>2,859,800</u>	<u>2,733,741</u>
<b>Expenditures</b>			
Purchased electricity (Schedule 10)	2,023,149	1,996,000	1,943,001
Utility services	562,264	497,459	697,149
	<u>2,585,414</u>	<u>2,493,459</u>	<u>2,640,150</u>
<b>Change in Net Financial Assets</b>	352,453	366,341	93,591
Supplies Inventory change	93,671	0	53,191
Appropriation from Equipment Replacement Reserve	0	0	31,750
Transfer Income to Reserves (Schedule 14)	(16,341)	(16,341)	(47,700)
Transfer to General Fund	<u>(352,361)</u>	<u>(350,000)</u>	<u>(395,346)</u>
<b>Increase (Decrease) in Electrical Fund Balance</b>	77,421	0	(264,514)
<b>Electrical Fund Balance - Beginning of Year - Restated</b>	<u>290,621</u>	<u>290,621</u>	<u>555,134</u>
<b>Electrical Fund Balance - End of Year</b>	<u><u>\$368,042</u></u>	<u><u>\$290,621</u></u>	<u><u>\$290,621</u></u>

**The Corporation of the City of Grand Forks**  
**Financial Activities by Fund**  
**for the year ended December 31, 2007**

**Schedule 12**  
(continued)

<b>Sewer Fund</b>			
	<u>Actual 2007</u>	<u>Budget 2007</u>	<u>Actual 2006</u>
<b>Revenue</b>			
Taxes (Schedule 3)			
Special assessments	\$6,041	\$6,040	\$6,041
Sales of goods and services (Schedule 6)	662,717	656,000	674,909
Investment income on sinking funds (Note 5)	2,412	2,413	2,015
Senior government grants - Operating (Schedule 5)	10,000	0	0
Senior government grants - Capital (Schedule 5)	0	333,000	0
	<u>681,170</u>	<u>997,453</u>	<u>682,965</u>
<b>Expenditures</b>			
Utility services	626,071	1,150,424	492,467
Fiscal charges	15,407	15,408	19,042
	<u>641,478</u>	<u>1,165,832</u>	<u>511,509</u>
<b>Change in Net Financial Assets</b>	39,691	(168,379)	171,456
Supplies Inventory change	316	0	5,941
Transfer to General Capital Fund	(15,626)	(16,000)	(26,392)
Appropriation from Development Cost Charge Reserve	0	100,000	0
Debt Principal Reduced	(58,320)	(58,321)	(74,438)
<b>Increase (Decrease) in Sewer Fund Balance</b>	(33,938)	(142,700)	76,567
<b>Sewer Fund Balance - Beginning of Year - Restated</b>	<u>515,352</u>	<u>515,352</u>	<u>438,785</u>
<b>Sewer Fund Balance - End of Year</b>	<u>\$481,414</u>	<u>\$372,652</u>	<u>\$515,352</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, 2007**

	<u>Balance December 31, 2006</u>	<u>Transfers in Current Year</u>	<u>Interest Earned on Unexpended</u>	<u>Expenditures</u>	<u>Balance December 31, 2007</u>
Community Works Fund Transfers	\$149,502	\$95,848	\$7,743	\$0	\$253,093
	<u>\$149,502</u>	<u>\$95,848</u>	<u>\$7,743</u>	<u>\$0</u>	<u>\$253,093</u>

**The Corporation of the City of Grand Forks**  
**Continuity Schedule of Reserves**  
for the year ended December 31, 2007

	<u>Balance</u> <u>December 31, 2006</u>	<u>Interest</u> <u>Earned</u>	<u>Transfer from</u> <u>Operating Funds</u>	<u>Collections</u>	<u>Appropriations</u>	<u>Balance</u> <u>December 31, 2007</u>
Domestic Water System Reserve	\$3,042	\$76	\$0	\$0	\$3,118	\$0
Equipment Replacement Reserve	161,035	4,889	135,000	11,196	145,000	167,120
Land Sale Reserve	3,142,148	105,233	0	17,074	2,207,733	1,056,722
Tax Sale Lands Reserve	54,159	2,404	0	0	0	56,563
Cash-In-Lieu of Parking Reserve	14,094	626	0	0	0	14,720
Slag Sale Reserve	1,741,321	79,769	0	296,849	596,149	1,521,790
New Deal Community Works Fund Reserve	149,502	7,743	0	95,848	0	253,093
Capital Reserve	258,700	0	16,341	0	0	275,041
	<u>\$5,524,001</u>	<u>\$200,740</u>	<u>\$151,341</u>	<u>\$420,966</u>	<u>\$2,952,000</u>	<u>\$3,345,049</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, 2007**

<b>1. Elected Officials</b>					
<u>Name</u>	<u>Position</u>		<u>Remuneration</u>	<u>Expenses</u>	<u>Total</u>
Ann Gordon	Councillor		14,683	3,873	18,556
Tom Hinter	Councillor		14,683	1,484	16,166
Neil Krog	Councillor/Mayor		19,577	4,681	24,257
Chris Moslin	Councillor		14,683	4,369	19,051
Patrick O'Doherty	Councillor		14,683	2,884	17,566
Gene Robert	Councillor		14,683	9,890	24,572
Tom Shkrabuik	Councillor		14,683	0	14,683
<b>Total: Elected Officials</b>			<b>107,673</b>	<b>27,179</b>	<b>134,852</b>
<b>2. Other Employees</b>					
<u>Name</u>	<u>Position</u>		<u>Remuneration</u>	<u>Expenses</u>	<u>Total</u>
Lynne Burch	City Clerk	Footnote 1	87,403	2,937	90,340
Dean Chapman	Wastewater Treatment Plant Operator		80,004	1,752	81,755
Leonard Federico	Utility System Operator		76,975	3,587	80,562
William Harp	Electrical Lineman		80,841	592	81,434
Mike Imrie	Water & Sewer System Coordinator		118,110	3,569	121,679
Wayne Kopan	Works & Services Manager		75,507	100	75,607
Victor Kumar	City Manager	Footnote 1 Footnote 2	133,016	17,626 **	150,642
Blair Macgregor	Fire Chief	Footnote 1	86,882	1,793	88,675
Gary Onions	Electrical Coordinator		80,493	169	80,662
Dan Zabinsky	Treasurer/Deputy Clerk	Footnote 1	84,638	2,563	87,200
Other 34 employees (Under \$75,000)			1,574,190	52,430	1,626,620
<b>Total: Other Employees</b>			<b>2,478,058</b>	<b>87,118</b>	<b>2,565,176</b>
<b>Subtotal: All Remuneration</b>			<b>2,585,732</b>		
<b>Reconciling Items</b>					
Payroll taxes (CPP, EI, WCB)			151,792		
Employer Pension Contributions			185,206		
Health Insurance			71,457		
Reductions			(25,357)		
2007 yearend accruals less 2006			23,918		
<b>Wages and employee benefits</b> (Schedule 10)			<b>2,992,747</b>		

Footnote 1 Managers within this group have elected to pay the cost of all benefit programs and receive a higher salary

Footnote 2 Remuneration includes \$8,021 in salary deferred from 2005

\*\* Expenses include \$7,418 relating to interventions regarding major industries



**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, 2007

1. Alphabetical list of suppliers who received aggregate payments exceeding \$25,000	Aggregate amount paid
<u>Supplier name</u>	
Alpine (Interior) Disposal	\$120,968
Altec	\$243,663
Andres Surveys	47,594
B.C. Assessment Authority	43,276
British Columbia Life & Casualty Company	35,809
Bell Pole Canada Inc.	28,533
Bi Pure Water (Canada) Inc.	66,529
The Birks Company	52,391
Boundary Electric (1985) Ltd.	44,033
Bull Houser & Tupper	41,587
Bull Houser & Tupper (In Trust)	50,000
Chamber of Commerce	70,510
City of Nelson	109,916
Columbia Water Wells (1986) Ltd.	68,359
Commissionaires B.C.	77,776
Cookson Motors Ltd.	79,328
C.U.P.E. Local 4728	26,572
Dave Dale Insurance Ltd.	66,458
Drexler Computer Systems Ltd	68,792
ElJay Irrigation Ltd.	32,850
Fairbank Architects Ltd.	103,634
FortisBC Inc.	2,137,908
Fred Surridge Ltd.	175,721
Golder Associates Ltd.	33,639
Grand Forks Construction Services Ltd.	509,381
Grand Forks Janitorial Services	38,120
Grand Forks Volunteer Fire Department	62,644
Gulleivin International	39,462
Insurance Corporation of B.C.	35,733
International Safety Instruments	27,758
Jacobsen Pontiac Buick (1993) Ltd.	76,142
Kerr Wood Liedal Associates	244,368
Kootenay Boundary Regional Hospital District	28,362
Layfield Environmental Systems Ltd.	34,459
Lime Creek Logging Ltd.	29,834
Ludowicz Mellett Law Office (In Trust)	891,108
Mainstream Mechanical Ltd.	172,895
Medical Services Plan (Revenue Services BC)	35,352
Minister of Finance - Social Services Tax	102,420
Minister of Finance - Real Property Taxation	833,238
Municipal Finance Authority	34,666
Municipal Insurance	43,383
Municipal Pension Plan	339,389
Natural Stone & Tile Warehouse	40,000
Pacific Blue Cross	81,234
Pacific & Western Public Sector Financing Corp	61,733
Phoenix Marine Services Inc.	32,693
Receiver General for Canada	730,409
Regional District of Kootenay Boundary	1,145,223
School District #51 (Boundary)	27,391
Selkirk Paving Ltd.	500,606
Sequoia Fuels	33,588
Sybertech Waste Reduction Ltd.	34,016
Telus Communications (B.C.) Inc.	29,287
Terasen Gas Inc.	33,513
Twin Lake Service	92,441
Unifab Industries Ltd.	26,280
Urban Systems Ltd.	228,680
Vadim Computer Management Group	34,504
Voda Computer Systems Ltd.	38,782
Wesco	95,700
West Kootenay Boundary Regional Hospital District	182,286
Workers Compensation Board	34,580
	<u>10,887,506</u>
2. Consolidated total paid to suppliers who received aggregate payments of \$25,000 or less	1,561,200
3. Payments to suppliers for grants and contributions exceeding \$25,000	
Boundary Museum Society	32,785
<b>Subtotal: All payments for goods, services, grants and contributions</b>	<u><u>12,481,490</u></u>
<b>Reconciling Items</b>	
Payroll deduction and benefit payments	(1,283,346)
Payments issued against debt principal	(87,030)
Overpayment refunds (property tax and utility accounts)	(53,020)
Taxes collected for other authorities	<u>(2,090,235)</u>
	<u><u>8,967,859</u></u>
<b>Total Expenditures in year (Schedules 9 &amp; 10)</b>	12,016,181
less Electrical consumption distribution	(298,700)
less Wages and employee benefits (Schedules 10 & 15)	<u>(2,992,747)</u>
Net payments for goods, services, grants and contributions in year	8,724,735
2007 yearend accruals less 2006	<u>243,124</u>
	<u><u>8,967,859</u></u>

**The Corporation of the City of Grand Forks**  
**Schedule of Capital Projects Undertaken**  
**for the year ended December 31, 2007**

<b>GENERAL FUND</b>	
OFFICE AND TECHNICAL EQUIPMENT	102,117
MOBILE SOUND EQUIPMENT	4,099
PROTECTIVE SERVICES EQUIPMENT	5,300
PUBLIC WORKS YARD EQUIPMENT	6,662
PUBLIC WORKS MACHINERY AND MOBILE EQUIPMENT	460,217
GRANBY DIKE REINFORCEMENT	137,356
LAND & BUILDING ACQUISITION	897,027
CIRCUIT COURT DEVELOPMENT	837,937
PAVING AND ROADWORK	415,785
ARTS & CULTURE FACILITY DESIGN	34,558
RIVERWALK DEVELOPMENT	88,071
TOWN SQUARE DEVELOPMENT	108,541
DOWNTOWN BEAUTIFICATION	94,878
FIREMANS PARK	66,469
CAMPGROUND UPGRADE	98,132
PARK WALKWAYS, LIGHTING, BENCHES	87,521
CITY PARK UPGRADE	17,721
TRAILS DEVELOPMENT	7,046
WASHROOM HEAT EXCHANGE DESIGN	20,954
IRRIGATION MANAGEMENT CONTROL SYSTEM	12,336
	<u>3,502,728</u>
<b>FUNDED BY:</b>	
APPROPRIATIONS FROM EQUIPMENT REPLACEMENT RESERVE	145,000
APPROPRIATIONS FROM SLAG SALES RESERVE	596,149
APPROPRIATIONS FROM LAND SALES RESERVE	2,207,733
GRANTS FROM OTHER GOVERNMENTS	228,601
DONATIONS FROM GROUPS AND INDIVIDUALS	8,445
RESTRICTED INCOME UNEXPENDED IN PRIOR YEARS	21,332
CAPITAL LEASE	251,573
CURRENT YEAR'S REVENUES (WATER)	19,254
CURRENT YEAR'S REVENUES (SEWER)	15,626
CURRENT AND PRIOR YEAR'S REVENUES (TAXATION)	9,015
	<u>3,502,728</u>
<b>WATER FUND</b>	
WATER METERING PROGRAM	297,985
WATER WELLS CHLORINATION	218,283
WELL UPGRADES	113,347
BULK WATER FILLING STATION	49,425
ENGINEERING AND PLANNING: FUTURE EXPANSION	3,840
	<u>682,879</u>
<b>FUNDED BY:</b>	
DEVELOPMENT COST CHARGES	200,000
APPROPRIATIONS FROM WATER RESERVE	3,118
PRIOR YEARS' SURPLUS	415,661
CURRENT YEAR'S REVENUES (USER FEES)	64,100
	<u>682,879</u>
<b>ELECTRICAL FUND</b>	
IMPROVE ELECTRICAL SUPPLY POINTS	79,757
MACHINERY AND OPERATING EQUIPMENT	1,375
	<u>81,132</u>
<b>FUNDED BY:</b>	
CURRENT YEAR'S REVENUES (USER FEES)	81,132
	<u>81,132</u>
<b>SEWER FUND</b>	
LIFT STATION UPGRADE DESIGN ENGINEERING	134,347
MACHINERY AND OPERATING EQUIPMENT	17,854
	<u>152,201</u>
<b>FUNDED BY:</b>	
PRIOR YEARS' SURPLUS	108,076
CURRENT YEAR'S REVENUES (USER FEES)	44,125
	<u>152,201</u>
<b>TOTAL EXPENDITURES ON CAPITAL</b>	<u><u>4,418,940</u></u>
	(Schedules 9 & 10)

# STATISTICAL SECTION

## The Corporation of the City of Grand Forks

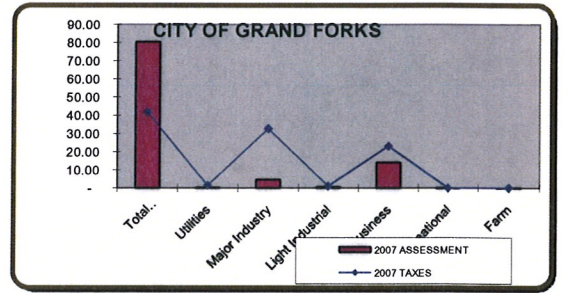
### Assessment / Taxation Comparative Statistics

for the year ended December 31, 2007

	2007	2006	2005	2004	2003
<b>Assessments for General Taxation</b>					
Residential	\$ 278,997,220	\$ 217,871,520	\$ 195,078,020	\$ 173,091,305	\$ 171,033,491
Utilities	\$ 961,805	\$ 1,070,700	\$ 1,042,270	\$ 1,011,495	\$ 1,024,105
Major Industry	\$ 16,058,300	\$ 14,202,500	\$ 14,400,600	\$ 14,569,800	\$ 15,240,200
Light Industry	\$ 1,853,500	\$ 1,804,800	\$ 1,926,000	\$ 1,841,400	\$ 1,620,100
Business	\$ 48,889,300	\$ 43,019,750	\$ 41,912,650	\$ 38,375,850	\$ 37,749,100
Recreational	\$ 27,900	\$ 51,400	\$ 16,300	\$ 14,500	\$ 14,500
Farm	\$ 185,171	\$ 190,428	\$ 187,100	\$ 187,300	\$ 177,500
<b>Total Taxable Assessments</b>	<b>\$ 346,973,196</b>	<b>\$ 278,211,098</b>	<b>\$ 254,562,940</b>	<b>\$ 229,091,650</b>	<b>\$ 226,858,996</b>
<b>Total School Tax Assessments</b>	<b>\$ 353,837,809</b>	<b>\$ 285,931,442</b>	<b>\$ 257,228,304</b>	<b>\$ 231,825,804</b>	<b>\$ 228,549,272</b>
<b>Municipal Tax Rates per \$1,000</b>					
Residential	3.07690	3.8000	3.7431	4.2652	4.3348
Utilities	34.00000	30.2432	24.2723	25.5221	25.9002
Major Industry	46.72600	52.2070	42.1136	42.4741	43.1742
Light Industry	12.50000	12.5000	10.0846	10.7629	19.5931
Business	10.59000	11.7300	9.8665	10.2088	10.3601
Recreational	7.50000	7.5000	10.7975	12.3973	12.6142
Farm	7.50000	7.5000	5.9648	6.0793	6.1554
<b>School Tax Rate per \$1,000</b>					
Residential	3.02550	3.7081	4.0587	4.6289	5.0618
Utilities	14.70000	14.9000	14.9000	15.0000	15.0000
Major Industry	12.50000	12.5000	12.5000	12.5000	12.5000
Light Industry	7.90000	7.2000	9.6000	9.9000	9.9000
Business	7.90000	9.2000	9.0000	9.9000	9.9000
Recreational	3.90000	4.2000	4.5000	4.5000	4.5000
Farm	6.80000	6.8000	6.8000	6.8000	6.8000
<b>Residential Tax Rate per \$1,000</b>					
General	3.07690	3.8000	3.7431	4.2652	4.3348
Local School Levy	3.02550	3.7081	4.0587	4.6289	5.0618
Provincial Policing Levy	0.29480				
Regional District	2.03888	2.4143	2.4693	2.5319	2.3917
Regional Hospital District	0.42246	0.5210	0.4689	0.2726	0.3177
BC Assessment Authority	0.06770	0.0816	0.092	0.1057	0.1159
Municipal Finance Authority	0.00030	0.0003	0.0003	0.0003	0.0003
<b>Total Residential Rate</b>	<b>8.92654</b>	<b>10.5253</b>	<b>10.8323</b>	<b>11.8046</b>	<b>12.2222</b>
<b>City Taxation Revenues</b>					
Residential	\$ 858,447	\$ 827,912	\$ 730,197	\$ 738,269	\$ 741,390
Utilities	\$ 32,701	\$ 32,381	\$ 25,298	\$ 25,815	\$ 26,525
Major Industry	\$ 750,340	\$ 741,470	\$ 606,461	\$ 618,839	\$ 657,984
Light Industry	\$ 23,169	\$ 22,560	\$ 19,423	\$ 19,819	\$ 31,743
Business	\$ 517,738	\$ 504,622	\$ 413,531	\$ 391,771	\$ 391,084
Recreational	\$ 209	\$ 386	\$ 176	\$ 180	\$ 183
Farm	\$ 1,389	\$ 1,428	\$ 1,116	\$ 1,139	\$ 1,093
Parcel Tax	\$ 116,200	\$ 114,320			
<b>Total City Tax Revenues</b>	<b>\$ 2,300,193</b>	<b>\$ 2,245,079</b>	<b>\$ 1,796,202</b>	<b>\$ 1,795,832</b>	<b>\$ 1,850,002</b>
<b>Electrical Credit to Taxes</b>	<b>\$ (298,700)</b>	<b>\$ (336,592)</b>			

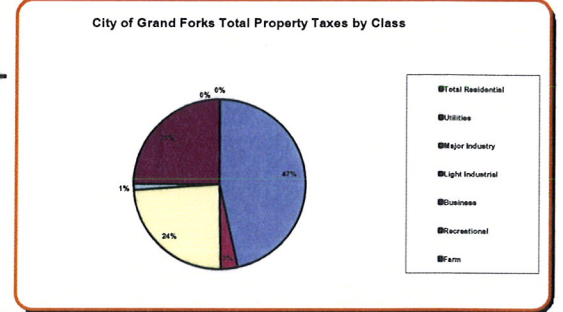
**CITY OF GRAND FORKS  
PROPERTY ASSESSMENTS, RATES, TAXES**

2007 Revised Roll ASSESSMENTS	General 2007	Hospital 2007	School 2007
Residential Land	664 98,725,320	96,842,070	96,842,070
Residential Improvements	180,271,900	180,204,000	180,204,000
<b>Total Residential</b>	<b>2488 278,997,220</b>	<b>277,046,070</b>	<b>277,046,070</b>
Utilities	31 961,805	4,761,705	4,811,061
Major Industry	36 16,058,300	21,159,300	21,159,300
Light Industry	15 1,853,500	1,853,500	1,853,500
Business	474 48,889,300	48,896,750	48,896,750
Recreational	44 27,900	27,900	27,900
Farm	10 185,171	92,584	92,584
<b>TOTAL</b>	<b>3098 346,973,196</b>	<b>353,837,809</b>	<b>353,887,165</b>



**PROPERTY CLASS ASSESSMENTS PERCENTAGE OF TOTAL ASSESSMENTS**

	2007 ASSESSMENT	2007	2007
Total Residential	1 80.41	78.30	78.29
Utilities	2 0.28	1.35	1.36
Major Industry	4 4.63	5.98	5.98
Light Industrial	5 0.53	0.52	0.52
Business	6 14.09	13.82	13.82
Recreational	8 0.01	0.01	0.01
Farm	9 0.05	0.03	0.03



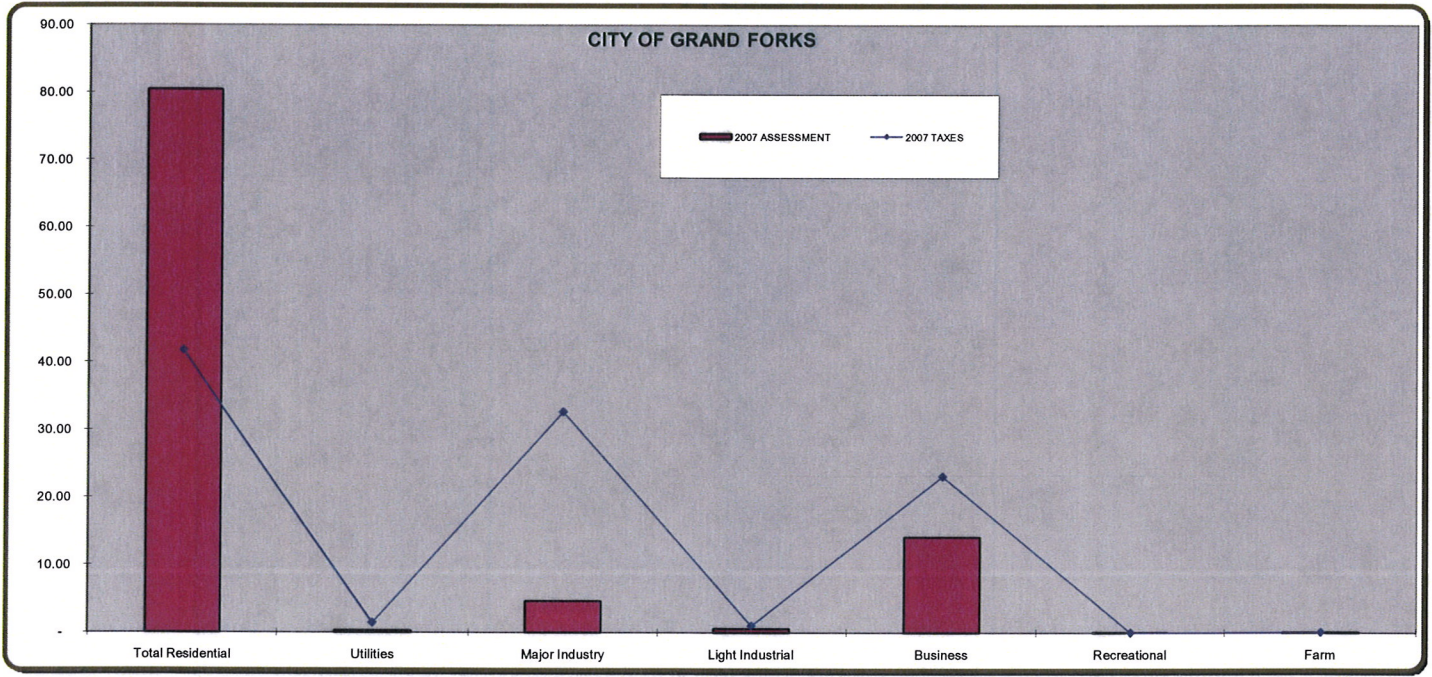
TAX RATES	City	School	Hospital	RDKB	MFA	BCAA	Police	Total 2007	Total 2006	Change
Residential Land	1.00 3.0769	3.0255	0.4225	2.0389	0.0003	0.0677	0.29472	8.9265	10.5253	-1.5988
Residential Improvements	3.0769	3.0255	0.4225	2.0389	0.0003	0.0677	0.29472	8.9265	10.5253	-1.5988
Utilities	11.05 34.0000	14.7000	1.4786	7.1361	0.0005	0.4865	1.03152	58.8332	55.9318	2.9014
Major Industry	15.19 46.7260	12.5000	1.4364	6.9322	0.0005	0.4865	1.00205	69.0836	75.2020	-6.1184
Light Industry	4.06 12.5000	7.9000	1.4365	6.9322	0.0005	0.2227	1.00205	29.9939	31.9452	-1.9513
Business	3.44 10.5900	7.9000	1.0350	4.9952	0.0001	0.2227	0.72206	25.4651	28.3863	-2.9212
Recreational	2.44 7.5000	3.9000	0.4225	2.0389	0.0002	0.0677	0.29472	14.2240	14.7171	-0.4931
Farm	2.44 7.5000	6.8000	0.4225	2.0389	0.0002	0.0677	0.29472	17.1240	17.3171	-0.1931

TAX REVENUE	City	School	Hospital	RDKB	MFA	BCAA	Police	Total 2007	Total 2006	Change
Residential Land	303,768	292,996	40,912	197,449	29	6,556	28,541	841,710	717,568	124,142
Residential Improvements	554,679	545,207	76,129	367,414	54	12,200	53,110	1,555,683	1,566,626	-10,943
<b>Total Residential</b>	<b>858,447</b>	<b>838,203</b>	<b>117,041</b>	<b>564,864</b>	<b>83</b>	<b>18,756</b>	<b>81,651</b>	<b>2,479,044</b>	<b>2,284,194</b>	<b>194,850</b>
Utilities	32,701	70,723	7,041	33,980	2	2,317	4,912	151,675	158,855	-7,180
Major Industry	750,340	264,491	30,393	146,680	11	10,294	21,203	1,223,412	1,185,353	38,059
Light Industry	23,169	14,643	2,663	12,849	1	413	1,857	55,594	59,060	-3,466
Business	517,738	386,284	50,610	244,251	5	10,889	35,306	1,245,084	1,223,630	21,454
Recreational	209	109	12	57	0	2	8	397	756	-359
Farm	1,389	630	39	189	0	6	27	2,280	2,363	-83
Parcel Tax	116,200							116,200	114,320	1,880
<b>TOTAL REVENUE</b>	<b>2,300,193</b>	<b>1,575,082</b>	<b>207,798</b>	<b>1,002,869</b>	<b>102</b>	<b>42,677</b>	<b>144,965</b>	<b>5,273,685</b>	<b>5,028,531</b>	<b>245,154</b>

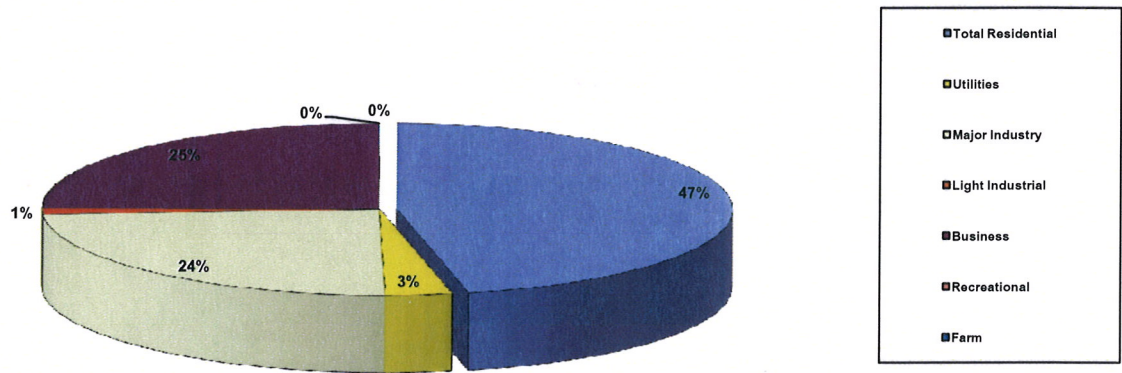
**PROPERTY CLASS REVENUE PERCENTAGE OF TOTAL TAX REVENUE**

	2007 TAXES		2007		2007		2007		Percent of Total Taxes Levied 2007
	City	School	Hospital	RDKB	MFA	BCAA	Police		
Total Residential	41.72	53.22	56.32	56.32	81.55	43.95	56.32	46.48	
Utilities	1.42	4.49	3.39	3.39	2.34	5.43	3.39	3.23	
Major Industry	32.66	16.79	14.63	14.63	10.38	24.12	14.63	24.12	
Light Industrial	1.01	0.93	1.28	1.28	0.91	0.97	1.28	1.20	
Business	23.12	24.52	24.36	24.36	4.80	25.52	24.36	24.90	
Recreational	0.01	0.01	0.01	0.01	0.01	0.00	0.01	0.02	
Farm	0.06	0.04	0.02	0.02	0.02	0.01	0.02	0.05	
	100.00	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 **2007**.

<b>Legal Description</b>	<b>Civic Address</b>	<b>Organization</b>	<b>Value of Permissive Exemption</b>
Lot 1, D.L. 380, S.D.Y.D., Plan KAP54909	7230 21 <sup>st</sup> Street	Grand Forks Curling Club	\$6,729.95
Lot 5, Block 10, D.L. 108, S.D.Y.D., Plan 23	366 Market Avenue	Grand Forks Masonic Building	\$744.00
Lot A, D.L. 108, S.D.Y.D., Plan 38294	978 72 <sup>nd</sup> Avenue	Sunshine Valley Little Peoples Centre	\$827.99
Lot 8, Block 25, Plan 23, D.L. 108 S.D.Y.D.	686 72 <sup>nd</sup> Avenue	Slavonic Senior Citizen's Centre	\$867.00
Lot 3 D.L. 108 S.D.Y.D. Plan 72	7239 2 <sup>nd</sup> Street	Hospital Auxiliary Thrift Shop	\$2,558.54
Lots 23, 24, 25, 26 Block 29, D.L. 108 S.D.Y.D. 121	7353 6 <sup>th</sup> Street	Royal Canadian Legion	\$2,985.32
Lots 10 and 17 – 20, Block 18, D.L. 108, S.D.Y.D., Plan 86	565 71 <sup>st</sup> Avenue (City Park)	Grand Forks Senior Citizens, Branch No. 68	\$2,088.35
Lot 1, D.L. 520, S.D.Y.D., Plan KAP59893	8120 Donaldson Drive	Boundary Branch, Society for the Prevention of Cruelty to Animals	\$700.00
Lot 1, D.L. 585, S.D.Y.D., Plan 27903	7850 2 <sup>nd</sup> Street	Grand Forks Wildlife Association Hall	\$1,575.00
Parcel B, Block 45, D.L. 108, Plan 72	876 72 <sup>nd</sup> Avenue	Abbeyfield Centennial House Society	\$1,590.76

In accordance with Section 226 of the Community Charter, the following properties in the City of Grand Forks were provided property tax exemptions in **2007**.

<b>Legal Description</b>	<b>Civic Address</b>	<b>Organization</b>	<b>Expiry Date</b>	<b>Value of Tax Exemption</b>
Lot 1 Plan 43597	570 - 68 Ave	Pope & Talbot Ltd	2015	\$238,816.59

## **Declaration and Identification of Disqualified Council Members**

None

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**CITY OF GRAND FORKS  
SUMMARY OF COUNCIL VISION  
2006-2008**

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The following summary has been compiled from the election brochures of the elected candidates to the officers of the Mayor and Councillors for the Council Term commencing December 5<sup>th</sup>, 2005 to the First Monday in December 2008.

- New way of doing business; openness of Council, decision making structure and model of decision making; advisory role of citizens in the decision making.
- Communication: public input, surveys, newsletter, informed decision making
- Recreation and Youth Services: parks master plan, youth centre, CPR land and development in West, support for volunteers
- Trails and Waterfront
- Community Safety: crystal meth & grow ops, bullying, drugs & alcohol.
- Collaborative governance: cooperation
- Increase in municipal services and infrastructure.
- Seniors services
- Economic development: jobs in the City of Grand Forks
- Long term planning
- Fairness and Open government: no hidden agenda
- Tax, Utilities and Rates; fairness and reasonableness
- Operating and working as a team
- Listening to the public
- Decision making in Council and impact on the public
- Air Quality
- Culture: Community and Cultural centres



**CITY OF GRAND FORKS**  
**2005-2008 COMMITTEE LIAISON STRUCTURE**

**Arts, Culture, and Education:** Councillor Appointed as Liaison : Gene Robert to:  
Art gallery, museum, library, historic sites and monuments, multi-cultural issues, artists and artisans, archives, theatres, music, craft, and film festivals, Fall Fair. Schools, Colleges and other educational institutions. Literacy programming and Phoenix Foundation appointee.

**Economic Development:** Councillor Appointed as Liaison : Tom Hinter to:  
Commerce and Industry, Chamber, tourism, business development, visitors information centre, Community Futures, north-south corridor-highway 395, transportation issues: transit, air, rail, taxis, and traffic issues.

**Parks and Facilities:** Councillor Appointed as Liaison : Tom Shkrabuik to:  
Parks and Playfields; baseball, football, racquetball/squash, basketball, golf and golf course. Indoor recreation and leisure facilities; arena, pool, community hall. Parks Plan, Phoenix Ski Hill and Recreation Commission appointee.

**Outdoor Recreation & Environment:** Councillor Appointed as Liaison: Chris Moslin to:  
Trail Society and Trails initiatives, pathways, waterfront development. Air quality, pollution, waste collection, recycling, community clean up and disposal. Water quality and Aquifer protection. Accessibility to public lands and Boundary weed management.

**Community Health and Safety :** Councillor Appointed as Liaison: Ann Gordon to:  
Community safety and prevention programs. Policing and crime prevention, community consultative group, crystal meth, illicit drugs and alcohol. Health authorities, community hospital, care homes & hospice. Disabled and handicapped resident issues, citizen accessibility issues, women in need and women's issues, volunteers and volunteer groups. Alternate appointee to Regional District and Regional Hospital District.

**Seniors and Youth Services:** Councillor Appointed as Liaison: Patrick O'Doherty to:  
Seniors centre, youth centre, BMX Park and 2006 BMX Tournament, Skateboard Park, Minor soccer & Minor hockey, Border Bruins & Border Bruins Alumni, Youth and Senior Citizen's activities and events. Sports Tournaments; Grand Forks International.

**Regional and External Relations: Mayor Neil Krog**  
Regional District & West Kootenay-Boundary Hospital District Appointee, Relations with Tri-Cities (Trail, Nelson, Castlegar), MLA & MP Contacts, Electoral Area Directors' Relations, Boundary Communities, Press & Media Relations and Boundary Economic Development Commission. Conventions, hosting of dignitaries and community receptions.

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

	<b>GOAL</b>	<b>RESULTS ACHIEVED</b>	<b>COMMENTS</b>	<b>COMPLETION</b>
<b>A</b>	<b>GOVERNANCE</b>			
1.	Meet with Council and Staff on quarterly basis commencing January 31, 2006.	2006: Council met with Public Works Staff on June 27 and Office Staff on July 7; employee long service appreciation lunch December 15.  2007: Council met with Staff on August 31; employee long service appreciation dinner December 7, 2007.	Meetings continue on as needed basis. City Manager meets on a regular basis.	On-going- part of good governance and management practices
2.	Meet with Union executive on a quarterly basis commencing February 15, 2006.	Management and Union Executive meet as part of Labour Management bi-monthly meetings	5 meetings held during 2007 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 May 29 <sup>th</sup> , 2007	Issues discussed: Economic Development, Transit, Signage and Banners and Policing.	On-going; part of good governance and working together for regional benefits.
4.	Undertake community planning for sustainability and future growth	Appointed a Committee to undertake public consultations on Sustainability. Public meetings commenced December 7, 2007	Funding obtained from UBCM of \$95,300	Fall 2008
5.	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 Vancouver from September 24-28, 2007	Evaluate issues and await the announcement of Spring 2007 Legislative Session	On-going; part of good governance and relationship with the Provincial government
6.	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
7.	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.  Meetings attended on regular basis by Council's liaison	Council updated by City liaison at Council meetings	November 30 <sup>th</sup> , 2008  Current Term of Council expires

<b>CITY OF GRAND FORKS STRATEGIC PLAN: 2006-08</b>				
	<b>GOAL</b>	<b>RESULTS ACHIEVED</b>	<b>COMMENTS</b>	<b>COMPLETION</b>
8.	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 <sup>th</sup> , 2008  Current Term of Council expires
9.	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 <sup>th</sup> , 2008  Current Term of Council Expires
10.	Communicate with Citizens by newsletter on monthly basis.	News Letter mailed as follows: February, March, June, August, November 2006; February, April, May, July, October, December 2007; January, March, May 2008	News letter well received by the Community.	On-going: communicating with taxpayers on regular basis.
11.	Create link on City website inviting comments commencing December 10, 2005.	Link exists and community can send comments	Comments and queries are being received from Citizens	On-going; use of technology to assist citizens.
12.	Community immediately insure email address on all outgoing correspondence.	Email address appears on outgoing correspondence	Community responses on issues by email	On-going: part of rapid communication & responses
13.	Conduct community meetings away from Council chambers twice per year.	Community meetings: 20 November 2006 at Hutton School Gym; 16 April & 19 November 2007 & 20 May 2008 at Seniors Centre in City Park	Next Proposed Community meeting:  20 October 2008 at Seniors Centre in City Park	Semi-annual meeting in the Community to seek citizens input and provide responses.

<b>CITY OF GRAND FORKS STRATEGIC PLAN: 2006-08</b>				
	<b>GOAL</b>	<b>RESULTS ACHIEVED</b>	<b>COMMENTS</b>	<b>COMPLETION</b>

<b>COMMUNITY AMENITIES AND CIVIC BUILDINGS</b>				
1.	Utilize the former Circuit Court Building on Central Avenue for Arts and Culture	Negotiated a new lease arrangement with the Ministry of Attorney General-Court Services to 555 Central Avenue: opposite to the Central Avenue	Negotiated purchased of 525/555/565 and vacant lot on 5 <sup>th</sup> Street to accommodate Circuit Court requirements: Purchased Building and vacant lot \$900,000. Renovations to the Circuit Court completed at \$677,971. Leased to Court Services for 15 years plus renewals. Additional contributions of \$92,000 made by Court Services. Building made into Strata. 525- leased to purchase to School District #51.	Renovations to 555 Central Avenue Completed for occupancy December 31 <sup>st</sup> , 2007.
2.	To renovate Central Avenue Historic Courthouse Building as Arts and Culture Centre	Approved a floor plan : Art Gallery on 1 <sup>st</sup> Floor, Museum on the Ground Floor and Visitors' Information on the rear on the ground floor	Approved budget \$850,000. Tender issued in early 2008	Project completion in the Fall 2008. Partial occupation commencing July 2008.
3.	Improve Parks in the downtown core	Completed "Firemen's Park" on the Riverside Avenue, Demolished the Boundary Museum and Visitor Information Centre Building in the Gyro Park. Gyro Park to be upgraded in 2008.  City Park: installation of automated irrigation system  Improvement to Campground with water, sewer and power to each site.	Construction commenced on Gyro Park in late December 2007  Irrigation installation in early spring 2008  Construction commenced in November 2007	First Phase of all projects to be completed Fall 2008.
4.	Improve Central Avenue appearance	Banners changed, flower baskets hung on light poles, decorations added and added large flower pots on Central Avenue	Favourable comments received from residents , visitors and business community on the improvements	1 <sup>st</sup> Phase done in 2007; other phases in 2008 and 2009

<b>CITY OF GRAND FORKS STRATEGIC PLAN: 2006-08</b>				
	<b>GOAL</b>	<b>RESULTS ACHIEVED</b>	<b>COMMENTS</b>	<b>COMPLETION</b>

	<b><i>ECONOMIC DEVELOPMENT</i></b>			
1.	Economic Development Partnership with Invest Kootenay	Became member of the Invest West Kootenay	Invest West Kootenay Inc. involves a unified approach to managing economic development as a region	On-going
2.	Maintain a consolidated economic group in the west end of the Regional District of Kootenay Boundary	Contract for economic development awarded to Community Futures of Boundary Region	Partnership includes: City of Grand Forks, Villages of Greenwood and Midway and Electoral Areas "C", "D" and "E" of RDKB	On-going
	<b><i>QUALITY OF LIFE: ENVIRONMENT</i></b>			
1.	Initiate an Air Quality Management Plan that includes council, industry, public groups and other levels of government by January 31, 2006.	Council appointed a Volunteer Community Committee : Representations of the City, Industry and Provincial Government, Interior Health and other stakeholders	Funds committed by the City.	December 31, 2007
2.	Host a public forum with possible separate meeting with industry on receipt of data.	Public Forum hosted during the year	Committee discussions continuing.	December 31, 2007
3.	Conduct an Inventory of the air shed	Inventory completed in 2007	Results released to the public. Strategies under way to improve air quality and reduce pollutants	November 30 <sup>th</sup> 2007

<b>CITY OF GRAND FORKS STRATEGIC PLAN: 2006-08</b>				
	<b>GOAL</b>	<b>RESULTS ACHIEVED</b>	<b>COMMENTS</b>	<b>COMPLETION</b>

	<b>QUALITY OF LIFE: Public Accessibility</b>			
1.	Develop a network of Trails and Bicycle pathways	Approved a net work plan of Trails and pathways	Application for funding submitted	December 31 <sup>st</sup> , 2009
2.	Initiate a phased-In development of Trails and Pathways	Completed lighting in City Park; developed partial pathway on Riverside as part of the Firemen's Park	Bicycle and Pathway on Central Avenue to be part of Central Avenue Paving in 2008	Fall 2008
3	Complete the Status of CPR-Black Train Bridge and Rail Right of Way from Central Avenue to the Kettle River and provide alternate pedestrian access to South Ruckles	Commenced discussion with CPR on the donation of the Black Trail Bridge and Rail Right of Way lands.	Draft Donation Agreement under development and Terms and Conditions of Donation under way	September 2008
	<b>QUALITY OF LIFE: Arts &amp; Culture</b>			
1.	Establish a committee to preserve arts and culture	Approved the establishment of Society for the Preservation of Arts and Culture. Appointed members of the Committee representing the City of Grand Forks, Electoral Areas C and D	Work with Art Gallery Society, Boundary Museum Society and other Volunteer Organizations	On-going
2.	Provide a Civic Building for Arts and Culture including surrounding lands for displays and presentation themes	A 25-year lease agreement entered with the Art Gallery and the Society for the Preservation of Arts and Culture at the Central Avenue Building	Funding discussion approved in the 2008 Financial Plan	Fall 2008

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

	<b>GOAL</b>	<b>RESULTS ACHIEVED</b>	<b>COMMENTS</b>	<b>COMPLETION</b>
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	<b>INFRASTRUCTURE</b>			
1.	Maintain a paving schedule for city streets	Paved roads on a priority basis \$400,000	Include a program of paving in the annual financial plan	November 30 <sup>th</sup> , 2007
2.	Central Avenue: Highways and City to complete paving	Completed Central Avenue Mobility Study in September 2007; discussion of funding for paving Central Avenue with the Ministry of Transportation and funding for the City's share of the Project	Funding allocation needed of \$3.3 million; Ministry of Highways share \$2.7 million expected to be allocated in 2008/09 Provincial Budget and the City's share of \$600,000 to be funded by grants and borrowing	November 2008
3	Improve Intersection and Signage: 68 <sup>th</sup> and Second and Highway #3	Removal of Utilities and relocation of sidewalks completed in 2007.	Completion of Project scheduled with Central Avenue Paving in Fall 2008	November 2008
4.	Improve City Park Sewer Lift Station	Engineering and design work completed. Grant applied under Rural Municipal Infrastructure Program. Project tendered in 2007. Price exceeded the budget including the grant funding	Project delayed until Fall 2008. Grant approved \$586,666  Grant of \$42,500 approved for an energy recovery system	Fall 2008
5.	Install water meters as first phase in the water conservation process	Water meter installed in all commercial, industrial and institutional properties at a cost of \$300,000	Developed a rate structure for water metered ratepayers	Fall 2007
6.	Improve water wells and reservoir systems	Rehabilitated well #2 at a cost of \$113,000; eastside reservoir liner and new cover installed at a cost of \$488,000	Project received a grant of \$180,667	Fall 2007
7	Meet Canadian Drinking Water Standard all the time	Installed Chlorination System at a cost of \$220,000; cross connection installed in high risk areas at a cost of \$80,000.	A boil advisory was issued in 2007 as a result of e.coli discovery in the water system; e.coli investigation cost was \$115,000	Fall 2007