

CITY OF GRAND FORKS



Settle down.



2013

ANNUAL REPORT

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AN OPEN LETTER TO THE CITIZENS OF GRAND FORKS

FROM MAYOR BRIAN TAYLOR AND COUNCIL



Settle down.

On behalf of the Council of 2012-2014, I am pleased to report on the municipal services and operations for the year ending December 31st 2013. The 2013 Annual Report gives a synopsis, in a financial format, including statistics and taxation information on a comparative basis.

In 2012, Council undertook a Strategic Planning exercise to determine their focus areas for the 2012 – 2014 Council term. The Corporate Priorities included Regional Services Integration, Succession Planning for the City, Economic Stimulation, Infrastructure Replacement Strategy, Deer Issues, and the development of a Water Metering Plan for a Sustainability Action. Operational Priorities included Asset Management, Fibre Optic Cable Network Finalization, Cemetery Rehabilitation Project, Lift Station Landscaping Project, West & East Side Entrance Signs, Airport Lighting, and Carbon Neutrality.

2013 was witness to many visible and positive initiatives.

Council Committees:

The Branding process, which was initiated by the Economic Development Advisory Committee (EDAC) of Council, completed in February, 2013. In conjunction with the Branding process, Grand Forks erected the long awaited entrance solar powered signs later on in the year. EDAC additionally initiated a video proposal in early fall; and the project is currently underway and will complete in 2014.

As part of Council's strategic plan, the Deer Committee, along with the support of Council, opted to begin a WildSafe program for the City by supplying funding for the initiative in conjunction with the Provincial program. The WildSafe Provincial program launched in December with the hiring of a Coordinator.

The Environment Committee kept extremely busy throughout the year, involving themselves in many community projects including Solar Car Races for elementary students and participation in the Water Week event in May. Additionally, through support from the University of Victoria and the hiring of a university summer student, through the yearly grant process, the committee was able to successfully track the community's Air Quality throughout the summer months and beyond with the use of many volunteer hours from the Air Quality sub-committee.

Beautification and Accessibility Projects:

Council enjoyed many a ribbon cutting throughout the year on successfully completed projects.

The downtown corridor and Market Avenue received a facelift as phase one of the downtown beautification project. The project began in the spring and completed mid-summer. As Council, we were

very proud of a job well done by our City crews for the splendid makeover that included brickwork, additional trees and tree lighting, benches, newly painted light posts, and glorious hanging baskets.

A portion of the trail from 68th Avenue that winds behind Roxul Inc. to the Nursery Bridge received pavement which is widely used and accessible for all members of the community. The completion of this initiative was due to the partnerships with the Province, the Trails Society, Roxul Inc. and of course, the City.

Other events and initiatives:

July, 2013, the Regional District of Kootenay Boundary handed over the Building Inspection baton to the City. To date, Council has seen this transition work well for the municipality.

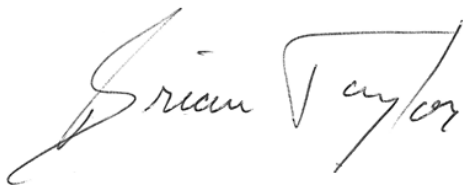
In November, 2013, as part of our Asset Management Plan and Strategic Planning, Council resolved to commence with the Water Metering process for residential properties. This initiative, which was introduced and considered since 1999, was finally going to become a reality as a positive move forward in a responsible Water Conservation Plan.

I believe the most profound event that landmarked 2013, was the unfortunate fire at City Hall on Market Avenue that damaged most of the interior. A victim of arson, City Hall has been going through the process of being rebuilt, where both Council and Staff hope to be back home by the Inaugural Meeting of Council after the election this fall. The City is forever thankful to School District No. 51 and Roxul Inc. for the use of their facilities at 7425–5th Street and 6641 Industrial Drive as temporary locations for our Staff, Council and the public to continue onward with City business.

Council, along with experienced staff, has worked with the community to achieve the direction we have set through our strategic plan during this term.

We appreciate the support of and the engagement from the community and look forward to a great 2014 to continue to see the community grow and become more vibrant.

Yours truly,

A handwritten signature in black ink that reads "Brian Taylor". The signature is written in a cursive style with a large, sweeping initial "B".

MAYOR

GRAND FORKS CITY COUNCIL



From left to right: Michael Wirischagin, Cher Wyers, Brian Taylor, Bob Kendel, and Neil Krog,
Patrick O'Doherty and Gary Smith

COUNCIL LIAISONS

Committee	Liaison	Chair	Co-Chair
Phoenix Foundation	Councillor Smith		
Economic Development Advisory Committee		Councillor Kendel	Councillor Smith
Restorative Justice Committee	Councillor Wyers		
Grand Forks Public Library	Councillor Wyers		
Gallery 2	Councillor Krog		
Boundary District Arts Council	Councillor Krog		
Local Sports Events	Councillor O'Doherty		
Deer Committee	Councillor Smith	Councillor Smith (as appointed by Mayor Taylor)	
Environment Committee		Councillor Wyers	Councillor Smith
Grasslands Group	Councillors Wyers/Smith		
Recreation Commission	Councillor Wirischagin		
Boundary Museum Society	Councillor Kendel		
Columbia Basin Alliance for Literacy Advisory Committee	Councillor Krog		
Grand Forks and Boundary Regional Agricultural Society	Mayor Taylor		
Citizens On Patrol	Councillor Wyers		
Boundary Country Regional Chamber of Commerce	Councillor Kendel		
Habitat for Humanity	Councillor Wirischagin		
Downtown Merchants	Councillor Smith		
GFI	Councillor Wirischagin		

DECLARATION OF DISQUALIFICATION

none



LETTER FROM THE CHIEF
ADMINISTRATIVE OFFICER



Settle down.

2013 was a very exciting and productive year for Staff. The year began with the hiring of the Deputy Corporate Officer as the Corporate Department evolved and expanded its horizons into additional service oriented layers outside of legislative obligations. New services included Community Services, Human Resources, and the role of Acting Chief Administrative Officer, when required, and Communications. Later in the year, the department implemented an existing Union position as a Corporate Administrative Assistant.

As a carryover from 2012, the Finance Department was busy working on the 2013-2017 Financial Plan and budget process that included presentations to Council and Public, which was subsequently adopted prior to May 15th. Additionally, the Finance Department worked with the auditors to develop the audited Financial Statements for the year 2012. As a succession planning initiative, the Finance Department hired casual employment to support the department in medical leaves and other situations requiring assistance.

Development and Engineering expanded their department with the hiring of an Engineering Technologist. To meet the ever growing needs of the City, this department had also witnessed a busy 2013 where they worked on the inventory of City properties as part of an initiative within Council's strategic plan. This department championed the Downtown Revitalization Project as well as the paving of the Trail section from 68th Avenue to the Nursery Bridge. The engineering portion saw the team working with many professionals in the industry to further develop the Asset Management Plan and the Water Conservation Plan. Hand in hand, the City developed a partnership with the Engineers without Borders program where the City was fortunate enough to have two students from Brazil work with the City on environmental programs.

Public Works remained an extremely busy team working on the initiatives of the City. Last spring saw our crews work on beautifying the downtown sector while performing their usual daily tasks. James Donaldson Baseball Park received a facelift this year in light of the 2014 Grand Forks International next June. Public Works worked additionally with the organizers of our many events throughout the year to assist in the success of these events; and the outstanding work on the Christmas Float last year was enjoyed by those who attended the downtown Light Up event to send off the Christmas Season. This department saw the retirement of the Manager of Operations and the hiring of a new Public Works Leader who started in early 2014.

As part of Council's initiative regarding Regional District integration, the City took over the Building Inspection Services. The Manager of Environmental and Building Construction Services transformed into the Manager of Building and Bylaw Inspection Services. The needs of the City in both of these areas made for a logical transition and both programs are progressing well in dealing with the needs of the public.

Last, but definitely not least is the Fire Department. This department, headed by the Fire Chief and Deputy Fire Chief, is made up of one fine group of volunteers. This team rarely sees a dull moment dealing with Emergency Management such as flood watch, rescue services, and, of course, dealing with fires. This year, the department took on the Occupational Health and Services program for the City. The Fire Department began the work to develop a Request for Quote for a new fire truck and an open house was completed, which provided information to the public with regard to the purchasing of the new fire truck. The department, at the end of 2013, chose a company to construct the truck.

To add to our busy working lives, in September 2013, our City experienced a challenge that was unexpected – the devastating fire at City Hall. The fire affected each and every one of our Council and Staff in so many ways. In the light of such an event, additionally showed the integrity, resilience and logical thinking of our entire staff who worked and pulled together as a combined ‘super-team’ to bring the operation back to its feet in very little time to maintain our service to the public. The rehabilitation plans for City Hall began as quickly as they could and we are hopeful to see our City Hall back better than ever, and to bring in our next Council body at the Inaugural Meeting in December.

2013 has been my first complete year as Chief Administrative Officer, and I have to say that it has been an extremely gratifying one. As Council’s only recognized employee, and the head of Staff, I continue to utilize my own life experiences in municipal services, offer leadership skills to support the development of talents and professionalism to Staff, and further provide the best advice to assisting Council in achieving their goals and visions.

As the City moves forward in 2014, the future visions of community wellbeing and economic prospects will align themselves to Council’s strategic plan. In the final months of 2014, will see the election upon us and the future visions from our dedicated citizens will determine our next Council.

On behalf of the organization, we thank our customers for their feedback and look forward to an outstanding and productive 2014 for the City of Grand Forks!

Doug Allin

Chief Administrative Officer



City of Grand Forks

Grand Forks, British Columbia

Strategic Planning Workshop January 25th and 26th, 2012

Facilitated by Rick Beauchamp

R. A. Beauchamp & Associates

Corporate Strategic Plan 2012 - 2014

Adopted by Council February, 2012

PARTICIPANTS

Brian Taylor	Lynne Burch	Bev Porter	Alex Love
Bob Kendel	Cecile Arnott	David Reid	Dale Heriot
Neil Krog	Diane Heinrich	Mike Noseworthy	
Patrick O'Doherty	Hal Wright	Dean Chapman	
Gary Smith	Sasha Bird	Steve Howard, (Day One only)	
Cher Wyers	Wayne Kopan	James Traynor, (Day Two only)	

What is Strategic Planning?

Strategic Planning is a system to lead, manage, and change an organization in a conscious, well planned out, integrated fashion, based on corporate priorities and a well-defined vision.

Strategic planning is essentially a process of determining a local government's long term vision, current goals, and developing an action plan to achieve those goals. It also provides an opportunity for the City Council and senior staff to communicate strategic priorities to line staff and citizens, thereby providing direction for internal operating departments to align their service delivery activities with the corporate priorities.

The Corporate Strategic Plan for the City of Grand Forks is the basis for determining the City's Vision, Mission, Values, Goals and Actions to be accomplished, within the next three-year mandate of the City Council. This plan is based on a collaborative process, in which members of Council, Management Staff and employees participated. It represents an effort by Council in reaching consensus on important issues in the municipality setting some specific goals for 2012 – 2014.

The Plan demonstrates the City Council's commitment in working with staff to build a safe, sustainable and complete community that will provide diverse employment opportunities and continued high quality of life for the residents of Grand Forks. While the Council realizes that priorities will change with time, it is the City Council's plan to provide for this process of strategic thinking with the firm belief that the Grand Forks residents will benefit from this on-going exercise.

To assist with the development of a corporate vision, mission and values a SWOT analysis was used to identify the key internal and external factors that are important to achieving stated objectives. This analysis examined community and organization strengths, weaknesses, opportunities and threats. The results were used to identify a "baseline" to establish the corporate vision for the future of Grand Forks.

VISION: *“A Garden City Growing Opportunities within the Boundary Country.”*

MISSION: *“The City of Grand Forks is committed to providing quality governance and excellent services that enhance and advance the quality of life for our community.”*

CORPORATE VALUES: **GARDEN CITY**

- 1) **G** - Growing responsibly
- 2) **A** - Accountability
- 3) **R** - Resilience
- 4) **D** - Diversity
- 5) **E** - Efficiency
- 6) **N** - Natural Beauty

- 7) **C** - Collaboration with Integrity
- 8) **I** - Innovation
- 9) **T** - Transparency
- 10) **Y** - Young at Heart

CORPORATE PRIORITIES 2012-2014:

1) Regional Services Integration – CAO / Director of Finance

- Fire contract with improvement district within Area D
- Regional Fire Service Opportunities
- Parks and playground
- Ski Hill
- Capital replacement for all services
- Cats Management
- Airport
- Waste Management
- Cultural Services (museum, art gallery)
- Economic Development
- Emergency Planning
- Treatment plant sludge dumping

Actions

- 1) Staff evaluate cost implications for all proposed new and re-negotiated services with the RDKB – **April, 2012**
- 2) Develop a strategy for regional service integration – **June, 2012**

2) Succession Planning - Council / CAO

- CAO and 3 Operations staff retiring

Actions

- 1) Council to develop Action Plan to replace CAO – **March, 2012**
- 2) CAO to develop Action Plan to replace electrical lineman – **February, 2012**
- 3) Staff develop database of potential employee retirements – **February, 2012**
- 4) Staff develop a succession plan for the organization – **September, 2012**

3) Economic Stimulation – Council / CAO / Staff

- Encouraging development which will increase tax base
- Community identity and tourism promotion
- Downtown revitalization incentives
- Enhancing Open Market
- Economic Strategy
- Marketing airport and foreign investment

Actions

- 1) Develop a community identity theme – Council, **March 31, 2012**
- 2) Staff evaluate tax incentive bylaws in other municipalities for fit for the City and report back to Council – CAO, **June, 2012.**
- 3) Develop an action plan for downtown rejuvenation – Council and CAO, **December, 2012**
- 4) Determine the usability of City lands through an inventory – Tech Services, **June, 2012**
- 5) Refer the sub-regional economic development strategy to the Economic Development Advisory Committee for review and recommendations – CAO - **July, 2012**
- 6) Develop a marketing strategy following feedback from the Economic Development Committee – **2013**

4) Infrastructure Replacement Strategy

Actions

- 1) Implement fire flow protection back-up generation PW– **2012 – 2013**
- 2) Investigate suitable location for new water well / nitration PW– **2012 – 2013**
- 3) Explore alternate river crossing for water PW – **2012**
- 4) Prioritize multi-utility projects PW – **2012 – 2014**
- 5) Building structure assessment for replacement PW – **2013 -2014**
- 6) Parks assessment Recreation – **2014**

5) Deer Issue – Council / CAO

Action

- 1) Develop an Action Plan for dealing with the deer issue (Deer Committee feedback) – **December – 2012**

6) Sustainability Actions – Public Works

Actions

- 1) Water meters – staff prepare report including data and costing for Council decision to move forward on water meter installation – **September, 2012**
- 2) Develop a water meter implementation plan explaining consequences and costs for public – **2013 – 2014**

OPERATIONAL PRIORITIES 2012-2014:

- **Asset Management** – Emergency Water Supply for Fire Protection. Need to proceed with plan including time-lines to install back-up generators on all wells. Need to do study on location of new well. **2012**
- **Asset Management** – Determine Priority for Multi-Utility Project. With Assistance from Professional Engineers, develop a priority list of Multi-Utility Projects. **2012**
- **Asset Management** – Acquire Engineering needed for the first priority on the Multi-Utility Project list and tender the project. **2013**
- **Asset Management** – Construct the first priority project on the Multi-Utility Project list. **2014**
- **Fibre Optic Cable Network** – Joint Project with School District 51. Need to finalize agreement with the School District. Potential for Revenue Generation, but need someone to develop business case on how this would work. Also need to ensure that the City has trained linemen in fibre installation and maintenance. **2012**
- **Cemetery Rehabilitation Project** – Includes the leveling of cemetery gravesites and re-landscaping. Project further includes the surveying of future grave spaces. To be completed in three phases: **First Phase in 2012, Second Phase in 2013, and Third Phase in 2014.**
- **Lift Station Landscaping Project** – Includes the asphalt and/or concrete work on the west side of 4th Street, the construction and planting of the amphitheatre berm, the installation of irrigation on the east side of City Park from 5th Street east to 4th Street as well as the irrigation in the City Park Campground, and the plantings required. **2012.**
- **West and East side Entrance Signs**
- **Airport Lighting**
- **Carbon Neutrality**

ADVOCACY PRIORITIES 2012-2014:

- Policing Costs
- Low Cost Housing
- Auditor General Audit Commission

Summary of Goals and Actions In Date Order

- CAO to develop Action Plan to replace electrical lineman – **February, 2012**
- Staff develop database of potential employee retirements – **February, 2012**
- Council to develop Action Plan to replace CAO – **March, 2012**
- Develop a community identity theme – Council, **March 31, 2012**
- Staff evaluate cost implications for all proposed new and re-negotiated services with the RDKB – **April, 2012**
- Develop a strategy for regional service integration – **June, 2012**
- Staff to evaluate tax incentive bylaws in other municipalities for fit for the City and report back to Council – CAO, **June, 2012**.
- Determine the usability of City lands through an inventory – Tech Services, **June, 2012**
- Refer the sub-regional economic development strategy to the Economic Development Advisory Committee for review and recommendations – CAO - **July, 2012**
- Staff develop a succession plan for the organization – **September, 2012**
- Water meters – staff prepare report including data and costing for Council decision to move forward on water meter installation – **September, 2012**
- Develop an Action Plan for dealing with the deer issue (Deer Committee feedback) – **December – 2012**
- Develop an action plan for downtown rejuvenation – Council and CAO, **December, 2012**

Summary of Goals and Actions By Years

- Develop a marketing strategy following feedback from the Economic Development Committee – **2013**
- Implement fire flow protection back-up generation PW– **2012 – 2013**
- Investigate suitable location for new water well / nitration PW– **2012 – 2013**
- Explore alternate river crossing for water PW – **2012**
- Prioritize multi-utility projects PW – **2012 – 2014**
- Building structure assessment for replacement PW – **2013 -2014**
- Parks assessment Recreation – **2014**
- Develop a water meter implementation plan explaining consequences and costs for public – **2013 – 2014**

STRATEGIC PRIORITIES 2013

Goals	What we achieved	Future Plans
Strategic Priority 1 Regional Services Integration		
	Kettle River Water Shed Study <ul style="list-style-type: none"> • The study is complete 	<ol style="list-style-type: none"> 1. Recommendation to be considered a guide for the use of water and the protection of the Kettle River across the Boundary Region
	Liquid Waste Management	
	Community Forests <ul style="list-style-type: none"> • In partnership, the Regional District and City developed a Community Forests committee • The Committee met with the province to further research and develop a Community Forests plan for the area 	
	Airport <ol style="list-style-type: none"> 1. 	<ol style="list-style-type: none"> 1. The City continues to consider ways in which the airport could be utilized in a more effective manner
	Fire Department <ul style="list-style-type: none"> • A new Ladder Truck was purchased • Grand Forks Rural Fire Protection District was dissolved and Area D Fire Protection Service was absorbed by the RDKB with contract for service provided by the City of Grand Forks 	
	Building Inspection Services <ul style="list-style-type: none"> • Services provided within City limits was absorbed by the City from the RDKB 	

Goals	What we Achieved	Future Plans
	<p data-bbox="226 245 457 272">Strategic Priority 2</p> <p data-bbox="506 245 751 272">Succession Planning</p> <p data-bbox="506 282 968 310">Expansion of casual employment pool</p> <ul data-bbox="558 319 1098 456" style="list-style-type: none"> <li data-bbox="558 319 1098 456">• Casual Staff for both the public works department and administrative departments have been increased as part of the succession planning process <p data-bbox="506 496 930 524">Changes in Management Structure</p> <ul data-bbox="558 534 1066 634" style="list-style-type: none"> <li data-bbox="558 534 1066 634">• Streamlining the public Works department with the reorganization of coordinators <p data-bbox="506 675 743 703">Education Planning</p> <ul data-bbox="558 712 1077 849" style="list-style-type: none"> <li data-bbox="558 712 1077 849">• Each department has an education plan for employees to support continued growth and succession within the organization 	

STRATEGIC PRIORITIES 2013

Goals	What we Achieved	Future plans
Strategic Priority 3 <i>Economic Stimulation</i>		
	<p>Branding Project & Marketing Strategy</p> <ul style="list-style-type: none"> • The City undertook a branding exercise in 2012/2013 • Streamlined the Communities story • Brand management plan developed to address an advertising strategy in order to create a level of awareness of the community both internally and externally. • Used to develop recognition of the community in a larger context – to draw attention to the area from other provinces and greater British Columbia • First step in development of a tourism plan that highlights assets of the community • West and East end Welcome Signs erected 	<ol style="list-style-type: none"> 1. Consider implementation of a long term tourism strategy 2. Continued support for key events and or programming 3. Establish and implement policies 4. Development of an Economic Profile that can be provided to potential investors and utilized by the Chamber of Commerce and EDO 5. Continued research and analysis of marketing opportunities to attract investment/investors
	<p>Downtown Beautification</p> <ul style="list-style-type: none"> • Created an inviting and pleasant atmosphere in the downtown core • Worked in collaboration with the Downtown Business Association and Chamber of Commerce 	<ol style="list-style-type: none"> 1. Work in collaboration with the Chamber of Commerce to address empty store front challenge 2. Develop sign bylaw 3. Phase 2 of Downtown Beautification – includes street banner program, mural program 4. Continue to ensure the downtown core is vibrant and a key focal point for locals and visitors
	<p>Fibre Optic Network</p> <ul style="list-style-type: none"> • Connection of all City sites • Migrated Water and Sewer Scada system to fibre • Due to City Hall fire added New location to fibre optic network 	<ol style="list-style-type: none"> 1. Network server room upgrade 2. Development of community fibre network master plan <p>Connection of all sites</p>

STRATEGIC PRIORITIES 2013

	Downtown WIFI <ul style="list-style-type: none"> Installation of 5 access points that provides free WIFI access to 80% of the downtown core 	<ol style="list-style-type: none"> Installation of 2-3 more access points to ensure 100% coverage in the downtown core
	Tax Incentive Bylaw	<ol style="list-style-type: none"> Continued relationship building and consultation with Industry leaders in Grand Forks
Goals	What we Achieved	Future Plans
Strategic Priority 4	Infrastructure	
	3 Shelf Ready Multi-utility Projects <ul style="list-style-type: none"> 22nd Street, 68th Avenue, and 3rd Avenue 	Dependant of federal grants
	Subdivision Servicing Bylaw	<ol style="list-style-type: none"> Introduction of Bylaw planned for early summer
	Sustainability <ul style="list-style-type: none"> Implementation of Water Metering plan Cost evaluation 	<ol style="list-style-type: none"> Contract for the installation of water meters awarded Installation to begin in 2014
	Property Acquisition and Disposal <ul style="list-style-type: none"> Evaluation of existing city property and assets Ongoing support for land acquisition that will extend community trails and river front inventory 	Development of a Lands Optimization and development showcase Strategy
	Fire Flow Protection back up Generation Installation of new generator at well 4/5	
Strategic Priority 5	<ul style="list-style-type: none"> Deer Issue 	
	Develop Action plan for dealing with Deer issue <ul style="list-style-type: none"> Education program regarding wildlife implemented 	<ol style="list-style-type: none"> Wildsafe aware program is ongoing

CORPORATE SERVICES

The Corporate Services Department includes 3 full time staff and the Corporate Administrative Assistant.

Chief Administrative Officer – Doug Allin
Doug is considered the sole employee of Council and oversees all of the City's departments.



**Corporate Officer/
Manager of Human
Resources and
Community Services** –
Diane Heinrich

Deputy Corporate Officer / Communications – Sarah Winton

Corporate Administrative Assistant – Daphne Popoff

Corporate Services prepares agendas and minutes for Council Meetings and for Committees of Council. This department is also responsible for Record Keeping for the City and Freedom of Information requests. Corporate Services' responsibilities are mainly derived from the statutory requirements as outlined in the Community Charter.

The Community Services Department was implemented in 2013 and is overseen by the Deputy Corporate Officer. A new community events policy was adopted by Council in 2013 and the City has since seen an increase in community event requests and participation with the City playing a more supportive role in the logistical organization of events, provision of partnership support, and in-kind support to community groups who coordinate events in the community.

The City undertook a comprehensive communications plan in the later part of 2013. With the onset of the City Hall fire, there was a need to provide clear, transparent, and timely information to the public. Extensive information was provided through the remake of the City's website, local newspaper, press releases, social media, radio, and the extensive stakeholder relationships that the City has worked hard to develop.

The Human Resources Department continues to evolve to better meet the needs of our employees. A few duties that the HR Manager undertakes include Return to Work Programs, hiring of new employees and summer students, ensuring that respectful workplace policies are enforced, and contributing to the continued building of a good working relationship with Union staff.

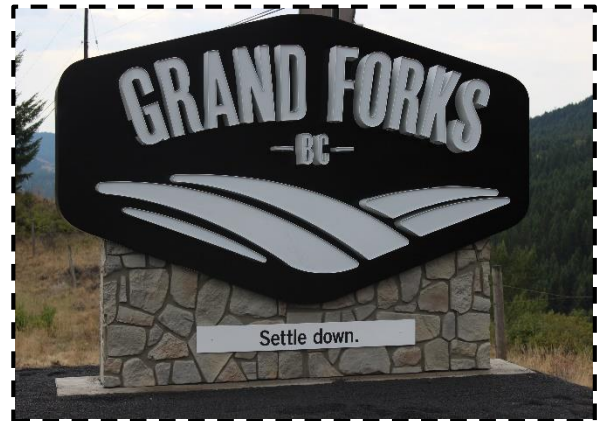
Due to the broad scope of work Corporate Services assumes, the department was increased to include the Corporate Administrative Assistant, who offers overall support to the department and is part of the continued succession planning of the organization.

Highlights:

- Remake of City website
- Development of Communications Plan
- The progression of the department saw the hiring of the Deputy Corporate Officer
- Began implementation of the ICompass program
- Developed relationships with community organizations to better support events
- Developed community events policy
- Instrumental in communications surrounding the fire at City Hall
- Managed several aspects of the fire and subsequent relocation of staff
- Education pieces
- Drinking Water Week
- Monthly newsletter
- Developed a social media presence
- Ensure the website content is relevant and current
- Strengthened internal communications process
- Ratification of Collective Agreement
- Internal relationship building i.e. Golf tournament, Christmas party
- Managed public relations for Council through ribbon cuttings and open houses
- City signage
- Development of Open for Business project

Goals for 2014:

- Complete ICompass implementation
- Complete downtown Street Banner program
- Increase presence of City to encourage an awareness of the area for business and tourism attraction through use of digital banners in Okanagan and other forms of advertising outside of the immediate area
- Elections
- Restoration of City Hall
- Signage (kiosks and info)
- Build City image bank
- Video for City
- Expansion of water wise section of website
- Increase marketing and advertising both inside and outside of the area
- Community events (Family Day, Christmas Light Up)
- Education
- Professional records management



DEVELOPMENT AND ENGINEERING



The Development and Engineering Department's primary planning and technical functions are to provide engineering services support to facilities, parks, roads, water, sewer and electrical projects which encompass the Municipalities asset renewal, repair, or replacement program both operational and capital. The department also provides development services support to subdivisions and development ensuring compliance with zoning, land use, and the visions and guiding principles of the sustainable community plan. The department is committed to

providing quality service that enhances and advances the quality of life through long term planning for the community, encouraging strategic economic development, promoting tourism, and downtown revitalization incentives.

Highlights:

- Westside Fire Protection project – Electrical and Mechanical Components
- Well and Aquifer Protection Plan (mandated by IHA through our Operating Permit)
- Downtown Beautification Upgrades – Phase I
- Implemented a Monitoring Program for the Slag Piles
- Boundary Drive Culvert Replacement Project
- City of Grand Forks Welcome Signage
- Asset Management Projects – Water, Sewer, Sludge, and Facility Assessments
- Road Corridor Improvements – Crack Sealing
- TCT Multi-Use Pathway Project
- Water Locates in Preparation of the Water Metering Program



Goals for 2014:

- AMIP (Multi-Utility Projects – 68th Ave., 22nd St., and 3rd St.)
- Universal Water Metering Program
- Downtown Beautification Upgrades – Phase II
- Westside Fire Protection project – Installation of New Well
- 5th St. Water main Replacement (If Grant Funded)
- GIS Mapping – Utility Infrastructure, Riparian Areas, etc.
- Implementing a Fibre Optic Cable Network Plan
- Tax Incentive Bylaw Implementation for Downtown Businesses
- Utility Bylaw Revisions and Implementation
- Zoning Bylaw Revisions and Implementation

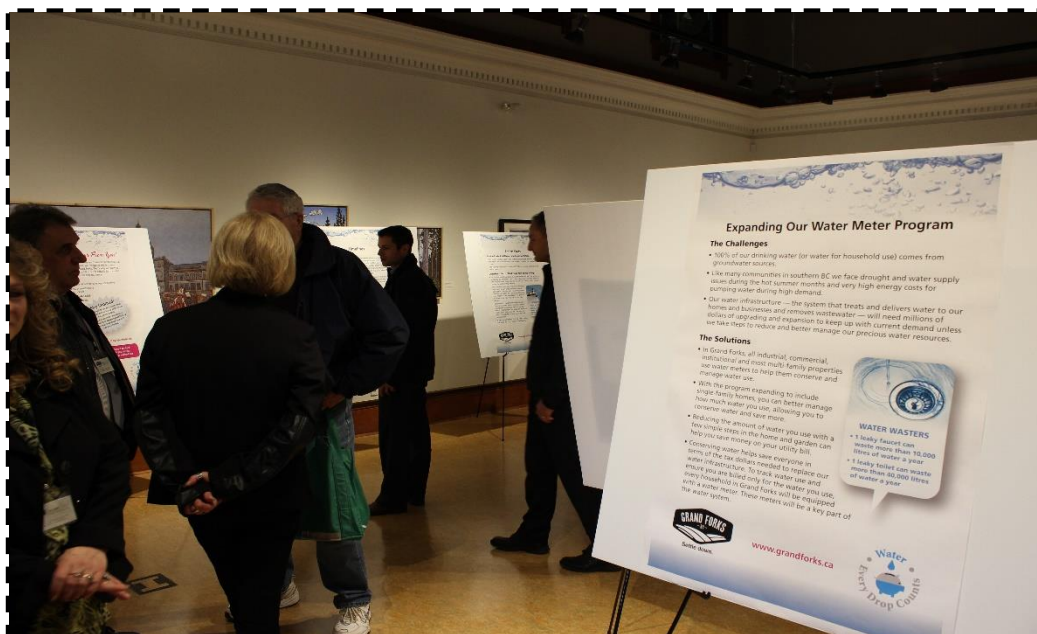


Department Staff:

These functions are currently supported by a regular staff compliment. For significantly large projects, contract planners and/or engineers are utilized for some of the initial Master Development Agreements, Comprehensive Development Bylaws, etc. as per our Client/Consultant Agreement.



Sasha Bird, ASCT, Manager of Development and Engineering – 1FTE
Kathy LaBossiere, Planning Technician – 1FTE
Dolores Sheets, Engineering Technologist – 1FTE



BUILDING & BYLAW INSPECTION SERVICES



The office of Building & Bylaw Inspection Services is responsible for all the building permit applications, construction and compliance with the 2012 British Columbia Building Code. The office opened last July and since then the City has issued 26 new permits, with 8 more currently pending, and 19 building files completed and closed.



The Bylaw Enforcement office has completed and closed 2 Unsanitary Premise cleanup orders to date and currently have 12 more files in progress.

In 2013, the City had compliance from 15 owners of derelict vehicles which have been removed from The City's boulevards, with 5 more vehicles currently being addressed.

Highlights

- Building permits are increasing in volume
- New home starts and inquiries are increasing
- The City Hall rebuild will be commencing soon
- In most cases, the City is beginning to receive compliance with bylaw issues without having to send out enforcement letters
- We have had compliance on two of the unsightly properties
- Newly adopted Bylaws for 2013
- Bylaw No. 1956 – Regulate Traffic
- Bylaw No. 1957 – Municipal Ticketing Information
- Bylaw No. 1959 – Park Access
- Bylaw No. 1962 – Unsanitary Premises
- Bylaw No. 1963 – Noise Control
- Bylaw No. 1964 – Building and Plumbing
- Bylaw No. 1965 – Grand Forks Fire and Life Safety

Goals for 2014:

- To ensure that Building Permits are processed in a timely manner
- To expedite the process for developers to obtain approvals
- To ensure that Bylaws are enforced
- Improve and update the City's bylaws

PUBLIC WORKS

The City of Grand Forks Public Works Department employs 19 unionized employees and one management personnel. Committed to deliver superior and economically feasible levels of service to the residents of Grand Forks, the Public Works crew manages and maintains the Grand Forks Airport, 50 km of roads, 20 km of sidewalks, 43 km of water mains, 36 km of sanitary sewer mains, 11 km of storm sewer mains, 9 public parks, 3 km of trails, 22 publically owned buildings, and 75 pieces of various equipment including the Fire Department fleet. Also, the City of Grand Forks is one municipality in the province that operates its own electrical utility committed to delivering fair and equitable rates to the residents of Grand Forks.



Highlights:

- Cemetery grave restoration. Year 2 out of the 3 year plan
- Hanging Basket program
- Downtown Beautification Phase 1 with our crew being involved with placement of bricks on Central Ave. and 2nd St.
- Installing lighting in the trees downtown on Central Ave. and also under benches on Market Ave.
- Installed bike racks in front of Joga's and Kokomo's; painted decorative light standards and cleaned up light lenses; installed tree well benches on Market Ave.
- Maintenance items such as Westside alley repairs, bridge deck sealing, culvert maintenance and replacement, shouldering roadways
- Temporary infield at JD park installed
- New leveled grass infield at JD Park, installed and repaired irrigation, and installed turf at JD park
- City Park tot lot equipment upgrade
- Road crack sealing program
- Sidewalk replaced at 9th St. and Central Ave.
- Storm water drainage repairs behind CIBC
- Allan Block planters rebuilt for entrance to City Park from 5th St.
- Central Ave. removed old concrete planters
- Repaired Beacon site solar panel vandalism
- Installation of tree lights on Market Ave. and Central Ave.

Goals for 2014

- Sidewalk removal on 12th St. - north of Central
- 8th St. and 72nd Ave.; Granby Rd - north of Central
- Shouldering and Ditching Program (drainage control)
- Crack Sealing and Paving Road Repairs Program
- Alley upgrades on south side of Central Ave.
- Downtown Beautification Phase 2
- Hanging Basket program
- Allan Block wall repair on 5th St. - City Park entrance
- Cemetery grave restoration – 3rd year of 3 Year Program
- Reservoir upgrades – New control building.
- Water and Sewer Main Flushing Program
- Water Meter Installation Program
- Parks building upgrades and painting
- Electrical meter inspection – door to door audit



FIRE DEPARTMENT / EMERGENCY SERVICES



The Emergency Services Department provides fire and emergency protective services to the City of Grand Forks and the Regional District of Kootenay Boundary (Area “D”) under contract.

The Chief and Assistant Chief supervise a group of 40 volunteers who provide firefighting, medical and hazardous material response, and road, high-angle rope, confined space, and swiftwater rescue services





Highlights

- Responded to 473 calls – 182 fire-related, 36 rescue, and 255 First Responder (medical)
- Two residential structure fires in Ruckle Addition in the spring. City Hall fire in September.
- Set specifications and issued RFP for 101' aerial platform truck to replace the 1992 ladder truck.
- Volunteers participated in courses in: swiftwater rescue, high-angle rope rescue, first responder certification.
- Increased frequency of commercial and institutional fire inspections.
- Exterior of downtown fire hall painted.
- Benefits program launched for volunteers.

Goals for 2014:

- Volunteer training – First Responder, Confined Space, additional Swiftwater Rescuers
- Class 3 apparatus training for volunteers
- Live-fire testing to complete firefighter certification
- Work with RDKB on emergency services contract and long-range fire protection plans for the rural area
- Launch enhanced personnel accountability system to ensure safety of volunteers working on emergency scenes
- Continued recruiting efforts

FINANCE

The Finance Department has six staff members that include the Chief Financial Officer, an Accountant/Comptroller, a Payroll/Accounts Payable Clerk, a Revenue Clerk, an Accounting Clerk, and an Administrative Assistant.



The City maintains a system of internal controls for the purpose of financial statement reliability and protection of City assets. Internal controls include ensuring accurate and full accounting of all financial transactions, safekeeping of City funds, receiving monies paid to the municipality, investing in authorized investments, and expending funds as authorized by Council.

The Finance Department also provides support to the external auditors and provides internal reports for other City departments.

Highlights

- Implemented a new Tangible Capital Asset Policy
- Implemented a new Purchasing Policy
- Transitioned from HST to PST
- Issued RFP for Audit Services for 2013-2015 fiscal years
- Annual Surplus for 2013 is: \$32,885
- Operating Fund Equity increased from \$2,033,014 at year end 2012 to \$3,896,535 at year end 2013
- Net financial assets decreased from \$4,370,632 at year end 2012 to \$3,929,451 at year end 2013
- Reserve funds decreased from \$3,405,187 at year end 2012 to \$2,725,826 at year end 2013
- Operating expenditures include \$1,346,487 in general government services and public real estate, \$445,404 in protective services, \$1,255,184 in transportation services, \$761,922 in recreation and culture, and \$470,166 in environmental health, public health and environmental development services. Utility operations expenditures (including the electrical utility) total \$4,818,506.
- Long term debt issued and outstanding as of December 31, 2013 was \$2,362,336. In 2012, this balance was \$765,495.

Goals for 2014:

- Create inventory and related party policies
- Update Payment Processing Policy to improve customer service
- Update Bank Signing Authorization Policy to strengthen internal controls

- Continue succession planning for the Finance Department
- Consolidate and align chart of accounts structure with external reporting requirements
- Set up residential water meters in our financial software system
- Implement new requirements for Contaminated Sites legislation
- Encourage e-billing for utility and property tax bills and EFT payments to suppliers to reduce postage costs and carbon footprint
- Develop and revise financial forms to make more user-friendly
- Evaluate financial processes to find efficiencies



**GRAND FORKS IS OPEN FOR
BUSINESS!**

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 **2013**.

Legal Description	Civic Address	Organization	Value of Permissive Exemption
Lot 1, D.L. 380, S.D.Y.D., Plan KAP54909	7230-21st Street	Grand Forks Curling Club	\$7,590.88
Lot 5, Block 10, D.L. 108, S.D.Y.D., Plan 23	366 Market Avenue	Grand Forks Masonic Building	\$344.48
Lot A, D.L. 108, S.D.Y.D., Plan 38294	978 72nd Avenue	Sunshine Valley Little Peoples Centre	\$1,350.44
Lot 8, Block 25, Plan 23, DL 108 S.D.Y.D.	686 72nd Avenue	Slavonic Senior Citizen's Centre	\$464.15
Lot A, DL 108 S.D.Y.D. Plan 6691	7239 2nd St	Hospital Auxiliary Thrift Shop	\$1,776.07
Lots 23, 24, 25, 26 Block 29, DL 108 S.D.Y.D. 121	7353 6th St	Royal Canadian Legion	\$3,439.13
Lots 10 and 17 – 20, Block 18, D.L. 108, S.D.Y.D., Plan 86	565 1st Avenue (City Park)	Grand Forks Senior Citizens, Branch No. 68	\$3,030.88
Lot 1, D.L. 585, S.D.Y.D., Plan 27903	7850-2nd Street	Grand Forks Wildlife Association Hall	\$2,674.56
Parcel B, Block 45, D.L. 108, Plan 72	876-72nd Avenue	Abbeyfield Centennial House Society	\$2,434.91
Lot A, Plan 29781, District Lot 108, Land District 54	7130-9th Street	Boundary Lodge	\$3,844.79

In accordance with Section 226 of the Community Charter, the following properties in the City of Grand Forks were provided property tax exemptions in **2013**.

Legal Description	Civic Address	Organization	Expiry Date	Value of Tax Exemption
Lot 1 Plan KAP91480	570 - 68 Ave	Interfor	2015	\$76,030.91

The Corporation of the City of Grand Forks
Schedule of Capital Projects Undertaken
For the year ended December 31, 2013

CRACK FILLING EQUIPMENT	\$ 8,763
UTILITY VEHICLE (UTV)	\$ 33,214
1/2 TON TRUCK	\$ 25,938
3/4 TON TRUCK	\$ 26,937
DIESEL POWERED CHIPPER	\$ 34,156
CITY ENTRANCE SIGNAGE	\$ 68,530
TRANS CANADA TRAIL 68 TH TRESTLE	\$ 217,061
BOUNDARY CULVERT	\$ 54,161
LAND + BUILDING PURCHASE	\$ 239,286
OFFICE FURNITURE	\$ 17,930
BACK-UP SERVER	\$ 79,415
OFFICE FURNITURE & EQUIPMENT - due to Fire	\$ 148,301
PUBLIC WORKS AIR CONDITIONER + FIREHALL FURNACE	\$ 9,180
DOWNTOWN BEAUTIFICATION	\$ 292,089
ROADS CRACK SEALING	\$ 89,148
LIFT STATION UPGRADE	\$ 9,276
GROUNDWATER PROTECTION PLAN	\$ 41,372
WESTSIDE FIRE PROTECTION -EMERGENCY WATER SUPPLY	\$ 183,182
EMERGENCY WELL PUMP	\$ 16,002
WATER METERS EDUCATION	\$ 29,651
ASSET MGMT – WATER,SEWER,ROADS	\$ 209,375
MULTI UTILITY – WATER, SEWER, ROAD PROJECTS	\$ 62,472
ELECTRICAL PROJECTS	\$ 185,545
AIRPORT BEACON BATTERY	\$ 10,130
	\$ 2,091,114
	\$ 2,091,114
FUNDED BY:	
RESERVES	\$ 1,216,523
DEFERRED GAS TAX REVENUE	\$ 21,191
SURPLUS	\$ 853,400
	\$ 2,091,114
	\$ 2,091,114

Financial Statements of

THE CORPORATION OF THE CITY OF GRAND FORKS

December 31, 2013

THE CORPORATION OF THE CITY OF GRAND FORKS
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December 31, 2013

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April 28, 2014

Grand Forks, B.C.

Responsibility For Financial Reporting

Management is responsible for the preparation of the accompanying consolidated financial statements. The financial statements have been prepared in accordance with the accounting principles disclosed in note 1 to the consolidated financial statements and include amounts that are based on estimates and judgments. Management believes that the financial statements fairly present The Corporation of the City of Grand Forks consolidated financial position and results of operations. The integrity of the information presented in the financial statements, including estimates and judgments relating to matters not concluded by fiscal year-end, is the responsibility of management. The financial statements have been approved by Council.

Management has established and maintained appropriate systems of internal control including policies and procedures, which are designed to provide reasonable assurance that The Corporation of the City of Grand Forks assets are safeguarded and that reliable financial records are maintained to form a proper basis for preparation of the financial statements.

The independent external auditors, Berg Lehmann, Chartered Accountants, have been appointed by Council to express an opinion as to whether the consolidated financial statements present fairly, in all material respects, The Corporation of the City of Grand Forks financial position, results of operations, and changes in financial position in conformity with the accounting principles disclosed in note 1 to the consolidated financial statements. The report of Berg Lehmann, Chartered Accountants, follows and outlines the scope of their examination and their opinion on the consolidated financial statements.



Roxanne Shepherd
Chief Financial Officer

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of The Corporation of the City of Grand Forks, which comprise the consolidated statement of financial position as at December 31, 2013, and the consolidated statement of operations, consolidated statement of changes in net financial assets and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Public Sector accounting standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Berg
Lehmann

Chartered Accountants
& Business Advisors

513 Victoria Street
Nelson BC
V1L 4K7

phone 250.352.3165
fax 250.352.7166
advice@BergLehmann.ca
www.BergLehmann.ca

INDEPENDENT AUDITORS' REPORT (continued)

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the City of Grand Forks as at December 31, 2013, and its financial performance and its cash flows for the year then ended in accordance with Canadian Public Sector accounting standards.



Chartered Accountants

April 28, 2014

Nelson, B.C.

THE CORPORATION OF THE CITY OF GRAND FORKS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As At December 31, 2013

	2013	2012 (Restated - Note 21)
FINANCIAL ASSETS		
Cash (note 2)	\$ 8,225,809	\$ 8,484,269
Accounts receivable	2,215,389	1,919,562
MFA deposit (note 3)	28,272	9,801
Inventories for resale	47,978	49,310
Lease receivable (note 4)	173,946	192,017
	10,691,394	10,654,959
LIABILITIES		
Accounts payable and accrued liabilities	1,645,047	1,255,863
Employee future benefits (note 5)	421,437	646,802
Deferred gas tax grants (note 10)	1,447,251	1,238,599
Deferred revenues - grants and other (note 8)	99,667	82,439
Deferred revenues - prepaid taxes	288,494	271,324
Temporary loan	-	1,537,426
Development cost charges (note 9)	497,711	486,379
Long-term debt and capital lease obligations (note 6)	2,362,336	765,495
	6,761,943	6,284,327
NET FINANCIAL ASSETS	3,929,451	4,370,632
NON-FINANCIAL ASSETS		
Prepaid expenses	62,280	48,946
Inventory of supplies	268,293	253,127
Tangible capital assets (note 7)	26,509,345	26,063,779
	26,839,918	26,365,852
ACCUMULATED SURPLUS	\$ 30,769,369	\$ 30,736,484
Represented by:		
Operating funds equity (note 11)	\$ 3,896,535	\$ 2,033,014
Reserve funds (note 12)	2,725,826	3,405,187
Equity in tangible capital assets (note 13)	24,147,008	25,298,283
	\$ 30,769,369	\$ 30,736,484
CONTINGENT LIABILITIES (note 20)		
SUBSEQUENT EVENT (note 23)		


 Chief Financial Officer

THE CORPORATION OF THE CITY OF GRAND FORKS
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2013

	2013	2013	2012
	Budget	Actual	(Restated - Note 21) Actual
REVENUE			
Taxes	\$ 2,954,364	\$ 3,046,473	\$ 2,828,294
Sales of goods and services (note 15)	6,290,550	6,420,873	6,442,670
Other revenues	510,099	489,947	581,582
Senior government grants - operating	352,846	372,573	721,201
Senior government grants - capital	1,760,532	136,714	33,998
Interest income	46,500	107,277	102,187
Investment income on sinking fund	-	6,281	8,542
Insurance proceeds for operating expenditures	-	125,000	-
Gain on disposition of assets	-	14,324	-
	11,914,891	10,719,462	10,718,474
EXPENDITURES			
General government	1,263,626	1,058,156	853,061
Public real estate	322,389	288,331	275,672
Protective service	486,150	445,404	472,304
Transportation services	1,184,516	1,255,184	1,224,965
Environmental health services	182,934	167,366	178,277
Public health and welfare	124,950	74,904	89,658
Environmental development	211,950	227,896	241,235
Recreation and cultural services	745,226	761,922	601,411
Utility services			
Electrical	3,716,800	3,454,043	3,399,709
Water	817,949	739,841	695,008
Sewer	727,362	624,622	685,043
Debt interest	140,168	51,136	35,110
Amortization	1,355,668	1,537,772	1,373,762
	11,279,688	10,686,577	10,125,215
ANNUAL SURPLUS	635,203	32,885	593,259
ACCUMULATED SURPLUS, BEGINNING OF YEAR	30,736,484	30,736,484	30,143,225
ACCUMULATED SURPLUS, END OF YEAR	\$ 31,371,687	\$ 30,769,369	\$ 30,736,484

RECONCILIATION TO BUDGET (note 19)



Chief Financial Officer

THE CORPORATION OF THE CITY OF GRAND FORKS
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2013

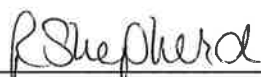
	2013	2012 (Restated - Note 21)
ANNUAL SURPLUS	\$ 32,885	\$ 593,259
Acquisition of tangible capital assets	(2,091,114)	(724,144)
Amortization of tangible capital assets	1,537,772	1,373,762
Gain on sale of assets	(14,324)	-
Proceeds from sale of assets	122,100	-
Net change in prepaid expenses and supplies inventory	(28,500)	18,135
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(441,181)	1,261,012
NET FINANCIAL ASSETS, BEGINNING OF YEAR	4,370,632	3,109,620
NET FINANCIAL ASSETS, END OF YEAR	\$ 3,929,451	\$ 4,370,632



Chief Financial Officer

THE CORPORATION OF THE CITY OF GRAND FORKS
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2013

	2013	2012 (Restated - Note 21)
OPERATING TRANSACTIONS		
Annual surplus	\$ 32,885	\$ 593,259
Non-cash items		
Amortization	1,537,772	1,373,762
Gain on sale of tangible capital assets	(14,324)	-
Actuarial adjustment	(6,281)	(8,543)
Change in prepaid expenses and supplies inventory	(28,500)	18,135
Change in Net Financial Assets/Liabilities		
Change in accounts receivable	(295,827)	(266,098)
Change in MFA debt deposits	(18,471)	(288)
Change in inventories for resale	1,332	(22,499)
Change in loan receivable	18,071	17,268
Change in accounts payable and accrued liabilities	389,184	113,831
Change in employee future benefits	(225,365)	(173,497)
Change in deferred revenues	243,050	253,854
Change in temporary loan	(1,537,426)	-
Change in development cost charges	11,332	108,574
Cash Provided by Operating Transactions	107,432	2,007,758
CAPITAL TRANSACTIONS		
Purchase of tangible capital assets	(2,091,114)	(724,144)
Proceeds from sale of tangible capital assets	122,100	-
Cash Applied to Capital Transactions	(1,969,014)	(724,144)
FINANCING TRANSACTIONS		
Debt issued	1,756,920	14,683
Repayment of long-term debt	(153,798)	(154,919)
Cash Received from Financing Transactions	1,603,122	(140,236)
INCREASE IN CASH	(258,460)	1,143,378
CASH, BEGINNING OF YEAR	8,484,269	7,340,891
CASH, END OF YEAR	\$ 8,225,809	\$ 8,484,269



Chief Financial Officer

1. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies of The Corporation of the City of Grand Forks:

Basis of Presentation

The Consolidated Financial Statements of the City, which are the representation of management, are prepared in accordance with Canadian generally accepted accounting principles for governments as prescribed by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. The Consolidated Financial Statements reflect the combined results and activities of the reporting entity which is comprised of the Operating, Capital and Reserve funds. Inter-fund transactions have been eliminated on consolidation.

- i) **Operating Funds:** These funds include the General, Electrical, Water and Sewer operations of the City. They are used to record the operating costs of the services provided by the City.
- ii) **Capital Funds:** These funds include the General, Electrical, Water and Sewer Capital funds. They are used to record the acquisition and disposal of property and equipment and their related financing.
- iii) **Reserve Funds:** Under the Community Charter, City Council may, by bylaw, establish reserve funds for specified purposes. Money in a reserve fund, and interest earned thereon, must be expended by bylaw only for the purpose for which the fund was established. If the amount in a reserve fund is greater than required, City Council may, by bylaw, transfer all or part of the balance to another reserve fund.

Basis of Accounting

The City's consolidated financial statements are prepared using the accrual basis of accounting.

Inventories

Inventories are recorded at the lower of cost or net realizable value.

Revenue Recognition

The City records revenue on the accrual basis and includes revenue in the period in which the transactions or events that give rise to the revenues occur. Taxation revenues are recognized at the time of the issuing of the property tax notices for the fiscal year. Sale of services and utility fee revenues are recognized when the service or product is rendered by the City.

Grant revenues are recorded when the funding becomes receivable. Unearned revenue in the current period is recorded as deferred revenue.

Deferred Revenue

Deferred revenue relates to restricted grants received but not yet spent.

THE CORPORATION OF THE CITY OF GRAND FORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As At December 31, 2013

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization and are classified according to their functional use. Amortization is recorded on a straight-line basis over the estimated useful life commencing in the year the asset is put into service. Donated tangible capital assets are reported at the fair value at the time of donation. The estimated useful lives are as follows:

Building	40 - 75 years
Building improvements	10 - 40 years
Fixtures, furniture, equipment and vehicles	5 - 20 years
IT infrastructure	4 - 10 years
Parks infrastructure	15 - 50 years
Paving and roads	10 - 100 years
Sewer infrastructure	10 - 100 years
Water infrastructure	10 - 100 years

Restricted 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.

Financial Instruments

The City's financial instruments consist of cash, temporary investments, accounts receivable, accounts payable, capital lease obligations and long-term debt. It is management's opinion that the City is not exposed to significant interest, currency, or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values.

Budget Figures

The budgeted figures are based on the adopted Five-Year Financial Plan for the year 2013 approved by council under bylaw 1948 on May 6, 2013.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Significant areas requiring estimates include the useful lives of tangible capital assets for amortization, the determination of payroll and employee future benefit accruals and the provision for contingencies. Actual results could differ from management's best estimates as additional information becomes available in the future.

THE CORPORATION OF THE CITY OF GRAND FORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As At December 31, 2013

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Government Transfers

Government transfers are recognized as revenue in the period that the transfer is authorized, eligibility criteria, if any, have been met, and a reasonable estimate of the amount to be received can be made.

2. CASH

	2013	2012
Restricted cash		
Statutory Reserves	\$ 2,317,108	\$ 3,227,077
Deferred Gas Tax Grant funds	1,447,251	1,238,599
Deferred development cost funds	<u>497,711</u>	<u>486,379</u>
	4,262,070	4,952,055
Unrestricted cash and investments	<u>3,963,739</u>	<u>3,532,214</u>
	\$ 8,225,809	\$ 8,484,269

3. DEBT RESERVE FUNDS - MUNICIPAL FINANCE AUTHORITY

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, 2013 the total of the Debt Reserve Fund was:

	Demand Notes	Cash Deposits	Balance
Sewer fund	\$ 52,184	\$ 21,672	\$ 73,856
General fund	<u>28,501</u>	<u>6,600</u>	<u>35,101</u>
	\$ 80,685	\$ 28,272	\$ 108,957

Only the cash portion of MFA deposits is included as a financial asset.

THE CORPORATION OF THE CITY OF GRAND FORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As At December 31, 2013

4. LEASE RECEIVABLE

The City has entered into a long-term capital lease agreement with the Regional District of Kootenay Boundary for the lease of a building and lands. The term of the agreement is 12 years commencing August 1, 2010. Annual payments are \$27,000 including interest at 4.65%. Interest of \$8,929 (2012 - \$9,731) was received during the year.

5. EMPLOYEE FUTURE BENEFITS

The City provides a benefit to its unionized employees upon retirement. Those eligible employees who retire from service shall receive an amount equal to their accumulated sick leave credits, up to, but not exceeding, 150 days. Employees absent for medical reasons have wages charged against, and deducted from the sick leave accumulated. Upon retirement, any unionized employee having accumulated sick leave is eligible to receive a cash gratuity payment. The payment amount is a percentage of accumulated sick leave based on years of service. The City has committed to fully funding this future benefit over the years of the employees' current service. As at December 31, 2013, \$401,524 (2012 - \$480,315) has been accrued by the City to cover this obligation.

Contracts between the City and members of its management team establish a sick leave bank of 181 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, 2013, \$nil (2012 - \$166,487) has been accrued by the City to cover this obligation.

6. LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS

	Balance, beginning of year	Additions	Payment of Principal	Actuarial Adjustment	Balance, end of year
General #1863	\$ 368,841	\$ -	\$(41,646)	\$(4,040)	\$ 323,155
General #1887	62,835	-	(3,496)	(252)	59,087
Sewer #1498	87,658	-	(6,495)	(1,989)	79,174
Sewer #1873	-	1,756,920	-	-	1,756,920
Total MFA debt	519,334	1,756,920	(51,637)	(6,281)	2,218,336
MFA general capital lease obligations	246,161	-	(102,161)	-	144,000
Total	\$ 765,495	\$1,756,920	\$(153,798)	\$(6,281)	\$ 2,362,336

THE CORPORATION OF THE CITY OF GRAND FORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As At December 31, 2013

6. LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS (continued)

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

	General Capital	Sewer Capital	Total Capital
2014	\$ 45,140	\$ 68,580	\$ 113,720
2015	\$ 45,140	\$ 68,580	\$ 113,720
2016	\$ 45,140	\$ 68,580	\$ 113,720
2017	\$ 45,140	\$ 68,580	\$ 113,720
2018	\$ 45,140	\$ 68,580	\$ 113,720

The requirements for future repayments of principal on existing capital lease obligations for the next three years are estimated as follows:

2014	\$ 93,870
2015	49,595
2016	<u>2,513</u>
Total minimum lease payments	145,978
Less amount representing interest	<u>1,978</u>
	<u>\$ 144,000</u>

7. TANGIBLE CAPITAL ASSETS

	2013			2012 Net Book Value
	Cost	Accumulated Amortization	Net Book Value	
General Capital Fund				
Land	\$ 1,690,091	\$ -	\$ 1,690,091	\$ 1,571,759
Buildings	6,005,411	2,503,378	3,502,033	3,532,869
Engineering structures	19,511,965	9,611,423	9,900,542	9,688,361
Machinery and equipment	1,852,339	890,427	961,912	956,144
Equipment fleet - emergency	1,081,066	640,046	441,020	484,058
Equipment fleet - public works	<u>2,957,536</u>	<u>1,956,941</u>	<u>1,000,595</u>	<u>1,036,981</u>
	33,098,408	15,602,215	17,496,193	17,270,172
Assets under capital lease	<u>441,674</u>	<u>79,055</u>	<u>362,619</u>	<u>390,959</u>
	33,540,082	15,681,270	17,858,812	17,661,131
Waterworks Utility Capital Fund	7,446,626	4,107,855	3,338,771	3,174,195
Electrical Utility Capital Fund	2,495,202	1,558,009	937,193	791,127
Sewer Utility Capital Fund	<u>7,798,885</u>	<u>3,424,316</u>	<u>4,374,569</u>	<u>4,437,326</u>
Total tangible capital assets	<u>\$ 51,280,795</u>	<u>\$ 24,771,450</u>	<u>\$ 26,509,345</u>	<u>\$ 26,063,779</u>

THE CORPORATION OF THE CITY OF GRAND FORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As At December 31, 2013

8. DEFERRED REVENUE - GRANTS AND OTHER

These funds are externally restricted for the purposes for which they were collected.

	Balance, Beginning of Year	Contributions Eligible Received	Expenditures	Balance, End of Year
Library maintenance contract	\$ 61,421	\$ 15,000	\$ 7,979	\$ 68,442
Miscellaneous revenue	7,541	10,470	7,541	10,470
Victim assistance	13,217	35,560	34,096	14,681
Miscellaneous deposits	260	6,039	225	6,074
	<u>\$ 82,439</u>	<u>\$ 67,069</u>	<u>\$ 49,841</u>	<u>\$ 99,667</u>

9. DEVELOPMENT COST CHARGES

Development cost charges represent funds received from developers for capital costs in accordance with Bylaw 1425. Development cost charges are deferred and recognized as revenues when the related costs are incurred.

	2013	2012
Development cost charges - water	\$ 176,356	\$ 171,630
Development cost charges - sewer	318,999	312,425
Development cost charges - parkland reserve	<u>2,356</u>	<u>2,324</u>
	<u>\$ 497,711</u>	<u>\$ 486,379</u>

THE CORPORATION OF THE CITY OF GRAND FORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As At December 31, 2013

10. FEDERAL GAS TAX GRANT

Gas Tax funding is provided by the Government of Canada. The use of the funding is established by a funding agreement between the City and the Union of British Columbia Municipalities. Gas Tax funding may be used towards designated public transit, community energy, water, wastewater, solid waste and capacity building projects, as specified in the funding agreements.

	2013	2012
Opening balance	\$ 1,238,599	\$ 1,011,546
Amount received in the year	212,622	212,698
Interest earned	17,221	14,355
Less amount spent on eligible projects	<u>(21,191)</u>	<u>-</u>
Closing balance of unspent funds	<u>\$ 1,447,251</u>	<u>\$ 1,238,599</u>

11. OPERATING FUND EQUITY

	2013	2012
General operating fund	\$ 1,579,342	\$ 1,174,465
Electrical utility operating fund	1,274,917	1,284,653
Sewer utility operating fund	1,029,349	(756,166)
Water utility operating fund	<u>12,927</u>	<u>330,062</u>
Operating fund equity at year end	<u>\$ 3,896,535</u>	<u>\$ 2,033,014</u>

12. RESERVE FUND CONTINUITY

	Balance Beginning of Year	Transfers (to) from Other Funds	Sales	Interest Earned	Balance End of Year
Capital reserve	\$ 286,384	\$ 85,213	\$ -	\$ 3,867	\$ 375,464
Equipment replacement	716,181	(136,560)	-	7,644	587,265
Land sale	729,216	(249,999)	-	9,641	488,858
Tax sale land	60,870	-	-	823	61,693
Cash in lieu of parking	16,897	-	-	229	17,126
Slag sale	1,595,639	(670,176)	247,284	22,673	1,195,420
	<u>\$ 3,405,187</u>	<u>\$(971,522)</u>	<u>\$ 247,284</u>	<u>\$ 44,877</u>	<u>\$ 2,725,826</u>

THE CORPORATION OF THE CITY OF GRAND FORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As At December 31, 2013

13. EQUITY IN TANGIBLE CAPITAL ASSETS

Equity in Tangible Capital Assets (TCA) represents the net book value of total capital assets less long-term obligations assumed to acquire those assets. The change in consolidated equity in tangible capital assets is as follows:

	2013	2012
Equity in TCA, beginning of year	\$ 25,304,424	\$ 25,799,123
Add:		
Capital acquisitions	2,091,114	724,144
Debt principal repayments	149,236	154,919
Actuarial adjustment	-	-
Gain on dispositions of assets	14,324	-
Less:		
Proceeds from issue of debt	(1,756,920)	-
Proceeds on sale	(122,100)	-
Amortization	<u>(1,537,772)</u>	<u>(1,373,762)</u>
Equity in TCA, end of year	<u>\$ 24,142,306</u>	<u>\$ 25,304,424</u>
Represented by:		
General capital fund	\$ 17,332,568	\$ 16,983,294
Electrical utility capital fund	937,194	791,127
Sewer utility capital fund	2,538,475	4,349,667
Water utility capital fund	<u>3,338,771</u>	<u>3,174,195</u>
Capital fund equity at year end	<u>\$ 24,147,008</u>	<u>\$ 25,298,283</u>

14. MUNICIPAL PENSION PLAN

The City and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trusted pension plan. The Board of Trustees, representing Plan members and employers, is responsible for overseeing the management of the Pension Plan, including investment of the 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 179,000 active members and approximately 71,000 retired members.

The most recent valuation as at December 31, 2012 indicated a \$1,370 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2015 with results available in 2016. Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

The Corporation of the City of Grand Forks paid \$271,258 (2012 - \$266,919) for employer contributions to the Plan in fiscal 2013.

THE CORPORATION OF THE CITY OF GRAND FORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As At December 31, 2013

15. SALE OF SERVICES

	2013	2012
Garbage collection and RDKB landfill contract	\$ 200,109	\$ 176,332
Cemetery	28,912	33,585
Airport (net of cost of fuel sold)	25,988	24,044
Transportation custom work orders	8,554	79,483
Environmental development	5,000	10,981
Campground	40,865	34,558
Sundry	4,474	2,589
Slag	247,284	258,585
Electrical utility user and connection fees	4,287,692	4,327,593
Sewer utility user and connection fees	782,864	734,859
Waterworks utility user and connection fees	789,131	760,061
	\$ 6,420,873	\$ 6,442,670

16. EXPENDITURES BY OBJECT

	2013	2012
Goods and services	\$ 6,570,674	\$ 5,447,087
Interest and finance charges	51,136	35,110
Salaries, wages and benefits	2,526,995	3,269,256
Amortization	1,537,772	1,373,762
	\$ 10,686,577	\$ 10,125,215

17. COLLECTION FOR OTHER GOVERNMENTS

The City collected and remitted the following taxes on behalf of other Governments. These are not included in the City's financial statements.

	2013	2012
Provincial Government - School Taxes	\$ 1,610,542	\$ 1,589,318
Provincial Government - Police Tax Levy	208,138	191,737
British Columbia Assessment Authority	48,016	47,715
Regional Hospital Districts	219,994	149,764
Regional District of Kootenay Boundary	1,375,293	1,318,018
	\$ 3,461,983	\$ 3,296,552

THE CORPORATION OF THE CITY OF GRAND FORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As At December 31, 2013

18. TRUST FUNDS

Funds held in trust and administered by the City are as follows:

	2013	2012
Assets		
Cash	\$ 151,939	\$ 146,069
Due from (to) the General Operating Fund	(979)	445
	\$ 150,960	\$ 146,514
 Trust Fund Balances		
Cemetery care	\$ 140,009	\$ 135,562
Employee assistance program	10,951	10,952
	\$ 150,960	\$ 146,514

Trust funds are not included in the City's financial statements.

19. RECONCILIATION TO BUDGET

The following reconciles the budgeted surplus as shown on the consolidated statement of operations to the budget as presented in bylaw 1948 adopted on May 6, 2013.

	2013	2012
Annual budgeted surplus per consolidated statement of operations	\$ 635,203	\$(814,900)
Debt principal repayments	(180,568)	(236,200)
Purchase of tangible capital assets other than by debt	(6,735,127)	(2,958,000)
Budgeted transfer from reserve/accumulated surplus	1,651,797	962,700
Non-cash item - amortization	1,355,668	1,345,400
Debt proceeds	3,273,027	1,701,000
	\$ -	\$ -

20. CONTINGENT LIABILITIES

The City, as a member of the Regional District of Kootenay Boundary, is jointly and severally liable for the future 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 its payments and 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.

THE CORPORATION OF THE CITY OF GRAND FORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As At December 31, 2013

20. COMMITMENTS AND CONTINGENT LIABILITIES (continued)

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.

21. PRIOR PERIOD ADJUSTMENT

The City has determined that the electrical receivable calculated in 2012 was understated. As a result, the accumulated surplus as at January 1, 2013 has been increased by \$197,486 and the 2012 financial statements have been restated. The revenue from sales of goods and services in the 2012 consolidated statement of operations has been increased by \$197,486 representing the understated electrical receivable and the annual surplus has increased by \$197,486. Accounts receivable as at December 31, 2012 has been increased by \$197,486.

22. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.

23. SUBSEQUENT EVENT

Subsequent to year end the City received \$377,499 in insurance proceeds for repair to fire damage at the City Hall. Management believes the City's insurance coverage is sufficient for all damages.

THE CORPORATION OF THE CITY OF GRAND FORKS
SCHEDULE - SEGMENTED INFORMATION
For the Year Ended December 31, 2013

	General and Reserve	Electrical Utility	Water Utility	Sewer Utility	Total 2013	Total 2012
REVENUE						
Property taxes	\$ 3,040,432	\$ -	\$ -	\$ 6,041	\$ 3,046,473	\$ 2,828,294
User fees and charges	-	4,287,692	789,131	782,864	5,859,687	5,822,514
Other revenue	1,287,330	-	-	2,361	1,289,691	1,312,467
Grants - operating	372,573	-	-	-	372,573	721,201
Grants - capital	136,714	-	-	-	136,714	33,998
Gain on disposal	17,165	(2,841)	-	-	14,324	-
	4,854,214	4,284,851	789,131	791,266	10,719,462	10,718,474
EXPENSES						
Salaries and benefits	1,581,872	314,893	340,246	289,984	2,526,995	3,269,256
Goods and services	2,686,129	147,084	405,186	340,209	3,578,608	2,625,276
Purchased services	-	2,992,066	-	-	2,992,066	2,821,811
Debt interest	27,026	-	-	24,110	51,136	35,110
Amortization	1,139,394	39,479	196,257	162,642	1,537,772	1,373,762
Interfund transfers	(655,000)	655,000	-	-	-	-
	4,779,421	4,148,522	941,689	816,945	10,686,577	10,125,215
ANNUAL SURPLUS (DEFICIT)	\$ 74,793	\$ 136,329	\$(152,558)	\$(25,679)	\$ 32,885	\$ 593,259

**THE CORPORATION OF THE CITY OF GRAND FORKS
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
As At December 31, 2013**

	Land	Buildings	Machinery and Equipment	Engineering Structures	Infrastructure			2012
					Electrical Utility	Waterworks Utility	Sewer Utility	
Historical Cost:								
Opening balance	\$ 1,571,759	\$ 5,884,456	\$ 6,492,746	\$ 18,700,365	\$ 2,309,657	\$ 7,085,793	\$ 7,698,999	\$ 49,743,775
Additions	118,332	120,954	393,963	811,600	185,545	360,833	99,886	2,091,114
Disposals and write downs			(554,093)					(554,093)
Closing balance, Dec. 31	\$ 1,690,091	\$ 6,005,410	\$ 6,332,616	\$ 19,511,965	\$ 2,495,202	\$ 7,446,626	\$ 7,798,885	\$ 51,280,795
								\$ 49,743,775
Accumulated Amortization:								
Opening balance	\$ -	\$ 2,351,587	\$ 3,624,604	\$ 9,012,004	\$ 1,518,530	\$ 3,911,598	\$ 3,261,673	\$ 22,321,271
Amortization Expense	-	151,791	388,183	599,419	39,479	196,257	162,643	1,373,761
Effect of disposals and write downs	-		(446,317)					(15,036)
Closing balance, Dec. 31	\$ -	\$ 2,503,378	\$ 3,566,470	\$ 9,611,423	\$ 1,558,009	\$ 4,107,855	\$ 3,424,316	\$ 24,771,450
								\$ 23,679,996
Net Book Value for Year Ended December 31, 2013	\$ 1,690,091	\$ 3,502,033	\$ 2,766,146	\$ 9,900,542	\$ 937,193	\$ 3,338,771	\$ 4,374,569	\$ 26,063,779