

The Corporation of the City of Grand Forks

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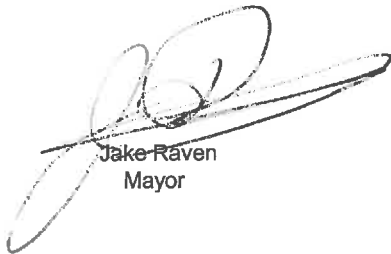
The Corporation of the City of Grand Forks
Annual Financial Report
for the year ended December 31, 2004

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

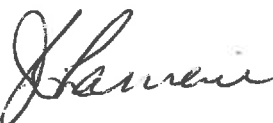
Management maintains a system of internal accounting controls to provide reasonable assurance that assets are safeguarded and that transactions are authorized, recorded, and reported properly.

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

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



Jake Raven
Mayor



J. C. Lambie
Chief Administrative Officer



Dan Zabinsky
Treasurer

Frank O. Koide

Chartered Accountant

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Telephone (250) 442-2114 - Fax (250) 442-3777

AUDITOR'S REPORT

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

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

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

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

Grand Forks, B.C.
April 28, 2005



CHARTERED ACCOUNTANT



Member of
Institute of Chartered Accountants of British Columbia

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

A. Basis of Presentation

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

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

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

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

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

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

B. Accrual Accounting

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

C. Deferred Charges

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

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

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D. Capital Assets

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

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

E. Restricted Revenues and Deferred Revenues

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

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

F. Local Improvements

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

G. Use of Estimates

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

H. Annual Budget

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

I. Property held for Resale

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

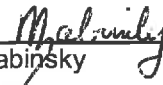
The Corporation of the City of Grand Forks
Consolidated Statement of Financial Position
as at December 31, 2004

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

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



Jake Raven
Mayor



Dan Zabinsky
Treasurer

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

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

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

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

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

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

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

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

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

Statement F

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

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

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

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

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

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

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

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

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

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

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

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

Page 1

| | | |
|---|--------------------|--------------------|
| 1. Cash and Temporary Investments: | <u>2004</u> | <u>2003</u> |
| Cash | \$1,000 | \$1,000 |
| Operating and other bank accounts | 2,579,560 | 2,484,938 |
| Reserve fund bank accounts | 3,175,800 | 3,257,542 |
| Temporary Investments (Term Deposits) | 1,000,861 | 939,177 |
| | <u>\$6,757,222</u> | <u>\$6,682,657</u> |

In addition, the City holds bank accounts of \$99,081 for trusts comprised as follows:

| | <u>Balance</u> | <u>Interest</u> | <u>Receipts</u> | <u>Disbursements</u> | <u>Balance</u> |
|-----------------------------|--------------------------|-----------------|-----------------|----------------------|--------------------------|
| | <u>December 31, 2003</u> | <u>Earned</u> | | | <u>December 31, 2004</u> |
| Cemetery | \$92,954 | \$2,124 | \$3,336 | \$3,336 | \$95,078 |
| Employee Assistance Program | 3,526 | 86 | 1,504 | 1,113 | 4,003 |
| | <u>\$96,480</u> | <u>\$2,210</u> | <u>\$4,840</u> | <u>\$4,449</u> | <u>\$99,081</u> |

| | | |
|---|--------------------|--------------------|
| 2. Accounts Receivable: | <u>2004</u> | <u>2003</u> |
| Property Taxes | \$411,374 | \$354,435 |
| Other Governments | 35,927 | 282,549 |
| General | 47,975 | 33,195 |
| Accrued Interest on Reserve Term Deposit | 37,358 | 34,960 |
| Utility Bills Receivable (see Schedule 11) | 850,831 | 777,356 |
| | <u>\$1,383,465</u> | <u>\$1,482,494</u> |
| 3. Deferred Charges and Other | | |
| Security Deposit on Heavy Equipment Lease | <u>\$0</u> | <u>\$15,000</u> |
| 4. Inventories for Resale | | |
| Aviation Fuel | \$11,387 | \$12,107 |
| Land Held for Resale | 10,239 | 10,239 |
| | <u>\$21,626</u> | <u>\$22,346</u> |
| 5. Accounts Payable and Accrued Liabilities: | | |
| General Trade Payables | \$440,939 | \$581,305 |
| Severance Agreement Payable | 0 | 128,286 |
| Due to Other Governments | 1,260 | 7,263 |
| Salaries and Wages Payable | 108,130 | 43,270 |
| Contractor Holdbacks | 0 | 27,848 |
| Deferred Payments: Capital | 22,000 | 44,000 |
| Accrued Vacation Pay | 179,488 | 170,945 |
| Accrued Sick and Severance - Union Employees | 369,972 | 375,802 |
| Accrued Sick Leave - Management | 238,315 | 247,956 |
| | 1,360,103 | 1,626,675 |
| Accrued Interest on Water Fund Debt | 5,806 | 6,816 |
| Accrued Interest on Sewer Fund Debt | 1,142 | 3,511 |
| | <u>\$1,367,052</u> | <u>\$1,637,001</u> |

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

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

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

6. Long Term Debt:

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

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

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

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

7. Unfunded Work-In-Process:

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

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

8. Debt Reserve Fund:

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

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

| | <u>2004</u> | <u>2003</u> |
|-------|-----------------|------------------|
| Water | \$86,745 | \$111,635 |
| Sewer | 9,045 | 68,478 |
| | <u>\$95,790</u> | <u>\$180,113</u> |

9. Equity in Capital Assets

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

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

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

10. Restatement of Prior Year Figures

(a) Presentation Changes

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

11. Commitments and Contingencies

(a) Contingent Liabilities

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

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

(b) Pension Liability

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

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

11. Commitments and Contingencies (continued)

(c) Reciprocal Insurance Exchange Agreement

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

(d) Lease Commitments

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

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

(e) Contractual Obligations

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

(f) Property Held for Development

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

12. Restricted Assets

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

13. Budget Amendments

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Schedule 7

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

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

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

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

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

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

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

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

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

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

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

Schedule 11
(continued)

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

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

Schedule 11
(continued)

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

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

Schedule 11
(continued)

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

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

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

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

Schedule 12
(continued)

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

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

Schedule 12
(continued)

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

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

Schedule 12
(continued)

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

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

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

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

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

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

| 1. Elected Officials | | | | |
|-------------------------------------|---------------------|---------------------|-----------------|------------------|
| <u>Name</u> | <u>Position</u> | <u>Remuneration</u> | <u>Expenses</u> | <u>Total</u> |
| Ann Gordon | Councillor | 13,215 | 2,279 | 15,494 |
| Michael Kanigan | Councillor | 13,215 | 0 | 13,215 |
| Neil Krog | Councillor | 13,215 | 2,818 | 16,033 |
| Patrick O'Doherty | Councillor | 13,215 | 0 | 13,215 |
| Jake Raven | Mayor | 18,124 | 3,650 | 21,774 |
| Tom Shkrabuik | Councillor | 13,215 | 1,091 | 14,306 |
| Robert Smith | Councillor | 13,215 | 2,004 | 15,219 |
| Total: Elected Officials | | 97,414 | 11,842 | 109,256 |
| 2. Other Employees | | | | |
| <u>Name</u> | <u>Position</u> | <u>Remuneration</u> | <u>Expenses</u> | <u>Total</u> |
| John C. Lambie | CAO | 116,473 | 13,701 | 130,175 |
| Sergio Federico | Electrical Foreman | 79,088 | 359 | 79,446 |
| Ron Williamson | Water/Sewer Foreman | 75,135 | 402 | 75,536 |
| Other 35 employees (Under \$75,000) | | 1,658,378 | 43,191 | 1,701,569 |
| Total: Other Employees | | 1,929,074 | 57,652 | 1,986,726 |
| Subtotal: All Remuneration | | 2,026,489 | | |
| Reconciling Items | | | | |
| Payroll taxes (CPP, EI, WCB) | | 125,222 | | |
| Superannuation | | 104,926 | | |
| Health Insurance | | 61,365 | | |
| 2004 yearend accruals less 2003 | | 71,714 | | |
| Wages and employee benefits | | 2,389,717 | | |
| (Schedule 10) | | | | |

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

| 1. Alphabetical list of suppliers who received aggregate payments exceeding \$25,000 | Aggregate amount paid |
|--|------------------------------|
| Supplier name | |
| Alpine (Interior) Disposal | \$63,216 |
| Bank of Nova Scotia | 44,695 |
| B.C. Assessment Authority | 41,157 |
| Boundary Fuels & Lubricants | 67,495 |
| Boundary Waterworks & Fencing | 31,650 |
| Brandt Tractor Ltd. | 37,048 |
| Canada Life | 28,156 |
| Cantex Engineering & Construction Ltd. | 306,201 |
| City of Nelson | 56,124 |
| Clark, Alistair (General Contractor) | 35,055 |
| Dave Dale Insurance | 52,059 |
| Dave Harasym Consulting Inc. | 25,753 |
| FortisBC Inc. | 2,128,994 |
| Grand Forks Chamber of Commerce | 59,441 |
| Grand Forks Construction Services | 52,406 |
| Grand Forks District Savings Credit Union Mortgage | 34,696 |
| Grand Forks Janitorial Services | 38,653 |
| Grand Forks Volunteer Fire Department | 34,725 |
| Guillevin International | 44,155 |
| Ikon Office Solutions Inc. | 27,164 |
| J & E Enterprises | 41,124 |
| Kerr Wood Leidal Associates | 57,994 |
| Ludowicz Mellett Law Office (In Trust) | 45,413 |
| Maglio Installations | 99,552 |
| Mainstream Mechanical Ltd. | 36,047 |
| Martech Power & Distribution Products | 85,978 |
| Medical Services Plan of B.C. | 31,404 |
| Minister of Finance - Social Services Tax | 122,164 |
| Minister of Finance - Real Property Taxation | 757,907 |
| Municipal Insurance | 31,543 |
| Municipal Pension Plan | 197,015 |
| Pacific Blue Cross | 60,066 |
| Pacific & Western Public Sector Financing Corp | 123,907 |
| Phoenix Marine Services Inc. | 30,799 |
| Receiver General for Canada | 618,210 |
| Regional District of Kootenay Boundary | 1,118,206 |
| Schlumbergersema | 52,935 |
| Spray-Air Technologies Ltd. | 29,851 |
| Terasen Gas Inc. | 29,004 |
| Thompson, Christine P. | 110,027 |
| Unifab Industries Ltd. | 47,027 |
| Voda Computer Systems Ltd. | 29,863 |
| West Kootenay Boundary Regional Hospital District | 81,061 |
| | <u>7,043,939</u> |
| 2. Consolidated total paid to suppliers who received aggregate payments of \$25,000 or less | 1,310,594 |
| 3. Payments to suppliers for grants and contributions exceeding \$25,000 | |
| Boundary Museum | 40,213 |
| Subtotal: All payments for goods, services, grants and contributions | <u><u>8,394,745</u></u> |
| Reconciling Items | |
| Payroll deduction and benefit payments | (919,611) |
| Payments issued against debt principal | (160,465) |
| Overpayment refunds issued on tax and utility accounts | (38,560) |
| Taxes collected for other authorities | (2,435,995) |
| | <u><u>4,840,114</u></u> |
| Total Expenditures in year (Schedules 9 & 10) | 6,959,882 |
| less Wages and employee benefits (Schedule 10 & 15) | <u>(2,389,717)</u> |
| Net payments for goods, services, grants and contributions in year | 4,570,165 |
| deduct: 2004 Accounts payable and accrued liabilities | (1,367,052) |
| add: 2003 Accounts payable and accrued liabilities | 1,637,001 |
| | <u><u>4,840,114</u></u> |

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

GENERAL FUND

| | |
|--|----------------|
| CITY HALL FURNISHINGS AND OFFICE EQUIPMENT | 34,396 |
| CITY HALL RENOVATIONS | 86,303 |
| COUNCIL FURNITURE | 16,821 |
| PROTECTIVE SERVICES EQUIPMENT | 42,850 |
| PUBLIC WORKS OFFICE EQUIPMENT | 9,047 |
| PUBLIC WORKS MACHINERY AND OPERATING EQUIPMENT | 98,623 |
| CULVERT REPLACEMENT | 49,778 |
| VALLEY HEIGHTS DRIVE | 223,263 |
| CRACK SEALING | 18,907 |
| SIDEWALKS | 14,608 |
| CAPITAL TREE REPLACEMENTS | 1,086 |
| AWOS EQUIPMENT PURCHASE INSTALMENT | 22,000 |
| BARBARA ANN TENNIS COURTS RESURFACING | 9,000 |
| DONALDSON IRRIGATION | 19,026 |
| SKATEBOARD YOUTH PARK CONSTRUCTION | 136,347 |
| WETLANDS LAND PURCHASE | 45,934 |
| | <u>827,989</u> |

FUNDED BY:

| | |
|--|----------------|
| APPROPRIATIONS FROM SLAG SALES RESERVE | 408,353 |
| APPROPRIATIONS FROM LAND SALES RESERVE | 145,934 |
| PRIOR YEARS' SURPLUS | 222,116 |
| CURRENT YEAR COMMUNITY FUNDRAISING | 21,306 |
| UNEXPENDED GRANTS AND CONTRIBUTIONS - PRIOR YEARS' | 11,710 |
| CURRENT YEAR'S REVENUES (TAXATION) | 18,570 |
| | <u>827,989</u> |

WATER FUND

| | |
|--|----------------|
| EAST ZONE RESERVOIR RESTORATION ASSESSMENT | 30,378 |
| GRANBY CROSSING WATER MAIN COMPLETION | 18,729 |
| 2ND STREET WATERLINE REPLACEMENT | 86,717 |
| MACHINERY AND OPERATING EQUIPMENT | 5,782 |
| | <u>141,606</u> |

FUNDED BY:

| | |
|---|----------------|
| FEDERAL-PROVINCIAL INFRASTRUCTURE GRANT | 12,486 |
| PRIOR YEARS' SURPLUS | 6,243 |
| CURRENT YEAR'S REVENUES (USER FEES) | 122,877 |
| | <u>141,606</u> |

ELECTRICAL FUND

| | |
|--------------------|----------------|
| SUBSTATION UPGRADE | 145,037 |
| ELECTRONIC METERS | 50,561 |
| | <u>195,598</u> |

FUNDED BY:

| | |
|-------------------------------------|----------------|
| PRIOR YEARS' SURPLUS | 109,000 |
| CURRENT YEAR'S REVENUES (USER FEES) | 86,598 |
| | <u>195,598</u> |

SEWER FUND

| | |
|-----------------------------------|---------------|
| INFLOW AND INFILTRATION STUDY | 14,241 |
| MACHINERY AND OPERATING EQUIPMENT | 12,121 |
| | <u>26,362</u> |

FUNDED BY:

| | |
|-------------------------------------|---------------|
| PRIOR YEARS' SURPLUS | 12,860 |
| CURRENT YEAR'S REVENUES (USER FEES) | 13,502 |
| | <u>26,362</u> |

TOTAL EXPENDITURES ON CAPITAL

(Schedules 9 & 10)

1,191,555