

The Corporation of the City of Grand Forks

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

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

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

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

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



V. Kumar
Chief Administrative Officer



Linda Engels
Chief Financial Officer

AUDITORS' REPORT

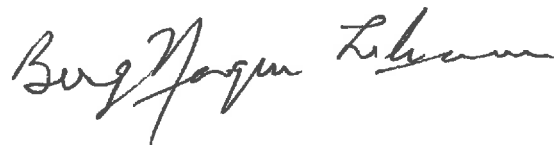
To The Mayor and Councillors of
The Corporation of the City of Grand Forks

We have audited the Consolidated Statement of Financial Position of The Corporation of the City of Grand Forks as at December 31, 2007 and the Consolidated Statement of Financial Activities and the Consolidated Statement of Changes in Financial Position for the year then ended. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of The Corporation of the City of Grand Forks as at December 31, 2007 and the results of its financial activities, and changes in its fund balances and financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

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



Chartered Accountants

April 11, 2008

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

A. Basis of Presentation

It is the City's policy to follow the accounting principles generally accepted for British Columbia municipalities and to apply such principles consistently. These Consolidated Financial Statements include the operations of the General, Water, Sewer, Electrical, Capital, and Reserve Funds. They have been prepared using guidelines issued by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The financial resources and operations of the City have been consolidated for financial statement purposes and include the accounts of all the funds of the City totaling \$5,045,292 as noted below.

Operating Funds - These funds include the sewer, water, and electrical utilities and report the principal operating activities of the City. As at December 31, 2007, the fund balances were as follows:

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

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

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

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

B. Accrual Accounting

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

C. Deferred Charges

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

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

D. Capital Assets

Capital assets purchased or constructed and work in process are reported as capital expenditures and are classified according to their functional use. Commencing in 2005, the City has begun a process of reviewing its accumulated capital expenditures and has eliminated from total Capital Assets any items not deemed to be Tangible Capital Assets on hand. In 2007, the City segregated the fleet of vehicles and equipment, adjusted the records to ensure each piece of equipment was recorded at historical acquisition cost, that the estimated useful life of each piece of equipment was identified and that accumulated depreciation was recorded. This process will be extended during 2008 with the intent that the City will be fully compliant with Canadian Institute of Chartered Accountants Public Sector reporting requirements by January 1, 2009. Capital asset historical costs are reported on Schedule 1. Amortization of equipment in the fleet has been reported. Equity in Capital Assets is reflected in each Capital Fund as follows:

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

E. Restricted Revenues and Deferred Revenues

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

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

F. Local Improvements

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

G. Use of Estimates

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

H. Annual Budget

The Budget used to compare actual results with those planned is the Budget which Council approved in establishing taxation rates for 2007. Where Council approved amendments to the Budget, those changes will be disclosed in the Notes to the Financial Statements.

I. Property held for Resale

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

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

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

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


V. Kumar
Chief Administrative Officer


Linda Engels
Chief Financial Officer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Page 1

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

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

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

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

3. Inventories for Resale	<u>2007</u>	<u>2006</u>
Aviation Fuel	\$26,822	\$20,657
Land Held for Resale (written down in prior years)	1	1
	<u>\$26,823</u>	<u>\$20,658</u>

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

Employees accrue vacation credits, which are charged to operations in the year they are earned. Unused vacation is recorded as a liability. Under Article 14 of the contract between the City and the Canadian Union of Public Employees Local 4728, employees accumulate one and one half days each month of sick leave to a maximum of 150 days. Employees absent for medical reasons have wages charged against, and deducted from, sick leave accumulated. Upon retirement, any employee having accumulated sick leave is eligible to receive a cash gratuity payment. The payment amount is a percentage of accumulated leave based on years of service. Contracts between the City and members of its management team establish a sick leave bank of 1086 days for managers which provides full pay for any management employee from onset of illness until coverage commences under long term disability insurance. As at December 31, 2007 the accrual was 88% of the maximum sick leave bank (at December 31, 2006 - 79%).

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

5. Long Term Debt:

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

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

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

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

6. Community Works Fund Agreement

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

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

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

7. Debt Reserve Fund:

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

Upon maturity of a debt issue, the unused portion of the Debt Reserve Fund established for that issue will be discharged to the Municipality. The proceeds from these discharges will be credited to income in the year they are received. As at December 31, 2006 the total of the Debt Reserve Fund was:

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

8. Equity in Capital Assets

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

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

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

9. Annual Budget

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

10. Commitments and Contingencies

(a) Contingent Liabilities

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

(b) Pension Liability

The City and its employees contribute to the Municipal Pension Plan (the plan), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 144,000 active members and approximately 51,000 retired members. Active members include approximately 35,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent valuation as at December 31, 2006 indicated a surplus of \$438 million for basic pension benefits. The next valuation will be as at December 31, 2009 with results available in 2010. The actuary does not attribute portions of the unfunded liability to individual employers. The City of Grand Forks paid \$185,206 for employer contributions to the plan in fiscal year 2007.

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

10. Commitments and Contingencies (continued)

(c) Reciprocal Insurance Exchange Agreement

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

(d) Lease Commitments

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

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

(e) Contractual Obligations

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

(f) Property Held for Development

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

11. Restricted Assets

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

Schedule 1

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

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

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

<u>Date of Issue</u>	<u>Bylaw</u>	<u>Purpose</u>	<u>Maturity Dates</u>	<u>Original</u> <u>Debt</u>	<u>Outstanding</u> <u>end of</u> <u>2006</u>	<u>Debt</u> <u>Advanced</u> <u>during</u> <u>2007</u>	<u>Interest</u> <u>paid in</u> <u>2007</u>	<u>Principal</u> <u>Retirements</u> <u>2007</u>	<u>Long Term</u> <u>Debt</u> <u>December 31, 2007</u>	<u>Interest</u> <u>Rates</u>
A. DEBENTURES (covered by Debt Reserve Fund - Note 7)										
Sanitary Sewer Capital Fund										
March 24, 1999	1556	Ruckle Sewer Extension	1999 - 2019	195,944	147,696		10,757	8,338	139,358	5.50%
Total Debenture Debt				195,944	147,696		10,757	8,338	139,358	
B. CAPITAL LEASES AND CONDITIONAL SALES AGREEMENT TO FUND EQUIPMENT ACQUISITIONS										
General Capital Fund										
April 19, 2007	n/a	CanCADD Plotter/Printer/Copier	2007 - 2012	32,073		32,073	566	4,276	27,797	5.25%
May 19, 2007	n/a	2007 Sterling with Elgin Sweeper	2007 - 2012	199,785		199,785	3,083	23,308	176,477	5.00%
September 19, 2007	n/a	Pitney Bowes Folder Inserter	2007 - 2012	20,089		20,089	140	1,004	19,085	5.25%
May 28, 2005	n/a	Xerox Multifunction Copier/Fax/Scanner	2005 - 2010	12,500	8,998		250	2,533	6,464	3.25%
Sanitary Sewer Capital Fund				264,447	8,998	251,947	4,039	31,122	229,823	
October 1, 2001	n/a	Vactor Jet Rodder	2001 - 2008	300,166	89,794		4,650	49,982	39,812	7.36%
Total Capital Lease and Conditional Sales Agreement Debt				564,613	98,791	251,947	8,688	81,104	269,635	
Total Long Term Debt				\$760,557	\$246,487	\$251,947	\$19,446	\$89,442	\$408,992	

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Schedule 11
(continued)

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

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

Schedule 11
(continued)

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

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

Schedule 11
(continued)

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

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

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

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

Schedule 12
(continued)

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

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

Schedule 12
(continued)

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

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

Schedule 12
(continued)

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

Schedule 13

The Corporation of the City of Grand Forks
 Continuity Schedule of Community Works Fund (Federal Gas Tax New Deal Transfers)
 for the year ended December 31, 2007

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

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

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

The Corporation of the City of Grand Forks
Schedule showing the remuneration and expenses paid to or on behalf of each employee
for the year ended December 31, 2007

1. Elected Officials

<u>Name</u>	<u>Position</u>	<u>Remuneration</u>	<u>Expenses</u>	<u>Total</u>
Ann Gordon	Councillor	14,683	3,873	18,556
Tom Hinter	Councillor	14,683	1,484	16,166
Neil Krog	Councillor/Mayor	19,577	4,681	24,257
Chris Moslin	Councillor	14,683	4,369	19,051
Patrick O'Doherty	Councillor	14,683	2,884	17,566
Gene Robert	Councillor	14,683	9,890	24,572
Tom Shkrabuik	Councillor	14,683	0	14,683
Total: Elected Officials		107,673	27,179	134,852

2. Other Employees

<u>Name</u>	<u>Position</u>	<u>Remuneration</u>	<u>Expenses</u>	<u>Total</u>		
Lynne Burch	City Clerk	Footnote 1	87,403	2,937	90,340	
Dean Chapman	Wastewater Treatment Plant Operator		80,004	1,752	81,755	
Leonard Federico	Utility System Operator		76,975	3,587	80,562	
William Harp	Electrical Lineman		80,841	592	81,434	
Mike Imrie	Water & Sewer System Coordinator		118,110	3,569	121,679	
Wayne Kopan	Works & Services Manager		75,507	100	75,607	
Victor Kumar	City Manager	Footnote 1	Footnote 2	133,016	17,626 **	150,642
Blair Macgregor	Fire Chief	Footnote 1		86,882	1,793	88,675
Gary Onions	Electrical Coordinator			80,493	169	80,662
Dan Zabinsky	Treasurer/Deputy Clerk	Footnote 1		84,638	2,563	87,200
Other 34 employees (Under \$75,000)			1,574,190	52,430	1,626,620	
Total: Other Employees			2,478,058	87,118	2,565,176	

Subtotal: All Remuneration**2,585,732****Reconciling Items**

Payroll taxes (CPP, EI, WCB)	151,792
Employer Pension Contributions	185,206
Health Insurance	71,457
Reductions	(25,357)
2007 yearend accruals less 2006	23,918

Wages and employee benefits**2,992,747**

(Schedule 10)

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

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

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

The Corporation of the City of Grand Forks
 Schedule showing payments made for the provision of goods, services, grants or contributions
 for the year ended December 31, 2007

<u>Supplier name</u>	<u>Aggregate amount paid</u>
Alpine (Interior) Disposal	\$120,868
Altec	\$243,863
Andres Surveys	47,594
B.C. Assessment Authority	43,276
British Columbia Life & Casualty Company	35,809
Bell Pole Canada Inc.	28,533
Bi Pure Water (Canada) Inc.	66,529
The Birks Company	52,391
Boundary Electric (1985) Ltd.	44,033
Bull Houser & Tupper	41,587
Bull Houser & Tupper (In Trust)	50,000
Chamber of Commerce	70,510
City of Nelson	109,916
Columbia Water Wells (1986) Ltd.	68,359
Commissionaires B.C.	77,776
Cookson Motors Ltd.	79,328
C.U.P.E. Local 4728	26,572
Dave Dale Insurance Ltd.	66,458
Drexler Computer Systems Ltd	68,792
ElJay Irrigation Ltd.	32,850
Fairbank Architects Ltd.	103,634
FortisBC Inc.	2,137,908
Fred Surridge Ltd.	175,721
Golder Associates Ltd.	33,639
Grand Forks Construction Services Ltd.	509,381
Grand Forks Janitorial Services	38,120
Grand Forks Volunteer Fire Department	62,644
Guillevin International	39,462
Insurance Corporation of B.C.	35,733
International Safety Instruments	27,758
Jacobsen Pontiac Buick (1993) Ltd.	76,142
Kerr Wood Lledal Associates	244,368
Kootenay Boundary Regional Hospital District	28,362
Layfield Environmental Systems Ltd.	34,459
Lime Creek Logging Ltd.	29,834
Ludowicz Mellett Law Office (In Trust)	891,108
Mainstream Mechanical Ltd.	172,895
Medical Services Plan (Revenue Services BC)	35,352
Minister of Finance - Social Services Tax	102,420
Minister of Finance - Real Property Taxation	833,238
Municipal Finance Authority	34,666
Municipal Insurance	43,383
Municipal Pension Plan	339,389
Natural Stone & Tile Warehouse	40,000
Pacific Blue Cross	81,234
Pacific & Western Public Sector Financing Corp	61,733
Phoenix Marine Services Inc.	32,693
Receiver General for Canada	730,409
Regional District of Kootenay Boundary	1,145,223
School District #51 (Boundary)	27,391
Selkirk Paving Ltd.	500,806
Sequoia Fuels	33,588
Sybertech Waste Reduction Ltd.	34,016
Telus Communications (B.C.) Inc.	29,287
Terasen Gas Inc.	33,513
Twin Lake Service	92,441
Unifab Industries Ltd.	26,280
Urban Systems Ltd.	228,680
Vadim Computer Management Group	34,504
Voda Computer Systems Ltd.	38,782
Wesco	95,700
West Kootenay Boundary Regional Hospital District	182,286
Workers Compensation Board	34,580
	<u>10,887,506</u>
2. Consolidated total paid to suppliers who received aggregate payments of \$25,000 or less	1,561,200
3. Payments to suppliers for grants and contributions exceeding \$25,000	
Boundary Museum Society	32,785
Subtotal: All payments for goods, services, grants and contributions	<u><u>12,481,490</u></u>
Reconciling Items	
Payroll deduction and benefit payments	(1,283,346)
Payments issued against debt principal	(87,030)
Overpayment refunds (property tax and utility accounts)	(53,020)
Taxes collected for other authorities	<u>(2,090,235)</u>
	<u><u>8,967,859</u></u>
Total Expenditures in year (Schedules 9 & 10)	12,016,181
less Electrical consumption distribution	(298,700)
less Wages and employee benefits (Schedules 10 & 15)	<u>(2,992,747)</u>
Net payments for goods, services, grants and contributions in year	8,724,735
2007 yearend accruals less 2006	<u>243,124</u>
	<u><u>8,967,859</u></u>

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

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