

The Corporation of the City of Grand Forks

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2008 Annual Financial Report

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The Corporation of the City of Grand Forks
Annual Financial Report
for the year ended December 31, 2008

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.

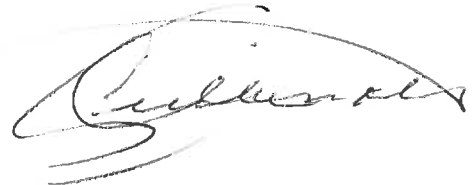
Management maintains a system of internal accounting controls to provide reasonable assurance that assets are safeguarded and that transactions are authorized, recorded, and reported properly.

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



M. I. Cecile Arnott
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, 2008 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, 2008 and the results of its financial activities, and changes in its fund balances and financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

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

Berg Naqvi Lehmann

Chartered Accountants

June 2, 2009

The Corporation of the City of Grand Forks
Significant Accounting Policies
for the year ended December 31, 2008

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 \$3,461,445 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, 2008, the fund balances were as follows:

	2008	2007
General Revenue Fund	(\$321,990)	\$362,574
Water Revenue Fund	312,972	488,214
Electrical Revenue Fund	280,845	368,042
Sewer Revenue Fund	294,277	481,414
	566,104	1,700,243

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	2,895,341	3,345,049
	\$3,461,445	\$5,045,292

B. Revenue Recognition

Revenue is recognized using the accrual method of accounting. Taxes and utility fees are recognized in the fiscal year to which they relate. Service revenues and grants are recognized in the period in which the City's service delivery obligations are discharged.

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.

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:

	2008	2007
General Capital Fund	\$28,092,284	\$24,844,597
Water Capital Fund	6,888,072	6,703,742
Electrical Capital Fund	2,335,309	2,233,819
Sewer Capital Fund	5,597,115	5,467,484
	\$42,912,781	\$39,249,642

The Corporation of the City of Grand Forks
Significant Accounting Policies
for the year ended December 31, 2008

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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 generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

H. Annual Budget

The budget figures are based on the adopted Five-Year Financial Plan for the year 2008.

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.

J. Future Accounting Policy Change

Effective for the year beginning January 1, 2009, the City will be required to comply with Section 3150, Tangible Capital Assets, of the Public Sector Accounting Board Handbook. Section 3150 requires the capitalization and amortization of tangible capital assets in the financial statements. The City is in the process of finalizing information and developing its accounting policies related to its tangible capital assets in order to comply with the new standard. As at December 31, 2008, the cost and accumulated amortization have not yet been finalized for the individual classes of tangible capital assets and thus details concerning the major classes of tangible capital assets have not been provided.

The Corporation of the City of Grand Forks
Consolidated Statement of Financial Position
as at December 31, 2008

	<u>2008</u>	<u>2007</u>
Financial Assets		
Cash (Note 1)	\$3,841,593	\$6,221,218
Accounts Receivable (Note 2)	2,272,976	1,363,914
Lease Deposit	55,000	55,000
Due from (to) Trust	955	1,134
Inventories for Resale (Note 3)	31,618	26,823
	<u>6,202,141</u>	<u>7,668,089</u>
Liabilities		
Accounts Payable (Note 4)	2,217,623	2,107,149
Deferred Revenues	263,435	336,684
Restricted Revenues (Schedule 7)	529,768	367,709
Long Term Debt (Schedule 2) (Note 5)	307,421	408,992
	<u>3,318,247</u>	<u>3,220,534</u>
Net Financial Assets	2,883,895	4,447,555
Inventories of Supplies	245,623	188,545
Prepaid Expenses	24,507	200
Capital Assets (Schedule 1) (Note 11)	43,220,202	39,658,634
	<u>\$46,374,226</u>	<u>\$44,294,934</u>
Equity		
Fund Balances	3,461,445	5,045,292
Equity in Capital Assets (Note 8)	42,912,781	39,249,642
	<u>\$46,374,226</u>	<u>\$44,294,934</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


M. J. Cecile Arnott
Chief Financial Officer

The Corporation of the City of Grand Forks
Consolidated Statement of Financial Activities
for the year ended December 31, 2008

	Actual 2008	Budget 2008	Actual 2007
Revenue			
Taxes (Schedule 3)	\$ 2,553,589	\$ 2,554,340	\$ 2,419,966
Sales of goods and services (Schedule 6)	4,974,237	4,915,500	4,772,943
Other revenues from own sources (Schedule 4)	631,691	755,191	564,986
Senior government grants - Operating (Schedule 5)	700,442	745,338	558,694
Senior government grants - Capital (Schedule 5)	1,048,037	1,833,500	228,601
Development cost charge funding - Capital	-	-	200,000
Other restricted revenues - Capital	-	-	21,332
Interest income (Schedule 8)	175,773	214,250	384,626
Investment income on sinking funds (Schedule 8) (Note 5)	2,783	2,829	2,412
	<u>10,086,553</u>	<u>11,020,948</u>	<u>9,153,559</u>
Interest restricted (Schedule 7)	(10,951)	(12,000)	(22,291)
Transfer to Library Maintenance	(2,001)	-	(5,778)
	<u>10,073,601</u>	<u>11,008,948</u>	<u>9,125,490</u>
Expenditures (Schedule 9)			
General government	\$1,158,530	1,767,252	1,078,567
Public real estate	2,197,168	2,326,112	2,362,593
Protective services	502,804	496,399	508,527
Transportation services	1,564,851	1,573,085	1,974,694
Environmental health services	146,324	143,989	145,698
Public health and welfare	106,429	90,148	88,526
Environmental development	315,940	331,184	292,263
Recreation and cultural services	1,364,329	1,894,411	787,031
Distribution based on electrical consumption	250,504	250,000	298,700
Utility services	4,011,601	5,533,527	4,569,189
Fiscal charges	18,783	19,997	19,446
	<u>11,637,261</u>	<u>14,426,104</u>	<u>12,125,232</u>
Change in Net Financial Assets	(1,563,660)	(3,417,156)	(2,999,742)
Supplies inventory change	57,078	-	109,051
Change in prepaid expenses	24,307	-	-
Debt principal reduced (Schedule 2)	(101,571)	(140,816)	(89,442)
Capital debt incurred	-	1,130,000	251,947
	<u>(1,583,846)</u>	<u>(2,427,972)</u>	<u>(2,728,186)</u>
Increase (Decrease) in Consolidated Fund Balances	(1,583,846)	(2,427,972)	(2,728,186)
Consolidated Fund Balances - Beginning of Year	<u>5,045,291</u>	<u>5,045,291</u>	<u>7,773,477</u>
Consolidated Fund Balances - End of Year	<u>\$ 3,461,445</u>	<u>\$ 2,617,319</u>	<u>\$ 5,045,291</u>

The Corporation of the City of Grand Forks
Consolidated Statement of Changes in Cash Flows
for the year ended December 31, 2008

	<u>2008</u>	<u>2007</u>	
Cash Provided By (Used For):			
Operations:			
Change in Net Financial Assets	(\$1,563,660)	(\$2,999,742)	
Decrease (Increase) in Non-Cash Financial Assets			
Accounts Receivable	(909,062)	52,288	
Deferred Charges and Other	-	(50,200)	
Trust	179	83	
Property and Inventories for Resale	(4,795)	(6,165)	
	<u>(2,477,338)</u>	<u>(3,003,736)</u>	
Increase (Decrease) in Short Term Liabilities			
Accounts Payable and Accrued Liabilities	110,474	263,409	
Deferred Revenues	(73,249)	6,145	
Restricted Revenues	162,059	(132,862)	
	<u>(2,278,055)</u>	<u>(2,867,044)</u>	
Financing:			
Debt Principal Reduced	(101,571)	(89,442)	
Debt Issued	-	251,947	
	<u>(101,571)</u>	<u>162,505</u>	
Increase (Decrease) in Cash	<u>(2,379,625)</u>	<u>(2,704,539)</u>	
Cash - Beginning of Year	<u>6,221,218</u>	<u>8,925,757</u>	
Cash - End of Year	<u>\$3,841,593</u>	<u>\$6,221,218</u>	
	<u>2008</u>	<u>2007</u>	<u>2006</u>
Represented By:			
Cash (Statement A)	<u>\$3,841,593</u>	<u>\$6,221,218</u>	<u>\$8,925,757</u>

The Corporation of the City of Grand Forks
Notes to the Consolidated Financial Statements
for the year ended December 31, 2008

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	<u>2008</u>	<u>2007</u>
1. Cash:		
Cash	\$800	\$800
Operating and other bank accounts	906,586	2,496,199
Restricted bank accounts	338,043	518,618
Reserve fund bank accounts	2,596,163	3,205,601
	<u>\$3,841,593</u>	<u>\$6,221,218</u>
Funds held in Trust		
Cemetery	\$116,811	\$113,278
Employee Assistance Program	6,141	5,392
	<u>\$122,952</u>	<u>\$118,670</u>
2. Accounts Receivable:		
Property Taxes	\$269,802	\$247,791
Other Governments	976,126	384,419
General	90,497	40,962
Utility Bills Receivable	936,551	690,742
	<u>\$2,272,976</u>	<u>\$1,363,914</u>
3. Inventories for Resale		
Aviation Fuel	\$31,617	\$26,822
Land Held for Resale (written down in prior years)	1	1
	<u>\$31,618</u>	<u>\$26,823</u>
4. Accounts Payable and Accrued Liabilities:		
General Trade Payables	\$1,058,868	\$1,089,549
Due to Other Governments	12,532	2,465
Salaries and Wages Payable	125,301	90,052
Contractor Holdbacks Payable	32,548	72,607
Accrued Vacation Pay	259,335	224,487
Accrued Sick and Severance - Union Employees	424,603	367,036
Accrued Sick Leave - Management	303,551	260,069
	<u>2,216,738</u>	<u>2,106,264</u>
Accrued Interest on Sewer Fund Debt	884	884
	<u>\$2,217,623</u>	<u>\$2,107,149</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 1267 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, 2008 the accrual was 66% of the maximum sick leave bank.

The Corporation of the City of Grand Forks
Notes to the Consolidated Financial Statements
for the year ended December 31, 2008

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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>2008</u>	<u>2007</u>
MFA Debenture debt issued and outstanding: (Schedule 2)	\$130,603	\$139,358
MFA Public Body Leasing Capital Lease	176,819	229,823
Pacific & Western Capital Leases	-	39,812
	<u>\$307,421</u>	<u>\$408,992</u>

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Sewer Debenture	\$ 9,193	\$ 9,653	\$ 10,135	\$ 10,642	\$ 11,174
Capital Leases	53,089	51,539	50,389	21,800	-
	<u>\$62,282</u>	<u>\$61,192</u>	<u>\$60,524</u>	<u>\$32,442</u>	<u>\$11,174</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.

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, 2008 the total of the Debt Reserve Fund was:

	<u>2008</u>	<u>2007</u>
Sewer	<u>\$9,534</u>	<u>\$9,409</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:

	<u>2008</u>	<u>2007</u>
Equity in Capital Assets - Beginning of the year	\$39,249,643	\$36,464,243
Add: Capital Expenditures	3,808,235	4,418,940
Equipment Historical Cost adjustment based on Tangible Capital Assets analysis	-	416,377
Equipment Amortization adjustment based on Tangible Capital Assets analysis	-	(1,797,108)
Equipment Amortization 2008	(246,668)	-
Original costs of property sold in year	-	(90,305)
Assets purchase funded by Debt	-	(251,947)
Reduction in Long Term Debt	101,571	89,442
	<u>\$42,912,781</u>	<u>\$39,249,643</u>

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

The Corporation of the City of Grand Forks
Notes to the Consolidated Financial Statements
for the year ended December 31, 2008

9. Annual Budget

The budget figures are based on the adopted Five- Year Financial Plan for the year 2008.

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 municipality and its employees contribute to the Municipal Pension Plan (Plan), a jointly trusted pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 150,000 active members and approximately 54,000 retired members. Active members include approximately 32,000 contributors from local government.

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 surplus to individual employers. The City of Grand Forks paid \$200,916 for employer contributions to the plan in fiscal 2008.

(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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Operating Leases					
Office Equipment	\$3,830	\$470	\$470	\$470	\$470
Capital Leases					
Office Equipment	16,378	14,560	13,261	6,556	-
Public Works Equipment	50,671	50,671	50,671	21,113	-
	<u>\$70,880</u>	<u>\$65,702</u>	<u>\$64,403</u>	<u>\$28,140</u>	<u>\$470</u>

10. Commitments and Contingencies (continued)

(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, 2008

	2008		2007
	Historical Cost	Accumulated Amortization	Net Book Value
General Capital Fund			
Land - Infrastructure	\$ 1,230,243	\$ 0	\$ 1,230,243
Land - Industrial Development for Resale (Note 10f)	183,607	-	183,607
Downtown Revitalization	2,197,028	-	1,352,880
Buildings	7,350,872	-	6,343,521
Engineering Structures	12,281,507	-	10,724,797
Machinery and Equipment	2,611,993	-	2,578,527
Equipment Fleet-Emergency	1,092,180	426,132	712,000
Equipment Fleet-Public Works	3,315,793	1,617,968	1,898,864
	30,263,221	2,044,100	25,024,438
Waterworks Capital Fund	6,888,072	-	6,703,742
Electrical Utility Capital Fund	2,335,309	-	2,233,819
Sanitary Sewer Capital Fund	5,777,699	-	5,696,635
	\$45,264,302	\$2,044,100	\$39,658,634

The Corporation of the City of Grand Forks
 Long Term Debt
 for the year ended December 31, 2008

A. DEBENTURES (covered by Debt Reserve Fund - Note 7)		Debt		Debt		Debt		Debt		Debt		Debt	
Date of Issue	Bylaw	Purpose	Maturity Dates	Original Debt	Outstanding end of 2007	Advanced during 2008	Interest paid in 2008	Principal Retirements 2008	Long Term Debt December 31, 2008	Interest Rates			
March 24, 1999	1556	Ruckle Sewer Extension	1999 - 2019	\$ 195,944	\$ 139,358	\$ -	\$ 10,757	\$ 8,755	\$ 130,603	5.50%			
B. CAPITAL LEASES AND CONDITIONAL SALES AGREEMENT TO FUND EQUIPMENT ACQUISITIONS													
<i>General Capital Fund</i>													
April 19, 2007	n/a	CanCADD Plotter/Printer/Copier	2007 - 2012	\$ 32,073	\$ 27,797	\$ -	\$ 849	\$ 6,415	\$ 21,382	5.25%			
May 19, 2007	n/a	2007 Sterling with Elgin Sweeper	2007 - 2012	199,785	176,477	-	5,285	39,957	136,520	5.00%			
September 19, 2007	n/a	Pitney Bowes Folder Inserter	2007 - 2012	20,089	19,085	-	559	4,018	15,067	5.25%			
May 28, 2005	n/a	Xerox Multifunction Copier/Fax/Scanner	2005 - 2010	12,500	6,464	-	171	2,614	3,850	3.25%			
<i>Sanitary Sewer Capital Fund</i>				264,447	229,823	-	6,864	53,004	176,819				
October 1, 2001	n/a	Vactor Jet Rodder	2001 - 2008	300,166	39,812	-	11,918	39,812	-	7.36%			
Total Capital Lease and Conditional Sales Agreement Debt				564,613	269,635	-	18,782	92,816	176,819				
Total Long Term Debt				\$ 760,557	\$ 408,992	\$ -	\$ 29,539	\$ 101,571	\$ 307,421				

The Corporation of the City of Grand Forks
Tax Levies
for the year ended December 31, 2008

			Actual 2008	Budget 2008	Actual 2007
	<i>Assessments</i>	<i>Rate per \$1,000</i>			
Municipal property taxes:					
- Residential	\$379,718,320	2.47	\$935,838	\$934,456	\$858,447
- Utilities	1,097,785	34.00	37,325	37,300	32,701
- Major industry	15,257,800	50.59	771,959	776,000	750,340
- Light industry	2,085,600	11.52	24,016	24,000	23,169
- Business	57,084,318	9.47	540,834	540,000	517,738
- Recreational	45,500	6.00	273	273	209
- Farm	176,587	6.00	1,060	1,060	1,389
General levy - municipal taxes			2,311,304	2,313,089	2,183,994
Flat tax - road maintenance			116,730	116,200	116,200
Special assessments and local improvements			103,998	103,994	98,536
Grants in lieu of taxes			21,558	21,057	21,236
Total taxes for municipal purposes			2,553,589	2,554,340	2,419,966
Collections for other governments:					
School District #51			1,633,768	1,575,082	1,575,231
Regional District of Kootenay Boundary			1,025,730	1,032,726	1,002,971
Regional Hospital Districts			205,295	206,735	207,819
Provincial Policing			160,917	144,965	145,023
British Columbia Assessment Authority			46,975	47,531	42,679
Municipal Finance Authority			96	96	102
Total collections for other governments			3,072,781	3,007,135	2,973,825
Real Property, Special Assessments, Grants In Lieu			\$5,626,370	\$5,561,475	\$5,393,790

The Corporation of the City of Grand Forks
Other Revenue from Own Sources
for the year ended December 31, 2008

	<u>Actual 2008</u>	<u>Budget 2008</u>	<u>Actual 2007</u>
General Revenue Fund:			
Operating			
Building permits	\$32,520	\$32,000	\$39,100
Business licenses	31,865	30,000	29,678
Concessions and franchise	82,333	82,333	80,604
Penalties and interest on taxes	46,988	55,000	54,687
Commissions	4,733	5,520	4,369
Donations	2,350	2,500	2,550
Provincial Emergency and Fire recoveries	6,683	-	810
Rural Fire recovery	188,381	196,950	197,409
Other recoveries	32,153	16,000	40,901
Property rentals	73,938	63,388	78,164
	<u>501,943</u>	<u>483,691</u>	<u>528,271</u>
Restricted			
Water Development Cost Charges (Schedule 7)	6,097	-	21,428
Sewer Development Cost Charges (Schedule 7)	2,377	-	13,789
	<u>510,417</u>	<u>483,691</u>	<u>563,488</u>
less: Transfer to Unexpended	(6,097)	-	(21,428)
	<u>(2,377)</u>	<u>-</u>	<u>(13,789)</u>
	<u>501,943</u>	<u>483,691</u>	<u>528,271</u>
Reserves			
Equipment (Schedule 14)	-	-	11,196
Land Sales & Rental Income (Schedule 14)	67,510	100,000	17,074
	<u>67,510</u>	<u>100,000</u>	<u>28,270</u>
Capital			
Donations from groups or individuals	62,238	171,500	8,445
	<u>62,238</u>	<u>171,500</u>	<u>8,445</u>
	<u>\$631,691</u>	<u>\$755,191</u>	<u>\$564,986</u>

The Corporation of the City of Grand Forks
Grants
for the year ended December 31, 2008

	<u>Actual 2008</u>	<u>Budget 2008</u>	<u>Actual 2007</u>
Operating			
General - Small Communities Protection	\$445,259	\$437,923	\$389,450
General - Airshed Management	35,428	37,500	22,500
General - Integrated Community Sustainability	70,139	93,300	
General - Tourism Grant		10,000	
General - UBCM	1,117		
General - Sustainable Community Planning	1,000		
General - Crystal Meth Strategies	-	-	2,648
General - Airport Operations	-	-	-
General - Dike and Flood Protection	-	-	7,895
General - Sundry Contributions from Regional District	-	20,000	-
General - Summer Student Program	-	-	2,012
General - Police Tax Implementation	250	-	1,000
General - New Deal Gas Tax Grant	117,673	119,115	95,848
General - Victim Assistance	29,575	27,500	27,341
	<hr/>	<hr/>	<hr/>
- General Fund Operating Grants	700,442	745,338	548,694
Transfer New Deal to Reserves (Schedule 14)	(117,673)	(119,115)	(95,848)
	<hr/>	<hr/>	<hr/>
Sewer - Sanitary Sewer Modelling	-	-	10,000
	<hr/>	<hr/>	<hr/>
Total Operating Grants	<u>\$582,768</u>	<u>\$626,223</u>	<u>\$462,846</u>
Capital			
General - Job Opportunity Fund	112,821	-	-
General - CCIP	250,000	-	-
General - SIDIT	75,000	-	-
General - Green Cities Grant	25,000	-	-
General - New Deal Water Conservation Initiatives	185,216	-	-
General - Granby Dike Reinforcement	-	-	136,601
General - Towns for Tomorrow	400,000	-	92,000
General - Grants	-	1,823,500	-
Water - Capital Upgrade	-	10,000	-
	<hr/>	<hr/>	<hr/>
Total Capital Grants	<u>\$1,048,037</u>	<u>\$1,833,500</u>	<u>\$228,601</u>

The Corporation of the City of Grand Forks
Sales of Goods and Services
for the year ended December 31, 2008

	<u>Actual 2008</u>	<u>Budget 2008</u>	<u>Actual 2007</u>
General Revenue Fund:			
Operating			
Garbage	\$149,050	\$149,400	\$141,316
Cemetery	27,574	27,000	25,557
Airport (net of cost of fuel sold)	21,173	22,000	21,622
Transportation Custom Work Orders	10,585	10,000	19,344
Environmental Development	8,761	12,000	11,500
Campground	32,155	40,000	39,662
Sundry	5,627	4,000	9,279
	<u>254,925</u>	<u>264,400</u>	<u>268,278</u>
Reserves			
Slag	298,320	275,000	296,849
	<u>298,320</u>	<u>275,000</u>	<u>296,849</u>
Total General Revenue Fund	<u>553,245</u>	<u>539,400</u>	<u>565,127</u>
Water Revenue Fund:			
User Fees	646,932	672,000	621,211
Connection Fees and Custom Work Orders	11,530	8,500	5,156
Penalties	3,707	7,500	3,704
	<u>662,169</u>	<u>688,000</u>	<u>630,071</u>
Less: Discounts for early payment	-	-	(22,839)
	<u>-</u>	<u>-</u>	<u>(22,839)</u>
Total Water Revenue Fund	<u>662,169</u>	<u>688,000</u>	<u>607,233</u>
Electrical Revenue Fund:			
User Fees	3,026,030	2,953,000	2,894,591
Connection Fees and Custom Work Orders	41,197	22,000	30,121
Penalties	19,306	24,000	10,085
Pole Fees and Sundry	2,704	5,000	3,070
	<u>3,089,237</u>	<u>3,004,000</u>	<u>2,937,867</u>
Total Electrical Revenue Fund	<u>3,089,237</u>	<u>3,004,000</u>	<u>2,937,867</u>
Sewer Revenue Fund:			
User Fees	648,522	673,100	665,889
Connection Fees and Custom Work Orders	5,676	6,000	4,793
Penalties	3,680	5,000	4,051
Sludge Processing and Sundry	11,708	-	8,650
	<u>669,586</u>	<u>684,100</u>	<u>683,383</u>
Less: Discounts for early payment	-	-	(20,666)
	<u>-</u>	<u>-</u>	<u>(20,666)</u>
Total Sewer Revenue Fund	<u>669,586</u>	<u>684,100</u>	<u>662,717</u>
Total Sales of Goods and Services	<u>\$4,974,237</u>	<u>\$4,915,500</u>	<u>\$4,772,943</u>

Schedule 7

The Corporation of the City of Grand Forks
 Continuity Schedule of Restricted Revenues
 for the year ended December 31, 2008

	Restated 0	Balance December 31, 2007	Interest Earned	Collections	Expenditures	Balance December 31, 2008
Sustainable Community Planning	\$	1,000	\$ -	\$ -	\$ 1,000	\$ -
Granby Dyking		2,451	-	-	-	2,451
Community Tourism Initiatives		30,535	-	-	-	30,535
Water Development Cost Charges		76,190	3,318	6,097	-	85,605
Sewer Development Cost Charges		215,895	6,775	2,377	-	225,047
Special Museum Relocation		27,514	858	-	-	28,372
RDKB Community Centre Operations		12,147	-	-	-	12,147
Community Transition		-	-	45,000	-	45,000
Job Opportunity Fund		-	-	200,000	112,821	87,179
Air Quality		-	-	37,500	35,428	2,072
Victim Assistance Program		1,978	-	38,959	29,577	11,360
		<u>\$367,709</u>	<u>\$10,951</u>	<u>\$329,933</u>	<u>\$178,825</u>	<u>\$529,768</u>

The Corporation of the City of Grand Forks
Interest and Investment Income
for the year ended December 31, 2008

	<u>Actual 2008</u>	<u>Budget 2008</u>	<u>Actual 2007</u>
Income from sources requiring restriction or deferment			
Reserves: (Schedule 14)			
Water Reserve	\$0		\$76
Capital Reserve	308		0
Equipment Reserve	6,289		4,889
Tax Land Sale Reserve	1,764		2,404
Cash in Lieu of Parking Reserve	471		626
New Deal Gas Tax Transfer	8,633		7,743
Land Sales Reserve	27,964		105,233
Slag Sales Reserve	44,797		79,769
	<u>90,226</u>	<u>97,100</u>	<u>200,740</u>
Other Restricted Accounts: (Schedule 7)			
Business Improvement Area	-		32
Water Development Cost Charges Reserve	3,318	-	11,873
Sewer Development Cost Charges Reserve	6,775	-	9,216
Special Museum Relocation	858	-	1,169
	<u>10,951</u>	<u>12,000</u>	<u>22,291</u>
Income available for general use			
Cemetery Account	3,533	5,000	5,071
General Account	71,064	100,150	156,525
	<u>74,597</u>	<u>105,150</u>	<u>161,595</u>
	<u>\$175,773</u>	<u>\$214,250</u>	<u>\$384,626</u>
Investment income on sinking funds			
Sewer Fund (applied against debenture debt)	<u>\$ 2,783</u>	<u>\$ 2,829</u>	<u>\$ 2,413</u>

The Corporation of the City of Grand Forks
 Expenditures by Function
 for the year ended December 31, 2008

	Operating		Capital		Total	
	Actual 2008	Budget 2008	Actual 2008	Budget 2008	Actual 2008	Budget 2008
General government	\$1,142,384	\$1,012,252	\$16,146	\$755,000	\$1,158,530	\$1,767,252
Public real estate	296,669	274,112	1,900,499	2,052,000	2,197,168	2,326,112
Protective services	502,804	496,399	-	-	502,804	496,399
Transportation services	867,545	1,011,085	697,307	562,000	1,564,851	1,573,085
Residential garbage disposal	146,324	143,989	-	-	146,324	143,989
Cemetery services	106,429	90,148	-	-	106,429	90,148
Economic and community services	315,940	331,184	-	-	315,940	331,184
Recreation and cultural services	536,931	533,411	827,398	1,361,000	1,364,329	1,894,411
Distribution based on electrical consumption	250,504	250,000	-	-	250,504	250,000
Utility services	3,644,716	3,692,727	366,885	1,840,800	4,011,601	5,533,527
Fiscal charges	18,783	19,997	-	-	18,783	19,997
	<u>\$7,829,027</u>	<u>\$7,855,304</u>	<u>\$3,808,235</u>	<u>\$6,570,800</u>	<u>\$11,637,262</u>	<u>\$14,426,104</u>
						<u>\$12,125,232</u>

The Corporation of the City of Grand Forks
 Expenditures by Object
 for the year ended December 31, 2008

	Operating			Capital		Total		
	Actual 2008	Budget 2008	Actual 2008	Budget 2008	Actual 2008	Budget 2008	Actual 2007	
Goods and services	\$4,745,667	\$4,761,034	\$3,596,359	\$6,528,800	\$8,342,026	\$11,289,834	\$9,086,827	
Salary, wages and benefits	3,027,858	3,063,523	211,876	42,000	3,239,734	3,105,523	2,992,747	
Debt interest and bank charges	55,502	30,747	-	-	55,502	30,747	45,658	
	<u>\$7,829,027</u>	<u>\$7,855,304</u>	<u>\$3,808,235</u>	<u>\$6,570,800</u>	<u>11,637,262</u>	<u>\$14,426,104</u>	<u>\$12,125,232</u>	

Schedule 11

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, 2008

	Balance December 31, 2007	Transfers in Current Year	Interest Earned on Unexpended	Expenditures	Balance December 31, 2008
Community Works Fund Transfers	\$253,093	\$117,673	\$8,633	\$16,091	\$363,308
	\$253,093	\$117,673	\$8,633	\$16,091	\$363,308

The Corporation of the City of Grand Forks
 Continuity Schedule of Reserves
 for the year ended December 31, 2008

	<u>Balance December 31, 2007</u>	<u>Interest Earned</u>	<u>Transfer from Operating Funds</u>	<u>Collections</u>	<u>Appropriations</u>	<u>Balance December 31, 2008</u>
Equipment Replacement Reserve	167,120	6,289	165,000	-	16,849	321,560
Land Sale Reserve	1,056,722	27,964	38,118	67,510	528,179	662,134
Tax Sale Lands Reserve	56,563	1,764	-	-	-	58,327
Cash-In-Lieu of Parking Reserve	14,720	471	-	1,000	-	16,191
Slag Sale Reserve	1,521,790	44,797	-	298,320	666,436	1,198,471
New Deal Community Works Fund Reserve	253,093	8,633	-	117,673	16,091	363,308
Capital Reserve	<u>275,041</u>	<u>308</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>275,349</u>
	<u>\$3,345,049</u>	<u>\$90,226</u>	<u>\$203,118</u>	<u>\$484,503</u>	<u>\$1,227,555</u>	<u>\$2,895,340</u>