

District of Fort St. James

British Columbia
Canada



2007 Annual Report

Fiscal Year Ending December 31, 2007



Annual Report

Fiscal Year Ended December 31, 2008

District of Fort St. James

Incorporated 1952



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Elected & Appointed Officials



2005-2008 Council Members

(left to right)

Councillor Byron Goerz
Councillor Kris Nielsen
Mayor Rob MacDougall
Councillor Brenda Gouglas
Councillor Keith Playfair

2007 Appointed Officials

Chief Administrative Officer: Nigel Black
Public Works Superintendent: Dennis Saharchuk
Fire Chief: Rob Bennett

District of Fort St. James Municipal Office

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MAYOR'S MESSAGE

I am pleased to take this opportunity to provide an update to the citizens of Fort St. James regarding municipal services and operations in Fort St. James for the year 2007.

Over the past year, Council has worked with staff and citizen volunteers to provide the residents of Fort St. James with the best possible municipal services and operations.

Council established a public visioning process in May 2007 and used this process to determine short and long term goals and objectives for the District. You will see that Council achieved a large degree of success in accomplishing the desired outcomes of their goals and objectives for the year. You will also see that there are a number of priorities that are ongoing and will continue to see attention and resources spent on them. I hope you will agree that the results have improved the community for the benefit of all residents.

As Council looks forward to this year and into the future, we will continue to set goals and report on progress on an ongoing basis. You will see in the balance of this report that Council has set goals and objectives for the current year and 2009. These goals and objectives will continue to be refined and developed as we proceed into the future.

2007 has presented some economic challenges, especially in the forest sector. Mayor and Council continue to work diligently with forest industry stakeholders while doing everything possible to diversify the economic base of the community.

Residents are welcome and encouraged to review this entire report and provide input on its contents for Council to consider as we strive to provide the best possible municipal services and operations for the citizens of Fort St. James.

Thank you for your ongoing support and input.

A handwritten signature in black ink, appearing to read "Rob MacDougall". The signature is stylized and cursive.

Rob MacDougall
Mayor

DECLARATION ON DISQUALIFICATION OF COUNCILLORS

There were no Disqualifications of Councillors of the District of Fort St. James in the year 2007.

PERMISSIVE PROPERTY TAX EXEMPTIONS

In accordance with Section 98(2)(b) of the Community Charter, Council provided permissive property tax exemptions to the following properties in 2007.

Legal Description	Civic Address	Organization	Value of Permissive Exemption
Lots 17-18, Block 1, Plan 1691, District Lot 110, Range 5, Coast Range 5 Land District; PID #012-616-486 and 012-616-494	222 Second Avenue West	United Church of Canada (Church Hall)	\$1,000
Lots 7-8, Block 2, Plan 1691, District Lot 110 & 111, Range 5, Coast Range 5 Land District; PID #012-637-505	237 Second Avenue West	Pentecostal Assemblies of Canada (Zion Chapel)	\$400
Lot 12, Block 2, Plan 3117, District Lot 110 & 111, Range 5, Coast Range 5 Land District; PID #012-352-268	271 Stuart Drive West	Anglican Synod Diocese Caledonia	\$320
Lot 6, Plan 4533, District Lot 110 & 111, Range 5, Coast Range 5 Land District; PID #011-546-468	603 Dogwood Street	Congregation of Jehovah Witnesses of Fort St. James	\$290
Lot A, Plan 4533, District Lot 111, Range 5, Coast Range 5 Land District, see H7923; PID #011-515-643	720 Fourth Avenue West	Fort St. James Evangelical Free Church	\$365
Lot 1, Plan 5467, District Lot 1266, Range 5, Coast Range 5 Land District; PID #010-468-480	1180-1200 Lakeshore Drive	Ranchery Holdings Inc. (Nak'albun School & Catholic Church)	\$2,135
Lot 16, Plan 8411, District Lot 4762, Range 5, Coast Range 5 Land District, see R/W D3196; PID #007-747-497	400 Ash Street East	Sahib Jorawar Singh- Sahib Fateh Singh Guru Sikh Temple	\$305
District Lot 3183, Range 5, Coast Range 5 Land District, Except Plans 4437, 4994, 5147; PID # 015-173-682	2704 Stones Bay Road (Class 8 portion only)	Stuart Lake Golf Club	\$2,820

PROGRESS REPORT ON COUNCIL’S OBJECTIVES FOR 2007

In the 2006 Annual Report, Council set objectives for 2007. These objectives, strategies and their outcomes as of December 31, 2007 are listed below.

<i>Objective</i>	<i>Strategy/Measure</i>	<i>Outcome</i>
Council		
Develop the Economic Development capacity of the community	Continue participation in the Regional Economic Development Initiative (REDI) and the Omineca Beetle Action Coalition (OBAC)	Continued funding REDI to operate the regional web site (www.investnorthernbc.com)
	Continue participation in Northern Development Initiative Trust (NDI)	Used Community Forest revenue to continue funding the Economic Development department
	Establish an Economic Development Plan for the community	Established an Economic Development Plan and baseline community economic information
Develop better communication with the public	Develop a Communication Strategy	Communicated activities regularly to the public via various form of media, including regular features in the newspaper and regular website updates.
Work with Mining Industry to advance projects in the area	Keep informed about projects in the Fort St. James area, and assist companies with their developments if possible	Maintained ongoing contact with Terrane Metals and participated in the BC Environmental Assessment process regarding Mount Milligan mine project
		Worked with the Omineca Beetle Action Coalition on minerals & mining strategy
		Attended Mining industry conferences to make contact with industry in this area
Encourage development of the Bio-energy Industry	Work with companies interested in this industry and our area	Maintained discussions with potential project proponents
	Work with the Ministry of Forests to identify opportunities	Encourage contact with local industry officials
Develop a facility that could act as a large community hall	Obtain grant funding	Prepared grant application to CEDI
	Tender the project and award contracts	Formed committee to plan the hall and appointed architectural consultant.
Encourage Tourism development	Complete Community Tourism Plan	Completed Community Tourism Plan
	Proceed with Recommendations of Tourism Plan	Began to implement the determined goals

<i>Objective</i>	<i>Strategy/Measure</i>	<i>Outcome</i>
Council (continued)		
Co-operate with the Nak'azdli Band	Work with the Nak'azdli band on projects of mutual interest	Held "Community to Community Forum" on the topics of economic development and health
	Involve the Nak'azdli Band in District projects and process	Co-operated on projects and committees when appropriate
Develop a Human History Museum in Fort St. James	Obtain a suitable site and building for a Museum and work with partners in the community to develop the site	Requested to purchase the old courthouse from the province; were unable to agree on a price.
Administration		
Maintain reasonable taxation levels for all classes of property	Budget within the parameters of a 3% increase in taxes	Less than 3% tax increase for all classes
Prepare for future growth of the community with potential mining development	Determine the number of existing lots	Completed inventory of existing building lots
	Identify potential growth areas	Budgeted to prepare lands for potential subdivision
Capital		
Encourage Tourism development	Establish Walkway through or near downtown core	Determined that a downtown lakeshore walkway is not feasible
		Obtained funding for sidewalk improvements downtown and to Cottonwood Park
Ensure the Fire Department can respond to fires in an effective and safe manner	Continue to invest in fire fighting and safety equipment	Purchase new safety equipment including communications, SCBA, and turnout gear
Ensure that parks and downtown areas look presentable	Develop a plan to change the appearance of the downtown core in a way that complements our tourism and economic development plans	Obtained funding for sidewalk improvements on Stuart Drive and Manson Street, to be completed in 2008.
		Installed additional street lighting on Stuart Drive West
		Old Municipal Office demolished and removed
		Spirit Square grant funding approved, for construction in 2008
Community Forest		
Continued development of the Community Forest	Continue to lobby for increased volume (would like to see 50,000 m ³)	Volume increased to 23,000 m ³
		Worked with Fort St. James Ski Club to integrate lands into the Community Forest expansion area.

<i>Objective</i>	<i>Strategy/Measure</i>	<i>Outcome</i>
Community Forest		
Use profits from the Community Forest to improve the community	Allocate profits to economic development, capital and reserve funds	Profits allocated
Fire Department		
Make more effective use of the Fire Training Centre (FTC)	Encourage lease of the facility to other users	Continued Justice Institute training and worked with CNC on program delivery at the Fire Training Centre
	Continue to host various training programs throughout the year	Worked to encourage additional usage from throughout the region
Emergency Planning		
To ensure effective management in emergency situations	Continue to engage all stakeholders in the process	Maintained funding for the office assistant position
	Continue to regularly update the Emergency Plan	Appointed a consultant to develop an updated emergency plan
Bylaw Enforcement		
To address the number of unsightly premises in the community	Continue to lead by example Educate Property Owners	Identified District-owned properties that require maintenance
	Continue to enforce based on complaints	
To ensure bylaws are current and meet the need of the community	Review existing bylaws	Adopted Ticketing bylaw and new bylaws to regulate fire, traffic and second hand dealers
	Propose amendments and new bylaws	Repealed obsolete bylaws
		Amended existing bylaws as needed
Encourage mitigation of bylaw and environmental issues on private properties	Work with provincial government to develop a plan and process to deal with environmental concerns at FSJ All Nations mill site	Obtained provincial funding for cleanup, and appointed a contractor to fulfill the cleanup of the site. Cleanup began in late 2007, and will be completed by mid- 2008
Recreation		
Construct new recreation facilities	Continue to work with community group to establish a Skateboard/Bike Park	Determined location for bike park Contracted a consultant to design the bike park in consultation with the bike and skateboard association.
Maintain our recreation facilities to a high standard	Proceed with potential improvement projects and identify funding	Applied for Towns for Tomorrow funding for dressing room improvements at the arena
Improve existing facilities	Continue to support recreational facilities	Maintained facilities Identified and pursued funding opportunities for improvements

NOTABLE EVENTS AND ACCOMPLISHMENTS IN 2007

Municipal Services and Operations

- Community Forest operations continued and generated a profit
- Taxation increase was limited to an average 2.0% over 2006 rates
- Water, Sewer and Garbage user fees remained unchanged
- The summer recreation programs were well attended
- The Cottonwood Marina was at near capacity all season long
- The annual Canada Day celebration was a great success
- The Fort Forum was fully utilized by minor sports and other users
- The Mayor participated in the Northern Trust regional advisory committee
- The Mayor participated in the Omineca Beetle Action Coalition
- Invest Northern BC (www.fortstjames.ca) web site was maintained and content was improved; attracted over 100,000 hits per month.

Capital Improvements

- Paved Ogden Street and Morice Avenue
- Sewage Lagoon upgrades in progress
- One finger of Cottonwood Marina wharf replaced
- Public Works shop roof replaced
- New Tool Cat and pickup truck purchased
- Fire Department training and safety equipment purchased

COUNCIL’S GOALS & OBJECTIVES FOR 2008 AND 2009

In the 2006 Annual Report, Council established objectives for 2008. They are reiterated below; many of these initiatives are under way at this time. Also included are objectives for 2009, and expected dates of completion

<i>Objective</i>	<i>Strategy/Measure</i>	<i>Desired Outcome</i>	<i>Completion</i>
Council			
Continuity of strategic direction	Continue to review direction and strive towards goals and objectives that were not met in 2006 and 2007	Completion of priorities from previous years	Ongoing
Continue to improve communication with the public	Develop a communication strategy	Communicate activities regularly to the public via newspaper columns, community meetings, website and other media	Ongoing
Complete the Economic Development Strategy	Continue to implement the short-term recommendations of the Economic Development Plan	Proceed with identified projects and priorities	Ongoing
Review the Official Community Plan	Complete a review of the Official Community Plan, incorporating results of Community Visioning Forum	An up-to-date revised Official Community Plan that reflect current community values	Early 2009
Develop and Beautify the downtown core	Complete construction of the Spirit Square Park	Complete park construction	September 2008
	Improve and expand sidewalks	Complete sidewalk construction	September 2008
Taxation			
Continue with reasonable tax structure	Develop a Tax Policy	Establishment of a long term tax strategy	2009
Capital			
Continue to upgrade existing recreation facilities	Renovation to the Arena to include six new dressing rooms and additional storage space	Apply for funding through Towns for Tomorrow	January 2008 (grant pending)
Construct new recreation facilities	Continue to work with community group to establish a Skateboard/Bike Park	Complete the Bike Skills Park	September 2008
	Obtain sufficient funding to construct a new community hall	Apply for grants through Western Economic Diversification	January 2008 (grant pending)
Purchase necessary mobile and safety equipment	Evaluate the needs of the Fire Department	Purchase new pumper truck and other necessary equipment	September 2009

<i>Objective</i>	<i>Strategy/Measure</i>	<i>Desired Outcome</i>	<i>Completion</i>
Capital (continued)			
	Evaluate the needs of the Public Works Department	Purchase new Vector truck, loader and attachments for the Tool Cat	May 2008
Improve streets and roads	Improvements to Douglas Street Bridge	Bridge improvements undertaken	2009
	Keep road surfaces in good condition	Identify streets that need paving or patching and undertake paving projects	Ongoing
Improve drinking water quality	Construct a water treatment facility	Reduced water hardness in water supplied to residents	Budgeted for 2009
Community Forest			
Continued development of the Community Forest	Continue to lobby for increased volume	Secure increase in volume	Ongoing
	Continue to lobby for a permanent solution to stumpage rates	Obtain long-term stumpage solution	Ongoing
		Maintain a healthy level of profit for the Community Forest	Ongoing
		Continue to allocate profits to Economic Development, Capital and Reserve Funds	Ongoing
Economic Development			
Improve the tourism profile of the Stuart Lake area	Hire a consultant to work with the community to create a marketable brand and logo	Brand and logo completed	December 2008
	Advertising campaign to market the area	Ads placed in suitable publications	March 2009
	Create user friendly tourism guide with maps	Guidebook completed	March 2009
Fire Department			
Make more effective use of the Fire Training Centre	Encourage lease of the facility to other users	Continue Justice Institute training	Ongoing
	Continue to host various training programs throughout the year	Work with region to encourage additional usage	Ongoing
Ensure the Firefighting force is adequate to cover protection areas	Maintain adequate number of trained volunteers	Full volunteer force	Ongoing
	Ensure that volunteers receive required training	Continued use of training centre for training and outside resources when necessary	Ongoing

<i>Objective</i>	<i>Strategy/Measure</i>	<i>Desired Outcome</i>	<i>Completion</i>
Emergency Planning			
To ensure effective management in emergency situations	Complete an updated Emergency Management Plan	Contract a consultant to complete the plan	January 2009
	Continue to engage all stakeholders in the process	Work with First Nations and Regional District	Ongoing
		Implement practice schedule for the Emergency Plan	Ongoing
		Continue to develop a working Emergency Operation Centre	2009
Bylaw Enforcement			
To address the number of unsightly premises in the community	Continue to lead by example	Ensure that developed municipal lots are well maintained	Ongoing
	Continue to act on complaints	Ensure action is taken on offenders if resources permit	Ongoing
Recreation			
Enhance recreation programming	Hire a permanent part time recreation programmer	Offer recreation programs for all ages throughout the year	Spring 2008
Maintain and improve our recreation facilities to a high standard	Proceed with potential improvement projects and identify funding	Install new seats in the arena	Summer 2008
		Continue to develop plans for community hall, arena dressing rooms and skateboard park.	Ongoing

DISTRICT OF FORT ST. JAMES

FINANCIAL STATEMENTS

December 31, 2007

RHN SCHMITZ de GRACE
Chartered Accountants

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RHN SCHMITZ de GRACE

Chartered Accountants

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- Denotes professional corporation

AUDITORS' REPORT

To the Mayor and Councillors of the
District of Fort St. James

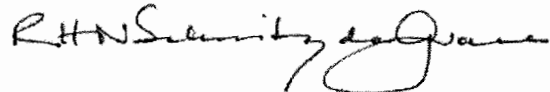
We have audited the consolidated statement of financial position of the District of Fort St. James as at December 31, 2007 and the consolidated statements of financial activities, current fund operations, reserve fund operations, capital fund operations and investment in tangible capital assets for the year then ended. These financial statements are the responsibility of the District'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 the overall financial statement presentation.

In our opinion these financial statements present fairly, in all material respects, the financial position of the District as at December 31, 2007 and the results of its operations and cash flow for the year then ended.

Our audit was made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information on the financial position and operating results of individual funds included in Exhibits A through N 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.

Prince George, BC
March 7, 2008



CHARTERED ACCOUNTANTS

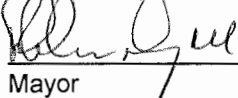
DISTRICT OF FORT ST. JAMES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2007

ASSETS

	<u>2007</u>	<u>2006</u>
FINANCIAL ASSETS		
Cash	\$ 1,709,000	\$ 1,069,908
Accounts Receivable	1,007,983	786,089
Prepaid Expenditures	28,774	35,201
Land Inventory (Note 3)	931,570	822,693
MFA Cash Deposits (Note 6)	7,863	7,539
	<u>3,685,190</u>	<u>2,721,430</u>
TANGIBLE CAPITAL ASSETS (Note 2)		
General	13,597,861	13,299,194
Sewer	2,431,779	2,167,476
Water	2,223,182	2,212,304
	<u>18,252,822</u>	<u>17,678,974</u>
	<u>\$ 21,938,012</u>	<u>\$ 20,400,404</u>

Approved by:



Mayor



Chief Administrative Officer

DISTRICT OF FORT ST. JAMES
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended December 31, 2007

	2007		2006
	<u>Budget</u> (unaudited)	<u>Actual</u>	<u>Actual</u>
REVENUE			
Taxation (Note 9)	\$ 1,374,928	\$ 1,374,171	\$ 1,341,866
Grants (Schedule 1)	1,229,229	1,114,420	641,837
User Charges	299,648	293,303	297,582
Sale of Services	182,400	192,317	252,001
Grants in Lieu of Taxes	212,013	200,943	214,643
Internal Charges	137,000	171,362	139,835
Other revenue	236,079	629,447	511,424
Rentals and Leases	79,455	88,121	77,440
Community Forest	700,000	225,255	804,563
Frontage Tax	64,120	64,244	64,086
Interest and Investment Income	32,000	84,088	59,074
Nak'azdli Band	27,600	27,600	27,600
	<u>4,574,472</u>	<u>4,465,271</u>	<u>4,431,951</u>
EXPENDITURES			
General (Schedule 2)	2,129,324	2,753,353	2,142,126
Sewer System Operations	134,931	138,229	121,827
Water System Operations	121,196	139,903	94,225
Interest on Long-Term Debt	27,527	23,135	85,735
Reserve and Trust Expenditures	-	1,517	-
Capital Expenditures	2,040,000	589,282	811,250
	<u>4,452,978</u>	<u>3,645,419</u>	<u>3,255,163</u>
EXCESS OF REVENUE OVER EXPENDITURES			
	<u>121,494</u>	<u>819,852</u>	<u>1,176,788</u>
Debt Principal Repayments	(147,820)	(155,744)	(186,374)
Funding Adjustment	-	(3,654)	-
	<u>(147,820)</u>	<u>(159,398)</u>	<u>(186,374)</u>
CHANGE IN FINANCIAL EQUITY	(26,326)	660,454	990,414
FINANCIAL EQUITY AT BEGINNING OF THE YEAR	<u>1,622,655</u>	<u>1,622,655</u>	<u>632,241</u>
FINANCIAL EQUITY AT END OF YEAR	<u>\$ 1,596,329</u>	<u>\$ 2,283,109</u>	<u>\$ 1,622,655</u>

DISTRICT OF FORT ST. JAMES
CONSOLIDATED STATEMENT OF CURRENT FUND OPERATIONS

For the year ended December 31, 2007

	<u>2007</u>		<u>2006</u>
	<u>Budget</u> (unaudited)	<u>Actual</u>	<u>Actual</u>
REVENUE			
Taxation (Note 9)	\$ 1,374,928	\$ 1,374,171	\$ 1,341,866
Grants (Schedule 1)	474,229	989,156	504,045
User Charges	299,648	293,303	297,582
Sale of Services	182,400	192,317	252,001
Grants in Lieu of Taxes	212,013	200,943	214,643
Internal Charges	137,000	171,362	139,835
Rentals and Leases	79,455	88,121	77,440
Community Forest	700,000	225,255	804,563
Frontage Tax	64,120	64,244	64,086
Interest and Investment Income	32,000	57,977	54,538
Licences and Permits	29,900	32,458	34,137
Nak'azdli Band	27,600	27,600	27,600
Miscellaneous Revenue	13,801	24,881	117,244
Hydrant Rental	7,500	7,500	7,500
	<u>3,634,594</u>	<u>3,749,288</u>	<u>3,937,080</u>
EXPENDITURES			
General Departmental Expenditures			
- Schedule 2	2,129,324	2,753,353	2,142,126
Sewer System Operations	134,931	138,229	121,827
Water System Operations	121,196	139,903	94,225
Interest on Long Term Debt	27,527	23,135	85,735
	<u>2,412,978</u>	<u>3,054,620</u>	<u>2,443,913</u>
NET REVENUE FOR THE YEAR	<u>1,221,616</u>	<u>694,668</u>	<u>1,493,167</u>
DEDUCTIONS FROM NET REVENUE			
Debt Principal Repayment	(147,820)	(155,744)	(186,374)
Funding Adjustment	-	(3,654)	-
Contributions to Capital Fund	(1,180,000)	(463,793)	(396,792)
Transfer to Reserve Funds	(205,651)	(245,735)	(446,729)
Transfer to Trust Funds	(750)	(585)	(885)
Transfers from Reserve Funds	94,660	54,570	19,443
	<u>(1,439,561)</u>	<u>(814,941)</u>	<u>(1,011,337)</u>
CHANGE IN CURRENT FUND BALANCE	(217,945)	(120,273)	481,830
CURRENT FUND BALANCE AT BEGINNING OF THE YEAR	<u>971,863</u>	<u>971,863</u>	<u>490,033</u>
CURRENT FUND BALANCE AT END OF THE YEAR	<u>\$ 753,918</u>	<u>\$ 851,590</u>	<u>\$ 971,863</u>
Balance is comprised of the following:			
General		\$ 241,793	\$ 349,303
Sewer		280,460	347,737
Water Utility		329,337	274,823
		<u>\$ 851,590</u>	<u>\$ 971,863</u>

See notes to the consolidated financial statements

RHN SCHMITZ de GRACE
Chartered Accountants

DISTRICT OF FORT ST. JAMES
CONSOLIDATED STATEMENT OF RESERVE FUND OPERATIONS

For the year ended December 31, 2007

	2007		2006
	<u>Budget</u> (unaudited)	<u>Actual</u>	<u>Actual</u>
REVENUE			
Interest and Investment Income	\$ 18,200	\$ 26,111	\$ 4,536
Grant - Government of Canada	79,878	62,368	95,920
Donations	-	502,015	1,503
	<u>98,078</u>	<u>590,494</u>	101,959
EXPENDITURES	-	<u>1,517</u>	-
NET REVENUE FOR THE YEAR	<u>98,078</u>	<u>588,977</u>	101,959
OTHER			
Contributions to Capital Fund	-	-	(21,546)
Transfer to Current Fund	(94,660)	(54,570)	(19,443)
Transfer from Current Fund	206,401	246,320	447,614
	<u>111,741</u>	<u>191,750</u>	<u>406,625</u>
CHANGE IN RESERVE FUND BALANCE	209,819	780,727	508,584
RESERVE FUND BALANCE AT BEGINNING OF THE YEAR	<u>650,792</u>	<u>650,792</u>	<u>142,208</u>
RESERVE FUND BALANCE AT END OF THE YEAR	<u>\$ 860,611</u>	<u>\$ 1,431,519</u>	<u>\$ 650,792</u>

DISTRICT OF FORT ST. JAMES
CONSOLIDATED STATEMENT OF CAPITAL FUND OPERATIONS

For the year ended December 31, 2007

	2007		2006
	<u>Budget</u> (unaudited)	<u>Actual</u>	<u>Actual</u>
SOURCES OF CAPITAL FINANCING			
Net Interfund Transfers from Current Fund	\$ 1,180,000	\$ 463,793	\$ 396,792
Net Interfund Transfers from Reserve Fund	-	-	21,546
Debt Acquired	-	-	-
MFA Sewer Debt Refund	-	-	-
Grants			
Government of Canada	85,000	-	52,746
Province of British Columbia	525,000	-	52,746
Nak'azdli Band	65,000	45,264	-
Regional District	80,000	80,000	32,300
Proceeds on Sale of Tangible Capital Assets	5,000	225	134,423
Donations	100,000	-	120,697
Surplus	-	-	-
	<u>2,040,000</u>	<u>589,282</u>	<u>811,250</u>
CAPITAL EXPENDITURES			
Represented by:			
General Government	45,000	15,254	516,698
Fire Equipment	289,000	73,968	88,256
Roads and Streets (Paving)	432,500	174,130	145,628
Recreation	768,000	50,749	25,822
Sewer System	487,000	264,303	20,761
Water System	18,500	10,878	14,085
	<u>2,040,000</u>	<u>589,282</u>	<u>811,250</u>
CHANGE IN CAPITAL FUND BALANCE	-	-	-
CAPITAL FUND BALANCE AT BEGINNING OF THE YEAR	-	-	-
CAPITAL FUND BALANCE AT END OF THE YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DISTRICT OF FORT ST. JAMES
CONSOLIDATED STATEMENT OF CASH FLOW

For the year ended December 31, 2007

	<u>2007</u>	<u>2006</u>
CASH PROVIDED (USED) BY:		
Operating Activities		
Excess of Revenue over Expenditures	\$ 819,852	\$ 1,176,788
Changes in Non-Cash Working Capital Items		
Accounts and Grants Receivable	(221,894)	(106,864)
Accounts Payable and Accrued Liabilities	304,734	22,605
Other	<u>(104,202)</u>	<u>(3,275)</u>
	<u>798,490</u>	<u>1,089,254</u>
Financing Activities		
Debt Principal Repayments	(155,744)	(186,374)
Funding Adjustment	<u>(3,654)</u>	<u>-</u>
	<u>(159,398)</u>	<u>(186,374)</u>
INCREASE IN CASH	639,092	902,880
CASH AT BEGINNING OF THE YEAR	<u>1,069,908</u>	<u>167,028</u>
CASH AT END OF THE YEAR	<u><u>\$ 1,709,000</u></u>	<u><u>\$ 1,069,908</u></u>

DISTRICT OF FORT ST. JAMES

CONSOLIDATED STATEMENT OF INVESTMENT IN TANGIBLE CAPITAL ASSETS

For the year ended December 31, 2007

	<u>2007</u>	<u>2006</u>
BALANCE AT BEGINNING OF THE YEAR	\$ 18,010,350	\$ 16,810,850
ACTUARIAL ADJUSTMENT REDUCING LONG-TERM DEBT	7,221	238,310
CONTRIBUTIONS FROM CURRENT FUND		
Debt Reduction	9,073	9,073
Acquisition of Tangible Capital Assets	463,793	396,792
Conditional Sales Contract Payments	139,451	182,277
CONTRIBUTIONS FROM RESERVE FUNDS		
Cottonwood Park	-	11,204
Municipal Hall and Library	-	10,342
CAPITAL GRANTS		
Infrastructure Grant	45,264	105,492
Contribution from Regional District	80,000	32,300
CONTRIBUTION FROM OTHERS		
Donations	-	120,697
Proceeds on Disposal of Tangible Capital Assets	225	134,423
COST OF TANGIBLE CAPITAL ASSETS SOLD	<u>(17,187)</u>	<u>(41,410)</u>
CHANGE IN THE YEAR	<u>727,840</u>	<u>1,199,500</u>
BALANCE AT END OF THE YEAR	<u>\$ 18,738,190</u>	<u>\$ 18,010,350</u>
Balance is comprised of the following:		
General	\$ 14,083,229	\$ 13,630,570
Sewer	2,431,779	2,167,476
Water Utility	2,223,182	2,212,304
	<u>\$ 18,738,190</u>	<u>\$ 18,010,350</u>

DISTRICT OF FORT ST. JAMES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2007

1. SIGNIFICANT ACCOUNTING POLICIES

The District of Fort St. James is a municipality in the Province of British Columbia. The District prepares its financial statements in accordance with generally accepted accounting principles for governments using guidelines developed by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants. The accounting policies of the District conform to accounting principles generally accepted for municipalities in British Columbia and include the following:

Basis of Presentation

The consolidated financial statements include the accounts of all the funds of the District.

Current funds include the revenues, expenditures and operating assets and liabilities of the District's operations. The general current, water utility current and sewer utility current funds are responsible for general government, water utility and sewer utility operations respectively.

Capital and loan funds include property, buildings and equipment used in the District's general, water and sewer funds, together with related debt. Repayments of debt are made from and charged to the respective current funds.

Trust funds include assets held for specific purposes, while funds in reserve are subject to certain restrictions.

Budgeted figures disclosed throughout the financial statements have been extracted from the initial 2007 Financial Plan Bylaw #843 adopted on May 9, 2007.

Inventories of Supplies

Inventory is recorded at the lower of cost and market value.

Land Inventory

The District is engaged in the development of land for resale. The costs of development are recovered from land sales with profits retained in the Land Acquisition and Development Reserve Fund.

Tangible Capital Assets

Tangible Capital assets are recorded at cost and are not amortized.

Use of Estimates

The preparation of financial statements in accordance with Canadian 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 of sales and expenses during the year. Actual results could differ from management's best estimates as additional information becomes available in the future.

DISTRICT OF FORT ST. JAMES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2007

2. TANGIBLE CAPITAL ASSETS

Tangible Capital Assets are recorded at cost and comprise the following:

	<u>2007</u>	<u>2006</u>
GENERAL FUND		
Engineered structures	\$ 5,702,229	\$ 5,608,651
Buildings	4,315,139	4,286,069
Machinery and equipment	2,979,642	2,803,623
Land	<u>600,851</u>	<u>600,851</u>
	<u>13,597,861</u>	<u>13,299,194</u>
SEWER FUND		
Treatment and disposal system	1,685,189	1,420,886
Lift Stations	416,102	416,102
Collections system	327,688	327,688
Land	<u>2,800</u>	<u>2,800</u>
	<u>2,431,779</u>	<u>2,167,476</u>
WATER FUND		
Transmission and distribution system	2,222,282	2,211,404
Land	<u>900</u>	<u>900</u>
	<u>2,223,182</u>	<u>2,212,304</u>
	<u><u>\$ 18,252,822</u></u>	<u><u>\$ 17,678,974</u></u>

DISTRICT OF FORT ST. JAMES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2007

3. LAND INVENTORY

Land inventory is comprised of the following properties held for future development:

	<u>2007</u>	<u>2006</u>
Lot 4, DL 1266	\$ 175,540	\$ 175,540
Lot 2, DL 1266	100,309	100,309
Lot 3, DL 1266	95,414	95,414
Lot 1, DL 1266	75,231	75,231
Murray Rd. subdivision	50,311	57,497
Heathmont Street subdivision	10,635	10,635
Watertower	57,754	57,754
Lot 13, DL 4762, Murray Rd.	17,547	17,547
Fourth Avenue	6,800	6,800
Lot 21, 707 W. 2nd Avenue	5,354	5,354
Ash Street	7,309	1,876
FSJ All Nations	109,986	-
Resort Hill	644	-
Stuart Drive	<u>83,444</u>	<u>83,444</u>
	796,278	687,401
Land held for future development	<u>135,292</u>	<u>135,292</u>
	<u>\$ 931,570</u>	<u>\$ 822,693</u>

4. LONG-TERM DEBT

Bylaw Number	Purpose	Amount Issued	Repaid to Date	<u>2007</u>	<u>2006</u>
<u>General Fund</u>					
572	Ambulance Station	\$ 300,000	\$ 160,706	<u>\$ 139,294</u>	<u>\$ 155,587</u>

This loan is repayable over 20 years with interest at 8.95% per annum and matures in 2014.

DISTRICT OF FORT ST. JAMES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2007

4. LONG-TERM DEBT, continued

Principal repayments on existing debt over the next five years are as follows:

	<u>General Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>
2008	\$ 9,073	\$ -	\$ -
2009	9,073	-	-
2010	9,073	-	-
2011	9,073	-	-
2012	9,073	-	-
	<u>\$ 45,365</u>	<u>\$ -</u>	<u>\$ -</u>

5. CONDITIONAL SALES CONTRACTS

Municipal Finance Authority - repayable in monthly instalments including interest at various rates, secured by specific pieces of equipment, with various due dates.

<u>2007</u>	<u>2006</u>
<u>\$ 196,279</u>	<u>\$ 335,730</u>

Payments required over the next three years are as follows:

2008	\$ 84,724
2009	\$ 90,563
2010	\$ 20,992

6. MFA RESERVES

	<u>General Capital</u>	<u>Sewer Capital</u>	<u>Water Capital</u>	<u>Total</u>
MFA Reserves				
Balance at beginning of the year	\$ 7,539	\$ -	\$ -	\$ 7,539
Interest allocation	336	-	-	336
Expenses	(12)	-	-	(12)
Payout	-	-	-	-
Balance at end of the year	<u>\$ 7,863</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,863</u>

DISTRICT OF FORT ST. JAMES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2007

7. CONTINGENT LIABILITIES

MFA Issues

The District is jointly and severally liable, as a member of the Regional District of Fraser-Fort George, for any sinking fund deficiencies on capital debt issued through the Regional District.

In addition, the District has issued demand notes to the Regional District of Bulkley-Nechako totalling \$7,863. These notes are callable by the Regional District to meet the obligations, should the need arise, of the Municipal Finance Authority debt reserve fund.

Pension Issues

The municipality 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 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 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 surplus to individual employers. The District of Fort St. James paid \$61,864 for employer contributions to the plan in fiscal 2007.

MIA

The Corporation is insured through the Municipal Insurance Association of British Columbia. Should the Association pay out claims in excess of premiums received, it is possible that the Corporation, along with the other participants, would be required to contribute towards this deficit.

8. DEFERRED REVENUE

Deferred revenue is comprised of:

	<u>2007</u>	<u>2006</u>
Fort St. James All Nations Grant	\$ 260,617	\$ -
UBCM	16,405	16,405
Business Licences	6,636	7,330
EOC Integris Grant	4,500	4,500
Emergency planning	3,660	3,660
	<u>\$ 291,818</u>	<u>\$ 31,895</u>

DISTRICT OF FORT ST. JAMES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2007

9. TAXATION - net

Taxation revenue comprises the following amounts raised, less transfers to other governments:

	2007		2006
	<u>Budget</u> (unaudited)	<u>Actual</u>	<u>Actual</u>
General Municipal Purposes	\$ 1,375,209	\$1,374,496	\$1,341,262
Collection for Other Governments:			
School District No. 91	749,150	701,195	730,879
Regional District	299,574	316,116	292,267
Northern Interior Regional Hospital District	106,768	99,965	104,164
Police Taxes	65,000	51,664	-
BC Assessment Authority	18,426	16,483	17,977
Municipal Finance Authority	29	30	28
	<u>2,614,156</u>	<u>2,559,949</u>	<u>2,486,577</u>
Less: Collections for Other Governments	<u>1,239,228</u>	<u>1,185,778</u>	<u>1,144,711</u>
Net Taxation Available for Municipal Purposes	<u>\$ 1,374,928</u>	<u>\$1,374,171</u>	<u>\$1,341,866</u>

10. FINANCIAL INSTRUMENTS

The District's financial instruments are comprised of cash, accounts receivable, grants receivable, MFA cash deposits, accounts payable and accrued liabilities, promissory note, conditional sales contracts, and long-term debt.

Credit Risk

The District provides credit to its clients in the normal course of business and has carried out specific procedures to minimize the risk. Credit risk is minimal.

Interest Rate Risk

The municipality has long-term debt and conditional sales contracts with fixed interest rates. Interest rate risk is minimal.

Fair Value

The carrying value for primary instruments approximates fair value, due to their short-term maturities. The carrying value of non-current instruments approximates fair value because it is based upon interest rates currently available to companies in similar circumstances.

DISTRICT OF FORT ST. JAMES

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CONSOLIDATED SCHEDULE OF GRANTS

Schedule 1

For the year ended December 31, 2007

	2007		2006
	<u>Budget</u> (unaudited)	<u>Actual</u>	<u>Actual</u>
OPERATING - PROVINCE OF BRITISH COLUMBIA			
GENERAL CURRENT FUND			
Revenue Sharing	\$ 302,143	\$ 307,825	\$ 260,665
Miscellaneous	-	516,280	18,498
	<u>302,143</u>	<u>824,105</u>	<u>279,163</u>
WATER CURRENT FUND			
Water Facilities Assistance	-	-	41,745
	<u>302,143</u>	<u>824,105</u>	<u>320,908</u>
OPERATING - GOVERNMENT OF CANADA			
GENERAL CURRENT FUND			
Economic Development	-	-	53,586
Recreation Program	4,000	-	4,736
Canada Day	5,000	2,000	2,000
	<u>9,000</u>	<u>2,000</u>	<u>60,322</u>
OTHER OPERATING GRANTS			
GENERAL CURRENT FUND			
Nak'azdli Reserve Fire Protection	32,500	32,900	25,262
Regional District - Fire Protection	114,391	114,391	81,793
- Arena Benefit Area	16,195	15,760	15,760
	<u>163,086</u>	<u>163,051</u>	<u>122,815</u>
TOTAL OPERATING GRANTS	<u>474,229</u>	<u>989,156</u>	<u>504,045</u>
GENERAL CAPITAL FUND			
Infrastructure - Province of BC	525,000	-	52,746
- Government of Canada	85,000	-	52,746
Regional District	-	-	32,300
	<u>610,000</u>	<u>-</u>	<u>137,792</u>
SEWER CAPITAL FUND			
Regional District	80,000	80,000	-
Nak'azdli Infrastructure	65,000	45,264	-
	<u>145,000</u>	<u>125,264</u>	<u>-</u>
TOTAL CAPITAL GRANTS	<u>755,000</u>	<u>125,264</u>	<u>137,792</u>
TOTAL GRANTS	<u>\$ 1,229,229</u>	<u>\$ 1,114,420</u>	<u>\$ 641,837</u>

RHN SCHMITZ de GRACE

See notes to the consolidated financial statements Chartered Accountants

DISTRICT OF FORT ST. JAMES
SCHEDULE OF GENERAL DEPARTMENTAL EXPENDITURE

For the year ended December 31, 2007

	<u>2007</u>		<u>2006</u>
	<u>Budget</u> (unaudited)	<u>Actual</u>	<u>Actual</u>
GENERAL GOVERNMENT SERVICES			
Administrative	\$ 581,526	\$ 889,899	\$ 485,173
Economic Development	116,660	72,299	165,755
Legislative Council Indemnity	35,605	35,763	34,823
	<u>733,791</u>	<u>997,961</u>	<u>685,751</u>
PROTECTIVE SERVICES			
Fire Protection	268,173	285,968	275,338
Fire Training Facility	25,074	29,915	22,569
Animal and Pest Control	15,100	14,752	14,684
Building Inspection	6,350	8,131	10,086
Ambulance Station	4,200	5,647	4,094
Municipal Emergency Program	18,500	252,141	21,329
	<u>337,397</u>	<u>596,554</u>	<u>348,100</u>
PUBLIC WORKS			
Roads and Streets	390,748	501,576	444,654
Common Services	168,504	167,316	155,963
Air and Water Transport	39,635	40,319	32,211
Special Projects	10,000	10,365	20,742
Traffic Services	10,000	9,858	9,779
Weed Spraying	2,000	-	-
	<u>620,887</u>	<u>729,434</u>	<u>663,349</u>
ENVIRONMENTAL HEALTH			
Garbage Disposal	76,575	80,645	73,847
Garbage Discounts	11,000	10,604	11,260
	<u>87,575</u>	<u>91,249</u>	<u>85,107</u>
PUBLIC HEALTH			
Cemetaries	\$ 7,176	\$ 4,408	\$ 6,375

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DISTRICT OF FORT ST. JAMES
SCHEDULE OF GENERAL DEPARTMENTAL EXPENDITURE

For the year ended December 31, 2007

	<u>2007</u>		<u>2006</u>
	<u>Budget</u> (unaudited)	<u>Actual</u>	<u>Actual</u>
RECREATIONAL AND CULTURAL			
Arena	185,923	192,184	183,120
Library	97,332	85,644	80,807
Golf Course Activity	-	-	39,443
Parks and Playground	34,643	27,531	24,966
Summer Recreation	24,600	28,388	25,108
	<u>342,498</u>	<u>333,747</u>	<u>353,444</u>
TOTAL GENERAL EXPENDITURES	<u>\$ 2,129,324</u>	<u>\$ 2,753,353</u>	<u>\$ 2,142,126</u>

RHN SCHMITZ de GRACE

See notes to the consolidated financial statements Chartered Accountants

DISTRICT OF FORT ST. JAMES

GENERAL

STATEMENT OF FINANCIAL POSITION

December 31, 2007

ASSETS

CURRENT FUND

	<u>2007</u>	<u>2006</u>
CURRENT ASSETS		
Cash	\$ 1,709,000	\$ 1,069,908
Accounts Receivable		
Sundry	759,994	553,029
Taxes	122,927	141,117
Government of Canada	38,998	21,362
Due from Sewer Capital Fund	46,127	37,639
Due from General Capital Fund	110,629	-
Prepaid Expenditures	28,774	35,201
	<u>2,816,449</u>	1,858,256
MFA DEPOSITS (Note 6)	<u>7,863</u>	<u>7,539</u>
	<u>\$ 2,824,312</u>	<u>\$ 1,865,795</u>
CAPITAL FUND		
LAND INVENTORY (Note 3)	\$ 931,570	\$ 822,693
TANGIBLE CAPITAL ASSETS (Note 2)	<u>13,597,861</u>	<u>13,299,194</u>
	<u>\$ 14,529,431</u>	<u>\$ 14,121,887</u>

LIABILITIES AND SURPLUS

CURRENT FUND

	<u>2007</u>	<u>2006</u>
CURRENT LIABILITIES		
Accounts Payable and Accrued Charges	\$ 573,277	\$ 268,543
Due to Reserve Funds	1,431,519	650,792
Due to Water Current Fund	310,565	259,219
Due to Sewer Current Fund	<u>259,295</u>	<u>330,399</u>
	2,574,656	1,508,953
MFA RESERVES (Note 6)	7,863	7,539
CURRENT FUND BALANCE	<u>241,793</u>	<u>349,303</u>
	<u>\$ 2,824,312</u>	<u>\$ 1,865,795</u>

CAPITAL FUND

CONDITIONAL SALES CONTRACTS (Note 5)	\$ 196,279	\$ 335,730
LONG-TERM DEBT (Note 4)	139,294	155,587
DUE TO GENERAL REVENUE	110,629	-
INVESTMENT IN TANGIBLE CAPITAL ASSETS	<u>14,083,229</u>	<u>13,630,570</u>
	<u>\$ 14,529,431</u>	<u>\$ 14,121,887</u>
CONTINGENT LIABILITIES (Note 7)		

RHN SCHMITZ de GRACE

See notes to the consolidated financial statements Chartered Accountants

DISTRICT OF FORT ST. JAMES

GENERAL

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended December 31, 2007

REVENUE

	2007		2006
	Budget (unaudited)	Actual	Actual
TAXATION			
Property Taxes, net (Note 8)	\$ 1,374,928	\$ 1,374,171	\$ 1,341,866
Grants in Lieu of Taxes	212,013	200,943	214,643
	<u>1,586,941</u>	<u>1,575,114</u>	<u>1,556,509</u>
SALE OF SERVICES			
Garbage Collection	97,500	95,159	97,378
Other Services	900	10,341	70,143
Recreation and Cultural Services	84,000	86,817	84,480
	<u>182,400</u>	<u>192,317</u>	<u>252,001</u>
LICENCES AND PERMITS			
Business Licences	26,000	24,303	25,387
Building Permits	2,000	6,725	7,137
Dog Licences and Fees	1,300	950	1,062
Municipal Vehicle Licences	600	480	551
	<u>29,900</u>	<u>32,458</u>	<u>34,137</u>
RENTALS			
Ambulance Station Rental	40,680	40,680	40,680
Fire Training Facility	27,073	35,114	26,600
Property Rentals	11,702	12,327	10,160
	<u>79,455</u>	<u>88,121</u>	<u>77,440</u>
COMMUNITY FOREST	<u>700,000</u>	<u>225,255</u>	<u>804,563</u>
MISCELLANEOUS			
Other Revenue	5,500	18,017	23,032
Cemetery	5,500	3,110	6,290
School Tax Administration Fee	2,801	3,754	2,732
	<u>13,801</u>	<u>24,881</u>	<u>32,054</u>
INTEREST AND PENALTIES			
Tax Penalties and Interest	22,500	23,006	31,087
Return on Investments	-	12,332	11,598
	<u>22,500</u>	<u>35,338</u>	<u>42,685</u>
INTERFUND ALLOCATIONS AND TRANSFERS			
Equipment Services	98,500	132,862	101,335
Supervisory Services	38,500	38,500	38,500
	<u>137,000</u>	<u>171,362</u>	<u>139,835</u>
TRANSFERS FROM OTHER GOVERNMENTS			
Province of British Columbia	302,143	824,105	279,163
Government of Canada	9,000	2,000	60,322
Nak'azdli Reserve Fire Protection	32,500	32,900	25,262
Regional District of Bulkley - Nechako			
Fire Protection	114,391	114,391	81,793
Arena Benefiting Area	16,195	15,760	15,760
	<u>474,229</u>	<u>989,156</u>	<u>462,300</u>
TRANSFERS FROM RESERVE FUNDS			
Community Forest	94,660	54,570	-
Tandem Axle Sinking Fund	-	-	19,443
	<u>94,660</u>	<u>54,570</u>	<u>19,443</u>
	<u>\$ 3,320,886</u>	<u>\$ 3,388,572</u>	<u>\$ 3,420,967</u>

EXPENDITURES

	2007		2006
	<u>Budget</u> (unaudited)	<u>Actual</u>	<u>Actual</u>
DEPARTMENTAL			
General Government Services	\$ 733,791	\$ 997,961	\$ 685,751
Public Works	620,888	729,434	663,349
Recreation and Cultural	342,497	333,747	353,444
Protective Services	337,397	596,554	348,100
Environmental Health Services	87,575	91,249	85,107
Public Health	7,176	4,408	6,375
Environmental Development	-	-	-
	<u>2,129,324</u>	<u>2,753,353</u>	<u>2,142,126</u>
FISCAL SERVICES			
Principal Debt Repayments	147,820	155,744	186,374
Interest on Debentures, Tax Assessment Appeals and Other Debt	27,527	23,135	42,235
Funding Adjustment	-	3,654	-
	<u>175,347</u>	<u>182,533</u>	<u>228,609</u>
CONTRIBUTIONS TO OTHER FUNDS			
General Capital Fund	819,500	313,876	361,946
Cemetery Trust	750	585	885
Arena (Equipment and Capital)	8,098	7,880	7,900
Land Development	-	12,600	11,609
Community Forest	197,553	225,255	427,220
	<u>1,025,901</u>	<u>560,196</u>	<u>809,560</u>
TOTAL EXPENDITURES	<u>3,330,572</u>	<u>3,496,082</u>	<u>3,180,295</u>
CHANGE IN CURRENT FUND	<u>(9,686)</u>	<u>(107,510)</u>	<u>240,672</u>

\$ 3,320,886 \$ 3,388,572 \$ 3,420,967

RHN SCHMITZ de GRACE
Chartered Accountants

See notes to the consolidated financial statements

DISTRICT OF FORT ST. JAMES
GENERAL
STATEMENT OF CURRENT FUND BALANCE

For the year ended December 31, 2007

	<u>2007</u>	<u>2006</u>
BALANCE AT BEGINNING OF THE YEAR	\$ 349,303	\$ 108,631
CHANGE IN CURRENT YEAR	<u>(107,510)</u>	<u>240,672</u>
BALANCE AT END OF THE YEAR	<u>\$ 241,793</u>	<u>\$ 349,303</u>

DISTRICT OF FORT ST. JAMES

GENERAL

STATEMENT OF INVESTMENT IN TANGIBLE CAPITAL ASSETS

For the year ended December 31, 2007

	<u>2007</u>	<u>2006</u>
BALANCE AT BEGINNING OF THE YEAR	\$ 13,630,570	\$ 12,697,781
ACTUARIAL ADJUSTMENT	7,221	6,445
CONTRIBUTIONS FROM CURRENT FUND		
Acquisition of Tangible Capital Assets	313,876	361,946
Conditional Sales Contract Payments	139,451	182,277
Debt Reduction	9,073	9,073
CONTRIBUTIONS FROM RESERVE FUNDS		
Cottonwood Park	-	11,204
Municipal Hall and Library	-	10,342
CAPITAL GRANTS		
Infrastructure Grant	-	105,492
CONTRIBUTION FROM OTHERS		
Donation for Library	-	120,697
Sale of Tangible Capital Assets	225	134,423
Contribution From Regional District	-	32,300
COST OF TANGIBLE CAPITAL ASSETS SOLD	(17,187)	(41,410)
CHANGE IN THE YEAR	452,659	932,789
BALANCE AT END OF THE YEAR	\$ 14,083,229	\$ 13,630,570

RHN SCHMITZ de GRACE

See notes to the consolidated financial statements Chartered Accountants

DISTRICT OF FORT ST. JAMES
SEWER UTILITY
STATEMENT OF FINANCIAL POSITION

December 31, 2007

ASSETS

CURRENT FUND

	<u>2007</u>	<u>2006</u>
CURRENT ASSETS		
Accounts Receivable		
Sewer Rates	\$ 21,165	\$ 17,338
Due from General Revenue Fund	<u>259,295</u>	<u>330,399</u>
	<u>\$ 280,460</u>	<u>\$ 347,737</u>

CAPITAL FUND

ACCOUNTS RECEIVABLE	\$ 46,127	\$ 37,639
TANGIBLE CAPITAL ASSETS (Note 2)		
Sewer System	<u>2,431,779</u>	<u>2,167,476</u>
	<u>\$ 2,477,906</u>	<u>\$ 2,205,115</u>

LIABILITIES AND SURPLUS

CURRENT FUND

	<u>2007</u>	<u>2006</u>
CURRENT FUND BALANCE	\$ 280,460	\$ 347,737
	<u>\$ 280,460</u>	<u>\$ 347,737</u>

CAPITAL FUND

DUE TO GENERAL FUND	\$ 46,127	\$ 37,639
INVESTMENT IN TANGIBLE CAPITAL ASSETS	<u>2,431,779</u>	<u>2,167,476</u>
CONTINGENT LIABILITIES (Note 7)		
	<u>\$ 2,477,906</u>	<u>\$ 2,205,115</u>

DISTRICT OF FORT ST. JAMES
SEWER UTILITY
STATEMENT OF FINANCIAL ACTIVITIES

For the year ended December 31, 2007

	<u>2007</u>		<u>2006</u>
	<u>Budget</u> (unaudited)	<u>Actual</u>	<u>Actual</u>
REVENUE			
User Charges	\$ 150,548	\$ 146,756	\$ 149,470
Frontage Tax	31,870	31,949	31,870
Nak'azdli Band	18,600	18,600	18,600
Interest on Surplus	8,000	12,686	9,262
	<u>209,018</u>	<u>209,991</u>	<u>209,202</u>
EXPENDITURE			
Operations			
Administration	72,855	69,892	64,516
Sewage Treatment	36,975	31,356	32,069
Collection Systems	8,500	17,345	10,460
Sewer Maintenance	16,601	19,636	14,782
	<u>134,931</u>	<u>138,229</u>	<u>121,827</u>
Contributions to Other Funds			
Sewer Capital Fund	342,000	139,039	20,761
	<u>476,931</u>	<u>277,268</u>	<u>142,588</u>
CHANGE IN CURRENT FUND	<u>\$ (267,913)</u>	<u>\$ (67,277)</u>	<u>\$ 66,614</u>

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See notes to the consolidated financial statements Chartered Accountants

DISTRICT OF FORT ST. JAMES
SEWER UTILITY
STATEMENT OF CURRENT FUND BALANCE

For the year ended December 31, 2007

	<u>2007</u>	<u>2006</u>
BALANCE AT BEGINNING OF THE YEAR	\$ 347,737	\$ 281,123
CHANGE IN CURRENT FUND	<u>(67,277)</u>	<u>66,614</u>
BALANCE AT END OF THE YEAR	<u>\$ 280,460</u>	<u>\$ 347,737</u>

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See notes to the consolidated financial statements Chartered Accountants

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DISTRICT OF FORT ST. JAMES

SEWER UTILITY

STATEMENT OF INVESTMENT IN CAPITAL ASSETS

For the year ended December 31, 2007

	<u>2007</u>	<u>2006</u>
BALANCE AT BEGINNING OF THE YEAR	\$ 2,167,476	\$ 2,146,715
CONTRIBUTIONS FROM SEWER CURRENT FUND		
Acquisition of Tangible Capital Assets	139,039	20,761
Capital Grants		
Infrastructure Grant	45,264	-
Contribution from Regional District	<u>80,000</u>	
BALANCE AT END OF THE YEAR	<u><u>\$ 2,431,779</u></u>	<u><u>\$ 2,167,476</u></u>

DISTRICT OF FORT ST. JAMES
WATER UTILITY
STATEMENT OF FINANCIAL POSITION

December 31, 2007

ASSETS

CURRENT FUND

	<u>2007</u>	<u>2006</u>
CURRENT ASSETS		
Accounts Receivable		
Water Rates	\$ 18,772	\$ 15,604
Due from General Revenue Fund	<u>310,565</u>	<u>259,219</u>
	329,337	274,823
 MFA DEPOSITS (Note 6)	 <u>-</u>	 <u>-</u>
	 <u>\$ 329,337</u>	 <u>\$ 274,823</u>

CAPITAL FUND

TANGIBLE CAPITAL ASSETS (Note 2)		
Water System	<u>\$ 2,223,182</u>	<u>\$ 2,212,304</u>
	 <u>\$ 2,223,182</u>	 <u>\$ 2,212,304</u>

LIABILITIES AND SURPLUS

CURRENT FUND

	<u>2007</u>	<u>2006</u>
MFA RESERVES (Note 6)	\$ -	\$ -
CURRENT FUND BALANCE	<u>329,337</u>	<u>274,823</u>
	<u>\$ 329,337</u>	<u>\$ 274,823</u>

CAPITAL FUND

INVESTMENT IN TANGIBLE CAPITAL ASSETS	<u>2,223,182</u>	<u>2,212,304</u>
CONTINGENT LIABILITIES (Note 7)		
	<u>\$ 2,223,182</u>	<u>\$ 2,212,304</u>

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See notes to the consolidated financial statements Chartered Accountants

DISTRICT OF FORT ST. JAMES
WATER UTILITY
STATEMENT OF FINANCIAL ACTIVITIES
For the year ended December 31, 2007

	2007		2006
	Budget (unaudited)	Actual	Actual
REVENUE			
User Charges	\$ 149,100	\$ 146,547	\$ 148,112
Provincial Government Grant	-	-	41,745
Frontage Tax	32,250	32,295	32,216
Nak'azdli Band	9,000	9,000	9,000
Hydrant Rental	7,500	7,500	7,500
Interest on Surplus	1,500	9,953	2,591
Debt Reserve Payout	-	-	85,190
	<u>199,350</u>	<u>205,295</u>	<u>326,354</u>
EXPENDITURE			
Operations			
Service Maintenance	58,763	81,316	39,475
Administration	49,714	48,156	44,451
Pumping	12,719	10,431	10,299
	<u>121,196</u>	<u>139,903</u>	<u>94,225</u>
Debt charges			
Interest	-	-	43,500
Contributions to Other Funds			
Water Capital Fund	18,500	10,878	14,085
	<u>139,696</u>	<u>150,781</u>	<u>151,810</u>
CHANGE IN CURRENT FUND	<u>\$ 59,654</u>	<u>\$ 54,514</u>	<u>\$ 174,544</u>

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See notes to the consolidated financial statements Chartered Accountants

DISTRICT OF FORT ST. JAMES
WATER UTILITY
STATEMENT OF CURRENT FUND BALANCE
For the year ended December 31, 2007

	<u>2007</u>	<u>2006</u>
BALANCE AT BEGINNING OF THE YEAR	\$ 274,823	\$ 100,279
CHANGE IN CURRENT FUND	<u>54,514</u>	<u>174,544</u>
BALANCE AT END OF THE YEAR	<u>\$ 329,337</u>	<u>\$ 274,823</u>

DISTRICT OF FORT ST. JAMES
WATER UTILITY
STATEMENT OF INVESTMENT IN CAPITAL ASSETS
For the year ended December 31, 2007

	<u>2007</u>	<u>2006</u>
BALANCE AT BEGINNING OF THE YEAR	\$ 2,212,304	\$ 1,966,354
ACTUARIAL ADJUSTMENT	-	231,865
CONTRIBUTIONS FROM WATER REVENUE FUND		
Acquisition of Tangible Capital Assets	<u>10,878</u>	<u>14,085</u>
BALANCE AT END OF THE YEAR	<u>\$ 2,223,182</u>	<u>\$ 2,212,304</u>

DISTRICT OF FORT ST. JAMES

RESERVE FUNDS

STATEMENT OF FINANCIAL POSITION

December 31, 2007

ASSETS

	<u>2007</u>	<u>2006</u>
CURRENT ASSETS		
Due from Current Fund	<u>\$ 1,431,519</u>	<u>\$ 650,792</u>
	<u>\$ 1,431,519</u>	<u>\$ 650,792</u>

FUND BALANCES

RESERVES

Fire Department (Machinery, Equipment and Capital)	\$ 6,189	\$ 5,956
Municipal Hall and Library	-	-
Ambulance Station	47,543	45,755
Cottonwood Park Recreation	6,825	6,568
Public Works (Machinery and Equipment)	1,120	1,078
Land Development	24,663	11,609
Community Centre	498,715	-
Indoor Pool	13,841	13,320
Arena (Equipment and Capital)	35,297	26,387
Tandem Axle Sinking Fund	-	-
Gas Tax	162,757	95,920
Community Forest	614,600	427,220
Cemetary Trust	13,413	12,346
CISM Team Trust	3,000	-
Disaster Relief Trust	3,252	3,130
2010 Olympic Trust	304	1,503
	<u>\$ 1,431,519</u>	<u>\$ 650,792</u>

CONTINGENT LIABILITIES (Note 7)

RHN SCHMITZ de GRACE

See notes to the consolidated financial statements Chartered Accountants

DISTRICT OF FORT ST. JAMES
RESERVE FUNDS
STATEMENT OF FINANCIAL ACTIVITIES
For the year ended December 31, 2007

	<u>2007</u>	<u>2006</u>
FIRE DEPARTMENT (MACHINERY, EQUIPMENT AND CAPITAL)		
Balance at beginning of the year	\$ 5,956	\$ 5,759
Interest	233	197
	<u>6,189</u>	<u>5,956</u>
MUNICIPAL HALL AND LIBRARY		
Balance at beginning of the year	-	10,219
Interest	-	123
Transfer to General Capital Fund	-	(10,342)
	<u>-</u>	<u>-</u>
AMBULANCE STATION		
Balance at beginning of the year	45,755	44,236
Interest	1,788	1,519
	<u>47,543</u>	<u>45,755</u>
COTTONWOOD PARK RECREATION		
Balance at beginning of the year	6,568	17,184
Interest	257	588
Transfer to General Capital Fund	-	(11,204)
	<u>6,825</u>	<u>6,568</u>
PUBLIC WORKS (MACHINERY AND EQUIPMENT)		
Balance at beginning of the year	1,078	1,042
Interest	42	36
	<u>1,120</u>	<u>1,078</u>
LAND DEVELOPMENT		
Balance at beginning of the year	11,609	-
Interest	454	-
Transfer from Current Fund	12,600	11,609
	<u>24,663</u>	<u>11,609</u>

RHN SCHMITZ de GRACE

See notes to the consolidated financial statements Chartered Accountants

DISTRICT OF FORT ST. JAMES

RESERVE FUNDS

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended December 31, 2007

	<u>2007</u>	<u>2006</u>
COMMUNITY CENTRE		
Balance at beginning of the year	\$ -	\$ -
Donation	<u>498,715</u>	<u>-</u>
	<u>498,715</u>	<u>-</u>
INDOOR POOL		
Balance at beginning of the year	13,320	12,878
Interest	<u>521</u>	<u>442</u>
	<u>13,841</u>	<u>13,320</u>
ARENA (EQUIPMENT AND CAPITAL)		
Balance at beginning of the year	26,387	17,873
Interest	1,030	614
Transfer from Current Fund	<u>7,880</u>	<u>7,900</u>
	<u>35,297</u>	<u>26,387</u>
TANDEM AXLE SINKING FUND		
Balance at beginning of the year	-	18,917
Interest	-	526
Transfer to Current Fund	<u>-</u>	<u>(19,443)</u>
	<u>-</u>	<u>-</u>
GAS TAX		
Balance at beginning of the year	95,920	-
Interest	4,469	-
Federal Government Grant	<u>62,368</u>	<u>95,920</u>
	<u>162,757</u>	<u>95,920</u>
COMMUNITY FOREST		
Balance at beginning of the year	427,220	-
Interest	16,695	-
Transfer to Current Fund	(54,570)	-
Transfer from Current Fund	<u>225,255</u>	<u>427,220</u>
	<u>614,600</u>	<u>427,220</u>

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See notes to the consolidated financial statements Chartered Accountants

DISTRICT OF FORT ST. JAMES

RESERVE FUNDS

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended December 31, 2007

	<u>2007</u>	<u>2006</u>
CEMETARY TRUST		
Balance at beginning of the year	\$ 12,346	\$ 11,082
Interest	482	379
Transfer from Current Fund	585	885
	<u>13,413</u>	<u>12,346</u>
CISM TEAM TRUST		
Balance at beginning of the year	-	-
Donations	3,000	-
	<u>3,000</u>	<u>-</u>
DISASTER RELIEF TRUST		
Balance at beginning of the year	3,130	3,018
Interest	122	112
	<u>3,252</u>	<u>3,130</u>
2010 OLYMPIC TRUST		
Balance at beginning of the year	1,503	-
Interest	18	-
Donations	300	1,503
Payouts	(1,517)	-
	<u>304</u>	<u>1,503</u>
	<u>\$ 1,431,519</u>	<u>\$ 650,792</u>

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