



VILLAGE OF BELCARRA
"Between Forest and Sea"



ANNUAL REPORT

2006

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An Open Letter from Council to the Citizens of Belcarra

On behalf of Council, I am pleased to present the *2005 Annual Report* for the *Village of Belcarra*. The report incorporates comprehensive financial statements as well as highlights of the Village's accomplishments over the past year.

Over the past year, Council has worked with staff and citizen volunteers to provide the residents of Belcarra with the best possible municipal services. Last year marked many accomplishments:

- Completing three components of a *Water Distribution Study* to determine the costs and preferred source to provide potable water from the *Greater Vancouver Water District* (GVWD) system to the Village;
- Conducting a *Community Opinion Question* vote to solicit residents' support for Council to pursue infrastructure funding for a potable water supply — residents voted 69% in favour of this initiative;
- Completing Phase Four of the Fire Protection watermain encompassing 500 meters of watermain along Bedwell Bay Road from Tatlow Road to Kelly Road, and from Kelly Road to Main Avenue;
- Ongoing discussions with the *Burrard Environmental Review Committee* (BERC), and *Vancouver Port Authority* (VPA) regarding a *Sustainability Plan* for Bedwell Bay.

During 2006, work on these and the initiatives identified in developing the 2006–2010 *Financial Plan* will continue for the long term benefit of the community.

Council welcomes input from its residents on the *2005 Annual Report* and invites you to bring forward suggestions for developing goals and objectives for future years.

Thank you for your on-going support.



Ralph Drew
Mayor

Council & Council's Vision

Council

Council is the legislative body representing the citizens of Belcarra, providing leadership and establishing policies for the *Village of Belcarra's* municipal government. The Mayor and four Councillors comprise Council and are elected to office for a three year term. Council reviews and establishes budget levels for civic operations and capital expenditures. The Mayor chairs meetings of Council and is an ex-officio member of all Council committees, and all bodies to which Council has the right to appoint members.

The five Committees established by Council are: Environmental Protection; Finance; Protective Services; Public Works and Treaty Advisory. Council establishes committees for Special Projects as required.

Council holds two regular meetings each month, typically on the first and third Monday. Meetings are open to the public. The agendas and minutes are available on the municipal website at www.belcarra.ca and from the municipal office.

Council's Vision

Belcarra will aspire to provide and enable effective and accountable leadership with a focus on a safe, enjoyable community, unique because of its spectacular setting *Between Forest and Sea* and its strong sense of pride; and where:

- Citizens have a collective sense of belonging, and contribute to the quality of life in the community;
- The environment is nurtured for present and future generations;
- The community celebrates a vibrant culture and heritage;
- Dedicated volunteerism continues to keep our community alive and thriving;
- Open, fair and responsive government is provided in a manner that recognizes the impact of decisions on the residents within the community;
- Municipal services are delivered in an effective manner at a cost acceptable to the taxpayers.

Citizen Involvement

Volunteers — Visible, Vital and Valuable to Belcarra

Volunteerism and community participation play an important part in building the spirit of our community.

Beginning with the dedicated efforts of Belcarra's two original ratepayer's associations that were successful in the incorporation of the municipality in 1979, our *Sasamat Volunteer Fire Department* (SVFD), our *Community and Recreation Association of Belcarra* (CRAB), and citizen committees, Belcarra residents have a long history of volunteer activities.

Belcarra is a strong community because of its many volunteers who support community projects and contribute to making our Village a strong, safe and healthy community. Belcarra volunteers give hope and friendship to those in need; help when asked and, more importantly; give help just because they can.

You will find volunteers involved in the fire department, the emergency preparedness and block watch programs, environmental programs and recreational programs. The participation, commitment and contributions of Belcarra's residents are essential to the quality of life in our community.

The *Village of Belcarra* is a better place to live thanks to the tireless efforts of volunteers working throughout the community. It is with sincere appreciation that we say "thank you" to our volunteers who generously give assistance to make the Village a beautiful place to live, grow and prosper.

Organization & Financial Management

On an annual basis, staff works with Council to set objectives which guide the priorities for the Village for each coming year. A comprehensive financial framework has been developed to provide a long-term approach to affordability.

The key elements of the financial framework include:

- A budget process spanning a five year planning period and includes public consultation;
- A commitment to a long-term approach to plan for results, responsibility and accountability;
- Capital planning principles based on the “pay-as-you-go” philosophy;
- A long term approach to setting aside reserves for equipment replacement; and
- Review of the fees and charges for the services we offer to ensure there’s equity for both users of the service and taxpayers who may not directly benefit from the service.

The *Financial Framework* and *Five Year Financial Plan* guide our decisions and actions as staff work towards the corporate goals Council has established. Recognizing that many of the goals span over multiple years, it is important to track and report the progress to Council and the community.

Lynda Floyd
Administrator

Strategic & Corporate Objectives – Administration/Council – 2005

Progress Report on objectives set by Council in 2005

Objective	Strategy	Measure
Complete Emergency Recovery Manual	<ul style="list-style-type: none"> ➤ Hold workshops. ➤ Enhance Emergency Disaster Plan Manual completed in July 2004. ➤ Provide a basis for the municipality to be operational following a disaster. 	Manual completed. Workshops and exercises will be planned as next steps.
Streamline Finance Department	Purchase and install new Integrated Accounting Software.	Software purchase and installation completed.
Increase Finance Department Efficiency	Provide more efficient Property Tax Notice maintenance, Building Permit tracking, and overall better accountability to residents.	Implementation of accounting software components started in 2005.
Increase Municipal Government Efficiency	Purchase new photocopier to operate from desktops to reduce operating costs on printing and provide better service to community.	Photocopier purchased and installed.
Pursue findings in the 2004 Hydrological Assessment of Belcarra Aquifer	Conduct a Referendum Question to solicit residents' support for Council to pursue infrastructure funding for a potable water supply.	Community Question held November 19, 2005. Residents voted 69% in favour of pursuing infrastructure funding.
Investigate costs to provide residents with potable water from GVWD	Commission three components of a <i>Water Distribution Study</i> to determine the costs and preferred source to provide potable water to the Village.	<ul style="list-style-type: none"> ➤ Infrastructure Planning Grant applications for the three components submitted to and approved by the Province. ➤ Dayton & Knight completed three components of the Water Distribution Study. ➤ Public Information meeting held in November 2005.
Prepare <i>Tsunami Response Plan</i>	Apply for grant funding to develop a <i>Tsunami Response Plan</i> to enhance Belcarra's <i>Emergency Disaster Plan</i>	<ul style="list-style-type: none"> ➤ Grant funding obtained from the Province. ➤ Plan development underway, estimated completion in Spring 2006.

Strategic & Corporate Objectives – Public Works – 2005

Progress Report on objectives set by Council in 2005

Objective	Strategy	Measure
Extend Fire Protection Watermain System	Install Watermain System on Bedwell Bay Road to increase area serviced by IAO rated fire hydrants and percentage of homeowners receiving fire insurance savings.	Completed Phase Four of the Fire Protection watermain encompassing 500 meters of watermain along Bedwell Bay Road from Tatlow Road to Kelly Road, and from Kelly Road to Main Avenue.
Monitor Garbage and Recycle Depot	Install video monitoring at Garbage and Recycle Depot to determine number of people abusing use of the site by dropping-off large items.	Equipment installation postponed and included in 2006 work plan for completion.
Enhance existing and create new pathways	Create walkways for residents on Bedwell Bay Road; Apply for GVTA Capital Funding.	Application for funding postponed until 2007 work plan.
Complete the Bedwell Bay Sustainability Plan	<ul style="list-style-type: none"> ➤ Work with BERC to assess the eel grass in Bedwell Bay. ➤ Increase number of residents who wish to access a dock in Bedwell Bay. 	Discussions held with the <i>Burrard Environmental Review Committee</i> (BERC) and <i>Vancouver Port Authority</i> (VPA) towards developing a <i>Sustainability Plan</i> for Bedwell Bay.
Prepare <i>Wildlife Interface Fire Management Plan</i>	Identify probably risks and solutions to the risks of a wildland interface fire.	Provincial funding obtained and <i>Wildlife Interface Fire Management Plan</i> completed October 2005.

Strategic & Corporate Objectives – Administration / Council – 2006 / 2007

Objectives set by Council and Staff for 2006 / 2007

Objective	Strategy	Measure
Complete <i>Emergency Recovery Manual</i>	Provide a basis for the municipality to be operational following a disaster.	<ul style="list-style-type: none"> ➤ Hold workshops; ➤ Enhance <i>Emergency Disaster Plan Manual</i> completed in July 2004.
Update Village Bylaws	<ul style="list-style-type: none"> ➤ Review and update the <i>Official Community Plan</i> Bylaw. 	Identify revisions to meet legislative requirements and conduct public consultation to

	➤ Bylaw review and updating will be ongoing.	solicit community input.
Determine costs to provide residents with potable water from GVWD source, using the preferred option identified in the <i>2005 Water Distribution Studies</i>	Engage engineering consultant to determine costs to provide potable water from the <i>Greater Vancouver Water District</i> (GVWD) system to the Village by connecting to source located in the <i>District of North Vancouver</i> .	Complete cost analysis by Fall 2006 in anticipation of 2006 Capital Grant program announcement.
Develop <i>Water Conservation Plan</i>	Apply for Provincial Planning Grant Funding to engage engineering consultant to develop a <i>Water Conservation Plan</i> .	Complete <i>Water Conservation Plan</i> by Fall 2006 in anticipation of 2006 Capital Grant program announcement.
Prepare <i>Tsunami Response Plan</i>	Utilize provincial funding to develop <i>Tsunami Response Plan</i> .	<ul style="list-style-type: none"> ➤ Continue work begun in 2005 to finalize the plan by Spring 2006. ➤ Plan and hold emergency exercises in the Fall 2006.
Increase Finance Department Efficiency	Provide more efficient <i>Property Tax Notice</i> maintenance, <i>Building Permit</i> tracking, and overall better accountability to residents.	Implement accounting software components for <i>Property Tax</i> , <i>Building Permit</i> and <i>Business Licence</i> modules.
Enhance Administrative Efficiencies	Provide staff training to improve customer service.	Prepare a new <i>Office Procedures Manual</i> .

Strategic & Corporate Objectives – Public Works – 2006 / 2007

Objectives set by Council and Staff for 2006 / 2007

Objective	Strategy	Measure
Extend Fire Protection Watermain System	Install Watermain System on Marine Avenue to West Road to increase area serviced by IAO rated fire hydrants and percentage of homeowners receiving fire insurance savings.	Undertake survey and design of Fire Protection watermain along Marine Avenue to West Road in preparation for 2007 capital works program.
Monitor Recycle Depot	Install video surveillance at Recycle Depot and Municipal Office to improve compliance with bylaws and security for both sites.	<ul style="list-style-type: none"> ➤ Monitor recycling depot activities. ➤ Enhance security.
Complete the <i>Bedwell Bay Sustainability Plan</i>	Work with BERC to monitor Eel Grass in Bedwell Bay. Increase number of residents who wish to access a dock in Bedwell Bay.	Continue discussions with the <i>Burrard Environmental Review Committee</i> (BERC) and <i>Vancouver Port Authority</i> (VPA) to complete a <i>Sustainability Plan</i> for Bedwell Bay.
Rehabilitate Senkler Bridge	Monitor structural condition of Senkler Bridge on an annual basis to determine timelines for rehabilitation works.	Inspection of Senkler Bridge structure is scheduled for 2007.
Reduce Abuse of Recycle Depot	Install monitored gate and card-lock system to access Recycle Depot.	<ul style="list-style-type: none"> ➤ Improve risk management of recycling depot. ➤ Reduce dumping of non-recyclables and associated costs for disposal of same.

2006 Financial Plan & Budget-In-Brief

On April 25th, Belcarra's 2006 annual budget and five-year financial plan was presented to the community. Only a few residents attended the information session; however, even with a small number, participation in the discussion and questions was good. For those residents who couldn't attend the presentation, the *Financial Plan Presentation* is posted on Belcarra's website (www.belcarra.ca). The dominant issue regarding preparation of the budget this year continues to be funding of capital infrastructure.

The "Guiding Principles" used for the development of the current five-year financial plan originated from the *Capital Planning Forum* held in November 2000, and are as follows:

- Long-term (10 year) perspective.
- "Pay-as-you-go" philosophy.
- No change to service levels.
- Reserves must be funded.
- Infrastructure must be maintained.
- Infrastructure maintenance requires a minimum of \$150,000 p.a. funding.

Seven years ago the province combined their grants into a single "lump sum" *Small Community Protection Grant* of \$102,900; however, provincial grants have not increased in 15 years. This means that other sources of funding (the tax levy) must make-up the equivalent of 35% of the grant total, that is, the amount lost to inflation over the past 15 years (~ \$35,000) in addition to all other increased operating costs.

The 2006 budget has been set at \$681,921 which is 5.0% lower than the 2005 actual expenditures. **The "bottom line" is a residential tax increase of 5.0% for 2006.**

It is important to note that while the municipal tax levy accounts for 70% of the operating budget, **the municipal tax levy only accounts for 37% of the overall property tax.**

In order to provide additional perspective to the foregoing, I have provided the following background information regarding the financial status of the municipality.

Reserve Funds

As at December 31st, 2005, the municipal financial reserves stood as follows:

Capital Works Reserve	\$ 124,052
Equipment Replacement Reserve	<u>\$ 44,674</u>
TOTAL RESERVES	<u>\$ 168,726</u>

During 2005, interest earnings from the reserve accounts amounted to \$2,511 — equivalent to \$0.012 per \$1000 of assessment. This was a small decrease from interest earned in 2004 of \$2,523 due to low interest rates. For 2006, an interest accrual of \$4,500 is projected for the reserve funds based on an average interest rate of 2.0%. Note: Reserve funds cannot be used,

even temporarily, for operating in order to offset borrowing costs, and all interest earned by the reserve funds must be accrued to the reserve funds.

Capital Expenditures Funding

The *Contribution to Capital* for 2006 has been set at \$167,958 to reflect Council's commitment to the capital program of fire protection infrastructure works and roads reconstruction:

PROJECT	PROJECT COST	GENERAL REVENUE	OTHER FUNDING	COMMENTS OR SOURCE OF FUNDS
Fire Protection Water Main – Survey & Design Tatlow Extension to West Road	\$7,000	\$7,000	0	Fire Protection Water Main
Fire Protection Water Main – 2006 <u>works completed in 2005</u>	\$113,888	\$62,965	\$50,923	Fire Protection Water Main
Equipment – Recycle Depot	\$6,500	\$6,500	0	Video Camera
Equipment Reserve – Truck Replacement	\$20,000	\$20,000	0	Purchase Planned in 2008
Equipment Reserve – Tractor Replacement	\$15,000	\$15,000	0	Purchase Planned in 2010
Office – Software Upgrade	\$5,570	\$5,570	0	Accounting Software
TOTAL CAPITAL	\$167,958	\$117,035	\$50,923	

Taxes Receivable

As at December 31st, 2005, the taxes receivable totalled \$8,880 comprised of overdue 2004 and 2005 taxes. This represents a decrease of \$6,900 in taxes receivable over the \$15,781 receivable as at December 31st, 2004.

An important consideration with taxes receivable is the fact that the Village has to borrow funds to operate and pay the School Taxes whenever property owners do not pay taxes. This places an additional financial burden in the form of increased borrowing charges. It is imperative that every effort be made to reduce the level of unpaid taxes.

Borrowing Costs

The cost of borrowing money during 2005 (interest and bank charges) amounted to \$2,472 — an amount equivalent to \$0.013 per \$1000 of assessment. This was lower than the 2004 borrowing costs of \$2,615; this amount includes the offset accrued interest paid on Tax Prepayments. For 2006, the projected borrowing costs are estimated to be \$3,000 — which equates to \$0.013 per \$1000 of assessment. Note: The Village borrows its temporary operating funds from the MFA at prime minus one-half percent.

The most important factor influencing annual borrowing costs is the prevailing interest rate from January until July, when the 2006 taxes are received. However, as a result of Belcarra's property tax prepayment program, there is a reduced requirement to borrow operating funds during the first six months of the year.

As can be appreciated, the prompt payment of taxes means that borrowed funds can be quickly paid back, and investments made earn interest and offset the cost of borrowing during the first half of the year.

Investment Revenue

An important financial consideration is the management of municipal funds in order to maximize investment revenue. During 2005, \$6,676 was earned as interest on investments — equivalent to \$0.033 per \$1000 of assessment. Following the receipt of taxes last July, we were able to invest a higher amount in the MFA money market, as a result of no operating loans. A similar investment strategy is proposed for 2006, due to lower interest rates investment income is being projected at \$4,500 — equivalent to \$0.020 per \$1000 of assessment.

Provincial Government Grants

Same as last year, the municipality now only receives a single “lump sum” grant of \$102,900 (*The Small Community Protection Grant*). This amount, however, has not changed over the past 15 years. As a consequence, the residential tax levy has to absorb the amount lost to inflation, which for the past 15 years amounts to ~35% or an additional \$35,000 on the general-purpose tax levy. Thus, the “freeze” on provincial grants continues the subtle form of downloading onto municipalities by the province!

Garbage User Fee

The 2006 *Garbage User Fee* has increased from \$125 per residence to \$140 (\$280 if the residence contains an accessory suite). The increase of \$15 is the first change to the garbage user fee in 14 years. This change in the fee is needed to offset increased hauling costs (read increased fuel costs) from the contractor that provides the service. Calculated on the basis of a user group of 328 households, the garbage revenues will amount to \$46,515 for 2006. Council will continue the two projects initiated in 2001 on a trial basis; namely, the “no charge” tree chipping service and the “nominal charge” large item pickup service.

Licence Fees

Licence Fees in 2005 amounted to \$3,965. For 2006 *Licence Fees* are projected at \$3,500. A big boost is the ongoing filming in *Belcarra Regional Park*, where the Village receives *Business Licence* fees. Filming revenues cannot be estimated as they are an unknown during the year.

Planning Program

The budget for *General Planning* has been set at \$12,000 for 2006, which includes provision for the OCP review. In 2005, the cost incurred for planning was \$40,274; the result of a) the three infrastructure studies completed by *Dayton & Knight Consulting Engineers Ltd.* for the Belcarra water system supply, design and costing options; and b) the YMCA application for rezoning the

Camp Howdy lands. In addition, the 2006 financial plan includes a provision for undertaking the *Preferred Option Predesign Study* for sourcing GVWD water from the *District of North Vancouver*.

Public Works Maintenance

The 2006 maintenance budget for roads, drainage and general purposes has been set at \$101,869. GVTA funding in 2006 will increase from \$59,000 to \$61,800 for the maintenance of Bedwell Bay Road under the *GVTA Main Roads Network (MRN)*. \$50,923 of the 2006 funds were used in 2005 to complete capital works on Bedwell Bay Road at the time the fire protection water main was installed.

Municipal Levy

The 2006 municipal tax rate has been reduced by 7.5% from \$2.12 to \$1.96 per \$1000 of assessed value. This levy will yield a total of \$456,661 on the \$232,990,601 assessment role. **The “bottom line” is that the average property tax increase is 5.0% for 2006.** Note: The municipal tax levy accounts for 70% of Belcarra's overall operating budget, and only 37% of the overall property tax.

2005 Audited Financial Statements

Village of Belcarra
FINANCIAL STATEMENTS
December 31, 2005

Village of Belcarra

December 31, 2005

Management's Responsibility for Financial Reporting

The accompanying Village financial statements are the responsibility of management and have been approved by the Administrator on behalf of the Mayor and Council.

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The Village maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Village's assets are appropriately accounted for and adequately safeguarded.

The Village Mayor and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The Village Mayor and Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the financial statements and the external auditors' report.

The financial statements have been audited by D&H Group LLP, Chartered Accountants in accordance with Canadian generally accepted auditing standards. D&H Group LLP has full and free access to the Mayor and Council.

"Ralph Drew"

Mayor

"Lynda Floyd"

Administrator

AUDITORS' REPORT

To the Mayor and Council of the
Village of Belcarra

We have audited the balance sheet of the Village of Belcarra as at December 31, 2005 and the statement of revenue and expenditures and changes in fund balances for the year then ended. These financial statements are the responsibility of the municipality'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 misstatements. 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 municipality as at December 31, 2005 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the *Community Charter* (British Columbia), we report that, in our opinion these principles have been applied on a basis consistent with that of the preceding year.



Vancouver, B.C.
March 23, 2006

Chartered Accountants

D&H Group LLP

a B.C. Limited Liability Partnership of Corporations

member of BHD Association with affiliated offices across Canada and internationally

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Village of Belcarra

BALANCE SHEET

December 31, 2005

	2005			2004	
	Operating fund	Capital fund	Reserve fund	Total	Total
ASSETS					
CURRENT ASSETS					
Cash	\$ 97,530	\$ -	\$ 30,546	\$ 128,076	\$ 31,945
Investments	11	-	117,009	117,020	343,813
Accounts receivable (Note 2)	127,339	-	-	127,339	60,402
Due from capital fund	11,264	-	-	11,264	-
Due from reserve fund	-	-	-	-	3,731
Due from operating fund	-	-	21,171	21,171	5,855
	236,144	-	168,726	404,870	445,746
PROPERTY, PLANT AND EQUIPMENT (NOTE 3)					
	-	3,222,278	-	3,222,278	2,914,001
INTANGIBLE ASSET					
	-	664,236	-	664,236	664,236
	\$ 236,144	\$ 3,886,514	\$ 168,726	\$ 4,291,384	\$ 4,023,983
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable and accrued liabilities	\$ 78,703	\$ -	\$ -	\$ 78,703	\$ 84,984
Due to capital fund	-	-	-	-	5,855
Due to reserve fund	21,171	-	-	21,171	-
Due to operating fund	-	11,264	-	11,264	3,731
Property taxes collected in advance	118,551	-	-	118,551	100,461
Performance bonds	40,684	-	-	40,684	38,509
Debentures payable (Note 4)	-	-	-	-	17,119
	259,109	11,264	-	270,373	250,659
COMMITMENTS AND CONTINGENT LIABILITY (Notes 6, 7 and 8)					
FUND BALANCES (DEFICIENCY)					
OPERATING FUND					
Fund balance (deficiency)	(62,965)	-	-	(62,965)	-
Reserve for future expenditure (Schedule 1)	40,000	-	-	40,000	40,136
	(22,965)	-	-	(22,965)	40,136
EQUITY IN CAPITAL ASSETS					
	-	3,875,250	-	3,875,250	3,566,973
RESERVE FUND (SCHEDULE 2)					
Equipment replacement	-	-	44,674	44,674	44,009
Capital works	-	-	124,052	124,052	122,206
	-	-	168,726	168,726	166,215
	(22,965)	3,875,250	168,726	4,021,011	3,773,324
	\$ 236,144	\$ 3,886,514	\$ 168,726	\$ 4,291,384	\$ 4,023,983

Approved by: "Lynda Floyd" Administrator

Village of Belcarra

STATEMENT OF REVENUE AND EXPENDITURES AND CHANGES IN FUND BALANCES

Year ended December 31, 2005

	2005			2004	
	Operating fund	Capital fund	Reserve fund	Total	Total
REVENUE Taxation – net (Note 5)	\$ 446,177	\$ -	\$ -	\$ 446,177	\$ 411,198
Government grants (Schedule 3)	267,259	-	-	267,259	179,218
Garbage collection	41,252	-	-	41,252	41,000
Sundry	8,828	-	-	8,828	18,655
Penalties and interest on taxes	3,378	-	-	3,378	5,870
Licenses and permits	19,255	-	-	19,255	32,132
Main Avenue septic lease fees	4,200	-	-	4,200	4,200
Interest	44,660	-	2,511	47,171	25,278
Donations	-	-	-	-	2,000
	835,009	-	2,511	837,520	719,551
EXPENDITURES					
General government (Schedule 4)	336,755	-	-	336,755	290,750
Public works	158,028	-	-	158,028	198,976
Capital expenditures	308,277	-	-	308,277	167,296
Garbage disposal	39,180	-	-	39,180	31,850
Interest and bank charges	13,926	-	-	13,926	18,734
Planning	40,273	-	-	40,273	21,724
Septic lease fees – G.V.R.D.	1,671	-	-	1,671	2,100
	898,110	-	-	898,110	731,430
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES FOR THE YEAR	(63,101)	-	2,511	(60,590)	(11,879)
INTER-FUND TRANSFERS					
Transfer to (from) fund	-	-	-	-	-
Contributions received for acquisition of capital assets from operating fund	-	308,277	-	308,277	152,740
	-	308,277	2,511	247,687	152,740
FUND BALANCE, beginning of year	40,136	3,566,973	166,215	3,773,324	3,632,463
NET FUND BALANCE (DEFICIENCY), end of year	\$ (22,965)	\$ 3,875,250	\$ 168,726	\$ 4,021,011	\$ 3,773,324
NET OPERATING FUND BALANCE (DEFICIENCY) COMPRISED OF:					
RESERVE FOR FUTURE EXPENDITURE (Schedule 1)	\$ 40,000				
OPERATING FUND BALANCE (DEFICIENCY)	(62,965)				
	\$ (22,965)				

Village of Belcarra

CHANGES IN RESERVE FOR FUTURE EXPENDITURES (OPERATING FUND)

Year ended December 31, 2005

	2005	2004
BALANCE, beginning of year	\$ 40,136	\$ 73,223
LESS Amounts used during the year	<u>40,136</u>	<u>54,522</u>
	-	18,701
ADD		
Contribution – General	40,000	16,235
Appropriation from reserve fund – GVTA	-	-
Appropriation from reserve – gas main debenture	-	5,200
BALANCE, end of year	<u>\$ 40,000</u>	<u>\$ 40,136</u>

FUND COMPRISED OF:

Future paving	\$ -	\$ -
GVTA – Highway maintenance	-	3,400
Gas main extension debenture	-	20,800
Historical book fund proceeds	-	-
West Nile virus grant	-	4,662
UBCM Grant	-	3,274
Fire protection	-	6,000
Ground water protection grant	-	2,000
Regional water source grant	10,000	-
Local water source grant	10,000	-
Distribution infrastructure grant	10,000	-
Tsunami grant	<u>10,000</u>	<u>-</u>
	<u>\$ 40,000</u>	<u>\$ 40,136</u>

CHANGES IN RESERVE FUND

Year ended December 31, 2005

	Equipment replacement	Capital works	2005	2004
BALANCE, beginning of year	\$ 44,009	\$ 122,206	\$ 166,215	\$ 159,563
INTEREST ON INVESTMENTS	665	1,846	2,511	2,523
TRANSFER TO CAPITAL FUND	-	-	-	(14,556)
	44,674	124,052	168,726	147,530
APPROPRIATION FROM OPERATIONS	-	-	-	18,685
BALANCE, end of year	<u>\$ 44,674</u>	<u>\$ 124,052</u>	<u>\$ 168,726</u>	<u>\$ 166,215</u>

Village of Belcarra
GOVERNMENT GRANTS
Year ended December 31, 2005

	Actual 2005	Budget 2005	Actual 2004
OPERATING FUND			
Revenue sharing	\$ 102,889	\$ 102,889	\$ 102,889
GVTA Major Roads maintenance	116,441	58,890	45,400
Ground Water Protection Project			10,000
Belcarra water users			9,719
West Nile Virus grant	3,666	-	5,000
Union of B.C. Municipalities	-	-	3,750
Joint Emergency Preparedness Program	4,263	4,800	2,460
Distribution infrastructure	10,000	-	-
Regional water source	10,000	-	-
Local water source	10,000	-	-
Tsunami	10,000	-	-
	\$ 267,259	\$ 166,579	\$ 179,218

GENERAL GOVERNMENT EXPENDITURES
Year ended December 31, 2005

	Actual 2005	Budget 2005	Actual 2004
ADMINISTRATION SALARIES AND BENEFITS	\$ 163,246	\$ 154,250	\$ 153,037
COUNCIL INDEMNITIES	37,950	37,950	34,500
DUES, CONVENTIONS AND ADVERTISING	15,976	16,500	17,843
INSURANCE	18,716	15,000	14,948
LEGAL AND AUDIT	55,772	23,700	17,143
MAINTENANCE, HEAT AND LIGHT OF OFFICES AND EQUIPMENT	7,283	6,500	6,153
OFFICE SUPPLIES AND PRINTING	16,910	17,849	15,924
SUNDRY	8,260	19,317	18,450
TELEPHONE AND POSTAGE	12,642	13,000	12,752
	\$ 336,755	\$ 304,066	\$ 290,750

Village of Belcarra

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2005

1. ACCOUNTING POLICIES

Basis of presentation

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles which necessarily involves the use of estimates. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of significant accounting policies summarized below.

Basis of accounting

The Village uses the modified accrual basis of accounting, which is full accrual except for accrued interest on long-term debt.

Revenue recognition

Property taxes are recognized as revenue in the year in which they are assessable.

Government grant revenue is recognized in the year that the respective grant agreement becomes effective, except that amounts to be expended subsequent to year end are deferred and recognized in the period the related expenditures are incurred. Government cost-sharing contributions are recognized in the year related costs are incurred to the extent collection of the contribution is reasonably assured.

Investments

Investments are recorded at cost and are comprised of money market funds held with the Municipal Finance Authority of B.C. The market value of the investments approximate their carrying amount.

Property, plant and equipment

Property, plant and equipment are recorded at cost. In accordance with Ministry of Community Services guidelines, amortization is not recorded.

Intangible asset

Intangible asset is comprised of the gas main extension costs and is recorded at cost. In accordance with Ministry of Community Services guidelines, amortization is not recorded.

2. ACCOUNTS RECEIVABLE	2005	2004
Taxes	\$ 7,546	\$ 15,781
GST rebate receivable	38,244	26,620
Provincial grant receivable	80,923	10,000
Other	626	8,001
	\$ 127,339	\$ 60,402
<hr/>		
3. PROPERTY, PLANT AND EQUIPMENT	2005	2004
Land	\$ 81,500	\$ 81,500
Buildings	289,696	289,696
Office equipment	85,160	74,390
Vehicles	117,684	117,684
Engineering structures	215,916	215,916
Roads	1,464,420	1,181,947
Machinery and equipment	98,171	83,137
Fire protection water main	869,731	869,731
	\$ 3,222,278	\$ 2,914,001

Village of Belcarra
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2005

4.	DEBENTURES PAYABLE		<u>2005</u>		<u>2004</u>
	Municipal Finance Authority – repaid during year	\$	-	\$	1,218
	Municipal Finance Authority – repaid during year		-		<u>15,901</u>
		\$	<u>-</u>	\$	<u>17,119</u>

5. **TAXATION - NET**

Taxation revenue comprises the following amounts raised less transfers:

		<u>2005</u>		<u>2004</u>
General municipal purposes *	\$	445,397	\$	414,232
Collections for other governments				
School District - School tax		565,975		520,443
Greater Vancouver Regional District		93,006		88,441
Greater Vancouver Transit Authority (GVTA)		99,529		46,633
B.C. Assessment Authority		<u>19,305</u>		<u>17,575</u>
		<u>1,223,212</u>		<u>1,087,324</u>
Transfers to other governments				
School District - School tax		565,245		522,730
Greater Vancouver Regional District		92,995		89,082
Greater Vancouver Transit Authority (GVTA)		99,489		46,691
B.C. Assessment Authority		19,246		17,574
Municipal Finance Authority		60		49
		<u>777,035</u>		<u>676,126</u>
	\$	<u>446,177</u>	\$	<u>411,198</u>

* General municipal taxation includes the 1% levy on gross revenue of utility companies.

6. **COMMITMENT UNDER OPERATING LEASE**

The Village leases a photocopier under an operating lease expiring during the fiscal year ending December 31, 2010. The Village is obligated to make the following minimum lease payments under the operating lease in each of the following fiscal years ending:

December 31, 2006	\$ 3,618
December 31, 2007	3,618
December 31, 2008	3,618
December 31, 2009	3,618
December 31, 2010	<u>1,507</u>
	\$ <u>15,979</u>

7. **PENSION LIABILITY**

The Village 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 plan, including investment of the assets and administration of benefits. The plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 130,000 active members and approximately 48,000 retired members. Active members include approximately 30,000 contributors from local governments.

Village of Belcarra

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2005

7. **PENSION LIABILITY**-continued

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent valuation as at December 31, 2003 indicated an unfunded liability of \$ 789 million for basic pension benefits. The next valuation will be as at December 31, 2006 with results available in 2007. The actuary does not attribute portions of the unfunded liability to individual employees. The Village paid \$ 20,373 for employer contributions to the plan in fiscal 2005.

8. **CONTINGENT LIABILITY**

The Village is responsible, as a member of the Greater Vancouver Regional District, for its proportion of any operating deficit or capital debt relating to functions in which it participates.

9. **FINANCIAL INSTRUMENTS**

Financial instruments consist of cash, investments, accounts receivable, accounts payable and accrued liabilities, property taxes collected in advance, and performance bonds.

Fair value

The fair value of the Village's cash, investments, accounts receivable, accounts payable and accrued liabilities, property taxes collected in advance and performance bonds are believed to equal their carrying amounts due to their short terms to maturity.

Interest rate risk

The Village's investments bear interest at a floating rate of interest. Therefore the interest earned and the related cash flow will vary according to changes in the rate of interest.

Credit risk

The Village's primary accounts receivable relate to government grants, GST refunds receivable from the government of Canada and property taxes and related arrears interest and penalties. Collection of the government grants and GST refunds is reasonably assured. The potential loss on property taxes owed, including arrears interest and penalties, is not considered significant because of the Village's authority to sell a property in order to collect the property taxes, interest and penalties owed on that property.

Statement of Property Tax Exemptions – 2005

In accordance with Section 98 (2)(b) of the Community Charter, the following properties within the Village of Belcarra were provided permissive property tax exemptions by Council in 2005.

Property Description		Value of municipal property taxes exempted
Roll No. 0003996.000	YMCA – Camp Howdy Plan 16783, NWLD, PCL F of W1/2 of NW1/4 Sec 30 TP 39 Ex PI 16783	\$1,419.98
Roll No. 0003998.000	YMCA – Camp Howdy Plan 5775, NWLD Lot D of W ½ of NW ¼, Sect 30, TWP 39	\$1,143.32
Roll No. 0003999.000	YMCA – Camp Howdy Plan RP 7821, NWLD, PCL A of the W 1/2 of NW 1/4, Section 30, TWP 39, REF PL 7821	\$172.99
Roll No. 0004000.000	YMCA – Camp Howdy Parcel B, Plan RP8209 Part W 1/2 of NW 1/4, Section 30, TWP 39, NWLD, W 1/2 of NW ¼	\$172.99
Roll No. 0004001.000	YMCA – Camp Howdy Parcel E, Plan EP10236, Part W 1/2 of NW 1/4, Section 30, Township 39 NWLD	\$5,157.96
Roll No. 0004001.001	YMCA – Camp Howdy NWLD, VPA Licence Fronting Parcel E W ½ & N ¼ Section 30, Township 39 NWLD	\$38.16