



VILLAGE OF BELCARRA  
*"Between Forest and Sea"*



# ANNUAL REPORT

## 2007

# Annual Report 2007

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## An Open Letter from Council to the Citizens of Belcarra

On behalf of Council, I am pleased to present the *2007 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 an *Environmental Assessment* of the proposed Indian Arm watermain crossing to provide potable water from the *Greater Vancouver Water District* (GVWD) system to the Village;
- Completing a *Water Use Efficiency Study* that provides recommendations for Council to consider when developing the *Water Conservation Plan* which is a prerequisite to connecting to connecting the *Greater Vancouver Water District* (GVWD) system to the Village;
- Preparing and submitting to the provincial government a comprehensive application for water system infrastructure funding under the *Canada–British Columbia Municipal Rural Infrastructure Fund*;
- Completing the survey work necessary for the design and construction of the next phase of the Fire Protection watermain along the remaining section of Marine Avenue and up West Road to the fire hall;
- Completing of discussions with the *Burrard Environmental Review Committee* (BERC) and *Vancouver Port Authority* (VPA) regarding the draft *Bedwell Bay Sustainability Plan*.

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 *2007 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.

Annually in December, Council adopts the schedule for the next year's regular monthly Council meetings. Regular council meetings are open to the public. The agendas and minutes are available on the municipal website at [www.belcarra.ca](http://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 – 2006**

### ***Progress Report on objectives set by Council and Staff for 2006***

<b>Objective</b>	<b>Strategy</b>	<b>Measure</b>
Complete Emergency Recovery Manual	Provide a basis for the municipality to be operational following a disaster.	<ul style="list-style-type: none"> <li>➤ Hold workshops – delayed until 2007.</li> <li>➤ Enhance Emergency Disaster Plan Manual completed in July 2004.</li> <li>➤ Project 80% complete.</li> </ul>
Update Village Bylaws	<ul style="list-style-type: none"> <li>➤ Review and update the Official Community Plan Bylaw.</li> <li>➤ Bylaw review and updating will be ongoing.</li> </ul>	Identify revisions to meet legislative requirements and conduct public consultation to solicit community input – 35% complete.
Determine costs to provide residents with potable water from GVWD source, using the preferred option identified in the 2005 Water Distribution Studies	Engage engineering consultant to determine costs to provide potable water from the Greater Vancouver Water District (GVWD) system to the Village by connecting to source located in the District of North Vancouver.	<ul style="list-style-type: none"> <li>➤ Cost analysis complete.</li> <li>➤ Application submitted to the Canada – British Columbia Municipal Rural Infrastructure Fund Grant program for 2/3 funding, jointly sponsored by the Federal and BC Provincial governments.</li> <li>➤ Project 100% complete.</li> </ul>
Develop Water Use Efficiency Study	Apply for Provincial Planning Grant Funding to engage engineering consultant to develop a Water Use Efficiency Study.	<ul style="list-style-type: none"> <li>➤ Provincial Planning Grant Funding Approved.</li> <li>➤ Water Use Efficiency Study - 100% complete.</li> <li>➤ Project 100% complete.</li> </ul>
Prepare Tsunami Response Plan	Utilize provincial funding to develop Tsunami Response Plan.	<ul style="list-style-type: none"> <li>➤ Tsunami Response Plan - 100% complete.</li> <li>➤ Plan and hold emergency exercises in the Fall 2006 postponed until 2007 – 10% complete.</li> </ul>
Increase Finance Department Efficiency	Provide more efficient Property Tax Notice maintenance, Building Permit tracking, and overall better accountability to residents.	<ul style="list-style-type: none"> <li>➤ Accounting component for Property Tax implemented. Tax Notices prepared in-house – 100% complete.</li> <li>➤ Building Permit and Business Licence modules implementation delayed until 2007.</li> </ul>
Enhance Administrative Efficiencies	Provide staff training to improve customer service.	Prepare a new Office Procedures Manual – 25% complete.

## **Strategic & Corporate Objectives – Public Works – 2006**

### ***Progress Report on objectives set by Council and Staff for 2006***

<b>Objective</b>	<b>Strategy</b>	<b>Measure</b>
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.	<ul style="list-style-type: none"> <li>➤ Design of Fire Protection watermain along Marine Avenue to West Road in preparation for 2007 capital works program – 100% complete.</li> <li>➤ Survey work 90% complete; remaining 10% to be completed early 2007.</li> </ul>
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"> <li>➤ Video surveillance installed at Recycle Depot and Municipal Office – 100% complete.</li> <li>➤ Compliance with bylaws at Recycle Depot improved by 75%.</li> </ul>
Complete the Bedwell Bay Sustainability Plan	Work with BERC to monitor Eel Grass in Bedwell Bay. Increase number of residents who wish to access a dock in Bedwell Bay.	<ul style="list-style-type: none"> <li>➤ Discussions with the Burrard Environmental Review Committee (BERC) and Vancouver Port Authority (VPA) to complete a Sustainability Plan for Bedwell Bay – delayed to completed community and agency consensus.</li> <li>➤ Project 80% complete.</li> </ul>
Rehabilitate Senkler Bridge	Monitor structural condition of Senkler Bridge on an annual basis to determine timelines for rehabilitation works.	Inspection of Senkler Bridge structure – 100% complete.
Reduce Abuse of Recycle Depot	Install monitored gate and card-lock system to access Recycle Depot.	<ul style="list-style-type: none"> <li>➤ Installation of monitored gate and card-lock system delayed until 2007 or 2008.</li> <li>➤ Project 20% complete.</li> </ul>

## **Strategic and Corporate Objectives - Administration/Council – 2007/2008**

### ***Objectives set by Council and Staff for 2007/2008***

<b>Objective</b>	<b>Strategy</b>	<b>Measure</b>
Complete Emergency Recovery Manual	Provide a basis for the municipality to be operational following a disaster.	<ul style="list-style-type: none"> <li>➤ Hold workshops;</li> <li>➤ Enhance Emergency Disaster Plan Manual completed in July 2004.</li> </ul>
Update Village Bylaws	<ul style="list-style-type: none"> <li>➤ Review and update the Official Community Plan Bylaw.</li> <li>➤ Implement a consolidated fees and charges bylaw.</li> <li>➤ Bylaw review and updating will be ongoing.</li> </ul>	Identify revisions to meet legislative requirements and conduct public consultation to solicit community input.
Provide residents with potable water from GVWD Source, if Municipal Rural Infrastructure Fund grant application receives Provincial/Federal approval	Hold referendum to determine elector assent for a local service area establishment bylaw of benefiting properties and loan authorization bylaw to provide residents with potable water from GVWD source, using the preferred option identified in the 2006 Preferred Option Pre-design Study	Referendum is carried by a majority vote of the local service area residents.
Develop Water Conservation Plan	Develop a Water Conservation Plan based on the Water Use Efficiency Study findings from Dayton & Knight.	Complete Water Conservation Plan by Fall 2008.
Prepare Tsunami Response Plan	Utilize provincial funding to develop Tsunami Response Plan.	<ul style="list-style-type: none"> <li>➤ Continue work begun in 2005 to finalize the plan by Spring 2007.</li> <li>➤ Plan and hold emergency exercises in the spring 2007.</li> </ul>
Increase Finance Department Efficiency	Provide more efficient Property Tax Notice maintenance, Building Permit tracking, and overall better accountability to residents.	Implement accounting software components for Building Permit and Business Licence modules.
Enhance Administrative Efficiencies	Provide staff training to improve customer service.	Prepare a new Office Procedures Manual.

## **Strategic and Corporate Objectives – Public Works – 2007/2008**

### **Objectives set by Council and Staff for 2007/2008**

<b>Objective</b>	<b>Strategy</b>	<b>Measure</b>
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.	Construct Fire Protection watermain along Marine Avenue to West Road in according to design prepared.
Monitor Recycle Depot	Install second video surveillance at Recycle Depot to improve compliance with bylaws and security for both sites.	Monitor recycling depot activities through statistics.
Complete the Bedwell Bay Sustainability Plan	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 Burrard Environmental Review Committee (BERC) and Vancouver Port Authority (VPA) to finalize the Sustainability Plan 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 Spring 2007.
Reduce Abuse of Recycle Depot	Install monitored gate and card-lock system to access Recycle Depot.	<ul style="list-style-type: none"> <li>➤ Improve risk management of recycling depot.</li> <li>➤ Reduce dumping of non-recyclables and associated costs for disposal of same.</li> </ul>

## 2007 Financial Plan & Budget-In-Brief

On April 2, 2007, Belcarra's 2007 annual budget and five-year financial plan was presented to the community. A few residents attended the information session and their questions contributed to a good discussion for all who were there. The Financial Plan Presentation is posted on Belcarra's website [www.belcarra.ca](http://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. The principles are:

- 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.

Eight years ago the province combined their grants into a single "lump sum" Small Community Protection Grant of \$102,889. After 15 years of remaining constant, the provincial grant increased by \$40,000 in 2006. Belcarra will receive similar increases for 2007, 2008 and 2009. This will offset increases to the municipal tax levy required to make-up the amount lost to inflation over the past 15 years (~\$35,000) as well as offset the new provincial tax levy for RCMP services.

The 2007 budget has been set at \$832,139 which is 8.3% higher than the 2006 actual expenditures, which is offset by the increase in the provincial grant. The "bottom line" is a 0% increase in the municipal component of the property tax for 2007. It is important to note that while the municipal tax levy accounts for 75% of the operating budget, the municipal tax levy only accounts for 37% of the overall property tax.

In order to give additional perspective to the foregoing, the following background information regarding the financial status of the municipality is provided.

### **Reserve Funds**

As at December 31<sup>st</sup>, 2006, the municipal financial reserves were as follows:

General Reserve	\$ 167,055
Equipment Replacement Reserve	<u>\$ 106,400</u>
TOTAL RESERVES	<u>\$ 273,455</u>

During 2006, interest earnings from the reserve accounts amounted to \$5,700 — equivalent to \$0.025 per \$1,000 of assessment. This increase in interest earned in 2006 over \$2,511 in 2005 is due to an increased reserve balance. For 2007, an interest accrual of \$3,375 is projected for the reserve funds. Reserve funds cannot be used, even temporarily, for operating in order to offset borrowing costs. All interest earned by the reserve funds must be accrued to the reserve funds.

## **CAPITAL EXPENDITURES FUNDING**

The Contribution to Capital for 2007 has been set at \$152,000 to reflect Council's commitment to the capital program of fire protection infrastructure works and roads reconstruction:

<b>PROJECT</b>	<b>TOTAL COST</b>	<b>GENERAL REVENUE</b>	<b>OTHER FUNDING</b>	<b>COMMENTS OR SOURCE OF FUNDS</b>
Roads & Drainage – MRN	\$9,500	0	\$9,500	Bedwell Bay Road
Roads & Drainage – Municipal	\$40,900	\$40,900	0	Fire Protection Water Main
Fire Protection Water Main – Construct Tatlow Water Main Extension Along Marine Ave	\$92,000	\$92,000	0	Includes asphalt overlay from 3924 to 4078 Marine Avenue
Recycle Depot	\$2,500	\$2,500	0	Video Camera No. 2
Municipal Hall & Buildings	\$7,100	\$7,100	0	Software – Municipal Hall
<b>TOTAL CAPITAL</b>	<b>\$152,000</b>	<b>\$142,500</b>	<b>\$9,500</b>	

## **TAXES RECEIVABLE**

As at December 31<sup>st</sup>, 2006, the 2006 taxes receivable totalled \$7,913. All 2004 and 2005 taxes receivable were paid in 2006. This represents a decrease of \$976 in taxes receivable compared to the \$8,880 receivable as at December 31<sup>st</sup>, 2005.

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 2006 (interest and bank charges) was \$2,098 — an amount equivalent to \$0.009 per \$1000 of assessment. This was lower than the 2005 costs of \$2,472. These costs include the offset accrued interest paid on tax prepayments. For 2007, the projected borrowing costs are estimated to be \$3,000 — which equates to \$0.011 per \$1,000 of assessment.

The most important factor influencing annual borrowing costs is the prevailing interest rate from January to 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 2006, \$9,613 was earned as interest on investments — equivalent to \$0.043 per \$1,000 of assessment. This was a result of competitive interest rates paid by the bank on the municipal accounts. A similar investment strategy is proposed for 2007 with a projected investment income of \$9,600.

## **PROVINCIAL GOVERNMENT GRANTS**

The municipality received a Small Community Protection Grant in 2006 of \$143,254, which was \$40,000 more than the \$102,800 in 2005. This is the first increase in the past 15 years. Belcarra will receive similar increases for each of the years 2007, 2008 and 2009. This will offset increases to the municipal tax levy required to make-up the amount lost to inflation over the past 15 years (~\$35,000) as well as offset the new provincial tax levy for RCMP services.

## **GARBAGE & RECYCLING USER FEE**

The 2007 Garbage & Recycling User Fee has been increased from \$140 per residence to \$150 (\$300 if the residence contains an accessory suite). The fee increase of \$10 is needed to offset increased hauling costs from the contractor that provides the service due to increased fuel costs and travel times due to traffic congestion. Calculated on the basis of a user group of 334 users, the garbage revenues will amount to \$50,100 for 2007. Council will continue the two projects initiated in 2001, the “nominal charge” curbside tree chipping service, and the “nominal charge” large item pickup service.

## **LICENCE & PERMIT FEES**

Licence & Permit Fees in 2006 amounted to \$27,373. For 2007 Licence & Permit Fees are projected at \$27,000 in anticipation of providing 2007 services at the same levels as in 2006.

## **PLANNING & CONSULTING**

The 2007 budget for Planning & Consulting has been set at \$70,000. This budget includes provision for the OCP review, completion of discussions with the Vancouver Port Authority regarding the Bedwell Bay Sustainability Plan. Predicated on the Preferred Option Predesign Study completed by Dayton & Knight to provide the Village with GVWD water from the District of North Vancouver, this budget includes contingency amounts for survey and infrastructure design work should the Village's application to the Municipal Rural Infrastructure Fund for grant funding be approved.

## **PUBLIC WORKS OPERATIONS**

The 2007 Public Works Operations budget for roads, drainage and general purposes has been set at \$163,590. GVTA funding in 2007 will remain unchanged from the \$61,800 in 2006 for the maintenance of Bedwell Bay Road under the GVTA Main Roads Network (MRN).

## **MUNICIPAL LEVY**

The 2007 municipal tax rate has been reduced from \$1.96 to \$1.61 per \$1,000 of assessed value, a reduction of 18% in response to the increase in property assessments. This levy will yield a total of \$456,577 on the \$283,588,300 assessment role. The “bottom line” is that Belcarra’s 2007 municipal property tax requisition has been held at the 2006 level to reduce the impact of the new provincial levy for RCMP services. The municipal tax levy accounts for 75% of Belcarra's overall operating budget, and only 37% of the overall property tax.

**2006 Audited Financial Statements**

**Village of Belcarra**

**FINANCIAL STATEMENTS  
December 31, 2006**

# Village of Belcarra

December 31, 2006

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## **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, 2006 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, 2006 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 2, 2007

Chartered Accountants

# Village of Belcarra

## BALANCE SHEET

December 31, 2006

	2006				2005
	Operating fund	Capital fund	Reserve fund	Total	Total
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash	\$ 258,894	\$ -	\$ 31,610	\$ 290,504	\$ 128,076
Investments	46	-	121,638	121,684	117,020
Accounts receivable (Note 2)	90,577	-	-	90,577	127,339
Due from capital fund	11,264	-	-	11,264	11,264
Due from reserve fund	-	-	-	-	-
Due from operating fund	-	-	120,207	120,207	21,171
	360,781	-	273,455	634,236	404,870
<b>PROPERTY, PLANT AND EQUIPMENT (Note 3)</b>					
		3,311,210	-	3,311,210	3,222,278
<b>INTANGIBLE ASSET</b>					
		664,236	-	664,236	664,236
	<b>\$ 360,781</b>	<b>\$ 3,975,446</b>	<b>\$ 273,455</b>	<b>\$ 4,609,682</b>	<b>\$ 4,291,384</b>
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 49,960	\$ -	\$ -	\$ 49,960	\$ 78,703
Due to reserve fund	120,207	-	-	120,207	21,171
Due to operating fund	-	11,264	-	11,264	11,264
Property taxes collected in advance	122,730	-	-	122,730	118,551
Performance bonds	54,028	-	-	54,028	40,684
	346,925	11,264	-	358,189	270,373
COMMITMENTS AND CONTINGENT LIABILITY (Notes 5, 6 and 7)					
<b>FUND BALANCES (DEFICIENCY)</b>					
<b>OPERATING FUND</b>					
Fund balance (deficiency)	6,243	-	-	6,243	(62,965)
Reserve for future expenditure (Schedule 1)	7,613	-	-	7,613	40,000
	13,856	-	-	13,856	(22,965)
<b>EQUITY IN CAPITAL ASSETS</b>					
	-	3,964,182	-	3,964,182	3,875,250
<b>RESERVE FUND (Schedule 2)</b>					
Equipment replacement	-	-	106,400	106,400	44,674
Capital works	-	-	158,055	158,055	124,052
Building replacement	-	-	5,000	5,000	-
Climate change contingency	-	-	4,000	4,000	-
	-	-	273,455	273,455	168,726
	13,856	3,964,182	273,455	4,251,493	4,021,011
	<b>\$ 360,781</b>	<b>\$ 3,975,446</b>	<b>\$ 273,455</b>	<b>\$ 4,609,682</b>	<b>\$ 4,291,384</b>

# Village of Belcarra

## STATEMENT OF REVENUE AND EXPENDITURES AND CHANGES IN FUND BALANCES

Year December 31, 2006

	2006			2005	
	Operating Fund	Capital fund	Reserve fund	Total	Total
<b>REVENUE</b>					
Taxation – net (Note 4)	\$ 473,081	\$ -	\$ -	\$ 473,081	\$ 446,177
Government Grants (Schedule 3)	188,979	-	-	188,979	267,259
Garbage collection	46,530	-	-	46,530	41,252
Sundry	14,680	-	-	14,680	8,828
Penalties and interest on taxes	5,997	-	-	5,997	3,378
Licences and permits	29,770	-	-	29,770	19,255
Main Avenue septic lease fees	4,200	-	-	4,200	4,200
Interest	9,613	-	5,729	15,342	47,171
	<u>772,850</u>	<u>-</u>	<u>5,279</u>	<u>778,579</u>	<u>837,520</u>
<b>EXPENDITURES</b>					
General government (Schedule 4)	310,159	-	-	310,159	336,755
Public Works	152,526	-	-	152,526	158,028
Capital expenditures	88,932	-	-	88,932	308,277
Garbage Disposal	49,275	-	-	49,275	39,180
Interest and bank charges	2,098	-	-	2,098	13,926
Planning and consulting	31,939	-	-	31,939	40,273
Septic lease fees	2,100	-	-	2,100	1,671
	<u>637,029</u>	<u>-</u>	<u>-</u>	<u>637,029</u>	<u>898,110</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES FOR THE YEAR</b>					
	135,821	-	5,279	141,550	(60,590)
<b>INTER-FUND TRANSFERS</b>					
Contributions received for acquisition of capital assets from operating fund	-	88,932	-	88,932	308,277
Appropriation from operations	(99,000)	-	99,000	-	-
	<u>36,821</u>	<u>88,932</u>	<u>104,729</u>	<u>230,482</u>	<u>247,687</u>
<b>FUND BALANCE (DEFICIENCY), beginning of year</b>					
	<u>(22,925)</u>	<u>3,875,250</u>	<u>168,726</u>	<u>4,021,011</u>	<u>3,773,324</u>
<b>NET FUND BALANCE, end of year</b>					
	<u>\$ 13,856</u>	<u>\$ 3,964,182</u>	<u>\$ 273,455</u>	<u>\$ 4,251,493</u>	<u>\$ 4,021,011</u>
<b>NET OPERATING FUND BALANCE (DEFICIENCY) COMPRISED OF:</b>					
RESERVE FOR FUTURE EXPENDITURES (Schedule 1)	\$ 7,613				\$ 40,000
OPERATING FUND BALANCE (DEFICIENCY)	<u>6,243</u>				<u>(62,965)</u>
	<u>\$ 13,856</u>				<u>\$ (22,965)</u>

# Village of Belcarra

## CHANGES IN RESERVE FOR FUTURE EXPENDITURES (OPERATING FUND)

Year ended December 31, 2006

	2006	2005
BALANCE, beginning of year	\$ 40,000	\$ 40,136
LESS		
Amounts expended during the year	48,170	40,136
	(8,170)	-
ADD		
Contribution – General	15,783	40,000
BALANCE, end of year	\$ 7,613	\$ 40,000
FUND COMPRISED OF:		
Joint Emergency Preparedness Program	\$ 176	\$ -
Tsunami grant	4,860	10,000
Water use efficiency grant	2,577	-
Regional water source grant	-	10,000
Local water source grant	-	10,000
Distribution infrastructure grant	-	10,000
	\$ 7,613	\$ 40,000

## Schedule 2

### CHANGES IN RESERVE FUND

Year ended December 31, 2006

	Equipment replacement	Capital works	Building Replacement	Climate change Contingency	Total 2006	Total 2005
BALANCE, beginning of year	\$ 44,674	\$ 124,052	\$ -	\$ -	\$ 168,726	\$ 166,215
INTEREST ON INVESTMENTS	1,726	4,003	-	-	5,729	2,511
	46,400	128,055	-	-	174,455	168,726
APPROPRIATION FROM OPERATIONS	60,000	30,000	5,000	4,000	99,000	-
BALANCE, end of year	\$ 106,400	\$ 158,055	\$ 5,000	\$ 4,000	\$ 273,455	\$ 168,726

# Village of Belcarra

## GOVERNMENT GRANTS

Year ended December 31, 2006

	Actual 2006	Budget 2006	Actual 2005
OPERATING FUND			
Revenue sharing	\$ 143,254	\$ 102,889	\$ 102,889
GVTA Major Roads - maintenance	20,930	10,877	116,441
West Nile Virus grant		-	3,666
Joint Emergency Preparedness Program	5,783	-	4,263
Distribution infrastructure (recovery)	(500)	-	10,000
Regional water source (recovery)	(304)	-	10,000
Local water source (recovery)	(184)	-	10,000
Tsunami	-	-	10,000
Potable water supply	10,000	-	-
Water use efficiency	10,000	-	-
	<u>\$ 188,979</u>	<u>\$ 113,766</u>	<u>\$ 267,259</u>

## GENERAL GOVERNMENT EXPENDITURES

Year ended December 31, 2006

Schedule 4

	Actual 2006	Budget 2006	Actual 2005 (Note 9)
ADMINISTRATION SALARIES AND BENEFITS	\$ 156,782	\$ 157,239	\$ 163,246
COUNCIL INDEMNITIES	41,745	41,816	37,950
DUES, CONVENTIONS AND ADVERTISING	22,329	19,459	15,976
INSURANCE	22,647	24,955	18,716
LEGAL AND AUDIT	25,755	26,300	55,772
MAINTENANCE, TELEPHONE HEAT AND LIGHT OF OFFICES AND EQUIPMENT	14,756	13,319	14,899
OFFICE SUPPLIES AND PRINTING	15,617	23,701	16,910
POSTAGE AND COURIER	4,614	6,964	5,026
SUNDRY	5,914	9,400	8,260
	<u>\$ 310,159</u>	<u>\$ 323,153</u>	<u>\$ 336,755</u>

# Village of Belcarra

## NOTES TO THE FINANCIAL STATEMENTS December 31, 2006

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### 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 the 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 the Ministry of Community Services guidelines, amortization is not recorded.

### 2. ACCOUNTS RECEIVABLE

	2006	2005
Taxes	\$ 7,913	\$ 7,546
GST rebate receivable	16,859	38,244
Provincial grant receivable	65,054	80,923
Other	751	626
	\$ 90,577	\$ 127,339

### 3. PROPERTY, PLANT AND EQUIPMENT

	2006	2005
Land	\$ 81,500	\$ 81,500
Buildings	289,803	289,696
Office equipment	95,550	85,160
Vehicles	117,684	117,684
Engineering structures	267,487	215,916
Roads	1,466,021	1,464,420
Machinery and equipment	117,572	98,171
Fire protection water main	875,593	869,731
	\$ 3,311,210	\$ 3,222,278

# Village of Belcarra

## NOTES TO THE FINANCIAL STATEMENTS December 31, 2006

4. **TAXATION - NET** Taxation revenue comprises the following amounts raised less transfers:

	2006	2005
		(Note 9)
General municipal purposes *	\$ 468,447	\$ 445,397
Collections for other governments		
School District - School tax	593,420	565,975
Greater Vancouver Regional District	92,238	93,006
Greater Vancouver Transit Authority	112,234	99,529
B.C. Assessment	19,523	19,245
Municipal Finance Authority	70	60
	<u>1,285,932</u>	<u>1,223,212</u>
Transfers to other governments		
School District - School tax	588,786	565,245
Greater Vancouver Regional District	92,238	92,995
Greater Vancouver Transit Authority	112,234	99,489
B.C. Assessment	19,523	19,246
Municipal Finance Authority	70	60
	<u>812,851</u>	<u>777,035</u>
	<u>\$ 473,081</u>	<u>\$ 446,177</u>

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

### 5. 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, 2007	\$ 3,618
December 31, 2008	3,618
December 31, 2009	3,618
December 31, 2010	<u>1,507</u>
	<u>\$ 12,361</u>

### 6. PENSION LIABILITY

The Village and its employees contribute to the Municipal Pension Plan (the plan), a jointly trusted pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the plan, including investment of the assets and administration of benefits. The 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, 2006

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### 6. 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 April, 2007. The actuary does not attribute portions of the unfunded liability to individual employers. The Village paid \$ 22,087 (2005 - \$ 20,373) for employer contributions to the plan in fiscal 2006.

### 7. 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.

### 8. 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.

### 9. COMPARATIVE FIGURES

Certain 2005 comparative figures have been reclassified to conform to the presentation used in the current year.

## Statement of Property Tax Exemptions – 2006

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 2006.

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	\$1,267.14
Roll No. 0003998.000	YMCA – Camp Howdy Plan 5775, NWLD Lot D of W ½ of NW ¼, Sect 30, TWP 39	\$1,350.44
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	\$207.76
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	\$207.76
Roll No. 0004001.000	YMCA – Camp Howdy Parcel E, Plan EP10236, Part W 1/2 of NW 1/4, Section 30, Township 39 NWLD	\$34.89
Roll No. 0004001.001	YMCA – Camp Howdy NWLD, VPA Licence Fronting Parcel E W ½ & N ¼ Section 30, Township 39 NWLD	\$3,904.32