

**2006-2007 Annual Report
Burrard Inlet Environmental Action Program
Fraser River Estuary Management Program**



April 1, 2006-March 31, 2007



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Letter from the Chair of the Management Committee

Another year has come and gone for Burrard Inlet Environmental Action Program (BIEAP) and Fraser River Estuary Management Program (FREMP) with a renewed interest in strategic planning and significant progress made towards environmental improvements in both the inlet and estuary.

The major FREMP milestone this year was the successful 5-year update of the Estuary Management Plan (EMP) Monitoring Report. A well attended launch was held in September 2006 where the report was introduced to stakeholders, the public and the media. The report showed progress on a number of indicators since the last Monitoring Report in 2001 – including fecal coliform counts and sediment removal - and flagged some critical issues for follow-up, including the availability of water accessible industrial lands along the estuary.

Over the summer FREMP worked with the BC Conservation Corps verifying the accuracy of the original 2003 habitat polygons up to the level of community and dominant species, and collecting additional data including observations of invasive species in the estuary. With the success of this project, we are engaging support from the Conservation Corps again this summer to further the findings and analysis of the new 2006 dataset.

This year's focus for BIEAP was the continued development of indicators for a Burrard Inlet State of Environment (SOE) Report. Through the Plan Implementation Committee (PIC), work was completed to develop indicators for the Inlet, with preliminary findings and trends identified for a suite of seven indicators. A study was also completed to further our knowledge of the impacts and placement of sanitary sewage outfalls in Indian Arm.

Two significant changes came late in 2006. November saw the BIEAP-FREMP Steering Committee change its name to the Partners Committee, with a renewed focus on strategic and "big picture" planning for the programs. The overall management of the programs remains the responsibility of the BIEAP-FREMP Management Committee. Both Committees have committed to promoting the programs internally to all staff levels and exploring opportunities for BIEAP and FREMP to play an expanded role related to major projects in the region.

The other major change related to BIEAP and FREMP was the announcement of the amalgamation of the Fraser River Port Authority, the North Fraser Port Authority and the Vancouver Port Authority into a brand new single port entity on the West Coast. Plans are still underway, but the next 12 to 18 months are sure to be an exciting time for all our partners as well as BIEAP and FREMP. We are pleased that the Ports have committed to continuing to participate in the

BIEAP-FREMP partnership and providing the same funding levels as for the three separate legacy Port Authorities.

As BIEAP and FREMP look back over the 2006-2007 year we see changes and challenges ahead of us, but look towards building upon successful relationships and continuing the push for a sustainable Inlet and estuary.



Brian Clark, Chair



Management Structure

BIEAP & FREMP Funding Partners

Partners Committee

Members in 2006-2007

BC Ministry of Environment
Lynn Bailey
Environment Canada
Mike Nassichuk
Fisheries and Oceans Canada
Rebecca Reid
Transport Canada
Lori Young
Greater Vancouver Regional District
Johnny Carline
Fraser River Port Authority
Allen Domaas
North Fraser Port Authority
Allan Baydala
Vancouver Port Authority
Jim Cox

Partners Committee	
	BC Ministry of Environment
	Environment Canada
	Fisheries and Oceans Canada
	Transport Canada
	Fraser River Port Authority (FREMP)
	Greater Vancouver Regional District
	North Fraser Port Authority (FREMP)
	Vancouver Port Authority (BIEAP)

Management Committee

Management Committee	
	BC Ministry of Environment
	Environment Canada
	Fisheries and Oceans Canada
	Transport Canada
	Fraser River Port Authority (FREMP)
	Greater Vancouver Regional District
	North Fraser Port Authority (FREMP)
	Vancouver Port Authority (BIEAP)

Management Committee Members in 2006-2007:

BC Ministry of Environment
Brian Clark
Environment Canada
Mike Nassichuk
Fisheries and Oceans Canada
Dale Paterson
Transport Canada
Lori Young/Bob Sisler
Greater Vancouver Regional District
Hugh Kellas
Fraser River Port Authority
Pat Weber
North Fraser Port Authority
Valerie Jones
Vancouver Port Authority
Alicia Blancarte/Darrell Desjardin

Committees under the Management Committee	
	FREMP Water and Land Use Committee (WLUC)
	FREMP Environmental Review Committee (ERC)
	Burrard Environmental Review Committee (BERC)
	BIEAP Plan Implementation Committee (PIC)

	BIEAP-FREMP Program and Administrative Staff
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BIEAP and FREMP Boundaries

- - Burrard Inlet Environmental Action Program (Vancouver Port Authority)
- - Fraser River Estuary Management Program (i)
- - Fraser River Port Authority
- - North Fraser Port Authority



(i) The FREMP area of interest includes the waters of the Fraser River Port Authority and the North Fraser Port Authority. It also includes Sturgeon Bank and Roberts Bank – where navigable waters are managed by the Vancouver Port Authority – and Boundary Bay

The **Burrard Inlet Environmental Action Program (BIEAP)** and **Fraser River Estuary Management Program (FREMP)** are inter-governmental partnerships established to coordinate the environmental management of the two most significant aquatic ecosystems in the Lower Mainland – Burrard Inlet and the Fraser River estuary.

Established in 1985, **FREMP** provided a framework for managing the Fraser River estuary as a Living, Working River. Geographically, FREMP applies to the wet side of the dyke of the Fraser River downstream from Kanaka Creek and Pitt Lake to the Strait of Georgia. FREMP also includes Sturgeon Bank, Roberts Bank and Boundary Bay. The FREMP funding partners are the British Columbia Ministry of Environment, Environment Canada, Fisheries and Oceans Canada, Transport Canada, Fraser River Port Authority, North Fraser Port Authority and the Greater Vancouver Regional District (GVRD).

Established in 1991, **BIEAP** provided a joint action program to protect and improve the Burrard Inlet. BIEAP applies to the tidal waters east of a line between the southernmost point of Point Atkinson and the westernmost point of Point Grey. BIEAP includes False Creek and all of Indian Arm and Port Moody Arm, and extends to the upstream tidal influence of all watercourses feeding into Burrard Inlet. BIEAP partners are the British Columbia Ministry of Environment, Environment Canada, Fisheries and Oceans Canada, Transport Canada, Vancouver Port Authority (VPA) and the Greater Vancouver Regional District (GVRD).

BIEAP and **FREMP** function through Memoranda of Understanding which establish the framework for coordination of partner agencies. Since 1996, the Programs have been jointly administered from an office located in Burnaby. The overall management and policy direction is accomplished through a two-level structure. A Partners Committee comprising principals of the signing partners meets as needed to provide strategic direction for the programs, and a Management Committee deals with program management and policy issues on a quarterly basis. The Management Committee oversees several subcommittees and task groups.



BIEAP Highlights

Consolidated Environmental Management Plan (CEMP)

The Consolidated Environmental Management Plan (CEMP) for Burrard Inlet was approved by the BIEAP partners in 2002, and contains 21 action items to achieve four shared goals:

- Goal #1** *Improve water quality in Burrard Inlet*
- Goal #2** *Minimize the effects of contaminated soils and sediments on human and ecological health*
- Goal #3** *Maintain and enhance productive fish and wildlife habitat and the natural biodiversity of Burrard Inlet*
- Goal #4** *Encourage human and economic development activities that enhance the environmental quality of Burrard Inlet*

The BIEAP Plan Implementation Committee (PIC) guides Plan implementation and consists of representatives from the BIEAP partner agencies, First Nations and inlet municipalities: Environment Canada, Fisheries and Oceans Canada (DFO), Vancouver Port Authority (VPA), BC Ministry of Environment (MOE), Greater Vancouver Regional District (GVRD), City of Burnaby, City of North Vancouver, City of Port Moody, City of Vancouver, District of North Vancouver, District of West Vancouver, Squamish First Nation (SFN), Musqueam First Nation, Tsleil-Waututh First Nation (TWFN), Village of Anmore, and Village of Belcarra. The PIC meets quarterly and reports to the BIEAP-FREMP Management Committee.



CEMP Tracking Report 2006

The 2006 CEMP Tracking Report is a BIEAP commitment to an annual public reporting system on work achieved.

The goal of the 2006 *CEMP Tracking Report* was to acquire information for nine CEMP actions as identified by the BIEAP Plan Implementation Committee (PIC). Information was gathered from a number of the stakeholders in the period June-October 2006, and focused on ongoing and future projects related to progress on the selected CEMP actions. Where information was gathered in 2005 for the same action, an update was obtained. The CEMP Tracking Report is available on the BIEAP-FREMP website as a resource for the public to see where progress is being made in implementing the Burrard Inlet Plan.

The PIC will update the CEMP Tracking Report again in 2007-2008.

BIEAP Indicator Development

Monitoring environmental quality in Burrard Inlet is critical to understanding the Inlet and how conditions may be changing over time. The CEMP contains a commitment to compile a State of the Environment Report for Burrard Inlet, in order to provide a snapshot of the Inlet's environment and information on a number of environmental benchmarks or indicators. The Report will increase public awareness, link to decision making on environmental matters, and serve as a monitoring tool.

BIEAP is coordinating the preparation of a State of the Environment (SOE) Report for Burrard Inlet, based on a risk management approach to monitoring. The risk management assessment has resulted in a selection of a suite of environmental indicators to monitor key ecosystem risks.

In 2006-2007, the BIEAP Plan Implementation Committee oversaw a project which collected data for selected indicators, assessed trends against available benchmarks and standards, and prepared technical documentation for use in the SOE Report. The results of this report were provided in January 2007 and are being analyzed by the PIC. Indicators include copper and PCBs levels in water and sediment, bird abundance, air quality and emissions, and fecal coliform levels for primary contact recreation.

The next phase of work, in 2007-2008, will involve analysis of the preliminary indicator findings and preparing a draft SOE Report for consultation. Workshops with stakeholders and the public are planned for fall 2007 to obtain input on the draft indicators and findings.

Indian Arm Sanitary Sewer Outfalls Study

In 2005-2006 BIEAP coordinated a screening level study with a technical advisory committee led by the Vancouver Port Authority. The study investigated aspects of existing and potential future private domestic wastewater discharges to Indian Arm. A 2-D model of the Arm circulation was prepared as well as dilution modeling for a range of discharge scenarios, ranging from worst case (septic tank discharge for all existing outfalls) to all outfalls having high-quality secondary treatment. The study then proposed an optimal discharge depth specific to Indian Arm. The study was completed with the submission of a final report in May 2006, and the results are being used by the VPA and Burrard Environmental Review Committee.



FREMP Highlights

FREMP Estuary Management Plan

FREMP is guided by the Estuary Management Plan (EMP), "A Living Working River", which outlines a shared vision, goals and actions for improving the environmental, economic, and social health of the Fraser River estuary. In 2003, the EMP was updated to reflect current realities and new actions.

Implementation of the EMP is guided by the FREMP Water and Land Use Committee (WLUC), an advisory committee reporting to the BIEAP-FREMP Management Committee. Members include representatives of each FREMP partner agency as well as staff from municipalities, First Nations and the Vancouver International Airport Authority. WLUC also functions as a useful information-sharing forum for all those involved in managing and protecting the estuary. The Committee meets quarterly.

EMP Monitoring Report Update



The EMP commits the FREMP partners to monitor progress in implementing the Plan, including through the use of indicators such as those developed for a 2001 Report entitled "Monitoring the Estuary Management Plan". The Monitoring Report was updated in 2006.

The updated EMP Monitoring Report was the priority project for FREMP in 2006-2007 and was released at a breakfast event held September 21, 2006 in downtown Vancouver, attended by over 50 people including politicians and media. The Monitoring Report provides needed information to the public on the Fraser River estuary and the performance of FREMP partners in implementing the EMP, using eight indicators that help measure progress on water quality, sediment removal from the estuary and recreational use of the shoreline among other issues. Most of these indicators were updated from 2001, allowing trends to be determined; one indicator on nutrients and metals in the water column was added to better reflect environmental conditions and public interest.

Feedback on the updated FREMP Monitoring Report was been very positive, from both partners and stakeholders.

FREMP Ground Truthing Project

In 2003 the Fraser Estuary Management Program (FREMP) remapped intertidal and riparian habitat in the estuary, based on orthophotos flown in 2002. Coarse-level and detailed mapping provided full habitat inventory coverage of the FREMP area. At the

time, lack of resources prevented substantial groundtruthing of the habitat polygons. In 2006, the FREMP Water and Land Use Committee (WLUC) identified the need to verify the habitat polygons. A BC Conservation Corps (BCCC) team supported through the BC Ministry of Environment was retained to complete the work. The groundtruthing project began in May 2006 with field work conducted from early June 2006 to October 2006.

The final report, released in January 2007 shows a very high level of accuracy in the polygon boundaries and 92% accuracy in the polygon attributes up to the community level. This means FREMP produced a very reliable dataset from the photo-interpretive work in 2003. Furthermore, while groundtruthing polygons, the BCCC team was able to add attributes to the database, including dominant species and observations of birds and invasive species in the estuary. With this additional data and refinements to the original 2003 polygons, a new 2006 FREMP Habitat inventory dataset was produced and distributed in February 2007. The new habitat data is available in the FREMP Atlas on the Community Mapping Network at <http://www.shim.bc.ca/atlas/FREMP/main.cfm>.

A follow-up project with the Conservation Corps in 2007 will promote the dataset, remap certain areas, and undertake outreach on the invasive species findings.



Coordinated Project Review

Coordinated Project Review is a tangible implementation of policy for the Programs. The process occurs at the technical level through the submission of development projects in the Fraser estuary and in Burrard Inlet. The evaluation of project proposals requires coordination among the BIEAP-FREMP partners and BIEAP-FREMP staffs play an instrumental role in this review process.

The Burrard Environmental Review Committee (BERC) and the FREMP Environmental Review Committee [ERC] provide a one-window approach for project reviews in the inlet and estuary, coordinating the review of development projects and reporting out on agency recommendations and the authorizations and permits needed for a project to proceed. They themselves are not approving agencies. The powers to approve permits or *Fisheries Act* authorizations are retained by the appropriate authority.

Major project reviews are conducted by the BC CEAA/CEAA harmonized process organized through the BC Environmental Assessment Office (EAO).

2006 saw decreases in the total number of projects reviewed by both BERC and the FREMP ERC. Decreases were noted in both the committee's Track 1 and 2 projects** for 2006 compared to 2005.

In 2006, reviews for Burrard Inlet totaled **61** down from the 68 reviews handled in both tracks in 2005. BERC Track 2 reviews were reduced from 33 down to 27, as well as a slight decrease in Track 1 reviews conducted by the Vancouver Port Authority, from 35 to 34. Over the same period, the FREMP ERC reviews in both tracks also decreased, going from 139 to **105** in 2006. FREMP Track 2 reviews were reduced from 85 to 67 in 2006, and Track 1 reviews decreased from 44 in 2005 to 38 in 2006.

Coordinated Project Review Statistics for the Year Ending December 31, 2005

	<u>Track 1</u>	<u>Track 2</u>	<u>Total</u>
Burrard Inlet	34	27	61
Fraser River Estuary	38	67	105

*** BIEAP and FREMP use a two-track process to review projects in Burrard Inlet and the Fraser River Estuary. Track 1 projects (of a predictable nature with little or no impact) are dealt with by the Lead Agencies (i.e. Port Authorities). Track 2 projects (projects of a more complex nature with potential impacts) are reviewed by the BIEAP and FREMP environmental review committees.*

Burrard Environmental Review Committee [BERC] 2006

Breakdown of Track Two Project Applications in 2006

Figure shows what types of projects were reviewed through the BIEAP Project Review Process in 2006.

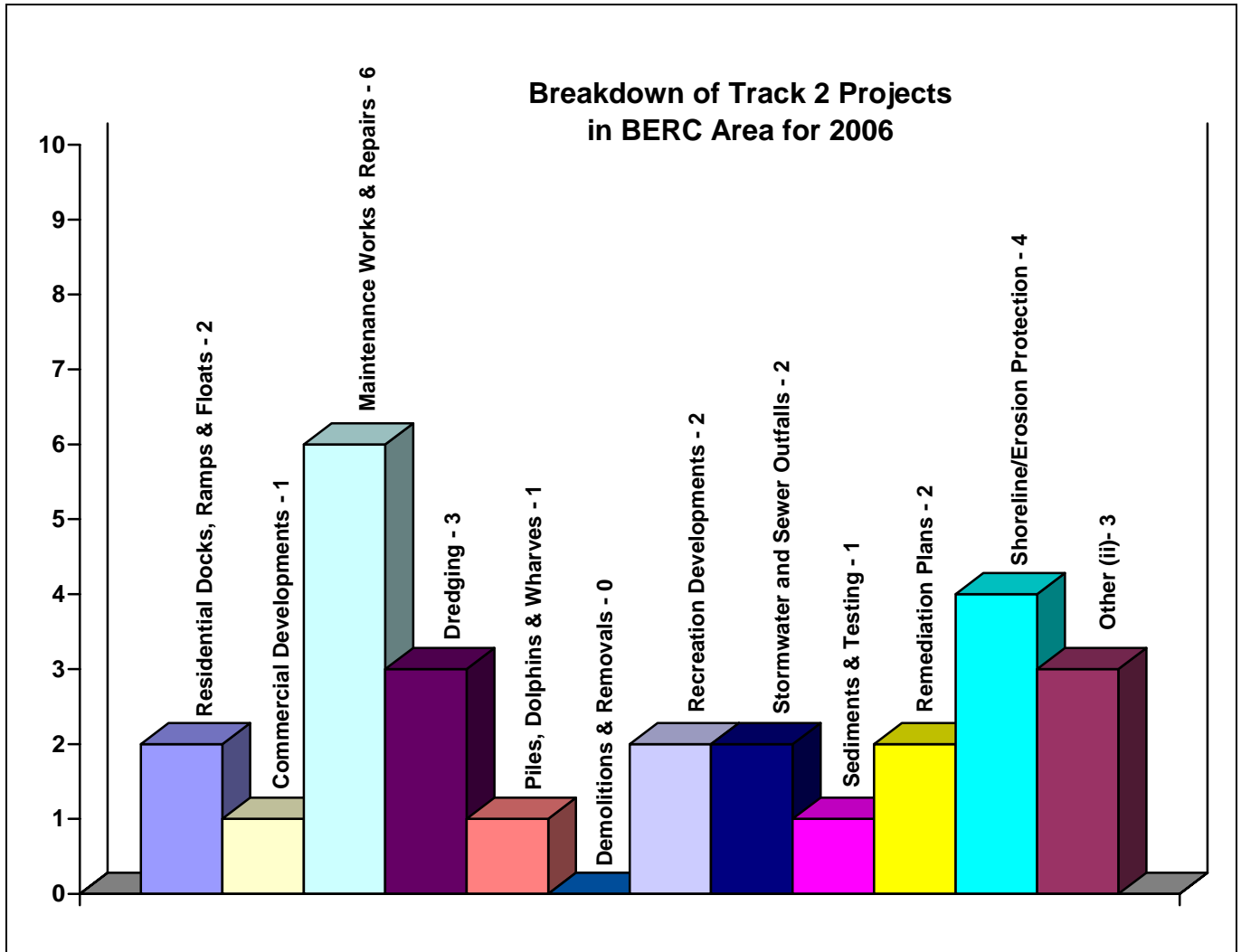


Figure 1

The Burrard Environmental Review Committee comprises representatives from Environment Canada, Fisheries and Oceans Canada, Transport Canada – Navigable Waters Protection Division, the BC Ministry of Environment, and the Vancouver Port Authority. The committee meets biweekly to review projects submitted for a Track 2 review.

From January to December 2006, BERC considered a total of 34 Track 2 projects for 2006. 64% of the projects reviewed were completed within the 30-working-day processing target for the BERC Coordinated Project Review Process. Only 3 projects that took longer than 30 days, all were completed within 60-working days.

(ii) Other can mean any projects not mentioned in the other categories, such as film works, tree topping or house moves.

Figure 2 shows the total number of projects reviewed by BERC since 1992. Beginning in 2001, Track 1 and Track 2 reviews are broken down to show the totals for both.

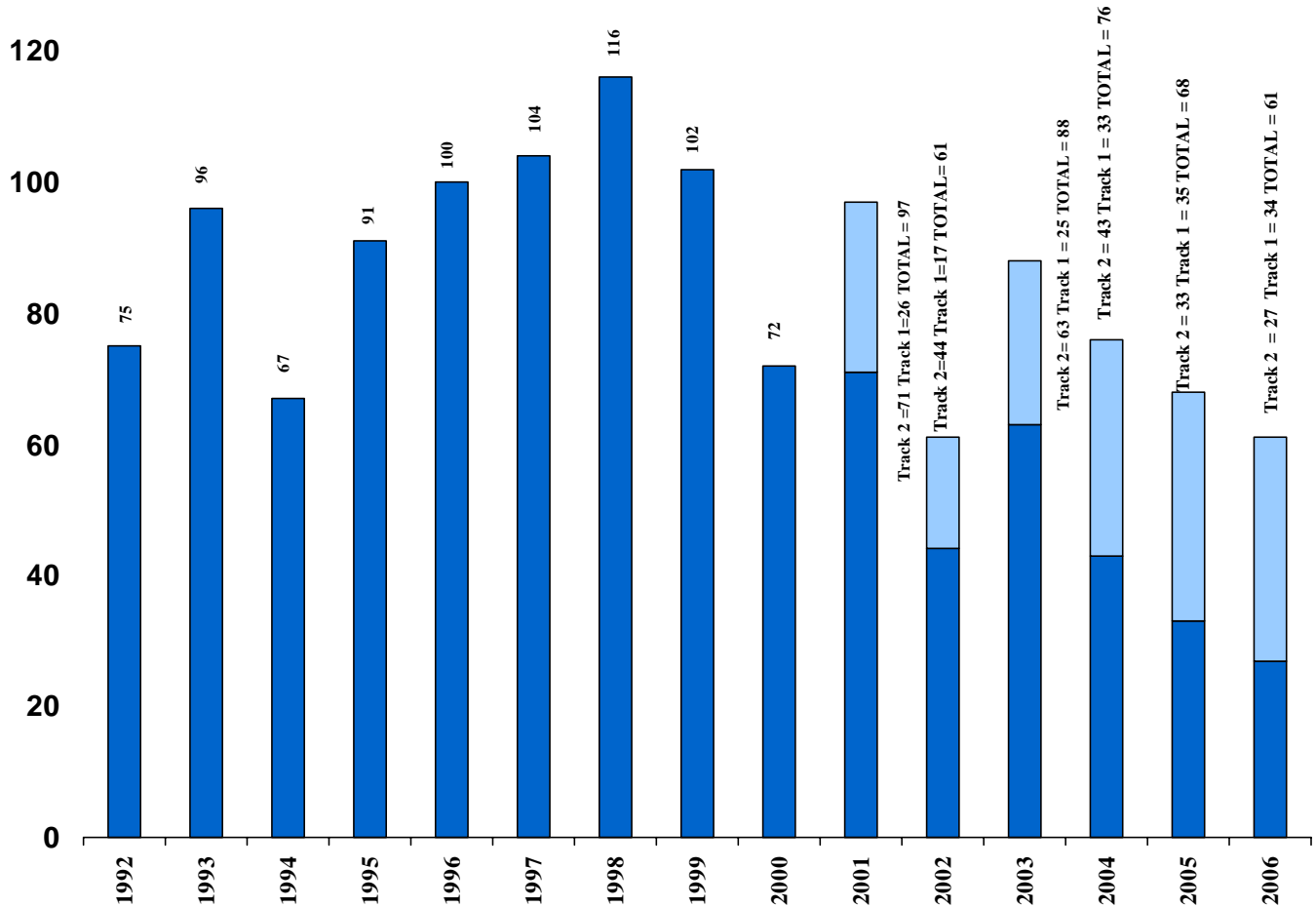


Figure 2

***2006 was the first year that Track 1 projects decreased on both the BERC and the FREMP ERC. We believe it is due to a shortage of labour in the lower mainland that is being utilized by large projects (i.e. the Olympic village construction, RAV Line and others).*

FREMP Environmental Review Committee [ERC] 2006

Breakdown of Track Two Project Applications in 2006

Figure 3 shows what types of projects were reviewed through the FREMP ERC Project Review Process in 2006.

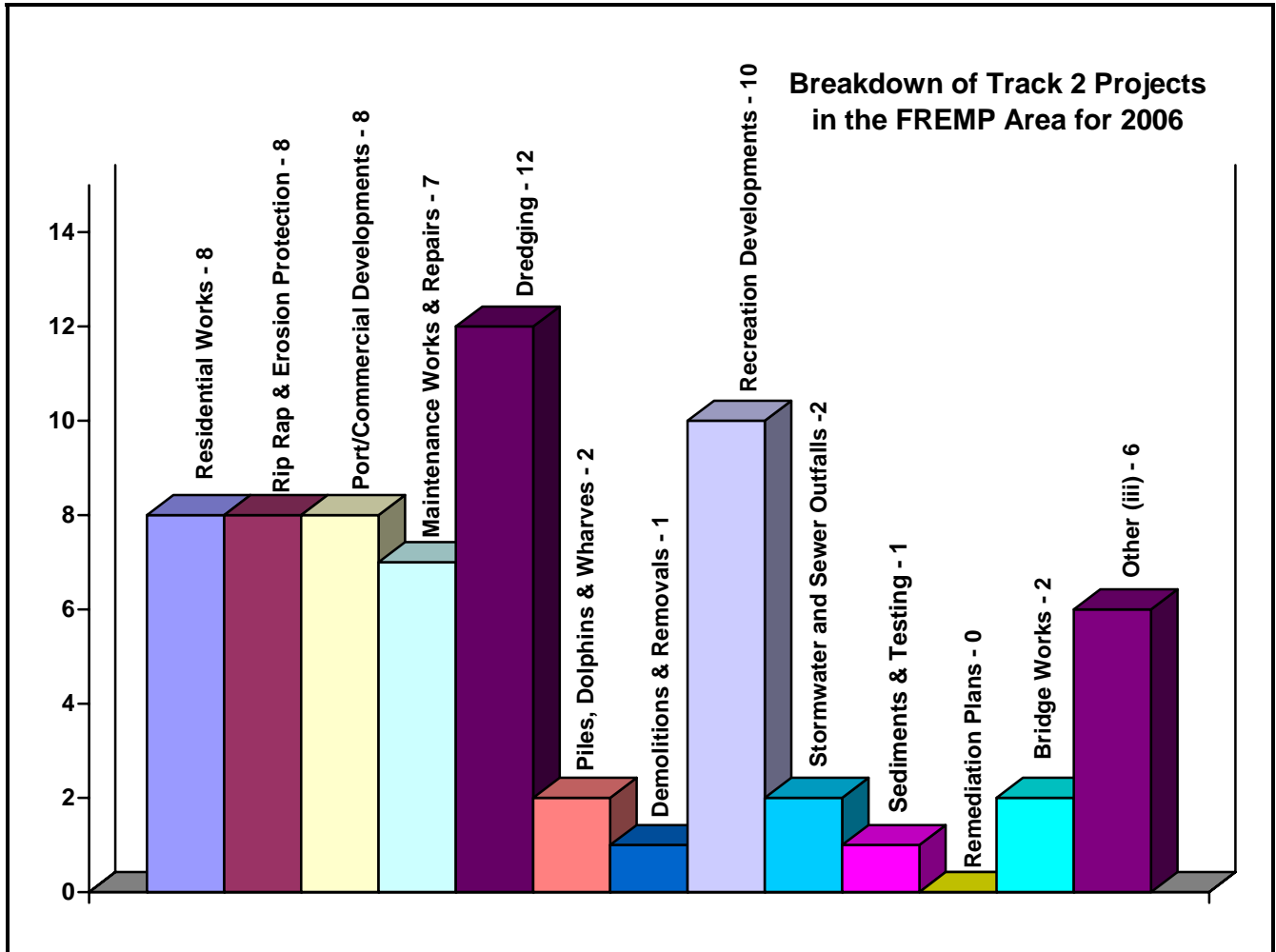


Figure 3

The FREMP Environmental Review Committee comprises representatives from Environment Canada, Fisheries and Oceans Canada, Transport Canada – Navigable Waters Protection Division, the BC Ministry of Environment, the Fraser River Port Authority and the North Fraser Port Authority. The committee meets biweekly on an alternating schedule with BEREC to review projects submitted for a Track 2 review.

From January to December 2006, the FREMP ERC considered a total of 67 Track 2 projects, which is a decrease from the 85 Track 2 projects reviewed in 2005. Over 93% of projects reviewed were completed within the 30-working-day processing target for the FREMP ERC Coordinated Project Review Process. The other 7% of the projects reviewed were closed due to the proponents and therefore no projects in 2006 took longer than 30 days in the FREMP ERC review process.

(iii) Other can mean any projects not mentioned in the other categories, such as house moves, archaeological surveys or comments from FREMP on variance and subdivision requests.

Figure 4 shows the total number of projects reviewed by the FREMP ERC since 1986. Beginning in 2001, Track 1 and Track 2 reviews are broken down to show the totals for both.

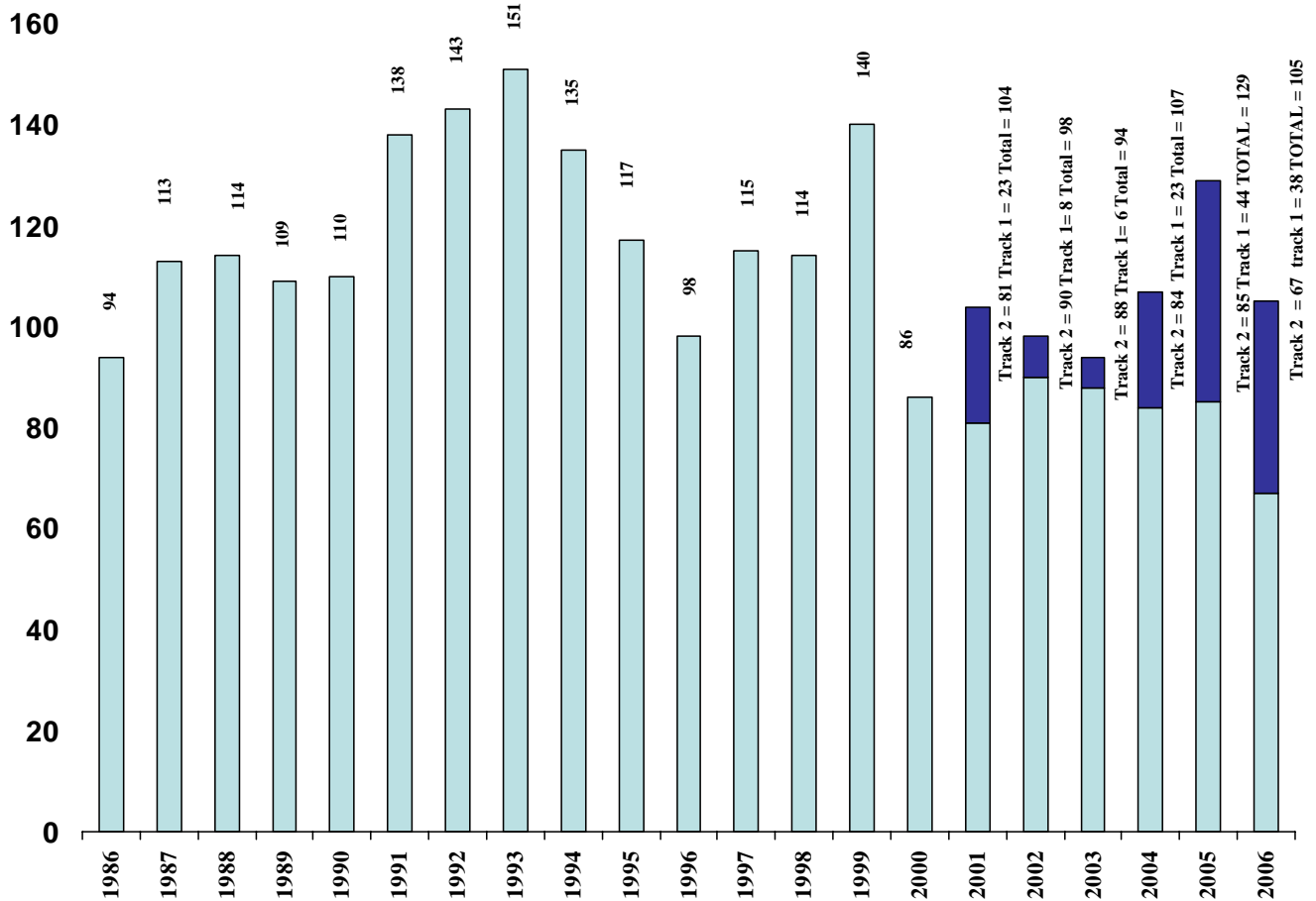


Figure 4

***2006 was the first year that Track 1 projects decreased on both the FREMP ERC and BEREC. We believe it is due to a shortage of labour in the lower mainland that is being utilized by large projects (i.e. the Olympic village construction, RAV Line and others).*

**BURRARD INLET ENVIRONMENTAL ACTION PROGRAM
AND FRASER RIVER ESTUARY MANAGEMENT PROGRAM**

FINANCIAL STATEMENTS

(Unaudited)

March 31, 2007

IRENE G. BERG

CERTIFIED GENERAL ACCOUNTANT

Burrard Inlet Environmental Action Program
And Fraser River Estuary Management Program and
Plan Implementation Fund

Index to Financial Statements

March 31, 2007

(Unaudited - See Notice to Reader)

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Irene G. Berg
Certified General Accountant

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Notice To Reader

I have compiled the consolidated statement of financial position of Burrard Inlet Environmental Action Program and Fraser River Estuary Management Program and the Plan Implementation Fund as at March 31, 2007 and the statements of changes in fund balances, revenues, expenditures and surplus and cash flows for the year then ended from information provided by management.

I have not performed an audit or review engagement in respect of these financial statements and, accordingly, I express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Nanoose Bay, BC
June 22, 2007


Certified General Accountant

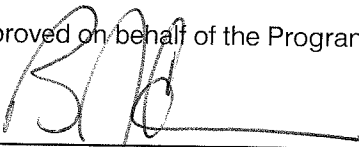
Consolidated Statement of Financial Position

March 31, 2007

(Unaudited - See Notice to Reader)

ASSETS		2007		2006	
Current	Bank	\$	39,204	\$	81,810
	Term deposits		110,132		82,659
	Accounts receivable and accrued interest		8,901		8,684
	Prepaid expenses		3,917		3,917
			162,154		177,070
Tangible Capital Assets	<i>(Note 3)</i>		4,216		4,891
		\$	166,370	\$	181,961
LIABILITIES					
Current	Accounts payable and accruals	\$	18,941	\$	27,265
	Deferred BIEAP/FREMP contributions		11,500		11,250
	Deferred PIF contributions		8,253		7,775
			38,694		46,290
FUND BALANCES	Invested in tangible capital assets		4,216		4,891
	Internally restricted		88,282		82,290
	Externally restricted		3,751		6,494
	Unrestricted		31,427		41,996
			127,676		135,671
		\$	166,370	\$	181,961

Approved on behalf of the Programs:


 _____, Management Committee


 _____, Management Committee

- The accompanying notes are an integral part of these financial statements-

**Consolidated Statement of Changes in Fund Balances
 For the Year ended March 31, 2007**

(Unaudited - See Notice to Reader)

	In Capital Assets	Invested Internally Restricted	Externally Restricted	Unrestricted	2007 Total	2006 Total
Accumulated surplus, Beginning of year	\$ 4,891	\$ 82,290	\$ 6,494	\$ 41,996	\$ 135,671	\$ 98,515
Restate prior year expense (Note 8)	-	-	(1,496)	1,496	-	-
Excess (deficiency) of revenue over expenditures:						
Plan Implementation Fund Operations	-	-	(1,247)	-	(1,247)	5,619
	-	-	-	(6,748)	(6,748)	31,537
Net investment in capital assets	2,498	-	-	(2,498)	-	-
Interest earned	-	3,014	-	(3,014)	-	-
Amortization of capital assets	(3,173)	-	-	3,173	-	-
Contribution to contingency fund	-	2,978	-	(2,978)	-	-
Accumulated surplus, End of year	\$ 4,216	\$ 88,282	\$ 3,751	\$ 31,427	\$ 127,676	\$ 135,671

- The accompanying notes are an integral part of these financial statements -

Consolidated Statement of Revenues and Expenditures

For the Year Ended March 31, 2007

(Unaudited - See Notice to Reader)

	2007	2006
Revenues		
Funding party contributions (Note 5)	\$ 360,000	\$ 352,250
Specific project contributions (Note 6)	26,000	8,550
Plan implementation fund contributions	24,522	60,747
Closure cost contingency fund contributions	2,978	-
Interest	6,334	2,989
	<u>419,834</u>	<u>424,536</u>
Direct program expenditures		
Partnership programs (Note 7)	106,470	28,137
Plan implementation fund - Schedule	26,661	55,694
	<u>133,131</u>	<u>83,831</u>
Administrative expenditures		
Accounting	12,754	15,864
Amortization of capital assets	3,173	3,903
Bank charges and payroll fees	1,037	1,059
Casual labour	-	525
Computer maintenance and supplies	3,722	4,222
Equipment leasing and maintenance	3,800	8,129
Insurance	2,333	2,333
Office and miscellaneous supplies	7,868	7,746
Postage and delivery	4,669	4,669
Professional fees	2,710	4,500
Recruitment and training	2,361	823
Rent	41,896	46,096
Salaries and benefits	202,871	197,671
Telecommunications	5,120	5,573
Travel	384	656
	<u>294,698</u>	<u>303,769</u>
Total Expenditures	<u>427,829</u>	<u>387,600</u>
Excess (deficiency) of Revenues over Expenditures	(7,995)	36,936
Other Revenues		
Gain on disposition of capital assets	-	220
	<u>-</u>	<u>220</u>
Excess (deficiency) of Revenue over Expenditure	<u>\$ (7,995)</u>	<u>\$ 37,156</u>

- The accompanying notes are an integral part of these financial statements -

Consolidated Statement of Cash Flows

For the Year Ended March 31, 2007

(Unaudited - See Notice to Reader)

<u>CASH PROVIDED BY (USED FOR)</u>		<u>2007</u>	<u>2006</u>
Operating activities	Net surplus (deficiency) of revenues over expenditures:		
	BIEAP/FREMP	\$ (6,748)	\$ 31,537
	PIF Fund	(1,247)	5,619
		<u>(7,995)</u>	<u>37,156</u>
	Items not requiring an outlay of cash:		
	Amortization	3,173	3,903
	Gain on disposal of equipment	-	(220)
		<u>(4,822)</u>	<u>40,839</u>
	Changes in non-cash working capital:		
	Accounts receivable and accrued interest	(217)	15,634
	Prepaid expenses	-	108
	Accounts payable and accrued liabilities	(8,324)	18,951
	Deferred BIEAP/FREMP contributions	250	(56,250)
	Deferred PIF contributions	478	(12,225)
		<u>(12,635)</u>	<u>7,057</u>
Investing activities	Purchase computer equipment	(1,708)	(7,337)
	Purchase office equipment	(790)	-
	Proceeds from sale of computer equipment	-	220
		<u>(2,498)</u>	<u>(7,117)</u>
Net increase (decrease) in cash and cash equivalents		<u>(15,133)</u>	<u>(60)</u>
Cash- Beginning of Year		<u>164,469</u>	<u>164,529</u>
Cash - End of Year		<u>\$ 149,336</u>	<u>\$ 164,469</u>
Represented by:	Cash in bank accounts	\$ 39,204	\$ 81,810
	Term deposits	110,132	82,659
		<u>\$ 149,336</u>	<u>\$ 164,469</u>

- The accompanying notes are an integral part of these financial statements-

**Schedule of Revenues, Expenditures and Accumulated Surplus
 For the Year Ended March 31, 2007**

(Unaudited - See Notice to Reader)

	2007 BIEAP	2007 FREMP	2007 Total	2006 Total
Revenue				
Funding party contributions (Note 5)	\$ 157,500	\$ 202,500	\$ 360,000	\$ 352,250
Specific project contributions	26,000	-	26,000	8,550
Interest	2,381	3,061	5,442	2,423
Closure cost contingency fund contributions	2,978	-	2,978	-
Gain on sale of tangible capital assets	-	-	-	220
	<u>188,859</u>	<u>205,561</u>	<u>394,420</u>	<u>363,443</u>
Direct Expenditures				
Contracts (Note 7)	67,839	38,631	106,470	19,840
Fremp 20 year celebration	-	-	-	8,310
	<u>67,839</u>	<u>38,631</u>	<u>106,470</u>	<u>28,150</u>
Allocated Overhead Expenditures				
Program management	43,706	43,706	87,412	71,712
BIEAP environment management plan	29,654	-	29,654	35,002
FREMP water and land use committee	-	16,328	16,328	22,704
FREMP estuary management plan	-	46,032	46,032	48,129
Coordinated project review	43,644	54,500	98,144	113,417
Community liaison	8,564	8,564	17,128	12,792
	<u>125,568</u>	<u>169,130</u>	<u>294,698</u>	<u>303,756</u>
Total Expenditures	<u>193,407</u>	<u>207,761</u>	<u>401,168</u>	<u>331,906</u>
Surplus (deficiency) of Revenues over Expenditures	(4,548)	(2,200)	(6,748)	31,537
Accumulated surplus - Beginning of year	53,722	76,951	130,673	97,640
Restate prior period expense (Note 8)	-	-	-	1,496
Accumulated surplus - End of Year	<u>\$ 49,174</u>	<u>\$ 74,751</u>	<u>\$ 123,925</u>	<u>\$ 130,673</u>

- The accompanying notes are an integral part of these financial statements -

**Schedule of Revenues, Expenditures and Accumulated Surplus
For the Year Ended March 31, 2007**

(Unaudited - See Notice to Reader)

	2007 BIEAP	2007 FREMP	2007 Total	2006 Total
Revenue				
Deferred balances carried forward	\$ 7,775	\$ -	\$ 7,775	\$ 20,000
Contributions for current year	15,000	10,000	25,000	48,522
Balance deferred to next year	(7,022)	(1,231)	(8,253)	(7,775)
Net program funding for year	15,753	8,769	24,522	60,747
Interest income	535	357	892	566
	16,288	9,126	25,414	61,313
Expenditures				
BERC Indian Arm sewage review	3,145	-	3,145	
BIEAP indicators extra data collection	1,138	-	1,138	
BIEAP plan implementation contract	13,000	-	13,000	
False Creek water quality monitoring	-	9,357	9,357	
	17,283	9,357	26,673	55,680
Bank charges	13	8	21	14
Total Expenditures	17,296	9,365	26,694	55,694
Surplus (deficiency) of Revenues over Expenditures	(1,008)	(239)	(1,247)	5,619
Accumulated surplus - Beginning of year	3,511	1,487	4,998	875
Restate prior period expense (Note 8)	-	-	-	(1,496)
Accumulated surplus - End of Year	\$ 2,503	\$ 1,248	\$ 3,751	\$ 4,998

- The accompanying notes are an integral part of these financial statements -

Notes to Financial Statements

March 31, 2007

(Unaudited - See Notice to Reader)

1. Purpose and Structure

Burrard Inlet Environmental Action Program and Fraser River Estuary Management Program (The Programs) were initiated in 1991 and 1985, respectively, on agreement with several funding parties. Management of the Programs was combined in 1996 under a Memorandum of Understanding signed by the funding parties, which provides for a common framework for overall planning, management and policy direction.

Burrard Inlet Environmental Action Program (BIEAP) is a coordinated joint action program created to improve and protect the environmental quality of Burrard Inlet.

Fraser River Estuary Management Program (FREMP) was created to coordinate and facilitate the implementation of measures to protect and improve environmental quality, to provide economic development opportunities and to sustain quality of life in and around the Fraser River estuary.

The Programs operate on a non-profit basis and are exempt from income taxes under Section 149(1) of the Income Tax Act.

2. Significant Accounting Policies

a) Revenue and Expense Recognition:

The Programs follow the deferral method of accounting for contributions, i.e. revenues received in advance are deferred until the period earned.

b) Tangible capital assets:

Capital assets are recorded at cost. Assets with a cost of \$500 or more and have a service life of more than one year will be capitalized. Amortization is calculated annually as follows:

Computer hardware	straight line over 3 years
Furniture and equipment	straight line over 5 years

c) Allocation of administrative expenses:

Salaries and administrative expenses are allocated to the specific programs of BIEAP and FREMP according to the time spent on each activity. The attached Schedule shows the total allocation of revenue and expenses, as presented on the Statement of Revenues and Expenditures, to the individual programs of BIEAP and FREMP.

Notes to Financial Statements

March 31, 2007

(Unaudited - See Notice to Reader)

3. Tangible Capital Assets	Cost	Accumulated Amortization	Net 2007	Net 2006
Computer hardware	\$ 20,357	\$ 16,772	\$ 3,585	\$ 4,891
Furniture and equipment	19,373	18,742	631	-
	<u>\$ 39,730</u>	<u>\$ 35,514</u>	<u>\$ 4,216</u>	<u>\$ 4,891</u>

Obsolete, fully amortized computer equipment in the amount of \$ 25,757 was written off during the current fiscal year. No disposal proceeds were received for this equipment.

4. Fund Balances

The accumulated surplus, which represents the accumulated excess of revenues over expenditures, is allocated as follows: invested in net tangible capital assets, internally restricted for potential closure costs, externally restricted for specific projects of the Plan Implementation Fund (PIF) and the remaining unrestricted balance. Interest earned on the restricted funds is allocated to those funds.

5. Funding Party Contributions

The funding parties contributed the following amounts to the operations of the Programs for the current year:

	BIEAP	FREMP
Environment Canada, Government of Canada	\$ 22,500	\$ 22,500
Department of Fisheries and Oceans, Government of Canada	22,500	22,500
Transport Canada	22,500	22,500
Ministry of Water, Land and Air Protection, Province of BC	22,500	22,500
Greater Vancouver Regional District	22,500	22,500
Fraser River Port Authority	-	45,000
North Fraser Port Authority	-	45,000
Vancouver Port Authority	45,000	-
	<u>\$ 157,500</u>	<u>\$ 202,500</u>

Notes to Financial Statements

March 31, 2007

(Unaudited - See Notice to Reader)

6. Specific Project Contributions

Contributions for specific projects are as follows:	<u>2007</u>	<u>2006</u>
Vancouver Port Authority - BIEAP	\$ 13,000	\$ -
Plan Implementation Fund - BIEAP	13,000	-
FREMP 20 year celebration	-	8,550
	<u>\$ 26,000</u>	<u>\$ 8,550</u>

7. Direct Program Expenditures

Contracts for the current year are as follows:	<u>BIEAP</u>	<u>FREMP</u>	<u>Total</u>
Prior year carry forward Plan Implementation	\$ 21,279	\$ -	\$ 21,279
Plan implementation	46,560	-	46,560
GIS maintenance	-	13,576	13,576
Habitat inventory classification	-	10,284	10,284
Monitoring EMP effectiveness	-	14,771	14,771
	<u>\$ 67,839</u>	<u>\$ 38,631</u>	<u>\$ 106,470</u>

8. Prior Period Adjustment and Comparative Figures

Comparative figures which were prepared by another accountant have been reclassified to conform to the current year presentation. The restatement of prior year payables in the amount of \$1,496 resulted in an increase to Unrestricted Funds and a decrease to the Restricted Fund Balance.

The **BIEAP** and **FREMP** Office is open between 8:30 am and 4:30 pm, Monday to Friday. Services available to the public include a variety of information brochures, reports, maps and reference materials, computer digital maps and databases, and project files.

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