

**2004-2005 Annual Report
Burrard Inlet Environmental Action Program
Fraser River Estuary Management Program**



April 1, 2004-March 31, 2005



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Letter from the Chair of the Management Committee

2004-2005 marked the second full program year of the restructured Burrard Inlet Environmental Action Program and Fraser River Estuary Management Program. This year's focus was again given to the implementation of policy initiatives for the FREMP Water and Land Use Committee and the BIEAP Plan Implementation Committee. Our continuing focus on policy planning and coordination, and coordinated project review, provides the Partners with many opportunities to work together on shared goals.

The BIEAP Plan Implementation Committee (PIC) made significant progress with the implementation of the Consolidated Environment Management Plan (CEMP). This year's highlights included the CEMP Tracking Report done in conjunction with students from Capilano College, and a water quality workshop that led to development of a risk management approach to monitoring in Burrard Inlet. Partners and other stakeholders are now working together in the identification of indicators that will help monitor key ecosystem risks, and the development of a State of the Environment Report for Burrard Inlet.

FREMP's main focus was to move forward with implementing the updated Estuary Management Plan (EMP). A significant achievement in 2004 was the completion of the colour coding review of the entire FREMP area. This marked the next deliverable in implementing the Ecological Features and Functions Approach (EFFA) to management in the estuary. Other ongoing projects included additional work on the Pitt River Reach Overview and Delta area designation agreement, and an assessment and review of the EMP indicators. Completion in early 2005 of the Short-Sea Shipping Study further showed the benefit of the FREMP partnership.

Steadily and surely, both the Burrard Environmental Review Committee and the FREMP Environmental Review Committee continued to provide environmental recommendations on applications made through the coordinated project review process.

As we look to the coming year, we are pleased to look back and see over 20 years of a successful partnership on the FREMP side, and almost 15 years for BIEAP! From our beginnings, we have worked hard to strengthen the intergovernmental partnership and coordinate effective environmental management in the estuary and Inlet. In so doing, we have contributed to the sustainability of these major ecosystems. Here's to the next 20!



Brian Clark, Chair

Management Structure

BIEAP & FREMP Funding Partners

Steering Committee Members

BC Ministry of Water
Land and Air Protection
Eric Partridge

Environment Canada
Don Fast

Fisheries and Oceans Canada
Sue Farlinger

Great Vancouver Regional District
Johnny Carline

Fraser River Port Authority
Allen Domaas

North Fraser Port Authority
Glen MacRae/Alan Baydala

Vancouver Port Authority
Jim Cox

Partners	
	BC Ministry of Water, Land and Air Protection
	Environment Canada
	Fisheries and Oceans Canada
	Fraser River Port Authority (FREMP)
	Great Vancouver Regional District
	North Fraser Port Authority (FREMP)
	Vancouver Port Authority (BIEAP)

Steering Committee	BC Ministry of Water, Land and Air Protection
	Environment Canada
	Fisheries and Oceans Canada
	Fraser River Port Authority (FREMP)
	Great Vancouver Regional District
	North Fraser Port Authority (FREMP)
	Vancouver Port Authority (BIEAP)

Management Committee:

BC Ministry of Water
Land and Air Protection
Brian Clark

Environment Canada
Mike Nassichuk

Fisheries and Oceans Canada
Jim Wild/ Dale Paterson

Great Vancouver Regional District
Hugh Kellas

Fraser River Port Authority
Pat Weber

North Fraser Port Authority
Valerie Jones

Vancouver Port Authority
Alicia Blancarte

Committees under the Management Committee	
	FREMP Water and Land Use Committee
	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 Map

- - Burrard Inlet Environmental Action Plan (BIEAP)
- - Fraser River Estuary Management Program (FREMP)¹
- - Fraser River Port Authority
- - North Fraser Port Authority



¹ 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.

Introduction to the 2004-2005 Annual Report

2004-2005 marked the second full program year of the amended Burrard Inlet Environmental Action Program and the Fraser River Estuary Management Program where the focus was on policy initiatives and project review.

One of the major FREMP accomplishments for 2004 was the completion of the colour coding review of the entire FREMP area. This Ecological Features and Functions Approach (EFFA) project began with new orthophotos in 2002 and an update of the FREMP habitat inventory in 2003. The updated colour codes are also available on the BIEAP FREMP website (www.bieapfremf.org)

The Water and Land Use Committee continued work on reviewing and assessing the EMP indicators with the goal of having an updated Monitoring Report ready for 2006. Another key project for the WLUC was the Pitt River Reach Overview, a web-based compilation of the Pitt River's features and functions. FREMP consulted with the municipalities in the fall of 2004 to ensure that this was a practical and usable tool. Completion of this project is expected by in 2005.

The Short-Sea Shipping Study was a special project jointly organized through FREMP and involved the three major ports: the Fraser River Port Authority, North Fraser Port Authority, Vancouver Port Authority, and Transport Canada. The report identified the commercial feasibility for barges in the region and developed a list of viable short term sites.

One of the first projects the BIEAP Plan Implementation Committee completed was the CEMP Tracking Study done in collaboration with students from Capilano College. It has resulted in an improved tracking system for plan implementation and will be updated on an annual basis.

BIEAP is working towards a State of the Environment report for Burrard Inlet. Following a water quality workshop held in the fall, the partners are working on a risk assessment approach to monitoring environmental quality in the Inlet. Identification of indicators will continue in 2005-2006.

Project Review continued its steady course throughout the year. 2004 saw a slight decrease in the total number of projects reviewed for by BERC, with an increase for the FREMP ERC. Both the FREMP ERC and BERC saw increases in Track 1 projects as the partners became more familiar with the changes implemented for the Coordinated Project Review Process. The newer, streamlined processes demonstrate the improvements requested by the partners and proponents.

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** provides 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, Fraser River Port Authority, North Fraser Port Authority and the Great 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, 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 Steering Committee comprising principals of the signing partners meets annually. The joint Management Committee deals with program management and policy issues on a quarterly basis. The Management Committee also oversees subcommittees and task groups.



BIEAP Highlights

Consolidated Environmental Management Plan (CEMP)

The job of implementing the CEMP is guided by the BIEAP Plan Implementation Committee (PIC), which is currently chaired by the Vancouver Port Authority representative on the Management Committee, Alicia Blancarte. All partners and most municipalities and First Nations have named representatives to sit on this Committee to review priorities for action. The PIC meets quarterly and reports to the BIEAP-FREMP Management Committee.

Burrard Inlet 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 working towards a State of the Environment Report for Burrard Inlet, as outlined in the CEMP. In 2004, a consulting report reviewed potential environmental and marine indicators for the Plan Implementation Committee (PIC) to consider, based on the indicators used by BIEAP partners and other organizations. A short list of potential indicators resulted. A workshop in December 2004 brought together PIC members and other experts to discuss water quality monitoring efforts in Burrard Inlet, and led to exploration of a risk management approach to monitoring. This approach will identify the key ecosystem risks to the Inlet, from a shoreline and upland perspective, prior to selecting the appropriate indicators to monitor those risks. This approach is being further developed by the PIC in 2005-2006.

CEMP Tracking Report

Tracking implementation of the Consolidated Environmental Management Plan (CEMP) for Burrard Inlet is an important function coordinated through BIEAP, to ensure current knowledge about environmental management in the Inlet and avoid duplication in determining new project opportunities. Tracking Plan implementation also fulfils a commitment to monitor the success of the Plan and report to the public on progress.

One of the first projects the BIEAP Plan Implementation Committee completed in 2004 was the Consolidated Environmental Management Plan (CEMP) Tracking Report, done in collaboration with students from the Environmental Science & Management Program

at Capilano College. The students tracked progress of a number of key Actions from the CEMP and made recommendations to BIEAP on the best way to track Plan implementation. Completed in June 2004, the CEMP Tracking Summary Report included information compiled between September 2003 and May 2004 from BIEAP partners, municipalities and other organizations. The Summary Report was posted on the BIEAP website (<http://bieapfrempp.org/bieap/managementplan/index.html>) in October 2004, and will be updated annually as a means of reporting on progress.



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.

Updated FREMP Habitat Classifications

The Fraser River is constantly changing, so the habitat inventory and classification systems - data sets that help decision-makers determine the conditions that will apply in planning and physical works along the river - need to be reviewed and revised on a regular basis. The Estuary Management Plan also commits the FREMP partners to updating the colour coding system.

One of the major FREMP accomplishments for 2004-2005 was the review and approval of shoreline habitat classifications ("colour codes") for the entire FREMP area, based on the updated habitat inventory and the ecological features and functions approach. This approach to management, which is reflected in the updated Estuary Management Plan, began with new orthophotos flown in 2002 and an update of the FREMP habitat inventory in 2003. A critical FREMP decision-making tool, the revised colour codes were made available on the FREMP GIS and the on-line [FREMP Atlas](#) (by navigating to www.shim.bc.ca and clicking on "Atlas Gallery & Data Entry").

The habitat classification review was conducted by an interagency group composed of representatives from Fisheries and Oceans Canada, Environment Canada, the BC Ministry of Environment, the Fraser River Port Authority, and the North Fraser Port Authority. A backgrounder to that process is available on the [publications](#) section of the website.

EMP Indicators

The EMP commits the FREMP partners to monitor progress in implementing the Plan, including through the use of environmental indicators such as those developed for a 2001 Report entitled "Monitoring the Estuary Management Plan". The Monitoring Report will be updated, and initial work on this priority project began in 2004-2005.

Initial consulting work was completed in 2004 which reviewed the 16 indicators used in the 2001 Monitoring Report and recommended a list of indicators to consider for an updated Report. Recommendations were also reviewed with respect to the Report's audience, purpose, and structure. The WLUC has selected six of the existing indicators to report on again, and five indicators to explore further, with a view to potentially incorporating them into an updated EMP Monitoring Report. Further work on the updated EMP Monitoring Report will take place in 2005-2006, by collecting and analyzing data for the final list of indicators. The goal is to produce the updated Report in March 2006.

Pitt River Reach Overview

The updated Estuary Management Plan (EMP) includes a new Integration Action Program in which a features and functions approach will be implemented, in part by developing reach overviews for the ten reaches of the estuary. A reach overview is a new tool that aims to better link water and upland planning and management.

Since early 2004, significant effort has gone into developing the first Reach Overview for the FREMP area. The Pitt River Reach Overview was the first to be developed, as a new estuary management tool to implement the features and functions approach (EFFA) and better link water and upland issues. The Reach Overview is a planning and educational tool providing context on the Pitt River reach, identifying relevant planning initiatives and features and functions, and proposing voluntary site guidelines which act as "best management practices" to promote more sustainable development.

The Reach Overview is an important action in the updated Estuary Management Plan, to link water and upland activities and planning. It is a key tool in meeting the EMP objective of implementing the EFFA to estuary management. This is the first Reach Overview to be completed, and lessons learned through this process will help shape the remaining nine reach overviews. Conclusion of this project is expected next year.

Short-Sea Shipping Study

The 2004-2005 WLUC work plan included a project to explore the sustainability of intermodal transportation of commercial goods by barge in the Lower Mainland. This project was to build on the 2002 FREMP report "An Economic Vision for the Fraser River" which outlined strategic outcomes for economic development in the estuary. The overall aim was to develop a concrete cost comparison that would constitute a business case for waterborne transport and the node concept.

A project partnership was developed with Fraser Port, North Fraser Port Authority, Transport Canada and the Vancouver Port Authority and a project steering committee established with these partners.

Completed in January 2005, the Short-Sea Shipping Study identified the commercial feasibility for the intra-regional movement of container goods by barge from the deep sea ports to potential nodes in the estuary, particularly at Coast 2000 and Fraser-Surrey Docks. This assessment also acknowledged the environmental benefits that would be provided by lower greenhouse gas emissions.



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 staff play an instrumental role in this review process.

Originally FREMP established its Environmental Review Committee [ERC] in 1986 to bring the FREMP approving agencies around the same table to conduct a coordinated determination of the authorizations and permits needed for a project to proceed. The FREMP ERC is not an approving authority. Instead, it furnishes a coordination of the approving authorities' recommendations. The powers to approve permits or *Fisheries Act* authorizations are retained by the appropriate authority. The FREMP ERC provides a one-window approach for project proponents. When BIEAP was established in 1991, a parallel Burrard Environmental Review Committee (BERC) was established to coordinate project reviews in Burrard Inlet.

Project Review continued its steady course throughout the year. 2004 saw a slight decrease in the total number of projects reviewed for by BERC, with an increase for the FREMP ERC. Both the FREMP ERC and BERC saw increases in Track 1 projects as the partners became more familiar with the changes implemented for the Coordinated Project Review Process. Improvements in the Track 1 processes have been recognized by both partners and proponents.

The calendar year of 2004 showed that BERC (Track 2) reviews were reduced from the previous year, going from 63 down to 43, but increased in Track 1 reviews conducted by the Vancouver Port Authority, from 25 to 33. Reviews in Burrard Inlet totaled 76 down from the 88 reviews handled in both tracks in 2003. Over the same period, the FREMP ERC reviews (Track 2) again decreased slightly from 88 in 2003 to 84 in 2004. However, Track 1 reviews processed by the Fraser River Port Authority increased from 6 to 23 in 2004, yielding a total of 107 reviews in the Fraser River estuary in 2004.

Coordinated Project Review Statistics for the Year Ending December 31, 2004

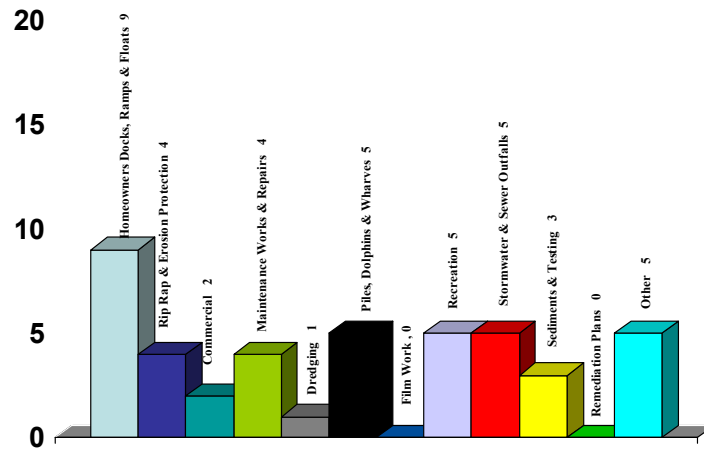
	Track 1	Track 2	Track 3	Track4	Total
Burrard Inlet	33	43	0	0	76
Fraser River estuary	23	84	0	0	107

Burrard Environmental Review Committee [BERC] 2004

Purpose of Track Two Project Application

Purpose of Project Applications Reviewed through the BIEAP Project Review Process – 2004

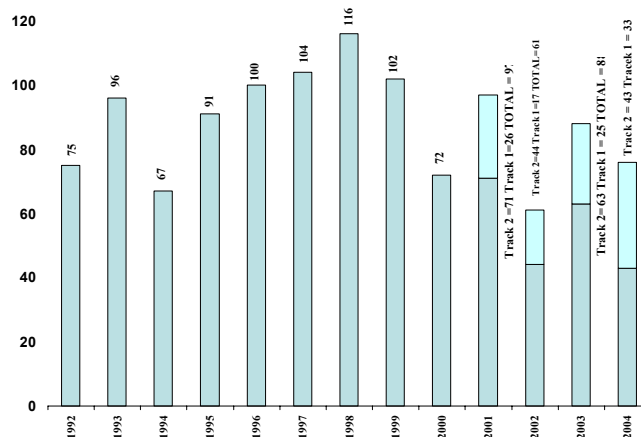
These categories are not mutually exclusive, thus a project may include more than one category.



The Burrard Environmental Review Committee comprises representatives from Environment Canada, Fisheries and Oceans Canada, the Canadian Coast Guard, the 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 2004, BERC considered a total of 43 Track 2 projects, which is down from the 63 Track 2 projects for 2003. 58% of the projects reviewed were completed within the 30-working-day processing target for the BERC Coordinated Project Review Process. Of the eighteen projects that took longer than 30 days, all were completed within 60-working days except two that required more than 90 working days due to unique complexities of the projects.

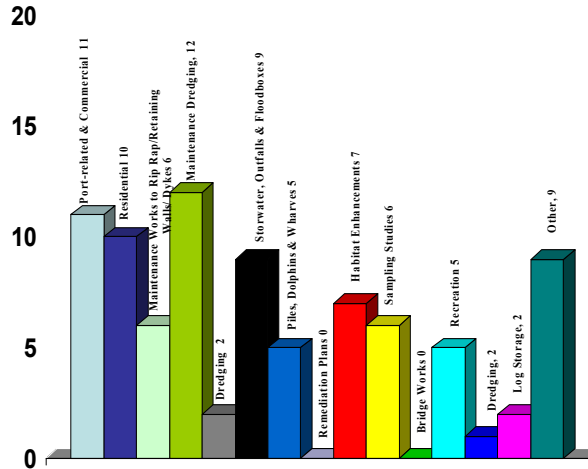
of Project Applications review through the FREMP Coordinated Review Process since 1992



FREMP Environmental Review Committee [ERC] 2004

Purpose of Track Two Project Application

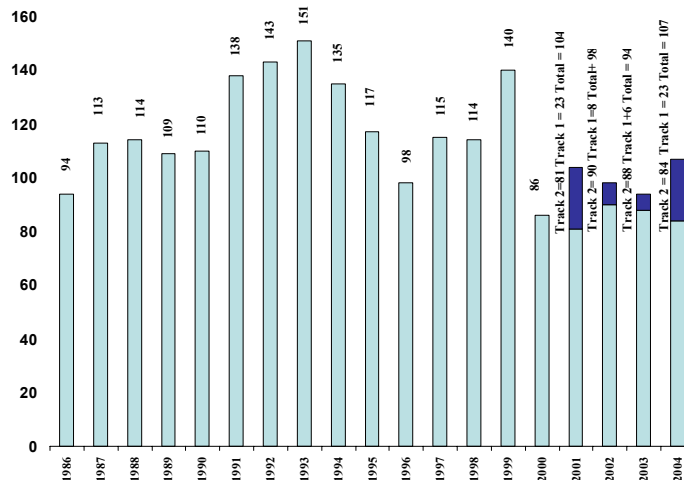
Purpose of Project Applications Reviewed through the FREMP Project Review Process – 2003
These categories are not mutually exclusive, thus a project may include more than one category.



The FREMP Environmental Review Committee comprises representatives from Environment Canada, Fisheries and Oceans Canada, the Canadian Coast Guard, the Ministry of Environment, the Fraser River Port Authority and the North Fraser Port Authority. The committee meets biweekly on an alternating schedule with BERC to review projects submitted for a Track 2 review.

From January to December 2004, the FREMP ERC considered a total of 84 projects, which is a slight decrease from the 88 Track 2 projects reviewed in 2003. Over 90% of projects reviewed were completed within the 30-working-day processing target for the FREMP ERC Coordinated Project Review Process. Of the seven projects that took longer than 30 days, only three were completed in the 61-90 working day category.

of Project Applications review through the FREMP Coordinated Review Process since 1986



Brenda L. Douglas
Chartered Accountant

Suite 300 – 1497 Marine Drive
West Vancouver, B.C. V7T 1B8
Tel: (604) 921-4151 Fax: (604) 921-4161
Email: BDouglas@telus.net

REVIEW ENGAGEMENT REPORT

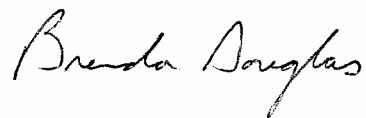
To the Management Committee:

I have reviewed the statement of financial position of Burrard Inlet Environmental Action Program and Fraser River Estuary Management Program as at March 31, 2005, and the statements of operations, changes in accumulated surplus, and cash flows for the year then ended. My review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to me by Program management.

A review does not constitute an audit and consequently I do not express an audit opinion on these financial statements.

Based on my review, nothing has come to my attention that causes me to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.

The comparative figures were reported upon by another firm of public accountants.



West Vancouver, British Columbia
June 30, 2005

Chartered Accountant

**BURRARD INLET ENVIRONMENTAL ACTION PROGRAM
AND FRASER RIVER ESTUARY MANAGEMENT PROGRAM**
Statement of Financial Position
As at March 31, 2005

Unaudited

	2005	2004
Assets		
Current assets:		
Cash and cash equivalents (Note 4)	\$ 164,529	\$ 194,572
Accounts receivable	24,318	21,768
Prepaid expenses	<u>4,025</u>	<u>4,359</u>
Total current assets	192,872	220,699
Capital assets:		
Computer hardware	43,911	43,911
Office furniture and equipment	<u>18,584</u>	<u>18,584</u>
Total capital assets	62,495	62,495
Accumulated amortization	<u>61,038</u>	<u>55,473</u>
Net capital assets	<u>1,457</u>	<u>7,022</u>
Total assets	<u>\$ 194,329</u>	<u>\$ 227,721</u>

Liabilities and Accumulated Surplus

Current liabilities:		
Accounts payable and accrued liabilities	\$ 8,314	\$ 27,114
Deferred contributions	<u>87,500</u>	<u>41,758</u>
Total current liabilities	95,814	68,872
Accumulated surplus:		
Invested in tangible capital assets	1,457	7,022
Internally restricted	80,911	80,000
Unrestricted	<u>16,147</u>	<u>71,827</u>
Total accumulated surplus	<u>98,515</u>	<u>158,849</u>
Total liabilities and accumulated surplus	<u>\$ 194,329</u>	<u>\$ 227,721</u>

Approved on behalf of the Programs:



Management Committee



Management Committee

**BURRARD INLET ENVIRONMENTAL ACTION PROGRAM
AND FRASER RIVER ESTUARY MANAGEMENT PROGRAM**
Statement of Operations
For the Year Ended March 31, 2005

Unaudited

	2005	2004
Revenue:		
Funding party contributions (Note 5)	\$ 280,000	\$ 280,000
Specific project contributions	36,630	23,164
Closure cost contingency fund contributions	11,912	-
Interest	2,005	5,000
Total revenue	330,547	308,164
Direct program expenditures	104,702	124,219
Administrative expenditures:		
Accounting	14,006	13,286
Amortization of capital assets	5,565	8,705
Bank charges and payroll fees	1,028	860
Casual labour	-	1,016
Computer maintenance and supplies	4,706	5,663
Equipment leasing and maintenance	8,232	9,292
Insurance	2,431	2,551
Office and miscellaneous supplies	6,516	8,524
Postage and delivery	3,331	3,991
Professional fees	4,000	5,350
Recruitment and training	1,071	1,060
Rent	44,702	55,386
Salaries and benefits	183,172	176,360
Telecommunications	6,680	6,288
Travel	739	647
Total administrative expenditures	286,179	298,979
Total expenditures	390,881	423,198
Deficiency of revenue over expenditures	(60,334)	(115,034)
Other revenues and expenditures:		
Prior year's GST recovery	-	60,784
Gain on disposition of capital assets	-	642
Restructuring costs	-	(46,810)
Total other revenue and expenditures	-	14,616
Total deficiency of revenue over expenditures	\$ (60,334)	\$ (100,418)

**BURRARD INLET ENVIRONMENTAL ACTION PROGRAM
AND FRASER RIVER ESTUARY MANAGEMENT PROGRAM
Statement of Changes in Accumulated Surplus
For the Year Ended March 31, 2005**

Unaudited

	Invested in Capital Assets	Internally Restricted	Unrestricted	2005 Total	2004 Total
Accumulated surplus, beginning of year	\$ 7,022	\$ 80,000	\$ 71,827	\$ 158,849	\$ 259,267
Deficiency of revenue over expenditures			(60,334)	(60,334)	(100,418)
Interest earned		911	(911)	-	-
Amortization of capital assets	<u>(5,565)</u>	<u>-</u>	<u>5,565</u>	<u>-</u>	<u>-</u>
Accumulated surplus, end of year	<u>\$ 1,457</u>	<u>\$ 80,911</u>	<u>\$ 16,147</u>	<u>\$ 98,515</u>	<u>\$ 158,849</u>

**BURRARD INLET ENVIRONMENTAL ACTION PROGRAM
AND FRASER RIVER ESTUARY MANAGEMENT PROGRAM
Statement of Cash Flows
For the Year Ended March 31, 2005**

Unaudited

	2005	2004
Cash flows related to operating activities:		
Cash received from funding parties	367,374	318,872
Cash paid for programs and administration	(400,036)	(473,293)
Interest received	1,811	4,713
Prior year's GST recovery	<u>-</u>	<u>60,784</u>
Net cash generated from (used in) operating activities	(30,851)	(88,924)
Cash flows from investing activities:		
Interest received on internally restricted funds	808	-
Proceeds on disposal of capital assets	<u>-</u>	<u>642</u>
Net cash generated from investing activities	<u>808</u>	<u>642</u>
Net decrease in cash and cash equivalents	(30,043)	(88,282)
Cash and cash equivalents, beginning of year	<u>194,572</u>	<u>282,854</u>
Cash and cash equivalents, end of year	<u>\$ 164,529</u>	<u>\$ 194,572</u>

**BURRARD INLET ENVIRONMENTAL ACTION PROGRAM
AND FRASER RIVER ESTUARY MANAGEMENT PROGRAM
Notes to the Financial Statements
For the Year Ended March 31, 2005**

Unaudited

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 (see Note 3). 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)(l) of the Income Tax Act.

2. Significant Accounting Policies

a) Revenue recognition:

The Programs follow the deferral method of accounting for contributions. Contributions by the funding parties, as determined by the annual work plan, are recognized as revenue when received. Advance funding is recorded as deferred contributions.

b) Capital assets:

Capital assets are recorded at cost. 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 are allocated to the specific programs of BIEAP and FREMP according to the time spent on each activity. Other administrative expenses are usually allocated in the same percentages as the salaries, unless a more specific basis for allocation is appropriate. The attached Schedule shows the total allocation of revenue and expenses, as presented on the Statement of Operations, to the individual programs of BIEAP and FREMP.

d) Accumulated surplus:

The accumulated surplus, which represents the accumulated excesses of revenues over expenditures, is allocated as follows: invested in net tangible capital assets, internally restricted for potential closure costs, and the remaining unrestricted balance.

**BURRARD INLET ENVIRONMENTAL ACTION PROGRAM
AND FRASER RIVER ESTUARY MANAGEMENT PROGRAM**
Notes to the Financial Statements, Continued
For the Year Ended March 31, 2005

Unaudited

e) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

3. Financial Instruments

The fair value of all items that meet the definition of a financial instrument approximate their carrying values. These items include cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities. It is management's opinion that the Programs are not exposed to significant credit, currency or interest rate risks arising from these financial instruments.

4. Cash and Cash Equivalents

Cash and cash equivalents are comprised of the following:

Bank balances and cash on hand	\$ 83,132
Guaranteed investment certificate (GIC)	<u>81,397</u>
Total cash and cash equivalents	<u>\$ 164,529</u>

The GIC is cashable, earns a yield of 1.55% per annum, and matures March 1, 2006. The bank balances earn an effective annual yield of prime minus 3% per annum (1.25% at March 31, 2005).

5. Funding Party Contributions

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

	BIEAP	FREMP
Fraser River Port Authority	\$ -	\$ 40,000
North Fraser Port Authority	-	40,000
Environment Canada, Government of Canada	20,000	20,000
Department of Fisheries and Oceans, Government of Canada	20,000	20,000
Ministry of Water, Land and Air Protection, Province of BC	20,000	20,000
Greater Vancouver Regional District	20,000	20,000
Vancouver Port Authority	<u>40,000</u>	-
Total revenue	<u>\$ 120,000</u>	<u>\$ 160,000</u>

**BURRARD INLET ENVIRONMENTAL ACTION PROGRAM
AND FRASER RIVER ESTUARY MANAGEMENT PROGRAM**
Notes to the Financial Statements, Continued
For the Year Ended March 31, 2005

Unaudited

Additional amounts were contributed by individual funding parties for specific projects and by certain BIEAP parties to increase BIEAP's funding of the internally restricted surplus.

6. Trust Funds

The Programs entered into agreements with certain government bodies to jointly administer specified projects on behalf of those bodies. Any unexpended funds under these agreements are held in trust by the Programs. Trust funds held March 31, 2005, were \$0 (2004 \$358). Trust funds expended for the year totalled \$358 (2002 \$100). The account was closed in May, 2005. Trust fund transactions and account balances are not reflected in the financial statements.

7. Commitments

The Programs are committed to leases for their office premises and equipment, requiring future minimum lease payments over the next two years of:

2006	\$ 52,000
2007	<u>3,000</u>
Total commitments	<u>\$ 55,000</u>

**BURRARD INLET ENVIRONMENTAL ACTION PROGRAM
AND FRASER RIVER ESTUARY MANAGEMENT PROGRAM**
Schedule of Revenue, Expenditures and Accumulated Surplus as Allocated to the Programs
For the Year Ended March 31, 2005

Unaudited

	2005 BIEAP	2005 FREMP	2005 Total	2004 Total
Allocation of revenue:				
Funding party contributions (Note 5)	\$ 120,000	\$ 160,000	\$ 280,000	\$ 280,000
Specific project contributions	9,630	27,000	36,630	23,164
Closure cost contingency fund contributions	11,912	-	11,912	-
Interest	135	1,870	2,005	5,000
Prior years' GST recovery	-	-	-	60,784
Gain on sale of tangible capital assets	-	-	-	642
Total revenue	<u>141,677</u>	<u>188,870</u>	<u>330,547</u>	<u>369,590</u>
Allocation of expenditures:				
Program management	33,084	33,084	66,168	67,358
BIEAP environment management plan	28,346	-	28,346	32,614
FREMP economic development / intermodal	-	42,468	42,468	-
FREMP water and land use	-	22,457	22,457	160,261
FREMP estuary management plan	-	69,004	69,004	25,007
Coordinated project review	55,219	58,426	113,645	128,712
Community liaison	5,659	5,659	11,318	9,246
Plan implementation fund projects	9,204	28,271	37,475	-
Restructuring costs	-	-	-	46,810
Total expenditures	<u>131,512</u>	<u>259,369</u>	<u>390,881</u>	<u>470,008</u>
Surplus (deficiency) of revenue over expenditures	10,165	(70,499)	(60,334)	(100,418)
Accumulated surplus, beginning of year	<u>17,112</u>	<u>141,737</u>	<u>158,849</u>	<u>259,267</u>
Accumulated surplus, end of year	<u>\$ 27,277</u>	<u>\$ 71,238</u>	<u>\$ 98,515</u>	<u>\$ 158,849</u>

The **BIEAP** and **FREMP** Office is open between 8:30 am and 4:40 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.

We are located at:

Suite 501 – 5945 Kathleen Avenue
Burnaby, BC
V5H 4J7

604 775 5756 Phone
604 775 5198 Fax

mail@bieapfrempp.org

www.bieapfrempp.org

