

Bowen Island Municipality
Financial Statements
For the year ended December 31, 2006

**Bowen Island Municipality
Financial Statements
For the year ended December 31, 2006**

Contents

Auditors' Report	2
Consolidated Financial Statements	
Statement of Financial Position	3
Statement of Financial Activities	4
Statement of Current Fund Operations	5
Statement of Reserve Fund Operations	6
Statement of Capital Fund Operations	7
Statement of Investment in Property and Equipment	8
Statement of Cash Flows	9
Summary of Significant Accounting Policies	10 - 11
Notes to the Financial Statements	12 - 26
Supplementary Financial Information	
Schedule 1 - General Departmental Expenditures	27
Schedule 2 - Schedule of Financial Position - All Funds	28
Schedule 2 (b) - Schedule of Financial Position - Water Current Funds	29
Schedule 2 (c) - Schedule of Financial Position - Water Capital Funds	30
Schedule 3 - Schedule of Current Fund Operations - All Funds	31
Schedule 3 (b) - Schedule of Current Fund Operations - Water	32
Schedule 4 - Schedule of Reserve Fund Operations - All Funds	33
Schedule 5 - Schedule of Capital Fund Operations - All Funds	34
Schedule 5 (b) - Schedule of Capital Fund Operations - Water	35
Schedule 6 - Schedule of Investment in Property and Equipment	36
Schedule 6 (b) - Schedule of Investment in Property and Equipment - Water	37



BDO Dunwoody LLP
Chartered Accountants

600 Cathedral Place
925 West Georgia Street
Vancouver, BC Canada V6C 3L2
Telephone: (604) 688-5421
Telefax: (604) 688-5132
E-mail: vancouver@bdo.ca
www.bdo.ca

Auditors' Report

To the Mayor and Councilors of Bowen Island Municipality

We have audited the Consolidated Statement of Financial Position of Bowen Island Municipality as at December 31, 2006 and the Consolidated Statements of Financial Activities, Current Fund Operations, Reserve Fund Operations, Capital Fund Operations, Investment in Property and Equipment and Cash Flows 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 misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of Bowen Island Municipality as at December 31, 2006 and the results of its financial activities and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information on the financial position and operating results of individual funds included in Schedules 1 through 6 is presented for purposes of additional analysis. Such supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

Chartered Accountants

Vancouver, British Columbia
March 23, 2007

Bowen Island Municipality
Consolidated Statement of Financial Position

December 31 **2006** **2005**

Assets

Financial Assets

Cash and short-term deposits (Note 1)	\$ 6,889,672	\$ 6,277,423
Accounts receivable (Note 2)	420,368	366,225
	7,310,040	6,643,648

Property and equipment (Note 3)

General	4,849,987	4,575,906
Water systems	4,451,500	4,344,121
Sewer system	358,843	358,843
	9,660,330	9,278,870
	\$ 16,970,370	\$ 15,922,518

Liabilities and Financial Position

Liabilities

Accounts payable and accrued liabilities	\$ 442,610	\$ 519,815
Deferred revenue	565,771	235,210
Obligation under capital lease (Note 4)	6,842	10,009
Interim financing (Note 4)	2,000,000	2,000,000
Long-term debt (Note 4)	513,023	605,485
	3,528,246	3,370,519

Financial Position

Financial Equity		
Current Fund	3,370,203	3,219,131
Reserve Fund (Note 5)	2,926,053	2,664,303
Capital Fund	5,441	5,227
	6,301,697	5,888,661
Investment in property and equipment	7,140,427	6,663,338
	13,442,124	12,551,999
	\$ 16,970,370	\$ 15,922,518

_____ Director of Finance

Bowen Island Municipality
Consolidated Statement of Financial Activities

For the year ended December 31	Budget		
	2006	2006	2005
Revenue			
Taxation, net (Note 6)	\$ 2,574,882	\$ 2,574,457	\$ 2,350,484
Parcel taxes (Note 6)	539,220	539,940	459,424
Grants in lieu of taxes	2,449	2,229	2,709
Utility connection fees and user rates	576,977	606,183	581,302
Government grants - Federal (Note 14)	3,800	3,040	2,980
Government grants - Provincial (Note 14)	421,184	321,220	499,686
Other grants (Note 14)	33,463	28,964	23,315
Sales of services (Note 15)	306,801	302,324	267,554
Other (Note 15)	441,664	555,504	491,867
	4,900,440	4,933,861	4,679,321
Expenses			
General departmental expenditures (Schedule 1)	3,598,207	3,383,281	3,156,087
Water systems operations	486,518	416,279	382,559
Sewer system operations	89,117	79,983	81,948
Debt interest	117,640	143,866	57,961
Capital expenditures	1,369,200	401,787	2,944,277
	5,660,682	4,425,196	6,622,832
Net revenue for the year before debt repayment	(760,242)	508,665	(1,943,511)
Debt repayment	(81,637)	(95,629)	(78,279)
Capital lease issued	-	-	13,073
Interim financing issued	-	-	2,000,000
Change in financial equity	(841,879)	413,036	(8,717)
Financial equity, beginning of year	5,888,661	5,888,661	5,897,378
Financial equity, end of year	\$ 5,046,782	\$ 6,301,697	\$ 5,888,661

Bowen Island Municipality
Consolidated Statement of Current Fund Operations

For the year ended December 31	Budget 2006	2006	2005
Revenue			
Taxation, net (Note 6)	\$ 2,574,882	\$ 2,574,457	\$ 2,350,484
Parcel taxes (Note 6)	539,220	539,940	459,424
Grants in lieu of taxes	2,449	2,229	2,709
Utility connection fees and user rates	576,977	606,183	581,302
Government grants - Federal (Note 14)	3,800	3,040	2,980
Government grants - Provincial (Note 14)	214,454	254,366	473,766
Other grants (Note 14)	33,463	28,964	23,315
Sales of services (Note 15)	306,801	302,324	267,554
Other (Note 15)	332,946	421,288	408,994
	4,584,992	4,732,791	4,570,528
Expenses			
General departmental expenditures (Schedule 1)	3,598,207	3,383,281	3,156,087
Water systems operations	486,518	416,279	382,559
Sewer system operations	89,117	79,983	81,948
Debt interest	117,640	143,866	57,961
	4,291,482	4,023,409	3,678,555
Net revenue before debt repayment and transfers	293,510	709,382	891,973
Debt repayment	(81,637)	(95,629)	(78,279)
Interfund transfers			
Capital fund	(336,761)	(73,022)	(361,102)
Reserve fund	(376,135)	(389,659)	(410,379)
Change in Current Fund balance	(501,023)	151,072	42,213
Current Fund balance, beginning of year	3,219,131	3,219,131	3,176,918
Current Fund balance, end of year	\$ 2,718,108	\$ 3,370,203	\$ 3,219,131
Represented by			
General Surplus (Schedule 2)		\$ 2,663,997	\$ 2,611,363
Water Surplus (Schedule 2)		658,004	565,566
Sewer Surplus (Schedule 2)		48,202	42,202
		\$ 3,370,203	\$ 3,219,131

See Schedule 3 for further details.

Bowen Island Municipality
Consolidated Statement of Reserve Fund Operations

For the year ended December 31	Budget 2006	2006	2005
Revenue			
Contributions	\$ -	\$ -	\$ 5,814
Interest income	<u>67,318</u>	<u>108,979</u>	<u>63,900</u>
Net revenue before interfund transfers	67,318	108,979	69,714
Interfund transfers			
from Current Fund	376,135	389,659	410,379
to Capital Fund	<u>(784,309)</u>	<u>(236,888)</u>	<u>(531,141)</u>
Change in Reserve Fund Balance	(340,856)	261,750	(51,048)
Reserve Fund Balance, beginning of year	<u>2,664,303</u>	<u>2,664,303</u>	<u>2,715,351</u>
Reserve Fund Balance, end of year	\$ 2,323,447	\$ 2,926,053	\$ 2,664,303

See Schedule 4 for further details.

Bowen Island Municipality
Consolidated Statement of Capital Fund Operations

For the year ended December 31	Budget 2006	2006	2005
Sources of Capital Financing			
Net interfund transfers			
from Current Fund	\$ 336,761	\$ 73,022	\$ 361,102
from Reserve Fund	784,309	236,888	531,141
Interest earnings	-	214	118
Grants	206,730	66,854	25,920
Other revenue	41,400	25,023	13,041
Capital lease proceeds	-	-	13,073
Interim financing proceeds	-	-	2,000,000
	1,369,200	402,001	2,944,395
Capital Expenditures			
General government	36,000	29,180	2,291,954
Fire and emergency services	-	-	390,603
Public works	430,400	204,313	145,267
Recreation	70,000	-	6,468
Parks	233,500	60,915	52,906
Water systems	599,300	107,379	57,079
	1,369,200	401,787	2,944,277
Change in Capital Fund Balance	-	214	118
Capital Fund Balance, beginning of year	5,227	5,227	5,109
Capital Fund Balance, end of year	\$ 5,227	\$ 5,441	\$ 5,227

See Schedule 5 for further details.

Bowen Island Municipality
Consolidated Statement of Investment in Property and Equipment

For the year ended December 31	Budget 2006	2006	2005
Additions			
Property and equipment acquired	\$ 1,369,200	\$ 401,787	\$ 2,944,277
Debt repayment	81,637	84,628	68,820
Debt actuarial adjustment	-	11,001	9,459
	<u>1,450,837</u>	<u>497,416</u>	<u>3,022,556</u>
Reductions			
New debt including capital leases	-	-	(2,013,073)
Disposal of assets	-	(20,327)	-
	<u>1,450,837</u>	<u>477,089</u>	<u>1,009,483</u>
Change in investment in property and equipment	1,450,837	477,089	1,009,483
Investment in property and equipment, beginning of year	6,663,338	6,663,338	5,653,855
Investment in property and equipment, end of year	\$ 8,114,175	\$ 7,140,427	\$ 6,663,338

Actuarial adjustments represent earnings on sinking fund deposits contributed to debt principal reduction.

See Schedule 6 for further details.

Bowen Island Municipality
Consolidated Statement of Cash Flows

For the year ended December 31	2006	2005
Cash provided by (used in)		
Operating activities		
Change in financial equity for the year	\$ 413,036	\$ (8,717)
Changes in non-cash operating balances		
Accounts and taxes receivable	(54,143)	83,630
Accounts payable	(77,205)	(603)
Deferred revenue	330,561	59,184
Increase in cash and short-term deposits during the year	612,249	133,494
Cash and short-term deposits, beginning of year	6,277,423	6,143,929
Cash and short-term deposits, end of year	\$ 6,889,672	\$ 6,277,423

Bowen Island Municipality Summary of Significant Accounting Policies

December 31, 2006

Bowen Island Municipality (the "Municipality") is an island municipality in the province of British Columbia. The Municipality was established pursuant to an Order of the Lieutenant Governor in Council effective December 4, 1999 and operates under the provisions of the Community Charter. The Municipality provides municipal services such as fire, public works, planning, parks, recreation and other general government services.

The Municipality prepares its financial statements in accordance with Canadian generally accepted accounting principles for local government using guidelines developed by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants.

Services, assets, liabilities, fund balances and reserves were transferred to the Municipality pursuant to the Letters Patent from the aforementioned Order-in-Council that incorporated the Municipality. Such transfers were made from the Greater Vancouver Regional District and the Bowen Island Fire Protection District in 2000; Bluewater Park and Hood Point Water Improvement Districts were transferred on August 1, 2002; Bowen Bay, Eagle Cliff and Tunstall Bay Water Improvement Districts were transferred on January 1, 2003. The Municipality is a member municipality of the Greater Vancouver Regional District and of the Islands Trust and has various responsibilities to both entities.

Principles of Consolidation

The consolidated financial statements include the balances of all of the following funds: general operating, water operating, sewer operating, general capital, water capital, sewer capital and reserve funds. Transfers between funds and interfund balances have been eliminated upon consolidation.

Basis of Accounting

The basis of accounting followed in these financial statements is an accrual method and includes revenues in the period in which the transactions or events occurred that gave rise to the revenues and expenditures in the period the goods and services are acquired and a liability is incurred.

Budget Amounts

Budget amounts reflect the Statutory Annual Budget adopted by Council on May 12, 2006 which are not audited.

Property and Equipment

Property and equipment include property and equipment transferred from the Predecessor Entities. Such transfers were recorded at book value of the Predecessor Entities with some adjustments for amortization. Other property and equipment are recorded at cost.

In accordance with an accounting policy issued by the Ministry of Community Services, property and equipment are recorded at cost and are not amortized.

Supplies and Prepaid Expenses

Supplies are charged to operations when purchased and prepaid expenses are recorded as expenditures in the year the amounts are paid.

Bowen Island Municipality
Summary of Significant Accounting Policies

December 31, 2006

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Bowen Island Municipality
Notes to Consolidated Financial Statements

December 31, 2006

1. Cash and Short-term Deposits	2006	2005
Bank accounts	\$ 218,550	\$ 453,670
MFA short-term bond fund	3,175,235	3,050,461
MFA money market fund	3,997,462	3,164,371
Less refundable deposits (Note 5)	<u>(501,575)</u>	<u>(391,079)</u>
	<u>\$ 6,889,672</u>	<u>\$ 6,277,423</u>

2. Accounts Receivable	2006	2005
General Fund		
Goods and services tax receivable	\$ 52,608	\$ 44,697
General accounts receivable	20,123	24,096
Taxes receivable	<u>135,112</u>	<u>126,905</u>
	<u>207,843</u>	195,698
Water Fund		
Provincial grants receivable	92,774	30,920
User rates receivable	<u>72,196</u>	<u>99,744</u>
	<u>164,970</u>	130,664
Sewer Fund		
User rates receivable	<u>47,555</u>	<u>39,863</u>
	<u>\$ 420,368</u>	<u>\$ 366,225</u>

Bowen Island Municipality
Notes to Consolidated Financial Statements

December 31, 2006

3. Property and Equipment	<u>2006</u>	<u>2005</u>
General Fund		
Land	\$ 2,270,389	\$ 2,270,389
Roads and infrastructure	466,241	271,594
Docks	308,263	308,263
Trails	80,087	80,087
Parks	41,919	39,019
Beach developments	123,219	64,846
Equipment - fire and mobile	971,449	971,449
Equipment - mobile	37,837	37,837
Equipment - other	273,493	255,332
Buildings	277,090	277,090
	<u>4,849,987</u>	<u>4,575,906</u>
Water Fund - Supply and distribution systems		
Bluewater Park	460,062	460,062
Bowen Bay	127,417	127,417
Cove Bay	2,465,119	2,357,740
Eagle Cliff	243,157	243,157
Hood Point	1,114,163	1,114,163
Tunstall Bay	41,582	41,582
	<u>4,451,500</u>	<u>4,344,121</u>
Sewer Fund - collection and treatment system	<u>358,843</u>	<u>358,843</u>
	<u>\$ 9,660,330</u>	<u>\$ 9,278,870</u>

Bowen Island Municipality
Notes to Consolidated Financial Statements

December 31, 2006

4. Debt

(a) Long-term debt:

Purpose	Maturity	Interest	<u>2006 Principal</u>	<u>2005 Principal</u>
Water				
Cove Bay Water Local Service Area				
(i) Bylaw 837 Queen Charlotte Hts	2019	5.99%	\$ 329,044	\$ 346,736
Eagle Cliff Water Local Service Area				
(ii) Bylaw 41 Water system	2008	9.93%	5,330	6,680
(ii) Bylaw 60 Water system	2012	9.41%	42,805	46,566
			48,135	53,246
Hood Point Water Local Service Area				
(iii) Bylaw 36 Water System	2009	prime + .5%	93,252	155,570
			470,431	555,552
Sewer				
Snug Cove Sewer Local Service Area				
(i) Bylaw 610 Sewer Collection	2011	7.42%	42,592	49,933
Consolidated total			\$ 513,023	\$ 605,485

(i) Greater Vancouver Regional District Bylaw
(ii) Eagle Cliff Improvement District Bylaw
(iii) Hood Point Improvement District Bylaw

Bowen Island Municipality
Notes to Consolidated Financial Statements

December 31, 2006

4. Debt (continued)

(b) Long-term debt - future principal payments on existing debt:

	General Fund	Water Fund	Sewer Fund	Total
2007	\$ -	\$ 65,294	\$ 3,707	\$ 69,001
2008	-	55,104	3,707	58,811
2009	-	22,214	3,708	25,922
2010	-	14,954	3,708	18,662
2011	-	14,954	3,708	18,662
Thereafter	-	128,405	-	128,405
	-	300,925	18,538	319,463
Actuarial additions	-	169,506	24,054	193,560
	\$ -	\$ 470,431	\$ 42,592	\$ 513,023

Actuarial additions represent projected earnings on sinking fund deposits.

(c) Interim financing:

Assent of the electors was obtained, through a referendum held April 30, 2005, for "Bowen Island Municipality GVRD Non-Parks Land Acquisition, Loan Authorization Bylaw No. 141, 2005".

Loan Authorization Bylaw No. 141, provided the authority for the Municipality to borrow up to \$2,035,623 to acquire approximately 38 acres of land from the Greater Vancouver Regional District.

In the interim of processing the long-term debenture debt, the Municipality adopted a temporary borrowing bylaw (No. 171) to finance the land acquisition with the intention of selling some of the acquired lands that may be determined to be surplus to municipal needs. The proceeds from the sale of any such lands are to be used first to reduce or extinguish the principal balance of the temporary borrowing. The balance remaining on the temporary loan, if any, will be refinanced as long-term debenture debt prior to the expiration of the authority provided in the Loan Authorization Bylaw No. 141, in April 2010. Until that time, interest-only payments at a rate of prime less approximately 1.25% per annum will be made on the temporary borrowing. As at December 31, 2006, the outstanding balance on the loan was \$2,000,000 (2005 - \$2,000,000).

(d) Obligation under capital lease for equipment:

The future minimum lease payments due under capital lease are as follows:

2007	\$ 3,608
2008	3,608
Total future minimum lease payments	7,216
Less amount representing interest at 5.15%	(374)
Present value of minimum lease payments	\$ 6,842

Bowen Island Municipality
Notes to Consolidated Financial Statements

December 31, 2006

5. Restricted Funds

(a) Reserve Funds

Certain funds administered by the Municipality are not available for general use for financing operating activities.

	2006	2005
Fire Protection Reserve Fund		
<p>Fire Protection Reserve, Bowen Island Fire Protection District Bylaw 27, 1984 was transferred from the predecessor entity, Bowen Island Fire Protection District in the amount of \$103,595.</p> <p>The Fire Protection Reserve Fund was created by Bowen Island Bylaw No. 12, 2000 under the authority of Section 496 of the Local Government Act. Funds in this reserve are restricted for use as to fire protection equipment.</p>		
	\$ 245,957	\$ 156,208
Recreation and Other Community Use Reserve Fund		
<p>Recreation and Other Community Use Reserve Fund, GVRD Bylaw 715, was transferred from the predecessor entity, GVRD in the amount of \$117,962.</p> <p>The Recreation and Other Community Use Reserve Fund was created by Bowen Island Bylaw 17, 2000 under the authority of Section 496 of the Local Government Act. Funds in this reserve are restricted for use as to capital works or equipment for Recreation and Community use.</p>		
	420,190	358,526
Community Parks Reserve Fund		
<p>Community Parks Reserve Fund, GVRD Bylaw 717, was transferred from the predecessor entity, GVRD in the amount of \$280,035.</p> <p>Community Parks Reserve Fund was created by Bowen Island Bylaw 16, 2000 under the authority of Section 496 of the Local Government Act. Funds in this reserve are restricted for use as to capital works or equipment with respect to Community Parks.</p>		
	559,655	563,033
Carried forward	\$ 1,225,802	\$ 1,077,767

Bowen Island Municipality
Notes to Consolidated Financial Statements

December 31, 2006

5. Restricted Funds (continued)

	2006	2005
(a) Reserve Funds (continued)		
Brought forward	\$ 1,225,802	\$ 1,077,767
Cove Bay Water System Reserve Fund		
Cove Bay Water System Reserve Fund, GVRD Bylaw 703, was transferred from the predecessor entity, GVRD in the amount of \$297,848.		
Cove Bay Water System Reserve Fund was created by Bowen Island Bylaw 19, 2000 under the authority of Section 496 of the Local Government Act. Funds in this reserve are restricted for use as to capital works or equipment with respect to the Cove Bay Water System.	799,349	757,582
Mount Gardner Dock Reserve Fund		
Mount Gardner Dock Reserve Fund, GVRD Bylaw 879, was transferred from the predecessor entity, GVRD in the amount of \$22,105.		
Mount Gardner Dock Reserve Fund was created by Bowen Island Bylaw 18, 2000 under the authority of Section 496 of the Local Government Act. Funds in this reserve are restricted for use as to capital works or equipment with respect to the Mount Gardner Dock.	28,839	27,705
Tax Sale and Sinking Fund Surplus		
Reserve established pursuant to Section 498 of the Local Government Act. Funds in this reserve are to be used for payment of sinking fund, debt, or capital amounts. Balance represents sinking fund surplus on debt retirement.	23,204	22,292
Equipment Replacement Reserve Fund		
The Equipment Replacement Reserve Fund was created by Bowen Island Bylaw No. 134 under the authority of Section 188 of the Community Charter. Funds in this reserve are restricted for use as to replacement of municipal mobile equipment.	34,349	19,881
Roads Maintenance and Renewal Reserve Fund		
The Roads Maintenance and Renewal Reserve Fund was created by Bowen Island Bylaw No. 135 under the authority of Section 188 of the Community Charter. Funds in this reserve are restricted for use as to maintenance, renewal or construction of municipal road works.	814,510	759,076
	\$ 2,926,053	\$ 2,664,303

Bowen Island Municipality
Notes to Consolidated Financial Statements

December 31, 2006

5. Restricted Funds (continued)

(b) Refundable Deposits

Bowen Island Municipality Building Bylaw No. 65, 2002 authorizes that applicants for building permits pay a deposit in the amount of 1% of the construction value. The deposit less any additional charges incurred after the permit issue date is refunded upon the conclusion of the permit process or when an occupancy permit is issued. Total cash on hand for such deposits amounted to \$256,676 at December 31, 2006 (2005 - \$211,271).

Bowen Island Municipality Development Application Fees Bylaw 11, 2000, authorizes that applicants for various land development processes pay a deposit amount as described in the bylaw. The deposits are refundable under certain conditions as set out in the bylaw. Total cash on hand for such deposits amounted to \$163,744 at December 31, 2006 (2005 - \$113,553).

The Municipality holds deposits under a variety of work permits that are refundable upon acceptable completion of works for which the permits were issued. Total cash on hand for such deposits amounted to \$81,155 (2005 - \$66,255) at December 31, 2006.

Any portion of these deposits that is used for replacing damaged works or property or for the recovery of other expenses will be taken into income by the Municipality at such time as the amounts are charged.

The above deposits are not included in the cash nor the liabilities of the Municipality.

(c) Deferred Revenue

The Municipality holds funds that have been received for a specific purpose or project that will take place in a future fiscal period. Amounts required will be taken into income in the future when they are needed to fund a project or fulfill the purpose for which the money was received. In the event that it is determined that the purpose for which the funds were received cannot be fulfilled such funds will be returned to the contributor.

	2006	2005
General Current Fund		
Civic facilities development	\$ 300,000	\$ -
Parks & nature conservancy	50,000	-
Other	19,962	45,769
	369,962	45,769
Development Cost Charges - Parks	36,148	28,387
	406,110	74,156
Water Current Fund		
Capital Expenditure Charges	155,290	143,459
Water Capital Fund	4,371	17,595
	\$ 565,771	\$ 235,210

Bowen Island Municipality
Notes to Consolidated Financial Statements

December 31, 2006

6. Taxation - Net

	Budget 2006	2006	2005
General municipal purposes	\$ 2,540,834	\$ 2,540,409	\$ 2,320,853
Collections for other governments			
Province of British Columbia - school tax	-	2,100,177	1,925,873
Islands Trust	-	157,921	124,408
Greater Vancouver Regional District	-	93,498	82,100
Greater Vancouver Transit Authority	-	570,680	468,731
Municipal Finance Authority	-	328	270
British Columbia Assessment Authority	-	95,054	88,362
	2,540,834	5,558,067	5,010,597
Transfers			
Province of British Columbia - school tax	-	2,100,177	1,925,873
Islands Trust	-	157,921	124,408
Greater Vancouver Regional District	-	93,498	82,100
Greater Vancouver Transit authority	-	570,680	468,731
Municipal Finance Authority	-	328	270
British Columbia Assessment Authority	-	95,054	88,362
	-	3,017,658	2,689,744
Available for general municipal purposes	2,540,834	2,540,409	2,320,853
Payments in lieu of taxes	34,048	34,048	29,631
General parcel taxes			
Garbage	250,770	249,600	217,288
Community Parks	151,760	153,600	105,106
Water parcel and other taxes	129,570	129,460	131,655
Sewer parcel taxes	7,120	7,280	5,375
	\$ 3,114,102	\$ 3,114,397	\$ 2,809,908

Bowen Island Municipality
Notes to Consolidated Financial Statements

December 31, 2006

7. Contingent Liabilities

- (a) The Municipality is responsible as a member of the Greater Vancouver Regional District for its share of any operating deficits or long-term debt related to functions in which it participates.
- (b) The Municipality is partially self-insured through the Municipal Insurance Association of British Columbia. Should the Association pay out claims in excess of premiums received, it is possible that the Municipality along with the other participants, would be required to contribute towards the deficit.
- (c) The Municipality's debt instruments that originated with the GVRD are issued through the Municipal Finance Authority. A portion of the debenture proceeds is withheld by the Municipal Finance Authority as a debt reserve fund as a condition of these borrowings. These funds, which total \$9,888 (2005 - \$9,456), are not reflected in these financial statements.

The Municipality also executes demand notes in connection with each debenture whereby the Municipality may be required to loan amounts to the Municipal Finance Authority. The demand notes, which total \$21,859 (2005 - \$21,859), are contingent in nature and are not reflected in these financial statements.

- (d) From time to time, the Municipality may be named in lawsuits. At any given point in time, there may be a few lawsuits pending in which the Municipality is involved. It is considered that the potential claims against the Municipality resulting from litigation and not covered by insurance would not materially affect these financial statements.

8. Commitments

- (a) The Municipality entered into a lease for the Municipal Hall at an approximate annual cost of \$81,000. The three-year lease expires October 31, 2008 and has an option to renew for a further three years.
- (b) The Municipality has the following service commitments with other organizations for various services:

Nature of Services	Approximate Annual Cost	Expiry of Term	Contract Length
Bylaw enforcement	\$ 86,000	May 14, 2008	2 years
Winter roads maintenance	\$ 167,000	March 31, 2007	5 months
Residential garbage pickup and disposal*	\$ 329,000	May 14, 2010	4 years, 11 months
Water systems operations	\$ 198,000	October 31, 2007	1 year

- * upon the start of the calendar year, the contract price increases by approximately 10% for each of the first 3 years and approximately 15% for each of the last 2 years

Bowen Island Municipality
Notes to Consolidated Financial Statements

December 31, 2006

9. Pension Plan

The Municipality 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 approximately 130,000 active members and approximately 51,000 retired members. Active members include approximately 31,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent valuation as at December 31, 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. During the year ended December 31, 2006, Bowen Island Municipality paid \$61,291 (2005 - \$55,324) for employer contributions to the plan. This represents the most current information at the time of the audit.

10. Latecomers Agreement

The Municipality has entered into Latecomers Agreements, in accordance with the Local Government Act Section 939, for excess or extended services and latecomer payments. Such agreements are a mechanism by which a developer, who was required to provide extended services, is reimbursed for the cost of providing those services.

a) Snug Cove Sewer

A developer was required, as a condition of the subdivision, to provide extended sewer services in the Snug Cove Sewer Specified Area. As a result, the lands designated as benefiting from the provision of extended services will be required to pay a specified portion of the cost of construction of the services plus interest upon connection. Under this agreement the municipality is obligated to collect the amounts set out in the agreement plus interest from owners of property designated as benefiting from the extended service upon connection.

The agreement will expire on the earlier of July 12, 2010 or upon payment of the entire amount set out in the agreement plus interest at a rate prescribed by the Province in accordance with Section 371 of the Local Government Act. As at December 31, 2006, the amount payable to the developer (upon collection from the owners of benefiting property), including interest is \$110,614 (2005 - \$173,458). As this amount is recoverable from property owners, the amount payable is not recorded elsewhere in these financial statements.

Bowen Island Municipality
Notes to Consolidated Financial Statements

December 31, 2006

10. Latecomers Agreement (continued)

b) Bowen Bay Water

A developer was required, as a condition of specified area boundary expansion, to provide excess water capacity services in the Bowen Bay Water Improvement District. As a result, the lands designated as benefiting from the provision of excess capacity will be required to pay a specified portion of the cost of construction of the services plus interest, upon application to be included in the Bowen Bay Water Specified Area. Under this agreement the municipality is obligated to collect the amounts set out in the agreement plus interest from the owners of property designated as benefiting from the excess capacity.

The Agreement will expire on the earlier of December 3, 2012 or upon payment of the entire amount set out in the agreement plus interest at the rate of 0.25%. As at December 31, 2006, the amount payable to the developer (upon collection from the owners of benefiting property), including interest is \$9,333 (2005 - \$9,310). As this amount is recoverable from property owners, the amount payable is not recorded elsewhere in these financial statements.

11. Expenses by Object

	2006	2005
Salaries, wages and benefits	\$ 1,387,704	\$ 1,289,839
Travel, conventions, education and training	60,401	43,438
Operational goods and services	74,705	70,819
Communications and information systems	98,185	99,608
Contract Services - professional	140,120	103,528
Contract Services - operational	896,662	898,883
Insurance and licenses	60,632	60,293
Maintenance - buildings, equipment and infrastructure	597,689	482,251
Rents	121,162	106,146
Utilities	34,827	29,362
Debt interest	143,866	57,961
Capital expenditures	401,787	2,944,277
Grants to community	254,986	280,458
Projects and planning	115,987	122,511
Other operational expenses	36,482	33,458
	\$ 4,425,196	\$ 6,622,832

Bowen Island Municipality
Notes to Consolidated Financial Statements

December 31, 2006

12. Assistance Granted to Community Organizations	2006	2005
Community Grants		
Bowen Island Arts Council	\$ 53,830	\$ 43,220
Bowen Island Community School Coordinator	10,896	10,896
Bowen Island Historians	10,560	10,404
Bowen Island Library	124,000	155,491
Bowen Island Recycling Depot	6,000	6,000
	205,286	226,011
Grants in Aid		
Abbeyfield House	1,300	1,297
Arts Council - Heritage Festival	-	5,000
Bowen Community Housing Association	1,100	-
Bowen Island Chamber of Commerce - Tourist Information	12,000	6,800
Bowen Island Family Place	12,950	11,900
Bowen Island Film Society	1,350	-
Bowen Island Gymnastics Club	7,150	7,650
Bowen Island Himalayan Odyssey	-	3,000
Bowen Island Horse Owners Association	500	300
Bowen Island Preschool	-	4,500
Bowen Island Teen Centre	400	-
Bowen Island Yacht Club	400	200
Coast Animal Welfare and Educational Society	1,100	2,000
Kingbaby Productions	-	300
Maragold Theatre	250	-
Royal Canadian Legion	-	800
Rugby Canada	400	200
Seniors Keeping Young	400	500
Tir Na Nog Theatre	10,000	10,000
Underwater Council of BC	400	-
	49,700	54,447
	\$ 254,986	\$ 280,458

Bowen Island Municipality
Notes to Consolidated Financial Statements

December 31, 2006

13. Tax Exemptions Granted by Council

	Value of Municipal Tax	Value of Other Taxing Authorities	Total 2006	2005
Smooth Stones Foundation Inc.	\$ 1,323	\$ 4,200	\$ 5,523	\$ 4,168
Bowen Island Historians	800	2,539	3,339	2,464
BC Camping and Recreation Guild for Christian Scientists	1,757	1,900	3,657	4,009
BC Camping and Recreation Guild for Christian Scientists	1,129	3,584	4,713	3,090
BC Camping and Recreation Guild for Christian Scientists	2,162	6,866	9,028	5,805
BC Camping and Recreation Guild for Christian Scientists	3,891	12,354	16,245	10,458
BC Camping and Recreation Guild for Christian Scientists	1,307	1,413	2,720	2,983
Bowen Island Preschool & Community Day Care Assoc.	2,173	13,694	15,867	13,151
Canadian National Institute for the Blind - Bowen Lodge	7,051	7,623	14,674	12,925
Rivendell Foundation	8,530	23,725	32,255	27,688
Smooth Stones Foundation Inc. Island Pacific School	2,031	12,801	14,832	12,775
The Roman Catholic Archbishop of Vancouver	371	1,179	1,550	-
The United Church of Canada	291	924	1,215	-
			\$ 125,618	\$ 99,516

Bowen Island Municipality
Notes to Consolidated Financial Statements

December 31, 2006

14. Government Grants Received

	Budget 2006	2006	2005
Government of Canada			
HRDC - Summer Students	\$ 3,800	\$ 3,040	\$ 2,980
Province of British Columbia			
General fund			
Small communities protection grant	\$ 200,300	\$ 248,864	\$ 200,300
Restructure grant	-	-	250,000
West Nile Virus grant	4,512	-	109
Tsunami planning grant	9,642	5,502	357
Drought assistance planning grant	-	-	8,000
Planning grants - Water Smart	-	-	10,000
	214,454	254,366	468,766
Water fund			
Infrastructure	206,730	66,854	25,920
Infrastructure Planning	-	-	5,000
	206,730	66,854	30,920
	\$ 421,184	\$ 321,220	\$ 499,686
Other grants			
UBCM Tourism Grant	\$ 15,963	\$ 15,964	\$ 815
Vancity - Community Energy Plan	-	-	22,500
CAEE Grant - Community Energy	10,000	10,000	-
UBCM Emergency Planning Grant	2,500	3,000	-
UBCM Wildlands Fire Protection Grant	5,000	-	-
	\$ 33,463	\$ 28,964	\$ 23,315

Bowen Island Municipality
Notes to Consolidated Financial Statements

December 31, 2006

15. Sale of Services and Other Revenue

	2006	2005
Sale of Services		
Garbage decal sales	\$ 102,266	\$ 90,553
Fire and other service inspections	9,150	7,725
Recreation programs	157,697	141,963
School tax administration fees	4,100	3,959
Dock rentals	29,111	23,354
	\$ 302,324	\$ 267,554
Other Revenues		
Current Funds		
Building and development permits	\$ 136,797	\$ 102,049
Land use development fees	50,295	81,831
Taxation interest and penalties	42,758	62,509
Return on investments	160,895	104,156
Other	30,543	58,449
	421,288	408,994
Reserve Fund other revenue	-	5,814
Reserve Fund return on investments	108,979	63,900
Capital Fund other revenue	25,023	13,041
Capital Fund return on investments	214	118
	\$ 555,504	\$ 491,867

16. Snug Cove Dock Reserve

In 2001, the Municipality received \$444,000 in funding from the Government of Canada to be used for offsetting costs of operating the Snug Cove Dock. The use of these funds is restricted to specific costs related to maintenance of the dock. Any unspent funds as at October 6, 2006 were to be returned to the Government of Canada. Unspent amounts were tracked in a non-statutory reserve known as the "Snug Cove Dock Reserve" which formed part of the Current Fund. As at December 31, 2006, the reserve totaled \$Nil- (2005 - \$35,731).

17. Comparative figures

Certain comparative figures have been restated to conform to current year's presentation.

Bowen Island Municipality
Consolidated Schedule 1 - General Departmental Expenditures

For the year ended December 31	Budget 2006	2006	2005
General government			
Council	\$ 102,895	\$ 98,344	\$ 92,440
Administration	313,564	313,135	313,462
Finance	240,634	246,447	234,710
Other			
Community Grants (Note 12)	259,862	254,986	280,458
Insurance	30,500	27,938	29,480
Municipal hall rent, utilities & maintenance	96,007	112,841	87,154
Other general government	111,404	109,409	117,849
	<u>1,154,866</u>	<u>1,163,100</u>	<u>1,155,553</u>
Protective services			
Fire protection	233,215	219,854	206,330
Building inspection	75,502	74,299	72,836
Bylaw enforcement	79,668	72,764	69,432
Other protective services	31,142	23,248	7,702
	<u>419,527</u>	<u>390,165</u>	<u>356,300</u>
Roads and drainage	630,548	631,975	617,396
Solid waste management	335,501	337,113	306,072
Community planning	362,951	303,330	217,507
Recreation	579,756	436,074	436,049
Community parks	115,058	121,524	67,210
	<u>2,023,814</u>	<u>1,830,016</u>	<u>1,644,234</u>
Total general departmental expenditures	\$ 3,598,207	\$ 3,383,281	\$ 3,156,087

Bowen Island Municipality
Schedule of Financial Position - All Funds

Schedule 2

December 31, 2006

	General Current Fund	General Capital Fund	Water Current Fund	Water Capital Fund	Sewer Current Fund	Sewer Capital Fund	Reserve Fund	2006 All Funds	2005 All Funds
Financial assets:									
Cash and short-term investments	3,494,506		463,672	5,441			2,926,053	6,889,672	6,277,423
Accounts receivable	207,843		72,196	92,774	47,555			420,368	366,225
Total financial assets:	3,702,349	-	535,868	98,215	47,555	-	2,926,053	7,310,040	6,643,648
Physical assets									
		4,849,987		4,451,500		358,843		9,660,330	9,278,870
Total assets	3,702,349	4,849,987	535,868	4,549,715	47,555	358,843	2,926,053	16,970,370	15,922,518
Liabilities:									
Accounts payable	436,786		3,386		2,438			442,610	519,815
Net interfund balances	195,456	38	(280,812)	88,403	(3,085)			-	-
Deferred revenue	406,110		155,290	4,371				565,771	235,210
Obligation under capital lease		6,842						6,842	10,009
Interim financing		2,000,000						2,000,000	2,000,000
Long-term debt				470,431		42,592		513,023	605,485
Total liabilities	1,038,352	2,006,880	(122,136)	563,205	(647)	42,592	-	3,528,246	3,370,519
Financial Equity									
Current Fund									
Reserves and Allowances									
Reserve for incomplete works	84,465							84,465	104,800
Capital and stabilization reserve	1,266,092							1,266,092	1,287,819
Snug Cove dock reserve								-	35,731
Other reserves and allowances	91,460		124,327		47,938			263,725	185,553
Surplus	1,221,980		533,677		264			1,755,921	1,605,228
	2,663,997	-	658,004	-	48,202	-	-	3,370,203	3,219,131
Reserve Fund							2,926,053	2,926,053	2,664,303
Capital Fund									
				5,441				5,441	5,227
	2,663,997	-	658,004	5,441	48,202	-	2,926,053	6,301,697	5,888,661
Investment in Property and Equipment		2,843,107		3,981,069		316,251		7,140,427	6,663,338
Total Liabilities and Financial Position	3,702,349	4,849,987	535,868	4,549,715	47,555	358,843	2,926,053	16,970,370	15,922,518

Bowen Island Municipality
Schedule of Financial Position - Water Current Funds

Schedule 2(b)

December 31, 2006

	Bluewater Pk Current Fund	Bowen Bay Current Fund	Cove Bay Current Fund	Eagle Cliff Current Fund	Hood Point Current Fund	Tunstall Bay Current Fund	2006 All Water Funds	2005 All Water Funds
Financial assets:								
Cash and short-term investments	70,606		271,415	112,820	2,304	6,527	463,672	430,021
Accounts receivable	12,033	2,500	47,274	2,130	3,906	4,353	72,196	104,744
Total financial assets:	82,639	2,500	318,689	114,950	6,210	10,880	535,868	534,765
Total assets	82,639	2,500	318,689	114,950	6,210	10,880	535,868	534,765
Liabilities:								
Accounts payable			2,155	1,231			3,386	47,250
Net interfund balances	(32,500)	(11,031)	(150,000)	(31,500)	(21,781)	(34,000)	(280,812)	(221,510)
Deferred revenue			117,709	37,581			155,290	143,459
Total liabilities	(32,500)	(11,031)	(30,136)	7,312	(21,781)	(34,000)	(122,136)	(30,801)
Financial Equity								
Current Fund								
Reserves and Allowances	61,780	6,301		46,919	707	8,620	124,327	117,154
Surplus	53,359	7,230	348,825	60,719	27,284	36,260	533,677	448,412
	115,139	13,531	348,825	107,638	27,991	44,880	658,004	565,566
Total Liabilities and Financial Position	82,639	2,500	318,689	114,950	6,210	10,880	535,868	534,765

Bowen Island Municipality
Schedule of Financial Position - Water Capital Funds

Schedule 2 (c)

December 31, 2006

	Bluewater Pk Capital Fund	Bowen Bay Capital Fund	Cove Bay Capital Fund	Eagle Cliff Capital Fund	Hood Point Capital Fund	Tunstall Bay Capital Fund	2006 Water Capital Funds	2005 Water Capital Funds
Financial assets:								
Cash and short-term investments			5,441				5,441	5,227
Accounts receivable			92,774				92,774	25,920
Total financial assets:	-	-	98,215	-	-	-	98,215	31,147
Physical assets								
	460,062	127,417	2,465,119	243,157	1,114,163	41,582	4,451,500	4,344,121
Total assets	460,062	127,417	2,563,334	243,157	1,114,163	41,582	4,549,715	4,375,268
Liabilities:								
Net interfund balances			88,403				88,403	8,325
Deferred revenue			4,371				4,371	17,595
Long term debt			329,044	48,135	93,252		470,431	555,552
Total liabilities	-	-	421,818	48,135	93,252	-	563,205	581,472
Financial Equity								
Capital Fund							-	5,227
	-	-	-	-	-	-	-	5,227
Investment in Property and Equipment	460,062	127,417	2,141,516	195,022	1,020,911	41,582	3,986,510	3,788,569
Total Liabilities and Financial Position	460,062	127,417	2,563,334	243,157	1,114,163	41,582	4,549,715	4,375,268

Bowen Island Municipality
Schedule of Current Fund Operations - All Funds

Schedule 3

For year ended December 31, 2006

	General Current Fund	Water Current Fund Schd 3(b)	Sewer Current Fund	Total Current Funds 2006	Total Current Funds 2005
Revenue					
Taxation (Note 6)	2,574,457			2,574,457	2,350,484
Parcel taxes (Note 6)	403,200	129,460	7,280	539,940	459,424
Grants in lieu of tax	2,229			2,229	2,709
Utility user fees		515,149	91,034	606,183	581,302
Government Grants - Federal (Note 14)	3,040			3,040	2,980
Government Grants - Provincial (Note 14)	254,366			254,366	473,766
Grants - Other (Note 14)	28,964			28,964	23,315
Total sales of service (Note 15)	302,324			302,324	267,554
Other revenue (Note 15)	398,088	19,092	4,108	421,288	408,994
	<u>3,966,668</u>	<u>663,701</u>	<u>102,422</u>	<u>4,732,791</u>	<u>4,570,528</u>
Expenses					
General departmental expenses (Schedule 1)	3,383,281			3,383,281	3,156,087
Water system operations		416,279		416,279	382,559
Sewer system operations			79,983	79,983	81,948
Debt interest	91,186	43,582	9,098	143,866	57,961
	<u>3,474,467</u>	<u>459,861</u>	<u>89,081</u>	<u>4,023,409</u>	<u>3,678,555</u>
Net revenue before transfers and debt repayment	492,201	203,840	13,341	709,382	891,973
Debt repayment	(3,167)	(85,121)	(7,341)	(95,629)	(78,279)
Net Interfund transfers					
To capital fund	(57,520)	(15,502)		(73,022)	(361,102)
To reserve fund	(378,880)	(10,779)		(389,659)	(410,379)
Change in Current Fund balance from operations	52,634	92,438	6,000	151,072	42,213
Current Fund balance, beginning of year	2,611,363	565,566	42,202	3,219,131	3,176,918
Current Fund balance, end of year	<u>2,663,997</u>	<u>658,004</u>	<u>48,202</u>	<u>3,370,203</u>	<u>3,219,131</u>

Bowen Island Municipality
Schedule of Current Fund Operations - Water Funds

Schedule 3(b)

For year ended December 31, 2006

	Bluewater Park Current Water Fund	Bowen Bay Current Water Fund	Cove Bay Current Water Fund	Eagle Cliff Current Water Fund	Hood Point Current Water Fund	Tunstall Bay Current Water Fund	Total Current Water Fund 2006	Total Current Water Fund 2005
Revenue								
Parcel taxes (Note 6)			39,350	34,410	55,700		129,460	131,655
Utility user fees	69,242	35,306	263,480	30,856	55,633	60,632	515,149	492,247
Government Grants - Provincial (Note 14)							-	5,000
Other revenue (Note 15)	2,395		9,805	3,451	3,441		19,092	29,430
	<u>71,637</u>	<u>35,306</u>	<u>312,635</u>	<u>68,717</u>	<u>114,774</u>	<u>60,632</u>	663,701	658,332
Expenses								
Administration	15,038	6,100	52,930	10,783	14,465	11,156	110,472	119,245
Operations	36,985	21,948	120,695	36,512	52,316	37,351	305,807	263,314
Debt interest			26,148	9,731	7,703		43,582	44,450
	<u>52,023</u>	<u>28,048</u>	<u>199,773</u>	<u>57,026</u>	<u>74,484</u>	<u>48,507</u>	459,861	427,009
Net revenue before transfers and debt repayment	19,614	7,258	112,862	11,691	40,290	12,125	203,840	231,323
Debt repayment	-	-	(17,692)	(5,111)	(62,318)	-	(85,121)	(61,047)
Net Interfund transfers								
To other operating funds							-	(5,000)
To Capital Fund			(15,502)				(15,502)	(18,118)
To Reserve Fund			(10,779)				(10,779)	(17,776)
Change in Current Water Fund balance	19,614	7,258	68,889	6,580	(22,028)	12,125	92,438	129,382
Current Water Fund balance, beginning of year	95,525	6,273	279,936	101,058	50,019	32,755	565,566	436,184
Current Water Fund balance, end of year	<u>115,139</u>	<u>13,531</u>	<u>348,825</u>	<u>107,638</u>	<u>27,991</u>	<u>44,880</u>	658,004	565,566

Bowen Island Municipality
Schedule of Reserve Fund Operations - All Funds

Schedule 4

For the year ended December 31, 2006

	Fire Dept Equipment	Recreation and Other Com. Use	Community Parks	Cove Bay Water	Mt Gardner Dock	Tax Sale & Snk'g Fund Surplus	Equipment Replacement	Roads and Infrastructure	Reserve Fund Total 2006	Reserve Fund Total 2005
Revenue										
Contributions									-	5,814
Interest income	6,388	14,664	23,030	30,988	1,134	912	814	31,049	108,979	63,900
	6,388	14,664	23,030	30,988	1,134	912	814	31,049	108,979	69,714
Expenses										
Net revenue before transfers	6,388	14,664	23,030	30,988	1,134	912	814	31,049	108,979	69,714
Transfer from Current Fund	83,361	47,000	34,865	10,779			13,654	200,000	389,659	410,379
Transfer to Capital Fund			(61,273)					(175,615)	(236,888)	(531,141)
Change in Reserve Fund balance	89,749	61,664	(3,378)	41,767	1,134	912	14,468	55,434	261,750	(51,048)
Reserve Fund balance, beginning of year	156,208	358,526	563,033	757,582	27,705	22,292	19,881	759,076	2,664,303	2,715,351
Reserve Fund balance, end of year	245,957	420,190	559,655	799,349	28,839	23,204	34,349	814,510	2,926,053	2,664,303

Bowen Island Municipality
Schedule of Capital Fund Operations - All Funds

Schedule 5

For year ended December 31, 2006

	General Capital Fund	Water Capital Fund	Sewer Capital Fund	Total Capital Fund 2006	Total Capital Fund 2005
Sources of Capital Financing					
Interfund transfers					
From Current Fund	57,520	15,502		73,022	361,102
From Reserve Fund	236,888			236,888	531,141
Interest earnings (Note 15)		214		214	118
Grants (Note 14)		66,854		66,854	25,920
Other (Note 15)		25,023		25,023	13,041
Capital leases				-	13,073
Debt proceeds				-	2,000,000
	294,408	107,593	-	402,001	2,944,395
Capital Expenditure					
General government	29,180			29,180	2,291,954
Fire & emergency services				-	390,603
Public works	204,313			204,313	145,267
Recreation				-	6,468
Parks	60,915			60,915	52,906
Water		107,379		107,379	57,079
	294,408	107,379	-	401,787	2,944,277
Change in Capital Fund balance	-	214	-	214	118
Capital Fund balance, beginning of year	-	5,227	-	5,227	5,109
Capital Fund balance, end of year	-	5,441	-	5,441	5,227

Bowen Island Municipality
Schedule of Water Capital Fund Operations - Water

Schedule 5(b)

For year ended December 31, 2006

	Bluewater Park Water Capital Fund	Bowen Bay Water Capital Fund	Cove Bay Water Capital Fund	Eagle Cliff Water Capital Fund	Hood Point Water Capital Fund	Tunstall Bay Water Capital Fund	Total Water Capital Fund 2006	Total Water Capital Fund 2005
Sources of Capital Financing								
Interfund transfers								
From Current Fund			15,502				15,502	18,118
Interest earnings			214				214	118
Grants			66,854				66,854	25,920
Other			25,023				25,023	13,041
	-	-	107,593	-	-	-	107,593	57,197
Capital Expenditures			107,379				107,379	57,079
	-	-	107,379	-	-	-	107,379	57,079
Change in Capital Fund balance	-	-	214	-	-	-	214	118
Capital Fund balance, beginning of year	-	-	5,227	-	-	-	5,227	5,109
Capital Fund balance, end of year	-	-	5,441	-	-	-	5,441	5,227

Bowen Island Municipality
Schedule of Investment in Property and Equipment

Schedule 6

For year ended December 31, 2006

	General Capital	Water Capital	Sewer Capital	Total 2006	Total 2005
Additions					
Additions					
Property and equipment acquired	294,408	107,379		401,787	2,944,277
Debt repayment	3,167	77,753	3,708	84,628	68,820
Debt actuarial adjustment		7,368	3,633	11,001	9,459
	<u>297,575</u>	<u>192,500</u>	<u>7,341</u>	497,416	3,022,556
Reductions					
New debt including capital leases				-	(2,013,073)
Write down obsolete assets	(20,327)			(20,327)	-
	<u>(20,327)</u>	-	-	(20,327)	(2,013,073)
Change in Investment in Property and equipment	277,248	192,500	7,341	477,089	1,009,483
Investment in Property and equipment, beginning of year	2,565,859	3,788,569	308,910	6,663,338	5,653,855
Investment in Property and equipment, end of year	<u>2,843,107</u>	<u>3,981,069</u>	<u>316,251</u>	7,140,427	6,663,338

Actuarial additions represent earnings on sinking fund deposits contributed to debt principal reduction

Bowen Island Municipality
Schedule of Investment in Property and Equipment - Water

Schedule 6 (b)

For year ended December 31, 2006

	Bluewater Park Water Capital Fund	Bowen Bay Water Capital Fund	Cove Bay Water Capital Fund	Eagle Cliff Water Capital Fund	Hood Point Water Capital Fund	Tunstall Bay Water Capital Fund	Total Water Capital Fund 2006	Total Water Capital Fund 2005
Additions								
Additions								
Property and equipment acquired	-	-	107,379	-	-	-	107,379	57,079
Debt repayment	-	-	13,202	2,233	62,318	-	77,753	61,047
Debt actuarial adjustment	-	-	4,490	2,878	-	-	7,368	6,176
Change in Investment in Property and equipment	-	-	125,071	5,111	62,318	-	192,500	124,302
Investment in Property and equipment, beginning of year	460,062	127,417	2,011,004	189,911	958,593	41,582	3,788,569	3,664,267
Investment in Property and equipment, end of year	460,062	127,417	2,136,075	195,022	1,020,911	41,582	3,981,069	3,788,569

Actuarial additions represent earnings on sinking fund deposits contributed to debt principal reduction