

**Bowen Island Municipality**  
**Financial Statements**  
**For the year ended December 31, 2005**

**Bowen Island Municipality  
Financial Statements  
For the year ended December 31, 2005**

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**BDO Dunwoody LLP**  
Chartered Accountants

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

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## Auditors' Report

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### 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, 2005 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, 2005 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 31, 2006

**Bowen Island Municipality**  
**Consolidated Statement of Financial Position**

**December 31** **2005** 2004

**Assets**

**Financial Assets**

Cash and short-term deposits (Note 1)	<b>\$ 6,277,423</b>	\$ 6,143,929
Accounts receivable (Note 2)	<b>366,225</b>	449,855
	<b>6,643,648</b>	6,593,784

**Property and equipment (Note 3)**

General	<b>4,575,906</b>	1,688,708
Water systems	<b>4,344,121</b>	4,287,042
Sewer system	<b>358,843</b>	358,843
	<b>9,278,870</b>	6,334,593
	<b>\$ 15,922,518</b>	\$ 12,928,377

**Liabilities and Financial Position**

**Liabilities**

Accounts payable and accrued liabilities	<b>\$ 519,815</b>	\$ 520,418
Deferred revenue	<b>235,210</b>	176,026
Obligation under capital lease (Note 4)	<b>10,009</b>	1,001
Interim financing (Note 4)	<b>2,000,000</b>	-
Long-term debt (Note 4)	<b>605,485</b>	679,699
	<b>3,370,519</b>	1,377,144

**Financial Position**

Financial Equity		
Current Fund	<b>3,219,131</b>	3,176,918
Reserve Fund (Note 5)	<b>2,664,303</b>	2,715,351
Capital Fund	<b>5,227</b>	5,109
	<b>5,888,661</b>	5,897,378
Investment in property and equipment	<b>6,663,338</b>	5,653,855
	<b>12,551,999</b>	11,551,233
	<b>\$ 15,922,518</b>	\$ 12,928,377

\_\_\_\_\_ Treasurer

**Bowen Island Municipality**  
**Consolidated Statement of Financial Activities**

<b>For the year ended December 31</b>	<b>Budget 2005</b>	<b>2005</b>	<b>2004</b>
<b>Revenue</b>			
Taxation, net (Note 6)	\$ 2,368,091	\$ 2,350,484	\$ 2,297,206
Parcel taxes (Note 6)	455,805	459,424	527,676
Grants in lieu of taxes	2,409	2,709	2,868
Utility connection fees and user rates	575,700	581,302	539,824
Government grants - Federal (Note 15)	3,800	2,980	4,640
Government grants - Provincial (Note 15)	779,031	499,686	200,679
Other grants (Note 15)	32,500	23,315	-
Sales of services (Note 14)	255,303	267,554	802,897
Other (Note 14)	490,007	482,408	561,249
	<u>4,962,646</u>	<u>4,669,862</u>	<u>4,937,039</u>
<b>Expenses</b>			
General departmental expenditures (Schedule 1)	3,347,943	3,156,087	2,773,143
Water systems operations	479,873	382,559	419,591
Sewer system operations	95,970	81,948	65,977
Debt interest	53,558	57,961	86,135
Capital expenditures	3,739,250	2,944,277	489,054
	<u>7,716,594</u>	<u>6,622,832</u>	<u>3,833,900</u>
<b>Net revenue for the year before debt repayment</b>	<b>(2,753,948)</b>	<b>(1,952,970)</b>	1,103,139
<b>Debt repayment</b>	<b>(67,254)</b>	<b>(68,820)</b>	(63,259)
<b>Capital lease issued</b>	<b>-</b>	<b>13,073</b>	-
<b>Interim financing issued</b>	<b>2,000,000</b>	<b>2,000,000</b>	-
<b>Change in financial equity</b>	<b>(821,202)</b>	<b>(8,717)</b>	1,039,880
<b>Financial equity, beginning of year</b>	<b>5,897,378</b>	<b>5,897,378</b>	4,857,498
<b>Financial equity, end of year</b>	<b>\$ 5,076,176</b>	<b>\$ 5,888,661</b>	<b>\$ 5,897,378</b>

**Bowen Island Municipality**  
**Consolidated Statement of Current Fund Operations**

<b>For the year ended December 31</b>	<b>Budget 2005</b>	<b>2005</b>	<b>2004</b>
<b>Revenue</b>			
Taxation, net (Note 6)	\$ 2,368,091	\$ 2,350,484	\$ 2,297,206
Parcel taxes (Note 6)	455,805	459,424	527,676
Grants in lieu of taxes	2,409	2,709	2,868
Utility connection fees and user rates	575,700	581,302	539,824
Government grants - Federal (Note 15)	3,800	2,980	4,640
Government grants - Provincial (Note 15)	492,921	473,766	200,679
Other grants (Note 15)	32,500	23,315	-
Sales of services (Note 14)	255,303	267,554	802,897
Other (Note 14)	314,266	399,535	416,929
	<b>4,500,795</b>	<b>4,561,069</b>	<b>4,792,719</b>
<b>Expenses</b>			
General departmental expenditures (Schedule 1)	3,347,943	3,156,087	2,773,143
Water systems operations	479,873	382,559	419,591
Sewer system operations	95,970	81,948	65,977
Debt interest	53,558	57,961	86,135
	<b>3,977,344</b>	<b>3,678,555</b>	<b>3,344,846</b>
<b>Net revenue before debt repayment and transfers</b>	<b>523,451</b>	<b>882,514</b>	<b>1,447,873</b>
<b>Debt repayment</b>	<b>(67,254)</b>	<b>(68,820)</b>	<b>(63,259)</b>
<b>Interfund transfers</b>			
Capital fund	(588,620)	(361,102)	(458,571)
Reserve fund	(343,943)	(410,379)	(946,746)
	<b>(932,563)</b>	<b>(771,481)</b>	<b>(1,405,317)</b>
<b>Change in Current Fund balance</b>	<b>(476,366)</b>	<b>42,213</b>	<b>(20,703)</b>
<b>Current Fund balance, beginning of year</b>	<b>3,176,918</b>	<b>3,176,918</b>	<b>3,197,621</b>
<b>Current Fund balance, end of year</b>	<b>\$ 2,700,552</b>	<b>\$ 3,219,131</b>	<b>\$ 3,176,918</b>
<b>Represented by</b>			
General Surplus (Schedule 2)		\$ 2,611,363	\$ 2,698,470
Water Surplus (Schedule 2)		565,566	436,184
Sewer Surplus (Schedule 2)		42,202	42,264
		<b>\$ 3,219,131</b>	<b>\$ 3,176,918</b>

See Schedule 3 for further details.

**Bowen Island Municipality**  
**Consolidated Statement of Reserve Fund Operations**

<b>For the year ended December 31</b>	<b>Budget 2005</b>	<b>2005</b>	<b>2004</b>
<b>Revenue</b>			
Contributions	\$ -	\$ 5,814	\$ 59,857
Interest income	93,121	63,900	84,223
<b>Net revenue before interfund transfers</b>	<b>93,121</b>	<b>69,714</b>	144,080
<b>Interfund transfers</b>			
from Current Fund	343,943	410,379	946,746
to Capital Fund	(781,900)	(531,141)	(30,483)
<b>Change in Reserve Fund Balance</b>	<b>(344,836)</b>	<b>(51,048)</b>	1,060,343
<b>Reserve Fund Balance, beginning of year</b>	<b>2,715,351</b>	<b>2,715,351</b>	1,655,008
<b>Reserve Fund Balance, end of year</b>	<b>\$ 2,370,515</b>	<b>\$ 2,664,303</b>	\$ 2,715,351

See Schedule 4 for further details.

**Bowen Island Municipality**  
**Consolidated Statement of Capital Fund Operations**

<b>For the year ended December 31</b>	<b>Budget 2005</b>	<b>2005</b>	<b>2004</b>
<b>Sources of Capital Financing</b>			
Net interfund transfers			
from Current Fund	\$ 588,620	\$ 361,102	\$ 458,571
from Reserve Fund	781,900	531,141	30,483
Interest earnings	-	118	240
Grants	286,110	25,920	-
Other revenue	82,620	13,041	-
Capital lease proceeds	-	13,073	-
Interim financing proceeds	2,000,000	2,000,000	-
	<b>3,739,250</b>	<b>2,944,395</b>	<b>489,294</b>
<b>Capital Expenditures</b>			
General government	2,363,300	2,291,954	3,524
Fire and emergency services	402,200	390,603	7,193
Public works	258,250	145,267	425,866
Recreation	-	6,468	19,927
Parks	145,000	52,906	7,600
Water systems	570,500	57,079	24,944
	<b>3,739,250</b>	<b>2,944,277</b>	<b>489,054</b>
<b>Change in Capital Fund Balance</b>	<b>-</b>	<b>118</b>	<b>240</b>
<b>Capital Fund Balance, beginning of year</b>	<b>5,109</b>	<b>5,109</b>	<b>4,869</b>
<b>Capital Fund Balance, end of year</b>	<b>\$ 5,109</b>	<b>\$ 5,227</b>	<b>\$ 5,109</b>

See Schedule 5 for further details.

**Bowen Island Municipality**  
**Consolidated Statement of Investment in Property and Equipment**

<b>For the year ended December 31</b>	<b>Budget 2005</b>	<b>2005</b>	<b>2004</b>
<b>Additions</b>			
Property and equipment acquired	\$ 3,739,250	\$ 2,944,277	\$ 489,054
Debt writedown	-	-	221,252
Debt repayment	67,254	68,820	63,259
Debt actuarial adjustment	-	9,459	9,190
	<b>3,806,504</b>	<b>3,022,556</b>	782,755
<b>Reductions</b>			
New debt including capital leases	<b>2,000,000</b>	<b>2,013,073</b>	-
<b>Change in investment in property and equipment</b>	<b>1,806,504</b>	<b>1,009,483</b>	782,755
<b>Investment in property and equipment, beginning of year</b>	<b>5,653,855</b>	<b>5,653,855</b>	4,871,100
<b>Investment in property and equipment, end of year</b>	<b>\$ 7,460,359</b>	<b>\$ 6,663,338</b>	<b>\$ 5,653,855</b>

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	2005	2004
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Change in financial equity for the year	\$ (8,717)	\$ 1,039,880
Changes in non-cash operating balances		
Accounts and taxes receivable	83,630	(69,632)
Accounts payable	(603)	157,581
Deferred revenue	59,184	58,596
<b>Increase in cash and short-term deposits during the year</b>	<b>133,494</b>	<b>1,186,425</b>
<b>Cash and short-term deposits, beginning of year</b>	<b>6,143,929</b>	<b>4,957,504</b>
<b>Cash and short-term deposits, end of year</b>	<b>\$ 6,277,423</b>	<b>\$ 6,143,929</b>

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## Bowen Island Municipality Summary of Significant Accounting Policies

**December 31, 2005**

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Bowen Island Municipality (the "Municipality") is a 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 (hereafter referred to as the "Predecessor Entities"). 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. Transfer 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 9, 2005 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.

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**Bowen Island Municipality**  
**Summary of Significant Accounting Policies**

**December 31, 2005**

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**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, 2005**

<b>1. Cash and Short-term Deposits</b>	<b>2005</b>	<b>2004</b>
Bank accounts	<b>\$ 453,670</b>	\$ 189,407
MFA short term bond fund	<b>3,050,461</b>	2,981,533
MFA money market fund	<b>3,164,371</b>	3,280,819
Less refundable deposits (Note 5)	<b>(391,079)</b>	(307,830)
	<b>\$ 6,277,423</b>	<b>\$ 6,143,929</b>

<b>2. Accounts Receivable</b>	<b>2005</b>	<b>2004</b>
General Fund		
Goods and services tax receivable	<b>\$ 44,697</b>	\$ 59,655
General accounts receivable	<b>24,096</b>	43,913
Taxes receivable	<b>126,905</b>	177,270
	<b>195,698</b>	280,838
Water Fund		
Provincial grants receivable	<b>30,920</b>	-
User rates receivable	<b>99,744</b>	116,776
Other	<b>-</b>	2,189
	<b>130,664</b>	118,965
Sewer Fund		
User rates receivable	<b>39,863</b>	50,052
	<b>\$ 366,225</b>	<b>\$ 449,855</b>

**Bowen Island Municipality**  
**Notes to Consolidated Financial Statements**

**December 31, 2005**

<b>3. Property and Equipment</b>	<u>2005</u>	<u>2004</u>
General Fund		
Land	\$ 2,270,389	\$ 10,084
Roads and infrastructure	271,594	137,383
Docks	308,263	308,263
Trails	80,087	61,316
Parks	39,019	5,676
Beach developments	64,846	64,053
Equipment - fire and mobile	971,449	580,846
Equipment - mobile	37,837	37,837
Equipment - other	255,332	206,160
Buildings	277,090	277,090
	<u>4,575,906</u>	<u>1,688,708</u>
Water Fund - Supply and distribution systems		
Bluewater Park	460,062	460,062
Bowen Bay	127,417	127,417
Cove Bay	2,357,740	2,310,526
Eagle Cliff	243,157	233,292
Hood Point	1,114,163	1,114,163
Tunstall Bay	41,582	41,582
	<u>4,344,121</u>	<u>4,287,042</u>
Sewer Fund - collection and treatment system	<u>358,843</u>	<u>358,843</u>
	<u>\$ 9,278,870</u>	<u>\$ 6,334,593</u>

**Bowen Island Municipality**  
**Notes to Consolidated Financial Statements**

**December 31, 2005**

**4. Debt**

(a) Long-term debt:

	Purpose	Maturity	Interest	<b>2005 Principal</b>	2004 Principal
<b>Water</b>					
	Cove Bay Water Specified Area				
(i) Bylaw 837	Queen Charlotte Hts	2019	5.99%	\$ 346,736	\$ 363,586
	Eagle Cliff Water Specified Area				
(ii) Bylaw 41	Water system	2008	9.93%	6,680	7,844
(ii) Bylaw 60	Water system	2012	9.41%	46,566	50,164
	Hood Point Water Specified Area			53,246	58,008
(iii) Bylaw 36	Water System	2009	prime + .5%	155,570	201,181
				<b>555,552</b>	<b>622,775</b>
<b>Sewer - Snug Cove Sewer Specified Area</b>					
(i) Bylaw 610	Sewer Collection	2011	7.42%	49,933	56,924
<b>Consolidated total</b>				<b>\$ 605,485</b>	<b>\$ 679,699</b>

(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, 2005**

**4. Debt (continued)**

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

	General Fund	Water Fund	Sewer Fund	Total
2006	\$ -	\$ 74,762	\$ 3,708	\$ 78,470
2007	-	66,806	3,707	70,513
2008	-	52,578	3,707	56,285
2009	-	26,327	3,708	30,035
2010	-	14,954	3,708	18,662
Thereafter	-	143,778	3,708	147,486
	-	379,205	22,246	401,451
Actuarial additions	-	176,347	27,687	204,034
	<b>\$ -</b>	<b>\$ 555,552</b>	<b>\$ 49,933</b>	<b>\$ 605,485</b>

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.

(d) Obligation under capital lease for equipment:

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

2006	\$ 3,608
2007	3,608
2008	3,608
Total future minimum lease payments	<u>10,824</u>
Less amount representing interest at 5.15%	<u>(815)</u>
Present value of minimum lease payments	<b><u>\$ 10,009</u></b>

**Bowen Island Municipality**  
**Notes to Consolidated Financial Statements**

**December 31, 2005**

**5. Restricted Funds**

(a) Reserve Funds

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

	<b>2005</b>	<b>2004</b>
<b>Fire Protection Reserve Fund</b>		
Fire Protection Reserve, Bowen Island Fire Protection District Bylaw 27, 1984 was transferred to from the predecessor entity, Bowen Island Fire Protection District in the amount of \$103,595.		
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.	<b>\$ 156,208</b>	<b>\$ 397,221</b>
<b>Recreation and Other Community Use Reserve Fund</b>		
Recreation and Other Community Use Reserve Fund, GVRD Bylaw 715, was transferred from the predecessor entity, GVRD in the amount of \$117,962.		
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.	<b>358,526</b>	<b>312,960</b>
<b>Community Parks Reserve Fund</b>		
Community Parks Reserve Fund, GVRD Bylaw 717, was transferred from the predecessor entity, GVRD in the amount of \$280,035.		
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.	<b>563,033</b>	<b>563,896</b>
Carried forward	<b>\$ 1,077,767</b>	<b>\$ 1,274,077</b>

**Bowen Island Municipality**  
**Notes to Consolidated Financial Statements**

**December 31, 2005**

**5. Restricted Funds (continued)**

	<b>2005</b>	<b>2004</b>
(a) Reserve Funds (continued)		
Brought forward	<b>\$ 1,077,767</b>	\$ 1,274,077
<b>Cove Bay Water System Reserve Fund</b>		
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.		
	<b>757,582</b>	723,090
<b>Mount Gardner Dock Reserve Fund</b>		
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.		
	<b>27,705</b>	27,079
<b>Tax Sale and Sinking Fund Surplus</b>		
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.		
	<b>22,292</b>	16,105
<b>Equipment Replacement Reserve Fund</b>		
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.		
	<b>19,881</b>	12,000
<b>Roads Maintenance and Renewal Reserve Fund</b>		
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.		
	<b>759,076</b>	663,000
	<b>\$ 2,664,303</b>	<b>\$ 2,715,351</b>

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**Bowen Island Municipality**  
**Notes to Consolidated Financial Statements**

**December 31, 2005**

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**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 \$211,271 at December 31, 2005 (2004 - \$225,178).

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 \$179,808 at December 31, 2005 (2004 - \$82,652).

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) Development Cost Charges

GVRD Bylaw 905, 1998 authorized the collection of development cost charges upon subdivision or building permit approval under certain conditions as described in the bylaw for the purpose of funding future parks acquisitions. Development cost charges are included in deferred revenue and total \$28,387 (2004 - \$16,994).

**Bowen Island Municipality**  
**Notes to Consolidated Financial Statements**

**December 31, 2005**

**6. Taxation - Net**

	Budget 2005	2005	2004
General municipal purposes	\$ 2,338,460	\$ 2,320,853	\$ 2,202,588
Collections for other governments			
Province of British Columbia - school tax	-	1,925,873	1,760,013
Islands Trust	-	124,408	113,431
Greater Vancouver Regional District	-	82,100	73,018
Greater Vancouver Transit Authority	-	468,731	225,420
Municipal Finance Authority	-	270	212
British Columbia Assessment Authority	-	88,362	80,070
	<b>2,338,460</b>	<b>5,010,597</b>	<b>4,454,752</b>
Transfers			
Province of British Columbia - school tax	-	1,925,873	1,760,013
Islands Trust	-	124,408	113,431
Greater Vancouver Regional District	-	82,100	73,018
Greater Vancouver Transit authority	-	468,731	225,420
Municipal Finance Authority	-	270	212
British Columbia Assessment Authority	-	88,362	80,070
	-	<b>2,689,744</b>	<b>2,252,164</b>
Available for general municipal purposes	<b>2,338,460</b>	<b>2,320,853</b>	2,202,588
Payments in lieu of taxes	<b>29,631</b>	<b>29,631</b>	29,947
General parcel taxes			
Garbage	<b>216,597</b>	<b>217,288</b>	215,330
Community Parks	<b>104,716</b>	<b>105,106</b>	104,159
Water parcel and other taxes	<b>128,052</b>	<b>131,655</b>	265,478
Sewer parcel taxes	<b>6,440</b>	<b>5,375</b>	7,380
	<b>\$ 2,823,896</b>	<b>\$ 2,809,908</b>	<b>\$ 2,824,882</b>

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**Bowen Island Municipality**  
**Notes to Consolidated Financial Statements**

**December 31, 2005**

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**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 \$9,456 (2004 - \$9,053), 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 (2004 - \$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.

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**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	\$ 82,000	May 14, 2006	3 years
Winter roads maintenance	\$ 137,000	March 31, 2006	3 years
Residential garbage pickup and disposal*	\$ 297,000	May 14, 2010	4 years, 11 months
Water systems operations	\$ 237,000	October 31, 2006	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

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**Bowen Island Municipality**  
**Notes to Consolidated Financial Statements**

**December 31, 2005**

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**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 48,000 retired members. Active members include approximately 30,000 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 2007. The actuary does not attribute portions of the unfunded liability to individual employers. Bowen Island Municipality paid \$55,234 for employer contributions to the plan in the fiscal year 2005 (2004 - \$49,780).

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**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, 2005, the amount payable to the developer (upon collection from the owners of benefiting property), including interest is \$183,896 (2004 - \$188,092). As this amount is recoverable from property owners, the amount payable is not recorded elsewhere in these financial statements.

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**Bowen Island Municipality**  
**Notes to Consolidated Financial Statements**

**December 31, 2005**

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**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, 2005, the amount payable to the developer (upon collection from the owners of benefiting property), including interest is \$9,310 (2004 - \$26,480). As this amount is recoverable from property owners, the amount payable is not recorded elsewhere in these financial statements.

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**11. Expenses by Object**

	<u>2005</u>	<u>2004</u>
Salaries, wages and benefits	\$ 1,289,839	\$ 1,160,673
Travel, conventions, education and training	43,438	49,923
Operational goods and services	70,819	61,631
Communications and information systems	99,608	101,718
Contract Services - professional	103,528	99,792
Contract Services - operational	961,883	857,071
Insurance and licenses	60,293	47,859
Maintenance - buildings, equipment and infrastructure	419,251	314,397
Rents	106,146	132,636
Utilities	29,362	29,851
Debt interest	57,961	86,135
Capital expenditures	2,944,277	489,054
Grants to community	280,458	244,041
Projects and planning	122,511	98,248
Other operational expenses	33,458	60,871
	<u>\$ 6,622,832</u>	<u>\$ 3,833,900</u>

**Bowen Island Municipality**  
**Notes to Consolidated Financial Statements**

**December 31, 2005**

<b>12. Assistance Granted to Community Organizations</b>	<b>2005</b>	<b>2004</b>
Community Grants		
Bowen Island Arts Council	\$ 43,220	\$ 41,235
Bowen Island Community School Coordinator	10,896	10,896
Bowen Island Historians	10,404	10,200
Bowen Island Library	155,491	116,000
Bowen Island Recycling Depot	6,000	6,000
	<b>226,011</b>	<b>184,331</b>
Grants in Aid		
Abbeyfield House	1,297	13,329
Arts Council - Heritage Festival	5,000	-
Bowen Island Chamber of Commerce - Tourist Information	6,800	9,403
Bowen Island Christmas Hamper Fund	-	5,000
Bowen Island Community Choir	-	250
Bowen Island Family Place	11,900	9,903
Bowen Island Film Festival	-	500
Bowen Island Film Society	-	500
Bowen Island Garden Club	-	300
Bowen Island Gymnastics Club	7,650	1,000
Bowen Island Himalayan Odyssey	3,000	-
Bowen Island Horse Owners Association	300	-
Bowen Island Preschool	4,500	4,701
Bowen Island Yacht Club	200	-
Camp Bow-Isle	-	10
Coast Animal Welfare and Educational Society	2,000	-
Forget Me Not Society	-	850
Kingbaby Productions	300	-
Real Learning	-	3,761
Royal Canadian Legion	800	-
Rugby Canada	200	-
Seniors Keeping Young	500	800
Tir Na Nog Theatre	10,000	9,403
	<b>54,447</b>	<b>59,710</b>
	<b>\$ 280,458</b>	<b>\$ 244,041</b>

**Bowen Island Municipality**  
**Notes to Consolidated Financial Statements**

**December 31, 2005**

**13. Tax Exemptions Granted by Council**

	Value of Municipal Tax	Value of Other Taxing Authorities	Total <b>2005</b>	2004
Smooth Stones Foundation Inc.	\$ 1,353	\$ 2,815	<b>\$ 4,168</b>	\$ 6,972
Bowen Island Historians	800	1,664	<b>2,464</b>	2,077
BC Camping and Recreation Guild for Christian Scientists	1,953	2,056	<b>4,009</b>	3,296
BC Camping and Recreation Guild for Christian Scientists	1,003	2,087	<b>3,090</b>	2,462
BC Camping and Recreation Guild for Christian Scientists	1,884	3,921	<b>5,805</b>	4,460
BC Camping and Recreation Guild for Christian Scientists	3,395	7,063	<b>10,458</b>	8,064
BC Camping and Recreation Guild for Christian Scientists	1,453	1,530	<b>2,983</b>	2,446
Bowen Island Preschool & Community Day Care Assoc.	2,214	10,937	<b>13,151</b>	11,650
Canadian National Institute for the Blind - Bowen Lodge	6,296	6,629	<b>12,925</b>	12,011
Rivendell Foundation	9,143	18,545	<b>27,688</b>	17,570
Smooth Stones Foundation Inc. Island Pacific School	2,151	10,624	<b>12,775</b>	11,495
			<b>\$ 99,516</b>	\$ 82,503

**Bowen Island Municipality**  
**Notes to Consolidated Financial Statements**

**December 31, 2005**

**14. Sale of Services and Other Revenue**

	<b>2005</b>	<b>2004</b>
<b>Sale of Services</b>		
Garbage decal sales	\$ 90,553	\$ 76,514
Fire and other service inspections	7,725	7,075
Recreation programs	141,963	143,042
School tax administration fees	3,959	3,757
Roads maintenance advance	-	553,153
Dock rentals	23,354	19,356
	<b>\$ 267,554</b>	<b>\$ 802,897</b>
<b>Other Revenues</b>		
<b>Current Funds</b>		
Building and development permits	\$ 102,049	\$ 142,213
Land use development fees	81,831	71,937
Taxation interest and penalties	62,509	60,118
Return on investments	94,697	122,765
Other	58,449	19,896
	<b>399,535</b>	<b>416,929</b>
Reserve Fund other revenue	5,814	59,857
Reserve Fund return on investments	63,900	84,223
Capital Fund other revenue	13,041	-
Capital Fund return on investments	118	240
	<b>\$ 482,408</b>	<b>\$ 561,249</b>

**Bowen Island Municipality**  
**Notes to Consolidated Financial Statements**

**December 31, 2005**

**15. Government Grants Received**

	Budget 2005	2005	2004
<b>Government of Canada</b>			
HRDC - Summer Students	\$ 3,800	\$ 2,980	\$ 4,640
	<b>\$ 3,800</b>	<b>\$ 2,980</b>	<b>\$ 4,640</b>
<b>Province of British Columbia</b>			
General fund			
Restructure grant	\$ 250,000	\$ 250,000	\$ -
Small communities protection grant	200,300	200,300	200,300
West Nile Virus grant	4,621	109	379
Tsunami planning grant	10,000	357	-
Drought assistance planning grant	8,000	8,000	-
Planning grants - Water Smart	20,000	10,000	-
	<b>492,921</b>	<b>468,766</b>	<b>200,679</b>
Water fund			
Infrastructure	286,110	25,920	-
Infrastructure Planning	-	5,000	-
	<b>286,110</b>	<b>30,920</b>	<b>-</b>
	<b>\$ 779,031</b>	<b>\$ 499,686</b>	<b>\$ 200,679</b>
Other grants			
Vancity - Community Energy Plan	\$ 22,500	\$ 22,500	\$ -
UBCM Tourism Grant	10,000	815	-
	<b>\$ 32,500</b>	<b>\$ 23,315</b>	<b>\$ -</b>

**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 will be returned to the Government of Canada. Unspent amounts are tracked in a non-statutory reserve known as the "Snug Cove Dock Reserve" which forms part of the Current Fund and totals \$35,731 (2004 - \$64,017).

**Bowen Island Municipality**  
**Consolidated Schedule 1 - General Departmental Expenditures**

<b>For the year ended December 31</b>	<b>Budget 2005</b>	<b>2005</b>	<b>2004</b>
<b>General government</b>			
Council	\$ 92,605	\$ 92,440	\$ 85,858
Administration	293,307	313,462	277,924
Finance	229,108	234,710	226,631
Other			
Community Grants (Note 12)	297,870	280,458	244,041
Insurance	30,200	29,480	27,985
Municipal hall rent, utilities & maintenance	76,315	87,154	76,509
Other general government	142,441	117,849	101,055
	<b>1,161,846</b>	<b>1,155,553</b>	<b>1,040,003</b>
<b>Protective services</b>			
Fire protection	236,134	206,330	212,148
Building inspection	72,723	72,836	66,943
Bylaw enforcement	79,025	69,432	65,691
Other protective services	22,000	7,702	5,359
	<b>409,882</b>	<b>356,300</b>	<b>350,141</b>
<b>Roads and drainage</b>	<b>681,292</b>	<b>617,396</b>	<b>483,259</b>
<b>Solid waste management</b>	<b>278,978</b>	<b>306,072</b>	<b>264,003</b>
<b>Community planning</b>	<b>275,823</b>	<b>217,507</b>	<b>202,863</b>
<b>Recreation</b>	<b>436,669</b>	<b>436,049</b>	<b>368,505</b>
<b>Community parks</b>	<b>103,453</b>	<b>67,210</b>	<b>64,369</b>
	<b>1,776,215</b>	<b>1,644,234</b>	<b>1,382,999</b>
<b>Total general departmental expenditures</b>	<b>\$ 3,347,943</b>	<b>\$ 3,156,087</b>	<b>\$ 2,773,143</b>

**Bowen Island Municipality**  
**Schedule of Statements of Financial Position, All Funds**

**Schedule 2**

December 31, 2005

	General Current Fund	General Capital Fund	Water Current Fund	Water Capital Fund	Sewer Current Fund	Sewer Capital Fund	Reserve Fund	<b>2005 All Funds</b>	2004 All Funds
<b>Financial Assets:</b>									
Cash and short-term investments	3,166,272		430,021	5,227	11,600		2,664,303	<b>6,277,423</b>	6,143,929
Accounts receivable	195,698		104,744	25,920	39,863			<b>366,225</b>	449,855
<b>Total Financial Assets:</b>	<b>3,361,970</b>	<b>-</b>	<b>534,765</b>	<b>31,147</b>	<b>51,463</b>	<b>-</b>	<b>2,664,303</b>	<b>6,643,648</b>	6,593,784
<b>Property and equipment</b>		<b>4,575,906</b>		<b>4,344,121</b>		<b>358,843</b>		<b>9,278,870</b>	6,334,593
<b>Total Assets</b>	<b>3,361,970</b>	<b>4,575,906</b>	<b>534,765</b>	<b>4,375,268</b>	<b>51,463</b>	<b>358,843</b>	<b>2,664,303</b>	<b>15,922,518</b>	12,928,377
<b>Liabilities:</b>									
Accounts payable	470,127		47,250		2,438			<b>519,815</b>	520,418
Net interfund balances	206,324	38	(221,510)	8,325	6,823			<b>-</b>	-
Deferred revenue	74,156		143,459	17,595				<b>235,210</b>	176,026
Obligation under capital lease		10,009						<b>10,009</b>	1,001
Interim financing		2,000,000						<b>2,000,000</b>	-
Long term debt				555,552		49,933		<b>605,485</b>	679,699
<b>Total Liabilities</b>	<b>750,607</b>	<b>2,010,047</b>	<b>(30,801)</b>	<b>581,472</b>	<b>9,261</b>	<b>49,933</b>	<b>-</b>	<b>3,370,519</b>	1,377,144
<b>Financial Equity</b>									
<b>Current Fund</b>									
<b>Reserves and Allowances</b>									
Reserve for incomplete works	104,800							<b>104,800</b>	207,636
Capital and stabilization reserve	1,287,819							<b>1,287,819</b>	1,323,841
Snug Cove dock reserve	35,731							<b>35,731</b>	90,478
Other reserves and allowances	26,461		117,154		41,938			<b>185,553</b>	102,180
Surplus	1,156,552		448,412		264			<b>1,605,228</b>	1,452,783
	2,611,363		565,566		42,202			<b>3,219,131</b>	3,176,918
<b>Reserve Fund</b>							2,664,303	<b>2,664,303</b>	2,715,351
<b>Capital Fund</b>				5,227				<b>5,227</b>	5,109
	2,611,363		565,566	5,227	42,202		2,664,303	<b>5,888,661</b>	5,897,378
<b>Investment in Property and Equipment</b>		<b>2,565,859</b>		<b>3,788,569</b>		<b>308,910</b>		<b>6,663,338</b>	5,653,855
<b>Total Liabilities and Financial Position</b>	<b>3,361,970</b>	<b>4,575,906</b>	<b>534,765</b>	<b>4,375,268</b>	<b>51,463</b>	<b>358,843</b>	<b>2,664,303</b>	<b>15,922,518</b>	12,928,377

**Bowen Island Municipality**  
**Schedule of Statements of Financial Position, Water Current Funds**

**Schedule 2 (b)**

December 31, 2005

	Bluewater Pk Current Fund	Bowen Bay Current Fund	Cove Bay Current Fund	Eagle Cliff Current Fund	Hood Point Current Fund	Tunstall Bay Current Fund	<b>2005 All Water Funds</b>	2004 All Water Funds
<b>Financial Assets:</b>								
Cash and short-term investments	58,556		243,019	116,639	11,807		<b>430,021</b>	278,720
Accounts receivable	12,813	2,300	66,884	7,358	7,161	8,228	<b>104,744</b>	118,965
<b>Total Financial Assets:</b>	<b>71,369</b>	<b>2,300</b>	<b>309,903</b>	<b>123,997</b>	<b>18,968</b>	<b>8,228</b>	<b>534,765</b>	<b>397,685</b>
<b>Total Assets</b>	<b>71,369</b>	<b>2,300</b>	<b>309,903</b>	<b>123,997</b>	<b>18,968</b>	<b>8,228</b>	<b>534,765</b>	<b>397,685</b>
<b>Liabilities:</b>								
Accounts payable			46,019	1,231			<b>47,250</b>	3,385
Net interfund balances	(24,156)	(3,973)	(129,135)	(8,668)	(31,051)	(24,527)	<b>(221,510)</b>	(182,031)
Deferred revenue			113,083	30,376			<b>143,459</b>	140,147
<b>Total Liabilities</b>	<b>(24,156)</b>	<b>(3,973)</b>	<b>29,967</b>	<b>22,939</b>	<b>(31,051)</b>	<b>(24,527)</b>	<b>(30,801)</b>	<b>(38,499)</b>
<b>Financial Equity</b>								
Current Fund								
Reserves and Allowances	46,680	2,627		41,080	22,734	4,033	<b>117,154</b>	60,180
Surplus	48,845	3,646	279,936	59,978	27,285	28,722	<b>448,412</b>	376,004
	95,525	6,273	279,936	101,058	50,019	32,755	<b>565,566</b>	436,184
<b>Total Liabilities and Financial Position</b>	<b>71,369</b>	<b>2,300</b>	<b>309,903</b>	<b>123,997</b>	<b>18,968</b>	<b>8,228</b>	<b>534,765</b>	<b>397,685</b>

**Bowen Island Municipality**  
**Schedule of Statements of Financial Position, Water Capital Funds**

**Schedule 2 (c)**

December 31, 2005

	Bluewater Pk Capital Fund	Bowen Bay Capital Fund	Cove Bay Capital Fund	Eagle Cliff Capital Fund	Hood Point Capital Fund	Tunstall Bay Capital Fund	<b>2005 Water Capital Funds</b>	2004 Water Capital Funds
<b>Financial Assets:</b>								
Cash and short-term investments			5,227				<b>5,227</b>	5,109
Accounts receivable			25,920				<b>25,920</b>	
<b>Total Financial Assets:</b>	-	-	31,147	-	-	-	<b>31,147</b>	5,109
Property and equipment	460,062	127,417	2,357,740	243,157	1,114,163	41,582	<b>4,344,121</b>	4,287,042
<b>Total Assets</b>	<b>460,062</b>	<b>127,417</b>	<b>2,388,887</b>	<b>243,157</b>	<b>1,114,163</b>	<b>41,582</b>	<b>4,375,268</b>	<b>4,292,151</b>
<b>Liabilities:</b>								
Accounts payable							-	-
Net interfund balances			8,325				<b>8,325</b>	-
Deferred revenue			17,595				<b>17,595</b>	-
Tax Sale							-	-
Obligation under capital lease							-	-
Long term debt			346,736	53,246	155,570		<b>555,552</b>	622,775
<b>Total Liabilities</b>	-	-	<b>372,656</b>	<b>53,246</b>	<b>155,570</b>	-	<b>581,472</b>	<b>622,775</b>
<b>Financial Equity</b>								
Capital Fund			5,227				<b>5,227</b>	5,109
	-	-	5,227	-	-	-	<b>5,227</b>	5,109
Investment in Property and Equipment	460,062	127,417	2,011,004	189,911	958,593	41,582	<b>3,788,569</b>	3,664,267
<b>Total Liabilities and Financial Position</b>	<b>460,062</b>	<b>127,417</b>	<b>2,388,887</b>	<b>243,157</b>	<b>1,114,163</b>	<b>41,582</b>	<b>4,375,268</b>	<b>4,292,151</b>

**Bowen Island Municipality**  
**Schedule of Current Fund Operations, All Funds**

**Schedule 3**

For year ended December 31, 2005

	General Current Fund	Water Current Fund	Sewer Current Fund	<b>Total Current Funds 2005</b>	Total Current Funds 2004
		Schd 3(b)			
<b>Revenue</b>					
Taxation (Note 6)	2,350,484			<b>2,350,484</b>	2,297,206
Parcel taxes (Note 6)	322,394	131,655	5,375	<b>459,424</b>	527,676
Grants in lieu of tax	2,709			<b>2,709</b>	2,868
Utility user fees		492,247	89,055	<b>581,302</b>	539,824
Government Grants - Federal (Note 15)	2,980			<b>2,980</b>	4,640
Government Grants - Provincial (Note 15)	468,766	5,000		<b>473,766</b>	200,679
Grants - Other (Note 15)	23,315			<b>23,315</b>	
Total sales of service (Note 14)	267,554			<b>267,554</b>	802,897
Other revenue (Note 14)	369,843	29,430	262	<b>399,535</b>	416,929
	<b>3,808,045</b>	<b>658,332</b>	<b>94,692</b>	<b>4,561,069</b>	<b>4,792,719</b>
<b>Expenses</b>					
General departmental expenses (Schedule 1)	3,156,087			<b>3,156,087</b>	2,773,143
Water system operations		382,559		<b>382,559</b>	419,591
Sewer system operations			81,948	<b>81,948</b>	65,977
Debt interest	4,413	44,450	9,098	<b>57,961</b>	86,135
	<b>3,160,500</b>	<b>427,009</b>	<b>91,046</b>	<b>3,678,555</b>	<b>3,344,846</b>
Net revenue before transfers and debt repayment	647,545	231,323	3,646	<b>882,515</b>	1,447,873
Debt repayment	(4,065)	(61,047)	(3,708)	<b>(68,820)</b>	(63,259)
Net Interfund transfers					
From / (to) other operating funds	5,000	(5,000)		-	-
To capital fund	(342,984)	(18,118)		<b>(361,102)</b>	(458,571)
To reserve fund	(392,603)	(17,776)		<b>(410,379)</b>	(946,746)
Change in Current Fund balance from operations	(87,107)	129,382	(62)	<b>42,214</b>	(20,703)
Current Fund balance, beginning of year	2,698,470	436,184	42,264	<b>3,176,918</b>	3,197,621
Current Fund balance, end of year	<b>2,611,363</b>	<b>565,566</b>	<b>42,202</b>	<b>3,219,132</b>	<b>3,176,918</b>

**Bowen Island Municipality**  
**Schedule of Current Fund Operations, Water Funds**

**Schedule 3 (b)**

For year ended December 31, 2005

	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	<b>Total Current Water Fund 2005</b>	Total Current Water Fund 2004
<b>Revenue</b>								
Taxation (Note 6)							-	64,670
Parcel taxes (Note 6)			44,555	33,300	53,800		<b>131,655</b>	200,808
Grants in lieu of tax			-				-	259
Utility user fees	59,228	31,912	260,537	26,113	54,684	59,773	<b>492,247</b>	462,677
Government Grants - Provincial (Note 15)				5,000			<b>5,000</b>	-
Other revenue (Note 14)	12,606		2,175	2,537	12,112		<b>29,430</b>	7,987
	<b>71,834</b>	<b>31,912</b>	<b>307,267</b>	<b>66,950</b>	<b>120,596</b>	<b>59,773</b>	<b>658,332</b>	<b>736,401</b>
<b>Expenses</b>								
Administration	17,656	5,978	56,790	12,818	14,325	11,678	<b>119,245</b>	111,711
Operations	34,320	20,031	120,786	20,418	35,043	32,716	<b>263,314</b>	307,880
Debt interest			26,148	9,731	8,571		<b>44,450</b>	76,905
	<b>51,976</b>	<b>26,009</b>	<b>203,724</b>	<b>42,967</b>	<b>57,939</b>	<b>44,394</b>	<b>427,009</b>	<b>496,496</b>
Net revenue before transfers and debt repayment	19,858	5,903	103,543	23,983	62,657	15,379	<b>231,323</b>	239,905
Debt repayment			(13,203)	(2,233)	(45,611)		<b>(61,047)</b>	(58,583)
Net interfund transfers								
To other operating funds	(2,500)		(2,500)				<b>(5,000)</b>	-
To capital fund			(8,253)	(9,865)			<b>(18,118)</b>	(24,944)
To reserve fund			(17,776)				<b>(17,776)</b>	(101,905)
Change in Current Water Fund balance	17,358	5,903	61,811	11,885	17,046	15,379	<b>129,382</b>	54,473
Current Water Fund balance, beginning of year	78,167	370	218,125	89,173	32,973	17,376	<b>436,184</b>	381,711
Current Water Fund balance, end of year	95,525	6,273	279,936	101,058	50,019	32,755	<b>565,566</b>	436,184

**Bowen Island Municipality**  
**Schedule of Reserve Fund Operations, All Funds**

**Schedule 4**

For the year ended December 31, 2005

	Fire Dept Equipment	Recreation and Other Com. Use	Community Parks	Cove Bay Water	Mt Gardner Dock	Tax Sale & Sinking Fund Surplus	Equipment Replacement	Roads and Infrastructure	<b>Reserve Fund Total 2005</b>	Reserve Fund Total 2004
<b>Revenue</b>										
Contributions						5,814			<b>5,814</b>	59,857
Interest income	9,183	7,350	14,048	16,716	626	373	277	15,327	<b>63,900</b>	84,223
	9,183	7,350	14,048	16,716	626	6,187	277	15,327	<b>69,714</b>	144,080
<b>Expenses</b>										
	-	-	-	-	-	-	-	-	-	-
Net revenue before transfers	9,183	7,350	14,048	16,716	626	6,187	277	15,327	<b>69,714</b>	144,080
Transfer from Current Fund	99,804	47,000	37,895	17,776			7,604	200,300	<b>410,379</b>	946,746
Transfer to Capital Fund	(350,000)	(8,784)	(52,806)					(119,551)	<b>(531,141)</b>	(30,483)
Change in Reserve Fund balance	(241,013)	45,566	(863)	34,492	626	6,187	7,881	96,076	<b>(51,048)</b>	1,060,343
Fund balance, beginning of year	397,221	312,960	563,896	723,090	27,079	16,105	12,000	663,000	<b>2,715,351</b>	1,655,008
Fund balance, end of year	156,208	358,526	563,033	757,582	27,705	22,292	19,881	759,076	<b>2,664,303</b>	2,715,351

**Bowen Island Municipality**  
**Schedule of Capital Fund Operations**

**Schedule 5**

For year ended December 31, 2005

	General Capital Fund	Water Capital Fund	Sewer Capital Fund	<b>Total Capital Fund 2005</b>	Total Capital Fund 2004
<b>Sources of Capital Financing</b>					
Interfund transfers					
From Current Fund	342,984	18,118		<b>361,102</b>	458,571
From Reserve Fund	531,141			<b>531,141</b>	30,483
Interest earnings (Note 14)		118		<b>118</b>	240
Grants (Note 15)		25,920		<b>25,920</b>	
Other (Note 14)		13,041		<b>13,041</b>	-
Capital leases	13,073			<b>13,073</b>	-
Debt proceeds	2,000,000			<b>2,000,000</b>	-
	<u>2,887,198</u>	<u>57,197</u>	<u>-</u>	<u><b>2,944,395</b></u>	<u>489,294</u>
<b>Capital Expenditures</b>					
General government	2,291,954			<b>2,291,954</b>	3,524
Fire & emergency services	390,603			<b>390,603</b>	7,193
Public works	145,267			<b>145,267</b>	425,866
Recreation	6,468			<b>6,468</b>	19,927
Parks	52,906			<b>52,906</b>	7,600
Water		57,079		<b>57,079</b>	24,944
	<u>2,887,198</u>	<u>57,079</u>	<u>-</u>	<u><b>2,944,277</b></u>	<u>489,054</u>
Change in Capital Fund balance		118	-	<b>118</b>	240
Capital Fund balance, beginning of year		5,109	-	<b>5,109</b>	4,869
Capital Fund balance, end of year	-	<u>5,227</u>	-	<u><b>5,227</b></u>	<u>5,109</u>

**Bowen Island Municipality**  
**Schedule of Water Capital Fund Operations**

**Schedule 5 (b)**

For year ended December 31, 2005

	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	<b>Total Water Capital Fund 2005</b>	Total Water Capital Fund 2004
<b>Sources of Capital Financing</b>								
Interfund transfers								
From Current Fund			8,253	9,865			<b>18,118</b>	24,944
Interest earnings (Note 14)			118				<b>118</b>	240
Grants (Note 15)			25,920				<b>25,920</b>	
Other (Note 14)			13,041				<b>13,041</b>	
	-	-	47,332	9,865	-	-	<b>57,197</b>	25,184
<b>Capital Expenditures</b>			47,214	9,865			<b>57,079</b>	24,944
	-	-	47,214	9,865	-	-	<b>57,079</b>	24,944
<b>Change in Capital Fund balance</b>	-	-	118	-	-	-	<b>118</b>	240
Capital Fund balance, beginning of year		-	5,109		-	-	<b>5,109</b>	4,869
Capital Fund balance, end of year	-	-	5,227	-	-	-	<b>5,227</b>	5,109

**Bowen Island Municipality**  
**Schedule of Investment in Property and Equipment**

**Schedule 6**

For year ended December 31, 2005

	<b>General Capital</b>	<b>Water Capital</b>	<b>Sewer Capital</b>	<b>Total 2005</b>	Total 2004
<b>Additions</b>					
Property and equipment acquired	2,887,198	57,079		<b>2,944,277</b>	489,054
Debt writedown				-	221,252
Debt repayment	4,065	61,047	3,708	<b>68,820</b>	63,259
Debt actuarial adjustment		6,176	3,283	<b>9,459</b>	9,190
	<b>2,891,263</b>	<b>124,302</b>	<b>6,991</b>	<b>3,022,556</b>	<b>782,755</b>
<b>Reductions</b>					
New debt including capital leases	<b>(2,013,073)</b>			<b>(2,013,073)</b>	-
Change in investment in property and equipment	878,190	124,302	6,991	<b>1,009,483</b>	782,755
Investment in property and equipment, beginning of year	1,687,669	3,664,267	301,919	<b>5,653,855</b>	4,871,100
Investment in property and equipment, end of year	<b>2,565,859</b>	<b>3,788,569</b>	<b>308,910</b>	<b>6,663,338</b>	5,653,855

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

**Bowen Island Municipality**

**Schedule 6 (b)**

**Schedule of Investment in Property and Equipment**

**For year ended December 31, 2005**

	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	<b>Total Water Capital Fund 2005</b>	Total Water Capital Fund 2004
<b>Additions</b>								
Additions								
Property and equipment acquired			47,214	9,865			<b>57,079</b>	24,944
Debt writedown							-	221,252
Debt repayment			13,203	2,233	45,611		<b>61,047</b>	58,583
Debt actuarial adjustment			3,647	2,529			<b>6,176</b>	6,239
Change in investment in property and equipment	-	-	64,064	14,627	45,611	-	<b>124,302</b>	311,018
Investment in property and equipment, beginning of year	460,062	127,417	1,946,940	175,284	912,982	41,582	<b>3,664,267</b>	3,353,249
Investment in property and equipment, end of year	460,062	127,417	2,011,004	189,911	958,593	41,582	<b>3,788,569</b>	3,664,267

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