

April 1, 2003 to March 31, 2004

**2003-2004 Annual Report
Burrard Inlet Environmental Action Program
Fraser River Estuary Management Program**



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Burrard Inlet Environmental Action Program Fraser River Estuary Management Program

Letter from the Chair of the Management Committee

2003-2004 was another year full of challenges and accomplishments for the Burrard Inlet Environmental Action Program and the Fraser River Estuary Management Program. For the first time in 2003, we exclusively published our Annual Report online. This year we became more focused toward our goals, which in the end strengthened the programs.

At the onset of the year, the programs shifted from facilitating a number of different activities to defining our two key roles: policy planning and coordination, and coordinated project review. The restructuring proved to be a positive direction for all the partners and allowed BIEAP and FREMP to concentrate on their key mandates to provide the best service to their partners and the public.

Our 'Back-to-Basics' approach was put to the test over the past year and evaluated in January 2004 by the Management Committee. Their recommendation to the Steering Committee strongly stated that core functions were being effectively managed and that the BIEAP and FREMP programs should continue in their new format. This recommendation was supported by the entire partnership, with financial contributions being secured for the upcoming year. The Management Committee also continues to explore new partnership opportunities for the programs' operational support and specific plan implementation projects.

With a revitalized commitment to the programs, the partnership completed the update of the FREMP Estuary Management Plan (EMP). In the latter part of the year the updated EMP began receiving support from FREMP area municipalities. As well, the BIEAP Plan Implementation Committee developed a governance framework that will assist the Committee in overseeing implementation of the Consolidated Environmental Management Plan (CEMP) for Burrard Inlet. Both the Burrard Environmental Review Committee and the FREMP Environmental Review Committee continued in their operation of the coordinated project review process.

It is due to the dedication of all the partners and staff that BIEAP and FREMP continue to evolve and succeed.

As the Annual Report has been such a success on-line, we are happy to provide it again this year through our website. Please enjoy it.

Ken Cameron

Management Structure

BIEAP & FREMP

Partners

Steering Committee

BC Ministry of Water
Land and Air Protection
*Margaret Eckenfelder/
Eric Partridge*

Environment Canada
Don Fast

Fisheries and Oceans Canada
Sue Farlinger

Great Vancouver Regional District
Johnny Carline

Fraser River Port Authority
Allen Domaas

North Fraser Port Authority
Glen MacRae

Vancouver Port Authority
Chris Badger/Jim Cox

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

Steering

Committee

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

Management Committee

BC Ministry of Water
Land and Air Protection
Brian Clark

Environment Canada
Athana Mentzelopoulos

Fisheries and Oceans Canada
Greg Savard/Jim Wild

Greater Vancouver Regional District
Ken Cameron

Fraser River Port Authority
Pat Weber

North Fraser Port Authority
Valerie Jones

Vancouver Port Authority
Alicia Blancarte

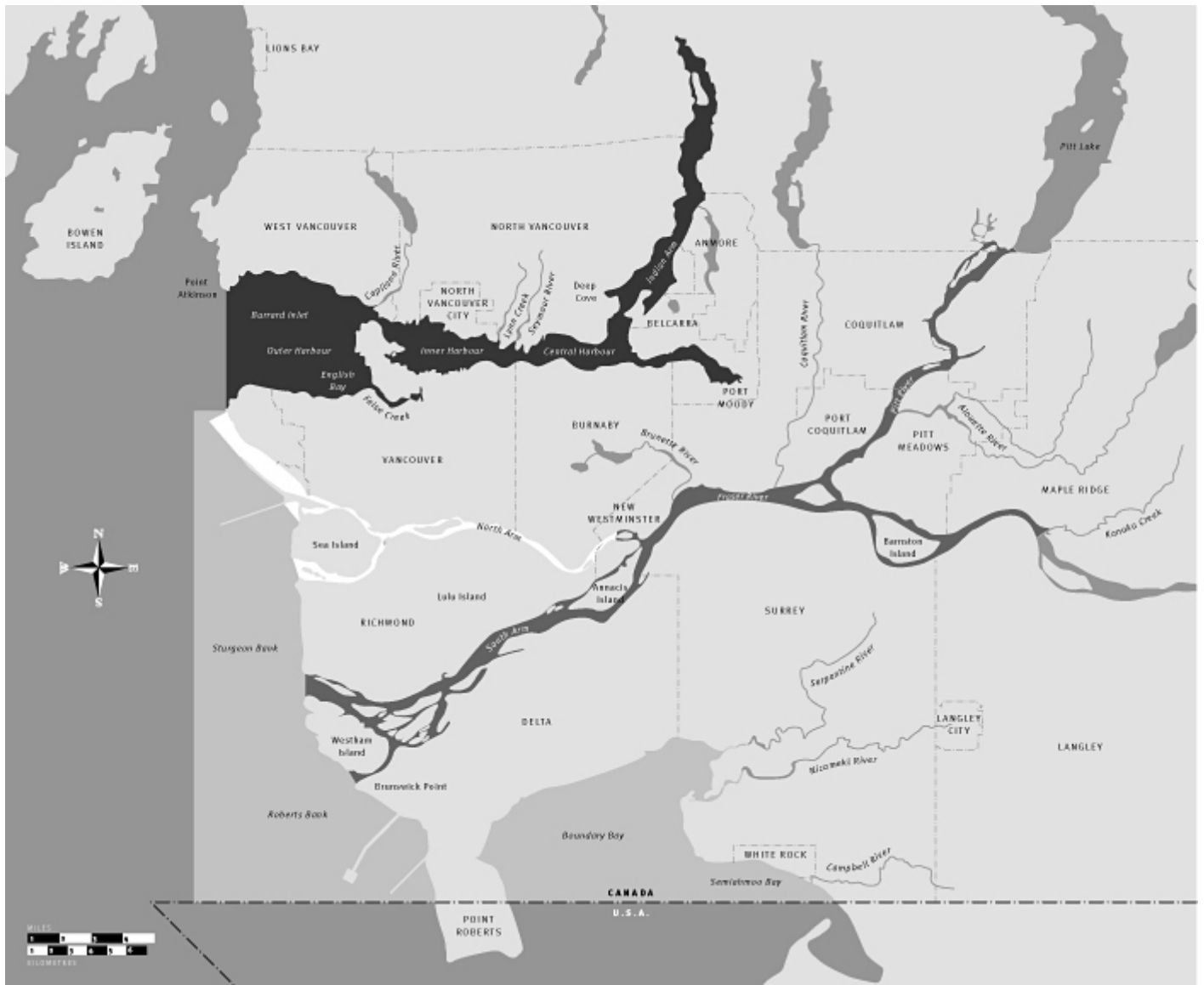
Committees under the Management Committee

FREMP Water and Land Use Committee
FREMP Environmental Review Committee (ERC)
Burrard Environmental Review Committee (BERC)
BIEAP Plan Implementation Committee

BIEAP-FREMP Program and Administrative Staff

BIEAP and FREMP Boundaries Map

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



¹ The FREMP area of interest includes the waters of the Fraser River Port Authority and the North Fraser Port Authority. It also includes Sturgeon Bank and Roberts Bank - where navigable waters are managed by the Vancouver Port Authority - and Boundary Bay.

Introduction

This year the focus was given to the implementation of policy initiatives for the FREMP Water and Land Use Committee and the BIEAP Plan Implementation Committee.

One of the major FREMP accomplishments for this year was completing the updated *Estuary Management Plan*. The Plan was approved by the BIEAP-FREMP Management Committee and Steering Committee and has been endorsed by a number of the FREMP area municipal councils; we anticipate the remaining municipal endorsements over the 2004-2005 year.

The FREMP Water and Land Use Committee continued work on completing and implementing new projects in 2003-2004. The Dredging Impacts Study was completed in March 2004, and will improve our understanding of the biological impacts of dredging and our decision-making on the river. The Pitt River Reach Overview pilot project began in the fall of 2003 and will ultimately be a web-based compilation of the Pitt River's features and functions.

The past year saw the BIEAP Plan Implementation Committee gear into full planning mode. The committee began guiding the implementation of the *Consolidated Environmental Management Plan for Burrard Inlet* by developing a governance framework that included a Committee Terms of Reference, a 5-year implementation strategy and list of potential projects for the 2004-2005 year. One of the first projects started is a Capilano College student project on the best way of tracking Plan implementation.

Project Review continued its steady course throughout the year. 2003 saw an increase in the total number of projects reviewed for by BERC, with a slight decrease for the FREMP ERC. The changes implemented in 2001 by the Management Committee Task Group for the Coordinated Project Review Process continued to demonstrate that the improvements made have been recognized by the partners and proponents. This confirmation came from our bi-annual questionnaire that showed most proponents have noticed an improvement in service from the Burrard Environmental Review Committee (BERC) and the FREMP Environmental Review Committee (ERC).

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

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

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

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

BIEAP Highlights

The job of implementing the Plan will be guided by the BIEAP Plan Implementation Committee, which is currently chaired by the Vancouver Port Authority representative on the Management Committee, Alicia Blancarte. All partners and most municipalities have named representatives to sit on this committee to review priorities for action.

BIEAP Plan Implementation Committee

The focus within BIEAP this year was the formal establishment of the Plan Implementation Committee (PIC), which coordinates the implementation and monitoring of the *Consolidated Environmental Management Plan for Burrard Inlet* (CEMP). In fall 2003, letters were sent to First Nations and municipalities within the BIEAP area inviting their participation on the PIC as either committed or affiliate members. Most municipalities are represented at PIC meetings, and we look forward to other municipalities and First Nations joining the PIC or working with us on specific projects.

The BIEAP Plan Implementation Committee meets quarterly, guiding CEMP projects and functioning as a useful information-sharing forum for environmental management activities in Burrard Inlet. The committee offers an opportunity for regulatory agencies and those responsible for land and water use planning to share views and coordinate their work plans. This year, presentations were received from GVRD Liquid Waste Management Plan (LWMP) staff and Fraser Basin Council staff.

Over the year, the PIC developed a governance framework to ensure clear direction for the committee and its activities. The framework included preparing and approving a Terms of Reference for the committee, and developing a five-year implementation strategy which takes the CEMP and spells out which actions will receive attention at what time.

The second major project within BIEAP over 2003-2004 was in conjunction with the Capilano College Department of Environmental Science. Recognizing the need to better track what CEMP actions were being implemented and by whom (e.g. BIEAP partners, municipalities, stewardship group etc) the PIC began working with a group of Capilano College students on a "CEMP Tracking Chart". The students spent time from fall 2003 through spring 2004 gathering information on initiatives relating water quality monitoring, air quality, non-point source pollution initiatives and stewardship groups in the Inlet. They also developed a tracking template and made recommendations to the PIC to facilitate future reporting on initiatives in Burrard Inlet. The final Capilano College report will provide a snapshot of environmental management activities in Burrard Inlet, and will be available on www.bieapfrempp.org later in 2004.

Over 2004, the BIEAP secretariat facilitated the process to develop an outfalls approval process for Burrard Inlet. The Collaborative Process for the Administrative Oversight of Effluent Discharge into Burrard Inlet, developed by the Vancouver Port Authority (VPA), provides a coordinated process and ensures that the requirements of the environmental agencies are included as a condition of any authorization, permit or agreement to construct and /or o-operate an Outfall within VPA's jurisdiction. This process is also linked with review of shoreline project works through the Burrard Environmental Review Committee (BERC). Working with VPA and the other BIEAP partners, a Guide to the process was developed. The guide shows how to obtain approvals from the appropriate agencies and the Port to discharge into the Inlet. The guide is posted on the VPA website at www.portvancouver.com/the_port/environment.html.

Fulfilling a CEMP commitment to inform the public about BIEAP activities, in addition to this annual report, regular updates on BIEAP and PIC activities were posted on the BIEAP-FREMP website. A general update on the program was mailed out to BIEAP mailing list members in fall 2003, providing information about changes to the BIEAP program structure. At the same time, the mailing list was updated to facilitate future information-sharing via email.



FREMP Highlights

In 2002, FREMP initiated a comprehensive review of the Estuary Management Plan [EMP], also known as "A Living, Working River". The updated Estuary Management Plan was approved by all six FREMP partners in 2003-2004. In December 2003, the Plan was forwarded to First Nations and municipalities in the FREMP area for review and endorsement.

Other significant FREMP accomplishments during the past year included completing a extensive habitat inventory for the Fraser River estuary foreshore, developing a user's guide to accompany the habitat data, initiation of the Pitt River "Reach Overview" project, and a study to assess data gaps with respect to the biological impacts of dredging in the estuary.

Updated Estuary Management Plan, 2003

The updated Estuary Management Plan (EMP) concluded a one-year multi-stakeholder consultation process, and reflects the consensus of FREMP partners and the FREMP Water and Land Use Committee (WLUC) in providing a framework for intergovernmental cooperation on current and future use of the water and shoreline.

The updated EMP was approved by the BIEAP-FREMP Management Committee in April 2003. Formal FREMP partner approval was then obtained through signature of Steering Committee members, and was completed in October 2003. Recognizing that municipal endorsement strengthens the Plan and adds value to coordinated environmental management efforts in the Fraser River estuary, in December 2003 the Plan was forwarded to municipalities and First Nations for review and endorsement. Endorsement has since been obtained from the City of Burnaby, District of Pitt Meadows, and City of New Westminster, and we look forward to securing approvals from the remaining municipalities in 2004-2005.

The updated Plan provides policy direction for the work of FREMP and the WLUC. Specific actions in the Plan will be implemented over the next five years - by the FREMP secretariat, by the FREMP partners and WLUC, and in partnership with other groups including industry and stewardship organizations. Timeframes and resources will be identified in annual work plans that are approved by the Management Committee. Monitoring will be a key element in how we report our progress in implementing the Plan.

FREMP Water and Land Use Committee

The FREMP Water and Land Use Committee (WLUC) is an advisory committee reporting to the BIEAP-FREMP Management Committee. Its role is to guide implementation of the Estuary Management Plan. Members include representatives of each FREMP partner agency as well as staff from municipalities, First Nations and the Vancouver Airport Authority. WLUC also

functions as a useful information-sharing forum for all those involved in managing and protecting the estuary.

Updated FREMP Habitat Inventory

Three years ago, the Water and Land Use Committee (WLUC) established the Habitat Classification Improvement Task Group to address a number of problems associated with the FREMP habitat inventory and classification systems. This task group commissioned two pilot studies to examine the applicability of an 'ecological features and functions approach' for the estuary, which identifies the natural and human processes that need to be preserved in any given location, then identifies the types of activities that can occur without compromising these processes.

Approved in 2002, the features and functions approach has guided a number of improvements to the habitat inventory and classification systems including new orthophotos (2002), and a clear process for responding to requests for colour code changes. An associated task was updating the foreshore habitat inventory, using the new orthophotos as the basis for remapping the five FREMP habitat types in the estuary: intertidal marsh, mudflat, sandflat, riparian grasses and shrubs, and riparian trees.

The habitat mapping project was completed in December 2003 and includes fine-scale mapping (15m x 15m polygons) for over one third of the estuary, and coarse-scale mapping (50m x 50m polygons) for the remaining FREMP area. The two levels are provided together in the final data set as ArcView (GIS) files and Access databases. Extensive metadata for the inventory has also been developed.

A portion of the data is viewable on the Community Mapping Network site www.shim.bc.ca, while those interested in obtaining the full data set can request it through the FREMP office. Also in 2003-2004, a user's guide brochure was developed with funding from the Georgia Basin Action Plan (GBAP). Available on the website or at our office, the brochure provides background to the habitat mapping project and explains how people can access the data.

In 2004-2005, we will be distributing the habitat inventory data set, promoting it through the user's brochure, and finalizing links with the Community Mapping Network www.shim.bc.ca. The inventory will also form the basis for an update of the FREMP habitat classification (colour coding) system.

Pitt River Reach Overview

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

In 2003-2004, the WLUC initiated the first Reach Overview for the Pitt River reach. Synergies in this less developed, riverine reach – Official Community Plan reviews in Port Coquitlam and Pitt Meadows, and development of a regional greenway on the east side of the river – were seen as making the Pitt River an opportune reach to test out this new approach. A project group including FREMP partners and representatives from Pitt Meadows, Coquitlam and Port Coquitlam has been working on the Reach Overview since fall 2003. Key tasks over the year included initial research on the reach features and functions, developing a draft document, and creating maps showing different layers of information (e.g. OCP designations, land use, FREMP colour coding). The Reach Overview will be a web-based tool with a strong mapping component, and its development will continue into the coming year.

Dredging Impacts Data Needs Study

The Navigation and Dredging Action Program of the Estuary Management Plan has an objective of ensuring that dredging proceeds in a manner that protects environmental quality in the river. While some biological impact studies have been done (or are in the process of being completed) for parts of the estuary, consensus has not yet been reached on the nature or extent of dredging impacts for the sand reach.

FREMP Dredging Guidelines were developed in 2001 and contain useful information to dredging applicants on the sediment budget, the Coordinated Project Review process, and dredging issues. The Guidelines note that as part of the application process, applicants may have to provide information on habitat impacts. To provide more direction on these matters, we completed a study of dredging impacts in 2003-2004 in association with Limnotek and ESSA Technologies. The purpose of the study is to identify areas in the estuary requiring impact analysis (i.e. what data gaps exist with respect to our knowledge of these impacts) and develop appropriate designs for these analyses. A project working group was established involving representatives with expertise in dredging issues.

Based on a literature review, boat reconnaissance tour and project workshop held in the fall of 2003, Limnotek developed a draft report in February 2004. The final report identifying priority data gaps will be reviewed by the FREMP Water and Land Use Committee over the coming year. With this study, we are now much further along in understanding dredging impact data gaps, which will ultimately facilitate decision-making in the estuary.



Coordinated Project Review

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

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

Changes to the Coordinated Review Process by the BIEAP-FREMP Management Committee were fully implemented in 2002. Feedback from proponents in 2003 confirmed that these changes proved successful.

The calendar year 2003 witnessed an increase in BERC (Track 2) reviews, from 44 to 63, as well as an increase in Track 1 reviews conducted by the Vancouver Port Authority, from 17 to 25. Reviews in Burrard Inlet totaled 88 up from the 61 reviews handled in both tracks in 2002. Over the same period, the FREMP ERC reviews (Track 2) decreased slightly from 90 in 2002 to 88 in 2003. Track 1 reviews processed by the Fraser River Port Authority dropped from 8 to 6 in 2003, yielding a total of 94 reviews in the Fraser River estuary in 2003.

Coordinated Project Review Statistics for the Year Ending December 31, 2003

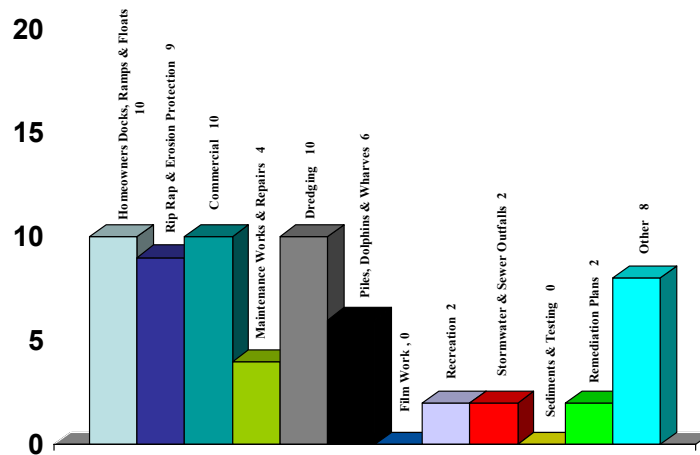
| | Track 1 | Track 2 | Track 3 | Track4 | Total |
|----------------------|---------|---------|---------|--------|-------|
| Burrard Inlet | 25 | 63 | 0 | 0 | 88 |
| Fraser River estuary | 6 | 88 | 0 | 0 | 94 |

Burrard Environmental Review Committee [BERC] 2003

Purpose of Track Two Project Application

Purpose of Project Applications Reviewed through the BIEAP Project Review Process – 2003

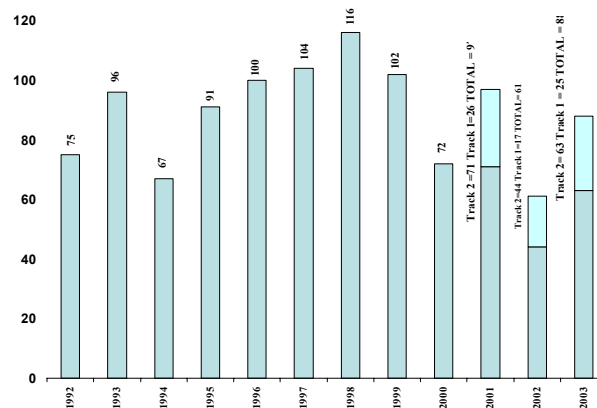
These categories are not mutually exclusive, thus a project may include more than one category.



The Burrard Environmental Review Committee comprises representatives from Environment Canada, Fisheries and Oceans Canada, the Canadian Coast Guard, the Ministry of Water, Land and Air Protection, and the Vancouver Port Authority. The committee meets biweekly to review projects submitted for a Track 2 review.

From January to December 2003, BERC considered a total of 63 Track 2 projects, which is slightly up from the 61 Track 2 projects for 2002. 63% of the projects reviewed were completed within the 30-working-day processing target for the BERC Coordinated Project Review Process. Of the twenty projects that took longer than 30 days, all were completed within 60-working days. None of the projects reviewed required more than 90 working days.

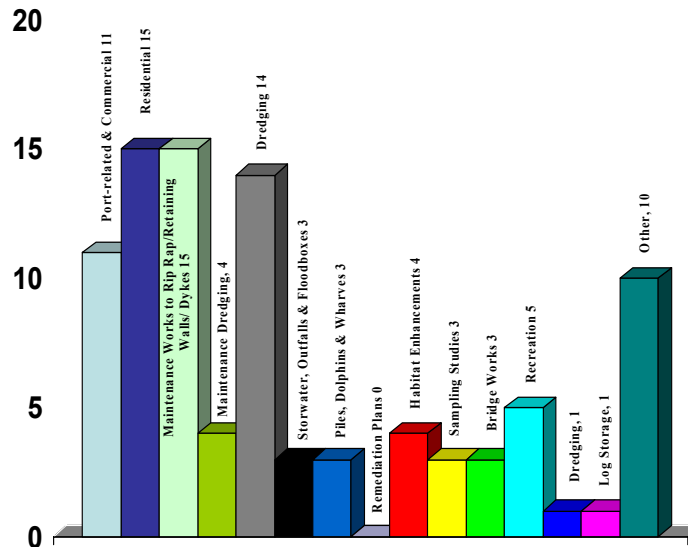
of Project Applications review through the FREMP Coordinated Review Process since 1992



FREMP Environmental Review Committee [ERC] 2003

Purpose of Track Two Project Application

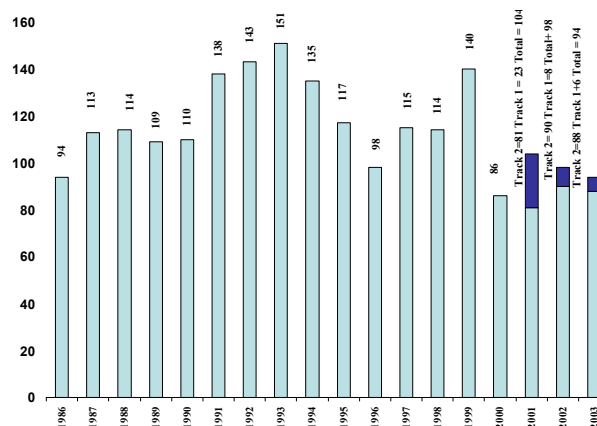
Purpose of Project Applications Reviewed through the FREMP Project Review Process – 2003
These categories are not mutually exclusive, thus a project may include more than one category.



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

From January to December 2003, the FREMP ERC considered a total of 88 projects, which is an increase from the 81 Track 2 projects reviewed in 2002. 90% of projects reviewed were completed within the 30-working-day processing target for the FREMP ERC Coordinated Project Review Process. Of the 4 projects that took longer than 30 days, all were completed within 60 working days.

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



AUDITORS' REPORT

To the Management Committee of Burrard Inlet Environmental Action Program and Fraser River Estuary Management Program:

We have audited the balance sheet of Burrard Inlet Environmental Action Program and Fraser River Estuary Management Program as at March 31, 2004 and the statements of revenues and expenditures, fund balances and cash flows for the year then ended. These financial statements are the responsibility of the programs' 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 the programs as at March 31, 2004 and the results of their operations for the year then ended in accordance with Canadian generally accepted accounting principles.

We have not audited the financial statements of the preceding year, which are presented for comparative purposes only, and consequently we do not express an audit opinion on those financial statements.

Wolrige Mahon

CHARTERED ACCOUNTANTS

Vancouver, B.C.

June 10, 2004

BURRARD INLET ENVIRONMENTAL ACTION PROGRAM AND FRASER RIVER ESTUARY MANAGEMENT PROGRAM

STATEMENT OF REVENUES AND EXPENDITURES

For the year ended March 31, 2004

| | 2004 | 2003 (unaudited) |
|---|------------------|---------------------|
| | \$ | \$ |
| Revenues | | |
| Funding party contributions (Note 5) | 280,000 | 610,000 |
| Specific project contributions | 23,164 | 7,000 |
| Interest | <u>5,000</u> | <u>11,833</u> |
| | <u>308,164</u> | <u>628,833</u> |
| Program expenditures | <u>124,219</u> | <u>516,328</u> |
| Administrative expenditures | | |
| Amortization | 8,705 | 10,048 |
| Accounting | 13,286 | 23,735 |
| Bank charges | 860 | 1,053 |
| Casual labour | 1,016 | 2,497 |
| Computer maintenance | 5,663 | 10,761 |
| Equipment leasing | 9,292 | 10,291 |
| Insurance | 2,551 | 1,939 |
| Office and miscellaneous | 8,524 | 16,809 |
| Postage and delivery | 3,991 | 11,010 |
| Professional fees | 5,350 | 1,817 |
| Recruitment and training | 1,060 | 11,226 |
| Rent | 55,386 | 86,038 |
| Salaries and benefits | 176,360 | 424,949 |
| Telecommunications | 6,288 | 7,129 |
| Travel | <u>647</u> | <u>3,256</u> |
| | <u>298,979</u> | <u>622,558</u> |
| Total expenditures | <u>423,198</u> | <u>1,138,886</u> |
| Deficiency of revenues over expenditures | <u>(115,034)</u> | <u>(510,053)</u> |
| Other revenues and expenditures | | |
| Prior years' GST recovery | 60,784 | - |
| Gain (loss) on disposition of tangible capital assets | 642 | (5,460) |
| Restructuring costs | <u>(46,810)</u> | <u>(65,168)</u> |
| | <u>14,616</u> | <u>(70,628)</u> |
| Deficiency of revenues over expenditures | <u>(100,418)</u> | <u>(580,681)</u> |

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

STATEMENT OF FUND BALANCES

For the year ended March 31, 2004

| | 2004 | 2003 |
|--|------------------|-------------------|
| | \$ | (unaudited) \$ |
| Fund balances, beginning | 259,267 | 839,948 |
| Deficiency of revenues over expenditures | (100,418) | (580,681) |
| Fund balances, ending | 158,849 | 259,267 |

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

BALANCE SHEET

March 31, 2004

| | 2004 | 2003 (unaudited) |
|-------------------------------------|----------------|---------------------|
| | \$ | \$ |
| Assets | | |
| Current | | |
| Cash and cash equivalents (Note 4) | 194,572 | 282,854 |
| Receivables | 21,768 | 431 |
| Prepaid expenses | <u>4,359</u> | <u>11,462</u> |
| | 220,699 | 294,747 |
| Tangible capital assets, Schedule 1 | <u>7,022</u> | <u>15,727</u> |
| | <u>227,721</u> | <u>310,474</u> |
| Liabilities | | |
| Current | | |
| Payables and accruals | 27,114 | 46,207 |
| Deferred contributions | <u>41,758</u> | <u>5,000</u> |
| | <u>68,872</u> | <u>51,207</u> |
| Fund Balances | | |
| Invested in tangible capital assets | 7,022 | 15,727 |
| Internally restricted (Note 8) | 80,000 | - |
| Unrestricted | <u>71,827</u> | <u>243,540</u> |
| | 158,849 | 259,267 |
| | <u>227,721</u> | <u>310,474</u> |

Approved by Management Committee:

BURRARD INLET ENVIRONMENTAL ACTION PROGRAM AND FRASER RIVER ESTUARY MANAGEMENT PROGRAM

STATEMENT OF CASH FLOWS

For the year ended March 31, 2004

| | 2004 | 2003 (unaudited) |
|---|-----------------|---------------------|
| | \$ | \$ |
| Cash flows related to operating activities | | |
| Cash receipts from funding parties | 318,872 | 472,000 |
| Cash paid for programs and administration | (473,293) | (1,192,216) |
| Interest received | 4,713 | 15,251 |
| Prior years' GST recovery | <u>60,784</u> | <u>-</u> |
| | <u>(88,924)</u> | <u>(704,965)</u> |
| Cash flows related to investing activities | | |
| Purchase of tangible capital assets | - | (11,311) |
| Proceeds on disposal of tangible capital assets | <u>642</u> | <u>-</u> |
| | <u>642</u> | <u>(11,311)</u> |
| Net decrease in cash | (88,282) | (716,276) |
| Cash and cash equivalents, beginning | <u>282,854</u> | <u>999,130</u> |
| Cash and cash equivalents, ending | 194,572 | 282,854 |
| Cash and cash equivalents represented by: | | |
| Cash on hand and balances with banks | 32,300 | 60,522 |
| Term deposits | <u>162,272</u> | <u>222,332</u> |
| | <u>194,572</u> | <u>282,854</u> |

BURRARD INLET ENVIRONMENTAL ACTION PROGRAM AND FRASER RIVER ESTUARY MANAGEMENT PROGRAM

NOTES

For the year ended March 31, 2004

Note 1 General

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

BIEAP is a coordinated joint action program created to improve and protect the environmental quality of Burrard Inlet.

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

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

Note 2 Significant Accounting Policies

Revenue Recognition

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

Amortization of Tangible Capital Assets

Tangible capital assets are carried at cost less accumulated amortization. Amortization is calculated annually as follows:

| | | |
|------------------------|---|-----------------------|
| Furniture and fixtures | - | 5 years straight line |
| Computer equipment | - | 3 years straight line |

Allocation of Administrative Expenses

Schedule 2 shows the allocation of revenues and expenditures as presented on the Statement of Revenues and Expenditures to the individual programs of BIEAP and FREMP. Administrative expenses are allocated based on the staff time spent on each program. Restructuring costs, the prior years' GST recovery, and the gain on disposal of tangible capital assets have been allocated 40% to BIEAP and 60% to FREMP being management's best estimate of each program's entitlement to these items. Interest income earned in the year has been allocated on the basis of each program's average surplus.

Use of Estimates

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

BURRARD INLET ENVIRONMENTAL ACTION PROGRAM AND FRASER RIVER ESTUARY MANAGEMENT PROGRAM

NOTES

For the year ended March 31, 2004

Note 3 Financial Instruments

The fair value of all items that meet the definition of a financial instrument approximate their carrying values. These items include cash and cash equivalents, receivables and payables and accruals. Unless otherwise stated, it is management's opinion that the programs are not exposed to significant credit, currency or interest rate risk arising from these financial instruments.

Note 4 Cash and Cash Equivalents

Cash and cash equivalents is comprised of:

| | |
|--------------------------------------|----------------|
| Cash on hand and balances with banks | 32,300 |
| Term deposits | <u>162,272</u> |
| | <u>194,572</u> |

The cashable term deposits have maturities of July 16, 2004 (\$40,000) and March 1, 2005 (\$122,272) and earn an average yield of 1.36%.

Note 5 Funding Party Contributions

The funding parties contributed the following amounts to each of the programs in the current year:

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

The Memorandum of Understanding specifies that the total cost of the programs is not to exceed \$5,000,000 (BIEAP: \$2,000,000; FREMP: \$3,000,000) in a five year period. Expenditures for the five years ended March 31, 2004 totalled \$4,049,495 (BIEAP: \$1,502,736; FREMP: \$2,546,759). Any excess of funding party contributions over expenditures is carried forward to future periods.

As outlined in the revised Memorandum of Understanding, the funding parties have agreed to maximum contributions of \$40,000 per party.

BURRARD INLET ENVIRONMENTAL ACTION PROGRAM AND FRASER RIVER ESTUARY MANAGEMENT PROGRAM

NOTES

For the year ended March 31, 2004

Note 6 Trust Funds

The programs have entered into agreements with certain government bodies to jointly administer specified projects on behalf of those bodies. Any unexpended funds under these agreements are held in trust by the programs. Trust funds held at March 31, 2004 totalled \$358 (2003: \$458) and are not included in the programs' balance sheet. Trust funds expended on projects for the year totalled \$100 (2003: \$125,000). Current year expenditures consisted solely of service charges for the maintenance of the trust account.

Note 7 Commitments

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

| | \$ |
|------|----------------|
| 2005 | 54,000 |
| 2006 | 54,000 |
| 2007 | <u>3,000</u> |
| | <u>111,000</u> |

Note 8 Internally Restricted Net Assets

Internally restricted net assets consist of the following:

| | \$ |
|---------------------------------|---------------|
| Closure Cost Contingency Fund | |
| Balance, beginning | - |
| Transfer from unrestricted fund | <u>80,000</u> |
| Balance, ending | <u>80,000</u> |

Note 9 Comparative Figures

Certain 2003 comparative figures have been reclassified to conform to the financial statement presentation adopted for 2004.

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

Schedule 1

TANGIBLE CAPITAL ASSETS AND ACCUMULATED AMORTIZATION

For the year ended March 31, 2004

| | Cost \$ | Accumulated Amortization \$ | Net Carrying Value \$ | Current Amortization \$ |
|-------------------------------|----------------------|-----------------------------------|-----------------------------|-------------------------------|
| Furniture and Fixtures | | | | |
| Balance, April 1, 2003 | 18,584 | 13,540 | 5,044 | |
| Amortization | | <u>1,793</u> | <u>(1,793)</u> | 1,793 |
| Balance, March 31, 2004 | <u>18,584</u> | <u>15,333</u> | <u>3,251</u> | |
| Computer Equipment | | | | |
| Balance, April 1, 2003 | 43,911 | 33,228 | 10,683 | |
| Amortization | | <u>6,912</u> | <u>(6,912)</u> | 6,912 |
| Balance, March 31, 2004 | 43,911 | 40,140 | 3,771 | |
| Totals | <u>62,495</u> | <u>55,473</u> | <u>7,022</u> | <u>8,705</u> |

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

Schedule 2

PROGRAM ALLOCATION OF REVENUES, EXPENDITURES AND ACCUMULATED SURPLUS

For the year ended March 31, 2004

| | BIEAP | FREMP | Total 2004 | Total 2003 (unaudited) |
|---|-----------------------|-----------------------|-----------------------|------------------------------|
| | \$ | \$ | \$ | \$ |
| Revenue Allocation | | | | |
| Funding party contributions | 120,000 | 160,000 | 280,000 | 610,000 |
| Specific project contributions | - | 23,164 | 23,164 | 7,000 |
| Interest | 457 | 4,543 | 5,000 | 11,833 |
| Prior years' GST recovery | 24,314 | 36,470 | 60,784 | - |
| Gain on sale of tangible capital assets | 257 | 385 | 642 | - |
| | <u>145,028</u> | <u>224,562</u> | <u>369,590</u> | <u>628,833</u> |
| Expenditure Allocation | | | | |
| Project management | 33,679 | 33,679 | 67,358 | 201,651 |
| BIEAP environment management plan | 32,614 | - | 32,614 | 111,186 |
| FREMP water and land use | - | 160,261 | 160,261 | 415,018 |
| Estuary management plan | - | 25,007 | 25,007 | 187,112 |
| Coordinated project review | 59,358 | 69,354 | 128,712 | 126,365 |
| Community liaison | 4,623 | 4,623 | 9,246 | 103,014 |
| Restructuring costs | 18,724 | 28,086 | 46,810 | 65,168 |
| | <u>148,998</u> | <u>321,010</u> | <u>470,008</u> | <u>1,209,514</u> |
| Deficiency of revenues over expenditures | (3,970) | (96,448) | (100,418) | (580,681) |
| Accumulated surplus, beginning | <u>21,082</u> | <u>238,185</u> | <u>259,267</u> | <u>839,948</u> |
| Accumulated surplus, ending | <u>17,112</u> | <u>141,737</u> | <u>158,849</u> | <u>259,267</u> |

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

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