

Village of Belcarra
FINANCIAL STATEMENTS
December 31, 2000

Village of Belcarra

December 31, 2000

Management's Responsibility for Financial Reporting

The accompanying Village financial statements are the responsibility of management and have been approved by the Administrator on behalf of the Mayor and Council.

The financial statements have been prepared by management in accordance with generally accepted accounting principles. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The Village maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Village's assets are appropriately accounted for and adequately safeguarded.

The Village Mayor and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The Village Mayor and Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the financial statements and the external auditors' report.

The financial statements have been audited by D&H Group, Chartered Accountants in accordance with generally accepted auditing standards. D&H Group has full and free access to the Mayor and Council.

Mayor

Administrator

AUDITORS' REPORT

To the Mayor and Council of the
Village of Belcarra

We have audited the balance sheet and reserve fund balance sheet of the Village of Belcarra as at December 31, 2000 and the statements of operating fund revenue and expenditures and reserves, operating fund equity and equity in capital assets and reserve fund transactions for the year ended December 31, 2000. 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 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 misstatements. 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 municipality as at December 31, 2000 and the results of its operations for the year then ended in accordance with generally accepted accounting principles. As required by the Municipal Act (British Columbia), we report that, in our opinion these principles have been applied on a basis consistent with that of the preceding year.

Vancouver, B.C.
February 23, 2001

Chartered Accountants

(D&H Group was formerly known as Dyke & Howard)

Village of Belcarra

BALANCE SHEET

December 31, 2000

	<u>2000</u>	<u>1999</u>
ASSETS		
OPERATING FUND		
Cash	\$ 21,689	\$ -
Investment	123,557	26,406
Accounts receivable (Note 2)	55,967	64,273
Due from reserve fund	<u>-</u>	<u>125,862</u>
	<u>201,213</u>	<u>216,541</u>
CAPITAL FUND		
Capital assets (Note 3)	2,274,434	2,106,733
Intangible asset	664,237	664,237
Gas main extension costs recoverable (Note 4)	97,317	116,645
Due from operating fund	<u>12,719</u>	<u>22,635</u>
	<u>3,048,707</u>	<u>2,910,250</u>
	\$ <u>3,249,920</u>	\$ <u>3,126,791</u>
LIABILITIES		
OPERATING FUND		
Cheques issued in excess of funds on deposit	\$ -	\$ 2,577
Accounts payable and accrued liabilities	23,908	85,687
Due to capital fund	12,719	22,635
Due to reserve fund	26,556	-
Property taxes collected in advance	77,144	69,653
Performance bonds	<u>50,084</u>	<u>30,387</u>
	190,411	210,939
CAPITAL FUND		
Debentures payable (Note 5)	<u>117,673</u>	<u>146,918</u>
	<u>308,084</u>	<u>357,857</u>
SURPLUS, RESERVES AND EQUITY		
OPERATING FUND		
Reserve for future expenditures	10,802	5,602
CAPITAL FUND		
Equity in capital assets	<u>2,931,034</u>	<u>2,763,332</u>
	<u>2,941,836</u>	<u>2,768,934</u>
	\$ <u>3,249,920</u>	\$ <u>3,126,791</u>

Approved by _____ Administrator

Village of Belcarra

Reserve Fund

BALANCE SHEET

December 31, 2000

	<u>2000</u>	<u>1999</u>
ASSETS		
CASH	\$ 2,977	\$ 2,656
INVESTMENT	89,940	208,108
DUE FROM OPERATING FUND	<u>26,556</u>	<u>—</u>
	\$ <u>119,473</u>	\$ <u>210,764</u>
LIABILITIES AND FUND BALANCES		
DUE TO OPERATING FUND	\$ <u>—</u>	\$ <u>125,862</u>
FUND BALANCES		
Equipment replacement	22,998	15,594
Capital works	74,981	49,589
Redevelopment of Marine Avenue	<u>21,494</u>	<u>19,719</u>
	<u>119,473</u>	<u>84,902</u>
	\$ <u>119,473</u>	\$ <u>210,764</u>

Approved by _____ Administrator

Village of Belcarra

STATEMENT OF OPERATING FUND REVENUE AND EXPENDITURES AND RESERVES

Year ended December 31, 2000

	Actual 2000	Budget 2000	Actual 1999
REVENUE			
Taxation - net (Note 6)	\$ 337,247	\$ 326,248	\$ 306,231
Government grants - Schedule 1	151,969	157,011	124,355
Garbage collection	34,750	34,625	34,375
Sundry	4,313	6,000	6,057
Penalties and interest on taxes	6,734	8,000	8,144
Licenses and permits	20,097	9,500	13,360
Main Avenue septic lease fees	4,200	4,200	4,200
Interest	<u>24,052</u>	<u>21,800</u>	<u>22,331</u>
	<u>583,362</u>	<u>567,384</u>	<u>519,053</u>
EXPENDITURES			
General government - Schedule 2	197,568	204,350	213,415
Public works	125,624	120,622	106,703
Capital expenditures	167,701	-	367,080
Garbage disposal	20,184	22,000	20,786
Goods and Services Tax, net of recoveries	8,772	7,000	15,599
Interest and bank charges	21,086	22,112	21,556
Planning	8,201	4,000	9,222
Septic lease fees - G.V.R.D.	<u>2,100</u>	<u>2,100</u>	<u>2,100</u>
	<u>551,236</u>	<u>382,184</u>	<u>756,461</u>
SURPLUS (DEFICIT) FOR THE YEAR	32,126	\$ <u><u>185,200</u></u>	(237,408)
TRANSFER FROM (TO) RESERVE FUNDS, NET	(26,926)		243,010
OPERATING FUND RESERVE FOR FUTURE EXPENDITURE, beginning of year	<u>5,602</u>		<u>-</u>
OPERATING FUND RESERVE FOR FUTURE EXPENDITURE, end of year	\$ <u><u>10,802</u></u>		\$ <u><u>5,602</u></u>

Village of Belcarra
GOVERNMENT GRANTS
Year ended December 31, 2000

	Actual 2000	Budget 2000	Actual 1999
OPERATING FUND			
Revenue sharing	\$ 102,889	\$ 102,889	\$ 102,889
GVTA Major Roads – capital	14,000	14,000	–
GVTA Major Roads - maintenance	31,780	37,122	20,660
Emergency procedures	<u>3,300</u>	<u>3,000</u>	<u>806</u>
	\$ <u>151,969</u>	\$ <u>157,011</u>	\$ <u>124,355</u>

Village of Belcarra
GENERAL GOVERNMENT EXPENDITURES
Year ended December 31, 2000

	Actual 2000	Budget 2000	Actual 1999
ADMINISTRATION SALARIES AND BENEFITS	\$ 108,873	\$ 106,750	\$ 106,374
COUNCIL INDEMNITIES	31,200	31,200	31,200
DUES, CONVENTIONS AND ADVERTISING	8,525	11,200	7,612
INSURANCE	14,163	13,200	11,724
LEGAL AND AUDIT	9,040	12,000	27,470
MAINTENANCE, HEAT AND LIGHT OF OFFICES AND EQUIPMENT	6,767	6,500	7,112
OFFICE SUPPLIES AND PRINTING	7,602	7,000	6,908
SUNDRY	3,501	8,500	6,400
TELEPHONE AND POSTAGE	<u>7,897</u>	<u>8,000</u>	<u>8,615</u>
	\$ <u><u>197,568</u></u>	\$ <u><u>204,350</u></u>	\$ <u><u>213,415</u></u>

Village of Belcarra

STATEMENT OF OPERATING FUND EQUITY AND EQUITY IN CAPITAL ASSETS

Year ended December 31, 2000

	<u>2000</u>	<u>1999</u>
EQUITY IN OPERATING FUND - Reserves for future expenditures		
Balance, beginning of year	\$ 5,602	\$ -
Less: Amounts used during the year	<u>-</u>	<u>-</u>
	5,602	-
Appropriation from reserve fund - GVTA	-	5,602
Appropriation from reserve fund - gas main debenture	<u>5,200</u>	<u>-</u>
Balance, end of year	\$ <u><u>10,802</u></u>	\$ <u><u>5,602</u></u>
EQUITY IN CAPITAL ASSETS		
Balance, beginning of year	\$ 2,763,333	\$ 2,396,252
Contributions received for acquisition of capital assets from operating fund	150,401	110,000
Contributions from Province of B.C.	17,300	-
Contributions received for acquisition of capital assets from reserve fund	<u>-</u>	<u>257,081</u>
Balance, end of year	\$ <u><u>2,931,034</u></u>	\$ <u><u>2,763,333</u></u>

Village of Belcarra

STATEMENT OF RESERVE FUND TRANSACTIONS

Year ended December 31, 2000

	<u>Equipment replacement</u>	<u>Capital works</u>	<u>Redevelopment of Marine Avenue</u>	<u>2000</u>	<u>1999</u>
BALANCE, beginning of year	\$ 15,594	\$ 49,589	\$ 19,719	\$ 84,902	\$ 315,015
INTEREST ON INVESTMENTS	1,404	4,466	1,775	7,645	12,897
TRANSFER TO OPERATING FUND	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(243,010)</u>
	16,998	54,055	21,494	92,547	84,902
APPROPRIATION FROM OPERATIONS	<u>6,000</u>	<u>20,926</u>	<u>—</u>	<u>26,926</u>	<u>—</u>
BALANCE, end of year	\$ <u><u>22,998</u></u>	\$ <u><u>74,981</u></u>	\$ <u><u>21,494</u></u>	\$ <u><u>119,473</u></u>	\$ <u><u>84,902</u></u>

Village of Belcarra

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2000

1. ACCOUNTING POLICIES

Basis of presentation

These financial statements have been prepared in accordance with generally accepted accounting principles which necessarily involves the use of estimates. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of significant accounting policies summarized below.

Basis of accounting

The Village uses the modified accrual basis of accounting, which is full accrual except for accrued interest on long-term debt.

Capital assets

Capital assets are recorded at cost. In accordance with Ministry of Municipal Affairs guidelines, amortization is not recorded.

Intangible asset

Intangible asset is comprised of the gas main extension costs and is recorded at cost. In accordance with Ministry of Municipal Affairs guidelines, amortization is not recorded.

2. ACCOUNTS RECEIVABLE

	<u>2000</u>	<u>1999</u>
Taxes	\$ 24,743	\$ 41,180
GST rebate receivable	11,798	21,871
Province of B.C.	14,000	-
Other	<u>5,426</u>	<u>1,222</u>
	\$ <u>55,967</u>	\$ <u>64,273</u>

3. CAPITAL ASSETS

	<u>2000</u>	<u>1999</u>
Land	\$ 81,500	\$ 81,500
Buildings	229,001	229,001
Office equipment	67,958	57,022
Vehicles	117,684	117,684
Engineering structures	194,330	194,330
Roads	1,096,029	947,926
Machinery and equipment	49,365	49,365
Water storage tanks	<u>438,567</u>	<u>429,905</u>
	\$ <u>2,274,434</u>	\$ <u>2,106,733</u>

Village of Belcarra
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2000

4. GAS MAIN EXTENSION COSTS RECOVERABLE

In 1995 the Village paid and incurred costs towards the construction of a gas distribution pipeline to properties within the Village's boundaries. Certain property owners opted to pay their share of the cost over ten years. During the year the Village recovered \$ 19,328 (1999 - \$ 18,407), leaving \$ 97,317 to be recovered over the next six years.

5. DEBENTURES PAYABLE

	<u>2000</u>	<u>1999</u>
Municipal Finance Authority – requiring annual principal and interest payments totalling \$ 1,818 with interest calculated at the rate of 6.5%, due May 15, 2005	\$ 5,536	\$ 15,453
Municipal Finance Authority – requiring annual principal and interest payments totalling \$ 31,701 with interest calculated at 7.0% semi-annually, in each and every year during the term of the debenture, due December 1, 2005	<u>112,137</u>	<u>131,465</u>
	\$ <u><u>117,673</u></u>	\$ <u><u>146,918</u></u>

6. TAXATION - NET

Taxation revenue comprises the following amounts raised less transfers:

	<u>2000</u>	<u>1999</u>
General municipal purposes *	\$ 337,247	\$ 306,231
Collections for other governments		
School District - School tax	497,996	498,007
Greater Vancouver Regional District	82,950	85,056
Greater Vancouver Transit Authority (GVTA)	29,146	29,033
B.C. Assessment Authority	17,120	16,889
Municipal Finance Authority	<u>40</u>	<u>41</u>
	<u>964,499</u>	<u>935,257</u>
Transfers to other governments		
School District - School tax	497,996	498,007
Greater Vancouver Regional District	82,950	85,056
Greater Vancouver Transit Authority (GVTA)	29,146	29,033
B.C. Assessment Authority	17,120	16,889
Municipal Finance Authority	<u>40</u>	<u>41</u>
	<u>627,252</u>	<u>629,026</u>
	\$ <u><u>337,247</u></u>	\$ <u><u>306,231</u></u>

* General municipal taxation includes the 1% levy on gross revenue of utility companies.

Village of Belcarra

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2000

7. CONTINGENT LIABILITY

The Village is responsible, as a member of the Greater Vancouver Regional District, for its proportion of any operating deficit or capital debt relating to functions in which it participates.

8. PENSION LIABILITY

The Village and its employees contribute to the Municipal Pension Plan in accordance with the Pension (Municipal) Act of British Columbia. The Superannuation Commission of the Province of British Columbia administers the plan, including the payment of pension benefits, on behalf of employers and employees to whom the Act applies. The plan currently has more than 100,000 active contributors, including approximately 26,000 contributors from over 180 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 latest valuation was as at December 31, 1998, and disclosed a \$ 548 million unfunded actuarial liability (UAL) for funding purposes (\$ 1.31 billion as at the previous valuation.) This represented an improved financial position, with a decrease in the UAL as a percentage of covered payroll from approximately 36% to 14%. Plan legislation provides that the unfunded liability will not cause increases in the employment group statutory contribution rates, upon which employer-specific rates are based, as long as the financial health of the pension plan improves from one valuation to the next. The actuary does not attribute portions of the UAL to individual employers. Each employer expenses contributions to the plan in the year in which payments are made.