

Village of Belcarra
FINANCIAL STATEMENTS
December 31, 2001

Village of Belcarra

December 31, 2001

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 Canadian 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 in accordance with Canadian 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 of the Village of Belcarra as at December 31, 2001 and the statements of revenue and expenditures and changes in fund balances for the year ended December 31, 2001. 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 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, 2001 and the results of its operations for the year then ended in accordance with Canadian 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 11, 2002

Chartered Accountants

Village of Belcarra

BALANCE SHEET

December 31, 2001

			2001		2000
	Operating fund	Capital fund	Reserve fund	Total	Total
ASSETS					
CURRENT ASSETS					
Cash	\$ 12,891	\$ -	\$ 3,094	\$ 15,985	\$ 24,666
Investment	107,837	-	126,802	234,639	213,497
Accounts receivable (Note 2)	49,265	-	-	49,265	55,967
Due from reserve funds	23,806	-	-	23,806	-
Due from operating funds	-	11,716	-	11,716	39,275
	193,799	11,716	129,896	335,411	333,405
CAPITAL ASSETS (NOTE 3)	-	2,450,348	-	2,450,348	2,274,434
INTANGIBLE ASSET	-	664,236	-	664,236	664,237
GAS MAIN EXTENSION COSTS RECOVERABLE (NOTE 4)	-	77,023	-	77,023	97,317
	\$ <u>193,799</u>	\$ <u>3,203,323</u>	\$ <u>129,896</u>	\$ <u>3,527,018</u>	\$ <u>3,369,393</u>
LIABILITIES					
CURRENT LIABILITES					
Accounts payable and Accrued liabilities	\$ 36,238	\$ -	\$ -	\$ 36,238	\$ 23,908
Due to capital fund	11,716	-	-	11,716	12,719
Due to operating fund	-	-	23,806	23,806	-
Due to reserve fund	-	-	-	-	26,556
Property taxes collected in advance	84,791	-	-	84,791	77,144
Performance bonds	36,027	-	-	36,027	50,084
	168,772	-	23,806	192,578	190,411
DEBENTURES PAYABLE (NOTE 5)	-	96,377	-	96,377	117,673
	168,772	96,377	23,806	288,955	308,084
NET ASSETS					
RESERVE FOR FUTURE EXPENDITURES (SCHEDULE 1)	25,027	-	-	25,027	10,802
EQUITY IN CAPITAL ASSETS	-	3,106,946	-	3,106,946	2,931,034
RESERVE FUND BALANCES (SCHEDULE 2)					
Equipment replacement	-	-	13,874	13,874	22,998
Capital works	-	-	69,792	69,792	74,981
Redevelopment of Marine Avenue	-	-	22,424	22,424	21,494
	-	-	106,090	106,090	119,473
	25,027	3,106,946	106,090	3,238,063	3,061,309
	\$ <u>193,799</u>	\$ <u>3,203,323</u>	\$ <u>129,896</u>	\$ <u>3,527,018</u>	\$ <u>3,369,393</u>

Village of Belcarra

STATEMENT OF REVENUE AND EXPENDITURES AND CHANGES IN FUND BALANCES

Year ended December 31, 2001

	2001			2000	
	Operating fund	Capital fund	Reserve fund	Total	Total (Note 9)
REVENUE					
Taxation – net (Note 6)	\$ 337,752	\$ -	\$ -	\$ 337,752	\$ 337,247
Government grants (Schedule 3)	130,348	-	-	130,348	151,969
Garbage collection	37,625	-	-	37,625	34,750
Sundry	5,176	-	-	5,176	4,313
Penalties and interest on taxes	6,397	-	-	6,397	6,734
Licenses and permits	30,952	-	-	30,952	20,097
Main Avenue septic lease fees	4,200	-	-	4,200	4,200
Interest	21,555	-	4,354	25,910	31,697
Donation	5,739	-	-	5,738	-
	<u>579,744</u>	<u>-</u>	<u>4,354</u>	<u>584,098</u>	<u>591,007</u>
EXPENDITURES					
General government (Schedule 4)	218,454	-	-	218,454	197,568
Public works	117,707	-	-	117,707	125,624
Capital expenditures	175,912	-	-	175,913	167,701
Garbage disposal	27,433	-	-	27,433	20,184
Goods and Services Tax, net of recoveries	10,022	-	-	10,021	8,772
Interest and bank charges	21,516	-	-	21,516	21,086
Planning	10,355	-	-	10,355	8,201
Septic lease fees – G.V.R.D.	1,857	-	-	1,857	2,100
	<u>583,256</u>	<u>-</u>	<u>-</u>	<u>583,256</u>	<u>551,236</u>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES FOR THE YEAR					
	<u>(3,512)</u>	<u>-</u>	<u>4,354</u>	<u>842</u>	<u>39,771</u>
INTER-FUND TRANSFERS					
Transfer to (from) fund	17,737	-	(17,737)	-	-
Contributions received for acquisition of capital assets from operating fund	-	165,979	-	165,979	150,401
Contributions from Province of B.C.	-	-	-	-	17,300
Contributions received for acquisition of capital assets from reserve fund	-	9,933	-	9,933	-
	17,737	175,912	(17,737)	175,912	167,701
FUND BALANCE , beginning of year					
	<u>10,802</u>	<u>2,931,034</u>	<u>119,473</u>	<u>3,061,309</u>	<u>2,853,837</u>
FUND BALANCE, end of year					
	\$ <u>25,027</u>	\$ <u>3,106,946</u>	\$ <u>106,090</u>	\$ <u>3,238,063</u>	\$ <u>3,061,309</u>

Village of Belcarra

CHANGES IN RESERVE FOR FUTURE EXPENDITURES (OPERATING FUND)

Year ended December 31, 2001

	<u>2001</u>	<u>2000</u>
BALANCE, beginning of year	\$ 10,802	\$ 5,602
LESS		
Amounts used during the year	<u>-</u>	<u>-</u>
	10,802	5,602
ADD		
Appropriation from reserve fund- GVTA	3,286	-
Contribution received from Historical Book Fund	5,739	-
Appropriation from reserve – gas main debenture	<u>5,200</u>	<u>5,200</u>
BALANCE, end of year	\$ <u><u>25,027</u></u>	\$ <u><u>10,802</u></u>

Schedule 2

CHANGES IN RESERVE FUND

Year ended December 31, 2001

	<u>Equipment fund</u>	<u>Capital fund</u>	<u>Redevelopment of Marine Avenue</u>	<u>2001</u>	<u>2000</u>
BALANCE, beginning of year	\$ 22,998	\$ 74,981	\$ 21,494	\$ 119,473	\$ 84,902
INTEREST ON INVESTMENTS	809	2,615	930	4,354	7,645
TRANSFER TO OPERATING FUND	<u>(9,933)</u>	<u>(7,804)</u>	<u>-</u>	<u>(17,737)</u>	<u>-</u>
	13,874	69,792	22,424	106,090	92,547
APPROPRIATION FROM OPERATIONS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,926</u>
	\$ <u><u>13,874</u></u>	\$ <u><u>69,792</u></u>	\$ <u><u>22,424</u></u>	\$ <u><u>106,090</u></u>	\$ <u><u>119,473</u></u>

Village of Belcarra
GOVERNMENT GRANTS
Year ended December 31, 2001

	Actual 2001	Budget 2001	Actual 2000
OPERATING FUND			
Revenue sharing	\$ 102,889	\$ 102,889	\$ 102,889
GVTA Major Roads - capital	-	-	14,000
GVTA Major Roads - maintenance	26,838	34,000	31,780
Emergency procedures	<u>621</u>	<u>5,350</u>	<u>3,300</u>
	\$ <u>130,348</u>	\$ <u>142,239</u>	\$ <u>151,969</u>

Schedule 4

GENERAL GOVERNMENT EXPENDITURES
Year ended December 31, 2001

	Actual 2001	Budget 2001	Actual 2000
ADMINISTRATION SALARIES AND BENEFITS	\$ 118,534	\$ 114,539	\$ 108,873
COUNCIL INDEMNITIES	32,635	32,760	31,200
DUES, CONVENTIONS AND ADVERTISING	9,770	10,500	8,525
INSURANCE	12,453	12,950	14,163
LEGAL AND AUDIT	11,991	10,000	9,040
MAINTENANCE, HEAT AND LIGHT OF OFFICES AND EQUIPMENT	9,945	6,500	6,767
OFFICE SUPPLIES AND PRINTING	8,575	7,000	7,602
SUNDRY	5,885	3,000	3,501
TELEPHONE AND POSTAGE	<u>8,666</u>	<u>8,000</u>	<u>7,897</u>
	\$ <u>218,454</u>	\$ <u>205,249</u>	\$ <u>197,568</u>

Village of Belcarra

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2001

1. ACCOUNTING POLICIES

Basis of presentation

These financial statements have been prepared in accordance with Canadian 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>2001</u>	<u>2000</u>
Taxes	\$ 35,804	\$ 24,743
GST rebate receivable	13,361	11,798
Province of B.C.	-	14,000
Other	<u>100</u>	<u>5,426</u>
	<u>\$ 49,265</u>	<u>\$ 55,967</u>

3. CAPITAL ASSETS

	<u>2001</u>	<u>2000</u>
Land	\$ 81,500	\$ 81,500
Buildings	229,001	229,001
Office equipment	69,757	67,958
Vehicles	117,684	117,684
Engineering structures	197,391	194,330
Roads	1,096,029	1,096,029
Machinery and equipment	57,501	49,365
Water storage tanks	<u>601,485</u>	<u>438,567</u>
	<u>\$ 2,450,348</u>	<u>\$ 2,274,434</u>

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 \$ 20,294 (2000 - \$ 19,328), leaving \$ 77,023 to be recovered over the next five years.

Village of Belcarra
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2001

5. DEBENTURES PAYABLE	<u>2001</u>	<u>2000</u>
Municipal Finance Authority – requiring annual principal and interest payments totalling \$ 1,478 with interest calculated at the rate of 6.5%, due May 15, 2005	\$ 4,534	\$ 5,536
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>91,844</u>	<u>112,137</u>
	\$ <u>96,378</u>	\$ <u>117,673</u>

6. TAXATION - NET

Taxation revenue comprises the following amounts raised less transfers:

	<u>2001</u>	<u>2000</u>
General municipal purposes *	\$ 337,752	\$ 337,247
Collections for other governments		
School District - School tax	500,671	497,996
Greater Vancouver Regional District	82,845	82,950
Greater Vancouver Transit Authority (GVTA)	29,193	29,146
B.C. Assessment Authority	17,129	17,120
Municipal Finance Authority	<u>40</u>	<u>40</u>
	<u>967,630</u>	<u>964,499</u>
Transfers to other governments		
School District - School tax	500,671	497,996
Greater Vancouver Regional District	82,845	82,950
Greater Vancouver Transit Authority (GVTA)	29,193	29,146
B.C. Assessment Authority	17,129	17,120
Municipal Finance Authority	<u>40</u>	<u>40</u>
	<u>629,878</u>	<u>627,252</u>
	\$ <u>337,752</u>	\$ <u>337,247</u>

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

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 of Belcarra and its employees contribute to the Municipal Pension Plan (the pension plan), a jointly trusted pension plan governed by the BC Public Sector Pension Plans Act. The pension plan is a multi-employer contributory defined benefit pension plan with about 125,000 active contributors, including approximately 26,000 contributors from over 180 local governments. Joint trusteeship was established effective April 5, 2001. The board of trustees, representing plan members and employers, is fully responsible for the management of the pension plan, including investment of the assets and administration of the plan.

Village of Belcarra

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2001

8. PENSION LIABILITES - continued

The British Columbia Pension Corporation provides benefit administration services and the British Columbia Investment Management Corporation provides investment management services for the pension plan.

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, 2000 indicates a surplus of \$ 436 million, an improved position of 9% surplus of covered payroll from a 14% unfunded liability of covered payroll as at the previous valuation of December 1997. The Joint Trust Agreement specifies how surplus assets can be used. The actuary does not attribute portions of the surplus to individual employers. Each employer expenses contributions to the plan in the year in which payments are made.

9. COMPARATIVE FIGURES

Certain 2000 figures have been reclassified to conform to the presentation used in the current year.