

Statement of Operating Costs and Taxes

**METROTOWN PLACE III  
BURNABY, BRITISH COLUMBIA**

Year ended December 31, 2014



Tel: 604 688 5421  
Fax: 604 688 5132  
vancouver@bdo.ca  
www.bdo.ca

BDO Canada LLP  
600 Cathedral Place  
925 West Georgia Street  
Vancouver BC V6C 3L2 Canada

---

## Independent Auditor's Report

---

To the Greater Vancouver Water District

We have audited the accompanying statement of operating costs and taxes for Metrotown Place III for the year ended December 31, 2014 and a summary of significant accounting policies and other explanatory information (together the "Statement"). The Statement has been prepared by management based on the financial reporting provisions of operating costs of the Greater Vancouver Water District's standard lease agreement for Metrotown Place III.

### Management's Responsibility for the Statement

Management is responsible for the preparation of the Statement in accordance with the financial reporting provisions of operating costs of the Greater Vancouver Water District's standard lease agreement for Metrotown Place III; this includes determining that the basis of accounting is an acceptable basis for the preparation of the Statement in the circumstances, and for such internal control as management determines is necessary to enable the preparation of the Statement that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Statement based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, if any, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial information in the statement of operating costs and taxes for Metrotown Place III for the year ended December 31, 2014 is prepared, in all material respects, in accordance with the financial reporting provisions of operating costs of the Greater Vancouver Water District's standard lease agreement for Metrotown Place III.



#### Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 1 to the Statement, which describes the basis of accounting. The Statement is prepared to assist the Greater Vancouver Water District to meet the requirements of the financial reporting provisions of operating costs of the Greater Vancouver Water District's standard lease agreement for Metrotown Place III. As a result, the Statement may not be suitable for another purpose. Our report is intended solely for the Greater Vancouver Water District and the tenants of Metrotown Place III and should not be distributed to or used by parties other than the Greater Vancouver Water District and the tenants of Metrotown Place III.

*BDO Canada LLP*

Chartered Accountants

Vancouver, British Columbia

May 6, 2015

# **METROTOWN PLACE III BURNABY, BRITISH COLUMBIA**

Statement of Operating Costs and Taxes  
(As defined by the Standard Lease Agreement)

Year ended December 31, 2014

---

Operating costs (note 1):

Repairs and maintenance	\$	29,627
Cleaning		104,620
Electricity		79,791
Security		46,793
Other services		978
Salaries		147,702
Contract services		20,896
Insurance		18,437
Building administration		7,818
Heating fuel		8,459
Water and sewer		8,399
Amortized costs (note 3)		68,722
Management fees		41,744
<hr/>		
Total operating costs		583,986
Property taxes		104,414
<hr/>		
Total operating costs and taxes	\$	688,400

See accompanying notes to statement of operating costs and taxes.

# METROTOWN PLACE III BURNABY, BRITISH COLUMBIA

Notes to Statement of Operating Costs and Taxes

Year ended December 31, 2014

---

## 1. Basis of Presentation

The accompanying statement of operating costs and taxes (the "Statement") has been prepared in accordance with the financial reporting provisions of operating costs, described in the standard lease agreement between the Greater Vancouver Regional District and Greater Vancouver Water District as the lessor (the "Lessor") and certain Metrotown Place III tenants (the "Tenant").

The standard lease agreement between the Lessor and the Tenant requires that the Statement be prepared in a manner consistent with Canadian generally accepted accounting principles ("GAAP"). The Lessor has interpreted GAAP to be the recognition and measurement principles of Part II of the CICA Handbook - Accounting, and not the presentation principles or the presentation of all the financial statements or note disclosures required by GAAP for a complete set of financial statements.

## 2. Significant accounting policies

Expenses are recorded on an accrual basis. Expenses are recognized as they are incurred and measurable as a receipt of goods or services and/or the creation of a legal obligation to pay.

## 3. Deferred expenditures

In accordance with the Agreement, certain costs of significant repairs to the property are not expensed as incurred, but rather are deferred and amortized on a straight-line basis over a period of ten years as follows:

Year incurred	Balance, December 31, 2014	Amortization Expense
2009	\$ 54,232	\$ 5,423
2010	248,891	24,890
2011	347,144	34,713
2012	289	29
2013	30,818	3,082
2014	5,751	585
	\$ 687,125	\$ 68,722
Accumulated amortization	(266,411)	
	\$ 420,714	

---