

Statement of Operating Costs and Taxes

METROTOWN PLACE III
BURNABY, BRITISH COLUMBIA

Year ended December 31, 2017



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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, 2017 and a summary of significant accounting policies and other explanatory information (together the "Statement"). The Statement has been prepared by management based on Schedule C 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, 2017 is prepared, in all material respects, in accordance with Schedule C 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 Schedule C 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 Professional Accountants

Vancouver, British Columbia

April 27, 2018

METROTOWN PLACE III BURNABY, BRITISH COLUMBIA

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

Year ended December 31, 2017

Operating costs (note 1):		
Repairs and maintenance	\$	27,870
Cleaning		110,805
Electricity		78,392
Security		34,148
Other services		852
Salaries		132,327
Contract services		29,006
Insurance		18,100
Building administration		8,156
Heating fuel		10,156
Water and sewer		11,970
Amortized costs (note 3)		110,953
Management fees		36,674
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Total operating costs		609,409
Property taxes		66,549
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Total operating costs and taxes	\$	675,958

METROTOWN PLACE III BURNABY, BRITISH COLUMBIA

Notes to Statement of Operating Costs and Taxes

Year ended December 31, 2017

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, 2017	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	575
2015	379,105	37,911
2016	45,280	4,330
2017	-	-
	\$ 1,111,510	\$ 110,953
Accumulated amortization	(557,875)	
	\$ 553,635	