

Statement of Operating Costs and Taxes

**METROTOWN PLACE I
BURNABY, BRITISH COLUMBIA**

Year ended December 31, 2015



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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 I for the year ended December 31, 2015 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 I.

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 I; 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 I for the year ended December 31, 2015 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 I.



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 I. 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 I and should not be distributed to or used by parties other than the Greater Vancouver Water District and the tenants of Metrotown Place I.

BDO Canada LLP

Chartered Professional Accountants

Vancouver, British Columbia

April 29, 2016

METROTOWN PLACE I BURNABY, BRITISH COLUMBIA

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

Year ended December 31, 2015

Operating costs (note 1):	
Repairs and maintenance	\$ 191,132
Cleaning	318,568
Electricity	212,031
Security	201,446
Other services	1,080
Salaries	304,158
Contract services	108,722
Insurance	66,260
Building administration	15,449
Heating fuel	22,889
Water and sewer	16,912
Amortized costs (note 3)	278,935
Management fees	77,044
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Total operating costs	1,814,626
Property taxes	38,178
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Total operating costs and taxes	\$ 1,852,804

See accompanying notes to statement of operating costs and taxes.

METROTOWN PLACE I
BURNABY, BRITISH COLUMBIA

Notes to Statement of Operating Costs and Taxes

Year ended December 31, 2015

1. Basis of Accounting

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 I 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 expenses

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, 2015	Amortization Expense
2002	\$ 451,570	\$ -
2003	197,914	-
2004	264,886	-
2005	717,216	2,944
2006	825,667	82,564
2007	708,004	70,801
2008	313,090	31,310
2009	13,799	1,380
2010	47,625	4,762
2011	164,718	16,471
2012	313,070	31,307
2013	158,593	15,860
2014	125,175	7,621
2015	620,828	13,915
	\$ 4,922,155	\$ 278,935
Accumulated amortization	(3,592,148)	
	\$ 1,330,007	