



Report of the Auditor General of British Columbia

*To the Management Committee of the
Contribution Agreement Canada – British Columbia
“Improvements at Border Crossings”*

At the request of the British Columbia Ministry of Transportation and Infrastructure on behalf of the Management Committee, I have audited the Schedule of Detailed Expenditure Claims under the *Contribution Agreement Canada – British Columbia “Improvements at Border Crossings”* against the eligible costs of the agreement (as defined in Section 4.02 of the agreement dated November 19, 2002) for the year ended March 31, 2010. This financial information is the responsibility of the management of the British Columbia Ministry of Transportation and Infrastructure. My responsibility is to express an opinion on this financial information based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial information is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial information. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial information.

In my opinion, this schedule presents fairly, in all material respects, the detailed expenditure claims under the *Contribution Agreement Canada – British Columbia “Improvements at Border Crossings”* for the year ended March 31, 2010, in accordance with the provisions of Section 4.02 of the agreement referred to above.

*Victoria, British Columbia
July 12, 2010*

John Doyle, MBA, CA
Auditor General

CONTRIBUTION AGREEMENT - CANADA-BRITISH COLUMBIA IMPROVEMENTS AT BORDER CROSSINGS

Schedule of Detailed Expenditure Claims
For the Year Ended March 31, 2010

Project Number	Project/Claim Description	Contract Number	Eligible Costs Claimed in 2009/10 (drawdown 08/09 PAYE)
1.0	8th Avenue Improvements		-
2.0	Highway 15		-
3.0	Highway 15		-
5.0	Highway 15/88th Avenue Hwy 15/88th Ave Intersection Improvement: to accommodate historic and future traffic growth at this congested intersection, a second through traffic lane, as well as left-turn bays will be added to all approaches.	71101MJ2011 Util_Materials_11648	262,262 28,232
		Sub-total	290,494
6.0	Highway 13		-
7.0	Highway 11		-
8.0	Highway 15/99		-
9.0	Highway 99		-
10.0	Environmental Assessment Costs/Audit Audit	OAG_08/09	1,898
		Sub-total	1,898
12.0	Extension of Highway 15 FAST Truck Lane		-
	TOTAL		292,392

Approved by:



 David Marr
 Executive Director
 Program Development and Monitoring



 Nancy Bain
 Assistant Deputy Minister & Ministry's EFO
 Finance and Management Services

**CONTRIBUTION AGREEMENT
CANADA-BRITISH COLUMBIA
“IMPROVEMENTS AT BORDER CROSSINGS”
2002/2003-2005/2006**

**Notes to the Schedule of Detailed Expenditure Claims
For the Year Ended March 31, 2010**

1. Nature of the Agreement

The Government of Canada and the Province of British Columbia entered into the “*Improvements at Border Crossings*” Agreement, 2002-2003/2005/06 (“the Agreement”) on November 19, 2002. The Agreement was amended to extend the program to March 31, 2009.

The purpose of this Agreement is to provide support to enable the Province to undertake improvements at or in the vicinity of British Columbia border crossings situated at Douglas, Pacific Highway, Huntingdon and Aldergrove through a 50/50 cost sharing arrangement for eligible costs to a maximum of \$14,103,875.

2. Costs

Eligible Costs:

The Agreement specifies “Eligible Costs” in Section 4.02, as “*all those costs, fees and expenditures directly incurred by the Province and directly related to the performance by the Province of its undertakings as set out in Schedule “B” hereto annexed with the exception of ineligible costs as described in Section 4.02.02.*”

Ineligible Costs:

The Agreement specifies “Ineligible Costs” in Section 4.02.02 as:

- a) *costs incurred prior to the approval of an application and after the termination date;*
- b) *the cost of developing a proposal;*
- c) *the cost of purchasing land, associated real estate and other fees, financing charges and interest payments on loans;*
- d) *leasing land, buildings, equipment and other facilities;*
- e) *provincial sales tax and the Goods and Services Tax for which the Province or a third party is eligible for a tax rebate and all other costs eligible for rebates;*

- f) costs which have been shared under other federal statutes or programs;*
- g) legal fees; and,*
- h) minor repairs or general maintenance of a roadway and related structures.*

3. Basis of Accounting and Accounting Policies

The Schedule of Detailed Expenditure Claims has been prepared in accordance with Canadian generally accepted accounting principles. Expenditures are recorded at cost on an accrual basis. Costs are net of any recoveries and GST.

The Eligible Costs Claimed in 2009/2010 represents the actual value of claims submitted to the Federal Government during the 2009/2010 fiscal year. These include eligible expenses incurred in fiscal 2007/08 and/or 2008/2009 that were submitted for reimbursement during fiscal 2009/2010.

PAYE (Payable After Year End) represents an amount booked for eligible work completed in prior fiscal years, but the claim was not submitted to the Federal Government until the 2009/2010 fiscal year.