

Vancouver Trade and Convention Centre Authority
Financial Statements
March 31, 2002

Vancouver Trade and Convention Centre Authority

Statement of Management Responsibility

Management, in accordance with Canadian generally accepted accounting principles, has prepared the financial statements of *Vancouver Trade and Convention Centre Authority*. These statements present fairly the financial position of the Authority as at March 31, 2002 and results of its operations for the year then ended.

Management is responsible for the preparation, integrity and objectivity of the financial statements. Systems of internal control are developed and maintained by management to provide reasonable assurance that transactions are properly authorized, assets are safeguarded, and financial records are properly maintained to provide a reliable basis for preparation of the financial statements.

The Auditor General of British Columbia has performed an independent audit of the financial statements. The Report of the Auditor General outlines the scope of his audit and his opinion on the financial statements of *Vancouver Trade and Convention Centre Authority*.



Chris Nelson
President



Doug Callbeck
Treasurer

Victoria, British Columbia
May 30, 2002



Report of the Auditor General of British Columbia

*To the Directors of the Vancouver Trade and
Convention Centre Authority, and*

*To the Minister of Competition, Science and Enterprise
Province of British Columbia:*

I have audited the balance sheet of *Vancouver Trade and Convention Centre Authority* as at March 31, 2002 and the statement of operations and surplus and cash flows for the year then ended March 31, 2002. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements 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 statements are free of material misstatement. 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 my opinion, these financial statements present fairly, in all material respects, the financial position of the *Vancouver Trade and Convention Centre Authority* as at March 31, 2002 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles applied on a basis consistent with that of the preceding year.

*Victoria, British Columbia
May 30, 2002*

Wayne Strelieff, CA
Auditor General

Vancouver Trade and Convention Centre Authority

Balance Sheet

(thousands of dollars)

March 31,	2002	2001 (Note 4)
	\$	\$
Assets		
Cash	700	807
Accounts receivable	327	621
Inventory	3,253	3,285
Due from 580440 B.C. Ltd.	-	1
	4,280	4,714
Liabilities		
Accounts payable	84	249
	84	249
Surplus	4,196	4,465
	4,280	4,714

Contingent liability (note 5)

On behalf of the Board



Director



Director

The accompanying notes are an integral part of these financial statements.

Vancouver Trade and Convention Centre Authority Statement of Operations and Surplus

(thousands of dollars)

Years Ended March 31,	2002	2001
		(Note 4)
	\$	\$
Revenue		
Sales	40	3,931
Cost of sales	(32)	(3,065)
	8	866
Interest	26	317
	34	1,183
Expenses		
Bad debts	179	-
Interest	-	44
Office supplies	2	9
Professional fees	23	21
Release of contingencies	-	(617)
Salary and benefits	-	141
Storage fees	99	110
	303	(292)
(Loss) income for the year	(269)	1,475
Surplus beginning of year	4,465	7,990
Distribution of surplus to the Province of British Columbia	-	(5,000)
Surplus end of the year	4,196	4,465

The accompanying notes are an integral part of these financial statements.

Vancouver Trade and Convention Centre Authority

Statement of Cash Flows

(thousands of dollars)

Years Ended March 31,	2002	2001
	\$	\$
Operating activities		
Recoveries	-	318
Sale proceeds	23	3,641
Distribution of surplus	-	(5,000)
Interest income	159	
Payment to suppliers	(289)	-
Cash flows (used in) operating activities	(107)	(1,041)
Financing activities		
Loans	-	(2,805)
Cash flows (used in) financing activities	-	(2,805)
Net decrease in cash during the year	(107)	(3,846)
Cash beginning of year	807	4,653
Cash end of year	700	807

The accompanying notes are an integral part of these financial statements.

Vancouver Trade and Convention Centre Authority

Notes to the Financial Statements

Year ended March 31, 2002

1. Nature of Business

The Vancouver Trade and Convention Centre Authority (the "Authority") was incorporated on October 2, 1998, as a not-for-profit corporation, without share capital pursuant to Part II of the *Canada Corporation Act*. The Authority is governed by a board of directors, the majority of which are presently appointed by the government of British Columbia.

On October 5, 1999, the Province of British Columbia canceled the construction of a new convention centre. Consequently, the mandate of the Authority was directed away from design and construction to termination and disposal of its assets.

The Authority is exempt from federal and provincial income taxes. The Minister of Finance acts as fiscal agent for the Authority.

2. Significant Accounting Policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Significant accounting policies followed in the preparation of these financial statements are:

a) Wind-up

The Authority is in the process of winding up its operations. These financial statements take into account the costs associated with the settlement of all the known contracts and agreements that were in place at the time the government ordered the project terminated.

b) Inventory

Inventory is valued at its estimated disposal value.

c) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosure of assets and liabilities at the date of the financial statements. Actual results could differ from these estimates.

Vancouver Trade and Convention Centre Authority

Notes to the Financial Statements

Year ended March 31, 2002

3. Related party transactions

The Authority is presently related through common ownership to all Province of British Columbia ministries, agencies and Crown corporations. Transactions with these entities, unless disclosed separately in these financial statements, are generally considered to be in the normal course of operations and are recorded at the exchange amount.

The Ministry of Competition, Science and Enterprise provide general administrative services to the Corporation at no cost. The cost of this support is not material and has not been recorded in these financial statements.

The surplus remaining after all the Authority's assets have been disposed of and the liabilities paid will be returned to the Province of British Columbia.

4. Prior period adjustment

During the year, it was discovered that \$300,000 of sales revenue of the prior year was not recorded in the 2000/01 financial statements. This error resulted in accounts receivable and sales being understated by \$300,000. The financial statements of the prior year have been restated to correct this error.

5. Contingent liability

Pursuant to a bill of sale absolute dated May 15, 2000 (Agreement) between the Authority and Vancouver Port Authority (VPA), the Authority agreed to sell and VPA agreed to buy certain pile pipe. As a result of different interpretations of the Agreement, VPA claims \$949,337 from the Authority and the Authority claims \$300,000 from VPA. The Authority and VPA are currently negotiating to settle this dispute.

6. Comparative figures

Certain comparative figures have been restated to take into account the prior period adjustment and to conform to the presentation used in the current year.