

**MUNICIPAL  
FINANCE  
AUTHORITY  
OF  
BRITISH  
COLUMBIA**

**ANNUAL  
REPORT**

**1993**



[illegible]



# Municipal Finance Authority of British Columbia

200 INTERNATIONAL HOUSE, 880 DOUGLAS STREET, VICTORIA, B.C. V8W 2B7

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COVER: Vancouver skyline, Greater Vancouver Regional District.

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Bugaboo  
and  
Brenta Spires,  
Bugaboo Park,  
East Kootenay  
Regional  
District.

*Courtesy  
Province of  
British  
Columbia*



# Financial Highlights

THOUSANDS OF DOLLARS

	1993	1992
<b>CAPITAL FINANCING</b>		
<b>AT DECEMBER 31:</b>		
Total assets—combined funds	1,701,864	1,577,142
Loans to Regional Districts outstanding	1,215,831	1,128,617
Long-term debt outstanding	1,336,396	1,245,603
Sinking funds	149,923	144,778
Long-term debt, net	1,186,473	1,100,825
Debt Reserve Fund	174,693	163,684
Investments (including sinking funds)	505,184	480,952
<b>YEAR ENDED DECEMBER 31:</b>		
New loans to Regional Districts	158,141	55,198
Loan repayments from Regional Districts	64,866	63,128
New debt issued	252,300	102,500
Debt retired	161,507	141,512
Investments income	49,306	46,878
Interest paid	141,810	142,953
<b>POOLED INVESTMENTS</b>		
<b>AT DECEMBER 31:</b>		
Money Market Fund—Unitholders' Equity	427,463	305,579
Bond Fund—Unitholders' Equity	150,842	74,241
<b>INTERIM FINANCING</b>		
<b>AT DECEMBER 31:</b>		
Loans outstanding	7,944	21,199



# Members and Officers 1993

MEMBER	REGIONAL DISTRICT	MEMBER	REGIONAL DISTRICT
H. Anderson	<i>Alberni-Clayoquot</i>	D. T. Driscoll	<i>Greater Vancouver</i>
D. Bell	<i>Bulkley-Nechako</i>	J. M. Dykeman	<i>Greater Vancouver</i>
H. Chow	<i>Capital</i>	W. A. Fomich	<i>Greater Vancouver</i>
M. Coell	<i>Capital</i>	G. C. Halsey-Brandt	<i>Greater Vancouver</i>
D. Brecknock	<i>Cariboo</i>	J. Loucks	<i>Greater Vancouver</i>
T. Corbould	<i>Central Coast</i>	L. Sekora	<i>Greater Vancouver</i>
G. Ferguson	<i>Central Fraser Valley</i>	R. Brady	<i>Kitimat-Stikine</i>
H. Cunningham	<i>Central Kootenay</i>	D. Swanson	<i>Kootenay Boundary</i>
S. Simpson	<i>Central Okanagan</i>	S. McLennan	<i>Mount Waddington</i>
G. Abbott	<i>Columbia Shuswap</i>	A. Krut	<i>Nanaimo</i>
J. Turner	<i>Comox-Strathcona</i>	E. Shipmaker	<i>North Okanagan</i>
M. Coleman	<i>Cowichan Valley</i>	E. Willis	<i>Okanagan-Similkameen</i>
B. Morse	<i>Dewdney-Alouette</i>	C. Lasser	<i>Peace River</i>
R. Tarr	<i>East Kootenay</i>	A. Lloyd	<i>Powell River</i>
D. Edwards	<i>Fort Nelson-Liard</i>	P. J. Lester	<i>Skeena-Queen Charlotte</i>
J. Les	<i>Fraser-Cheam</i>	R. D. Cumming	<i>Squamish-Lillooet</i>
C. J. Kinsley	<i>Fraser-Fort George</i>	P. Connor	<i>Sunshine Coast</i>
D. R. Corrigan	<i>Greater Vancouver</i>	R. S. Ellis	<i>Thompson-Nicola</i>



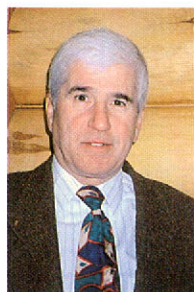
FOMICH



COELL



DRISCOLL



EDWARDS



LASSER



SIMPSON

## BOARD OF TRUSTEES

R. D. Cumming, *Chairman*  
W. A. Fomich  
D. T. Driscoll  
C. Lasser  
D. Edwards  
S. Simpson  
M. Coell

## OFFICERS

*Chairman*  
R. D. Cumming  
*Acting Chairman*  
W. A. Fomich  
*Executive Director/  
Secretary-Treasurer*  
J. R. Craven  
*Deputy Secretary-Treasurer*  
S. A. Berna

## AUDITORS

Ernst & Young  
Victoria, B.C.

## SOLICITOR: BOND COUNSEL

R. C. Holmes  
Farris, Vaughan, Wills & Murphy  
Vancouver, B.C.

## SOLICITOR: GENERAL COUNSEL

R. T. Bryant  
Brian C. Roberts & Co.  
Victoria, B.C.





CUMMING

## Chairman's Report 1993

*To the members of the  
Municipal Finance Authority  
of British Columbia*

It is my great pleasure to file the twenty-third annual report of the Municipal Finance Authority of British Columbia.

British Columbia's economy continues to exhibit a stubborn strength despite gloomy conditions in the rest of the nation. Our population as of June, 1992 was 3.3 million, up 15% since 1986. We now accommodate 12.3% of Canada's population compared to 11.3% in 1981. The increase in B.C.'s G.D.P. of 2.4% in 1991 and 3.2% in 1992 shows economic growth which is accelerating.

Interest rates continue to remain stable and spreads between the Authority and Canada continue to narrow. Despite changes in federal leadership, our Canadian inflation performance is exceptional. Compared to other international lenders (Figure 1), our real rate of interest is still high. Expectations are for a further narrowing of spreads against the U.S. interest rates. U.S. rates are expected to rise in 1994 and this will possibly affect our rates as well.

By virtue of our location in Canada, B.C. and B.C.'s municipalities are poised to participate in the major growth of China and the "Four Tigers" – Taiwan, South Korea, Hong Kong and Singapore (Figure 2). China, with 1.2 billion people, provides an enormous export opportunity. Some have predicted a coming Japanese-style economic miracle on ten times the population base. This is coming at a time when the G7's aging populations and mature industries will benefit substantially from these newly developing countries. They will form incredible markets for Canada's technically sophisticated products and services, our infrastructure expertise and consumer products and natural resource wealth.

In launching the spring issue of \$65 million in April 1993, we took advantage of a steep yield curve and split the spring issue into two tranches. The first was a serial of \$15 million maturing 1994 to 2003, and the second was \$50 million maturing in 2013. The "all-in" cost was 8.79%. The coupons in the



This past year has been noteworthy in terms of offshore Canadian dollar issues:

	1990		1991		1992		1993	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
(in Billions of Dollars)								
Straight Euro-CDN	55	6,440	122	20,052	83	13,932	171	31,307
CDN \$ Global	1	1,250	5	5,015	3	4,500	5	6,500
Total	56	7,690	127	25,067	86	18,432	176	37,807

We will continue to explore the potential of this particular market during 1994.

TABLE 1

\$15 million serial issue ranged from 6.00% to 8.00% while the \$50 million bullet was 8.75%.

In late summer we exercised our option and called issue #30, a U.S. Euro-Bond issue originally priced at 17%. Incidentally, this issue was refinanced in 1985 at 11.25%, and this fall, using a creative U.S./Canadian swap, we were able to achieve a price of 4.772%. In addition, the debt was shortened by as much as seven years.

In the fall of '93 we approached the bond market with a requirement of \$98 million (\$49 million new issue requirement and a \$49 million rollover). The cost of doing this size issue in Canada at that time was about one half of one percent higher than the European market. Accordingly, on September 27th we launched a Euro-Canadian \$98 million bond issue at 7.25%. This issue was priced at a spread of 37.5 basis points off Government of Canada Bonds. Incidentally, the spread for the Province of British Columbia on the 27th of September was identical to

the Authority's spread. The "all-in-cost" to the Authority was 7.3925%. The issue was well-received by investors, due in part to our AAA credit rating which is very much appreciated in Europe. Relending rates for new requests ranged from 7.8% to 8.5% for the 5 to 25 year terms, whereas relending rates for the rollover of issue 34 were set at 7.25%. The borrowers involved in the rollover will see a considerable reduction in interest rates from the previous setting of 10.87% through to 11.5% (Table 1).

FIGURE 1

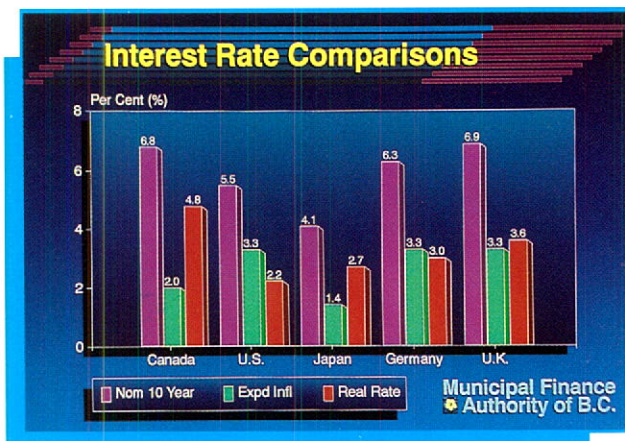
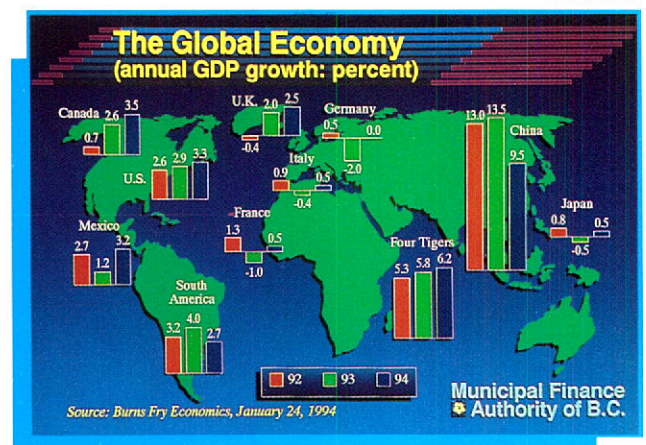


FIGURE 2



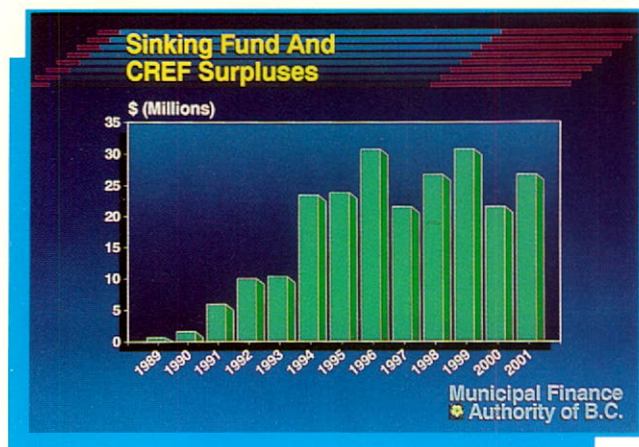
In addition to lowering the interest rate wherever possible, the Authority has been shortening the term of the debt. This is a large factor set to play itself out in many issues through the '90s (Figure 3).

Many of our clients have appreciated the recent lowering of effective interest rates that has occurred



when the maturity of their debt arrives earlier than expected. Because of high Sinking Fund earnings, we have been able to shorten the lifetime of municipal/regional district debt by as much as five to eight years. In times of declining interest rates, unrealized capital gains occur in the Sinking Fund portfolios. Through portfolio management these gains become realized, and benefit our clients, when rollover opportunities present themselves in the form

FIGURE 3



of shortened terms of debt. We must stress, however, that this is as a result of the difference between the 5% predicted earnings for Sinking Funds and the historic actual earnings which have been much higher. Your trustees are examining what the long term effect of lower earnings might be on our Sinking Fund investment strategy.

Our contract with Ontario's municipalities continues to enhance our yield in the investment pools. Substantial and growing consulting revenues will flow to us each month for the next three years of our agreement.

Our pooled investments return on the Money Market Fund for the year was 5.31% while the one year return on the Bond Fund was 14.15%. Since inception, on a compounded basis, the Money Market Fund has returned 9.40%, and the Bond Fund's return has been 13.11%. The growth of the pools over the last four years has been very satisfying (Figure 4). We have felt for some time that there was another market opportunity for a fund between the short-term money market fund and the

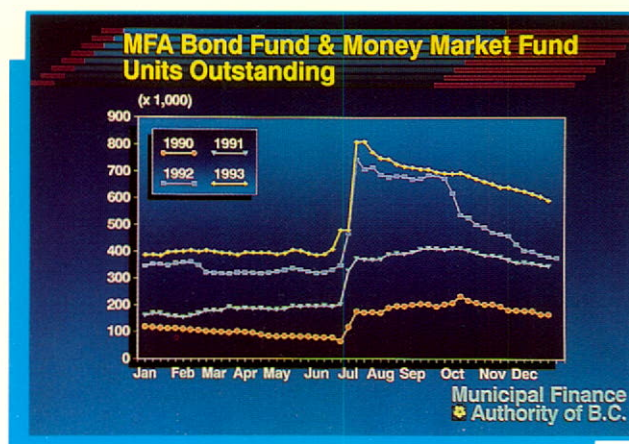


FIGURE 4

long-term bond fund. Some of our clients are investing in securities in the 90 day to 360 day range because of their more attractive yields without the potential volatility of the Bond Fund.

We are, therefore, taking this opportunity to announce the opening of an Intermediate Investment Fund with a time horizon of one year.

At the end of 1993 the Authority's debt comprised 94.33% in Canadian funds and 5.67% in U.S. funds. In 1982, our debt comprised 62.7% in Canadian funds and 33.2% in U.S. funds, with the balance in other funds. The movement to Canadian dollar currency continues. It should be noted that Moody's continues to rate our foreign denominated debt as triple A.

At December 31, 1993, long-term debt outstanding of the Authority was \$1.336 billion. During 1993, payments of principal and interest in excess of \$211 million were received from the regional districts and municipalities. At December 31, 1993, investments managed by our own staff totalled \$505 million, broken down as follows:

Debt Reserve Fund	\$67 million
Sinking and other Debt Servicing Funds	\$438 million
Interest earnings in 1993 were	\$49 million

The types of investment securities which may be held by the Authority are regulated by the Municipal Finance Authority Act. At December 31, 1993, the Authority's portfolio consisted of \$50 million of securities of or guaranteed by the Government of Canada, \$348 million of securities of or guaranteed by provincial governments, \$12 million of securities of or guaranteed by Canadian chartered banks, \$8 million of securities of British



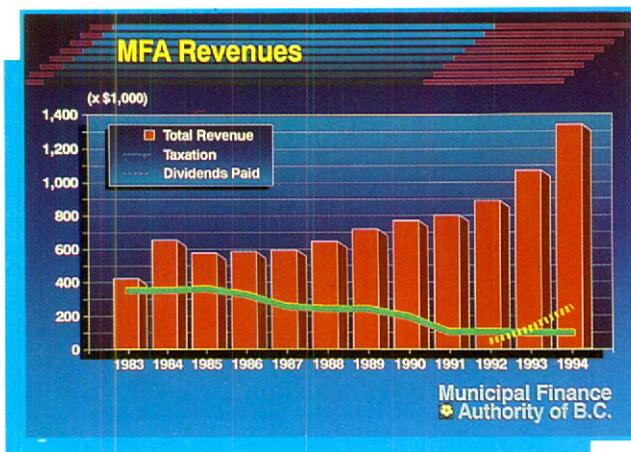


FIGURE 5

Columbia credit unions, \$28 million of securities of municipal governments in Canada and \$59 million of obligations of the Authority.

Our investment pools crested near the \$900 million mark, and at December 31, 1993, investments managed by our Fund Manager Phillips, Hager & North Ltd., totalled \$580 million broken down as follows:

Money Market Fund	\$428 million
Bond Fund	\$152 million

The Authority continues to pursue other opportunities to make your financial costs and returns easier to bear. One project which we hope will be on the horizon in 1994 will be an examination of a pooled leasing approach.

We have managed to lower our debt management costs from 10 basis points to 7.5 basis points, and our debt issuance costs by one third, and still increase the dividend from \$125,000 in 1993 to \$250,000 in 1994. Our tax levy is holding at \$100,000± merely to maintain a presence on the tax roll (Figure 5). I think you may also take considerable pride in your membership and participation in the only government institution that I know of that pays a dividend.

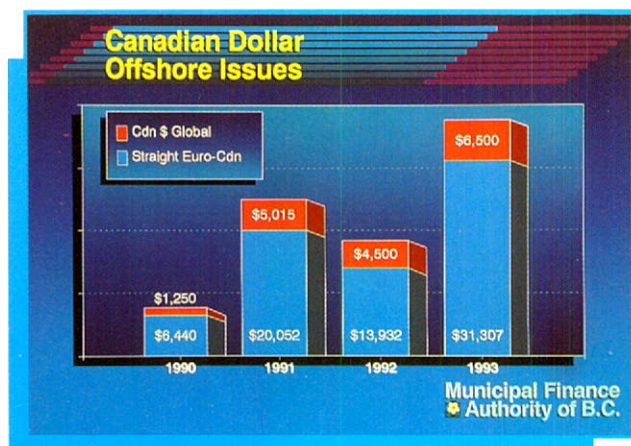


FIGURE 6

In short, we have had another grand year, and I would thank your trustees, many of whom will not be with us in 1994. As well, our thanks go to the staff of the Authority for all their efforts. Our continued cooperative relationship with the Ministry of Finance and the Ministry of Municipal Affairs is also much appreciated.

R. Dan Cumming, *chairman*





MFA/BC Staff, left to right: Steve Berna, Deputy Secretary-Treasurer; Audrey Harris, Accounting Clerk; Jim Craven, Executive Director/Secretary-Treasurer; Yvonne Meechan, Executive Secretary; and Ron Graham, Accountant.



# How the Municipal Finance Authority Functions

## CAPITAL FINANCING

### RESPONSIBILITY

The Municipal Finance Authority of British Columbia was established in 1970 by the Municipal Finance Authority of British Columbia Act, Chapter 292, Revised Statutes of British Columbia, 1979.

Regional districts and municipalities in British Columbia finance through the Authority all long-term capital requirements except those met by senior levels of government.

The City of Vancouver is the only municipality in the Province which retains the right to issue its own securities to finance capital projects. Taxable land and improvements within the City of Vancouver are, nevertheless, subject to rates levied by the Municipal Finance Authority.

### REPRESENTATION

The Province of British Columbia is divided into twenty-nine regional districts, each of which is governed by a Regional Board consisting of representatives of its member municipalities and unincorporated areas.

The members of the Municipal Finance Authority are appointed by the Regional Boards; the number of members to which a regional district is entitled is based upon its population.

The executive and administrative powers and duties of the Authority are exercised and performed by a Board of Trustees consisting of the Chairman of the Authority and six other members, elected annually. The Capital Regional District and the Greater Vancouver Regional District must be represented on the Board of Trustees.

### FUNDING

When the municipalities, through the regional districts, and the regional districts on their own behalf, wish to finance their capital projects, they present their approved requests to the Municipal Finance Authority.

Taking into account market and economic conditions pertaining, the members of the Authority may authorize the issue and sale of securities in an amount sufficient to meet the requests.

Securities of the Authority, not exceeding the amount authorized, may then be issued at such rates and pursuant to such terms and conditions and in such markets and currencies as the Board of Trustees may determine. Under the Act, the Authority has power to provide for the creation, management and application of sinking funds or other means of securing the repayment of securities issued by the Authority, including the redemption by call of securities issued subject to redemption in advance of maturity.

A separate account is maintained for each sinking fund securities issue and moneys at the credit of a sinking fund

which cannot be immediately applied toward paying the debt or discharging the obligation may be invested in:

- (a) securities of the government of Canada or a province of Canada, or
- (b) securities, the principal and interest of which are guaranteed by the government of Canada or a province of Canada, or
- (c) securities of a municipality or regional district in British Columbia, or of a local, municipal or regional government in another province of Canada, maturing not later than the securities for which the sinking fund was created, or
- (d) investments guaranteed by a Canadian chartered bank, or
- (e) deposits in, or shares or other evidences of indebtedness of, a credit union incorporated under the British Columbia Credit Union Act, or
- (f) securities of the Municipal Finance Authority of British Columbia maturing not later than the securities for which the sinking fund was created.

### PROTECTION FOR INVESTORS

In British Columbia, the combined credit of all the regional districts and their member municipalities—which together have essentially all the taxable land and improvements in the Province—stands behind the Authority's obligations.

In addition, the Authority has established a debt reserve fund into which each regional district sharing in the proceeds of a securities issue having a term to maturity of over two years must contribute an amount equal to one-half the average annual instalment of principal and interest for repayment of the issue; such amount is payable to the Authority at the time of issue either in full or in an amount equal to one percent of the principal amount borrowed with the balance secured by a non-interest bearing demand note of the regional district issued to the Authority. Moneys paid into the debt reserve fund, and interest earned thereon, are obligations of the Authority to the regional districts and must be refunded to them when the final instalments of their loans have been repaid. However, where a municipality has discharged its obligation to a regional district with respect to a securities issue, the Authority may, during the term of the issue, subject to approval by the Inspector of Municipalities, repay to the regional district for the credit of the municipality a portion of the money which is an obligation to the regional district and the money so paid shall be applied to reduce that obligation.

If, at any time, the Authority lacks sufficient funds to meet principal, interest or sinking fund payments due on its obligations, it must utilize the debt reserve fund, all or any part of which is available to satisfy the Authority's obligations, regardless of the sources of the moneys in the fund. In the event that payments are made from the debt



reserve fund, the Authority will recover such payments from the regional districts involved in order to restore the debt reserve fund. If the Trustees are of the opinion that payments made from the debt reserve fund will not be recovered within a reasonable period, they may levy upon all taxable land and improvements in the Province a tax sufficient to restore the fund to its required amount. It is mandatory for the Trustees to levy such a tax when the balance in the debt reserve fund is less than fifty percent of the required amount. The Trustees' power to impose taxes does not require the permission or approval of any other governmental authority. Pending the receipt of such taxes, the Authority may borrow an equivalent amount to meet its obligations.

The provincial government has undertaken to assure that the debt reserve fund will be maintained in accordance with the Municipal Finance Authority Act and the Inspector of Municipalities may inspect the fund from time to time and issue a certificate that it has been maintained at the proper level.

Moneys in the debt reserve fund may be invested in:

- (a) securities of the government of Canada or a province of Canada, or
- (b) securities, the principal and interest of which are guaranteed by the government of Canada or a province of Canada, or
- (c) deposits in, or investments guaranteed by a Canadian chartered bank, or
- (d) deposits in, or shares or other evidences of indebtedness of, a credit union incorporated under the British Columbia Credit Union Act.

Such investments must mature or be callable within five years and at least twenty-five percent of the fund must be callable within ninety days.

#### **ADDITIONAL PROTECTION FOR INVESTORS**

Regional districts and their member municipalities financing through the Municipal Finance Authority must obtain the same provincial approvals as would be required if they were issuing their own securities. In this way, all the safeguards imposed by the Provincial Legislature on the incurring of indebtedness by regional and municipal governments are retained. Such safeguards include the requirement that the Inspector of Municipalities approve the debt and user charges, if any, and other taxes to service the debt. In addition, sewer and water projects require the issuance of a certificate of self-liquidation by the Inspector of Municipalities.

Limitations on the borrowing power of a regional district for each function may be specified in its letters patent. The total indebtedness which a municipality may contract is limited to a percentage of the assessed value for general municipal purposes of the taxable land and improvements within the municipality and the value of the utility systems and other municipal enterprises for which the municipality has a subsisting certificate of self-liquidation granted by the Inspector of Municipalities.

## **POOLED INVESTMENTS**

#### **ORGANIZATION**

The Municipal Finance Authority Act was amended in 1988 to extend the objects of the Authority to provide short term investment opportunity for regional districts and municipalities in British Columbia by the establishment and operation of pooled investment funds.

In 1992, the Act was further amended to extend the investment opportunity program to other public institutions (as defined) in the Province of British Columbia.

Two funds have been established and operations commenced in May, 1989.

#### **PARTICIPATION**

Participation in the funds by public institutions is voluntary.

#### **INVESTMENT ACTIVITIES**

The investment activities of the funds are governed by the Municipal Finance Authority Act and a charter of investment policies, objectives and guidelines.

## **INTERIM FINANCING**

#### **ORGANIZATION**

In 1990, the Municipal Finance Authority Act was amended to add interim financing for regional districts and municipalities to the objects of the Authority.

In 1992, the Act was further amended to extend the interim financing program to other public institutions (as defined) in the Province of British Columbia.

The Short Term Debt Fund was established and commenced operations in December, 1990.

#### **PARTICIPATION**

Participation in the interim financing program by public institutions is voluntary.

#### **PURPOSES FOR WHICH INTERIM FINANCING MAY BE PROVIDED**

The Authority may provide financing for one or more of the following purposes:

- (a) temporary financing of capital projects (Municipal Act, section 342 or 815),
- (b) short term capital borrowing up to 5 years (Municipal Act, section 344 or 813),
- (c) revenue anticipation borrowing (Municipal Act, section 346 or 812.1), (Hospital Insurance Act), (University Act, section 30 (1)), (College and Institute Act, section 22 (1)), (Institute of Technology Act, section 13.3 (1)), (Open Learning Agency Act, section 12 (1)),
- (d) temporary financing to meet current operating expenditures (Hospital District Act, section 31), (School Act, section 152 (1)).





Springtime  
at the  
Parliament  
Buildings,  
Victoria,  
Capital Regional  
District

*Courtesy  
Jim Ryan Photos*



# CAPITAL FINANCING

## Auditors' Report 1993

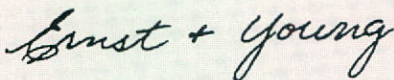
TO THE MEMBERS OF THE MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

We have audited the balance sheets of the Operating Fund, Debt Fund, Capital Repayment Equalization Fund, Debt Reserve Fund and Market Development Fund of the Municipal Finance Authority of British Columbia (the "Authority") and the combined balance sheet of these Funds as at December 31, 1993, the statements of revenue, expenditure and surplus and cash flows of each of these Funds and the combined statements of revenue, expenditure and surplus and cash flows of these Funds for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we 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 our opinion, these financial statements present fairly, in all material respects, the financial position of these Funds of the Authority as at December 31, 1993, and the results of their operations and the changes in their financial position for the year then ended in accordance with accounting principles described in Note 2 to the financial statements applied on a basis consistent with that of the preceding year.

The financial statements for the preceding and prior years were audited by other auditors.



CHARTERED ACCOUNTANTS

*Victoria, British Columbia, Canada  
January 28, 1994*



# CAPITAL FINANCING

## Balance Sheets

DECEMBER 31, 1993—WITH COMPARATIVE FIGURES FOR 1992

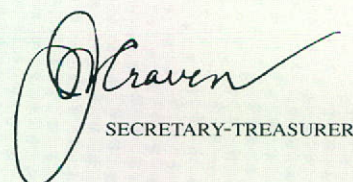
	OPERATING FUND		DEBT FUND	
	1993	1992	1993	1992
<b>ASSETS</b>				
Cash	\$ 549	363	405	383
Due from Operating Fund	—	—	—	—
Due from Debt Fund	—	9	—	—
Due from Capital Repayment Equalization Fund	—	—	38,702	61,602
Due from Short Term Debt Fund	7	—	—	—
Accrued interest and other receivables	108	163	—	—
Investments (Note 3)	—	—	—	—
Demand notes receivable from Regional Districts, without interest	—	—	—	—
Loans to Regional Districts (Note 4)	—	—	1,215,831	1,128,617
Prepaid issue costs	—	—	—	9
Unamortized issue, refunding and exchange costs	—	—	12,096	3,597
Sinking fund assets in excess of related debt	—	—	23,613	13,401
	<u>\$ 664</u>	<u>535</u>	<u>1,290,647</u>	<u>1,207,609</u>
<b>LIABILITIES, RESERVES AND SURPLUS</b>				
Liabilities:				
Accounts payable and unrepresented matured debt	\$ 123	111	383	383
Due to Operating Fund	—	—	—	9
Due to Debt Fund	—	—	—	—
Due to Market Development Fund	18	2	—	—
Due to sinking and other funds (Note 5)	—	—	166	1,130
Due to Short Term Debt Fund	—	—	100	14,134
Due to Regional Districts (Note 6)	—	—	—	—
Long-term debt, net (Notes 7, 8 and 9) (Schedule)	—	—	1,186,473	1,100,825
Total liabilities	<u>141</u>	<u>113</u>	<u>1,187,122</u>	<u>1,116,481</u>
Reserves for information systems enhancement	90	83	—	—
Surplus, per accompanying statement (Note 10)	433	339	103,525	91,128
	<u>\$ 664</u>	<u>535</u>	<u>1,290,647</u>	<u>1,207,609</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS



## THOUSANDS OF DOLLARS

CAPITAL REPAYMENT EQUALIZATION FUND		DEBT RESERVE FUND		MARKET DEVELOPMENT FUND		COMBINED	
1993	1992	1993	1992	1993	1992	1993	1992
1,307	980	451	623	-	-	2,712	2,349
-	-	-	-	18	2	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	7	-
4,758	3,918	1,331	885	-	-	6,197	4,966
268,289	261,987	67,302	62,775	-	-	335,591	324,762
-	-	105,817	99,441	-	-	105,817	99,441
-	-	-	-	-	-	1,215,831	1,128,617
-	-	-	-	-	-	-	9
-	-	-	-	-	-	12,096	3,597
-	-	-	-	-	-	23,613	13,401
274,354	266,885	174,901	163,724	18	2	1,701,864	1,577,142
277	-	208	40	-	-	991	534
-	-	-	-	-	-	-	-
38,702	61,602	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	166	1,130
-	-	-	-	-	-	100	14,134
-	-	174,693	163,684	-	-	174,693	163,684
-	-	-	-	-	-	1,186,473	1,100,825
38,979	61,602	174,901	163,724	-	-	1,362,423	1,280,307
-	-	-	-	-	-	90	83
235,375	205,283	-	-	18	2	339,351	296,752
274,354	266,885	174,901	163,724	18	2	1,701,864	1,577,142



SECRETARY-TREASURER



# CAPITAL FINANCING

## Statements of Revenue, Expenditure and Surplus

YEAR ENDED DECEMBER 31, 1993—WITH COMPARATIVE FIGURES FOR 1992

	OPERATING FUND		DEBT FUND	
	1993	1992	1993	1992
<b>REVENUE</b>				
Prior year's surplus appropriated	\$ 339	214	—	—
Operating levy	106	110	—	—
Recoveries from new issues	115	150	—	—
Management fees	829	785	—	—
Investment income	24	34	16,751	16,101
Interest from loans to Regional Districts	—	—	1,625	1,788
Principal from loans to Regional Districts	—	—	—	—
Recovery of deficiencies from Regional Districts	—	—	—	—
Transfers from Operating Fund	—	—	—	—
Transfers from Capital Repayment Equalization Fund	—	—	138,812	142,001
Transfers from Debt Reserve Fund	—	—	—	137
Other	3	3	—	—
Total revenue	1,416	1,296	157,188	160,027
<b>EXPENDITURE</b>				
Legislative	55	70	—	—
Administrative	853	837	—	—
Transfers to Debt Fund—capital	—	—	—	—
Transfers to Debt Fund—revenue	—	—	—	—
Transfers to Market Development Fund	75	50	—	—
Interest	—	—	141,810	142,953
Amortization of issue, refunding and exchange costs	—	—	1,960	1,723
Management fees	—	—	121	144
Allocations to Regional Districts	—	—	900	1,800
Other	—	—	—	443
Total expenditure	983	957	144,791	147,063
Excess of revenue over expenditure for the year	433	339	12,397	12,964
Surplus, beginning of the year	—	—	91,128	78,164
not appropriated to current revenue	—	—	—	—
Surplus, end of the year	\$ 433	339	103,525	91,128

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS



## THOUSANDS OF DOLLARS

CAPITAL REPAYMENT EQUALIZATION FUND		DEBT RESERVE FUND		MARKET DEVELOPMENT FUND		COMBINED	
1993	1992	1993	1992	1993	1992	1993	1992
205,283	183,601	-	-	2	5	205,624	183,820
-	-	-	-	-	-	106	110
-	-	-	-	-	-	115	150
-	-	-	-	-	-	463	347
26,342	24,143	6,189	6,600	-	-	49,306	46,878
148,640	153,418	-	-	-	-	150,265	155,206
63,267	61,374	-	-	-	-	-	-
-	-	-	136	-	-	-	136
-	-	-	-	75	50	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,474	-	-	-	-	-	2,477	3
446,006	422,536	6,189	6,736	77	55	408,356	386,650
-	-	-	-	-	-	55	70
-	-	-	-	-	-	853	837
63,267	61,374	-	114	-	-	-	-
138,812	142,001	-	137	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	141,810	142,953
-	-	-	-	-	-	1,960	1,723
197	231	48	63	-	-	-	-
8,355	5,439	6,097	6,342	-	-	15,352	13,695
-	8,208	44	80	59	53	103	8,784
210,631	217,253	6,189	6,736	59	53	160,133	168,062
235,375	205,283	-	-	18	2	248,223	218,588
-	-	-	-	-	-	91,128	78,164
235,375	205,283	-	-	18	2	339,351	296,752



# CAPITAL FINANCING

## Statement of Cash Flows

YEAR ENDED DECEMBER 31, 1993—WITH COMPARATIVE FIGURES FOR 1992

	OPERATING FUND		DEBT FUND	
	1993	1992	1993	1992
<b>OPERATING ACTIVITIES</b>				
Excess of revenue over expenditure for the year	\$ 433	339	12,397	12,964
Non-cash items:				
Prior year's surplus appropriated	(339)	(214)	—	—
Gain on disposals of investments	—	—	(290)	(265)
Accretion of discounts on investments	—	—	(4,129)	(5,272)
Amortization of issue, refunding and exchange costs	—	—	1,960	1,723
Allocations to Regional Districts	—	—	5,254	—
Interfund transfers	16	(3)	(1,966)	(1,915)
Changes in amounts accrued and other	67	(57)	2	296
Cash provided by operating activities	177	65	13,228	7,531
<b>FINANCING ACTIVITIES</b>				
New debt issued	—	—	252,300	102,500
Loan repayments from Regional Districts	—	—	64,866	63,128
Loan from (repayment to) Short Term Debt Fund	—	—	(14,034)	14,134
New loans to Regional Districts	—	—	(158,141)	(55,198)
Debt retired	—	—	(161,507)	(141,512)
Increase in unamortized issue, refunding and exchange costs	—	—	(10,459)	(2,277)
Increase in loans from sinking and other funds	—	—	(964)	1,007
Changes in interfund balances	9	(9)	25,663	21,510
Contributions from Regional Districts re new loans	—	—	—	—
Contributions and earnings thereon	—	—	—	—
refunded to Regional Districts	—	—	—	—
Cash provided by (applied to) financing activities	9	(9)	(2,276)	3,292
<b>INVESTING ACTIVITIES</b>				
Investments sold or matured	—	—	68,439	36,915
Investments purchased	—	—	(77,415)	(47,590)
Other	—	—	(1,954)	119
Cash provided by (applied to) investing activities	—	—	(10,930)	(10,556)
Increase (decrease) in cash for the year	186	56	22	267
Cash, beginning of the year	363	307	383	116
Cash, end of the year	\$ 549	363	405	383

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS



## THOUSANDS OF DOLLARS

CAPITAL REPAYMENT EQUALIZATION FUND		DEBT RESERVE FUND		MARKET DEVELOPMENT FUND		COMBINED	
1993	1992	1993	1992	1993	1992	1993	1992
235,375	205,283	-	-	18	2	248,223	218,588
(205,283)	(183,601)	-	-	(2)	(5)	(205,624)	(183,820)
(1,927)	(291)	(151)	-	-	-	(2,368)	(556)
(2,922)	(6,363)	(500)	(1,259)	-	-	(7,551)	(12,894)
-	-	-	-	-	-	1,960	1,723
806	4,636	6,100	6,342	-	-	12,160	10,978
1,966	1,915	-	-	(16)	3	-	-
(563)	(994)	(278)	3	-	-	(772)	(752)
27,452	20,585	5,171	5,086	-	-	46,028	33,267
-	-	-	-	-	-	252,300	102,500
-	-	-	-	-	-	64,866	63,128
-	-	-	-	-	-	(14,034)	14,134
-	-	-	-	-	-	(158,141)	(55,198)
-	-	-	-	-	-	(161,507)	(141,512)
-	-	-	-	-	-	(10,459)	(2,277)
-	-	-	-	-	-	(964)	1,007
(25,672)	(21,501)	-	-	-	-	-	-
-	-	1,581	552	-	-	1,581	552
-	-	(3,043)	(6,070)	-	-	(3,043)	(6,070)
(25,672)	(21,501)	(1,462)	(5,518)	-	-	(29,401)	(23,736)
260,934	173,924	36,984	16,355	-	-	366,357	227,194
(262,387)	(173,197)	(40,865)	(15,946)	-	-	(380,667)	(236,733)
-	-	-	-	-	-	(1,954)	119
(1,453)	727	(3,881)	409	-	-	(16,264)	(9,420)
327	(189)	(172)	(23)	-	-	363	111
980	1,169	623	646	-	-	2,349	2,238
1,307	980	451	623	-	-	2,712	2,349



# CAPITAL FINANCING

## Notes to Financial Statements—All Funds

DECEMBER 31, 1993

### 1

#### Organization

The Municipal Finance Authority of British Columbia (the "Authority"), created in 1970 by the Municipal Finance Authority Act (the "Act"), is the central borrowing agency for financing of capital requirements (other than for schools and hospitals) for regional districts and their member municipalities in the Province of British Columbia (the "Province"). The Authority issues its own securities and lends the proceeds to the regional districts on whose request the financing is undertaken. Obligations of the Authority are not obligations of the Province and are not directly or indirectly guaranteed by the Province.

In 1988, the Act was amended to provide short term investment opportunity for regional districts and municipalities by the establishment and operation of pooled investment funds. Such pooled investment funds commenced operations in May 1989 and are reported separately by the Authority.

In 1990, the Act was further amended to provide interim financing for regional districts and municipalities. The Short Term Debt Fund was established and commenced operations in 1990 and is also reported separately.

The Authority follows the normal local government accounting practice of maintaining its accounts according to the principles of fund accounting, a technique by which its financial resources are segregated for specific activities or to attain certain objectives. Five funds are maintained within the Capital Financing division. A brief description of each fund and its purpose is as follows:

#### OPERATING FUND

The Act provides for the establishment of an operating fund to meet the annual operating budget. For this purpose, the Authority may impose, annually, rates not exceeding the prescribed rates on all taxable land and improvements in the Province.

The Operating Fund receives management fees from the Pooled Investment Funds and the Short Term Debt Fund and pays the costs of their operations.

#### DEBT FUND

The Authority's financing activities on behalf of the regional districts are recorded in the Debt Fund.

#### CAPITAL REPAYMENT EQUALIZATION FUND

The Capital Repayment Equalization Fund is a repository for repayments from the regional districts under their loan agreements in advance of the Authority's requirements on its related indebtedness. Transfers, not exceeding the amount available in respect of each issue, are made to the Debt Fund to meet the Authority's obligations when due.

#### DEBT RESERVE FUND

Under the Act, the Authority must establish a Debt Reserve Fund. Each regional district sharing in the proceeds of a securities issue is required to pay into the Debt Reserve Fund an amount equal to one-half the average annual instalment of principal and interest in respect of its own borrowing together with one-half the average annual instalment of principal and interest as set out in the agreements entered into with the regional district by member municipalities in respect of their borrowings; such amount is payable either in full or in an amount equal to 1% of the principal amount borrowed with the balance secured by a non-interest bearing demand note.

If, at any time, the Authority does not have sufficient funds to meet payments or sinking fund contributions due on its obligations, the payments or sinking fund contributions shall be made from the Debt Reserve Fund.

#### MARKET DEVELOPMENT FUND

The development of markets for the Authority's securities issues is segregated in the Market Development Fund. It is funded by transfers from the Operating Fund.

### 2

#### Significant accounting policies

#### PRIOR YEAR'S SURPLUS

The Authority appropriates the prior year's surpluses to current revenue except the Debt Fund surplus which relates to the sinking funds.

#### INCOME RECOGNITION

The annual operating levy is recognized as revenue in the Operating Fund when the rates have been set by the Authority in March of each year. It is collected on behalf of the Authority by the municipalities in the Province and the Provincial Surveyor of Taxes and is payable to the Authority on August 1 each year.

#### OFFICE FURNITURE, FIXTURES AND EQUIPMENT

Office furniture, fixtures and equipment are reflected as expenditures in the year of acquisition.

#### INTEREST ACCRUALS

Interest is accrued only on investments. Accrued interest receivable from the regional districts under the loan agreements and accrued interest payable on the long-term debt are not recorded, except for unpaid matured interest coupons on coupon debentures which are recognized as accounts payable in the Debt Fund.

#### AMORTIZATION OF ISSUE, REFUNDING AND EXCHANGE COSTS

The issue, refunding and exchange costs are being amortized on a straight-line basis over the average lives of the securities issues to which they relate.



## FOREIGN CURRENCY TRANSACTIONS

The long-term debt payable in U.S. dollars is stated at the rate—U.S. \$1 equals Canadian \$1.

The Authority does not adjust its assets and liabilities denominated in foreign currencies to reflect the exchange rates at the balance sheet date since, in the opinion of the Authority, its foreign exchange exposure is fully hedged by virtue of its contractual arrangements with the regional districts on whose behalf the financing is undertaken and/or by the application of certain sections of the Act which, essentially, provide that all monetary risks, including foreign currency risks, are obligations of the regional districts.

## INVESTMENTS

Investments, including the investments in its own securities, are carried at cost, adjusted for amortization of premiums and accretion of discounts on a yield basis.

## SINKING FUNDS

Under the Act, obligations of the Authority purchased for a sinking fund account together with interest, premium, or exchange derived from them shall be held to the credit of that sinking fund account but may be resold, subject to approval by the Inspector of Municipalities. However, securities purchased in anticipation of mandatory annual redemptions for sinking fund purposes are cancelled immediately in accordance with the terms of such issues.

## 3

### Investments

Investments consist of securities of:

	1993		1992
	Par value	Book value	Book value
THOUSANDS OF DOLLARS			
<b>CAPITAL REPAYMENT EQUALIZATION FUND</b>			
Government of Canada, direct or guaranteed	\$ 13,696	11,097	20,553
Provincial governments, direct or guaranteed	204,886	203,665	178,679
Chartered banks, direct or guaranteed	12,375	12,374	10,616
Credit Unions in the Province	4,500	4,500	3,893
Regional and municipal governments	15,831	16,225	19,953
The Authority	20,330	20,428	28,293
	<u>\$ 271,618</u>	<u>268,289</u>	<u>261,987</u>
<b>DEBT RESERVE FUND</b>			
Government of Canada, direct or guaranteed	\$ 5,510	5,506	8,776
Provincial governments, direct or guaranteed	58,679	60,796	50,205
Chartered banks, direct or guaranteed	1,000	1,000	3,794
	<u>\$ 65,189</u>	<u>67,302</u>	<u>62,775</u>

## 4

### Loans to regional districts

Loans to regional districts include \$151,446,290 (1992—\$177,844,518) which are denominated in U.S. dollars.

Under the Act, each regional district sharing in the proceeds of a securities issue must pay over to the Authority such sums as are required to discharge its obligations to the Authority in respect of such securities issue, but if the scheduled payments provided for under the loan agreement are not sufficient to meet the Authority's obligations in respect of that securities issue, the deficiency is a liability of the regional district to the Authority.

The difference between the Authority's loans to regional districts in U.S. dollars of \$151,446,290 and loans payable in U.S. dollars of \$75,685,000 (Note 7) results from various re-fundings of U.S. denominated debt into Canadian dollars. The loans to regional districts under these re-fundings have remained in U.S. dollars.

When the Authority, under the Section 12(1) of the Act and with the approval of the Inspector of Municipalities, has determined that the amount of the assets in the sinking fund and/or the Capital Repayment Equalization Fund together with the anticipated earnings for that fund is greater than the amount which will be required to repay the debt or discharge the obligation and has declared that there is an anticipated surplus in the fund of a specified amount, the scheduled future payments of both principal and interest from the regional districts under the related loan agreements are suspended.

The aggregate principal payments recoverable from the regional districts in each of the next five years (excluding principal payments suspended as outlined above) are as follows:

	1993	1992
THOUSANDS OF DOLLARS		
1993	\$ —	64,760
1994	68,328	65,034
1995	70,217	67,133
1996	67,829	62,402
1997	58,911	53,485
1998	60,329	—



## 5 Due to sinking and other funds

The Authority may invest sinking fund and Capital Repayment Equalization Fund monies in its own securities maturing not later than the securities for which the sinking fund or Capital Repayment Equalization Fund account was created.

In addition to its own securities purchased under this provision, loans to the Debt Fund of \$164,422 (1992–\$1,130,509) and the Short Term Debt Fund of \$362,000 (1992–\$375,000) together with accrued interest totalling \$16,276 (1992–\$34,802) were outstanding at December 31, 1993. Like the securities, the loans are included in the sinking fund assets and in investments and receivables in the Capital Repayment Equalization Fund and they have not been eliminated in the combined statements.

## 6 Due to regional districts– Debt Reserve Fund

The amounts due to the regional districts will be repaid to them when they have made the final payment under their respective loan agreements. However, where a municipality has discharged its obligation to a regional district with respect to a securities issue, the Authority may, subject to approval by the Inspector of Municipalities, repay to the regional district for the credit of the municipality a portion of the money which is an obligation to the regional district and the money so paid shall be applied to reduce that obligation.

If, at any time, the Authority does not have sufficient funds to meet payments or sinking fund contributions due on its obligations, the payments or sinking fund contributions must be made from the Debt Reserve Fund.

If the Trustees of the Authority are of the opinion that the payments made from the Debt Reserve Fund may not be recovered under the terms of the loan agreements within a reasonable time, they may levy or impose upon substantially all taxable land and improvements in the Province rates sufficient to maintain the Debt Reserve Fund at a level not exceeding the amount which would have been in the fund had no such payments been made. Further, the Board of Trustees must impose such rates when the balance in the fund is less than fifty percent of the amount that would have been in the fund had no such payments been made.

## 7 Foreign Currencies

The long-term debt payable includes \$75,685,000 (1992–\$130,985,000) payable in U.S. dollars. No exchange gains or losses accrue to the Authority in respect of the debt payable in U.S. dollars since the related loans to the regional districts are denominated in U.S. dollars and the loan agreements provide for repayment to the Authority in U.S. dollars.

## 8 Long-term debt

The aggregate long-term debt maturities and sinking fund requirements in each of the next five years are as follows (including provision for early redemptions at the option of the bondholder):

	1993	1992
	THOUSANDS OF DOLLARS	
1993	\$ –	133,339
1994	77,328	70,528
1995	49,604	42,429
1996	116,096	108,471
1997	121,103	113,053
1998	147,696	–

Since the maturities of certain of the Authority's securities issues and the related loans to the regional districts do not coincide, refunding of a portion of such securities issues will be required in future years.



## 9 Sinking funds

The annual deposits to the sinking funds for securities issues payable in Canadian dollars are based on an interest rate of 5% per annum, capitalized yearly.

During 1993, the Authority, with the approval of the Inspector of Municipalities, distributed \$900,000 (1992–\$1,800,000) of sinking fund assets in excess of the related debt to the participating regional districts in two securities issues.

The assets and the surpluses of the sinking funds are as follows:

	1993		1992
	Par value	Book value	Book value
THOUSANDS OF DOLLARS			
<b>SECURITIES</b>			
Government of Canada, direct or guaranteed	\$ 26,508	22,147	26,374
Provincial governments, direct or guaranteed	87,156	85,650	73,117
Chartered banks, direct or guaranteed	6,025	6,041	1,629
Credit Unions in the Province	2,250	2,250	1,505
Regional and municipal governments	11,430	11,545	10,809
The Authority	45,478	41,960	42,756
	<u>\$ 178,847</u>	<u>169,593</u>	<u>156,190</u>
Cash		1,726	205
Accrued interest and other		<u>2,217</u>	<u>1,784</u>
Total assets		173,536	158,179
Less: Assets in excess of the related debt		<u>23,613</u>	<u>13,401</u>
		149,923	144,778
Accumulated actuarial requirements for retirement of the related debt		<u>105,293</u>	<u>96,965</u>
Excess of assets over accumulated actuarial requirements		<u>\$ 44,630</u>	<u>47,813</u>

## 10 Capital Repayment Equalization Fund— surplus

The surplus relates directly to specific securities issues and, if not otherwise appropriated for payment of principal and/or interest during the term of such issues, will be paid over to the regional districts for which the financing was undertaken. In 1993, such a surplus of \$2,291,129 (1992–\$803,308) was returned to the participating regional districts.



# CAPITAL FINANCING

## Debt Fund—Schedule of Long-Term Debt

DECEMBER 31, 1993—WITH COMPARATIVE FIGURES FOR 1992

ISSUE/ SERIES	YEAR OF ISSUE	MATURITY DATE	INTEREST RATE PERCENT	ORIGINAL AMOUNT
PAYABLE IN CANADIAN DOLLARS:				
2	1971	December 1, 1994-1996	7.750	\$ 1,259
3	1972	March 1, 1997	7.750	2,575
6	1973	June 1, 1993	8.125	8,727
7	1974	March 1, 1994	9.000	6,462
9	1974	April 16, 1994	9.000	6,800
11	1974	September 3, 1994	10.750	5,000
16	1975	September 2, 1995	10.750	5,000
20	1977	June 1, 1994/1997 June 1, 1997	9.000 9.875	25,000 20,000
21	1977	December 1, 1997 December 1, 2002	9.500 9.500	33,500 7,000
23	1978	November 15, 1993 November 15, 1998	9.625 9.950	890 30,000
A23	1978	November 15, 1998 November 15, 2003	9.950 10.000	6,735 3,265
25	1979	December 6, 1999	12.250	54,100
26	1979	December 6, 2004	12.250	11,133
33	1983	June 15, 1993 June 15, 2003	11.750 12.375	25,000 63,300
34	1983	November 22, 1993 November 22, 1993	12.000 12.125	58,000 21,000
36	1984	December 5, 2004	13.000	30,500
37/CA	1985	June 12, 2005	12.000	21,800
38/CB	1985	December 12, 2005	11.000	15,500
A29	1986	April 29, 2001	14.000	91,362
39/EB	1986	June 2, 2001	9.375	65,500
40/CC	1986	October 23, 2006	10.125	26,000
A24	1987	May 15, 1994	8.750	5,000
42/CD	1987	July 30, 1997	10.000	90,000
44/CF	1988	May 11, 1998	9.500	17,500
A32/CG	1988	October 27, 1998	10.875	88,000
45	1988	October 27, 1994 October 27, 1995/1998	10.500 10.750	7,630 14,148
46/CH	1989	May 9, 1994/1999	10.900	27,100
47/CI	1989	November 9, 1999	10.250	29,400
48/CJ	1990	May 15, 2000	11.625	77,925
Carried forward				1,002,111



# Schedule

THOUSANDS OF DOLLARS

1993			1992	
OUTSTANDING	SINKING FUNDS	LONG-TERM DEBT, NET	LONG-TERM DEBT, NET	REFERENCES
130	—	130	168	(1)
2,575	2,575	—	—	(1) (2)
—	—	—	1,208	
6,462	6,462	—	—	(1) (2)
6,800	6,800	—	—	(1) (2)
500	—	500	1,000	(1)
5,000	4,800	200	997	(1) (2)
2,406	—	2,406	2,406	(3)
20,000	20,000	—	—	(1) (2)
33,500	33,500	—	—	(1) (2)
7,000	7,000	—	—	(1) (2)
—	—	—	212	
30,000	30,000	—	—	(1) (2)
6,735	6,735	—	—	(1) (2)
3,265	3,265	—	—	(1) (2)
28,500	—	28,500	31,700	(4)
11,133	7,696	3,437	4,387	(2) (5)
—	—	—	3,779	
63,300	—	63,300	63,300	(6)
—	—	—	58,000	
—	—	—	21,000	
30,500	12,982	17,518	19,555	(2) (8)
21,800	8,108	13,692	15,053	(2) (9)
15,500	—	15,500	15,500	(10)
91,362	—	91,362	91,362	(1)
65,500	—	65,500	65,500	(7)
26,000	—	26,000	26,000	(11)
2,600	—	2,600	5,000	(1)
90,000	—	90,000	90,000	(1)
17,500	—	17,500	17,500	(1)
88,000	—	88,000	88,000	(1)
1,170	—	1,170	2,740	(1)
14,148	—	14,148	14,148	(1)
27,100	—	27,100	27,100	(1) (12)
29,400	—	29,400	29,400	(1)
77,925	—	77,925	77,925	(1)
825,811	149,923	675,888	772,940	

continued



# CAPITAL FINANCING

## Debt Fund—Schedule of Long-Term Debt

DECEMBER 31, 1993—WITH COMPARATIVE FIGURES FOR 1992

ISSUE/ SERIES	YEAR OF ISSUE	MATURITY DATE	INTEREST RATE PERCENT	ORIGINAL AMOUNT
			Brought forward	\$1,002,111
PAYABLE IN CANADIAN DOLLARS, CONTINUED:				
49/CK	1990	October 24, 1995/2000	11.200	21,700
50/CL	1991	May 8, 1996/2006	9.875/10.250	46,000
51/CM	1991	October 31, 1996	9.500	41,000
52	1992	November 1, 1993 November 1, 1994	7.250 7.500	14,300 18,900
53/CN	1992	May 13, 2002	9.625	55,000
54/CO	1993	January 12, 2003	7.800/8.300	57,300
55	1993	May 13, 1994-2003 May 12, 2003	6.000/8.000 8.750	15,000 50,000
56/EC	1993	November 19, 2003	7.250	98,000
57	1993	October 28, 1994-1998	5.000/6.250	32,000
				1,451,311
PAYABLE IN UNITED STATES DOLLARS:				
1	1971	October 1, 1996	8.375	20,000
22	1978	June 1, 1998 June 1, 2003	9.250 9.375	29,363 4,737
28	1980	December 1, 2005	13.750	90,000
30/EA	1985	October 28, 2000/2005	11.250	50,000
				194,100
				1,645,411



# Schedule

THOUSANDS OF DOLLARS

1993			1992	
OUTSTANDING	SINKING FUNDS	LONG-TERM DEBT, NET	LONG-TERM DEBT, NET	REFERENCES
825,811	149,923	675,888	772,940	
21,700	—	21,700	21,700	(1) (13)
46,000	—	46,000	46,000	(1) (14)
41,000	—	41,000	41,000	(1)
—	—	—	14,300	(1)
18,900	—	18,900	18,900	(1)
55,000	—	55,000	55,000	(1)
57,300	—	57,300	—	(1) (17)
15,000	—	15,000	—	(1)
50,000	—	50,000	—	(1)
98,000	—	98,000	—	(1)
32,000	—	32,000	—	(18)
1,260,711	149,923	1,110,788	969,840	
2,172	—	2,172	2,787	(6)
12,145	—	12,145	14,511	(6)
3,140	—	3,140	3,325	(6)
58,228	—	58,228	62,362	(15)
—	—	—	48,000	(7) (16)
75,685	—	75,685	130,985	
1,336,396	149,923	1,186,473	1,100,825	



# CAPITAL FINANCING

## Debt Fund—References to Schedule of Long-Term Debt

DECEMBER 31, 1993

- 1 Non-callable prior to maturity.
- 2 The sinking fund has been calculated to provide for retirement of the issue at maturity.
- 3 Redeemable at holder's option on June 1, 1994. Callable upon the imposition of withholding taxes at 101.50% reducing to 100% at maturity.
- 4 Non-callable prior to December 6, 1994 except for sinking fund purposes. Callable on December 6, 1994 and thereafter at any time at 100%.
- 5 Callable on December 6, 1997 and thereafter at any time at 100%.
- 6 Non-callable except for sinking fund purposes.
- 7 Callable upon the imposition of withholding taxes at any time at 100%.
- 8 Callable on December 5, 1999 and thereafter at any time at 100%.
- 9 Callable on June 12, 2000 and thereafter at any time at 100%.
- 10 Callable on December 12, 2000 and thereafter at any time at 100%.
- 11 Callable on October 23, 2003 and thereafter at any time at 100%.
- 12 Redeemable at holder's option on May 9, 1994.
- 13 Redeemable at holder's option on October 24, 1995.
- 14 Redeemable at holder's option on May 8, 1996.
- 15 Non-callable prior to December 1, 1995 except for sinking fund purposes. Callable on December 1, 1995 and thereafter at any time at 105.02% reducing to 100% on or after December 1, 2004.
- 16 Called on October 28, 1993 at 103%. Refunded through Issue No. 57 on October 28, 1993.
- 17 Redeemable at holder's option on January 12, 1998. If not redeemed, coupon rate increases from 7.800% to 8.300% for the period January 13, 1998 to 2003.
- 18 During 1993, the Authority swapped its five year Canadian \$32,000,000 serial issue with the Canadian Imperial Bank of Commerce in exchange for the Bank's U.S. \$24,000,000 five year serial issue. The coupon rates on the U.S. serial issue are 4.190% to 5.050%.



# CAPITAL FINANCING

## Schedule of Loans to Regional Districts 1993 (Unaudited)

THOUSANDS OF DOLLARS (EXCEPT PER CAPITA)

	PRINCIPAL OUTSTANDING DEC. 31, 1992	1993 NEW LOANS ISSUED	PRINCIPAL REPAID	PRINCIPAL OUTSTANDING DEC. 31, 1993	PER CAPITA
REGIONAL DISTRICTS					
Alberni-Clayoquot	\$ 6,863	299	452	6,710	215
Bulkley-Nechako	12,963	1,189	643	13,509	352
Capital	104,775	42,008	6,392	140,391	469
Cariboo	37,183	1,360	1,725	36,818	603
Central Coast	—	—	—	—	—
Central Fraser Valley	66,404	10,500	4,324	72,580	419
Central Kootenay	17,498	863	1,190	17,171	336
Central Okanagan	43,437	3,405	2,203	44,639	399
Columbia Shuswap	16,570	85	1,023	15,632	375
Comox-Strathcona	49,799	4,769	2,734	51,834	627
Cowichan Valley	20,156	537	1,169	19,524	322
Dewdney-Alouette	44,991	—	2,092	42,899	477
East Kootenay	52,361	2,130	2,632	51,859	990
Fort Nelson-Liard	5,596	—	198	5,398	1,071
Fraser-Cheam	16,534	961	548	16,947	247
Fraser-Fort George	51,849	8,356	3,114	57,091	629
Greater Vancouver	230,070	47,007	17,932	259,145	168
Kitimat-Stikine	14,561	251	810	14,002	333
Kootenay Boundary	10,250	445	1,113	9,582	307
Mount Waddington	4,417	—	285	4,132	297
Nanaimo	53,948	2,293	3,305	52,936	520
North Okanagan	31,340	11,295	1,865	40,770	660
Okanagan-Similkameen	23,127	880	1,426	22,581	339
Peace River	64,733	6,937	3,725	67,945	1,274
Powell River	7,173	—	430	6,743	365
Skeena-Queen Charlotte	24,463	1,750	1,440	24,773	1,042
Squamish-Lillooet	19,536	845	794	19,587	836
Sunshine Coast	6,570	1,127	438	7,259	349
Thompson-Nicola	66,422	8,849	5,316	69,955	670
OTHER					
District of Campbell River	2,621	—	107	2,514	119
Greater Nanaimo Water District	22,407	—	1,502	20,905	233
	\$ 1,128,617	158,141	70,927	1,215,831	370



# CAPITAL FINANCING

## Ten Year Review—Combined Funds

	1993	1992	1991	1990
<b>ASSETS</b>				
Cash	\$ 2,712	2,349	2,238	2,786
Due from Short Term Debt Fund	7	—	—	—
Accrued interest and other receivables	6,197	4,966	3,892	2,500
Investments	335,591	324,762	317,984	256,695
Demand notes receivable from Regional Districts	105,817	99,441	97,159	92,233
Loans to Regional Districts	1,215,831	1,128,617	1,141,183	1,113,342
Prepaid issue costs	—	9	—	—
Deferred receivables from Regional Districts	—	—	—	262
Unamortized issue, refunding and exchange costs	12,096	3,597	3,043	3,555
Sinking fund assets in excess of related debt	23,613	13,401	6,081	3,018
Total assets	\$ 1,701,864	1,577,142	1,571,580	1,474,391
<b>LIABILITIES, RESERVES AND SURPLUS</b>				
Accounts payable and unrepresented matured debt	\$ 991	534	241	210
Due to banks	—	—	—	—
Due to sinking and other funds	166	1,130	85	33
Due to Short Term Debt Fund	100	14,134	—	—
Due to Regional Districts	174,693	163,684	160,576	152,845
Long-term debt, net	1,186,473	1,100,825	1,148,611	1,109,133
Total liabilities	1,362,423	1,280,307	1,309,513	1,262,221
Reserves for information systems enhancement	90	83	83	152
Surplus	339,351	296,752	261,984	212,018
Total liabilities, reserves and surplus	\$ 1,701,864	1,577,142	1,571,580	1,474,391
<b>REVENUE</b>				
Prior year's surplus appropriated	\$ 205,624	183,820	147,397	113,770
Operating levy	106	110	108	193
Recoveries from new issues	115	150	119	109
Investment income (including sinking funds)	49,306	46,878	44,658	37,982
Interest from loans to Regional Districts	150,265	155,206	151,024	150,766
Recovery of deficiencies from Regional Districts	—	136	236	145
Other	2,940	350	1,108	809
Total revenue	408,356	386,650	344,650	303,774
<b>EXPENDITURE</b>				
Legislative	55	70	69	68
Administrative	853	837	592	558
Interest	141,810	142,953	138,682	137,041
Amortization of issue, refunding and exchange costs	1,960	1,723	513	546
Allocations to Regional Districts	15,352	13,695	7,020	6,273
Other	103	8,784	411	321
Total expenditure	160,133	168,062	147,287	144,807
Excess of revenue over expenditure for the year	248,223	218,588	197,363	158,967
Surplus, beginning of the year not appropriated to current revenue	91,128	78,164	64,621	53,051
Surplus, end of the year	\$ 339,351	296,752	261,984	212,018



## THOUSANDS OF DOLLARS

1989	1988	1987	1986	1985	1984
1,695	1,508	2,386	2,881	3,186	3,658
—	—	—	—	—	—
2,046	1,745	1,276	1,768	1,627	1,724
208,536	168,518	137,428	139,133	100,630	91,736
89,460	86,321	85,140	82,611	80,243	77,863
1,119,256	1,114,879	1,124,501	1,127,662	1,122,746	1,127,416
—	—	—	—	—	—
963	1,605	2,183	14,122	19,318	21,573
3,675	4,194	3,918	3,099	2,066	1,100
2,445	974	—	—	—	—
1,428,076	1,379,744	1,356,832	1,371,276	1,329,816	1,325,070
269	287	690	1,945	2,256	2,507
—	—	—	—	1,455	4,939
69	1,621	3,200	3,993	6,363	464
—	—	—	—	—	—
143,787	134,702	125,206	115,338	112,320	108,430
1,116,978	1,112,311	1,126,765	1,158,670	1,138,934	1,153,524
1,261,103	1,248,921	1,255,861	1,279,946	1,261,328	1,269,864
152	152	102	115	92	66
166,821	130,671	100,869	91,215	68,396	55,140
1,428,076	1,379,744	1,356,832	1,371,276	1,329,816	1,325,070
88,035	67,423	65,515	36,579	30,371	25,045
242	245	253	360	361	351
105	95	87	86	82	190
30,317	24,487	22,132	19,851	17,474	15,268
147,483	147,359	144,410	144,234	144,557	137,420
241	4,279	7,130	3,237	489	735
1	753	1,903	2,014	1,173	2,199
266,424	244,641	241,430	206,361	194,507	181,208
59	45	48	47	53	57
572	530	466	477	473	467
134,259	137,174	137,521	140,009	146,027	138,879
529	471	540	353	403	213
5,671	8,980	9,379	5,707	3,605	3,903
1,149	216	18,307	370	319	82
142,239	147,416	166,261	146,963	150,880	143,601
124,185	97,225	75,169	59,398	43,627	37,607
42,636	33,446	25,700	31,817	24,769	17,533
166,821	130,671	100,869	91,215	68,396	55,140



# Canadian Dollar Bonds Issued in Canada

ISSUE/ SERIES	DESCRIPTION	DATED	AUTHORIZED \$(000)	OUTSTANDING DECEMBER 31, 1993 \$(000)	INTEREST
2	7.75% Serial Debentures due December 1, 1972-1996	December 1, 1971	1,259	130	Semi-annual June 1 December 1
3	7.75% Sinking Fund Debentures due March 1, 1997	March 1, 1972	2,575	2,575	Semi-annual March 1 September 1
7	9% Sinking Fund Debentures due March 1, 1994	March 1, 1974	6,462	6,462	Semi-annual March 1 September 1
9	9% Sinking Fund Debenture due April 16, 1994	April 16, 1974	6,800	6,800	Semi-annual April 16 October 16
11	10.75% Instalment Debentures due September 3, 1985-1994	September 3, 1974	5,000	500	Semi-annual March 3 September 3
16	10.75% Sinking Fund Debentures due September 2, 1995	September 2, 1975	5,000	5,000	Semi-annual March 2 September 2
20	9.875% Sinking Fund Debentures due June 1, 1997	June 15, 1977	20,000	20,000	Semi-annual June 1 December 1
21	9.50% Sinking Fund Debentures due December 1, 1997	December 1, 1977	33,500	33,500	Semi-annual June 1 December 1
	9.50% Sinking Fund Debentures due December 1, 2002	"	7,000	7,000	"
23	9.95% Sinking Fund Debentures due	November 15, 1998	30,000	30,000	Semi-annual May 15 November 15
A23	9.95% Sinking Fund Debentures due November 15, 1998	November 15, 1978	6,735	6,735	Semi-annual May 15 November 15
	10% Sinking Fund Debentures due November 15, 2003	"	3,265	3,265	"



DENOMINATIONS	CALL	SINKING FUND OR MATURITIES NEXT 5 YEARS \$(000)	RETRACTION OR EXTENSION	REGISTRAR AND TRANSFER AGENT
Coupon—\$1,000	Non-callable	1994–40 1995–44 1996–46	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
Coupon—\$1,000	Non-callable	Annual deposits 1983-1997	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
Coupon—\$1,000 Fully registered \$1,000 and multiples thereof. Exchangeable	Non-callable	Annual deposits 1975-1994	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
Fully registered	Non-callable	Annual deposits 1975-1994	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
Fully registered	Non-callable	1994–500	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
Fully registered	Non-callable	Annual deposits 1986-1995	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
Coupon—\$1,000 Coupon—\$5,000 Coupon—\$25,000 Fully registered \$1,000 and multiples thereof. Exchangeable	Non-callable	Annual deposits 1978-1997	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
Coupon—\$1,000 Coupon—\$5,000 Coupon—\$25,000 Fully registered \$1,000 and multiples thereof. Exchangeable	Non-callable	Annual deposits 1978-1997	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
“	“	Annual deposits 1978-2002	“	
Coupon—\$1,000 Coupon—\$5,000 Coupon—\$25,000 Fully registered \$1,000 and multiples thereof. Exchangeable	Non-callable	Annual deposits 1979-1998	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
Fully registered \$1,000 and multiples thereof	Non-callable	Annual deposits 1979-1998	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
“	“	Annual deposits 1979-2003	“	

continued

# Canadian Dollar Bonds Issued in Canada

ISSUE/ SERIES	DESCRIPTION	DATED	AUTHORIZED \$(000)	OUTSTANDING DECEMBER 31, 1993 \$(000)	INTEREST
A24	7.75%-8.75% Serial Debentures due May 15, 1988-1994	May 15, 1987	14,000	2,600	Semi-annual May 15 November 15
25	12.25% Sinking Fund Debentures due December 6, 1999	December 6, 1979	54,100	28,500	Semi-annual June 6 December 6
26	12.25% Sinking Fund Debentures due December 6, 2004	December 6, 1979	11,133	11,133	Semi-annual June 6 December 6
A29	14% Bonds due April 29, 2001	April 29, 1986	91,362	91,362	Semi-annual April 29 October 29
33	12.375% Sinking Fund Debentures due June 15, 2003	June 15, 1983	63,300	63,300	Semi-annual June 15 December 15
36	13% Sinking Fund Debentures due December 5, 2004	December 5, 1984	30,500	30,500	Semi-annual June 5 December 5
37/CA	12% Sinking Fund Debentures due June 12, 2005	June 12, 1985	21,800	21,800	Semi-annual June 12 December 12
38/CB	11% Debentures due December 12, 2005	December 12, 1985	15,500	15,500	Semi-annual June 12 December 12



DENOMINATIONS	CALL	SINKING FUND OR MATURITIES NEXT 5 YEARS \$(000)	RETRACTION OR EXTENSION	REGISTRAR AND TRANSFER AGENT
Fully registered \$1,000 and multiples thereof	Non-callable	1994-2,600	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7  Montreal Trust Company of Canada 510 Burrard Street Vancouver, B.C. V6C 3B9 151 Front Street West Toronto, Ontario M5J 2N1
Coupon-\$1,000 Coupon-\$5,000 Coupon-\$25,000 Fully registered \$1,000 and multiples thereof. Exchangeable	Callable at par on or after Dec. 6, 1994. Callable also for sinking fund purposes	1994-3,600 1995-3,900 1996-4,300 1997-4,900 1998-5,500	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
Fully registered \$1,000 and multiples thereof	Callable at par on or after Dec. 6, 1997	Annual deposits 1980-2004	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
Coupon-\$1,000 Coupon-\$25,000 Coupon-\$100,000 Fully registered \$1,000 and multiples thereof. Exchangeable	Non-callable	None	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
Coupon-\$1,000 Coupon-\$25,000 Coupon-\$100,000 Fully registered \$1,000 and multiples thereof. Exchangeable	Non-callable except for sinking fund purposes	1994-3,830 1995-4,170 1996-4,690 1997-5,270 1998-5,920	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
Coupon-\$1,000 Coupon-\$25,000 Coupon-\$100,000 Fully registered \$1,000 and multiples thereof. Exchangeable	Callable at par on or after December 5, 1999	Annual deposits 1985-2004	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
Coupon-\$1,000 Coupon-\$25,000 Coupon-\$100,000 Fully registered \$1,000 and multiples thereof. Exchangeable	Callable at par on or after June 12, 2000	Annual deposits 1986-2005	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
Coupon-\$1,000 Coupon-\$25,000 Coupon-\$100,000 Fully registered \$1,000 and multiples thereof. Exchangeable	Callable at par on or after December 12, 2000	None	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7  Montreal Trust Company of Canada 510 Burrard Street Vancouver, B.C. V6C 3B9 151 Front Street West Toronto, Ontario M5J 2N1

continued

# Canadian Dollar Bonds Issued in Canada

ISSUE/ SERIES	DESCRIPTION	DATED	AUTHORIZED \$(000)	OUTSTANDING DECEMBER 31, 1993 \$(000)	INTEREST
40/CC	10.125% Debentures due October 23, 2006	October 23, 1986	26,000	26,000	Semi-annual April 23 October 23
42/CD	10% Debentures due July 30, 1997	July 30, 1987	90,000	90,000	Semi-annual January 30 July 30
44/CF	9.50% Debentures due May 11, 1998	May 11, 1988	17,500	17,500	Semi-annual May 11 November 11
45	10.50% Serial Debentures due October 27, 1989-1994	October 27, 1988	7,630	1,170	Semi-annual April 27 October 27
	10.75% Serial Debentures Due October 27, 1995-1998	"	14,148	14,148	"
A32/CG	10.875% Debentures due October 27, 1998	October 27, 1988	88,000	88,000	Semi-annual April 27 October 27
46/CH	10.90% Debentures due May 9, 1999	May 9, 1989	27,100	27,100	Semi-annual May 9 November 9



DENOMINATIONS	CALL	SINKING FUND OR MATURITIES NEXT 5 YEARS \$(000)	RETRACTION OR EXTENSION	REGISTRAR AND TRANSFER AGENT
Fully registered \$1,000 and multiples thereof	Callable at par on or after October 23, 2003	None	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7  Montreal Trust Company of Canada 510 Burrard Street Vancouver, B.C. V6C 3B9 151 Front Street West Toronto, Ontario M5J 2N1
Fully registered \$1,000 and multiples thereof	Non-callable	None	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7  Montreal Trust Company of Canada 510 Burrard Street Vancouver, B.C. V6C 3B9 151 Front Street West Toronto, Ontario M5J 2N1
Fully registered \$1,000 and multiples thereof	Non-callable	None	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7  Montreal Trust Company of Canada 510 Burrard Street Vancouver, B.C. V6C 3B9 151 Front Street West Toronto, Ontario M5J 2N1
Fully registered \$1,000 and multiples thereof	Non-callable	1994–1,170	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
“	“	1995–1,280 1996–1,400 1997–1,590 1998–9,878	“	Montreal Trust Company of Canada 510 Burrard Street Vancouver, B.C. V6C 3B9 151 Front Street West Toronto, Ontario M5J 2N1
Fully registered \$1,000 and multiples thereof	Non-callable	None	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7  Montreal Trust Company of Canada 510 Burrard Street Vancouver, B.C. V6C 3B9 151 Front Street West Toronto, Ontario M5J 2N1
Fully registered \$1,000 and multiples thereof.	Non-callable	None	Retractable at holder's option on May 9, 1994. Right may be exercised on February 9, 1994 and thereafter to April 11, 1994.	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7  Montreal Trust Company of Canada 510 Burrard Street Vancouver, B.C. V6C 3B9 151 Front Street West Toronto, Ontario M5J 2N1

*continued*

# Canadian Dollar Bonds Issued in Canada

ISSUE/ SERIES	DESCRIPTION	DATED	AUTHORIZED \$(000)	OUTSTANDING DECEMBER 31, 1993 \$(000)	INTEREST
47/CI	10.25% Debentures due November 9, 1999	November 9, 1989	29,400	29,400	Semi-annual May 9 November 9
48/CJ	11.625% Debentures due May 15, 2000	May 1, 1990	77,925	77,925	Semi-annual May 15 November 15
49/CK	11.20% Debentures due October 24, 2000	October 24, 1990	21,700	21,700	Semi-annual April 24 October 24
50/CL	9.875%/10.25% Debentures due May 8, 2006	May 8, 1991	46,000	46,000	Semi-annual May 8 November 8 9.875% to May 8, 1996, thereafter 10.25%
51/CM	9.50% Debentures due October 31, 1996	October 31, 1991	41,000	41,000	Semi-annual April 30 October 31
52	7.50% Serial Debentures due November 1, 1994	February 20, 1992	47,500	18,900	Semi-annual May 1 November 1



DENOMINATIONS	CALL	SINKING FUND OR MATURITIES NEXT 5 YEARS \$(000)	RETRACTION OR EXTENSION	REGISTRAR AND TRANSFER AGENT
Fully registered \$1,000 and multiples thereof	Non-callable	None	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7  Montreal Trust Company of Canada 510 Burrard Street Vancouver, B.C. V6C 3B9 151 Front Street West Toronto, Ontario M5J 2N1
Fully registered \$1,000 and multiples thereof	Non-callable	None	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7  Montreal Trust Company of Canada 510 Burrard Street Vancouver, B.C. V6C 3B9 151 Front Street West Toronto, Ontario M5J 2N1
Fully registered \$1,000 and multiples thereof	Non-callable	None	Retractable at holder's option on October 24, 1995. Right may be exercised on July 24, 1995 and thereafter to September 22, 1995	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7  Montreal Trust Company of Canada 510 Burrard Street Vancouver, B.C. V6C 3B9 151 Front Street West Toronto, Ontario M5J 2N1
Fully registered \$1,000 and multiples thereof	Non-callable	None	Retractable at holder's option on May 8, 1996. Right may be exercised on February 8, 1996 and thereafter to April 8, 1996	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7  Montreal Trust Company of Canada 510 Burrard Street Vancouver, B.C. V6C 3B9 151 Front Street West Toronto, Ontario M5J 2N1
Fully registered \$1,000 and multiples thereof	Non-callable	None	N/A	Municipal Finance Authority of British Columbia 200-800 Douglas St. Victoria, B.C. V8W 2B7  Montreal Trust Company of Canada 510 Burrard Street Vancouver, B.C. V6C 3B9 151 Front Street West Toronto, Ontario M5J 2N1
Fully registered \$1,000 and multiples thereof	Non-callable	1994 – 18,900	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7  Montreal Trust Company of Canada 510 Burrard Street Vancouver, B.C. V6C 3B9 151 Front Street West Toronto, Ontario M5J 2N1

Continued

# Canadian Dollar Bonds Issued in Canada

ISSUE/ SERIES	DESCRIPTION	DATED	AUTHORIZED \$(000)	OUTSTANDING DECEMBER 31, 1993 \$(000)	INTEREST
53/CN	9.625% Debentures due May 13, 2002	May 13, 1992	55,000	55,000	Semi-annual May 13 November 13
54/CO	7.800%/8.300% Debentures due January 12, 2003	January 12, 1993	57,300	57,300	Semi-annual January 12 July 12
55	6.000%-8.000 Serial Debentures due May 12, 1994-2003	May 12, 1993	15,000	15,000	Semi-annual May 12 November 12
	8.750% Debentures due May 12, 2013	May 12, 1993	50,000	50,000	"
57	5.000%-6.250% Serial Debentures due October 28, 1994-1998	October 28, 1993	32,000	32,000	Semi-annual April 28 October 28



DENOMINATIONS	CALL	SINKING FUND OR MATURITIES NEXT 5 YEARS \$(000)	RETRACTION OR EXTENSION	REGISTRAR AND TRANSFER AGENT
Fully registered \$1,000 and multiples thereof	Non-callable	None	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7  Montreal Trust Company of Canada 510 Burrard Street Vancouver, B.C. V6C 3B9 151 Front Street West Toronto, Ontario M5J 2N1
Fully registered \$1,000 and multiples thereof	Non-callable	None	Retractable at holder's option on January 12, 1998. Right may be exercised on October 15, 1997 and thereafter to December 15, 1997.	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7  Montreal Trust Company of Canada 510 Burrard Street Vancouver, B.C. V6C 3B9 151 Front Street West Toronto, Ontario M5J 2N1
Fully registered \$1,000 and multiples thereof	Non-callable	1994-1,100 1995-1,150 1996-1,250 1997-1,300 1998-1,400	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7
..	..	None	..	Montreal Trust Company of Canada 510 Burrard Street Vancouver, B.C. V6C 3B9 151 Front Street West Toronto, Ontario M5J 2N1
Fully registered \$1,000 and multiples thereof	Non-callable	1994-5,700 1995-6,025 1996-6,375 1997-6,750 1998-7,150	N/A	Municipal Finance Authority of British Columbia 200-880 Douglas St. Victoria, B.C. V8W 2B7  Montreal Trust Company of Canada 510 Burrard Street Vancouver, B.C. V6C 3B9 151 Front Street West Toronto, Ontario M5J 2N1

## Canadian Dollar Bonds Issued in Europe

ISSUE/ SERIES	DESCRIPTION	DATED	AUTHORIZED \$(000)	OUTSTANDING DECEMBER 31, 1993 \$(000)	INTEREST
20	9% Bonds due June 1, 1985/1997	June 1, 1977	25,000	2,406	Annual June 1
39/EB	9.375% Bonds due June 2, 2001	June 2, 1986	65,500	65,500	Annual June 2
56/EC	7.250% Bonds due November 19, 2003	November 19, 1993	98,000	98,000	Annual November 19

## U.S. Dollar Bonds Issued in the United States of

ISSUE/ SERIES	DESCRIPTION	DATED	AUTHORIZED U.S. \$(000)	OUTSTANDING DECEMBER 31, 1993 U.S. \$(000)	INTEREST
1	8.375% Sinking Fund Debentures due October 1, 1996	October 1, 1971	20,000	2,172	Semi-annual April 1 October 1
22	9.25% Sinking Fund Debentures due June 1, 1998	June 1, 1978	29,363	12,145	Semi-annual June 1 December 1
	9.375% Sinking Fund Debentures due June 1, 2003	"	4,737	3,140	"
28	13.75% Sinking Fund Debentures due December 1, 2005	December 1, 1980	90,000	58,228	Semi-annual June 1 December 1



DENOMINATIONS	CALL	SINKING FUND OR MATURITIES NEXT 5 YEARS \$(000)	RETRACTION OR EXTENSION	PRINCIPAL PAYING AGENT/TRUSTEE/ STOCK EXCHANGE LISTING
Coupon—\$1,000	Non-callable except upon imposition of withholding taxes	None	Retractable at holder's option on June 1, 1994. Right may be exercised not more than 360 or less than 90 days prior to June 1	Kredietbank S.A. Luxembourgeoise Luxembourg. Finimtrust S.A. Luxembourg. Luxembourg Stock Exchange Luxembourg
Coupon—\$1,000	Non-callable except upon imposition of withholding taxes	None	N/A	Kredietbank S.A. Luxembourgeoise Luxembourg. Luxembourg Stock Exchange Luxembourg
Coupon—\$1,000 —\$10,000 —\$100,000	Non-callable except upon imposition of withholding taxes	None	N/A	Hambros Bank Limited Luxembourg Stock Exchange Luxembourg

## America

DENOMINATIONS	CALL	SINKING FUND NEXT FIVE YEARS U.S. \$(000)	AUTHENTICATING AND PAYING AGENT
Fully registered U.S. \$1,000 and multiples thereof	Non-callable except for sinking fund purposes	1994—666 1995—722 1996—784	Bank of Montreal Trust Company 77 Water Street New York, N.Y. 10005
Fully registered U.S. \$1,000 and multiples thereof	Non-callable except for sinking fund purposes. Optional redemption— Tenders may be called from all holders	1994—2,476 1995—2,705 1996—2,119 1997—2,315 1998—2,530	Bank of Montreal Trust Company 77 Water Street New York, N.Y. 10005
“	“	1994—203 1995—222 1996—242 1997—266 1998—290	
Fully registered U.S. \$1,000 and multiples thereof	Non-callable except for sinking fund purposes prior to Dec. 1, 1995. On Dec. 1, 1995 and thereafter at 105.02% declining by 0.56% on each Dec. 1, to 100% on or after Dec. 1, 2004	1994—4,705 1995—5,354 1996—5,956 1997—6,778 1998—7,713	Bank of Montreal Trust Company 77 Water Street New York, N.Y. 10005





Jim and Yvonne, MFA offices



Steve, Audrey and Ron, MFA offices



# POOLED INVESTMENTS

## Auditors' Report 1993

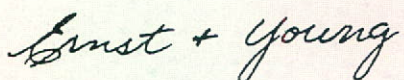
TO THE MEMBERS OF THE MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

We have audited the balance sheets of the Money Market Fund and the Bond Fund of the Municipal Finance Authority of British Columbia (the "Authority") and the combined balance sheet of these Funds as at December 31, 1993, and the statements of operations and unitholders' equity and cash flows for these Funds for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we 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 our opinion, these financial statements present fairly, in all material respects, the financial position of the Money Market Fund and the Bond Fund of the Authority as at December 31, 1993, and the results of their operations and the changes in their financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

The financial statements for the preceding year were audited by other auditors.



CHARTERED ACCOUNTANTS

*Victoria, British Columbia, Canada  
January 28, 1994*

# POOLED INVESTMENTS

## Balance Sheets

DECEMBER 31, 1993—WITH COMPARATIVE FIGURES FOR 1992

THOUSANDS OF DOLLARS

	MONEY MARKET FUND		BOND FUND		COMBINED	
	1993	1992	1993	1992	1993	1992
<b>ASSETS</b>						
Cash	\$ 249	294	48	—	297	294
Investments (Schedules 2 and 3)	427,689	304,500	151,917	72,225	579,606	376,725
Accrued interest receivable	—	826	2,987	2,029	2,987	2,855
Settlements receivable	—	—	9,703	—	9,703	—
	<u>\$ 427,938</u>	<u>305,620</u>	<u>164,655</u>	<u>74,254</u>	<u>592,593</u>	<u>379,874</u>
<b>LIABILITIES</b>						
Accrued management fees	\$ 60	40	24	13	84	53
Unitholder payable	415	1	—	—	415	1
Settlements payable	—	—	13,789	—	13,789	—
	<u>475</u>	<u>41</u>	<u>13,813</u>	<u>13</u>	<u>14,288</u>	<u>54</u>
UNITHOLDERS' EQUITY	<u>427,463</u>	<u>305,579</u>	<u>150,842</u>	<u>74,241</u>	<u>578,305</u>	<u>379,820</u>
	<u>\$ 427,938</u>	<u>305,620</u>	<u>164,655</u>	<u>74,254</u>	<u>592,593</u>	<u>379,874</u>

  
SECRETARY-TREASURER

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS



# POOLED INVESTMENTS

## Statements of Operations and Unitholders' Equity

YEAR ENDED DECEMBER 31, 1993—WITH COMPARATIVE FIGURES FOR 1992

THOUSANDS OF DOLLARS

	MONEY MARKET FUND		BOND FUND		COMBINED	
	1993	1992	1993	1992	1993	1992
<b>INVESTMENT INCOME</b>						
Interest income	\$ 22,149	26,171	7,811	6,155	29,960	32,326
Less management fees	665	560	204	149	869	709
	<u>21,484</u>	<u>25,611</u>	<u>7,607</u>	<u>6,006</u>	<u>29,091</u>	<u>31,617</u>
<b>GAIN (LOSS) ON INVESTMENTS (SCHEDULE 1)</b>						
Net realized gain (loss)	565	(2,321)	1,972	2,356	2,537	35
Net unrealized gain (loss)	—	—	4,060	(2,483)	4,060	(2,483)
	<u>565</u>	<u>(2,321)</u>	<u>6,032</u>	<u>(127)</u>	<u>6,597</u>	<u>(2,448)</u>
Net gain (loss) on investments						
	<u>\$ 22,049</u>	<u>23,290</u>	<u>13,639</u>	<u>5,879</u>	<u>35,688</u>	<u>29,169</u>
<b>NET EARNINGS DISTRIBUTED</b>						
<b>UNITHOLDERS' EQUITY</b>						
Units outstanding, beginning of the year	\$ 305,579	273,521	74,241	70,002	379,820	343,523
Units subscribed	994,183	871,878	86,299	52,241	1,080,482	924,119
Distributions reinvested	22,049	23,290	13,639	5,879	35,688	29,169
Units redeemed	(894,348)	(863,110)	(23,337)	(53,881)	(917,685)	(916,991)
Units outstanding, end of the year	<u>\$ 427,463</u>	<u>305,579</u>	<u>150,842</u>	<u>74,241</u>	<u>578,305</u>	<u>379,820</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS



# POOLED INVESTMENTS

## Statement of Cash Flows

YEAR ENDED DECEMBER 31, 1993—WITH COMPARATIVE FIGURES FOR 1992 THOUSANDS OF DOLLARS

	MONEY MARKET FUND		BOND FUND		COMBINED	
	1993	1992	1993	1992	1993	1992
<b>OPERATING ACTIVITIES</b>						
Net earnings distributed	\$ 22,049	23,290	13,639	5,879	35,688	29,169
Non-cash items:						
Increase (decrease) in accrued interest receivable	826	(215)	(958)	(987)	(132)	(1,202)
Increase in accrued management fees	20	2	11	2	31	4
Net realized (gain) loss	(565)	2,321	(1,972)	(2,356)	(2,537)	(35)
Net unrealized (gain) loss	—	—	(4,060)	2,483	(4,060)	2,483
Accretion of discounts on investments	(21,944)	(24,627)	(545)	(522)	(22,489)	(25,149)
Increase in settlements payable	—	—	13,789	—	13,789	—
Increase in settlements receivable	—	—	(9,703)	—	(9,703)	—
Cash provided by operating activities	386	771	10,201	4,499	10,587	5,270
<b>FINANCING ACTIVITIES</b>						
Subscriptions	994,183	871,878	86,299	52,241	1,080,482	924,119
Redemptions	(894,348)	(863,110)	(23,337)	(53,881)	(917,685)	(916,991)
Unitholder payable	414	1	—	—	414	1
Cash provided by (applied to) financing activities	100,249	8,769	62,962	(1,640)	163,211	7,129
<b>INVESTING ACTIVITIES</b>						
Proceeds on investments matured or sold	3,417,346	2,983,229	355,219	288,146	3,772,565	3,271,375
Investments purchased	(3,518,026)	(2,992,578)	(428,334)	(297,984)	(3,946,360)	(3,290,562)
Cash applied to investing activities	(100,680)	(9,349)	(73,115)	(9,838)	(173,795)	(19,187)
(Decrease) increase in cash for the year	(45)	191	48	(6,979)	3	(6,788)
Cash, beginning of the year	294	103	—	6,979	294	7,082
Cash, end of the year	\$ 249	294	48	—	297	294

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS



# POOLED INVESTMENTS

## Notes to Financial Statements

DECEMBER 31, 1993

### 1 Organization

The Pooled Investment Funds are established by and operate under Section 13.1 of the Municipal Finance Authority Act (the "Act"). Two funds are maintained:

- (a) Money Market Fund which commenced operations on May 1, 1989; and
- (b) Bond Fund which commenced operations on May 10, 1989.

Both funds are authorized to issue an unlimited number of units, each of which represents an equal undivided interest in the net assets of the respective funds, pro rata, with all other units from time to time issued and outstanding. Units are issued or redeemed at \$1,000 per unit.

In 1992, the Act was amended to extend the investment opportunity program from municipalities and regional districts to also include other public institutions (as defined) in the Province of British Columbia.

### 2 Summary of Significant accounting policies

#### MONEY MARKET FUND

- (a) Investments are carried at cost amortized for discounts and premiums which approximates market value except the investments may be marked to market value at the discretion of the Board of Trustees of the Authority should the yield on the net assets of the fund vary by more than 100 basis points from the market yield on Government of Canada 30-day treasury bills.
- (b) Interest income is recognized as earned.
- (c) Management fees are accrued daily at the rate of  $\frac{3}{20}$  of 1 percent per annum of the net assets of the fund and are paid monthly to the Operating Fund of the Authority.
- (d) Net earnings from operations are distributed to unitholders daily as additional units of the fund.

#### BOND FUND

- (a) Investments are carried at market values which are determined as follows:
  - Bonds and debentures—at the quoted mid-market value; and
  - Treasury bills, short-term notes, etc.—at amortized cost which approximates market value.
- (b) Investment transactions are accounted for on the trade date and gains/losses from such transactions are calculated on an average cost basis.
- (c) Interest income is recognized as earned.
- (d) Management fees are accrued weekly, and at month-end at the rate of  $\frac{1}{2}$  of 1 percent per annum of the net assets of the fund and are paid monthly to the Operating Fund of the Authority.
- (e) Net earnings from operations are distributed to unitholders weekly and at month-end as additional units of the fund.



# POOLED INVESTMENTS

## Schedule of Realized and Unrealized Gain (Loss) on Investments

(Schedule 1)

YEAR ENDED DECEMBER 31, 1993—WITH COMPARATIVE FIGURES FOR 1992 THOUSANDS OF DOLLARS

	MONEY MARKET FUND		BOND FUND		COMBINED	
	1993	1992	1993	1992	1993	1992
<b>REALIZED GAIN (LOSS) ON INVESTMENTS</b>						
Proceeds from investments sold or matured	<u>\$3,417,346</u>	<u>2,983,229</u>	<u>355,219</u>	<u>288,146</u>	<u>3,772,565</u>	<u>3,271,375</u>
Investments at market, beginning of the year	<u>304,500</u>	<u>272,845</u>	<u>72,479</u>	<u>59,763</u>	<u>376,979</u>	<u>332,608</u>
Cost of investments purchased	<u>3,518,026</u>	<u>2,992,578</u>	<u>428,334</u>	<u>297,984</u>	<u>3,946,360</u>	<u>3,290,562</u>
Accretion of discounts	<u>21,944</u>	<u>24,627</u>	<u>545</u>	<u>522</u>	<u>22,489</u>	<u>25,149</u>
Investments at market, end of the year	<u>(427,689)</u>	<u>(304,500)</u>	<u>(148,111)</u>	<u>(72,479)</u>	<u>(575,800)</u>	<u>(376,979)</u>
Cost of investments sold or matured	<u>3,416,781</u>	<u>2,985,550</u>	<u>353,247</u>	<u>285,790</u>	<u>3,770,028</u>	<u>3,271,340</u>
<b>NET REALIZED GAIN (LOSS) ON INVESTMENTS</b>	<u>\$ 565</u>	<u>(2,321)</u>	<u>1,972</u>	<u>2,356</u>	<u>2,537</u>	<u>35</u>
<b>UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>						
Appreciation (depreciation), beginning of the year	\$ —	—	(254)	2,229	(254)	2,229
Appreciation (depreciation), end of the year	<u>—</u>	<u>—</u>	<u>3,806</u>	<u>(254)</u>	<u>3,806</u>	<u>(254)</u>
<b>NET UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>	<u>\$ —</u>	<u>—</u>	<u>4,060</u>	<u>(2,483)</u>	<u>4,060</u>	<u>(2,483)</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS



# POOLED INVESTMENTS

## Money Market Fund—Schedule of Investments

(Schedule 2)

DECEMBER 31, 1993

THOUSANDS OF DOLLARS

	MATURITY	PAR	COST	%
<b>MONEY MARKET SECURITIES CONSIST OF:</b>				
Government of Canada				
Treasury bills	January 13, 1994	\$ 100	100	
Treasury bills	January 27, 1994	4,150	4,135	
Treasury bills	February 3, 1994	11,750	11,705	
Treasury bills	February 10, 1994	5,500	5,474	
Treasury bills	February 17, 1994	5,500	5,471	
Treasury bills	February 24, 1994	22,800	22,663	
Treasury bills	March 3, 1994	23,900	23,736	
Treasury bills	March 10, 1994	6,400	6,353	
Treasury bills	March 24, 1994	9,450	9,367	
Treasury bills	March 31, 1994	11,600	11,490	
Treasury bills	April 28, 1994	7,400	7,306	
Treasury bills	May 19, 1994	14,500	14,281	
		123,050	122,081	28.54
Provincial and Provincial Guaranteed				
British Columbia Treasury bills	February 16, 1994	5,600	5,565	
Ontario Hydro	January 4, 1994	12,450	12,445	
		18,050	18,010	4.21
Corporate Bonds, Coupons and Notes—Financial:				
Avco Financial Services Limited	January 6, 1994	6,900	6,895	
Avco Financial Services Limited	January 24, 1994	1,000	997	
Avco Financial Services Limited	February 1, 1994	5,000	4,982	
Avco Financial Services Limited	February 3, 1994	10,000	9,962	
Caisse Centrale Desjardin	January 10, 1994	8,000	7,992	
Canadian Imperial Bank of Commerce	January 6, 1994	10,000	9,994	
First NHA Mortgage	January 21, 1994	10,000	9,972	
Household Financial Corporation	January 25, 1994	4,000	3,989	
Household Financial Corporation	March 18, 1994	4,700	4,660	
Household Financial Corporation	March 25, 1994	15,000	14,860	
Woodbridge Financial	January 17, 1994	10,000	9,980	
		84,600	84,283	19.71
Balance carry forward		225,700	224,374	

continued



# POOLED INVESTMENTS

## Money Market Fund–Schedule of Investments

(Schedule 2)

DECEMBER 31, 1993

THOUSANDS OF DOLLARS

	MATURITY	PAR	COST	%
Balance brought forward		225,700	224,374	
Corporate Bonds–Utilities:				
Bell Canada	March 1, 1994	11,300	14,944	
Gas Metropolitan Inc.	January 27, 1994	13,000	12,961	
Gas Metropolitan Inc.	February 9, 1994	2,000	1,991	
Gas Metropolitan Inc.	February 16, 1994	5,900	5,868	
Gas Metropolitan Inc.	February 23, 1994	2,700	2,683	
Union Gas Limited	March 16, 1994	22,600	22,413	
		57,500	60,860	14.23
Corporate Bonds, Coupons and Notes–Other:				
Alberta Natural Gas	January 13, 1994	3,000	2,995	
Alberta Natural Gas	February 24, 1994	6,000	5,962	
Alberta Natural Gas	March 2, 1994	6,000	5,958	
Alberta Natural Gas	April 7, 1994	10,000	9,890	
B.C. Gas Utility Ltd.	January 6, 1994	7,500	7,495	
B.C. Gas Utility Ltd.	January 7, 1994	5,000	4,996	
B.C. Gas Utility Ltd.	February 24, 1994	5,000	4,969	
B.C. Gas Utility Ltd.	March 24, 1994	5,000	4,954	
Ford Credit Corporation of Canada	January 6, 1994	20,000	19,985	
Ford Credit Corporation of Canada	March 21, 1994	5,000	4,955	
G.E. Capital Canada Inc.	January 6, 1994	6,700	6,695	
G.E. Capital Canada Inc.	January 11, 1994	2,100	2,097	
G.E. Capital Canada Inc.	February 14, 1994	9,500	9,453	
Nova Scotia Power Corporation	January 20, 1994	15,000	14,965	
Seagrams	January 11, 1994	2,600	2,597	
Sears Receivable Trust	March 4, 1994	7,400	7,347	
Top Gas Holdings Ltd.	March 16, 1994	10,000	9,972	
Westcoast Energy	January 27, 1994	5,500	5,483	
Xerox Canada	January 4, 1994	5,500	5,497	
Xerox Canada	January 14, 1994	6,200	6,190	
		143,000	142,455	33.31
		\$ 426,200	427,689	100.00



# POOLED INVESTMENTS

## Bond Fund–Schedule of Investments

(Schedule 3)

DECEMBER 31, 1993

THOUSANDS OF DOLLARS

	MATURITY	PAR	MARKET	%
<b>BOND FUND SECURITIES CONSIST OF:</b>				
Government of Canada Bonds				
Treasury bills	January 6, 1994	\$ 1,500	1,499	
Treasury bills	January 20, 1994	350	347	
Treasury bills	January 27, 1994	3,600	3,565	
Treasury bills	February 3, 1994	200	198	
Treasury bills	February 10, 1994	1,000	990	
Treasury bills	February 17, 1994	2,000	2,179	
Treasury bills	February 24, 1994	3,350	3,318	
Treasury bills	March 3, 1994	500	495	
Treasury bills	March 10, 1994	700	693	
Treasury bills	March 17, 1994	5,200	5,158	
Treasury bills	March 24, 1994	1,300	1,287	
Treasury bills	March 31, 1994	1,000	991	
		20,700	20,720	13.63
Government of Canada Bonds, Coupons and NHA Mortgage-backed Securities				
Government of Canada	March 15, 1998	3,750	2,918	
Government of Canada	April 1, 1998	6,508	5,050	
Government of Canada	December 15, 1995	4,250	4,732	
Government of Canada	June 1, 1996	13,475	14,641	
Government of Canada	July 1, 1997	12,500	13,356	
Government of Canada	February 1, 1998	5,030	5,156	
Government of Canada	March 15, 1998	15,060	17,906	
Government of Canada	September 1, 2000	6,250	8,022	
NHA MBS–Pool #96401682	August 1, 1994	363	373	
NHA MBS–Pool #96402268	January 1, 1995	166	174	
NHA MBS–Pool #99001729	December 1, 1995	811	898	
NHA MBS–Pool #99003048	July 1, 1996	686	724	
NHA MBS–Pool #96405634	June 1, 1997	1,695	1,761	
		70,544	75,711	49.84
Balance carry forward		91,244	96,431	

Continued

# POOLED INVESTMENTS

## Bond Fund–Schedule of Investments

(Schedule 3)

DECEMBER 31, 1993

THOUSANDS OF DOLLARS

	MATURITY	PAR	MARKET	%
Balance brought forward		91,244	96,431	
Provincial Government Bonds and Coupons				
Province of New Brunswick	September 25, 1996	2,500	2,797	
Province of New Brunswick	November 23, 1998	900	1,052	
Nova Scotia Municipal Financing Corporation	September 7, 1998	200	251	
Nova Scotia Power Corporation	August 22, 2002	1,395	1,289	
Ontario Hydro	February 19, 1997	5,300	6,074	
Ontario Hydro Coupon	February 19, 1997	700	585	
Ontario Hydro	March 29, 1999	7,100	8,428	
Province of Ontario	July 15, 1998	3,975	4,631	
Hydro-Quebec	July 31, 1996	1,000	1,082	
		23,070	26,189	17.24
Corporate Bonds and Notes–Financial:				
Canada Trust Mortgage Corporation	March 20, 1996	600	533	
Canadian Imperial Bank of Commerce	March 15, 2003	1,500	1,748	
Canadian Imperial Bank of Commerce	December 3, 2001	500	542	
Ford Credit Canada Limited	December 14, 1995	590	631	
Household Financial Corporation	July 15, 1996	1,000	1,126	
Household Financial Corporation	September 8, 1997	3,500	3,616	
Montreal Trust Company	November 15, 1994	900	940	
Royal Trust Corporation of Canada	April 1, 1999	2,300	2,735	
Scotia Mortgage Corporation	March 18, 1997	500	551	
Toronto Dominion Bank	December 30, 2001	400	434	
Toronto Dominion Bank	May 15, 2002	2,400	2,635	
		14,190	15,491	10.20
Corporate Bonds–Utilities:				
BCE Inc.	June 28, 1996	4,500	4,995	
		4,500	4,995	3.29
Balance carry forward		133,004	143,106	

Continued



# POOLED INVESTMENTS

## Bond Fund—Schedule of Investments

(Schedule 3)

DECEMBER 31, 1993

THOUSANDS OF DOLLARS

	MATURITY	PAR	MARKET	%
Balance brought forward		133,004	143,106	
Corporate Bonds and Coupons—Other:				
Canadian Imperial Bank of Commerce	June 30, 1998	900	1,112	
Ford Credit Canada Limited	June 5, 1996	2,000	2,222	
Imasco Limited	April 4, 1995	550	587	
Imasco Limited	July 17, 1995	500	538	
Imasco Limited	June 13, 1996	1,000	1,108	
Imasco Limited	November 20, 1996	1,000	1,125	
Loblaw Companies Limited	May 23, 1995	747	697	
TransCanada Pipelines Limited	October 20, 1996	500	546	
George Weston Limited	May 8, 1997	1,075	876	
		8,272	8,811	5.80
		\$ 141,276	151,917	100.00



# POOLED INVESTMENTS

## Participants 1993

<b>REGIONAL DISTRICTS</b>	<b>MUNICIPALITIES</b>	Duncan	Lillooet	Penticton	Sechelt
Alberni-Clayoquot	Abbotsford	Elkford	Logan Lake	Pitt Meadows	Sicamous
Bulkley-Nechako	Armstrong	Esquimalt	Lumby	Port Alberni	Sidney
Cariboo	Ashcroft	Fernie	Mackenzie	Port Alice	Silverton
Central Kootenay	Burnaby	Fort St. James	Maple Ridge	Port Coquitlam	Smithers
Central Okanagan	Burns Lake	Fort St. John	Matsqui	Port Edward	Sparwood
Columbia-Shuswap	Cache Creek	Gibsons	McBride	Port Hardy	Stewart
Cowichan Valley	Campbell River	Golden	Merritt	Port McNeill	Summerland
East Kootenay	Castlegar	Gold River	Metchosin	Port Moody	Surrey
Fort Nelson-Liard	Central Saanich	Granisle	Midway	Pouce Coupe	Tahsis
Fraser-Cheam	Chase	Greenwood	Mission	Powell River	Taylor
Fraser-Fort George	Chetwynd	Harrison Hot Springs	Nakusp	Prince George	Terrace
Kitimat-Stikine	Chilliwack	Hope	Nanaimo	Prince Rupert	Trail
Kootenay Boundary	Clinton	Houston	Nelson	Princeton	Tumbler Ridge
Mount Waddington	Coldstream	Invermere	New Denver	Qualicum Beach	Valemount
Nanaimo	Colwood	Kamloops	New Hazelton	Quesnel	Vanderhoof
North Okanagan	Comox	Kelowna	North Cowichan	Radium Hot Springs	Vernon
Okanagan-Similkameen	Coquitlam	Kent	North Saanich	Revelstoke	Victoria
Peace River	Courtenay	Kitimat	Oliver	Richmond	View Royal
Powell River	Cranbrook	Ladysmith	100 Mile House	Rossland	West Vancouver
Skeena-Queen Charlotte	Creston	Lake Cowichan	Parksville	Saanich	White Rock
Squamish-Lillooet	Cumberland	Langford	Peachland	Salmon Arm	Williams Lake
Sunshine Coast	Dawson Creek	Langley-City	Pemberton	Sayward	
<b>HOSPITALS</b>		Sparwood General Hospital Society		<b>SCHOOL DISTRICTS/</b>	
British Columbia's Children's Hospital		Terrace Regional Health Care Society		<b>COLLEGES/ UNIVERSITIES</b>	
Bulkley Valley District Hospital Society		Trail Regional Hospital		#29 Lillooet	
Campbell River and District General Hospital		Vernon Jubilee Hospital Society		#45 West Vancouver	
Chase Diagnostic and Treatment Centre				#50 Queen Charlotte	
Chemainus Hospital		<b>REGIONAL HOSPITAL DISTRICTS</b>		#75 Mission	
Creston Valley Hospital Association		Alberni-Clayoquot		#76 Agassiz-Harrison	
Delta Centennial Hospital Society		Bulkley-Nechako		East Kootenay Community College	
Lillooet District Hospital Society		Cariboo		Emily Carr College of Art and Design	
Mater Misericordiae Health Care Facility		East Kootenay		University of Northern British Columbia	
Matsqui-Sumas-Abbotsford Hospital		Fraser-Fort George			
Peace Lutheran Care Centre		Nanaimo		<b>OTHERS</b>	
Penticton Hospital Society		North-Okanagan		Municipal Finance Authority	
Port McNeill and District Hospital		Peace River		Municipal Insurance Association	
Saanich Peninsula Hospital Society		Skeena-Queen Charlotte		Union of B.C. Municipalities	
Shuswap Lake Health Care Society		Sunshine Coast		Vancouver Island Municipal Association	

## Investment Returns to December 31, 1993\*

	MONEY MARKET FUND	BOND FUND		MONEY MARKET FUND	BOND FUND
1 Month	0.37%	1.39%	1 Year	5.31%	14.15%
3 Months	1.12%	4.40%	2 Years	6.11%	11.56%
6 Months	2.28%	7.02%	3 Years	7.39%	13.97%
			Since inception	9.40%	13.11%

\* Represents historical total returns for the periods to December 31, 1993, including reinvestment of all distributions, as follows:

Up to 1 year—percentage change in value      Over 1 year—average annual compound rate of return



# INTERIM FINANCING

## Auditors' Report 1993


TO THE MEMBERS OF THE MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

We have audited the balance sheet of the Short Term Debt Fund of the Municipal Finance Authority of British Columbia (the "Authority") as at December 31, 1993, and the statements of revenue, expenditure and surplus and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we 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 our opinion, these financial statements present fairly, in all material respects, the financial position of the Short Term Debt Fund of the Authority as at December 31, 1993, and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

The financial statements for the preceding year were audited by other auditors.



CHARTERED ACCOUNTANTS

*Victoria, British Columbia, Canada  
January 28, 1994*



# INTERIM FINANCING

## Short Term Debt Fund

### Balance Sheet

DECEMBER 31, 1993—WITH COMPARATIVE FIGURES FOR 1992

THOUSANDS OF DOLLARS

	1993	1992
<b>ASSETS</b>		
Cash	\$ 11	—
Notes receivable—including accrued interest (Note 3)	7,944	21,199
	<u>\$ 7,955</u>	<u>21,199</u>
<b>LIABILITIES AND SURPLUS</b>		
Bank loan payable—including accrued interest (Note 4)	\$ 7,680	20,817
Notes payable—including accrued interest	265	380
Management fees payable	7	—
	<u>7,952</u>	<u>21,197</u>
Surplus	<u>3</u>	<u>2</u>
	<u>\$ 7,955</u>	<u>21,199</u>

### Statement of Revenue, Expenditure and Surplus

YEAR ENDED DECEMBER 31, 1993—WITH COMPARATIVE FIGURES FOR 1992

THOUSANDS OF DOLLARS

	1993	1992
<b>REVENUE</b>		
Prior year's surplus appropriated	\$ 2	2
Interest	358	553
	<u>360</u>	<u>555</u>
<b>EXPENDITURE</b>		
Interest	350	538
Management fees (Note 5)	7	15
	<u>357</u>	<u>553</u>
Surplus, being excess of revenue over expenditure for the year	<u>\$ 3</u>	<u>2</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

  
SECRETARY-TREASURER



# INTERIM FINANCING

## Short Term Debt Fund

### Statement of Cash Flows

YEAR ENDED DECEMBER 31, 1993—WITH COMPARATIVE FIGURES FOR 1992

THOUSANDS OF DOLLARS

	1993	1992
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenditure for the year	\$ 3	2
Add (deduct) non-cash items:		
Prior year's surplus appropriated	(2)	(2)
Change in management fees payable	7	—
Cash provided by operating activities	8	—
<b>FINANCING ACTIVITIES</b>		
(Decrease) increase in bank loan	(13,137)	17,622
Loans repaid	24,113	9,534
New loans issued	(10,860)	(27,052)
Notes payable retired	(113)	(105)
Cash provided by (used in) financing activities	3	(1)
Net increase (decrease) in cash during the year	11	(1)
Cash, beginning of the year	—	1
Cash, end of the year	\$ 11	—

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

# INTERIM FINANCING

## Notes to Financial Statements

DECEMBER 31, 1993

### 1 Organization

The interim financing program was established in 1990 and operates under Section 9.1 of the Municipal Finance Authority Act (the "Act"). In 1992, the Act was amended to extend the interim financing program to other public institutions (as defined) in the Province of British Columbia.

This program provides a revolving credit facility for tax revenue interim funding requirements, temporary financing of capital projects and funding for the purchase of capital assets with short term useful lives.

### 2 Significant Accounting Policies

A summary of significant accounting policies is as follows:

- (a) Interest income is recognized as earned; and
- (b) Interest payable is accrued on a daily basis.

### 3 Notes receivable

The notes receivable relate to loans for the following purposes:

	1993	1992
	THOUSANDS OF DOLLARS	
Temporary financing of capital projects	\$ 1,628	4,763
Short-term capital borrowing up to five years	6,216	2,302
Debt Fund	100	14,134
	<u>\$ 7,944</u>	<u>21,199</u>

### 4 Bank Loan

The Authority has an agreement under which the bank provides a revolving credit facility for the interim requirements subject to repayment within 30 days following demand by the bank.

### 5 Management fees

The management fees are paid to the Operating Fund of the Municipal Finance Authority of British Columbia.









Confluence of the  
Skeena and Bulkley rivers,  
early 1900s and 1970s.  
Near this site stands  
Ksan Village, First Nations  
Cultural Centre, Kitimat-  
Stikine Regional District.

*Colour photo courtesy  
Province of British Columbia  
Inset photo BCARS  
59764 D-419*



**Municipal  
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