

**Municipal Finance Authority
of British Columbia**

ANNUAL REPORT 1981

COVER PHOTO "The Royal Hudson"
Courtesy Tourism B.C.

Municipal Finance Authority of British Columbia

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

Annual report

Contents

Members and Officers — 1981	4
Chairman's Report — 1981	5
How the Municipal Finance Authority of British Columbia Functions	10
Schedule of Loans to Regional Districts Outstanding at December 31, 1981	13
The Growth and Stability of British Columbia's Municipalities	14
Auditors' Report and Financial Statements	17
Ten-Year Review — Combined Funds	38
Brief Description of Outstanding Bond Issues	
— Canadian Dollar Bonds Issued in Canada	42
— Canadian Dollar Bonds Issued in Europe	50
— U.S. Dollar Bonds Issued in the United States	52
— U.S. Dollar Bonds Issued in Europe	58

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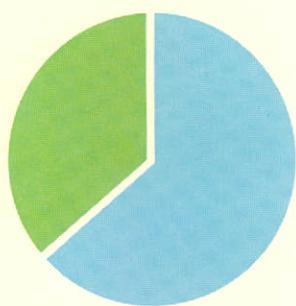


The Bowron Lake chain in the Cariboo region *Courtesy Tourism B.C.*

Annual Statement Highlights

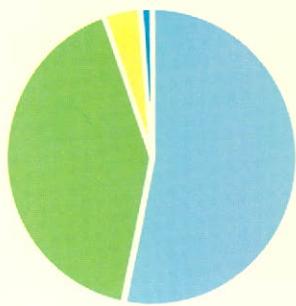
	MILLIONS OF DOLLARS	
	DECEMBER 31	DECEMBER 31
	1981	1980
Total assets — combined funds	900	752
Loans to Regional Districts outstanding	787	659
Long-term debt outstanding (net of sinking funds)	793	680
Investments (including sinking funds)	62	44
Number of Regional and Water Districts participating	29	29
Number of Municipalities participating	131	129

NEW LONG-TERM DEBT ISSUED IN 1981 —
BY CURRENCY OF PAYMENT

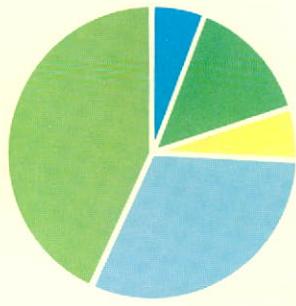


- CANADIAN DOLLARS
- U.S. DOLLARS
- SWISS FRANCS
- DEUTSCHE MARKS

LONG-TERM DEBT OUTSTANDING AT DECEMBER 31, 1981 —
BY CURRENCY OF PAYMENT

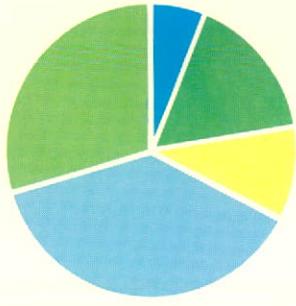


NEW LOANS TO REGIONAL DISTRICTS IN 1981 —
BY PURPOSE



- BUILDINGS
- PUBLIC WORKS
- RECREATION
- SEWER
- WATER

TOTAL LOANS TO REGIONAL DISTRICTS 1971-1981 —
BY PURPOSE



Members and Officers — 1981

MEMBERS

Alderman G. A. McKnight
Alberni-Clayoquot Regional District
 Director G. E. McFee
Bulkley-Nechako Regional District
 Mayor N. L. Sealey
Capital Regional District
 Mayor R. G. Marks
Cariboo Regional District
 Director W. Deisman
Central Coast Regional District
 Alderman R. Easingwood
Central Fraser Valley Regional District
 Alderman G. E. MacNeill
Central Kootenay Regional District
 Alderman J. H. Stuart
Central Okanagan Regional District
 Mayor L. M. Lund
Columbia-Shuswap Regional District
 Director K. Hudson
Comox-Strathcona Regional District
 Alderman M. Lukaitis
Cowichan Valley Regional District
 Alderman A. Pelton
Dewdney-Alouette Regional District
 Alderman S. Wilson
East Kootenay Regional District
 Alderman F. H. Bryant
Fraser-Cheam Regional District
 Alderman A. Stauble
Fraser-Fort George Regional District
 Mayor M. S. Evers
Greater Vancouver Regional District
 Mayor D. Humphreys
Greater Vancouver Regional District
 Mayor J. E. Loucks
Greater Vancouver Regional District
 Mayor D. A. Ross
Greater Vancouver Regional District
 Mayor I. E. Young
Greater Vancouver Regional District
 Alderman R. Cooper
Kitimat-Stikine Regional District
 Mayor I. Muzzin
Kootenay Boundary Regional District
 Alderman C. Whitehead
Mount Waddington Regional District
 Director P. D. Smith
Nanaimo Regional District
 Mayor N. R. P. Duke
North Okanagan Regional District
 Director D. R. McDougall
Okanagan-Similkameen Regional District
 Alderman R. Petrick
Peace River-Liard Regional District
 Director L. Emmonds
Powell River Regional District
 Mayor P. J. Lester
Skeen-Queen Charlotte Regional District
 Director R. D. Cumming
Squamish-Lillooet Regional District
 Director D. Hunter
Sunshine Coast Regional District
 Director H. A. George
Thompson-Nicola Regional District

BOARD OF TRUSTEES

Alderman J. H. Stuart, CHAIRMAN
 Director R. D. Cumming
 Mayor M. S. Evers
 Mayor R. G. Marks
 Mayor D. A. Ross
 Mayor N. L. Sealey
 Director P. D. Smith

OFFICERS

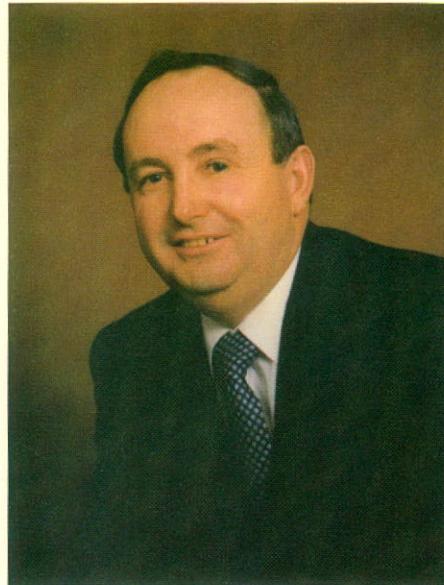
CHAIRMAN : Alderman J. H. Stuart
 ACTING CHAIRMAN : Mayor M. S. Evers
 SECRETARY-TREASURER : D. N. Wilson, F.C.I.S.
 DEPUTY SECRETARY-TREASURER : W. C. Greer

AUDITORS

PEAT, MARWICK, MITCHELL & CO.
 VANCOUVER, B.C.
 SOLICITORS: BOND COUNSEL
 FARRIS, VAUGHAN, WILLS & MURPHY
 VANCOUVER, B.C.
 SOLICITORS: GENERAL COUNSEL
 COX, TAYLOR, BRYANT
 VICTORIA, B.C.

Chairman's Report — 1981

TO THE MEMBERS OF THE MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA



Alderman James H. Stuart

CHAIRMAN

It is a pleasure to submit this twelfth annual report on the operations of the Municipal Finance Authority of British Columbia.

In terms of capital markets and interest rates, 1981 saw a continuation of the extreme volatility which started in the fall of 1979 and which characterized all of 1980. The major difference in 1981 was the level at which interest rates peaked. The Canadian chartered bank prime lending rate reached 22.75% in August, 1981 compared to 18.25% during 1980. Canadian bond yields also recorded new highs with the average yield of all long-term Government of Canada bonds reaching 17.66% in September. In addition to these record-setting levels, the capital markets were beset with numerous interest rate swings of as much as two percent in less than a month. All in all, a year in which decisions, for both borrowers and investors alike, were not that easy to make.

In this environment, the Authority raised a total of \$159.7 million on behalf of our regional districts and municipalities. At December 31, 1981 the total raised since October, 1971 was \$910.6 million in 29 bond issues.

During 1980, it became apparent that, if we were to achieve success in securing our capital requirements at the cheapest cost, more flexibility would have to be built into our approval system. Consequently, a decision was made to hold special meetings of the Authority Board whenever a sufficient amount of requests was on hand. The first such meeting was held in Richmond, B.C. on February 19, 1981. At that meeting requests totalling \$89.4 million were approved. These requests would not normally have been considered until the annual meeting which was scheduled for March 25, 1981. Early in March, the Canadian bond market rallied and, on March 18th, we floated an extremely successful issue of \$95 million of 13 3/8% — 5 year bonds extendible for a further 15 years at 14% per annum. The issue was sized in excess of our requirement in order to partially refund our first Euro-dollar issue which matured in 1981. At the annual meeting on March 25th, further requests totalling \$6.2 million were approved and the Trustees subsequently decided to satisfy \$5.6 million of these requests with the excess proceeds of the issue. So long as the turbulence and the volatility in capital markets

continues, we must be prepared to meet on rather short notice in order to review and approve requests for new capital funds.

The \$95 million five year extendible issue which we completed last March was, as I stated, "extremely successful." That description can be confusing. The success of a bond issue must be measured in terms of satisfaction by not only the borrower, but by the lenders as well. In this instance the Authority obtained funds for the first five years at a cost of 13½% while five year Government of Canada bonds were yielding 13.92% on March 25th. From the investor's point of view, the issue was extremely attractive due primarily to the 15 year extension feature with an interest rate which will increase to 14% per annum. Proof of success is found in the distribution of the bonds and in the price at which they trade in the immediate aftermarket. The geographic distribution of this issue was the broadest we have experienced on a Canadian domestic bond issue. Insofar as price is concerned, the bonds traded on April 1st at par and a quarter — reflecting extremely good value on that date.

In my report for the year 1977, I expressed a belief that we should develop a strong presence in the Canadian domestic market. I am pleased to report that we have followed that plan and the success of our issue last March was due, in large part, to that strategy. For the record, it should be noted that since the end of 1976 we have issued the following in Canada: 1977 — two public issues of \$20 million and \$36.5 million respectively, and one private issue of \$7 million. 1978 — one public issue of \$32.8 million and one private issue of \$10 million. 1979 — one public issue of \$54.1 million and one private issue of \$11.1 million. 1980 — one private issue of \$62.7 million. 1981 — one public issue of \$95 million. In all, a total of \$329.2 million of bonds was sold in Canada in the last five years, a programme I personally would like to see continued.

At the semi-annual meeting held on September 22nd in Vancouver, we approved new requests for funds totalling \$64.7 million. As I mentioned earlier, September was the month in which interest rates peaked in Canada and, as a matter of fact, the 13½% bonds we issued in March were yielding 18%. By October, rates had improved somewhat with U.S.

dollar rates lower than Canadian rates by approximately one percent. The Board of Trustees decided to proceed with a financing denominated in U.S. dollars but, due to the high rates, committed only for a reasonably short period of time. On October 9, 1981, an issue of U.S. \$54 million 17% retractable bonds was sold at par in the Euro-bond market. These bonds mature in sixteen years but are retractable by the holder every four years. The interest to be paid by the Authority is 17% annually for the first four years. Prior to each fourth year retraction date, we will establish the rate payable for the next four year period.

The issue was the first of its kind to be floated in the Euro-bond market and it received a very good reception. While it offered investors an adequate return for the first four years, it also provided them with an investment which will pay a current market rate at the beginning of each four year period should they decide to hold and not retract. Insofar as the Authority is concerned, it locks in the relatively high rate of 17% annually for a four year period only, and also provides us a method of refinancing without actually having to create a new issue. Since the issue was U.S. dollar denominated, the conversion to Canadian dollars realized a profit of \$10.7 million which was passed along to the borrowers in the issue. Payment of interest on an annual basis permitted us to relend to the regional districts on a sinking fund basis at a rate of 15½% payable semi-annually.

At the request of a number of investors, a new table has been added to the 1981 annual report. Located at the end of the report, the table outlines details of every issue of Municipal Finance Authority of British Columbia bonds including the amount outstanding, interest rate payable, call, extension or retraction features, sinking fund requirements and the names and addresses of registrars, trustees and paying agents. The table is designed to provide an immediate source of information for portfolio managers, securities salesmen and individual investors. I think it will be useful. Also I would welcome suggestions as to ways in which this report can be made more helpful to those concerned with the Authority. On the matter of tables, the report has, for some years now, contained a ten year review of the combined funds of the Authority. Examination of this table indicates that between the years 1972 and 1981, combined

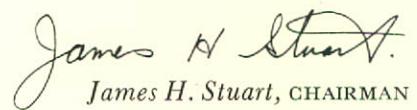
assets have grown nineteen times from \$47 million to \$900 million, revenues have grown forty-seven times from \$2.2 million to \$103 million, while during the same period annual operating costs have grown slightly over three times from \$113 thousand to \$372 thousand.

On numerous occasions during 1981 the Board of Trustees met on very short notice. The Trustees gave unstintingly of their time and dealt with our financing decisions in a co-operative and competent manner. With the little time available for decision-making in today's capital markets, it is not easy to focus immediately on the questions placed before the Board of Trustees. It takes that extra effort which, I feel, should be recognized.

The ministries of Municipal Affairs and Finance both provided the excellent co-operation to which we have become accustomed. Our staff becomes fairly involved with them on a day-to-day basis. The good relationship at that level goes a long way toward avoiding problems not only for the Authority, but for the regional districts and municipalities as well.

In my annual report for 1980, I indicated some apprehension in terms of the cost of money in the next few years. 1981 saw rates reach, and indeed surpass, the level of 17% I had suggested. Lately, I have been encouraged, to a degree, by some early results of the anti-inflation measures undertaken in North America. There have been signs that interest rates may decline, but how far and for how long are questions to which there seems to be a great number of answers. If rates do, in fact, decline we must be in a position to secure our financing quickly. "Jack be nimble, Jack be quick" is a rule we've learned well from our capital market experiences over the past 2½ years.

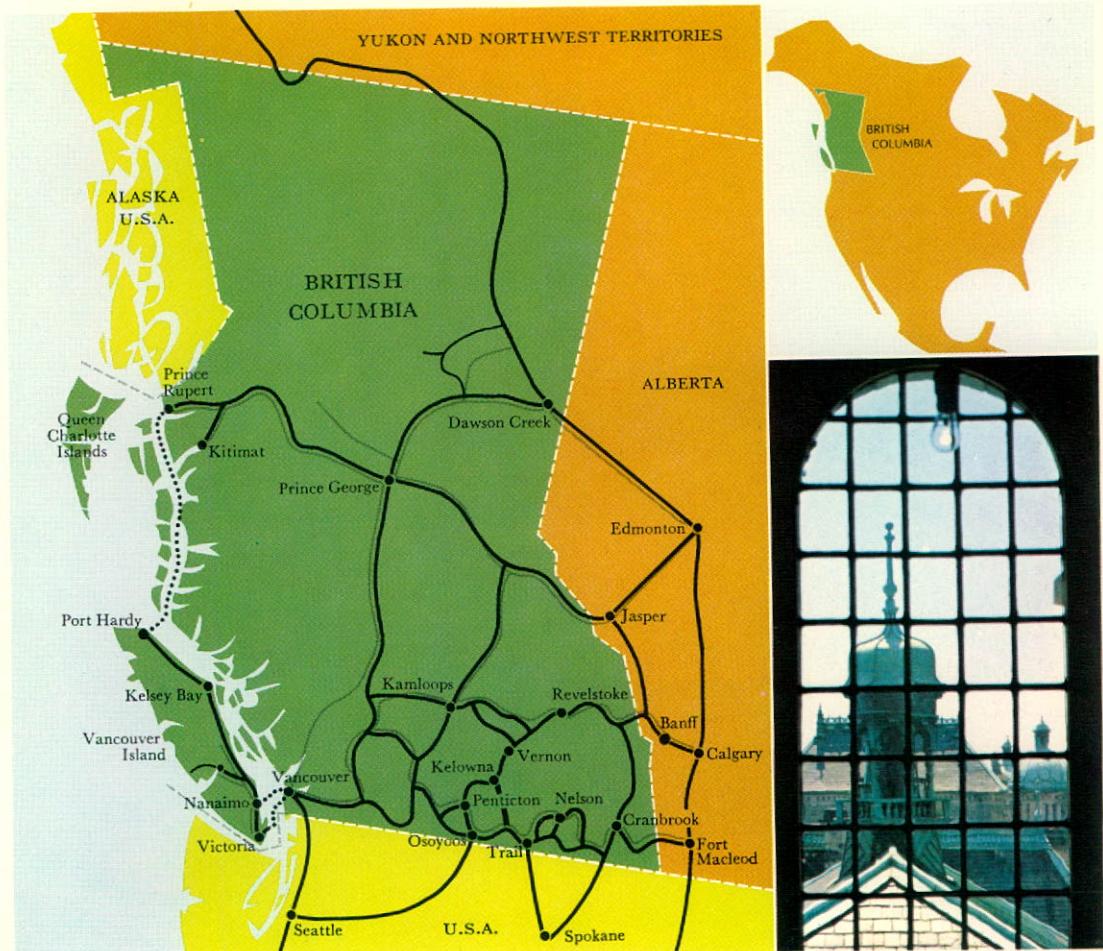
In conclusion, I would like to express my thanks to the Board of Trustees and to the staff for their help during a particularly difficult year. Their combined experience and dedication to the success of the Authority made my role as Chairman a great deal easier.



James H. Stuart
James H. Stuart, CHAIRMAN



Beach near Tlell on the Queen Charlotte Islands *Courtesy Tourism B.C.*



"The object of the authority is to provide financing of capital requirements for regional districts and for their member municipalities by the issue of its debentures, or other evidence of indebtedness, and lending the proceeds from them to the regional district on whose request the financing is undertaken."

*Municipal Finance Authority Act,
Revised Statutes of
British Columbia, 1979.*

How the Municipal Finance Authority of British Columbia Functions

Responsibility

The Municipal Finance Authority of British Columbia was created in 1970 by the Municipal Finance Authority of British Columbia Act of the Legislative Assembly of the Province of British Columbia. The Act was amended in 1971, 1972, 1973, 1977 and 1981.

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 debentures 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-eight 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 elected annually by the members and consisting of the Chairman of the Authority and six other members. 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 debentures in an amount sufficient to meet the requests.

Debentures, 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 Trustees may determine.

Both serial and sinking fund debentures may be issued. In the case of sinking fund debentures, the Act provides for the creation, management and application of sinking funds to secure the repayment of the debentures including the redemption of debentures issued subject to redemption in advance of maturity.

A separate account is maintained for each sinking fund debenture 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 or reinvested by the Trustees 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 regional district or municipality in British Columbia maturing not later than the debentures 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 debentures for which the sinking fund was created; however, debentures so purchased must be held to the credit of the sinking fund account and cannot be resold.

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 all borrowers from the proceeds of debt issues 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 each 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.

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 to debenture holders.

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 or reinvested by the Trustees in:

- (a) securities of the government of Canada or a province of Canada, or
- (b) securities, the principal and interest of which is 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 debentures. 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.

Schedule of Loans to Regional Districts

OUTSTANDING AT DECEMBER 31, 1981

	Principal Outstanding Dec. 31, 1980	1981		
		New Loans Issued	Principal Repaid	Principal Outstanding Dec. 31, 1981
REGIONAL DISTRICTS				
Alberni-Clayoquot	\$ 3,767,461	675,470	225,569	4,217,362
Bulkley-Nechako	10,446,742	983,669	307,547	11,122,864
Capital	59,610,562	18,196,404	2,321,158	75,485,808
Cariboo	8,984,009	4,723,400	309,276	13,398,133
Central Coast	—	—	—	—
Central Fraser Valley	47,311,203	6,952,155	1,026,672	53,236,686
Central Kootenay	10,111,609	2,575,657	264,006	12,423,260
Central Okanagan	17,628,171	14,744,527	477,028	31,895,670
Columbia-Shuswap	12,739,941	1,579,381	433,075	13,886,247
Comox-Strathcona	14,564,946	4,883,698	528,674	18,919,970
Cowichan Valley	17,071,705	5,560,787	561,073	22,071,419
Dewdney-Alouette	13,100,609	8,784,141	269,085	21,615,665
East Kootenay	24,875,425	5,871,549	711,773	30,035,201
Fraser-Cheam	6,462,004	6,533,538	138,204	12,857,338
Fraser-Fort George	33,654,120	5,850,582	1,139,259	38,365,443
Greater Vancouver	182,884,133	8,245,387	6,768,609	184,360,911
Kitimat-Stikine	13,665,417	561,140	554,208	13,672,349
Kootenay-Boundary	5,008,217	1,431,186	159,277	6,280,126
Mount Waddington	2,772,352	917,838	70,485	3,619,705
Nanaimo	53,259,398	9,658,861	1,299,537	61,618,722
North Okanagan	13,819,300	7,293,255	451,048	20,661,507
Okanagan-Similkameen	12,978,084	2,514,000	318,253	15,173,831
Peace River-Liard	26,051,448	6,009,466	922,846	31,138,068
Powell River	6,761,561	—	230,323	6,531,238
Skeena-Queen Charlotte	6,913,438	2,388,713	184,129	9,118,022
Squamish-Lillooet	8,271,374	2,581,664	187,481	10,665,557
Sunshine Coast	4,384,787	532,000	115,911	4,800,876
Thompson-Nicola	37,013,876	6,170,462	904,894	42,279,444
WATER DISTRICTS				
Greater Campbell River	1,989,369	—	43,581	1,945,788
Greater Nanaimo	3,236,246	12,551,835	—	15,788,081
	<u>\$ 659,337,507</u>	<u>148,770,765</u>	<u>20,922,981</u>	<u>787,185,291</u>

The Growth and Stability of British Columbia's Municipalities

ASSESSMENT

The British Columbia Assessment Authority, a provincially-appointed body, is responsible for assessments throughout the Province.

The fundamental principle underlying the Assessment Act is that land and improvements must be valued at their actual value (i.e., fair market value).

The actual value totals for the Province in the years 1977 to 1981 were as follows:

1977	68.8 billion	1980	94.1 billion
1978	77.2 billion	1981	123.1 billion
1979	84.5 billion		

Property is segregated by type or use into property classes and, each year, the Lieutenant Governor in Council specifies the percentage of actual value at which each class shall be assessed. The value subject to taxation after exemptions is referred to as the net taxable assessed value.

The net taxable assessed value for general purposes has increased from 13.5 billion in 1977 to 23.5 billion in 1981, an average annual compound rate of growth of 14.86%.

SOURCE: BRITISH COLUMBIA ASSESSMENT AUTHORITY

TAX LEVIES AND COLLECTIONS

The following table sets forth the tax levies and the collection experience of the regional districts and municipalities in British Columbia for the years 1976 through 1980:

Tax Levies and Collections by the Regional Districts and Municipalities Therein

MILLIONS OF DOLLARS

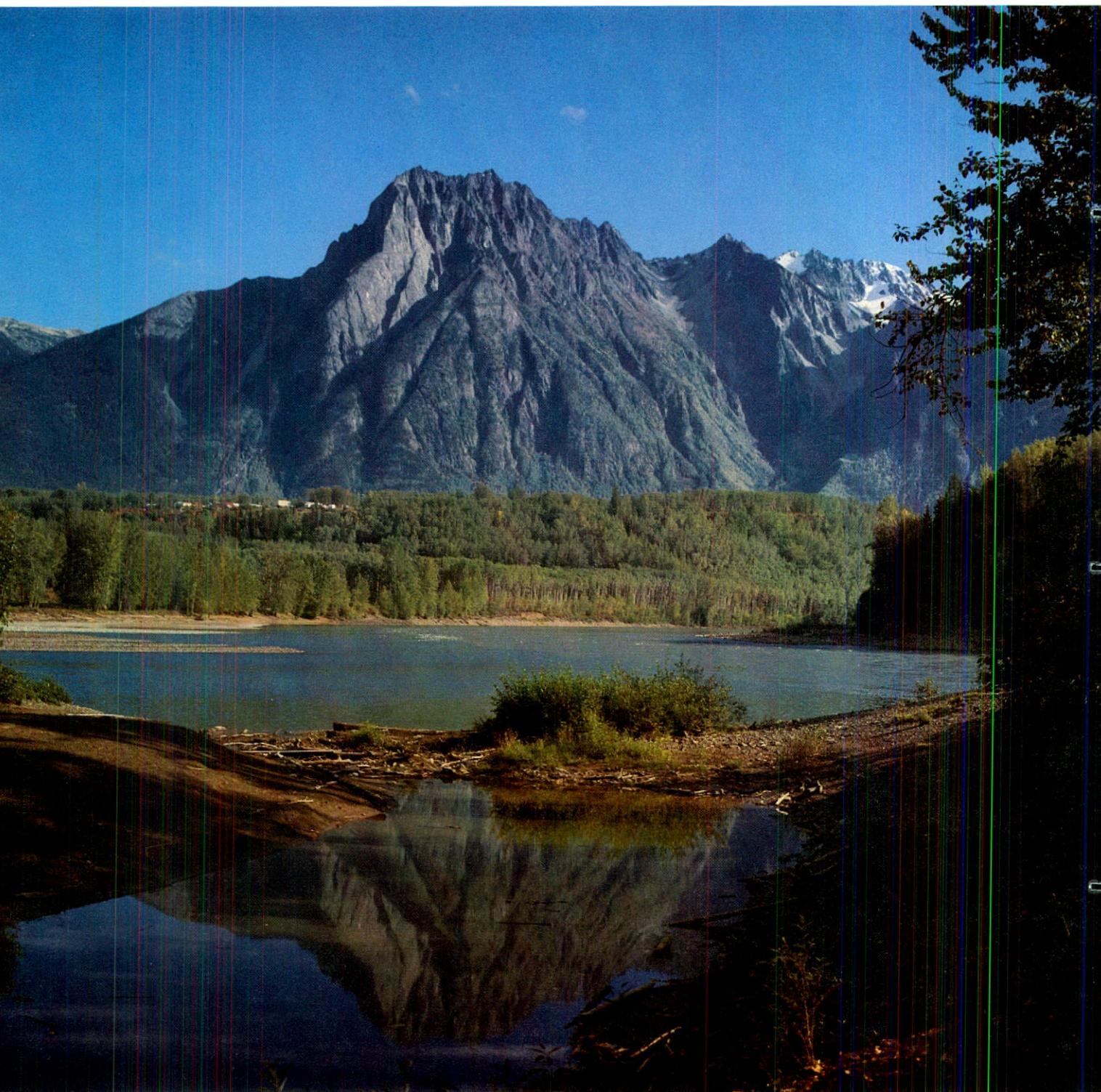
	1980	1979	1978	1977	1976
Current tax levy	1,108	1,034	964	863	798
Arrears	46	48	44	41	34
Total taxes	1,154	1,082	1,008	904	832
Current taxes collected	1,077	1,003	931	834	769
Current collections as per cent of current tax levy	97.24%	96.96%	96.52%	96.55%	96.35%
Arrears collected	35	36	33	30	26
Total collections as per cent of current tax levy	100.43%	100.46%	99.97%	100.07%	99.62%

SOURCE: MINISTRY OF MUNICIPAL AFFAIRS

Revenues and Expenditures of the Regional Districts and Municipalities therein

MILLIONS OF DOLLARS

	1980	1979
REVENUES:		
Real property taxes	456	423
Other taxes	85	72
Total taxation	541	495
Contributions, grants and subsidies:		
Federal	16	17
Provincial	237	214
Taxes collected for school authorities	571	535
Other revenues — general	260	215
Other revenues — sewers	38	34
Other revenues — utilities	85	75
	<u>1,748</u>	<u>1,585</u>
Transfers from reserves	27	28
Transfers from surpluses of prior years	39	53
	<u>1,814</u>	<u>1,666</u>
EXPENDITURES:		
General government	121	111
Fire and police	207	188
Public works and sanitation	167	149
Public health	28	25
Social welfare	30	28
Recreation and community services	141	123
Debt charges	161	154
Taxes transmitted to school authorities	571	535
Other expenditures — general	76	55
Other expenditures — sewers	25	20
Other expenditures — utilities	63	56
Contributions to capital — general	99	90
Contributions to capital — sewers	3	3
Contributions to capital — utilities	10	10
	<u>1,702</u>	<u>1,547</u>
Transfers to reserves	75	79
Operating surplus	37	40
	<u>1,814</u>	<u>1,666</u>



Rocher Déboulé Mountain near Hazelton, B.C. *Courtesy Tourism B.C.*

Auditors' Report — 1981

TO THE MEMBERS OF THE MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA



Peat, Marwick, Mitchell & Co.

Chartered Accountants

Suite 2100, One Bentall Centre
505 Burrard Street
Vancouver, British Columbia V7X 1M1
(604) 685-8221

We have examined the balance sheets of the Operating Fund, Debt Fund, Capital Repayment Equalization Fund, Debt Reserve Fund and Market Development Fund of Municipal Finance Authority of British Columbia and the combined balance sheet of these funds as at December 31, 1981 and the statements of revenue, expenditure and surplus of each of these funds and the combined statement of revenue, expenditure and surplus of these funds and the Debt Fund statement of debt financing for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Authority as at December 31, 1981, and the results of its operations and the acquisition and application of its financing for the year then ended in accordance with accounting principles described in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Vancouver, British Columbia, Canada
January 29, 1982

CHARTERED ACCOUNTANTS

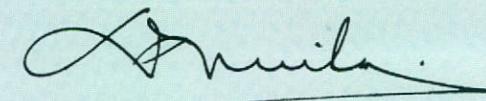
MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

Balance Sheets

DECEMBER 31, 1981 — WITH COMPARATIVE FIGURES FOR 1980

	OPERATING FUND		DEBT FUND	
	1981	1980	1981	1980
ASSETS				
Cash and short-term deposits	\$ 90,361	91,053	174,626	410,179
Receivables:				
Due from Operating Fund	—	—	—	—
Due from Debt Reserve Fund	—	—	—	18,700
Due from Capital Repayment Equalization Fund	—	—	8,254,038	7,507,835
Accrued interest	2,535	2,184	—	—
Other	3,595	1,194	—	—
Total receivables	6,130	3,378	8,254,038	7,526,535
Investments (Note 2)	—	—	—	—
Demand notes receivable from Regional Districts, without interest	—	—	—	—
Loans to Regional Districts (Note 3)	—	—	787,185,291	659,337,507
Deferred receivables from Regional Districts (Note 4)	—	—	21,572,722	21,787,477
Unamortized issue costs	—	—	1,554,613	1,611,498
	<u>\$ 96,491</u>	<u>94,431</u>	<u>818,741,290</u>	<u>690,673,196</u>
LIABILITIES AND SURPLUS				
Liabilities:				
Accounts payable and unpresented matured debt	\$ 25,728	42,652	174,566	428,866
Due to banks	—	—	14,760,285	2,684,160
Due to Debt Fund	—	—	—	—
Due to Market Development Fund	24,867	25,604	—	—
Due to sinking and other funds	—	—	—	2,831,146
Due to Regional Districts (Note 5)	—	—	—	—
Reserves for furniture and fixtures acquisition and data processing implementation	45,000	25,000	—	—
Long-term debt, net (Notes 6, 7 and 8), Schedule	—	—	792,508,993	679,886,149
Total liabilities	<u>95,595</u>	<u>93,256</u>	<u>807,443,844</u>	<u>685,830,321</u>
Surplus, per accompanying statement (Note 9)	896	1,175	11,297,446	4,842,875
	<u>\$ 96,491</u>	<u>94,431</u>	<u>818,741,290</u>	<u>690,673,196</u>

CAPITAL REPAYMENT EQUALIZATION FUND		DEBT RESERVE FUND		MARKET DEVELOPMENT FUND		COMBINED	
1981	1980	1981	1980	1981	1980	1981	1980
73,983	44,841	76,234	87,120	—	—	415,204	633,193
—	—	—	—	24,867	25,604	—	—
—	—	—	—	—	—	—	—
604,929	339,369	380,710	246,288	—	—	988,174	587,841
—	—	—	—	—	—	3,595	1,194
604,929	339,369	380,710	246,288	24,867	25,604	991,769	589,035
23,321,419	18,041,733	16,541,541	12,498,544	—	—	39,862,960	30,540,277
—	—	48,906,105	37,373,750	—	—	48,906,105	37,373,750
—	—	—	—	—	—	787,185,291	659,337,507
—	—	—	—	—	—	21,572,722	21,787,477
—	—	—	—	—	—	1,554,613	1,611,493
24,000,331	18,425,943	65,904,590	50,205,702	24,867	25,604	900,488,664	751,872,737
—	—	1,914	827	—	—	202,208	472,345
—	—	—	—	—	—	14,760,285	2,684,160
8,254,038	7,507,835	—	18,700	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	2,831,146
—	—	65,902,676	50,186,175	—	—	65,902,676	50,186,175
—	—	—	—	—	—	45,000	25,000
—	—	—	—	—	—	792,508,993	679,886,149
8,254,038	7,507,835	65,904,590	50,205,702	—	—	873,419,162	736,084,975
15,746,293	10,918,108	—	—	24,867	25,604	27,069,502	15,787,762
24,000,331	18,425,943	65,904,590	50,205,702	24,867	25,604	900,488,664	751,872,737



SECRETARY-TREASURER

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

Statements of Revenue, Expenditure and Surplus

YEAR ENDED DECEMBER 31, 1981 — WITH COMPARATIVE FIGURES FOR 1980

	OPERATING FUND		DEBT FUND	
	1981	1980	1981	1980
REVENUE				
Prior year's surplus appropriated	\$ 1,175	340	—	—
Operating levy	308,651	270,374	—	—
Recoveries from new issues	55,500	48,000	—	—
Gain on purchases of own debentures	—	—	4,587,501	2,434,976
Interest from investments	7,790	6,343	1,742,940	958,027
Interest from loans to Regional Districts	—	—	15,428,397	15,992,015
Principal from loans to Regional Districts	—	—	—	—
Recovery of deficiencies from Regional Districts	—	—	—	—
Transfers from Operating Fund	—	—	—	—
Transfers from Capital Repayment Equalization Fund	—	—	62,101,951	40,059,928
Transfers from Debt Reserve Fund	—	—	156,657	556,318
Exchange gain	—	—	—	—
Total revenue	373,116	325,057	84,017,446	60,001,264
EXPENDITURE				
Legislative	43,500	48,326	—	—
Administrative	313,720	240,556	—	—
Transfers to Debt Fund — capital	—	—	—	—
Transfers to Debt Fund — revenue	—	—	—	—
Transfers to Market Development Fund	15,000	35,000	—	—
Interest	—	—	77,174,928	56,049,819
Exchange loss	—	—	101,829	279,260
Amortization of issue costs	—	—	286,118	341,620
Allocations to Regional Districts	—	—	—	—
Other	—	—	—	9,275
Total expenditure	372,220	323,882	77,562,875	56,679,974
Excess of revenue over expenditure for the year	896	1,175	6,454,571	3,321,290
Surplus at the beginning of the year not appropriated to current revenue	—	—	4,842,875	1,521,585
Surplus at the end of the year	\$ 896	1,175	11,297,446	4,842,875

CAPITAL REPAYMENT EQUALIZATION FUND		DEBT RESERVE FUND		MARKET DEVELOPMENT FUND		COMBINED	
1981	1980	1981	1980	1981	1980	1981	1980
10,918,108	8,319,879	—	—	25,604	8,632	10,944,887	8,328,851
—	—	—	—	—	—	308,651	270,374
—	—	—	—	—	—	55,500	48,000
1,763,306	485,572	—	—	—	—	6,350,807	2,920,548
2,413,031	1,742,953	2,009,541	1,281,407	—	—	6,173,302	3,988,730
62,715,419	40,442,312	—	—	—	—	78,143,816	56,434,327
13,687,197	10,370,859	—	—	—	—	—	—
—	—	1,050,613	1,662,040	—	—	1,050,613	1,662,040
—	—	—	—	15,000	35,000	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
38,380	—	109,210	162,230	—	—	45,761	—
<u>91,535,441</u>	<u>61,361,575</u>	<u>3,169,364</u>	<u>3,105,677</u>	<u>40,604</u>	<u>43,632</u>	<u>103,073,337</u>	<u>73,652,870</u>
—	—	—	—	—	—	43,500	48,326
—	—	—	—	—	—	313,720	240,556
13,687,197	10,370,859	329,080	494,295	—	—	—	—
62,101,951	40,059,928	156,657	556,318	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	77,174,928	56,049,819
—	12,680	—	—	—	—	—	129,710
—	—	—	—	—	—	286,118	341,620
—	—	2,707,453	2,017,344	—	—	3,036,533	2,511,639
—	—	(23,826)	37,720	15,737	18,028	(8,089)	65,023
<u>75,789,148</u>	<u>50,443,467</u>	<u>3,169,364</u>	<u>3,105,677</u>	<u>15,737</u>	<u>18,028</u>	<u>80,846,710</u>	<u>59,386,693</u>
15,746,293	10,918,108	—	—	24,867	25,604	22,226,627	14,266,177
—	—	—	—	—	—	4,842,875	1,521,585
<u>15,746,293</u>	<u>10,918,108</u>	<u>—</u>	<u>—</u>	<u>24,867</u>	<u>25,604</u>	<u>27,069,502</u>	<u>15,787,762</u>

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

Debt Fund — Statement of Debt Financing

YEAR ENDED DECEMBER 31, 1981 — WITH COMPARATIVE FIGURES FOR 1980

	1981	1980
FINANCES ACQUIRED		
Gross proceeds from debt issues	\$149,000,000	152,705,000
Loan from Capital Repayment Equalization Fund	—	146
Accrued interest	—	68,750
	<u>149,000,000</u>	<u>152,773,896</u>
Principal repayments from Regional Districts	7,121,415	6,737,786
Transfers from Capital Repayment Equalization Fund — net	12,875,317	15,868,702
Transfers from Debt Reserve Fund	329,080	494,295
Bank loans	13,294,199	2,679,252
	<u>33,620,011</u>	<u>25,780,035</u>
Total finances acquired	<u>\$182,620,011</u>	<u>178,553,931</u>
FINANCES APPLIED		
Issue expenses	\$ 2,000,576	1,820,024
Advances to Regional Districts	145,511,716	149,429,209
Transfers to Debt Reserve Fund	1,487,708	1,524,663
	<u>149,000,000</u>	<u>152,773,896</u>
Bank loans	2,679,252	—
Debt maturities	27,921,854	24,543,742
Transfers to sinking funds — net	3,018,905	1,236,293
	<u>33,620,011</u>	<u>25,780,035</u>
Total finances applied	<u>\$182,620,011</u>	<u>178,553,931</u>

Notes to Financial Statements — All Funds

DECEMBER 31, 1981

1

Organization of Municipal Finance Authority of British Columbia and significant accounting policies

The Municipal Finance Authority of British Columbia (the "Authority") was created in 1970 by the Municipal Finance Authority of British Columbia Act (the "Act") of the Legislative Assembly of the Province of British Columbia (the "Province"). It provides financing of capital requirements (other than for schools and hospitals) for regional districts in the Province and their member municipalities by the issue of its debentures or other evidence of indebtedness and lending 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.

The Authority follows the normal practice in local government accounting and maintains 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. 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, a rate not exceeding one-fiftieth of one mill upon all taxable land and improvements within the Province.

DEBT FUND

The Authority's financing activities on behalf of the regional districts in the Province 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 is required to establish a Debt Reserve Fund. Each regional district sharing in the proceeds of a debt 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.

Notes to Financial Statements — All Funds / continued

DECEMBER 31, 1981

Organization of Municipal Finance Authority of British Columbia and significant accounting policies, continued:

MARKET DEVELOPMENT FUND

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

A summary of significant accounting policies is as follows:

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 levy is recognized as revenue in the Operating Fund when the mill rate has 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 written off 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 COSTS

The issue costs are being amortized on a straight-line basis over the average lives of the debt issues to which they relate.

LIABILITIES PAYABLE IN FOREIGN CURRENCIES

The long-term debt payable in foreign currencies is recorded in equivalent Canadian dollars at the exchange rates prevailing when the debt was incurred except the debt payable in U.S. dollars which is stated at the rate of \$1 U.S. equals \$1 Canadian. Exchange gains and losses are recognized in the year in which repayment is made.

INVESTMENTS

Investments are carried at cost adjusted for amortization of premiums and accretion of discounts on a yield basis except the investments in its own debentures which are carried at par value.

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

Notes to Financial Statements — All Funds / continued

DECEMBER 31, 1981

Organization of Municipal Finance Authority of British Columbia and significant accounting policies, continued:

A summary of significant accounting policies is as follows, continued:

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 and shall not be resold.

However, debentures purchased in anticipation of mandatory annual redemptions for sinking fund purposes are cancelled immediately in accordance with the terms of such issues.

2
Investments Investments consist of securities of:

	1981		1980	
	Par Value	Book Value	Par value	Book value
CAPITAL REPAYMENT EQUALIZATION FUND				
Government of Canada, direct or guaranteed	\$ 1,850,000	1,828,235	5,810,000	5,684,738
Provincial governments, direct or guaranteed	2,640,000	1,738,308	1,300,000	1,287,440
Chartered banks, direct or guaranteed	15,515,770	15,328,298	7,233,450	7,108,796
Credit Unions in the Province	1,276,000	1,276,000	—	—
Regional Districts and Municipalities in the Province	9,000	6,578	12,000	11,613
The Authority	3,144,000	3,144,000	3,949,146	3,949,146
	<u>\$ 24,434,770</u>	<u>23,321,419</u>	<u>18,304,596</u>	<u>18,041,733</u>
DEBT RESERVE FUND				
Government of Canada, direct or guaranteed	\$ 6,250,000	6,199,088	5,675,000	5,635,128
Provincial governments, direct or guaranteed	6,480,000	6,377,122	3,180,000	3,159,082
Chartered banks, direct or guaranteed	2,432,000	2,284,970	2,970,100	2,970,100
Credit Unions in the Province	1,720,000	1,680,361	730,000	734,234
	<u>\$ 16,882,000</u>	<u>16,541,541</u>	<u>12,555,100</u>	<u>12,498,544</u>

Notes to Financial Statements — All Funds / continued

DECEMBER 31, 1981

3**Loans to
Regional Districts**

Under the Act, each regional district sharing in the proceeds of a debt issue must pay over to the Authority such sums as are required to discharge its obligations to the Authority in respect of such debt 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 debt issue, the deficiency is a liability of the regional district to the Authority.

At the exchange rates prevailing at December 31, 1981, the scheduled payments under the agreements with the regional districts in respect of the debts payable in Swiss francs and Deutschemarks will not provide sufficient funds to meet the Authority's related obligations in every case when due. Such deficiencies may be met from the Debt Reserve Fund.

The aggregate principal payments recoverable from the regional districts in each of the next five years are as follows:

	1981	1980
1981	\$	20,808,658
1982	25,703,050	21,279,265
1983	27,156,017	22,732,233
1984	28,639,848	24,216,063
1985	29,461,511	25,037,726
1986	29,208,792	
	<hr/> \$140,169,218	<hr/> 114,073,945

4**Deferred receivables
from Regional Districts**

In 1978, the Authority redeemed the 6% bond issue of Swiss francs 50,000,000 from the proceeds of a bank loan in the amount of Swiss francs 51,600,000. As a result, the Authority incurred an exchange loss of \$23,055,505, being the difference between the Canadian dollar equivalent of Swiss francs 50,000,000 at the date of borrowing in 1972 and the Canadian dollar equivalent of Swiss francs 50,000,000 used from the proceeds of the bank loan to finance the redemption.

Under the terms of the loan agreements with the regional districts which participated in the original issue, the exchange loss is a liability of the regional districts to the Authority. Accordingly, it has been recorded in the accounts as Deferred receivables from Regional Districts.

For the remainder of the term of the loan agreements, the Authority will recover additional amounts, on a sinking fund basis, from the regional districts so that, at the end of the term of such loan agreements, a fund, the contributions to which will have been adjusted for exchange rate variations on a cumulative basis, will be available to retire the related foreign currency debt. The additional payments from the regional districts are credited to the Deferred receivables from Regional Districts account.

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

Notes to Financial Statements — All Funds / continued

DECEMBER 31, 1981

5**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. 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. During 1981, deficiencies of \$270,982 and \$214,755 (1980 — \$509,228 and \$541,385) in the amounts of funds available to meet the principal and interest payments on the Deutschemark loan and the sinking fund payment on the Swiss franc loan respectively have been met by transfers from the Debt Reserve Fund. These deficiencies are recovered in the following year from the participating regional districts under the terms of their loan agreements.

The Board of Trustees of the Authority may levy or impose upon substantially all taxable land and improvements within the Province a rate 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 rate 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.

6**Long-term debt**

The aggregate long-term debt maturities and sinking fund requirements in each of the next five years are as follows (including the debt payable in European currencies at the exchange rates prevailing at December 31, 1981 and 1980):

	1981	1980
1981	\$ 24,976,438	
1982	32,345,957	37,706,987
1983	21,035,750	21,088,780
1984	22,824,289	22,887,319
1985	49,347,034	49,410,064
1986	166,546,557	
	<u>\$292,099,587</u>	<u>156,069,588</u>

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

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

Notes to Financial Statements — All Funds / continued

DECEMBER 31, 1981

7**Foreign currencies**

The long-term debt payable includes the following amounts payable in foreign currencies:

	1981	1980
United States dollars	U.S. \$338,111,000	296,278,000
Swiss francs	SFr 51,600,000	51,600,000
Deutschmarks	DM 9,075,000	9,900,000

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**Sinking funds**

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

Certain debt issues are subject to specific annual redemptions for sinking fund purposes. By purchasing the debentures at discount in the open market in anticipation of the sinking fund requirements, the Authority has, to December 31, 1981, retired \$8,253,000 (1980 — \$4,448,000) of such debt in advance of the scheduled redemptions for sinking fund purposes.

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

	1981		1980	
	Par Value	Book Value	Par Value	Book Value
Securities of:				
Government of Canada, direct or guaranteed	\$ 753,000	749,314	803,000	796,809
Provincial governments, direct or guaranteed	1,963,000	1,379,511	463,000	458,147
Chartered banks, direct or guaranteed	2,277,750	2,146,665	1,078,500	1,020,791
Regional Districts and Municipalities in the Province	48,000	41,988	8,000	7,373
The Authority	<u>17,524,000</u>	<u>17,524,000</u>	<u>11,249,000</u>	<u>11,249,000</u>
	<u><u>\$ 22,565,750</u></u>	<u><u>21,841,478</u></u>	<u><u>13,601,500</u></u>	<u><u>13,532,120</u></u>
Cash		79,180		70,042
Accrued interest and other		331,587		194,780
Total assets		22,252,245		13,796,942
Accumulated actuarial requirements for retirement of the related debt		15,315,155		11,133,993
Surplus	<u>\$ 6,937,090</u>			<u>2,662,949</u>

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

Notes to Financial Statements — All Funds / continued

DECEMBER 31, 1981

9**Capital Repayment
Equalization Fund
— surplus**

The surplus relates directly to specific debt 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.

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

Debt Fund — Schedule of Long-Term Debt

YEAR ENDED DECEMBER 31, 1981 — WITH COMPARATIVE FIGURES FOR 1980

Issue	Year of issue	Maturity date	Interest rate percent	Currency of payment	Original amount
1	1971	October 1, 1996	8.375	United States	\$ 20,000,000
2	1971	December 1, 1982-1996	7.750	Canadian	1,258,700
3	1972	March 1, 1982	7.250	Canadian	1,750,000
		March 1, 1992	7.750	Canadian	1,675,000
		March 1, 1997	7.750	Canadian	2,575,000
4	1972	October 1, 1982-1992	6.750	West German	4,617,800
5	1978	November 15, 1987	7.750	Swiss	37,188,120
6	1973	June 1, 1982-1983	7.750	Canadian	4,049,126
		June 1, 1984-1993	8.125	Canadian	8,727,000
7	1974	March 1, 1985-1989	9.000	Canadian	887,000
		March 1, 1994	9.000	Canadian	6,462,000
8	1974	April 15, 1982-1984	8.500	Canadian	1,764,000
9	1974	April 16, 1994	9.000	Canadian	6,800,000
10	1974	May 15, 1981	9.250	Canadian	15,000,000
11	1974	September 3, 1982-1984	10.375	Canadian	2,000,000
		September 3, 1985-1994	10.750	Canadian	5,000,000
12	1975	January 15, 2000	9.750	United States	34,500,000
		January 15, 1982-1984	9.420	Canadian	40,341
14	1975	April 1, 1982-1985	9.500	Canadian	535,000
15	1975	June 30, 1982	9.250	Canadian	25,000,000
16	1975	September 2, 1981	9.875	Canadian	600,000
		September 2, 1982	10.000	Canadian	670,000
		September 2, 1983	10.125	Canadian	750,000
		September 2, 1984	10.250	Canadian	820,000
		September 2, 1985	10.375	Canadian	910,000
		September 2, 1995	10.750	Canadian	5,000,000
17	1975	November 1, 2000	9.875	United States	37,000,000
18	1976	May 1, 2001	8.875	United States	52,500,000
19	1976	October 15, 2001	8.750	United States	50,000,000
		October 15, 1986	8.200	United States	10,000,000
20	1977	June 1, 1985/1997	9.000	Canadian	25,000,000
		June 1, 1997	9.875	Canadian	20,000,000
21	1977	December 1, 1982	8.500	Canadian	812,000
		December 1, 1983-1987	8.750	Canadian	1,227,000
		December 1, 1988-1992	9.250	Canadian	961,000
		December 1, 1997	9.500	Canadian	33,500,000
		December 1, 2002	9.500	Canadian	7,000,000

Carried forward

Schedule

December 31, 1981		December 31, 1980		References
Outstanding	Sinking funds	Long-term debt, net	Long-term debt, net	
13,079,000	5,299	13,073,701	15,118,289	(1)
912,000	—	912,000	960,000	
235,000	—	235,000	454,000	
1,675,000	—	1,675,000	1,675,000	(2)
2,575,000	—	2,575,000	2,575,000	(2)
2,793,769	—	2,793,769	3,047,748	(3)
37,188,120	—	37,188,120	37,188,120	(4)
1,068,000	—	1,068,000	1,545,000	(5)
8,727,000	—	8,727,000	8,727,000	(5)
887,000	—	887,000	887,000	(5)
6,462,000	2,129,762	4,332,238	4,778,425	(5) (6)
941,000	—	941,000	1,764,000	
6,800,000	2,181,330	4,618,670	5,066,759	(6)
—	—	—	7,500,000	
1,200,000	—	1,200,000	1,600,000	(5)
5,000,000	—	5,000,000	5,000,000	(5)
28,129,000	309,770	27,819,230	28,343,963	(7)
17,196	—	17,196	21,970	(5)
273,200	—	273,200	327,300	(5)
18,400,000	—	18,400,000	20,400,000	(8)
—	—	—	600,000	(5)
670,000	—	670,000	670,000	(5)
750,000	—	750,000	750,000	(5)
820,000	—	820,000	820,000	(5)
910,000	—	910,000	910,000	(5)
5,000,000	—	5,000,000	5,000,000	(9)
30,180,000	890	30,179,110	31,813,260	(10)
42,723,000	374,075	42,348,925	44,755,380	(11)
41,270,000	—	41,270,000	43,202,000	(12)
9,200,000	—	9,200,000	10,000,000	(1)
25,000,000	—	25,000,000	25,000,000	(13)
20,000,000	4,013,305	15,986,695	17,792,671	(5) (6)
190,000	—	190,000	365,000	(5)
1,227,000	—	1,227,000	1,227,000	(5)
961,000	—	961,000	961,000	(5)
33,500,000	6,251,569	27,248,431	29,489,570	(5) (6)
7,000,000	823,423	6,176,577	6,434,398	(5) (6)
\$355,763,285	16,089,423	339,673,862	366,769,853	

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

Schedule of Long-Term Debt / continued

DECEMBER 31, 1981 — WITH COMPARATIVE FIGURES FOR 1980

Issue	Year of issue	Maturity date	Interest rate percent	Currency of payment	Original amount
Brought forward					
22	1978	June 1, 1998	9.250	United States	\$29,363,000
		June 1, 2003	9.375	United States	4,737,000
23	1978	November 15, 1982-1983	9.375	Canadian	750,000
		November 15, 1984-1988	9.500	Canadian	1,150,000
		November 15, 1989-1993	9.625	Canadian	890,000
		November 15, 1998	9.950	Canadian	30,000,000
A23	1978	November 15, 1998	9.950	Canadian	6,735,000
		November 15, 2003	10.000	Canadian	3,265,000
24	1979	May 15, 1989/1999	10.250	Canadian	24,000,000
25	1979	December 6, 1999	12.250	Canadian	54,100,000
26	1979	December 6, 2004	12.250	Canadian	11,132,953
27	1980	June 2, 1982-1986	11.375	Canadian	62,705,000
28	1980	December 1, 2005	13.750	United States	90,000,000
29	1981	April 29, 1986	13.625	Canadian	95,000,000
30	1981	October 28, 1985/1997	17.000	United States	54,000,000

Canadian
 United States
 Swiss
 West German

Schedule

December 31, 1981		December 31, 1980		References
Outstanding	Sinking funds	Long-term debt, net	Long-term debt, net	
\$ 355,763,285	16,089,423	339,673,862	366,769,853	
27,616,000	—	27,616,000	28,251,000	(1)
4,564,000	—	4,564,000	4,627,000	(1)
341,000	—	341,000	490,000	(5)
1,150,000	—	1,150,000	1,150,000	(5)
890,000	—	890,000	890,000	(5)
30,000,000	4,276,833	25,723,167	27,584,383	(5) (6)
6,735,000	957,058	5,777,942	6,197,145	(5) (6)
3,265,000	313,218	2,951,782	3,092,958	(5) (6)
24,000,000	—	24,000,000	24,000,000	(14)
52,139,000	—	52,139,000	53,300,000	(15)
11,132,953	615,713	10,517,240	10,828,810	(6) (16)
60,815,000	—	60,815,000	62,705,000	(17)
87,350,000	—	87,350,000	90,000,000	(18)
95,000,000	—	95,000,000	—	(5) (19)
54,000,000	—	54,000,000	—	(20)
\$ 814,761,238	22,252,245	792,508,993	679,886,149	
\$ 436,668,349				
338,111,000				
37,188,120				
2,793,769				
\$ 814,761,238				

Debt Fund — References to Schedule of Long-Term Debt

DECEMBER 31, 1981

- 1 Non-callable except for sinking fund purposes.
- 2 The sinking fund to provide for retirement of the issue at maturity will begin in 1983.
- 3 Callable on October 1, 1982 and annually thereafter at 103% reducing to 100.25% in 1991. Callable annually, also, at 102% in 1982 reducing to 100% in 1991, upon the imposition of withholding taxes.
- 4 Callable at 100% on November 15, 1984 (minimum Swiss francs 10,000,000 or an integral multiple thereof). The interest rate is effective until November 15, 1984; it will be reset on that date for the final 3-year period.
- 5 Non-callable prior to maturity.
- 6 The sinking fund has been calculated to provide for retirement of the issue at maturity.
- 7 Non-callable prior to January 15, 1990 except for sinking fund purposes. Callable on January 15, 1990 and thereafter at any time at 103.50% reducing to 100% on or after January 16, 1999.
- 8 Callable (minimum \$1,000,000 or an integral multiple thereof) at 100% during the year beginning June 30, 1981.
- 9 The sinking fund to provide for retirement of the issue at maturity will begin in 1986.
- 10 Non-callable prior to November 1, 1990 except for sinking fund purposes. Callable on November 1, 1990 and thereafter at any time at 103.25% reducing to 100% on or after November 2, 1998.
- 11 Non-callable prior to May 1, 1991 except for sinking fund purposes. Callable on May 1, 1991 or thereafter at any time at 102.75% reducing to 100% on or after May 2, 1999.
- 12 Non-callable prior to October 15, 1991 except for sinking fund purposes. Callable on October 15, 1991 and thereafter at any time at 102.75% reducing to 100% on or after October 16, 1999.
- 13 Redemable at holder's option on June 1 of 1985, 1988, 1991 or 1994. Callable upon the imposition of withholding taxes at 101.50% reducing to 100.25% over the remainder of the term to maturity.

Debt Fund — References to Schedule of Long-Term Debt / continued

DECEMBER 31, 1981

- 14 Redeemable at holder's option on May 15 of 1989 or 1994. Callable on May 15, 1984 and annually thereafter at 101% if called on or before May 15, 1994 and at 100.50% thereafter. Callable also, at any time, upon the imposition of withholding taxes, at 101% if called on or before May 15, 1994 and at 100.50% thereafter.
- 15 Non-callable prior to December 6, 1994 except for sinking fund purposes. Callable on December 6, 1994 and thereafter at any time at 100%.
- 16 Callable on December 6, 1997 and thereafter at any time at 100%.
- 17 Callable at 103.50% reducing to 101.75% on June 2 in each of the years 1983 to 1985.
- 18 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.
- 19 Exchangeable at holder's option for bonds maturing on April 29, 2001 and bearing interest at the rate of 14% per annum from April 29, 1986.
- 20 Redeemable at 100% at holder's option on October 28 of 1985, 1989 or 1993. Callable at 100% on October 28 of 1985, 1989 or 1993. Callable also at 100%, at any time, upon the imposition of withholding taxes. The interest rate is effective until October 28, 1985. It will be reset by the Authority from that date and from October 28, 1989 and 1993.



Administration Offices — Thompson-Nicola Regional District



Water Aeration — Greater Nanaimo Water District



Water Pumping Station — City of Nanaimo

Ten Year Review — Combined Funds

THOUSANDS OF DOLLARS

	1981	1980	1979	1978
ASSETS				
Cash	415	633	383	201
Receivables	992	589	662	1,862
Investments	39,863	30,540	27,883	18,993
Demand notes receivable from Regional Districts	48,906	37,374	27,686	22,467
Loans to Regional Districts	787,185	659,338	524,094	450,270
Deferred receivables from Regional Districts	21,573	21,787	22,167	23,055
Unamortized issue costs	1,555	1,612	1,714	1,464
Total assets	900,489	751,873	604,589	518,312
LIABILITIES AND SURPLUS				
Accounts payable and unpresented matured debt	202	473	212	94
Due to banks	14,760	2,684	—	972
Due to sinking and other funds	—	2,831	—	—
Reserves for furniture and fixtures acquisition and data processing implementation	45	25	78	44
Due to Regional Districts	65,903	50,186	36,957	29,945
Long-term debt, net	792,509	679,886	557,492	481,337
Total liabilities	873,419	736,085	594,739	512,392
Surplus	27,070	15,788	9,850	5,920
Total liabilities and surplus	900,489	751,873	604,589	518,312
REVENUE				
Prior year's surplus appropriated	10,945	8,329	5,164	4,637
Operating levy	309	270	225	205
Recoveries from new issues	55	48	39	36
Gains on purchases of own debentures	6,351	2,921	503	244
Interest from investments	6,173	3,989	2,766	1,880
Interest from loans to Regional Districts	78,144	56,434	44,360	37,975
Recovery of deficiencies from Regional Districts	1,050	1,662	1,666	664
Allocations from Regional Districts	—	—	—	115
Other	46	—	—	—
Total revenue	103,073	73,653	54,723	45,756
EXPENDITURE				
Legislative	44	48	43	40
Administrative	313	240	228	205
Interest	77,175	56,050	42,807	38,675
Exchange loss	—	130	269	211
Amortization of issue and redemption costs	286	342	328	1,071
Allocations to Regional Districts	3,036	2,512	1,909	—
Other	(8)	65	45	10
Total expenditure	80,846	59,387	45,629	40,212
Excess of revenue over expenditure for the year	22,227	14,266	9,094	5,544
Surplus at beginning of the year not appropriated to current revenue	4,843	1,522	756	376
Surplus at end of the year	27,070	15,788	9,850	5,920

1977	1976	1975	1974	1973	1972
175	178	269	139	75	202
368	811	3,661	122	38	69
16,235	11,112	8,086	4,504	2,874	2,331
18,493	13,760	8,670	2,824	527	—
385,900	306,795	199,836	95,377	56,157	44,474
—	—	—	—	—	—
1,379	1,039	1,252	488	—	—
422,550	333,695	221,774	103,454	59,671	47,076
<hr/>					
111	77	113	88	44	191
—	—	—	—	—	—
—	—	—	—	—	—
25	12	13	13	13	—
25,431	19,605	16,384	5,894	3,004	2,390
391,971	311,173	203,034	96,653	56,550	44,474
417,538	330,867	219,544	102,648	59,611	47,055
5,012	2,828	2,230	806	60	21
422,550	333,695	221,774	103,454	59,671	47,076
<hr/>					
2,596	2,120	759	60	21	17
210	182	174	162	116	105
—	—	—	—	—	—
7	37	27	47	—	—
1,340	973	557	354	177	87
30,683	21,300	11,268	6,036	4,008	2,001
295	232	79	—	—	—
—	—	—	—	18	—
—	—	—	—	—	—
35,131	24,844	12,864	6,659	4,340	2,210
<hr/>					
36	29	26	21	20	17
179	167	118	89	97	80
29,543	21,208	10,142	5,433	4,054	2,001
80	72	33	33	58	—
236	213	148	52	—	—
236	425	198	208	—	78
41	12	16	17	51	13
30,351	22,126	10,681	5,853	4,280	2,189
4,780	2,718	2,183	806	60	21
232	110	47	—	—	—
5,012	2,828	2,230	806	60	21



“Snow Ghosts” at Mount Washington on Vancouver Island *Courtesy Tourism B.C.*



Priest Valley Arena-Gym — North Okanagan Regional District



Parksville Pollution Control Centre — Regional District of Nanaimo

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

Canadian Dollar Bonds Issued in Canada

ISSUE	DESCRIPTION	DATED	AUTHORIZED \$(000,000)	OUTSTANDING DECEMBER 31, 1981 \$(000)	INTEREST
2	7 3/4% Serial Debentures due December 1, 1972-1996	December 1, 1971	1,2587	912	Semi-annual June 1 December 1
3	7 1/4% Serial Debentures due March 1, 1973-1982	March 1, 1972	1.75	235	Semi-annual March 1 September 1
	7 3/4% Sinking Fund Debentures due March 1, 1992	"	1.675	1,675	"
	7 3/4% Sinking Fund Debentures due March 1, 1997	"	2.575	2,575	"
6	7 3/4% Serial Debentures due June 1, 1974-1983	June 1, 1973	4.049	1,068	Semi-annual June 1 December 1
	8 1/8% Serial Debentures due June 1, 1984-1993	"	8.727	8,727	"
7	9% Instalment Debentures due March 1, 1985-1989	March 1, 1974	0.887	887	Semi-annual March 1 September 1
	9% Sinking Fund Debentures due March 1, 1994	"	6.462	6,462	"
8	8 1/2% Instalment Debentures due April 15, 1981-1984	April 15, 1974	1.764	941	Semi-annual April 15 October 15
9	9% Sinking Fund Debenture due April 16, 1994	April 16, 1974	6.8	6,800	Semi-annual April 16 October 16

DENOMINATIONS	CALL	SINKING FUND OR MATURITIES NEXT 5 YEARS \$(000)	RETRACTION OR EXTENSION	REGISTRAR AND TRANSFER AGENT
Coupon — \$1,000	Non-callable	1982 — 50 1983 — 53 1984 — 58 1985 — 62 1986 — 67	N/A	Municipal Finance Authority of British Columbia 714 - 880 Douglas St. Victoria, B.C. V8W 2B7
Coupon — \$1,000	Non-callable	1982 — 235	N/A	Municipal Finance Authority of British Columbia 714 - 880 Douglas St. Victoria, B.C. V8W 2B7
"	"	Annual deposits will begin in 1983	"	"
"	"	"	"	"
Coupon — \$1,000	Non-callable	1982 — 514 1983 — 554	N/A	Municipal Finance Authority of British Columbia 714 - 880 Douglas St. Victoria, B.C. V8W 2B7
"	"	1984 — 599 1985 — 648 1986 — 701	"	"
Coupon — \$1,000 Fully registered \$1,000 and multiples thereof. Exchangeable	Non-callable	1985 — 150 1986 — 163	N/A	Municipal Finance Authority of British Columbia 714 - 880 Douglas St. Victoria, B.C. V8W 2B7
"	"	Annual deposits 1975-1994	"	"
Coupon — \$1,000 Fully registered \$1,000 and multiples thereof. Exchangeable	Non-callable	1982 — 393 1983 — 264 1984 — 284	N/A	Municipal Finance Authority of British Columbia 714 - 880 Douglas St. Victoria, B.C. V8W 2B7
Fully registered	Non-callable	Annual deposits 1975-1994	N/A	Municipal Finance Authority of British Columbia 714 - 880 Douglas St. Victoria, B.C. V8W 2B7

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

Canadian Dollar Bonds Issued in Canada

ISSUE	DESCRIPTION	DATED	AUTHORIZED \$(000,000)	OUTSTANDING DECEMBER 31, 1981 \$(000)	INTEREST
11	10 $\frac{3}{8}$ % Instalment Debentures due September 3, 1980-1984	September 3, 1974	2	1,200	Semi-annual March 3 September 3
	10 $\frac{3}{4}$ % Instalment Debentures due September 3, 1985-1994	"	5	5,000	"
12	9.42% Serial Debentures due January 15, 1976-1984	January 15, 1975	0.04	17	Semi-annual January 15 July 15
14	9 $\frac{1}{2}$ % Serial Debentures due April 1, 1976-1985	April 1, 1975	0.535	273	Semi-annual April 1 October 1
16	10% Instalment Debentures due September 2, 1982	September 2, 1975	0.67	670	Semi-annual March 2 September 2
	10 $\frac{1}{8}$ % Instalment Debentures due September 2, 1983	"	0.75	750	"
	10 $\frac{1}{4}$ % Instalment Debentures due September 2, 1984	"	0.82	820	"
	10 $\frac{3}{8}$ % Instalment Debentures due September 2, 1985	"	0.91	910	"
	10 $\frac{3}{4}$ % Sinking Fund Debentures due September 2, 1995	"	5	5,000	"
20	9 $\frac{1}{8}$ % Sinking Fund Debentures due June 1, 1997	June 15, 1977	20	20,000	Semi-annual June 1 December 1

DENOMINATIONS	CALL	SINKING FUND OR MATURITIES NEXT 5 YEARS \$(000)	RETRACTION OR EXTENSION	REGISTRAR AND TRANSFER AGENT
Coupon — \$100,000	Non-callable	1982 — 400 1983 — 400 1984 — 400	N/A	Municipal Finance Authority of British Columbia 714 - 880 Douglas St. Victoria, B.C. V8W 2B7
Fully registered	"	1985 — 500 1986 — 500	"	
Fully registered	Non-callable	1982 — 5 1983 — 6 1984 — 6	N/A	Municipal Finance Authority of British Columbia 714 - 880 Douglas St. Victoria, B.C. V8W 2B7
Fully registered	Non-callable	1982 — 59 1983 — 65 1984 — 71 1985 — 78	N/A	Municipal Finance Authority of British Columbia 714 - 880 Douglas St. Victoria, B.C. V8W 2B7
Coupon — \$1,000 Fully registered \$1,000 and multiples thereof. Exchangeable	Non-callable	1982 — 670	N/A	Municipal Finance Authority of British Columbia 714 - 880 Douglas St. Victoria, B.C. V8W 2B7
"	"	1983 — 750	"	
"	"	1984 — 820	"	
"	"	1985 — 910	"	
Fully registered	"	Annual deposits will begin in 1986	"	
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 714 - 880 Douglas St. Victoria, B.C. V8W 2B7

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

Canadian Dollar Bonds Issued in Canada

ISSUE	DESCRIPTION	DATED	AUTHORIZED \$(000,000)	OUTSTANDING DECEMBER 31, 1981 \$(000)	INTEREST
21	8½% Serial Debentures due December 1, 1978-1982	December 1, 1977	0.812	190	Semi-annual June 1 December 1
	8¾% Serial Debentures due December 1, 1983-1987	"	1.227	1,227	"
	9¼% Serial Debentures due December 1, 1988-1992	"	0.961	961	"
	9½% Sinking Fund Debentures due December 1, 1997	"	33.5	33,500	"
	9½% Sinking Fund Debentures due December 1, 2002	"	7	7,000	"
23	9¾% Serial Debentures due November 15, 1979-1983	November 15, 1978	0.75	341	Semi-annual May 15 November 15
	9½% Serial Debentures due November 15, 1984-1988	"	1.15	1,150	"
	9½% Serial Debentures due November 15, 1989-1993	"	0.89	890	"
	9.95% Sinking Fund Debentures due November 15, 1998	"	30	30,000	"

DENOMINATIONS	CALL	SINKING FUND OR MATURITIES NEXT 5 YEARS \$(000)	RETRACTION OR EXTENSION	REGISTRAR AND TRANSFER AGENT
Coupon — \$1,000 Fully registered \$1,000 and multiples thereof. Exchangeable	Non-callable	1982 — 190	N/A	Municipal Finance Authority of British Columbia 714 - 880 Douglas St. Victoria, B.C. V8W 2B7
"	"	1983 — 206 1984 — 224 1985 — 244 1986 — 265	"	
"	"	"	"	
Coupon — \$1,000 Coupon — \$5,000 Coupon — \$25,000 Fully registered \$1,000 and multiples thereof. Exchangeable	"	Annual deposits 1978-1997	"	
"	"	Annual deposits 1978-2002	"	
Coupon — \$1,000 Fully registered \$1,000 and multiples thereof. Exchangeable	Non-callable	1982 — 163 1983 — 178	N/A	Municipal Finance Authority of British Columbia 714 - 880 Douglas St. Victoria, B.C. V8W 2B7
"	"	1984 — 190 1985 — 208 1986 — 228	"	
"	"	"	"	
Coupon — \$1,000 Coupon — \$5,000 Coupon — \$25,000 Fully registered \$1,000 and multiples thereof. Exchangeable	"	Annual deposits 1978-1998	"	

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

Canadian Dollar Bonds Issued in Canada

ISSUE	DESCRIPTION	DATED	AUTHORIZED \$(000,000)	OUTSTANDING DECEMBER 31, 1981 \$(000)	INTEREST
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	"
25	12½% Sinking Fund Debentures due December 6, 1999	December 6, 1979	54.1	52,139	Semi-annual June 6 December 6
26	12½% Sinking Fund Debentures due December 6, 2004	December 6, 1979	11.1	11,133	Semi-annual June 6 December 6
27	11¾% Instalment Debentures due June 2, 1981-1986	June 2, 1980	62.705	60,815	Semi-annual June 2 December 2
29	13½% Bonds due April 29, 1986	April 29, 1981	95	95,000	Semi-annual April 29 October 29

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	Annual deposits 1979 - 1998	N/A	Municipal Finance Authority of British Columbia 714 - 880 Douglas St. Victoria, B.C. V8W 2B7
"	"	Annual deposits 1979-2003	"	
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. Also callable for sinking fund purposes	1982 — 1,100 1983 — 1,200 1984 — 1,300 1985 — 1,500 1986 — 1,700	N/A	Municipal Finance Authority of British Columbia 714 - 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 714 - 880 Douglas St. Victoria, B.C. V8W 2B7
Fully registered \$1,000 and multiples thereof	Callable annually June 2, 1983 — 103.50% June 2, 1984 — 102.50% June 2, 1985 — 101.75%	1982 — 2,110 1983 — 2,350 1984 — 2,615 1985 — 2,915 1986 — 50,825	N/A	Municipal Finance Authority of British Columbia 714 - 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	Exchangeable at holder's option for Bonds due April 29, 2001 with interest at 14% from April 29, 1986. Right may be exercised after April 29, 1985 and prior to October 29, 1985	Municipal Finance Authority of British Columbia 714 - 880 Douglas St. Victoria, B.C. V8W 2B7

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

Canadian Dollar Bonds Issued in Europe

ISSUE	DESCRIPTION	DATED	AUTHORIZED \$(000,000)	OUTSTANDING DECEMBER 31, 1981 \$(000)	INTEREST
15	9 1/4% Notes due June 30, 1982	June 30, 1975	25	18,400	Annual June 30
20	9% Bonds due June 1, 1985/1997	June 1, 1977	25	25,000	Annual June 1
24	10 1/4% Bonds due May 15, 1989/1999	May 15, 1979	24	24,000	Annual May 15

DENOMINATIONS	CALL	SINKING FUND NEXT 5 YEARS \$(000)	RETRACTION	PRINCIPAL PAYING AGENT/TRUSTEE/ STOCK EXCHANGE LISTING
Coupon — \$1,000	Callable at par after June 29, 1981		N/A	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	Retractable at par at option of holder on June 1, 1985, 1988, 1991 or 1994. Right may be exercised no 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	Callable on May 15, 1984 and annually thereafter until May 15, 1994 at 101%, from May 15, 1995 at 100.50%	None	Retractable at par at option of holder on May 15, 1989 or 1994. Right may be exercised no more than 360 or less than 90 days prior to May 15	Kredietbank S.A. Luxembourgeoise Luxembourg. Finimtrust S.A. Luxembourg. Luxembourg Stock Exchange Luxembourg

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

U.S. Dollar Bonds Issued in the United States

ISSUE	DESCRIPTION	DATED	AUTHORIZED U.S. \$(000,000)	OUTSTANDING DECEMBER 31, 1981 U.S. \$(000)	INTEREST
1	8 3/8% Sinking Fund Debentures due October 1, 1996	October 1, 1971	20	13,079	Semi-annual April 1 October 1
12	9 3/4% Sinking Fund Debentures due January 15, 2000	January 15, 1975	34.5	28,129	Semi-annual January 15 July 15
17	9 7/8% Sinking Fund Debentures due November 1, 2000	November 1, 1975	37	30,180	Semi-annual May 1 November 1
18	8 7/8% Sinking Fund Debentures due May 1, 2001	May 1, 1976	52.5	42,723	Semi-annual May 1 November 1

DENOMINATIONS	CALL	SINKING FUND NEXT 5 YEARS U.S. \$(000)	AUTHENTICATING AND PAYING AGENT
Fully registered U.S. \$1,000 and multiples thereof. Exchangeable	Non-callable except for sinking fund purposes	1982 — 773 1983 — 838 1984 — 908 1985 — 984 1986 — 1,066	Bank of Montreal Trust Company 2 Wall Street New York, N.Y. 10005
Fully registered U.S. \$1,000 and multiples thereof. Exchangeable	Non-callable except for sinking fund purposes prior to Jan. 15, 1990. To Jan. 15, 1993 — 103.50% To Jan. 15, 1996 — 102.25% To Jan. 15, 1999 — 101%	1982 — 1,510 1983 — 2,138 1984 — 2,552 1985 — 2,620 1986 — 1,550	Bank of Montreal Trust Company 2 Wall Street New York, N.Y. 10005
Fully registered U.S. \$1,000 and multiples thereof. Exchangeable	Non-callable except for sinking fund purposes prior to Nov. 1, 1990. To Nov. 1, 1993 — 103.25% To Nov. 1, 1996 — 101.75% To Nov. 1, 1998 — 100.75%	1982 — 1,285 1983 — 1,412 1984 — 1,552 1985 — 1,583 1986 — 1,552	Bank of Montreal Trust Company 2 Wall Street New York, N.Y. 10005
Fully registered U.S. \$1,000 and multiples thereof. Exchangeable	Non-callable except for sinking fund purposes prior to May 1, 1991. To May 1, 1994 — 102.75% To May 1, 1997 — 101.50% To May 1, 1999 — 100.75%	1982 — 1,755 1983 — 1,910 1984 — 2,080 1985 — 2,265 1986 — 2,461	Bank of Montreal Trust Company 2 Wall Street New York, N.Y. 10005

continued

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

U.S. Dollar Bonds Issued in the United States

ISSUE	DESCRIPTION	DATED	AUTHORIZED U.S. \$(000,000)	OUTSTANDING DECEMBER 31, 1981 U.S. \$(000)	INTEREST
19	8 3/4% Sinking Fund Debentures due October 15, 2001	October 15, 1976	50	41,270	Semi-annual April 15 October 15
	8.2% Sinking Fund Debentures due October 15, 1986	"	10	9,200	"
22	9 1/4% Sinking Fund Debentures due June 1, 1998	June 1, 1978	29.363	27,616	Semi-annual June 1 December 1
	9 5/8% Sinking Fund Debentures due June 1, 2003	"	4.737	4,564	"

DENOMINATIONS	CALL	SINKING FUND NEXT 5 YEARS U.S. \$(000)	AUTHENTICATING AND PAYING AGENT
Fully registered U.S. \$1,000 and multiples thereof. Exchangeable	Non-callable except for sinking fund purposes prior to Oct. 15, 1991. To Oct. 15, 1994 — 102.75% To Oct. 15, 1997 — 101.625% To Oct. 15, 1999 — 100.625%	1982 — 1,095 1983 — 819 1984 — 307 1985 — 211 1986 — 114	Bank of Montreal Trust Company 2 Wall Street New York, N.Y. 10005
"	Non-callable except for sinking fund purposes	1982 — 900 1983 — 1,350 1984 — 2,050 1985 — 2,350 1986 — 2,550	
Fully registered U.S. \$1,000 and multiples thereof. Exchangeable	Non-callable except for sinking fund purposes. Optional redemption — Authority may call tenders from all holders	1982 — 693 1983 — 757 1984 — 827 1985 — 904 1986 — 987	Bank of Montreal Trust Company 2 Wall Street New York, N.Y. 10005
"	"	1982 — 69 1983 — 76 1984 — 82 1985 — 91 1986 — 99	

continued

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

U.S. Dollar Bonds Issued in the United States

ISSUE	DESCRIPTION	DATED	AUTHORIZED U.S. \$(000,000)	OUTSTANDING DECEMBER 31, 1981		INTEREST
				U.S. \$(000)		
28	13 $\frac{3}{4}$ % Sinking Fund Debentures due December 1, 2005	December 1, 1980	90	87,350		Semi-annual June 1 December 1

DENOMINATIONS	CALL	SINKING FUND NEXT 5 YEARS U.S. \$(000)	AUTHENTICATING AND PAYING AGENT
Fully registered U.S. \$1,000 and multiples thereof. Exchangeable	Non-callable except for sinking fund purposes prior to Dec. 1, 1995. To Nov. 30, 1996 — 105.02% To Nov. 30, 1997 — 104.46% To Nov. 30, 1998 — 103.90% To Nov. 30, 1999 — 103.34% To Nov. 30, 2000 — 102.78% To Nov. 30, 2001 — 102.22% To Nov. 30, 2002 — 101.66% To Nov. 30, 2003 — 101.10% To Nov. 30, 2004 — 100.54%	1982 — 1,260 1983 — 1,433 1984 — 1,632 1985 — 1,857 1986 — 2,054	Bank of Montreal Trust Company 2 Wall Street New York, N.Y. 10005

MUNICIPAL FINANCE AUTHORITY OF BRITISH COLUMBIA

U.S. Dollar Bonds Issued in Europe

ISSUE	DESCRIPTION	DATED	AUTHORIZED U.S. \$(000,000)	OUTSTANDING DECEMBER 31, 1981 U.S. \$(000)	INTEREST
30	Retractable Bonds due October 28, 1985/1997	October 28, 1981	54	54,000	Annual October 28 Rate 17% until October 1985. Rate will be reset on October 28, 1985, 1989 and 1993

DENOMINATIONS	CALL	SINKING FUND NEXT 5 YEARS U.S. \$(000)	RETRACTION	PRINCIPAL PAYING AGENT/TRUSTEE/ STOCK EXCHANGE LISTING
Coupon — U.S. \$1,000	Callable at par on October 28, 1985, 1989, or 1993	None	Retractable at par at option of holder on October 28, 1985, 1989 or 1993. Right may be exercised irrevocably not more than 60 or less than 30 days prior to Oct. 28	Kredietbank S.A. Luxembourgeoise Luxembourg. Finimtrust S.A. Luxembourg. Luxembourg Stock Exchange Luxembourg

