

**METRO VANCOUVER DISTRICTS
AND METRO VANCOUVER HOUSING CORPORATION**
(OPERATING AS METRO VANCOUVER)

Financial Statements

Year ended December 31, 2020

Consolidated Financial Statements of

**METRO VANCOUVER
REGIONAL DISTRICT**

(OPERATING AS METRO VANCOUVER)

Year ended December 31, 2020

METRO VANCOUVER REGIONAL DISTRICT

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December 31, 2020

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**METRO VANCOUVER DISTRICTS
AND METRO VANCOUVER HOUSING CORPORATION
(Operating as Metro Vancouver)
MANAGEMENT REPORT**

The Consolidated Financial Statements contained in this report have been prepared by management in accordance with Canadian public sector accounting standards. The integrity and objectivity of these statements are management's responsibility. Management is responsible for all the statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Metro Vancouver Regional District's Board of Directors is responsible for approving the consolidated financial statements and for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises this responsibility through the Performance and Audit Committee of the Board.

The external auditors, BDO Canada LLP, conduct an independent examination, in accordance with Canadian Auditing Standards, and express their opinion on the consolidated financial statements. Their examination does not relate to the other unaudited schedules attached to the financial statements and statements required by the *Financial Information Act*. The Independent Auditor's Report outlines the scope of the audit for the year ended December 31, 2020.

On behalf of the Metro Vancouver Regional District, Greater Vancouver Sewerage & Drainage District, Greater Vancouver Water District and Metro Vancouver Housing Corporation.



Dean Rear, Chief Financial Officer

Date: April 30, 2021



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Independent Auditor's Report

To the Members of the Board of Directors of the Metro Vancouver Regional District

Opinion

We have audited the consolidated financial statements of the Metro Vancouver Regional District (the "Consolidated Entity"), which comprise the consolidated Statement of Financial Position as at December 31, 2020, and the consolidated Statements of Operations, Change in Net Debt and Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Consolidated Entity as at December 31, 2020 and the results of its operations, change in net debt, and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Consolidated Entity in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Restated Comparative Information

We draw attention to Note 18 to the financial statements, which explains that certain comparative information presented for the year ended December 31, 2019 has been restated. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Consolidated Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Consolidated Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always



detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matter – Supplementary Information

We draw attention to the fact that the supplementary information included in Schedule 1 does not form part of the audited financial statements. We have not audited or reviewed this supplementary information and, accordingly, we do not express any opinion, review conclusion or any other form of assurance on this supplementary information.

BDO Canada LLP

Chartered Professional Accountants

Vancouver, British Columbia
April 30, 2021

METRO VANCOUVER REGIONAL DISTRICT

Exhibit A

Consolidated Statement of Financial Position

Year ended December 31, 2020

(in thousands of dollars)

	2020	2019 (restated note 18)
Financial Assets		
Cash and cash equivalents	\$ 271,510	\$ 96,050
Accounts receivable (note 2)	150,627	155,500
Due from TransLink and member municipalities (note 3)	1,000,799	994,708
Investments (note 4)	417,392	772,577
Debt reserve fund (note 5)	59,442	54,866
	1,899,770	2,073,701
Liabilities		
Accounts payable and accrued liabilities (note 6)	249,272	261,755
Employee future benefits (note 7)	13,369	13,841
Landfill closure and post-closure liability (note 8)	32,164	33,039
Deferred revenue and refundable deposits (note 9)	311,451	390,045
Debt reserve fund, member municipalities and TransLink (note 5)	35,603	34,082
Debt (net of sinking funds) (note 10)		
Metro Vancouver Districts and Housing Corporation	1,385,445	1,228,901
TransLink and member municipalities	990,009	983,845
Total debt	2,375,454	2,212,746
	3,017,313	2,945,508
Net Debt	(1,117,543)	(871,807)
Non-Financial Assets		
Tangible capital assets (note 11)	6,539,503	5,740,451
Inventories of supplies	10,017	7,499
Prepaid land leases (note 12)	5,257	5,452
Prepaid expenses	9,350	7,176
	6,564,127	5,760,578
Accumulated Surplus (note 13)	\$ 5,446,584	\$ 4,888,771

Contractual obligations and rights (note 14)

Contingencies (note 15)

Segmented Information (note 17)

COVID-19 Pandemic (note 19)

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



Chief Financial Officer



Board Chair

METRO VANCOUVER REGIONAL DISTRICT

Exhibit B

Consolidated Statement of Operations

Year ended December 31, 2020

(in thousands of dollars)

	2020 Budget (note 16)	2020 Actual	2019 Actual (restated note 18)
Revenue (note 17)			
MVRD property tax requisitions	\$ 73,528	\$ 73,528	\$ 62,901
Metered sale of water	307,175	297,781	285,316
Sewerage and drainage levy	274,237	274,237	255,811
Tipping fees	105,823	100,880	105,692
Housing property rentals	40,392	41,607	40,870
BODTSS industrial charges	11,201	11,568	11,220
Development cost charges	87,412	81,653	152,389
Electricity sales	5,682	5,309	5,793
Grants and other contributions	203,538	184,641	68,881
User fees, recoveries and other revenue	27,202	33,425	104,768
Sinking fund and interest income	24,212	29,734	28,314
Sinking fund income, members and TransLink	27,611	28,078	27,127
	1,188,013	1,162,441	1,149,082
Expenses (note 17)			
Sewer operations	210,269	191,431	180,035
Waste disposal, recycling and regulatory services	106,524	95,274	129,704
Water operations	155,410	139,227	139,136
Housing rental operations	36,850	27,211	34,724
Regional parks	33,928	29,670	30,200
General government services	5,782	5,221	5,145
Air quality	9,751	9,374	9,655
Regional employers services	2,706	2,459	2,154
911 emergency telephone system	4,521	4,364	4,282
Regional planning	3,298	3,128	2,946
Housing planning and policy	1,163	881	492
Electoral areas	511	515	949
Regional global positioning system	278	204	386
Regional economic prosperity	980	206	58
Sasamat volunteer fire department	776	195	247
Regional emergency management	215	125	169
Homelessness Partnering Strategy	-	-	3,323
Corporate program costs	58,951	51,473	57,696
Building operations	18,827	15,592	18,021
Sinking fund income attributed to members and TransLink	27,611	28,078	27,127
	678,351	604,628	646,449
Annual surplus	509,662	557,813	502,633
Accumulated surplus, beginning of year	4,875,761	4,888,771	4,386,138
Accumulated surplus, end of year (note 13)	\$ 5,385,423	\$ 5,446,584	\$ 4,888,771

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

METRO VANCOUVER REGIONAL DISTRICT

Exhibit C

Consolidated Statement of Change in Net Debt

Year ended December 31, 2020

(in thousands of dollars)

	2020 Budget (note 17)	2020 Actual	2019 Actual (restated note 18)
Annual surplus	\$ 509,662	\$ 557,813	\$ 502,633
Change in tangible capital assets			
Acquisition of tangible capital assets	(1,419,297)	(881,579)	(728,285)
Amortization of tangible capital assets	83,695	82,429	82,197
Net book value of tangible capital assets disposed	-	98	3,460
	(1,335,602)	(799,052)	(642,628)
Change in other non-financial assets			
Acquisition of prepaid expenses	-	(9,350)	(6,647)
Use of prepaid expenses	-	7,176	5,783
Amortization of prepaid land leases	195	195	195
Acquisition of inventories of supplies	-	(10,017)	(7,499)
Consumption of inventories of supplies	-	7,499	7,483
	195	(4,497)	(685)
Change in net debt	(825,745)	(245,736)	(140,680)
Net debt, beginning of year	(871,807)	(871,807)	(731,127)
Net debt, end of year	\$ (1,697,552)	\$ (1,117,543)	\$ (871,807)

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

METRO VANCOUVER REGIONAL DISTRICT

Exhibit D

Consolidated Statement of Cash Flows

Year ended December 31, 2020

(in thousands of dollars)

	2020	2019 (restated note 18)
Cash provided by (used in):		
Operating transactions:		
Annual surplus	\$ 557,813	\$ 502,633
Items not involving cash		
Amortization of tangible capital assets	82,429	82,197
Amortization of prepaid land leases	195	195
Sinking fund income	(50,917)	(48,045)
Debt reserve fund income	(1,173)	(1,262)
Accrued interest and unamortized premium or discount	(1,135)	(1,645)
Gain on disposal of tangible capital assets and asset held for sale	(481)	(60,032)
Employee future benefit expense	2,929	2,355
Change in landfill closure and post-closure liability	(874)	1,329
Change in non-cash financial assets and liabilities		
Accounts receivable	4,872	(43,738)
Due from Translink and member municipalities	(6,091)	(13,495)
Accounts payable and accrued liabilities	(12,483)	72,456
Employee future benefits paid	(3,401)	(1,995)
Deferred revenue and refundable deposits	(78,594)	(144,546)
Debt reserve fund, member municipalities and TransLink	1,521	(405)
Inventories of supplies	(2,518)	(16)
Prepaid expenses	(2,174)	(864)
Net change in cash from operating transactions	489,918	345,122
Capital transactions:		
Proceeds on sale of tangible capital assets	579	86,343
Acquisition of tangible capital assets	(881,579)	(728,285)
Net change in cash from capital transactions	(881,000)	(641,942)
Investing transactions:		
Acquisition of investments	(424,726)	(414,500)
Investment maturities	781,046	548,658
Net change in cash from investing transactions	356,320	134,158
Financing transactions:		
Debenture debt and mortgages issued	367,455	203,643
Debt reserve fund issuances	(3,541)	(2,021)
Debt reserve fund maturity	139	3,104
Sinking fund payments	(139,563)	(135,475)
Principal repayments on housing mortgages and serial debt maturity	(14,268)	(8,707)
Sinking fund retirement	7,450	(107,978)
Debenture debt maturity	(7,450)	107,978
Net change in cash from financing transactions	210,222	60,544
Net change in cash and cash equivalents	175,460	(102,118)
Cash and cash equivalents, beginning of year	96,050	198,168
Cash and cash equivalents, end of year	\$ 271,510	\$ 96,050

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

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 1

Year ended December 31, 2020

(tabular amounts in thousands of dollars)

1. Significant Accounting Policies

The consolidated financial statements of the Metro Vancouver Regional District (the “District”) are prepared by management in accordance with Canadian public sector accounting standards (“PSAS”). Significant accounting policies adopted by the District are as follows:

Government Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of four legal entities: the Metro Vancouver Regional District (“MVRD”), the Greater Vancouver Sewerage and Drainage District (“GVS&DD”), the Greater Vancouver Water District (“GVWD”) and the Metro Vancouver Housing Corporation (“MVHC”).

The MVRD was established under the Local Government Act of British Columbia. It provides a number of specific and agreed upon services directly to the public and its member municipalities, the major one of which is the ownership and operation of a network of regional parks. Its Board of Directors comprises mayors and councilors from the member municipalities appointed for that purpose by the municipalities. The number of directors, and the number of votes each may cast, is based upon the population of the municipality. Under the legislation, all staff, even if their work is under the authority of the related legal entities, are employees of the MVRD.

The GVS&DD was established by an Act of the same name in 1956. Its two principal responsibilities are the collection, treatment and discharge of liquid waste for the municipalities of the MVRD, and the disposal of solid waste for the municipalities of the MVRD and the public. GVS&DD owns and operates wastewater treatment plants and a related collection network connected to the municipal collection systems, and several solid waste facilities including a waste to energy facility. Its Board of Directors comprises the same councilors and mayors as appointed to the MVRD Board by the participating municipalities.

The GVWD was established by an Act of the same name in 1924. Its primary responsibility is the supply of potable water to its member municipalities. Its Board of Directors comprises the same councilors and mayors as appointed to the MVRD Board by the participating municipalities. GVWD owns or holds under a 999 year lease from the Province, an extensive closed watershed network as its source of supply. It owns a series of dams, reservoirs, water treatment plants and a distribution network connecting to the municipal distribution systems. GVWD also owns and is responsible for operating and maintaining office buildings that are leased to MVRD and its related entities.

The MVHC is a wholly-owned subsidiary of the MVRD. The MVHC was incorporated under the Business Corporations Act (British Columbia) to own and operate housing sites within the Lower Mainland for the purpose of providing affordable rental housing on a non-profit basis.

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 2

Year ended December 31, 2020

(tabular amounts in thousands of dollars)

1. Significant Accounting Policies (continued)

Basis of Consolidation

The consolidated financial statements reflect the combined assets, liabilities, revenues and expenses of the reporting entity. The reporting entity comprises the MVRD, the GVS&DD, the GVWD and the MVHC. These organizations are controlled by the District. All transactions and balances between these entities have been eliminated on consolidation.

Basis of Accounting

The District follows the accrual method of accounting for revenue and expenses. Revenue is recognized in the year in which it is earned and measurable. Expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and/or the legal obligation to pay.

Government Transfers

Government transfers, are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. The transfer of revenue is initially deferred and then recognized in the statement of operations as the stipulation liabilities are settled.

When the District is deemed the transferor, the transfer expense is recognized when the recipient is authorized and has met the eligibility criteria.

Deferred Revenue and Refundable Deposits

Deferred revenue represents licenses, permits, development cost charges, security deposits, restricted contributions and other fees which have been collected, but for which the related services or obligations have yet to be performed. These amounts will be recognized as revenue in the fiscal year the services are performed or obligations and stipulations have been met.

Sinking Fund, Debt Retirement and Interest Income

Interest income is reported as revenue in the period earned. When required, based on external restrictions, interest income earned on deferred revenue is added to and forms part of the deferred revenue balance and is recognized into income when related stipulations are met. Any surpluses received from upon debt retirement are recorded in the year received.

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 3

Year ended December 31, 2020

(tabular amounts in thousands of dollars)

1. Significant Accounting Policies (continued)

Cash Equivalents Cash equivalents include highly liquid financial instruments with a term to maturity of ninety days or less at the date of acquisition. Cash equivalents are recorded at the lower of cost plus accrued interest and market value.

Investments Investments consist of both long and short-term instruments and are recorded at amortized cost using straight-line method. Short-term investments consist primarily of money market instruments with an original maturity greater than ninety days at the date of acquisition but less than one year. Long-term investments consist primarily of bonds and fixed income securities with maturity greater than one year at the date of acquisition.

Employee Future Benefits The District and its employees participate in the Municipal Pension Plan. The Municipal Pension Plan is a multi-employer contributory defined benefit pension plan. Payments made in the year are expensed.

Under the terms of various collective agreements and compensation policies, the District provides paid sick leave to eligible employees and in certain agreements allows unused sick days to accumulate. There are no payouts of unused sick days at termination. In addition, employees acquire certain employee benefits on termination and retirement. These include days for severance based on years of service, vacation based on years of service, Worker's Compensation top-up, and a full year's vacation entitlement in the year of retirement. The costs of these benefits are actuarially determined based on service and best estimates of retirement ages and expected future salary and wage increases. The obligation under these benefit plans is accrued based on projected benefits as the employees render services necessary to earn the future benefits. Actuarial gains and losses are amortized over the expected average remaining service period of the related employee group, commencing the year after the gain or loss arises.

Landfill Closure and Post-Closure Liability The estimated present value of landfill closure and post-closure costs is recognized as a liability. This liability is recognized based on estimated future expenses, including estimated inflation discounted to the current date and accrued based on the proportion of the total capacity of the landfill used as of the date of the statement of financial position. The change in this estimated liability during the year is recorded as an expense in operations. These estimates are reviewed and adjusted annually and any changes are recorded on a prospective basis.

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 4

Year ended December 31, 2020

(tabular amounts in thousands of dollars)

1. Significant Accounting Policies (continued)

Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

Tangible Capital Assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, except land, is amortized over their estimated useful lives. All assets are amortized on a straight line basis as follows:

Asset	Useful Life – Years
Buildings	
Housing	25 – 35
Parks	50
Watershed	25
Corporate – Head Office	40
Infrastructure	
Sewer	
Wastewater treatment, pumping stations	50
Interceptors and trunk sewer, drainage	100
Solid Waste	25 – 30
Water	
Dams, reservoirs	150
Supply mains	100
Distribution systems, drinking water treatment	50
Parks	
Bridges, culverts, fencing	20 – 40
Trails	100
Roads, erosion protection, water and sewer systems	100
Information technology systems and networks	5 – 10
Vehicles	5 – 20
Machinery, Equipment, Furniture and Fixtures	5 – 20

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 5

Year ended December 31, 2020

(tabular amounts in thousands of dollars)

1. Significant Accounting Policies (continued)

Non-Financial Assets (continued)

Tangible

Capital Assets

a. Annual amortization

Annual amortization begins when the asset is put in service and is expensed over its useful life. Assets under construction are transferred to the appropriate asset class and are amortized from the date the asset is put into productive use.

b. Contributions of tangible capital assets

Contributions of tangible capital assets are recorded at their fair value at the date of receipt and as contribution revenue.

c. Works of art and cultural and historic assets

Works of art and cultural and historic assets are not recorded as assets in these financial statements.

d. Interest capitalization

The Districts do not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

Inventories of Supplies

Inventories of supplies held for consumption are recorded on a first-in, first-out basis.

Prepaid Land Leases

Prepaid land leases are recorded at historical cost less accumulated amortization. Upon expiration of the lease contract, the property will revert to the lessor. Prepaid land leases are amortized on a straight-line basis over the lease term.

Revenue Recognition

Property tax revenues and sewerage and drainage revenues from member municipalities are recognized in the year they are levied. Metered sale of water, tipping fees, permits, cost sharing and other revenue are recognized as revenue on an accrual basis according to the usage and rates approved and set by the Board. Housing property rental revenue is recognized over the rental period once the tenant commences occupancy, rent is due and collection is assured.

Segmented Information

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the standard. The District has provided definitions of the District's segments as well as presented financial information in segmented format in note 17.

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 6

Year ended December 31, 2020

(tabular amounts in thousands of dollars)

1. Significant Accounting Policies (continued)

Liability for Contaminated Sites

A liability for remediation of a contaminated site is recognized when the site is no longer in productive use and the following criteria are satisfied: an environmental standard exists; contamination exceeds the standard; the District is either directly responsible or has accepted responsibility for remediation; it is expected that future economic benefits will be given up and a reasonable estimate of the liability can be made. Liabilities for contaminated sites is reported in accounts payable and accrued liabilities (note 6).

Use of Estimates

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. These estimates and assumptions are based on management's best information and judgment and may differ from actual results. Adjustments, if any, will be reflected in the financial statements in the period that the change in estimate is made, as well as in the period of settlement if the amount is different.

Significant areas requiring the use of management's judgment relate to the determination of contaminated sites liabilities, the employee future benefits liability, the amortization rates for tangible capital assets, the landfill closure and post-closure liability and the assessment of the outcome of contingent liabilities.

2. Accounts Receivable

	2020	2019
GVWD	\$ 52,651	\$ 61,093
GVS&DD	85,458	81,010
MVHC	6,227	417
MVRD	6,291	12,980
	\$ 150,627	\$ 155,500

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 7

Year ended December 31, 2020

(tabular amounts in thousands of dollars)

3. Due from TransLink and Member Municipalities

The District is reimbursed for amounts paid to the MFA for the obligations incurred on behalf of its member municipalities and TransLink whose undertakings were financed out of the proceeds of these obligations (refer to note 10). The amount recoverable is net of sinking funds and includes accrued interest as follows:

	Net Debt Recoverable	Accrued Interest	2020	2019
TransLink	\$ 331,969	\$ 5,346	\$ 337,315	\$ 387,780
Member Municipalities	658,040	5,444	663,484	606,928
	\$ 990,009	\$ 10,790	\$ 1,000,799	\$ 994,708

4. Investments

	Yields	Maturity Dates	2020	2019
Bonds:				
Government	1.75 - 3.11%	June 2021 - March 2031	\$ 89,081	\$ 89,081
Corporate	1.81 - 3.20%	January 2021 - March 2028	95,513	250,733
Unamortized premium			1,898	763
			186,492	340,577
Term deposits	0.90 - 2.50%	January 2021 - September 2021	85,500	280,000
GICs	0.75 - 3.12%	January 2021 - August 2024	145,400	152,000
Total			\$ 417,392	\$ 772,577

Government bonds include debt securities issued by the federal and provincial governments of Canada, and the Municipal Finance Authority of British Columbia. Corporate bonds include Schedule I and II Chartered Banks of Canada.

Market value of investments at December 31, 2020 was \$429,413,509 (2019 - \$782,198,600).

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 8

Year ended December 31, 2020

(tabular amounts in thousands of dollars)

5. Debt Reserve Fund

The MFA provides financing for regional districts and member municipalities. The MFA is required to establish a Debt Reserve Fund for each debenture issue equal to one-half the average annual installment of principal and interest. The debt reserve fund is comprised of cash deposits equal to 1% of the principal amount borrowed and a non-interest bearing demand note for the remaining requirement. Cash deposits held by the MFA are payable with interest to the ultimate borrower when the final obligations under the respective loan agreements have been made.

If, at any time, the District has insufficient funds to meet payments due on its obligations to MFA, the payments will be made from the debt reserve fund. The demand notes are callable only if there are additional requirements to be met to maintain the level of the debt reserve fund. At December 31, 2020, \$105,080,232 (2019 - \$97,250,040) in callable demand notes were outstanding and have not been recorded in the statement of financial position.

	2020	2019
Cash deposits held by MFA on behalf of:		
TransLink and member municipalities	\$ 35,603	\$ 34,082
Metro Vancouver Districts	23,839	20,784
	\$ 59,442	\$ 54,866

6. Accounts Payable and Accrued Liabilities

	2020	2019
Trade accounts	\$ 128,855	\$ 174,718
Construction holdbacks	78,736	53,880
Accrued interest on debt	22,098	22,108
Wage accruals	16,702	10,804
Contaminated sites (a)	2,881	245
	\$ 249,272	\$ 261,755

- a) The District accrued \$2,881,000 (2019 - \$245,000) for estimated current costs to remediate contaminated soils at its properties within the GVS&DD and GVWD. The remediation of the sites identified in 2019 were completed in 2020. Work is underway on sites identified in 2020 and are expected to be completed in 2021.

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 9

Year ended December 31, 2020

(tabular amounts in thousands of dollars)

7. Employee Future Benefits

The employee future benefits have been based on the results of an actuarial valuation done by an independent actuarial firm. A full valuation was performed as of December 31, 2019, with results projected to December 31, 2020.

Information about liabilities for the District's employee benefit plans is as follows:

	2020	2019
Accrued benefit obligation:		
Balance, beginning of year	\$ 20,844	\$ 17,255
Current service cost	1,493	1,208
Interest cost	514	540
Benefits paid	(3,401)	(1,995)
Workers compensation top-up expense	45	115
Actuarial loss	867	3,721
Accrued benefit obligation, end of year	20,362	20,844
Unamortized actuarial loss	(6,993)	(7,003)
Accrued benefit liability, end of year	\$ 13,369	\$ 13,841

	2020	2019
Employee future benefit expense:		
Current service cost	\$ 1,493	\$ 1,208
Interest cost	514	540
Workers compensation top-up expense	45	115
Amortization of the actuarial loss	877	492
	\$ 2,929	\$ 2,355

The significant actuarial assumptions adopted in measuring the District's accrued benefit obligation are as follows:

	2020	2019
Discount rate	1.80%	2.50%
Expected future inflation rate	2.00%	2.00%
Expected average remaining service period	11.3 years	11.3 years

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 10

Year ended December 31, 2020

(tabular amounts in thousands of dollars)

8. Landfill Closure and Post-Closure Liability

The District is responsible for its share of closure and post-closure costs at four landfill sites as detailed below.

- a) The Vancouver landfill is located in Delta, BC. In accordance with an agreement with the City of Vancouver, the District is responsible for its proportionate share of the closure and post-closure liability based on usage. The present value of the District's estimated future liability for these expenses is recognized as the landfill site's capacity is used and is as follows:

	2020	2019
Landfill closure and post closure liability	\$ 32,164	\$ 33,039

The closure and post-closure liability and annual expense is calculated based on the ratio of actual utilization to total expected utilization of the site's capacity at the date of closure. It is based on estimates and assumptions with respect to events extending over the remaining life of the Vancouver landfill, including provisions contained in Metro Vancouver's Integrated Solid Waste and Resource Management Plan. The significant estimates and assumptions adopted in measuring the District's share of the closure and post-closure liability are as follows:

	2020	2019
Current actual utilization (in 000's tonnes)	21,795	21,139
Expected utilization at closure (in 000's tonnes)	27,987	25,857
Expected remaining capacity (in 000's tonnes)	6,192	4,718
Permitted capacity (in 000's tonnes)	33,039	33,039
Future costs (in \$000's)	\$ 203,768	\$ 209,420
Present value of future costs (in \$000's)	\$ 120,497	\$ 123,050
Proportionate share of liability	34.30%	32.80%
Utilization of total capacity, end of year	77.88%	81.76%
Discount rate	2.68%	2.89%
Expected post-closure period	30 years	30 years
Expected closure date	December 31, 2037	December 31, 2037

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 11

Year ended December 31, 2020

(tabular amounts in thousands of dollars)

8. Landfill Closure and Post-Closure Liability (continued)

- b) The Cache Creek landfill is located in the Village of Cache Creek, BC. The landfill permit obligates the Village of Cache Creek and a third party service provider to undertake closure and post-closure activities. The District, in accordance with an agreement with the Village, was required to contribute quarterly to a trust fund, held with the Province of British Columbia, to a Post Closure Maintenance and Repair Fund at rates consistent with the operational certificate for the landfill. The agreement indemnifies the Village for any post closure liabilities not covered by this fund. At December 31, 2020, the amortized book value of the trust was \$15,519,407 (2019 - \$16,091,490), which approximates the post-closure liability.

The Cache Creek landfill was closed December 2016. The actual utilization at closure was 10,319 thousand tonnes and the permitted capacity was 10,372 thousand tonnes. The post-closure period is expected to be 30 years. The present value of District's estimated future post-closure liability is sufficiently funded by the trust.

- c) The Coquitlam and Port Mann landfills were closed in 1983 and 1997, respectively, and there are no further closure and post-closure liabilities.

9. Deferred Revenue and Refundable Deposits

The deferred revenue reported on the Consolidated Statement of Financial Position consists of the following:

	2020	2019 (restated – note 18)
MVHC externally restricted funds from BCHMC(a)		
i) Rental operations	\$ 46	\$ 132
ii) Replacement projects	3,246	2,373
	3,292	2,505
GVS&DD development cost charges (b)	213,143	227,551
Provincial grant to fund capital expenditures (c)	88,525	153,675
Facility rental security deposits	3,935	2,377
Other	2,556	3,937
Total	\$ 311,451	\$ 390,045

- (a) Amounts received under the following MVHC programs have been recorded as deferred revenue:

- i) Rental Operations: Under operating agreements entered into with Canada Mortgage and Housing Corporation ("CMHC") and administered by BCHMC (Homes BC, Seniors and Section 95 properties), a portion of the funds received from rental operations are restricted and can only be used by MVHC according to the terms of the agreements. Restricted amounts are recorded as deferred revenue and are used when expenditures exceed revenue in the program.

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 12

Year ended December 31, 2020

(tabular amounts in thousands of dollars)

9. Deferred Revenue and Refundable Deposits (continued)

- ii) Replacement Projects: Under operating agreements entered into with Canada Mortgage and Housing Corporation ("CMHC") and administered by BCHMC (Homes BC, Seniors and Section 95 properties), a portion of the funds received from rental operations are restricted for the replacement of equipment and specified building components. These funds are deferred until spent on approved items.
- iii) As at December 31, 2020, due to the maturity of related mortgages, there were no remaining properties within MVHC's Section 95 portfolio. All previously restricted funds related to these programs have been recognized in revenue.
- (b) The GVS&DD Act restricts the District to applying money raised from development cost charges to funding sewer capital projects, including the repayment of debt raised to fund such projects.
- (c) In 2017, the GVS&DD received a grant from the Province of British Columbia in the amount of \$193.0 million for costs associated with the construction of the new Lions Gate Wastewater Treatment Plant Facility. During 2020, \$67.970 million (2019 - \$51.79 million) was applied against the capital project.

Continuity of deferred revenue and refundable deposits is as follows:

	2020	2019 (restated - note 18)
Balance, beginning of year	\$ 390,045	\$ 534,591
Externally restricted contributions received:		
GVS&DD development cost charges	62,871	60,239
MVHC restricted funds	2,166	11,878
Interest earned	7,194	13,203
Total contributions received	72,231	85,320
Contributions used and recognized in revenue	(151,250)	(229,916)
Net change in externally restricted contributions	(79,019)	(144,596)
Change in deposits and other deferred revenues	425	50
	(78,594)	(144,546)
Balance, end of year	\$ 311,451	\$ 390,045

10. Debt

- a) The District serves as the borrowing conduit between member municipalities (excluding the City of Vancouver) and the Municipal Finance Authority of British Columbia (MFA). The GVS&DD and GVWD also access MFA through the MVRD. Prior to 2007, the District also served as the borrowing conduit for the Greater Vancouver Transportation Authority (GVTA), commonly referred to as "TransLink". The District, TransLink and the municipalities in the transportation service region are jointly and severally liable for obligations arising under a security issued by the District on behalf of TransLink.

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 13

Year ended December 31, 2020

(tabular amounts in thousands of dollars)

10. Debt (continued)

- b) All monies borrowed are upon the District's credit at large and, in the event of any default, would constitute an indebtedness for which its members are jointly and severally liable.
- c) Debt servicing requirements comprising sinking fund contributions, serial and mortgage principal repayments and interest are funded as incurred by revenue earned during the year.
- d) Sinking fund installments are invested by the MFA and earn income which, together with principal payments, are expected to be sufficient to retire the sinking fund debt at maturity. For sinking fund agreements, the MFA has established either a normal sinking fund or a capital repayment equalization fund.
- e) In addition to debt incurred directly by the District, the District has also incurred long-term debt on behalf of its member municipalities and TransLink through agreements with the MFA. Under the terms of these agreements, the District is required to provide for and pay to the MFA certain sums. Debt incurred on behalf of others is also presented as due from TransLink and member municipalities (note 3). Where the MFA has determined that sufficient resources exist to retire a debenture on its maturity date without further installments, debenture installments are suspended by the MFA. If the sums provided for are not sufficient, such deficiency shall be a liability of the District to the MFA until legally extinguished.

The District is reimbursed for amounts paid to the MFA for the obligations incurred on behalf of the member municipalities and TransLink whose undertakings were financed out of the proceeds of these obligations.

The following summarizes the debt incurred by the District as well as debt incurred on behalf of the member municipalities and TransLink.

	Mortgages and Debenture Debt	Less Sinking Funds	Net Debt 2020	Net Debt 2019
GVS&DD	\$ 911,000	\$ 131,553	\$ 779,447	\$ 626,290
GVWD	1,092,631	534,894	557,737	558,499
MVHC	48,261	-	48,261	44,112
	2,051,892	666,447	1,385,445	1,228,901
TransLink	865,193	533,224	331,969	382,304
Member Municipalities	840,285	182,245	658,040	601,541
	1,705,478	715,469	990,009	983,845
	\$ 3,757,370	\$ 1,381,916	\$ 2,375,454	\$ 2,212,746

- f) Debt (net of sinking funds) reported on the statement of financial position is comprised of the following and includes varying maturities up to 2050, with interest rates ranging from 0.30% to 5.95%.

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 14

Year ended December 31, 2020

(tabular amounts in thousands of dollars)

10. Debt (continued)

Issue number	Interest rate - %	Maturity date	Authorized to be issued	Debt Outstanding	
				2020	2019
Sinking Fund Agreements					
67	1.75	November 5, 2022	15,000	\$ 15,000	\$ 15,000
72	1.67-2.10	June 1, 2020	55,690	-	2,650
73	1.67-2.10	December 1, 2020	61,200	-	1,200
74	1.75	June 1, 2021	168,123	54,000	54,000
75	1.75	December 1, 2021	62,405	18,080	18,080
77	1.75	June 1, 2022	100,100	84,100	84,100
78	2.25	December 3, 2022	89,252	1,252	1,252
79	5.95	June 3, 2023	74,025	225	225
85	2.25-5.47	December 2, 2024	69,760	22,760	22,760
86	5.44	December 2, 2024	50,000	50,000	50,000
95	1.80-4.77	October 13, 2025	10,900	2,300	5,900
96	4.61	April 2, 2026	50,000	50,000	50,000
97	1.75-4.93	April 19, 2036	175,000	173,000	173,000
99	1.75-4.99	October 19, 2026	66,300	66,300	66,300
100	4.59	October 19, 2026	200,000	180,000	180,000
102	2.25-5.09	December 1, 2027	436,395	369,395	369,395
103	2.65	April 23, 2023	40,000	40,000	40,000
104	2.90	November 20, 2028	56,281	56,281	56,281
105	2.25	June 3, 2029	68,300	68,300	68,300
106	2.25	October 13, 2039	140,600	125,000	125,000
110	1.28 - 4.50	April 8, 2030	60,730	60,730	60,730
112	1.28 - 3.73	October 6, 2035	74,775	74,775	74,775
116	4.20	April 4, 2036	152,292	152,292	152,292
118	3.40	April 11, 2042	96,000	96,000	96,000
120	0.30	June 29, 2022	2,000	2,000	2,000
121	2.90	October 4, 2037	74,961	72,286	72,286
124	3.15	April 8, 2043	3,000	3,000	3,000
126	3.85	September 26, 2043	155,209	155,209	155,209
127	3.30	April 7, 2034	115,415	115,415	115,415
130	3.00	October 14, 2029	50,000	50,000	50,000
131	2.20	April 8, 2035	121,500	121,500	121,500
137	2.60	April 19, 2046	149,772	149,772	149,772
139	2.10	October 5, 2031	55,000	55,000	55,000
141	2.80	April 7, 2047	152,463	152,463	152,463
142	3.15	October 4, 2047	77,983	77,983	77,983
145	3.15	April 23, 2048	122,275	122,275	122,275
146	3.20	September 19, 2048	282,500	282,500	282,500
147	2.66	April 9, 2034	62,000	62,000	62,000
149	2.24	October 9, 2049	140,095	140,095	140,095
150	1.99	April 9, 2050	168,133	168,133	-
151	1.28	June 1, 2050	185,987	185,987	-
Total sinking fund agreements (carried forward)			\$ 4,291,421	\$ 3,675,408	\$ 3,328,738

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 15

Year ended December 31, 2020

(tabular amounts in thousands of dollars)

10. Debt (continued)

Issue number	Interest rate - %	Maturity date	Authorized to be issued	Debt Outstanding	
				2020	2019
Total sinking fund agreements (brought forward)			\$ 4,291,421	\$ 3,675,408	\$ 3,328,738
Serial Debt					
93	5.10 - 5.65	April 7, 2027	79,014	26,438	30,621
111	3.35	October 1, 2025	3,000	1,169	1,380
114	3.65	March 29, 2026	6,301	2,932	3,362
122	2.00	November 1, 2032	1,999	1,199	1,299
123	2.00	March 28, 2033	3,142	1,964	2,121
Total serial debt			93,456	33,702	38,783
Total debenture debt			\$ 4,384,877	\$ 3,709,110	\$ 3,367,521
MVHC Mortgages					
	1.03-4.87	January 2020 to October 2038		58,362	48,452
	Forgivable loan from BC Housing			-	6,685
	Less MVRD financed mortgages			(10,102)	(11,025)
Total MVHC mortgages				48,260	44,112
Total debt				3,757,370	3,411,633
Less sinking funds				(1,381,916)	(1,198,887)
Total debt, net of sinking funds			\$	2,375,454	\$ 2,212,746

- f) Principal payments and sinking fund installments due within the next five years and thereafter are as follows:

	Total Long-Term Debt Payments	Less Recoverable from TransLink and Member Municipalities	Net Debt Payments
2021	\$ 169,124	\$ 58,281	\$ 110,843
2022	160,522	56,239	104,283
2023	153,345	53,632	99,713
2024	149,002	53,771	95,231
2025	134,286	46,984	87,302
Thereafter	899,133	326,038	573,095
	1,665,412	594,945	1,070,467
Estimated sinking fund income	710,042	395,064	314,978
Total	\$ 2,375,454	\$ 990,009	\$ 1,385,445

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 16

Year ended December 31, 2020

(tabular amounts in thousands of dollars)

11. Tangible Capital Assets

Year ended December 31, 2020

	Cost			Accumulated Amortization				Net Book Value December 31, 2020	
	Balance at December 31, 2019	Additions	Disposals	Balance at December 31, 2020	Balance at December 31, 2019	Disposals	Amortization Expense		Balance at December 31, 2020
Land									
Sewer and Drainage District	\$ 89,790	\$ 26,260	\$ -	\$ 116,050	\$ -	\$ -	\$ -	\$ -	\$ 116,050
Water District	44,704	-	-	44,704	-	-	-	-	44,704
Regional District	886,258	3,500	-	889,758	-	-	-	-	889,758
Metro Vancouver Housing Corporation	52,274	-	-	52,274	-	-	-	-	52,274
	1,073,026	29,760	-	1,102,786	-	-	-	-	1,102,786
Infrastructure									
Sewer and Drainage District	1,541,087	80,027	-	1,621,114	646,804	-	29,543	676,347	944,767
Water District	2,116,289	1,712	-	2,118,001	369,121	-	33,568	402,689	1,715,312
Regional District	123,015	3,128	(562)	125,581	58,132	(562)	6,197	63,767	61,814
	3,780,391	84,867	(562)	3,864,696	1,074,057	(562)	69,308	1,142,803	2,721,893
Buildings									
Water District	213,924	2,552	-	216,476	13,788	-	5,436	19,224	197,252
Regional District	26,880	-	-	26,880	9,277	-	540	9,817	17,063
Metro Vancouver Housing Corporation	192,173	28,402	-	220,575	172,633	-	1,420	174,053	46,522
	432,977	30,954	-	463,931	195,698	-	7,396	203,094	260,837
Vehicles									
Regional District	31,462	2,103	(2,472)	31,093	22,281	(2,381)	2,794	22,694	8,399
	31,462	2,103	(2,472)	31,093	22,281	(2,381)	2,794	22,694	8,399
Machinery, equipment, furniture & fixtures									
Sewer and Drainage District	8,310	489	-	8,799	6,928	-	462	7,390	1,409
Water District	12,730	468	-	13,198	5,379	-	1,016	6,395	6,803
Regional District	20,232	616	(74)	20,774	16,642	(67)	987	17,562	3,212
Metro Vancouver Housing Corporation	6,462	436	(434)	6,464	4,688	(434)	466	4,720	1,744
	47,734	2,009	(508)	49,235	33,637	(501)	2,931	36,067	13,168
Construction in progress									
Sewer and Drainage District	1,196,784	510,551	-	1,707,335	-	-	-	-	1,707,335
Water District	474,756	242,505	-	717,261	-	-	-	-	717,261
Regional District	3,696	1,243	-	4,939	-	-	-	-	4,939
Metro Vancouver Housing Corporation	25,298	(22,413)	-	2,885	-	-	-	-	2,885
	1,700,534	731,886	-	2,432,420	-	-	-	-	2,432,420
	\$ 7,066,124	\$ 881,579	\$ (3,542)	\$ 7,944,161	\$ 1,325,673	\$ (3,444)	\$ 82,429	\$ 1,404,658	\$ 6,539,503
Totals 2020									
Sewer and Drainage District	\$ 2,835,971	\$ 617,327	\$ -	\$ 3,453,298	\$ 653,732	\$ -	\$ 30,005	\$ 683,737	\$ 2,769,561
Water District	2,862,403	247,237	-	3,109,640	388,288	-	40,020	428,308	2,681,332
Regional District	1,091,543	10,590	(3,108)	1,099,025	106,332	(3,010)	10,518	113,840	985,185
Metro Vancouver Housing Corporation	276,207	6,425	(434)	282,198	177,321	(434)	1,886	178,773	103,425
	\$ 7,066,124	\$ 881,579	\$ (3,542)	\$ 7,944,161	\$ 1,325,673	\$ (3,444)	\$ 82,429	\$ 1,404,658	\$ 6,539,503

Write offs related to discontinued projects were \$nil in 2020 (2019 - \$3,424,000)

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 17

Year ended December 31, 2020

(tabular amounts in thousands of dollars)

11. Tangible Capital Assets (continued)

Year ended December 31, 2019

	Cost			Balance at December 31, 2019	Accumulated Amortization			Balance at December 31, 2019	Net Book Value December 31, 2019
	Balance at December 31, 2018	Additions	Disposals		Balance at December 31, 2018	Disposals	Amortization Expense		
Land									
Sewer and Drainage District	\$ 89,790	\$ -	\$ -	\$ 89,790	\$ -	\$ -	\$ -	\$ -	\$ 89,790
Water District	44,704	-	-	44,704	-	-	-	-	44,704
Regional District	875,021	11,237	-	886,258	-	-	-	-	886,258
Metro Vancouver Housing Corporation	52,274	-	-	52,274	-	-	-	-	52,274
	1,061,789	11,237	-	1,073,026	-	-	-	-	1,073,026
Infrastructure									
Sewer and Drainage District	1,522,588	24,502	(6,003)	1,541,087	620,595	(2,702)	28,911	646,804	894,283
Water District	2,100,749	15,663	(123)	2,116,289	335,896	-	33,225	369,121	1,747,168
Regional District	109,608	6,218	7,189	123,015	55,199	(3,464)	6,397	58,132	64,883
	3,732,945	46,383	1,063	3,780,391	1,011,690	(6,166)	68,533	1,074,057	2,706,334
Buildings									
Sewer and Drainage District	-	-	-	-	-	-	-	-	-
Water District	213,557	367	-	213,924	8,393	-	5,395	13,788	200,136
Regional District	26,880	-	-	26,880	8,731	-	546	9,277	17,603
Metro Vancouver Housing Corporation	192,173	-	-	192,173	170,920	-	1,713	172,633	19,540
	432,610	367	-	432,977	188,044	-	7,654	195,698	237,279
Vehicles									
Regional District	31,044	1,926	(1,508)	31,462	20,777	(1,472)	2,976	22,281	9,181
	31,044	1,926	(1,508)	31,462	20,777	(1,472)	2,976	22,281	9,181
Machinery, equipment, furniture & fixtures									
Sewer and Drainage District	8,089	224	(3)	8,310	6,371	(3)	560	6,928	1,382
Water District	12,395	335	-	12,730	4,401	-	978	5,379	7,351
Regional District	19,913	319	-	20,232	15,541	-	1,101	16,642	3,590
Metro Vancouver Housing Corporation	6,312	701	(551)	6,462	4,844	(551)	395	4,688	1,774
	46,709	1,579	(554)	47,734	31,157	(554)	3,034	33,637	14,097
Construction in progress									
Sewer and Drainage District	772,131	424,653	-	1,196,784	-	-	-	-	1,196,784
Water District	247,973	226,783	-	474,756	-	-	-	-	474,756
Regional District	13,823	526	(10,653)	3,696	-	-	-	-	3,696
Metro Vancouver Housing Corporation	10,467	14,831	-	25,298	-	-	-	-	25,298
	1,044,394	666,793	(10,653)	1,700,534	-	-	-	-	1,700,534
	\$ 6,349,491	\$ 728,285	\$ (11,652)	\$ 7,066,124	\$ 1,251,668	\$ (8,192)	\$ 82,197	\$ 1,325,673	\$ 5,740,451
Totals 2019									
Sewer and Drainage District	\$ 2,392,598	\$ 449,379	\$ (6,006)	\$ 2,835,971	\$ 626,966	\$ (2,705)	\$ 29,471	\$ 653,732	\$ 2,182,239
Water District	2,619,378	243,148	(123)	2,862,403	348,690	-	39,598	388,288	2,474,115
Regional District	1,076,289	20,226	(4,972)	1,091,543	100,248	(4,936)	11,020	106,332	985,211
Metro Vancouver Housing Corporation	261,226	15,532	(551)	276,207	175,764	(551)	2,108	177,321	98,886
	\$ 6,349,491	\$ 728,285	\$ (11,652)	\$ 7,066,124	\$ 1,251,668	\$ (8,192)	\$ 82,197	\$ 1,325,673	\$ 5,740,451

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 18

Year ended December 31, 2020

(tabular amounts in thousands of dollars)

12. Prepaid Land Leases

	2020	2019
Balance, beginning of year	\$ 5,452	\$ 5,647
Amortization	(195)	(195)
Balance, end of year	\$ 5,257	\$ 5,452

The lease terms for the properties are as follows:

Asset	Lease Expiry Dates	Lease Term (Years)
Buildings		
Habitat Villa	February 2029	50
Walnut Gardens	May 2026	42
Other prepaid land leases	May 2036 to June 2062	60

13. Accumulated Surplus

Accumulated surplus consists of individual fund surplus and reserves as follows:

	2020	2019 (restated - note 18)
Reserves	\$ 325,079	\$ 273,140
Capital fund balance	(32,553)	104,081
Investment in tangible capital assets	5,154,058	4,511,550
Total	\$ 5,446,584	\$ 4,888,771

Capital fund balance represents the future expected level of funding required or accumulated.

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 19

Year ended December 31, 2020

(tabular amounts in thousands of dollars)

13. Accumulated Surplus (continued)

The reserves are classified as either operating, discretionary or statutory and are presented in the following schedules:

	December 31, 2019 (restated note 18)	Interest	Annual Operating Surplus	Transfers	Contributions from (to) Operations	Contributions to Capital	December 31, 2020
Reserve funds							
Operating Reserves							
Metro Vancouver Regional District							
Air Quality	\$ 1,176	\$ 22	\$ 692	\$ (687)	\$ -	\$ -	\$ 1,203
E911 Emergency Telephone Service	338	6	73	(122)	-	-	295
Electoral Area Services	21	-	-	1	-	-	22
General Government	6,326	118	3,417	(6,039)	-	-	3,822
Housing Planning and Policy	52	1	113	-	(13)	-	153
Regional Employer Services	633	12	256	(498)	(128)	-	275
Regional Emergency Management	24	-	59	(13)	-	-	70
Regional Geospatial Reference System	96	2	79	-	(81)	-	96
Regional Parks	2,217	40	1,258	(726)	-	-	2,789
Regional Planning	2,165	40	188	(2,012)	-	-	381
Sasamat Fire Protection Service	21	-	56	(9)	-	-	68
West Nile Virus	355	7	-	-	-	-	362
MVRD operating reserves	13,424	248	6,191	(10,105)	(222)	-	9,536
Greater Vancouver Water District							
Water Services	24,293	449	1,674	-	(239)	(6,234)	19,943
GVWD operating reserves	24,293	449	1,674	-	(239)	(6,234)	19,943
Greater Vancouver Sewerage and Drainage District							
Liquid Waste Services	26,002	479	4,534	(400)	(716)	(7,880)	22,019
Solid Waste Services	140	7	14,452	7,000	-	-	21,599
GVS&DD operating reserves	26,142	486	18,986	6,600	(716)	(7,880)	43,618
MVHC Operating Reserves	15,380	281	16,375	27	-	-	32,062
Total Operating Reserves	79,239	1,464	43,226	(3,478)	(1,177)	(14,114)	105,160
Discretionary Reserves							
Metro Vancouver Regional District							
Air Quality	1,841	33	-	687	(846)	-	1,715
Electoral Area Service	1,804	33	(86)	(132)	(51)	-	1,568
E911 Emergency Telephone Service	463	9	-	122	-	-	594
General Government	1,276	24	-	6,039	(151)	-	7,188
Labour Relations	1,765	33	-	498	-	-	2,296
Regional Emergency Management	315	6	-	13	-	-	334
Regional Planning	802	15	-	2,012	(227)	-	2,602
Regional Parks	-	-	-	200	-	-	200
Centralized Support	21,819	406	4,757	-	(5,579)	-	21,403
MVRD discretionary reserves	30,085	559	4,671	9,439	(6,854)	-	37,900
Greater Vancouver Sewerage and Drainage District							
Biosolids Inventory	14,635	273	-	-	-	-	14,908
Liquid Waste General Debt Reserve Fun	2,060	38	-	-	-	-	2,098
Lions Gate Contingency	1,446	27	-	-	-	-	1,473
Drainage General	4,795	90	-	400	(54)	-	5,231
Solid Waste General	32,903	450	-	(7,000)	-	-	26,353
Landfill Post Closure	10,972	204	-	-	-	-	11,176
GVS&DD discretionary reserves	66,811	1,082	-	(6,600)	(54)	-	61,239
Metro Vancouver Housing Corporation							
MVHC Capital Development	7,256	176	-	(27)	-	7,346	14,751
MVHC Capital Replacement	4,500	77	-	-	(3,935)	-	642
MVHC discretionary reserves	11,756	253	-	(27)	(3,935)	7,346	15,392
Total Discretionary Reserves	108,652	1,894	4,671	2,812	(10,843)	7,346	114,531
Operating and Discretionary Reserves (carried forward)	\$ 187,891	\$ 3,358	\$ 47,897	\$ (666)	\$ (12,021)	\$ (6,768)	\$ 219,692

METRO VANCOUVER REGIONAL DISTRICT

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Year ended December 31, 2020

(tabular amounts in thousands of dollars)

13. Accumulated Surplus (continued)

	December 31, 2019 (restated note 18)	Interest	Annual Operating Surplus	Transfers	Contributions from (to) Operations	Contributions to Capital	December 31, 2020
Operating and Discretionary Reserves							
Reserves (brought forward)	\$ 187,891	\$ 3,358	\$ 47,897	\$ (666)	\$ (12,021)	\$ (6,768)	\$ 219,692
Statutory Reserves							
Metro Vancouver Regional District							
Electoral Area Community Works	169	5	-	131	130	-	435
Electoral Area Election	-	-	-	-	30	-	30
MVRD Sustainability Innovation Fund	12,048	226	-	-	37	-	12,311
Grants Reserve Fund	2,271	101	-	-	(140)	-	2,232
Housing Planning and Policy	2,249	42	-	-	813	-	3,104
Housing Planning and Policy Development	-	-	-	-	4,000	-	4,000
Regional Geospatial Reference System	918	17	-	-	134	-	1,069
Regional Parks Infrastructure	4,217	94	-	526	1,824	(1,110)	5,551
Parkland Acquisition	11,521	248	-	-	-	(3,500)	8,269
Parkland Acquisition and Development	-	22	-	-	11,570	-	11,592
Delta Airpark	105	2	-	-	29	-	136
Regional Parks Legacy	2,697	50	-	-	(56)	-	2,691
Sasamat Fire Protection Services	834	16	-	9	92	-	951
Corporate Self Insurance	1,484	22	-	-	(256)	-	1,250
Corporate Fleet	14,395	268	5,066	-	-	(1,643)	18,086
MVRD statutory reserves	52,908	1,113	5,066	666	18,207	(6,253)	71,707
Greater Vancouver Water District							
Laboratory Equipment	691	13	-	-	46	-	750
Water Services Sustainability Innovation Fund	13,121	248	-	-	532	-	13,901
GVWD statutory reserves	13,812	261	-	-	578	-	14,651
Greater Vancouver Sewerage and Drainage District							
Liquid Waste Laboratory Equipment	687	14	-	-	827	-	1,528
Liquid Waste Services Sustainability Innovation Fund	17,843	339	-	-	(680)	-	17,502
GVS&DD statutory reserves	18,530	353	-	-	147	-	19,030
Total Statutory Reserves	85,250	1,727	5,066	666	18,932	(6,253)	105,388
Total Reserves	\$ 273,141	\$ 5,085	\$ 52,963	\$ -	\$ 6,911	\$ (13,021)	\$ 325,079

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 21

Year ended December 31, 2020

(tabular amounts in thousands of dollars)

13. Accumulated Surplus (continued)

Investment in tangible capital assets is calculated as follows:

	2020	2019
Tangible capital assets	\$ 6,539,503	\$ 5,740,451
Amount financed by:		
Long-term debt, net of members, TransLink and sinking fund	(1,385,445)	(1,228,901)
	\$ 5,154,058	\$ 4,511,550
Change in the investment in tangible capital assets		
Acquisition of tangible capital assets	\$ 881,579	\$ 728,285
Amortization of tangible capital assets	(82,429)	(82,197)
Disposal of tangible capital assets (net of book value)	(98)	(3,460)
	799,052	642,627
Less financing (net of members and TransLink debt)		
Sinking fund and debt retirement	(89,746)	(86,655)
Sinking fund and debt retirement income	(22,859)	(20,989)
Debenture debt issued	278,335	109,548
Payment of long-term debt	(9,186)	(3,755)
	156,544	(1,873)
Change in investment in tangible capital assets	642,508	644,500
Investment in tangible capital assets, beginning of year	4,511,550	3,867,050
Investment in tangible capital assets, end of year	\$ 5,154,058	\$ 4,511,550

14. Contractual Obligations and Rights

a) Contractual Obligations

- i) As at December 31, 2020, the District had the following commitments relating to projects in progress.

	Authorized and Outstanding Projects	Expended at December 31	Total 2020	Total 2019
GVS&DD	\$ 3,534,847	\$ (1,828,131)	\$ 1,706,716	\$ 1,974,618
GVWD	2,298,312	(903,211)	1,395,101	985,846
MVRD	20,737	(5,029)	15,708	1,069
MVHC	82,700	(2,885)	79,815	85,901
Total	\$ 5,936,596	\$ (2,739,256)	\$ 3,197,340	\$ 3,047,434

METRO VANCOUVER REGIONAL DISTRICT

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Year ended December 31, 2020

(tabular amounts in thousands of dollars)

14. Contractual Obligations and Rights (continued)

- ii) The District is committed under a number of lease and right-of-way agreements to make minimum annual payments. These agreements have varying terms, including two agreements, with annual payments to perpetuity, with adjustments annually for CPI. Estimated payments over the next ten years are as follows:

	Amount
2021	\$ 3,353
2022	2,822
2023	2,733
2024	2,133
2025	2,109
2026 - 2030	11,060
Total	\$ 24,210

b) Contractual Rights:

The District is party to several property lease agreements that are anticipated to provide it with future revenues. These agreements are with third parties with varying terms to 2027. Amounts anticipated to be received over the future years are as follows:

	Amount
2021	\$ 7,613
2022	6,920
2023	6,896
2024	6,943
2025	6,798
Thereafter	16,902
Total	\$ 52,072

15. Contingencies

Lawsuits

As at December 31, 2020, there were various lawsuits pending against the District arising in the ordinary course of business. The District has retained legal counsel to defend against these lawsuits. Where the outcomes or amounts cannot be reasonably determined, no liability has been recorded. None of these lawsuits are anticipated to result in a material loss to the District. Management is of the opinion that losses, if any, in connection with these lawsuits can be sufficiently funded by reserve funds or covered by insurance. Any expected losses will be accrued and recorded as expenses at the time they are considered likely and amounts are reasonably determinable.

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 23

Year ended December 31, 2020

(tabular amounts in thousands of dollars)

15. Contingencies (continued)

Municipal Pension Plan

The District and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trustee pension plan. The board of trustees, representing plan members and employers, is responsible for administering the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer defined pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2019, the plan has about 213,000 active members and approximately 106 thousand retired members. Active members include approximately 41 thousand contributors from local government.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation for the Municipal Pension Plan as of December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The District paid \$14.3 million for employer contributions (2019 - \$14.1 million) while employees contributed \$12.6 million (2019 - \$12.4 million) to the Plan in fiscal 2020.

The next valuation will be as at December 31, 2021 with results available in 2022.

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 24

Year ended December 31, 2020

(tabular amounts in thousands of dollars)

15. Contingencies (continued)

Self-Insurance Reserve

A self-insurance reserve has been established within accumulated surplus to cover losses resulting from uninsured liability exposures of the District.

Each year a review is undertaken to determine if it would be beneficial to purchase additional liability insurance. The District transfers amounts to the reserve depending on the reserve's adequacy to cover retained liability risk.

An estimate is made for all costs of investigating and settlement of claims annually and an adjustment is made to the reserve to maintain an adequate balance to cover potential losses in excess of recorded liabilities. These estimates are changed as additional information becomes known during the course of claims settlement. Any likely losses would be expensed at the time the losses are known and the amounts are reasonably determinable.

Debt Reserve Fund

The MFA is required to establish a Debt Reserve Fund for each debenture which is comprised of cash deposits and a non-interest bearing demand note (refer to note 5). If, at any time, the District has insufficient funds to meet payments due on its obligations to MFA, the payments will be made from the debt reserve fund. The demand notes are callable only if there are additional requirements to be met to maintain the level of the debt reserve fund, and therefore have not been recorded in the statement of financial position.

BCHMC Grant Funding

Prior to 2019, MVHC received funding of \$6.7 million from BCHMC relating to the re-development of Heather Place property. The conditions of the funding agreement stipulate that the property must be continuously used for the provision of housing for eligible occupants and there is no default under the loan or operating agreement over 35 years. Should a breach in the agreement occur, the outstanding balance of the funding would need to be repaid to BCHMC (\$6.7 million as at December 31, 2020). The contingent liability is reduced by 1/25th annually, commencing in the 11th year of the agreement. Payments of interest will not be required unless there is a default and consequently interest will be payable on the balance of the principal amount outstanding at prime plus 2% per annum, compounded semi-annually and not in advance.

First Nations Negotiations

The District is currently involved in negotiations with First Nations regarding compensation for the use of their land on which the District's assets reside. The compensation associated with these negotiations cannot be reasonably determined at this times and therefore no liabilities have been recorded at December 31, 2020.

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 25

Year ended December 31, 2020

(tabular amounts in thousands of dollars)

16. Budget Information

The annual budget presented in these financial statements is based upon the 2020 operating and capital budgets approved by the District's Board in October 2019, with additional approval in May 2020 for adjustments to the budget as a result of the 2019 fiscal year end results. The budget is based on operational and capital expenditure requirements and their associated funding. Amortization is a non-cash item that is not funded for budget purposes. Also, contributions to or from reserves and debt principal repayments are removed from the approved budget for financial statement presentation. The schedule below reconciles the approved budget to the budget figures reported in these financial statements. Capital expenditures of \$1.42 million were included in the capital budget approved by the Board.

	2020 Budget	2019 Budget
Budgeted annual surplus per Exhibit B - Statement of Operations	\$ 509,662	\$ 438,554
Additional transfers from reserves, approved by Board	(1,993)	(17)
Adjusted annual surplus, based on October approved budget	507,669	438,537
Items not included in the operating budget		
Amortization of tangible capital assets	83,890	81,486
Contributions from deferred revenue	(188,400)	(101,151)
Sinking fund and debt retirement income	(19,380)	(18,176)
Development cost charge revenue	(53,240)	(122,000)
MVHC development grant	(8,500)	-
Reserve interest	(4,867)	(5,175)
Items included in budget but not in financial statements		
Sinking fund and debt retirement payments	(93,170)	(91,334)
Transfers to capital fund	(208,649)	(176,774)
Transfers from reserve funds	20,185	16,744
Transfer to reserve funds	(35,538)	(22,157)
Annual surplus per approved budget	-	-

17. Segmented Information and Expenses by Object

The District is a diversified municipal government organization that provides a wide range of services directly to the public and its member municipalities through its four legal entities: the MVRD, the GVS&DD, the GVWD and the MVHC. For management reporting purposes, the District's operations and activities are organized and reported by service areas within the legal entities.

The salaries and benefits reported in the segmented information below do not include \$17.63 million (2019 - \$22.81 million) directly attributable to the construction of tangible capital assets which have been capitalized and included in tangible capital assets in the Statement of Financial Position.

METRO VANCOUVER REGIONAL DISTRICT

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Year ended December 31, 2020

(tabular amounts in thousands of dollars)

17. Segmented Information and Expenses by Object (continued)

The legal entities disclosed in the segmented information, along with the service areas provided are as follows:

MVRD

Regional Parks

Regional Parks is responsible for managing, maintaining and protecting a diverse network of Regional Parks and an expanding land base of reserves, ecological conservancy areas and greenways, located throughout the Region.

General Government

General Government includes services responsible for overall direction and monitoring and regional initiatives. This area comprises the Regional Board & Committee Remuneration, Corporate Secretary's Office, Audit, Legal and Insurance costs, Innovation, Regional Emergency Management, Regional Cultural Strategy and External Contributions and Zero Waste Collaborative Initiatives.

Air Quality

Air Quality is responsible for monitoring air quality in the region, controlling industrial, commercial and some residential emissions, creating long-term plans and conducting emission inventories.

Regional Employee Services

Regional Employee Services provides collective bargaining, job evaluation, research and other related labour relations services to those MVRD municipalities who are members of the function.

911 Emergency Telephone Service

The District contracts with E-Comm Corporation to provide 9-1-1 service for all municipalities within the region as well as the community of Whistler and the Sunshine Coast Regional District.

Regional Planning

Regional Planning's core responsibilities are focused on regional growth management, utility management and air quality management. Primary activities include development and implementation of a wide range of innovative policies and plans, extensive research, modeling and technical analysis, regulation, business demand management and community education.

Housing Planning and Policy

Housing Planning and Policy contributes to processes and decisions related to the development of affordable housing projects, and in particular to the redevelopment of the MVHC portfolio of mixed-income housing complexes and the development of vacant lands owned by local government (including the MVRD).

Regional Emergency Management

Regional Emergency Management is an intergovernmental partnership between the Province of British Columbia and the District to coordinate regional emergency management planning activities and to engage all levels of government and private sector agencies in regional emergency planning initiatives for the Metro Vancouver region.

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 27

Year ended December 31, 2020

(tabular amounts in thousands of dollars)

17. Segmented Information and Expenses by Object (continued)

MVRD (continued)

Electoral Areas

The District is responsible for providing general and local services to one unincorporated area (Electoral Area A) of the regional district. General services provided include a variety of tax-supported, regional services such as 9-1-1 emergency telephone, air quality, labour relations, regional parks, strategic planning and general government.

Regional Global Positioning System

The District's Global Positioning System (GPS) Real-Time Service is offered to member municipalities and to the public in partnership with the B.C. Crown Registry and Geographic Base (CRGB) Branch.

Sasamat Volunteer Fire Department

The Sasamat Volunteer Fire Department provides volunteer fire department services to the Villages of Anmore and Belcarra. The cost to support this function is borne completely by the members who receive the service.

GVSD

Liquid Waste Services

The Liquid Waste Management Service is responsible for the collection, treatment and discharge of liquid waste for member municipalities. It operates a number of wastewater treatment plants and a related collection network connected to the member municipalities' systems.

Solid Waste Services

The Solid Waste Management Service is responsible for the disposal of solid waste both for the member municipalities and the public. It owns and operates several solid waste facilities including a waste to energy facility.

GVWD

Water Operations

Water Operations is responsible for the supply of potable water to its member municipalities. It owns a series of dams, reservoirs, water treatment plants and a distribution network connected to the member municipalities' systems.

Building Operations

Building Operations is responsible for operating and maintaining office buildings owned by GVWD. These facilities are leased to MVRD and its related entities for its head office operations as well as to external parties.

MVHC

Metro Vancouver Housing Corporation is a wholly-owned subsidiary of MVRD, which owns and operates housing sites within the Lower Mainland for the purpose of providing affordable rental housing on a non-profit basis through various housing programs, some federally and some provincially funded. MVHC's portfolio consists of "rent-geared-to-income", partial rent assistance, and low-end-of-market units.

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 28

Year ended December 31, 2020

(tabular amounts in thousands of dollars)

17. Segmented Information and Expenses by Object (continued)

a) Total Consolidated

	Other Districts (note 17(b))	Regional District (note 17(c))	Metro Vancouver Housing Corporation	Inter-district Adjustments	Consolidated Actual 2020	Consolidated Budget 2020	Consolidated Actual 2019 (restated note 18)
Revenue							
MVRD property tax requisitions	\$ -	\$ 73,528	\$ -	\$ -	\$ 73,528	\$ 73,528	\$ 62,901
Metered sale of water	297,781	-	-	-	297,781	307,175	285,316
Sewerage and drainage levy	274,237	-	-	-	274,237	274,237	255,811
Tipping fees	100,880	-	-	-	100,880	105,823	105,692
Housing property rentals	-	-	41,607	-	41,607	40,392	40,870
BODTSS industrial charges	11,568	-	-	-	11,568	11,201	11,220
Development cost charges	81,653	-	-	-	81,653	87,412	152,389
Electricity sales	5,309	-	-	-	5,309	5,682	5,793
Grants and other contributions	173,536	3,349	7,756	-	184,641	203,538	68,881
User fees, recoveries and other revenue	36,055	3,720	841	(7,673)	32,943	27,202	44,736
Gain on disposal of tangible capital assets	-	482	-	-	482	-	60,032
Sinking fund and interest income	26,099	3,118	717	(200)	29,734	24,212	28,314
Sinking fund income members and TransLink		28,078	-	-	28,078	27,611	27,127
	1,007,118	112,275	50,921	(7,873)	1,162,441	1,188,013	1,149,082
Expenses							
Salaries and benefits	109,180	75,045	6,171	-	190,396	187,520	176,743
Consulting, contracted and professional services	118,199	16,341	661	-	135,201	171,467	142,320
Asset repairs and maintenance	18,966	7,164	14,974	-	41,104	42,756	40,978
Materials and supplies	26,850	3,958	188	-	30,996	30,319	32,393
Utilities, permits and taxes	25,671	1,315	1,084	-	28,070	30,652	30,401
Other	22,592	38,860	835	(18,389)	43,898	75,803	91,336
Amortization of tangible capital assets and prepaid land leases	70,026	10,517	2,081	-	82,624	83,890	82,392
Interest on long-term debt	51,128	-	1,411	(200)	52,339	55,944	49,885
	442,612	153,200	27,405	(18,589)	604,628	678,351	646,449
Corporate costs	50,832	(63,628)	2,080	10,716	-	-	-
	493,444	89,572	29,485	(7,873)	604,628	678,351	646,449
Annual surplus	\$ 513,674	\$ 22,703	\$ 21,436	\$ -	\$ 557,813	\$ 509,662	\$ 502,633

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 29

Year ended December 31, 2020

(tabular amounts in thousands of dollars)

17. Segmented Information and Expenses by Object (continued)

b) Total Other Districts

	Liquid Waste Services	Solid Waste Services	Total Sewerage & Drainage District	Water Operations	Building Operations	Elimination Entry	Total Water District	Total Other Districts Actual 2020	Total Other Districts Budget 2020	Total Other Districts Actual 2019
Revenue										
Metered sale of water	\$ -	\$ -	\$ -	\$ 297,781	\$ -	\$ -	\$ 297,781	\$ 297,781	\$ 307,175	\$ 285,316
Sewerage and drainage levy	274,237	-	274,237	-	-	-	-	274,237	274,237	255,811
Tipping fees	-	100,880	100,880	-	-	-	-	100,880	105,823	105,692
BODTSS industrial charges	11,568	-	11,568	-	-	-	-	11,568	11,201	11,220
Development cost charges	81,653	-	81,653	-	-	-	-	81,653	87,412	152,389
Electricity sales	-	5,309	5,309	-	-	-	-	5,309	5,682	5,793
Grants and other contributions	173,536	-	173,536	-	-	-	-	173,536	188,400	53,975
User fees, recoveries and other revenue	3,586	5,437	9,023	8,606	23,279	(4,852)	27,033	36,056	25,977	40,804
Gain on disposal of tangible capital assets	-	-	-	-	-	-	-	-	-	59,725
Sinking fund and interest income	5,049	726	5,775	18,889	1,435	-	20,324	26,099	22,108	25,284
	549,628	112,352	661,981	325,276	24,714	(4,852)	345,138	1,007,118	1,028,015	996,010
Expenses										
Salaries and benefits	61,330	5,986	67,316	41,331	533	-	41,864	109,180	110,413	103,096
Consulting, contracted and professional services	32,443	74,592	107,035	10,274	890	-	11,164	118,199	150,107	122,067
Asset repairs and maintenance	12,038	736	12,774	3,914	2,278	-	6,192	18,966	19,433	17,276
Materials and supplies	16,804	38	16,842	9,970	38	-	10,008	26,850	28,259	27,784
Utilities, permits and taxes	17,060	463	17,523	7,156	992	-	8,148	25,671	22,770	22,682
Other	8,231	6,191	14,422	7,084	1,086	-	8,170	22,592	29,280	64,180
Amortization of tangible capital assets	24,526	5,479	30,005	35,152	4,869	-	40,021	70,026	70,977	69,070
Interest on long-term debt	20,169	1,709	21,878	24,345	4,905	-	29,250	51,128	54,269	48,565
	192,602	95,194	287,796	139,226	15,591	-	154,817	442,612	485,510	474,719
Corporate costs	27,095	4,771	31,866	23,818	-	(4,852)	18,966	50,832	49,882	45,659
	219,697	99,965	319,662	163,044	15,591	(4,852)	173,783	493,444	535,391	520,378
Annual surplus	\$ 329,932	\$ 12,388	\$ 342,319	\$ 162,232	\$ 9,123	\$ -	\$ 171,355	\$ 513,674	\$ 492,623	\$ 475,632

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 30

Year ended December 31, 2020

(tabular amounts in thousands of dollars)

17. Segmented Information and Expenses by Object (continued)

c) Total Regional District

	9-1-1								Regional
	Regional	General	Air	Regional	Emergency	Regional	Housing	Electoral	Sub-total
	Parks	Government	Quality	Employee	Telephone	Planning	Planning	Areas	2020
				Services	Service		and Policy		
Revenue									
MVRD property tax requisitions	\$ 44,842	\$ 5,239	\$ 5,567	\$ 2,358	\$ 4,447	\$ 3,348	\$ 5,834	\$ 377	\$ 72,011
Grants and other contributions	-	1,506	7	-	-	-	-	190	1,704
User fees, recoveries and other revenue	1,985	518	4,293	135	76	-	-	5	7,012
Gain (loss) on disposal of tangible capital assets	(7)	-	-	-	-	-	-	-	(7)
Sinking fund and interest income	482	142	55	45	15	55	43	38	874
Sinking fund income, members and Translink	-	-	-	-	-	-	-	-	-
	47,302	7,405	9,922	2,538	4,538	3,403	5,877	610	81,594
Expenses									
Salaries and benefits	17,668	3,037	6,441	2,251	-	2,207	530	310	32,444
Consulting, contracted and professional services	4,271	1,066	1,121	150	4,340	528	334	92	11,902
Asset repairs and maintenance	829	9	78	4	-	30	3	17	970
Materials and supplies	1,168	28	296	5	-	1	-	1	1,499
Utilities, permits and taxes	558	2	94	3	22	1	1	3	683
Other	3,358	1,079	1,100	46	-	361	13	92	6,049
Amortization of tangible capital assets	1,818	-	244	-	2	-	-	-	2,064
Interest on long-term debt	-	-	-	-	-	-	-	-	-
	29,670	5,221	9,374	2,459	4,364	3,128	881	515	55,611
Corporate costs	3,611	535	833	(95)	89	285	65	35	5,358
	33,281	5,756	10,207	2,364	4,453	3,413	946	550	60,969
Annual surplus	\$ 14,021	\$ 1,649	\$ (285)	\$ 174	\$ 85	\$ (10)	\$ 4,931	\$ 60	\$ 20,626

	Carried forward	Regional Global Positioning System	Regional Economic Prosperity	Sasamat Volunteer Fire Department	Regional Emergency Management	Corporate Programs	Members and Translink, Sinking	Regional District Actual 2020	Regional District Budget 2020	Regional District Actual 2019
Revenue										
MVRD property tax requisitions	\$ 72,011	-	\$ 1,020	\$ 334	\$ 163	-	-	\$ 73,528	\$ 73,528	\$ 62,901
Grants and other contributions	1,704	-	-	25	-	1,620	-	3,349	821	1,706
User fees, recoveries and other revenue	7,012	361	-	5	-	(3,658)	-	3,720	7,981	14,644
Gain (loss) on disposal of tangible capital assets	(7)	-	-	-	-	489	-	482	-	307
Sinking fund and interest income	874	19	-	17	6	2,202	-	3,118	2,025	2,157
Sinking fund income, members and Translink	-	-	-	-	-	-	28,078	28,078	27,611	27,127
	81,594	380	1,020	381	169	653	28,078	112,275	111,966	108,842
Expenses										
Salaries and benefits	32,444	154	12	27	-	42,408	-	75,045	70,930	67,791
Consulting, contracted and professional services	11,902	-	191	43	93	4,112	-	16,341	20,460	19,618
Asset repairs and maintenance	970	37	1	40	-	6,117	-	7,165	4,960	6,380
Materials and supplies	1,499	-	-	31	-	2,428	-	3,958	1,924	4,362
Utilities, permits and taxes	683	11	-	20	-	601	-	1,315	1,668	1,318
Other	6,049	2	2	4	-	4,724	28,078	38,859	39,559	43,609
Amortization of tangible capital assets	2,064	-	-	30	32	8,391	-	10,517	10,442	11,019
Interest on long-term debt	-	-	-	-	-	-	-	-	1	61
	55,611	204	206	195	125	68,781	28,078	153,200	149,944	154,158
Corporate costs	5,358	25	20	23	11	(69,065)	-	(63,628)	(38,354)	(53,434)
	60,969	229	226	218	136	(284)	28,078	89,572	111,590	100,724
Annual surplus	\$ 20,626	\$ 151	\$ 794	\$ 163	\$ 34	\$ 937	\$ -	\$ 22,703	\$ 376	\$ 8,118

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 31

Year ended December 31, 2020

(tabular amounts in thousands of dollars)

18. Prior Period Adjustment

Under operating agreements entered into with Canada Mortgage and Housing Corporation ("CMHC") and administered by BCHMC), a portion of the funds received from rental operations were restricted and only used by MVHC according to the terms of the agreements. Upon maturity of the mortgages related to Section 95 properties, funds are no longer restricted. The December 31, 2019 balance of deferred revenue was overstated by \$13,009,575 as a result of the MVHC not recognizing revenue resulting from the maturity of mortgages related to Section 95 properties. The balance of accumulated surplus (unrestricted reserves) was understated by the same amount at that date. This adjustment has also resulted in an increase in the restricted contributions revenue previously reported in 2019.

	2019 Previously Reported	Change	2019 Restated
Accumulated surplus, beginning of year	\$ 4,386,138	\$ -	\$ 4,386,138
Deferred revenue	403,055	(13,010)	390,045
Grants and other contributions	55,871	13,010	68,871
Annual surplus	489,623	13,010	502,633
Accumulated surplus, end of year	\$ 4,875,761	\$ 13,010	\$ 4,888,771

19. COVID-19 Pandemic

In the Spring of 2020, COVID-19 was declared a global pandemic and severely impacted the global economy. The District is continuing to deliver key services to the Metro Vancouver region in line with its mandate. Management is continuing to monitor the impacts on taxpayers, suppliers and other third party business associates that could impact the timing and amounts realized on the District's assets and ability to provide services to the region.

The duration of business disruption and the related financial impact cannot be reasonably estimated at this time. The District's Management will continue to closely monitor cash flows, financial projections and available reserves.

METRO VANCOUVER REGIONAL DISTRICT

Schedule 1

COVID-19 Province of British Columbia Restart Grant

Year ended December 31, 2020

(in thousands of dollars)

COVID-19 Province of British Columbia Restart Grant

In 2020, the Province of British Columbia, under the "COVID-19 Safe Restart Grant Program", provided the District with a grant of \$2.325 million for increased operating costs arising during the pandemic. The District recognized the grant into income in 2020 and applied these funds to the programs impacted as follows:

	2020
BC Restart Grant Received	\$ 2,325
Eligible costs incurred:	
Computer and technology costs to improve connectivity and virtual communications	(1,300)
Regional Parks Services	(103)
Metro Vancouver Housing Corporation	(78)
Corporate Safety	(90)
Head Office Building Operations	(65)
Emergency Operations Center, business continuity and PPE supplies	(101)
Total 2020 Eligible Costs	(1,737)
Balance carried forward to 2021	\$ 588

Financial Statements of

**GREATER VANCOUVER SEWERAGE
AND DRAINAGE DISTRICT**

Year ended December 31, 2020

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

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December 31, 2020

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Statement of Cash Flows	D
Notes to Financial Statements	

METRO VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

MANAGEMENT REPORT

The Financial Statements contained in this report have been prepared by management in accordance with Canadian public sector accounting standards. The integrity and objectivity of these statements are management's responsibility. Management is responsible for all the statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Greater Vancouver Sewerage and Drainage District's Board of Directors is responsible for approving the financial statements and for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises this responsibility through the Performance and Audit Committee of the Board.

The external auditors, BDO Canada LLP, conduct an independent examination, in accordance with Canadian Auditing Standards, and express their opinion on the financial statements. Their examination does not relate to the other schedules and statements required by the *Financial Information Act*. The Independent Auditor's Report outlines the scope of the audit for the year ended December 31, 2020.

On behalf of Greater Vancouver Sewerage and Drainage District.



Dean Rear, Chief Financial Officer

Date: April 30, 2021



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Independent Auditor's Report

To the Members of the Board of Directors of the Greater Vancouver Sewerage and Drainage District

Opinion

We have audited the financial statements of the Greater Vancouver Sewerage and Drainage District (the "District"), which comprise the Statement of Financial Position as at December 31, 2020, and the Statements of Operations, Change in Net Debt and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the District as at December 31, 2020, and the results of its operations, change in net debt and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the District in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the District's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the District or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the District's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the District to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants

Vancouver, British Columbia
April 30, 2021

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Exhibit A Statement of Financial Position

Year ended December 31, 2020

	2020	2019
Financial Assets		
Cash	\$ -	\$ 77,654
Accounts receivable	85,458,193	81,009,886
Due from Metro Vancouver Regional District	509,626,566	696,213,073
Debt reserve fund (note 2)	9,811,757	7,677,816
	604,896,516	784,978,429
Liabilities		
Accounts payable and accrued liabilities (note 3)	155,777,532	162,499,858
Landfill closure and post-closure liability (note 4)	32,163,774	33,038,006
Deferred revenue and refundable deposits (note 5)	302,785,287	382,403,809
Debt (net of sinking funds) (note 6)	779,446,548	626,289,815
	1,270,173,141	1,204,231,488
Net Debt	(665,276,625)	(419,253,059)
Non-Financial Assets		
Tangible capital assets (note 7)	2,769,560,076	2,182,239,202
Inventories of supplies	5,704,961	4,637,990
Prepaid expenses	3,069,828	3,114,824
	2,778,334,865	2,189,992,016
Accumulated surplus (note 8)	\$ 2,113,058,240	\$ 1,770,738,957

Contractual obligations and rights (note 9)
Contingencies (note 10)
COVID-19 (note 13)

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



Chief Financial Officer



Board Chair

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Exhibit B

Statement of Operations

Year ended December 31, 2020

	2020 Budget (note 11)	2020 Actual	2019 Actual
Revenue (note 12)			
Sewerage and drainage levy	\$ 274,237,112	\$ 274,237,112	\$ 255,810,755
Tipping fees	105,822,892	100,880,183	105,692,375
BODTSS Industrial Charges	11,201,217	11,567,862	11,219,515
Development cost charges (note 5)	87,411,742	81,652,979	152,388,981
Electricity sales	5,681,540	5,308,843	5,793,404
Trucked liquid waste fees	1,154,500	1,184,798	1,219,798
Source control fees	1,285,968	1,257,683	1,201,837
User fees, recoveries and other revenue	3,224,192	6,580,361	5,193,321
Sinking and debt retirement fund income	3,836,456	3,671,561	2,590,959
Interest income	2,052,374	2,103,745	2,959,455
Grants and other contributions (note 5)	188,400,000	173,535,810	53,975,099
	684,307,993	661,980,937	598,045,499
Expenses (note 12)			
Liquid waste services	232,839,902	219,696,797	207,642,982
Solid waste services	111,017,580	99,964,857	134,495,444
	343,857,482	319,661,654	342,138,426
Annual surplus	340,450,511	342,319,283	255,907,073
Accumulated surplus, beginning of year	1,770,738,957	1,770,738,957	1,514,831,884
Accumulated surplus, end of year	\$ 2,111,189,468	\$ 2,113,058,240	\$ 1,770,738,957

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

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Exhibit C

Statement of Change in Net Debt

Year ended December 31, 2020

	2020 Budget (note 11)	2020 Actual	2019 Actual
Annual surplus	\$ 340,450,511	\$ 342,319,283	\$ 255,907,073
Change in tangible capital assets:			
Acquisition of tangible capital assets	(971,940,000)	(617,326,606)	(449,379,197)
Amortization of tangible capital assets	30,699,295	30,005,732	29,470,800
Net book value of tangible capital assets disposed	-	-	3,301,017
	(941,240,705)	(587,320,874)	(416,607,380)
Change in other non-financial assets:			
Acquisition of prepaid expenses	-	(3,069,828)	(3,114,824)
Use of prepaid expenses	-	3,114,824	2,970,300
Acquisition of inventories of supplies	-	(5,704,961)	(4,637,990)
Consumption of inventories of supplies	-	4,637,990	4,661,611
	-	(1,021,975)	(120,903)
Changes in net debt	(600,790,194)	(246,023,566)	(160,821,210)
Net debt, beginning of year	(419,253,059)	(419,253,059)	(258,431,849)
Net debt, end of year	\$ (1,020,043,253)	\$ (665,276,625)	\$ (419,253,059)

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

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Exhibit D

Statement of Cash Flows

Year ended December 31, 2020

	2020	2019
Cash provided by (used in):		
Operating transactions:		
Annual surplus	\$ 342,319,283	\$ 255,907,073
Items not involving cash:		
Amortization	30,005,732	29,470,800
Sinking fund income	(3,671,561)	(2,590,959)
Debt reserve fund income	(183,941)	(164,912)
Loss on disposal of tangible capital assets	-	3,301,017
Change in landfill closure and post-closure liability	(874,232)	1,328,806
Change in non-cash assets and liabilities:		
Accounts receivable	(4,448,307)	(34,829,021)
Prepaid expenses	44,996	(144,524)
Accounts payable and accrued liabilities	(6,722,326)	34,229,529
Deferred revenue	(79,618,522)	(130,852,614)
Inventories of supplies	(1,066,971)	23,621
Net change in cash from operating transactions	275,784,151	155,678,816
Capital transactions:		
Acquisition of tangible capital assets	(617,326,606)	(449,379,197)
Net change in cash from capital transactions	(617,326,606)	(449,379,197)
Financing transactions:		
Due from Metro Vancouver Regional District	186,586,507	242,366,797
Debenture debt issued	195,000,000	86,000,000
Debt reserve fund issuance	(1,950,000)	(860,000)
Debt reserve fund maturity	-	164,934
Sinking fund payments	(38,171,706)	(34,020,281)
Debenture debt maturity	-	(10,000,000)
Sinking fund retirement	-	10,000,000
Net change in cash from financing transactions	341,464,801	293,651,450
Net change in cash and cash equivalents	(77,654)	(48,931)
Cash and cash equivalents, beginning of year	77,654	126,585
Cash and cash equivalents, end of year	\$ -	\$ 77,654

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

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 1
Year ended December 31, 2020

1. Significant Accounting Policies

The Greater Vancouver Sewerage and Drainage District (the “District”) was established by an Act of the same name in 1956. Its two primary responsibilities are the collection, treatment and discharge of liquid waste for the municipalities of the Metro Vancouver Regional District (“MVRD”), and the disposal of solid waste both for the municipalities of the MVRD and the public.

The District owns and operates a number of wastewater treatment plants and a related collection network connected to the municipal collection systems, and several solid waste facilities including a waste to energy facility. Its Board of Directors comprises the same councilors and mayors as appointed to the MVRD Board by the participating municipalities. The member municipalities under the Act are jointly and severally liable for its debts.

The District’s financial statements are prepared by management in accordance with Canadian public sector accounting standards. Significant accounting policies adopted by the District are as follows:

Basis of Accounting The District follows the accrual method of accounting for revenues and expenses. Revenues are recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the legal obligation to pay.

Government Transfers Government transfers are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. The transfer of revenue is initially deferred and then recognized in the statement of operations as the stipulation liabilities are settled.

When the District is deemed the transferor, the transfer expense is recognized when the recipient is authorized and has met the eligibility criteria.

Deferred Revenue Deferred revenue represents development cost charges and a Provincial grant which have been collected, but for which the related services or obligations have yet to be performed. These amounts will be recognized as revenue in the fiscal year the services are performed or obligations and stipulations have been met.

Sinking Fund, Debt Retirement and Interest Income Interest income is reported as revenue in the period earned. When required, based on external restrictions, interest income earned on deferred revenue is added to and forms part of the deferred revenue balance and is recognized into income when related stipulations are met. Any surpluses received from upon debt retirement are recorded in the year received.

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 2
Year ended December 31, 2020

1. Significant Accounting Policies (continued)

Cash and Investments

In order to improve cash management, the general practice of the Metro Vancouver Districts is to accumulate cash and investment transactions in pooled accounts held by the MVRD. Investments held by the MVRD consist of bonds issued by governments and Canadian chartered banks, money market instruments and term deposits. Interest earned on GVS&DD's fund balances is included in the amount owing from MVRD and is recorded as interest income in the Statement of Operations.

Employee Future Benefits

Employees who provide services for the District are employees of the MVRD. Employee related costs are allocated by the MVRD to the District based on services rendered. These costs are shown as expenses in the financial statements and are included in amounts owing from MVRD.

Post-employment benefits of the MVRD, including accumulated banked sick and vacation pay, retirement severance and Worker's Compensation top-up benefits for employees pursuant to certain policies and union agreements, are actuarially determined based on service and best estimates of retirement ages and expected future salary and wage increases. The obligation under these benefit plans is allocated to the District based on projected benefits as the employees render services necessary to earn the future benefits and included in amounts owing to MVRD.

Landfill Closure and Post-Closure Liability

The estimated present value of landfill closure and post-closure costs is recognized as a liability. This liability is recognized based on estimated future expenses, including estimated inflation discounted to the current date and accrued based on the proportion of the total capacity of the landfill used as of the date of the statement of financial position. The change in this estimated liability during the year is recorded as an expense in operations. These estimates are reviewed and adjusted annually and any changes are recorded on a prospective basis.

Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They generally have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 3
Year ended December 31, 2020

1. Significant Accounting Policies (continued)

Non-Financial Assets (continued)

Tangible Capital Assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, except land, is amortized over their estimated useful lives. All assets are amortized on a straight line basis as follows:

Asset	Useful Life – Years
Infrastructure	
Interceptors and trunk sewers, drainage	100
Wastewater treatment, pumping stations	50
Solid Waste – incinerators, transfer stations	30
Solid Waste – landfills	25 - 30
Information technology systems and networks	5
Machinery, Equipment, Furniture and Fixtures	5 - 20

a. Annual amortization:

Annual amortization begins when the asset is put into service and is expensed over its useful life. Assets under construction are transferred to the appropriate asset class and are amortized from the date the asset is put into productive use.

b. Contributions of tangible capital assets:

Contributions of tangible capital assets are recorded at their fair value at the date of receipt and as contribution revenue.

c. Interest capitalization:

The District does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

Inventories of Supplies

Inventories of supplies held for consumption are recorded on a first-in-first-out basis.

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 4
Year ended December 31, 2020

1. Significant Accounting Policies (continued)

Revenue Recognition

Tipping fees, levies, electricity sales, permits, user fees and other revenue are recognized as revenue on an accrual basis according to the usage and rates approved and set by the Board in various fees and charges bylaws.

Segmented Information

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the standard. Definitions of the District's segments and their related financial information are presented in note 12.

Liability for Contaminated Sites

A liability for remediation of a contaminated site is recognized when the site is no longer in productive use and the following criteria are satisfied: an environmental standard exists; contamination exceeds the standard; the District is either directly responsible or has accepted responsibility for remediation; it is expected that future economic benefits will be given up and a reasonable estimate of the liability can be made. Liabilities for contaminated sites are reported in accounts payable and accrued liabilities (note 3).

Use of Estimates

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts in the financial statements and the disclosure of contingent liabilities. These estimates and assumptions are based on management's best information and judgment and may differ from actual results. Adjustments, if any, will be reflected in the financial statements in the period that the change in estimate is made, as well as in the period of settlement if the amount is different.

Significant areas requiring the use of management's judgment relate to the determination of landfill closure and post closure liability, contaminated sites liabilities, the useful lives of tangible capital assets and the assessment of the outcome of contingent liabilities.

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 5
Year ended December 31, 2020

2. Debt Reserve Fund

The Municipal Finance Authority ("MFA") provides financing for regional districts and member municipalities. The MFA is required to establish a Debt Reserve Fund for each debenture issue equal to one-half the average annual installment of principal and interest. The debt reserve fund is comprised of cash deposits equal to 1% of the principal amount borrowed and a non-interest bearing demand note for the remaining requirement. Cash deposits held by the MFA are payable with interest to the ultimate borrower when the final obligations under the respective loan agreements have been made.

If, at any time, the District has insufficient funds to meet payments due on its obligations to MFA, the payments will be made from the debt reserve fund. The demand notes are callable only if there are additional requirements to be met to maintain the level of the debt reserve fund. At December 31, 2020, \$28,407,748 (2019 - \$23,028,014) in callable demand notes were outstanding and have not been recorded in the statement of financial position.

3. Accounts Payable and Accrued Liabilities

	2020	2019
Trade accounts	\$ 91,353,577	\$ 121,722,697
Construction holdbacks	55,960,742	35,633,089
Accrued interest on debt	5,784,008	5,144,072
Contaminated Sites (a)	2,679,205	-
	\$ 155,777,532	\$ 162,499,858

- a) The District has accrued \$2,679,205 (2019 - \$nil) for work to be undertaken to remediate contaminated soils for two of its properties. The remediation work at these sites is underway and expected to be completed in 2021.

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 6
Year ended December 31, 2020

4. Landfill Closure and Post-Closure Liability

The District is responsible for its share of closure and post-closure costs at four landfill sites as detailed below.

- a) The Vancouver landfill is located in Delta, BC. In accordance with an agreement with the City of Vancouver, the District is responsible for its proportionate share of the closure and post-closure liability based on usage. The present value of the District's estimated future liability for these expenses is recognized as the landfill site's capacity is used and is as follows:

	2020	2019
Landfill closure and post closure liability	\$ 32,163,774	\$ 33,038,006

The closure and post-closure liability and annual expense is calculated based on the ratio of actual utilization to total expected utilization of the site's capacity at the date of closure. It is based on estimates and assumptions with respect to events extending over the remaining life of the Vancouver landfill, including provisions contained in Metro Vancouver's Integrated Solid Waste and Resource Management Plan. The significant estimates and assumptions adopted in measuring the District's share of the closure and post-closure liability are as follows:

	2020	2019
Current actual utilization (in tonnes)	21,795,042	21,139,073
Expected utilization at closure (in tonnes)	27,987,102	25,856,597
Expected remaining capacity (in tonnes)	6,192,060	4,717,524
Permitted capacity (in tonnes)	33,039,183	33,039,183
Future costs	\$203,768,190	\$209,420,149
Present value of future costs	\$120,497,328	\$123,050,092
Proportionate share of liability	34.28%	32.84%
Utilization of total capacity, end of year	77.88%	81.76%
Discount rate	2.68%	2.89%
Expected post-closure period	30 years	30 years
Expected closure date	December 31, 2037	December 31, 2037

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 7
Year ended December 31, 2020

4. Landfill Closure and Post-Closure Liability (continued)

- b) The Cache Creek landfill is located in the Village of Cache Creek, BC. The landfill permit obligates the Village of Cache Creek and a third party service provider to undertake closure and post-closure activities. The District, in accordance with an agreement with the Village, was required to contribute quarterly to a trust fund, held with the Province of British Columbia, to a Post Closure Maintenance and Repair Fund at rates consistent with the operational certificate for the landfill. The agreement indemnifies the Village for any post closure liabilities not covered by this fund. At December 31, 2020, the amortized book value of the trust was \$15,519,407 (2019 - \$16,091,490), which approximates the post-closure liability.

The Cache Creek landfill was closed December 2016. The actual utilization at closure was 10,318,780 tonnes and the permitted capacity was 10,371,594 tonnes. The post-closure period is expected to be 30 years. The present value of District's estimated future post-closure liability is sufficiently funded by the trust.

- c) The Coquitlam and Port Mann landfills were closed in 1983 and 1997, respectively, and there are no further closure and post-closure liabilities.

5. Deferred Revenue and Refundable Deposits

The deferred revenue reported on the statement of financial position consists of the following:

	2020	2019
Development cost charges (a)	\$ 213,143,056	\$ 227,551,250
Provincial grant to fund capital expenditures (b)	88,525,295	153,675,034
Refundable deposits	1,116,936	1,177,525
Total	\$ 302,785,287	\$ 382,403,809

- a) The GVS&DD Act restricts the District to applying money raised from development cost charges to funding sewer capital projects, including the repayment of debt raised to fund such projects. The balance of these amounts is included in deferred revenue until spent on approved purposes.
- b) In 2018, the District received a grant from the Province of British Columbia in the amount of \$193,000,000 for future costs associated with the construction of the new North Shore Wastewater Treatment Plant Facility. During 2020, \$67,970,020 (2019 – \$51,788,545) was applied against the project and recognized as revenue.

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 8
Year ended December 31, 2020

5. Deferred Revenue and Refundable Deposits (continued)

Continuity of deferred revenue is as follows:

	2020	2019
Balance, beginning of year	\$ 382,403,809	\$ 513,256,423
Development cost charges received	62,871,244	60,239,104
Interest earned	7,193,822	13,203,226
Change in refundable deposits	(60,589)	(117,418)
Amounts spent and recognized as revenue	(149,622,999)	(204,177,526)
Change in deferred revenue	(79,618,522)	(130,852,614)
Balance, end of year	\$ 302,785,287	\$ 382,403,809

6. Debt

- a) All borrowings for the District are obtained from MFA by the MVRD on the District's behalf, although the District maintains the right to finance debt without MFA involvement.

Debt, debentures or other security issued by the District is a direct, joint and several obligation and liability of the District and each and every member municipality.

Debt servicing requirements comprising sinking fund contributions, serial repayments and interest are funded as incurred by revenue earned during the year.

- b) Debt (net of sinking funds) reported on the statement of financial position comprises the following and includes varying maturities up to 2035 with interest rates ranging from 1.28% to 4.20%.

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 9
Year ended December 31, 2020

6. Debt (continued)

Issue number	Interest rate - %	Maturity Date	Debentures authorized to be issued	Debenture debt outstanding	
				2020	2019
99	1.75	October 19, 2021	10,000,000	\$ 10,000,000	10,000,000
104	2.90	November 20, 2023	15,000,000	15,000,000	15,000,000
106	2.25	October 13, 2024	20,000,000	20,000,000	20,000,000
116	4.20	April 4, 2026	20,000,000	20,000,000	20,000,000
118	3.40	April 11, 2027	20,000,000	20,000,000	20,000,000
139	2.10	October 5, 2031	55,000,000	55,000,000	55,000,000
141	2.80	April 7, 2032	50,000,000	50,000,000	50,000,000
142	3.15	October 4, 2032	50,000,000	50,000,000	50,000,000
145	3.15	April 23, 2033	120,000,000	120,000,000	120,000,000
146	3.20	September 19, 2033	270,000,000	270,000,000	270,000,000
147	2.66	April 9, 2034	40,000,000	40,000,000	40,000,000
149	2.24	October 9, 2034	46,000,000	46,000,000	46,000,000
150	1.99	April 9, 2035	125,000,000	125,000,000	-
151	1.28	June 1, 2035	70,000,000	70,000,000	-
Total debt			\$911,000,000	\$ 911,000,000	\$ 716,000,000
Less sinking funds				(131,553,452)	(89,710,185)
Total net debt				\$ 779,446,548	\$ 626,289,815

c) Principal payments and sinking fund installments due within the next five years and thereafter are as follows:

2021	\$ 49,447,673
2022	48,948,262
2023	48,948,262
2024	48,199,145
2025	47,200,323
Thereafter	380,502,780
Sub-total	623,246,445
Estimated sinking fund income	156,200,103
Total	\$ 779,446,548

d) Sinking fund installments are invested by the MFA and earn income that, together with principal payments, are expected to be sufficient to retire the sinking fund debt at maturity. For sinking fund agreements, the MFA has established either a normal sinking fund or a capital repayment equalization fund.

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 10
Year ended December 31, 2020

7. Tangible Capital Assets

Year ended December 31, 2020

	Cost			Balance at December 31, 2020	Accumulated Amortization			Balance at December 31, 2020	Net book value December 31, 2020
	Balance at December 31, 2019	Additions (Net of Transfers)	Disposals		Balance at December 31, 2019	Disposals	Amortization Expense		
Land	\$ 89,789,774	\$ 26,260,000	\$ -	\$ 116,049,774	\$ -	\$ -	\$ -	\$ -	\$ 116,049,774
Infrastructure									
Utilities	1,534,830,034	80,026,884	-	1,614,856,918	640,547,423	-	29,543,383	670,090,806	944,766,112
Information technology	6,256,159	-	-	6,256,159	6,256,159	-	-	6,256,159	-
Machinery, equipment, furniture & fixtures	8,310,141	488,503	-	8,798,644	6,927,530	-	462,349	7,389,879	1,408,765
Assets under construction	1,196,784,206	510,551,219	-	1,707,335,425	-	-	-	-	1,707,335,425
	\$ 2,835,970,314	\$ 617,326,606	\$ -	\$ 3,453,296,920	\$ 653,731,112	\$ -	\$ 30,005,732	\$ 683,736,844	\$ 2,769,560,076

Write-offs in 2020 were \$nil (2019 - \$3,301,017).

Year ended December 31, 2019

	Cost				Accumulated Amortization				Net book value
	Balance at December 31, 2018	Additions	Disposals	Balance at December 31, 2019	Balance at December 31, 2018	Disposals	Amortization Expense	Balance at December 31, 2019	December 31, 2019
Land	\$ 89,789,774	\$ -	\$ -	\$ 89,789,774	\$ -	\$ -	\$ -	\$ -	\$ 89,789,774
Infrastructure									
Utilities	1,516,330,861	24,501,796	(6,002,623)	1,534,830,034	614,338,616	(2,701,606)	28,910,413	640,547,423	894,282,611
Information technology	6,256,159	-	-	6,256,159	6,256,159	-	-	6,256,159	-
Machinery, equipment, furniture & fixtures	8,089,276	224,330	(3,465)	8,310,141	6,370,608	(3,465)	560,387	6,927,530	1,382,611
Assets under construction	772,131,135	424,653,071	-	1,196,784,206	-	-	-	-	1,196,784,206
	\$ 2,392,597,205	\$ 449,379,197	\$ (6,006,088)	\$ 2,835,970,314	\$ 626,965,383	\$ (2,705,071)	\$ 29,470,800	\$ 653,731,112	\$ 2,182,239,202

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 11
Year ended December 31, 2020

8. Accumulated Surplus

Accumulated surplus consists of individual fund surplus and reserves as follows:

	2020	2019
Reserves	\$ 123,885,687	\$ 111,482,905
Capital fund balance	(940,975)	103,306,665
Investment in tangible capital assets	1,990,113,528	1,555,949,387
Total	\$ 2,113,058,240	\$ 1,770,738,957

Capital fund balance represents the future expected level of funding required or accumulated.

Continuity of reserves is as follows:

	December 31, 2019	Interest	Annual Operating Surplus	Transfers (to)/from Reserves	Contributions from/ (to) operations	Contributions to Capital	December 31, 2020
Operating Reserves							
Liquid Waste Services	\$ 26,002,013	\$ 479,168	\$ 4,534,115	\$ (400,118)	\$ (716,250)	\$ (7,879,649)	\$ 22,019,279
Solid Waste Services	140,134	6,897	14,452,495	7,000,000	-	-	21,599,526
	\$ 26,142,147	\$ 486,065	\$ 18,986,610	\$ 6,599,882	\$ (716,250)	\$ (7,879,649)	\$ 43,618,805
Discretionary Reserves							
Biosolids Inventory	14,634,782	272,547	-	-	-	-	14,907,329
Liquid Waste General Debt Reserve Fund	2,060,329	38,370	-	-	-	-	2,098,699
Lions Gate Contingency	1,445,943	26,928	-	-	-	-	1,472,871
Drainage General	4,795,132	89,545	-	400,118	(54,320)	-	5,230,475
Solid Waste General	32,902,962	449,893	-	(7,000,000)	-	-	26,352,855
Landfill Post-Closure	10,971,675	204,327	-	-	-	-	11,176,002
	\$ 66,810,823	\$ 1,081,610	\$ -	\$ (6,599,882)	\$ (54,320)	\$ -	\$ 61,238,231
Statutory Reserves							
Liquid Waste Laboratory Equipment	686,797	13,611	-	-	(200,146)	-	500,262
Liquid Waste Services Sustainability Innovation Fund	17,843,138	338,517	-	-	346,734	-	18,528,389
	\$ 18,529,935	\$ 352,128	\$ -	\$ -	\$ 146,588	\$ -	\$ 19,028,651
Total Reserves	\$ 111,482,905	\$ 1,919,803	\$ 18,986,610	\$ -	\$ (623,982)	\$ (7,879,649)	\$ 123,885,687

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 12
Year ended December 31, 2020

8. Accumulated Surplus (continued)

Investment in tangible capital assets is calculated as follows:

	2020	2019
Tangible capital assets	\$ 2,769,560,076	\$ 2,182,239,202
Amounts financed by:		
Long-term debt	(779,446,548)	(626,289,815)
	1,990,113,528	1,555,949,387
Change in the investment in tangible capital assets		
Acquisition of tangible capital assets	617,326,606	449,379,197
Disposal of tangible capital assets	-	(3,301,017)
Amortization of tangible capital assets	(30,005,732)	(29,470,800)
	587,320,874	416,607,380
Less funding of tangible capital assets through debt		
Sinking fund debt maturity	-	10,000,000
Sinking fund and debt retirement	(38,171,706)	(34,020,281)
Sinking fund and debt retirement income	(3,671,561)	(2,590,959)
Debenture debt issued	195,000,000	86,000,000
Debenture debt maturity	-	(10,000,000)
	153,156,733	49,388,760
Change in investment in tangible capital assets	434,164,141	367,218,620
Investment in tangible capital assets, beginning of year	1,555,949,387	1,188,730,767
Investment in tangible capital assets, end of year	\$ 1,990,113,528	\$ 1,555,949,387

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 13
Year ended December 31, 2020

9. Contractual Obligations and Rights

a) Contractual Obligations

- i) As at December 31, 2020 the District had the following commitments outstanding related to capital projects in progress:

	2020	2019
Authorized for outstanding projects	\$ 3,534,847,000	\$ 3,132,692,000
Expended at December 31	(1,828,131,080)	(1,158,074,049)
Commitment remaining	\$ 1,706,715,920	\$ 1,974,617,951

- ii) The District is committed under lease and rights-of-way agreements to make minimum annual payments. These agreements have varying terms, including two agreements, with annual payments of \$449,000 to perpetuity, with adjustments annually for CPI.

	Amount
2021	2,312,728
2022	1,904,896
2023	1,936,512
2024	1,968,761
2025	2,001,654
2026 - 2030	10,525,165
Total	\$ 20,649,716

b) Contractual Rights

The District is party to lease agreements that are anticipated to provide it with future revenues. These agreements are with third parties with varying terms to 2024. Amounts anticipated to be received over the future years are as follows:

	Amount
2021	\$ 548,058
2022	319,755
2023	250,000
2024	250,000
Total	\$ 1,367,813

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 14
Year ended December 31, 2020

10. Contingencies

Lawsuits

As at December 31, 2020, there were various lawsuits pending against the District arising in the ordinary course of business. The District has retained legal counsel to defend against these lawsuits. Where the outcomes or amounts cannot be reasonably determined, no liability has been recorded. None of these lawsuits are anticipated to result in a material loss to the District. Management is of the opinion that losses, if any, in connection with these lawsuits can be sufficiently funded by reserve funds or covered by insurance. Any expected losses will be accrued and recorded as expenses at the time they are considered likely and amounts are reasonably determinable.

Self Insurance Reserve

A self insurance reserve has been established within the MVRD to cover losses resulting from uninsured liability exposures of the District, other Metro Vancouver Districts and the MVHC.

Each year a review is undertaken to determine if it would be beneficial to purchase additional liability insurance. The District, other Metro Vancouver Districts and the MVHC transfer amounts to the reserve depending on the reserve's adequacy to cover retained liability risk. An estimate is made for all costs of investigating and settlement of claims annually and an adjustment is made to the fund to maintain an adequate balance to cover potential losses in excess of recorded liabilities. These estimates are changed as additional information becomes known during the course of claims settlement. Any likely losses would be expensed at the time the losses are known and the amounts are reasonably determinable.

Debt Reserve Fund

The MFA is required to establish a Debt Reserve Fund for each debenture which is comprised of cash deposits and a non-interest bearing demand note (refer to note 2).

First Nations Negotiations

The District is currently involved in negotiations with First Nations regarding compensation for the use of their land on which the District's assets reside. The compensation associated with these negotiations cannot be reasonably determined at this times and therefore no liabilities have been recorded at December 31, 2020.

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 15
Year ended December 31, 2020

11. Budget Information

The annual budget presented in these financial statements is based upon the 2020 operating and capital budgets approved by the District's Board in October 2019, with additional approval in Nov 2020 for adjustments to the budget as a result of the 2019 fiscal year end results. The budget is based on operational and capital expenditure requirements and their associated funding. Amortization is a non-cash item that is not funded for budget purposes. Also, contributions to or from reserves and debt principal repayments are removed from the approved budget for financial statement presentation. The schedule below reconciles the approved budget to the budget figures reported in these financial statements. Capital expenditures of \$971,940,000 were included in the capital budget approved by the Board.

	2020 Budget
Budgeted annual surplus per Exhibit B - Statement of Operations	\$ 340,450,511
Additional transfers from reserves, approved by Board	2,803,631
Adjusted annual surplus, based on October approved budget	343,254,142
Items not included in the approved operating budget	
Capital development cost charge revenue	(188,400,000)
Capital grants and contributions	(53,239,659)
Amortization of tangible capital assets	30,699,295
Sinking and debt retirement fund income	(3,836,456)
Reserve interest	(2,052,374)
Items included in the budget but not in financial statements	
Debt principal payments	(38,171,707)
Transfers to capital	(86,810,341)
Transfers from reserves	(1,442,900)
Annual surplus per approved budget	\$ -

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

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Year ended December 31, 2020

12. Segmented Information and Expenses by Object

The District's primary responsibilities are the collection, treatment and discharge of liquid waste for the municipalities of the MVRD and the disposal of solid waste both for the municipalities of the MVRD and the public. For management reporting purposes, the District's operations and activities are organized and reported by these two primary areas of service.

The information reported in the segmented information does not include \$8,696,015 (2019 - \$8,471,513) of salaries and benefits directly attributable to the construction of tangible capital assets which have been included in the cost of tangible capital assets in the Statement of Financial Position.

The services disclosed in the Segmented Information are as follows:

Liquid Waste Services

The Liquid Waste Services is responsible for the collection, treatment and discharge of liquid waste for member municipalities. It operates a number of wastewater treatment plants and a related collection network connected to the member municipalities' systems.

Solid Waste Services

The Solid Waste Services is responsible for the disposal of solid waste both for the member municipalities and the public. It owns and operates several solid waste facilities including a waste to energy facility.

	2020 Total Budget	Liquid Waste Services	Solid Waste Services	2020 Total Actual	2019 Total Actual
Revenue					
Sewerage and drainage levy	\$ 274,237,112	\$ 274,237,112	\$ -	\$ 274,237,112	\$ 255,810,755
Tipping fees	105,822,892	-	100,880,183	100,880,183	105,692,375
BODTSS Industrial Charges	11,201,217	11,567,862	-	11,567,862	11,219,515
Development cost charges	87,411,742	81,652,979	-	81,652,979	152,388,981
Electricity sales	5,681,540	-	5,308,843	5,308,843	5,793,404
Trucked liquid waste fees	1,154,500	1,184,798	-	1,184,798	1,219,798
Source control fees	1,285,968	1,257,683	-	1,257,683	1,201,837
User fees, recoveries and other income	3,224,192	1,143,159	5,437,202	6,580,361	5,193,321
Sinking fund and debt retirement income	3,836,456	3,618,896	52,665	3,671,561	2,590,959
Interest income	2,052,374	1,430,008	673,737	2,103,745	2,959,455
Grants and contributions	188,400,000	173,535,810	-	173,535,810	53,975,099
	684,307,993	549,628,307	112,352,630	661,980,937	598,045,499
Expenses					
Salaries and benefits	68,458,081	61,329,634	5,985,617	67,315,251	65,373,093
Consulting, contracted and professional services	131,022,349	32,442,788	74,591,592	107,034,380	103,766,937
Asset repairs and maintenance	11,736,854	12,038,270	736,025	12,774,295	12,369,018
Materials and supplies	16,530,110	16,804,254	38,330	16,842,584	17,237,003
Utilities, permits and taxes	12,859,995	17,059,762	463,062	17,522,824	14,034,015
Corporate costs	30,677,192	27,095,234	4,770,930	31,866,164	27,432,182
Other	17,996,483	8,231,088	6,191,243	14,422,331	52,345,336
Amortization of tangible capital assets	30,699,295	24,526,279	5,479,453	30,005,732	29,470,800
Loss on disposal of tangible capital assets	-	-	-	-	3,301,017
Interest on long-term debt	23,877,123	20,169,488	1,708,605	21,878,093	16,809,025
	343,857,482	219,696,797	99,964,857	319,661,654	342,138,426
Annual surplus (deficit)	\$ 340,450,511	\$ 329,931,510	\$ 12,387,773	\$ 342,319,283	\$ 255,907,073

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 17
Year ended December 31, 2020

13. COVID-19

In the Spring of 2020, COVID-19 was declared a global pandemic and severely impacted the global economy. The District is continuing to deliver key services to the Metro Vancouver region in line with its mandate. Management is continuing to monitor the impacts on taxpayers, suppliers and other third party business associates that could impact the timing and amounts realized on the District's assets and future viability.

The duration of business disruption and the related financial impact cannot be reasonably estimated at this time. The District's Management will continue to closely monitor cash flows, financial projections and available reserves.

Financial Statements of

**GREATER VANCOUVER
WATER DISTRICT**

Year ended December 31, 2020

GREATER VANCOUVER WATER DISTRICT

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December 31, 2020

Exhibit

Management Report

Independent Auditor's Report

Statement of Financial Position

A

Statement of Operations

B

Statement of Change in Net Debt

C

Statement of Cash Flows

D

Notes to Financial Statements

GREATER VANCOUVER WATER DISTRICT

MANAGEMENT REPORT

The Financial Statements contained in this report have been prepared by management in accordance with Canadian public sector accounting standards. The integrity and objectivity of these statements are management's responsibility. Management is responsible for all the statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Greater Vancouver Water District's Board of Directors is responsible for approving the financial statements and for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises this responsibility through the Performance and Audit Committee of the Board.

The external auditors, BDO Canada LLP, conduct an independent examination, in accordance with Canadian Auditing Standards, and express their opinion on the financial statements. Their examination does not relate to the other schedules and statements required by the *Financial Information Act*. The Independent Auditor's Report outlines the scope of the audit for the year ended December 31, 2020.

On behalf of Greater Vancouver Water District.



Dean Rear, Chief Financial Officer

Date: April 30, 2021



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Independent Auditor's Report

To the Members of the Board of Directors of the Greater Vancouver Water District

Opinion

We have audited the financial statements of the Greater Vancouver Water District (the "District"), which comprise the Statement of Financial Position as at December 31, 2020, and the Statements of Operations, Change in Net Debt and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the District as at December 31, 2020, and the results of its operations, change in net debt and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the District in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the District's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the District or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the District's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the District to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants

Vancouver, British Columbia
April 30, 2021

GREATER VANCOUVER WATER DISTRICT

Exhibit A

Statement of Financial Position

Year ended December 31, 2020

	2020	2019
Financial Assets		
Cash	\$ 1,110,634	\$ 1,766,317
Accounts receivable	52,651,185	61,092,957
Debt reserve fund (note 2)	14,026,840	13,106,059
	67,788,659	75,965,333
Liabilities		
Accounts payable and accrued liabilities (note 3)	54,903,222	63,631,515
Due to (from) Metro Vancouver Regional District	9,989,434	(28,728,068)
Debt (net of sinking funds) (note 4)	557,737,244	558,499,412
	622,629,900	593,402,859
Net Debt	(554,841,241)	(517,437,526)
Non-Financial Assets		
Tangible capital assets (note 5)	2,681,331,071	2,474,114,458
Inventories of supplies	4,312,253	2,861,051
Prepaid expenses	617,268	528,445
	2,686,260,592	2,477,503,954
Accumulated surplus (note 6)	\$ 2,131,419,351	\$ 1,960,066,428

Contractual obligations and rights (note 7)

Contingencies (note 8)

COVID-19 (note 11)

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



Chief Financial Officer



Board Chair

GREATER VANCOUVER WATER DISTRICT

Exhibit B

Statement of Operations

Year ended December 31, 2020

	2020 Budget (note 9)	2020 Actual	2019 Actual
Revenue (note 10)			
Metered sale of water	\$ 307,175,053	\$ 297,780,794	\$ 285,316,390
Sinking fund and debt retirement income	15,543,695	19,233,123	18,446,867
Interest income	675,592	1,091,295	1,286,972
Building income from Metro Vancouver Districts	7,672,838	12,227,786	11,496,859
Building income from external parties	6,837,361	6,133,979	5,634,632
Other revenue	5,802,337	8,670,769	16,057,508
Net gain on disposal of tangible capital assets	-	-	63,025,801
	343,706,876	345,137,746	401,265,029
Expenses (note 10)			
Water operations	172,706,677	158,192,895	163,519,375
Building operations	18,827,232	15,591,928	18,020,922
	191,533,909	173,784,823	181,540,297
Annual surplus	152,172,967	171,352,923	219,724,732
Accumulated surplus, beginning of year	1,960,066,428	1,960,066,428	1,740,341,696
Accumulated surplus, end of year	\$ 2,112,239,395	\$ 2,131,419,351	\$ 1,960,066,428

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

GREATER VANCOUVER WATER DISTRICT

Exhibit C

Statement of Change in Net Debt

Year ended December 31, 2020

	2020 Budget (note 9)	2020 Actual	2019 Actual
Annual surplus	\$ 152,172,967	\$ 171,352,923	\$ 219,724,732
Change in tangible capital assets:			
Acquisition of tangible capital assets	(397,500,000)	(247,236,906)	(243,148,000)
Amortization of tangible capital assets	40,277,716	40,020,293	39,599,001
Net book value of tangible capital assets disposed	-	-	123,301
	\$ (357,222,284)	\$ (207,216,613)	\$ (203,425,698)
Change in other non-financial assets:			
Acquisition of prepaid expenses	-	(617,268)	(528,445)
Use of prepaid expenses	-	528,445	-
Acquisition of inventories of supplies	-	(4,312,253)	(2,861,051)
Consumption of inventories of supplies	-	2,861,051	2,821,435
	-	(1,540,025)	(568,061)
Changes in net debt	(205,049,317)	(37,403,715)	15,730,973
Net debt, beginning of year	(517,437,526)	(517,437,526)	(533,168,499)
Net debt, end of year	\$ (722,486,843)	\$ (554,841,241)	\$ (517,437,526)

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

GREATER VANCOUVER WATER DISTRICT

Exhibit D

Statement of Cash Flows

Year ended December 31, 2020

	2020	2019
Cash provided by (used in):		
Operating transactions:		
Annual surplus	\$ 171,352,923	\$ 219,724,732
Items not involving cash:		
Amortization	40,020,293	39,599,001
Sinking fund income	(19,187,680)	(18,397,828)
Debt reserve fund income	(278,655)	(158,291)
Gain on disposal of tangible capital assets and asset held for resale	-	(63,025,801)
Change in non-cash assets and liabilities:		
Accounts receivable	8,441,772	(6,726,271)
Prepaid expenses	(88,823)	(528,445)
Accounts payable and accrued liabilities	(8,728,293)	36,128,044
Inventories of supplies	(1,451,202)	(39,616)
Net change in cash from operating transactions	190,080,335	206,575,525
Capital transactions:		
Proceeds on sale of tangible capital assets and assets held for resale	-	86,000,000
Acquisition of tangible capital assets	(247,236,906)	(243,148,000)
Net change in cash from capital transactions	(247,236,906)	(157,148,000)
Financing transactions:		
Due from Metro Vancouver Regional District	38,717,502	(20,430,851)
Debenture debt issued	70,000,000	22,000,000
Debt reserve fund issuance	(700,000)	(220,000)
Debt reserve fund maturity	57,874	628,749
Sinking fund payments	(51,574,488)	(52,593,809)
Net change in cash from financing transactions	56,500,888	(50,615,911)
Net change in cash and cash equivalents	(655,683)	(1,188,386)
Cash and cash equivalents, beginning of year	1,766,317	2,954,703
Cash and cash equivalents, end of year	\$ 1,110,634	\$ 1,766,317

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

GREATER VANCOUVER WATER DISTRICT

Notes to Financial Statements, page 1

Year ended December 31, 2020

1. Significant Accounting Policies

The Greater Vancouver Water District (the “District”) was established by an Act of the same name in 1924. Its primary responsibility is the supply of potable water to its member municipalities. Its Board of Directors comprises the same councillors and mayors as appointed to the Metro Vancouver Regional District (“MVRD”) Board by the participating municipalities.

The District owns or holds under a 999-year lease from the Province an extensive closed watershed network as its source of supply. It owns a series of dams, reservoirs, water treatment plants and a distribution network connecting to the municipal distribution systems. The member municipalities under the Act are jointly and severally liable for its debts. The District also owns and is responsible for operating and maintaining office buildings that are leased to MVRD and its related entities.

The District’s financial statements are prepared by management in accordance with Canadian public sector accounting standards (“PSAS”). Significant accounting policies adopted by the District are as follows:

Basis of Accounting	The District follows the accrual method of accounting for revenues and expenses. Revenues are recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and/or the legal obligation to pay.
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Government Transfers	Government transfers are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. The transfer of revenue is initially deferred and then recognized in the statement of operations as the stipulation liabilities are settled.
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When the District is deemed the transferor, the transfer expense is recognized when the recipient is authorized and has met the eligibility criteria.

Sinking Fund, Debt Retirement and Interest Income	Interest income is reported as revenue in the period earned. When required, based on external restrictions, interest income earned on deferred revenue is added to and forms part of the deferred revenue balance and is recognized into income when related stipulations are met. Any surpluses received from upon debt retirement are recorded in the year received.
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GREATER VANCOUVER WATER DISTRICT

Notes to Financial Statements, page 2

Year ended December 31, 2020

1. Significant Accounting Policies (continued)

Cash and Investments

In order to improve cash management, the general practice of the Metro Vancouver Districts is to accumulate cash and investment transactions in pooled accounts held by the MVRD. Investments held by the MVRD consist of bonds issued by governments and Canadian chartered banks, money market instruments and term deposits. Interest earned on GVWD's fund balances is included in the amount owing from the MVRD and is recorded as interest income in the Statement of Operations.

Employee Future Benefits

Employees who provide services for the District are employees of the MVRD. Employee related costs are allocated by the MVRD to the District based on services rendered. These costs are shown as expenses in the financial statements and are included in amounts owing to MVRD.

Post-employment benefits of the MVRD, including accumulated banked sick and vacation pay, retirement severance and Worker's Compensation top-up benefits for employees pursuant to certain policies and union agreements, are actuarially determined based on service and best estimates of retirement ages and expected future salary and wage increases. The obligation under these benefit plans is allocated to the District based on projected benefits as the employees render services necessary to earn the future benefits and included in amounts owing to MVRD.

Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

GREATER VANCOUVER WATER DISTRICT

Notes to Financial Statements, page 3

Year ended December 31, 2020

1. Significant Accounting Policies (continued)

Non-Financial Assets (continued)

Tangible Capital Assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land, is amortized on a straight line basis over the estimated useful lives of the assets as follows:

Asset	Useful Life Years
Buildings	
Corporate head office	40
Watershed	25
Infrastructure	
Dams and reservoirs	150
Supply mains	100
Distribution systems, drinking water treatment	50
Bridges and roads	50
Vehicles	5 - 10
Machinery, Equipment, Furniture and Fixtures	5 - 20

a. Annual amortization:

Annual amortization begins when the asset is put into service and is expensed over its useful life. Assets under construction are transferred to the appropriate asset class and are amortized from the date the asset is put into productive use.

b. Contributions of tangible capital assets:

Contributions of tangible capital assets are recorded at their fair value at the date of receipt and as contribution revenue.

c. Interest capitalization:

The District does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

Inventories of Supplies

Inventories of supplies held for consumption are recorded on a first-in-first-out basis.

GREATER VANCOUVER WATER DISTRICT

Notes to Financial Statements, page 4

Year ended December 31, 2020

1. Significant Accounting Policies (continued)

Revenue Recognition

Metered sale of water, building income from external tenants, Metro Vancouver Districts and Housing Corporation, and other income are recognized as revenue on an accrual basis according to the usage and rates approved and set by the Board.

Use of Estimates

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts in the financial statements and the disclosure of contingent liabilities. These estimates and assumptions are based on management's best information and judgment and may differ from actual results. Adjustments, if any, will be reflected in the financial statements in the period that the change in estimate is made, as well as in the period of settlement if the amount is different.

Significant areas requiring the use of management's judgment relates to the determination of contaminated sites liabilities, the amortization rates of tangible capital assets and the assessment of the outcome of contingent liabilities.

Segmented Information

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the standard. Definitions of the District's segments and their related financial information are presented in note 10.

Liabilities for Contaminated Sites

A liability for remediation of a contaminated site is recognized when the site is no longer in productive use and the following criteria are satisfied: an environmental standard exists; contamination exceeds the standard; the District is either directly responsible or has accepted responsibility for remediation; it is expected that future economic benefits will be given up and a reasonable estimate of the liability can be made. Liabilities for contaminated sites are reported in accounts payable and accrued liabilities (note 3).

GREATER VANCOUVER WATER DISTRICT

Notes to Financial Statements, page 5

Year ended December 31, 2020

2. Debt Reserve Fund

The Municipal Finance Authority ("MFA") provides financing for regional districts and member municipalities. The MFA is required to establish a Debt Reserve Fund for each debenture issue equal to one-half the average annual installment of principal and interest. The debt reserve fund is comprised of cash deposits equal to 1% of the principal amount borrowed and a non-interest bearing demand note for the remaining requirement. Cash deposits held by the MFA are payable with interest to the ultimate borrower when the final obligations under the respective loan agreements have been made.

If, at any time, the District has insufficient funds to meet payments due on its obligations to MFA, the payments will be made from the debt reserve fund. The demand notes are callable only if there are additional requirements to be met in order to maintain the level of the debt reserve fund. At December 31, 2020, \$36,580,208 (2019 - \$34,795,270) in callable demand notes were outstanding and have not been recorded in the statement of financial position.

3. Accounts Payable and Accrued Liabilities

	2020	2019
Trade accounts	\$ 26,565,725	\$ 41,339,251
Construction holdbacks	22,502,301	15,927,876
Accrued interest on debt	5,523,920	6,099,978
Contaminated sites (a)	201,323	245,079
Other	109,953	19,331
	\$ 54,903,222	\$ 63,631,515

- a) The District accrued \$201,323 (2019 - \$245,079) to remediate contaminated soils at its properties. The remediation work for one property identified in 2019 was completed in 2020. It is expected that work on the site identified in 2020 will be completed in 2021.

GREATER VANCOUVER WATER DISTRICT

Notes to Financial Statements, page 6

Year ended December 31, 2020

4. Debt

- a) All borrowings for the District are obtained from MFA by the MVRD on the District's behalf, although the District maintains the right to finance debt without MFA involvement.

Debt, debentures or other security issued by the District is a direct, joint and several obligation and liability of the District and each and every member municipality.

Debt servicing requirements comprising sinking fund contributions, serial repayments and interest are funded as incurred by revenue earned during the year.

- b) Principal payments and sinking fund installments due within the next five years and thereafter are as follows:

	Total Payments
2021	\$ 55,877,869
2022	52,881,403
2023	48,403,949
2024	44,626,857
2025	37,635,103
Thereafter	159,533,825
Subtotal	398,959,006
Estimated sinking fund income	158,778,238
Total	\$ 557,737,244

- c) Sinking fund installments are invested by the MFA and earn income that, together with principal payments, are expected to be sufficient to retire the sinking fund debt at maturity. For sinking fund agreements, the MFA has established either a normal sinking fund or a capital repayment equalization fund.

GREATER VANCOUVER WATER DISTRICT

Notes to Financial Statements, page 7

Year ended December 31, 2020

4. Debt (continued)

- d) Debt (net of sinking funds) reported on the Statement of Financial Position comprises the following and includes varying maturities up to 2035 with interest rates ranging from 1.28% to 4.20%.

Issue number	By-law number	Interest rate - %	Maturity date	Debentures authorized to be issued	Debenture debt outstanding	
					2020	2019
67	813	1.75	November 5, 2022	\$ 14,294,000	\$ 14,294,000	\$ 14,294,000
67	853	1.75	November 5, 2022	706,000	706,000	706,000
95	946	1.80	October 13, 2020	3,600,000	-	3,600,000
97	946	1.75	April 19, 2021	15,630,930	15,630,930	15,630,930
97	994	1.75	April 19, 2021	4,369,070	4,369,070	4,369,070
99	994	1.75	October 19, 2021	40,000,000	40,000,000	40,000,000
102	994	2.25	December 1, 2022	80,000,000	80,000,000	80,000,000
103	994	2.65	April 23, 2023	40,000,000	40,000,000	40,000,000
104	994	2.90	November 20, 2023	35,630,930	35,630,930	35,630,930
105	1073	2.25	June 3, 2024	60,000,000	60,000,000	60,000,000
106	1073	2.25	October 13, 2024	80,000,000	80,000,000	80,000,000
110	1073	1.28	April 8, 2025	50,000,000	50,000,000	50,000,000
112	1073	1.28	October 6, 2025	70,000,000	70,000,000	70,000,000
116	1073	4.20	April 4, 2026	30,000,000	30,000,000	30,000,000
118	1073	3.40	April 11, 2027	70,000,000	70,000,000	70,000,000
121	1073	2.90	October 4, 2027	20,000,000	20,000,000	20,000,000
126	1073	3.85	September 26, 2028	70,000,000	70,000,000	70,000,000
127	1073	3.30	April 7, 2029	60,000,000	60,000,000	60,000,000
130	1073	3.00	October 14, 2029	50,000,000	50,000,000	50,000,000
131	1073	2.20	April 8, 2030	60,000,000	60,000,000	60,000,000
137	1073	2.60	April 19, 2031	80,000,000	80,000,000	80,000,000
137	1224	2.60	April 19, 2031	20,000,000	20,000,000	20,000,000
141	1224	2.80	April 7, 2032	50,000,000	50,000,000	50,000,000
147	1224	2.66	April 9, 2034	22,000,000	22,000,000	22,000,000
150	1224	1.99	April 9, 2035	40,000,000	40,000,000	-
151	1224	1.28	June 1, 2035	30,000,000	30,000,000	-
Debt				\$ 1,081,230,930	\$ 1,092,630,930	\$ 1,026,230,930
Less sinking funds					(534,893,686)	(467,731,518)
Total debt (net of sinking funds)					\$ 557,737,244	\$ 558,499,412

GREATER VANCOUVER WATER DISTRICT

Notes to Financial Statements, page 8

Year ended December 31, 2020

5. Tangible Capital Assets

Year ended December 31, 2020

	Cost			Balance at December 31, 2020	Accumulated Amortization			Balance at December 31, 2020	Net book value December 31, 2020
	Balance at December 31, 2019	Additions	Disposals		Balance at December 31, 2019	Disposals	Amortization Expense		
Land	\$ 44,704,207	\$ -	\$ -	\$ 44,704,207	\$ -	\$ -	\$ -	\$ -	\$ 44,704,207
Infrastructure	2,116,289,696	1,712,293	-	2,118,001,989	369,121,481	-	33,567,891	402,689,372	1,715,312,617
Buildings	213,924,180	2,551,921	-	216,476,101	13,788,155	-	5,436,466	19,224,621	197,251,480
Machinery, equipment furniture & fixtures	12,729,772	467,653	-	13,197,425	5,378,731	-	1,015,936	6,394,667	6,802,758
Assets under construction	474,754,970	242,505,039	-	717,260,009	-	-	-	-	717,260,009
	\$ 2,862,402,825	\$ 247,236,906	\$ -	\$ 3,109,639,731	\$ 388,288,367	\$ -	\$ 40,020,293	\$ 428,308,660	\$ 2,681,331,071

Write offs related to discontinued projects was \$null in 2020 (2019 - \$123,301).

Year ended December 31, 2019

	Cost			Balance at December 31, 2019	Accumulated Amortization			Balance at December 31, 2019	Net book value December 31, 2019
	Balance at December 31, 2018	Additions	Disposals		Balance at December 31, 2018	Disposals	Amortization Expense		
Land	\$ 44,704,207	\$ -	\$ -	\$ 44,704,207	\$ -	\$ -	\$ -	\$ -	\$ 44,704,207
Infrastructure	2,100,749,818	15,663,179	(123,301)	2,116,289,696	335,895,691	-	33,225,790	369,121,481	1,747,168,215
Buildings	213,556,780	367,400	-	213,924,180	8,392,731	-	5,395,424	13,788,155	200,136,025
Machinery, equipment furniture & fixtures	12,394,791	334,981	-	12,729,772	4,400,944	-	977,787	5,378,731	7,351,041
Assets under construction	247,972,530	226,782,440	-	474,754,970	-	-	-	-	474,754,970
	\$ 2,619,378,126	\$ 243,148,000	\$ (123,301)	\$ 2,862,402,825	\$ 348,689,366	\$ -	\$ 39,599,001	\$ 388,288,367	\$ 2,474,114,458

6. Accumulated Surplus

Accumulated surplus consists of individual fund surplus and reserves as follows:

	2020	2019
Reserves	\$ 34,595,530	\$ 38,105,740
Capital fund balance	(26,770,006)	6,345,642
Investment in tangible capital assets	2,123,593,827	1,915,615,046
Accumulated surplus, end of year	\$ 2,131,419,351	\$ 1,960,066,428

Capital fund balance represents the future expected level of funding required or accumulated.

GREATER VANCOUVER WATER DISTRICT

Notes to Financial Statements, page 9

Year ended December 31, 2020

6. Accumulated Surplus (continued)

Continuity of reserves is as follows:

	December 31, 2019	Interest	Annual Operating Surplus	Contributions from / (to) operations	Contributions to capital	December 31, 2020
Designated reserves						
Sustainability innovation fund	\$ 13,121,494	\$ 248,238	\$ -	\$ 531,965	\$ -	\$ 13,901,697
Laboratory equipment	691,028	13,247	-	46,000	-	750,275
	13,812,522	261,485	-	577,965	-	14,651,972
Non-designated reserves						
Operating reserve	24,293,218	448,597	1,674,094	(238,750)	(6,233,601)	19,943,558
Total reserves	\$ 38,105,740	\$ 710,082	\$ 1,674,094	\$ 339,215	\$ (6,233,601)	\$ 34,595,530

Investment in tangible capital assets is calculated as follows:

	2020	2019
Tangible capital assets	\$ 2,681,331,071	\$ 2,474,114,458
Amounts financed by:		
Long-term debt	(557,737,244)	(558,499,412)
	\$ 2,123,593,827	\$ 1,915,615,046

The change in the investment in tangible capital assets is as follows:

	2020	2019
Change in the investment in tangible capital assets		
Acquisition of tangible capital assets	\$ 247,236,906	\$ 243,148,000
Disposal of tangible capital assets (net of book value)	-	(123,301)
Amortization of tangible capital assets	(40,020,293)	(39,599,001)
	207,216,613	203,425,698
Less funding of tangible capital assets		
Sinking fund and debt retirement	(51,574,488)	(52,593,809)
Sinking fund income	(19,187,680)	(18,397,828)
Debenture debt issued	70,000,000	22,000,000
	(762,168)	(48,991,637)
Change in investment in tangible capital assets	207,978,781	252,417,335
Investment in tangible capital assets, beginning of year	1,915,615,046	1,663,197,711
Investment in tangible capital assets, end of year	\$ 2,123,593,827	\$ 1,915,615,046

GREATER VANCOUVER WATER DISTRICT

Notes to Financial Statements, page 10

Year ended December 31, 2020

7. Contractual Obligations and Rights

a) Contractual Obligations:

- i) As at December 31, 2020, the District had the following commitments outstanding related to capital projects in progress:

	2020	2019
Authorized for outstanding projects	\$ 2,298,311,822	\$ 1,676,775,000
Expended at December 31	(903,211,367)	(690,929,000)
Commitment remaining	\$ 1,395,100,455	\$ 985,846,000

- ii) The District is committed under a number of lease and right-of-way agreements to make minimum annual payments. These agreements have varying terms, including one agreement with annual payments of \$107,000 to perpetuity, with adjustments annually for CPI.

	Amount
2021	\$ 393,122
2022	228,572
2023	106,948
2024	106,948
2025	106,948
2026 - 2030	534,740
Total	\$ 1,477,278

b) Contractual Rights:

The District is party to several property lease agreements that are anticipated to provide it with future revenues. These agreements are with third parties with varying terms to 2027. Amounts anticipated to be received over the future years are as follows:

	Amount
2021	\$ 7,064,777
2022	6,600,683
2023	6,646,247
2024	6,692,664
2025	6,798,077
Thereafter	16,901,828
Total	\$ 50,704,276

Year ended December 31, 2020

8. Contingencies

Lawsuits:

As at December 31, 2020, there were various lawsuits pending against the District arising in the ordinary course of business. The District has retained legal counsel to defend against these lawsuits. Where the outcomes or amounts cannot be reasonably determined, no liability has been recorded. None of these lawsuits are anticipated to result in a material loss to the District. Management is of the opinion that losses, if any, in connection with these lawsuits can be sufficiently funded by reserve funds or covered by insurance. Any expected losses will be accrued and recorded as expenses at the time they are considered likely and amounts are reasonably determinable.

Self Insurance Reserve:

A self insurance reserve has been established within the MVRD to cover losses resulting from uninsured liability exposures of the District, other MVRD Districts and Housing Corporation.

Each year a review is undertaken to determine if it would be beneficial to purchase additional liability insurance. The District, other Metro Vancouver Districts and the MVHC transfer amounts to the reserve depending on the reserve's adequacy to cover retained liability risk.

An estimate is made for all costs of investigating and settlement of claims annually and an adjustment is made to the fund to maintain an adequate balance to cover potential losses in excess of recorded liabilities. These estimates are changed as additional information becomes known during the course of claims settlement. Any likely losses would be expensed at the time the losses are known and the amounts are reasonably determinable.

GREATER VANCOUVER WATER DISTRICT

Notes to Financial Statements, page 12

Year ended December 31, 2020

8. Contingencies (continued)

Debt Reserve Fund: The MFA is required to establish a Debt Reserve Fund for each debenture which is comprised of cash deposits and a non-interest bearing demand note (refer to note 2). If, at any time, the District has insufficient funds to meet payments due on its obligations to MFA, the payments will be made from the debt reserve fund. The demand notes are callable only if there are additional requirements to be met to maintain the level of the debt reserve fund, and therefore have not been recorded in the statement of financial position.

9. Budget Information

The annual budget presented in these financial statements is based upon the 2020 operating and capital budgets approved by the District's Board in October 2019, with additional approval in November 2020 for adjustments to the budget as a result of the 2019 fiscal year end results. The budget is based on operational and capital expenditure requirements and their associated funding. Amortization is a non-cash item that is not funded for budget purposes. Also, contributions to or from reserves and debt principal repayments are removed from the approved budget for financial statement presentation. The schedule below reconciles the approved operating budget to the budget figures reported in these financial statements. Capital expenditures of \$397,500,000 were included in the capital budget approved by the Board.

	2020 Budget	2019 Budget
Budgeted annual surplus per Exhibit B - Statement of Operations	\$ 152,172,967	\$ 131,056,712
Additional transfers from reserves, approved by Board	-	1,350,000
Adjusted annual surplus, based on October approved budget	152,172,967	132,406,712
Items not included in the operating budget		
Amortization of tangible capital assets	40,277,716	39,597,487
Sinking and debt retirement fund income	(15,543,695)	(15,262,141)
Reserve interest	(675,592)	(754,792)
Items included in the budget but not in financial statements		
Debt principal payments	(51,574,488)	(52,593,809)
Transfers to capital	(127,075,627)	(103,143,631)
Transfers from reserve funds	3,187,719	519,174
Transfers to reserve funds	(769,000)	(769,000)
Annual surplus per approved budget	\$ -	\$ -

GREATER VANCOUVER WATER DISTRICT

Notes to Financial Statements, page 13

Year ended December 31, 2020

10. Segmented Information and Expenses by Object

The District's primary responsibilities are the supply of potable water to the municipalities of the MVRD and the property management of the office buildings owned by the District. For management reporting purposes, the District's operations and activities are organized and reported by these two primary areas of service. The information reported in the segmented information does not include \$8,937,048 (2019 - \$12,066,613) of salaries and benefits directly attributable to the construction of tangible capital assets which have been included in the cost of tangible capital assets in the Statement of Financial Position.

The services disclosed in the Segmented Information are as follows:

Water Operations Water Operations is responsible for the supply of potable water to the District's member municipalities. The District owns a series of dams, reservoirs, water treatment plants and a distribution network connected to the member municipalities' systems.

Building Operations Building Operations is responsible for operating and maintaining office buildings owned by the District. These facilities are leased to MVRD and its related entities for its head office operations as well as to external parties.

	2020 Budget	Water Operations	Building Operations	Inter-Program Adjustments	2020 Total	2019 Total
Revenue						
Metered sale of water	\$ 307,175,053	\$ 297,780,794	\$ -	\$ -	\$ 297,780,794	\$ 285,316,390
Net gain on disposal of tangible capital assets	-	-	-	-	-	63,025,801
Sinking fund and debt retirement income	15,543,695	17,798,089	1,435,034	-	19,233,123	18,446,867
Interest income	675,592	1,091,295	-	-	1,091,295	1,286,972
Building income from Metro Vancouver Districts	7,672,838	-	17,079,985	(4,852,199)	12,227,786	11,496,859
Building income from external parties	6,837,361	-	6,133,979	-	6,133,979	5,634,632
Other income	5,802,337	8,605,935	64,834	-	8,670,769	16,057,508
	343,706,876	325,276,113	24,713,832	(4,852,199)	345,137,746	401,265,029
Expenses						
Salaries and benefits	41,954,788	41,330,555	533,198	-	41,863,753	37,722,946
Consulting, contracted and professional services	19,084,979	10,274,154	890,358	-	11,164,512	18,300,302
Asset repairs and maintenance	7,696,578	3,914,332	2,278,154	-	6,192,486	4,906,599
Materials and supplies	11,729,300	9,970,295	38,202	-	10,008,497	10,546,595
Utilities, permits and taxes	9,910,342	7,156,725	992,340	-	8,149,065	8,647,630
Corporate costs	19,204,662	23,818,111	-	(4,852,199)	18,965,912	18,226,601
Other	11,283,681	7,084,347	1,085,872	-	8,170,219	11,834,196
Amortization of tangible capital assets	40,277,716	35,151,722	4,868,571	-	40,020,293	39,599,001
Interest on long-term debt	30,391,863	24,344,853	4,905,233	-	29,250,086	31,756,427
	191,533,909	163,045,094	15,591,928	(4,852,199)	173,784,823	181,540,297
Annual surplus	\$ 152,172,967	\$ 162,231,019	\$ 9,121,904	\$ -	\$ 171,352,923	\$ 219,724,732

11. COVID-19

In the Spring of 2020, COVID-19 was declared a global pandemic and severely impacted the global economy. The District is continuing to deliver key services to the Metro Vancouver region in line with its mandate. Management is continuing to monitor the impacts on taxpayers, suppliers and other third party business associates that could impact the timing and amounts realized on the District's assets and ability to provide services to the region.

The duration of business disruption and the related financial impact cannot be reasonably estimated at this time. The District's Management will continue to closely monitor cash flows, financial projections and available reserves.

Financial Statements of

**METRO VANCOUVER
HOUSING CORPORATION**

Year ended December 31, 2020

METRO VANCOUVER HOUSING CORPORATION

Index to Financial Statements

December 31, 2020

Exhibit

Management Report

Independent Auditor's Report

Statement of Financial Position

A

Statement of Operations

B

Statement of Change in Net Debt

C

Statement of Cash Flows

D

Notes to Financial Statements

METRO VANCOUVER HOUSING CORPORATION ("MVHC")

MANAGEMENT REPORT

The Financial Statements contained in this report have been prepared by management in accordance with Canadian public sector accounting standards and the integrity and objectivity of these statements are management's responsibility. Management is responsible for all the statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The Board of Directors is responsible for approving the financial statements and for ensuring that management fulfills its responsibilities for financial reporting and internal control.

The external auditors, BDO Canada LLP, conduct an independent examination, in accordance with Canadian Auditing Standards, and express their opinion on the financial statements. Their examination does not relate to the other schedules and statements required by the *Financial Information Act*. The Independent Auditor's Report outlines the scope of the audit for the year ended December 31, 2020.

On behalf of Metro Vancouver Housing Corporation.



Dean Rear, Chief Financial Officer

Date: April 30, 2021



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1055 West Georgia Street P.O. Box 11101
Vancouver, BC V6E 3P3 Canada

Independent Auditor's Report

To the Members of the Board of Directors of the Metro Vancouver Housing Corporation

Opinion

We have audited the financial statements of the Metro Vancouver Housing Corporation (the "Corporation"), which comprise the Statement of Financial Position as at December 31, 2020, and the Statements of Operations, Change in Net Debt and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2020, and the results of its operations, change in net debt and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Restated Comparative Information

We draw attention to Note 2 to the financial statements, which explains that certain comparative information presented for the year ended December 31, 2019 has been restated. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants

Vancouver, British Columbia
April 30, 2021

METRO VANCOUVER HOUSING CORPORATION

Exhibit A

Statement of Financial Position

Year ended December 31, 2020

	2020	2019 (restated - note 2)
Financial Assets		
Accounts receivable (note 4)	\$ 6,225,698	\$ 417,096
Due from Metro Vancouver Regional District	50,049,682	37,391,353
	56,275,380	37,808,449
Liabilities		
Accounts payable and accrued liabilities (note 5)	3,889,696	6,597,248
Deferred revenue and refundable deposits (note 6)	5,650,394	4,736,659
Forgivable loan (note 12)	-	6,685,520
Mortgages and debentures payable (note 7)	58,362,487	48,451,858
	67,902,577	66,471,285
Net Debt	(11,627,197)	(28,662,836)
Non-Financial Assets		
Tangible capital assets (note 8)	103,424,964	98,886,538
Prepaid land leases (note 9)	5,257,101	5,451,900
Prepaid expenses	721,541	663,092
	109,403,606	105,001,530
Accumulated surplus (note 10)	\$ 97,776,409	\$ 76,338,694

Contractual obligations (note 11)

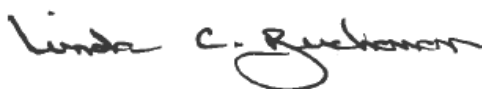
Contingencies (note 12)

COVID-19 (note 14)

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



Director



Director

METRO VANCOUVER HOUSING CORPORATION

Exhibit B

Statement of Operations

Year ended December 31, 2020

	2020 Budget (note 13)	2020 Actual	2019 Actual (restated - note 2)
Revenue			
Property rental	\$ 40,392,325	\$ 41,607,050	\$ 40,869,815
Contributions:			
Canada Mortgage and Housing Corporation	56,552	51,945	355,854
British Columbia Housing Management Commission	2,046,462	1,722,453	1,710,361
Restricted contributions	3,713,491	(786,927)	11,134,212
Grants and other contributions	8,500,000	6,768,542	-
Interest income	314,325	717,921	1,120,155
Other revenues	794,413	841,168	784,099
	55,817,568	50,922,152	55,974,496
Expenses			
Asset repairs and maintenance	18,363,939	14,973,808	17,323,375
Amortization of tangible assets and prepaid land leases	2,471,594	2,080,628	2,303,206
Utilities, permits and taxes (note 4)	6,213,568	1,083,414	6,401,118
Salaries and benefits	6,175,957	6,170,660	5,855,266
Interest and fees on long-term debt	1,909,292	1,410,783	1,506,564
Corporate costs	2,071,404	2,080,032	2,076,090
Consulting, contracted and professional services	900,672	661,159	634,742
Other	915,161	835,314	743,902
Materials and supplies	135,267	188,639	246,906
	39,156,854	29,484,437	37,091,169
Annual surplus	16,660,714	21,437,715	18,883,327
Accumulated surplus, beginning of year	76,338,694	76,338,694	57,455,367
Accumulated surplus, end of year	\$ 92,999,408	\$ 97,776,409	\$ 76,338,694

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

METRO VANCOUVER HOUSING CORPORATION

Exhibit C

Statement of Change in Net Debt

Year ended December 31, 2020

	2020 Budget (note 13)	2020 Actual	2019 Actual (restated - note 2)
Annual surplus	\$ 16,660,714	\$ 21,437,715	\$ 18,883,327
Change in tangible capital assets			
Acquisition of tangible capital assets	(25,343,842)	(6,424,255)	(15,532,749)
Amortization of tangible capital assets	2,276,795	1,885,829	2,108,407
	(23,067,047)	(4,538,426)	(13,424,342)
Change in other non-financial assets			
Payment of prepaid expenses	-	(721,541)	(663,092)
Use of prepaid expenses	-	663,092	444,294
Amortization of prepaid land leases	194,799	194,799	194,799
	194,799	136,350	(23,999)
Change in net debt	(6,211,534)	17,035,639	5,434,986
Net debt, beginning of year	(28,662,836)	(28,662,836)	(34,097,822)
Net debt, end of year	\$ (34,874,370)	\$ (11,627,197)	\$ (28,662,836)

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

METRO VANCOUVER HOUSING CORPORATION

Exhibit D

Statement of Cash Flows

Year ended December 31, 2020

	2020	2019 (restated - note 2)
Cash provided by (used in):		
Operating transactions:		
Annual surplus	\$ 21,437,715	\$ 18,883,327
Items not involving cash		
Amortization of tangible capital assets	1,885,829	2,108,407
Amortization of prepaid land leases	194,799	194,799
Change in non-cash assets and liabilities		
Accounts receivable	(5,808,602)	82,513
Accounts payable and accrued liabilities	(2,707,552)	3,045,674
Deferred revenue and refundable deposits	913,735	(10,999,412)
Prepaid expenses	(58,449)	(218,798)
Net change in cash from operating transactions	15,857,475	13,096,510
Capital transactions:		
Acquisition of tangible capital assets	(6,424,255)	(15,532,749)
Financing transactions:		
Due from Metro Vancouver Regional District	(12,658,329)	5,567,095
Mortgage issued	13,334,706	-
Reduction of forgivable loan	(6,685,520)	-
Forgivable loan issued	-	1,547,723
Principal repayments on mortgages and debentures	(3,424,077)	(4,678,579)
Net change in cash from financing transactions	(9,433,220)	2,436,239
Net change in cash and cash equivalents	-	-
Cash and cash equivalents, beginning of year	-	-
Cash and cash equivalents, end of year	\$ -	\$ -

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

METRO VANCOUVER HOUSING CORPORATION

Notes to Financial Statements, page 1

Year ended December 31, 2020

1. Significant Accounting Policies

The Metro Vancouver Housing Corporation ("MVHC" or the "Corporation") is a wholly-owned subsidiary of the Metro Vancouver Regional District ("MVRD").

The MVHC is incorporated under the Business Corporations Act (British Columbia) as a not-for-profit corporation for the purpose of supplying public rental accommodation, and is exempt from income taxes.

The Corporation's financial statements are prepared by management in accordance with Canadian public sector accounting standards ("PSAS"). Significant accounting policies adopted by the MVHC are as follows:

Basis of Accounting

The Corporation follows the accrual method of accounting for revenue and expenses. Revenue is recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and/or the legal obligation to pay.

Government Transfers

Government transfers are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. The transfer of revenue is initially deferred and then recognized in the statement of operations as the stipulation liabilities are settled.

When the Corporation is deemed the transferor, the transfer expense is recognized when the recipient is authorized and has met the eligibility criteria.

Deferred Revenue and Refundable Deposits

Deferred revenues represent tenant security deposits, restricted contributions and revenues, and rental income which have been collected, but which the related services or obligations have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed or obligations have been met.

Amounts received under the following programs have been recorded as deferred revenue:

- i) Rental Operations: Under operating agreements entered into with Canada Mortgage and Housing Corporation ("CMHC") and administered by BCHMC (Homes BC, Seniors and Section 95 properties), a portion of the funds received from rental operations are restricted and can only be used by MVHC according to the terms of the agreements. Restricted amounts are recorded as deferred revenue and are used when expenditures exceed revenue in the program.

METRO VANCOUVER HOUSING CORPORATION

Notes to Financial Statements, page 2

Year ended December 31, 2020

1. Significant Accounting Policies (continued)

Deferred Revenue and Refundable Deposits (continued)	ii) Replacement Projects: Under operating agreements entered into with Canada Mortgage and Housing Corporation ("CMHC") and administered by BCHMC (Homes BC, Seniors and Section 95 properties), a portion of the funds received from rental operations are restricted for the replacement of equipment and specified building components. These funds are deferred until spent on approved items.
Interest Income	Interest income is reported as revenue in the period earned. When required, based on external requirements, interest income earned on deferred revenue and refundable deposits is added to and forms part of the deferred revenue and refundable deposit balance.
Cash and Investments	In order to improve cash management, the general practice of the Metro Vancouver Districts and MVHC is to accumulate cash and investment transactions in pooled accounts held by the MVRD. Investments held by the MVRD consist of bonds issued by governments and Canadian chartered banks, money market instruments, guaranteed investment certificates and term deposits. Interest earned on MVHC's fund balances is included in the amount owing from MVRD and is recorded as interest income in the Statement of Operations.
Employee Future Benefits	<p>Employees who provide services for MVHC are employees of the MVRD. Employee related costs are allocated by the MVRD to MVHC based on services rendered. These costs are shown as expenses in the financial statements and are included in amounts owing from MVRD.</p> <p>Post-employment benefits of the MVRD, including accumulated banked sick and vacation pay, retirement severance and Worker's Compensation top-up benefits for employees pursuant to certain policies and union agreements, are actuarially determined based on service and best estimates of retirement ages and expected future salary and wage increases. The obligation under these benefit plans is allocated to MVHC based on projected benefits as the employees render services necessary to earn the future benefits and included in amounts owing to the MVRD.</p>

METRO VANCOUVER HOUSING CORPORATION

Notes to Financial Statements, page 3

Year ended December 31, 2020

1. Significant Accounting Policies (continued)

Non-financial assets Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

Tangible Capital Assets Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land, is amortized on a straight-line basis over the estimated useful lives of the assets as follows:

Asset	Useful Life - Years
Buildings	
Manor House and Regal Hotel	25
Other buildings	35
Furniture and fixtures	6 - 10

1) Annual amortization:

Annual amortization begins when the asset is put into service and is expensed over its useful life. Assets under construction are transferred to the appropriate asset class and are amortized from the date the asset is put into productive use.

2) Interest capitalization:

The MVHC capitalizes, at cost, all housing rental property expenditures, including interest and property taxes incurred to the date of completion of the project.

Prepaid Land Leases Prepaid land leases are recorded at historical cost less accumulated amortization. Upon expiration of the lease contract, the property will revert to the lessor. Prepaid land leases are amortized on a straight-line basis over the lease term.

METRO VANCOUVER HOUSING CORPORATION

Notes to Financial Statements, page 4

Year ended December 31, 2020

1. Significant Accounting policies (continued)

Financial Instruments

Financial instruments are recorded at fair value on initial recognition.

Unrealized changes in fair value are recognized in the Statement of Remeasurement Gains and Losses until they are realized, when they are transferred to the Statement of Operations.

Financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the Statement of Operations and any unrealized gain is adjusted through the Statement of Remeasurement Gains and Losses.

When the asset is sold, the unrealized gains and losses previously recognized in the Statement of Remeasurement Gains and Losses are reversed and recognized in the Statement of Operations.

There are no financial instruments carried at fair value as at year end and as a result, the Statement of Remeasurement Gains and Losses has not been prepared.

Functional and Segmented Presentation of Revenue and Expenses

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the standard. Management believes that MVHC's activities are comprised of only one segment and hence no additional disclosure is required. Furthermore, as the operations of MVHC are comprised of a single function, supply of public rental accommodation, the Statement of Operations presents revenue and expenses by object.

Revenue Recognition

Property rental income, contributions and other revenues are recognized as revenue on an accrual basis. Housing property rental revenue is recognized over the rental period once the tenant commences occupancy, rent is due and collection is assured. Annual property rental increases are based on rates established by provincial tenancy legislation. Contributions from CMHC and BCHMC are based on provisions set in agreements and outlined in note 3.

METRO VANCOUVER HOUSING CORPORATION

Notes to Financial Statements, page 5

Year ended December 31, 2020

1. Significant Accounting Policies (continued)

Liability for Contaminated Sites A liability for remediation of a contaminated site is recognized when the site is no longer in productive use and the following criteria are satisfied; an environmental standard exists; contamination exceeds the standard; MVHC is either directly responsible or has accepted responsibility for remediation; it is expected that future economic benefits will be given up and a reasonable estimate of the liability can be made.

Use of Estimates The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts and disclosure of contingent liabilities, in the financial statements. These estimates and assumptions are based on management's best information and judgment and may differ from actual results. Adjustments, if any, will be reflected in the financial statements in the period that the change in estimate is made, as well as in the period of settlement if the amount is different.

Significant areas requiring the use of management's judgment relate to the determination of contaminated sites liabilities, the amortization rates of tangible capital assets and the assessment of the outcome of contingent liabilities.

2. Prior Period Adjustment

Under operating agreements entered into with Canada Mortgage and Housing Corporation ("CMHC") and administered by BCHMC), a portion of the funds received from rental operations were restricted and only used by MVHC according to the terms of the agreements. Upon maturity of the mortgages related to Section 95 properties, funds are no longer restricted. The December 31, 2019 balance of deferred revenue was overstated by \$13,009,575 as a result of the MVHC not recognizing revenue resulting from the maturity of mortgages related to Section 95 properties. The balance of accumulated surplus (unrestricted reserves) was understated by the same amount at that date. This adjustment has also resulted in an increase in the restricted contributions revenue previously reported in 2019.

	2019 Previously Reported	Change	2019 Restated
Accumulated surplus, beginning of year	\$ 57,455,367	\$ -	\$57,455,367
Deferred revenue	17,746,234	(13,009,575)	4,736,659
Restricted contributions	(1,875,363)	13,009,575	11,134,212
Annual surplus	5,873,752	13,009,575	18,883,327
Accumulated surplus, end of year	63,329,119	13,009,575	76,338,694

METRO VANCOUVER HOUSING CORPORATION

Notes to Financial Statements, page 6

Year ended December 31, 2020

3. Senior Government Assistance

BCHMC is the administrator and provides the related government assistance for all of MVHC's Federal programs (Section 95) and Provincial operating agreements (Homes BC and Seniors programs). In 2007, CMHC devolved its operations relating to the MVHC's federal programs to BCHMC, which provides BCHMC with the authority to manage MVHC's federal programs.

Details of senior government assistance are as follows:

NHA Section 95 Projects

The MVHC entered into agreements with CMHC pursuant to Section 95 of the NHA whereby CMHC provides assistance to the MVHC based on a formula related to mortgage interest rates and adjusted upon subsequent mortgage renewals.

Subject to BC Housing annual review, the assistance on a project may be reduced by repaying CMHC any surplus funds from rental operations after allowing for:

- i) the provision of a rental subsidy reserve to a cumulative maximum of \$500 per rental property unit, and
- ii) the allocation of the annual operating surplus on a housing project, after providing the full rental subsidy reserve, to operating deficits of other projects.

As at December 31, 2020, due to the maturity of related mortgages, there were no remaining properties within MVHC's Section 95 portfolio.

CMHC mortgage insurance

Pursuant to Section 6 of the NHA, CMHC has undertaken to insure mortgages payable by the MVHC.

NHA Section 82.1(a) and 82.1(b) subsidy

Rental supplements are authorized under Section 82.1(a) and 82.1(b) of the NHA and are funded jointly by BCHMC on behalf of the both the Federal Government and the Province of British Columbia.

4. Accounts Receivable

In 2020, Metro Vancouver Housing Corporation successfully appealed the requirement to pay annual property taxes to the following municipalities: City of Burnaby, City of Coquitlam, City of Delta, City of Maple Ridge, City of New Westminster, City of North Vancouver, City of Port Coquitlam, City of Port Moody, City of Richmond, City of Surrey and City of Vancouver (with the exception of the properties under the *Municipalities Enabling and Validating Act*). As such, a refund of \$5,749,019 plus interest for taxes remitted for years 2018 to 2020 is expected.

METRO VANCOUVER HOUSING CORPORATION

Notes to Financial Statements, page 7

Year ended December 31, 2020

5. Accounts Payable and Accrued Liabilities

	2020	2019
Trade accounts	\$ 3,518,905	\$ 4,491,543
Construction holdbacks	272,599	2,000,202
Accrued interest on mortgages and debenture debt	98,192	105,503
	\$ 3,889,696	\$ 6,597,248

6. Deferred Revenue and Refundable Deposits

	2020	2019 (restated - note 2)
Externally restricted funds for programs under BCHMC Agreements:		
Rental operations	\$ 46,771	\$ 131,771
Replacement provisions	3,245,157	2,373,230
	3,291,928	2,505,001
MVHC tenant security deposits	2,041,598	1,972,720
Rent and subsidies received in advance	316,868	258,938
Total	\$ 5,650,394	\$ 4,736,659

	2020	2019 (restated - note 2)
Balance, beginning of year	\$ 4,736,659	\$ 15,736,071
Contributions received for capital replacement	2,165,983	11,877,759
Contributions earned in the year	(1,379,056)	(23,011,970)
	786,927	(11,134,211)
Change in security deposits and prepaid rents	126,808	134,799
Balance, end of year	\$ 5,650,394	\$ 4,736,659

METRO VANCOUVER HOUSING CORPORATION

Notes to Financial Statements, page 8

Year ended December 31, 2020

7. Mortgages and Debentures Payable

- a) MVHC's mortgages for Cedarwood, Crown Manor, Earle Adams, Euclid Square, Grandview Gardens, Kelly Court, Manor House, Regal Hotel and Semlin Terrace are financed through the MVRD at MVRD's internal variable rate which was 2.00% in 2020 (2019 - 2.46%).
- b) Mortgages outstanding (see note 7(d)) are expected to be renegotiated on a long-term basis. Annual principal repayments with and without renewal are as follows:

	Assuming no renewal of mortgages	Assuming Long-term renewal of mortgages
2021	\$ 6,441,217	\$ 3,562,364
2022	6,332,231	3,630,278
2023	2,692,764	3,544,625
2024	7,372,339	3,598,293
2025	2,466,440	3,668,523
Thereafter	33,057,495	40,358,403
	\$ 58,362,487	\$ 58,362,487

- c) Mortgages payable with respect to projects constructed pursuant to Section 95 of the NHA are collateralized by specific charges on rental properties as well as a general assignment of rents and a chattel mortgage on the fixtures and equipment. Properties funded by BCHMC mortgages are collateralized by a general assignment of rents and the benefit of all covenants and agreements included in any lease.
- d) Mortgages reported on the Statement of Financial Position comprises the following and includes varying maturities up to 2055 with interest rates ranging from 1.08% to 4.87%.

METRO VANCOUVER HOUSING CORPORATION

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Year ended December 31, 2020

7. Mortgages and Debentures Payable (continued)

Rental Property	Interest Rate - %	Renewal Date	Expected Maturity Date	2020	2019
Investment in Housing Innovation Projects:					
Heather Place A	1.44	December 1, 2030	December 1, 2055	\$ 13,334,706	-
Total Investment in Housing Innovation projects				13,334,706	-
NHA Section 95 projects:					
McBride Place	1.08		February 1, 2020	-	78,886
Pinewood Place	2.54		October 1, 2020	-	208,658
Walnut Gardens	1.08		January 1, 2020	-	11,241
Total NHA Section 95 projects				-	298,785
Seniors projects:					
Alderwood Place	2.55		July 1, 2027	1,732,592	1,971,384
Cedarwood Place	2.39		January 1, 2023	341,327	499,224
Cedarwood Place	2.00	July 1, 2024	July 1, 2038	3,715,165	3,921,565
Total Seniors projects				5,789,084	6,392,173
Homes BC projects:					
Chateau de Ville	4.87	July 1, 2027	July 1, 2035	7,191,408	7,526,046
Claude Douglas	2.56	November 1, 2029	November 1, 2036	1,947,898	2,045,920
Fraserwood	1.44	December 1, 2030	December 1, 2035	3,277,419	3,436,992
Inlet Centre Residences	1.58	October 1, 2030	October 1, 2038	5,445,241	5,662,617
Maplewood	2.62	May 1, 2027	May 1, 2037	2,450,947	2,569,066
Odlinwood	2.03	August 1, 2026	August 1, 2036	4,609,865	4,857,499
Total Homes BC projects				24,922,778	26,098,140
MVHC projects:					
Crown Manor	2.00	July 15, 2024	July 15, 2038	687,882	726,555
Earle Adams Village	2.00	June 1, 2022	June 1, 2027	1,855,503	2,120,595
Euclid Square	2.00	June 1, 2022	June 1, 2027	545,051	622,915
Grandview Gardens	2.00	June 1, 2022	June 1, 2027	388,989	444,559
Kelly Court	2.00	June 1, 2022	June 1, 2027	771,943	882,220
Manor House	2.00	March 15, 2024	March 15, 2038	1,152,865	1,217,512
Meridian Village	2.46	September 1, 2026	July 1, 2031	4,806,243	5,199,332
Minato West	3.29	October 1, 2021	October 1, 2031	2,819,042	3,032,548
Regal Place Hotel	2.00	March 15, 2024	March 15, 2038	409,319	432,270
Semlin Terrace	2.00	June 1, 2022	June 1, 2027	574,862	656,985
St. Andrews Place	3.29	October 1, 2021	October 1, 2031	304,220	327,269
Total MVHC projects				14,315,919	15,662,760
Total mortgages payable				\$ 58,362,487	\$ 48,451,858

METRO VANCOUVER HOUSING CORPORATION

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Year ended December 31, 2020

8. Tangible Capital Assets

Year ended December 31, 2020

	Balance at December 31, 2019	Additions	Disposals	Balance at December 31, 2020	Balance at December 31, 2019	Disposals	Amortization Expense	Balance at December 31, 2020	Net book value December 31, 2020
Land	\$ 52,274,381	\$ -	\$ -	\$ 52,274,381	\$ -	\$ -	\$ -	\$ -	\$ 52,274,381
Buildings	192,173,219	28,402,168	-	220,575,387	172,633,282	-	1,420,146	174,053,428	46,521,959
Furniture & fixtures	6,462,008	435,582	(434,322)	6,463,268	4,688,411	(434,322)	465,683	4,719,772	1,743,496
Construction in progress	25,298,623	(22,413,495)	-	2,885,128	-	-	-	-	2,885,128
	\$ 276,208,231	\$ 6,424,255	\$ (434,322)	\$ 282,198,164	\$ 177,321,693	\$ (434,322)	\$ 1,885,829	\$ 178,773,200	\$ 103,424,964

Year ended December 31, 2019

	Balance at December 31, 2018	Additions	Disposals	Balance at December 31, 2019	Balance at December 31, 2018	Disposals	Amortization Expense	Balance at December 31, 2019	Net book value December 31, 2019
Land	\$ 52,274,381	\$ -	\$ -	\$ 52,274,381	\$ -	\$ -	\$ -	\$ -	\$ 52,274,381
Buildings	192,173,219	-	-	192,173,219	170,919,847	-	1,713,435	172,633,282	19,539,937
Furniture & fixtures	6,311,606	701,478	(551,076)	6,462,008	4,844,515	(551,076)	394,972	4,688,411	1,773,597
Construction in progress	10,467,352	14,831,271	-	25,298,623	-	-	-	-	25,298,623
	\$ 261,226,558	\$ 15,532,749	\$ (551,076)	\$ 276,208,231	\$ 175,764,362	\$ (551,076)	\$ 2,108,407	\$ 177,321,693	\$ 98,886,538

There was no write-down of tangible capital assets during the year (2019 - \$nil).

METRO VANCOUVER HOUSING CORPORATION

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Year ended December 31, 2020

9. Prepaid Land Leases

	2020	2019
Balance, beginning of year	\$ 5,451,900	\$ 5,646,699
Amortization	(194,799)	(194,799)
Balance, end of year	\$ 5,257,101	\$ 5,451,900

The lease terms for the properties are as follows:

Asset	Lease Expiry Dates	Lease Term (Years)
Buildings		
Habitat Villa	February 2029	50
Walnut Gardens	May 2026	42
Other prepaid land leases	May 2036 to June 2062	60

10. Accumulated Surplus

Accumulated surplus consists of authorized and issued 2,000 common shares with a par value of \$1 per share and individual fund surplus and reserves as follows:

	2020	2019 (restated - note 2)
Reserves	\$ 47,454,831	\$ 27,135,634
Capital fund	5,257,101	5,451,900
Investment in tangible capital assets	45,062,477	43,749,160
Share capital	2,000	2,000
	\$ 97,776,409	\$ 76,338,694

Continuity of reserves is as follows:

	2020	2019 (restated - note 2)
Balance, beginning of year	\$ 27,135,634	\$ 24,612,706
Interest	533,299	580,815
Contribution (to) from operations	(3,935,249)	929,430
Contribution from (to) capital	7,346,033	(13,283,549)
Annual operating surplus	16,375,114	14,296,232
	\$ 47,454,831	\$ 27,135,634

METRO VANCOUVER HOUSING CORPORATION

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Year ended December 31, 2020

10. Accumulated Surplus (continued)

Investment in tangible capital assets is calculated as follows:

	2020	2019
Tangible capital assets	\$ 103,424,964	\$ 98,886,538
Amounts financed by:		
Long-term debt	(58,362,487)	(48,451,858)
Forgivable loan	-	(6,685,520)
	\$ 45,062,477	\$ 43,749,160

The change in investment in tangible capital assets is as follows:

	2020	2019
Change in the investment in tangible capital assets		
Acquisition of tangible capital assets	\$ 6,424,255	\$ 15,532,749
Amortization of tangible capital assets	(1,885,829)	(2,108,407)
	4,538,426	13,424,342
Less financing of tangible capital assets through debt		
Payment of long-term debt	(3,424,077)	(4,678,579)
Forgivable loan	-	1,547,723
Reduction of forgivable loan	(6,685,520)	-
External mortgage	13,334,706	-
	3,225,109	(3,130,856)
Change in investment in tangible capital assets	1,313,317	16,555,198
Investment in tangible capital assets, beginning of year	43,749,160	27,193,962
Investment in tangible capital assets, end of year	\$ 45,062,477	\$ 43,749,160

11. Contractual Obligations

a) Contractual Obligations

- i) As at December 31, 2020, the Corporation had the following commitments relating to projects in progress.

Authorized and Outstanding Projects	Expended at December 31	Total 2020	Total 2019
\$ 82,700,000	\$ (2,885,128)	\$ 79,814,872	\$ 85,901,377

METRO VANCOUVER HOUSING CORPORATION

Notes to Financial Statements, page 13

Year ended December 31, 2020

12. Contingencies

Lawsuits

As at December 31, 2020, there were various lawsuits pending against the Corporation arising in the ordinary course of business. The Corporation has retained legal counsel to defend against these lawsuits. Where the outcomes or amounts cannot be reasonably determined, no liability has been recorded. None of these lawsuits are anticipated to result in a material loss to the Corporation. Management is of the opinion that losses, if any, in connection with these lawsuits can be sufficiently funded by reserve funds or covered by insurance. Any expected losses will be accrued and recorded as expenses at the time they are considered likely and amounts are reasonably determinable.

Self Insurance Reserve

A self insurance reserve has been established within the MVRD to cover losses resulting from uninsured liability exposures of the Metro Vancouver Districts and the MVHC.

Each year a review is undertaken to determine if it would be beneficial to purchase liability insurance. The MVRD, its related Districts and the MVHC transfer amounts to the reserve depending on the reserve's adequacy to cover retained liability risk.

An estimate is made for all costs of investigating and settlement of claims incurred annually and an adjustment is made to the fund to maintain an adequate balance to cover potential losses in excess of recorded liabilities. These adjustments are changed as additional information becomes known during the course of claims settlement. Any likely losses would be expensed by at the time the losses are known and the amounts are reasonably determinable.

BC Homes Repayable Assistance

As the Umbrella Agreement with BCHMC expired December 31, 2019, the properties included under this agreement have reverted back to their original operating agreements. The cumulative Non-Rent Geared to Income (Non-RGI) assistance is contingently repayable to BCHMC in the event that BCHMC's unit rent contribution for any unit exceeds the economic or breakeven rent of the units occupied by Non-RGI tenants in any year. MVHC is required to commence repayment of the cumulative Non-RGI assistance on the first day of the fiscal year following the fiscal year in which the preceding event occurs. The balance then bears interest at bank prime and the required monthly payments are set annually based upon the amount by which Non-RGI BCHMC's unit rent contributions exceed economic rent for these units in the prior year. Currently the estimated total Repayable Assistance at December 31, 2020 is \$nil (2019 - \$nil). However, the balance will be reconciled and finalized once BCHMC completes the financial review for the fiscal year ended December 31, 2020.

METRO VANCOUVER HOUSING CORPORATION

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Year ended December 31, 2020

12. Contingencies (continued)

BCHMC Grant Funding

In 2018 MVHC entered into a forgivable loan agreement (the "Agreement") with BC Housing Management Commission for funding for the Heather Place Facility. MVHC received funding in the amounts of \$5,137,797 and \$1,547,723 in 2018 and 2019, respectively. The loan term is 35 years and is forgivable in the amount of 1/25th of the final balance of \$6,685,520 commencing in the 11th year after completion of construction and commencement of operations, which occurred in 2020. Upon commencement of operations of the facility, the amount of funding received was recorded as revenue from government transfer as the remaining stipulation of continuing to operate the facility in accordance with the Agreement is not considered to create a liability.

Forgiveness of the loan under the Agreement requires that the property must be continuously used for the provision of housing for eligible occupants and there is no default under the loan or operating agreement. Should a breach in the agreement occur, the outstanding balance of the funding not previously forgiven would need to be repaid to BCHMC immediately. Payments of interest will not be required unless there is a default, which would result in interest being payable on the unforgiven balance of the principal amount then outstanding at prime plus 2% per annum, compounded semi-annually and not in advance. As management does not consider it likely that the amount will be repaid, no liability is recorded in the financial statements.

METRO VANCOUVER HOUSING CORPORATION

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Year ended December 31, 2020

13. Budget Information

The annual budget presented in these financial statements is based upon the 2020 operating and capital budgets approved by the Corporation's Board in October 2019, with additional approval in November 2020 for adjustments to the budget as a result of the 2019 fiscal year end results. The budget is based on operational and capital expenditure requirements and their associated funding. Amortization is a non-cash item that is not funded for budget purposes. Also, contributions to or from reserves and debt principal repayments are removed from the approved budget for financial statement presentation. The schedule below reconciles the approved budget to the budget figures reported in these financial statements. Capital expenditures of \$25,343,842 were included in the Capital Budget approved by the Board.

	2020 Budget	2019 Budget
Budgeted annual surplus per Exhibit B	\$ 16,660,714	\$ 3,317,766
Items not included in the operating budget		
Amortization of tangible capital assets and prepaid land lease	2,471,594	2,074,950
Transfer from deferred revenue for replacement	-	48,907
Reserve interest	(314,325)	(299,682)
Development grant	(8,500,000)	-
Items included in the budget but not in financial statements		
Debt principal payments	(3,424,100)	(4,678,791)
Transfers to reserves	(6,893,883)	(463,150)
Annual surplus per approved budget	\$ -	\$ -

14. COVID-19

In the Spring of 2020, COVID-19 was declared a global pandemic and severely impacted the global economy. The Corporation is continuing to deliver key services to the Metro Vancouver region in line with its mandate. Management is continuing to monitor the impacts on taxpayers, suppliers and other third party business associates that could impact the timing and amounts realized on the Corporation's assets and ability to provide services to the region.

The duration of business disruption and the related financial impact cannot be reasonably estimated at this time. The Corporation's management will continue to closely monitor cash flows, financial projections and available reserves.