

**METRO VANCOUVER DISTRICTS
AND METRO VANCOUVER HOUSING CORPORATION**

(OPERATING AS METRO VANCOUVER)

Financial Statements

Year ended December 31, 2022

Consolidated Financial Statements of

**METRO VANCOUVER
REGIONAL DISTRICT
(OPERATING AS METRO VANCOUVER)**

Year ended December 31, 2022

METRO VANCOUVER REGIONAL DISTRICT

Index to Consolidated Financial Statements

December 31, 2022

	Exhibit
Management Report	
Independent Auditor's Report	
Consolidated Statement of Financial Position	A
Consolidated Statement of Operations	B
Consolidated Statement of Change in Net Debt	C
Consolidated Statement of Cash Flows	D
Notes to Consolidated Financial Statements	
COVID-19 Restart Grant (unaudited)	Schedule 1

**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 Finance Committee of the Board.

The external auditors, BDO Canada LLP, conduct an independent examination, in accordance with Canadian generally accepted 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, 2022.

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



Dean Rear, Chief Financial Officer

Date: April 28, 2023



Tel: 604 688 5421
Fax: 604 688 5132
vancouver@bdo.ca
www.bdo.ca

BDO Canada LLP
Unit 1100 - Royal Centre
1055 West Georgia Street
Vancouver BC V6E 3P3 Canada

Independent Auditor's Report

To 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, 2022, 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, 2022 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.

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 consolidated 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
May 01, 2023

METRO VANCOUVER REGIONAL DISTRICT

Exhibit A

Consolidated Statement of Financial Position

As at December 31, 2022

(in thousands of dollars)

	2022	2021
Financial Asset		
Cash and cash equivalents	\$ 388,043	\$ 738,303
Accounts receivable (note 2)	193,673	193,051
Due from TransLink and member municipalities (note 3)	1,260,527	1,094,140
Investments (note 4)	391,386	289,582
Debt reserve fund (note 5)	65,522	64,388
	2,299,151	2,379,464
Liabilities		
Accounts payable and accrued liabilities (note 6)	299,379	337,420
Employee future benefits (note 7)	14,602	13,907
Landfill closure and post-closure liability (note 8)	41,026	32,907
Deferred revenue and refundable deposits (note 9)	343,047	341,016
Debt reserve fund, member municipalities, and TransLink (note 5)	35,231	35,179
Debt (net of sinking funds) (note 10)		
Metro Vancouver Districts and Housing Corporation	1,884,302	1,851,489
TransLink and member municipalities	1,246,714	1,083,106
Total debt	3,131,016	2,934,595
	3,864,301	3,695,024
Net Debt	(1,565,150)	(1,315,560)
Non-Financial Assets		
Tangible capital assets (note 11)	7,796,302	7,172,479
Inventories of supplies	11,864	10,938
Prepaid land leases (note 12)	4,868	5,062
Prepaid expenses	11,714	8,723
	7,824,748	7,197,202
Accumulated Surplus (note 13)	\$ 6,259,598	\$ 5,881,642

Contractual obligations and rights (note 14)

Contingencies (note 15)

Budget information (note 16)

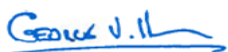
Segmented information and expenses by object (note 17)

Subsequent events (note 18)

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, 2022

(in thousands of dollars)

	2022 Budget (Note 16)	2022 Actual	2021 Actual
Revenues (note 17)			
MVRD property tax requisitions	\$ 91,708	\$ 91,708	\$ 82,714
Metered sale of water	329,366	329,678	319,989
Sewerage and drainage levy	301,425	301,425	288,226
Tipping fees	112,910	125,797	112,610
Housing property rentals	42,051	43,267	42,416
BODTSS industrial charges	12,263	12,431	12,157
Development cost charges	103,080	60,583	42,204
Grants and other contributions	126,822	37,265	76,174
User fees, recoveries, and other revenue	41,175	46,411	42,903
Sinking fund and interest income	32,110	38,682	32,840
Sinking fund income, members and TransLink	29,165	27,072	28,222
	1,222,075	1,114,319	1,080,455
Expenses (note 17)			
Liquid waste services	294,631	274,160	232,928
Solid waste services	119,856	142,930	108,040
Water operations	197,307	184,446	173,128
Housing rental operations	41,452	34,516	35,765
Regional parks	46,045	38,405	37,310
General government services	7,400	7,167	6,257
Air quality	14,826	11,101	10,082
Regional employers services	3,204	2,362	2,342
E911 emergency telephone system	5,333	5,269	4,543
Regional planning	4,756	4,140	3,101
Invest Vancouver	3,038	2,420	1,556
Housing planning and policy	1,794	1,031	1,085
Electoral areas	632	654	455
Regional global positioning system	348	169	242
Sasamat volunteer fire department	294	350	263
Regional emergency management	234	171	78
Sinking fund income attributed to members and TransLink	29,165	27,072	28,222
	770,315	736,363	645,397
Annual surplus	451,760	377,956	435,058
Accumulated surplus, beginning of year	5,881,642	5,881,642	5,446,584
Accumulated surplus, end of year (note 13)	\$ 6,333,402	\$ 6,259,598	\$ 5,881,642

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, 2022

(in thousands of dollars)

	2022 Budget (Note 16)	2022 Actual	2021 Actual
Annual surplus	\$ 451,760	\$ 377,956	\$ 435,058
Change in tangible capital assets			
Acquisition of tangible capital assets	(1,390,548)	(723,206)	(720,501)
Amortization of tangible capital assets	96,073	99,142	86,415
Net book value of tangible capital assets disposed	—	241	1,110
	(1,294,475)	(623,823)	(632,976)
Change in other non-financial assets			
Acquisition of prepaid expenses	—	(11,714)	(8,723)
Use of prepaid expenses	—	8,723	9,350
Amortization of prepaid land leases	194	194	195
Acquisition of inventories of supplies	—	(11,864)	(10,938)
Consumption of inventories of supplies	—	10,938	10,017
	194	(3,723)	(99)
Change in net debt	(842,521)	(249,590)	(198,017)
Net debt, beginning of year	(1,315,560)	(1,315,560)	(1,117,543)
Net debt, end of year	\$ (2,158,081)	\$ (1,565,150)	\$ (1,315,560)

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, 2022

(in thousands of dollars)

	2022	2021
Cash provided by (used in):		
Operating transactions:		
Annual surplus	\$ 377,956	\$ 435,058
Items not involving cash		
Amortization of tangible capital assets	99,142	86,415
Amortization of prepaid land leases	194	195
Sinking fund income	(54,931)	(53,932)
Debt reserve fund income	(1,455)	(1,065)
Accrued interest and unamortized premium or discount	(718)	(2,029)
Gain (loss) on disposal of tangible capital assets and asset held for sale	(1,359)	743
Employee future benefit expense	2,911	2,868
Change in landfill closure and post-closure liability	8,119	743
Change in non-cash financial assets and liabilities		
Accounts receivable	(622)	(42,424)
Due from TransLink and member municipalities	(166,387)	(93,341)
Accounts payable and accrued liabilities	(38,041)	88,148
Employee future benefits paid	(2,216)	(2,330)
Deferred revenue and refundable deposits	2,031	29,565
Debt reserve fund, member municipalities, and TransLink	52	(424)
Inventories of supplies	(926)	(921)
Prepaid expenses	(2,991)	627
Net change in cash from operating transactions	220,759	447,896
Capital transactions:		
Proceeds on sale of tangible capital assets	1,600	367
Acquisition of tangible capital assets	(723,206)	(720,501)
Net change in cash from capital transactions	(721,606)	(720,134)
Investing transactions:		
Acquisition of investments	(403,818)	(160,752)
Investment maturities	302,732	290,591
Net change in cash from investing transactions	(101,086)	129,839
Financing transactions:		
Debenture debt and mortgages issued	452,970	779,600
Debt reserve fund issuances	(4,530)	(7,796)
Debt reserve fund maturity	4,851	3,915
Sinking fund payments	(193,570)	(158,391)
maturity	(8,048)	(8,136)
Sinking fund retirement	182,352	142,080
Debenture debt maturity	(182,352)	(142,080)
Net change in cash from financing transactions	251,673	609,192
Net change in cash and cash equivalents	(350,260)	466,793
Cash and cash equivalents, beginning of year	738,303	271,510
Cash and cash equivalents, end of year	\$ 388,043	\$ 738,303

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, 2022

(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. Significant accounting policies adopted by the District are as follows:

Government Reporting Entity

The consolidated financial statements include 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, 2022

(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 legal 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, 2022

(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.
Investments	Investments consist of both long and short-term instruments and are recorded at amortized cost using straight-line method.
Employee Future Benefits	<p>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.</p> <p>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.</p>
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, 2022

(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, 2022

(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 available for use 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 available for use.

b. Contributions of tangible capital assets

Contributions of tangible capital assets are recorded at their estimated 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 revenues 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.

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 6

Year ended December 31, 2022

(tabular amounts in thousands of dollars)

1. Significant Accounting Policies (continued)

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.

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 estimate of accruals for projects in progress, amortization rates and useful lives for tangible capital assets, the landfill closure and post-closure liability, the assessment of the impairment of tangible capital assets and work in progress, and the assessment of the outcome of contingent liabilities.

2. Accounts Receivable

	2022	2021
GVWD	\$ 68,590	\$ 48,357
GVS&DD	108,083	139,016
MVHC	2,743	624
MVRD	14,257	5,054
	\$ 193,673	\$ 193,051

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 7

Year ended December 31, 2022

(tabular amounts in thousands of dollars)

3. Due from TransLink and Member Municipalities

The District is reimbursed for amounts paid to the Municipal Finance Authority of British Columbia ("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, held and invested by the MFA, and includes accrued interest as follows:

	Net Debt Recoverable	Accrued Interest	2022	2021
TransLink	\$ 234,324	\$ 5,169	\$ 239,493	\$ 286,467
Member municipalities	1,012,390	8,644	1,021,034	807,673
	\$ 1,246,714	\$ 13,813	\$ 1,260,527	\$ 1,094,140

4. Investments

	Yields	Maturity Dates	2022	2021
Bonds:				
Government	1.91% - 3.11%	April 2023 - March 2031	\$ 60,657	\$ 78,983
Corporate	1.97% - 5.86%	June 2024 - March 2028	47,583	51,172
Unamortized premium			4,646	3,927
			112,886	134,082
Term deposits	1.30% - 5.25%	January 2023 - July 2025	63,500	98,000
GICs	1.20% - 4.57%	January 2023 - April 2028	215,000	57,500
Total			\$ 391,386	\$ 289,582

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 as at December 31, 2022 was \$393,365,298 (2021 - \$294,798,145).

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 8

Year ended December 31, 2022

(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 the 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, 2022, \$130,539,983 (2021 - \$122,534,444) in callable demand notes were outstanding and have not been recorded in the statement of financial position.

	2022	2021
Cash deposits held by MFA on behalf of:		
TransLink and member municipalities	\$ 35,231	\$ 35,179
Metro Vancouver Districts	30,291	29,209
	\$ 65,522	\$ 64,388

6. Accounts Payable and Accrued Liabilities

	2022	2021
Trade accounts	\$ 166,809	\$ 233,799
Construction holdbacks	79,654	65,181
Accrued interest on debt	27,606	23,429
Wage accruals	23,815	14,249
Contaminated sites (a)	1,495	762
	\$ 299,379	\$ 337,420

(a) In 2022, the District accrued \$1,494,860 to remediate contaminated soils at two of its properties within the GVWD. The remediation work for the properties will be completed in 2024 and 2026. The remediation work accrued in 2021 within the GVS&DD was completed.

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 9

Year ended December 31, 2022

(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, 2022.

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

	2022	2021
Accrued benefit obligation:		
Balance, beginning of year	\$ 19,008	\$ 20,362
Current service cost	1,572	1,656
Interest cost	467	376
Benefits paid	(2,216)	(2,330)
Workers compensation top-up	—	(120)
Actuarial loss	(204)	(936)
Accrued benefit obligation, end of year	18,627	19,008
Unamortized actuarial loss	(4,025)	(5,101)
Accrued benefit liability, end of year	\$ 14,602	\$ 13,907

	2022	2021
Employee future benefit expense:		
Current service cost	\$ 1,572	\$ 1,656
Interest cost	467	376
Workers compensation top-up	—	(120)
Amortization of the actuarial loss	872	956
	\$ 2,911	\$ 2,868

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

	2022	2021
Discount rate	4.4%	2.4%
Expected future inflation rate	2.5%	2.0%
Expected average remaining service period	12 years	11 years

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 10

Year ended December 31, 2022

(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 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:

	2022	2021
Landfill closure and post closure liability	\$ 41,026	\$ 32,907

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:

	2022	2021
Current actual utilization (in 000's tonnes)	23,196	22,521
tonnes)	28,300	28,219
Expected remaining capacity (in 000's tonnes)	5,104	5,698
Permitted capacity (in 000's tonnes)	33,039	33,039
Future costs (in \$000's)	\$ 212,638	\$ 197,189
Present value of future costs (in \$000's)	\$ 136,569	\$ 115,934
Proportionate share of liability	36.65%	35.57%
Utilization of total capacity, end of year	81.97%	79.81%
Discount rate	2.58%	2.73%
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, 2022

(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, 2022, the lower of amortized book value and market value of the trust was \$15,403,059 (2021 - \$16,261,510), 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.

9. Deferred Revenue and Refundable Deposits

The deferred revenue consists of the following:

	2022	2021
MVHC externally restricted funds from BCHMC (a)		
i) Rental operations	\$ 48	\$ 47
ii) Replacement projects	3,457	3,376
	3,505	3,423
GVS&DD development cost charges (b)	273,596	258,634
Provincial grant to fund capital expenditures (c)	56,496	69,696
Facility rental security deposits	6,414	6,360
Other	3,036	2,903
Total	\$ 343,047	\$ 341,016

- (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 British Columbia Housing Management Commission ("BCHMC") (Homes BC, Seniors, and Investment in Housing Innovation 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, 2022

(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 Investment in Housing Innovation 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.
- (b) The *Greater Vancouver Sewerage and Drainage District 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 North Shore Wastewater Treatment Plant Facility. During 2022, \$15.39 million (2021 - \$20.49 million) was applied against the project and recognized as revenue.

Continuity of deferred revenue and refundable deposits is as follows:

	2022	2021
Balance, beginning of year	\$ 341,016	\$ 311,451
Externally restricted contributions received:		
GVS&DD development cost charges	68,941	85,105
MVHC restricted funds	1,035	1,420
Interest earned	8,275	3,628
Total contributions received	78,251	90,153
Contributions used and recognized in revenue	(77,275)	(63,781)
Net change in externally restricted contributions	976	26,372
Change in deposits and other deferred revenues	1,055	3,193
	2,031	29,565
Balance, end of year	\$ 343,047	\$ 341,016

10. Debt

- a) The District serves as the borrowing conduit between member municipalities (excluding the City of Vancouver) and the MFA. The GVS&DD and GVWD also access the MFA through the MVRD. Prior to 2007, the District also served as the borrowing conduit for the Greater Vancouver Transportation Authority, 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.
- 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.

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 13

Year ended December 31, 2022

(tabular amounts in thousands of dollars)

10. Debt (continued)

- 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	Debt, Net of Sinking Fund	
			2022	2021
GVS&DD	\$ 1,431,000	\$ 252,856	\$ 1,178,144	\$ 1,094,985
GVWD	1,207,631	544,120	663,511	711,163
MVHC	42,647	—	42,647	45,341
	2,681,278	796,976	1,884,302	1,851,489
TransLink	713,606	479,282	234,324	281,223
Member municipalities	1,254,441	242,051	1,012,390	801,883
	1,968,047	721,333	1,246,714	1,083,106
	\$ 4,649,325	\$ 1,518,309	\$ 3,131,016	\$ 2,934,595

- f) Debt (net of sinking funds) reported on the statement of financial position is comprised of the following and includes varying maturities up to 2055, with interest rates ranging from 0.30% to 5.65%.

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 14

Year ended December 31, 2022

(tabular amounts in thousands of dollars)

10. Debt (continued)

Issue number	Interest rate - %	Maturity date	Authorized to be issued	Debt Outstanding	
				2022	2021
Sinking Fund Agreements					
67	0.70-1.75	November 5, 2022	\$ 15,000	\$ —	\$ 15,000
77	0.65-1.75	June 1, 2022	100,100	—	84,100
78	2.25	December 3, 2022	89,252	—	1,252
79	2.25	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	4.77	October 13, 2025	10,900	2,300	2,300
96	4.61	April 2, 2026	50,000	50,000	50,000
97	1.53-4.90	April 19, 2036	175,000	153,000	153,000
99	4.99	October 19, 2026	66,300	16,300	16,300
100	4.59	October 19, 2026	200,000	180,000	180,000
102	2.25-5.09	December 1, 2027	436,395	289,395	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	April 8, 2030	60,730	60,730	60,730
112	1.28	October 6, 2035	74,775	74,775	74,775
116	1.47	April 4, 2036	152,292	152,292	152,292
118	3.39	April 11, 2042	96,000	96,000	96,000
120	0.30	June 29, 2022	2,000	—	2,000
121	3.39	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	168,133
151	1.28	June 1, 2050	185,987	185,987	185,987
153	2.41	April 15, 2046	129,000	129,000	129,000
154	2.41	May 28, 2036	500,000	500,000	500,000
156	2.58	September 27, 2046	150,600	150,600	150,600
157	3.36	April 8, 2037	207,500	207,500	—
158	4.09	September 23, 2052	245,470	245,470	—
Total sinking fund agreements (carried forward)			\$ 5,176,573	\$ 4,583,546	\$ 4,312,928

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 15

Year ended December 31, 2022

(tabular amounts in thousands of dollars)

10. Debt (continued)

Issue number	Interest rate - %	Maturity date	Authorized to be issued	Debt Outstanding	
				2022	2021
Total sinking fund agreements (brought forward)			\$ 5,176,573	\$ 4,583,546	\$ 4,312,928
Serial Debt					
93	5.10-5.65	April 7, 2027	79,014	17,735	22,143
111	3.35	October 1, 2025	3,000	724	950
114	3.65	March 29, 2026	6,301	2,024	2,486
122	2.00	November 1, 2032	1,999	1,000	1,099
123	2.00	March 28, 2033	3,142	1,649	1,807
Total serial debt			93,456	23,132	28,485
Total debenture debt			\$ 5,270,029	\$ 4,606,678	\$ 4,341,413
MVHC Mortgages					
	1.44 - 4.87	January 2023 to December 2055		50,901	54,519
Less MVRD financed mortgages				(8,254)	(9,178)
Total MVHC mortgages				42,647	45,341
Total debt				4,649,325	4,386,754
Less sinking funds				(1,518,309)	(1,452,159)
Total debt, net of sinking funds				\$ 3,131,016	\$ 2,934,595

- g) 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
2023	\$ 216,337	\$ 69,699	\$ 146,638
2024	212,000	69,838	142,162
2025	197,289	63,051	134,238
2026	187,578	59,713	127,865
2027	173,438	48,306	125,132
Thereafter	1,327,343	489,606	837,737
Total payments	2,313,985	800,213	1,513,772
Estimated sinking fund income	817,031	446,501	370,530
Total net debt	\$ 3,131,016	\$ 1,246,714	\$ 1,884,302

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 16

Year ended December 31, 2022

(tabular amounts in thousands of dollars)

11. Tangible Capital Assets

Year ended December 31, 2022

Cost				Accumulated Amortization				Net Book Value December 31, 2022	
Balance at December 31, 2021	Additions	Disposals	Balance at December 31, 2022	Balance at December 31, 2021	Disposals	Amortization Expense	Balance at December 31, 2022		
Land									
Sewer and Drainage District	\$ 162,872	\$ 23,590	\$ (104)	\$ 186,358	\$ —	\$ —	\$ —	\$ —	\$ 186,358
Water District	53,664	79,050	—	132,714	—	—	—	—	132,714
Regional District	914,517	5,152	—	919,669	—	—	—	—	919,669
Metro Vancouver Housing Corporation	52,274	—	—	52,274	—	—	—	—	52,274
	1,183,327	107,792	(104)	1,291,015	—	—	—	—	1,291,015
Infrastructure									
Sewer and Drainage District	2,168,652	300,885	—	2,469,537	708,339	—	44,809	753,148	1,716,389
Water District	2,245,795	180,999	—	2,426,794	437,619	—	36,322	473,941	1,952,853
Regional District	129,501	3,505	(1,257)	131,749	68,134	(1,257)	4,761	71,638	60,111
	4,543,948	485,389	(1,257)	5,028,080	1,214,092	(1,257)	85,892	1,298,727	3,729,353
Buildings									
Water District	216,476	—	—	216,476	24,688	—	5,463	30,151	186,325
Regional District	26,880	—	—	26,880	10,357	—	540	10,897	15,983
Metro Vancouver Housing Corporation	220,339	3,250	—	223,589	176,544	—	2,290	178,834	44,755
	463,695	3,250	—	466,945	211,589	—	8,293	219,882	247,063
Vehicles									
Regional District	30,621	2,195	(413)	32,403	24,452	(413)	2,325	26,364	6,039
	30,621	2,195	(413)	32,403	24,452	(413)	2,325	26,364	6,039
Machinery, equipment, furniture & fixtures									
Sewer and Drainage District	8,818	171	—	8,989	7,875	—	360	8,235	754
Water District	13,197	425	—	13,622	7,425	—	1,042	8,467	5,155
Regional District	21,169	773	(150)	21,792	18,428	(148)	743	19,023	2,769
Metro Vancouver Housing Corporation	6,439	619	(497)	6,561	4,743	(362)	487	4,868	1,693
	49,623	1,988	(647)	50,964	38,471	(510)	2,632	40,593	10,371
Construction in progress									
Sewer and Drainage District	1,579,940	65,368	—	1,645,308	—	—	—	—	1,645,308
Water District	796,461	36,874	—	833,335	—	—	—	—	833,335
Regional District	5,391	3,725	—	9,116	—	—	—	—	9,116
Metro Vancouver Housing Corporation	8,077	16,625	—	24,702	—	—	—	—	24,702
	2,389,869	122,592	—	2,512,461	—	—	—	—	2,512,461
	\$ 8,661,083	\$723,206	\$ (2,421)	\$9,381,868	\$1,488,604	\$ (2,180)	\$ 99,142	\$1,585,566	\$7,796,302
Totals 2022									
Sewer and Drainage District	\$ 3,920,282	\$390,014	\$ (104)	\$4,310,192	\$ 716,214	\$ —	\$ 45,169	\$ 761,383	\$3,548,809
Water District	3,325,593	297,348	—	3,622,941	469,732	—	42,827	512,559	3,110,382
Regional District	1,128,079	15,350	(1,820)	1,141,609	121,371	(1,818)	8,369	127,922	1,013,687
Metro Vancouver Housing Corporation	287,129	20,494	(497)	307,126	181,287	(362)	2,777	183,702	123,424
	\$ 8,661,083	\$723,206	\$ (2,421)	\$9,381,868	\$1,488,604	\$ (2,180)	\$ 99,142	\$1,585,566	\$7,796,302

Construction in progress includes \$522.6 million (2021- \$495.7 million) related to the North Shore Wastewater Treatment Plant Project (note 15).

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 17

Year ended December 31, 2022

(tabular amounts in thousands of dollars)

11. Tangible Capital Assets (continued)

Year ended December 31, 2021

	Cost				Accumulated Amortization				Net Book Value
	Balance at December 31, 2020	Additions	Disposals	Balance at December 31, 2021	Balance at December 31, 2020	Disposals	Amortization Expense	Balance at December 31, 2021	December 31, 2021
Land									
Sewer and Drainage District	\$ 116,050	\$ 46,822	\$ —	\$ 162,872	\$ —	\$ —	\$ —	\$ —	\$ 162,872
Water District	44,704	8,960	—	53,664	—	—	—	—	53,664
Regional District	889,758	25,869	(1,110)	914,517	—	—	—	—	914,517
Metro Vancouver Housing Corporation	52,274	—	—	52,274	—	—	—	—	52,274
	1,102,786	81,651	(1,110)	1,183,327	—	—	—	—	1,183,327
Infrastructure									
Sewer and Drainage District	1,621,113	547,539	—	2,168,652	676,347	—	31,992	708,339	1,460,313
Water District	2,118,002	127,793	—	2,245,795	402,689	—	34,930	437,619	1,808,176
Regional District	125,581	4,734	(814)	129,501	63,766	(814)	5,182	68,134	61,367
	3,864,696	680,066	(814)	4,543,948	1,142,802	(814)	72,104	1,214,092	3,329,856
Buildings									
Water District	216,476	—	—	216,476	19,225	—	5,463	24,688	191,788
Regional District	26,880	—	—	26,880	9,817	—	540	10,357	16,523
Metro Vancouver Housing Corporation	220,575	(236)	—	220,339	174,053	—	2,491	176,544	43,795
	463,931	(236)	—	463,695	203,095	—	8,494	211,589	252,106
Vehicles									
Regional District	31,093	571	(1,043)	30,621	22,693	(1,043)	2,802	24,452	6,169
	31,093	571	(1,043)	30,621	22,693	(1,043)	2,802	24,452	6,169
Machinery, equipment, furniture & fixtures									
Sewer and Drainage District	8,799	19	—	8,818	7,390	—	485	7,875	943
Water District	13,197	—	—	13,197	6,395	—	1,030	7,425	5,772
Regional District	20,776	499	(106)	21,169	17,561	(106)	973	18,428	2,741
Metro Vancouver Housing Corporation	6,463	480	(504)	6,439	4,720	(504)	527	4,743	1,696
	49,235	998	(610)	49,623	36,066	(610)	3,015	38,471	11,152
Construction in progress									
Sewer and Drainage District	1,707,335	(127,395)	—	1,579,940	—	—	—	—	1,579,940
Water District	717,260	79,201	—	796,461	—	—	—	—	796,461
Regional District	4,938	453	—	5,391	—	—	—	—	5,391
Metro Vancouver Housing Corporation	2,885	5,192	—	8,077	—	—	—	—	8,077
	2,432,418	(42,549)	—	2,389,869	—	—	—	—	2,389,869
	\$7,944,159	\$720,501	\$ (3,577)	\$8,661,083	\$1,404,656	\$ (2,467)	\$ 86,415	\$1,488,604	\$7,172,479
Totals 2021									
Sewer and Drainage District	\$3,453,297	\$466,985	\$ —	\$3,920,282	\$ 683,737	\$ —	\$ 32,477	\$ 716,214	\$3,204,068
Water District	3,109,639	215,954	—	3,325,593	428,309	—	41,423	469,732	2,855,861
Regional District	1,099,026	32,126	(3,073)	1,128,079	113,837	(1,963)	9,497	121,371	1,006,708
Metro Vancouver Housing Corporation	282,197	5,436	(504)	287,129	178,773	(504)	3,018	181,287	105,842
	\$7,944,159	\$720,501	\$ (3,577)	\$8,661,083	\$1,404,656	\$ (2,467)	\$ 86,415	\$1,488,604	\$7,172,479

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 18

Year ended December 31, 2022

(tabular amounts in thousands of dollars)

12. Prepaid Land Leases

	2022	2021
Balance, beginning of year	\$ 5,062	\$ 5,257
Amortization	(194)	(195)
Balance, end of year	\$ 4,868	\$ 5,062

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:

	2022	2021
Reserves	\$ 441,040	\$ 394,831
Capital fund balance	(93,442)	165,821
Investment in tangible capital assets	5,912,000	5,320,990
Total	\$ 6,259,598	\$ 5,881,642

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, 2022

(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, 2021	Interest	Annual Operating Surplus (Deficit)	Transfers	Contributions from (to) Operations	Contributions to Capital	December 31, 2022
Reserve funds							
Operating reserves							
Metro Vancouver Regional District							
Air Quality	\$ 2,098	\$ 51	\$ 1,909	\$ —	\$ —	\$ —	\$ 4,058
E911 Emergency Telephone Service	391	9	74	—	—	—	474
Electoral Area Services	23	1	—	—	—	—	24
General Government	6,118	145	1,585	—	(739)	—	7,109
Housing Planning and Policy	198	5	223	—	—	—	426
Invest Vancouver	21	—	643	—	—	—	664
Regional Employer Services	463	11	333	—	—	—	807
Regional Emergency Management	199	5	61	—	—	—	265
Regional Geospatial Reference System	227	5	172	—	—	—	404
Regional Parks	3,373	64	1,807	—	(1,300)	—	3,944
Regional Planning	866	21	141	—	—	—	1,028
Sasamat Fire Protection Service	105	3	24	—	—	—	132
West Nile Virus	366	9	—	—	—	—	375
MVRD operating reserves	14,448	329	6,972	—	(2,039)	—	19,710
Greater Vancouver Water District							
Water Services	28,602	692	7,954	—	—	—	37,248
GVWD operating reserves	28,602	692	7,954	—	—	—	37,248
Greater Vancouver Sewerage and Drainage District							
Liquid Waste Services	32,955	797	14,021	—	(3,331)	—	44,442
Solid Waste Services	39,213	948	(2,343)	—	—	—	37,818
GVS&DD operating reserves	72,168	1,745	11,678	—	(3,331)	—	82,260
MVHC operating Reserves	2,578	62	10,309	—	—	—	12,949
Total operating reserves	117,796	2,828	36,913	—	(5,370)	—	152,167
Discretionary reserves							
Metro Vancouver Regional District							
Air Quality	1,363	32	—	—	(589)	—	806
Electoral Area Service	1,718	40	45	(130)	(21)	—	1,652
E911 Emergency Telephone Service	601	15	—	—	(584)	—	32
General Government	7,256	175	—	—	—	—	7,431
Invest Vancouver	1,288	31	—	—	(600)	—	719
Regional Emergency Management	338	8	—	—	—	—	346
Regional Employer Services	2,323	56	—	—	—	—	2,379
Regional Planning	2,583	62	—	—	(139)	—	2,506
Regional Parks	203	5	—	—	—	—	208
Centralized Support	24,899	604	2,267	—	(2,037)	—	25,733
MVRD discretionary reserves	42,572	1,028	2,312	(130)	(3,970)	—	41,812
Greater Vancouver Sewerage and Drainage District							
Biosolids Inventory	20,029	484	—	—	(4,704)	—	15,809
Liquid Waste General Debt Reserve Fund	2,123	51	—	—	—	—	2,174
Lions Gate Contingency	1,490	36	—	—	—	—	1,526
Drainage General	5,292	128	—	—	—	—	5,420
Solid Waste General	26,562	436	—	—	—	—	26,998
Landfill Post Closure	11,307	273	—	—	—	—	11,580
GVS&DD discretionary reserves	66,803	1,408	—	—	(4,704)	—	63,507
Metro Vancouver Housing Corporation							
MVHC Capital Development	43,769	1,059	—	—	—	(5,300)	39,528
MVHC Capital Replacement	5,000	13	—	—	(2,414)	—	2,599
MVHC discretionary reserves	48,769	1,072	—	—	(2,414)	(5,300)	42,127
Total discretionary reserves	158,144	3,508	2,312	(130)	(11,088)	(5,300)	147,446
Operating and discretionary reserves (carried forward)	\$ 275,940	\$ 6,336	\$ 39,225	\$ (130)	\$ (16,458)	\$ (5,300)	\$ 299,613

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 20

Year ended December 31, 2022

(tabular amounts in thousands of dollars)

13. Accumulated Surplus (continued)

	December 31, 2021	Interest	Annual Operating Surplus (Deficit)	Transfers	Contributions from (to) Operations	Contributions to Capital	December 31, 2022
Operating and discretionary reserves							
Reserves (brought forward)	\$ 275,940	\$ 6,336	\$ 39,225	\$ (130)	\$ (16,458)	\$ (5,300)	\$ 299,613
Statutory reserves							
Metro Vancouver Regional District							
Electoral Area Community Works	563	17	—	130	38	—	748
Electoral Area Election	60	1	13	—	(60)	—	14
MVRD Sustainability Innovation Fund	12,372	300	—	—	(643)	—	12,029
Grants Reserve Fund	2,158	104	—	—	(150)	—	2,112
Housing Planning and Policy	4,252	116	—	—	1,000	—	5,368
Housing Planning and Policy Development	8,047	247	—	—	4,000	—	12,294
Regional Geospatial Reference System	1,093	26	—	—	45	—	1,164
Regional Parks Infrastructure	6,827	190	—	—	2,468	(3,239)	6,246
Parkland Acquisition	9,488	229	—	—	—	—	9,717
Parkland Acquisition and Development	11,322	454	—	—	19,570	(5,152)	26,194
Delta Airpark	162	4	—	—	(21)	—	145
Regional Parks Legacy	2,666	64	—	—	(50)	—	2,680
Sasamat Fire Protection Services	1,224	35	—	—	339	—	1,598
Corporate Self Insurance	1,188	29	—	—	350	—	1,567
Corporate Fleet	22,424	542	3,239	—	—	(2,135)	24,070
MVRD statutory reserves	83,846	2,358	3,252	130	26,886	(10,526)	105,946
Greater Vancouver Water District							
Laboratory Equipment	785	19	—	—	—	—	804
Water Services Sustainability							
Innovation Fund	14,310	356	—	—	(88)	—	14,578
GVWD statutory reserves	15,095	375	—	—	(88)	—	15,382
Greater Vancouver Sewerage and Drainage District							
Liquid Waste Laboratory Equipment	608	16	—	—	101	—	725
Liquid Waste Services Sustainability							
Innovation Fund	19,341	483	—	—	(450)	—	19,374
GVS&DD statutory reserves	19,949	499	—	—	(349)	—	20,099
Total statutory reserves	118,890	3,232	3,252	130	26,449	(10,526)	141,427
Total reserves	\$ 394,830	\$ 9,568	\$ 42,477	\$ —	\$ 9,991	\$ (15,826)	\$ 441,040

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 21

Year ended December 31, 2022

(tabular amounts in thousands of dollars)

13. Accumulated Surplus (continued)

Investment in tangible capital assets is calculated as follows:

	2022	2021
Tangible capital assets	\$ 7,796,302	\$ 7,172,479
Amount financed by:		
Long-term debt, net of members, TransLink, and sinking fund	(1,884,302)	(1,851,489)
	\$ 5,912,000	\$ 5,320,990
Change in the investment in tangible capital assets		
Acquisition of tangible capital assets	\$ 723,206	\$ 720,501
Amortization of tangible capital assets	(99,142)	(86,415)
Disposal of tangible capital assets (net of book value)	(241)	(1,110)
	623,823	632,976
Less financing (net of members and TransLink debt)		
Sinking fund debt maturity	15,000	10,000
Sinking fund debt retirement	(136,608)	(105,326)
Sinking fund debt retirement income	(27,885)	(25,710)
Debenture debt issued	200,000	600,000
Debenture debt maturity	(15,000)	(10,000)
Payment of long-term debt	(2,694)	(2,920)
	32,813	466,044
Change in investment in tangible capital assets	591,010	166,932
Investment in tangible capital assets, beginning of year	5,320,990	5,154,058
Investment in tangible capital assets, end of year	\$ 5,912,000	\$ 5,320,990

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 22

Year ended December 31, 2022

(tabular amounts in thousands of dollars)

14. Contractual Obligations and Rights

a) Contractual Obligations

- i) As at December 31, 2022, the District had the following commitments relating to projects in progress.

	Authorized and Outstanding Projects	Expended at December 31	Total 2022	Total 2021
GVS&DD	\$ 5,139,887	\$ (2,553,670)	\$ 2,586,217	\$ 1,757,138
GVWD	2,620,217	(1,030,341)	1,589,876	1,429,253
MVRD	45,668	(8,641)	37,027	12,846
MVHC	322,500	(24,106)	298,394	346,323
Total	\$ 8,128,272	\$ (3,616,758)	\$ 4,511,514	\$ 3,545,560

- 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 three agreements, with annual payments to perpetuity, with adjustments annually for CPI. Estimated payments over the next ten years are as follows:

	Amount
2023	\$ 2,235
2024	2,268
2025	2,107
2026	2,123
2027	2,156
2028 - 2032	11,309
Total	\$ 22,198

b) Contractual Rights

The District is party to several property lease agreements that are anticipated to provide future revenues. These agreements are with third parties with varying terms to 2035. Amounts anticipated to be received over the future years are as follows:

	Amount
2023	\$ 6,282
2024	5,477
2025	4,400
2026	3,128
2027	1,209
Thereafter	5,474
Total	\$ 25,970

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 23

Year ended December 31, 2022

(tabular amounts in thousands of dollars)

15. Contingencies

Lawsuits

As at December 31, 2022, 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. 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.

North Shore Wastewater Treatment Plant

The GVS&DD is building a new tertiary wastewater treatment plant on a former industrial site in North Vancouver to replace the primary-only Lions Gate Wastewater Treatment Plant. The deadline for completion of the project under federal regulation was December 31, 2020. In 2021, the GVS&DD served notice to terminate its contract with the vendor hired to design, build and commission the future North Shore Wastewater Treatment Plant, having determined that the vendor was in breach of contract. As of the contract termination date in 2021, the GVS&DD has paid \$309.5 million, net of GST rebates, to the vendor for work completed, which has been recorded as construction in progress (note 11). In 2022, the vendor commenced legal action by filing a claim against the GVS&DD in excess of \$250 million to which the GVS&DD filed a counter-claim against the vendor in excess of \$500 million. In 2022, the GVS&DD also drew on an irrevocable letter of credit in the amount of \$50.0 million as a result of the contract termination. As at December 31, 2022, the outcome of any legal proceedings related to the terminated contract and the potential consequences of not meeting the current deadline under the federal regulation is undeterminable.

Due to the nature of the contractual payments made to date under the terminated contract, the outstanding litigation and uncertainty surrounding the value of the new contract for completion of the project, the amount recorded as work in progress of \$522.6 million (2021 - \$495.7 million) represents management's best estimate. This amount may be subject to material change as new information becomes available.

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 24

Year ended December 31, 2022

(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

In 2018 and 2019, MVHC received funding of \$6.7 million in total 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, 2022). 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.

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 25

Year ended December 31, 2022

(tabular amounts in thousands of dollars)

15. Contingencies (continued)

BCHMC Loan Funding

In 2022, MVHC entered into a demand non-revolving construction loan agreement with BC Housing Management Commission for funding for the Kingston Gardens re-development project. The maximum approved construction loan amount is \$44,642,752. Amounts drawn from the loan must be repaid no later than August 1, 2024. The BCHMC construction loan is to be repaid by a BCHMC investment of \$8,300,000 and take-out mortgage obtained through CMHC's National Housing Co-Investment Fund for \$29,411,377. Any amounts remaining of up to \$6,931,375, will be paid from MVHC's reserves.

Interest payable on the loan will be calculated based on a variable rate of not more than the Royal Bank of Canada Prime Rate plus 1.00%, compounded monthly, not in advance. As at December 31, 2022, no amounts were drawn from the demand loan.

Letters of Credit

At December 31, 2022, the GVS&DD is the named beneficiary of \$758 thousand (2021 - \$60.37 million) of irrevocable letters of credits from financial institutions related to construction projects and Solid Waste operations. These letters of credit are available under circumstances in which the service provider does not fulfil its obligation to the District and therefore the amount is not recorded as assets.

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 26

Year ended December 31, 2022

(tabular amounts in thousands of dollars)

16. Budget Information

The annual budget presented in these financial statements is based upon the 2022 operating and capital budgets originally approved by the District's Board in October 2021, with additional approval in November 2022 for adjustments to the budget as a result of the 2021 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 \$1.39 billion were included in the capital budget approved by the Board.

	2022 Budget	2021 Budget
Budgeted annual surplus per Exhibit B - Statement of	\$ 451,760	\$ 580,551
Additional transfers from reserves, approved by Board	3,634	1,575
Adjusted annual surplus, based on originally approved budget	455,394	582,126
Items not included in the operating budget		
Amortization of tangible capital assets	96,267	86,428
Contributions from deferred revenue	(110,665)	(251,932)
Sinking fund and debt retirement income	(25,566)	(23,044)
Development cost charge revenue	(42,329)	(45,000)
MVHC development grant	(17,536)	(8,500)
Reserve interest	(6,592)	(6,079)
Items included in budget but not in financial statements		
Sinking fund and debt retirement payments	(140,561)	(108,890)
Transfers to capital fund	(203,053)	(205,371)
Transfers from reserve funds	30,865	14,940
Transfer to reserve funds	(36,224)	(34,678)
Annual surplus per approved budget	—	—

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 27

Year ended December 31, 2022

(tabular amounts in thousands of dollars)

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 \$31.47 million (2021 - \$32.88 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.

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

GVS&DD

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 legal 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, 2022

(tabular amounts in thousands of dollars)

17. Segmented Information and Expenses by Object (continued)

MVRD

<i>Regional Parks</i>	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.
<i>General Government</i>	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.
<i>Air Quality</i>	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.
<i>Regional Employee Services</i>	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.
<i>E911 Emergency Telephone Service</i>	The District contracts with E-Comm Corporation to provide 911 service for all municipalities within the region as well as the community of Whistler and the Sunshine Coast Regional District.
<i>Regional Planning</i>	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.
<i>Invest Vancouver</i>	Invest Vancouver fosters regional and cross-sectoral collaboration on economic development issues, advises leaders on economic policy and strategy, promotes the region to a global audience, and attracts strategic investment.
<i>Housing Planning and Policy</i>	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).

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 29

Year ended December 31, 2022

(tabular amounts in thousands of dollars)

17. Segmented Information and Expenses by Object (continued)

MVRD (continued)

<i>Electoral Areas</i>	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 911 emergency telephone, air quality, labour relations, regional parks, strategic planning, and general government.
<i>Regional Global Positioning System</i>	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.
<i>Sasamat Volunteer Fire Department</i>	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.
<i>Regional Emergency Management</i>	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.
<i>Corporate Programs</i>	Corporate programs provide centralized support for Metro Vancouver's four legal entities, including financial services, human resources, external relations, legislative service, indigenous relations, project delivery, self-insurance, and information technology.
<i>Members and Translink Sinking Fund Income</i>	The District serves as the borrowing conduit between member municipalities (excluding City of Vancouver) and Translink and the MFA. (Note 10). Sinking fund income earned on debenture issues held on behalf of members and Translink is recorded as revenue earned on the sinking fund with the offsetting expenditure owing to these organizations.

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 30

Year ended December 31, 2022

(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 2022	Consolidated Budget 2022	Consolidated Actual 2021
Revenues							
MVRD property tax requisitions	\$ —	\$ 91,708	\$ —	\$ —	\$ 91,708	\$ 91,708	\$ 82,714
Metered sale of water	329,678	—	—	—	329,678	329,366	319,989
Sewerage and drainage levy	301,425	—	—	—	301,425	301,425	288,226
Tipping fees	125,797	—	—	—	125,797	112,910	112,610
Housing property rentals	—	—	43,267	—	43,267	42,051	42,416
BODTSS industrial charges	12,431	—	—	—	12,431	12,263	12,157
Development cost charges	60,583	—	—	—	60,583	103,080	42,204
Grants and other contributions	29,870	3,965	3,430	—	37,265	126,822	76,174
User fees, recoveries, and other revenues	46,219	12,651	1,176	(13,635)	46,411	41,175	42,903
Gain on disposal of tangible capital assets	—	—	—	—	—	—	—
Sinking fund and interest income	33,247	4,098	1,448	(111)	38,682	32,110	32,840
Sinking fund income members and TransLink	—	27,072	—	—	27,072	29,165	28,222
	939,250	139,494	49,321	(13,746)	1,114,319	1,222,075	1,080,455
Expenses							
Salaries and benefits	117,428	105,711	6,661	(15,831)	213,969	221,673	191,444
Consulting, contracted and professional services	160,078	21,905	995	(60)	182,918	192,812	146,256
Asset repairs and maintenance	21,113	10,447	14,597	—	46,157	63,390	43,061
Materials and supplies	31,610	5,421	205	—	37,236	38,139	33,732
Utilities, permits, and taxes	25,839	1,904	4,601	(3)	32,341	34,381	30,552
Other	34,195	40,885	912	(18,528)	57,464	51,016	53,049
Amortization of tangible capital assets and prepaid land leases	87,996	8,369	2,971	—	99,336	96,267	86,610
Interest on long-term debt	65,758	—	1,295	(111)	66,942	72,637	60,693
	544,017	194,642	32,237	(34,533)	736,363	770,315	645,397
Corporate costs (recovery)	67,762	(90,939)	2,390	20,787	—	—	—
	611,779	103,703	34,627	(13,746)	736,363	770,315	645,397
Annual Surplus (deficit)	\$ 327,471	\$ 35,791	\$ 14,694	\$ —	\$ 377,956	\$ 451,760	\$ 435,058

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 31

Year ended December 31, 2022

(tabular amounts in thousands of dollars)

17. Segmented Information and Expenses by Object (continued)

b) Total Other Districts

	Liquid Waste Services	Solid Waste Service	Total Sewerage & Drainage District	Water Operations	Building Operations	Elimination Entry	Total Water District	Total Other Districts Actual 2022	Total Other Districts Budget 2022	Total Other Districts Actual 2021
Revenues										
Metered sale of water	\$ —	\$ —	\$ —	\$ 329,678	\$ —	\$ —	\$ 329,678	\$ 329,678	\$ 329,366	\$ 319,989
Sewerage and drainage levy	301,425	—	301,425	—	—	—	—	301,425	301,425	288,226
Tipping fees	—	125,797	125,797	—	—	—	—	125,797	112,910	112,610
BODTSS industrial charges	12,431	—	12,431	—	—	—	—	12,431	12,263	12,157
Development cost charges	60,583	—	60,583	—	—	—	—	60,583	103,080	42,204
Grants and other contributions	29,870	—	29,870	—	—	—	—	29,870	106,415	61,062
User fees, recoveries, and other revenues	6,589	14,201	20,790	10,161	21,114	(5,846)	25,429	46,219	36,657	42,158
Gain on disposal of tangible capital assets	—	—	—	—	—	—	—	—	—	—
Sinking fund and interest income	8,439	1,969	10,408	20,745	2,094	—	22,839	33,247	28,861	27,945
	419,337	141,967	561,304	360,584	23,208	(5,846)	377,946	939,250	1,030,977	906,351
Expenses										
Salaries and benefits	65,694	6,517	72,211	44,723	494	—	45,217	117,428	125,242	110,365
Consulting, contracted, and professional services	42,471	102,396	144,867	13,308	1,903	—	15,211	160,078	154,610	124,964
Asset repairs and maintenance	13,981	860	14,841	3,955	2,317	—	6,272	21,113	22,379	18,990
Materials and supplies	18,018	45	18,063	13,493	54	—	13,547	31,610	32,995	27,788
Utilities, permits, and taxes	16,829	469	17,298	7,635	906	—	8,541	25,839	27,548	24,691
Other	9,179	16,723	25,902	7,560	733	—	8,293	34,195	26,303	26,450
Amortization of tangible capital assets	36,787	8,382	45,169	37,891	4,936	—	42,827	87,996	85,030	73,900
Interest on long-term debt	32,135	2,424	34,559	26,453	4,746	—	31,199	65,758	71,224	59,548
	235,094	137,816	372,910	155,018	16,089	—	171,107	544,017	545,331	466,696
Corporate costs (recovery)	39,066	5,114	44,180	29,428	—	(5,846)	23,582	67,762	77,844	59,301
	274,160	142,930	417,090	184,446	16,089	(5,846)	194,689	611,779	623,175	525,997
Annual surplus (deficit)	\$ 145,177	\$ (963)	\$ 144,214	\$ 176,138	\$ 7,119	\$ —	\$ 183,257	\$ 327,471	\$ 407,802	\$ 380,354

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 32

Year ended December 31, 2022

(tabular amounts in thousands of dollars)

17. Segmented Information and Expenses by Object (continued)

c) Total Regional District

	Regional Parks	General Government	Air Quality	Regional Employees Services	E911 Emergency Telephone Service	Regional Planning	Invest Vancouver	Housing Planning and Policy	Regional Sub-total 2022
Revenues									
MVRD property tax requisitions	\$ 57,063	\$ 6,441	\$ 7,392	\$ 2,548	\$ 4,670	\$ 3,923	\$ 2,185	\$ 6,254	\$ 90,476
Grants and other contributions	1,006	1,406	250	—	—	—	178	—	2,840
User fees, recoveries, and other revenues	2,808	720	4,464	148	86	—	—	—	8,226
Gain (loss) on disposal of tangible capital assets	—	—	—	—	—	—	—	—	—
Sinking fund and interest income	1,011	(165)	83	67	24	83	32	368	1,503
Sinking fund income, members and TransLink	—	—	—	—	—	—	—	—	—
	61,888	8,402	12,189	2,763	4,780	4,006	2,395	6,622	103,045
Expenses									
Salaries and benefits	19,759	3,382	7,071	2,262	—	3,060	1,726	811	38,071
Consulting, contracted and professional services	4,204	1,119	1,326	64	5,152	623	85	110	12,683
Asset repairs and maintenance	3,335	94	74	1	—	13	2	—	3,519
Materials and supplies	985	23	249	4	—	7	9	1	1,278
Utilities, permits, and taxes	781	3	100	8	22	1	7	—	922
Other	3,408	1,651	1,047	66	—	113	455	21	6,761
Amortization of tangible capital assets	1,829	—	249	—	2	—	—	—	2,080
	34,301	6,272	10,116	2,405	5,176	3,817	2,284	943	65,314
Corporate costs (recovery)	4,104	895	985	(43)	93	323	136	88	6,581
	38,405	7,167	11,101	2,362	5,269	4,140	2,420	1,031	71,895
Annual surplus (deficit)	\$ 23,483	\$ 1,235	\$ 1,088	\$ 401	\$ (489)	\$ (134)	\$ (25)	\$ 5,591	\$ 31,150

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 33

Year ended December 31, 2022

(tabular amounts in thousands of dollars)

17. Segmented Information and Expenses by Object (continued)

c) Total Regional District (continued)

	Carried Forward	Electoral Areas	Regional Global Positioning System	Sasamat Volunteer Fire Department	Regional Emergency Management	Corporate Programs	Members and TransLink, Sinking Fund Income	Regional Districts Actual 2022	Regional Districts Budget 2022	Regional Districts Actual 2021
Revenues										
MVRD property tax requisitions	\$ 90,476	\$ 401	\$ —	\$ 658	\$ 173	\$ —	\$ —	\$ 91,708	\$ 91,708	\$ 82,714
Grants and other contributions	2,840	213	—	—	—	912	—	3,965	1,037	13,241
User fees, recoveries, and other revenues	8,226	55	386	25	26	3,933	—	12,651	17,373	9,194
Gain (loss) on disposal of tangible capital assets	—	—	—	—	—	—	—	—	—	367
Sinking fund and interest income	1,503	58	32	38	13	2,454	—	4,098	2,288	4,360
Sinking fund income, members and TransLink	—	—	—	—	—	—	27,072	27,072	29,165	28,222
	103,045	727	418	721	212	7,299	27,072	139,494	141,571	138,098
Expenses										
Salaries and benefits	38,071	379	130	46	—	67,085	—	105,711	115,868	91,331
Consulting, contracted and professional services	12,683	17	—	41	127	9,037	—	21,905	38,594	20,660
Asset repairs and maintenance	3,519	2	—	66	—	6,860	—	10,447	22,960	7,204
Materials and supplies	1,278	5	1	23	—	4,114	—	5,421	4,958	5,775
Utilities, permits, and taxes	922	3	11	20	—	948	—	1,904	2,333	1,406
Other	6,761	208	1	96	1	6,746	27,072	40,885	43,079	40,031
Amortization of tangible capital assets	2,080	—	—	30	32	6,227	—	8,369	8,334	9,497
	65,314	614	143	322	160	101,017	27,072	194,642	236,126	175,904
Corporate costs (recovery)	6,581	40	26	28	11	(97,625)	—	(90,939)	(111,344)	(81,050)
	71,895	654	169	350	171	3,392	27,072	103,703	124,782	94,854
Annual surplus (deficit)	\$ 31,150	\$ 73	\$ 249	\$ 371	\$ 41	\$ 3,907	\$ —	\$ 35,791	\$ 16,789	\$ 43,244

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 34

Year ended December 31, 2022

(tabular amounts in thousands of dollars)

18. Subsequent Events

- a) On March 23, 2023, the District received \$50.78 million as part of the Province of British Columbia's Growing Community Funds Program, to be applied to infrastructure projects in 2023.
- b) On March 28, 2023, the GVS&DD entered into a three-year contribution agreement with the Province of British Columbia, where the Province will provide \$250 million, one-third of the funding, for Phase 1 Iona Wastewater Treatment Plant. The GVS&DD will receive \$75 million in April 2023 and in April 2024, and the remaining \$100 million in April 2025.
- c) On April 12, 2023, the MVHC entered into a three-year memorandum of understanding with the Province of British Columbia, through the BCHMC, to provide \$158 million in funding to the MVHC over the next three years for the construction of approximately 660 new homes at five of the MVHC sites.

19. Comparative Figures

Certain prior year figures have been reclassified to conform to the presentation of the current year.

METRO VANCOUVER REGIONAL DISTRICT

Schedule 1 (unaudited)

Year ended December 31, 2022

(tabular amounts in thousands of dollars)

COVID-19 Restart Grant (unaudited)

The Province of British Columbia, under the “COVID-19 Safe Restart Grant Program”, provided the District with a grant of \$1.476 million in 2021 (\$nil in 2022) for increased operating costs arising during the pandemic. The District recognized the grant into income and applied these funds to the programs impacted as follows:

	2022	2021
Balance, beginning of the year	\$ 739	\$ 588
BC Restart Grant received	—	1,476
	739	2,064
Less Eligible Costs Incurred:		
Computer and Technology costs	—	226
External Relations	—	300
Head Office Building Operations	149	271
Liquid Waste Services	—	288
Cultural Grants	140	150
Regional Parks Services	—	32
Water Services	—	58
Metro Vancouver Housing Corporation	450	—
	739	1,325
Balance, end of year	\$ —	\$ 739

Financial Statements of

**GREATER VANCOUVER SEWERAGE
AND DRAINAGE DISTRICT**

Year ended December 31, 2022

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Index to Financial Statements

December 31, 2022

	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 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 Finance Committee of the Board.

The external auditors, BDO Canada LLP, conduct an independent examination, in accordance with Canadian generally accepted 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, 2022.

On behalf of Greater Vancouver Sewerage and Drainage District.



Dean Rear, Chief Financial Officer

Date: April 28, 2023



Tel: 604 688 5421
Fax: 604 688 5132
vancouver@bdo.ca
www.bdo.ca

BDO Canada LLP
Unit 1100 - Royal Centre
1055 West Georgia Street
Vancouver BC V6E 3P3 Canada

Independent Auditor's Report

To 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, 2022, 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, 2022, 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
May 01, 2023

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Exhibit A

Statement of Financial Position

As at December 31, 2022

	2022	2021
Financial Assets		
Cash	\$ 157,253	\$ -
Accounts receivable	108,082,942	139,016,130
Due from Metro Vancouver Regional District	489,761,788	630,865,561
Debt reserve fund (note 2)	15,494,573	13,562,273
	613,496,556	783,443,964
Liabilities		
Accounts payable and accrued liabilities (note 3)	166,828,783	228,313,571
Landfill closure and post-closure liability (note 4)	41,025,735	32,906,686
Deferred revenue and refundable deposits (note 5)	330,473,282	329,169,804
Debt (net of sinking funds) (note 6)	1,178,144,091	1,094,984,832
	1,716,471,891	1,685,374,893
Net Debt	(1,102,975,335)	(901,930,929)
Non-Financial Assets		
Tangible capital assets (note 7)	3,548,808,341	3,204,067,696
Inventories of supplies	7,061,586	6,582,165
Prepaid expenses	3,871,838	2,428,408
	3,559,741,765	3,213,078,269
Accumulated surplus (note 8)	\$2,456,766,430	\$2,311,147,340

Contractual obligations and rights (note 9)

Contingencies (note 10)

Budget information (note 11)

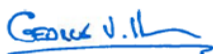
Segmented information and expenses by object (note 12)

Subsequent event (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, 2022

	2022 Budget (note 11)	2022 Actual	2021 Actual
Revenue (note 12)			
Sewerage and drainage levy	\$ 301,424,687	\$ 301,424,687	\$ 288,225,540
Tipping fees	112,909,870	125,797,098	112,609,847
BODTSS Industrial Charges	12,262,636	12,431,402	12,157,191
Development cost charges (note 5)	103,080,328	60,582,644	42,204,285
User fees, recoveries and other	19,116,187	20,789,665	15,246,793
Sinking fund, debt retirement and interest income	9,818,623	10,408,465	6,579,921
Grants and other contributions (note 5)	106,415,000	29,870,139	61,062,379
	665,027,331	561,304,100	538,085,956
Expenses (note 12)			
Liquid waste services	288,265,504	272,755,299	232,019,605
Solid waste services	119,452,219	142,929,711	107,977,251
	407,717,723	415,685,010	339,996,856
Annual surplus	257,309,608	145,619,090	198,089,100
Accumulated surplus, beginning of year	2,311,147,340	2,311,147,340	2,113,058,240
Accumulated surplus, end of year	\$ 2,568,456,948	\$ 2,456,766,430	\$ 2,311,147,340

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, 2022

	2022 Budget (note 11)	2022 Actual	2021 Actual
Annual surplus	\$ 257,309,608	\$ 145,619,090	\$ 198,089,100
Change in tangible capital assets:			
Acquisition of tangible capital assets	(831,292,000)	(390,013,721)	(466,984,864)
Amortization of tangible capital assets	43,785,108	45,168,958	32,477,244
Net book value of tangible capital assets disposed	-	104,118	-
	(787,506,892)	(344,740,645)	(434,507,620)
Change in other non-financial assets:			
Acquisition of prepaid expenses	-	(3,871,838)	(2,428,408)
Use of prepaid expenses	-	2,428,408	3,069,828
Acquisition of inventories of supplies	-	(7,061,586)	(6,582,165)
Consumption of inventories of supplies	-	6,582,165	5,704,961
	-	(1,922,851)	(235,784)
Changes in net debt	(530,197,284)	(201,044,406)	(236,654,304)
Net debt, beginning of year	(901,930,929)	(901,930,929)	(665,276,625)
Net debt, end of year	\$ (1,432,128,213)	\$ (1,102,975,335)	\$ (901,930,929)

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, 2022

	2022	2021
Cash provided by (used in):		
Operating transactions:		
Annual surplus	\$ 145,619,090	\$ 198,089,100
Items not involving cash:		
Amortization	45,168,958	32,477,244
Sinking fund income	(6,422,245)	(5,014,043)
Debt reserve fund income	(332,300)	(206,272)
Gain on disposal of tangible capital assets	(1,346,378)	-
Change in landfill closure and post-closure liability	8,119,049	742,912
Change in non-cash assets and liabilities:		
Accounts receivable	30,933,188	(53,557,937)
Prepaid expenses	(1,443,430)	641,420
Accounts payable and accrued liabilities	(61,484,788)	72,536,039
Deferred revenue	1,303,478	26,384,517
Inventories of supplies	(479,421)	(877,204)
Net change in cash from operating transactions	159,635,201	271,215,776
Capital transactions:		
Proceeds on sale of tangible capital assets	1,450,496	-
Acquisition of tangible capital assets	(390,013,721)	(466,984,864)
Net change in cash from capital transactions	(388,563,225)	(466,984,864)
Financing transactions:		
Due from Metro Vancouver Regional District	141,103,773	(121,238,995)
Debenture debt issued	160,000,000	370,000,000
Debt reserve fund issuance	(1,600,000)	(3,700,000)
Debt reserve fund maturity	-	155,756
Sinking fund payments	(70,418,496)	(49,447,673)
Debenture debt maturity	-	(10,000,000)
Sinking fund retirement	-	10,000,000
Net change in cash from financing transactions	229,085,277	195,769,088
Net change in cash and cash equivalents	157,253	-
Cash and cash equivalents, beginning of year	-	-
Cash and cash equivalents, end of year	\$ 157,253	\$ -

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, 2022

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 and Refundable Deposits

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.

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 2

Year ended December 31, 2022

1. Significant Accounting Policies (continued)

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.

Cash and Investments

In order to improve cash management, the MVRD holds cash and investment transactions in pooled accounts on behalf of its four legal entities: the Metro Vancouver Regional District, the Greater Vancouver Sewerage and Drainage District, the Greater Vancouver Water District, and the Metro Vancouver Housing Corporation. The District's main cash is therefore presented as due from 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 the District'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.

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 3

Year ended December 31, 2022

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 generally 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
Infrastructure	
Interceptors and trunk sewers, drainage	100
Wastewater treatment and pumping stations	50
Solid waste incinerators and 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 available for use 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 available for use.
- b. Contributions of tangible capital assets:
Contributions of tangible capital assets are recorded at their estimated 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, 2022

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	<p>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.</p> <p>Significant areas requiring the use of management's judgment relate to the determination of landfill closure and post closure liability, contaminated sites liabilities, the estimate of accruals for projects in progress, amortization rates and useful lives of tangible capital assets, the assessment of the impairment of tangible capital assets and work in progress, and the assessment of the outcome of contingent liabilities.</p>

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 5
Year ended December 31, 2022

2. Debt Reserve Fund

The Municipal Finance Authority of British Columbia ("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 the 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, 2022, \$45,042,860 (2021 - \$39,493,543) in callable demand notes were outstanding and have not been recorded in the statement of financial position.

3. Accounts Payable and Accrued Liabilities

	2022	2021
Trade accounts	\$ 117,438,953	\$ 182,682,467
Construction holdbacks	41,729,494	38,907,540
Accrued interest on debt	7,660,336	6,423,564
Contaminated Sites (a)	—	300,000
	\$ 166,828,783	\$ 228,313,571

(a) The District accrued \$300,000 in 2021 for work to be undertaken to remediate contaminated soils for one property. As at December 31 2022, there is no work remaining to be completed.

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 6

Year ended December 31, 2022

4. Landfill Closure and Post-Closure Liability

The District is responsible for its share of closure and post-closure costs at 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:

	2022	2021
Landfill closure and post closure liability	\$ 41,025,735	\$ 32,906,686

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:

	2022	2021
Current actual utilization (in tonnes)	23,195,905	22,521,439
Expected utilization at closure (in tonnes)	28,299,639	28,219,409
Expected remaining capacity (in tonnes)	5,103,734	5,697,970
Permitted capacity (in tonnes)	33,039,183	33,039,183
Future costs	\$ 212,638,152	\$ 197,188,990
Present value of future costs	\$ 136,568,950	\$ 115,933,724
Proportionate share of liability	36.65%	35.57%
Utilization of total capacity, end of year	81.97%	79.81%
Discount rate	2.58%	2.73%
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, 2022

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, 2022, the lower of amortized book value and market value of the trust was \$15,403,059 (2021 - \$16,261,510), 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.

5. Deferred Revenue and Refundable Deposits

Deferred revenue consists of the following:

	2022	2021
Development cost charges (a)	\$ 273,595,957	\$ 258,633,516
Provincial grant to fund capital expenditures (b)	55,358,323	69,074,393
Refundable deposits	1,519,002	1,461,895
Total	\$ 330,473,282	\$ 329,169,804

- a) The *Greater Vancouver Sewerage and Drainage District 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 2017, 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 2022, \$15,386,618 (2021 - \$20,488,722) was applied against the project and recognized as revenue. Interest earned on unspent funds in the amount of \$1,670,548 (2021 - \$1,037,820) has been recognized as grant revenue in the year.

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 8
Year ended December 31, 2022

5. Deferred Revenue and Refundable Deposits (continued)

Continuity of deferred revenue is as follows:

	2022	2021
Balance, beginning of year	\$ 329,169,804	\$ 302,785,287
Development cost charges received	68,940,747	85,104,514
Interest earned	8,274,886	3,628,051
Change in refundable deposits	57,107	344,959
Amounts spent and recognized as revenue	(75,969,262)	(62,693,007)
Change in deferred revenue	1,303,478	26,384,517
Balance, end of year	\$ 330,473,282	\$ 329,169,804

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 2037 with interest rates ranging from 1.28% to 3.40%.

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 9
Year ended December 31, 2022

6. Debt (continued)

Issue Number	Interest Rate - %	Maturity Date	Debentures authorized to be issued	Debenture debt outstanding	
				2022	2021
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	1.47	April 4, 2026	20,000,000	20,000,000	20,000,000
118	3.39 - 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	125,000,000
151	1.28	June 1, 2035	70,000,000	70,000,000	70,000,000
154	2.41	May 28, 2036	370,000,000	370,000,000	370,000,000
157	3.36	April 8, 2037	160,000,000	160,000,000	—
Total debt			\$1,431,000,000	\$1,431,000,000	\$1,271,000,000
Less sinking funds				(252,855,909)	(176,015,168)
Total net debt				\$1,178,144,091	\$1,094,984,832

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

	Amount
2023	\$ 79,490,898
2024	78,741,781
2025	77,742,959
2026	77,742,959
2027	76,669,328
Thereafter	568,886,107
Total payments	959,274,032
Estimated sinking fund income	218,870,059
Total net debt	\$1,178,144,091

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, 2022

7. Tangible Capital Assets

Year ended December 31, 2022

	Cost			Accumulated Amortization				Net Book Value December 31, 2022
	Balance at December 31, 2021	Additions (Net of Transfers)	Disposals	Balance at December 31, 2022	Balance at December 31, 2021	Amortization Expense	Balance at December 31, 2022	
Land	\$ 162,871,774	\$ 23,590,000	\$ (104,118)	\$ 186,357,656	\$ —	\$ —	\$ —	\$ 186,357,656
Infrastructure	2,168,652,126	300,884,565	—	2,469,536,691	708,339,346	44,808,849	753,148,195	1,716,388,496
Machinery, equipment, furniture & fixtures	8,817,695	171,257	—	8,988,952	7,874,742	360,109	8,234,851	754,101
Construction in progress	1,579,940,189	65,367,899	—	1,645,308,088	—	—	—	1,645,308,088
	\$3,920,281,784	\$ 390,013,721	\$ (104,118)	\$4,310,191,387	\$ 716,214,088	\$ 45,168,958	\$ 761,383,046	\$3,548,808,341

Construction in progress includes \$522.6 million (2021- \$495.7 million) related to the North Shore Wastewater Treatment Plant (note 10).

Year ended December 31, 2021

	Cost			Accumulated Amortization				Net Book Value December 31, 2021
	Balance at December 31, 2020	Additions (Net of Transfers)	Disposals	Balance at December 31, 2021	Balance at December 31, 2020	Amortization Expense	Balance at December 31, 2021	
Land	\$ 116,049,774	\$ 46,822,000	\$ —	\$ 162,871,774	\$ —	\$ —	\$ —	\$ 162,871,774
Infrastructure	1,621,113,077	547,539,049	—	2,168,652,126	676,346,965	31,992,381	708,339,346	1,460,312,780
Machinery, equipment, furniture & fixtures	8,798,644	19,051	—	8,817,695	7,389,879	484,863	7,874,742	942,953
Construction in progress	1,707,335,425	(127,395,236)	—	1,579,940,189	—	—	—	1,579,940,189
	\$3,453,296,920	\$ 466,984,864	\$ —	\$3,920,281,784	\$ 683,736,844	\$ 32,477,244	\$ 716,214,088	\$3,204,067,696

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 11

Year ended December 31, 2022

8. Accumulated Surplus

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

	2022	2021
Reserves	\$ 165,870,733	\$ 158,922,150
Capital fund balance	(79,768,553)	43,142,326
Investment in tangible capital assets	2,370,664,250	2,109,082,864
Total	\$ 2,456,766,430	\$ 2,311,147,340

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

Continuity of reserves is as follows:

	December 31, 2021	Interest	Annual Operating Surplus (Deficit)	Contributions from/ (to) operations	December 31, 2022
Operating Reserves					
Liquid Waste Services	\$ 32,955,112	\$ 797,011	\$14,021,176	\$ (3,331,000)	\$ 44,442,299
Solid Waste Services	39,213,470	948,368	(2,342,763)	—	37,819,075
	72,168,582	1,745,379	11,678,413	(3,331,000)	82,261,374
Discretionary Reserves					
Biosolids Inventory	20,029,362	484,406	—	(4,704,240)	15,809,528
Liquid Waste General Debt					
Reserve Fund	2,123,350	51,353	—	—	2,174,703
Lions Gate Contingency	1,490,171	36,039	—	—	1,526,210
Drainage General	5,291,911	127,984	—	—	5,419,895
Solid Waste General	26,562,376	436,471	—	—	26,998,847
Landfill Post-Closure	11,307,274	273,464	—	—	11,580,738
	66,804,444	1,409,717	—	(4,704,240)	63,509,921
Statutory Reserves					
Liquid Waste Laboratory Equipment	607,946	16,219	—	101,285	725,450
Liquid Waste Services Sustainability					
Innovation Fund	19,341,178	482,606	—	(449,796)	19,373,988
	19,949,124	498,825	—	(348,511)	20,099,438
Total Reserves	\$158,922,150	\$3,653,921	\$11,678,413	\$ (8,383,751)	\$ 165,870,733

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 12

Year ended December 31, 2022

8. Accumulated Surplus (continued)

Investment in tangible capital assets is calculated as follows:

	2022	2021
Tangible capital assets	\$ 3,548,808,341	\$ 3,204,067,696
Amounts financed by:		
Long-term debt	(1,178,144,091)	(1,094,984,832)
	2,370,664,250	2,109,082,864
Change in the investment in tangible capital assets		
Acquisition of tangible capital assets	390,013,721	466,984,864
Amortization of tangible capital assets	(45,168,958)	(32,477,244)
Disposal of tangible capital assets (net of book value)	(104,118)	—
	344,740,645	434,507,620
Less funding of tangible capital assets through debt		
Sinking fund debt maturity	—	10,000,000
Sinking fund and debt retirement	(70,418,496)	(49,447,673)
Sinking fund and debt retirement income	(6,422,245)	(5,014,043)
Debenture debt issued	160,000,000	370,000,000
Debenture debt maturity	—	(10,000,000)
	83,159,259	315,538,284
Change in investment in tangible capital assets	261,581,386	118,969,336
Investment in tangible capital assets, beginning of year	2,109,082,864	1,990,113,528
Investment in tangible capital assets, end of year	\$ 2,370,664,250	\$ 2,109,082,864

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 13
Year ended December 31, 2022

9. Contractual Obligations and Rights

a) Contractual Obligations

- i) As of December 31, 2022 the District had the following commitments outstanding related to capital projects in progress:

	2022	2021
Authorized for outstanding projects	\$ 5,139,887,000	\$ 4,040,767,000
Expended at December 31	(2,553,669,802)	(2,283,628,886)
Commitment remaining	\$ 2,586,217,198	\$ 1,757,138,114

- 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 \$454,000 to perpetuity, with adjustments annually for CPI. Estimated payments over the next ten years are as follows:

	Amount
2023	\$ 1,908,271
2024	1,939,955
2025	1,972,272
2026	2,005,236
2027	2,038,859
2028 - 2032	10,722,652
Total	\$ 20,587,245

b) Contractual Rights

The District is party to lease agreements that are anticipated to provide future revenues. These agreements are with third parties with varying terms to 2026. Amounts anticipated to be received over the future years are as follows:

	Amount
2023	\$ 1,320,183
2024	1,117,471
2025	710,899
2026	651,657
Total	\$ 3,800,210

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 14

Year ended December 31, 2022

10. Contingencies

Lawsuits

As at December 31, 2022, 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. 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.

North Shore Wastewater Treatment Plant

The District is building a new tertiary wastewater treatment plant on a former industrial site in North Vancouver to replace the primary-only Lions Gate Wastewater Treatment Plant. The deadline for completion of the project under federal regulation was December 31, 2020. In 2021, the District served notice to terminate its contract with the vendor hired to design, build and commission the future North Shore Wastewater Treatment Plant, having determined that the vendor was in breach of contract. As of the contract termination date in 2021, the District has paid \$309.5 million, net of GST rebates, to the vendor for work completed, which has been recorded as construction in progress (note 7). In 2022, the vendor commenced legal action by filing a claim against the District in excess of \$250 million to which the District filed a counter-claim against the vendor in excess of \$500 million. In 2022, the District also drew on an irrevocable letter of credit in the amount of \$50.0 million as a result of the contract termination. As at December 31, 2022, the outcome of any legal proceedings related to the terminated contract and the potential consequences of not meeting the current deadline under the federal regulation is undeterminable.

Due to the nature of the contractual payments made to date under the terminated contract, the outstanding litigation and uncertainty surrounding the value of the new contract for completion of the project, the amount recorded as work in progress of \$522.6 million (2021 - \$495.7 million) represents management's best estimate. This amount may be subject to material change as new information becomes available.

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 15

Year ended December 31, 2022

10. Contingencies (continued)

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 Metro Vancouver Housing Corporation ("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 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 2).

Letters of Credit

At December 31, 2022, the District is the named beneficiary of \$758 thousand (2021 - \$60.37 million) of irrevocable letters of credits from financial institutions related to construction projects and Solid Waste operations. These letters of credit are available under circumstances in which the service provider does not fulfil its obligation to the District and therefore the amount is not recorded as assets.

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 16

Year ended December 31, 2022

11. Budget Information

The annual budget presented in these financial statements is based upon the 2022 operating and capital budgets originally approved by the District's Board in October 2021, with additional approval in February 2022 for adjustments to the budget as a result of the 2021 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 \$831,292,000 were included in the capital budget approved by the Board.

	2022 Budget	2021 Budget
Budgeted annual surplus per Exhibit B- Statement of Operations	\$ 257,309,608	\$ 397,271,819
Additional transfers from reserves, approved by Board	210,000	1,049,675
Adjusted annual surplus, based on originally approved budget	257,519,608	398,321,494
Items not included in the approved operating budget		
Capital development cost charge revenue	(42,329,000)	(45,000,000)
Capital grants and contributions	(110,665,000)	(251,931,864)
Amortization of tangible capital assets	43,785,108	35,014,719
Sinking and debt retirement fund income	(7,398,610)	(5,450,233)
Reserve interest	(2,420,014)	(2,040,238)
Items included in the budget but not in financial statements		
Debt principal payments	(70,418,497)	(49,447,674)
Transfers to capital	(76,355,495)	(80,068,136)
Transfers from reserves	8,281,900	601,932
Annual surplus per approved budget	\$ —	\$ —

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 17

Year ended December 31, 2022

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 \$8,634,903 (2021 - \$9,052,489) 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.

	2022 Total Budget	Liquid Waste Services	Solid Waste Services	2022 Total Actual	2021 Total Actual
Revenues					
Sewerage and drainage levy	\$ 301,424,687	\$ 301,424,687	\$ —	\$ 301,424,687	\$ 288,225,540
Tipping fees	112,909,870	—	125,797,098	125,797,098	112,609,847
BODTSS Industrial Charges	12,262,636	12,431,402	—	12,431,402	12,157,191
Development cost charges	103,080,328	60,582,644	—	60,582,644	42,204,285
User fees, recoveries, and other	19,116,187	6,588,532	14,201,133	20,789,665	15,246,793
Sinking fund, debt retirement and interest income	9,818,623	8,439,471	1,968,994	10,408,465	6,579,921
Grants and contributions	106,415,000	29,870,139	—	29,870,139	61,062,379
	665,027,331	419,336,875	141,967,225	561,304,100	538,085,956
Expenses					
Salaries and benefits	74,535,355	65,693,835	6,517,150	72,210,985	67,654,156
Consulting, contracted, and professional services	137,122,031	42,470,999	102,395,630	144,866,629	110,621,342
Asset repairs and maintenance	13,914,405	13,980,943	859,552	14,840,495	12,634,023
Materials and supplies	18,800,063	18,018,094	44,508	18,062,602	16,187,093
Utilities, permits, and taxes	18,230,199	16,828,867	468,953	17,297,820	15,883,139
Corporate costs	44,288,552	37,661,273	5,114,271	42,775,544	37,107,276
Other	18,029,271	9,179,417	16,723,815	25,903,232	17,777,435
Amortization of tangible capital assets	43,785,108	36,786,878	8,382,080	45,168,958	32,477,244
Interest on long-term debt	39,012,739	32,134,993	2,423,752	34,558,745	29,655,148
	407,717,723	272,755,299	142,929,711	415,685,010	339,996,856
Annual surplus (deficit)	\$ 257,309,608	\$ 146,581,576	\$ (962,486)	\$ 145,619,090	\$ 198,089,100

GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 18

Year ended December 31, 2022

13. Subsequent Event

On March 28, 2023, the District entered into a three-year contribution agreement with the Province of British Columbia, where the Province will provide \$250 million, one-third of the funding, for Phase 1 Iona Wastewater Treatment Plant. The District will receive \$75 million in April 2023 and in April 2024, and the remaining \$100 million in April 2025.

14. Comparative Figures

Certain prior year figures have been reclassified to conform to the presentation of the current year.

Financial Statements of

**GREATER VANCOUVER
WATER DISTRICT**

Year ended December 31, 2022

GREATER VANCOUVER WATER DISTRICT

Index to Financial Statements

December 31, 2022

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 Finance Committee of the Board.

The external auditors, BDO Canada LLP, conduct an independent examination, in accordance with Canadian generally accepted 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, 2022.

On behalf of Greater Vancouver Water District.



Dean Rear, Chief Financial Officer

Date: April 28, 2023



Tel: 604 688 5421
Fax: 604 688 5132
vancouver@bdo.ca
www.bdo.ca

BDO Canada LLP
Unit 1100 - Royal Centre
1055 West Georgia Street
Vancouver BC V6E 3P3 Canada

Independent Auditor's Report

To 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, 2022, 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, 2022, 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
May 01, 2023

GREATER VANCOUVER WATER DISTRICT

Exhibit A

Statement of Financial Position

As at December 31, 2022

	2022	2021
Financial Assets		
Cash	\$ 2,203,332	\$ 1,780,988
Accounts receivable	68,590,081	48,357,266
Due from (to) Metro Vancouver Regional District	37,192,659	169,401,485
Debt reserve fund (note 2)	14,795,936	15,647,006
	122,782,008	235,186,745
Liabilities		
Accounts payable and accrued liabilities (note 3)	75,750,659	69,616,281
Debt (net of sinking funds) (note 4)	663,510,847	711,163,290
	739,261,506	780,779,571
Net Debt	(616,479,498)	(545,592,826)
Non-Financial Assets		
Tangible capital assets (note 5)	3,110,383,676	2,855,862,044
Inventories of supplies	4,802,826	4,356,061
Prepaid expenses	543,426	562,801
	3,115,729,928	2,860,780,906
Accumulated surplus (note 6)	\$ 2,499,250,430	\$ 2,315,188,080

Contractual obligations and rights (note 7)

Contingencies (note 8)

Budget information (note 9)

Segmented information and expenses by object (note 10)

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, 2022

	2022 Budget (note 9)	2022 Actual	2021 Actual
Revenues (note 10)			
Metered sale of water	\$ 329,365,517	\$ 329,678,422	\$ 319,989,323
Sinking fund, debt retirement, and interest income	18,167,873	21,513,338	20,734,421
Interest income	875,003	1,324,801	630,564
Building income from Metro Vancouver Districts	9,855,082	9,551,771	9,616,135
Building income from external parties	5,928,533	5,567,080	6,634,971
Other revenue	1,657,055	10,309,539	10,660,566
	365,849,063	377,944,951	368,265,980
Expenses (note 10)			
Water operations	187,753,243	177,794,239	167,532,829
Building operations	17,028,404	16,088,362	16,964,422
	204,781,647	193,882,601	184,497,251
Annual surplus	161,067,416	184,062,350	183,768,729
Accumulated surplus, beginning of year	2,315,188,080	2,315,188,080	2,131,419,351
Accumulated surplus, end of year	\$ 2,476,255,496	\$ 2,499,250,430	\$ 2,315,188,080

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, 2022

	2022 Budget (note 9)	2022 Actual	2021 Actual
Annual surplus	\$ 161,067,416	\$ 184,062,350	\$ 183,768,729
Change in tangible capital assets:			
Acquisition of tangible capital assets	(471,273,000)	(297,348,541)	(215,953,824)
Amortization of tangible capital assets	41,245,313	42,826,909	41,422,851
	(430,027,687)	(254,521,632)	(174,530,973)
Change in other non-financial assets:			
Acquisition of prepaid expenses	-	(543,426)	(562,801)
Use of prepaid expenses	-	562,801	617,268
Acquisition of inventories of supplies	-	(4,802,826)	(4,356,061)
Consumption of inventories of supplies	-	4,356,061	4,312,253
	-	(427,390)	10,659
Changes in net debt	(268,960,271)	(70,886,672)	9,248,415
Net debt, beginning of year	(545,592,826)	(545,592,826)	(554,841,241)
Net debt, end of year	\$ (814,553,097)	\$ (616,479,498)	\$ (545,592,826)

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, 2022

	2022	2021
Cash provided by (used in):		
Operating transactions:		
Annual surplus	\$ 184,062,350	\$ 183,768,729
Items not involving cash:		
Amortization	42,826,909	41,422,851
Sinking fund income	(21,462,663)	(20,696,085)
Debt reserve fund income	(355,728)	(111,875)
Change in non-cash assets and liabilities:		
Accounts receivable	(20,232,815)	4,293,919
Prepaid expenses	19,375	54,467
Accounts payable and accrued liabilities	6,134,378	14,713,059
Inventories of supplies	(446,765)	(43,808)
Net change in cash from operating transactions	190,545,041	223,401,257
Capital transactions:		
Acquisition of tangible capital assets	(297,348,541)	(215,953,824)
Net change in cash from capital transactions	(297,348,541)	(215,953,824)
Financing transactions:		
Due from Metro Vancouver Regional District	132,208,826	(179,390,919)
Debenture debt issued	40,000,000	230,000,000
Debt reserve fund issuance	(400,000)	(2,300,000)
Debt reserve fund maturity	1,606,798	791,709
Sinking fund payments	(66,189,780)	(55,877,869)
Net change in cash from financing transactions	107,225,844	(6,777,079)
Net change in cash and cash equivalents	422,344	670,354
Cash and cash equivalents, beginning of year	1,780,988	1,110,634
Cash and cash equivalents, end of year	\$ 2,203,332	\$ 1,780,988

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, 2022

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.

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.

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 WATER DISTRICT

Notes to Financial Statements, page 2

Year ended December 31, 2022

1. Significant Accounting Policies (continued)

Cash and Investments

In order to improve cash management, the MVRD holds cash and investment transactions in pooled accounts on behalf of its four legal entities: the Metro Vancouver Regional District, the Greater Vancouver Sewerage and Drainage District, the Greater Vancouver Water District, and the Metro Vancouver Housing Corporation. The District's main cash is therefore presented as due from 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 the District'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 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, 2022

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 available for use 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 available for use.

b. Contributions of tangible capital assets:

Contributions of tangible capital assets are recorded at their estimated 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, 2022

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	<p>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.</p> <p>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.</p>
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, 2022

2. Debt Reserve Fund

The Municipal Finance Authority of British Columbia ("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 the 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, 2022, \$39,209,792 (2021 - \$41,402,712) in callable demand notes were outstanding and have not been recorded in the statement of financial position.

3. Accounts Payable and Accrued Liabilities

	2022	2021
Trade accounts	\$ 31,593,697	\$ 37,400,180
Construction holdbacks	36,610,812	25,870,577
Accrued interest on debt	6,051,290	5,883,967
Contaminated sites (a)	1,494,860	461,557
	\$ 75,750,659	\$ 69,616,281

- (a) In 2022, the District accrued \$1,494,860 to remediate contaminated soils at two of its properties. The remediation work for the properties will be completed in 2024 and 2026.

GREATER VANCOUVER WATER DISTRICT

Notes to Financial Statements, page 6

Year ended December 31, 2022

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
2023	\$ 64,541,985
2024	60,764,893
2025	53,773,139
2026	47,331,355
2027	45,720,909
Thereafter	239,717,480
Total payments	511,849,761
Estimated sinking fund income	151,661,086
Total debt	\$ 663,510,847

- 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, 2022

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 2037 with interest rates ranging from 0.70% to 3.85%.

Issue number	Interest rate - %	Maturity date	Debentures authorized to be issued	Debenture debt outstanding	
				2022	2021
67	0.70%-1.75%	November 5, 2022	\$ 706,000	\$ —	\$ 706,000
67	0.70%-1.75%	November 5, 2022	14,294,000	—	14,294,000
102	2.25%	December 1, 2022	80,000,000	—	80,000,000
103	2.65%	April 23, 2023	40,000,000	40,000,000	40,000,000
104	2.90%	November 20, 2023	35,630,930	35,630,930	35,630,930
105	2.25%	June 3, 2024	60,000,000	60,000,000	60,000,000
106	2.25%	October 13, 2024	80,000,000	80,000,000	80,000,000
110	1.28%	April 8, 2025	50,000,000	50,000,000	50,000,000
112	1.28%	October 6, 2025	70,000,000	70,000,000	70,000,000
116	1.47%	April 4, 2026	30,000,000	30,000,000	30,000,000
118	3.39% - 3.40%	April 11, 2027	70,000,000	70,000,000	70,000,000
121	2.90% - 3.39%	October 4, 2027	20,000,000	20,000,000	20,000,000
126	3.85%	September 26, 2028	70,000,000	70,000,000	70,000,000
127	3.30%	April 7, 2029	60,000,000	60,000,000	60,000,000
130	3.00%	October 14, 2029	50,000,000	50,000,000	50,000,000
131	2.20%	April 8, 2030	60,000,000	60,000,000	60,000,000
137	2.60%	April 19, 2031	20,000,000	20,000,000	20,000,000
137	2.60%	April 19, 2031	80,000,000	80,000,000	80,000,000
141	2.80%	April 7, 2032	50,000,000	50,000,000	50,000,000
147	2.66%	April 9, 2034	22,000,000	22,000,000	22,000,000
150	1.99%	April 9, 2035	40,000,000	40,000,000	40,000,000
151	1.28%	June 1, 2035	30,000,000	30,000,000	30,000,000
153	2.41%	April 15, 2036	100,000,000	100,000,000	100,000,000
154	2.41%	May 28, 2036	130,000,000	130,000,000	130,000,000
157	3.36%	April 8, 2037	40,000,000	40,000,000	
Debt			\$ 1,302,630,930	\$ 1,207,630,930	\$ 1,262,630,930
Less sinking funds				(544,120,083)	(551,467,640)
Total debt (net of sinking funds)				\$ 663,510,847	\$ 711,163,290

GREATER VANCOUVER WATER DISTRICT

Notes to Financial Statements, page 8

Year ended December 31, 2022

5. Tangible Capital Assets

Year ended December 31, 2022

	Cost		Balance at December 31, 2022	Balance at December 31, 2021	Amortization Expense	Balance at December 31, 2022	Net book value December 31, 2022
	Balance at December 31, 2021	Additions					
Land	\$ 53,664,152	\$ 79,050,000	\$ 132,714,152	\$ -	\$ -	\$ -	\$ 132,714,152
Infrastructure	2,245,795,214	180,999,192	2,426,794,406	437,619,616	36,321,766	473,941,382	1,952,853,024
Buildings	216,476,101	-	216,476,101	24,687,670	5,463,049	30,150,719	186,325,382
Machinery, equipment furniture & fixtures	13,197,425	425,409	13,622,834	7,424,225	1,042,094	8,466,319	5,156,515
Assets under construction	796,460,663	36,873,940	833,334,603	-	-	-	833,334,603
	\$ 3,325,593,555	\$ 297,348,541	\$ 3,622,942,096	\$ 469,731,511	\$ 42,826,909	\$ 512,558,420	\$ 3,110,383,676

Year ended December 31, 2021

	Cost		Balance at December 31, 2021	Balance at December 31, 2020	Amortization Expense	Balance at December 31, 2021	Net book value December 31, 2021
	Balance at December 31, 2020	Additions					
Land	\$ 44,704,207	\$ 8,959,945	\$ 53,664,152	\$ -	\$ -	\$ -	\$ 53,664,152
Infrastructure	2,118,001,989	127,793,225	2,245,795,214	402,689,372	34,930,244	437,619,616	1,808,175,598
Buildings	216,476,101	-	216,476,101	19,224,621	5,463,049	24,687,670	191,788,431
Machinery, equipment furniture & fixtures	13,197,425	-	13,197,425	6,394,667	1,029,558	7,424,225	5,773,200
Assets under construction	717,260,009	79,200,654	796,460,663	-	-	-	796,460,663
	\$ 3,109,639,731	\$ 215,953,824	\$ 3,325,593,555	\$ 428,308,660	\$ 41,422,851	\$ 469,731,511	\$ 2,855,862,044

6. Accumulated Surplus

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

	2022	2021
Reserves	\$ 52,629,741	\$ 43,696,639
Capital fund balance	(252,140)	126,792,687
Investment in tangible capital assets	2,446,872,829	2,144,698,754
Accumulated surplus, end of year	\$ 2,499,250,430	\$ 2,315,188,080

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, 2022

6. Accumulated Surplus (continued)

Continuity of reserves is as follows:

	December 31, 2021	Interest	Annual Operating Surplus	Contributions from / (to) operations	December 31, 2022
Designated reserves					
Sustainability innovation fund	\$ 14,309,567	\$ 355,597	\$ -	\$ (87,555)	\$ 14,577,609
Laboratory equipment	784,733	18,979	-	-	803,712
	15,094,300	374,576	-	(87,555)	15,381,321
Non-designated reserves					
Operating reserve	28,602,339	691,740	7,954,341	-	37,248,420
Total reserves	\$ 43,696,639	\$ 1,066,316	\$ 7,954,341	\$ (87,555)	\$ 52,629,741

Investment in tangible capital assets is calculated as follows:

	2022	2021
Tangible capital assets	\$ 3,110,383,676	\$ 2,855,862,044
Amounts financed by:		
Long-term debt	(663,510,847)	(711,163,290)
	\$ 2,446,872,829	\$ 2,144,698,754

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

	2022	2021
Change in the investment in tangible capital assets		
Acquisition of tangible capital assets	\$ 297,348,541	\$ 215,953,824
Amortization of tangible capital assets	(42,826,909)	(41,422,851)
	254,521,632	174,530,973
Less funding of tangible capital assets		
Sinking fund and debt retirement	(66,189,780)	(55,877,869)
Sinking fund income	(21,462,663)	(20,696,085)
Debenture debt issued	40,000,000	230,000,000
	(47,652,443)	153,426,046
Change in investment in tangible capital assets	302,174,075	21,104,927
Investment in tangible capital assets, beginning of year	2,144,698,754	2,123,593,827
Investment in tangible capital assets, end of year	\$ 2,446,872,829	\$ 2,144,698,754

GREATER VANCOUVER WATER DISTRICT

Notes to Financial Statements, page 10

Year ended December 31, 2022

7. Contractual Obligations and Rights

a) Contractual Obligations

- i) As at December 31, 2022, the District had the following commitments outstanding related to capital projects in progress:

	2022	2021
Authorized for outstanding projects	\$ 2,620,217,000	\$ 2,541,411,828
Expended at December 31	(1,030,341,454)	(1,112,159,228)
Commitment remaining	\$ 1,589,875,546	\$ 1,429,252,600

- ii) The District is committed under a lease agreement with annual payments of \$107,000 to perpetuity, with adjustments annually for CPI. Estimated payments over the next ten years are as follows:

	Amount
2023	\$ 117,343
2024	117,343
2025	117,343
2026	117,343
2027	117,343
2028 - 2032	586,715
Total	\$ 1,173,430

b) Contractual Rights

The District is party to several property lease agreements that are anticipated to provide future revenues. These agreements are with third parties with varying terms to 2035. Amounts anticipated to be received over the future years are as follows:

	Amount
2023	\$ 4,961,451
2024	4,359,140
2025	3,688,992
2026	2,475,990
2027	1,209,130
Thereafter	5,473,858
Total	\$ 22,168,561

GREATER VANCOUVER WATER DISTRICT

Notes to Financial Statements, page 11

Year ended December 31, 2022

8. Contingencies

Lawsuits

As at December 31, 2022, 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. 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 Metro Vancouver Housing Corporation ("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 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 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.

GREATER VANCOUVER WATER DISTRICT

Notes to Financial Statements, page 12

Year ended December 31, 2022

9. Budget Information

The annual budget presented in these financial statements is based upon the 2022 operating and capital budgets originally approved by the District's Board in October 2021, with additional approval in February 2022 for adjustments to the budget as a result of the 2021 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 \$471,273,000 were included in the capital budget approved by the Board.

	2022 Budget	2021 Budget
Budgeted annual surplus per Exhibit B - Statement of Operations	\$ 161,067,416	\$ 163,254,271
Additional transfers from reserves, approved by Board	1,540,000	-
Adjusted annual surplus, based on originally approved budget	162,607,416	163,254,271
Items not included in the operating budget		
Amortization of tangible capital assets	41,245,313	40,552,047
Sinking and debt retirement fund income	(18,167,873)	(17,594,045)
Reserve interest	(875,003)	(713,060)
Items included in the budget but not in financial statements		
Debt principal payments	(66,189,780)	(55,877,869)
Transfers to capital	(123,769,144)	(130,975,759)
Transfers from reserve funds	7,412,071	2,102,934
Transfers to reserve funds	(2,263,000)	(748,519)
Annual surplus per approved budget	\$ -	\$ -

GREATER VANCOUVER WATER DISTRICT

Notes to Financial Statements, page 13

Year ended December 31, 2022

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 \$6,003,235 (2021 - \$7,168,137) 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.

	2022 Budget	Water Operations	Building Operations	Inter-Program Adjustments	2022 Total	2021 Total
Revenue						
Metered sale of water	\$ 329,365,517	\$ 329,678,422	\$ -	\$ -	\$ 329,678,422	\$ 319,989,323
Sinking fund, debt retirement and interest income	18,167,873	19,419,734	2,093,604	-	21,513,338	20,734,421
Interest income	875,003	1,324,801	-	-	1,324,801	630,564
Building income from Metro Vancouver Districts	9,855,082	-	15,397,687	(5,845,916)	9,551,771	9,616,135
Building income from external parties	5,928,533	-	5,567,080	-	5,567,080	6,634,971
Other income	1,657,055	10,160,578	148,961	-	10,309,539	10,660,566
	365,849,063	360,583,535	23,207,332	(5,845,916)	377,944,951	368,265,980
Expenses						
Salaries and benefits	50,706,726	44,722,966	493,511	-	45,216,477	42,710,659
Consulting, contracted and professional services	17,487,775	13,308,351	1,902,629	-	15,210,980	14,342,178
Asset repairs and maintenance	8,465,028	3,955,126	2,317,214	-	6,272,340	6,355,983
Materials and supplies	14,194,938	13,492,858	53,979	-	13,546,837	11,601,114
Utilities, permits and taxes	9,317,986	7,635,055	906,011	-	8,541,066	8,807,621
Corporate costs	22,978,942	28,622,413	-	(5,845,916)	22,776,497	20,691,464
Other	8,173,955	7,559,072	733,071	-	8,292,143	8,672,974
Amortization of tangible capital assets	41,245,313	37,890,999	4,935,910	-	42,826,909	41,422,851
Interest on long-term debt	32,210,984	26,453,315	4,746,037	-	31,199,352	29,892,407
	204,781,647	183,640,155	16,088,362	(5,845,916)	193,882,601	184,497,251
Annual surplus	\$ 161,067,416	\$ 176,943,380	\$ 7,118,970	\$ -	\$ 184,062,350	\$ 183,768,729

Financial Statements of

**METRO VANCOUVER
HOUSING CORPORATION**

Year ended December 31, 2022

METRO VANCOUVER HOUSING CORPORATION

Index to Financial Statements

December 31, 2022

	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

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 Metro Vancouver Housing Corporation'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 Finance Committee of the Board.

The external auditors, BDO Canada LLP, conduct an independent examination, in accordance with Canadian generally accepted 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, 2022.

On behalf of Metro Vancouver Housing Corporation.



Dean Rear, Chief Financial Officer

Date: April 28, 2023



Tel: 604 688 5421
Fax: 604 688 5132
vancouver@bdo.ca
www.bdo.ca

BDO Canada LLP
Unit 1100 - Royal Centre
1055 West Georgia Street
Vancouver BC V6E 3P3 Canada

Independent Auditor's Report

To 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, 2022, 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, 2022, 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.

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
May 01, 2023

METRO VANCOUVER HOUSING CORPORATION

Exhibit A

Statement of Financial Position

As at December 31, 2022

	2022	2021
Financial Assets		
Accounts receivable	\$ 2,742,766	\$ 623,427
Due from Metro Vancouver Regional District	55,984,565	61,528,240
	58,727,331	62,151,667
Liabilities		
Accounts payable and accrued liabilities (note 3)	7,458,181	5,051,559
Deferred revenue and refundable deposits (note 4)	7,163,751	6,535,981
Mortgages and loans payable (note 5)	50,900,959	54,518,957
	65,522,891	66,106,497
Net Debt	(6,795,560)	(3,954,830)
Non-Financial Assets		
Tangible capital assets (note 6)	123,426,386	105,843,374
Prepaid land leases (note 7)	4,867,502	5,062,302
Prepaid expenses	930,027	784,143
	129,223,915	111,689,819
Accumulated surplus (note 8)	\$ 122,428,355	\$ 107,734,989

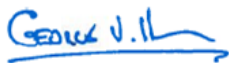
Contractual obligations (note 9)

Contingencies (note 10)

Budget information (note 11)

Subsequent event (note 12)

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, 2022

	2022 Budget (Note 11)	2022 Actual	2021 Actual
Revenues			
Property rental	\$ 42,050,709	\$ 43,266,817	\$ 42,416,407
Contributions:			
British Columbia Housing Management	1,834,061	1,538,412	1,749,788
Grants and other contributions	17,535,892	1,891,423	120,703
Interest income	1,072,075	1,447,918	655,358
Other revenues	6,639,490	1,176,493	900,466
	69,132,227	49,321,063	45,842,722
Expenses			
Asset repairs and maintenance	20,407,318	14,597,085	16,866,033
Amortization of tangible assets and prepaid land	2,902,673	2,971,035	3,212,445
Utilities, permits, and taxes	4,505,744	4,601,247	4,454,801
Salaries and benefits	6,988,036	6,660,947	6,411,113
Interest and fees on long-term debt	1,527,945	1,294,759	1,265,098
Corporate costs	2,417,247	2,390,454	2,095,291
Consulting, contracted, and professional services	1,173,163	995,466	632,423
Other	1,045,723	911,773	778,431
Materials and supplies	186,451	204,931	168,507
	41,154,300	34,627,697	35,884,142
Annual surplus	27,977,927	14,693,366	9,958,580
Accumulated surplus, beginning of year	107,734,989	107,734,989	97,776,409
Accumulated surplus, end of year	\$ 135,712,916	\$ 122,428,355	\$ 107,734,989

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, 2022

	2022 Budget (Note 11)	2022 Actual	2021 Actual
Annual surplus	\$ 27,977,927	\$ 14,693,366	\$ 9,958,580
Change in tangible capital assets			
Acquisition of tangible capital assets	(48,300,000)	(20,493,998)	(5,436,056)
Amortization of tangible capital assets	2,707,874	2,776,235	3,017,646
Disposal of tangible capital assets	—	134,751	—
	(45,592,126)	(17,583,012)	(2,418,410)
Change in other non-financial assets			
Payment of prepaid expenses	—	(930,027)	(784,143)
Use of prepaid expenses	—	784,143	721,541
Amortization of prepaid land leases	194,799	194,800	194,799
	194,799	48,916	132,197
Change in net debt	(17,419,400)	(2,840,730)	7,672,367
Net debt, beginning of year	(3,954,830)	(3,954,830)	(11,627,197)
Net debt, end of year	\$ (21,374,230)	\$ (6,795,560)	\$ (3,954,830)

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, 2022

	2022	2021
Cash provided by (used in):		
Operating transactions:		
Annual surplus	\$ 14,693,366	\$ 9,958,580
Items not involving cash		
Amortization of tangible capital assets	2,776,235	3,017,646
Amortization of prepaid land leases	194,800	194,799
Loss on disposal of tangible capital assets	134,751	—
Change in non-cash assets and liabilities		
Accounts receivable	(2,119,339)	5,602,271
Accounts payable and accrued liabilities	2,406,622	1,161,863
Deferred revenue and refundable deposits	627,770	885,587
Prepaid expenses	(145,884)	(62,602)
Net change in cash from operating transactions	18,568,321	20,758,144
Capital transactions:		
Acquisition of tangible capital assets	(20,493,998)	(5,436,056)
Net change in cash from capital transactions	(20,493,998)	(5,436,056)
Financing transactions:		
Due from Metro Vancouver Regional District	5,543,675	(11,478,558)
Principal repayments on mortgages and loans	(3,617,998)	(3,843,530)
Net change in cash from financing transactions	1,925,677	(15,322,088)
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, 2022

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. 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 BC Housing Management Commission ("BCHMC") (Homes BC, Seniors, and Investment in Housing Innovation 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, 2022

1. Significant Accounting Policies (continued)

Deferred Revenue and Refundable Deposits (continued)	<p>ii) Replacement Projects: Under operating agreements entered into with Canada Mortgage and Housing Corporation ("CMHC") and administered by BCHMC (Homes BC, Seniors, and Investment in Housing Innovation 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.</p>
Interest Income	<p>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.</p>
Cash and Investments	<p>In order to improve cash management, the MVRD holds cash and investment transactions in pooled accounts on behalf of its four legal entities: the Metro Vancouver Regional District, the Greater Vancouver Sewerage and Drainage District, the Greater Vancouver Water District, and the Metro Vancouver Housing Corporation. The Corporation's cash is therefore presented as due from 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 the Corporation's fund balances is included in the amount owing from MVRD and is recorded as interest income in the Statement of Operations.</p>
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, 2022

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 available for use 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 available for use.

2) Interest capitalization:

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

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, 2022

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 2.

METRO VANCOUVER HOUSING CORPORATION

Notes to Financial Statements, page 5

Year ended December 31, 2022

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. Senior Government Assistance

BCHMC is the administrator and provides the related government assistance for all of MVHC's Federal programs and Provincial operating agreements (Homes BC, Seniors, and Investment in Housing Innovation properties). 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:

CMHC mortgage insurance

Pursuant to Section 6 of the *National Housing Act* ("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.

METRO VANCOUVER HOUSING CORPORATION

Notes to Financial Statements, page 6

Year ended December 31, 2022

3. Accounts Payable and Accrued Liabilities

	2022	2021
Trade accounts	\$ 6,185,191	\$ 4,649,286
Construction holdbacks	1,191,181	314,806
Accrued interest on mortgages and debenture debt	81,809	87,467
	\$ 7,458,181	\$ 5,051,559

4. Deferred Revenue and Refundable Deposits

	2022	2021
Externally restricted funds for programs under BCHMC Agreements:		
Rental operations	\$ 48,464	\$ 47,320
Replacement provisions	3,456,305	3,375,308
	3,504,769	3,422,628
MVHC tenant security deposits	2,156,638	2,097,391
Rent and subsidies received in advance	365,561	394,878
Grant received in advance	1,136,783	621,084
Total	\$ 7,163,751	\$ 6,535,981

	2022	2021
Balance, beginning of year	\$ 6,535,981	\$ 5,650,394
Contributions received	1,034,628	1,419,568
Contributions earned	(436,788)	(667,784)
Change in security deposits and prepaid rents	29,930	133,803
	627,770	885,587
Balance, end of year	\$ 7,163,751	\$ 6,535,981

METRO VANCOUVER HOUSING CORPORATION

Notes to Financial Statements, page 7

Year ended December 31, 2022

5. Mortgages and Loans Payable

- a) MVHC's loans 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 1.70% in 2022 (2021 - 1.30%). Financing arrangements are approved through the Boards of MVRD and MVHC and renewed every 5 years. There are no charges or liens on these properties.
- b) Mortgages and loans outstanding (see note 5(d)) are expected to be renegotiated on a long-term basis. Annual principal repayments assuming extension to maturity are as follows:

	Payments for		Payments for		Total
	MVRD		Mortgages		Payments
	Loans				
2023	\$	923,583	\$	2,604,471	\$ 3,528,054
2024		923,583		2,654,964	3,578,547
2025		923,583		2,721,853	3,645,436
2026		923,583		2,790,528	3,714,111
2027		923,583		2,741,515	3,665,098
Thereafter		3,636,519		29,133,194	32,769,713
Total	\$	8,254,434	\$	42,646,525	\$ 50,900,959

- c) 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 and loans are comprised of the following and includes varying maturities up to 2055 with interest rates ranging from 1.44% to 4.87%.

METRO VANCOUVER HOUSING CORPORATION

Notes to Financial Statements, page 8

Year ended December 31, 2022

5. Mortgages and Loans Payable (continued)

Rental Property	Financed by	Interest Rate - %	Renewal Date	Expected Maturity Date	2022	2021
Investment in Housing Innovation Projects:						
Heather Place A	Other	1.44	December 1, 2030	December 1, 2055	\$ 12,739,503	\$ 13,039,238
Total Investment in Housing Innovation projects					12,739,503	13,039,238
Seniors projects:						
Alderwood Place	CHMC	2.55	—	July 1, 2027	1,236,421	1,487,817
Cedarwood Place	CHMC	2.39	—	January 1, 2023	14,037	179,732
Cedarwood Place	MVRD	1.70	July 1, 2024	July 1, 2038	3,302,389	3,508,789
Total Seniors projects					4,552,847	5,176,338
Homes BC projects:						
Chateau de Ville	Other	4.87	July 1, 2027	July 1, 2035	6,471,833	6,840,730
Claude Douglas	Other	2.56	November 1, 2029	November 1, 2036	1,744,214	1,847,421
Fraserwood	Other	1.44	December 1, 2030	December 1, 2035	2,880,070	3,080,169
Inlet Centre	Other	1.58	October 1, 2030	October 1, 2038	4,907,839	5,178,448
Maplewood	Other	2.62	May 1, 2027	May 1, 2037	2,205,283	2,329,800
Odlinwood	Other	2.03	August 1, 2026	August 1, 2036	4,099,335	4,357,318
Total Homes BC projects					22,308,574	23,633,886
MVHC projects:						
Crown Manor	MVRD	1.70	July 15, 2024	July 15, 2038	610,534	649,208
Earle Adams Village	MVRD	1.70	June 1, 2022	June 1, 2027	1,325,352	1,590,405
Euclid Square	MVRD	1.70	June 1, 2022	June 1, 2027	389,321	467,186
Grandview Gardens	MVRD	1.70	June 1, 2022	June 1, 2027	277,849	333,419
Kelly Court	MVRD	1.70	June 1, 2022	June 1, 2027	551,387	661,665
Manor House	MVRD	1.70	March 15, 2024	March 15, 2038	1,023,571	1,088,218
Meridian Village	Other	2.46	September 1,	July 1, 2031	3,990,636	4,403,694
Minato West	Other	2.22	October 1, 2021	October 1, 2031	2,357,354	2,596,594
Regal Place Hotel	MVRD	1.70	March 15, 2024	March 15, 2038	363,415	386,367
Semlin Terrace	MVRD	1.70	June 1, 2022	June 1, 2027	410,616	492,739
Total MVHC projects					11,300,035	12,669,495
Total mortgages and loans payable					\$ 50,900,959	\$ 54,518,957
Mortgages and loans payable consists of:						
Loans payable to MVRD					\$ 8,254,434	\$ 9,177,996
Mortgages payable to CMHC and financial institutions					42,646,525	45,340,961
Total mortgages and loans payable					\$ 50,900,959	\$ 54,518,957

METRO VANCOUVER HOUSING CORPORATION

Notes to Financial Statements, page 9

Year ended December 31, 2022

6. Tangible Capital Assets

Year ended December 31, 2022

	Cost				Accumulated Amortization				Net Book Value December 31, 2022
	Balance at December 31, 2021	Additions	Disposals	Balance at December 31, 2022	Balance at December 31, 2021	Disposals	Amortization Expense	Balance at December 31, 2022	
Land	\$ 52,274,381	\$ —	\$ —	\$ 52,274,381	\$ —	\$ —	\$ —	\$ —	\$ 52,274,381
Buildings	220,339,606	3,250,133	—	223,589,739	176,544,478	—	2,289,708	178,834,186	44,755,553
Furniture & fixtures	6,439,458	618,571	(496,915)	6,561,114	4,742,709	(362,164)	486,527	4,867,072	1,694,042
Construction in progress	8,077,116	16,625,294	—	24,702,410	—	—	—	—	24,702,410
	\$ 287,130,561	\$ 20,493,998	\$ (496,915)	\$ 307,127,644	\$ 181,287,187	\$ (362,164)	\$ 2,776,235	\$ 183,701,258	\$ 123,426,386

Year ended December 31, 2021

	Cost				Accumulated Amortization				Net Book Value December 31, 2021
	Balance at December 31, 2020	Additions	Disposals	Balance at December 31, 2021	Balance at December 31, 2020	Disposals	Amortization Expense	Balance at December 31, 2021	
Land	\$ 52,274,381	\$ —	\$ —	\$ 52,274,381	\$ —	\$ —	\$ —	\$ —	\$ 52,274,381
Buildings	220,575,387	(235,781)	—	220,339,606	174,053,428	—	2,491,050	176,544,478	43,795,128
Furniture & fixtures	6,463,268	479,849	(503,659)	6,439,458	4,719,772	(503,659)	526,596	4,742,709	1,696,749
Construction in progress	2,885,128	5,191,988	—	8,077,116	—	—	—	—	8,077,116
	\$ 282,198,164	\$ 5,436,056	\$ (503,659)	\$ 287,130,561	\$ 178,773,200	\$ (503,659)	\$ 3,017,646	\$ 181,287,187	\$ 105,843,374

METRO VANCOUVER HOUSING CORPORATION

Notes to Financial Statements, page 10

Year ended December 31, 2022

7. Prepaid Land Leases

	2022	2021
Balance, beginning of year	\$ 5,062,302	\$ 5,257,101
Amortization	(194,800)	(194,799)
Balance, end of year	\$ 4,867,502	\$ 5,062,302

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

8. 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:

	2022	2021
Reserves	\$ 55,075,513	\$ 51,346,270
Capital fund	(5,174,585)	5,062,302
Investment in tangible capital assets	72,525,427	51,324,417
Share capital	2,000	2,000
	\$ 122,428,355	\$ 107,734,989

Continuity of reserves is as follows:

	2022	2021
Balance, beginning of year	\$ 51,346,270	\$ 47,454,831
Interest	1,133,900	535,652
Contribution to operations	(2,414,053)	(7,075,873)
Contribution to capital	(5,300,000)	(4,859,212)
Annual operating surplus	10,309,396	15,290,872
	\$ 55,075,513	\$ 51,346,270

METRO VANCOUVER HOUSING CORPORATION

Notes to Financial Statements, page 11

Year ended December 31, 2022

8. Accumulated Surplus (continued)

Investment in tangible capital assets is calculated as follows:

	2022	2021
Tangible capital assets	\$ 123,426,386	\$ 105,843,374
Amounts financed by:		
Long-term debt	(50,900,959)	(54,518,957)
	\$ 72,525,427	\$ 51,324,417

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

	2022	2021
Change in the investment in tangible capital assets		
Acquisition of tangible capital assets	\$ 20,493,998	\$ 5,436,056
Amortization of tangible capital assets	(2,776,235)	(3,017,646)
Disposal of tangible capital assets (net of book value)	(134,751)	—
	17,583,012	2,418,410
Less financing of tangible capital assets through debt		
Payment of long-term debt	(3,617,998)	(3,843,530)
	(3,617,998)	(3,843,530)
Change in investment in tangible capital assets	21,201,010	6,261,940
Investment in tangible capital assets, beginning of year	51,324,417	45,062,477
Investment in tangible capital assets, end of year	\$ 72,525,427	\$ 51,324,417

9. Contractual Obligations

a) Contractual Obligations

- i) As at December 31, 2022, the Corporation had the following commitments relating to projects in progress.

Authorized and Outstanding Projects	Expended at December 31	Total 2022	Total 2021
\$ 322,500,000	\$ (24,106,220)	\$ 298,393,780	\$ 346,322,885

METRO VANCOUVER HOUSING CORPORATION

Notes to Financial Statements, page 12

Year ended December 31, 2022

10. Contingencies

Lawsuits

As at December 31, 2022, 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. 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 reserve 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

Under the 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, 2022 is \$nil (2021 - \$nil). However, the balance will be reconciled and finalized once BCHMC completes the financial review for the fiscal year ended December 31, 2022.

METRO VANCOUVER HOUSING CORPORATION

Notes to Financial Statements, page 13

Year ended December 31, 2022

10. 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.

CMHC Grant Funding

In 2022 MVHC entered into an agreement with the Canada Mortgage and Housing Corporation for funding for the repair of the Kelly Court Facility, totalling \$1,321,824. As of December 31, 2022, \$1,182,147 of the grant was expended and recorded as grant revenue and accounts receivable. Stipulations of the grant agreement requires that MVHC maintain the affordability of the building for eligible occupants, that the project meets minimum energy efficiency requirements and that there is no default under the funding agreement. Should a breach in the agreement occur, the contribution, in whole or part, would be repayable to CMHC immediately. 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

Notes to Financial Statements, page 14

Year ended December 31, 2022

10. Contingencies (continued)

BCHMC Loan Funding

In 2022, MVHC entered into a demand non-revolving construction loan agreement with BC Housing Management Commission for funding for the Kingston Gardens re-development project. The maximum approved construction loan amount is \$44,642,752. Amounts drawn from the loan must be repaid no later than August 1, 2024. The BCHMC construction loan is to be repaid by a BCHMC investment of \$8,300,000 and take-out mortgage obtained through CMHC's National Housing Co-Investment Fund for \$29,411,377. Any amounts remaining of up to \$6,931,375, will be paid from MVHC's reserves.

Interest payable on the loan will be calculated based on a variable rate of not more than the Royal Bank of Canada Prime Rate plus 1.00%, compounded monthly, not in advance. As at December 31, 2022, no amounts were drawn from the demand loan.

11. Budget Information

The annual budget presented in these financial statements is based upon the 2022 operating and capital budgets approved by the Corporation's Board in October 2021. 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. 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 \$48,300,000 were included in the Capital Budget approved by the Board.

	2022 Budget	2021 Budget
Budgeted annual surplus per Exhibit B	\$ 27,977,927	\$ 12,739,949
Items not included in the operating budget		
Amortization of tangible capital assets and prepaid land	2,902,673	2,108,764
Reserve interest	(1,007,075)	(942,813)
Development grant	(17,535,892)	(8,500,000)
Items included in the budget but not in financial statements		
Debt principal payments	(3,952,669)	(3,564,408)
Transfers to reserves	(8,384,964)	(1,841,492)
Annual surplus per approved budget	\$ —	\$ —

METRO VANCOUVER HOUSING CORPORATION

Notes to Financial Statements, page 15

Year ended December 31, 2022

12. Subsequent Event

On April 12, 2023, the MVHC entered into a three-year memorandum of understanding with the Province of British Columbia, through the BCHMC, to provide \$158 million in funding to the MVHC over the next three years for the construction of approximately 660 new homes at five of the MVHC sites.