

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

**(OPERATING AS METRO VANCOUVER)**

**Financial Statements**

**Year ended December 31, 2025**

Consolidated Financial Statements of

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

Year ended December 31, 2025

# METRO VANCOUVER REGIONAL DISTRICT

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December 31, 2025

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

The Consolidated Financial Statements contained in this report have been prepared by management in accordance with Canadian public sector accounting standards. The integrity and objectivity of these consolidated 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 consolidated financial statements.

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

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

The external auditor, KPMG 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 consolidated 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, 2025.

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

  
\_\_\_\_\_  
Linda Sabatini, Acting Chief Financial Officer

Date: April 24, 2026



KPMG LLP  
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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Metro Vancouver Regional District

### **Opinion**

We have audited the consolidated financial statements of Metro Vancouver Regional District (the "Entity"), which comprise:

- the consolidated statement of financial position as at December 31, 2025
- the consolidated statement of operations for the year then ended
- the consolidated statement of change in net debt for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2025, and its consolidated results of operations, its consolidated changes in net debt, and its consolidated 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 auditor's report.

We are independent of the Entity 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 the 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 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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the 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 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 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 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 Entity 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.
- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

*KPMG LLP*

Chartered Professional Accountants

Vancouver, Canada

April 28, 2026

# METRO VANCOUVER REGIONAL DISTRICT

## Exhibit A

### Consolidated Statement of Financial Position

As at December 31, 2025, with comparative information for 2024

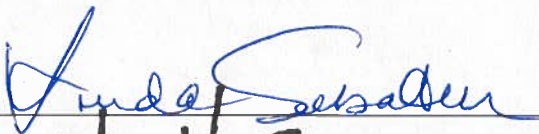
(in thousands of dollars)

	2025	2024
<b>Financial Assets</b>		
Cash and cash equivalents	\$ 462,417	\$ 141,114
Accounts receivable (note 3)	431,834	301,563
Due from South Coast British Columbia Transportation Authority ("TransLink") and member jurisdictions (note 4)	1,274,518	1,154,568
Investments (note 5)	465,370	473,500
Debt reserve fund (note 6)	74,607	68,166
	<b>2,708,746</b>	<b>2,138,911</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (note 7)	421,848	377,175
Employee future benefits (note 8)	16,722	15,509
Landfill closure and post-closure liability (note 9)	50,298	49,405
Asset retirement obligations (note 10)	66,073	61,470
Deferred revenue and refundable deposits (note 11)	798,028	492,224
Debt reserve fund, TransLink and member jurisdictions (note 6)	36,290	35,086
Debt (net of MFA sinking funds) (note 12)		
Metro Vancouver Regional District	2,469,110	2,020,382
TransLink and member jurisdictions	1,259,885	1,140,502
Total debt	3,728,995	3,160,884
	<b>5,118,254</b>	<b>4,191,753</b>
<b>Net Debt</b>	<b>(2,409,508)</b>	<b>(2,052,842)</b>
<b>Non-Financial Assets</b>		
Tangible capital assets (note 13)	10,345,039	9,257,066
Inventories of supplies	14,862	13,753
Prepaid land leases (note 14)	4,283	4,478
Prepaid expenses	61,100	40,582
	<b>10,425,284</b>	<b>9,315,879</b>
<b>Accumulated surplus (note 16)</b>	<b>\$ 8,015,776</b>	<b>\$ 7,263,037</b>

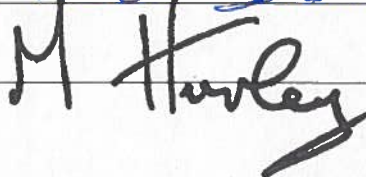
Contractual obligations and rights (note 17)

Contingencies (note 18)

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



Acting Chief Financial Officer



Board Chair

# METRO VANCOUVER REGIONAL DISTRICT

## Exhibit B

### Consolidated Statement of Operations

Year ended December 31, 2025, with comparative information for 2024

(in thousands of dollars)

	2025 Budget (note 20)	2025 Actual	2024 Actual
<b>Revenues (note 21)</b>			
Metered sale of water	\$ 399,009	\$ 394,304	\$ 363,616
Sewerage and drainage levy	575,550	575,550	389,498
Tipping fees	148,874	169,834	149,931
Metro Vancouver Regional District Requisitions	119,597	119,597	115,272
Housing property rentals	44,550	48,409	46,217
Development cost charges (note 11)	123,799	119,483	112,569
Grants and other contributions (note 15)	179,864	124,527	87,290
User fees, recoveries, and other revenue	43,777	52,629	53,634
Liquid waste industrial charges	13,656	15,131	13,436
Gain on disposal of assets and from settlement of asset retirement obligations	—	27,398	8,866
Sinking fund and interest income	38,696	62,186	60,112
Sinking fund income attributed to member jurisdictions and TransLink	28,859	28,602	29,540
	1,716,231	1,737,650	1,429,981
<b>Expenses (note 21)</b>			
Liquid waste services	399,331	387,032	351,953
Solid waste services	157,179	193,342	171,321
Water operations	242,982	240,261	221,407
Housing rental operations	53,869	42,655	35,853
Regional parks	54,894	48,643	44,981
General government services	9,194	6,316	7,601
Air quality and climate action	17,898	14,414	13,909
Regional employers services	4,383	3,791	3,430
E911 emergency telephone system	7,276	6,455	6,181
Regional planning	5,732	4,475	4,481
Invest Vancouver	4,754	5,115	4,038
Housing planning and policy	4,746	1,954	2,166
Electoral area service	6,056	827	781
Regional global positioning system	453	401	214
Sasamat volunteer fire department	507	534	485
Regional emergency management	232	94	53
Sinking fund income attributed to member jurisdictions and TransLink	28,859	28,602	29,540
	998,345	984,911	898,394
<b>Annual surplus</b>	717,886	752,739	531,587
<b>Accumulated surplus, beginning of year</b>	7,263,037	7,263,037	6,731,450
<b>Accumulated surplus, end of year (note 16)</b>	<b>\$ 7,980,923</b>	<b>\$ 8,015,776</b>	<b>\$ 7,263,037</b>

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, 2025, with comparative information for 2024

(in thousands of dollars)

	2025 Budget (note 20)	2025 Actual	2024 Actual
<b>Annual surplus</b>	\$ 717,886	\$ 752,739	\$ 531,587
<b>Change in tangible capital assets</b>			
Acquisition of tangible capital assets	(1,779,925)	(1,216,851)	(901,530)
Amortization of tangible capital assets	111,560	115,919	109,835
Gain on disposal of tangible capital assets	—	(23,959)	(8,710)
Proceeds on disposal of tangible capital assets	—	36,918	36,329
	(1,668,365)	(1,087,973)	(764,076)
<b>Change in other non-financial assets</b>			
Acquisition of prepaid expenses	—	(61,100)	(40,582)
Use of prepaid expenses	—	40,582	13,818
Amortization of prepaid land leases	—	195	195
Acquisition of inventories of supplies	—	(14,862)	(13,753)
Consumption of inventories of supplies	—	13,753	12,594
	—	(21,432)	(27,728)
<b>Change in net debt</b>	(950,479)	(356,666)	(260,217)
<b>Net debt, beginning of year</b>	(2,052,842)	(2,052,842)	(1,792,625)
<b>Net debt, end of year</b>	<b>\$ (3,003,321)</b>	<b>\$ (2,409,508)</b>	<b>\$ (2,052,842)</b>

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, 2025, with comparative information for 2024

(in thousands of dollars)

	2025	2024
<b>Cash provided by (used in):</b>		
<b>Operating transactions:</b>		
Annual surplus	\$ 752,739	\$ 531,587
Items not involving cash		
Amortization of tangible capital assets	115,919	109,835
Amortization of prepaid land leases	195	195
Accretion on asset retirement obligations	2,671	2,478
Sinking fund income	(55,987)	(56,799)
Debt reserve fund income	(2,105)	(2,399)
Accrued interest and unamortized premium or discount	658	(869)
Gain on disposal of tangible capital assets	(23,959)	(8,710)
Loss (gain) from settlement of asset retirement obligation	(140)	66
Settlement of asset retirement obligation	(9)	(234)
Employee future benefit expense	3,042	3,218
Change in landfill closure and post-closure liability	893	1,034
Change in non-cash assets and liabilities		
Accounts receivable	(130,271)	(77,611)
Accounts payable and accrued liabilities	44,673	57,888
Employee future benefits paid	(1,829)	(1,986)
Deferred revenue and refundable deposits	305,804	91,677
Inventories of supplies	(1,109)	(1,159)
Prepaid expenses	(20,518)	(26,764)
Net change in cash from operating transactions	990,667	621,447
<b>Capital transactions:</b>		
Proceeds on sale of tangible capital assets	36,918	36,329
Acquisition of tangible capital assets with cash (note 22(a))	(1,214,770)	(897,702)
Net change in cash from capital transactions	(1,177,852)	(861,373)
<b>Investing transactions:</b>		
Acquisition of investments	(334,414)	(232,314)
Matured investments	341,886	162,067
Net change in cash from investing transactions	7,472	(70,247)
<b>Financing transactions:</b>		
Due from TransLink and member jurisdictions	(119,950)	(713)
Debt reserve fund, member jurisdictions, and TransLink	1,204	(1,061)
Proceeds of debt and mortgages	851,949	485,372
Debt reserve fund issuances	(8,184)	(4,486)
Debt reserve fund maturity	3,848	5,727
Sinking fund payments	(219,339)	(209,109)
Principal repayments on debt	(8,512)	(8,295)
Sinking fund retirement	136,694	289,575
Debt maturity	(136,694)	(289,575)
Net change in cash from financing transactions	501,016	267,435
<b>Net change in cash and cash equivalents</b>	<b>321,303</b>	<b>(42,738)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>141,114</b>	<b>183,852</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 462,417</b>	<b>\$ 141,114</b>

Supplementary cash flow information (note 22)

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, 2025

(tabular amounts in thousands of dollars)

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## 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 of the District comprise 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 jurisdictions, the major one of which is the ownership and operation of a network of regional parks. The Board consists of a board of Directors representing 21 Municipalities, one Electoral Area, one treaty First Nation. The MVRD Board of Directors consists of councillors and mayors of the member jurisdictions who have been appointed to the Board by their respective councils. The number of directors, and the number of votes each may cast, is based upon the population of the jurisdiction. 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 member jurisdictions of the MVRD, and the disposal of solid waste for the member jurisdictions of the MVRD and the public. Its Board of Directors comprises the same councillors and mayors of the member jurisdictions as appointed to the MVRD Board by their respective councils, provided that the member jurisdiction is a member of the GVS&DD. 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.

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 jurisdictions. Its Board of Directors comprises the same councillors and mayors of the member jurisdictions as appointed to the MVRD Board by their respective councils, provided that the member jurisdiction is a member of the GVWD. GVWD owns or holds under a 999-year lease from the Province of British Columbia (“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.

# METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 2

Year ended December 31, 2025

(tabular amounts in thousands of dollars)

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## 1. Significant Accounting Policies (continued)

**Government Reporting Entity (continued)** 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.

**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 revenues and expenses. Revenues are recognized based on the revenue recognition policy (note 1). 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 consolidated 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 consolidated statement of operations as the stipulations are met and the liability is 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 District satisfies the performance obligations, which occurs when control of the benefits associated with the promised goods or services has passed to the payor or when the District has the right to claim or retain an inflow of economic resources received or receivable and there is a past transaction or event that gives rise to the economic resources.

**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 debt retirement are recorded in the year received.

# METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 3

Year ended December 31, 2025

(tabular amounts in thousands of dollars)

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## 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 cost plus accrued interest.

**Investments** Investments consist of financial instruments and are recorded at amortized cost using straight-line method.

**Financial Instruments** The District's financial instruments consist of cash and cash equivalents, accounts receivable, investments, debt reserve fund, accounts payable and accrued liabilities, debt, and amounts due to and from TransLink and member jurisdictions. Cash and cash equivalents are highly liquid financial instruments held at Canadian regulated financial institutions and are measured at cost plus accrued interest. Accounts receivable and amounts due from government organizations are recorded at cost less any amount for valuation allowance. The District's investments include government bonds issued by the federal and provincial governments of Canada, Municipal Finance Authority of British Columbia ("MFA") pooled investment funds, MFA money market fund, MFA government ultra-short bond, guaranteed investment certificates, and term deposits. These financial instruments are recorded at fair market value upon initial recognition and subsequently measured at amortized cost, with any gains or losses are recognized at the trade date. All debt and other financial liabilities are recorded using cost or amortized cost. Interest attributable to financial instruments are reported in the consolidated statement of operations.

The classification of financial instruments is determined upon inception and financial instruments are not reclassified into another measurement category for the duration of the period they are held. All financial assets are assessed for impairment on an annual basis and any such impairment is recorded in the consolidated statement of operations. A write-down of a financial asset to reflect a loss in value is not reversed for a subsequent increase in value.

# METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 4

Year ended December 31, 2025

(tabular amounts in thousands of dollars)

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## 1. Significant Accounting Policies (continued)

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

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

**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.

**Landfill Closure and Post-Closure Liability** The District is obligated for its share of landfill closure and post-closure costs, in accordance with a tripartite agreement with the City of Vancouver and the Corporation of Delta (note 9). The District does not own or control the landfill and, therefore, has recorded its obligation as a liability, in accordance with PS 3200 Liabilities, and not as an asset retirement obligation.

The estimated present value of the District's share in landfill closure and post-closure costs to be incurred on a landfill site owned and controlled by the City of Vancouver, based on the percentage of the landfill capacity used for the year, is recognized as a liability. 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 5

Year ended December 31, 2025

(tabular amounts in thousands of dollars)

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## 1. Significant Accounting Policies (continued)

### **Asset Retirement Obligations**

Asset Retirement Obligations (AROs) are recognized for statutory, contractual, or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development, or normal operation of the assets. An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- a) There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- b) The past transaction or event giving rise to the liability had occurred;
- c) It is expected that future economic benefits will be given up; and
- d) A reasonable estimate of the amount can be made.

The ARO liability is initially recorded based on the best estimate of the expenditure required to retire the ARO obligation determined using present value calculation, and the resulting costs are capitalized as part of the carrying amount of the related tangible capital asset. This ARO liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing or amount required to settle the obligation or the discount rate. The changes in the AROs for the passage of time are recorded as accretion expense in the consolidated statement of operations and all other changes are adjusted to the carrying value of the tangible capital asset. This cost is amortized on the same basis as the amortization of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

# METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 6

Year ended December 31, 2025

(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 initially recorded at cost which includes amounts that are directly attributable to acquisition, construction, development, or betterment of the asset, including asset retirement costs that are capitalized as part of the carrying amount of the related tangible capital 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:

<b>Asset</b>	<b>Useful Lives - Years</b>
Buildings	
Housing	25 - 65
Parks	50 - 100
Watershed	25
Corporate – Head Office	40
Infrastructure	
Liquid Waste	
Wastewater treatment, pumping stations	40 - 107
Interceptors and trunk sewer, drainage	100
Solid Waste	25 - 30
Water	
Dams, reservoirs	150
Supply mains	100
Distribution systems, drinking water treatment	50 - 101
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 7

Year ended December 31, 2025

(tabular amounts in thousands of dollars)

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## 1. Significant Accounting Policies (continued)

### Non-Financial Assets (continued)

#### ***Tangible Capital Assets***

a. Annual amortization

Annual amortization begins when the asset is put into service and is expensed over its useful lives. 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 consolidated financial statements.

d. Interest capitalization

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

e. Impairment of tangible capital assets

Tangible capital assets are written down when conditions indicate that they no longer contribute to the District's ability to provide goods and services or when the value of the future economic benefits associated with the asset is less than the book value of the asset.

#### ***Inventories of Supplies***

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

#### ***Prepaid Land Leases***

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

# METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 8

Year ended December 31, 2025

(tabular amounts in thousands of dollars)

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## 1. Significant Accounting Policies (continued)

**Revenue Recognition** Revenues from transactions with performance obligations are recognized when (at a point in time) or as (over a period of time) the District satisfies the performance obligations, which occurs when control of the benefits associated with the promised goods or services has passed to the payor.

Revenues from transactions without performance obligations are recognized at realizable value when the District has the right to claim or retain an inflow of economic resources received or receivable and there is a past transaction or event that gives rise to the economic resources.

Property tax revenues and sewerage and drainage revenues from member jurisdictions are recognized in the year they are levied. Metered sale of water, tipping fees, permits, cost sharing, and other revenues are recognized as revenue at a point in time or over time 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. Contributions from Canada Mortgage and Housing Corporation ("CMHC") and BC Housing Management Commission ("BCHMC") are based on provisions set in agreements.

**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 21.

**Use of Estimates** The preparation of the consolidated 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 consolidated 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 consolidated 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.

Areas requiring the use of management's judgment and estimation relate to the determination of contaminated sites liabilities, amounts to settle and expected timing of asset retirement obligations, 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.

# METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 9

Year ended December 31, 2025

(tabular amounts in thousands of dollars)

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## 2. Financial Risk Management

Based on the financial instruments held, the District is potentially exposed to credit risk, market risk, interest rate risk, and liquidity risk.

### a. Credit risk

Credit risk is low and related to the possibility of failure to collect from another party and encompasses cash and cash equivalents, investments, debt reserve fund, and accounts receivable. The risk exposure is limited to their carrying amounts as at the date of the consolidated statement of financial position. The District's accounts receivable primarily consists of amounts due from member jurisdictions, which does not pose a high risk of uncollectable amounts, and grants and contributions receivable related to construction and development projects. To mitigate credit risk, the District regularly reviews the collectability of its accounts receivable and if needed, will establish an allowance based on its best estimate of potentially uncollectible amounts. As at December 31, 2025, there are no amounts deemed uncollectible (2024 - \$nil). There has been no change to the credit risk exposure from 2024.

### b. Market risk and interest risk

Market risks and interest rate risks encompasses cash and cash equivalents, investments, and debt instruments. The market is volatile and susceptible to change. To mitigate the risk, the District closely monitors the Bank of Canada rates and reviews inflationary impacts. The District's cash and cash equivalents are deposited in high-interest savings accounts at federally regulated banks. The District follows the Board approved investment policy and legislative requirements for the management of its investments, which requires low risk investment products, such as fixed income securities, government bonds, MFA pooled investment funds, MFA money market fund, and MFA government ultra-short bonds. Sales and purchases of investments are recorded on the trade date. To mitigate risks, the investment portfolio is managed regularly through cash forecasts and investments are made into low credit risk rating bonds and pools. The District's exposure to interest rate risk in relation to debt instruments is limited to debt and temporary financing. The risk applies to debt when amortization periods exceed the initial locked-in term. Temporary financing is subject to daily floating rates, which can result in variability over the course of a short-term period. Interest rate risk related to debt instruments is managed through budget and cash forecasts. Interest rates have decreased slightly during the year, which primarily affects interest rate costs for new and refinanced debt and temporary borrowing, as well as, interest earnings on investments. There are no significant impacts to operating results from changes in interest rate that are reasonably possible as of year-end. With more reliance on debt instruments to fund capital infrastructure and housing development projects and with the global volatility, the District's market and interest rate exposure has increased from 2024.

# METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 10

Year ended December 31, 2025

(tabular amounts in thousands of dollars)

## 2. Financial Risk Management (continued)

### c. Liquidity risk

Liquidity risk is low and mitigated by regular monitoring of cash flows and forecasts. The District's cash and cash equivalents are held in federally and provincially regulated banks with 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. To meet financial obligations and mitigate liquidity risk a minimum of 25% of the District's pooled portfolio balance is held in highly liquid cash in high interest savings accounts. There has been no change to the liquidity risk exposure from 2024.

### d. Foreign exchange risk

Foreign exchange risk is low. The District has not entered into any agreements or purchased any foreign currency hedging arrangements to hedge possible currency risks, as management believes that the foreign exchange risk derived from currency conversions is not significant. The foreign currency financial instruments are short-term in nature and do not give rise to significant foreign currency risk. There has been no change to the foreign exchange risk exposure from 2024.

## 3. Accounts Receivable

	2025	2024
Metered sale of water receivable	\$ 50,452	\$ 43,180
Tipping fees receivable	24,043	24,783
Housing property rental receivable	43	423
Development cost charges receivable	251,918	142,573
Grants and other contributions receivable	25,348	20,444
User fees, recoveries, and other receivable	63,696	50,002
Liquid waste industrial charges receivable	4,839	5,215
Accrued interest receivable	11,495	14,943
	\$ 431,834	\$ 301,563

# METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 11

Year ended December 31, 2025

(tabular amounts in thousands of dollars)

## 4. Due from TransLink and Member Jurisdictions

The District is reimbursed for amounts paid to the MFA for the obligations incurred on behalf of its member jurisdictions and TransLink whose undertakings were financed out of the proceeds of these obligations (refer to note 12). 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	2025	2024
TransLink	\$ 100,399	\$ 4,784	\$ 105,183	\$ 148,149
Member jurisdictions				
Anmore Village	2,372	27	2,399	2,464
Belcarra	2,637	36	2,673	2,850
Bowen Island	10,487	114	10,601	10,866
Coquitlam	8,734	212	8,946	10,148
Langley City	20,655	208	20,863	21,847
Langley Township	419,519	1,842	421,361	217,967
Lions Bay	1,173	16	1,189	1,339
Maple Ridge	30,047	384	30,431	34,875
New Westminster	149,853	1,810	151,663	159,926
District of North Vancouver	39,881	561	40,442	43,653
Pitt Meadows	21,289	249	21,538	22,389
Port Coquitlam	60,069	487	60,556	62,642
Port Moody	14,709	180	14,889	15,725
Richmond	85,355	1,065	86,420	90,091
Surrey	250,566	2,350	252,916	265,305
District of West Vancouver	23,467	164	23,631	24,693
White Rock	18,673	144	18,817	19,639
	1,159,486	9,849	1,169,335	1,006,419
	\$ 1,259,885	\$ 14,633	\$ 1,274,518	\$ 1,154,568

## METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 12

Year ended December 31, 2025

(tabular amounts in thousands of dollars)

### 5. Investments

	Yields - %	Maturity Dates	2025	2024
Bonds:				
Government	2.31% - 4.44%	February 2026 - March 2031	\$ 132,219	\$ 62,999
Corporate	2.57% - 4.72%	December 2026 - May 2030	55,851	72,929
Unamortized premium			5,264	5,922
			193,334	141,850
Term deposits	3.01% - 3.56%	February 2026 - August 2026	95,000	5,000
Guaranteed investment certificates	2.19% - 7.70%	March 2026 - May 2039	177,036	326,650
<b>Total</b>			<b>\$ 465,370</b>	<b>\$ 473,500</b>

Government bonds are comprised of debt securities issued by Canadian federal and provincial governments, and MFA. Corporate bonds include bonds issued by Schedule I and II Chartered Banks of Canada.

Market value of investments as at December 31, 2025 was \$477,410,569 (2024 - \$488,341,499).

# METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 13

Year ended December 31, 2025

(tabular amounts in thousands of dollars)

## 6. Debt Reserve Fund

The MFA provides financing for regional districts and member jurisdictions. The MFA is required to establish a debt reserve fund for each debt 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, 2025, \$156,049,150 (2024 - \$135,508,589) in callable demand notes were outstanding and have not been recorded in the consolidated statement of financial position.

	2025	2024
Cash deposits held by MFA on behalf of:		
TransLink and member jurisdictions	\$ 36,290	\$ 35,086
Metro Vancouver Regional District	38,317	33,080
	\$ 74,607	\$ 68,166

## 7. Accounts Payable and Accrued Liabilities

	2025	2024
Trade accounts payable and accrued liabilities	\$ 262,196	\$ 225,742
Construction holdbacks	86,757	98,199
Accrued interest on debt	38,078	31,531
Wage accruals	32,270	20,341
Contaminated sites (a)	2,547	1,362
	\$ 421,848	\$ 377,175

(a) As at December 31, 2025, the District accrued \$2,547,358 (2024 - \$1,361,891) to remediate contaminated soils at two of its properties. The remediation work for the properties will be completed in 2026 and 2027.

# METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 14

Year ended December 31, 2025

(tabular amounts in thousands of dollars)

## 8. 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, 2025.

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

	2025	2024
Accrued benefit obligation:		
Balance, beginning of year	\$ 17,741	\$ 17,569
Current service cost	1,668	1,646
Interest cost	792	763
Benefits paid	(1,829)	(1,986)
Actuarial loss (gain)	3,552	(251)
Accrued benefit obligation, end of year	21,924	17,741
Unamortized actuarial loss	(5,202)	(2,232)
Accrued liability, end of year	\$ 16,722	\$ 15,509

	2025	2024
Employee future benefit expense:		
Current service cost	\$ 1,668	\$ 1,646
Interest cost	792	763
Amortization of the actuarial loss	582	809
	\$ 3,042	\$ 3,218

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

	2025	2024
Discount rate	4.2%	4.3%
Expected future inflation rate	2.25%	2.5%
Expected average remaining service period	13 years	12 years

# METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 15

Year ended December 31, 2025

(tabular amounts in thousands of dollars)

## 9. Landfill Closure and Post-Closure Liability

The Vancouver Landfill is located in Delta, British Columbia (“BC”) and is owned and controlled by the City of Vancouver. In accordance with a tripartite agreement with the City of Vancouver and the Corporation of Delta, the District is responsible for its proportionate share of the estimated closure and post-closure costs based on landfill capacity as at December 31, 2025.

	2025	2024
Landfill closure and post closure liability	\$ 50,298	\$ 49,405
Utilization of total capacity	88.1%	85.9%
Proportionate share of liability	40.1%	39.0%

## 10. Asset Retirement Obligations

The District’s AROs consist of asbestos and lead obligations as well as decommissioning obligations.

### a. Asbestos and lead obligations

The District owns and operates several buildings and infrastructure assets that are known or assumed to have asbestos and lead, which represent health hazards. Upon demolition of the buildings and infrastructure assets, the District has legal obligations to remove them.

### b. Contractual obligations

The District has contractual obligations to remove, decommission and restore infrastructure.

# METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 16

Year ended December 31, 2025

(tabular amounts in thousands of dollars)

## 10. Asset Retirement Obligations (continued)

Asset retirement obligations are as follows:

	GVS&DD	GVWD	MVHC	MVRD	2025	2024
Balance, beginning of year	\$ 25,510	\$ 20,438	\$ 14,241	\$ 1,281	\$ 61,470	\$ 55,332
Additions						
Asbestos and lead obligations	866	—	199	1,016	2,081	3,828
Total additions	866	—	199	1,016	2,081	3,828
Disposals						
Asbestos and lead obligations	—	—	—	(149)	(149)	(168)
Total disposals	—	—	—	(149)	(149)	(168)
Accretion expense						
Asbestos and lead obligations	323	38	615	90	1,066	938
Contractual obligations	785	820	—	—	1,605	1,540
Total accretion expense	1,108	858	615	90	2,671	2,478
Balance, end of year	\$ 27,484	\$ 21,296	\$ 15,055	\$ 2,238	\$ 66,073	\$ 61,470

The liability has been estimated using a present value calculation with a discount rate for 2025 of 4.2% (2024 – 4.2%). The estimated total undiscounted future expenditures are as follows:

	2025	2024
GVS&DD	\$ 47,572	\$ 46,463
GVWD	27,162	27,162
MVHC	37,304	40,754
MVRD	4,094	2,295
	<b>\$ 116,132</b>	<b>\$ 116,674</b>

The number of years to expected settlement for the various obligations are as follows:

	2025	2024
GVS&DD	0 - 55	0 - 56
GVWD	0 - 41	1 - 42
MVHC	16 - 42	17 - 43
MVRD	0 - 31	1 - 31
	0 - 55	0 - 56

# METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 17

Year ended December 31, 2025

(tabular amounts in thousands of dollars)

## 11. Deferred Revenue and Refundable Deposits

Deferred revenue and refundable deposits consist of the following:

	2025	2024
MVHC externally restricted funds from BCHMC and CMHC (a)		
i) Rental operations	\$ 55	\$ 53
ii) Replacement projects	6,804	6,113
iii) Retrofit projects	9,360	5,600
	16,219	11,766
Development cost charges (b)	602,289	350,590
Government grant to fund capital expenditures (c)	168,699	119,303
Facility rental security deposits	7,694	6,924
Other	3,127	3,641
<b>Total</b>	<b>\$ 798,028</b>	<b>\$ 492,224</b>

(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' Supportive Housing Program ("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 recognized when expenditures exceed revenue in the program.
- ii. **Replacement Projects:** Under operating agreements entered into with 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.
- iii. **Retrofit Projects:** Under agreement entered into with CMHC and in connection with the National Housing Co-Investment Fund, \$5.6 million of funds received in 2023 were restricted for the repair of 560 affordable housing units (eight projects). In 2025, \$3.39 million was recognized as revenue for five projects, with the remaining \$2.21 million to be recognized in 2026 as work is completed. Under agreement entered into with CMHC and in connection with the Affordable Housing Fund, \$7.15 million received in 2025 are restricted for the repair of 715 affordable housing units (ten projects). These funds are deferred until funds related to the projects have been spent.

# METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 18

Year ended December 31, 2025

(tabular amounts in thousands of dollars)

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## 11. Deferred Revenue and Refundable Deposits (continued)

- (b) The Greater Vancouver Sewerage and Drainage District Act and the Local Government Act restrict the District in applying money raised from development cost charges to funding liquid waste, water, and regional parks 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. Out of the total development cost charges deferred, the amounts receivable from member jurisdictions (note 3) as at December 31, 2025 total \$251,918,082 (2024 – \$142,573,190).
- (c) Amounts received from government for construction projects that have been recorded as deferred revenue include the following:
- i. In 2017, the GVS&DD received a grant from the Province in the amount of \$193.0 million for costs associated with the construction of the new North Shore Wastewater Treatment Plant Facility. During 2025, \$13.9 million (2024 - \$18.7 million) was applied against the project and recognized as revenue. The deferred revenue was recognized in full during the year with the cumulative amount of grant recognized as of December 31, 2025 at \$193.0 million.
  - ii. In 2023, the GVS&DD entered into a three-year contribution agreement, with the Province, where the Province will provide \$250.0 million representing one-third of the funding for Phase 1 of the Iona Wastewater Treatment Plant project. As of December 31, 2025, the District received \$250.0 million (2024 – \$150.0 million) of the grant. During 2025, \$42.1 million (2024 – \$36.5 million) was applied against the project and recognized as revenue. The cumulative amount of grant recognized as of December 31, 2025 is \$93.2 million, with \$156.8 million remaining to be recognized in future years as capital expenditures are incurred.
  - iii. In 2023, the MVRD received a grant from the Province in the amount of \$5.25 million to fund Barnston Island Dike improvements for the duration of the term ending on March 15, 2026. During 2025, \$139,293 (2024 - \$38,087) was applied against the project and recognized as revenue. Remaining amount to be applied in future years is \$5.21 million.
  - iv. Under the Affordable Housing Fund loan agreement between MVHC and CMHC in 2024 for financing for the Heron's Nest project, \$5,750,000 in forgivable loan was received in 2025. In 2025, no amounts have been recognized in revenue and the amount of \$5,750,000 is deferred until the government transfer stipulations have been met.

# METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 19

Year ended December 31, 2025

(tabular amounts in thousands of dollars)

## 11. Deferred Revenue and Refundable Deposits (continued)

Continuity of deferred revenue and refundable deposits is as follows:

	2025	2024
Balance, beginning of year	\$ 492,224	\$ 400,547
Externally restricted contributions:		
Development cost charges received	247,672	99,550
Change in development cost charges receivable	109,345	77,251
Government grant received	105,750	75,733
GVWD cost-sharing funds refunded	—	(6,173)
MVHC restricted funds	7,393	667
Interest earned	14,164	12,688
Total contributions received and receivable	484,324	259,716
Contributions used and recognized in revenue	(178,777)	(168,992)
Net change in externally restricted contributions	305,547	90,724
Change in deposits and other deferred revenues	257	953
Change in deferred revenue and refundable deposits	305,804	91,677
Balance, end of year	\$ 798,028	\$ 492,224

# METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 20

Year ended December 31, 2025

(tabular amounts in thousands of dollars)

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## 12. Debt

The District serves as the borrowing conduit between member jurisdictions (excluding the City of Vancouver) and the MFA. The GVS&DD, GVWD and MVHC also access the MFA through the MVRD. The MVHC is a corporation and therefore, has authorization to borrow through financial institutions, the MFA and the MVRD. Prior to 2007, the District also served as the borrowing conduit for the Greater Vancouver Transportation Authority, currently operating as "TransLink". The District, TransLink, and the member jurisdictions in the transportation service region are jointly and severally liable for obligations arising under a security issued by the District on behalf of TransLink. The current MVHC mortgages are financed through financial institutions, other government lenders, such as the CMHC. The MVRD mortgage issuance is approved by the Board. There are currently no MVHC borrowings outstanding with the MFA, however to finance through the MFA a security issuing bylaw would be issued. The MVHC also entered into construction loan agreements with BCHMC for financing of redevelopment projects.

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 member jurisdictions are jointly and severally liable.

Debt servicing requirements comprising sinking fund payments, serial, and mortgage principal repayments and interest are funded as incurred by revenue earned during the year. Properties funded by mortgages and construction financing are collateralized by a first priority mortgage, a general assignment of rents, and the benefit of all covenants and agreements included in any lease and loan agreements.

Sinking fund payments are controlled and invested by the MFA and earn income which, together with principal payments, are expected to be sufficient to retire the debt at maturity.

In addition to debt incurred directly by the District, the District has also incurred debt on behalf of its member jurisdictions 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 jurisdictions (note 4). Where the MFA has determined that sufficient resources exist to retire debt on its maturity date without further installments, sinking fund payments 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 jurisdictions and TransLink whose undertakings were financed out of the proceeds of these obligations.

# METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 21

Year ended December 31, 2025

(tabular amounts in thousands of dollars)

## 12. Debt (continued)

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

	Debt, Mortgages, and Loans		Less MFA Sinking Funds		Debt, Net of MFA Sinking Funds			
					2025	2024		
GVS&DD	\$	2,058,000	\$	504,548	\$	1,553,452	\$	1,336,932
GVWD		1,260,000		449,286		810,714		609,320
MVHC		104,945		—		104,944		74,130
		3,422,944		953,834		2,469,110		2,020,382
TransLink		640,000		539,601		100,399		143,329
Member jurisdictions		1,468,735		309,249		1,159,486		997,173
		2,108,735		848,850		1,259,885		1,140,502
	\$	5,531,679	\$	1,802,684	\$	3,728,995	\$	3,160,884

Debt (net of MFA sinking funds) reported on the consolidated statement of financial position is comprised of the following and includes varying maturities up to 2055, with interest rates ranging from 1.47% to 5.65%. Construction financing payable to BCHMC and CMHC have varying repayment terms in 2026 with a variable interest rate.

# METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 22

Year ended December 31, 2025

(tabular amounts in thousands of dollars)

## 12. Debt (continued)

Issue number	Interest rate - %	Maturity date	Authorized to be issued	Debt outstanding	
				2025	2024
<b>Sinking Fund Agreements</b>					
95	4.77	October 13, 2025	\$ 10,900	\$ —	\$ 2,300
96	4.61	April 2, 2026	50,000	50,000	50,000
97	1.53-4.93	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	3.9-5.09	December 1, 2027	436,395	289,395	289,395
104	4.30	November 20, 2028	56,281	5,650	5,650
105	4.10	June 3, 2029	68,300	2,300	8,300
106	4.10	October 13, 2039	140,600	25,000	19,000
110	3.38	April 8, 2030	60,730	430	60,730
112	3.38	October 6, 2035	74,775	2,600	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
121	3.39	October 4, 2037	74,961	72,286	72,286
124	4.52	April 8, 2043	3,000	3,000	3,000
126	4.52	September 26, 2043	155,209	139,774	139,774
127	4.52	April 7, 2034	115,415	64,600	64,600
130	4.10	October 14, 2029	50,000	50,000	50,000
131	4.10	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	3.03	April 9, 2050	168,133	168,133	168,133
151	3.38	June 1, 2050	185,987	184,068	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	207,500
158	4.09	September 23, 2052	245,470	245,470	245,470
159	4.15	June 5, 2038	50,000	50,000	50,000
160	4.97	October 12, 2048	52,500	52,500	52,500
161	4.44	April 9, 2054	375,250	375,250	375,250
162	3.83	September 27, 2044	73,380	73,380	73,380
165	3.88	May 7, 2055	350,000	350,000	—
166	4.13	June 25 2055	198,653	198,653	—
167	3.73	October 22, 2055	269,759	269,759	—
<b>Total sinking fund agreements (carried forward)</b>			<b>\$ 6,105,978</b>	<b>\$ 5,420,528</b>	<b>\$ 4,738,810</b>

# METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 23

Year ended December 31, 2025

(tabular amounts in thousands of dollars)

## 12. Debt (continued)

Issue number	Interest rate - %	Maturity date	Authorized to be issued	Debt outstanding	
				2025	2024
<b>Total sinking fund agreements (brought forward)</b>			\$ 6,105,978	\$ 5,420,528	\$ 4,738,810
<b>Serial Debt</b>					
93	5.10-5.65	April 7, 2027	79,014	3,796	8,564
111	3.35	October 1, 2025	3,000	—	249
114	3.65	March 29, 2026	6,301	533	1,048
122	2.00	November 1, 2032	1,999	700	800
123	2.00	March 28, 2033	3,142	1,178	1,335
<b>Total serial debt</b>			93,456	6,207	11,996
<b>Total sinking fund agreements and serial debt</b>			\$ 6,199,434	\$ 5,426,735	\$ 4,750,806
<b>MVHC Construction Financing</b>					
	3.61; variable	April 2026 to September 2026		70,280	36,742
<b>Total construction financing</b>				<b>70,280</b>	<b>36,742</b>
<b>MVHC Mortgages</b>					
	1.44 - 4.87	August 2026 to December 2030		40,148	43,795
Less MVRD financed mortgages				(5,484)	(6,407)
<b>Total MVHC mortgages</b>				34,664	37,388
<b>Total debt</b>				5,531,679	4,824,936
<b>Less MFA sinking funds</b>				(1,802,684)	(1,664,052)
<b>Total debt, net of MFA sinking funds</b>				\$ 3,728,995	\$ 3,160,884

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

	Debt payments	Less Recoverable from TransLink and Member Jurisdictions	Net Debt Payments
2026	\$ 317,451	\$ 69,336	\$ 248,115
2027	232,899	57,929	174,970
2028	213,536	44,920	168,616
2029	209,674	44,731	164,943
2030	203,874	44,653	159,221
Thereafter	1,530,805	532,228	998,577
Total payments	2,708,239	793,797	1,914,442
Estimated sinking fund income	1,020,756	466,088	554,668
Total net debt	\$ 3,728,995	\$ 1,259,885	\$ 2,469,110

# METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 24

Year ended December 31, 2025

(tabular amounts in thousands of dollars)

## 13. Tangible Capital Assets

Year ended December 31, 2025

	Cost			Accumulated Amortization				Net Book Value December 31, 2025	
	Balance at December 31, 2024	Additions	Disposals	Balance at December 31, 2025	Balance at December 31, 2024	Disposals	Amortization Expense		Balance at December 31, 2025
<b>Land</b>									
GVS&DD	\$ 193,133	\$ 37,240	\$ (2,845)	\$ 227,528	\$ —	\$ —	\$ —	\$ —	\$ 227,528
GVWD	133,414	—	—	133,414	—	—	—	—	133,414
MVRD	945,907	3,623	—	949,530	—	—	—	—	949,530
MVHC	52,274	—	(249)	52,025	—	—	—	—	52,025
	1,324,728	40,863	(3,094)	1,362,497	—	—	—	—	1,362,497
<b>Infrastructure</b>									
GVS&DD	2,784,707	62,509	—	2,847,216	855,635	—	55,419	911,054	1,936,162
GVWD	2,525,811	119,170	—	2,644,981	552,019	—	40,437	592,456	2,052,525
MVRD	148,724	11,245	(483)	159,486	78,297	(483)	5,152	82,966	76,520
	5,459,242	192,924	(483)	5,651,683	1,485,951	(483)	101,008	1,586,476	4,065,207
<b>Buildings</b>									
GVWD	226,215	16	—	226,231	41,276	—	5,794	47,070	179,161
MVRD	30,452	1,015	(137)	31,330	12,077	(46)	884	12,915	18,415
MVHC	235,206	93,573	(6,476)	322,303	179,602	(27)	1,818	181,393	140,910
	491,873	94,604	(6,613)	579,864	232,955	(73)	8,496	241,378	338,486
<b>Vehicles</b>									
MVRD	40,032	7,243	(1,640)	45,635	28,343	(1,627)	3,913	30,629	15,006
	40,032	7,243	(1,640)	45,635	28,343	(1,627)	3,913	30,629	15,006
<b>Machinery, equipment, furniture &amp; fixtures</b>									
GVS&DD	8,637	—	—	8,637	8,242	—	226	8,468	169
GVWD	13,593	205	—	13,798	10,418	—	996	11,414	2,384
MVRD	24,430	638	—	25,068	20,003	—	825	20,828	4,240
MVHC	6,394	537	(372)	6,559	4,802	(360)	455	4,897	1,662
	53,054	1,380	(372)	54,062	43,465	(360)	2,502	45,607	8,455
<b>Construction in progress</b>									
GVS&DD	2,188,391	533,683	—	2,722,074	—	—	—	—	2,722,074
GVWD	1,350,962	316,557	(3,300)	1,664,219	—	—	—	—	1,664,219
MVRD	10,707	5,563	—	16,270	—	—	—	—	16,270
MVHC	128,791	24,034	—	152,825	—	—	—	—	152,825
	3,678,851	879,837	(3,300)	4,555,388	—	—	—	—	4,555,388
	<b>\$11,047,780</b>	<b>\$ 1,216,851</b>	<b>\$ (15,502)</b>	<b>\$12,249,129</b>	<b>\$ 1,790,714</b>	<b>\$ (2,543)</b>	<b>\$ 115,919</b>	<b>\$1,904,090</b>	<b>\$10,345,039</b>
<b>Totals 2025</b>									
GVS&DD	\$ 5,174,868	\$ 633,432	\$ (2,845)	\$ 5,805,455	\$ 863,877	\$ —	\$ 55,645	\$ 919,522	\$ 4,885,933
GVWD	4,249,995	435,948	(3,300)	4,682,643	603,713	—	47,227	650,940	4,031,703
MVRD	1,200,252	29,327	(2,260)	1,227,319	138,720	(2,156)	10,774	147,338	1,079,981
MVHC	422,665	118,144	(7,097)	533,712	184,404	(387)	2,273	186,290	347,422
	<b>\$11,047,780</b>	<b>\$ 1,216,851</b>	<b>\$ (15,502)</b>	<b>\$12,249,129</b>	<b>\$ 1,790,714</b>	<b>\$ (2,543)</b>	<b>\$ 115,919</b>	<b>\$1,904,090</b>	<b>\$10,345,039</b>

Construction in progress includes \$1.0 billion (2024- \$0.7 billion) related to the North Shore Wastewater Treatment Plant Project (note 18).

Additions related to asset retirement costs were \$2.1 million (2024- \$3.8 million).

The net book value of disposals and write-offs were \$13.0 million in 2025 (2024 - \$25.1 million).

In 2025, there were no tangible capital assets contributed to the District (2024 - \$nil).

# METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 25

Year ended December 31, 2025

(tabular amounts in thousands of dollars)

## 13. Tangible Capital Assets (continued)

Year ended December 31, 2024

	Cost			Accumulated Amortization				Net Book Value December 31, 2024	
	Balance at December 31, 2023	Additions	Disposals	Balance at December 31, 2024	Balance at December 31, 2023	Disposals	Amortization Expense		Balance at December 31, 2024
<b>Land</b>									
GVS&DD	\$ 186,869	\$ 6,302	\$ (38)	\$ 193,133	\$ —	\$ —	\$ —	\$ —	\$ 193,133
GVWD	133,414	—	—	133,414	—	—	—	—	133,414
MVRD	961,958	11,113	(27,164)	945,907	—	—	—	—	945,907
MVHC	52,274	—	—	52,274	—	—	—	—	52,274
	1,334,515	17,415	(27,202)	1,324,728	—	—	—	—	1,324,728
<b>Infrastructure</b>									
GVS&DD	2,763,533	23,624	(2,450)	2,784,707	805,492	(2,394)	52,537	855,635	1,929,072
GVWD	2,491,607	34,204	—	2,525,811	512,777	—	39,242	552,019	1,973,792
MVRD	141,389	9,151	(1,816)	148,724	75,308	(1,737)	4,726	78,297	70,427
	5,396,529	66,979	(4,266)	5,459,242	1,393,577	(4,131)	96,505	1,485,951	3,973,291
<b>Buildings</b>									
GVWD	220,526	5,689	—	226,215	35,652	—	5,624	41,276	184,939
MVRD	28,123	2,626	(297)	30,452	11,589	(207)	695	12,077	18,375
MVHC	233,201	3,828	(1,823)	235,206	180,006	(1,730)	1,326	179,602	55,604
	481,850	12,143	(2,120)	491,873	227,247	(1,937)	7,645	232,955	258,918
<b>Vehicles</b>									
MVRD	36,369	5,282	(1,619)	40,032	26,723	(1,562)	3,182	28,343	11,689
	36,369	5,282	(1,619)	40,032	26,723	(1,562)	3,182	28,343	11,689
<b>Machinery, equipment, furniture &amp; fixtures</b>									
GVS&DD	8,637	—	—	8,637	7,990	—	252	8,242	395
GVWD	13,593	—	—	13,593	9,362	—	1,056	10,418	3,175
MVRD	22,245	2,300	(115)	24,430	19,425	(115)	693	20,003	4,427
MVHC	6,512	375	(493)	6,394	4,751	(451)	502	4,802	1,592
	50,987	2,675	(608)	53,054	41,528	(566)	2,503	43,465	9,589
<b>Construction in progress</b>									
GVS&DD	1,781,541	406,850	—	2,188,391	—	—	—	—	2,188,391
GVWD	1,033,715	317,247	—	1,350,962	—	—	—	—	1,350,962
MVRD	8,680	2,027	—	10,707	—	—	—	—	10,707
MVHC	57,879	70,912	—	128,791	—	—	—	—	128,791
	2,881,815	797,036	—	3,678,851	—	—	—	—	3,678,851
	<b>\$10,182,065</b>	<b>\$ 901,530</b>	<b>\$ (35,815)</b>	<b>\$11,047,780</b>	<b>\$1,689,075</b>	<b>\$ (8,196)</b>	<b>\$ 109,835</b>	<b>\$1,790,714</b>	<b>\$ 9,257,066</b>
<b>Totals 2024</b>									
GVS&DD	\$ 4,740,580	\$ 436,776	\$ (2,488)	\$ 5,174,868	\$ 813,482	\$ (2,394)	\$ 52,789	\$ 863,877	\$ 4,310,991
GVWD	3,892,855	357,140	—	4,249,995	557,791	—	45,922	603,713	3,646,282
MVRD	1,198,764	32,499	(31,011)	1,200,252	133,045	(3,621)	9,296	138,720	1,061,532
MVHC	349,866	75,115	(2,316)	422,665	184,757	(2,181)	1,828	184,404	238,261
	<b>\$10,182,065</b>	<b>\$ 901,530</b>	<b>\$ (35,815)</b>	<b>\$11,047,780</b>	<b>\$1,689,075</b>	<b>\$ (8,196)</b>	<b>\$ 109,835</b>	<b>\$1,790,714</b>	<b>\$ 9,257,066</b>

## METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 26

Year ended December 31, 2025

(tabular amounts in thousands of dollars)

### 14. Prepaid Land Leases

	2025	2024
Balance, beginning of year	\$ 4,478	\$ 4,673
Amortization	(195)	(195)
Balance, end of year	\$ 4,283	\$ 4,478

The lease terms for the properties are as follows:

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

### 15. Grants and Other Contributions

The District recorded grants and other contributions from various agencies as follows:

	2025	2024
Provincial government	\$ 58,146	\$ 56,365
Federal government	11,693	20,831
Provincial Crown corporations	22,360	1,345
Federal Crown corporations	6,019	—
Member jurisdictions of MVRD	24,522	1,427
Other	1,787	7,322
	\$ 124,527	\$ 87,290

### 16. Accumulated Surplus

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

	2025	2024
Reserves	\$ 678,150	\$ 534,581
Capital fund balance	(538,303)	(508,228)
Investment in tangible capital assets	7,875,929	7,236,684
Total	\$ 8,015,776	\$ 7,263,037

# METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 27

Year ended December 31, 2025

(tabular amounts in thousands of dollars)

## 16. Accumulated Surplus (continued)

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

	December 31, 2024	Interest	Annual Operating Surplus (Deficit)	Transfers	Contributions from (to) Operations	Contributions to Capital	December 31, 2025
<b>Reserve funds</b>							
<b>Operating reserves</b>							
<b>Metro Vancouver Regional District</b>							
Air Quality and Climate Action	\$ 6,793	\$ 272	\$ 1,367	\$ (393)	\$ —	\$ —	\$ 8,039
E911 Emergency Telephone Service	835	30	822	—	—	—	1,687
Electoral Area Service	182	7	340	—	—	—	529
General Government	13,611	496	3,405	—	—	—	17,512
Housing Planning and Policy	618	23	201	—	—	—	842
Invest Vancouver	1,102	40	166	(123)	—	—	1,185
Regional Employer Services	435	16	253	—	(352)	—	352
Regional Emergency Management	395	14	100	—	—	—	509
Regional Geospatial Reference System	599	22	9	—	—	—	630
Regional Parks	5,918	223	2,451	—	—	—	8,592
Regional Planning	1,777	65	104	—	—	—	1,946
Sasamat Fire Protection Service	334	12	62	—	—	—	408
West Nile Virus	409	15	—	—	—	—	424
<b>MVRD operating reserves</b>	<b>33,008</b>	<b>1,235</b>	<b>9,280</b>	<b>(516)</b>	<b>(352)</b>	<b>—</b>	<b>42,655</b>
<b>Greater Vancouver Water District</b>							
Water Services	40,068	1,460	(1,618)	—	—	—	39,910
<b>GVWD operating reserves</b>	<b>40,068</b>	<b>1,460</b>	<b>(1,618)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>39,910</b>
<b>Greater Vancouver Sewerage and Drainage District</b>							
Liquid Waste Services	48,399	1,764	(476)	—	—	—	49,687
Solid Waste Services	38,190	1,392	19,764	—	—	—	59,346
<b>GVS&amp;DD operating reserves</b>	<b>86,589</b>	<b>3,156</b>	<b>19,288</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>109,033</b>
<b>Metro Vancouver Housing Corporation</b>							
MVHC operating reserves	10,403	409	11,417	—	—	—	22,229
<b>MVHC operating reserves</b>	<b>10,403</b>	<b>409</b>	<b>11,417</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>22,229</b>
<b>Total operating reserves</b>	<b>170,068</b>	<b>6,260</b>	<b>38,367</b>	<b>(516)</b>	<b>(352)</b>	<b>—</b>	<b>213,827</b>
<b>Discretionary reserves</b>							
<b>Metro Vancouver Regional District</b>							
Air Quality and Climate Action	—	—	—	393	(393)	—	—
Electoral Area Service	2,011	73	—	—	(20)	—	2,064
E911 Emergency Telephone Service	34	1	—	—	—	—	35
General Government	63,286	1,911	—	—	—	(26,697)	38,500
Invest Vancouver	53	2	—	122	(178)	—	—
Regional Emergency Management	314	11	—	—	—	—	325
Regional Employer Services	2,596	95	—	—	—	—	2,691
Regional Planning	2,236	82	—	—	—	—	2,318
Regional Parks	227	8	2,102	—	—	—	2,337
Centralized Support	35,658	1,299	3,620	—	(8,765)	—	31,812
<b>MVRD discretionary reserves</b>	<b>106,415</b>	<b>3,482</b>	<b>5,722</b>	<b>516</b>	<b>(9,356)</b>	<b>(26,697)</b>	<b>80,082</b>
<b>Greater Vancouver Sewerage and Drainage District</b>							
Liquid Waste General Debt Reserve Fund	2,372	87	—	—	—	—	2,459
Lions Gate Contingency	1,665	61	—	—	—	—	1,726
Drainage General	5,914	216	—	—	—	—	6,130
Solid Waste General	28,860	1,050	—	—	(854)	—	29,056
Landfill Post Closure	11,406	2,130	—	—	(2,596)	—	10,940
<b>GVS&amp;DD discretionary reserves</b>	<b>50,217</b>	<b>3,544</b>	<b>—</b>	<b>—</b>	<b>(3,450)</b>	<b>—</b>	<b>50,311</b>
<b>Metro Vancouver Housing Corporation</b>							
MVHC Capital Development	24,532	1,052	—	—	—	4,959	30,543
MVHC Capital Replacement	22,678	753	—	—	(4,615)	(6,362)	12,454
<b>MVHC discretionary reserves</b>	<b>47,210</b>	<b>1,805</b>	<b>—</b>	<b>—</b>	<b>(4,615)</b>	<b>(1,403)</b>	<b>42,997</b>
<b>Total discretionary reserves</b>	<b>203,842</b>	<b>8,831</b>	<b>5,722</b>	<b>516</b>	<b>(17,421)</b>	<b>(28,100)</b>	<b>173,390</b>
<b>Operating and discretionary reserves (carried forward)</b>	<b>\$ 373,910</b>	<b>\$ 15,091</b>	<b>\$ 44,089</b>	<b>\$ —</b>	<b>\$ (17,773)</b>	<b>\$ (28,100)</b>	<b>\$ 387,217</b>

# METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 28

Year ended December 31, 2025

(tabular amounts in thousands of dollars)

## 16. Accumulated Surplus (continued)

	December 31, 2024	Interest	Annual Operating Surplus (Deficit)	Transfers	Contributions from (to) Operations	Contributions to Capital	December 31, 2025
<b>Operating and discretionary reserves</b>							
<b>Reserves (brought forward)</b>	\$ 373,910	\$ 15,091	\$ 44,089	\$ —	\$ (17,773)	\$ (28,100)	\$ 387,217
<b>Statutory reserves</b>							
<b>Metro Vancouver Regional District</b>							
Electoral Area Community Works	887	32	—	—	—	—	919
Electoral Area Election	79	3	—	—	30	—	112
MVRD Sustainability Innovation Fund	10,718	391	—	—	(74)	—	11,035
Grants Reserve Fund	1,864	84	—	—	(300)	—	1,648
Housing Planning and Policy	7,939	278	—	—	1,000	—	9,217
Housing Planning and Policy Development	21,738	741	—	—	4,000	(19,709)	6,770
Regional Geospatial Reference System	1,334	49	—	—	(6)	—	1,377
Regional Parks Infrastructure	2,736	134	—	—	10,132	(7,818)	5,184
Parkland Acquisition	41,221	1,488	—	—	—	(3,645)	39,064
Parkland Acquisition and Development	23,257	1,272	—	—	27,570	(9,524)	42,575
Delta Airpark	190	3	—	—	66	(212)	47
Regional Parks Legacy	2,812	103	—	—	—	—	2,915
Sasamat Fire Protection Services	2,076	82	—	—	492	—	2,650
Corporate Self Insurance	1,709	62	—	—	—	—	1,771
Corporate Fleet	16,353	602	4,989	—	(6,281)	—	15,663
<b>MVRD statutory reserves</b>	<b>134,913</b>	<b>5,324</b>	<b>4,989</b>	<b>—</b>	<b>36,629</b>	<b>(40,908)</b>	<b>140,947</b>
<b>Greater Vancouver Water District</b>							
Water Services Laboratory Equipment	928	34	—	—	50	—	1,012
Water Services Sustainability Innovation Fund	15,687	580	—	—	(305)	—	15,962
<b>GVWD statutory reserves</b>	<b>16,615</b>	<b>614</b>	<b>—</b>	<b>—</b>	<b>(255)</b>	<b>—</b>	<b>16,974</b>
<b>Greater Vancouver Sewerage and Drainage District</b>							
North Shore Wastewater Treatment Plant	—	1,443	—	—	121,166	—	122,609
Liquid Waste Laboratory Equipment	1,015	39	—	—	109	—	1,163
Liquid Waste Services Sustainability Innovation Fund	8,128	310	—	—	802	—	9,240
<b>GVS&amp;DD statutory reserves</b>	<b>9,143</b>	<b>1,792</b>	<b>—</b>	<b>—</b>	<b>122,077</b>	<b>—</b>	<b>133,012</b>
<b>Total statutory reserves</b>	<b>160,671</b>	<b>7,730</b>	<b>4,989</b>	<b>—</b>	<b>158,451</b>	<b>(40,908)</b>	<b>290,933</b>
<b>Total reserves</b>	<b>\$ 534,581</b>	<b>\$ 22,821</b>	<b>\$ 49,078</b>	<b>\$ —</b>	<b>\$ 140,678</b>	<b>\$ (69,008)</b>	<b>\$ 678,150</b>

# METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 29

Year ended December 31, 2025

(tabular amounts in thousands of dollars)

## 16. Accumulated Surplus (continued)

Capital fund balance represents the expected level of funding required for capital expenditures.

Capital fund balance is calculated as follows:

	2025	2024
Capital fund balance, beginning of year	\$ (508,228)	\$ (433,751)
Revenues		
Grants and other contributions	164,340	84,417
Gain on disposal of tangible capital assets	23,959	8,709
Loss (gain) from settlement of asset retirement obligation	139	(66)
Debt reserve fund income	1,057	1,142
Interest income	5,896	6,404
Other revenues	4,224	4,716
	199,615	105,322
Expenses		
Amortization of tangible capital assets	(115,919)	(109,835)
Accretion on asset retirement obligations	(2,672)	(2,478)
	(118,591)	(112,313)
Non-financial assets transactions		
Acquisition of tangible capital assets	(1,216,851)	(901,530)
Disposal of tangible capital assets	12,955	27,620
Amortization of tangible capital assets	115,919	109,835
Amortization of prepaid land leases	(195)	(195)
	(1,088,172)	(764,270)
Financing		
Proceeds of debt and mortgages	633,537	386,742
Contribution from operating fund	309,845	247,185
Contribution from reserves	21,834	56,083
Contribution to reserves	(28,604)	(36,193)
Development cost charges from reserves	40,461	42,967
	977,073	696,784
Capital Fund Balance, end of year	\$ (538,303)	\$ (508,228)

# METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 30

Year ended December 31, 2025

(tabular amounts in thousands of dollars)

## 16. Accumulated Surplus (continued)

Investment in tangible capital assets is calculated as follows:

	2025	2024
Tangible capital assets	\$ 10,345,039	\$ 9,257,066
Amount financed by:		
Debt, net of member jurisdictions, TransLink, and sinking fund	(2,469,110)	(2,020,382)
	\$ 7,875,929	\$ 7,236,684
Change in the investment in tangible capital assets		
Acquisition of tangible capital assets	\$ 1,216,851	\$ 901,530
Amortization of tangible capital assets	(115,919)	(109,835)
Gain on disposal of tangible capital assets	23,959	8,710
Proceeds on disposal of tangible capital assets	(36,918)	(36,329)
	1,087,973	764,076
Less financing (net of member jurisdictions and TransLink debt)		
Sinking fund retirement	120,000	160,000
Sinking fund payments	(153,760)	(144,932)
Sinking fund income	(28,327)	(28,363)
Proceeds of debt and mortgages	633,537	386,742
Debt maturity	(120,000)	(160,000)
Principal repayments on mortgages and loans	(2,722)	(2,654)
	448,728	210,793
Change in investment in tangible capital assets	639,245	553,283
Investment in tangible capital assets, beginning of year	7,236,684	6,683,401
Investment in tangible capital assets, end of year	\$ 7,875,929	\$ 7,236,684

# METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 31

Year ended December 31, 2025

(tabular amounts in thousands of dollars)

## 17. Contractual Obligations and Rights

### a) Contractual Obligations

- i) As at December 31, 2025, the District had the following commitments relating to capital projects in progress.

	Authorized and Outstanding Projects	Expended at December 31	Total 2025	Total 2024
GVS&DD	\$ 8,692,100	\$ (3,420,764)	\$ 5,271,336	\$ 2,852,393
GVWD	4,480,850	(1,985,725)	2,495,125	1,657,022
MVRD	105,767	(17,578)	88,189	83,068
MVHC	768,313	(241,511)	526,802	486,551
Total	\$ 14,047,030	\$ (5,665,578)	\$ 8,381,452	\$ 5,079,034

- 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
2026	\$ 3,639
2027	3,699
2028	3,762
2029	3,825
2030	3,889
2031 - 2035	20,336
Total	\$ 39,150

### 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
2026	\$ 4,278
2027	2,473
2028	2,083
2029	2,083
2030	1,433
Thereafter	3,326
Total	\$ 15,676

# METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 32

Year ended December 31, 2025

(tabular amounts in thousands of dollars)

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## 18. Contingencies

### Lawsuits

As at December 31, 2025, 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 initial vendor hired to design, build and commission the future North Shore Wastewater Treatment Plant, having determined that the initial vendor was in breach of contract. As of the contract termination date, the GVS&DD has paid \$309.5 million, net of GST rebates, to the initial vendor for work completed, which has been recorded as construction in progress (note 13). In 2022, the initial 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 initial 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 contract termination. As at December 31, 2025, 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.

# METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 33

Year ended December 31, 2025

(tabular amounts in thousands of dollars)

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## 18. Contingencies (continued)

### **Municipal Pension Plan**

The District and its employees contribute to the British Columbia Municipal Pension Plan (the "Plan"), a jointly trustee pension plan. The board of trustees, representing plan members and employers, is responsible for administering the Plan, including investment of assets and administration of benefits. The Plan is a multi-employer contributory defined pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2024, the Plan has about 273,000 active members and approximately 133,000 retired members. Active members include approximately 47,000 contributors from local governments.

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

The most recent actuarial valuation for the Plan as of December 31, 2024, indicated a \$2,675 million funding surplus for basic pension benefits on a going concern basis.

The next valuation will be as at December 31, 2027.

The District paid \$19.7 million for employer contributions (2024 - \$18.8 million) while employees contributed \$18.0 million (2024 - \$17.2 million) to the Plan in fiscal 2025.

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

# METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 34

Year ended December 31, 2025

(tabular amounts in thousands of dollars)

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## 18. 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 debt which is comprised of cash deposits and a non-interest bearing demand note (refer to note 6). 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 (2025 - \$156,049,150; 2024 - \$135,508,589) 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 consolidated statement of financial position.

### BCHMC Grant Funding - Heather Place A

In 2018 MVHC entered into a forgivable loan agreement (the "Agreement") with BCHMC for funding for the Heather Place Facility located in Vancouver, BC. MVHC received funding in the amounts of \$6,685,520 in 2018 and 2019. 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 in 2020 as the remaining stipulation of continuing to operate the facility in accordance with the Agreement is not considered to create a liability.

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

# METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 35

Year ended December 31, 2025

(tabular amounts in thousands of dollars)

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## 18. Contingencies (continued)

### **BCHMC / CMHC Loan Funding - Kingston Gardens Redevelopment Project**

In 2022, MVHC entered into a demand, non-revolving construction loan agreement with BCHMC for financing of the Kingston Gardens redevelopment project located in Surrey, BC. As of December 31, 2025, MVHC received \$27,957,184. Amounts drawn from the loan were originally required to be repaid by May 1, 2025; however, MVHC and BCHMC have mutually agreed to an extension of the repayment timeline as the loan close-out process is taking longer than anticipated. The loan repayment is expected to be completed prior to April 30, 2026. The balance of the construction loan will be converted into a mortgage obtained from CMHC's National Housing Co-Investment Fund, which includes a forgivable loan in the amount of \$1,454,194.

### **BCHMC loan Funding - Salal Landing Redevelopment Project**

In 2023, MVHC entered into a construction loan agreement with BCHMC for financing of the Salal Landing project, a 63-unit multi-family housing development located in Port Coquitlam, BC. The project is funded by a repayable construction loan with a maximum approved amount of \$20,305,079 and a maximum forgivable loan in the amount of \$7,925,000. The repayable loan is a demand, non-revolving construction loan that will transition to long-term financing upon project completion. Interest on the repayable loan is calculated at a variable rate during construction and will convert to a fixed rate upon commencement of financing.

The forgivable loan term is 35 years and is forgivable in the amount of 1/25th of the final balance commencing in the 11th year after the commencement date. The loan will continue to be forgiven 1/25th each subsequent year until the loan is fully forgiven. 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.

# METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 36

Year ended December 31, 2025

(tabular amounts in thousands of dollars)

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## 18. Contingencies (continued)

**CMHC Loan Funding - Heather Place B Redevelopment Project** In 2023, MVHC entered into a construction loan agreement with CMHC for financing of the Heather Place B Project, an 87-unit rental housing project located in Vancouver, BC. The project is funded through a repayable loan with a maximum approved amount of \$26,146,128 and a forgivable loan in the amount of \$1,175,000. During 2025, MVHC received \$25,383,605 of the repayable loan and the full forgivable loan amount of \$1,175,000. The remaining repayable loan balance of \$762,523 is expected to be received prior to April 30, 2026. The forgivable loan received in 2025 was recorded as revenue in 2025, as the remaining requirement to operate the facility in accordance with the Agreement is not considered to create a liability. The repayable loan has an amortization period of 50 years and principal repayment will commence upon the project achieving Stabilization, defined as annualized gross income of \$2,035,539. Interest on the repayable loan is calculated semi-annually in arrears, commencing on the interest capitalization date or as CMHC may otherwise determine.

The forgivable loan will have an equal portion of the principal amount forgiven on each anniversary of the date that the loan is fully forgiven. The forgivable loan is interest-free until Stabilization is achieved (after 12 months of consecutive gross income exceeding the threshold as defined in the loan agreement) and provided the loan is not in default.

**CMHC Loan Funding - Heron's Nest** In 2024, MVHC entered into a construction loan agreement with CMHC for financing of the Heron's Nest, a 115-unit rental housing development project located in Pitt Meadows, BC. The project is funded by a repayable loan with a maximum approved amount of \$28,590,024 and a forgivable loan in the amount of \$5,750,000. The forgivable loan amount of \$5,750,000 was received in March 2025 and recorded as deferred revenue. As at December 31, 2025, MVHC has not yet received any financing from the repayable portion of the loan. The repayable loan has an amortization period of 50 years and principal repayment will commence upon the project achieving Stabilization, defined as annualized gross income of \$2,276,968. Interest on the repayable loan is calculated semi-annually in arrears, commencing on the interest capitalization date or as CMHC may otherwise determine.

The forgivable loan will have an equal portion of the principal amount forgiven on each anniversary of the date that the loan is fully forgiven. The forgivable loan is interest-free until Stabilization is achieved (after 12 months of consecutive gross income exceeding the threshold as defined in the loan agreement) and provided the loan is not in default, which would result in interest being payable on the unforgiven balance of the principal amount then outstanding at up to 5% per annum, compounded semi-annually and not in advance.

# METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 37

Year ended December 31, 2025

(tabular amounts in thousands of dollars)

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## 18. Contingencies (continued)

**BCHMC Grant Funding - Heather Place B** In 2025, MVHC entered into a forgivable loan agreement (the "Agreement") with BCHMC to provide financing for the development and construction of Heather Place B, located in Vancouver, BC. MVHC received funding in the amounts of \$20,939,411 in 2025. The loan term is 35 years and is forgivable in the amount of 1/25th of the final principal balance, commencing on the 11th anniversary after completion of construction and commencement of operations, which occurred in 2025. Upon commencement of operations of the facility, the amount of funding received was recorded as revenue in 2025 as the remaining stipulation of continuing to operate the facility in accordance with the Agreement is not considered to create a liability.

Loan forgiveness 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. Interest payments 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.

**BCHMC Grant Funding – Heron’s Nest** In 2025, MVHC entered into a forgivable loan agreement (the "Agreement") with BCHMC to provide financing for the development and construction of Heron’s Nest, a 115-unit affordable rental housing project located in Pitt Meadows, BC. Under the Agreement, BCHMC approved a forgivable construction mortgage loan of \$27,901,317 to fund eligible project costs. As at December 31, 2025, MVHC has not received any of the financing. Funding of eligible costs is expected to be received in 2026. The loan term is 35 years and is forgivable in the amount of 1/25th of the final principal balance, commencing on the 11th anniversary after completion of construction and commencement of operations.

Loan forgiveness 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. Interest payments 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.

# METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 38

Year ended December 31, 2025

(tabular amounts in thousands of dollars)

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## 18. Contingencies (continued)

### **BCHMC Grant Funding – The Connection**

In 2025, MVHC entered into a forgivable construction loan agreement (the “Agreement”) with BCHMC to provide financing for the development and construction of The Connection, a 174-unit affordable rental housing project located in Burnaby, BC. Under the Agreement, BCHMC approved a forgivable construction mortgage loan of \$41,824,822 to fund eligible project costs. As at December 31, 2025, MVHC has not received any of the financing. Funding of eligible costs is expected to be received in 2026. The loan term is 35 years and is forgivable in the amount of 1/25th of the final principal balance, commencing on the 11th anniversary after completion of construction and commencement of operations.

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.

### **CMHC Loan Funding – The Connection**

In 2025, MVHC entered into a construction loan agreement with CMHC for financing of The Connection, a 174-unit affordable rental housing development project located in Burnaby, BC. The project is funded through a repayable loan of \$51,832,931 and a forgivable loan of \$13,050,000. As at December 31, 2025, MVHC had not yet received any funding from the loan. The repayable loan has a 10-year term and 50-year amortization. Interest is fixed prior to the first advance and calculated semi-annually, not in advance, beginning on the Interest Capitalization Date. Blended principal and interest payments commence upon Stabilization, defined as 12 consecutive months of Total Effective Gross Income of at least \$4,014,193, or at the Outside Stabilization Date (24 months after occupancy), whichever occurs first.

The forgivable loan is interest-free unless an Event of Default occurs, in which case CMHC may charge 5% interest. Beginning on each anniversary of the commencement of the forgivable loan term, 5% of the principal amount advanced is forgiven annually, over a 20-year term, subject to compliance with CMHC affordability, accessibility, and energy-efficiency covenants.

# METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 39

Year ended December 31, 2025

(tabular amounts in thousands of dollars)

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## 18. Contingencies (continued)

### **BCHMC Grant Funding – The Steller**

In 2025, MVHC entered into a forgivable construction loan agreement (the “Agreement”) with BCHMC to provide financing for the development and construction of The Steller, a 122-unit affordable rental housing project located in Burnaby, BC. Under the Agreement, BCHMC approved a forgivable construction mortgage loan of \$29,325,450 to fund eligible project costs. As at December 31, 2025, MVHC has not received any of the financing. Funding of eligible costs is expected to be received in 2026. The loan term is 35 years and is forgivable in the amount of 1/25th of the final principal balance, commencing on the 11th anniversary after completion of construction and commencement of operations.

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.

### **CMHC Loan Funding – The Steller**

In 2025, MVHC entered into a construction loan agreement with CMHC for financing of The Steller, a 122-unit affordable rental housing development project located in Burnaby, BC. The project is funded through a repayable loan of \$36,725,716 and a forgivable loan of \$6,100,000. As at December 31, 2025, MVHC had not yet received any funding from the loan. The repayable loan has a 10-year term and 50-year amortization. Interest is fixed prior to the first advance and calculated semi-annually, not in advance, beginning on the Interest Capitalization Date. Blended principal and interest payments commence upon Stabilization, defined as 12 consecutive months of Total Effective Gross Income of at least \$2,571,195, or at the Outside Stabilization Date (24 months after occupancy), whichever occurs first.

The forgivable loan is interest-free unless an Event of Default occurs, in which case CMHC may charge 5% interest. Beginning on each anniversary of the commencement of the forgivable loan term, 5% of the principal amount advanced is forgiven annually, over a 20-year term, subject to compliance with CMHC affordability, accessibility, and energy-efficiency covenants.

# METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 40

Year ended December 31, 2025

(tabular amounts in thousands of dollars)

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## 18. Contingencies (continued)

**Letters of Credit** At December 31, 2025, the GVS&DD is the named beneficiary of \$24,164,394 (2024 - \$6,173,523) 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 GVS&DD and therefore the amount is not recorded as assets.

**Cache Creek Landfill** Prior to 2016, the GVS&DD transported deposits to a landfill located in the Village of Cache Creek, BC and was required to contribute quarterly to a post-closure trust fund, held with the Province. The GVS&DD – Village of Cache Creek: Village of Cache Creek – Agreement dated November 25, 1987 indemnifies the Village of Cache Creek for any post-closure liabilities not covered by this fund and obligates the GVS&DD to pay any excess funding until the earlier of (i) the 20th anniversary of the landfill closure date or (ii) the date the Province terminates the post-closure trust fund. Therefore, the obligation expires at the latest July 2036. The Landfill Operational Certificate obligates the Village of Cache Creek and a third party service provider to undertake closure and post-closure activities. At December 31, 2025, the lower of amortized cost and market value of the trust was \$13,823,662 (2024 - \$16,324,428), which approximates the expected post-closure costs.

## 19. Related Party Transactions

The MVRD, GVS&DD, GVWD, and MVHC are separate legal entities authorized by separate legislation. Each entity, GVS&DD, GVWD, and MVHC is a related party to the MVRD. The Board of Directors of GVS&DD and the Board of Directors of GVWD comprise the same councillors and mayors of the member jurisdictions as appointed to the MVRD Board by the their respective councils, provided that the member jurisdiction is a member of the GVS&DD and GVWD respectively. MVHC is a wholly-owned subsidiary of the MVRD.

During the year, the MVRD allocated total grant amount of \$25.5 million (2024 - \$nil) to GVS&DD to acquire property for liquid waste infrastructure, to GVWD for construction of water reservoir, and to MVHC for redevelopment project from the grant received from the Province under the Growing Communities fund in 2023. These amounts were eliminated upon consolidation of the financial statements.

The MVRD maintains the Housing planning and policy development reserve for financing of new housing development projects. During the year, the MVRD allocated \$19.7 million (2024 - \$nil) to MVHC for three new housing development projects. These amounts were eliminated upon consolidation of the financial statements.

Corporate costs of \$91.9 million (2024 - \$85.8 million) were allocated to the GVS&DD, GVWD, and MVHC for corporate services and administration. These amounts were eliminated upon consolidation of the financial statements.

# METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 41

Year ended December 31, 2025

(tabular amounts in thousands of dollars)

## 20. Budget Information

The annual budget presented in these consolidated financial statements is based upon the 2025 operating and capital budgets originally approved by the District's Board in October 2024. 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 consolidated financial statements. Capital expenditures of \$1.78 billion were included in the capital budget approved by the Board.

	2025 Budget	2024 Budget
Budgeted annual surplus per Exhibit B Consolidated Statement of Operations	\$ 717,886	\$ 571,775
Items not included in the operating budget		
Amortization of tangible capital assets and prepaid land leases	111,560	108,692
Accretion on asset retirement obligation	2,582	2,324
Capital grants and contributions	(61,610)	(100,186)
Sinking fund and debt retirement income	(26,469)	(28,096)
Development cost charge revenue	(40,461)	(79,764)
MVHC development grant	(111,101)	(73,765)
Reserve interest	(12,360)	(8,856)
Items included in budget but not in the consolidated financial		
Sinking fund and debt retirement payments	(159,163)	(149,480)
Transfers to capital fund	(428,232)	(249,912)
Transfers from reserve funds	46,343	48,765
Transfer to reserve funds	(38,975)	(41,497)
Annual surplus per approved budget	—	—

# METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 42

Year ended December 31, 2025

(tabular amounts in thousands of dollars)

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## 21. 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 jurisdictions. 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 \$56.92 million (2024 - \$46.61 million) directly attributable to the construction of tangible capital assets which have been capitalized and included in tangible capital assets in the consolidated 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 jurisdictions. It operates a number of wastewater treatment plants and a related collection network connected to the member jurisdictions' systems.

#### *Solid Waste Services*

The Solid Waste Management Service is responsible for the disposal of solid waste both for the member jurisdictions 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 jurisdictions. It owns a series of dams, reservoirs, water treatment plants and a distribution network connected to the member jurisdictions' 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

MVHC 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 43

Year ended December 31, 2025

(tabular amounts in thousands of dollars)

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## 21. Segmented Information and Expenses by Object (continued)

### MVRD

<b><i>Regional Parks</i></b>	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.
<b><i>General Government</i></b>	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.
<b><i>Air Quality and Climate Action</i></b>	Air Quality and Climate Action is responsible for monitoring air quality in the region, controlling industrial, commercial and some residential emissions, creating long-term plans, and conducting emission inventories.
<b><i>Regional Employee Services</i></b>	Regional Employee Services provides collective bargaining, job evaluation, research, and other related labour relations services to those MVRD member jurisdictions who are members of the function.
<b><i>E911 Emergency Telephone Service</i></b>	The District contracts with Emergency Communications for British Columbia Incorporated to provide 911 service for all jurisdictions within the region as well as the community of Whistler and the Sunshine Coast Regional District.
<b><i>Regional Planning</i></b>	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.
<b><i>Invest Vancouver</i></b>	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.
<b><i>Housing Planning and Policy</i></b>	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 44

Year ended December 31, 2025

(tabular amounts in thousands of dollars)

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## 21. Segmented Information and Expenses by Object (continued)

### MVRD (continued)

<b><i>Electoral Area Service</i></b>	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.
<b><i>Regional Global Positioning System</i></b>	The District's Global Positioning System (GPS) Real-Time Service is offered to member jurisdictions and to the public in partnership with the B.C. Crown Registry and Geographic Base (CRGB) Branch.
<b><i>Sasamat Volunteer Fire Department</i></b>	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.
<b><i>Regional Emergency Management</i></b>	Regional Emergency Management is an intergovernmental partnership between the Province 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.
<b><i>Corporate Programs</i></b>	Corporate programs provide centralized support for the District's four legal entities, including financial services, human resources, external relations, legislative service, indigenous relations, project delivery, self-insurance, and information technology.
<b><i>Member Jurisdictions and TransLink Sinking Fund Income</i></b>	The District serves as the borrowing conduit between member jurisdictions (excluding City of Vancouver) and TransLink and the MFA. (Note 12). Sinking fund income earned on debt issues held on behalf of member jurisdictions 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 45

Year ended December 31, 2025

(tabular amounts in thousands of dollars)

## 21. Segmented Information and Expenses by Object (continued)

### a) Total Consolidated

	Other Districts (note 21(b))	MVRD (note 21(c))	MVHC	Inter-district Adjustments	Consolidated Actual 2025	Consolidated Budget 2025	Consolidated Actual 2024
<b>Revenues</b>							
Metered sale of water	\$ 394,304	\$ —	\$ —	\$ —	\$ 394,304	\$ 399,009	\$ 363,616
Sewerage and drainage levy	575,550	—	—	—	575,550	575,550	389,498
Tipping fees	169,834	—	—	—	169,834	148,874	149,931
Metro Vancouver Regional District Requisitions	—	119,597	—	—	119,597	119,597	115,272
Housing property rentals	—	—	48,409	—	48,409	44,550	46,217
Development cost charges (note 11)	119,483	—	—	—	119,483	123,799	112,569
Grants and other contributions (note 15)	88,894	6,228	76,178	(46,773)	124,527	179,864	87,290
User fees, recoveries, and other revenues	49,163	19,318	1,618	(17,470)	52,629	43,777	53,634
Liquid waste industrial charges	15,131	—	—	—	15,131	13,656	13,436
Gain on disposal of tangible capital assets and from settlement of asset retirement obligations	25,087	721	1,590	—	27,398	—	8,866
Sinking fund and interest income	49,213	10,234	2,953	(214)	62,186	38,696	60,112
Sinking fund income attributed to member jurisdictions and TransLink	—	28,602	—	—	28,602	28,859	29,540
	1,486,659	184,700	130,748	(64,457)	1,737,650	1,716,231	1,429,981
<b>Expenses</b>							
Salaries and benefits	146,465	138,822	8,401	(30,610)	263,078	274,308	253,142
Consulting, contracted and professional services	236,199	33,643	1,027	(747)	270,122	266,861	243,416
Asset repairs and maintenance	27,445	20,761	15,793	(53)	63,946	79,575	56,776
Materials and supplies	42,947	5,480	128	—	48,555	53,420	45,371
Utilities, permits, and taxes	30,204	1,650	4,885	—	36,739	38,730	35,832
Other	36,019	90,131	1,722	(64,340)	63,532	57,352	59,374
Amortization of tangible capital assets and prepaid land leases	102,872	10,774	2,468	—	116,114	111,560	110,030
Loss on disposal of tangible capital assets	3,300	—	—	—	3,300	—	—
Interest expenses	114,644	—	5,095	(214)	119,525	116,539	94,453
	740,095	301,261	39,519	(95,964)	984,911	998,345	898,394
Corporate costs (recovery) (note 19)	89,027	(123,411)	2,877	31,507	—	—	—
	829,122	177,850	42,396	(64,457)	984,911	998,345	898,394
<b>Annual Surplus</b>	<b>\$ 657,537</b>	<b>\$ 6,850</b>	<b>\$ 88,352</b>	<b>\$ —</b>	<b>\$ 752,739</b>	<b>\$ 717,886</b>	<b>\$ 531,587</b>

# METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 46

Year ended December 31, 2025

(tabular amounts in thousands of dollars)

## 21. Segmented Information and Expenses by Object (continued)

### b) Total Other Districts

	Liquid Waste Services	Solid Waste Service	GVS&DD	Water Operations	Building Operations	Elimination Entry	GVWD	Total Other Districts Actual 2025	Total Other Districts Budget 2025	Total Other Districts Actual 2024
<b>Revenues</b>										
Metered sale of water	\$ —	\$ —	\$ —	\$ 394,304	\$ —	\$ —	\$ 394,304	\$ 394,304	\$ 399,009	\$ 363,616
Sewerage and drainage levy	575,550	—	575,550	—	—	—	—	575,550	575,550	389,498
Tipping fees	—	169,834	169,834	—	—	—	—	169,834	148,874	149,931
Development cost charges (note 11)	110,746	—	110,746	8,737	—	—	8,737	119,483	123,800	112,569
Grants and other contributions (note 15)	79,543	—	79,543	9,351	—	—	9,351	88,894	81,010	76,076
User fees, recoveries, and other revenues	10,624	13,984	24,608	6,843	22,908	(5,196)	24,555	49,163	43,777	50,962
Liquid Waste Industrial Charges	15,131	—	15,131	—	—	—	—	15,131	—	13,436
Gain on disposal of tangible capital assets and from settlement of asset retirement obligations	—	25,087	25,087	—	—	—	—	25,087	13,656	5,232
Sinking fund and interest income	22,399	5,566	27,965	18,467	2,781	—	21,248	49,213	33,516	45,320
	813,993	214,471	1,028,464	437,702	25,689	(5,196)	458,195	1,486,659	1,419,192	1,206,640
<b>Expenses</b>										
Salaries and benefits	82,811	8,934	91,745	53,753	967	—	54,720	146,465	151,032	139,737
Consulting, contracted, and professional services	66,143	148,174	214,317	19,931	1,951	—	21,882	236,199	212,112	213,771
Asset repairs and maintenance	16,602	1,053	17,655	5,563	4,227	—	9,790	27,445	28,197	27,739
Materials and supplies	25,801	29	25,830	17,012	105	—	17,117	42,947	46,975	39,363
Utilities, permits, and taxes	20,569	375	20,944	8,409	851	—	9,260	30,204	30,349	29,611
Other	11,136	14,755	25,891	9,081	1,047	—	10,128	36,019	25,989	28,985
Amortization of tangible capital assets	48,125	7,520	55,645	40,955	6,272	—	47,227	102,872	98,968	98,711
Loss on disposal of tangible capital assets	—	—	—	3,300	—	—	3,300	3,300	—	—
Interest expenses	62,304	5,974	68,278	41,660	4,706	—	46,366	114,644	112,569	91,927
	333,491	186,814	520,305	199,664	20,126	—	219,790	740,095	706,191	669,844
Corporate costs (recovery) (note 19)	50,160	6,066	56,226	37,997	—	(5,196)	32,801	89,027	93,118	83,095
	383,651	192,880	576,531	237,661	20,126	(5,196)	252,591	829,122	799,309	752,939
<b>Annual surplus</b>	<b>\$ 430,342</b>	<b>\$ 21,591</b>	<b>\$ 451,933</b>	<b>\$ 200,041</b>	<b>\$ 5,563</b>	<b>\$ —</b>	<b>\$ 205,604</b>	<b>\$ 657,537</b>	<b>\$ 619,883</b>	<b>\$ 453,701</b>

# METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 47

Year ended December 31, 2025

(tabular amounts in thousands of dollars)

## 21. Segmented Information and Expenses by Object (continued)

### c) Total Regional District

	Regional Parks	General Government	Air Quality and Climate Action	Regional Employees Services	E911 Emergency Telephone Service	Regional Planning	Invest Vancouver	Housing Planning and Policy	Regional Sub-total 2025
<b>Revenues</b>									
Metro Vancouver Regional District Requisitions	\$ 75,510	\$ 7,991	\$ 8,382	\$ 3,192	\$ 7,276	\$ 4,519	\$ 4,234	\$ 6,932	\$ 118,036
Grants and other contributions (note 15)	2,750	1,576	—	—	—	6	840	32	5,204
User fees, recoveries, and other revenues	5,333	202	6,804	141	—	54	29	—	12,563
Gain on disposal of tangible capital assets and from settlement of asset retirement obligations	49	—	—	—	—	—	—	—	49
Sinking fund and interest income	3,231	2,506	272	111	32	146	42	1,042	7,382
Sinking fund income attributed to member jurisdictions and TransLink	—	—	—	—	—	—	—	—	—
	86,873	12,275	15,458	3,444	7,308	4,725	5,145	8,006	143,234
<b>Expenses</b>									
Salaries and benefits	23,782	2,993	9,456	3,268	—	3,379	2,503	1,402	46,783
Consulting, contracted and professional services	4,305	849	1,419	58	6,300	527	1,504	373	15,335
Asset repairs and maintenance	6,040	38	553	—	—	2	48	—	6,681
Materials and supplies	1,804	8	290	5	—	5	22	—	2,134
Utilities, permits, and taxes	546	—	93	6	12	—	4	3	664
Other	4,222	28,618	487	76	—	113	669	19,749	53,934
Amortization of tangible capital assets	2,258	—	339	—	—	—	—	—	2,597
	42,957	32,506	12,637	3,413	6,312	4,026	4,750	21,527	128,128
Corporate costs (recovery) (note 19)	5,275	874	1,777	378	143	449	365	136	9,397
	48,232	33,380	14,414	3,791	6,455	4,475	5,115	21,663	137,525
<b>Annual surplus (deficit)</b>	<b>\$ 38,641</b>	<b>\$ (21,105)</b>	<b>\$ 1,044</b>	<b>\$ (347)</b>	<b>\$ 853</b>	<b>\$ 250</b>	<b>\$ 30</b>	<b>\$ (13,657)</b>	<b>\$ 5,709</b>

# METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 48

Year ended December 31, 2025

(tabular amounts in thousands of dollars)

## 21. Segmented Information and Expenses by Object (continued)

### c) Total Regional District (continued)

	Carried Forward	Electoral Area Service	Regional Global Positioning System	Sasamat Volunteer Fire Department	Regional Emergency Management	Corporate Programs	Member Jurisdictions and TransLink, Sinking Fund Income	MVRD Actual 2025	MVRD Budget 2025	MVRD Actual 2024
<b>Revenues</b>										
Metro Vancouver Regional District Requisitions	\$118,036	\$ 455	\$ —	\$ 944	\$ 162	\$ —	\$ —	\$119,597	\$119,597	\$115,272
Grants and other contributions (note 15)	5,204	500	—	—	—	524	—	6,228	14,223	2,845
User fees, recoveries, and other revenues	12,563	27	404	15	—	6,309	—	19,318	20,856	18,755
Gain on disposal of tangible capital assets and from settlement of asset retirement obligations	49	—	—	—	—	672	—	721	—	3,634
Sinking fund and interest income	7,382	310	70	94	26	2,352	—	10,234	3,265	11,401
Sinking fund income attributed to member jurisdictions and TransLink	—	—	—	—	—	—	28,602	28,602	28,859	29,540
	143,234	1,292	474	1,053	188	9,857	28,602	184,700	186,800	181,447
<b>Expenses</b>										
Salaries and benefits	46,783	353	184	42	—	91,460	—	138,822	149,134	131,603
Consulting, contracted and professional services	15,335	206	47	52	52	17,951	—	33,643	57,496	29,490
Asset repairs and maintenance	6,681	—	92	51	—	13,937	—	20,761	25,065	15,954
Materials and supplies	2,134	1	2	72	—	3,271	—	5,480	6,181	5,885
Utilities, permits, and taxes	664	1	12	24	—	949	—	1,650	2,808	1,836
Other	53,934	216	1	126	—	7,252	28,602	90,131	102,401	44,617
Amortization of tangible capital assets	2,597	—	—	125	32	8,020	—	10,774	10,573	9,296
	128,128	777	338	492	84	142,840	28,602	301,261	353,658	238,681
Corporate costs (recovery) (note 19)	9,397	50	63	42	10	(132,973)	—	(123,411)	(129,522)	(111,575)
	137,525	827	401	534	94	9,867	28,602	177,850	224,136	127,106
<b>Annual surplus (deficit)</b>	<b>\$ 5,709</b>	<b>\$ 465</b>	<b>\$ 73</b>	<b>\$ 519</b>	<b>\$ 94</b>	<b>\$ (10)</b>	<b>\$ —</b>	<b>\$ 6,850</b>	<b>\$ (37,336)</b>	<b>\$ 54,341</b>

## METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 49

Year ended December 31, 2025

(tabular amounts in thousands of dollars)

### 22. Supplementary Cash Flow Information

The following non-cash transactions related to the increase to asset retirement costs, PS 3280 Asset Retirement Obligations, are excluded from the statement of cash flows.

	2025	2024
Asset retirement cost (a)	\$ 2,081	\$ 3,828
Increase to asset retirement obligations	(2,081)	(3,828)
	\$ —	\$ —

(a) Assets acquired through other non-cash transactions are excluded from the acquisition of tangible capital assets on the consolidated statement of cash flows.

	2025	2024
Acquisition of tangible capital assets with cash	\$ 1,214,770	\$ 897,702
Asset retirement cost	2,081	3,828
Tangible capital asset additions (note 13)	\$ 1,216,851	\$ 901,530

### 23. Comparative Figures

Certain comparative figures have been reclassified to conform to the presentation of the current year. These reclassifications had no impact on prior year annual surplus.

## **METRO VANCOUVER REGIONAL DISTRICT**

Supplementary Financial Information (unaudited), page 1

Year ended December 31, 2025

(tabular amounts in thousands of dollars)

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The following information does not form part of the basic financial statements and is therefore unaudited.

# METRO VANCOUVER REGIONAL DISTRICT

Supplementary Financial Information (unaudited), page 2

Year ended December 31, 2025

(tabular amounts in thousands of dollars)

## Schedule 1. Growing Communities Fund Grant (unaudited)

The Province, under the Growing Communities Fund, provided the District with a grant of \$50.78 million in 2023 for investments in community infrastructure and amenities to support the growth of the local housing supply. The District recognized the grant into revenue in 2023. As of December 31, 2025, eligible costs of \$26,697,400 (2024 - \$nil) have been applied against the grant.

	Allocated Funding	2025	2024
<b>Balance, beginning of year</b>	\$ 55,176	\$ 55,176	\$ 52,756
Interest earned	1,615	1,615	2,420
Less: eligible costs incurred			
Regional Park development	(11,382)	(1,162)	—
Metro Vancouver non-market housing development	(22,764)	(4,390)	—
Electoral A infrastructure improvements	(1,500)	—	—
Liquid Waste infrastructure - property acquisition	(12,064)	(12,064)	—
Water reservoir	(9,081)	(9,081)	—
	(56,791)	(26,697)	—
<b>Balance, end of year</b>	\$ —	\$ 30,094	\$ 55,176
<b>Balance, end of year, unallocated</b>	\$ —	\$ —	\$ —

# METRO VANCOUVER REGIONAL DISTRICT

Supplementary Financial Information (unaudited), page 3

Year ended December 31, 2025

(tabular amounts in thousands of dollars)

## Schedule 2. Local Government Housing Initiatives Funding Program Grant (unaudited)

The Province, under the Local Government Housing Initiatives Funding Program, provided the District with a grant of \$268,001 in 2024 to support local government planning capacity to adopt Local Government Housing Initiative requirements for small-scale multi-unit housing, pro-active planning tools or bylaws for inclusionary zoning, density bonus, or tenant protection. The District recognized the grant into revenue in 2024. As of December 31, 2025, \$108,501 (2024 - \$4,638) have been applied against the grant.

	Allocated Funding	2025	2024
<b>Balance, beginning of the year</b>	\$ —	\$ 263	\$ —
Local Government Housing Initiatives Funding Program grant received	268	—	268
	268	263	268
<b>Less: eligible costs incurred</b>			
Electoral A zoning bylaw amendment	(5)	—	(5)
Affordable housing gap analysis	(62)	(62)	—
Inclusionary housing calculator	(25)	(25)	—
Infrastructure demand and regional housing needs report	(21)	(21)	—
Unallocated	(155)	—	—
	(268)	(108)	(5)
<b>Balance, end of year</b>	\$ —	\$ 155	\$ 263

Financial Statements of

**GREATER VANCOUVER SEWERAGE  
AND DRAINAGE DISTRICT**

Year ended December 31, 2025

# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

## Index to Financial Statements

December 31, 2025

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	<b>Exhibit</b>
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 for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

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

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

The external auditor, KPMG 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, 2025.

On behalf of Greater Vancouver Sewerage and Drainage District.

  
Linda Sabatini, Acting Chief Financial Officer

Date: April 24, 2026



KPMG LLP  
777 Dunsmuir Street, 11th floor  
Vancouver, BC V7Y 1K3  
Canada  
Tel 604 691 3000  
Fax 604 691 3031

## INDEPENDENT AUDITOR'S REPORT

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

### ***Opinion***

We have audited the financial statements of Greater Vancouver Sewerage and Drainage District (the "Entity"), which comprise:

- the statement of financial position as at December 31, 2025
- the statement of operations for the year then ended
- the statement of change in net debt for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies (hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2025, and its results of operations, its changes in net debt, and its 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 auditor's report.

We are independent of the Entity 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 the 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 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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the 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 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 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 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 Entity 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.
- 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.

*KPMG LLP*

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Chartered Professional Accountants

Vancouver, Canada  
April 28, 2026

# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

## Exhibit A

### Statement of Financial Position

As at December 31, 2025, with comparative information for 2024

	2025	2024
<b>Financial Assets</b>		
Cash	\$ 10,848	\$ 52,190
Accounts receivable (note 3)	224,944,391	174,998,946
Due from Metro Vancouver Regional District	571,591,612	408,719,721
Debt reserve fund (note 4)	23,345,957	19,485,478
	819,892,808	603,256,335
<b>Liabilities</b>		
Accounts payable and accrued liabilities (note 5)	222,638,409	190,261,955
Landfill closure and post-closure liability (note 6)	50,298,398	49,405,410
Asset retirement obligations (note 7)	27,484,193	25,510,167
Deferred revenue and refundable deposits (note 8)	520,507,872	407,705,265
Debt (net of MFA sinking funds) (note 9)	1,553,451,534	1,336,932,321
	2,374,380,406	2,009,815,118
<b>Net Debt</b>	(1,554,487,598)	(1,406,558,783)
<b>Non-Financial Assets</b>		
Tangible capital assets (note 10)	4,885,932,539	4,310,991,031
Inventories of supplies	9,559,987	8,693,610
Prepaid expenses	28,700,042	4,645,692
	4,924,192,568	4,324,330,333
<b>Accumulated surplus (note 12)</b>	<b>\$ 3,369,704,970</b>	<b>\$ 2,917,771,550</b>

Contractual obligations and rights (note 13)

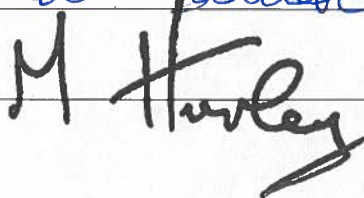
Contingencies (note 14)

Subsequent events (note 19)

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



Acting Chief Financial Officer



Board Chair

# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

## Exhibit B

### Statement of Operations

Year ended December 31, 2025, with comparative information for 2024

	2025 Budget (note 16)	2025 Actual	2024 Actual
<b>Revenues (note 17)</b>			
Sewerage and drainage levy	\$ 575,550,267	\$ 575,550,267	\$ 389,498,103
Tipping fees	148,874,301	169,833,890	149,931,449
Development cost charges (note 8)	117,929,636	110,745,937	111,340,228
User fees, recoveries, and other	23,362,957	24,607,614	26,351,503
Liquid Waste Industrial Charges	13,655,992	15,130,741	13,435,897
Sinking fund, debt retirement, and interest	16,375,353	27,965,242	23,852,737
Grants and other contributions (note 11)	72,976,000	79,542,741	76,075,955
Gain on disposal of tangible capital assets	—	25,086,955	5,232,489
	968,724,506	1,028,463,387	795,718,361
<b>Expenses (note 17)</b>			
Liquid waste services	391,539,292	383,650,672	349,889,927
Solid waste services	156,113,857	192,879,295	170,966,964
	547,653,149	576,529,967	520,856,891
<b>Annual surplus</b>	421,071,357	451,933,420	274,861,470
<b>Accumulated surplus, beginning of year</b>	2,917,771,550	2,917,771,550	2,642,910,080
<b>Accumulated surplus, end of year</b>	<b>\$3,338,842,907</b>	<b>\$3,369,704,970</b>	<b>\$2,917,771,550</b>

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, 2025, with comparative information for 2024

	2025 Budget (note 16)	2025 Actual	2024 Actual
<b>Annual surplus</b>	\$ 421,071,357	\$ 451,933,420	\$ 274,861,470
<b>Change in tangible capital assets:</b>			
Acquisition of tangible capital assets	(1,053,077,000)	(633,431,641)	(436,775,849)
Amortization of tangible capital assets	55,010,966	55,645,273	52,788,387
Gain on disposal of tangible capital assets	—	(25,086,955)	(5,232,489)
Proceeds on disposal of tangible capital assets	—	27,931,815	5,326,757
	(998,066,034)	(574,941,508)	(383,893,194)
<b>Change in other non-financial assets:</b>			
Acquisition of prepaid expenses	—	(28,700,042)	(4,645,692)
Use of prepaid expenses	—	4,645,692	4,585,943
Acquisition of inventories of supplies	—	(9,559,987)	(8,693,610)
Consumption of inventories of supplies	—	8,693,610	7,544,156
	—	(24,920,727)	(1,209,203)
<b>Changes in net debt</b>	(576,994,677)	(147,928,815)	(110,240,927)
<b>Net debt, beginning of year</b>	(1,406,558,783)	(1,406,558,783)	(1,296,317,856)
<b>Net debt, end of year</b>	<b>\$ (1,983,553,460)</b>	<b>\$ (1,554,487,598)</b>	<b>\$ (1,406,558,783)</b>

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, 2025, with comparative information for 2024

	2025	2024
<b>Cash provided by (used in):</b>		
<b>Operating transactions:</b>		
Annual Surplus	\$ 451,933,420	\$ 274,861,470
Items not involving cash:		
Amortization	55,645,273	52,788,387
Accretion on asset retirement obligations	1,107,808	1,028,241
Sinking fund Income	(12,822,904)	(10,136,932)
Debt reserve fund income	(630,479)	(640,683)
Gain on disposal of tangible capital assets	(25,086,955)	(5,232,489)
Change in landfill closure and post-closure liability	892,988	1,034,521
Change in non-cash assets and liabilities:		
Accounts receivable	(49,945,445)	(40,814,958)
Inventories of supplies	(866,377)	(1,149,454)
Prepaid expenses	(24,054,350)	(59,749)
Accounts payable and accrued liabilities	32,376,454	27,132,478
Deferred revenue and refundable deposits	112,802,607	40,329,658
Net change in cash from operating transactions	541,352,040	339,140,490
<b>Capital transactions:</b>		
Proceeds on disposal of tangible capital assets	27,931,815	5,326,757
Acquisition of tangible capital assets with cash (note 16(a))	(632,565,423)	(436,775,849)
Net change in cash from capital transactions	(604,633,608)	(431,449,092)
<b>Financing transactions:</b>		
Due from Metro Vancouver Regional District	(162,871,891)	(97,304,740)
Proceeds of debt	323,000,000	274,000,000
Debt reserve fund issuance	(3,230,000)	(2,740,000)
Debt reserve fund maturity	—	302,617
Sinking fund payments	(93,657,883)	(82,095,156)
Debt maturity	—	(20,000,000)
Sinking fund retirement	—	20,000,000
Net change in cash from financing transactions	63,240,226	92,162,721
<b>Net change in cash</b>	(41,342)	(145,881)
<b>Cash, beginning of year</b>	52,190	198,071
<b>Cash, end of year</b>	<b>\$ 10,848</b>	<b>\$ 52,190</b>

Supplementary cash flow information (note 18)

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, 2025

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## 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 member municipalities of the Metro Vancouver Regional District (“MVRD”) (note 15), and the disposal of solid waste both for the jurisdictions of the MVRD and the public. Its Board of Directors comprises the same councillors and mayors of the member jurisdictions as appointed to the MVRD Board by their respective councils, provided that the member jurisdiction is a member of the District. The member jurisdictions under the Act are jointly and severally liable for the District debts.

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.

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 based on the revenue recognition policy (note 1). 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 stipulations are met and the liability is 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, Provincial grants, and refundable deposits 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 District satisfies the performance obligations, which occurs when control of the benefits associated with the promised goods or services has passed to the payor or when the District has the right to claim or retain an inflow of economic resources received or receivable and there is a past transaction or event that gives rise to the economic resources.

# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 2  
Year ended December 31, 2025

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## 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 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 government bonds issued by the federal and provincial governments of Canada, Municipal Finance Authority of British Columbia ("MFA") pooled investment funds, MFA money market fund, MFA government ultra-short bond, guaranteed investment certificates, and term deposits. Interest earned on the District's fund balances is included

### **Financial Instruments**

The District's financial instruments consist of cash, accounts receivable, debt reserve fund, accounts payable and accrued liabilities, debt, and amounts due to or from the MVRD. Cash and cash equivalents held by MVRD are pooled with all entities held by the MVRD. Accounts receivable and amounts due from government organizations are recorded at cost less any amount for valuation allowance. All debt and other financial liabilities are recorded using cost or amortized cost. Interest attributable to financial instruments are reported in the statement of operations.

The classification of financial instruments is determined upon inception and financial instruments are not reclassified into another measurement category for the duration of the period they are held. All financial assets are assessed for impairment on an annual basis and any such impairment is recorded in the statement of operations. A write-down of a financial asset to reflect a loss in value is not reversed for a subsequent increase in value.

# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 3  
Year ended December 31, 2025

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## 1. Significant Accounting Policies (continued)

### 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.

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 for employees who provide services for the District based on projected benefits as the employees render services necessary to earn the future benefits.

### 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.

### Landfill Closure and Post-Closure Liability

The District is obligated for its share of landfill closure and post-closure costs, in accordance with a tripartite agreement with the City of Vancouver and the Corporation of Delta (note 6). The District does not own or control the landfill and, therefore, has recorded its obligation as a liability, in accordance with PS 3200 Liabilities, and not as an asset retirement obligation.

The estimated present value of the District's share in landfill closure and post-closure costs to be incurred on a landfill site owned and controlled by the City of Vancouver, based on the percentage of the landfill capacity used for the year, is recognized as a liability. 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 4  
Year ended December 31, 2025

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## 1. Significant Accounting Policies (continued)

### Asset Retirement Obligations

Asset Retirement Obligations (AROs) are recognized for statutory, contractual, or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development, or normal operation of the assets. An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- a) There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- b) The past transaction or event giving rise to the liability had occurred;
- c) It is expected that future economic benefits will be given up; and
- d) A reasonable estimate of the amount can be made.

The ARO liability is initially recorded based on the best estimate of the expenditure required to retire the ARO obligation determined using present value calculation, and the resulting costs are capitalized as part of the carrying amount of the related tangible capital asset. This ARO liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing or amount required to settle the obligation or the discount rate. The changes in the AROs for the passage of time are recorded as accretion expense in the statement of operations and all other changes are adjusted to the carrying value of the tangible capital asset. This cost is amortized on the same basis as the amortization of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 5

Year ended December 31, 2025

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## 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 initially recorded at cost which includes amounts that are directly attributable to acquisition, construction, development, or betterment of the asset, including asset retirement costs that are capitalized as part of the carrying amount of the related tangible capital 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:

<b>Asset</b>	<b>Useful Lives – Years</b>
Infrastructure	
Interceptors and trunk sewers, drainage	100
Wastewater treatment and pumping stations	40 - 107
Solid waste incinerators and transfer stations	25 - 30
Information technology systems and networks	5
Machinery, Equipment, Furniture, and Fixtures	5 - 20

- a. Annual amortization:  
Annual amortization begins when the asset is put into service and is expensed over its useful lives. 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.
- d. Impairment of tangible capital assets  
Tangible capital assets are written down when conditions indicate that they no longer contribute to the District's ability to provide goods and services or when the value of the future economic benefits associated with the asset is less than the book value of the asset.

# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 6  
Year ended December 31, 2025

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## 1. Significant Accounting Policies (continued)

### Non-Financial Assets (continued)

#### *Inventories of Supplies*

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

#### Revenue Recognition

Revenues from transactions with performance obligations are recognized when (at a point in time) or as (over a period of time) the District satisfies the performance obligations, which occurs when control of the benefits associated with the promised goods or services has passed to the payor.

Revenues from transactions without performance obligations are recognized at realizable value when the District has the right to claim or retain an inflow of economic resources received or receivable and there is a past transaction or event that gives rise to the economic resources.

Tipping fees, levies, electricity sales, permits, user fees, and other revenues are recognized as revenue at a point in time or over time 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 17.

#### 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.

Areas requiring the use of management's judgment and estimation relate to the determination of contaminated sites liabilities, amounts to settle and expected timing of asset retirement obligations, 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.

# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 7  
Year ended December 31, 2025

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## 2. Financial Risk Management

Based on the financial instruments held, the District is potentially exposed to credit risk, market risk, interest rate risk, and liquidity risk.

### a. Credit risk

Credit risk is low and related to the possibility of failure to collect from another party and encompasses cash, debt reserve fund, accounts receivable, and due from MVRD. The risk exposure is limited to their carrying amounts at the date of the statement of financial position. The District's accounts receivable primarily consist of amounts due from member jurisdiction, amounts due from customers who require the District's utility services to conduct their business, and grants and contributions receivable related to construction projects. To mitigate any credit risk, the District regularly reviews the collectability of its accounts receivable and if needed, will establish an allowance based on its best estimate of potentially uncollectible amounts. As at December 31, 2025, there are no amounts deemed uncollectible (2024 - \$nil). The amounts due from MVRD are subject to market, interest rate, liquidity, and foreign exchange risks as detailed below. There has been no change to the credit risk exposure from 2024.

### b. Market risk and interest risk

Market risks and interest rate risks encompasses cash and cash equivalents, investments, and debt instruments. All cash and cash equivalents and investments are pooled by the MVRD and therefore an inherent risk exists related to the consolidated pooled funds held by MVRD. To mitigate this risk, the MVRD closely monitors the Bank of Canada rates and reviews inflationary impacts. The MVRD's cash and cash equivalents are deposited in high-interest savings accounts at federally regulated banks. The MVRD follows the MVRD Board approved investment policy and legislative requirements for the management of its investments, which requires low risk investment products, such as fixed income securities, government bonds, MFA pooled investment funds, MFA money market fund, and MFA government ultra-short bonds. Sales and purchases of investments are recorded on the trade date. To mitigate risks, the investment portfolio is managed regularly through cash forecasts and investments are made into low credit risk rating bonds and pools. The District's exposure to interest rate risk in relation to debt instruments is limited to debt and temporary financing. The risk applies to debt when amortization periods exceed the initial locked-in term. Temporary financing is subject to daily floating rates, which can result in variability over the course of a short-term period. Interest rate risk related to debt instruments is managed through budget and cash forecasts. Interest rates have increased during the year, which primarily affects interest costs for new or refinanced debt and temporary borrowing, as well as, interest earnings on investments. There are no significant impacts to operating results from changes in interest rate that are reasonably possible as of year-end. With more reliance on debt instruments to fund capital infrastructure projects and with the global volatility, the District's market and interest rate exposure has increased from 2024.

# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 8  
Year ended December 31, 2025

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## 2. Financial Risk Management (continued)

### c. Liquidity risk

Liquidity risk is low and mitigated by regular monitoring of cash flows and forecasts. The District has pooled accounts with the MVRD and its other entities. All cash and cash equivalents for MVRD is held in federally and provincially regulated banks. To meet financial obligations and mitigate liquidity risk a minimum of 25% of the pooled portfolio held by the MVRD is held in highly liquid cash in high interest savings accounts. There has been no change to the liquidity risk exposure from 2024.

### d. Foreign exchange risk

Foreign exchange risk is low. The District has pooled accounts with the MVRD and its other entities. MVRD has not entered into any agreements or purchased any foreign currency hedging arrangements to hedge possible currency risks, as management believes that the foreign exchange risk derived from currency conversions is not significant. The foreign currency financial instruments are short-term in nature and do not give rise to significant foreign currency risk. There has been no change to the foreign exchange risk exposure from 2024.

## 3. Accounts Receivable

	2025	2024
Tipping fees receivable	\$ 24,043,128	\$ 24,782,713
Development cost charges receivable	130,087,470	92,256,648
Grants and other contributions receivable	21,230,000	20,444,211
User fees, recoveries, and other receivable	44,744,417	32,300,581
Liquid waste industrial charges receivable	4,839,376	5,214,793
	<u>\$ 224,944,391</u>	<u>\$ 174,998,946</u>

# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 9  
Year ended December 31, 2025

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## 4. 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 debt 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, 2025, \$66,639,334 (2024 - \$55,882,653) in callable demand notes were outstanding and have not been recorded in the statement of financial position.

## 5. Accounts Payable and Accrued Liabilities

	2025	2024
Trade accounts payable and accrued liabilities	\$ 184,378,267	\$ 133,057,737
Construction holdbacks	25,013,200	46,414,088
Accrued interest on debt	13,246,942	10,790,130
	\$ 222,638,409	\$ 190,261,955

As at December 31, 2025, there are no amounts accrued for contaminated sites (2024 - nil).

# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 10  
Year ended December 31, 2025

## 6. Landfill Closure and Post-Closure Liability

The Vancouver Landfill is located in Delta, British Columbia (“BC”) and is owned and controlled by the City of Vancouver. In accordance with a tripartite agreement with the City of Vancouver and the Corporation of Delta, the District is responsible for its proportionate share of the estimated closure and post-closure costs based on landfill capacity as at December 31, 2025. Subsequent to the year ended December 31, 2025, the tripartite agreement was replaced with an amended and restated landfill agreement (note 19).

	2025	2024
Landfill closure and post closure liability	\$ 50,298,398	\$ 49,405,410
Utilization of total capacity	88.1%	85.9%
Proportionate share of liability	40.1%	39.0%

## 7. Asset Retirement Obligations

The District’s AROs consist of asbestos and lead obligations as well as decommissioning obligations.

### a. Asbestos and lead obligations

The District owns and operates several infrastructure assets that are known or assumed to have asbestos and lead, which represent health hazards. Upon demolition of the infrastructure assets, the District has legal obligations to remove them.

### b. Contractual obligations

The District has contractual obligations to remove, decommission and restore infrastructure.

Asset retirement obligations are as follows:

	Asbestos and Lead	Contractual Obligations	2025	2024
Balance, beginning of year	\$ 6,830,505	\$ 18,679,662	\$ 25,510,167	\$ 24,481,926
Additions	866,218	—	866,218	—
Accretion expense	323,262	784,546	1,107,808	1,028,241
Balance, end of year	\$ 8,019,985	\$ 19,464,208	\$ 27,484,193	\$ 25,510,167

The liability has been estimated using a present value calculation with a discount rate for 2025 of 4.2% (2024 – 4.2%). The estimated total undiscounted future expenditures are \$47,571,564 (2024 – \$46,462,814) and the number of years to expected settlement range from 0 to 55 years (2024 – 0 to 56 years).

# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 11

Year ended December 31, 2025

## 8. Deferred Revenue and Refundable Deposits

Deferred revenue and refundable deposits consist of the following:

	2025	2024
Development cost charges (a)	\$ 362,005,465	\$ 293,267,228
Provincial grant to fund capital expenditures (b)	156,813,277	112,823,300
Refundable deposits	1,689,130	1,614,737
<b>Total</b>	<b>\$ 520,507,872</b>	<b>\$ 407,705,265</b>

- a) The Greater Vancouver Sewerage and Drainage District Act restricts the District in applying money raised from development cost charges to funding liquid waste 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. Out of the total development cost charges deferred, the amounts receivable from member jurisdictions (note 3) as at December 31, 2025 total \$130,087,470 (2024 – \$92,256,828).
- b) Amounts received from the Province of British Columbia (“the Province”) for the following construction projects have been recorded as deferred revenue:
- i. In 2017, the District received a grant from the Province in the amount of \$193,000,000 for future costs associated with the construction of the new North Shore Wastewater Treatment Plant Facility. During 2025, \$13,929,846 (2024 – \$18,721,594) was applied against the project and recognized as revenue. The deferred revenue was recognized in full during the year with the cumulative amount of grant recognized as of December 31, 2025 at \$193,000,000.
  - ii. In 2023, the District entered into a three-year contribution agreement with the Province, where the Province will provide \$250,000,000 representing one-third of the funding for Phase 1 of the Iona Wastewater Treatment Plant project. As of December 31, 2025, the District received a cumulative amount of grant at \$250,000,000 (2024 – \$150,000,000). During 2025, \$42,080,177 (2024 – \$36,476,537) was applied against the project and recognized as revenue. The cumulative amount of grant recognized as of December 31, 2025 is \$93,186,723, with \$156,813,277 remaining to be recognized in future years as capital expenditures are incurred.

# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 12  
Year ended December 31, 2025

## 8. Deferred Revenue and Refundable Deposits (continued)

Continuity of deferred revenue and refundable deposits is as follows:

	2025	2024
Balance, beginning of year	\$ 407,705,265	\$ 367,375,607
Development cost charges received	130,312,925	91,547,465
Change in development cost charges receivable	37,830,822	27,777,655
Deferred grant received in the year	100,000,000	75,000,000
Interest earned	11,340,427	12,501,558
Change in refundable deposits	74,393	41,341
Amounts spent and recognized as revenue	(166,755,960)	(166,538,361)
Change in deferred revenue and refundable deposits	112,802,607	40,329,658
Balance, end of year	\$ 520,507,872	\$ 407,705,265

## 9. Debt

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

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

Sinking fund payments are controlled and invested by the MFA and earn income which, together with principal payments, are expected to be sufficient to retire the debt at maturity.

Debt (net of MFA sinking funds) reported on the statement of financial position comprises the following and includes varying maturities up to October 22, 2055 with interest rates ranging from 1.28% to 4.97%.

# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 13  
Year ended December 31, 2025

## 9. Debt (continued)

Issue Number	Interest Rate - %	Maturity Date	Authorized to be issued	Debt outstanding	
				2025	2024
116	1.47	April 4, 2026	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000
118	3.39	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% - 3.03%	April 9, 2035	125,000,000	125,000,000	125,000,000
151	1.28% - 3.38%	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	160,000,000
159	4.15	June 5, 2038	25,000,000	25,000,000	25,000,000
160	4.97	October 12, 2038	40,000,000	40,000,000	40,000,000
161	4.44	April 9, 2039	224,000,000	224,000,000	224,000,000
161	4.44	April 9, 2054	50,000,000	50,000,000	50,000,000
165	3.88	May 7, 2040	176,800,000	176,800,000	—
165	3.88	May 7, 2055	16,200,000	16,200,000	—
167	3.73	October 22, 2055	21,000,000	21,000,000	—
167	3.73	October 22, 2040	109,000,000	109,000,000	—
Total debt			\$ 2,058,000,000	\$ 2,058,000,000	\$ 1,735,000,000
Less sinking				(504,548,466)	(398,067,679)
Total net debt				\$ 1,553,451,534	\$ 1,336,932,321

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

	Amount
2026	\$ 107,584,111
2027	106,510,480
2028	105,361,889
2029	105,361,889
2030	105,361,889
Thereafter	655,027,354
Total payments	1,185,207,612
Estimated sinking fund income	368,243,922
Total net debt	\$1,553,451,534

# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 14  
Year ended December 31, 2025

## 10. Tangible Capital Assets

Year ended December 31, 2025

	Cost			Accumulated Amortization					Net Book Value December 31, 2025
	Balance at December 31, 2024	Additions	Disposals	Balance at December 31, 2025	Balance at December 31, 2024	Disposals	Amortization Expense	Balance at December 31, 2025	
Land	\$ 193,132,510	\$ 37,240,307	\$(2,844,860)	\$ 227,527,957	\$ —	\$ —	\$ —	\$ —	\$ 227,527,957
Infrastructure	2,784,705,904	62,508,718	—	2,847,214,622	855,634,651	—	55,419,042	911,053,693	1,936,160,929
Machinery, equipment, furniture & fixtures	8,637,106	—	—	8,637,106	8,241,634	—	226,231	8,467,865	169,241
Construction in progress	2,188,391,796	533,682,616	—	2,722,074,412	—	—	—	—	2,722,074,412
	<b>\$5,174,867,316</b>	<b>\$633,431,641</b>	<b>\$(2,844,860)</b>	<b>\$5,805,454,097</b>	<b>\$863,876,285</b>	<b>\$ —</b>	<b>\$ 55,645,273</b>	<b>\$919,521,558</b>	<b>\$4,885,932,539</b>

Construction in progress includes \$1.0 billion (2024 - \$0.7 billion) related to the North Shore Wastewater Treatment Plant (note 14).

Additions related to asset retirement costs were \$0.87 million (2024 - \$nil).

The net book value of disposals and write-offs in 2025 was \$2.8 million (2024 - \$0.09 million).

In 2025, there were no tangible capital assets contributed to the District (2024 - \$nil).

Year ended December 31, 2024

	Cost			Accumulated Amortization					Net Book Value December 31, 2024
	Balance at December 31, 2023	Additions	Disposals	Balance at December 31, 2024	Balance at December 31, 2023	Disposals	Amortization Expense	Balance at December 31, 2024	
Land	\$ 186,868,301	\$ 6,301,728	\$(37,519)	\$ 193,132,510	\$ —	\$ —	\$ —	\$ —	\$ 193,132,510
Infrastructure	2,763,532,417	23,623,952	(2,450,465)	2,784,705,904	805,491,737	(2,393,716)	52,536,630	855,634,651	1,929,071,253
Machinery, equipment, furniture & fixtures	8,637,106	—	—	8,637,106	7,989,877	—	251,757	8,241,634	395,472
Construction in progress	1,781,541,627	406,850,169	—	2,188,391,796	—	—	—	—	2,188,391,796
	<b>\$4,740,579,451</b>	<b>\$436,775,849</b>	<b>\$(2,487,984)</b>	<b>\$5,174,867,316</b>	<b>\$813,481,614</b>	<b>\$(2,393,716)</b>	<b>\$ 52,788,387</b>	<b>\$863,876,285</b>	<b>\$4,310,991,031</b>

# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 15

Year ended December 31, 2025

## 11. Grants and other contributions

	2025	2024
Provincial	\$ 56,651,941	\$ 55,517,302
Federal	10,826,466	20,558,653
MVRD (a)	12,064,334	—
	\$ 79,542,741	\$ 76,075,955

(a) The MVRD allocated a grant amount to acquire property for liquid waste infrastructure from the grant received from the Province under the Growing Communities fund in 2023. During 2025, the District recognized total grant revenue of \$12,064,334 (2024 - \$nil) for the acquisition of the property located at 1223 Derwent Way in the City of Delta.

# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 16  
Year ended December 31, 2025

## 12. Accumulated Surplus

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

	2025	2024
Reserves	\$ 292,360,345	\$ 145,952,664
Capital fund balance	(255,136,380)	(202,239,824)
Investment in tangible capital assets	3,332,481,005	2,974,058,710
<b>Total</b>	<b>\$ 3,369,704,970</b>	<b>\$ 2,917,771,550</b>

Continuity of reserves is as follows:

	December 31, 2024	Interest	Annual Operating Surplus	Contributions from/ (to) operations	December 31, 2025
<b>Operating Reserves</b>					
Liquid Waste Services	\$ 48,398,623	\$ 1,764,275	\$ (476,430)	\$ —	\$ 49,686,468
Solid Waste Services	38,190,596	1,392,161	19,764,412	—	59,347,169
	86,589,219	3,156,436	19,287,982	—	109,033,637
<b>Discretionary Reserves</b>					
Liquid Waste General Debt Reserve Fund	2,373,223	86,511	—	—	2,459,734
Lions Gate Contingency	1,665,532	60,714	—	—	1,726,246
Drainage General	5,914,657	215,607	—	—	6,130,264
Solid Waste General	28,860,291	1,052,044	—	(853,061)	29,059,274
Landfill Post-Closure	11,405,703	2,129,991	—	(2,596,043)	10,939,651
	50,219,406	3,544,867	—	(3,449,104)	50,315,169
<b>Statutory Reserves</b>					
North Shore Wastewater Treatment Plant	—	1,442,569	—	121,165,617	122,608,186
Liquid Waste Laboratory Equipment	1,016,142	38,893	—	108,638	1,163,673
Liquid Waste Services Sustainability Innovation Fund	8,127,897	309,704	—	802,079	9,239,680
	9,144,039	1,791,166	—	122,076,334	133,011,539
<b>Total Reserves</b>	<b>\$ 145,952,664</b>	<b>\$ 8,492,469</b>	<b>\$ 19,287,982</b>	<b>\$ 118,627,230</b>	<b>\$ 292,360,345</b>

# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 17  
Year ended December 31, 2025

## 12. Accumulated Surplus (continued)

Capital fund balance represents the expected level of funding required for capital expenditures.

Capital fund balance is calculated as follows:

	2025	2024
Capital Fund Balance, beginning of year	\$ (202,239,824)	\$ (277,555,814)
Revenues		
Grants and other contributions	79,542,741	75,961,514
Gain on disposal of tangible capital assets	25,086,955	5,232,489
Debt reserve fund income	630,479	640,683
Interest income	5,895,624	6,404,039
Other revenues	89,672	374
	111,245,471	88,239,099
Expenses		
Amortization of tangible capital assets	(55,645,273)	(52,788,387)
Accretion on asset retirement obligations	(1,107,808)	(1,028,241)
	(56,753,081)	(53,816,628)
Non-financial assets transactions		
Acquisition of tangible capital assets	(633,431,641)	(436,775,849)
Disposal of tangible capital assets	2,840,000	94,268
Amortization of tangible capital assets	55,645,273	52,788,387
	(574,946,368)	(383,893,194)
Financing		
Proceeds of debt	323,000,000	274,000,000
Contribution from Operating Fund	132,028,124	98,641,392
Contribution from Reserves	—	14,504,993
Contribution to Reserves	(27,931,815)	(5,326,757)
Development cost charges from reserve	40,461,113	42,967,085
	467,557,422	424,786,713
Capital Fund Balance, end of year	\$ (255,136,380)	\$ (202,239,824)

# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 18  
Year ended December 31, 2025

## 12. Accumulated Surplus (continued)

Investment in tangible capital assets is calculated as follows:

	2025	2024
Tangible capital assets	\$ 4,885,932,539	\$ 4,310,991,031
Amounts financed by:		
Debt	(1,553,451,534)	(1,336,932,321)
	3,332,481,005	2,974,058,710
Change in the investment in tangible capital assets		
Acquisition of tangible capital assets	633,431,641	436,775,849
Amortization of tangible capital assets	(55,645,273)	(52,788,387)
Gain on disposal of tangible capital assets	25,086,955	5,232,489
Proceeds on disposal of tangible capital assets	(27,931,815)	(5,326,757)
	574,941,508	383,893,194
Less funding of tangible capital assets through debt		
Sinking fund retirement	—	20,000,000
Sinking fund payments	(93,657,883)	(82,095,156)
Sinking fund income	(12,822,904)	(10,136,932)
Proceeds of debt	323,000,000	274,000,000
Debt maturity	—	(20,000,000)
	216,519,213	181,767,912
Change in investment in tangible capital assets	358,422,295	202,125,282
Investment in tangible capital assets, beginning of year	2,974,058,710	2,771,933,428
Investment in tangible capital assets, end of year	\$ 3,332,481,005	\$ 2,974,058,710

# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 19  
Year ended December 31, 2025

## 13. Contractual Obligations and Rights

### a) Contractual Obligations

- i) As of December 31, 2025 the District had the following commitments outstanding related to capital projects in progress:

	2025	2024
Authorized for outstanding projects	\$ 8,692,100,000	\$ 6,047,250,000
Expended at December 31	(3,420,764,149)	(3,194,856,592)
Commitment remaining	\$ 5,271,335,851	\$ 2,852,393,408

- 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 \$905,000 to perpetuity, with adjustments annually for CPI. Estimated payments over the next ten years are as follows:

	Amount
2026	\$ 3,638,572
2027	3,699,443
2028	3,761,532
2029	3,824,863
2030	3,889,460
2031 - 2035	20,335,542
Total	\$ 39,149,412

### 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
2026	\$ 865,395
Total	\$ 865,395

# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 20  
Year ended December 31, 2025

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## 14. Contingencies

### Lawsuits

As at December 31, 2025, 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 initial vendor hired to design, build and commission the future North Shore Wastewater Treatment Plant, having determined that the initial vendor was in breach of contract. As of the contract termination date, the District has paid \$309.5 million, net of GST rebates, to the initial vendor for work completed, which has been recorded as construction in progress (note 10). In 2022, the initial 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 initial 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 contract termination. As at December 31, 2025, 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.

# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 21  
Year ended December 31, 2025

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## 14. 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 debt which is comprised of cash deposits and a non-interest bearing demand note (refer to note 4). 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.

### Letters of Credit

At December 31, 2025, the District is the named beneficiary of \$24,164,394 (2024 - \$6,173,523) 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 22  
Year ended December 31, 2025

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## 14. Contingencies (continued)

### Cache Creek Landfill

Prior to 2016, the District transported deposits to a landfill located in the Village of Cache Creek, BC and was required to contribute quarterly to a post-closure trust fund, held with the Province. The *GVS&DD – Village of Cache Creek: Village of Cache Creek – Agreement* dated November 25, 1987 indemnifies the Village of Cache Creek for any post-closure liabilities not covered by this fund and obligates the District to pay any excess funding until the earlier of (i) the 20th anniversary of the landfill closure date or (ii) the date the Province terminates the post-closure trust fund. Therefore, the obligation expires at the latest July 2036. The Landfill Operational Certificate obligates the Village of Cache Creek and a third party service provider to undertake closure and post-closure activities. At December 31, 2025, the lower of amortized cost and market value of the trust was \$13,823,662 (2024 - \$16,324,428), which approximates the expected post-closure costs.

## 15. Related Party Transactions

The District is a related party to the MVRD. The District's Board of Directors comprises the same councillors and mayors of the member jurisdictions as appointed to the MVRD Board by their respective councils, provided that the member jurisdiction is a member of the District. The District and MVRD are separate legal entities authorized by separate legislation. The District was established by an Act of the same name in 1956. MVRD was established under the Local Government Act of British Columbia. During the year, the District recognized \$12,064,334 (2024 - \$nil) of grants and other contributions from MVRD (note 11) and recorded corporate cost of \$56,226,610 (2024 - \$51,842,767) allocated from MVRD for corporate services and administration.

# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 23  
Year ended December 31, 2025

## 16. Budget Information

The annual budget presented in these financial statements is based upon the 2025 operating and capital budgets originally approved by the District's Board in November 2024. 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 \$1,053,077,000 were included in the capital budget approved by the Board.

	2025 Budget	2024 Budget
Budgeted annual surplus per Exhibit B - Statement of Operations	\$ 421,071,357	\$ 283,913,432
Items not included in the approved operating budget		
Capital development cost charge revenue	(40,461,000)	(42,967,000)
Capital grants and contributions	(72,976,000)	(100,186,000)
Amortization of tangible capital assets	55,010,966	52,150,348
Accretion on asset retirement obligation	1,071,427	1,028,241
Sinking and debt retirement fund income	(10,674,281)	(9,082,810)
Reserve interest	(5,701,072)	(4,064,847)
Items included in the budget but not in financial statements		
Debt principal payments	(93,657,885)	(82,269,409)
Transfers to capital	(252,624,874)	(98,631,392)
Transfers from reserve funds	1,986,659	2,652,629
Transfer to reserve funds	(3,045,297)	(2,543,192)
Annual surplus per approved budget	\$ —	\$ —

# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 24  
Year ended December 31, 2025

## 17. 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 \$8,040,469 (2024 - \$9,536,711) of direct salaries and benefits of the District allocated 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.

	2025 Total Budget	Liquid Waste Services	Solid Waste Services	2025 Total Actual	2024 Total Actual
<b>Revenues</b>					
Sewerage and drainage levy	\$ 575,550,267	\$ 575,550,267	\$ —	\$ 575,550,267	\$ 389,498,103
Tipping fees	148,874,301	—	169,833,890	169,833,890	149,931,449
Development cost charges (note 8)	117,929,636	110,745,937	—	110,745,937	111,340,228
User fees, recoveries, and other	23,362,957	10,623,602	13,984,012	24,607,614	26,351,503
Liquid Waste Industrial Charges	13,655,992	15,130,741	—	15,130,741	13,435,897
Sinking fund, debt retirement and interest income	16,375,353	22,399,498	5,565,744	27,965,242	23,852,737
Grants and other contributions (note 11)	72,976,000	79,542,741	—	79,542,741	76,075,955
Gain on disposal of tangible capital assets	—	—	25,086,955	25,086,955	5,232,489
	968,724,506	813,992,786	214,470,601	1,028,463,387	795,718,361
<b>Expenses</b>					
Salaries and benefits	90,668,522	82,810,844	8,934,290	91,745,134	86,058,164
Consulting, contracted, and professional services	185,903,929	66,143,200	148,174,264	214,317,464	195,379,317
Asset repairs and maintenance	19,368,731	16,602,016	1,053,235	17,655,251	19,021,555
Materials and supplies	27,268,774	25,800,504	28,903	25,829,407	22,281,533
Utilities, permits, and taxes	20,521,416	20,568,913	374,538	20,943,451	20,144,483
Corporate costs (note 15)	59,225,103	50,160,135	6,066,475	56,226,610	51,842,767
Other	17,182,665	11,135,110	14,753,607	25,888,717	19,069,448
Amortization of tangible capital assets	55,010,966	48,125,647	7,519,626	55,645,273	52,788,387
Interest expenses	72,503,043	62,304,303	5,974,357	68,278,660	54,271,237
	547,653,149	383,650,672	192,879,295	576,529,967	520,856,891
<b>Annual surplus</b>	<b>\$ 421,071,357</b>	<b>\$ 430,342,114</b>	<b>\$ 21,591,306</b>	<b>\$ 451,933,420</b>	<b>\$ 274,861,470</b>

# GREATER VANCOUVER SEWERAGE AND DRAINAGE DISTRICT

Notes to Financial Statements, page 25

Year ended December 31, 2025

## 18. Supplementary Cash Flow Information

The following non-cash transactions related to the increase to asset retirement costs, PS 3280 Asset Retirement Obligations, are excluded from the statement of cash flows.

	2025	2024
Increase to asset retirement cost (a)	\$ 866,218	\$ —
Increase to asset retirement obligations	(866,218)	—
	\$ —	\$ —

(a) Assets acquired through other non-cash transactions are excluded from the acquisition of tangible capital assets on the statement of cash flows.

	2025	2024
Acquisition of tangible capital assets with cash	\$ 632,565,423	\$ 436,775,849
Increase to asset retirement cost	866,218	—
Tangible capital asset additions (note 10)	\$ 633,431,641	\$ 436,775,849

## 19. Subsequent Events

Amended and restated landfill agreement

On January 12, 2026, the District, the MVRD, City of Vancouver, and City of Delta entered into an amended and restated landfill agreement that replaced the existing landfill and tripartite agreements, extending the use of the Vancouver landfill by 20 years to 2050. Pursuant to the terms of the agreement, a one-time contribution of \$10 million and annual contribution of \$500,000 are payable from the District to MVRD for Burns Bog enhancement and conservation. An adjustment to 2024 fees of \$3.77 million were paid to City of Vancouver and City of Delta, with the adjustment to 2025 fees of \$5.76 million payable by May 1, 2026.

## 20. Comparative Figures

Certain comparative figures have been reclassified to conform to the presentation of the current year. These reclassifications had no impact on prior year annual surplus.

Financial Statements of

**GREATER VANCOUVER  
WATER DISTRICT**

Year ended December 31, 2025

# GREATER VANCOUVER WATER DISTRICT

## Index to Financial Statements

December 31, 2025

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	<b>Exhibit</b>
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 for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

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

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

The external auditor, KPMG 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, 2025.

On behalf of Greater Vancouver Water District.



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Linda Sabatini, Acting Chief Financial Officer

Date: April 24, 2026



KPMG LLP  
777 Dunsmuir Street, 11th floor  
Vancouver, BC V7Y 1K3  
Canada  
Tel 604 691 3000  
Fax 604 691 3031

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Greater Vancouver Water District

### ***Opinion***

We have audited the financial statements of Greater Vancouver Water District (the "Entity"), which comprise:

- the statement of financial position as at December 31, 2025
- the statement of operations for the year then ended
- the statement of change in net debt for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies (hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2025, and its results of operations, its changes in net debt, and its 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 auditor's report.

We are independent of the Entity 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 the 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 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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the 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 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 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 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 Entity 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.
- 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.

*KPMG LLP*

Chartered Professional Accountants

Vancouver, Canada  
April 28, 2026

# GREATER VANCOUVER WATER DISTRICT

## Exhibit A

### Statement of Financial Position

As at December 31, 2025, with comparative information for 2024

	2025	2024
<b>Financial Assets</b>		
Cash	\$ 4,069,794	\$ 3,952,309
Accounts receivable (note 3)	183,210,140	106,554,280
Debt reserve fund (note 4)	14,971,008	13,594,394
	202,250,942	124,100,983
<b>Liabilities</b>		
Accounts payable and accrued liabilities (note 5)	111,618,022	123,513,967
Due to Metro Vancouver Regional District	22,013,450	138,855,619
Deferred revenue and refundable deposits (note 6)	237,628,324	57,699,617
Asset retirement obligations (note 7)	21,295,743	20,437,374
Debt (net of MFA sinking funds) (note 8)	810,713,727	609,320,383
	1,203,269,266	949,826,960
<b>Net Debt</b>	(1,001,018,324)	(825,725,977)
<b>Non-Financial Assets</b>		
Tangible capital assets (note 9)	4,031,704,283	3,646,282,687
Inventories of supplies	5,302,177	5,059,420
Prepaid expenses	19,968,718	24,736,887
	4,056,975,178	3,676,078,994
<b>Accumulated surplus (note 11)</b>	<b>\$ 3,055,956,854</b>	<b>\$ 2,850,353,017</b>

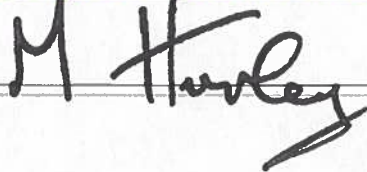
Contractual obligations and rights (note 12)

Contingencies (note 13)

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



Acting Chief Financial Officer



Board Chair

# GREATER VANCOUVER WATER DISTRICT

## Exhibit B

### Statement of Operations

Year ended December 31, 2025, with comparative information for 2024

	2025 Budget (note 15)	2025 Actual	2024 Actual
<b>Revenues (note 16)</b>			
Metered sale of water	\$ 399,008,564	\$ 394,303,861	\$ 363,616,379
Development cost charges (note 6)	5,869,716	8,736,802	1,229,228
Sinking fund, debt retirement, and interest income	17,140,505	21,248,453	21,467,458
Building income from Metro Vancouver Districts	11,091,613	11,695,787	9,227,795
Building income from external parties	6,352,294	6,015,331	6,053,726
Grants and other contributions (note 10)	8,034,000	9,351,153	42,448
Other Revenue	2,969,279	6,843,282	9,286,251
	450,465,971	458,194,669	410,923,285
<b>Expenses (note 16)</b>			
Water operations	231,795,423	232,464,837	214,257,587
Building operations	19,858,784	20,125,995	17,824,640
	251,654,207	252,590,832	232,082,227
<b>Annual surplus</b>	198,811,764	205,603,837	178,841,058
<b>Accumulated surplus, beginning of year</b>	2,850,353,017	2,850,353,017	2,671,511,959
<b>Accumulated surplus, end of year</b>	<b>\$ 3,049,164,781</b>	<b>\$ 3,055,956,854</b>	<b>\$ 2,850,353,017</b>

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, 2025, with comparative information for 2024

	2025 Budget (note 15)	2025 Actual	2024 Actual
<b>Annual surplus</b>	\$ 198,811,764	\$ 205,603,837	\$ 178,841,058
<b>Change in tangible capital assets:</b>			
Acquisition of tangible capital assets	(484,532,000)	(435,949,112)	(357,139,420)
Amortization of tangible capital assets	43,957,050	47,227,721	45,921,069
Loss on disposal of tangible capital assets	—	3,299,795	—
	(440,574,950)	(385,421,596)	(311,218,351)
<b>Change in other non-financial assets:</b>			
Acquisition of prepaid expenses	—	(19,968,718)	(24,736,887)
Use of prepaid expenses	—	24,736,887	547,311
Acquisition of inventories of supplies	—	(5,302,177)	(5,059,420)
Consumption of inventories of supplies	—	5,059,420	5,049,663
	—	4,525,412	(24,199,333)
<b>Changes in net debt</b>	(241,763,186)	(175,292,347)	(156,576,626)
<b>Net debt, beginning of year</b>	(825,725,977)	(825,725,977)	(669,149,351)
<b>Net debt, end of year</b>	<b>\$ (1,067,489,163)</b>	<b>\$ (1,001,018,324)</b>	<b>\$ (825,725,977)</b>

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, 2025, with comparative information for 2024

	2025	2024
<b>Cash provided by (used in):</b>		
<b>Operating transactions:</b>		
Annual surplus	\$ 205,603,837	\$ 178,841,058
Items not involving cash:		
Amortization	47,227,721	45,921,069
Accretion on asset retirement obligations	858,369	823,772
Sinking fund income	(15,505,027)	(18,225,633)
Debt reserve fund income	(426,453)	(501,328)
Loss on disposal of tangible capital assets	3,299,795	—
Change in non-cash assets and liabilities:		
Accounts receivable	(76,655,860)	(34,009,816)
Inventories of supplies	(242,757)	(9,757)
Prepaid expenses	4,768,169	(24,189,576)
Accounts payable and accrued liabilities	(11,895,945)	26,301,900
Deferred revenue and refundable deposits	179,928,707	50,203,110
Net change in cash from operating transactions	336,960,556	225,154,799
<b>Capital transactions:</b>		
Acquisition of tangible capital assets	(435,949,112)	(357,139,420)
Net change in cash from capital transactions	(435,949,112)	(357,139,420)
<b>Financing transactions:</b>		
Due to Metro Vancouver Regional District	(116,842,169)	118,821,467
Proceeds of debt	277,000,000	76,000,000
Debt reserve fund issuance	(2,770,000)	(760,000)
Debt reserve fund maturity	1,819,839	2,120,128
Sinking fund payments	(60,101,629)	(62,836,788)
Debt maturity	(120,000,000)	(140,000,000)
Sinking fund retirement	120,000,000	140,000,000
Net change in cash from financing transactions	99,106,041	133,344,807
<b>Net change in cash</b>	117,485	1,360,186
<b>Cash, beginning of year</b>	3,952,309	2,592,123
<b>Cash, end of year</b>	<b>\$ 4,069,794</b>	<b>\$ 3,952,309</b>

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, 2025

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## 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 for the member municipalities of the Metro Vancouver Regional District (“MVRD”) (note 14). Its Board of Directors comprises the same councillors and mayors of the member jurisdictions as appointed to the MVRD Board by their respective councils, provided that the member jurisdiction is a member of the District. The member jurisdictions under the Act are jointly and severally liable for the District’s debts.

The District owns or holds under a 999-year lease from the Province of British Columbia (“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 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 based on the revenue recognition policy (note 1). 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 stipulations are met and the liability is 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 refundable deposits, 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 District satisfies the performance obligations, which occurs when control of the benefits associated with the promised goods or services has passed to the payor or when the District has the right to claim or retain an inflow of economic resources received or receivable and there is a past transaction or event that gives rise to the economic resources.

# GREATER VANCOUVER WATER DISTRICT

Notes to Financial Statements, page 2

Year ended December 31, 2025

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## 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 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 government bonds issued by the federal and provincial governments of Canada, Municipal Finance Authority of British Columbia ("MFA") pooled investment funds, MFA money market fund, MFA government ultra-short bond, guaranteed investment certificates, and term deposits. Interest earned on the District's fund balances is included

### **Financial Instruments**

The District's financial instruments consist of cash, accounts receivable, debt reserve fund, accounts payable and accrued liabilities, debt, and amounts due to or from the MVRD. Cash and cash equivalents held by MVRD are pooled with all entities held by the MVRD. Accounts receivable and amounts due from government organizations are recorded at cost less any amount for valuation allowance. All debt and other financial liabilities are recorded using cost or amortized cost. Interest attributable to financial instruments are reported in the statement of operations.

The classification of financial instruments is determined upon inception and financial instruments are not reclassified into another measurement category for the duration of the period they are held. All financial assets are assessed for impairment on an annual basis and any such impairment is recorded in the statement of operations. A write-down of a financial asset to reflect a loss in value is not reversed for a subsequent increase in value.

# GREATER VANCOUVER WATER DISTRICT

Notes to Financial Statements, page 3

Year ended December 31, 2025

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## 1. Significant Accounting Policies (continued)

### **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.

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 for employees who provide services for the District based on projected benefits as the employees render services necessary to earn the future benefits.

### **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.

# GREATER VANCOUVER WATER DISTRICT

Notes to Financial Statements, page 4

Year ended December 31, 2025

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## 1. Significant Accounting Policies (continued)

### **Asset Retirement Obligations**

Asset Retirement Obligations (AROs) are recognized for statutory, contractual, or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development, or normal operation of the assets. An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- a) There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- b) The past transaction or event giving rise to the liability had occurred;
- c) It is expected that future economic benefits will be given up; and
- d) A reasonable estimate of the amount can be made.

The ARO liability is initially recorded based on the best estimate of the expenditure required to retire the ARO obligation determined using present value calculation, and the resulting costs are capitalized as part of the carrying amount of the related tangible capital asset. This ARO liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing or amount required to settle the obligation or the discount rate. The changes in the AROs for the passage of time are recorded as accretion expense in the statement of operations and all other changes are adjusted to the carrying value of the tangible capital asset. This cost is amortized on the same basis as the amortization of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

# GREATER VANCOUVER WATER DISTRICT

Notes to Financial Statements, page 5

Year ended December 31, 2025

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## 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 initially recorded at cost which includes amounts that are directly attributable to acquisition, construction, development, or betterment of the asset, including asset retirement costs that are capitalized as part of the carrying amount of the related tangible capital 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 Lives - Years
Buildings	
Corporate head office	40
Watershed	25
Infrastructure	
Dams and reservoirs	150
Supply mains	100
Distribution systems, drinking water treatment	50 -101
Bridges and roads	50
Machinery, Equipment, Furniture and Fixtures	5 - 20

- a. Annual amortization:  
Annual amortization begins when the asset is put into service and is expensed over its useful lives. Assets under construction are transferred to the appropriate asset class and are amortized from the date the asset is put into productive use.
- b. Contributions of tangible capital assets:  
Contributions of tangible capital assets are recorded at their fair value at the date of receipt and as contribution revenue.
- c. Interest capitalization:  
The District does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.
- d. Impairment of tangible capital assets  
Tangible capital assets are written down when conditions indicate that they no longer contribute to the District's ability to provide goods and services or when the value of the future economic benefits associated with the asset is less than the book value of the asset.

# GREATER VANCOUVER WATER DISTRICT

Notes to Financial Statements, page 6

Year ended December 31, 2025

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## 1. Significant Accounting Policies (continued)

### Non-Financial Assets (continued)

#### *Inventories of Supplies*

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

### Revenue Recognition

Revenues from transactions with performance obligations are recognized when (at a point in time) or as (over a period of time) the District satisfies the performance obligations, which occurs when control of the benefits associated with the promised goods or services has passed to the payor.

Revenues from transactions without performance obligations are recognized at realizable value when the District has the right to claim or retain an inflow of economic resources received or receivable and there is a past transaction or event that gives rise to the economic resources.

Metered sale of water, building income from external tenants, Metro Vancouver Districts and Housing Corporation, and other income are recognized as revenue at a point in time or over time according to the usage and rates approved and set by the Board.

### 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 16).

### 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.

Areas requiring the use of management's judgment and estimation relate to the determination of contaminated sites liabilities, amounts to settle and expected timing of asset retirement obligations, the estimate of accruals for projects in progress, amortization rates and useful lives for 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.

# GREATER VANCOUVER WATER DISTRICT

Notes to Financial Statements, page 7

Year ended December 31, 2025

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## 2. Financial Risk Management

Based on the financial instruments held, the District is potentially exposed to credit risk, market risk, interest rate risk, and liquidity risk.

### a. Credit risk

Credit risk is low and related to the possibility of failure to collect from another party and encompasses cash, debt reserve fund, and accounts receivable. The risk exposure is limited to their carrying amounts at the date of the statement of financial position. The District's accounts receivable primarily consist of amounts due from member jurisdictions, which does not pose a high risk of amounts uncollected. To mitigate any credit risk, the District regularly reviews the collectability of its accounts receivable and if needed, will establish an allowance based on its best estimate of potentially uncollectible amounts. As at December 31, 2025, there are no amounts deemed uncollectible (2024 - \$nil). There has been no change to the credit risk exposure from 2024.

### b. Market risk and interest risk

Market risks and interest rate risks encompasses cash and cash equivalents, investments, and debt instruments. All cash and cash equivalents and investments are pooled with the MVRD and therefore an inherent risk exists related to the consolidated pooled funds held by MVRD. To mitigate this risk, the MVRD closely monitors the Bank of Canada rates and reviews inflationary impacts. The MVRD's cash and cash equivalents are deposited in high-interest savings accounts at federally regulated banks. The MVRD follows the MVRD Board approved investment policy and legislative requirements for the management of its investments, which requires low risk investment products, such as fixed income securities, government bonds, MFA pooled investment funds, MFA money market fund, and MFA government ultra-short bonds. Sales and purchases of investments are recorded on the trade date. To mitigate risks, the investment portfolio is managed regularly through cash forecasts and investments are made into low credit risk rating bonds and pools. The District's exposure to interest rate risk in relation to debt instruments is limited to debt and temporary financing. The risk applies to debt when amortization periods exceed the initial locked-in term. Temporary financing is subject to daily floating rates, which can result in variability over the course of a short-term period. Interest rate risk related to debt instruments is managed through budget and cash forecasts. Interest rates have decreased slightly during the year, which primarily affects interest rate costs for new and refinanced debt and temporary borrowing, as well as, interest earnings on investments. There are no significant impacts to operating results from changes in interest rate that are reasonably possible as of year-end. With more reliance on debt instruments to fund capital infrastructure projects and with the global volatility, the District's market and interest rate exposure has increased from 2024.

# GREATER VANCOUVER WATER DISTRICT

Notes to Financial Statements, page 8

Year ended December 31, 2025

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## 2. Financial Risk Management (continued)

### c. Liquidity risk

Liquidity risk is low and mitigated by regular monitoring of cash flows and forecasts. The District has pooled accounts with the MVRD and its other entities. All cash and cash equivalents for MVRD are held in federally and provincially regulated banks. To meet financial obligations and mitigate liquidity risk a minimum of 25% of the pooled portfolio held by the MVRD is held in highly liquid cash in high interest savings accounts. There has been no change to the liquidity risk exposure from 2024.

### d. Foreign exchange risk

Foreign exchange risk is low. The District has pooled accounts with the MVRD and its other entities. MVRD has not entered into any agreements or purchased any foreign currency hedging arrangements to hedge possible currency risks, as management believes that the foreign exchange risk derived from currency conversions is not significant. The foreign currency financial instruments are short-term in nature and do not give rise to significant foreign currency risk. There has been no change to the foreign exchange risk exposure from 2024.

## 3. Accounts Receivable

	2025	2024
Metered sale of water receivable	\$ 50,452,404	\$ 43,180,309
Development cost charges receivable	119,762,612	50,316,362
User fees, recoveries, and other receivable	12,995,124	13,057,609
	<b>\$ 183,210,140</b>	<b>\$ 106,554,280</b>

# GREATER VANCOUVER WATER DISTRICT

Notes to Financial Statements, page 9

Year ended December 31, 2025

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## 4. Debt Reserve Fund

The Municipal Finance Authority of British Columbia (“MFA”) provides financing for regional districts and member jurisdictions. The MFA is required to establish a debt reserve fund for each debt 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, 2025, \$40,737,215 (2024 - \$35,219,471) in callable demand notes were outstanding and have not been recorded in the statement of financial position.

## 5. Accounts Payable and Accrued Liabilities

	2025	2024
Trade accounts payable and accrued liabilities	\$ 49,038,445	\$ 70,754,293
Construction holdbacks	51,616,688	44,794,578
Accrued interest on debt	8,415,531	6,603,205
Contaminated sites (a)	2,547,358	1,361,891
	<u>\$ 111,618,022</u>	<u>\$ 123,513,967</u>

(a) As at December 31, 2025, the District accrued \$2,547,358 (2024 - \$1,361,891) to remediate contaminated soils at two of its properties. The remediation work for the properties will be completed in 2026 and 2027.

# GREATER VANCOUVER WATER DISTRICT

Notes to Financial Statements, page 10

Year ended December 31, 2025

## 6. Deferred Revenue and Refundable Deposits

Deferred revenue and refundable deposits consist of the following:

	2025	2024
Development cost charges (a)	\$ 237,067,323	\$ 57,323,265
Refundable deposits	561,001	376,352
Total	\$ 237,628,324	\$ 57,699,617

- a) The Local Government Act restricts the District in applying money raised from development cost charges to funding water 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. Out of the total development cost charges deferred, the amounts receivable from member jurisdictions (note 3) as at December 31, 2025 total \$119,762,612 (2024 – \$50,316,362).

Continuity of deferred revenue and refundable deposits is as follows:

	2025	2024
Balance, beginning of year	\$ 57,699,617	\$ 7,496,507
Development cost charges received	116,221,675	8,002,295
Change in development cost charges receivable	69,446,250	49,473,320
Cost-sharing funds refunded	—	(6,173,164)
Change in refundable deposits	184,649	(9,990)
Interest earned	2,812,935	186,721
Amounts spent and recognized as revenue	(8,736,802)	(1,276,072)
Change in deferred revenue and refundable deposits	179,928,707	50,203,110
Balance, end of year	\$ 237,628,324	\$ 57,699,617

# GREATER VANCOUVER WATER DISTRICT

Notes to Financial Statements, page 11

Year ended December 31, 2025

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## 7. Asset Retirement Obligations

The District's AROs consist of asbestos and lead obligations as well as decommissioning obligations.

a. Asbestos and lead obligations

The District owns and operates several infrastructure assets that are known or assumed to have asbestos and lead, which represent health hazards. Upon demolition of the infrastructure assets, the District has legal obligations to remove them.

b. Contractual obligations

The District has contractual obligations to remove, decommission and restore infrastructure.

Asset retirement obligations are as follows:

	<b>Asbestos and Lead</b>	<b>Contractual Obligations</b>	<b>2025</b>	<b>2024</b>
Balance, beginning of year	\$ 905,959	\$ 19,531,415	\$ 20,437,374	\$ 19,613,602
Accretion expense	38,050	820,319	858,369	823,772
Balance, end of year	\$ 944,009	\$ 20,351,734	\$ 21,295,743	\$ 20,437,374

The liability has been estimated using a present value calculation with a discount rate for 2025 of 4.2% (2024 – 4.2%). The estimated total undiscounted future expenditures are \$27,162,422 (2024 – \$27,162,422) and the number of years to expected settlement range from 0 to 41 years (2024 - 1 to 42 years).

# GREATER VANCOUVER WATER DISTRICT

Notes to Financial Statements, page 12

Year ended December 31, 2025

## 8. Debt

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

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

Sinking fund payments are controlled and invested by the MFA and earn income which, together with principal payments, are expected to be sufficient to retire the debt at maturity.

Debt (net of MFA sinking funds) reported on the Statement of Financial Position comprises the following and includes varying maturities up to 2040 with interest rates ranging from 1.28% to 4.97%.

Issue number	Interest rate - %	Maturity date	Authorized to be issued	Debt outstanding	
				2025	2024
110	1.28%	April 8, 2025	\$ 50,000,000	\$ —	\$ 50,000,000
112	1.28%	October 6, 2025	70,000,000	—	70,000,000
116	1.47%	April 4, 2026	30,000,000	30,000,000	30,000,000
118	3.39%	April 11, 2027	70,000,000	70,000,000	70,000,000
121	3.39%	October 4, 2027	20,000,000	20,000,000	20,000,000
126	4.52%	September 26, 2028	70,000,000	70,000,000	70,000,000
127	4.52%	April 7, 2029	60,000,000	60,000,000	60,000,000
130	4.10%	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	100,000,000	100,000,000	100,000,000
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	40,000,000
159	4.15%	June 5, 2038	25,000,000	25,000,000	25,000,000
160	4.97%	October 12, 2038	10,000,000	10,000,000	10,000,000
161	4.44%	April 9, 2039	76,000,000	76,000,000	76,000,000
165	3.88%	May 7, 2040	157,000,000	157,000,000	—
167	3.73%	October 22, 2040	120,000,000	120,000,000	—
Debt			\$ 1,380,000,000	\$ 1,260,000,000	\$ 1,103,000,000
Less sinking funds				(449,286,273)	(493,679,617)
Total debt (net of sinking funds)				\$ 810,713,727	\$ 609,320,383

# GREATER VANCOUVER WATER DISTRICT

Notes to Financial Statements, page 13

Year ended December 31, 2025

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## 8. Debt (continued)

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

	<b>Total Payments</b>
2026	\$ 67,507,915
2027	65,897,469
2028	60,803,769
2029	57,046,061
2030	51,234,650
Thereafter	321,799,447
Total payments	624,289,311
Estimated sinking fund income	186,424,416
Total debt	\$ 810,713,727

# GREATER VANCOUVER WATER DISTRICT

Notes to Financial Statements, page 14

Year ended December 31, 2025

## 9. Tangible Capital Assets

Year ended December 31, 2025

	Cost			Accumulated Amortization				Net Book Value December 31, 2025	
	Balance at December 31, 2024	Additions	Disposals	Balance at December 31, 2025	Balance at December 31, 2024	Disposals	Amortization Expense		Balance at December 31, 2025
Land	\$ 133,413,745	\$ —	\$ —	\$ 133,413,745	\$ —	\$ —	\$ —	\$ —	\$ 133,413,745
Infrastructure	2,525,811,117	119,170,066	—	2,644,981,183	552,018,817	—	40,437,458	592,456,275	2,052,524,908
Buildings	226,214,584	16,250	—	226,230,834	41,275,841	—	5,793,944	47,069,785	179,161,049
Machinery, equipment, furniture & fixtures	13,593,414	205,438	—	13,798,852	10,416,949	—	996,319	11,413,268	2,385,584
Construction in progress	1,350,961,434	316,557,358	(3,299,795)	1,664,218,997	—	—	—	—	1,664,218,997
	<b>\$4,249,994,294</b>	<b>\$435,949,112</b>	<b>\$(3,299,795)</b>	<b>\$4,682,643,611</b>	<b>\$603,711,607</b>	<b>\$ —</b>	<b>\$ 47,227,721</b>	<b>\$650,939,328</b>	<b>\$ 4,031,704,283</b>

The net book value of disposals and write-offs in 2025 was \$3,299,795 (2024 - \$nil).

In 2025, there were no tangible capital assets contributed to the District (2024 - \$nil).

Year ended December 31, 2024

	Cost			Accumulated Amortization				Net Book Value December 31, 2024	
	Balance at December 31, 2023	Additions	Disposals	Balance at December 31, 2024	Balance at December 31, 2023	Disposals	Amortization Expense		Balance at December 31, 2024
Land	\$ 133,413,745	\$ —	\$ —	\$ 133,413,745	\$ —	\$ —	\$ —	\$ —	\$ 133,413,745
Infrastructure	2,491,607,180	34,203,937	—	2,525,811,117	512,777,169	—	39,241,648	552,018,817	1,973,792,300
Buildings	220,525,942	5,688,642	—	226,214,584	35,652,152	—	5,623,689	41,275,841	184,938,743
Machinery, equipment, furniture & fixtures	13,593,414	—	—	13,593,414	9,361,217	—	1,055,732	10,416,949	3,176,465
Construction in progress	1,033,714,593	317,246,841	—	1,350,961,434	—	—	—	—	1,350,961,434
	<b>\$3,892,854,874</b>	<b>\$357,139,420</b>	<b>\$ —</b>	<b>\$4,249,994,294</b>	<b>\$557,790,538</b>	<b>\$ —</b>	<b>\$ 45,921,069</b>	<b>\$603,711,607</b>	<b>\$ 3,646,282,687</b>

## 10. Grants and Other Contributions

	2025	2024
MVRD (a)	\$ 9,081,153	\$ —
Other	270,000	42,448
	<b>\$ 9,351,153</b>	<b>\$ 42,448</b>

(a) The MVRD allocated a grant amount for Water reservoir from the grant received from the Province under the Growing Communities fund in 2023. During 2025, the District recognized total grant revenue of \$9,081,153 (2024 - \$nil) for the construction of the Fleetwood Reservoir.

# GREATER VANCOUVER WATER DISTRICT

Notes to Financial Statements, page 15

Year ended December 31, 2025

## 11. Accumulated Surplus

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

	2025	2024
Reserves	\$ 56,882,720	\$ 56,681,629
Capital fund balance	(221,916,422)	(243,290,916)
Investment in tangible capital assets	3,220,990,556	3,036,962,304
Accumulated surplus, end of year	\$ 3,055,956,854	\$ 2,850,353,017

Continuity of reserves is as follows:

	December 31, 2024	Interest	Annual Operating Deficit	Contributions from / (to) operations	December 31, 2025
<b>Statutory Reserves</b>					
Water Services	\$ 15,685,627	\$ 580,396	\$ —	\$ (304,971)	\$ 15,961,052
Sustainability Innovation Fund					
Laboratory equipment	927,164	33,798	—	50,000	1,010,962
	16,612,791	614,194	—	(254,971)	16,972,014
<b>Operating Reserve</b>					
Operating reserve	40,068,838	1,460,282	(1,618,414)	—	39,910,706
<b>Total reserves</b>	\$ 56,681,629	\$ 2,074,476	\$ (1,618,414)	\$ (254,971)	\$ 56,882,720

# GREATER VANCOUVER WATER DISTRICT

Notes to Financial Statements, page 16

Year ended December 31, 2025

## 11. Accumulated Surplus (continued)

Capital fund balance represents the expected level of funding required for capital expenditures.

Capital fund balance is calculated as follows:

	2025	2024
Capital Fund Balance, beginning of year	\$ (243,290,916)	\$ (107,020,539)
Revenues		
Grants and other contributions	9,351,153	42,447
Loss on disposal of tangible capital assets	(3,299,795)	—
Debt reserve fund income	426,453	501,327
Other revenues	4,156,573	4,665,469
	10,634,384	5,209,243
Expenses		
Amortization of tangible capital assets	(47,227,721)	(45,921,069)
Accretion on asset retirement obligations	(858,369)	(823,772)
	(48,086,090)	(46,744,841)
Non-financial assets transactions		
Acquisition of tangible capital assets	(435,949,112)	(357,139,420)
Disposal of tangible capital assets	3,299,795	—
Amortization of tangible capital assets	47,227,721	45,921,069
	(385,421,596)	(311,218,351)
Financing		
Proceeds of debt	277,000,000	76,000,000
Contribution from operating fund	167,247,796	140,483,572
	444,247,796	216,483,572
Capital Fund Balance, end of year	\$ (221,916,422)	\$ (243,290,916)

# GREATER VANCOUVER WATER DISTRICT

Notes to Financial Statements, page 17

Year ended December 31, 2025

## 11. Accumulated Surplus (continued)

Investment in tangible capital assets is calculated as follows:

	2025	2024
Tangible capital assets	\$ 4,031,704,283	\$ 3,646,282,687
Amounts financed by:		
Debt	(810,713,727)	(609,320,383)
	\$ 3,220,990,556	\$ 3,036,962,304

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

	2025	2024
Change in the investment in tangible capital assets		
Acquisition of tangible capital assets	\$ 435,949,112	\$ 357,139,420
Amortization of tangible capital assets	(47,227,721)	(45,921,069)
Loss on disposal of tangible capital assets	(3,299,795)	—
	385,421,596	311,218,351
Less funding of tangible capital assets		
Sinking fund retirement	120,000,000	140,000,000
Sinking fund payments	(60,101,629)	(62,836,788)
Sinking fund income	(15,505,027)	(18,225,633)
Proceeds of debt	277,000,000	76,000,000
Debt maturity	(120,000,000)	(140,000,000)
	201,393,344	(5,062,421)
Change in investment in tangible capital assets	184,028,252	316,280,772
Investment in tangible capital assets, beginning of year	3,036,962,304	2,720,681,532
Investment in tangible capital assets, end of year	\$ 3,220,990,556	\$ 3,036,962,304

# GREATER VANCOUVER WATER DISTRICT

Notes to Financial Statements, page 18

Year ended December 31, 2025

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## 12. Contractual Obligations and Rights

### a) Contractual Obligations:

As at December 31, 2025, the District had the following commitments outstanding related to capital projects in progress:

	2025	2024
Authorized for outstanding projects	\$ 4,480,850,000	\$ 3,244,900,000
Expended at December 31	(1,985,724,683)	(1,587,878,243)
Commitment remaining	\$ 2,495,125,317	\$ 1,657,021,757

### b) Contractual Rights:

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

	Amount
2026	\$ 3,412,309
2027	2,472,605
2028	2,082,669
2029	2,082,669
2030	1,432,878
Thereafter	3,326,180
Total	\$ 14,809,310

# GREATER VANCOUVER WATER DISTRICT

Notes to Financial Statements, page 19

Year ended December 31, 2025

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## 13. Contingencies

### Lawsuits

As at December 31, 2025, 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 debt which is comprised of cash deposits and a non-interest bearing demand note (refer to note 4). 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 20

Year ended December 31, 2025

## 14. Related Party Transactions

The District is a related party to the MVRD. The District's Board of Directors comprises the same councillors and mayors of the member jurisdictions as appointed to the MVRD Board by their respective councils, provided that the member jurisdiction is a member of the District. The District and MVRD are separate legal entities authorized by separate legislation. The District was established by an Act of the same name in 1924. MVRD was established under the Local Government Act of British Columbia. During the year, the District recognized \$9,081,153 (2024 - \$nil) of grants and other contributions from MVRD (note 10) and recorded corporate cost of \$32,800,783 (2024 - \$31,252,602) allocated from MVRD for corporate services and administration.

## 15. Budget Information

The annual budget presented in these financial statements is based upon the 2025 operating and capital budgets approved by the District's Board in November 2024. 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 \$484,532,000 were included in the capital budget approved by the Board.

	2025 Budget	2024 Budget
Budgeted annual surplus per Exhibit B - Statement of Operations	\$ 198,811,764	\$ 201,275,147
Items not included in the operating budget		
Capital development cost charge revenue	—	(36,797,000)
Capital grants and contributions	(8,034,000)	—
Amortization of tangible capital assets	43,957,050	45,501,047
Accretion on asset retirement obligation	858,369	823,772
Sinking and debt retirement fund income	(15,794,604)	(19,013,259)
Reserve interest	(1,345,901)	(1,099,454)
Items included in the budget but not in financial statements		
Debt principal payments	(60,101,628)	(62,880,351)
Transfers to capital	(163,847,359)	(140,443,572)
Transfers from reserve funds	6,269,309	12,633,670
Transfers to reserve funds	(773,000)	—
Annual surplus per approved budget	\$ —	\$ —

# GREATER VANCOUVER WATER DISTRICT

Notes to Financial Statements, page 21

Year ended December 31, 2025

## 16. Segmented Information and Expenses by Object

The District's primary responsibilities are the supply of potable water to the jurisdictions 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 \$14,681,918 (2024 - \$11,280,709) of direct salaries and benefits of the District allocated 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 member jurisdictions of MVRD. The District owns a series of dams, reservoirs, water treatment plants and a distribution network connected to the member jurisdictions' 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.

	2025 Budget	Water Operations	Building Operations	Inter- Program Adjustments	2025 Total	2024 Total
<b>Revenues</b>						
Metered sale of water	\$399,008,564	\$394,303,861	\$ —	\$ —	\$394,303,861	\$363,616,379
Development cost charges (note 6)	5,869,716	8,736,802	—	—	8,736,802	1,229,228
Sinking fund, debt retirement, and interest income	17,140,505	18,467,350	2,781,103	—	21,248,453	21,467,458
Building income from Metro Vancouver Districts	11,091,613	—	16,892,102	(5,196,315)	11,695,787	9,227,795
Building income from external parties	6,352,294	—	6,015,331	—	6,015,331	6,053,726
Grants and other contributions (note 10)	8,034,000	9,351,153	—	—	9,351,153	42,448
Other Revenue	2,969,279	6,843,282	—	—	6,843,282	9,286,251
	450,465,971	437,702,448	25,688,536	(5,196,315)	458,194,669	410,923,285
<b>Expenses</b>						
Salaries and benefits	60,363,462	53,752,672	966,890	—	54,719,562	53,679,587
Consulting, contracted and professional services	26,207,545	19,930,546	1,950,704	—	21,881,250	18,390,704
Asset repairs and maintenance	8,827,879	5,563,161	4,227,305	—	9,790,466	8,717,211
Materials and supplies	19,706,305	17,011,514	105,094	—	17,116,608	17,082,019
Utilities, permits, and taxes	9,828,021	8,409,163	850,519	—	9,259,682	9,466,119
Corporate costs (note 14)	33,893,487	37,997,098	—	(5,196,315)	32,800,783	31,252,602
Other	8,804,903	9,081,899	1,047,077	—	10,128,976	9,917,066
Amortization of tangible capital assets	43,957,050	40,955,457	6,272,263	—	47,227,720	45,921,069
Loss on disposal of tangible capital assets	—	3,299,795	—	—	3,299,795	—
Interest expenses	40,065,555	41,659,847	4,706,143	—	46,365,990	37,655,850
	251,654,207	237,661,152	20,125,995	(5,196,315)	252,590,832	232,082,227
<b>Annual surplus</b>	<b>\$198,811,764</b>	<b>\$200,041,296</b>	<b>\$ 5,562,541</b>	<b>\$ —</b>	<b>\$205,603,837</b>	<b>\$178,841,058</b>

# GREATER VANCOUVER WATER DISTRICT

Notes to Financial Statements, page 22

Year ended December 31, 2025

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## 17. Comparative Figures

Certain comparative figures have been reclassified to conform to the presentation of the current year. These reclassifications had no impact on prior year annual surplus.

Financial Statements of

**METRO VANCOUVER  
HOUSING CORPORATION**

Year ended December 31, 2025

# METRO VANCOUVER HOUSING CORPORATION

## Index to Financial Statements

December 31, 2025

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	<b>Exhibit</b>
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 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 Performance and Audit Committee of the Metro Vancouver Regional District Board.

The external auditor, KPMG 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, 2025.

On behalf of Metro Vancouver Housing Corporation.



Linda Sabatini, Acting Chief Financial Officer

Date: April 24, 2026



KPMG LLP  
777 Dunsmuir Street, 11th floor  
Vancouver, BC V7Y 1K3  
Canada  
Tel 604 691 3000  
Fax 604 691 3031

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Metro Vancouver Housing Corporation

### ***Opinion***

We have audited the financial statements of Metro Vancouver Housing Corporation (the "Entity"), which comprise:

- the statement of financial position as at December 31, 2025
- the statement of operations for the year then ended
- the statement of change in net debt for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies (hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2025, and its results of operations, its changes in net debt, and its 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 auditor's report.

We are independent of the Entity 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 the 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 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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the 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 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 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 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 Entity 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.
- 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.

*KPMG LLP*

Chartered Professional Accountants

Vancouver, Canada  
April 28, 2026

# METRO VANCOUVER HOUSING CORPORATION

## Exhibit A

### Statement of Financial Position

As at December 31, 2025, with comparative information for 2024

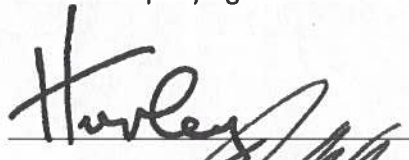
	2025	2024
<b>Financial Assets</b>		
Accounts receivable (note 4)	\$ 7,553,907	\$ 2,579,858
Due from Metro Vancouver Regional District	61,668,039	39,723,446
	69,221,946	42,303,304
<b>Liabilities</b>		
Accounts payable and accrued liabilities (note 5)	25,942,563	18,227,035
Deferred revenue and refundable deposits (note 6)	24,996,724	15,026,258
Asset retirement obligations (note 7)	15,056,506	14,241,884
Mortgages and loans payable (note 8)	110,428,656	80,536,819
	176,424,449	128,031,996
<b>Net Debt</b>	(107,202,503)	(85,728,692)
<b>Non-Financial Assets</b>		
Tangible capital assets (note 9)	347,424,139	238,263,587
Prepaid land leases (note 10)	4,283,103	4,477,902
Prepaid expenses	3,169,906	2,309,667
	354,877,148	245,051,156
<b>Accumulated surplus (note 12)</b>	<b>\$ 247,674,645</b>	<b>\$ 159,322,464</b>

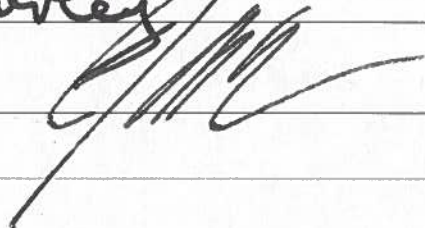
Contractual obligations (note 13)

Contingencies (note 14)

Subsequent events (note 18)

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

M  \_\_\_\_\_ Director

 \_\_\_\_\_ Director

# METRO VANCOUVER HOUSING CORPORATION

## Exhibit B

### Statement of Operations

Year ended December 31, 2025, with comparative information for 2024

	2025 Budget (note 16)	2025 Actual	2024 Actual
<b>Revenues</b>			
Property rental	\$ 44,550,003	\$ 48,408,996	\$ 46,216,584
Contributions:			
Grants and other contributions (note 11)	140,631,721	76,178,477	8,369,398
Interest income	2,129,965	2,952,977	3,654,447
Other revenues	1,023,434	1,617,466	1,074,354
Gain on disposal of tangible capital assets	—	1,590,444	—
	188,335,123	130,748,360	59,314,783
<b>Expenses</b>			
Asset repairs and maintenance	26,316,896	15,793,170	13,372,345
Amortization of tangible assets and prepaid land leases	2,019,335	2,468,325	2,022,624
Utilities, permits, and taxes	5,582,785	4,885,369	4,389,788
Salaries and benefits	8,732,652	8,400,609	7,618,182
Interest expenses	4,184,303	5,094,713	2,788,657
Corporate costs (note 15)	2,886,688	2,876,642	2,704,562
Consulting, contracted, and professional services	1,767,808	1,027,345	1,047,871
Other	1,238,261	1,722,172	1,622,713
Materials and supplies	264,491	127,834	203,437
	52,993,219	42,396,179	35,770,179
<b>Annual surplus</b>	135,341,904	88,352,181	23,544,604
<b>Accumulated surplus, beginning of year</b>	159,322,464	159,322,464	135,777,860
<b>Accumulated surplus, end of year</b>	<b>\$ 294,664,368</b>	<b>\$ 247,674,645</b>	<b>\$ 159,322,464</b>

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, 2025, with comparative information for 2024

	2025 Budget (note 16)	2025 Actual	2024 Actual
<b>Annual surplus</b>	\$ 135,341,904	\$ 88,352,181	\$ 23,544,604
<b>Change in tangible capital assets</b>			
Acquisition of tangible capital assets	(186,156,000)	(118,143,633)	(75,115,279)
Amortization of tangible capital assets	2,019,335	2,273,526	1,827,825
Loss (gain) on disposal of tangible capital assets	—	(1,590,445)	134,520
Proceeds on disposal of tangible capital assets	—	8,300,000	—
	(184,136,665)	(109,160,552)	(73,152,934)
<b>Change in other non-financial assets</b>			
Payment of prepaid expenses	—	(3,169,906)	(2,309,667)
Use of prepaid expenses	—	2,309,667	1,079,128
Amortization of prepaid land leases	—	194,799	194,799
	—	(665,440)	(1,035,740)
<b>Change in net debt</b>	(48,794,761)	(21,473,811)	(50,644,070)
<b>Net debt, beginning of year</b>	(85,728,692)	(85,728,692)	(35,084,622)
<b>Net debt, end of year</b>	<b>\$ (134,523,453)</b>	<b>\$ (107,202,503)</b>	<b>\$ (85,728,692)</b>

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, 2025, with comparative information for 2024

	2025	2024
<b>Cash provided by (used in):</b>		
<b>Operating transactions:</b>		
Annual surplus	\$ 88,352,181	\$ 23,544,604
Items not involving cash		
Amortization of tangible capital assets	2,273,526	1,827,825
Amortization of prepaid land leases	194,799	194,799
Loss (gain) on disposal of tangible capital assets	(1,590,445)	134,520
Loss from settlement of asset retirement obligations	—	88,135
Settlement of asset retirement obligations	—	(189,020)
Accretion on asset retirement obligations	615,257	574,049
Change in non-cash assets and liabilities		
Accounts receivable	(4,974,049)	(884,979)
Accounts payable and accrued liabilities	7,715,528	6,801,623
Deferred revenue and refundable deposits	9,970,466	(245,797)
Prepaid expenses	(860,239)	(1,230,539)
Net change in cash from operating transactions	101,697,024	30,615,220
<b>Capital transactions:</b>		
Proceeds on sale of tangible capital assets	8,300,000	—
Acquisition of tangible capital assets with cash (note 17(a))	(117,944,268)	(71,286,870)
Net change in cash from capital transactions	(109,644,268)	(71,286,870)
<b>Financing transactions:</b>		
Due from Metro Vancouver Regional District	(21,944,593)	7,507,736
Proceeds of mortgages and loans	33,537,273	36,742,461
Principal repayments on mortgages and loans	(3,645,436)	(3,578,547)
Net change in cash from financing transactions	7,947,244	40,671,650
<b>Net change in cash and cash equivalents</b>	<b>—</b>	<b>—</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>—</b>	<b>—</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ —</b>	<b>\$ —</b>

Supplementary cash flow information (note 17)

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, 2025

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## 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”) (note 15). 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 revenues and expenses. Revenues are recognized based on the revenue recognition policy (note 1). 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 stipulations are met and the liability is 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, rental income, and grants which have been collected, but which the related services or obligations have yet to be performed. These amounts will be recognized as revenue in the fiscal year the Corporation satisfies the performance obligations, which occurs when control of the benefits associated with the promised goods or services has passed to the payor or when the Corporation has the right to claim or retain an inflow of economic resources received or receivable and there is a past transaction or event that gives rise to the economic resources.

# METRO VANCOUVER HOUSING CORPORATION

Notes to Financial Statements, page 2

Year ended December 31, 2025

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## 1. Significant Accounting Policies (continued)

**Interest Income** Interest income is reported as revenue in the period earned if unrestricted. When required, based on external requirements, interest income earned on deferred revenue and refundable deposits is added to and forms part of the deferred revenue and refundable deposit balance.

**Cash and Investments** In order to improve cash management, the 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 government bonds issued by the federal and provincial governments of Canada, Municipal Finance Authority of British Columbia ("MFA") pooled investment funds, MFA money market fund, MFA government ultra-short bond, 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.

# METRO VANCOUVER HOUSING CORPORATION

Notes to Financial Statements, page 3

Year ended December 31, 2025

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## 1. Significant Accounting Policies (continued)

### Financial Instruments

The Corporation's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, mortgages and loans payable, and amounts due to or from the MVRD. Cash and cash equivalents are pooled with all entities held by the MVRD. Accounts receivable are recorded at cost less any amount for valuation allowance. All debt and other financial liabilities are recorded using cost or amortized cost. Interest attributable to financial instruments are reported in the statement of operations.

The classification of financial instruments is determined upon inception and financial instruments are not reclassified into another measurement category for the duration of the period they are held. All financial assets are assessed for impairment on an annual basis and any such impairment is recorded in the statement of operations. A write-down of a financial asset to reflect a loss in value is not reversed for a subsequent increase in value.

### Employee Future Benefits

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.

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 for employees who provide services for MVHC based on projected benefits as the employees render services necessary to earn the future benefits.

# METRO VANCOUVER HOUSING CORPORATION

Notes to Financial Statements, page 4

Year ended December 31, 2025

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## 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. MVHC has not identified any contaminated sites and therefore, amount reported in accounts payable and accrued liabilities (note 5) is \$nil (2024 - \$nil).

### Asset Retirement Obligations

Asset Retirement Obligations (AROs) are recognized for statutory, contractual, or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development, or normal operation of the assets. An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- a) There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- b) The past transaction or event giving rise to the liability had occurred;
- c) It is expected that future economic benefits will be given up; and
- d) A reasonable estimate of the amount can be made.

The ARO liability is initially recorded based on the best estimate of the expenditure required to retire the ARO obligation determined using present value calculation, and the resulting costs are capitalized as part of the carrying amount of the related tangible capital asset. This ARO liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing or amount required to settle the obligation or the discount rate. The changes in the AROs for the passage of time are recorded as accretion expense in the statement of operations and all other changes are adjusted to the carrying value of the tangible capital asset. This cost is amortized on the same basis as the amortization of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

# METRO VANCOUVER HOUSING CORPORATION

Notes to Financial Statements, page 5

Year ended December 31, 2025

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## 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 initially recorded at cost which includes amounts that are directly attributable to acquisition, construction, development, or betterment of the asset, including asset retirement costs that are capitalized as part of the carrying amount of the related tangible capital 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:

<b>Asset</b>	<b>Useful Lives - Years</b>
Buildings	
Buildings	25-65
Furniture and fixtures	6-10

#### 1) Annual amortization:

Annual amortization begins when the asset is put into service and is expensed over its useful lives. 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.

#### 3) Impairment of tangible capital assets

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Corporation's ability to provide goods and services or when the value of the future economic benefits associated with the asset is less than the book value of the asset.

### **Prepaid Land Leases**

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

# METRO VANCOUVER HOUSING CORPORATION

Notes to Financial Statements, page 6

Year ended December 31, 2025

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## 1. Significant Accounting Policies (continued)

### Revenue Recognition

Revenues from transactions with performance obligations are recognized when (at a point in time) or as (over a period of time) the Corporation satisfies the performance obligations, which occurs when control of the benefits associated with the promised goods or services has passed to the payor.

Revenues from transactions without performance obligations are recognized at realizable value when the Corporation has the right to claim or retain an inflow of economic resources received or receivable and there is a past transaction or event that gives rise to the economic resources.

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 Canada Mortgage and Housing Corporation ("CMHC") and BC Housing Management Commission ("BCHMC") are based on provisions set in agreements and outlined in note 3. Other revenues are recognized as revenue at a point in time or over time.

### 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.

Areas requiring the use of management's judgment and estimation relate to the determination of contaminated sites liabilities, amounts to settle and expected timing of asset retirement obligations, the estimate of accruals for projects in progress, amortization rates and useful lives for 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.

# METRO VANCOUVER HOUSING CORPORATION

Notes to Financial Statements, page 7

Year ended December 31, 2025

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## 2. Financial Risk Management

Based on the financial instruments held, the Corporation is potentially exposed to credit risk, market risk, interest rate risk, and liquidity risk.

### a. Credit risk

Credit Risk is moderate and related to the possibility of failure to collect from another party, encompassed of accounts receivable and due from MVRD. The risk exposure is limited to their carrying amounts at the date of the statement of financial position. The Corporation's accounts receivable mainly consists of receivables from rental operations of affordable housing units and grants and contributions receivable related to housing development projects. To mitigate credit risk, the Corporation regularly reviews the collectability of its accounts receivable and if needed, will establish an allowance based on its best estimate of potentially uncollectible amounts. As at December 31, 2025, there are no amounts deemed uncollectible (2024 - \$nil). The amounts due from MVRD are subject to market, interest rate, liquidity, and foreign exchange risks as detailed below. There has been no change to the credit risk exposure from 2024.

### b. Market risk and interest risk

Market risks and interest rate risks encompasses cash and cash equivalents, investments, and debt instruments. All cash and cash equivalents and investments are pooled by the MVRD and therefore an inherent risk exists related to the consolidated pooled funds held by MVRD. To mitigate this risk, the MVRD closely monitors the Bank of Canada rates and reviews inflationary impacts. The MVRD's cash and cash equivalents are deposited in high-interest savings accounts at federally regulated banks. The MVRD follows the MVRD Board approved investment policy and legislative requirements for the management of its investments, which requires low risk investment products, such as fixed income securities, government bonds, MFA pooled investment funds, MFA money market fund, and MFA government ultra-short bonds. Sales and purchases of investments are recorded on the trade date. To mitigate risks, the investment portfolio is managed regularly through cash forecasts and investments are made into low credit risk rating bonds and pools. The Corporation's exposure to interest rate risk in relation to debt instruments is limited to debt and temporary financing. The risk applies to debt when amortization periods exceed the initial locked-in term. Temporary financing is subject to daily floating rates, which can result in variability over the course of a short-term period. Interest rate risk related to debt instruments is managed through budget and cash forecasts. Interest rates have decreased slightly during the year, which primarily affects interest rate costs for new and refinanced debt and temporary borrowing, as well as, interest earnings on investments. There are no significant impacts to operating results from changes in interest rate that are reasonably possible as of year-end. With more reliance on debt instruments to fund housing development projects and with the global volatility, the Corporation's market and interest rate exposure has increased from 2024.

# METRO VANCOUVER HOUSING CORPORATION

Notes to Financial Statements, page 8

Year ended December 31, 2025

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## 2. Financial Risk Management (continued)

### c. Liquidity risk

Liquidity risk is low and mitigated by regular monitoring of cash flows and forecasts. The Corporation has pooled accounts with the MVRD and its other entities. All cash and cash equivalents are held in federally and provincially regulated banks. To meet financial obligations and mitigate liquidity risk a minimum of 25% of the pooled portfolio held by the MVRD is held in highly liquid cash in high interest savings accounts. There has been no change to the liquidity risk exposure from 2024.

### d. Foreign exchange risk

Foreign exchange risk is low. The Corporation has pooled accounts with the MVRD and its other entities. MVRD has not entered into any agreements or purchased any foreign currency hedging arrangements to hedge possible currency risks, as management believes that the foreign exchange risk derived from currency conversions is not significant. The foreign currency financial instruments are short-term in nature and do not give rise to significant foreign currency risk. There has been no change to the foreign exchange risk exposure from 2024.

# METRO VANCOUVER HOUSING CORPORATION

Notes to Financial Statements, page 9

Year ended December 31, 2025

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### 3. 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' Supportive Housing Program ("Seniors"), and Investment in Housing Innovation properties).

### 4. Accounts Receivable

	2025	2024
Housing property rental receivable	\$ 43,091	\$ 423,063
Grants and other contributions receivable	4,118,272	—
User fees, recoveries, and other receivable	3,392,544	2,156,795
	<u>\$ 7,553,907</u>	<u>\$ 2,579,858</u>

### 5. Accounts Payable and Accrued Liabilities

	2025	2024
Trade accounts payable and accrued liabilities	\$ 14,432,834	\$ 11,236,081
Construction holdbacks	9,727,124	6,920,017
Accrued interest on mortgages and debt	1,782,605	70,937
	<u>\$ 25,942,563</u>	<u>\$ 18,227,035</u>

# METRO VANCOUVER HOUSING CORPORATION

Notes to Financial Statements, page 10

Year ended December 31, 2025

## 6. Deferred Revenue and Refundable Deposits

Deferred revenue and refundable deposits consist of the following:

	2025	2024
Externally restricted funds for programs under BCHMC and CMHC Agreements (a)		
i) Rental operations	\$ 54,817	\$ 52,889
ii) Replacement provisions	6,803,638	6,112,734
iii) Retrofit projects	9,360,000	5,600,000
	16,218,455	11,765,623
MVHC tenant security deposits	2,467,042	2,326,078
Rent and subsidies received in advance	111,227	484,557
Government grants received in advance (b)	6,200,000	450,000
<b>Total</b>	<b>\$ 24,996,724</b>	<b>\$ 15,026,258</b>

Continuity of deferred revenue and refundable deposits is as follows:

	2025	2024
Balance, beginning of year	\$ 15,026,258	\$ 15,272,055
Contributions received	13,142,783	667,288
Contributions earned	(2,939,951)	(1,087,135)
Change in security deposits and prepaid rents	(232,366)	174,050
Change in deferred revenue and refundable deposits	9,970,466	(245,797)
Balance, end of year	\$ 24,996,724	\$ 15,026,258

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

- i. Rental Operations: Under operating agreements entered into with 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 and can only be used by MVHC according to the terms of the agreements. Restricted amounts are recorded as deferred revenue and are recognized when expenditures exceed revenue in the program.
- ii. Replacement Projects: Under operating agreements entered into with 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.

# METRO VANCOUVER HOUSING CORPORATION

Notes to Financial Statements, page 11

Year ended December 31, 2025

## 6. Deferred Revenue and Refundable Deposits (continued)

iii. Retrofit Projects: Under agreement entered into with CMHC and in connection with the National Housing Co-Investment Fund, \$5.6 million of funds received in 2023 were restricted for the repair of 560 affordable housing units (eight projects). In 2025, \$3.39 million was recognized as revenue for five projects, with the remaining \$2.21 million to be recognized in 2026 as work is completed. Under agreement entered into with CMHC and in connection with the Affordable Housing Fund, \$7.15 million received in 2025 are restricted for the repair of 715 affordable housing units (ten projects). These funds are deferred until funds related to the projects have been spent.

(b) Under the Affordable Housing Fund loan agreement entered into with CMHC in 2024 for financing for the Heron's Nest project, \$5,750,000 in forgivable loan was received in 2025. In 2025, no amounts have been recognized in revenue and the amount of \$5,750,000 is deferred until the government transfer stipulations have been met.

## 7. Asset Retirement Obligations

The Corporation's AROs consist of costs related to the future remediation of asbestos and lead.

The Corporation owns and operates several buildings and infrastructure assets that are known or assumed to have asbestos and lead, which represent health hazards. Upon demolition of the buildings and infrastructure assets, the Corporation has legal obligations to remove them.

Asset retirement obligations are as follows:

	2025	2024
Balance, beginning of year	\$ 14,241,884	\$ 9,940,311
Additions	199,365	3,828,409
Disposals	—	(100,885)
Accretion expense	615,257	574,049
Balance, end of year	\$ 15,056,506	\$ 14,241,884

The liability has been estimated using a present value calculation with a discount rate for 2025 of 4.2% (2024 – 4.2%). The estimated total undiscounted future expenditures are \$37,303,695 (2024 – \$40,754,233) and the number of years to expected settlement range from 16 to 42 years (2024 – 17 to 43 years).

# METRO VANCOUVER HOUSING CORPORATION

Notes to Financial Statements, page 12

Year ended December 31, 2025

## 8. Mortgages and Loans Payable

The current MVHC mortgages are financed through financial institutions, other government lenders, such as the CMHC and MVRD. The MVRD mortgage issuance is approved by the Board. There are currently no MVHC borrowings outstanding with the MFA, however to finance through the MFA a security issuing bylaw would be issued. Properties funded by mortgages and construction financing are collateralized by a first priority mortgage, a general assignment of rents, and the benefit of all covenants and agreements included in any lease and loan agreements. The MVHC also entered into construction loan agreements with BCHMC for financing of redevelopment projects.

Mortgages and loans payable are comprised of the following.

	2025	2024
Construction financing payable (a)	\$ 70,279,734	\$ 36,742,461
Mortgages payable to CMHC and financial institutions (b)	34,665,238	37,387,091
Loans payable to MVRD (c)	5,483,684	6,407,267
	\$ 110,428,656	\$ 80,536,819

a) Construction financing payable to BCHMC and CMHC have varying repayment terms in 2026 with a variable interest rate.

- i. In 2022, MVHC entered into a demand non-revolving construction loan agreement with BCHMC for financing of the Kingston Gardens redevelopment project located in Surrey, BC. The maximum approved construction loan amount is \$44,642,752. Interest payable on the loan will be calculated based on variable rate of not more than the Royal Bank of Canada Prime Rate plus 1.00% compounded monthly, not in advance. As of December 31 2025, \$27,957,184 (2024 - \$23,299,246) has been used to fund the project.
- ii. In 2023 MVHC entered into a construction loan agreement with BCHMC for funding for the Salal Landing Project, a 63 unit multi-family project located in Port Coquitlam, BC. This project is financed by a repayable loan with the maximum approved of \$20,305,079. As of December 31 2025, \$16,938,945 (2024 - \$13,443,215) has been used to fund the project.
- iii. In 2023 MVHC entered into a construction loan agreement with CMHC for the Heather Place B Project, a 87 unit rental housing project located in Vancouver, BC. This project is financed by a repayable loan with the maximum approved of \$26,146,128. As of December 31 2025, \$25,383,605 (2024 - \$nil) has been used to fund the project.

b) Mortgages payable includes varying maturities up to 2055 with interest rates ranging from 1.44% to 4.87%.

c) 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 3.90% in 2025 (2024 - 4.10%). 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.

# METRO VANCOUVER HOUSING CORPORATION

Notes to Financial Statements, page 13

Year ended December 31, 2025

## 8. Mortgages and Loans Payable (continued)

Rental Property	Financed by	Interest Rate - %	Renewal Date	Expected Maturity Date	2025	2024
<b>Redevelopment Projects:</b>						
Kingston Gardens	BCHMC	Variable	—	April 30, 2026	\$ 27,957,184	\$23,299,246
Salal Landing	BCHMC	Variable	—	September 30, 2026	16,938,945	13,443,215
Heather Place B	CMHC	3.61	—	April 30, 2026	25,383,605	—
<b>Total Redevelopment projects</b>					<b>70,279,734</b>	<b>36,742,461</b>
<b>Investment in Housing Innovation Projects:</b>						
Heather Place A	Other	1.44	December 1, 2030	December 1, 2055	11,814,076	12,126,985
<b>Total Investment in Housing Innovation projects</b>					<b>11,814,076</b>	<b>12,126,985</b>
<b>Seniors projects:</b>						
Alderwood Place	CHMC	2.55	—	July 1, 2027	443,412	714,481
Cedarwood Place	MVRD	3.90	July 1, 2029	July 1, 2038	2,683,165	2,889,565
<b>Total Seniors projects</b>					<b>3,126,577</b>	<b>3,604,046</b>
<b>HOMES BC projects:</b>						
Chateau de Ville	Other	4.87	July 1, 2027	July 1, 2035	5,253,913	5,679,570
Claude Douglas	Other	2.56	November 1, 2029	November 1, 2036	1,418,583	1,529,899
Fraserwood	Other	1.44	December 1, 2030	December 1, 2035	2,262,266	2,471,160
Inlet Centre Residences	Other	1.58	October 1, 2030	October 1, 2038	4,069,548	4,353,453
Maplewood	Other	2.62	May 1, 2027	May 1, 2037	1,811,955	1,946,491
Odlinwood	Other	2.03	August 1, 2026	August 1, 2036	3,293,813	3,567,761
<b>Total HOMES BC projects</b>					<b>18,110,078</b>	<b>19,548,334</b>
<b>MVHC projects:</b>						
Crown Manor	MVRD	3.90	July 15, 2029	July 15, 2038	494,511	533,185
Earle Adams Village	MVRD	3.90	—	June 1, 2027	530,149	795,223
Euclid Square	MVRD	3.90	—	June 1, 2027	155,729	233,594
Grandview Gardens	MVRD	3.90	—	June 1, 2027	111,140	166,710
Kelly Court	MVRD	3.90	—	June 1, 2027	220,555	330,833
Manor House	MVRD	3.90	March 15, 2029	March 15, 2038	829,630	894,277
Meridian Village	Other	2.46	September 1, 2026	July 1, 2031	2,689,949	3,134,154
Minato West	Other	2.22	—	October 1, 2031	1,607,723	1,863,136
Regal Place Hotel	MVRD	3.90	March 15, 2029	March 15, 2038	294,559	317,511
Semlin Terrace	MVRD	3.90	—	June 1, 2027	164,246	246,369
<b>Total MVHC projects</b>					<b>7,098,191</b>	<b>8,514,992</b>
<b>Total mortgages and loans payable</b>					<b>\$110,428,656</b>	<b>\$80,536,818</b>

# METRO VANCOUVER HOUSING CORPORATION

Notes to Financial Statements, page 14

Year ended December 31, 2025

## 8. Mortgages and Loans Payable (continued)

Mortgages and loans outstanding are expected to be renegotiated on a long-term basis. Based on the expectation that the loans will be renewed or extended at their contractual maturity dates, principal payments due within the next five years and thereafter are as follows:

	<b>Payments for Construction Financing</b>	<b>Payments for Mortgages</b>	<b>Payments for MVRD Loans</b>	<b>Total Payments</b>
2026	\$ 70,279,734	\$ 2,743,519	\$ 923,583	\$ 73,946,836
2027	—	2,562,547	923,582	3,486,129
2028	—	2,450,003	332,673	2,782,676
2029	—	2,535,255	332,674	2,867,929
2030	—	2,624,090	332,675	2,956,765
Thereafter	—	21,749,824	2,638,497	24,388,321
<b>Total</b>	<b>\$ 70,279,734</b>	<b>\$ 34,665,238</b>	<b>\$ 5,483,684</b>	<b>\$ 110,428,656</b>

# METRO VANCOUVER HOUSING CORPORATION

Notes to Financial Statements, page 15

Year ended December 31, 2025

## 9. Tangible Capital Assets

Year ended December 31, 2025

	Cost			Accumulated Amortization				Net Book Value December 31, 2025	
	Balance at December 31, 2024	Additions	Disposals	Balance at December 31, 2025	Balance at December 31, 2024	Disposals	Amortization Expense		Balance at December 31, 2025
Land	\$ 52,274,381	\$ —	\$ (249,363)	\$ 52,025,018	\$ —	\$ —	\$ —	\$ —	\$ 52,025,018
Buildings	235,206,956	93,572,881	(6,475,677)	322,304,160	179,602,805	(27,140)	1,818,495	181,394,160	140,910,000
Furniture & fixtures	6,393,376	536,933	(371,853)	6,558,456	4,800,345	(360,198)	455,031	4,895,178	1,663,278
Construction in progress	128,792,024	24,033,819	—	152,825,843	—	—	—	—	152,825,843
	<b>\$ 422,666,737</b>	<b>\$ 118,143,633</b>	<b>\$ (7,096,893)</b>	<b>\$ 533,713,477</b>	<b>\$ 184,403,150</b>	<b>\$ (387,338)</b>	<b>\$ 2,273,526</b>	<b>\$ 186,289,338</b>	<b>\$ 347,424,139</b>

Additions related to asset retirement costs were \$199,365 (2024 - \$3.8 million).

The net book value of disposals and write-offs were \$6.7 million in 2025 (2024 - \$134,520).

In 2025, there were no tangible capital assets contributed to the Corporation (2024 - \$nil).

Year ended December 31, 2024

	Cost			Accumulated Amortization				Net Book Value December 31, 2024	
	Balance at December 31, 2023	Additions	Disposals	Balance at December 31, 2024	Balance at December 31, 2023	Disposals	Amortization Expense		Balance at December 31, 2024
Land	\$ 52,274,381	\$ —	\$ —	\$ 52,274,381	\$ —	\$ —	\$ —	\$ —	\$ 52,274,381
Buildings	233,201,353	3,828,409	(1,822,806)	235,206,956	180,006,418	(1,729,574)	1,325,961	179,602,805	55,604,151
Furniture & fixtures	6,511,458	374,675	(492,757)	6,393,376	4,749,950	(451,469)	501,864	4,800,345	1,593,031
Construction in progress	57,879,829	70,912,195	—	128,792,024	—	—	—	—	128,792,024
	<b>\$ 349,867,021</b>	<b>\$ 75,115,279</b>	<b>\$ (2,315,563)</b>	<b>\$ 422,666,737</b>	<b>\$ 184,756,368</b>	<b>\$ (2,181,043)</b>	<b>\$ 1,827,825</b>	<b>\$ 184,403,150</b>	<b>\$ 238,263,587</b>

## 10. Prepaid Land Leases

	2025	2024
Balance, beginning of year	\$ 4,477,902	\$ 4,672,701
Amortization	(194,799)	(194,799)
Balance, end of year	\$ 4,283,103	\$ 4,477,902

The lease terms for the properties are as follows:

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

# METRO VANCOUVER HOUSING CORPORATION

Notes to Financial Statements, page 16

Year ended December 31, 2025

## 11. Grants and Other Contributions

	2025	2024
Grants and contributions for capital housing development		
MVRD (a)	\$ 24,098,897	\$ —
Federal Crown corporations	4,129,194	—
Provincial Crown corporations	20,998,011	—
Member jurisdictions of MVRD	22,946,058	—
Other	754,635	7,024,437
	72,926,795	7,024,437
Grants and contributions for property rental operations		
Federal Crown corporations	1,890,000	—
Provincial Crown corporations	1,361,682	1,344,961
0	3,251,682	1,344,961
	\$ 76,178,477	\$ 8,369,398

(a) Amounts recognized as grant and other contributions from MVRD are as follows:

- i. The MVRD maintains the Housing planning and policy development reserve for financing of the development of housing projects. During 2025, the Corporation recognized total grant revenue of \$19,708,577 (2024 - \$nil) from MVRD as expenditures were incurred for the 3 new development projects: Heron's Nest, The Steller, and Riverside Drive.
- ii. The MVRD allocated a grant amount for Metro Vancouver non-market housing development from the grant received from the Province under the Growing Communities fund in 2023. During 2025, the Corporation recognized total grant revenue of \$4,390,320 (2024 - \$nil) for the redevelopment project for Malaspina Village.

# METRO VANCOUVER HOUSING CORPORATION

Notes to Financial Statements, page 17

Year ended December 31, 2025

## 12. 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:

	2025	2024
Reserves	\$ 65,227,071	\$ 57,614,438
Capital fund	(54,549,909)	(56,020,742)
Investment in tangible capital assets	236,995,483	157,726,768
Share capital	2,000	2,000
	\$ 247,674,645	\$ 159,322,464

Continuity of reserves is as follows:

	Operating	Capital Development	Capital Replacement	2025	2024
Balance, beginning	\$ 10,403,919	\$ 24,531,574	\$ 22,678,945	\$ 57,614,438	\$ 58,587,044
Interest	409,023	1,051,548	753,470	2,214,041	2,699,488
Contribution to operations	—	—	(4,615,223)	(4,615,223)	(6,859,709)
Contribution to capital	—	4,958,888	(6,361,926)	(1,403,038)	(10,614,895)
Annual operating surplus	11,416,853	—	—	11,416,853	13,802,510
	\$ 22,229,795	\$ 30,542,010	\$ 12,455,266	\$ 65,227,071	\$ 57,614,438

# METRO VANCOUVER HOUSING CORPORATION

Notes to Financial Statements, page 18

Year ended December 31, 2025

## 12. Accumulated Surplus (continued)

Capital fund balance represents the expected level of funding required for capital expenditures.

Capital fund balance is calculated as follows:

	2025	2024
Capital Fund Balance, beginning of year	\$ (56,020,742)	\$ (40,548,932)
Revenues		
Grants and other contributions	72,926,796	7,024,437
Loss (gain) on disposal of tangible capital assets	1,590,445	(134,520)
Loss from settlement of asset retirement obligations	—	(88,135)
	74,517,241	6,801,782
Expenses		
Amortization of tangible capital assets	(2,273,526)	(1,827,825)
Accretion on asset retirement obligations	(615,257)	(574,049)
	(2,888,783)	(2,401,874)
Non-financial assets transactions		
Acquisition of tangible capital assets	(118,143,633)	(75,115,279)
Disposal of tangible capital assets	6,709,555	134,520
Amortization of tangible capital assets	2,273,526	1,827,825
Amortization of prepaid land leases	(194,799)	(194,799)
	(109,355,351)	(73,347,733)
Financing		
Proceeds of mortgages and loans	33,537,273	36,742,461
Contribution from operating fund	4,257,416	683,054
Contribution from reserves	1,403,037	16,050,500
	39,197,726	53,476,015
Capital Fund Balance, end of year	\$ (54,549,909)	\$ (56,020,742)

# METRO VANCOUVER HOUSING CORPORATION

Notes to Financial Statements, page 19

Year ended December 31, 2025

## 12. Accumulated Surplus (continued)

Investment in tangible capital assets is calculated as follows:

	2025	2024
Tangible capital assets	\$ 347,424,139	\$ 238,263,587
Amounts financed by:		
Debt	(110,428,656)	(80,536,819)
	\$ 236,995,483	\$ 157,726,768

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

	2025	2024
Change in the investment in tangible capital assets		
Acquisition of tangible capital assets	\$ 118,143,633	\$ 75,115,279
Amortization of tangible capital assets	(2,273,526)	(1,827,825)
Gain (loss) on disposal of tangible capital assets	1,590,445	(134,520)
Proceeds on disposal of tangible capital assets	(8,300,000)	—
	109,160,552	73,152,934
Less financing of tangible capital assets through debt		
Proceeds of mortgages and loans	33,537,273	36,742,461
Principal repayments on mortgages and loans	(3,645,436)	(3,578,547)
	29,891,837	33,163,914
Change in investment in tangible capital assets	79,268,715	39,989,020
Investment in tangible capital assets, beginning of year	157,726,768	117,737,748
Investment in tangible capital assets, end of year	\$ 236,995,483	\$ 157,726,768

## 13. Contractual Obligations

As at December 31, 2025, the Corporation had the following commitments relating to projects in progress.

Authorized and Outstanding Projects	Expended at December 31	Total 2025	Total 2024
\$ 768,313,000	\$ (241,511,486)	\$ 526,801,514	\$ 486,551,366

# METRO VANCOUVER HOUSING CORPORATION

Notes to Financial Statements, page 20

Year ended December 31, 2025

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## 14. Contingencies

### Lawsuits

As at December 31, 2025, 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. The estimated total Repayable Assistance at December 31, 2025 is \$nil (2024 - \$nil). The balance will be reconciled and finalized once BCHMC completes the financial review for the fiscal year ended December 31, 2025.

# METRO VANCOUVER HOUSING CORPORATION

Notes to Financial Statements, page 21

Year ended December 31, 2025

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## 14. Contingencies (continued)

### **BCHMC Grant Funding - Heather Place A**

In 2018 MVHC entered into a forgivable loan agreement (the "Agreement") with BCHMC for funding for the Heather Place Facility located in Vancouver, BC. MVHC received funding in the amounts of \$6,685,520 in 2018 and 2019. 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 in 2020 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 - Kelly Court**

In 2022 MVHC entered into an agreement with the CMHC for funding for the repair of the Kelly Court Facility located in Vancouver, BC, totalling \$1,321,824. In 2023, \$1,171,038 of the grant was expended and recorded as grant revenue. Stipulations of the grant agreement requires that MVHC maintain the affordability of the building for eligible occupants for a period of 20 years, 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. The work for Kelly Court was completed in 2023 and no additional funds are expected to be received.

# METRO VANCOUVER HOUSING CORPORATION

Notes to Financial Statements, page 22

Year ended December 31, 2025

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## 14. Contingencies (continued)

### **BCHMC / CMHC Loan Funding - Kingston Gardens Redevelopment Project**

In 2022, MVHC entered into a demand, non-revolving construction loan agreement with BCHMC for financing of the Kingston Gardens redevelopment project located in Surrey, BC. As of December 31, 2025, MVHC received \$27,957,184. Amounts drawn from the loan were originally required to be repaid by May 1, 2025; however, MVHC and BCHMC have mutually agreed to an extension of the repayment timeline as the loan close-out process is taking longer than anticipated. The loan repayment is expected to be completed prior to April 30, 2026. The balance of the construction loan will be converted into a mortgage obtained from CMHC's National Housing Co-Investment Fund, which includes a forgivable loan in the amount of \$1,454,194.

### **BCHMC loan Funding - Salal Landing Redevelopment Project**

In 2023, MVHC entered into a construction loan agreement with BCHMC for financing of the Salal Landing project, a 63-unit multi-family housing development located in Port Coquitlam, BC. The project is funded by a repayable construction loan with a maximum approved amount of \$20,305,079 and a maximum forgivable loan in the amount of \$7,925,000. The repayable loan is a demand, non-revolving construction loan that will transition to long-term financing upon project completion. Interest on the repayable loan is calculated at a variable rate during construction and will convert to a fixed rate upon commencement of financing.

The forgivable loan term is 35 years and is forgivable in the amount of 1/25th of the final balance commencing in the 11th year after the commencement date. The loan will continue to be forgiven 1/25th each subsequent year until the loan is fully forgiven. 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.

# METRO VANCOUVER HOUSING CORPORATION

Notes to Financial Statements, page 23

Year ended December 31, 2025

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## 14. Contingencies (continued)

### **CMHC Loan Funding - Heather Place B Redevelopment Project**

In 2023, MVHC entered into a construction loan agreement with CMHC for financing of the Heather Place B Project, an 87-unit rental housing project located in Vancouver, BC. The project is funded through a repayable loan with a maximum approved amount of \$26,146,128 and a forgivable loan in the amount of \$1,175,000. During 2025, MVHC received \$25,383,605 of the repayable loan and the full forgivable loan amount of \$1,175,000. The remaining repayable loan balance of \$762,523 is expected to be received prior to April 30, 2026. The forgivable loan received in 2025 was recorded as revenue in 2025, as the remaining requirement to operate the facility in accordance with the Agreement is not considered to create a liability. The repayable loan has an amortization period of 50 years and principal repayment will commence upon the project achieving Stabilization, defined as annualized gross income of \$2,035,539. Interest on the repayable loan is calculated semi-annually in arrears, commencing on the interest capitalization date or as CMHC may otherwise determine.

The forgivable loan will have an equal portion of the principal amount forgiven on each anniversary of the date that the loan is fully forgiven. The forgivable loan is interest-free until Stabilization is achieved (after 12 months of consecutive gross income exceeding the threshold as defined in the loan agreement) and provided the loan is not in default.

### **CMHC Loan Funding - Heron's Nest**

In 2024, MVHC entered into a construction loan agreement with CMHC for financing of the Heron's Nest, a 115-unit rental housing development project located in Pitt Meadows, BC. The project is funded by a repayable loan with a maximum approved amount of \$28,590,024 and a forgivable loan in the amount of \$5,750,000. The forgivable loan amount of \$5,750,000 was received in March 2025 and recorded as deferred revenue. As at December 31, 2025, MVHC has not yet received any financing from the repayable portion of the loan. The repayable loan has an amortization period of 50 years and principal repayment will commence upon the project achieving Stabilization, defined as annualized gross income of \$2,276,968. Interest on the repayable loan is calculated semi-annually in arrears, commencing on the interest capitalization date or as CMHC may otherwise determine.

The forgivable loan will have an equal portion of the principal amount forgiven on each anniversary of the date that the loan is fully forgiven. The forgivable loan is interest-free until Stabilization is achieved (after 12 months of consecutive gross income exceeding the threshold as defined in the loan agreement) and provided the loan is not in default, which would result in interest being payable on the unforgiven balance of the principal amount then outstanding at up to 5% per annum, compounded semi-annually and not in advance.

# METRO VANCOUVER HOUSING CORPORATION

Notes to Financial Statements, page 24

Year ended December 31, 2025

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## 14. Contingencies (continued)

### **BCHMC Grant Funding - Heather Place B**

In 2025, MVHC entered into a forgivable loan agreement (the "Agreement") with BCHMC to provide financing for the development and construction of Heather Place B, located in Vancouver, BC. MVHC received funding in the amounts of \$20,939,411 in 2025. The loan term is 35 years and is forgivable in the amount of 1/25th of the final principal balance, commencing on the 11th anniversary after completion of construction and commencement of operations, which occurred in 2025. Upon commencement of operations of the facility, the amount of funding received was recorded as revenue in 2025 as the remaining stipulation of continuing to operate the facility in accordance with the Agreement is not considered to create a liability.

Loan forgiveness 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. Interest payments 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.

### **BCHMC Grant Funding – Heron’s Nest**

In 2025, MVHC entered into a forgivable loan agreement (the "Agreement") with BCHMC to provide financing for the development and construction of Heron’s Nest, a 115-unit affordable rental housing project located in Pitt Meadows, BC. Under the Agreement, BCHMC approved a forgivable construction mortgage loan of \$27,901,317 to fund eligible project costs. As at December 31, 2025, MVHC has not received any of the financing. Funding of eligible costs is expected to be received in 2026. The loan term is 35 years and is forgivable in the amount of 1/25th of the final principal balance, commencing on the 11th anniversary after completion of construction and commencement of operations.

Loan forgiveness 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. Interest payments 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.

# METRO VANCOUVER HOUSING CORPORATION

Notes to Financial Statements, page 25

Year ended December 31, 2025

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## 14. Contingencies (continued)

### **BCHMC Grant Funding – The Connection**

In 2025, MVHC entered into a forgivable construction loan agreement (the “Agreement”) with BCHMC to provide financing for the development and construction of The Connection, a 174-unit affordable rental housing project located in Burnaby, BC. Under the Agreement, BCHMC approved a forgivable construction mortgage loan of \$41,824,822 to fund eligible project costs. As at December 31, 2025, MVHC has not received any of the financing. Funding of eligible costs is expected to be received in 2026. The loan term is 35 years and is forgivable in the amount of 1/25th of the final principal balance, commencing on the 11th anniversary after completion of construction and commencement of operations.

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.

### **CMHC Loan Funding – The Connection**

In 2025, MVHC entered into a construction loan agreement with CMHC for financing of The Connection, a 174-unit affordable rental housing development project located in Burnaby, BC. The project is funded through a repayable loan of \$51,832,931 and a forgivable loan of \$13,050,000. As at December 31, 2025, MVHC had not yet received any funding from the loan. The repayable loan has a 10-year term and 50-year amortization. Interest is fixed prior to the first advance and calculated semi-annually, not in advance, beginning on the Interest Capitalization Date. Blended principal and interest payments commence upon Stabilization, defined as 12 consecutive months of Total Effective Gross Income of at least \$4,014,193, or at the Outside Stabilization Date (24 months after occupancy), whichever occurs first.

The forgivable loan is interest-free unless an Event of Default occurs, in which case CMHC may charge 5% interest. Beginning on each anniversary of the commencement of the forgivable loan term, 5% of the principal amount advanced is forgiven annually, over a 20-year term, subject to compliance with CMHC affordability, accessibility, and energy-efficiency covenants.

# METRO VANCOUVER HOUSING CORPORATION

Notes to Financial Statements, page 26

Year ended December 31, 2025

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## 14. Contingencies (continued)

### **BCHMC Grant Funding – The Steller**

In 2025, MVHC entered into a forgivable construction loan agreement (the “Agreement”) with BCHMC to provide financing for the development and construction of The Steller, a 122-unit affordable rental housing project located in Burnaby, BC. Under the Agreement, BCHMC approved a forgivable construction mortgage loan of \$29,325,450 to fund eligible project costs. As at December 31, 2025, MVHC has not received any of the financing. Funding of eligible costs is expected to be received in 2026. The loan term is 35 years and is forgivable in the amount of 1/25th of the final principal balance, commencing on the 11th anniversary after completion of construction and commencement of operations.

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.

### **CMHC Loan Funding – The Steller**

In 2025, MVHC entered into a construction loan agreement with CMHC for financing of The Steller, a 122-unit affordable rental housing development project located in Burnaby, BC. The project is funded through a repayable loan of \$36,725,716 and a forgivable loan of \$6,100,000. As at December 31, 2025, MVHC had not yet received any funding from the loan. The repayable loan has a 10-year term and 50-year amortization. Interest is fixed prior to the first advance and calculated semi-annually, not in advance, beginning on the Interest Capitalization Date. Blended principal and interest payments commence upon Stabilization, defined as 12 consecutive months of Total Effective Gross Income of at least \$2,571,195, or at the Outside Stabilization Date (24 months after occupancy), whichever occurs first.

The forgivable loan is interest-free unless an Event of Default occurs, in which case CMHC may charge 5% interest. Beginning on each anniversary of the commencement of the forgivable loan term, 5% of the principal amount advanced is forgiven annually, over a 20-year term, subject to compliance with CMHC affordability, accessibility, and energy-efficiency covenants.

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Year ended December 31, 2025

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## 14. Contingencies (continued)

### **MFA Loan Funding – Crown Manor**

In 2025, MVRD entered into a demand, non-revolving short-term loan agreement (the “Agreement”) with the MFA under Temporary Borrowing Bylaw No. 1397 and Loan Authorization Bylaw No. 1381. The agreement provides for a loan up to \$4,280,000 to finance capital renewal of the Crown Manor project.

Advances under the loan are made upon satisfaction of the conditions outlined in the agreement, including submission of required documentation and approvals. Interest is calculated daily on funds advanced at the MFA applicable variable rate, as determined by MFA from time to time. Amounts outstanding, including interest, are payable on demand.

## 15. Related Party Transactions

The MVRD is a related party to the Corporation, a wholly-owned subsidiary of the MVRD. The Corporation and the MVRD are separate legal entities authorized by separate legislation. MVHC is a non-profit corporation, incorporated under the Business Corporations Act (British Columbia). MVRD is a local government established under the Local Government Act of British Columbia. During the year, the Corporation recognized \$24,098,897 (2024 - \$nil) of grants and other contributions from MVRD (note 11) and recorded corporate cost of \$2,876,642 (2024 - \$2,704,562) allocated from MVRD for corporate services and administration.

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## 16. Budget Information

The annual budget presented in these financial statements is based upon the 2025 operating and capital budgets approved by the Corporation's Board in November 2024. 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 \$186,156,000 were included in the Capital Budget approved by the Board.

	2025 Budget	2024 Budget
Budgeted annual surplus per Exhibit B	\$ 135,341,904	\$ 73,970,542
Items not included in the operating budget		
Amortization of tangible capital assets and prepaid land leases	2,019,335	1,899,898
Accretion on asset retirement obligation	598,159	417,493
Reserve interest	(2,049,590)	(1,128,362)
Development grant	(139,101,000)	(73,765,235)
Items included in the budget but not in financial statements		
Debt principal payments	(5,403,452)	(4,329,792)
Transfers to reserves	8,594,644	2,935,456
Annual surplus per approved budget	\$ —	\$ —

## 17. Supplementary Cash Flow Information

The following non-cash transactions related to the increase to asset retirement costs, PS 3280 Asset Retirement Obligations, are excluded from the statement of cash flows.

	2025	2024
Asset retirement cost (a)	\$ 199,365	\$ 3,828,409
Increase to asset retirement obligations	(199,365)	(3,828,409)
	\$ —	\$ —

(a) Assets acquired through other non-cash transactions are excluded from the acquisition of tangible capital assets with cash on the statement of cash flows.

	2025	2024
Acquisition of tangible capital assets with cash	\$ 117,944,268	\$ 71,286,870
Asset retirement cost	199,365	3,828,409
Tangible capital asset additions (note 9)	\$ 118,143,633	\$ 75,115,279

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Year ended December 31, 2025

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## 18. Subsequent Events

### a. MFA Short-term Loan Funding - The Le Chateau Project

On January 9, 2026, the MVRD, on behalf of the Corporation, entered into a demand, non-revolving loan agreement with MFA for The Le Chateau project. The agreement provides for a non-revolving loan of \$5,038,000, subject to a variable interest rate.

### b. CMHC loan funding - The Crown Manor Project

On February 9, 2026, the Corporation entered into a retrofit funding loan agreement with CMHC for The Crown Manor project. The agreement includes a forgivable portion of \$2,465,000 and a repayable portion of \$617,687. The repayable portion is subject to an interest rate of up to 6.43%.

### c. CMHC loan funding - The Le Chateau Project

On March 4, 2026, the Corporation entered into a retrofit funding loan agreement with CMHC for The Le Chateau project. The agreement includes a forgivable portion of \$2,040,000 and a repayable portion of \$524,536. The repayable portion is subject to an interest rate of up to 11.21%.

## 19. Comparative Figures

Certain comparative figures have been reclassified to conform to the presentation of the current year. These reclassifications had no impact on prior year annual surplus.