

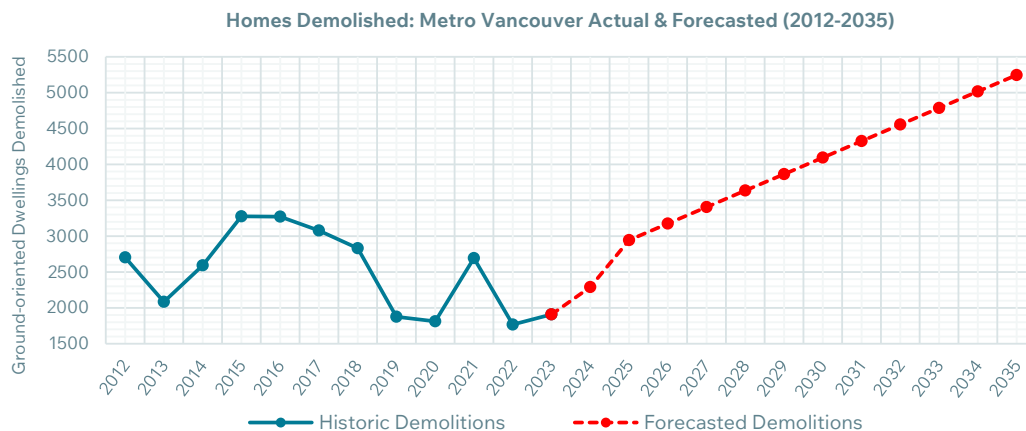
Metro Vancouver: Home Demolition Assessment

On average, 2,714 homes were demolished in Metro Vancouver each year between 2012 – 2019.⁴

Under the BC Government's '**Homes For People**' plan, municipalities in Metro Vancouver amended their residential zoning requirements in 2024 to encourage the construction of small-scale multi-family homes on lands traditionally zoned for single-family dwellings.⁵

In 2016, the City of Auckland, New Zealand introduced a similar policy affecting three-quarters of its residential land area. The result was the construction of more than 20,000 multi-family homes over five years and more than 7,000 additional homes demolished.⁶ Based on historic rates of demolition and the Auckland experience, it is projected more than 45,045 homes will be torn down across Metro Vancouver over the next ten years to accommodate residential redevelopment. The rate of demolition is anticipated to increase by 35% over the next ten years as a result of the province's upzoning policy.

The following chart provides a conservative estimate of the expected impact of the relaxed zoning policy and economic factors will have on demolition rates in the Region.^{7,8} While generating much-needed housing, the unintended consequence will be a significant increase in the number of demolitions unless Vancouver takes steps to prevent it.



⁴ Metro Vancouver Housing Data Book 2023, p.80.

⁵ Government of BC, *Homes for People Plan* (2024).

⁶ *One Final Effort: Auckland*.

⁷ Demolitions in 2023 and 2024 were estimated at the 10-year historic average (2012-2022). Historic demolition rates run inverse to major housing market and economic indicators (i.e., housing starts, building permits issued and interest rates), which increased consistently between 2015-2020.

⁸ Forecasted demolitions have been distributed across 2025-2035 using the historic average (2012-2019) as a baseline. A demolition rate of 35% is applied to the forecasted 130,000 new housing units to be built under the residential rezoning policy following the experience in Auckland, NZ. The historic demolition rate of 10.29% was applied to the additional 86,000 new units forecasted under the 'Homes for People' plan, assuming these units follow historic redevelopment trends. "Ground-oriented dwellings" include single detached, cottages, mobiles, duplexes, semi-detached, and row houses.

Metro Vancouver: Home Demolition Assessment

The following policy recommendations offer Metro Vancouver an effective framework to promote to local municipalities that avoids demolition and encourage home relocation and deconstruction of single-family homes.

- 1. Pre-Demolition Assessments:** Require all single-family homes slated for demolition to undergo an assessment to determine whether the home can be relocated or deconstructed. Applicants must provide written confirmation of relocation and deconstruction assessment along with their Rezoning, Development or Building Permit application.
- 2. Refundable Deposit:** Where relocation or deconstruction is deemed feasible through the pre-demolition assessment require a \$19,500 or greater deposit that is refunded upon proof that the home has been relocated or a prescribed amount of material has been salvaged. The City of Victoria imposes a \$19,500 refundable deposit that requires 3.5kg of wood be salvaged per square foot of finished floor space.
- 3. Early Green Removal Permit:** Allow the relocation or deconstruction of homes prior to issuance of the building permit.
- 4. Municipal Building Removal Procurement Standards:** Lead by example by applying pre-demolition assessments to properties owned by the regional district. Parks Canada, for example, requires all buildings in its custody slated for demolition to be pre-assessed for building relocation or deconstruction. BC Housing requires construction, renovation and demolition (C&D) waste reduction and diversion from landfills for all projects that receive the majority of funding from BC Housing.

Co-authored by Light House and Renewal Development



To: Regional Planning Committee

From: Sandy Young, Senior Engagement Specialist, External Relations
Marina Jozipovic, Senior Planner, Regional Planning and Housing Services

Date: March 5, 2025 Meeting Date: April 3, 2025

Subject: **Housing 2050: A Roadmap to Implement Metro 2050's Housing Goal – Engagement Approach**

RECOMMENDATION

That the Regional Planning Committee receive for information the report dated March 5, 2025, titled "Housing 2050: A Roadmap to Implement Metro 2050's Housing Goal – Engagement Approach".

EXECUTIVE SUMMARY

This report outlines the engagement approach to support the development of *Housing 2050: A Roadmap to Implement Metro 2050's Housing Goal (Housing 2050)*. The objectives for this engagement are to hear from those who have a role in advancing the region's affordable housing, and to collect input to inform the recommendations in *Housing 2050*. The engagement program will focus on hearing input from member jurisdictions, First Nations, other governments, and organizations working in the affordable housing sector. Engagement is scheduled to occur between January and November 2025 and align with key milestones in the technical work plan. Staff intend to return to the Regional Planning Committee by the end of 2025 with a proposed draft of *Housing 2050*, including a summary of the engagement.

PURPOSE

The purpose of this report is to provide the Regional Planning Committee with an overview of the engagement approach for *Housing 2050: A Roadmap to Implement Metro 2050's Housing Goal*.

BACKGROUND

At its April 5, 2024, meeting, the Regional Planning Committee (Committee) received the scope of work for *Housing 2050* in a report titled, "Regional Affordable Housing Strategy Update (Housing 2050: A Roadmap to Implement Metro 2050's Housing Goal) – Scope of Work" (Reference 1). *Housing 2050* is intended to be an action-oriented roadmap and to support collective advocacy for the implementation of Goal 4 of *Metro 2050*, to provide diverse and affordable housing choices. It is part of the Board-approved Housing Policy and Planning budget and work plan.

OVERVIEW OF ENGAGEMENT APPROACH

Metro Vancouver is committed to engaging with member jurisdictions, First Nations, other governments, and organizations, and incorporating their input and feedback into project decisions. The engagement for *Housing 2050* will focus on hearing from those who have a role in advancing the region's affordable housing. It will provide an opportunity for audiences to provide input into the development of *Housing 2050* and to discuss opportunities for regional alignment,

collaboration, and advocacy around affordable housing. Engagement activities will align with the key milestones of developing *Housing 2050*, including the Housing Needs Report, Affordable Housing Gap Analysis, Housing Policy Alternatives, with advocacy strategies, and the confirmation of *Housing 2050* roadmap actions. This process will leverage Metro Vancouver's role in supporting affordable housing in this region, with an emphasis on regional policy, advocacy, and role as a convener. Engagement will take place from January through November 2025, and an engagement summary report will reflect how the input and feedback received has informed the development of *Housing 2050*.

Engagement Objectives

The engagement objectives for this project are to:

- Reach, involve, and hear from those who have a role in advancing affordable housing in the region;
- Discuss opportunities for regional alignment and collaboration, and hear ideas for actions, to inform *Housing 2050* recommendations; and
- Collect input and feedback, and identify where input from key audiences is reflected in *Housing 2050*.

Audiences

Housing 2050 engagement will focus on reaching, involving, and hearing from those who are likely to comment, be interested, or have a role in advancing affordable housing in the region. Audience categories, with examples, include:

- Member jurisdictions: MVRD Board (Board) and Committee, Regional Planning Advisory Committee (RPAC), and RPAC Housing Subcommittee;
- Local First Nations: q̓icəy̓ (Katzie First Nation), q̓wɑ:ṇłəṇ (Kwantlen First Nation), k̓w̓ik̓wəłəm (Kwikwetlem First Nation), máthxwi (Matsqui First Nation), x̓məθk̓wəy̓əm (Musqueam Indian Band), Semiahmoo First Nation, Sk̓w̓xwú7mesh Úxwumixw (Squamish Nation), scəwəθən məsteyəx̓w (Tsawwassen First Nation), səlilwətał (Tsleil-Waututh Nation), and qiqéyt (Qayqayt First Nation);
- Other levels of government and government agencies: Federal Ministry of Housing, Infrastructure, and Communities; Provincial Ministry of Housing and Municipal Affairs, Canada Mortgage and Housing Corporation, BC Housing, TransLink, and health authorities; and
- Advocacy organizations: Union of BC Municipalities, Federation of Canadian Municipalities, Aboriginal Housing Management Association, Co-operative Housing Federation of BC, British Columbia Non-Profit Housing Association, and Urban Development Institute.

Activities

A variety of engagement activities will be offered to appeal to a range of engagement preferences. A sample of these activities include presentations to Board and Committee at key milestones; engagement sessions with staff from member jurisdictions, other governments, and housing sector organizations; one-on-one meetings with First Nations and other organizations, as requested; a joint workshop for member jurisdiction staff and First Nations; and online questionnaires. Staff will also record verbal responses or emailed comments. The engagement opportunities will be

Housing 2050: A Roadmap to Implement Metro 2050's Housing Goal – Engagement Approach

Regional Planning Committee Regular Meeting Date: April 3, 2025

Page 3 of 3

highlighted to all audiences through an initial correspondence with a supporting project fact sheet. The project team will also provide project updates at key milestones to over 750 subscribers to the Metro Vancouver Regional Planning Bulletin, many of whom have a role or interest in affordable rental housing.

Timeline

The table below reflects the project timeline for *Housing 2050* and identifies key components of the engagement approach in relation to other milestones.

Project Task	Q1 2025	Q2 2025	Q3 2025	Q4 2025
1. Regional Housing Needs Report				
2. Affordable Housing Gap Analysis				
3. Housing Policy Alternatives				
4. Develop <i>Housing 2050</i>				
Engagement	Prepare for engagement; introduce project to audiences	Hear priorities; collect feedback on policy options and advocacy strategies	Confirm policy directions and advocacy strategies for <i>Housing 2050</i>	Report back; prepare to release <i>Housing 2050</i> after Board adoption

ALTERNATIVES

As this is an information report, no alternatives are provided.

FINANCIAL IMPLICATIONS

The engagement program is resourced through project funding allocated to *Housing 2050* under the Board-approved 2025 Housing Policy and Planning budget.

CONCLUSION

In 2025, Metro Vancouver will be engaging member jurisdictions and other audiences involved in advancing affordable housing to identify policy options and advocacy strategies to advance Goal 4 of *Metro 2050*, to provide diverse and affordable housing choices. Engagement activities will be timed around key project milestones and outcomes from each step will inform the *Housing 2050* recommendations. A summary report issued at the end of engagement will describe the participation and how input was applied in developing *Housing 2050*.

REFERENCES

- Hayes, J. (2024). [*Regional Affordable Housing Strategy Update \(Housing 2050: A Roadmap to Implement Metro 2050's Housing Goal\) – Scope of Work*](#). Commissioned by Metro Vancouver. Burnaby, BC: Metro Vancouver.

To: Indigenous Relations Committee

From: Lauren Farmer, Acting Program Manager, Indigenous Relations

Date: April 3, 2025

Meeting Date: April 17, 2025

Subject: **Quarterly Update Report on Reconciliation Activities**

RECOMMENDATION

That the Indigenous Relations Committee receive for information the report dated April 3, 2025, titled "Quarterly Update Report on Reconciliation Activities."

EXECUTIVE SUMMARY

This update report provides a summary of reconciliation events and activities undertaken by Metro Vancouver since the last Committee meeting on February 13, 2025, as well as information on upcoming events and activities over the next three months.

PURPOSE

To provide the Committee with a quarterly update report on reconciliation activities.

BACKGROUND

This quarterly update report on regional and local reconciliation activities and opportunities is part of the Indigenous Relations Committee's annual work plan. This information report is intended to identify opportunities for Committee members to learn about, and engage in, reconciliation activities in the region, and includes:

- The total number of reconciliation events and activities that were undertaken in 2024 by Metro Vancouver;
- Upcoming opportunities in 2025 for engaging in such activities.

SUMMARY OF RECONCILIATION-RELATED ACTIVITIES

Activities listed in this report are based on the four objectives established by the Metro Vancouver Board in October 2015 in its review of the Truth and Reconciliation Commission's (TRC) 94 Calls to Action. The four objectives are to:

1. Liaise with the TRC;
2. Raise Awareness about Indian Residential Schools;
3. Provide Cultural Competency Training; and,
4. Strengthen Relationships with First Nations.

Objectives 2 and 3 speak directly to the Truth and Reconciliation Commission's Call to Action #57:

"We call upon federal, provincial, territorial, and municipal governments to provide education to public servants on the history of Aboriginal peoples, including the history and legacy of

residential schools, the United Nations Declaration on the Rights of Indigenous Peoples, Treaties and Aboriginal rights, Indigenous law, and Aboriginal–Crown relations. This will require skills-based training in intercultural competency, conflict resolution, human rights, and anti-racism.”

Examples of the different types of activities, either undertaken or identified for the first and second quarterly period of 2025, are summarized below.

First Quarter of 2025

From January to March 2025, Metro Vancouver Indigenous Relations staff have and will continue to engage in a number of reconciliation-related activities, including the following listed in chronological order:

- Host First Nations Monthly Working Group meetings for Metro Vancouver staff to discuss successes and challenges while working with First Nations (January 16) (Objective 4)
- Run a training for Metro Vancouver staff on creating meaningful verbal territorial acknowledgements (January 23) (Objective 3)
- Conduct training for Metro Vancouver staff on First Nations Engagement (January 24) (Objective 3)
- Support local government at the ᑕᐱᓴᙵ (Katzie First Nation) Treaty Working Group Negotiations (January 28, February 25, March 25) (Objective 4)
- Support local government at the ᑕᐱᓴᙵ (Katzie First Nation) Treaty Main Table Negotiations (January 29, February 25, March 26) (Objective 4)
- Run a Technical Working Group with kʷikwəłəm (Kwikwetlem First Nation) to discuss our intergovernmental relationship and Metro Vancouver's engagement process (January 30) (Objective 4)
- Attend a land tour as part of our Technical Working Group meetings with scəwáθən məsteyəxʷ (Tsawwassen First Nation) to enhance our understanding of scəwáθən məsteyəxʷ (Tsawwassen First Nation) treaty lands and build our intergovernmental relationship (January 31) (Objective 4)
- Attend an Indigenous Relations Community of Practice (February 4) (Objective 4)
- Host a Quarterly Municipal Technical Advisory Committee meeting (February 6) (Objective 3 and 4)
- Coordinate and host a Regional Indigenous Relations Community of Practice (February 10) (Objective 3)
- Run a Technical Working Group with q̣'wɑːnłə́n (Kwantlen First Nation) to discuss our intergovernmental relationship and Metro Vancouver's engagement process (February 24) (Objective 4)
- Run a panel discussion on Indigenous Intellectual Property to educate staff on the risks of misappropriating Indigenous intellectual property, art, and imagery (March 4) (Objective 3)
- Run a Technical Working Group with səlilwətəl (Tseil-Waututh Nation) to discuss our intergovernmental relationship and Metro Vancouver's engagement process (March 13) (Objective 4)
- Conduct training for Metro Vancouver staff on cultural heritage protection and conservation, including Chance Find Procedure, Artifact Identification, Metro Vancouver's Approach to Archaeology (March 13) (Objective 3)

- Bespoke departmental training on engagement with LW O&M (March 11) (Objectives 3 and 4)
- Discuss areas of mutual interest with xʷməθkʷəy̓əm (Musqueam Indian Band) regarding various projects and overall relationship (regular ongoing meetings) (Objective 4)
- Conduct research on new provincial and legislative changes regarding First Nations matters (ongoing) (Objective 4)
- Continue to respond to email requests from Metro Vancouver teams and external parties in order to meaningfully engage with First Nations (ongoing) (Objective 4)

Second Quarter of 2025

From April to June 2025, Metro Vancouver Indigenous Relations staff have engaged, and will continue to engage, in a number of reconciliation-related activities, including the following listed in chronological order:

- Run a staff training by Indigenous Relations on laws and policies relating to Indigenous people, reconciliation, and relationship-building (April 1) (Objective 3)
- Conduct in-house training from Metro Vancouver Indigenous Relations on First Nations Engagement (April 3) (Objective 3)
- Host a Quarterly Municipal Technical Advisory Committee meeting (April 3, May 29) (Objective 3 and 4)
- Host First Nations Monthly Working Group meetings for Metro Vancouver staff to discuss successes and challenges while working with First Nations (April 10, May 15, June 19) (Objective 4)
- Run a Technical Working Group with kʷikwəḷəm (Kwkwetlem First Nation) to discuss our intergovernmental relationship and Metro Vancouver's engagement process (April 14) (Objective 4)
- Run a Technical Working Group with scəwəθən məsteyəxʷ (Tsawwassen First Nation) to discuss our intergovernmental relationship and Metro Vancouver's engagement process (April 17, June 13) (Objective 4)
- Support local government at the q̓içəy̓ (Katzie First Nation) Treaty Working Group Negotiations (April 22, May 27, June 24) (Objective 4)
- Support local government at the q̓içəy̓ (Katzie First Nation) Treaty Main Table Negotiations (April 23, May 28, June 25) (Objective 4)
- Showcase a Red Dress Day display in the Metro Vancouver lobby to raise awareness for the Missing and Murdered Indigenous Women, Girls, and Two-Spirit+ people in Canada (May 6) (Objective 3)
- Conduct training for Metro Vancouver staff on cultural heritage protection and conservation, including Chance Find Procedure, Artifact Identification, Metro Vancouver's Approach to Archaeology (May 9, May 28) (Objective 3)
- Run a Technical Working Group with səliłwətał (Tsleil-Waututh Nation) to discuss our intergovernmental relationship and Metro Vancouver's engagement process (June 19) (Objective 4)

-
- Run a Technical Working Group with ᑭᓄᓐᓂᓐᓂᓐ (Kwantlen First Nation) to discuss our intergovernmental relationship and Metro Vancouver's engagement process (June 23) (Objective 4)
 - Post Intranet articles to promote and raise awareness of Red Dress Day, the Moose Hide Campaign, and National Indigenous Peoples Day and Month (various dates) (Objective 3)
 - Roll out cultural awareness video as a requirement for Metro Vancouver staff and contractors working on construction sites, to improve interactions with First Nations technicians or Guardians who may be present on project sites (ongoing) (Objectives 3 and 4)
 - Coordinate and host a Regional Indigenous Relations Community of Practice (dates TBD) (Objective 3)
 - Discuss areas of mutual interest with xʷməθkʷəṽəm (Musqueam Indian Band) regarding various projects and overall relationship (regular ongoing meetings) (Objective 4)
 - Conduct research on new provincial and legislative changes regarding First Nations matters (ongoing) (Objective 4)
 - Continue to respond to email requests from Metro Vancouver teams and external parties in order to meaningfully engage with First Nations (ongoing) (Objective 4)

ALTERNATIVES

This is an information report. No alternatives are presented.

FINANCIAL IMPLICATIONS

There are no additional financial implications with respect to the items identified in this information report.

CONCLUSION

This report provides a quarterly update on reconciliation activities involving Metro Vancouver and local governments as per the Committee's recommendations and for members' information.

74301129

**metrovancover**

SERVICES AND SOLUTIONS FOR A LIVABLE REGION

To: Finance Committee

From: Linda Sabatini, Director, Financial Operations
Harji Varn, Chief Financial Officer / General Manager, Financial Services

Date: April 2, 2025 Meeting Date: April 17, 2025

Subject: **Metro Vancouver Regional District Audit Findings Report for the Year Ended December 31, 2024**

RECOMMENDATION

That the Finance Committee receive for information the report dated April 2, 2025, titled “Metro Vancouver Regional District Audit Findings Report for the Year Ended December 31, 2024” from KPMG LLP Chartered Professional Accountants.

EXECUTIVE SUMMARY

The 2024 financial statements received an unqualified (“clean”) audit opinion by the external auditors, KPMG Canada LLP Chartered Professional Accountants (“KPMG”) and will be finalized upon approval by the Board on April 25, 2025.

Under provincial legislation, an external audit must be undertaken annually for the Metro Vancouver Regional District (MVRD), Greater Vancouver Water District (GVWD), Greater Vancouver Sewerage and Drainage District (GVS&DD) and the Metro Vancouver Housing Corporation (MVHC).

The attached report, prepared by KPMG summarizes the results of the 2024 annual audit. The Board appointed KPMG as the external auditors for the MVRD, GVWD, GVS&DD, and MVHC in July 2024, for a period of five years. Fiscal year 2024 is the first year of that five-year period.

The audit has been conducted using Canadian generally accepted auditing standards. Three new accounting standards (Revenue, Public Private Partnerships and Purchased Intangibles) were implemented in 2024, having minimal impacts on the 2024 financial results.

PURPOSE

To provide the committee with the external auditor’s report related to the annual audit for the MVRD, GVWD, GVS&DD, and MVHC Corporation for fiscal year 2024.

BACKGROUND

Under provincial legislation, an annual audit for the MVRD, GVWD, GVS&DD, and MVHC must be conducted by an independent public accounting firm, licensed in Canada. The attached report summarizes the results of the 2024 audit.

2024 AUDIT

The 2024 financial statements have received an unqualified (“clean”) audit opinion by the external auditors and will be finalized upon approval by the Board on April 25, 2025.

KPMG Canada LLP Chartered Professional Accountants were appointed by the Board in July 2024, as the external auditors for the MVRD, GVWD, GVS&DD, and MVHC, for a five-year period. Fiscal year 2024 is the first year of that five-year period.

The audit is conducted in accordance with Canadian Generally accepted auditing standards. The objective of the audit is to obtain reasonable assurance that the financial statements are free from material misstatement. The audit also identifies any significant deficiencies in internal controls. No control deficiencies were noted by the auditors.

Metro Vancouver implemented three new PSAS accounting standards in 2024 that had minimal impacts on the 2024 financial results

- 1) PS 3400 Revenue establishes the framework for revenue recognition and its measurement. The standard notes that the public sector entity must ensure the recognition of revenue aligns with the satisfaction of the related performance obligation.
- 2) PSAS 3160 Public Private Partnerships standard defines the recognition, measurement and classification of infrastructure procured through a public private partnership.
- 3) PSG-8 Purchased Intangibles allows public sector entities to recognize intangibles purchased through an exchange transaction, which was previously prohibited.

ALTERNATIVES

This is an information report. No alternatives are presented.

FINANCIAL IMPLICATIONS

The 2024 annual audit fulfills Metro Vancouver's statutory responsibility.

CONCLUSION

The audit report for the 2024 fiscal year, prepared by KPMG LLP, is presented to the committee for information. The 2024 financial statements received an unqualified ("clean") audit opinion by the external auditors and will be finalized upon approval by the Board on April 25, 2025.

ATTACHMENTS

1. 2024 Metro Vancouver Audit Findings Report, KPMG LLP.

Report Approval

Re-order, combine, add rows for required approvers as appropriate; **do not delete any rows**

Report Approval Deadline: 04/01/2025 08:00 AM		
Required	Approver (reorder/combine/delete/add rows as appropriate)	Approver Initials, Date, Time
<input type="checkbox"/>	Legal Review (assigned through Legal Services Requests)	
<input type="checkbox"/>	External Relations (ERL) (if appropriate for the report)	
<input checked="" type="checkbox"/>	Department Director (Sonu Kailley)	CG for SK Tue 4/1/2025 10:17 AM
<input checked="" type="checkbox"/>	Committee Manager (use only if not a GM)	CG for HV Tue 4/1/2025 9:30 AM
<input type="checkbox"/>	Jessica Beverley, GM, Legal Services & Indigenous Relations	
<input type="checkbox"/>	Paul Henderson, GM Solid Waste Services	
<input type="checkbox"/>	Nick Kassam, GM, Procurement and Real Estate Services	
<input type="checkbox"/>	Peter Navratil, GM, Liquid Waste Services	
<input type="checkbox"/>	Cheryl Nelms, GM, Project Delivery	
<input type="checkbox"/>	Marilyn Towill, GM, Water Services	
<input checked="" type="checkbox"/>	Harji Varn, CFO/GM Financial Services	04/07/2025 at 12:05 PM
<input type="checkbox"/>	Originating Department General Manager (insert name)	
<input type="checkbox"/>	Ravi Chhina, Deputy CAO, Operations	
<input type="checkbox"/>	Heather McNell, Deputy CAO, Policy and Planning	
<input checked="" type="checkbox"/>	Jerry Dobrovoly, CAO/Commissioner	04/07/2025 at 2:00 PM

*☒ Signifies approval from the selected party is required for the report to proceed to Committee.



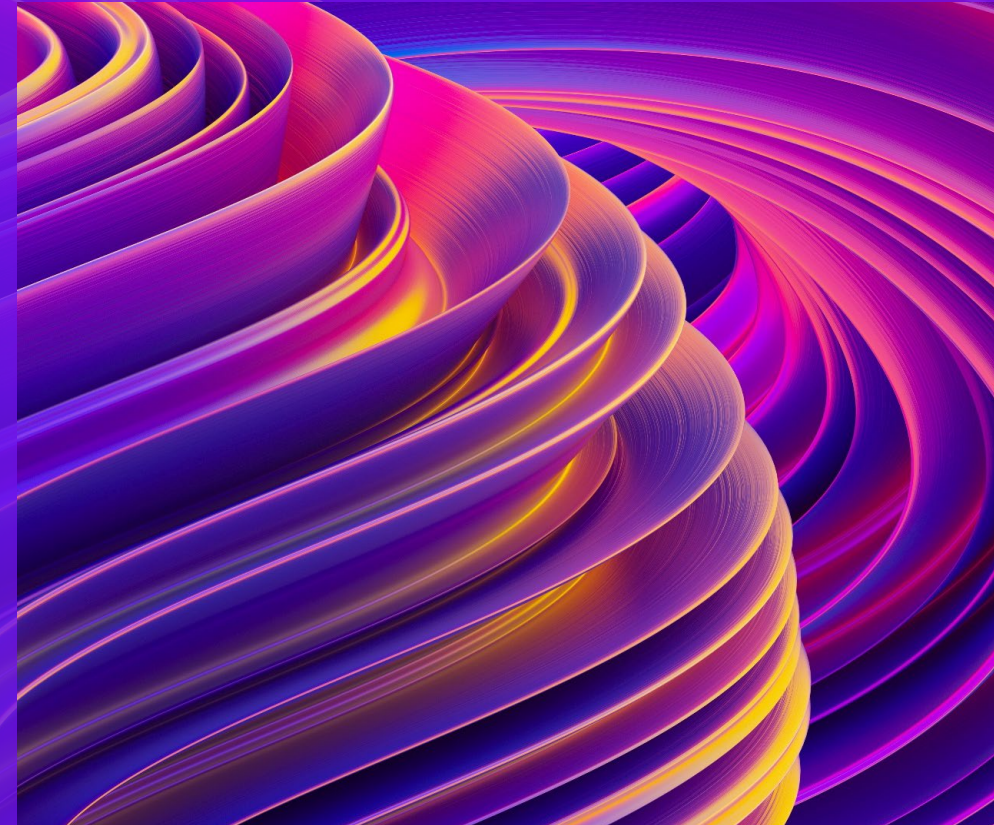
Metro Vancouver Regional District

**Audit Findings Report
for the year ended
December 31, 2024**

KPMG LLP

Prepared as of April 10, 2025 for presentation to the
Finance Committee on April 17, 2025

kpmg.ca/audit



KPMG contacts

Key contacts in connection with this engagement

Brandon Ma, CPA, CA

Lead Audit Engagement Partner

604-691-3562

bjma@kpmg.ca

Asifa Hirji, CPA, CA

Audit Partner

604-777-3921

asifahirji@kpmg.ca

Mustafa Mukhtiar

Senior Manager

236-234-6750

mustafamukhtiar@kpmg.ca

Lenora Lee, FCPA, FCA

Engagement Quality Control Review Partner

250-480-3588

lenoramlee@kpmg.ca

Sarah Burden, CPA, FCPFA (UK)

Lead Senior Manager

250-480-3562

sburden1@kpmg.ca

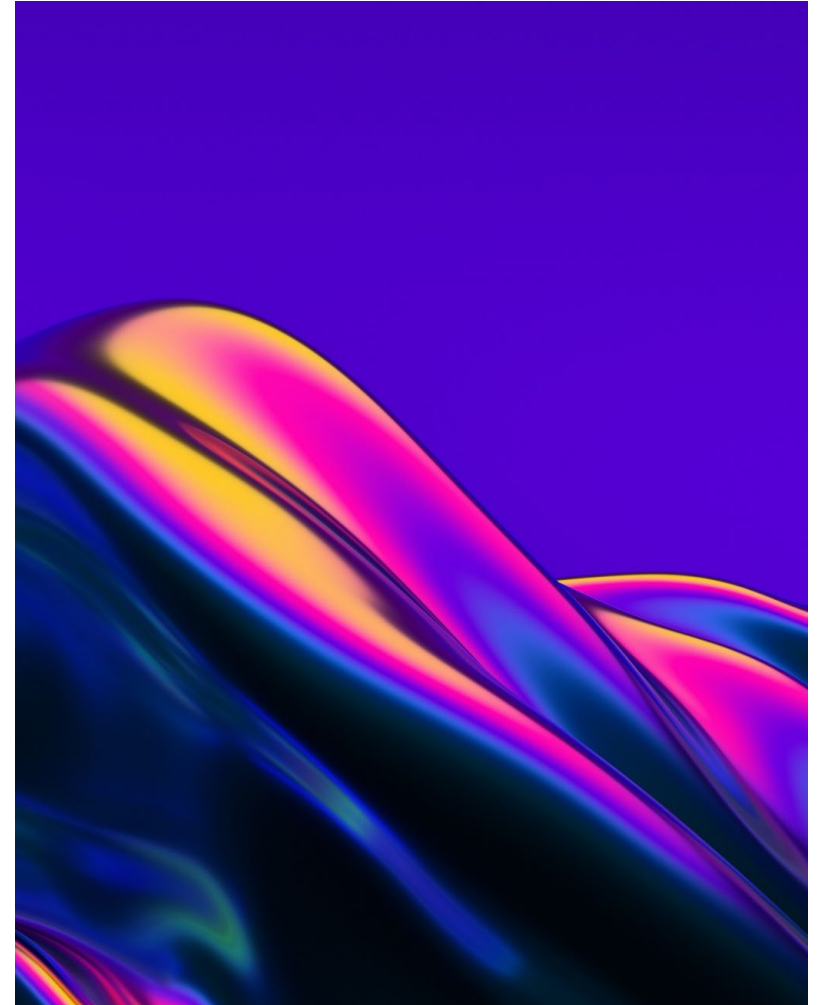


Table of contents

4**Highlights****5****Status****6****Audit
response****14****Policies and
Practices****15****Specific
Topics****16****Misstatements****18****Control
deficiencies****19****Audit quality****20****Appendices**

The purpose of this report is to assist you, as a member of the Finance Committee, in your review of the results of our audit of the financial statements. This report is intended solely for the information and use of Management, the Finance Committee, and the Board of Directors and should not be used for any other purpose or any other party. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.

Digital use information

This Audit Findings Report is also available as a “hyper-linked” PDF document.

If you are reading in electronic form (e.g. In “Adobe Reader” or “Board Books”), clicking on the home symbol on the top right corner will bring you back to this slide.



Click on any item in the table of contents to navigate to that section.



Audit highlights



No matters to report



Matters to report

Our audit of the consolidated financial statements (“financial statements”) as of and for the year ended December 31, 2024 of Metro Vancouver Regional District (“the District”), has been performed in accordance with Canadian generally accepted auditing standards. Our scope of work included the standalone audits of the separate financial statements as of and for the year ended December 31, 2024 of Greater Vancouver Sewerage and Drainage District (“GVSD”), Greater Vancouver Water District (“GVWD”) and Metro Vancouver Housing Corporation (“MVHC”) (together with District referred to as “the Entities”).

Status

We have completed our audits with the exception of certain remaining outstanding procedures which are highlighted on the ‘Status’ slide of this report.



Significant changes



Significant changes since our audit plan

Audit response



Significant risk of material misstatement



Other risks of material misstatement



Policies and practices & Specific Topics



Other financial reporting matters



Specific topics



Misstatements - uncorrected



Uncorrected misstatements



We concur with management’s representation that the uncorrected misstatements identified as of the date of this report are not material to the financial statements.

Misstatements - Corrected



Corrected misstatements

Control deficiencies



Significant deficiencies



Independence



Independence





Status

As of April 10, 2025, we have completed our audits with the exception of certain remaining procedures, which include amongst others:

- Completing certain audit file procedures and documentation
- Completing our discussions with the Finance Committee
- Obtaining evidence of the Board of Director's acceptance of the financial statements
- Obtaining signed management representation letters
- Completing subsequent event review procedures up to the date of the Board of Director's acceptance of the financial statements

We will update the Finance Committee on significant matters, if any, arising from the completion of the audit, including the completion of the above procedures.

Our auditor's reports includes a section to identify that the comparative information was audited by another auditor.

KPMG Clara for Clients (KCC)



Real-time collaboration and transparency

We leveraged **KCC** to facilitate real-time collaboration with management and provide visual insights into the status of the audit!

Learn more



Audit response

Risk assessment

A financial statement auditor identifies and assesses the risks of material misstatement (“ROMM”), whether due to fraud or error, at the financial statement and assertion levels thereby providing a basis for designing and implementing responses to the assessed ROMM.

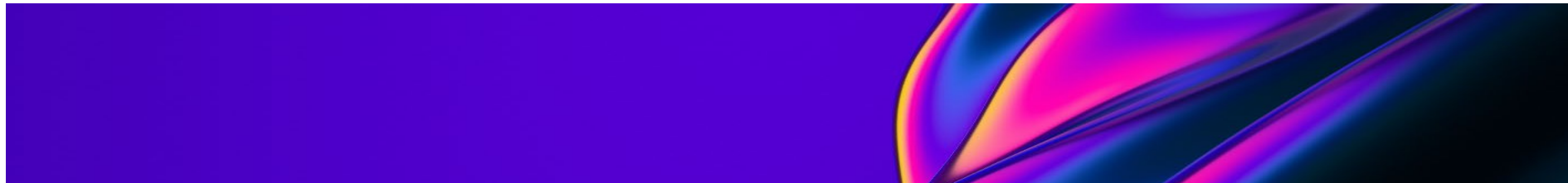
Our audit begins with an assessment of ROMM in your financial statements based on our understanding and risk assessment procedures. In assessing ROMM, we use professional judgment in determining the significance of the combination of the likelihood and magnitude of a misstatement along a spectrum.

In KPMG’s audit methodology, we assess ROMM in the financial statements at one of three levels: Base, Elevated, or Significant, depending on where it is on the spectrum.

Based on our assessment, we have identified the following areas of audit focus with ROMM at other than base level.

- Management override of controls (significant level)
- North Shore Wastewater Treatment Plant (significant level)
- Tangible capital assets (elevated level)
- Contingencies (elevated level)

Risk assessment is an iterative in nature rather than something we perform only at the beginning of the audit. As we performed the audit, we continued to consider our risk assessment.





Audit response

Management override of controls

Significant findings

No matters to report based on procedures completed as of the date of this report.

Why we focus here

Section 240.32 of Canadian Auditing Standards states: “Management is in a unique position to perpetrate fraud because of management’s ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Although the level of risk of management override of controls will vary from entity to entity, the risk is nevertheless present in all entities. Due to the unpredictable way in which such override could occur, it is a risk of material misstatement due to fraud and thus a significant risk.”

Our audit methodology adheres to these mandatory requirements.

Our response

Section 240.33 of Canadian Auditing Standards provides a number of required procedures that an auditor must perform at every entity irrespective of the auditor’s assessment of the risk of management override of controls. These include:

- Test the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.
- Review accounting estimates for biases and evaluate whether the circumstances producing the bias, if any, represent a risk of material misstatement due to fraud.
- For significant transactions that are outside the normal course of business for the entity, or that otherwise appear to be unusual given the auditor’s understanding, the auditor shall evaluate whether the business rationale (or the lack thereof) of the transactions suggests that they may have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets.

Our audit methodology embeds these required procedures in our audit approach.





Audit response

KPMG Clara AI Transaction Scoring – Journal entry testing

Significant findings

No matters to report based on procedures completed as of the date of this report.

Our response

We have utilized our KPMG Clara AI Transaction Scoring tool to enhance the quality and effectiveness of the audit. AI Transaction Scoring was used to support our risk assessment and substantive procedures in the identification and selection of high-risk journal entries to be tested in response to the risk of management override of controls. This tool allowed us to apply a standardized and consistent method of evaluating journal entries to detect patterns of unusual behavior. Using a mix of rules-based, machine learning algorithms, and advanced statistical scenarios to assign a risk score and categorize the journal entries population by risk.

The visualization below is a snapshot of our AI Transaction Scoring tool displaying the results of the analysis performed over the general ledger population.

Entity	Total # of entries	# of entries - high risk	# of entries - low risk
Metro Vancouver (non-consolidated)	1,050,000+	47 entries	Rest
Greater Vancouver Sewerage & Drainage District	451,000+	19 entries	Rest
Greater Vancouver Water District	298,000+	6 entries	Rest
Metro Vancouver Housing Corporation	198,000+	12 entries	Rest

We performed further testing over the population of entries identified as high risk.



Audit response

North Shore Wastewater Treatment Plant

Significant findings

No matters to report based on procedures completed as of the date of this report.

Why we focus here

The design and construction of the North Shore Wastewater Treatment Plant (“NSWWTP”) being built by GVSDD began in 2014. The NSWWTP is an area of focus as:

- There are significant related construction costs incurred for the NSWWTP. There is a new vendor hired to continue construction.
- There are ongoing legal actions relating to the NSWWTP. In prior years, the original vendor hired to design, build, and commission the NSWWTP filed a lawsuit against GVSDD and GVSDD filed a counter-suit.

Our response

Our procedures included:

- Inquire with management on the status of the NSWWTP project and related legal action.
- Obtain an understanding and perform a walkthrough of relevant processes and controls related to the NSWWTP.
- Agree a sample of capital purchases to supporting documentation, including testing of construction holdbacks, whether capital in nature, and classification/coding to the appropriate tangible capital asset category and/or component.
- Review the amounts held as construction in progress related to the NSWWTP project for indicators of impairment.
- Review significant manual top-side adjustments and allocations recorded.
- Obtain confirmations from lawyers on the status of legal claims.
- Review the related financial statement presentation and disclosure.



Audit response

Tangible capital assets

Significant findings

These financial statement audit misstatements were identified from our testing, which remain uncorrected. See pages 16 to 17 for related entries.

- GVWD: \$884,153 of a \$32.9 million accrued invoice for construction-in-progress was capitalized in 2024, but for work performed in 2025.
- GVS&DD: Construction-in-progress of \$2,828,553 was put into service in May 2024 however was not transferred from construction-in-progress to in-use infrastructure.
- MVHC: An accrual for construction-in-progress for \$321,021 was capitalized in 2024, but for work performed in 2025.
- MVHC: An accrual for construction-in-progress was not adjusted in 2024 from an estimate to actual for \$76,083. The actual invoice amount was correctly recorded in 2025.

No other matters to report based on procedures completed as of the date of this report.

Why we focus here

The Entities' 2024-2028 financial plans outlines a significant capital plan primarily driven by the growth of the region, including significant new projects in Water Services and Liquid Waste Services. As there are significant capital costs relating to these projects, we have assessed this as an elevated risk.

Our response

Our procedures included:

- Obtain an understanding and perform a walkthrough of processes and controls.
- Agree a sample of capital purchases to supporting documentation, including testing of construction holdbacks, whether capital in nature, and classification/coding to the appropriate tangible capital asset category and/or component.
- Review appropriateness of estimated useful lives for tangible capital assets, including whether these are reflective of current facts and circumstances such as, the impact of innovation and technology in construction methods and building materials, and current maintenance and replacement strategies and schedules.
- Perform analytical procedures over amortization expense at an appropriate level of disaggregation, typically by asset category.
- Review significant manual top-side adjustments and allocations recorded.
- Assess the timing and recognition of capital grant funding for consistency with appropriate eligible expenditures and other performance obligations.



Audit response

Contingencies

Significant findings

No matters to report based on procedures completed as of the date of this report.

Why we focus here

The Entities have several contingencies disclosed in the financial statements relating to various litigation and claims and other matters. As this is an area of judgment and an estimate, we have assessed this as an elevated risk over appropriate accrual and disclosure in the financial statements

Our response

Our procedures included:

- Obtain an understanding of the process activities and controls relating to identifying and assessing contingencies.
- Review legal invoices and obtain legal confirmations from legal representatives of the entities to assess the completeness and accuracy of contingent liabilities.
- Select other significant contingent liabilities and agree the information disclosed to supporting documentation.
- Review financial statement disclosures to assess appropriate representation of significant matters identified.





Audit response

KPMG Clara AI Transaction Scoring – Operating expenses

Significant findings

No matters to report based on procedures completed as of the date of this report.

Our response

We have utilized our KPMG Clara AI Transaction Scoring tool to enhance the quality and effectiveness of the audit. AI Transaction Scoring simultaneously tested each operating expense transaction in certain operating expense transaction streams through a mix of rules-based, machine learning algorithms, and advanced statistical scenarios to assign a risk score and categorize the entire relevant population by risk. This allowed our team to focus primarily on transactions with the highest risk, while giving you positive assurance over the remaining population.

The visualization below is a snapshot of our AI Transaction Scoring tool displaying the results of the analysis performed over operating expenses (existence and accuracy).

	Total # of entries	# of entries - high risk	# of entries - medium risk	# of entries - low risk
Metro Vancouver (non-consolidated)	86,000+	61	4,914	Rest
Greater Vancouver Sewerage & Drainage District	65,000+	34	4,007	Rest
Greater Vancouver Water District	48,000+	13	3,918	Rest
Metro Vancouver Housing Corporation	30,000+	35	3,497	Rest

We performed further testing over the population of entries identified as medium and high risk.



Audit response

KPMG Clara AI Transaction Scoring – Revenue

Significant findings

No matters to report based on procedures completed as of the date of this report.

Our response

We have utilized our KPMG Clara AI Transaction Scoring tool to enhance the quality and effectiveness of the audit. AI Transaction Scoring simultaneously tested each revenue transaction in certain revenue transaction streams through a mix of rules-based, machine learning algorithms, and advanced statistical scenarios to assign a risk score and categorize the entire relevant population by risk. This allowed our team to focus primarily on transactions with the highest risk, while giving you positive assurance over the remaining population.

The visualization below is a snapshot of our AI Transaction Scoring tool displaying the results of the analysis performed over revenue (existence and accuracy).

	Total # of entries	# of entries - high risk	# of entries - medium risk	# of entries - low risk
Metro Vancouver (non-consolidated)	150+	0	95	Rest
Greater Vancouver Sewerage & Drainage District	13,000+	5	430	Rest
Greater Vancouver Water District	300+	2	185	Rest

We performed further testing over the population of entries identified as medium and high risk.

Note: Due to the types of revenue received by Metro Vancouver Housing Corporation, we did not perform KPMG Clara AI Transaction Scoring.





Other financial reporting matters



Financial statement presentation - form, arrangement, and content



No matters to report



Concerns regarding application of new accounting pronouncements



There are no matters to report as a result of the adoption of newly effective accounting standards, PS 3400 *Revenues*, PS 3160 *Public private partnerships* and PSG-8 *Purchased intangibles*.



Significant qualitative aspects of financial statement presentation and disclosure



No matters to report





Specific topics

We highlight the following specific topics:

Topic	Finding
Significant matters subject to correspondence with management	No matters to report
Issues with sending external confirmation requests	No matters to report
Illegal acts, including noncompliance with laws and regulations, or fraud (identified or suspected)	No matters to report other than not meeting the current deadline for completion of the NSWWTTP under federal regulation, which is disclosed in note 18 of the financial statements
Significant difficulties encountered during the audit	No matters to report
Difficult or contentious matters for which the auditor consulted	No matters to report
Management's consultation with other accountants	No matters to report
Disagreements with management	No matters to report
Related parties	No matters to report
Significant issues in connection with our appointment or retention	No matters to report



Uncorrected misstatements

Uncorrected misstatements include financial presentation and disclosure omissions. As required by professional standards, we request these misstatements be corrected.



Impact of uncorrected misstatements – Not material to the financial statements

- The management representation letter includes the Summary of Uncorrected Misstatements, which discloses the impact of all uncorrected misstatements considered to be other than clearly trivial
- Based on both qualitative and quantitative considerations, management have decided not to correct certain misstatements and represented to us that the misstatements—individually and in the aggregate—are, in their judgment, not material to the financial statements. This management representation is included in the management representation letter.
- We concur with management's representation that the uncorrected misstatements, identified as of the date of this report, are not material to the financial statements. Accordingly, these uncorrected misstatements will have no effect on our auditor's report.
- Discussion about the uncorrected misstatements or matters underlying the uncorrected misstatements (e.g. control deficiencies) could potentially cause future-period financial statements to be materially misstated.

Below is a summary of the impact of the uncorrected misstatement:

	Statement of operations	Financial position		
Description	Annual surplus (Decrease) Increase	Assets (Decrease) Increase	Liabilities (Decrease) Increase	Opening accumulated surplus (Decrease) Increase
A \$32.8 million invoice that was accrued contained amounts related to work performed in 2025	-	(884,153)	(884,153)	-
GVWD sub-total	-	(884,153)	(884,153)	-
Construction in progress was put into service in May 2024 however was not transferred to infrastructure	-	2,828,553 (2,828,553)	-	-
GVSDS sub-total	-	-	-	-
Total misstatements (MVRD consolidated)	-	(884,153)	(884,153)	-



Uncorrected misstatements (continued)

	Statement of operations	Financial position		
Description	Annual surplus (Decrease) Increase	Assets (Decrease) Increase	Liabilities (Decrease) Increase	Opening accumulated surplus (Decrease) Increase
An accrual for work in progress in 2024 was over-estimated	-	(321,021)	(321,021)	-
Receivables and prepaids for individual tenants had not been netted in the financial statement	-	(341,969)	341,969	-
An accrual for work in progress was under-estimated	-	76,083	76,083	-
MVHC sub-total	-	(586,907)	(586,907)	-
Total misstatements (MVRD consolidated)	-	(1,471,060)	(1,471,060)	-



Control deficiencies



Consideration of internal control over financial reporting (ICFR)

In planning and performing our audit, we considered ICFR relevant to the Entities' preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on ICFR.

Our understanding of internal control over financial reporting was for the limited purpose described above and was not designed to identify all control deficiencies that might be significant deficiencies. The matters being reported are limited to those deficiencies that we have identified during the audit that we have concluded are of sufficient importance to merit being reported to those charged with governance.

Our awareness of control deficiencies varies with each audit and is influenced by the nature, timing, and extent of audit procedures performed, as well as other factors. Had we performed more extensive procedures on internal control over financial reporting, we might have identified more significant deficiencies to be reported or concluded that some of the reported significant deficiencies need not, in fact, have been reported.



A deficiency in internal control over financial reporting

A deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed, or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.



Significant deficiencies in internal control over financial reporting

A deficiency, or a combination of deficiencies, in internal control over financial reporting that, in our judgment, is important enough to merit the attention of those charged with governance.



Audit quality - How do we deliver audit quality?

Quality essentially means doing the right thing and remains our highest priority. Our Global Quality Framework outlines how we deliver quality and how every partner and staff member contributes to its delivery.

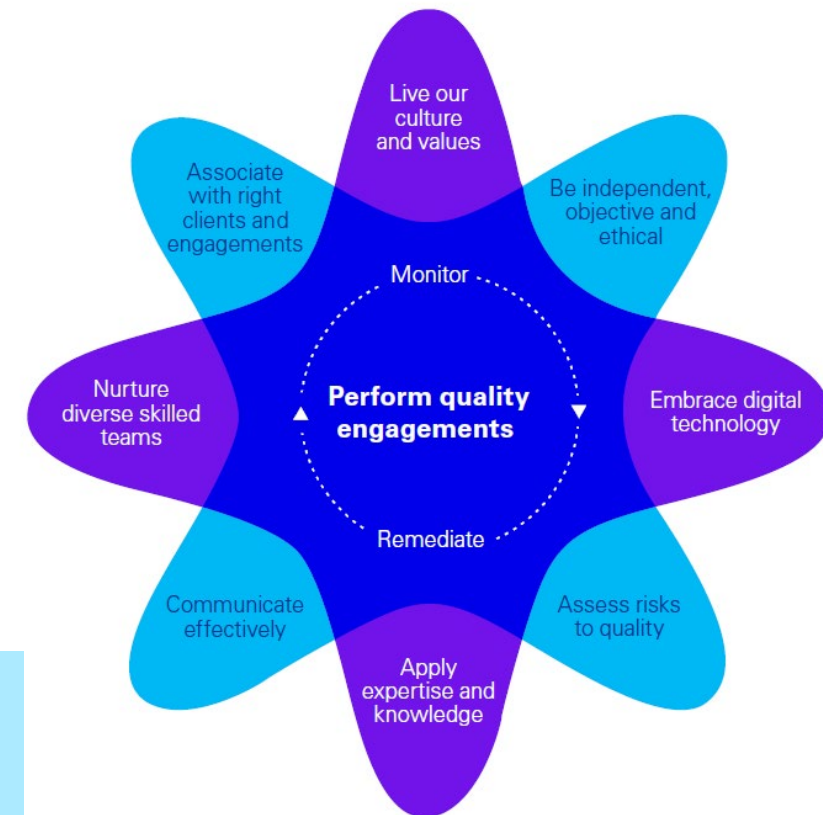
The drivers outlined in the framework are the ten components of the KPMG System of Quality Management (SoQM). Aligned with ISQM 1/CSQM 1, our SoQM components also meet the requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA) and the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting in Canada, which apply to professional services firms that perform audits of financial statements. Learn more about our system of quality management and our firm's statement on the effectiveness of our SoQM:



[KPMG Canada Transparency Report](#)

We define 'audit quality' as being the outcome when:

- audits are **executed consistently**, in line with the requirements and intent of **applicable professional standards** within a strong **system of quality management**; and
- all of our related activities are undertaken in an environment of the utmost level of **objectivity, independence, ethics and integrity**.



Doing the right thing. Always.



Appendices

1

Required
communications

2

Management
Representation
Letters

3

Current developments

4

Audit and assurance
insights



Appendix 1: Required communications



Auditor's reports

Refer to the draft reports attached to the draft financial statements.

Management representation letters

We will obtain from management certain representations at the completion of the audits. In accordance with professional standards, copies of the representation letters are attached.



Independence

As required by professional standards, we have considered all relationships between KPMG and the Entities that may have a bearing on independence. We confirm that we are independent with respect to the Entities within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any other standards or applicable legislation or regulation from January 1, 2024 up until the date of this report.



Appendix 2: Management representation letters

[Letterhead of Client]

KPMG LLP
777 Dunsmuir Street, 11th floor
Vancouver, BC V7Y 1K3
Canada

[Date of audit report]

We are writing at your request to confirm our understanding that your audit was for the purpose of expressing an opinion on the consolidated financial statements (hereinafter referred to as “financial statements”) of Metro Vancouver Regional District (“the Entity”) as at and for the period ended December 31, 2024.

General:

We confirm that the representations we make in this letter are in accordance with the definitions as set out in [Attachment I](#) to this letter.

We also confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Responsibilities:

- We have fulfilled our responsibilities, as set out in the terms of the consulting and professional services agreement dated September 19, 2024, including for:
 - the preparation and fair presentation of the financial statements and believe that these financial statements have been prepared and present fairly in accordance with the relevant financial reporting framework.
 - providing you with all information of which we are aware that is relevant to the preparation of the financial statements (“relevant information”), such as financial records, documentation and other matters, including:
 - the names of all related parties and information regarding all relationships and transactions with related parties;
 - the complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of board of directors and committees of the board of directors that may affect the financial statements. All significant actions are included in such summaries.
 - providing you with unrestricted access to such relevant information.
 - providing you with complete responses to all enquiries made by you during the engagement.
 - providing you with additional information that you may request from us for the purpose of the engagement.

- providing you with unrestricted access to persons within the Entity from whom you determined it necessary to obtain audit evidence.
- such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We also acknowledge and understand that we are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud.
- ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements.
- ensuring that internal auditors providing direct assistance to you, if any, were instructed to follow your instructions and that we, and others within the Entity, did not intervene in the work the internal auditors performed for you.

Internal control over financial reporting:

- We have communicated to you all deficiencies in the design and implementation or maintenance of internal control over financial reporting of which we are aware.

Fraud & non-compliance with laws and regulations:

- We have disclosed to you:
 - the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
 - all information in relation to fraud or suspected fraud that we are aware of that involves:
 - management;
 - employees who have significant roles in internal control over financial reporting; or
 - others
 - where such fraud or suspected fraud could have a material effect on the financial statements.
 - all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements, communicated by employees, former employees, analysts, regulators, short sellers, or others.
 - all known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements or illegal acts, whose effects should be considered when preparing financial statements.
 - all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

Subsequent events:

- All events subsequent to the date of the financial statements and for which the relevant financial reporting framework requires adjustment, or disclosure, in the financial statements have been adjusted or disclosed.

Related parties:

- We have disclosed to you the identity of the Entity's related parties.
- We have disclosed to you all the related party relationships and transactions/balances of which we are aware.
- All related party relationships and transactions/balances have been appropriately accounted for, and disclosed, in accordance with the relevant financial reporting framework.

Estimates:

- The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Going concern:

- We have provided you with all information relevant to the use of the going concern assumption in the financial statements.
- We confirm that we are not aware of material uncertainties related to events or conditions that may cast significant doubt upon the Entity's ability to continue as a going concern.

Misstatements:

- The effects of the uncorrected misstatements described in [Attachment II](#) are immaterial, both individually and in the aggregate, to the financial statements as a whole.

Other information:

- We confirm that the final version of Annual Report 2024 will be provided to you when available, and prior to issuance by the Entity, to enable you to complete your required procedures in accordance with professional standards.

Non-SEC registrants or non-reporting issuers:

- We confirm that the Entity is not a Canadian reporting issuer (as defined under any applicable Canadian securities act) and is not a United States Securities and Exchange Commission ("SEC") Issuer (as defined by the Sarbanes-Oxley Act of 2002).
- We also confirm that the financial statements of the Entity will not be included in the group financial statements of a Canadian reporting issuer audited by KPMG or an SEC Issuer audited by any member of the KPMG organization.

Other:

- We confirm that we have provided you with a complete list of service organizations (SO) and sub-service organizations (SSO) and that the relevant complementary user entity controls (CUECs) related to each SO/SSO have been designed and implemented. For the purpose of this representation, a service organization is one as defined in CAS 402.

Yours very truly,

Jerry Dobrovolny, Chief Administrative Officer

Harji Varn, Chief Financial Officer, General Manager, Financial Services

Attachment I – Definitions

Materiality

Certain representations in this letter are described as being limited to matters that are material.

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgments about materiality are made in light of surrounding circumstances, and are affected by perception of the needs of, or the characteristics of, the users of the financial statements and, the size or nature of a misstatement, or a combination of both while also considering the entity's own circumstances.

Information is obscured if it is communicated in a way that would have a similar effect for users of financial statements to omitting or misstating that information. The following are examples of circumstances that may result in material information being obscured:

- a) information regarding a material item, transaction or other event is disclosed in the financial statements but the language used is vague or unclear;
- b) information regarding a material item, transaction or other event is scattered throughout the financial statements;
- c) dissimilar items, transactions or other events are inappropriately aggregated;
- d) similar items, transactions or other events are inappropriately disaggregated; and
- e) the understandability of the financial statements is reduced as a result of material information being hidden by immaterial information to the extent that a primary user is unable to determine what information is material.

Fraud & error

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorization.

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Attachment II – Summary of Audit Misstatements Schedule(s)

Schedule of Uncorrected Audit Misstatements

	Statement of operations	Statement of financial position		
Description	Annual surplus (Decrease) Increase	Assets (Decrease) Increase	Liabilities (Decrease) Increase	Opening accumulated surplus (Decrease) Increase
A \$32.8 million invoice that was accrued contained amounts related to work performed in 2025	-	(884,153)	(884,153)	-
GVWD sub-total	-	(884,153)	(884,153)	-
Construction in progress was put into service in May 2024 however was not transferred to infrastructure	-	2,828,553 (2,828,553)	-	-
GVSD sub-total	-	-	-	-
An accrual for work in progress in 2024 was over-estimated	-	(321,021)	(321,021)	-
Receivables and prepaids for individual tenants had not been netted in the financial statement	-	(341,969)	341,969	-
An accrual for work in progress was under-estimated	-	76,083	76,083	-
MVHC sub-total	-	(586,907)	(586,907)	-
Total misstatements (MVRD consolidated)	-	(1,471,060)	(1,471,060)	-

[Letterhead of Client]

KPMG LLP
777 Dunsmuir Street, 11th floor
Vancouver, BC V7Y 1K3
Canada

[Date of audit report]

We are writing at your request to confirm our understanding that your audit was for the purpose of expressing an opinion on the financial statements (hereinafter referred to as “financial statements”) of Metro Vancouver Housing Corporation (“the Entity”) as at and for the period ended December 31, 2024.

General:

We confirm that the representations we make in this letter are in accordance with the definitions as set out in [Attachment I](#) to this letter.

We also confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Responsibilities:

- We have fulfilled our responsibilities, as set out in the terms of the consulting and professional services agreement dated September 19, 2024, including for:
 - the preparation and fair presentation of the financial statements and believe that these financial statements have been prepared and present fairly in accordance with the relevant financial reporting framework.
 - providing you with all information of which we are aware that is relevant to the preparation of the financial statements (“relevant information”), such as financial records, documentation and other matters, including:
 - the names of all related parties and information regarding all relationships and transactions with related parties;
 - the complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of shareholder, board of directors and committees of the board of directors that may affect the financial statements. All significant actions are included in such summaries.
 - providing you with unrestricted access to such relevant information.
 - providing you with complete responses to all enquiries made by you during the engagement.

- providing you with additional information that you may request from us for the purpose of the engagement.
- providing you with unrestricted access to persons within the Entity from whom you determined it necessary to obtain audit evidence.
- such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We also acknowledge and understand that we are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud.
- ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements.
- ensuring that internal auditors providing direct assistance to you, if any, were instructed to follow your instructions and that we, and others within the Entity, did not intervene in the work the internal auditors performed for you.

Internal control over financial reporting:

- We have communicated to you all deficiencies in the design and implementation or maintenance of internal control over financial reporting of which we are aware.

Fraud & non-compliance with laws and regulations:

- We have disclosed to you:
 - the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
 - all information in relation to fraud or suspected fraud that we are aware of that involves:
 - management;
 - employees who have significant roles in internal control over financial reporting; or
 - others
 - where such fraud or suspected fraud could have a material effect on the financial statements.
 - all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements, communicated by employees, former employees, analysts, regulators, short sellers, or others.
 - all known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements or illegal acts, whose effects should be considered when preparing financial statements.
 - all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

Subsequent events:

- All events subsequent to the date of the financial statements and for which the relevant financial reporting framework requires adjustment, or disclosure, in the financial statements have been adjusted or disclosed.

Related parties:

- We have disclosed to you the identity of the Entity's related parties.
- We have disclosed to you all the related party relationships and transactions/balances of which we are aware.
- All related party relationships and transactions/balances have been appropriately accounted for, and disclosed, in accordance with the relevant financial reporting framework.

Estimates:

- The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Going concern:

- We have provided you with all information relevant to the use of the going concern assumption in the financial statements.
- We confirm that we are not aware of material uncertainties related to events or conditions that may cast significant doubt upon the Entity's ability to continue as a going concern.

Misstatements:

- The effects of the uncorrected misstatements described in [Attachment II](#) are immaterial, both individually and in the aggregate, to the financial statements as a whole.

Non-SEC registrants or non-reporting issuers:

- We confirm that the Entity is not a Canadian reporting issuer (as defined under any applicable Canadian securities act) and is not a United States Securities and Exchange Commission ("SEC") Issuer (as defined by the Sarbanes-Oxley Act of 2002).
- We also confirm that the financial statements of the Entity will not be included in the group financial statements of a Canadian reporting issuer audited by KPMG or an SEC Issuer audited by any member of the KPMG organization.

Other:

- We confirm that we have provided you with a complete list of service organizations (SO) and sub-service organizations (SSO) and that the relevant complementary user entity controls (CUECs) related to each SO/SSO have been designed and implemented. For the purpose of this representation, a service organization is one as defined in CAS 402.

Yours very truly,

Jerry Dobrovolny, Chief Administrative Officer

Harji Varn, Chief Financial Officer, General Manager, Financial Services

Attachment I – Definitions

Materiality

Certain representations in this letter are described as being limited to matters that are material.

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgments about materiality are made in light of surrounding circumstances, and are affected by perception of the needs of, or the characteristics of, the users of the financial statements and, the size or nature of a misstatement, or a combination of both while also considering the entity's own circumstances.

Information is obscured if it is communicated in a way that would have a similar effect for users of financial statements to omitting or misstating that information. The following are examples of circumstances that may result in material information being obscured:

- a) information regarding a material item, transaction or other event is disclosed in the financial statements but the language used is vague or unclear;
- b) information regarding a material item, transaction or other event is scattered throughout the financial statements;
- c) dissimilar items, transactions or other events are inappropriately aggregated;
- d) similar items, transactions or other events are inappropriately disaggregated; and
- e) the understandability of the financial statements is reduced as a result of material information being hidden by immaterial information to the extent that a primary user is unable to determine what information is material.

Fraud & error

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorization.

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Attachment II – Summary of Audit Misstatements Schedule(s)

Schedule of Uncorrected Audit Misstatements

	Statement of operations	Statement of financial position		
Description	Annual surplus (Decrease) Increase	Assets (Decrease) Increase	Liabilities (Decrease) Increase	Opening accumulated surplus (Decrease) Increase
An accrual for work in progress in 2024 was over-estimated	-	(321,021)	(321,021)	-
Receivables and prepaids for individual tenants had not been netted in the financial statement	-	(341,969)	341,969	-
An accrual for work in progress was under-estimated	-	76,083	76,083	-
Total	-	(586,907)	(586,907)	-

[Letterhead of Client]

KPMG LLP
777 Dunsmuir Street, 11th floor
Vancouver, BC V7Y 1K3
Canada

[Date of audit report]

We are writing at your request to confirm our understanding that your audit was for the purpose of expressing an opinion on the financial statements (hereinafter referred to as “financial statements”) of Greater Vancouver Water District (“the Entity”) as at and for the period ended December 31, 2024.

General:

We confirm that the representations we make in this letter are in accordance with the definitions as set out in [Attachment I](#) to this letter.

We also confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Responsibilities:

- We have fulfilled our responsibilities, as set out in the terms of the consulting and professional services agreement dated September 19, 2024, including for:
 - the preparation and fair presentation of the financial statements and believe that these financial statements have been prepared and present fairly in accordance with the relevant financial reporting framework.
 - providing you with all information of which we are aware that is relevant to the preparation of the financial statements (“relevant information”), such as financial records, documentation and other matters, including:
 - the names of all related parties and information regarding all relationships and transactions with related parties;
 - the complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of board of directors and committees of the board of directors that may affect the financial statements. All significant actions are included in such summaries.
 - providing you with unrestricted access to such relevant information.
 - providing you with complete responses to all enquiries made by you during the engagement.

- providing you with additional information that you may request from us for the purpose of the engagement.
- providing you with unrestricted access to persons within the Entity from whom you determined it necessary to obtain audit evidence.
- such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We also acknowledge and understand that we are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud.
- ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements.
- ensuring that internal auditors providing direct assistance to you, if any, were instructed to follow your instructions and that we, and others within the Entity, did not intervene in the work the internal auditors performed for you.

Internal control over financial reporting:

- We have communicated to you all deficiencies in the design and implementation or maintenance of internal control over financial reporting of which we are aware.

Fraud & non-compliance with laws and regulations:

- We have disclosed to you:
 - the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
 - all information in relation to fraud or suspected fraud that we are aware of that involves:
 - management;
 - employees who have significant roles in internal control over financial reporting; or
 - others
 - where such fraud or suspected fraud could have a material effect on the financial statements.
 - all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements, communicated by employees, former employees, analysts, regulators, short sellers, or others.
 - all known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements or illegal acts, whose effects should be considered when preparing financial statements.
 - all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

Subsequent events:

- All events subsequent to the date of the financial statements and for which the relevant financial reporting framework requires adjustment, or disclosure, in the financial statements have been adjusted or disclosed.

Related parties:

- We have disclosed to you the identity of the Entity's related parties.
- We have disclosed to you all the related party relationships and transactions/balances of which we are aware.
- All related party relationships and transactions/balances have been appropriately accounted for, and disclosed, in accordance with the relevant financial reporting framework.

Estimates:

- The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Going concern:

- We have provided you with all information relevant to the use of the going concern assumption in the financial statements.
- We confirm that we are not aware of material uncertainties related to events or conditions that may cast significant doubt upon the Entity's ability to continue as a going concern.

Misstatements:

- The effects of the uncorrected misstatements described in [Attachment II](#) are immaterial, both individually and in the aggregate, to the financial statements as a whole.

Non-SEC registrants or non-reporting issuers:

- We confirm that the Entity is not a Canadian reporting issuer (as defined under any applicable Canadian securities act) and is not a United States Securities and Exchange Commission ("SEC") Issuer (as defined by the Sarbanes-Oxley Act of 2002).
- We also confirm that the financial statements of the Entity will not be included in the group financial statements of a Canadian reporting issuer audited by KPMG or an SEC Issuer audited by any member of the KPMG organization.

Other:

- We confirm that we have provided you with a complete list of service organizations (SO) and sub-service organizations (SSO) and that the relevant complementary user entity controls (CUECs) related to each SO/SSO have been designed and implemented. For the purpose of this representation, a service organization is one as defined in CAS 402.

Yours very truly,

Jerry Dobrovolny, Chief Administrative Officer

Harji Varn, Chief Financial Officer, General Manager, Financial Services

Attachment I – Definitions

Materiality

Certain representations in this letter are described as being limited to matters that are material.

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgments about materiality are made in light of surrounding circumstances, and are affected by perception of the needs of, or the characteristics of, the users of the financial statements and, the size or nature of a misstatement, or a combination of both while also considering the entity's own circumstances.

Information is obscured if it is communicated in a way that would have a similar effect for users of financial statements to omitting or misstating that information. The following are examples of circumstances that may result in material information being obscured:

- a) information regarding a material item, transaction or other event is disclosed in the financial statements but the language used is vague or unclear;
- b) information regarding a material item, transaction or other event is scattered throughout the financial statements;
- c) dissimilar items, transactions or other events are inappropriately aggregated;
- d) similar items, transactions or other events are inappropriately disaggregated; and
- e) the understandability of the financial statements is reduced as a result of material information being hidden by immaterial information to the extent that a primary user is unable to determine what information is material.

Fraud & error

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorization.

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Attachment II – Summary of Audit Misstatements Schedule(s)

Schedule of Uncorrected Audit Misstatements

	Statement of operations	Statement of financial position		
Description	Annual surplus (Decrease) Increase	Assets (Decrease) Increase	Liabilities (Decrease) Increase	Opening accumulated surplus (Decrease) Increase
A \$32.8 million invoice that was accrued contained amounts related to work performed in 2025	-	(884,153)	(884,153)	-
Total	-	(884,153)	(884,153)	-

[Letterhead of Client]

KPMG LLP
777 Dunsmuir Street, 11th floor
Vancouver, BC V7Y 1K3
Canada

[Date of audit report]

We are writing at your request to confirm our understanding that your audit was for the purpose of expressing an opinion on the financial statements (hereinafter referred to as “financial statements”) of Greater Vancouver Sewerage and Drainage District (“the Entity”) as at and for the period ended December 31, 2024.

General:

We confirm that the representations we make in this letter are in accordance with the definitions as set out in [Attachment I](#) to this letter.

We also confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Responsibilities:

- We have fulfilled our responsibilities, as set out in the terms of the consulting and professional services agreement dated September 19, 2024, including for:
 - the preparation and fair presentation of the financial statements and believe that these financial statements have been prepared and present fairly in accordance with the relevant financial reporting framework.
 - providing you with all information of which we are aware that is relevant to the preparation of the financial statements (“relevant information”), such as financial records, documentation and other matters, including:
 - the names of all related parties and information regarding all relationships and transactions with related parties;
 - the complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of board of directors and committees of the board of directors that may affect the financial statements. All significant actions are included in such summaries.
 - providing you with unrestricted access to such relevant information.
 - providing you with complete responses to all enquiries made by you during the engagement.

- providing you with additional information that you may request from us for the purpose of the engagement.
- providing you with unrestricted access to persons within the Entity from whom you determined it necessary to obtain audit evidence.
- such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We also acknowledge and understand that we are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud.
- ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements.
- ensuring that internal auditors providing direct assistance to you, if any, were instructed to follow your instructions and that we, and others within the Entity, did not intervene in the work the internal auditors performed for you.

Internal control over financial reporting:

- We have communicated to you all deficiencies in the design and implementation or maintenance of internal control over financial reporting of which we are aware.

Fraud & non-compliance with laws and regulations:

- We have disclosed to you:
 - the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
 - all information in relation to fraud or suspected fraud that we are aware of that involves:
 - management;
 - employees who have significant roles in internal control over financial reporting; or
 - others
 - where such fraud or suspected fraud could have a material effect on the financial statements.
 - all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements, communicated by employees, former employees, analysts, regulators, short sellers, or others.
 - all known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements or illegal acts, whose effects should be considered when preparing financial statements.
 - all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

Subsequent events:

- All events subsequent to the date of the financial statements and for which the relevant financial reporting framework requires adjustment, or disclosure, in the financial statements have been adjusted or disclosed.

Related parties:

- We have disclosed to you the identity of the Entity's related parties.
- We have disclosed to you all the related party relationships and transactions/balances of which we are aware.
- All related party relationships and transactions/balances have been appropriately accounted for, and disclosed, in accordance with the relevant financial reporting framework.

Estimates:

- The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Going concern:

- We have provided you with all information relevant to the use of the going concern assumption in the financial statements.
- We confirm that we are not aware of material uncertainties related to events or conditions that may cast significant doubt upon the Entity's ability to continue as a going concern.

Misstatements:

- The effects of the uncorrected misstatements described in [Attachment II](#) are immaterial, both individually and in the aggregate, to the financial statements as a whole.

Non-SEC registrants or non-reporting issuers:

- We confirm that the Entity is not a Canadian reporting issuer (as defined under any applicable Canadian securities act) and is not a United States Securities and Exchange Commission ("SEC") Issuer (as defined by the Sarbanes-Oxley Act of 2002).
- We also confirm that the financial statements of the Entity will not be included in the group financial statements of a Canadian reporting issuer audited by KPMG or an SEC Issuer audited by any member of the KPMG organization.

Other:

- We confirm that we have provided you with a complete list of service organizations (SO) and sub-service organizations (SSO) and that the relevant complementary user entity controls (CUECs) related to each SO/SSO have been designed and implemented. For the purpose of this representation, a service organization is one as defined in CAS 402.

Yours very truly,

Jerry Dobrovolny, Chief Administrative Officer

Harji Varn, Chief Financial Officer, General Manager, Financial Services

Attachment I – Definitions

Materiality

Certain representations in this letter are described as being limited to matters that are material.

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgments about materiality are made in light of surrounding circumstances, and are affected by perception of the needs of, or the characteristics of, the users of the financial statements and, the size or nature of a misstatement, or a combination of both while also considering the entity's own circumstances.

Information is obscured if it is communicated in a way that would have a similar effect for users of financial statements to omitting or misstating that information. The following are examples of circumstances that may result in material information being obscured:

- a) information regarding a material item, transaction or other event is disclosed in the financial statements but the language used is vague or unclear;
- b) information regarding a material item, transaction or other event is scattered throughout the financial statements;
- c) dissimilar items, transactions or other events are inappropriately aggregated;
- d) similar items, transactions or other events are inappropriately disaggregated; and
- e) the understandability of the financial statements is reduced as a result of material information being hidden by immaterial information to the extent that a primary user is unable to determine what information is material.

Fraud & error

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorization.

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Attachment II – Summary of Audit Misstatements Schedule(s)

Schedule of Uncorrected Audit Misstatements

	Statement of operations	Statement of financial position		
Description	Annual surplus (Decrease) Increase	Assets (Decrease) Increase	Liabilities (Decrease) Increase	Opening accumulated surplus (Decrease) Increase
Construction in progress was put into service in May 2024 however was not transferred to infrastructure	-	2,828,553 (2,828,553)	-	-
Total	-	-	-	-



Appendix 3: Current developments

Auditing standards

Effective for periods beginning on or after December 15, 2024

ISA 260/CAS 260

.....
Communications
with those
charged with
governance

ISA 700/CAS 700

.....
Forming an
opinion and
reporting on the
financial
statements

Click here for information about CAS 260
and CAS 700 from CPA Canada:
[Amended CAS 260 and CAS 700](#)



Appendix 3: Current developments

Accounting standards

Standard	Summary and implications
Concepts Underlying Financial Performance	<ul style="list-style-type: none"> The revised Conceptual Framework is effective for fiscal years beginning on or after April 1, 2026 with early adoption permitted. The framework provides the core concepts and objectives underlying Canadian public sector accounting standards. The ten chapter conceptual framework defines and elaborates on the characteristics of public sector entities and their financial reporting objectives. Additional information is provided about financial statement objectives, qualitative characteristics and elements. General recognition and measurement criteria, and presentation concepts are introduced.
Financial Statement Presentation	<ul style="list-style-type: none"> The proposed section PS 1202 <i>Financial statement presentation</i> will replace the current section PS 1201 <i>Financial statement presentation</i>. PS 1202 <i>Financial statement presentation</i> will apply to fiscal years beginning on or after April 1, 2026 to coincide with the adoption of the revised conceptual framework. Early adoption is permitted. The proposed section includes the following: <ul style="list-style-type: none"> Relocation of the net debt indicator to its own statement called the statement of net financial assets/liabilities, with the calculation of net debt refined to ensure its original meaning is retained. Separating liabilities into financial liabilities and non-financial liabilities. Restructuring the statement of financial position to present total assets followed by total liabilities. Changes to common terminology used in the financial statements, including re-naming accumulated surplus (deficit) to net assets (liabilities). Removal of the statement of remeasurement gains (losses) with the information instead included on a new statement called the statement of changes in net assets (liabilities). This new statement would present the changes in each component of net assets (liabilities), including a new component called “accumulated other”. A new provision whereby an entity can use an amended budget in certain circumstances. Inclusion of disclosures related to risks and uncertainties that could affect the entity’s financial position.



Appendix 3: Current developments

Accounting standards (continued)

Standard	Summary and implications
Employee Benefits	<ul style="list-style-type: none"> The Public Sector Accounting Board has issued proposed new standard PS 3251 <i>Employee benefits</i> which would replace the current sections PS 3250 <i>Retirement benefits</i> and PS 3255 <i>Post-employment benefits, compensated absences and termination benefits</i>. After evaluating comments received about the July 2021 exposure draft, a new re-exposure draft was released in October 2024. The re-exposure draft continues to use principles from International Public Sector Accounting Standard 39 <i>Employee benefits</i> as a starting point to develop the Canadian standard. The proposed standard would result in public sector entities recognizing the impact of revaluations of the net defined benefit liability (asset) immediately on the statement of financial position. The re-exposure draft also proposes that fully funded post-employment benefit plans use a discount rate based on the expected market-based return of plan assets and unfunded plans use a discount rate based on the market yield of government bonds, high-quality corporate bonds or another appropriate financial instrument. A simplified approach to determining a plan's funding status is provided. For most other topics, the re-exposure draft is consistent with the original exposure draft. A few exceptions are: <ul style="list-style-type: none"> Deferral provisions – Remeasurement gains and losses will be presented as part of accumulated remeasurement gains and losses. Valuation of plan assets – Public sector entities may continue to recognize non-transferable financial instruments that meet the definition of plan assets under existing PS 3250 guidance. Joint defined benefit plans – Defined benefit accounting will be used for measurement of the proportionate share of the plan, instead of previously proposed multi-employer plan accounting which was based on defined contribution plan concepts. Disclosure of other long-term employee benefits and termination benefits – The re-exposure draft does not include prescriptive disclosure requirements for other long-term employee benefits and termination benefits. The proposed section PS 3251 <i>Employee benefits</i> will apply to fiscal years beginning on or after April 1, 2029. Early adoption will be permitted and guidance applied retroactively, with or without prior period restatement. Comments on the re-exposure draft were due on January 20, 2025. The re-exposure draft can be viewed at the following link: Click here



Appendix 3: Current developments

Accounting standards (continued)

Standard	Summary and implications
Intangible assets	<ul style="list-style-type: none"> The Public Sector Accounting Standards Board has issued proposed new standard PS 3155 <i>Intangible Assets</i> which would replace Public Sector Guideline 8 <i>Purchased Intangibles</i>. The new standard would be effective for fiscal years beginning on or after April 1, 2030 with early adoption permitted. The standard will include foundational guidance on acquired and internally generated intangibles. It excludes intangible assets addressed in other public sector accounting standards and other intangible items such as exploration and extraction costs for non-renewable resources or intangible assets related to insurance contracts. The definition of “intangible assets” requires an intangible resource to be separate and identifiable from goodwill. It also requires that the entity has control over the intangible resource, future economic benefits flow from the intangible resource, and the intangible resource is the result of a past transaction and/or other events. Internally generated goodwill is not permitted to be recognized as an asset. An intangible resource is recognized when it meets the definition of an intangible asset and the asset’s cost can be measured in a faithfully representative way. The generation of the asset is classified into a research phase and a development phase. Expenditures from the research phase of an internally generated project are expensed. An intangible asset arising from the development phase can be recognized if it meets certain requirements. Intangible assets are initially measured at cost and subsequently carried at cost less accumulated amortization and accumulated impairment losses. Intangible assets acquired through a non-exchange transaction are measured at fair value as of the date it is acquired. Comments on the exposure draft are due on May 30, 2025. The exposure draft can be viewed at the following link: Click here
Cloud computing arrangements	<ul style="list-style-type: none"> As part of its intangible assets project, the Public Sector Accounting Standards Board is also developing guidance on cloud computing arrangements. To ensure the development of this accounting guidance reflects current practices and needs, a survey has been launched to gather insights. The survey will inform the Public Sector Accounting Board about the types of cloud computing arrangements being encountered, magnitude of costs, key arrangement terms, current accounting policies and unique challenges in practice. We encourage all entities to complete the survey by May 30, 2025, which is at the following link: Click here



Appendix 4: Audit and assurance insights

Our latest thinking on the issues that matter most to Audit Committees, board of directors and management.

KPMG Audit & Assurance Insights

Curated research and insights for audit committees and boards.

Sustainability Reporting

Resource centre on implementing the new Canadian reporting standards

Board Leadership Centre

Leading insights to help board members maximize boardroom opportunities

IFRS Breaking News

A monthly Canadian newsletter that provides the latest insights on accounting, financial reporting and sustainability reporting.

Current Developments

Series of quarterly publications for Canadian businesses including Spotlight on IFRS, Canadian Assurance & Related Services, Canadian Securities Matters, and US Outlook reports.

Audit Committee Guide – Canadian Edition

A practical guide providing insight into current challenges and leading practices shaping audit committee effectiveness in Canada.

Accelerate - The key issues driving the audit committee agenda

Discover the most pressing risks and opportunities that face audit committees, boards and management teams.





<https://kpmg.com/ca/en/home.html>

© 2025 KPMG LLP, an Ontario limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

