

**METRO VANCOUVER REGIONAL DISTRICT
ZERO WASTE COMMITTEE**

MEETING

Thursday, May 9, 2024

1:00 pm

28th Floor Committee room, 4515 Central Boulevard, Burnaby, British Columbia

Webstream available at <https://www.metrovancover.org>

A G E N D A¹

A. ADOPTION OF THE AGENDA

1. May 9, 2024 Meeting Agenda

That the Zero Waste Committee adopt the agenda for its meeting scheduled for May 9, 2024, as circulated.

B. ADOPTION OF THE MINUTES

1. April 4, 2024 Meeting Minutes

That the Zero Waste Committee adopt the minutes of its meeting held April 4, 2024, as circulated.

pg. 3

C. DELEGATIONS

1. Sue Maxwell - Chair, Zero Waste BC

Subject: Case Study on Results of the Previous Integrated Solid Waste & Resource Management Plan

pg. 9

D. INVITED PRESENTATIONS

E. REPORTS FROM COMMITTEE OR CHIEF ADMINISTRATIVE OFFICER

1. North Surrey and Langley Recycling Depots – Project Update

That the Zero Waste Committee receive for information the report dated May 2, 2024, titled “North Surrey and Langley Recycling Depots – Project Update”.

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¹ Note: Recommendation is shown under each item, where applicable.

- 2. 2024 Food Scraps Recycling Campaign "Food Scraps Aren't Garbage" Results** *pg. 19*
That the Zero Waste Committee receive for information the report dated April 22, 2024, titled "2024 Food Scraps Recycling Campaign "Food Scraps Aren't Garbage" Results".

- 3. Manager's Report** *pg. 30*
That the Zero Waste Committee receive for information the report dated May 1, 2024, titled "Manager's Report.

F. INFORMATION ITEMS

- 1. Audited 2023 Financial Statements and Annual Financial Results** *pg. 36*

G. OTHER BUSINESS

H. RESOLUTION TO CLOSE MEETING

Note: The Committee must state by resolution the basis under section 90 of the Community Charter on which the meeting is being closed. If a member wishes to add an item, the basis must be included below.

That the Zero Waste Committee close its meeting scheduled for April 4, 2024 pursuant to section 226 (1) (a) of the *Local Government Act* and the *Community Charter* provisions as follows:

90 (1) A part of a council meeting may be closed to the public if the subject matter being considered relates to or is one or more of the following:

- (a) personal information about an identifiable individual who holds or is being considered for a position as an officer, employee or agent of the municipality or another position appointed by the municipality.

I. ADJOURNMENT

That the Zero Waste Committee adjourn its meeting of May 9, 2024.

Membership:

Kirby-Yung, Sarah (C) – Vancouver
Hodge, Craig (VC) – Coquitlam
Calendino, Pietro – Burnaby

Darling, Steve – Port Coquitlam
Ferguson, Steve – Langley Township
Fry, Pete – Vancouver

Muri, Lisa – North Vancouver District
Wallace, Rosemary – Langley City
Weverink, Paul – Anmore

**METRO VANCOUVER REGIONAL DISTRICT
ZERO WASTE COMMITTEE**

Minutes of the Regular Meeting of the Metro Vancouver Regional District (MVRD) Zero Waste Committee held at 1:01 pm on Thursday, April 4, 2024 in the 28th Floor Committee Room, 4515 Central Boulevard, Burnaby, British Columbia.

MEMBERS PRESENT:

Chair, Director Sarah Kirby-Yung, Vancouver* (arrived at 1:08 pm)
 Vice Chair, Director Craig Hodge, Coquitlam
 Director Pietro Calendino, Burnaby
 Councillor Steve Darling, Port Coquitlam
 Director Steve Ferguson, Langley Township (departed at 1:59 pm)
 Councillor Pete Fry, Vancouver
 Director Lisa Muri, North Vancouver District
 Councillor Rosemary Wallace, Langley

MEMBERS ABSENT:

Councillor Paul Weverink, Anmore

STAFF PRESENT:

Paul Henderson, General Manager, Solid Waste Services
 Lucy Duso, Division Manager, Collaboration and Stakeholder Engagement, External Relations
 Terry Fulton, Senior Project Engineer, Solid Waste Services
 Nathan Jamieson, Senior Project Engineer, Planning, Policy & Facility Development, Solid Waste Services
 Janis Knaupp, Program Manager, Legislative Services, Board and Information Services
 Shellee Ritzman, Division Manager, Corporate Communications, External Relations
 Sarah Wellman, Senior Engineer, Solid Waste Services

*denotes electronic meeting participation as authorized by the *Procedure Bylaw*

A. ADOPTION OF THE AGENDA

1. April 4, 2024 Meeting Agenda

It was MOVED and SECONDED

That the Zero Waste Committee adopt the agenda for its meeting scheduled for April 4, 2024, as circulated.

CARRIED

B. ADOPTION OF THE MINUTES

1. February 8, 2024 Meeting Minutes

It was MOVED and SECONDED

That the Zero Waste Committee adopt the minutes of its meeting held February 8, 2024, as circulated.

CARRIED

C. DELEGATIONS

1. Glen Furtado, Senior Director, Construction Innovation with the Cement Association of Canada

Glen Furtado, Senior Director, Construction Innovation, Cement Association of Canada (CAC), provided the Zero Waste Committee with a presentation titled “Concrete Zero Canada’s Cement and Concrete Industry Action Plan to Net-Zero,” highlighting the CAC’s local and national efforts to implement the net-zero plan for GHGs from cement production.

1:08 pm Chair Kirby-Yung arrived at the meeting.

In response to questions, Glen Furtado noted that:

- different approaches are being taken by the industry across Canada using local materials to improve cement and concrete, such as fly ash in the prairie provinces and slag (a by-product from the steel industry) in eastern provinces; and
- the Canadian Standards Association and the *BC Building Code* allowing for lower carbon cement recipes to enable the CAC to meet its action plan objectives.

D. INVITED PRESENTATIONS

No items presented.

E. REPORTS FROM COMMITTEE OR CHIEF ADMINISTRATIVE OFFICER

1. 2022 Integrated Solid Waste and Resource Management Plan Biennial Report

Report dated March 20, 2024 from Terry Fulton, Senior Project Engineer, Solid Waste Services, seeking GVS&DD Board direction to request feedback on the draft *2022 Integrated Solid Waste and Resource Management Plan Biennial Report* from First Nations and interested parties, and to submit the report and any feedback to the Province of British Columbia.

Terry Fulton provided the Zero Waste Committee with a presentation titled “2022 Biennial Report Integrated Solid Waste and Resource Management Plan Progress,” noting that the report highlights progress in 2021 and 2022, the status of actions in the Plan, updated solid waste and recycling statistics, guiding policy and targets, and trends in recycling rates and materials being recycled.

In response to questions, Terry Fulton and Paul Henderson, General Manager, Solid Waste Services, noted that:

- residential garbage has decreased despite increasing population growth;
- garbage from bi-weekly municipal garbage pickup has decreased;
- solid waste professionals generally agree that pay-as-you throw garbage systems (i.e. customers paying based on the amount of garbage produced) helps reduce garbage disposal quantities and encourages recycling; and
- staff are exploring expansion of pilot efforts for receipt of durable household items for reuse at recycling and waste centres.

It was MOVED and SECONDED

That the GVS&DD Board direct staff to:

- a) invite feedback on the draft 2022 Integrated Solid Waste and Resource Management Plan Biennial Report from First Nations and interested parties; and
- b) submit the 2022 Integrated Solid Waste and Resource Management Plan Biennial Report and feedback to the Ministry of Environment and Climate Change Strategy.

CARRIED

2. Waste-to-Energy Facility District Energy System Project Update

Report dated March 27, 2024 from Sarah Wellman, Senior Engineer, Solid Waste Services, providing an update on the status of the Waste-to-Energy Facility District Energy System Project.

Sarah Wellman and Nathan Jamieson, Senior Project Engineer, Planning, Policy & Facility Development, Solid Waste Services, provided members with a presentation titled “Waste-to-Energy Facility District Energy Project Update,” including information on energy generation, design and construction, timelines, and exemptions needed from the BC Utilities Commission.

It was MOVED and SECONDED

That the GVS&DD Board receive for information the report dated March 27, 2024, titled “Waste-to-Energy Facility District Energy Project Update”.

CARRIED

Councillor Darling absent at the vote.

3. Zero Waste Collaboration Initiatives – Future Delivery

Report dated March 19, 2024 from Lucy Duso, Division Manager, Collaboration and Stakeholder Engagement, External Relations, providing information on proposed future delivery of Metro Vancouver’s Zero Waste Collaboration Initiatives.

It was MOVED and SECONDED

That the Zero Waste Committee receive for information the report dated March 19, 2024, titled “Zero Waste Collaboration Initiatives – Future Delivery”.

CARRIED

4. Create Memories, Not Garbage 2023 Campaign Results

Report dated March 14, 2024 from Lucy Duso, Division Manager, Collaboration and Stakeholder Engagement, External Relations, providing an update on results of the 2023 regional holiday waste-reduction campaign “Create Memories, Not Garbage”.

Shellee Ritzman, Division Manager, Corporate Communications, External Relations, provided the Zero Waste Committee with a presentation titled “Create Memories, Not Garbage 2023 Campaign Performance,” highlighting media strategies, social media, digital and non-digital tactics, radio, post-campaign research and trends during the COVID-19 pandemic, and the 2024 campaign strategy.

1:59 pm Director Ferguson departed the meeting.

It was MOVED and SECONDED

That the Zero Waste Committee receive for information the report dated March 14, 2024, titled “Create Memories Not Garbage 2023 Campaign Results.”

CARRIED

5. Appointment of Enforcement Officers and Deputy Solid Waste Manager

Report dated March 12, 2024 from Kathy Preston, Director, Environmental Regulation and Enforcement, Parks and Environment, seeking the GVS&DD Board to appoint one Metro Vancouver employee as a Board-designated Deputy Solid Waste Manager, and two Metro Vancouver employees as Board-designated Officers, and to rescind the appointments of one former Officer, and the current Deputy Solid Waste Manager.

It was MOVED and SECONDED

That the GVS&DD Board:

- a) pursuant to the *Greater Vancouver Sewerage and Drainage District Municipal Solid Waste and Recyclable Material Regulatory Bylaw No. 181, 1996* and the *Environmental Management Act*:
 - i. rescind the appointment of Michelle Jones as the deputy solid waste manager;
 - ii. appoint Metro Vancouver employee Nicole MacDonald as the deputy solid waste manager;
 - iii. rescind the appointment of Scott Brown as an officer; and
 - iv. appoint Metro Vancouver employees Sonia Ganjehei and Nicole MacDonald as officers; and
- b) pursuant to Section 28 of the *Offence Act* for the purpose of serving summons for alleged violations under the *Greater Vancouver Sewerage and Drainage District Municipal Solid Waste and Recyclable Material Regulatory Bylaw No. 181, 1996*:
 - i. rescind the appointment of Scott Brown; and
 - ii. appoint Metro Vancouver employees Sonia Ganjehei and Nicole MacDonald.

CARRIED

6. Manager's Report

Report dated March 21, 2024 from Paul Henderson, General Manager, Solid Waste Services, providing information on recycling of coffee cups; the call for submissions for membership in the 2024 Solid Waste and Recycling Industry Advisory Committee; the February 2024 Metro Vancouver construction and demolition workshop; Project Re-Bounce; procurement related to various solid waste initiatives; and on the Committee's 2024 Work Plan.

It was MOVED and SECONDED

That the Zero Waste Committee receive for information the report dated March 21, 2024, titled "Manager's Report.

CARRIED

F. INFORMATION ITEMS

No items presented.

G. OTHER BUSINESS

No items presented.

H. RESOLUTION TO CLOSE MEETING

It was MOVED and SECONDED

That the Zero Waste Committee close its meeting scheduled for April 4, 2024 pursuant to section 226 (1) (a) of the *Local Government Act* and the *Community Charter* provisions as follows:

90 (1) A part of a council meeting may be closed to the public if the subject matter being considered relates to or is one or more of the following:

- (k) negotiations and related discussions respecting the proposed provision of a municipal service that are at their preliminary stages and that, in the view of the council, could reasonably be expected to harm the interests of the municipality if they were held in public.

CARRIED

I. **ADJOURNMENT**

It was MOVED and SECONDED

That the Zero Waste Committee adjourn its meeting of April 4, 2024.

CARRIED
(Time: 2:12 pm)

Janis Knaupp,
Program Manager, Legislative
Services

Sarah Kirby-Yung,
Chair

67121607 DRAFT

Summary for May 9th, 2024 Delegation to the Metro Vancouver Zero Waste Committee

Background on the Metro Vancouver Case Study

To prepare for the solid waste plan update, Zero Waste BC conducted an analysis of the data available on the Metro Vancouver Waste to Energy Facility as well as the solid waste management system for Metro Vancouver. Complete sets of data were available from 2010 until 2020 (as of Dec 2023).

Findings

1. Total Waste: Total waste disposed has declined from 2010 to 2020 representing a per capita decline of 172 kg/person which would be equivalent to over 476,000 tonnes in 2020. Note that waste incinerated represents 20% of the total waste and the waste eliminated is equivalent to shutting down the need for almost two incinerators.
2. Costs: Zero Waste is the most economical way to prevent and manage waste. Waste-to-energy is by far the most expensive option. Operating costs have been increasing between 2010 and 2020, up 4% for landfilling and 22% for waste-to-energy but are forecast to go up even more, to 10% for landfilling and 74% for waste-to-energy by 2027. Capital costs are significant for the incinerator and will be increasing over the next several years as the incinerator is rebuilt piece by piece and air quality requirements are increased. The Zero Waste Committee learned in July 2023 that the waste-to-energy facility was the key driver of the solid waste capital plan and by November, predicted capital costs had risen another \$92.9 million.

Table 1 Comparison of Operating and Capital Costs by Method

Costs	Incinerator	Landfills	Zero Waste -Not wasting
Operating Costs /t (2020)	\$96.64	\$47.97	\$8.58
Operating costs total (2020)	\$24M	\$33M	\$4M
Capital (2010-2027)	\$224M	Included in above	0
Proportion of Waste	1/5	4/5	Negative
Tonnes	244,362	904,096	476,435 avoided

3. GHGs: A focus on GHGs should lead to a strong attempt to move towards Zero Waste (upstream consumption-based emissions savings) and the closure of the incinerator with savings from both ceasing emissions as well as stopping the use of fossil fuel gas and electricity at the facility. Given that this is meant to be the decade of climate action, every tonne of GHGs (both non-biogenic and biogenic -that from materials that are plant-based) should be avoided.

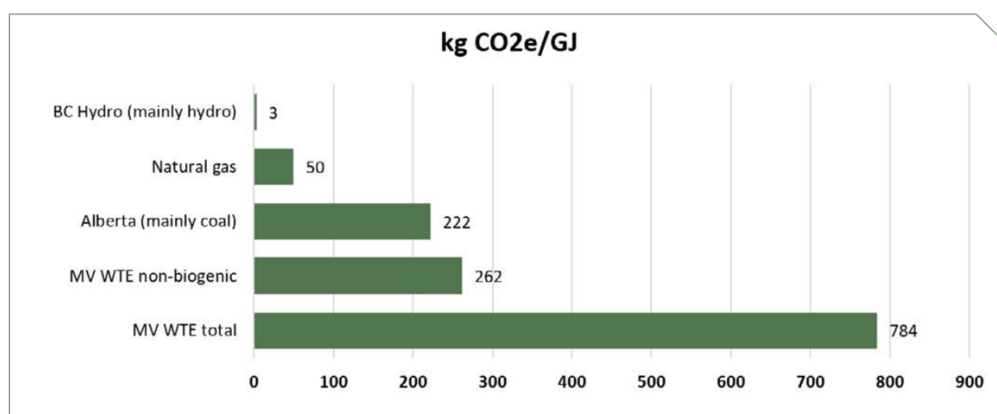
Landfill emissions have been declining for Metro Vancouver, 72% **less** than in 2010 due to decreasing organic content and better landfill gas capture. On the other hand, the incinerator has **increased** the non-biogenic emissions (the emissions from burning non-plant or grown materials like plastic, metal and glass) by 101% over the same time period. The Burnaby incinerator has been one of the top 25 industrial point sources of GHGs for the past ten years. When Zero Waste practices are used, the materials that do not get used, replaced or wasted represent upstream savings of GHGs and are thus the best solution for managing waste.

Table 2 Comparison of GHG Emissions by Method

GHGs - 2020	Incinerator	Vancouver Landfill	External Landfill	Waste prevented
Non-biogenic GHG (tCO ₂ e/t waste)	0.58	0.26	0.08	negative
Including biogenic GHG (tCO ₂ e/t waste)	1.28	0.32	0.14	negative
Percentage of GHGs (total)	64%	36%	<1%	negative
Percentage of waste	21%	56%	3%	-16%

For an energy source, waste to energy is the most GHG intense form of energy.

Figure 1GHG emissions by energy source



- Age: The Metro Vancouver incinerator is of an age to be retired. US incinerators showed that incinerators are closing due to the rising costs to maintain them and for replacement parts, as well as the expense and challenges to keep up with evolving health and environmental standards. Continued raising of standards can be expected with more research on impacts and new best practices being set such as continuous emissions testing. The average life expectancy of an incinerator is 30 years and Metro Vancouver's is currently 35 years old. The Covanta contract expires in 2025 and the BC Hydro power purchase agreement in 2026.
- District Energy: District energy systems should be pursued but only using truly clean and renewable energy sources, of which waste incineration is neither. District energy using incineration locks in to producing and burning waste and means more people will be living at risk closer to the facility.
- A Zero Waste alternative exists to burning waste that can help Metro Vancouver to meet its goals: reduce energy consumption and GHG emissions; save capital and operating costs; save staff time managing, monitoring and reporting on waste-to-energy; no longer require ash disposal; decrease environmental and health impacts and risks; improve air quality; enhance resilience and avoid the opportunity costs of missed alternatives.

Conclusion:

This is the perfect time to re-evaluate the incinerator and attaching it to a district energy system.

Complete report at <https://www.zerowastebc.ca/about-us/our-work/#Research>.

To: Zero Waste Committee

From: Marcel Pitre, Division Manager, Policy and Facility Development
Solid Waste Services

Date: May 2, 2024 Meeting Date: May 9, 2024

Subject: **North Surrey and Langley Recycling Depots – Project Update**

RECOMMENDATION

That the Zero Waste Committee receive for information the report dated May 2, 2024, titled “North Surrey and Langley Recycling Depots – Project Update”.

EXECUTIVE SUMMARY

Metro Vancouver is building two new recycling depots at existing recycling and waste centres. Free recycling depots will be added ahead of the scales at the North Surrey and Langley recycling and waste centres. These new facilities will complete the implementation of consistent free recycling service across all the Metro Vancouver recycling and waste centres.

PURPOSE

To update the Zero Waste Committee on the development of two new recycling depots at recycling and waste centres.

BACKGROUND

Metro Vancouver has a goal of providing a consistent level of service at all regional recycling and waste centres maximizing waste reduction and recycling opportunities. North Surrey and Langley recycling and waste centres are the final sites needing the addition of free recycling depots.

RECYCLING DEPOTS

The North Surrey and Langley recycling depots will provide customers with a full suite of services to drop off recyclables free of charge without having to cross the scales. These facilities will accept all recyclables currently accepted at the other Metro Vancouver recycling and waste centres and will feature a safe and convenient layout designed to accommodate future expansion.

Project Update

The property adjacent to the North Surrey Recycling and Waste Centre was purchased in 2022 to allow for the expansion of the existing facility and to provide a site for the new recycling depot. For the Langley facility, the design will make better use of the large existing site. The new recycling depot will be located near the entrance of the facility by relocating the scales to the east side of the property.

Conceptual Designs

Metro Vancouver staff have been working with an engineering consultant to complete initial conceptual designs for both facilities. Following site surveying and geotechnical investigations, the

design team worked collaboratively with the host municipalities and existing site operators to refine the conceptual designs, ensuring permitting requirements are met and key operational functionality is considered. A number of sustainability features will be integrated into the designs including the use of recycled materials where appropriate.

Next Steps

Design of the recycling depots is underway along with permitting discussions with municipal staff. Construction for the Langley Recycling Depot is anticipated for 2025 and the North Surrey Recycling Depot for 2026.

ALTERNATIVES

This report is prepared for information. No alternatives are presented.

FINANCIAL IMPLICATIONS

The current capital budget for construction of the recycling depots are \$8.0 million for each depot. Budgets for these projects will be reviewed as part of the 2025-2029 Financial Plan based on cost estimates prepared through the detailed design process.

CONCLUSION

Free recycling depots will be added ahead of the scales at the North Surrey and Langley recycling and waste centres. These new facilities will complete the implementation of free recycling service across all the Metro Vancouver recycling and waste centres. The depots will accept the same recyclables currently accepted at the other facilities, will feature a safe and convenient layout, and will be designed to accommodate future expansion.

Construction for the Langley Recycling Depot is anticipated for 2025 and the North Surrey Recycling Depot for 2026.

ATTACHMENTS

1. Presentation: North Surrey and Langley Recycling Depots – Project Update

67417749



Central Surrey Recycling and Waste Centre

Langley and North Surrey Recycling Depots

PROJECT UPDATES

Marcel A. Pitre, P.Eng. ENV SP
 Division Manager, Policy and Facility Development, Solid Waste Services
 Zero Waste Committee, May 9, 2024

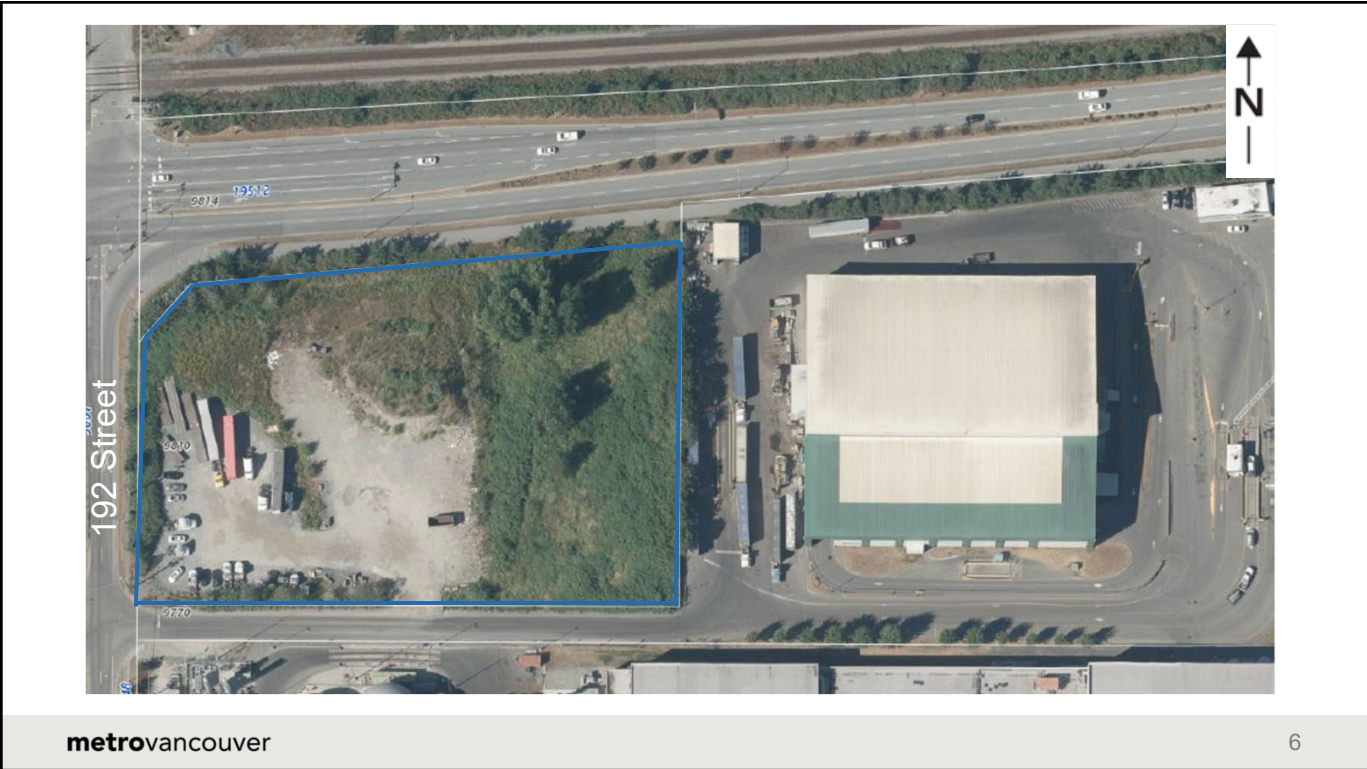
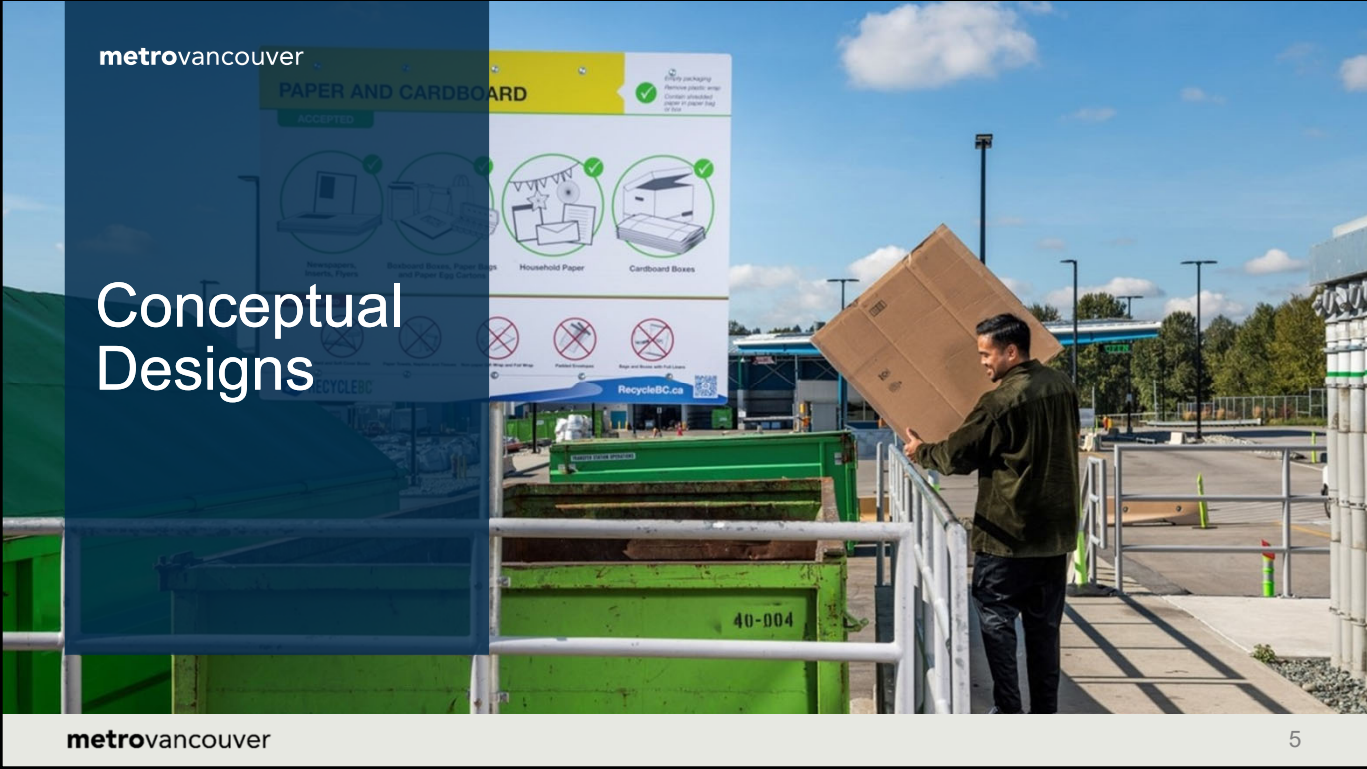


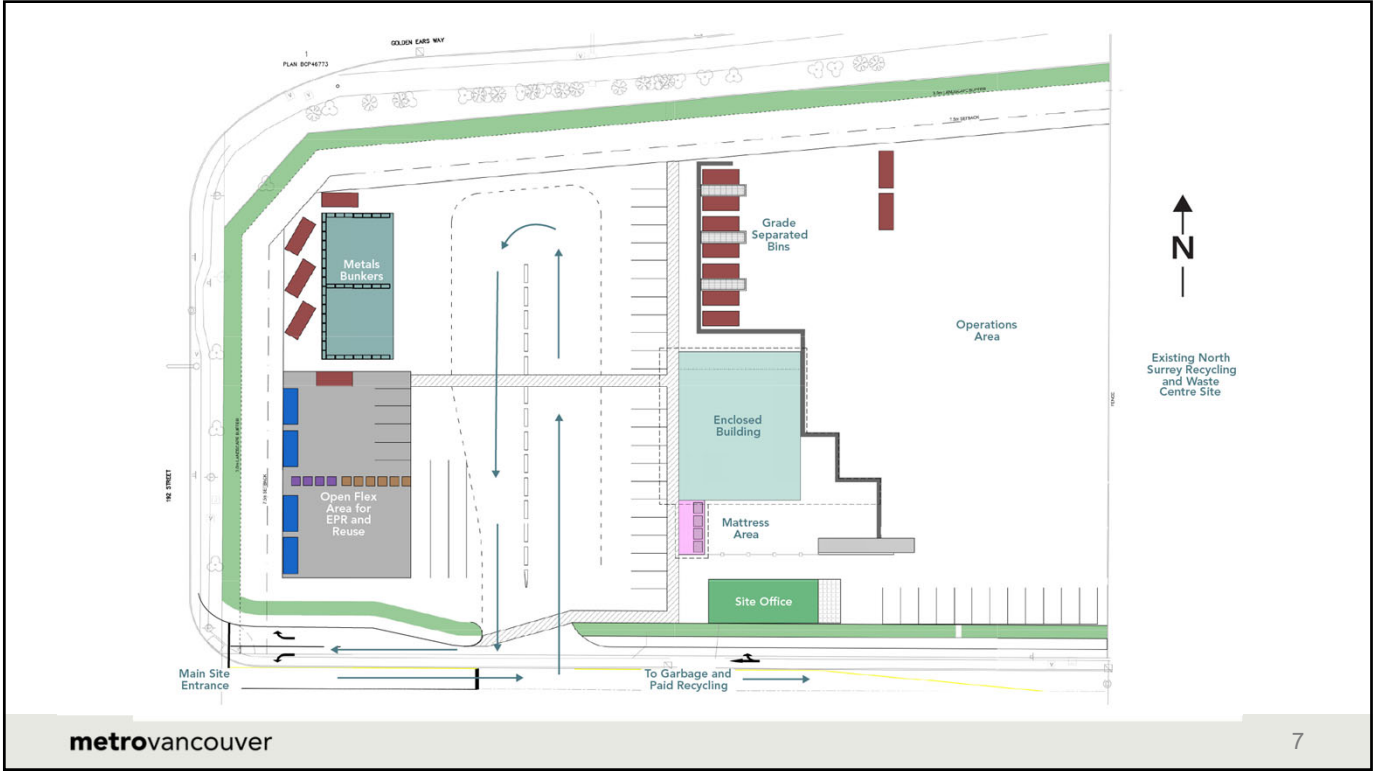


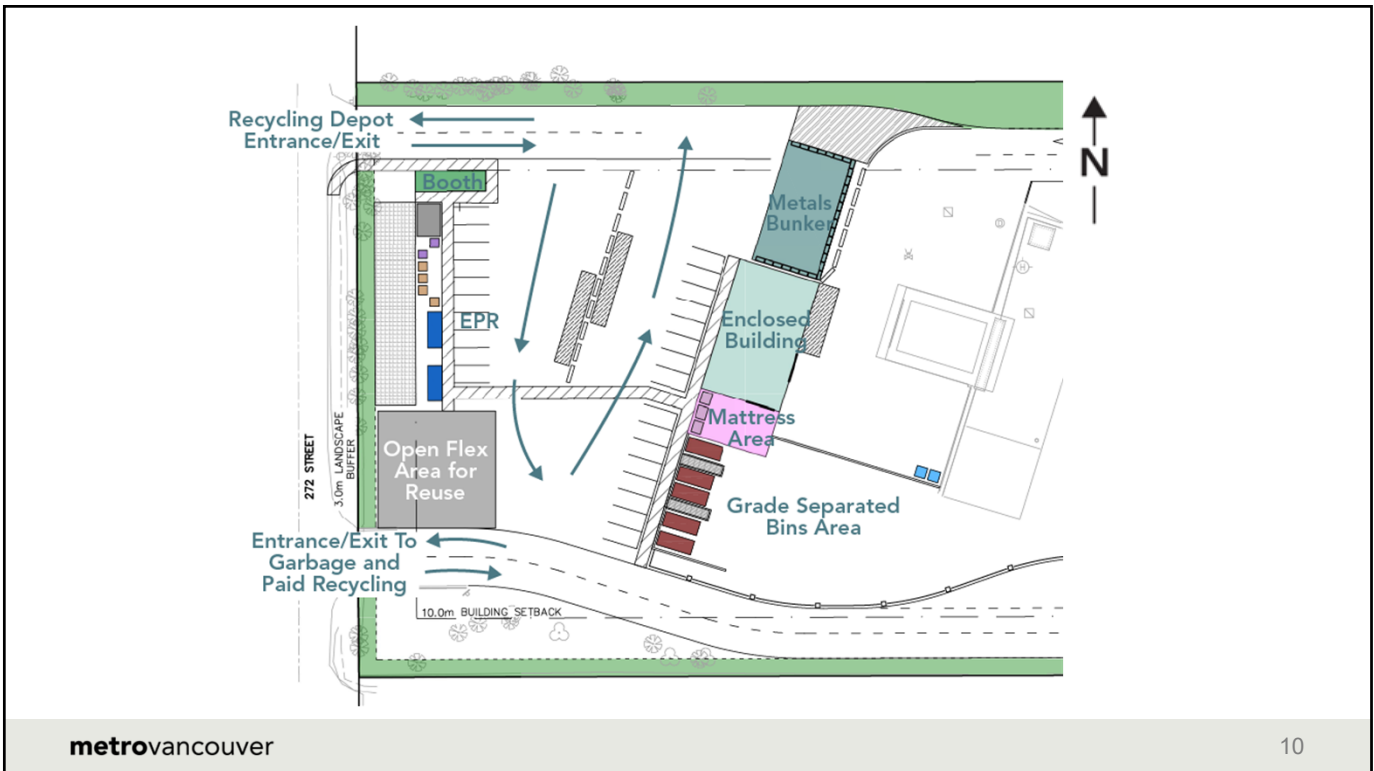
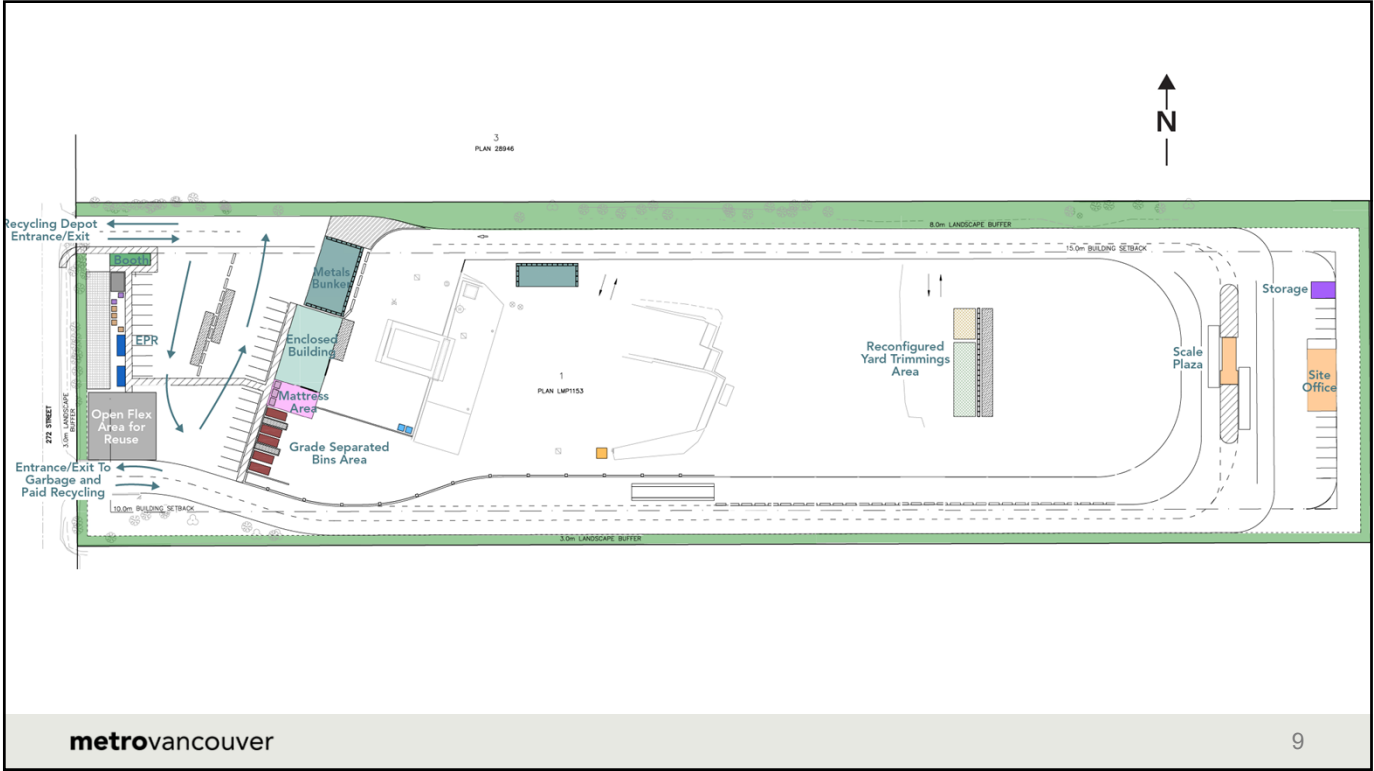
NEW RECYCLING DEPOTS

North Surrey and Langley Recycling and Waste Centres

- Consistent level of service at all recycling and waste centres
- Full suite of free recycling drop-off
- Ahead of the scales
- Safe and convenient layout
- Space for expansion







NEXT STEPS

- Design and municipal permitting processes underway
- Construction in 2025 and 2026



Thank you

To: Zero Waste Committee

From: Shellee Ritzman, Division Manager, Corporate Communications
 Alison Schatz, Sr. Communications Specialist, Corporate Communications

Date: April 22, 2024 Meeting Date: May 9, 2024

Subject: **2024 Food Scraps Recycling Campaign "Food Scraps Aren't Garbage" Results**

RECOMMENDATION

That the Zero Waste Committee receive for information the report dated April 22, 2024, titled "2024 Food Scraps Recycling Campaign "Food Scraps Aren't Garbage" Results".

EXECUTIVE SUMMARY

The 2024 "Food Scraps Aren't Garbage" campaign ran from January 15 to March 10, 2024. The campaign's objective is to increase the diversion of organic waste into the green bin.

The target audience is people living in apartments and condos (couples age 25 – 34 and men 65+), who tend to use their greens bin less than people living in houses. Knowing that people tend to conform to the perceived norm in their community, the strategy was to communicate that using the green bin is now the common and accepted behaviour in the region. The campaign performed strongly, with 16.1 million impressions, over 640,000 reach, 4,350 social media engagements, and high recall among the target audience segments (17 – 25%). The campaign will run again in early 2025.

PURPOSE

To update the Committee on the results of the 2024 regional food scraps recycling campaign, "Food Scraps Aren't Garbage."

BACKGROUND

The food scraps recycling campaign is part of a suite of education, enforcement (policy), and engineering efforts by Metro Vancouver to reduce waste in the region. It supports the waste reduction objectives in the *Integrated Solid Waste and Resource Management Plan*. 2024 marked the eleventh year of the campaign, which launched in 2014, ahead of the introduction of Metro Vancouver's Organics Disposal Ban in 2015. Over time, the campaign strategy has shifted to focus on specific items or audiences to drive progress on green bin usage. According to 2024 post-campaign survey data, 85% of residents now say they always or often dispose of one or more items in the green bin. This report provides an update on the results of the 2024 campaign as identified in the 2024 Zero Waste Committee Work Plan.

2024 REGIONAL FOOD SCRAPS RECYCLING CAMPAIGN

The 2024 "Food Scraps Aren't Garbage" campaign was in market from January 15 to March 10, 2024. Classically recognized organics like cores, peels, shells, and stems are still in the garbage in significant quantities, so the primary objective was to increase the diversion of organic waste into

the green bin. The campaign leveraged the existing googly-eyed food face characters. The creative is used by organizations and governments across Canada and globally.

Strategy

The objective, target audience, and strategy were the same as in the 2023 campaign. The target audience was Metro Vancouver residents living in apartments and condos (couples age 25 – 34 and men 65+), who tend to use the green bin less than people living in houses: 2022 multi-family waste composition data showed that compostable organics remain the largest component of multi-family waste (37%).

Knowing that people tend to conform to the perceived norm in their community, the strategy was to communicate that using the green bin is now the common and accepted behaviour in the region. By communicating this social norm, and the benefits of recycling food scraps, the campaign encouraged those who were not already motivated to use the green bin to start doing so.

Regional Media Placement

The paid media strategy included digital (YouTube, Facebook, Instagram, Pinterest, Google Search, social media influencers), television (geo-targeted PSA on 14 networks), radio (CKNW and Virgin Radio), and elevator screens in multi-family buildings. There is no media cost for television PSAs, which are provided as a package of US networks through cable providers, Shaw and Telus. All the placements directed to the campaign website (Reference 1).

New in 2024 were Pinterest ads with tips to make using the green bin easier and cleaner (Attachment 1), and a collaboration with reporter/social media influencer Uytay Lee of "About Here" (Attachment 1).

The creative and tactics were tailored for each audience segment. For example, CKNW reached men 65+, and Virgin Radio reached couples 25 – 34. On social media, Facebook was used to reach men 65+, while Instagram and Pinterest were used for couples 25 – 34.

To reduce the barriers to using the green bin in multi-family buildings, tips to make the process easier and cleaner (for men 65+), and for dealing with takeout containers (for couples 25 – 34), were woven into the campaign as a secondary message.

Materials Shared with Metro Vancouver Members

Campaign materials were made available to all Metro Vancouver members, including social media content and co-branded assets like transit shelter ads and digital message boards. Several members used the materials on their social media channels and throughout their municipalities.

Media Performance

- The campaign delivered 16.1 million impressions in total.
- The broad traditional tactics delivered 7.6 million impressions across out of home (residential elevator screens saw 6.6 million impressions) and broadcast (radio received one million impressions). The television PSA aired 2,912 times.

- The targeted digital tactics delivered 8.5 million impressions across social media, YouTube, and Google Search. Meta (Facebook and Instagram) achieved a reach of 642,000. Pinterest, a new tactic in 2024, saw a reach of 170,600.
- The video and social media posts from social media influencer Uytay Lee of "About Here" performed strongly, with 190,000 video views, 140,000 reach, 3,150 engagements (likes, comments, shares, and saves), and 95 link clicks.
- Organic social media saw a reach of 63,000, 5,050 video views, 1,200 engagements (likes, comments, shares, and saves), and 160 link clicks.

Website Performance

- Over the campaign period, there were 11,383 sessions — just over 200 per day, consistent with previous campaign flights.
- Users spent an average of 2:40 on the site, indicating that people were taking the time to read the content.
- Besides the landing page, the most popular pages were "What Goes in the Green Bin," followed by "Tips for Green Binning" and "What to Do with Confusing Items."

Post-Campaign Survey

A post-campaign survey was conducted in March 2024.

- The campaign successfully reached key target audience segments. Among apartment and condo residents, 25% of 18 – 34 year olds and 17% of men 65+ recalled seeing the campaign. The tactics with the highest recall were television (49%), social media (48%), and YouTube (39%).
- 28% of those who saw the advertising talked about it with others, indicating that the campaign message was amplified by the audience.
- Among those who recall the ads, 44% said they were more likely to use the green bin after seeing the advertising. (50% were about as likely, reflecting the vast majority of the population that already uses the green bin.)
- 85% of residents now say they always or often dispose of one or more items in the green bin (relatively consistent since 2022).
- Half of respondents (49%) selected "reducing garbage sent to the landfill and the demand for landfill space" as the most important benefit of recycling food scraps.
- The most commonly reported barriers to using the green bin were related to the bin's contents and condition: attracting pests and wildlife (33%), bin smells bad (30%), and bin is messy or dirty (21%).

Awards

The "Food Scraps Aren't Garbage" campaign received the Bronze award for Overall Social Marketing from the Social Marketing Association of North America (behaviour change professional association) (Reference 3).

Plans for 2025 Regional Campaign

The campaign will run again in early 2025. It will continue to use the existing creative platform, as performance is strong. The target audience and key messages are to be determined, but will be based on insights from 2024's campaign and data from Solid Waste Services.

ALTERNATIVES

This is an information report. No alternatives are presented.

FINANCIAL IMPLICATIONS

The 2024 food scraps recycling campaign has a budget of \$130,000, supported under the Zero Waste Communications Program of the 2024 General Government budget.

CONCLUSION

2024 was the eleventh year of the "Food Scraps Aren't Garbage" campaign, which aims to increase diversion of organic waste into the green bin. The food faces creative platform was used once again in 2024, with two target audiences that both tend to live in apartments and condos and use their green bin less (couples age 25 – 34 and men 65+). Knowing that people tend to conform to the perceived norm in their community, the strategy was to communicate that using the green bin is now the common and accepted behaviour in the region. The campaign performed strongly, with 16.1 million impressions, over 640,000 reach, 4,350 social media engagements, and high recall among the target audience segments (17 – 25%). The campaign will run again in 2025, informed by learnings from 2024 and building on the long-term equity of the creative platform.

ATTACHMENT

1. Presentation: 2024 Food Scraps Recycling Campaign "Food Scraps Aren't Garbage" Results

REFERENCES

1. ["Food Scraps Aren't Garbage" Website](#)
2. ["Green Bin Party" Video](#)
3. ["Social Marketing Awards — 2023 Winners" Website](#)

65340456



2024 Food Scraps Recycling Campaign
RESULTS

Alison Schatz
Senior Communications Specialist
Zero Waste Committee, May 9, 2024

metrovancover

BACKGROUND

2024 Regional Food Scraps Recycling Campaign

- Timing** January 15 to March 10, 2024
- Objective** Increase diversion of organic waste into the green bin
- Audience** Residents who live in apartments and condos
 - Male 65+
 - Couples 25-34



STRATEGY

Social Norm

- People tend to conform to the perceived norm in their community.
- Using the green bin is now the common and accepted behavior in Metro Vancouver.



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3

CREATIVE



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4



REGIONAL MEDIA PLACEMENT

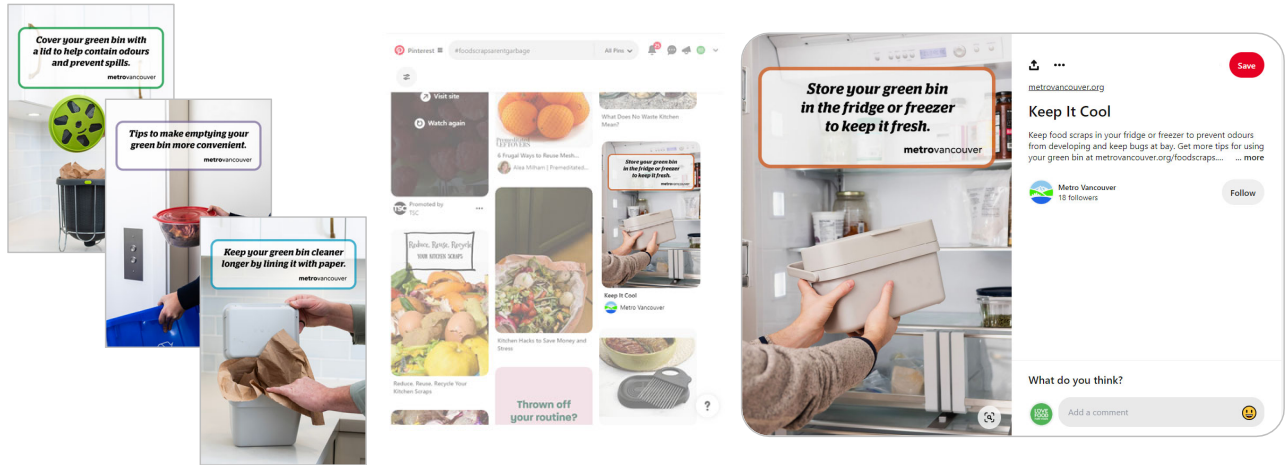
- Social media (YouTube, Facebook, Instagram, Pinterest)
- Google Search
- Television PSA*
- Radio (CKNW, Virgin Radio)
- Elevator screens in multi-family buildings

980|**CKNW**



**There is no media cost for television PSAs, which are provided as a package of networks.*

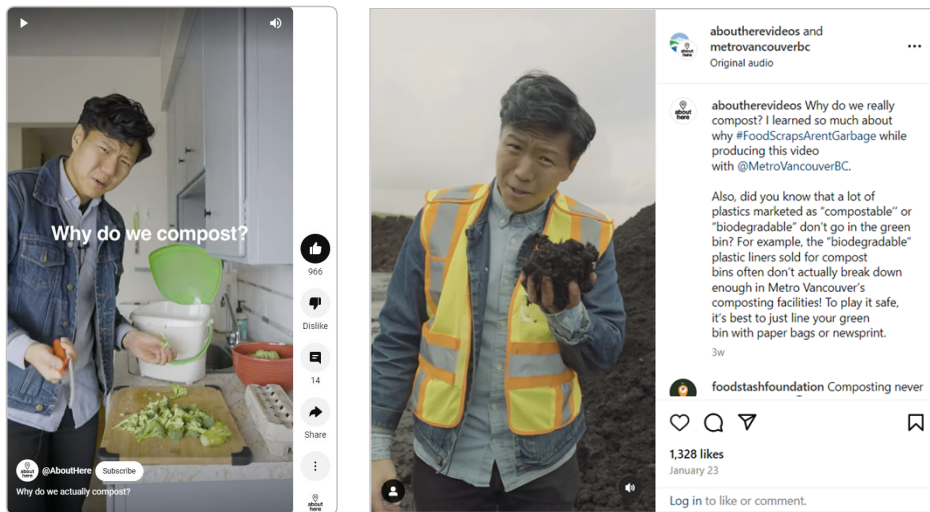
PINTEREST



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7

“ABOUT HERE”



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8



SAMPLE CREATIVE

Metro Vancouver
★ Favourites · 23 December 2022 · 🌐

By putting food scraps in the green bin, Metro Vancouverites diverted enough organic material to create 140,000 tonnes of finished compost in 2021 – enough to cover more than twice the area of downtown Vancouver!

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fruit scraps go in your green bin!

METROVANCOVER.ORG
Food Scraps Aren't Garbage
Official site of the political body and service provider that oversees the Great...

Learn more

Facebook Post

Put bones & shells in the green bin.

12:01
MON JAN 16
Iran hangs former Iranian-British defense ministry official over spy claim
Global NEWS
Traffic provided by SBIX

Elevator Screen

Ad · <http://www.metrovancover.org/>

Food Scraps Recycling - Metro Vancouver

Questions on composting? Tips to make composting an easier, cleaner task in your household. See what belongs in the green bin and what does not. Check out our tools and resources! Reduce Landfill! **Waste**. Keep It Clean. Use Your **Scraps**. Separate Your **Scraps**.

Green Bin Confusion?
Find out what to do with confusing items.

Plastics in the Green Bin
Learn more about what happens if plastics end up in the green bin.

Food Scraps Recycling
Learn the benefits of using a green bin and why it matters.

Tips for Green-Binning
Find more information on food scraps recycling.

Google Search Ad

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Keep Coffee Cups Out of the Green Bin

Paper cups can be recycled with your containers at home. Cups labelled 'compostable' or 'biodegradable' are not accepted in food scraps or the blue bin in Metro Vancouver. Put these in the garbage. The best option is to bring a reusable mug.

metrovancover.org/foodscraps

Liked by mhousing and others

metrovancoverbc Picking up food or coffee on the go? Join Metro Vancouverites leveling up their green-binning skills with these easy tips! Find out more at metrovancover.org/foodscraps
#FoodScrapsArentGarbage #metrovancover #composting #ZeroWaste #sustainability

Instagram Post (Tip)

MEMBERS

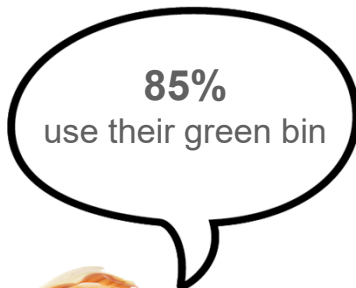


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RESULTS

Highlights



16 million
impressions

4,350
social media likes,
comments, and shares

11,000
website sessions

25% recall
18-34 year old apt/condo residents

17% recall
male 65+ apt/condo residents

SMANA SOCIAL MARKETING ASSOCIATION OF NORTH AMERICA
Advancing Behavior Change for Social Good



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12

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hey!
**food scraps
aren't
garbage!**



Thank You

metrovancover

13

To: Zero Waste Committee

From: Paul Henderson, General Manager, Solid Waste Services

Date: May 1, 2024 Meeting Date: May 9, 2024

Subject: **Manager's Report**

RECOMMENDATION

That the Zero Waste Committee receive for information the report dated May 1, 2024, titled "Manager's Report."

2024 Single-Use Item Reduction Campaign Update

The 2024 single-use item reduction campaign, "What's your Superhabit?", will be in market from June 3 to July 28, 2024. This is the fourth year of the campaign. The objective is to reduce the use and disposal of single-use items among Metro Vancouver residents, particularly those aged 18–44 who are more likely to have received a single-use item in the past day. The strategy to celebrate the small daily actions we all take to reduce single-use items will be used again. The creative continues to feature everyday people in powerful, superhero-like poses holding reusable items. Media placements include social media (YouTube, Instagram, Facebook, Pinterest), Vancouver Is Awesome, radio (Virgin, CFOX, and Move), and digital out of home (SkyTrain and transit shelter ads). The campaign website ([Superhabits.ca](https://superhabits.ca)) features easy tips to start a Superhabit and reduce single-use items. An outreach and social media strategy, including social media influencers and in-person celebrations, will be used to create genuine moments of celebration and further amplify the message.

Waste-to-Energy Facility Operational Certificate Amendment

An amendment to Metro Vancouver's Waste-to-Energy Facility Operational Certificate was made in December 2020 to delay requirements to reduce emission concentrations of hydrogen chloride and sulfur dioxide. The amendment was made to allow ambient air monitoring of these contaminants to validate the air quality dispersion modelling which predicted concentrations at the locations of highest potential impact to be below regional air quality objectives.

Since late 2020, ambient air monitoring has measured low concentrations of both hydrogen chloride and sulfur dioxide, lower than predicted by the dispersion modelling and well below ambient air quality objectives. Analysis of the monitoring data suggests that regional sources of hydrogen chloride other than the Waste-to-Energy Facility are the primary drivers of ambient hydrogen chloride concentrations, and more investigation is needed.

Metro Vancouver has applied for an additional three-year extension (March 2025 to March 2028) to the change in Operational Certificate hydrogen chloride and sulfur dioxide emission concentrations to allow more ambient air quality monitoring. Ambient air quality monitoring will be undertaken close to the Waste-to-Energy Facility, and at other monitoring locations that are not influenced by

the Waste-to-Energy Facility. The additional monitoring will determine whether ambient hydrogen chloride concentrations are driven by regional sources other than the Waste-to-Energy Facility.

The solid waste capital plan includes a \$50 million budget to install equipment to reduce hydrogen chloride and sulfur dioxide concentrations to the Operational Certificate limits. The budget has not been updated recently and as such the actual cost of installing the equipment is likely more than \$50 million. The additional three years of ambient air quality monitoring will determine whether reducing emission limits is warranted.

Solid Waste Management Plan Public/Technical Advisory Committee Membership

Staff plan to initiate a recruitment process for additional Solid Waste Management Plan Public/Technical Advisory Committee members. The recruitment would aim to fill a few identified gaps in sector representation among the current membership, based on participation trends to date and one member resignation.

The Solid Waste Management Plan Public/Technical Advisory Committee was formed in 2022 to provide a forum for contribution to the update of the regional solid waste management plan. Members represent a diversity of sectors and interests and were approved by the Board following a public call for applications. The committee currently has 29 members and is led by Chair Sarah Kirby-Yung and Vice Chair Craig Hodge. In general, the committee has seen active and keen participation from members who have engaged in discussions related to solid waste management plan development, including input to the vision and guiding principles phase, and feedback on technical studies related to the plan update process.

A review of member attendance since the committee was formed identified gaps in membership in the following sectors:

- Construction and demolition
- Healthcare
- Small and medium sized businesses
- Tourism and hospitality
- Workers/unions
- Urban indigenous people

Following the recruitment process, staff will bring forward any proposed new members to the Zero Waste Committee and Board for consideration.

Staff will also bring forward proposed updates to the Public/Technical Advisory Committee Terms of Reference. These updates will address gaps in procedure such as the process following member resignation or if a member moves to a new organization.

Preventing Waste in British Columbia: Non-Residential Packaging & Paper Products

On April 23, 2024, the BC Ministry of Environment and Climate Change Strategy issued a discussion paper on commercial and institutional packaging and paper, titled *Preventing Waste in British Columbia: Non-Residential Packaging & Paper Products*. Through this discussion paper, the Provincial Government is seeking feedback from interested parties on desired outcomes and policy

approaches to prevent waste from the commercial and institutional sectors, including schools, offices, restaurants, job-sites, and other non-residential locations. The discussion paper will be supported through information sessions and workshops in the coming months. Metro Vancouver staff will collaborate with member municipal staff regarding a submission prior to the submission deadline of July 23, 2024.

Notice of Bylaw Violation Engagement

Metro Vancouver is engaging with licensed solid waste facility owners and operators, and other interested parties, on a new Greater Vancouver Sewerage and Drainage District Notice of Bylaw Violation Enforcement and Dispute Adjudication Bylaw. The proposed bylaw will provide an additional enforcement tool to encourage facility owners and operators to comply with the Municipal Solid Waste and Recyclable Material Regulatory Bylaw No. 181, 1996 (Bylaw 181), and the licences issued to each facility. Existing Bylaw 181 provisions help to ensure proper management of facilities to protect the environment and advance the objectives of the regional solid waste management plan.

As communicated in the May and November 2023 Zero Waste Committee Manager's Reports, the GVS&DD was provided new authority under the provincial Bylaw Notice Enforcement Regulation as of April 4, 2023. This empowers the GVS&DD to enact bylaw enforcement and dispute adjudication bylaws with administrative penalties of up to \$500 per bylaw contravention of GVS&DD regulatory bylaws. Previously the only enforcement option for GVS&DD regulatory bylaws was through the courts.

Following the engagement period, Metro Vancouver will consider the feedback received and bring the proposed bylaw to the Zero Waste Committee and GVS&DD Board.

Fourth Intergovernmental Negotiating Committee (INC-4) Plastic Action Zone Side Event

Staff presented on current local government initiatives to prevent plastic waste at the Plastics Action Zone during the week of April 22 – a side event during the Fourth Intergovernmental Negotiating Committee (INC-4). Metro Vancouver participated on a panel on role of local governments in plastic waste prevention. Our presentation outlined Metro Vancouver's role in managing and preventing plastic waste in the region. The presentation highlighted programs that support Metro Vancouver's solid waste management as well as the work of the National Zero Waste Council, including the Council's leadership within the Canada Plastics Pact.

The Plastics Action Zone is an Environment and Climate Change Canada side event to the INC-4 conference. The INC was convened through the UN Environment Program in response to a resolution to develop an international legally binding instrument to end plastic pollution. The negotiations began in 2022 with the ambition to complete by the end of 2024.

Metro Vancouver Solid Waste Services and the National Zero Waste Council have been involved in advancing plastic waste prevention as part of Metro Vancouver's strategy to reduce waste disposed. Metro Vancouver has led many strong initiatives and programs in this area. This event provides an opportunity to demonstrate the leadership Metro Vancouver has shown in this space for many years.

World Circular Economy Forum

National Zero Waste Council Chair Craig Hodge, and staff attended the World Circular Economy Forum in Brussels and engaged in four days of programming and discussions on innovative new solutions and approaches for supporting a Circular Economy. Highlights included presentations and the opportunity to talk to local government representatives from across the EU about progress they are making in towards circular solutions in their unique region. In exchange, it was encouraging to meet European circularity champions who were looking at progress in Canada, including right here in the Metro Vancouver region.

One Home, One Planet

National Zero Waste Management Board member and City of Vancouver Councillor, Pete Fry, represented the NZWC at the ONE HOME, ONE PLANET dialogue in Toronto on April 16. For the first time, this invite-only event hosted by the Ingka Group/IKEA was held in Canada. It is an action-oriented event of purpose-driven doers, leaders and influencers bringing ideas and solutions from government, community, business and academia to solving key circularity challenges. The focus of this year's event was on reuse and repair for Canadian Households. As the Chair of the National Zero Waste Council's Reuse Working Group, Councillor Fry connected with innovators, major industry trends, and challenges that need policy support.

City of Surrey "Spring Into Action" Drop Off Campaign

The City of Surrey will work with Metro Vancouver to provide free and discounted drop-off for residents at both Central Surrey and North Surrey recycling and waste centres, expanding on the successful two week drop off event that was conducted last spring. From May 1 to September 25, Surrey residents can take advantage of free garbage and paid recycling drop off up to 100 kg and up to four mattress/box spring units. Any amounts over the 100 kg limit will be charged at the regular posted tipping fee. Metro Vancouver is working with City of Surrey to continue to ensure excellent service associated with these disposal events, and compare the benefits of the use of Metro Vancouver facilities for these drop-off events to stand-alone municipal events.

Vancouver Landfill School Day and Open House

The City of Vancouver is hosting the Vancouver Landfill open house for [pre-registered](#) school groups for students in grades 5 to 12 on June 7 and for the public on June 8, 2024. The event historically has seen up to 2,000 participants and includes opportunities to:

- Discover where approximately 70% of garbage from across the region goes
- Experience a behind-the-scenes [bus](#) tour of the Vancouver Landfill, including the Zero Waste Centre and the Composting Facility, led by the City of Vancouver landfill operations team
- Visit interactive stations hosted by the City of Vancouver, Metro Vancouver and a range of community partners
- Explore the connection between waste and the environment
- Be inspired to reduce waste at school, at home, and in the community

The event on June 8 is open to the public from 10:00 a.m. to 2:00 p.m. This free, family-friendly event also includes face painting, arts and crafts, and free refreshments. More information can be found on the [City of Vancouver website](#).

Zero Waste Committee Work Plan

Attachment 1 to this report sets out the Committee's Work Plan for 2024. The status of the Committee's key priorities is shown as pending, in progress, or complete together with the quarter that each is expected to be considered by the Committee.

ATTACHMENTS

1. Zero Waste Committee Work Plan

66497995

Zero Waste Committee 2024 Work Plan

Report Date: May 1, 2024

Priorities

1st Quarter	Status
2023 Holiday Waste Reduction Campaign Results	Complete
2023 Zero Waste Conference Report	Complete
Solid Waste Management Plan: Vision and Guiding Principles	Pending
National Zero Waste Council 2023 Accomplishments and 2024 Projects	Complete
2022 Solid Waste and Recycling Biennial Report	Complete
2nd Quarter	Status
Tipping Fee Bylaw Updates	Pending
2023 Disposal Ban Program Results	Pending
GVS&DD Notice of Bylaw Violation Enforcement and Dispute Adjudication Bylaw	Pending
2023 Waste-to-Energy Facility Financial Summary	Pending
2023 Waste Composition Data	Pending
2023 – 2024 Metro Vancouver Engagement with the Love Food Hate Waste Canada Campaign	In progress
2024 Food Scraps Recycling Campaign Results	Pending
Waste-to-Energy Facility District Energy System Update	Complete
2024 Think Thrice Textiles Waste Reduction Campaign Results	Pending
Solid Waste Services 2023 Year-End Financial Performance Results Review	In progress
Solid Waste Services 2024 Financial Performance Reporting and Annual Forecast #1	Pending
Waste-to-Energy Facility Biosolids Management System Contract	Pending
3rd Quarter	Status
2023 Waste-to-Energy Facility Environmental Performance Summary	Pending
2024 National Zero Waste Council Projects	Pending
Recycling and Waste Centre Reuse Scale-Up	Pending
Solid Waste Services 2024 Financial Performance Reporting and Annual Forecast #2	Pending
Repair Events, Reuse Programs, and Regional Food Recovery Network	Pending
Solid Waste Management Plan: Idea Generation	Pending
Multi-Family Residential Waste Prevention	Pending
4th Quarter	Status
2024 Single-Use Item Reduction Campaign Results	Pending
Solid Waste Services Annual Budget and 5-Year Financial Plan	Pending
Solid Waste Services 2024 Financial Performance Reporting and Annual Forecast #3	Pending
2025 Tipping Fee Bylaw Revisions	Pending
North Surrey and Langley Recycling Depot Development	In progress

To: Zero Waste Committee

From: Paul Henderson, General Manager, Solid Waste Services

Date: April 23, 2024 Meeting Date: May 9, 2024

Subject: **Audited 2023 Financial Statements and Annual Financial Results**

At their meeting on April 26, 2024, the GVSDD Board approved Metro Vancouver’s “Audited 2023 Financial Statement and Annual Financial Results”. Legislation requires that annual audited financial statements for the Metro Vancouver Districts and Metro Vancouver Housing Corporation are presented and approved by the Board and submitted to the Province by May 15th each year. The report provides an explanation for the operating surplus and capital project spend in 2023.

ATTACHMENTS

1. “Audited 2023 Financial Statements and Annual Financial Results” report to the April 10, 2024 Finance Committee

To: Finance Committee

From: Linda Sabatini, Director, Financial Operations

Date: April 3, 2024 - **Revised on April 23, 2024** Meeting Date: April 10

Subject: **Audited 2023 Financial Statements and Annual Financial Results**

RECOMMENDATION

That the MVRD Board approve the Audited 2023 Consolidated Financial Statements for the Metro Vancouver Regional District.

That the GVS&DD Board approve the Audited 2023 Financial Statements for the Greater Vancouver Sewerage and Drainage District.

That the GVWD Board approve the Audited 2023 Financial Statements for the Greater Vancouver Water District.

That the MVHC Board approve the Audited 2023 Financial Statements for the Metro Vancouver Housing Corporation.

EXECUTIVE SUMMARY

This report presents the draft Audited 2023 Financial Statements (*Attachment 1*) and the 2023 Annual Financial Results (*Appendix 1*).

The 2023 operating surplus was \$12.8 million (1.2% of budget), lower than the four-year average of \$36M largely from a challenging economic environment and higher inflation. The surplus is largely attributable to higher water sales related to the warmer spring and summer months and lower consulting and contracted services expenditures in GVWD; slightly higher rental income and lower expenditures in property operations and minor maintenance work in MVHC; and staff vacancies and less spending on consulting and contracted services in the MVRD.

The 2023 Capital expenditures surplus was \$502.4 million, 40.3% of the planned budget of \$1.2 billion. Design and construction delays occurred in projects related to waste-water treatment plants, water mains, and Solid Waste facilities, as well as and permitting and development delays in Housing and Parks projects.

Metro Vancouver maintains a healthy liquidity position, with cash 2.5 times higher than its current obligations. This is critical to ensure ongoing capacity to continue to finance infrastructure investments and provide ongoing services.

PURPOSE

To present, for approval, the Audited 2023 Financial Statements for the Metro Vancouver Districts and the Metro Vancouver Housing Corporation and provide for information the 2023 Annual Financial Results.

BACKGROUND

Legislation requires that annual audited financial statements for the Metro Vancouver Districts and Metro Vancouver Housing Corporation are presented and approved by the Board and submitted to the Province by May 15th each year. The Audited 2023 Financial Statements, prepared in accordance with Canadian Public Sector Accounting Standards (“PSAS”), received a clean audit opinion by the auditors, BDO Canada LLP Chartered Professional Accountants. The statements are currently draft and will be finalized upon approval by the Board on April 26, 2024.

In addition, the 2023 Annual Financial Results Report, in *Appendix 1*, is required to annually be presented to the Finance Committee.

2023 FINANCIAL STATEMENTS

The complete set of 2023 Audited Financial Statements is included in *Attachment 1*, with supplementary information on the 2023 Financial Results presented in *Appendix 1*. These statements are presented for the Boards’ approval and include:

- Audited 2023 Consolidated Financial Statements for the Metro Vancouver Regional District
- Audited 2023 Financial Statements for the Greater Vancouver Sewerage and Drainage District
- Audited 2023 Financial Statements for the Greater Vancouver Water District
- Audited 2023 Financial Statements for the Metro Vancouver Housing Corporation

The consolidated financial statements combine the accounts of the Metro Vancouver Regional District, Greater Vancouver Sewerage and Drainage District, Greater Vancouver Water District and the Metro Vancouver Housing Corporation.

Two key statements included in the audited package, the *Consolidated Statement of Financial Position (Exhibit A)* and the *Consolidated Statement of Operations (Exhibit B)*, similar to the Balance Sheet and Income Statement in private organizations, are the foundation of the audited statements. Highlights of the 2023 financial results and key financial indicators are provided in *Appendix 1*.

It is important to note that there are differences between the presentation in these financial statements and the annual Metro Vancouver budget, which is prepared, in accordance with enabling legislation, to determine the annual revenue requirements to meet expenditure obligations. These differences are outlined below and included in *Appendix 1*.

Operating Results

The *Consolidated Statement of Operations* (Exhibit B in the audited consolidated financial statements) provides key information about the organization's financial activities, revenues, expenses, and annual surplus.

The annual surplus for PSAS purposes, calculated as the difference between consolidated revenues and expenses of \$471.8 million serves as the 2023 addition to the organization's overall accumulated surplus position or net worth of \$6.7 billion. However, the annual surplus in the context of the annual operating budget presentation, is \$12.8M broken out by legal entity in the table below. This surplus is lower than previous year, largely from a challenging economic environment and higher inflation.

The overall surplus of \$12.8M is primarily driven by surpluses in the Water District due to higher water sales (\$6.4M) and underspends in consulting and contracted services and vacancies. In addition, MVHC had a surplus due to slightly higher rental income and lower expenditures in property operations and minor maintenance work. Lastly, the MVRD had a surplus of \$3.3M due to staff vacancies and less spending on consulting and contracted services.

Liquid Waste Services saw an operating deficit of \$3.1M which was primarily due to expedited residuals dewatering project work at Iona Wastewater Treatment Plant and higher input costs in operations and maintenance programs. In addition, although Solid Waste had significantly higher revenues than budgeted (\$15.3M), the function had an operating deficit of \$3.5M which is mainly due to higher contingency disposal costs, recycling and waste center costs for contracts tied to inflation, and landfill closure and post closure costs.

Appendix 1 provides additional details on the 2023 operating financial results by legal entity as well as capital expenditure summary.

Annual Surplus per Legal Entity				
For the year ended December 31, 2023				
(in thousands of dollars)				
	2023		2022	
Water District	\$	2,831	\$	7,954
Sewerage & Drainage District				
Liquid Waste Services		(3,113)		14,021
Solid Waste Services		(3,475)		(2,343)
Metro Vancouver Housing Corporation		13,232		10,309
Regional Programs		3,310		6,649
Annual Surplus	\$	12,785	\$	36,590

Financial Position

The *Consolidated Statement of Financial Position (Exhibit A)* in the audited financial statements provides key information to evaluate the government's ability to finance its liabilities and contractual obligations and to provide ongoing and future services.

For discussion, a *Condensed Statement of Financial Position*, presented net of Translink and member municipalities' debt, is included in *Appendix 1*, along with the five-year trends on the four key financial indicators in this statement (financial assets, net debt, non-financial assets and accumulated surplus).

Financial Assets

Although cash and investment resources for 2023 are lower than 2022 by \$162.3M, Metro Vancouver has a strong liquidity position, with financial assets 2.5 times more than current liabilities. This indicates that the financial assets are more than sufficient to offset the amount of short-term obligations. The five-year financial asset trend in *Appendix 1* shows cash balances are relatively stable, with slight fluctuations due to the timing of grant and debt financing received.

Net Debt

The net debt position indicates the amount by which the organizations' liabilities exceed the financial assets. The net debt position increased by \$227.5 million. Although the amount appears as unfavorable, over 69% of the organization's liabilities is long-term debt which is repayable over several years. In addition, the organization's financial assets are more than sufficient to offset the amount of short-term obligations. This is indicated in the organization's 2.5 to 1 current ratio, which is a measure of an organization's liquidity, defined as current assets divided by current liabilities.

Non-financial Assets

Non-financial assets increased by \$699.3 million in 2022, a direct result of the capital expenditures made in the year, the majority of which were for water and liquid waste infrastructure projects. *Appendix 1, Table 4*, shows that Metro Vancouver's investment in capital assets is growing at a faster rate than liabilities and debt, indicating more of the District's assets are pay-as-you-go or grant funded. Over the past three years, the trend shows liabilities relatively flat and only increasing by 2.65% whereas capital assets have grown 8.72%.

Accumulated Surplus

The 2023 accumulated surplus of \$6.7 billion reflects the member jurisdictions' net investment in the District's consolidated entity. This comprises of reserve balances of \$481.8 million and investment in tangible capital assets (asset value less debt) of \$6.2 billion.

The accumulated surplus increased by \$471.8 million in 2023, which represents the annual accounting surplus for the year, calculated as the difference between revenues and expenses on a PSAS basis.

ALTERNATIVES

The audited financial statements are a statutory requirement prepared in accordance to specific accounting principles. No alternatives are presented.

FINANCIAL IMPLICATIONS

There are no financial implications relative to the approval of the Audited 2023 Financial Statements.

CONCLUSION

The financial statements are part of the legislated reporting requirements for 2023 and staff recommends their approval. As noted in the Auditor's Report, it is the Auditor's opinion that these Financial Statements present fairly the financial position of the Metro Vancouver Districts and the Metro Vancouver Housing Corporation as of December 31, 2023, and the results of their financial activities and changes in their financial position for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Attachments

- Appendix Metro Vancouver 2023 Annual Financial Results
- Attachment 1 Metro Vancouver Districts and Metro Vancouver Housing Corporation Financial Statements for the year ended December 31, 2023
- Attachment 2 Presentation: 2023 Metro Vancouver Financial Results

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METRO VANCOUVER 2023 ANNUAL FINANCIAL RESULTS

For the year ending December 31, 2023

Table of Contents

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INTRODUCTION

This report presents Metro Vancouver’s 2023 Annual Financial Results and supplements the information contained in the 2023 Audited Financial Statements. This report combines the financial information of Metro Vancouver’s four legal entities, Metro Vancouver Regional District, Greater Vancouver Sewerage and Drainage District, Greater Vancouver Water District and the Metro Vancouver Housing Corporation.

It is important to note that there are differences between the presentation in the audited financial statements, which are prepared in accordance with public sector accounting standards (“PSAS”), and the annual Metro Vancouver budget, which is prepared, in accordance with enabling legislation, to determine the annual revenue requirements to meet expenditure obligations. These differences are outlined on page 13 of this report.

OPERATING RESULTS

Overall Operating Surplus

Metro Vancouver’s 2023 annual operating surplus is \$12.8 million, broken down as follows by legal entity. Key drivers related surplus are highlighted in the following schedules.

Annual Surplus per Legal Entity For the year ended December 31, 2023 (in thousands of dollars)

	2023	2022
Water District	\$ 2,831	\$ 7,954
Sewerage & Drainage District		
Liquid Waste Services	(3,113)	14,021
Solid Waste Services	(3,475)	(2,343)
Metro Vancouver Housing Corporation	13,232	10,309
Regional Programs	3,310	6,649
Annual Surplus	\$ 12,785	\$ 36,590

Operating Budget Summary

Year Ended December 31, 2023

	Budget	Actual	% Actuals to Budget	Variance
REVENUES				
Key Service Revenues				
Water Sales	\$ 338,337,102	\$ 344,788,580	102%	\$ 6,451,478
Liquid Waste Services Levy	324,265,595	324,218,663	100%	(46,932)
Solid Waste Tipping Fees	121,921,930	135,287,005	111%	13,365,075
Metro Vancouver Regional District Requisitions	100,621,354	100,547,051	100%	(74,303)
Housing Rents	43,776,981	44,431,089	101%	654,108
	<u>928,922,962</u>	<u>949,272,388</u>	<u>102%</u>	<u>20,349,426</u>
Other Revenues	46,783,736	105,857,304	226%	59,073,568
Reserve Transfers	115,694,870	98,790,393	85%	(16,904,477)
TOTAL REVENUES	\$ 1,091,401,568	\$ 1,153,920,085	106%	\$ 62,518,517
EXPENDITURES				
Greater Vancouver Water District	\$ 346,060,300	\$ 347,977,040	101%	\$ (1,916,740)
Greater Vancouver Sewerage and Drainage District				
Liquid Waste Services	420,808,663	426,892,851	101%	(6,084,188)
Solid Waste Services	133,391,739	152,210,125	114%	(18,818,386)
Metro Vancouver Housing Corporation	49,463,381	38,393,557	78%	11,069,824
Metro Vancouver Regional District	130,666,493	175,660,980	134%	(44,994,487)
TOTAL EXPENDITURES	\$ 1,080,390,576	\$ 1,141,134,553	106%	\$ (60,743,977)
SURPLUS (DEFICIT)	\$ 11,010,992	\$ 12,785,532		\$ 1,774,540

- Overall revenues exceeded budget of \$62.5M, largely due to a one-time \$50M Provincial Community Grant received in the year, as well as higher water sales (\$6.5M) and solid waste tipping fees (\$13.4M) from higher than anticipated water consumption and system waste flows, respectively.
- Operating expenditures exceeded budget by \$60.7M, largely due to a one-time deferral \$50M Provincial Community Grant as projects related to the grant will be spent in future years; higher expenditures in Liquid Waste due to additional residuals dewatering at Iona and increased recycling and waste centre costs for contracts tied to inflation, contingency disposal costs and landfill closure and post-closures costs in Solid Waste. These overspends were offset by lower expenditures in Housing’ capital replacement program.

Operating Surplus Analysis by Entity

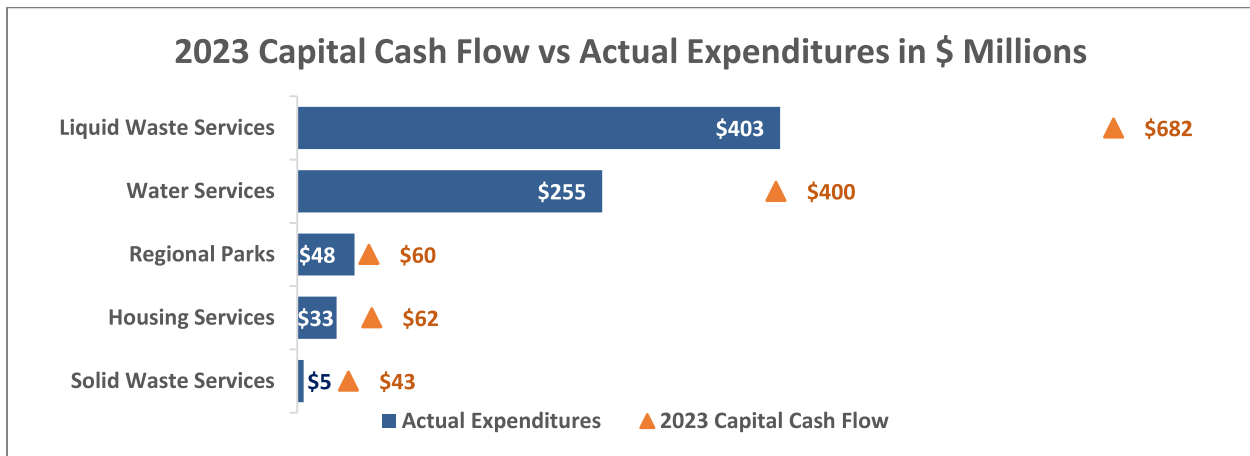
Year ended December 31, 2023

(in thousands of dollars)

	Budget	Actual	Variance	Commentary
Greater Vancouver Water District				
Revenues	\$ 346,060	\$ 350,808	\$ 4,748	<p>Water District surplus of \$2.8M, was mainly due to:</p> <ul style="list-style-type: none"> • Water sales exceeding budget by \$6.5M due to warmer spring and summer months resulting in higher than expected water consumption levels • Other external revenues were higher than budget by close to \$2.7M, offset by \$4.5M less reserve usage than planned due to delayed projects and related underspends • Higher costs in operations and maintenance and minor capital work of \$6.4M mainly from increases in chemicals, permits, consulting, contracting and professional services • Additional Watershed costs incurred during the fire season of \$1.2M • The higher costs were offset by underspends in consulting projects (\$4.4M) and salaries and other program costs (\$1.2M).
Expenditures	346,060	347,977	(1,917)	
Surplus (Deficit)	- \$	2,831	\$ 2,831	
Greater Vancouver Sewerage and Drainage District				
Liquid Waste Services				
Revenues	\$ 420,809	\$ 423,780	\$ 2,971	<p>Liquid Waste function resulted in \$3.1M shortfall for the year.</p> <ul style="list-style-type: none"> • Lower than budgeted spending related to deferred or delayed operating projects (\$3.1M), salary costs due to vacancies (\$0.3M) and lower debt servicing costs (\$0.9M) were offset by higher operations and maintenance costs (\$1.0M) for excess repairs and maintenance work and higher residuals dewatering project work at Iona (\$8.8M) which have contributed to a net expenditure over spend of \$6.1M. • Overall revenues are in excess of budget by close to \$3.0M primarily due to excess development cost charge applications of \$2.9M and other revenue items of \$2.2M, offset by less reserve utilization of \$2.1M for delayed consulting projects.
Expenditures	420,809	426,893	(6,084)	
Surplus (Deficit)	- \$	(3,113)	\$ (3,113)	
Greater Vancouver Sewerage and Drainage District				
Solid Waste Services				
Revenues	\$ 133,392	\$ 148,735	\$ 15,343	<p>Solid Waste shortfall for the year is close to \$3.5M. Although revenues exceeding budget by \$15.3, expenditures were \$18.8M higher than budget mainly from:</p> <ul style="list-style-type: none"> • Higher contingency disposal costs, recycling and waste centre costs for contracts tied to inflation indicators \$21.5M and landfill closure and post closure costs of \$3.3M; offset by lower debt servicing costs of \$0.3M, operational costs of \$1.0M and contributions from operations of \$4.7M. • Tipping fee revenues were 13.3M over budget, which is 11% higher than budget and 7.5% higher than prior year. This increase is largely contributed to higher waste flows (1,003K versus budgeted tonnage of 915K). Economic recovery following the pandemic contributes to the increases in waste quantities. • Other components of revenue include \$3.3M more in contributions from reserve for landfill closure and post closure contributions, offset by less than budget energy revenue of \$1.3M due to the temporary failure of the electrical generator in September through to the end of the year.
Expenditures	133,392	152,210	(18,818)	
Surplus (Deficit)	- \$	(3,475)	\$ (3,475)	
Metro Vancouver Housing Corporation				
Revenues	\$ 60,474	\$ 51,625	\$ (8,849)	<p>Housing's net operating surplus was \$13.2M, \$2.2M more than the planned surplus of \$11.0M. This surplus is contributed to reserves and is relied upon to fund next year's capital maintenance program:</p> <ul style="list-style-type: none"> • Operating expenditures were \$11M lower than budget primarily due to delays in capital replacement projects, resulting in lower related revenue due to funding delays associated with these projects. Tenant rents and other revenues were \$700K higher than budget.
Expenditures	49,463	38,394	11,070	
Surplus (Deficit)	\$ 11,011	\$ 13,231	\$ 2,221	
Metro Vancouver Regional District				
Revenues	\$ 130,666	\$ 178,971	\$ 48,305	<p>Regional District had a surplus of \$3.3M. Although revenues and expenditures appear higher than budget, there was a one-time \$50M increase in revenue with an offsetting expenditure related to the receipt of the Provincial Community Grant that was unspent and deferred at end of year.</p> <ul style="list-style-type: none"> • Overall Expenditures for the District were in fact \$5.1M lower than budget largely due to lower salary costs from staff vacancies, less spending in consulting and contract services from projects delays and fewer meetings, travel, tuition and catering costs than anticipated in the budget. • Regional District tax requisitions and other revenues were largely on budget for the year with the exception of less reserve funding utilized for deferred projects.
Expenditures	130,666	175,661	(44,995)	
Surplus (Deficit)	- \$	3,310	\$ 3,310	

CAPITAL EXPENDITURE PROGRAM

Capital Expenditure at a Glance



Capital Expenditure Summary

Metro Vancouver 2023 Capital Spending Summary For the 12 months ending December 31, 2023					
	Annual	Year to Date			
	2023 Capital Cash Flow	2023 Capital Cash Flow to December 2023	Actual Expenditures	% of Prorated Capital Cash Flow	% of Annual Capital Cash Flow
Housing Services					
Development Capital	62,200,000	62,200,000	32,926,993		
	<u>62,200,000</u>	<u>62,200,000</u>	<u>32,926,993</u>	52.9%	52.9%
Liquid Waste Services					
Collections	203,065,000	203,065,000	129,114,853		
Treatment Plants	478,680,000	478,680,000	274,222,938		
	<u>681,745,000</u>	<u>681,745,000</u>	<u>403,337,790</u>	59.2%	59.2%
Regional Parks					
Capital Development	14,780,000	14,780,000	5,607,917		
Parkland Acquisition Fund Projects	44,990,000	44,990,000	42,288,686		
	<u>59,770,000</u>	<u>59,770,000</u>	<u>47,896,604</u>	80.1%	80.1%
Solid Waste Services					
Landfills	6,150,000	6,150,000	1,016,353		
Recycling and Waste Centres	12,100,000	12,100,000	(185,987)		
Waste To Energy Facilities	24,600,000	24,600,000	4,432,053		
	<u>42,850,000</u>	<u>42,850,000</u>	<u>5,262,419</u>	12.3%	12.3%
Water Services					
Water Mains	263,870,000	263,870,000	198,008,100		
Pump Stations	45,550,000	45,550,000	23,776,709		
Reservoirs	35,300,000	35,300,000	19,497,973		
Treatment Plants	24,015,000	24,015,000	4,701,408		
Others	31,200,000	31,200,000	8,657,903		
	<u>399,935,000</u>	<u>399,935,000</u>	<u>254,642,093</u>	63.7%	63.7%
Total	<u>1,246,500,000</u>	<u>1,246,500,000</u>	<u>744,065,899</u>	59.7%	59.7%

- Overall, total capital expenditures for 2023 were \$744.1M, which represents 59.7% of the annual capital cash flow of \$1.2B.

Capital Expenditure Summary (continued)

- For Housing Services, year-to-date capital expenditures were \$32.9M, which represents 52.9% of the annual capital cash flow of \$62.2M. Lower expenditures than expected are due to delays in various types of city approvals for the Stellar (formerly Southwynde Avenue), Salal Landing (formerly Welcher Avenue), and Malaspina Phase 1 projects.
- For Liquid Waste Services, capital expenditures were \$403.3M, which represents 59.2% of the annual capital cash flow of \$681.7M. Lower expenditures are partly driven by the following;
 - Ongoing negotiation on the construction completion contract award for the North Shore WWTP project.
 - Delays in the completion of the Ground Improvement Design, Pilot Testing projects, and procurement of the WWTP Designer for The Iona WWTP project
 - Delays in outfall project design and archaeology work as well as higher deficiency rectification on active construction elements for the Northwest Langley Program
 - Unforeseen upset conditions that have required some rescheduling for Annacis Island WWTP – Stage 5 Expansion.
 - Technical challenges and a delayed start for the Burnaby Lake Interceptor project
- For Regional Parks, year-to-date capital expenditures were \$47.9M, which represents 80.1% of the annual capital cash flow of \$59.8M. Lower expenditures are related to capital development delays specifically at the Widgeon development project where an extensive amount of archeological consultation and engagement work is required prior to construction. Design consultant delays have resulted in work on trail improvements at Aldergrove and Tynehead shifting to 2024.
- For Solid Waste Services, year-to-date capital expenditures were \$5.3M, which represents 12.3% of the annual capital cash flow of \$42.9M. Longer than expected pre-construction phases were related to a combination of issues including contractor lead projects not proceeding as quickly as expected, additional permitting steps not initially anticipated, and longer than expected timelines to develop municipal agreements for infrastructure development.
- For Water Services, total year-to-date capital expenditures as of December 31, 2023 are \$254.6M, which represents 63.7% of the annual cash flow of \$399.9M. Lower expenditures are partly driven by the following;
 - Savings stemming from a less than expected property acquisition price for the South Fraser Works yard
 - Property acquisition delays for both the Coquitlam Water Main and Barnston Maple Ridge Pump Station projects.
 - Construction delays for Coquitlam Main No. 4 South Section prebuild, Douglas Road main #2 - Still Creek, and Second Narrows Water Supply Tunnel
 - Deferral of Hellings Tank No. 2 to future years as a result of modified servicing arrangements

CONSOLIDATED FINANCIAL STATEMENT HIGHLIGHTS

Financial Position

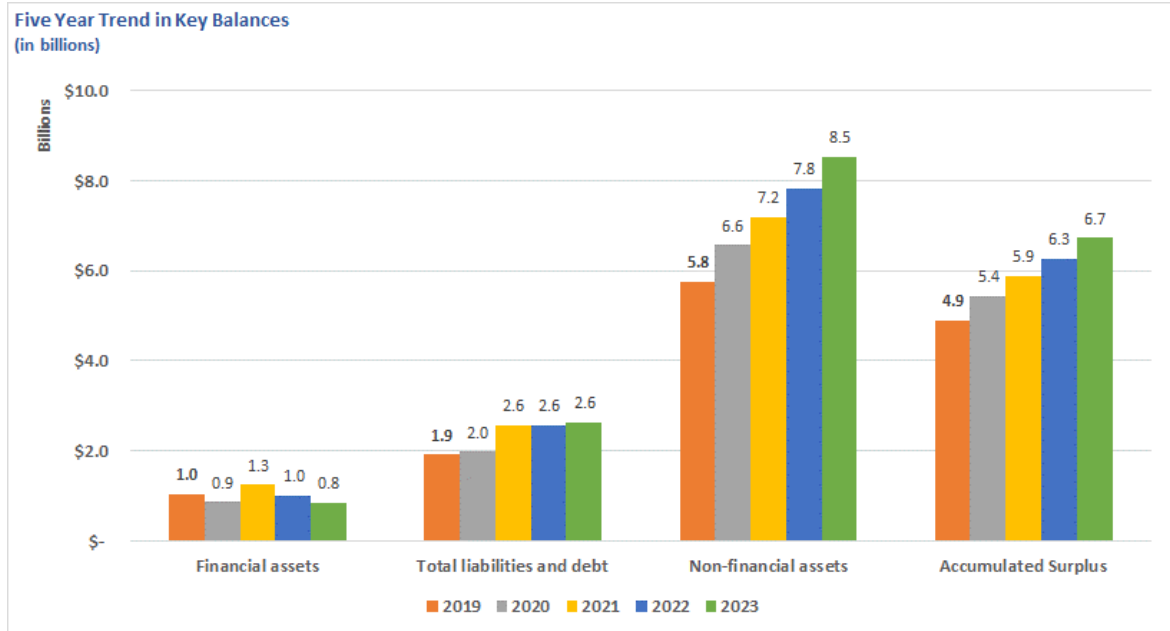
The *Consolidated Statement of Financial Position (Exhibit A of the Audited Financial Statements)* provides key information to evaluate the government's ability to finance its ongoing activities to meet its liabilities and contractual obligations, as well as provide future services. For discussion purposes, a *Condensed Consolidated Statement of Financial Position*, net of Translink and member municipalities' debt is presented in *Table 1* below. The debt owing to the Municipal Finance Authority for TransLink and member municipalities is completely offset by a receivable from these entities, reflecting the fact that these entities are responsible for their debt. Therefore, the impact on Metro Vancouver's financial position is nil and has been excluded from the condensed financial position statement below.

The Statement of Financial Position includes four key items to evaluate financial position. These include, financial assets, total liabilities and net debt, non-financial assets and accumulated surplus. A five-year trend on these items is presented in *Table 2* below.

Table 1: Condensed Consolidated Statement of Financial Position

Condensed Consolidated Statement of Financial Position			
As of December 31, 2023			
<i>(in thousands of dollars)</i>			
	2023	2022	Change
Cash, cash equivalents and investments	\$ 586,236	\$ 779,429	\$ (193,193)
Other financial assets	254,813	223,964	30,849
Total Financial Assets	841,049	1,003,393	(162,344)
Liabilities and deferred revenue	809,849	670,530	139,319
Debt, net of Translink and members	1,823,825	1,898,013	(74,188)
Total Liabilities	2,633,674	2,568,543	65,131
Net Debt	(1,792,625)	(1,565,150)	(227,475)
Non-Financial Assets	8,524,075	7,824,748	699,327
Accumulated Surplus	\$ 6,731,450	\$ 6,259,598	\$ 471,852
Accumulated Surplus (Equity) consists of			
Reserves	481,795	441,040	40,755
Non-financial assets, net of debt and capital funds	6,249,655	5,818,558	431,097
	\$ 6,731,450	\$ 6,259,598	\$ 471,852

Table 2: Five Year Trend in Financial Position Balances



Financial Assets

Metro Vancouver’s financial assets include cash, cash equivalents, investments, accounts receivables and MFA debt reserve fund. The financial assets have been trending lower over the past few years due to the use of grants and reserve funds previously held in cash and from a cash management strategy of timing the financing for capital infrastructure projects when cash requirements are needed.

Other financial assets include accounts receivable (\$224.0million) and the debt reserve fund (\$30.8 million). Other financial assets were \$30.8 million higher than 2022 mainly due to:

- Higher accounts receivable of \$30.3 million from the timing of billings and collections through the normal course of the District’s business. The balance at December 31, 2023 comprises mainly of tipping fees due from commercial solid waste haulers, development cost charge (DCC) income, industrial sewer charges from commercial customers, payments due from our member municipalities for water sales and rebates related to GST from the federal government.
- Increase in the debt reserve fund balance of \$0.5 million due to new debenture debt issued in the year. The debt reserve fund represents the amount required, under agreement with the Municipal Finance Authority (MFA), as security for debt service obligations. This balance fluctuates upward with new debt issues and downward as issues mature.

Total Liabilities and Debt

Total liabilities and debt include trade accounts payables and accrued liabilities, employee future benefits liability, landfill closure and post-closure liability, asset retirement obligations, deferred revenue and long-term debt. Over the past five years, liabilities have increased by \$717 million (37.4%), largely a result of higher debt related to capital infrastructure projects.

Liabilities

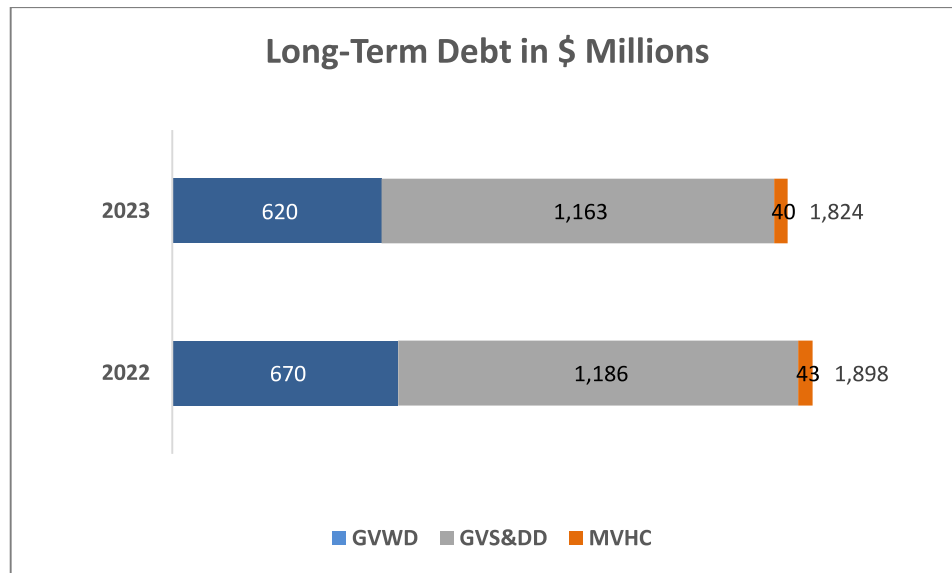
Liabilities in 2023 were \$139.3 million higher than 2022, mainly due to:

- The adoption of the new PSAS Asset Retirement Standard requiring local governments to account for future obligations related to the retirement of assets. This has resulted in a \$55.3 million increase in liabilities for 2023.
- An increase in accounts payable and accrued liabilities of \$19.9 million, mainly due to higher trade payables and construction holdbacks from increased capital infrastructure activity.
- An increase in landfill liability of \$7.3 million largely due to higher inflation and therefore higher anticipated closure costs.
- Higher deferred revenue and refundable deposits of \$57.5 million largely from grant funding received for the Iona Wastewater Treatment Plant, Housing projects and cost sharing agreements that will be applied to future project costs.

Long-term Debt

Long-term debt, net of sinking funds reflects the amount of long term borrowing outstanding at the end of 2023. Sinking funds consist of principal payments made over the term of the debt issue. These payments are invested which along with the interest earned will offset the debt repayment at maturity.

The debt for Metro Vancouver decreased by \$74.2 million as debt and sinking fund payments of \$174.2 million were greater than new long-term borrowing during the year of \$100 million (\$65.0 million for GVS&DD and \$35.0 million for GVWD).



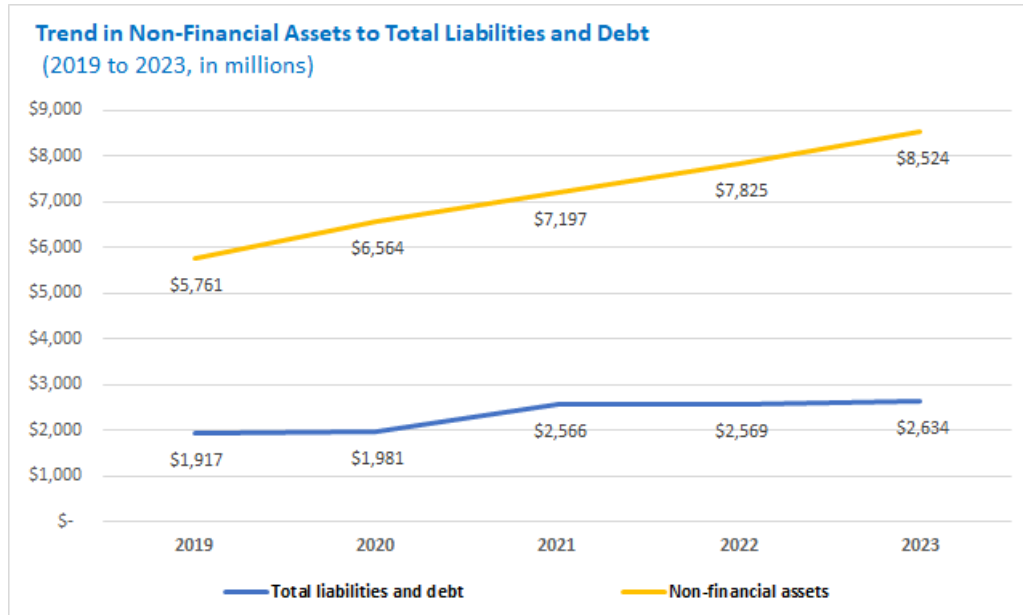
Net Debt

The net debt position indicates the amount by which the organizations’ liabilities exceed the financial assets. The net debt position increased by \$227.5 million. Although the amount appears as unfavorable, over 69% of the organization’s liabilities is long-term debt which is repayable over several years. In addition, the organization’s financial assets are more than sufficient to offset the amount of short-term obligations. This is indicated in the organization’s 2.5 to 1 current ratio, which is a measure of an organization’s liquidity, defined as current assets divided by current liabilities.

Non- Financial Assets (Capital Assets)

Non-financial assets increased by \$699.3 million in 2023, a direct result of the capital expenditures made in the year, the majority of which were for water and liquid waste infrastructure projects. Table 4 below shows that the investment in non-financial assets is growing at a faster rate than liabilities and debt, indicating more of the District’s assets are pay-as-you-go or grant funded. Over the past three years, the trend shows liabilities relatively flat and only increasing by 2.65% whereas non-financial assets have grown 8.72%.

Table 4: Trend in Non-Financial Assets to Total Liabilities



Accumulated Surplus

The 2023 accumulated surplus of \$6.7 billion reflects the member jurisdictions’ net investment in the District’s consolidated entity. This comprises of reserve balances of \$481.8 million and investment in tangible capital assets (asset value less debt) of \$6.2 billion. The investment in capital assets is based on historical cost and does not represent the replacement value of the assets in service for Metro Vancouver.

The accumulated surplus increased by \$471.8 million in 2023, which represents the annual surplus for the year, calculated as the difference between revenues and expenses. Table 5 below shows the difference between the annual surplus for PSAS (\$471.8 million) versus the annual surplus of \$12.8 million for budget purposes. For PSAS purposes, annual surplus does not include contributions to and from reserves, capital contributions or principal payments on long-term debt. A reconciliation of the PSAS surplus to the budgeted surplus is provided below. For details regarding the 2023 Operating Results by legal entity, refer to page 5.

Table 5: PSAS Annual Surplus Reconciled to Budget Surplus

PSAS Financial Statement Surplus Reconciled to Budget Surplus			
For the year ended December 31, 2023			
<i>(in thousands of dollars)</i>			
	Budget	2023	2022
Revenue	\$ 1,225,578	\$ 1,298,706	\$ 1,114,319
Expenses	(815,342)	(826,854)	(736,363)
Annual Surplus per PSAS	410,236	471,852	377,956
Applications and transfers included in operating budget			
Contributions to capital	212,832	214,593	200,721
Payments on long-term debt	147,636	139,056	140,226
Transfers to (from) reserves	2,950	54,160	18,026
PSAS items excluded from annual operating budget			
Amortization of tangible capital assets	(100,755)	(108,532)	(99,337)
Accretion expense on asset retirement obligations	-	(2,231)	-
Sinking fund and debt retirement income	30,622	38,342	27,936
Capital grants, DCC and other capital revenue	110,137	89,687	37,655
Reserve fund interest	6,814	21,020	10,561
Corporate program surplus (transfer to reserves)	-	12,972	5,578
	410,236	459,067	341,366
Annual Surplus based on budget	\$ -	\$ 12,785	\$ 36,590

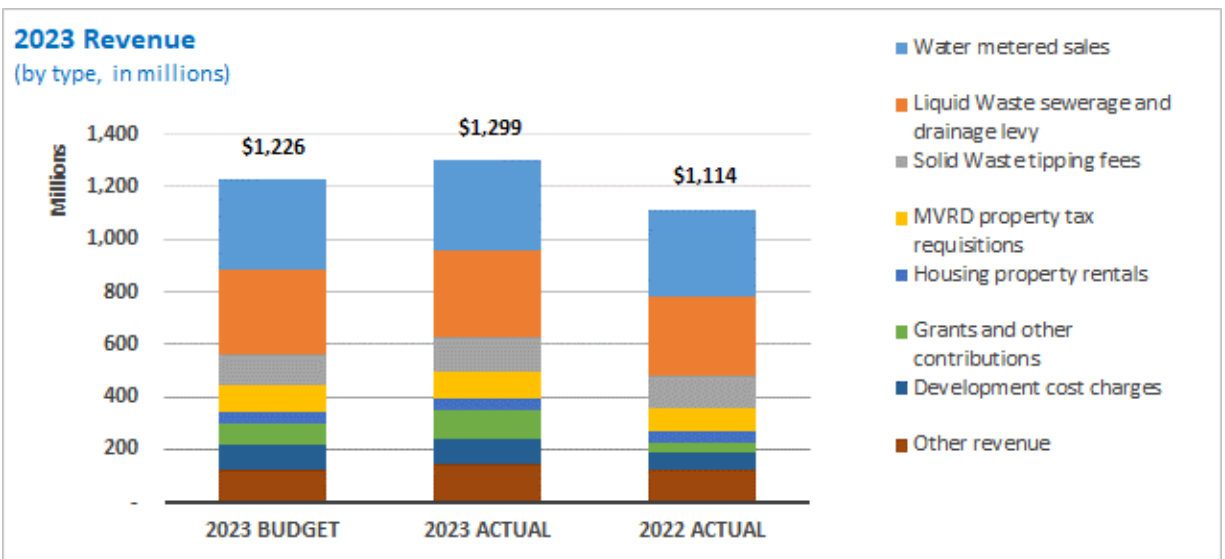
Financial Statements Revenue and Expenditure Trends

Consolidated Financial Statement Revenues

Revenues, from all sources (operating, capital and reserve funds), calculated based on PSAS, as presented in the Consolidated Financial Statement of Operations for 2023, was \$1.29 billion, slightly higher than the budget of \$1.23 billion. The table and graph below show that tax levy revenue and housing property rentals are in line with budget and prior year. The increase in revenue is mainly due to:

- Tipping fees exceeding budget by \$13.3M due to higher waste flows
- Water sales \$6.5M more than budget due to warmer weather resulting in higher water consumption.
- Receipt of a one-time \$50M Provincial Community Grant in 2023 to be applied to projects in 2024
- Sinking fund and interest income \$22M higher than expected due to higher than anticipated interest rates on investments, reserves and sinking fund balances.

Revenue By Category (in 000s)	2023 Budget	2023 Actual	2022 Actual
Water metered sales	\$ 338,337	\$ 344,789	\$ 329,678
Liquid Waste sewerage and drainage levy	324,266	324,219	301,425
Solid Waste tipping fees	121,922	135,287	125,797
MVRD property tax requisitions	102,550	102,475	91,708
Housing property rentals	43,718	44,387	43,267
Grants and other contributions	80,512	108,812	37,265
Development cost charges	92,289	95,171	60,583
Other revenue	121,984	143,566	124,596
Total	\$ 1,225,578	\$ 1,298,706	\$ 1,114,319



Consolidated Expenses by Category

Expenses calculated based on PSAS in the Consolidated Financial Statement of Operations for 2023, was \$826.9 million, slightly higher than the budget of \$815.3 million, mainly due to:

- higher than anticipated contracted services in Solid Waste due to higher contingency disposal costs and increased costs for operating contracts tied to inflation indicators
- higher than expected dewatering project work at Iona
- increased interest rates resulting in slightly higher interest on debt of \$0.21M.

These cost overruns were offset by:

- staff vacancies resulting in \$15.0M lower costs for salaries
- lower repairs and maintenance of \$6.6M due to project delays

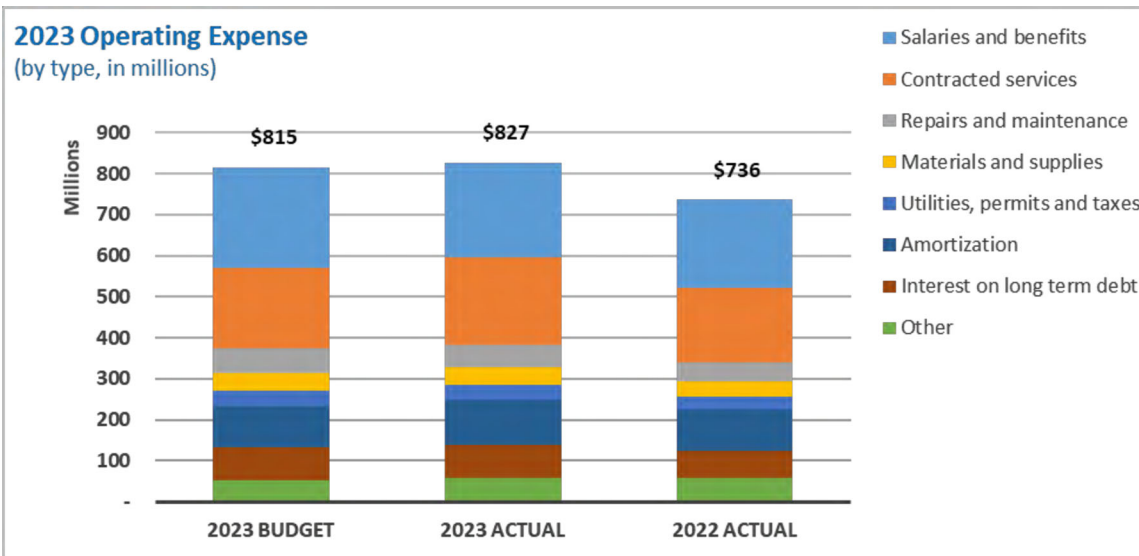
Expenses were \$90.5 million higher than prior year mainly due to overall inflationary increases, as well as, approved spending increases in the annual budget.

APPENDIX 1

2023 Annual Financial Results

Page 15 of 18

Operating Expenses by Category (in 000s)	2023 Budget	2023 Actual	2022 Actual
Salaries and benefits	\$ 246,265	\$ 231,334	\$ 213,969
Contracted services	194,048	212,007	182,918
Repairs and maintenance	61,226	54,558	46,157
Materials and supplies	44,047	44,912	37,236
Utilities, permits and taxes	35,386	35,844	32,341
Other	52,635	58,548	57,464
Amortization	100,755	108,532	99,336
Interest on long term debt	80,980	81,119	66,942
Total	\$ 815,342	\$ 826,854	\$ 736,363



Financial Position Indicators

Illustrated below is the five-year trend to provide additional insight into Metro Vancouver’s financial position. These ratios show that despite the global economic uncertainty over the past few years and current inflationary pressure, Metro Vancouver continues to maintain a healthy financial position.

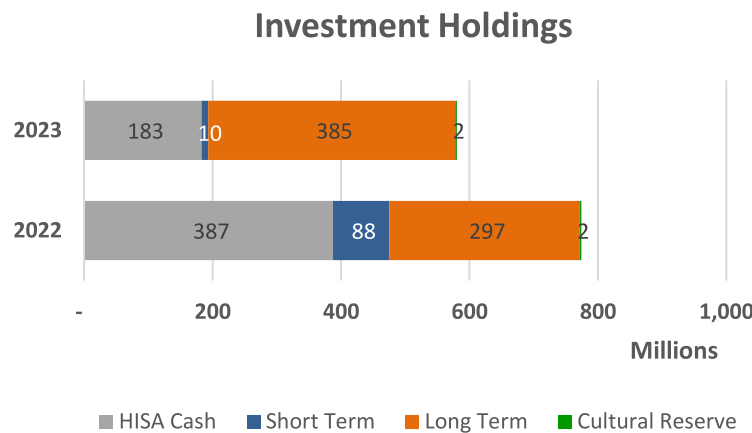
Table 4: Financial Indicators – Five-year Trend

Performance Measure	Commentary	2019	2020	2021	2022	2023
Current Ratio	A measure of the organization's ability to pay its current liabilities from its current assets. Current Ratio is slightly lower mainly due to higher accounts payable and accrued liabilities resulting from increased capital infrastructure activities for the	3.9 to 1	3.4 to 1	3.6 to 1	3.3 to 1	2.5 to 1
Operating Reserves to Total Revenue Ratio	A measure of the organization's ability to adjust to unplanned events and changing circumstances. Operating Reserves to Total Revenue Ratio slightly decreased mainly due to overall increase in total revenue by 16% while operating reserves increased only by 13%	7.2%	9.5%	11.6%	14.5%	14.2%
Debt Servicing Ratio	Percentage of the organization's income that is utilized to service debt payments (comprising of principal and interest). Debt Servicing Ratio is consistent from prior year and constantly met target of not exceeding the Metro Vancouver's mandated maximum debt servicing ratio limit of 40%	12.9%	13.8%	16.6%	19.5%	18.8%
Interest to Total Revenue Ratio	Percentage of the organization's income that is utilized for interest payments. Interest payments as a percentage of revenue is slightly lower than prior year, indicating revenue is increasing at a faster rate (15%) than increase in interest payments (9%).	4.6%	4.7%	6.0%	6.4%	6.0%
Key Services (MVRD Requisition, Water Sales, Sewer Levy, Tipping Fees, Housing rentals) Charges to Total Revenue Ratio	An indicator that shows the extent of revenues derived from core services provided by MVRD. Key Services Charges to Total Revenue Ratio remains consisten between 75-85% with slight fluctuations in years of higher grants and other revenues	68.6%	71.3%	83.0%	85.1%	78.3%

TREASURY RESULTS

Cash and Investments

The chart below summarizes the investment portfolio for 2023 and 2022. Cash and investment balances are lower than 2022, due to the use of deferred grants and reserves previously held in cash, in addition to a cash management strategy of timing the financing for capital infrastructure projects when cash requirements are needed. Long-term investment holdings have increased by \$88M in 2023 to take advantage of the higher market interest rates. In addition, there are increased holdings in cash than short-term investments to take advantage of the higher-interest savings account rates. These rates are favourable and allow for more high-liquid cash in the portfolio.



(in thousands of dollars)	2022	2023
Short-Term	87,505	10,000
High-Interest Saving Account	387,461	182,895
Long-Term	296,931	385,101
Cultural Reserve	2,231	2,231
Total Investment Holdings	774,128	580,227

Investment holdings are grouped into four categories:

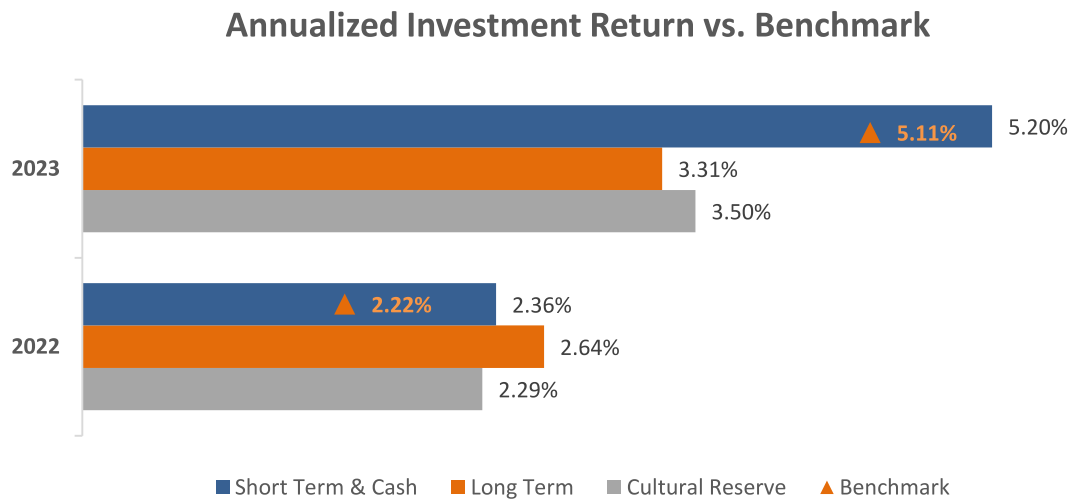
Cash and high-interest saving accounts	Accounts held by Metro Vancouver are fully liquid assets and can be accessed at any time. The majority of these deposits are in pooled high-interest savings accounts of the Municipal Finance Authority of British Columbia (MFA).
Short-term investments	Investments with have terms of less than one year at the time of investment. These may include bankers’ acceptances, Canadian bank bonds, and credit union term deposits.
Long-term investments	Investments with greater than one year at the time of investment. These investments may include Canadian, Provincial, and Canadian bank bonds; guaranteed investment certificates; credit union term deposits greater than one year; and MFA pooled funds.

Cultural reserve investments	Long-term investments where revenues have been set aside to fund Metro Vancouver’s annual contributions to cultural activities.
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Investment Returns

The average annual investment returns are greater than prior year due to the fluctuation in the market rates over the year. As investments matured, they were re-invested with higher yielding products or held in cash to take advantage of high-interest savings account rates and provide sufficient liquidity to accommodate the significant capital expenditure program. Short-term and cash investments return is 5.20%, which has surpassed the MFA benchmark of 5.11%. Average returns have almost doubled over the year from 2.38% to 4.22%.

The chart below summarizes the investment returns by investment category against benchmark for 2022 and 2023:



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

Financial Statements

Year ended December 31, 2023

DRAFT - April 4, 2024

Consolidated Financial Statements of

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

Year ended December 31, 2023

METRO VANCOUVER REGIONAL DISTRICT

Index to Consolidated Financial Statements

December 31, 2023

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Management Report	
Independent Auditor's Report	
Consolidated Statement of Financial Position	A
Consolidated Statement of Operations	B
Consolidated Statement of Change in Net Debt	C
Consolidated Statement of Cash Flows	D
Notes to Consolidated Financial Statements	

Growing Communities Fund Grant (unaudited)	Schedule 1
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**METRO VANCOUVER DISTRICTS
AND METRO VANCOUVER HOUSING CORPORATION
(Operating as Metro Vancouver)
MANAGEMENT REPORT**

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

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

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

The external auditors, BDO Canada LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the consolidated financial statements. Their examination does not relate to the other unaudited schedules attached to the financial statements and statements required by the *Financial Information Act*. The Independent Auditor’s Report outlines the scope of the audit for the year ended December 31, 2023.

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

Harji Varn, Chief Financial Officer

Date: April 26, 2024

Independent Auditor's Report

To the Board of Directors of Metro Vancouver Regional District

Opinion

We have audited the consolidated financial statements of Metro Vancouver Regional District (the "Consolidated Entity"), which comprise the consolidated Statement of Financial Position as at December 31, 2023, and the consolidated Statements of Operations, Change in Net Debt and Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Consolidated Entity as at December 31, 2023 and the results of its operations, change in net debt, and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements,

whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

Other Matter – Supplementary Information

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

Chartered Professional Accountants

Vancouver, British Columbia

REPORT DATE

METRO VANCOUVER REGIONAL DISTRICT

Exhibit A

Consolidated Statement of Financial Position

As at December 31, 2023

(in thousands of dollars)

	2023	2022
Financial Assets		
Cash and cash equivalents	\$ 183,852	\$ 388,043
Accounts receivable (note 4)	223,952	193,673
Due from TransLink and member municipalities (note 5)	1,153,855	1,260,527
Investments (note 6)	402,384	391,386
Debt reserve fund (note 7)	67,008	65,522
	2,031,051	2,299,151
Liabilities		
Accounts payable and accrued liabilities (note 8)	319,287	299,379
Employee future benefits (note 9)	14,277	14,602
Landfill closure and post-closure liability (note 10)	48,371	41,026
Asset retirement obligation (note 11)	55,332	—
Deferred revenue and refundable deposits (note 12)	400,547	343,047
Debt reserve fund, member municipalities, and TransLink (note 7)	36,147	35,231
Debt (net of sinking funds) (note 13)		
Metro Vancouver Districts and Housing Corporation	1,809,589	1,884,302
TransLink and member municipalities	1,140,126	1,246,714
Total debt	2,949,715	3,131,016
	3,823,676	3,864,301
Net Debt	(1,792,625)	(1,565,150)
Non-Financial Assets		
Tangible capital assets (note 14)	8,492,990	7,796,302
Inventories of supplies	12,594	11,864
Prepaid land leases (note 15)	4,673	4,868
Prepaid expenses	13,818	11,714
	8,524,075	7,824,748
Accumulated surplus (note 16)	\$ 6,731,450	\$ 6,259,598

Contractual obligations and rights (note 17)

Contingencies (note 18)

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

Chief Financial Officer

Board Chair

METRO VANCOUVER REGIONAL DISTRICT

Exhibit B

Consolidated Statement of Operations

Year ended December 31, 2023

(in thousands of dollars)

	2023 Budget (note 19)	2023 Actual	2022 Actual
Revenues (note 20)			
MVRD property tax requisitions	\$ 102,550	\$ 102,475	\$ 91,708
Metered sale of water	338,337	344,789	329,678
Sewerage and drainage levy	324,266	324,219	301,425
Tipping fees	121,922	135,287	125,797
Housing property rentals	43,718	44,387	43,267
BODTSS industrial charges	12,496	12,286	12,431
Development cost charges	92,289	95,171	60,583
Grants and other contributions	80,512	108,812	35,594
User fees, recoveries, and other revenue	44,185	47,320	46,411
Sinking fund and interest income	37,284	56,695	40,353
Sinking fund income, members and TransLink	28,019	27,265	27,072
	1,225,578	1,298,706	1,114,319
Expenses (note 20)			
Liquid waste services	309,131	321,206	274,160
Solid waste services	129,514	152,615	142,930
Water operations	206,792	207,961	184,446
Housing rental operations	47,697	34,773	34,516
Regional parks	48,358	42,325	38,405
General government services	7,953	8,057	7,167
Air quality	15,774	12,820	11,101
Regional employers services	3,461	2,936	2,362
E911 emergency telephone system	5,773	5,748	5,269
Regional planning	5,166	4,328	4,140
Invest Vancouver	3,867	3,807	2,420
Housing planning and policy	2,190	1,356	1,031
Electoral area service	512	656	654
Regional global positioning system	354	340	169
Sasamat volunteer fire department	549	385	350
Regional emergency management	232	276	171
Sinking fund income attributed to members and TransLink	28,019	27,265	27,072
	815,342	826,854	736,363
Annual surplus	410,236	471,852	377,956
Accumulated surplus, beginning of year	6,259,598	6,259,598	5,881,642
Accumulated surplus, end of year (note 16)	\$ 6,669,834	\$ 6,731,450	\$ 6,259,598

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

METRO VANCOUVER REGIONAL DISTRICT

Exhibit C

Consolidated Statement of Change in Net Debt

Year ended December 31, 2023

(in thousands of dollars)

	2023 Budget (note 19)	2023 Actual	2022 Actual
Annual surplus	\$ 410,236	\$ 471,852	\$ 377,956
Change in tangible capital assets			
Acquisition of tangible capital assets	(1,263,197)	(807,090)	(723,206)
Amortization of tangible capital assets	100,560	108,337	99,142
Loss (gain) on disposal of tangible capital assets	—	1,594	(1,359)
Proceeds on disposal of tangible capital assets	—	471	1,600
	(1,162,637)	(696,688)	(623,823)
Change in other non-financial assets			
Acquisition of prepaid expenses	—	(13,818)	(11,714)
Use of prepaid expenses	—	11,714	8,723
Amortization of prepaid land leases	195	195	194
Acquisition of inventories of supplies	—	(12,594)	(11,864)
Consumption of inventories of supplies	—	11,864	10,938
	195	(2,639)	(3,723)
Change in net debt	(752,206)	(227,475)	(249,590)
Net debt, beginning of year	(1,565,150)	(1,565,150)	(1,315,560)
Net debt, end of year	\$ (2,317,356)	\$ (1,792,625)	\$ (1,565,150)

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

METRO VANCOUVER REGIONAL DISTRICT

Exhibit D

Consolidated Statement of Cash Flows

Year ended December 31, 2023

(in thousands of dollars)

	2023	2022
Cash provided by (used in):		
Operating transactions:		
Annual surplus	\$ 471,852	\$ 377,956
Items not involving cash		
Amortization of tangible capital assets	108,337	99,142
Amortization of prepaid land leases	195	194
Accretion expense	2,231	—
Sinking fund income	(55,334)	(54,931)
Debt reserve fund income	(2,033)	(1,455)
Accrued interest and unamortized premium or discount	(407)	(718)
Loss (gain) on disposal of tangible capital assets	1,594	(1,359)
Employee future benefit expense	3,174	2,911
Change in landfill closure and post-closure liability	7,345	8,119
Change in non-cash financial assets and liabilities		
Accounts receivable	(30,279)	(622)
Due from TransLink and member municipalities	106,672	(166,387)
Accounts payable and accrued liabilities	19,908	(38,041)
Employee future benefits paid	(3,499)	(2,216)
Deferred revenue and refundable deposits	57,500	2,031
Debt reserve fund, member municipalities, and TransLink	916	52
Inventories of supplies	(730)	(926)
Prepaid expenses	(2,104)	(2,991)
Net change in cash from operating transactions	685,338	220,759
Capital transactions:		
Proceeds on sale of tangible capital assets	471	1,600
Acquisition of tangible capital assets (note 21(a))	(753,989)	(723,206)
Net change in cash from capital transactions	(753,518)	(721,606)
Investing transactions:		
Acquisition of investments	(203,467)	(403,818)
Investment maturities	192,876	302,732
Net change in cash from investing transactions	(10,591)	(101,086)
Financing transactions:		
Debenture debt and mortgages issued	102,500	452,970
Debt reserve fund issuances	(1,025)	(4,530)
Debt reserve fund maturity	1,572	4,851
Sinking fund payments	(220,368)	(193,570)
Principal repayments on long-term debt	(8,099)	(8,048)
Sinking fund retirement	106,291	182,352
Debenture debt maturity	(106,291)	(182,352)
Net change in cash from financing transactions	(125,420)	251,673
Net change in cash and cash equivalents	(204,191)	(350,260)
Cash and cash equivalents, beginning of year	388,043	738,303
Cash and cash equivalents, end of year	\$ 183,852	\$ 388,043

Supplementary cash flow information (note 21)

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

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 1

Year ended December 31, 2023

(tabular amounts in thousands of dollars)

1. Significant Accounting Policies

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

Government Reporting Entity

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

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

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

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

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

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 2

Year ended December 31, 2023

(tabular amounts in thousands of dollars)

1. Significant Accounting Policies (continued)

Basis of Consolidation	The consolidated financial statements reflect the combined assets, liabilities, revenues, and expenses of the reporting entity. The reporting entity comprises the MVRD, the GVS&DD, the GVWD, and the MVHC. These organizations are controlled by the District. All transactions and balances between these legal entities have been eliminated on consolidation.
Basis of Accounting	The District follows the accrual method of accounting for revenue and expenses. Revenue is recognized in the year in which it is earned and measurable. Expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and/or the legal obligation to pay.
Government Transfers	<p>Government transfers, are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. The transfer of revenue is initially deferred and then recognized in the statement of operations as the stipulation liabilities are settled.</p> <p>When the District is deemed the transferor, the transfer expense is recognized when the recipient is authorized and has met the eligibility criteria.</p>
Deferred Revenue and Refundable Deposits	Deferred revenue represents licenses, permits, development cost charges, security deposits, restricted contributions, and other fees which have been collected, but for which the related services or obligations have yet to be performed. These amounts will be recognized as revenue in the fiscal year the services are performed or obligations and stipulations have been met.
Sinking Fund, Debt Retirement, and Interest Income	Interest income is reported as revenue in the period earned. When required, based on external restrictions, interest income earned on deferred revenue is added to and forms part of the deferred revenue balance, and is recognized into income when related stipulations are met. Any surpluses received from upon debt retirement are recorded in the year received.

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 3

Year ended December 31, 2023

(tabular amounts in thousands of dollars)

1. Significant Accounting Policies (continued)

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

Investments Investments consist of both long and short-term instruments and are recorded at amortized cost using straight-line method.

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

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

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 4

Year ended December 31, 2023

(tabular amounts in thousands of dollars)

1. Significant Accounting Policies (continued)

Employee Future Benefits

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

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

Liability for Contaminated Sites

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

Landfill Closure and Post-Closure Liability

The District is obligated for its share of landfill closure and post-closure costs, in accordance with agreements (note 10). The District does not own or control the landfills and, therefore, has recorded its obligation as a liability, in accordance with PS 3200 - Liabilities, and not as an asset retirement obligation.

The estimated present value of the District's share in landfill closure and post-closure costs to be incurred on a landfill site owned and controlled by the City of Vancouver is recognized as a liability. This liability is recognized based on estimated future expenses, including estimated inflation discounted to the current date and accrued based on the proportion of the total capacity of the landfill used and the District's proportionate usage thereof as of the date of the statement of financial position. The change in this estimated liability during the year is recorded as an expense in operations. These estimates are reviewed and adjusted annually and any changes are recorded on a prospective basis.

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 5

Year ended December 31, 2023

(tabular amounts in thousands of dollars)

1. Significant Accounting Policies (continued)

Asset Retirement Obligation

Asset Retirement Obligations (AROs) are recognized for statutory, contractual, or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development, or normal operation of the assets. The ARO liability is initially recorded at fair value, which is an amount that is the best estimate of the expenditure required to retire a tangible capital asset determined using present value calculation, and the resulting costs are capitalized as part of the carrying amount of the related tangible capital asset. This ARO liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. The changes in the AROs for the passage of time are recorded as accretion expense in the consolidated statement of operations and all other changes are adjusted to the carrying value of the tangible capital asset. This cost is amortized on the same basis as the amortization expense of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

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

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 6

Year ended December 31, 2023

(tabular amounts in thousands of dollars)

1. Significant Accounting Policies (continued)

Non-Financial Assets

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

Tangible Capital Assets

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

Asset	Useful Life - Years
Buildings	
Housing	25 - 65
Parks	50 - 100
Watershed	25
Corporate – Head Office	40
Infrastructure	
Sewer	
Wastewater treatment, pumping stations	40 - 107
Interceptors and trunk sewer, drainage	100
Solid Waste	25-30
Water	
Dams, reservoirs	150
Supply mains	100
Distribution systems, drinking water treatment	50 - 101
Parks	
Bridges, culverts, fencing	20 – 40
Trails	100
Roads, erosion protection, water and sewer systems	100
Information technology systems and networks	5 – 10
Vehicles	5 – 20
Machinery, equipment, furniture, and fixtures	5 – 20

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 7

Year ended December 31, 2023

(tabular amounts in thousands of dollars)

1. Significant Accounting Policies (continued)

Non-Financial Assets (continued)

Tangible Capital Assets

a. Annual amortization

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

b. Contributions of tangible capital assets

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

c. Works of art and cultural and historic assets

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

d. Interest capitalization

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

Inventories of Supplies

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

Prepaid Land Leases

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

Revenue Recognition

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

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 8

Year ended December 31, 2023

(tabular amounts in thousands of dollars)

1. Significant Accounting Policies (continued)

Segmented Information

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the standard. The District has provided definitions of the District's segments as well as presented financial information in segmented format in note 20.

Use of Estimates

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

Significant areas requiring the use of management's judgment relate to the determination of contaminated sites liabilities, amounts to settle and expected timing of asset retirement obligations, the employee future benefits liability, the estimate of accruals for projects in progress, amortization rates and useful lives for tangible capital assets, the landfill closure and post-closure liability, the assessment of the impairment of tangible capital assets and work in progress, and the assessment of the outcome of contingent liabilities.

2. Adoption of Accounting Policies

- a. In 2023, the District implemented the new Public Sector Accounting Handbook Standard, PS 3280 Asset Retirement Obligations. The standard requires the reporting of legal obligations associated with the retirement of tangible capital assets by public sector entities. The District has elected to implement this standard prospectively for the year ended December 31, 2023. Results for the year ended December 31, 2022 have not been restated.
- b. Metro Vancouver Regional District adopted Public Sector Accounting Standard PS 3450 Financial Instruments effective January 1, 2023. This new standard requires the remeasurement of gains and losses of financial instruments. Metro Vancouver Regional District has determined there are no remeasurement gains or losses for fiscal years 2022 or 2023 and as such no adjustment to prior year or the opening balances is required.

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 9

Year ended December 31, 2023

(tabular amounts in thousands of dollars)

3. Financial Risk Management

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

Credit Risk is low and related to the possibility of failure to collect from another party and encompasses cash, investments, and accounts receivable. The risk exposure is limited to their carrying amounts as at the date of the statement of financial positions. The District's accounts receivable primarily consists of amounts due from member jurisdictions, which does not pose a high risk of uncollectable amounts. To mitigate credit risk, the District regularly reviews the collectability of its accounts receivable and if needed, will establish an allowance based on its best estimate of potentially uncollectible amounts. As at December 31, 2023, the amount of allowance deemed uncollectable is \$nil (2022 - \$nil).

Market risks and interest rate risks encompasses cash, investments, and debt instruments. The market is volatile and susceptible to change. To mitigate the risk, the District closely watches the Bank of Canada rates and reviews inflationary impacts. The District's cash is deposited in high-interest savings accounts at federally regulated banks. The District follows the Board approved investment policy and legislative requirements for the management of its investments, which requires low risk investment products, such as fixed income securities, such as cash, government bonds and MFA pooled investment funds. The investment gains or losses due to market interest rate changes are recognized at the trade date. To mitigate risks, the investment portfolio is managed regularly through cash forecasts and investments are made into low credit risk rating bonds and pools. The District's exposure to interest rate risk in relation to debt instruments is limited to long-term debt and temporary financing. The risk applies to long-term debt when amortization periods exceed the initial locked-in term. Temporary financing is subject to daily floating rates, which can result in variability over the course of short-term period. Interest rate risk related to debt instruments is managed through budget and cash forecasts. Interest rates have increased during the year, which primarily affects interest costs for new or refinanced debt and temporary borrowing, as well as, interest earnings on investments.

Liquidity risk is low and mitigated by regular monitoring of cash flows and forecasts. The District's cash is held in federally and provincially regulated banks with pooled accounts on behalf of its four legal entities: the Metro Vancouver Regional District, the Greater Vancouver Sewerage and Drainage District, the Greater Vancouver Water District, and the Metro Vancouver Housing Corporation. To meet financial obligations and mitigate liquidity risk a minimum of 25% of the District's pooled portfolio balance is held in high liquid cash in high interest savings accounts.

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 10

Year ended December 31, 2023

(tabular amounts in thousands of dollars)

4. Accounts Receivable

	2023	2022
GVWD	\$ 72,544	\$ 68,590
GVS&DD	134,184	108,083
MVHC	1,695	2,743
MVRD	15,529	14,257
	\$ 223,952	\$ 193,673

5. Due from TransLink and Member Municipalities

The District is reimbursed for amounts paid to the Municipal Finance Authority of British Columbia ("MFA") for the obligations incurred on behalf of its member municipalities and TransLink whose undertakings were financed out of the proceeds of these obligations (refer to note 13). The amount recoverable is net of sinking funds, held and invested by the MFA, and includes accrued interest as follows:

	Net Debt Recoverable	Accrued Interest	2023	2022
TransLink	\$ 189,535	\$ 5,136	\$ 194,671	\$ 239,493
Member municipalities	950,591	8,593	959,184	1,021,034
	\$ 1,140,126	\$ 13,729	\$ 1,153,855	\$ 1,260,527

6. Investments

	Yields - %	Maturity Dates	2023	2022
Bonds:				
Government	2.06 - 4.44	February 2024 - March 2031	\$ 56,231	\$ 60,657
Corporate	1.97 - 5.67	June 2024 - March 2028	77,605	47,583
Unamortized premium			5,052	4,646
			138,888	112,886
Term deposits	4.90 - 5.25	July 2024 - July 2025	15,000	63,500
GICs	1.35 - 6.25	January 2024 - April 2028	248,496	215,000
Total			\$ 402,384	\$ 391,386

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

Market value of investments as at December 31, 2023 was \$409,430,305 (2022 - \$393,365,298).

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 11

Year ended December 31, 2023

(tabular amounts in thousands of dollars)

7. Debt Reserve Fund

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

If, at any time, the District has insufficient funds to meet payments due on its obligations to the MFA, the payments will be made from the debt reserve fund. The demand notes are callable only if there are additional requirements to be met to maintain the level of the debt reserve fund. At December 31, 2023, \$130,591,793 (2022 - \$130,539,983) in callable demand notes were outstanding and have not been recorded in the statement of financial position.

	2023	2022
Cash deposits held by MFA on behalf of:		
TransLink and member municipalities	\$ 36,147	\$ 35,231
Metro Vancouver Districts	30,861	30,291
	\$ 67,008	\$ 65,522

8. Accounts Payable and Accrued Liabilities

	2023	2022
Trade accounts	\$ 175,935	\$ 166,809
Construction holdbacks	98,568	79,654
Accrued interest on debt	27,965	27,606
Wage accruals	15,619	23,815
Contaminated sites (a)	1,200	1,495
	\$ 319,287	\$ 299,379

(a) In 2023, the District accrued \$1,200,368 (2022 - \$1,494,860) to remediate contaminated soils at two of its properties. The remediation work for the properties will be completed in 2024 and 2026.

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 12

Year ended December 31, 2023

(tabular amounts in thousands of dollars)

9. Employee Future Benefits

The employee future benefits have been based on the results of an actuarial valuation done by an independent actuarial firm. A full valuation was performed as of December 31, 2022, with results projected to December 31, 2023.

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

	2023	2022
Accrued benefit obligation:		
Balance, beginning of year	\$ 18,627	\$ 19,008
Current service cost	1,571	1,572
Interest cost	807	467
Benefits paid	(3,499)	(2,216)
Actuarial gain (loss)	63	(204)
Accrued benefit obligation, end of year	17,569	18,627
Unamortized actuarial loss	(3,292)	(4,025)
Accrued liability, end of year	\$ 14,277	\$ 14,602

	2023	2022
Employee future benefit expense:		
Current service cost	\$ 1,571	\$ 1,572
Interest cost	807	467
Amortization of the actuarial loss	796	872
	\$ 3,174	\$ 2,911

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

	2023	2022
Discount rate	4.2%	4.4%
Expected future inflation rate	2.5%	2.5%
Expected average remaining service period	12 years	12 years

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 13

Year ended December 31, 2023

(tabular amounts in thousands of dollars)

10. Landfill Closure and Post-Closure Liability

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

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

	2023	2022
Landfill closure and post closure liability	\$ 48,371	\$ 41,026

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

	2023	2022
Current actual utilization (in 000's tonnes)	23,919	23,196
Expected utilization at closure (in 000's tonnes)	28,300	28,300
Expected remaining capacity (in 000's tonnes)	4,381	5,104
Permitted capacity (in 000's tonnes)	33,039	33,039
Future costs (in \$000's)	\$ 243,644	\$ 212,638
Present value of future costs (in \$000's)	\$ 151,242	\$ 136,569
Proportionate share of liability	37.84%	36.65%
Utilization of total capacity, end of year	84.52%	81.97%
Discount rate	2.69%	2.58%
Expected post-closure period	30 years	30 years
Expected closure date	December 31, 2037	December 31, 2037

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 14

Year ended December 31, 2023

(tabular amounts in thousands of dollars)

11. Asset Retirement Obligation

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

a. Asbestos and lead obligations

The District owns and operates several buildings and infrastructure assets that are known or assumed to have asbestos and lead, which represent health hazards upon demolition, and the District has legal obligations to remove them. Following the adoption of PS 3280 – AROs, the District recognized the obligations relating to the removal and post-removal care of the asbestos and lead in these buildings and infrastructure assets as estimated as at January 1, 2023. These buildings and infrastructure assets have estimated useful lives ranging from 40 years to 107 years from the date of acquisition or completion of construction.

b. Contractual obligations

The District has contractual obligations to remove, decommission and restore infrastructure. Following the adoption of PS 3280 – AROs, the District recognized these obligations as estimated as at January 1, 2023.

Asset retirement obligation is as follows:

	GVS&DD	GVWD	MVHC	MVRD	2023
Balance, beginning of year	\$ —	\$ —	\$ —	\$ —	\$ —
Additions					
Asbestos and lead obligations	6,291	834	9,540	1,243	17,908
Contractual obligations	17,204	17,989	—	—	35,193
Total additions	23,495	18,823	9,540	1,243	53,101
Accretion expense					
Asbestos and lead obligations	264	35	401	52	752
Contractual obligations	723	756	—	—	1,479
Total accretion expense	987	791	401	52	2,231
Balance, end of year	\$ 24,482	\$ 19,614	\$ 9,941	\$ 1,295	\$ 55,332

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 15

Year ended December 31, 2023

(tabular amounts in thousands of dollars)

11. Asset Retirement Obligation (continued)

The liability has been estimated using present value calculation with a discount rate for 2023 of 4.2% (2022 – not applicable, as new standard adopted in 2023). The estimated total undiscounted future expenditures and the number of years to expected settlement for the various obligations are as follows:

		Undiscounted asset retirement costs	Number of years to expected settlement
GVS&DD	\$	46,463	1 - 57
GVWD		27,162	2 - 43
MVHC		26,763	18 - 44
MVRD		2,373	2 - 32
	\$	102,761	1 - 57

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 16

Year ended December 31, 2023

(tabular amounts in thousands of dollars)

12. Deferred Revenue and Refundable Deposits

The deferred revenue consists of the following:

	2023	2022
MVHC externally restricted funds from BCHMC and CMHC (a)		
i) Rental operations	\$ 51	\$ 48
ii) Replacement projects	5,365	3,457
iii) Retrofit projects	5,600	—
	11,016	3,505
GVS&DD and GVWD development cost charges (b)	273,718	273,596
Provincial grant to fund capital expenditures (c)	100,029	56,496
Facility rental security deposits	6,320	6,414
Cost-sharing funding (d)	6,173	—
Other	3,291	3,036
Total	\$ 400,547	\$ 343,047

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

- i. **Rental Operations:** Under operating agreements entered into with Canada Mortgage and Housing Corporation (“CMHC”) and administered by British Columbia Housing Management Commission (“BCHMC”) (Homes BC, Seniors, and Investment in Housing Innovation properties), a portion of the funds received from rental operations are restricted and can only be used by MVHC according to the terms of the agreements. Restricted amounts are recorded as deferred revenue and are used when expenditures exceed revenue in the program.
- ii. **Replacement Projects:** Under operating agreements entered into with CMHC and administered by BCHMC (Homes BC, Seniors, and Investment in Housing Innovation properties), a portion of the funds received from rental operations are restricted for the replacement of equipment and specified building components. These funds are deferred until spent on approved items.
- iii. **Retrofit Projects:** Under agreement entered into with CMHC and in connection with the National Housing Co-Investment Fund, the \$5.6 million funds received in 2023 are restricted for the repair of 560 affordable housing units (eight projects). These funds are deferred until conditions have been met.

(b) The *Greater Vancouver Sewerage and Drainage District Act* and the *Local Government Act* restrict the Districts in applying money raised from development cost charges to funding sewer and water capital projects, including the repayment of debt raised to fund such projects. The balance of these amounts is included in deferred revenue until spent on approved purposes.

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 17

Year ended December 31, 2023

(tabular amounts in thousands of dollars)

12. Deferred Revenue and Refundable Deposits (continued)

- (c) Amounts received from the Province of British Columbia for the following construction projects have been recorded as deferred revenue:
- i. In 2017, the GVS&DD received a grant from the Province of British Columbia in the amount of \$193.0 million for costs associated with the construction of the new North Shore Wastewater Treatment Plant Facility. During 2023, \$22.71 million (2022 - \$13.72 million) was applied against the project and recognized as revenue. Remaining amount to be recognized in future years as capital expenditures are incurred is \$32.65 million.
 - ii. In 2023, the GVS&DD entered into a three-year contribution agreement, with the Province of British Columbia, where the Province will provide \$250 million representing one-third of the funding for Phase 1 of the Iona Wastewater Treatment Plant project. As of December 31, 2023, the District received \$75.0 million of the grant, of which \$14.63 million (2022 – \$nil) was applied against the project and recognized as revenue. Remaining amount to be recognized in future years as capital expenditures are incurred is \$60.37 million.
 - iii. In 2023, the MVRD received a grant from the Province of British Columbia in the amount of \$5.25 million to fund Barnston Island Dike improvements for the duration of the term ending on March 15, 2026. As of December 31, 2023, \$25,738 was applied against the project and recognized as revenue. Remaining amount to be applied in future years, including interest earned, is \$5.39 million.
- (d) In 2023, the GVWD received cost-sharing funds from member municipalities in accordance with the Water Supply Agreement in the amount of \$6,173,164 for future costs associated with the construction of Phase 2 of the Jericho Reservoir project. As of December 31, 2023, no amount has been applied and recognized against the project as construction has not yet commenced.

Continuity of deferred revenue and refundable deposits is as follows:

	2023	2022
Balance, beginning of year	\$ 343,047	\$ 341,016
Externally restricted contributions received:		
GVS&DD and GVWD development cost charges	82,978	68,941
Provincial government grant	80,733	—
GVWD cost-sharing funds	6,173	—
MVHC restricted funds	7,688	1,035
Interest earned	12,315	6,604
Total contributions received	189,887	76,580
Contributions used and recognized in revenue	(133,157)	(75,604)
Net change in externally restricted contributions	56,730	976
Change in deposits and other deferred revenues	770	1,055
	57,500	2,031
Balance, end of year	\$ 400,547	\$ 343,047

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 18

Year ended December 31, 2023

(tabular amounts in thousands of dollars)

13. Debt

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

All monies borrowed are upon the District's credit at large and, in the event of any default, would constitute an indebtedness for which its members are jointly and severally liable.

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

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

In addition to debt incurred directly by the District, the District has also incurred long-term debt on behalf of its member municipalities and TransLink through agreements with the MFA. Under the terms of these agreements, the District is required to provide for and pay to the MFA certain sums. Debt incurred on behalf of others is also presented as due from TransLink and member municipalities (note 5). Where the MFA has determined that sufficient resources exist to retire a debenture on its maturity date without further installments, debenture installments are suspended by the MFA. If the sums provided for are not sufficient, such deficiency shall be a liability of the District to the MFA until legally extinguished.

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

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 19

Year ended December 31, 2023

(tabular amounts in thousands of dollars)

13. Debt (continued)

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

	Mortgages and Debenture Debt		Less Sinking Funds		Debt, Net of Sinking Fund			
					2023	2022		
GVS&DD	\$	1,481,000	\$	325,836	\$	1,155,164	\$	1,178,144
GVWD		1,167,000		552,617		614,383		663,511
MVHC		40,042		—		40,042		42,647
		2,688,042		878,453		1,809,589		1,884,302
TransLink		710,809		521,274		189,535		234,324
Member municipalities		1,238,584		287,993		950,591		1,012,390
		1,949,393		809,267		1,140,126		1,246,714
	\$	4,637,435	\$	1,687,720	\$	2,949,715	\$	3,131,016

Debt (net of sinking funds) reported on the statement of financial position is comprised of the following and includes varying maturities up to 2055, with interest rates ranging from 1.28% to 5.65%.

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 20

Year ended December 31, 2023

(tabular amounts in thousands of dollars)

13. Debt (continued)

Issue number	Interest rate - %	Maturity date	Authorized to be issued	Debt Outstanding	
				2023	2022
Sinking Fund Agreements					
79	2.25	June 3, 2023	\$ 74,025	\$ —	\$ 225
85	2.25-5.47	December 2, 2024	69,760	22,760	22,760
86	5.44	December 2, 2024	50,000	50,000	50,000
95	4.77	October 13, 2025	10,900	2,300	2,300
96	4.61	April 2, 2026	50,000	50,000	50,000
97	1.53-4.90	April 19, 2036	175,000	153,000	153,000
99	4.99	October 19, 2026	66,300	16,300	16,300
100	4.59	October 19, 2026	200,000	180,000	180,000
102	2.25-5.09	December 1, 2027	436,395	289,395	289,395
103	2.65	April 23, 2023	40,000	—	40,000
104	2.90	November 20, 2028	56,281	5,650	56,281
105	2.25	June 3, 2029	68,300	68,300	68,300
106	2.25	October 13, 2039	140,600	125,000	125,000
110	1.28	April 8, 2030	60,730	60,730	60,730
112	1.28	October 6, 2035	74,775	74,775	74,775
116	1.47	April 4, 2036	152,292	152,292	152,292
118	3.39	April 11, 2042	96,000	96,000	96,000
121	3.39	October 4, 2037	74,961	72,286	72,286
124	4.52	April 8, 2043	3,000	3,000	3,000
126	4.52	September 26, 2043	155,209	139,774	155,209
127	3.30	April 7, 2034	115,415	115,415	115,415
130	3.00	October 14, 2029	50,000	50,000	50,000
131	2.20	April 8, 2035	121,500	121,500	121,500
137	2.60	April 19, 2046	149,772	149,772	149,772
139	2.10	October 5, 2031	55,000	55,000	55,000
141	2.80	April 7, 2047	152,463	152,463	152,463
142	3.15	October 4, 2047	77,983	77,983	77,983
145	3.15	April 23, 2048	122,275	122,275	122,275
146	3.20	September 19, 2048	282,500	282,500	282,500
147	2.66	April 9, 2034	62,000	62,000	62,000
149	2.24	October 9, 2049	140,095	140,095	140,095
150	1.99	April 9, 2050	168,133	168,133	168,133
151	1.28	June 1, 2050	185,987	185,987	185,987
153	2.41	April 15, 2046	129,000	129,000	129,000
154	2.41	May 28, 2036	500,000	500,000	500,000
156	2.58	September 27, 2046	150,600	150,600	150,600
157	3.36	April 8, 2037	207,500	207,500	207,500
158	4.09	September 23, 2052	245,470	245,470	245,470
159	4.15	June 4, 2038	50,000	50,000	—
160	4.97	October 12, 2048	52,500	52,500	—
Total sinking fund agreements (carried forward)			\$ 5,072,721	\$ 4,579,756	\$ 4,583,546

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 21

Year ended December 31, 2023

(tabular amounts in thousands of dollars)

13. Debt (continued)

Issue number	Interest rate - %	Maturity date	Authorized to be issued	Debt Outstanding	
				2023	2022
Total sinking fund agreements (brought forward)			\$ 5,072,721	\$ 4,579,756	\$ 4,583,546
Serial Debt					
93	5.10-5.65	April 7, 2027	79,014	13,209	17,735
111	3.35	October 1, 2025	3,000	491	724
114	3.65	March 29, 2026	6,301	1,545	2,024
122	2.00	November 1, 2032	1,999	900	1,000
123	2.00	March 28, 2033	3,142	1,492	1,649
Total serial debt			93,456	17,637	23,132
Total debenture debt			\$ 5,166,177	\$ 4,597,393	\$ 4,606,678
MVHC Mortgages					
	1.30 - 4.87	January 2023 to December 2055		47,373	50,901
Less MVRD financed mortgages				(7,331)	(8,254)
Total MVHC mortgages				40,042	42,647
Total debt				4,637,435	4,649,325
Less sinking funds				(1,687,720)	(1,518,309)
Total debt, net of sinking funds				\$ 2,949,715	\$ 3,131,016

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

	Total Long-Term Debt Payments	Less Recoverable from TransLink and Member Municipalities	Net Debt Payments
2024	\$ 214,750	\$ 69,818	\$ 144,932
2025	199,972	63,031	136,941
2026	190,193	59,693	130,500
2027	176,101	48,286	127,815
2028	156,851	35,277	121,574
Thereafter	1,197,838	453,748	744,090
Total payments	2,135,705	729,853	1,405,852
Estimated sinking fund income	814,010	410,273	403,737
Total net debt	\$ 2,949,715	\$ 1,140,126	\$ 1,809,589

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 22

Year ended December 31, 2023

(tabular amounts in thousands of dollars)

14. Tangible Capital Assets

Year ended December 31, 2023

	Cost			Accumulated Amortization				Net Book Value December 31, 2023	
	Balance at December 31, 2022	Additions	Disposals	Balance at December 31, 2023	Balance at December 31, 2022	Disposals	Amortization Expense		Balance at December 31, 2023
Land									
Sewer and Drainage District	\$ 186,358	\$ 511	\$ —	\$ 186,869	\$ —	\$ —	\$ —	\$ —	\$ 186,869
Water District	132,714	700	—	133,414	—	—	—	—	133,414
Regional District	919,669	42,289	—	961,958	—	—	—	—	961,958
Metro Vancouver Housing Corporation	52,274	—	—	52,274	—	—	—	—	52,274
	1,291,015	43,500	—	1,334,515	—	—	—	—	1,334,515
Infrastructure									
Sewer and Drainage District	2,469,537	293,996	—	2,763,533	753,148	—	52,344	805,492	1,958,041
Water District	2,426,794	64,813	—	2,491,607	473,941	—	38,836	512,777	1,978,830
Regional District	131,749	10,760	(1,120)	141,389	71,638	(1,120)	4,790	75,308	66,081
	5,028,080	369,569	(1,120)	5,396,529	1,298,727	(1,120)	95,970	1,393,577	4,002,952
Buildings									
Water District	216,476	4,050	—	220,526	30,151	—	5,501	35,652	184,874
Regional District	26,880	1,243	—	28,123	10,897	—	692	11,589	16,534
Metro Vancouver Housing Corporation	223,589	9,612	—	233,201	178,834	—	1,172	180,006	53,195
	466,945	14,905	—	481,850	219,882	—	7,365	227,247	254,603
Vehicles									
Regional District	32,403	6,150	(2,184)	36,369	26,364	(2,184)	2,543	26,723	9,646
	32,403	6,150	(2,184)	36,369	26,364	(2,184)	2,543	26,723	9,646
Machinery, equipment, furniture & fixtures									
Sewer and Drainage District	8,989	179	(531)	8,637	8,235	(531)	286	7,990	647
Water District	13,622	137	(166)	13,593	8,467	(166)	1,061	9,362	4,231
Regional District	21,792	623	(170)	22,245	19,023	(170)	572	19,425	2,820
Metro Vancouver Housing Corporation	6,561	736	(785)	6,512	4,868	(657)	540	4,751	1,761
	50,964	1,675	(1,652)	50,987	40,593	(1,524)	2,459	41,528	9,459
Construction in progress									
Sewer and Drainage District	1,645,308	137,566	(1,333)	1,781,541	—	—	—	—	1,781,541
Water District	833,335	200,984	(604)	1,033,715	—	—	—	—	1,033,715
Regional District	9,116	(436)	—	8,680	—	—	—	—	8,680
Metro Vancouver Housing Corporation	24,702	33,177	—	57,879	—	—	—	—	57,879
	2,512,461	371,291	(1,937)	2,881,815	—	—	—	—	2,881,815
	\$9,381,868	\$807,090	\$ (6,893)	\$10,182,065	\$1,585,566	\$ (4,828)	\$ 108,337	\$1,689,075	\$ 8,492,990
Totals 2023									
Sewer and Drainage District	\$4,310,192	\$432,252	\$ (1,864)	\$ 4,740,580	\$ 761,383	\$ (531)	\$ 52,630	\$ 813,482	\$ 3,927,098
Water District	3,622,941	270,684	(770)	3,892,855	512,559	(166)	45,398	557,791	3,335,064
Regional District	1,141,609	60,629	(3,474)	1,198,764	127,922	(3,474)	8,597	133,045	1,065,719
Metro Vancouver Housing Corporation	307,126	43,525	(785)	349,866	183,702	(657)	1,712	184,757	165,109
	\$9,381,868	\$807,090	\$ (6,893)	\$10,182,065	\$1,585,566	\$ (4,828)	\$ 108,337	\$1,689,075	\$ 8,492,990

Construction in progress includes \$609.1 million (2022- \$522.6 million) related to the North Shore Wastewater Treatment Plant Project (note 15).

Additions related to asset retirement costs were \$53.1 million (2022- \$nil).

Write-offs and disposals were \$2.1 million in 2023 (2022 - \$0.2 million).

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 23

Year ended December 31, 2023

(tabular amounts in thousands of dollars)

14. Tangible Capital Assets (continued)

Year ended December 31, 2022

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

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 24

Year ended December 31, 2023

(tabular amounts in thousands of dollars)

15. Prepaid Land Leases

	2023	2022
Balance, beginning of year	\$ 4,868	\$ 5,062
Amortization	(195)	(194)
Balance, end of year	\$ 4,673	\$ 4,868

The lease terms for the properties are as follows:

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

16. Accumulated Surplus

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

	2023	2022
Reserves	\$ 481,795	\$ 441,040
Capital fund balance	(433,746)	(93,442)
Investment in tangible capital assets	6,683,401	5,912,000
Total	\$ 6,731,450	\$ 6,259,598

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

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 25

Year ended December 31, 2023

(tabular amounts in thousands of dollars)

16. Accumulated Surplus (continued)

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

	December 31, 2022	Interest	Annual Operating Surplus (Deficit)	Transfers	Contributions from (to) Operations	Contributions to Capital	December 31, 2023
Reserve funds							
Operating reserves							
Metro Vancouver Regional District							
Air Quality	\$ 4,058	\$ 176	\$ 1,282	\$ —	\$ —	\$ —	\$ 5,516
E911 Emergency Telephone Service	474	21	27	—	—	—	522
Electoral Area Service	24	1	—	—	—	—	25
General Government	7,109	309	3,342	—	—	—	10,760
Housing Planning and Policy	426	18	24	—	—	—	468
Invest Vancouver	664	29	27	—	—	—	720
Regional Employer Services	807	35	(53)	—	—	—	789
Regional Emergency Management	265	11	(5)	—	—	—	271
Regional Geospatial Reference System	404	18	3	—	—	—	425
Regional Parks	3,944	171	554	—	—	—	4,669
Regional Planning	1,028	45	257	—	—	—	1,330
Sasamat Fire Protection Service	132	6	73	—	—	—	211
West Nile Virus	375	16	—	—	—	—	391
MVRD operating reserves	19,710	856	5,531	—	—	—	26,097
Greater Vancouver Water District							
Water Services	37,248	1,617	2,831	—	—	—	41,696
GVWD operating reserves	37,248	1,617	2,831	—	—	—	41,696
Greater Vancouver Sewerage and Drainage District							
Liquid Waste Services	44,442	1,930	(3,113)	—	—	—	43,259
Solid Waste Services	37,818	1,642	(3,475)	—	—	—	35,985
GVS&DD operating reserves	82,260	3,572	(6,588)	—	—	—	79,244
Metro Vancouver Housing Corporation							
MVHC operating Reserves	12,949	499	13,232	—	(1,451)	—	25,229
MVHC operating reserves	12,949	499	13,232	—	(1,451)	—	25,229
Total operating reserves	152,167	6,544	15,006	—	(1,451)	—	172,266
Discretionary reserves							
Metro Vancouver Regional District							
Air Quality	806	34	—	—	(506)	—	334
Electoral Area Service	1,652	73	16	—	(23)	—	1,718
E911 Emergency Telephone Service	32	1	—	—	—	—	33
General Government	7,431	2,299	—	—	50,780	—	60,510
Invest Vancouver	719	30	—	—	(441)	—	308
Regional Emergency Management	346	15	—	—	(61)	—	300
Regional Employer Services	2,379	103	—	—	—	—	2,482
Regional Planning	2,506	107	—	—	(252)	—	2,361
Regional Parks	208	9	—	—	—	—	217
Centralized Support	25,733	1,117	10,115	—	(2,339)	—	34,626
MVRD discretionary reserves	41,812	3,788	10,131	—	47,158	—	102,889
Greater Vancouver Sewerage and Drainage District							
Biosolids Inventory	15,809	687	—	—	(15,488)	—	1,008
Liquid Waste General Debt Reserve Fund	2,174	94	—	—	—	—	2,268
Lions Gate Contingency	1,526	66	—	—	—	—	1,592
Drainage General	5,420	235	—	—	—	—	5,655
Solid Waste General	26,998	803	—	—	—	—	27,801
Landfill Post Closure	11,580	1,116	—	—	(3,333)	—	9,363
GVS&DD discretionary reserves	63,507	3,001	—	—	(18,821)	—	47,687
Metro Vancouver Housing Corporation							
MVHC Capital Development	39,528	1,716	—	—	—	(7,675)	33,569
MVHC Capital Replacement	2,599	84	—	—	(2,895)	—	(212)
MVHC discretionary reserves	42,127	1,800	—	—	(2,895)	(7,675)	33,357
Total discretionary reserves	147,446	8,589	10,131	—	25,442	(7,675)	183,933
Operating and discretionary reserves (carried forward)	\$ 299,613	\$ 15,133	\$ 25,137	\$ —	\$ 23,991	\$ (7,675)	\$ 356,199

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 26

Year ended December 31, 2023

(tabular amounts in thousands of dollars)

16. Accumulated Surplus (continued)

	December 31, 2022	Interest	Annual Operating Surplus (Deficit)	Transfers	Contributions from (to) Operations	Contributions to Capital	December 31, 2023
Operating and discretionary reserves							
Reserves (brought forward)	\$ 299,613	\$ 15,133	\$ 25,137	\$ —	\$ 23,991	\$ (7,675)	\$ 356,199
Statutory reserves							
Metro Vancouver Regional District							
Electoral Area Community Works	748	33	—	—	33	—	814
Electoral Area Election	14	1	2	—	30	—	47
MVRD Sustainability Innovation Fund	12,029	526	—	—	(1,232)	—	11,323
Grants Reserve Fund	2,112	173	—	—	(300)	—	1,985
Housing Planning and Policy	5,368	251	—	—	1,000	—	6,619
Housing Planning and Policy Development	12,294	603	—	—	4,000	—	16,897
Regional Geospatial Reference System	1,164	51	—	—	31	—	1,246
Regional Parks Infrastructure	6,246	298	—	—	2,495	(4,884)	4,155
Parkland Acquisition	9,717	422	—	—	—	—	10,139
Parkland Acquisition and Development	26,194	652	—	—	23,570	(42,289)	8,127
Delta Airpark	145	6	—	—	31	—	182
Regional Parks Legacy	2,680	116	—	—	(50)	—	2,746
Sasamat Fire Protection Services	1,598	76	—	—	(134)	—	1,540
Corporate Self Insurance	1,567	67	—	—	—	—	1,634
Corporate Fleet	24,070	1,036	618	—	—	(5,334)	20,390
MVRD statutory reserves	105,946	4,311	620	—	29,474	(52,507)	87,844
Greater Vancouver Water District							
Laboratory Equipment	804	35	—	—	—	—	839
Water Services Sustainability Innovation Fund	14,578	646	—	—	92	—	15,316
GVWD statutory reserves	15,382	681	—	—	92	—	16,155
Greater Vancouver Sewerage and Drainage District							
Liquid Waste Laboratory Equipment	725	34	—	—	106	—	865
Liquid Waste Services Sustainability Innovation Fund	19,374	861	—	—	497	—	20,732
GVS&DD statutory reserves	20,099	895	—	—	603	—	21,597
Total statutory reserves	141,427	5,887	620	—	30,169	(52,507)	125,596
Total reserves	\$ 441,040	\$ 21,020	\$ 25,757	\$ —	\$ 54,160	\$ (60,182)	\$ 481,795

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 27

Year ended December 31, 2023

(tabular amounts in thousands of dollars)

16. Accumulated Surplus (continued)

Investment in tangible capital assets is calculated as follows:

	2023	2022
Tangible capital assets	\$ 8,492,990	\$ 7,796,302
Amount financed by:		
Long-term debt, net of members, TransLink, and sinking fund	(1,809,589)	(1,884,302)
	\$ 6,683,401	\$ 5,912,000
Change in the investment in tangible capital assets		
Acquisition of tangible capital assets	\$ 807,090	\$ 723,206
Amortization of tangible capital assets	(108,337)	(99,142)
Loss (gain) on disposal of tangible capital assets	(1,594)	1,359
Proceeds on disposal of tangible capital assets	(471)	(1,600)
	696,688	623,823
Less financing (net of members and TransLink debt)		
Sinking fund debt maturity	90,631	15,000
Sinking fund debt retirement	(144,033)	(136,608)
Sinking fund debt retirement income	(28,075)	(27,885)
Debenture debt issued	100,000	200,000
Debenture debt maturity	(90,631)	(15,000)
Payment of long-term debt	(2,605)	(2,694)
	(74,713)	32,813
Change in investment in tangible capital assets	771,401	591,010
Investment in tangible capital assets, beginning of year	5,912,000	5,320,990
Investment in tangible capital assets, end of year	\$ 6,683,401	\$ 5,912,000

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 28

Year ended December 31, 2023

(tabular amounts in thousands of dollars)

17. Contractual Obligations and Rights

a) Contractual Obligations

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

	Authorized and Outstanding Projects	Expended at December 31	Total 2023	Total 2022
GVS&DD	\$ 5,865,550	\$ (2,882,548)	\$ 2,983,002	\$ 2,586,217
GVWD	2,931,700	(1,239,943)	1,691,757	1,589,876
MVRD	92,631	(10,662)	81,969	37,027
MVHC	422,200	(57,032)	365,168	298,394
Total	\$ 9,312,081	\$ (4,190,185)	\$ 5,121,896	\$ 4,511,514

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

	Amount
2024	\$ 2,434
2025	2,276
2026	2,294
2027	2,330
2028	2,366
2029 - 2033	12,409
Total	\$ 24,109

b) Contractual Rights

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

	Amount
2024	\$ 5,483
2025	4,235
2026	2,800
2027	1,209
2028	721
Thereafter	4,799
Total	\$ 19,247

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 29

Year ended December 31, 2023

(tabular amounts in thousands of dollars)

18. Contingencies

Lawsuits

As at December 31, 2023, there were various lawsuits pending against the District arising in the ordinary course of business. The District has retained legal counsel to defend against these lawsuits. Where the outcomes or amounts cannot be reasonably determined, no liability has been recorded. Management is of the opinion that losses, if any, in connection with these lawsuits can be sufficiently funded by reserve funds or covered by insurance. Any expected losses will be accrued and recorded as expenses at the time they are considered likely and amounts are reasonably determinable.

North Shore Wastewater Treatment Plant

The GVS&DD is building a new tertiary wastewater treatment plant on a former industrial site in North Vancouver, to replace the primary-only Lions Gate Wastewater Treatment Plant. The deadline for completion of the project under federal regulation was December 31, 2020. In 2021, the GVS&DD served notice to terminate its contract with the vendor hired to design, build and commission the future North Shore Wastewater Treatment Plant, having determined that the vendor was in breach of contract. As of the contract termination date, the GVS&DD has paid \$309.5 million, net of GST rebates, to the vendor for work completed, which has been recorded as construction in progress (note 14). In 2022, the vendor commenced legal action by filing a claim against the GVS&DD in excess of \$250 million to which the GVS&DD filed a counter-claim against the vendor in excess of \$500 million. As at December 31, 2023, the outcome of any legal proceedings related to the terminated contract and the potential consequences of not meeting the current deadline under the federal regulation is undeterminable.

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 30

Year ended December 31, 2023

(tabular amounts in thousands of dollars)

18. Contingencies (continued)

Municipal Pension Plan

The District and its employees contribute to the British Columbia Municipal Pension Plan (the Plan), a jointly trustee pension plan. The board of trustees, representing plan members and employers, is responsible for administering the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer defined pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2023, the Plan has about 240,000 active members and approximately 124,000 retired members. Active members include approximately 43,000 contributors from local government.

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

The most recent actuarial valuation for the Municipal Pension Plan as of December 31, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The District paid \$17.6 million for employer contributions (2022 - \$15.0 million) while employees contributed \$16.0 million (2022 - \$13.7 million) to the Plan in fiscal 2023.

The next valuation will be as at December 31, 2024 with results available in 2025.

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

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 31

Year ended December 31, 2023

(tabular amounts in thousands of dollars)

18. Contingencies (continued)

Self-Insurance Reserve

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

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

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

Debt Reserve Fund

The MFA is required to establish a Debt Reserve Fund for each debenture which is comprised of cash deposits and a non-interest bearing demand note (refer to note 7). If, at any time, the District has insufficient funds to meet payments due on its obligations to MFA, the payments will be made from the debt reserve fund. The demand notes are callable only if there are additional requirements to be met to maintain the level of the debt reserve fund, and therefore have not been recorded in the statement of financial position.

BCHMC Grant Funding

In 2018 and 2019, MVHC received funding of \$6.7 million in total from BCHMC relating to the re-development of Heather Place property. The conditions of the funding agreement stipulate that the property must be continuously used for the provision of housing for eligible occupants and there is no default under the loan or operating agreement over 35 years. Should a breach in the agreement occur, the outstanding balance of the funding would need to be repaid to BCHMC (\$6.7 million as at December 31, 2023). The contingent liability is reduced by 1/25th annually, commencing in the 11th year of the agreement. Payments of interest will not be required unless there is a default and consequently interest will be payable on the balance of the principal amount outstanding at prime plus 2% per annum, compounded semi-annually and not in advance.

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 32

Year ended December 31, 2023

(tabular amounts in thousands of dollars)

18. Contingencies (continued)

BCHMC Loan Funding - Kingston Gardens Redevelopment Project

In 2022, MVHC entered into a demand non-revolving construction loan agreement with BC Housing Management Commission for financing of the Kingston Gardens redevelopment project. The maximum approved construction loan amount is \$44,642,752. Interest payable on the loan will be calculated based on variable rate of not more than the Royal Bank of Canada Prime Rate plus 1.00% compounded monthly, not in advance.

As of December 31 2023, \$9,481,239 of eligible costs have been spent on the construction project of which no amounts have been financed from the construction loan in the year. Proceeds from the loan is expected to be received early 2024.

Amounts drawn from the loan must be repaid no later than August 1, 2024. At which time, it will be repaid by a BCHMC investment of \$8,300,000 and take out mortgage obtained through CMHC's National Housing Co-Investment Fund for \$29,411,377. Any amounts remaining of up to \$6,931,375 will be paid from MVHC's reserves. MVHC is currently seeking an extension on this repayment deadline.

BCHMC loan Funding - Salal Landing Redevelopment Project

In 2023 MVHC entered into a construction loan agreement with BC Housing Management Commission for funding for the Salal Landing Project, a 63 unit multi-family project located at 2481 Welcher Ave, Port Coquitlam BC. This project is to be financed by a repayable loan with the maximum approved of \$20,305,079 and a forgivable loan in the amount of \$7,925,000. To date, MVHC has not received any of the financing. Funding of eligible cost is expected to be received in 2024.

The forgivable loan term is 35 years and is forgivable in the amount of 1/25th of the final balance of \$7,925,000 commencing on the 11th year after the commencement date. The loan will continue to be forgiven 1/25th each subsequent year until the loan is completely forgiven.

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

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 33

Year ended December 31, 2023

(tabular amounts in thousands of dollars)

18. Contingencies (continued)

CMHC Loan Funding - Heather Place B Redevelopment Project In 2023, MVHC entered into a construction loan agreement with Canada Mortgage and Housing Corporation (CMHC) for financing of the Heather Place B Project, a 87 unit rental housing project located in Vancouver BC. The project is funded by a repayable loan with a maximum approved amount of \$30,764,081 and a forgivable loan in the amount of \$1,175,000. To date, MVHC has not received any of the financing. Funding of eligible cost is expected to be received in 2024.

The repayable loan has an amortization period of 50 years and principal repayment will commence upon the project achieving Stabilization, defined as annualized gross income of \$2,035,539. The forgivable loan will have an equal portion of the principal amount forgiven on each anniversary of the date that the loan is fully funded.

Interest payable on the repayable loan will be calculated semi-annually in arrears commencing on the interest capitalization date or as CMHC may otherwise determine. The forgivable loan is interest free until Stabilization is achieved and provided the loan is not in default.

Letters of Credit At December 31, 2023, the GVS&DD is the named beneficiary of \$847,980 (2022 - \$757,980) of irrevocable letters of credits from financial institutions related to construction projects and Solid Waste operations. These letters of credit are available under circumstances in which the service provider does not fulfil its obligation to the GVS&DD and therefore the amount is not recorded as assets.

Cache Creek Landfill Prior to 2016, the GVS&DD transported deposits to a landfill located in the Village of Cache Creek, BC and was required to contribute quarterly to a post-closure trust fund, held with the Province of British Columbia. The *GVS&DD – Village of Cache Creek: Village of Cache Creek – Agreement* dated November 25, 1987 indemnifies the Village of Cache Creek for any post-closure liabilities not covered by this fund and obligates the GVS&DD to pay any excess funding until the earlier of (i) the 20th anniversary of the landfill closure date or (ii) the date the Province terminates the post-closure trust fund. Therefore, the obligation expires at the latest July 2036. The Landfill Operational Certificate obligates the Village of Cache Creek and a third party service provider to undertake closure and post-closure activities. At December 31, 2023, the lower of amortized cost and market value of the trust was \$15,289,144 (2022 - \$15,403,059), which approximates the expected post-closure costs.

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 34

Year ended December 31, 2023

(tabular amounts in thousands of dollars)

19. Budget Information

The annual budget presented in these financial statements is based upon the 2023 operating and capital budgets originally approved by the District's Board in October 2022, with additional approval in March 2023 for adjustments to the budget as a result of the 2022 fiscal year end results. The budget is based on operational and capital expenditure requirements and their associated funding. Amortization is a non-cash item that is not funded for budget purposes. Also, contributions to or from reserves and debt principal repayments are removed from the approved budget for financial statement presentation. The schedule below reconciles the approved budget to the budget figures reported in these financial statements. Capital expenditures of \$1.26 billion were included in the capital budget approved by the Board.

	2023 Budget	2022 Budget
Budgeted annual surplus per Exhibit B - Statement of Operations	\$ 410,236	\$ 451,760
Additional transfers from reserves, approved by Board	1,753	3,634
Adjusted annual surplus, based on originally approved budget	411,989	455,394
Items not included in the operating budget		
Amortization of tangible capital assets and prepaid land leases	100,755	96,267
Contributions from deferred revenue	(65,846)	(110,665)
Sinking fund and debt retirement income	(30,622)	(25,566)
Development cost charge revenue	(28,716)	(42,329)
MVHC development grant	(15,575)	(17,536)
Reserve interest	(6,814)	(6,592)
Items included in budget but not in financial statements		
Sinking fund and debt retirement payments	(147,636)	(140,561)
Transfers to capital fund	(212,832)	(203,053)
Transfers from reserve funds	40,236	30,865
Transfer to reserve funds	(44,939)	(36,224)
Annual surplus per approved budget	—	—

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 35

Year ended December 31, 2023

(tabular amounts in thousands of dollars)

20. Segmented Information and Expenses by Object

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

The salaries and benefits reported in the segmented information below do not include \$31.88 million (2022 - \$46.10 million) directly attributable to the construction of tangible capital assets which have been capitalized and included in tangible capital assets in the Statement of Financial Position.

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

GVS&DD

Liquid Waste Services

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

Solid Waste Services

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

GVWD

Water Operations

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

Building Operations

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

MVHC

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

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 36

Year ended December 31, 2023

(tabular amounts in thousands of dollars)

20. Segmented Information and Expenses by Object (continued)

MVRD

<i>Regional Parks</i>	Regional Parks is responsible for managing, maintaining, and protecting a diverse network of Regional Parks and an expanding land base of reserves, ecological conservancy areas, and greenways, located throughout the Region.
<i>General Government</i>	General Government includes services responsible for overall direction and monitoring and regional initiatives. This area comprises the Regional Board & Committee Remuneration, Corporate Secretary's Office, Audit, Legal and Insurance costs, Innovation, Regional Emergency Management, Regional Cultural Strategy and External Contributions and Zero Waste Collaborative Initiatives.
<i>Air Quality</i>	Air Quality is responsible for monitoring air quality in the region, controlling industrial, commercial and some residential emissions, creating long-term plans, and conducting emission inventories.
<i>Regional Employee Services</i>	Regional Employee Services provides collective bargaining, job evaluation, research, and other related labour relations services to those MVRD municipalities who are members of the function.
<i>E911 Emergency Telephone Service</i>	The District contracts with E-Comm Corporation to provide 911 service for all municipalities within the region as well as the community of Whistler and the Sunshine Coast Regional District.
<i>Regional Planning</i>	Regional Planning's core responsibilities are focused on regional growth management, utility management and air quality management. Primary activities include development and implementation of a wide range of innovative policies and plans, extensive research, modeling and technical analysis, regulation, business demand management and community education.
<i>Invest Vancouver</i>	Invest Vancouver fosters regional and cross-sectoral collaboration on economic development issues, advises leaders on economic policy and strategy, promotes the region to a global audience, and attracts strategic investment.
<i>Housing Planning and Policy</i>	Housing Planning and Policy contributes to processes and decisions related to the development of affordable housing projects, and in particular to the redevelopment of the MVHC portfolio of mixed-income housing complexes and the development of vacant lands owned by local government (including the MVRD).

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 37

Year ended December 31, 2023

(tabular amounts in thousands of dollars)

20. Segmented Information and Expenses by Object (continued)

MVRD (continued)

<i>Electoral Area Service</i>	The District is responsible for providing general and local services to one unincorporated area (Electoral Area A) of the regional district. General services provided include a variety of tax-supported, regional services such as 911 emergency telephone, air quality, labour relations, regional parks, strategic planning, and general government.
<i>Regional Global Positioning System</i>	The District's Global Positioning System (GPS) Real-Time Service is offered to member municipalities and to the public in partnership with the B.C. Crown Registry and Geographic Base (CRGB) Branch.
<i>Sasamat Volunteer Fire Department</i>	The Sasamat Volunteer Fire Department provides volunteer fire department services to the Villages of Anmore and Belcarra. The cost to support this function is borne completely by the members who receive the service.
<i>Regional Emergency Management</i>	Regional Emergency Management is an intergovernmental partnership between the Province of British Columbia and the District to coordinate regional emergency management planning activities and to engage all levels of government and private sector agencies in regional emergency planning initiatives for the Metro Vancouver region.
<i>Corporate Programs</i>	Corporate programs provide centralized support for Metro Vancouver's four legal entities, including financial services, human resources, external relations, legislative service, indigenous relations, project delivery, self-insurance, and information technology.
<i>Members and TransLink Sinking Fund Income</i>	The District serves as the borrowing conduit between member municipalities (excluding City of Vancouver) and TransLink and the MFA. (Note 13). Sinking fund income earned on debenture issues held on behalf of members and TransLink is recorded as revenue earned on the sinking fund with the offsetting expenditure owing to these organizations.

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 38

Year ended December 31, 2023

(tabular amounts in thousands of dollars)

20. Segmented Information and Expenses by Object (continued)

a) Total Consolidated

	Other Districts (note 20(b))	Regional District (note 20(c))	Metro Vancouver Housing Corporation	Inter-district Adjustments	Consolidated Actual 2023	Consolidated Budget 2023	Consolidated Actual 2022
Revenues							
MVRD property tax requisitions	\$ —	\$ 102,475	\$ —	\$ —	\$ 102,475	\$ 102,550	\$ 91,708
Metered sale of water	344,789	—	—	—	344,789	338,337	329,678
Sewerage and drainage levy	324,219	—	—	—	324,219	324,266	301,425
Tipping fees	135,287	—	—	—	135,287	121,922	125,797
Housing property rentals	—	—	44,387	—	44,387	43,718	43,267
BODTSS industrial charges	12,286	—	—	—	12,286	12,496	12,431
Development cost charges	95,171	—	—	—	95,171	92,289	60,583
Grants and other contributions	56,353	52,944	(485)	—	108,812	80,512	35,594
User fees, recoveries, and other revenues	44,194	19,200	1,276	(17,350)	47,320	44,185	46,411
Sinking fund and interest income	42,628	11,193	3,175	(301)	56,695	37,284	40,353
Sinking fund income members and TransLink	—	27,265	—	—	27,265	28,019	27,072
	1,054,927	213,077	48,353	(17,651)	1,298,706	1,225,578	1,114,319
Expenses							
Salaries and benefits	134,596	120,454	7,460	(31,176)	231,334	246,265	213,969
Consulting, contracted and professional services	184,409	28,421	1,120	(1,943)	212,007	194,048	182,918
Asset repairs and maintenance	27,059	12,977	14,488	34	54,558	61,226	46,157
Materials and supplies	38,367	6,402	164	(21)	44,912	44,047	37,236
Utilities, permits, and taxes	29,227	2,054	4,568	(5)	35,844	35,386	32,341
Other	30,300	41,214	907	(15,810)	56,611	52,635	57,464
Amortization of tangible capital assets and prepaid land leases	98,028	8,597	1,907	—	108,532	100,755	99,336
Loss of disposal of tangible capital assets	1,937	—	—	—	1,937	—	—
Interest on long-term debt	79,390	—	2,030	(301)	81,119	80,980	66,942
	623,313	220,119	32,644	(49,222)	826,854	815,342	736,363
Corporate costs (recovery)	73,208	(107,138)	2,359	31,571	—	—	—
	696,521	112,981	35,003	(17,651)	826,854	815,342	736,363
Annual Surplus (deficit)	\$ 358,406	\$ 100,096	\$ 13,350	\$ —	\$ 471,852	\$ 410,236	\$ 377,956

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 39

Year ended December 31, 2023

(tabular amounts in thousands of dollars)

20. Segmented Information and Expenses by Object (continued)

b) Total Other Districts

	Liquid Waste Services	Solid Waste Service	Total Sewerage & Drainage District	Water Operations	Building Operations	Elimination Entry	Total Water District	Total Other Districts Actual 2023	Total Other Districts Budget 2023	Total Other Districts Actual 2022
Revenues										
Metered sale of water	\$ —	\$ —	\$ —	\$ 344,789	\$ —	\$ —	\$ 344,789	\$ 344,789	\$ 338,337	\$ 329,678
Sewerage and drainage levy	324,219	—	324,219	—	—	—	—	324,219	324,266	301,425
Tipping fees	—	135,287	135,287	—	—	—	—	135,287	121,922	125,797
BODTSS industrial charges	12,286	—	12,286	—	—	—	—	12,286	12,496	12,431
Development cost charges	95,171	—	95,171	—	—	—	—	95,171	92,289	60,583
Grants and other contributions	56,353	—	56,353	—	—	—	—	56,353	62,646	29,870
User fees, recoveries, and other revenues	8,326	10,115	18,441	10,737	20,625	(5,609)	25,753	44,194	38,804	46,219
Sinking fund and interest income	16,247	4,046	20,293	20,299	2,036	—	22,335	42,628	34,110	33,247
	512,602	149,448	662,050	375,825	22,661	(5,609)	392,877	1,054,927	1,024,870	939,250
Expenses										
Salaries and benefits	73,303	7,344	80,647	53,447	502	—	53,949	134,596	141,027	117,428
Consulting, contracted, and professional services	51,891	115,973	167,864	14,323	2,222	—	16,545	184,409	154,227	160,078
Asset repairs and maintenance	16,680	976	17,656	6,926	2,477	—	9,403	27,059	19,359	21,113
Materials and supplies	21,100	23	21,123	17,159	85	—	17,244	38,367	38,061	31,610
Utilities, permits, and taxes	19,253	309	19,562	8,887	778	—	9,665	29,227	28,244	25,839
Other	8,960	11,340	20,300	9,230	770	—	10,000	30,300	28,062	34,195
Amortization of tangible capital assets	45,901	6,729	52,630	39,126	6,272	—	45,398	98,028	89,276	87,996
Loss on disposal of tangible capital assets	1,333	—	1,333	604	—	—	604	1,937	—	—
Interest on long-term debt	42,328	4,098	46,426	28,364	4,600	—	32,964	79,390	79,817	65,758
	280,749	146,792	427,541	178,066	17,706	—	195,772	623,313	578,073	544,017
Corporate costs (recovery)	42,665	5,700	48,365	30,452	—	(5,609)	24,843	73,208	71,988	67,762
	323,414	152,492	475,906	208,518	17,706	(5,609)	220,615	696,521	650,061	611,779
Annual surplus (deficit)	\$ 189,188	\$ (3,044)	\$ 186,144	\$ 167,307	\$ 4,955	\$ —	\$ 172,262	\$ 358,406	\$ 374,809	\$ 327,471

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 40

Year ended December 31, 2023

(tabular amounts in thousands of dollars)

20. Segmented Information and Expenses by Object (continued)

c) Total Regional District

	Regional Parks	General Government	Air Quality	Regional Employees Services	E911 Emergency Telephone Service	Regional Planning	Invest Vancouver	Housing Planning and Policy	Regional Sub-total 2023
Revenues									
MVRD property tax requisitions	\$ 64,107	\$ 7,249	\$ 7,627	\$ 2,688	\$ 5,680	\$ 4,131	\$ 3,292	\$ 6,281	\$ 101,055
Grants and other contributions	724	52,019	100	—	—	—	26	—	52,869
User fees, recoveries, and other revenues	3,671	721	4,867	195	94	45	—	14	9,607
Gain (loss) on disposal of tangible capital assets	—	—	—	—	—	—	—	—	—
Sinking fund and interest income	1,675	2,797	210	138	22	152	59	872	5,925
Sinking fund income, members and TransLink	—	—	—	—	—	—	—	—	—
	70,177	62,786	12,804	3,021	5,796	4,328	3,377	7,167	169,456
Expenses									
Salaries and benefits	21,766	3,700	7,726	2,816	—	3,273	2,162	920	42,363
Consulting, contracted and professional services	3,503	1,215	2,460	64	5,607	573	636	300	14,358
Asset repairs and maintenance	4,269	36	58	2	—	3	3	—	4,371
Materials and supplies	1,899	25	317	5	—	4	12	—	2,262
Utilities, permits, and taxes	915	3	102	12	26	4	15	2	1,079
Other	3,902	2,065	100	74	—	104	735	17	6,997
Amortization of tangible capital assets	1,975	—	280	—	2	—	—	—	2,257
Loss of disposal of tangible capital assets	—	—	—	—	—	—	—	—	—
	38,229	7,044	11,043	2,973	5,635	3,961	3,563	1,239	73,687
Corporate costs (recovery)	4,569	1,013	1,777	(37)	113	367	244	117	8,163
	42,798	8,057	12,820	2,936	5,748	4,328	3,807	1,356	81,850
Annual surplus (deficit)	\$ 27,379	\$ 54,729	\$ (16)	\$ 85	\$ 48	\$ —	\$ (430)	\$ 5,811	\$ 87,606

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 41

Year ended December 31, 2023

(tabular amounts in thousands of dollars)

20. Segmented Information and Expenses by Object (continued)

c) Total Regional District (continued)

	Carried Forward	Electoral Area Service	Regional Global Positioning System	Sasamat Volunteer Fire Department	Regional Emergency Management	Corporate Programs	Members and TransLink, Sinking Fund Income	Regional Districts Actual 2023	Regional Districts Budget 2023	Regional Districts Actual 2022
Revenues										
MVRD property tax requisitions	\$101,055	\$ 407	\$ —	\$ 841	\$ 172	\$ —	\$ —	\$102,475	\$102,549	\$ 91,708
Grants and other contributions	52,869	301	—	—	—	(226)	—	52,944	1,037	3,965
User fees, recoveries, and other revenues	9,607	4	374	5	6	9,204	—	19,200	20,198	12,651
Gain (loss) on disposal of tangible capital assets	—	—	—	—	—	—	—	—	—	—
Sinking fund and interest income	5,925	107	68	82	26	4,985	—	11,193	2,276	4,098
Sinking fund income, members and TransLink	—	—	—	—	—	—	27,265	27,265	28,019	27,072
	169,456	819	442	928	204	13,963	27,265	213,077	154,079	139,494
Expenses										
Salaries and benefits	42,363	358	210	46	—	77,477	—	120,454	126,656	105,711
Consulting, contracted and professional services	14,358	127	—	58	232	13,646	—	28,421	40,715	21,905
Asset repairs and maintenance	4,371	1	66	38	—	8,501	—	12,977	18,381	10,447
Materials and supplies	2,262	1	4	33	—	4,102	—	6,402	5,741	5,421
Utilities, permits, and taxes	1,079	2	12	28	—	933	—	2,054	2,339	1,904
Other	6,997	126	—	91	1	6,734	27,265	41,214	42,329	40,885
Amortization of tangible capital assets	2,257	—	—	47	32	6,261	—	8,597	8,104	8,369
	73,687	615	292	341	265	117,654	27,265	220,119	244,265	194,642
Corporate costs (recovery)	8,163	41	48	44	11	(115,445)	—	(107,138)	(105,197)	(90,939)
	81,850	656	340	385	276	2,209	27,265	112,981	139,068	103,703
Annual surplus (deficit)	\$ 87,606	\$ 163	\$ 102	\$ 543	\$ (72)	\$ 11,754	\$ —	\$100,096	\$ 15,011	\$ 35,791

METRO VANCOUVER REGIONAL DISTRICT

Notes to Consolidated Financial Statements, page 42

Year ended December 31, 2023

(tabular amounts in thousands of dollars)

21. Supplementary Cash Flow Information

The following non-cash transactions related to the initial adoption of PS 3280 Asset Retirement Obligation (note 2) are excluded from the statement of cash flows.

	2023	2022
Asset retirement cost (a)	\$ 53,101	\$ —
Increase to asset retirement obligation	(53,101)	—
	\$ —	\$ —

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

	2023	2022
Acquisition of tangible capital assets	\$ 753,989	\$ 723,206
Asset retirement cost	53,101	—
Tangible capital asset additions (note 14)	\$ 807,090	\$ 723,206

22. Comparative Figures

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

METRO VANCOUVER REGIONAL DISTRICT

Schedule 1 (unaudited), page 1

Year ended December 31, 2023

(tabular amounts in thousands of dollars)

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

METRO VANCOUVER REGIONAL DISTRICT

Schedule 1 (unaudited), page 2

Year ended December 31, 2023

(tabular amounts in thousands of dollars)

Growing Communities Fund Grant (unaudited)

The Province of British Columbia, under the Growing Communities Fund, provided the District with a grant of \$50.78 million in 2023 for investments in community infrastructure and amenities to support the growth of the local housing supply. The District recognized the grant into income in 2023. No costs have been applied against the grant as of December 31, 2023.

	Allocated Funding	2023
Balance, beginning of the year	\$ —	\$ —
Growing Communities Fund Grant received	50,780	50,780
	50,780	50,780
Less eligible costs incurred:		
Unallocated	50,780	—
	50,780	—
Balance, end of year	\$ —	\$ 50,780



2023 Metro Vancouver Financial Results

Linda Sabatini
Director, Financial Operations

Finance Committee – April 10, 2024
66513161

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METRO VANCOUVER

Audited 2023 Financial Statements and Annual Financial Results

- Operating Results
- Financial Position and Key Indicators
- Differences between
 - Public Sector Accounting Standards (PSAS)
 - Budget Preparation based on enabling legislation

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2

SURPLUS TO BUDGET

Key Items

- Surplus
- PSAS Items
- Surplus per Budget

Statement of Operations and Surplus to Budget For the year ended December 31, 2023 (in thousands of dollars)

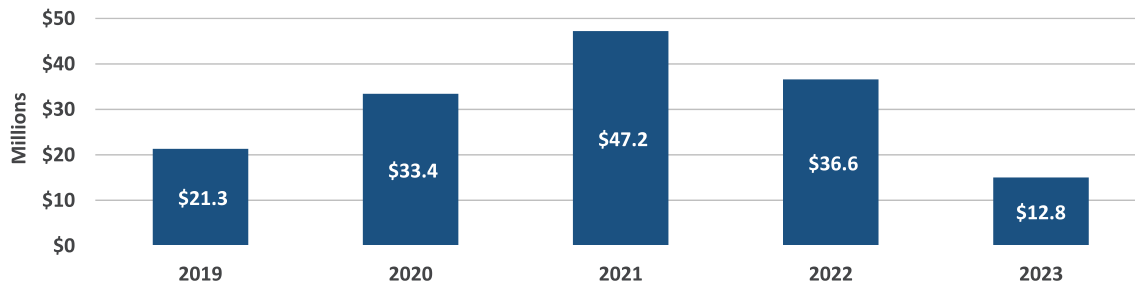
	2023
Revenue	\$ 1,298,706
Expenses	(826,854)
Annual Surplus per PSAS	\$ 471,852
Applications and transfers included in operating budget	
Contributions to capital	214,593
Payments on long-term debt	139,056
Transfers to (from) reserves	54,160
PSAS items excluded from annual operating budget	
Amortization of capital assets	(108,532)
Accretion expense on ARO	(2,231)
Sinking fund and debt retirement income	38,342
Capital revenue, grants and DCCs	89,687
Reserve fund interest	21,020
Corporate program surplus to reserves	12,972
	459,067
Annual Surplus based on budget	\$ 12,785

2023 OPERATING PROGRAM

- \$12.8 million surplus
- 1.2% of budget
- Lower due to inflationary challenges
- Per policy, surplus/deficit applied to reserves.

Metro Vancouver Surplus (\$ millions)

	2019	2020	2021	2022	2023
Water Services	\$ 5.9	\$ 1.7	\$ 8.4	\$ 8.0	\$ 2.8
Liquid Waste Services	8.9	4.5	10.7	14.0	(3.1)
Solid Waste Services	-	14.5	17.4	(2.3)	(3.4)
MVHC	2.7	7.8	15.3	10.3	13.2
MVRD	3.8	4.9	4.8	6.6	3.3
Total	\$ 21.3	\$ 33.4	\$ 56.5	\$ 36.6	\$ 12.8
% of Budget	2.5%	3.7%	5.0%	3.6%	1.2%



FINANCIAL POSITION

4 Key Indicators

- Financial Assets
- Net Debt
- Non-Financial Assets
- Accumulated Surplus

Condensed Consolidated Statement of Financial Position As of December 31, 2023

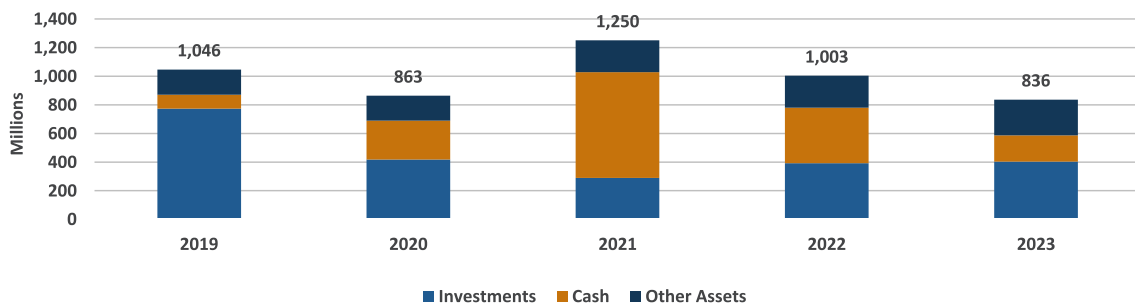
	2023	
<i>(in thousands of dollars)</i>		
Cash, cash equivalents and investments	\$	586,236
Other financial assets		254,813
Total Financial Assets		841,049
Liabilities		809,849
Debt, net of Translink and members		1,823,825
Total Liabilities		2,633,674
Net Debt		(1,792,625)
Non-Financial Assets		8,524,075
2023 Accumulated Surplus	\$	6,731,450

FINANCIAL ASSETS

- Mainly Cash, Investments and Receivables
- Good Cash and Liquidity Position
- Current ratio - Ability to meet current obligations
- Total Reserves includes DCCs

Metro Vancouver Liquidity Indicators (\$ millions)

	2019	2020	2021	2022	2023
Current Ratio	3.3 to 1	2.8 to 1	3.2 to 1	2.7 to 1	2.5 to 1
Operating Reserves/Revenue	7.2%	9.5%	11.6%	14.5%	14.2%
Total Reserves	\$ 487.7	\$ 541.5	\$ 656.8	\$ 714.6	\$ 755.5

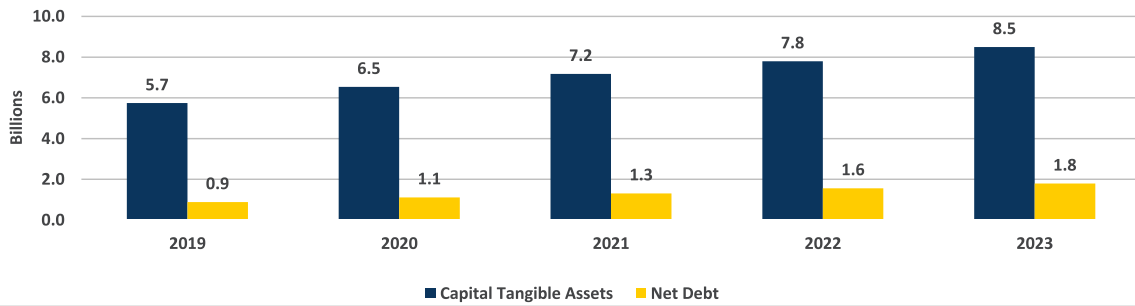


CAPITAL ASSETS & NET DEBT

- Investment in Tangible Capital Assets was \$699.3M
- Net debt position increased by \$227.5 M
- Debt Servicing Ratio is 19% which is below policy maximum of 40%

Metro Vancouver Capital Assets and Net Debt (net of Translink and Member Municipalities) (\$ billions)

	2019	2020	2021	2022	2023
Capital Tangible Assets	\$ 5.8	\$ 6.6	\$ 7.2	\$ 7.8	\$8.5
Net Debt	0.9	1.1	1.3	1.6	1.8

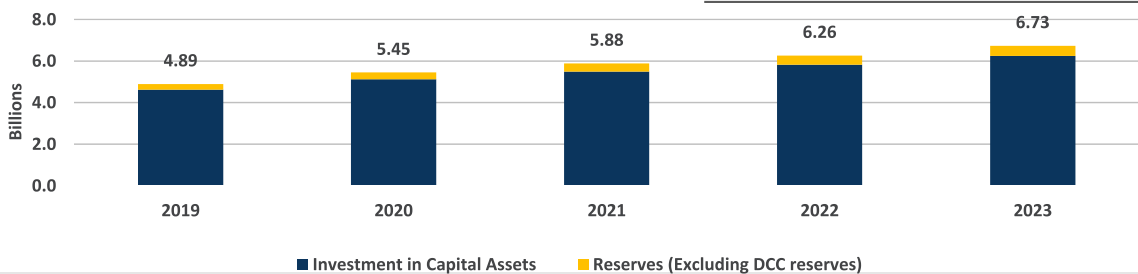


ACCUMULATED SURPLUS

- Accumulated Surplus:
 - Reserves
 - Investment in Capital Assets.
- Growth each year from:
 - Surplus
 - Increases in assets from infrastructure projects

Metro Vancouver Accumulated Surplus (net of Translink and Member Municipalities) (\$ billions)

	2019	2020	2021	2022	2023
Accumulated Surplus Beginning of Year	\$4.39	\$ 4.88	\$ 5.45	\$ 5.88	\$ 6.26
PSAB Surplus	.49	.57	.43	.38	.47
Accumulated Surplus, End of Year	\$ 4.88	\$ 5.45	\$ 5.88	\$ 6.26	\$ 6.73





Questions

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