

Financial Statements of

**THE CORPORATION OF THE DISTRICT OF  
WEST VANCOUVER**

And Independent Auditor's Report thereon for the  
Year ended December 31, 2025



**KPMG LLP**

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## INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of The Corporation of the District of West Vancouver

### ***Opinion***

We have audited the consolidated financial statements of The Corporation of the District of West Vancouver (the "District"), which comprise:

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

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the District as at December 31, 2025 and its consolidated results of operations, its consolidated changes in net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the District in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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

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

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

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

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

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

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosure made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the District to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a matter that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

Chartered Professional Accountants

Vancouver, Canada  
May 11, 2026

DISTRICT OF WEST VANCOUVER

# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2025

	2025	2024
<b>FINANCIAL ASSETS</b>		
Cash	<b>58,915,735</b>	53,320,413
Investments (Note 3)	<b>278,872,123</b>	262,512,013
Accounts Receivable		
Property Taxes	<b>7,385,083</b>	5,003,782
Other	<b>33,936,759</b>	36,108,952
Due from Other Governments	<b>1,913,635</b>	2,075,704
	<b>381,023,335</b>	359,020,864
<b>LIABILITIES</b>		
Accounts Payable and Accrued Liabilities (Note 4)	<b>60,955,032</b>	52,442,291
Asset Retirement Obligations (Note 5)	<b>2,876,032</b>	2,775,736
Employee Future Benefits Liability (Note 6)	<b>6,998,325</b>	6,739,131
Deferred Revenue and Deposits (Note 7)	<b>82,404,751</b>	80,295,857
Deferred Development Cost Charges (Note 8)	<b>28,151,904</b>	34,508,358
Debt (Note 9)	<b>23,466,511</b>	24,505,023
	<b>204,852,555</b>	201,266,396
<b>NET FINANCIAL ASSETS</b>	<b>176,170,780</b>	157,754,468
<b>NON-FINANCIAL ASSETS</b>		
Inventories	<b>1,294,995</b>	1,223,612
Prepaid Expenses	<b>1,002,691</b>	1,046,141
Tangible Capital Assets (Schedules 3 and 4)	<b>607,340,736</b>	570,936,238
Restricted Investments (Note 3)	<b>5,439,134</b>	5,016,320
	<b>615,077,556</b>	578,222,311
<b>ACCUMULATED SURPLUS (Note 10)</b>	<b>791,248,336</b>	735,976,779

See accompanying schedules and notes to the Consolidated Financial Statements.

Contractual Obligations and Contingencies (Note 12)

Contractual rights (Note 13)

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Shehzad Somji, CPA, CGA  
Director of Finance and Corporate Services

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Mark Sager  
Mayor

**CONSOLIDATED FINANCIAL STATEMENTS****CONSOLIDATED STATEMENT OF OPERATIONS**

For the year ended December 31, 2025

	2025 Budget (Note 17)	2025 Actual	2024 Actual
<b>REVENUE</b>			
General Taxation (Note 14)	103,017,956	<b>103,002,330</b>	96,849,991
Fees and Charges	76,305,139	<b>80,325,872</b>	72,648,793
Licences and Permits	8,313,635	<b>6,534,294</b>	8,023,890
Other Revenue	8,078,804	<b>9,467,697</b>	8,788,852
Government Transfers (Note 20)	1,416,756	<b>1,605,758</b>	1,816,598
Transit Reimbursements	24,596,368	<b>26,972,737</b>	25,009,143
Development Cost Charges	215,000	<b>7,804,414</b>	241,861
Other Contributions for Capital	1,618,893	<b>9,999,807</b>	4,356,029
Third Party Works	2,941,752	<b>3,283,104</b>	3,132,250
Actuarial Adjustments	-	<b>470,859</b>	649,039
Interest Earned on Investments	8,426,087	<b>12,665,269</b>	16,632,142
	234,930,390	<b>262,132,141</b>	238,148,588
Community Amenities Received from Developers (Note 16)	37,445	<b>467,445</b>	673,969
Gain on Sale of Land (Schedule 1)	8,500,000	<b>8,500,000</b>	-
	243,467,835	<b>271,099,586</b>	238,822,557
<b>EXPENSES</b>			
General Government	36,198,927	<b>29,592,106</b>	44,511,449
Public Safety	48,848,003	<b>48,667,751</b>	45,475,445
Engineering and Transportation	12,449,814	<b>16,658,376</b>	16,004,430
Planning, Development, and Environment Services	9,601,477	<b>8,793,370</b>	8,795,885
Recreation and Library	36,044,610	<b>37,260,148</b>	33,961,188
Water Utility	15,694,792	<b>12,520,106</b>	13,388,408
Sewer Utility	28,749,370	<b>28,168,186</b>	20,125,174
Solid Waste	5,138,672	<b>4,767,826</b>	4,724,093
Cemetery	892,629	<b>885,811</b>	820,746
Golf	1,395,766	<b>1,436,385</b>	1,238,979
Transit	24,596,368	<b>26,972,737</b>	25,009,143
Library Foundation	-	<b>105,227</b>	77,503
	219,610,428	<b>215,828,029</b>	214,132,443
<b>ANNUAL SURPLUS</b>	23,857,407	<b>55,271,557</b>	24,690,114
Accumulated Surplus, Beginning of Year	735,976,779	<b>735,976,779</b>	711,286,665
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	759,834,186	<b>791,248,336</b>	735,976,779

See accompanying schedules and notes to the Consolidated Financial Statements.

**CONSOLIDATED FINANCIAL STATEMENTS****CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**

For the year ended December 31, 2025

	2025 Budget (Note 17)	2025 Actual	2024 Actual
<b>ANNUAL SURPLUS</b>	23,857,407	<b>55,271,557</b>	24,690,114
<b>CHANGES IN TANGIBLE CAPITAL ASSETS</b>			
Acquisitions of Tangible Capital Assets	(45,188,209)	<b>(47,575,134)</b>	(28,136,655)
Contributed Tangible Capital Assets	-	<b>(4,804,011)</b>	(3,609,837)
Remeasurement of Asset Retirement Obligations Assets		<b>21,478</b>	-
Amortization Expense	19,876,434	<b>19,876,434</b>	19,737,859
Proceeds on Disposal of Tangible Capital Assets	-	<b>8,581,743</b>	248,204
Net (Gain)/Loss on Disposal of Tangible Capital Assets	(8,500,000)	<b>(12,505,008)</b>	2,439,621
	(33,811,775)	<b>(36,404,498)</b>	(9,320,808)
<b>CHANGES IN OTHER NON-FINANCIAL ASSETS</b>			
Acquisition of Inventories	-	<b>(1,294,995)</b>	(1,223,612)
Acquisition of Prepaid Expenses	-	<b>(1,002,691)</b>	(1,046,141)
Use of Inventories	-	<b>1,223,612</b>	1,163,873
Use of Prepaid Expenses	-	<b>1,046,141</b>	1,193,453
Restricted Investments	-	<b>(422,814)</b>	(340,389)
	-	<b>(450,747)</b>	(252,816)
<b>INCREASE IN NET FINANCIAL ASSETS</b>	(9,954,368)	<b>18,416,312</b>	15,116,490
Net Financial Assets, Beginning of Year	157,754,468	<b>157,754,468</b>	142,637,978
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	147,800,100	<b>176,170,780</b>	157,754,468

See accompanying schedules and notes to the Consolidated Financial Statements.

**CONSOLIDATED FINANCIAL STATEMENTS**

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2025

	2025	2024
<b>OPERATING TRANSACTIONS</b>		
Annual Surplus	55,271,557	24,690,114
Non-Cash Items Included in Annual Surplus		
Amortization Expense	19,876,434	19,737,859
Contributed Tangible Capital Assets	(4,804,011)	(3,609,837)
(Gain)/Loss on Disposal of Tangible Capital Assets	(12,505,008)	2,439,621
Development Cost Charge Revenue Recognized	(7,804,414)	(241,861)
Asset Retirement Obligations - Accretion expense	121,774	116,575
Actuarial Adjustment Recognized on Debt	(470,859)	(649,039)
Changes in Other Non-Cash Working Capital		
Property Taxes Receivable	(2,381,301)	(164,550)
Accounts Receivable - Other	2,172,193	(1,470,821)
Due from Other Governments	162,069	(672,121)
Inventories	(71,383)	(59,739)
Prepaid Expenses	43,450	147,312
Accounts Payable and Accrued Liabilities	8,512,741	(3,833,541)
Employee Future Benefits Liability	259,194	314,401
Deferred Revenue and Deposits	2,108,894	1,536,141
	<b>60,491,330</b>	<b>38,280,514</b>
<b>CAPITAL TRANSACTIONS</b>		
Acquisitions of Tangible Capital Assets	(47,575,134)	(28,136,655)
Proceeds on Disposal of Tangible Capital Assets	8,581,743	248,204
	<b>(38,993,391)</b>	<b>(27,888,451)</b>
<b>FINANCING TRANSACTIONS</b>		
Development Cost Charges Received, including Interest	1,447,960	1,635,293
Debt Repayment	(567,653)	(762,474)
	<b>880,307</b>	<b>872,819</b>
<b>INVESTING TRANSACTIONS</b>		
Net Increase in Investments	(16,782,924)	(10,310,698)
	<b>(16,782,924)</b>	<b>(10,310,698)</b>
<b>INCREASE IN CASH</b>	<b>5,595,322</b>	<b>954,184</b>
Cash, Beginning of Year	53,320,413	52,366,229
<b>CASH, END OF YEAR</b>	<b>58,915,735</b>	<b>53,320,413</b>
<b>NON-CASH TRANSACTIONS</b>		
Non-Cash Exchange of Tangible Capital Assets	8,899,719	-
Asset Retirement Obligations Change in Estimate	21,478	-
	<b>8,921,197</b>	<b>-</b>

See accompanying schedules and notes to the Consolidated Financial Statements.

**CONSOLIDATED FINANCIAL STATEMENTS**

SCHEDULE 1: CONSOLIDATED SEGMENT INFORMATION - revenues by type and expenses by object

For the year ended December 31, 2025

	GENERAL FUND							WATER UTILITY FUND	SEWER UTILITY FUND	SOLID WASTE FUND	CEMETERY FUND	GOLF FUND	TRANSIT BLUE BUS	LIBRARY FOUNDATION	2025
	General Government	Public Safety	Engineering and Transportation	Planning, Development, and Environment Services	Recreation and Library	Unallocated	Total								
<b>REVENUE</b>															
General Taxation (Note 14)	499,125	-	-	-	-	99,747,792	100,246,917	-	2,755,413	-	-	-	-	-	103,002,330
Fees and Charges	144,483	810,679	1,486,066	-	12,659,123	2,940,101	18,040,452	22,735,362	30,591,054	5,349,822	1,761,859	1,847,323	-	-	80,325,872
Licences and Permits	-	1,665,433	154,843	4,658,852	55,166	-	6,534,294	-	-	-	-	-	-	-	6,534,294
Other Revenue	3,195,883	230,854	586,085	847,895	1,060,626	3,025,635	8,946,978	-	4,285	-	326,805	-	-	189,629	9,467,697
Government Transfers (Note 20)	-	808,876	119	30,628	560,061	206,074	1,605,758	-	-	-	-	-	-	-	1,605,758
Transit Reimbursements	-	-	-	-	-	-	-	-	-	-	-	-	26,972,737	-	26,972,737
Development Cost Charges	-	-	-	-	-	7,804,414	7,804,414	-	-	-	-	-	-	-	7,804,414
Other Contributions for Capital	-	-	-	-	-	4,278,972	4,278,972	3,444,633	2,276,202	-	-	-	-	-	9,999,807
Third Party Works	-	-	3,173,002	110,102	-	-	3,283,104	-	-	-	-	-	-	-	3,283,104
Actuarial Adjustments	305,757	-	-	-	-	-	305,757	165,102	-	-	-	-	-	-	470,859
Interest Earned on Investments	10,556	-	-	-	-	12,052,220	12,062,776	2,094	-	-	-	-	-	600,399	12,665,269
Community Amenities Received from Developer (Note 16)	-	-	-	-	-	467,445	467,445	-	-	-	-	-	-	-	467,445
Gain on Sale of Land*	8,500,000	-	-	-	-	-	8,500,000	-	-	-	-	-	-	-	8,500,000
	12,655,804	3,515,842	5,400,115	5,647,477	14,334,976	130,522,653	172,076,867	26,347,191	35,626,954	5,349,822	2,088,664	1,847,323	26,972,737	790,028	271,099,586
<b>EXPENSES</b>															
Salaries and Benefits	15,540,758	38,956,929	4,222,283	7,843,842	24,192,969	-	90,756,781	2,422,619	2,299,854	449,727	575,652	566,017	19,806,094	-	116,876,744
Supplies and Other Expenses	6,629,072	7,119,357	4,254,628	873,353	6,888,889	-	25,765,299	7,045,909	19,404,501	3,511,171	250,731	599,104	6,331,185	56,193	62,964,093
Accretion Expenses	121,774	-	-	-	-	-	121,774	-	-	-	-	-	-	-	121,774
Professional and Consulting	278,455	156,830	28,596	86,943	-	-	550,824	-	-	16,000	2,214	-	-	47,235	616,273
Recoveries and Allocations	(249,647)	236,576	1,306,919	(200,957)	144,650	-	1,237,541	(1,401,969)	(48,715)	790,928	48,266	129,051	600,934	-	1,354,036
Legal	678,338	10,847	-	90,427	-	-	779,612	-	-	-	274	-	234,524	55	1,014,465
Grants in Aid	2,823,718	-	-	-	806,377	-	3,630,095	-	-	-	-	-	-	-	3,630,095
Property and Liability Insurance	1,246,705	-	-	-	-	-	1,246,705	-	-	-	-	-	-	1,744	1,248,449
Tangible Capital Asset Maintenance	2,558,491	967,879	803,697	83,724	978,103	-	5,391,894	432,655	1,361,286	-	10,674	-	-	-	7,196,509
Tangible Capital Asset Amortization	3,020,415	1,206,428	2,620,191	16,038	4,619,499	-	11,482,571	3,556,516	4,708,026	-	-	129,321	-	-	19,876,434
Net (Gain)/Loss on Sale of Tangible Capital Asset	(4,634,131)	12,905	246,320	-	(370,339)	-	(4,745,245)	284,111	443,234	-	-	12,892	-	-	(4,005,008)
Interest and Other Bank Charges	820,141	-	-	-	-	-	820,141	-	-	-	-	-	-	-	820,141
Interest on Long Term Debt	758,017	-	-	-	-	-	758,017	180,265	-	-	-	-	-	-	938,282
Third Party Works	-	-	3,175,742	-	-	-	3,175,742	-	-	-	-	-	-	-	3,175,742
	29,592,106	48,667,751	16,658,376	8,793,370	37,260,148	-	140,971,751	12,520,106	28,168,186	4,767,826	885,811	1,436,385	26,972,737	105,227	215,828,029
<b>ANNUAL SURPLUS/(DEFICIT)</b>	(16,936,302)	(45,151,909)	(11,258,261)	(3,145,893)	(22,925,172)	130,522,653	31,105,116	13,827,085	7,458,768	581,996	1,202,853	410,938	-	684,801	55,271,557

\*8,500,000 includes cash proceeds from 11 gateway units land disposal and 3000 Park lane land disposal.

**CONSOLIDATED FINANCIAL STATEMENTS**

SCHEDULE 2: CONSOLIDATED SEGMENT INFORMATION - revenues by type and expenses by object (Prior Year)

For the year ended December 31, 2025

	GENERAL FUND						WATER UTILITY FUND	SEWER UTILITY FUND	SOLID WASTE FUND	CEMETERY FUND	GOLF FUND	TRANSIT BLUE BUS	LIBRARY FOUNDATION	2024	
	General Government	Public Safety	Engineering and Transportation	Planning, Development, and Environment Services	Recreation and Library	Unallocated									Total
<b>REVENUE</b>															
General Taxation (Note 14)	502,649	-	-	-	-	96,347,342	96,849,991	-	-	-	-	-	-	96,849,991	
Fees and Charges	742,043	639,318	784,567	-	11,213,090	2,843,015	16,222,033	20,821,361	26,953,617	5,141,400	1,755,033	1,755,349	-	72,648,793	
Licences and Permits	-	1,784,771	192,650	6,016,944	29,525	-	8,023,890	-	-	-	-	-	-	8,023,890	
Other Revenue	2,566,914	321,504	43,095	1,548,521	1,128,766	2,663,526	8,272,326	-	-	110	308,623	-	-	8,788,852	
Government Transfers (Note 20)	-	749,227	119	-	470,371	596,881	1,816,598	-	-	-	-	-	-	1,816,598	
Transit Reimbursements	-	-	-	-	-	-	-	-	-	-	-	25,009,143	-	25,009,143	
Development Cost Charges	-	-	-	-	-	241,861	241,861	-	-	-	-	-	-	241,861	
Other Contributions for Capital	-	-	-	-	-	2,568,192	2,568,192	856,290	931,547	-	-	-	-	4,356,029	
Third Party Works	-	-	3,145,284	(13,034)	-	-	3,132,250	-	-	-	-	-	-	3,132,250	
Actuarial Adjustments	263,952	-	-	-	-	-	263,952	385,087	-	-	-	-	-	649,039	
Interest Earned on Investments	11,862	-	-	-	-	16,053,169	16,065,031	4,157	-	-	-	-	562,954	16,632,142	
Community Amenities Received from Developer (Note 16)	-	-	-	-	-	673,969	673,969	-	-	-	-	-	-	673,969	
	4,087,420	3,494,820	4,165,715	7,552,431	12,841,752	121,987,955	154,130,093	22,066,895	27,885,164	5,141,510	2,063,656	1,755,349	25,009,143	770,747	
<b>EXPENSES</b>															
Salaries and Benefits	14,673,111	36,679,692	4,514,412	7,567,283	21,882,509	-	85,317,007	1,956,499	2,207,809	402,212	538,324	473,030	17,801,135	-	108,696,016
Supplies and Other Expenses	6,456,852	6,546,795	2,380,954	1,080,183	6,753,597	-	23,218,381	6,746,071	11,679,157	3,618,763	204,040	635,224	6,271,781	34,362	52,407,779
Accretion Expenses	116,575	-	-	-	-	-	116,575	-	-	-	-	-	-	-	116,575
Professional and Consulting	289,883	155,646	38,058	184,055	3,300	-	670,942	-	-	16,000	-	-	46,352	41,700	774,994
Recoveries and Allocations	(81,009)	293,530	1,664,630	(197,613)	45,307	-	1,724,845	(3,024)	(827,678)	687,118	49,760	115,399	486,924	-	2,213,344
Legal	762,847	109,462	-	71,306	-	-	943,615	-	-	-	-	-	422,951	55	1,366,621
Grants in Aid	13,325,123	-	-	-	626,841	-	13,951,964	-	-	-	-	-	-	-	13,951,964
Property and Liability Insurance	1,268,659	-	-	-	-	-	1,268,659	-	-	-	-	-	-	1,386	1,270,045
Tangible Capital Asset Maintenance	1,283,528	848,526	1,073,005	79,121	1,517,978	-	4,802,158	98,121	1,238,118	-	-	681	-	-	6,139,078
Tangible Capital Asset Amortization	2,960,985	1,114,904	2,777,061	11,560	4,171,171	-	11,035,671	3,944,474	4,591,229	-	41,812	124,673	-	-	19,737,859
Net (Gain)/Loss on Sale of Tangible Capital Asset	1,831,124	(273,110)	404,677	-	(1,039,515)	-	923,176	403,124	1,236,539	-	(13,190)	(110,028)	-	-	2,439,621
Interest and Other Bank Charges	865,754	-	-	-	-	-	865,754	-	-	-	-	-	-	-	865,754
Interest on Long Term Debt	758,017	-	-	-	-	-	758,017	243,143	-	-	-	-	-	-	1,001,160
Third Party Works	-	-	3,151,633	-	-	-	3,151,633	-	-	-	-	-	-	-	3,151,633
	44,511,449	45,475,445	16,004,430	8,795,885	33,961,188	-	148,748,397	13,388,408	20,125,174	4,724,093	820,746	1,238,979	25,009,143	77,503	214,132,443
<b>ANNUAL SURPLUS/(DEFICIT)</b>	(40,424,029)	(41,980,625)	(11,838,715)	(1,243,454)	(21,119,436)	121,987,955	5,381,696	8,678,487	7,759,990	417,417	1,242,910	516,370	-	693,244	24,690,114

**CONSOLIDATED FINANCIAL STATEMENTS****SCHEDULE 3: TANGIBLE CAPITAL ASSET CONTINUITY SCHEDULE**

For the year ended December 31, 2025

	Land	Land Improvements	Buildings	Machinery, Furniture, and Equipment	Vehicles	Transportation Infrastructure	Water	Sanitary Sewer	Assets Under Construction	2025 Total
<b>COST</b>										
Opening Balance	150,704,194	40,404,088	166,965,759	13,973,858	22,473,051	96,242,572	132,729,240	245,870,596	31,867,985	<b>901,231,343</b>
Add: Additions	24,187,968	2,007,216	4,892,026	578,561	2,238,428	2,468,191	10,553,789	7,998,927	6,353,758 <sup>1</sup>	<b>61,278,864</b>
Less: Disposals	(3,868,128)	(45,796)	(21,478)	(1,943,761)	(1,565,958)	(347,392)	(317,230)	(491,592)	-	<b>(8,601,335)</b>
Closing Balance	171,024,034	42,365,508	171,836,307	12,608,658	23,145,521	98,363,371	142,965,799	253,377,931	38,221,743	<b>953,908,872</b>
<b>ACCUMULATED AMORTIZATION</b>										
Opening Balance	-	22,445,587	65,356,946	8,809,284	12,040,110	25,507,083	36,611,464	159,524,631	-	<b>330,295,105</b>
Add: Amortization	-	1,241,276	5,790,556	827,006	1,810,030	2,362,675	3,284,268	4,560,623	-	<b>19,876,434</b>
Less: Accumulated Amortization on Disposals	-	(45,796)	-	(1,902,010)	(1,527,239)	(35,627)	(33,120)	(59,611)	-	<b>(3,603,403)</b>
Closing Balance	-	23,641,067	71,147,502	7,734,280	12,322,901	27,834,131	39,862,612	164,025,643	-	<b>346,568,136</b>
<b>NET BOOK VALUE, YEAR END 2025</b>	171,024,034	18,724,441	100,688,805	4,874,378	10,822,620	70,529,240	103,103,187	89,352,288	38,221,743	<b>607,340,736</b>

<sup>1</sup> Additions to Assets Under Construction are shown net of transfers to other Tangible Capital Asset categories.

**CONSOLIDATED FINANCIAL STATEMENTS**

## SCHEDULE 4: TANGIBLE CAPITAL ASSET CONTINUITY SCHEDULE (Prior Year)

For the year ended December 31, 2025

	Land	Land Improvements	Buildings	Machinery, Furniture, and Equipment	Vehicles	Transportation Infrastructure	Water	Sanitary Sewer	Assets Under Construction	2024 Total
<b>COST</b>										
Opening Balance	150,709,851	33,467,481	165,011,812	11,858,619	21,686,318	92,396,289	129,700,602	242,774,552	26,614,801	<b>874,220,325</b>
Add: Additions	-	7,419,927	2,501,409	2,257,232	2,103,689	4,214,176	3,483,639	4,513,236	5,253,184 <sup>1</sup>	<b>31,746,492</b>
Less: Disposals	(5,657)	(483,320)	(547,462)	(141,993)	(1,316,956)	(367,893)	(455,001)	(1,417,192)	-	<b>(4,735,474)</b>
<b>Closing Balance</b>	<b>150,704,194</b>	<b>40,404,088</b>	<b>166,965,759</b>	<b>13,973,858</b>	<b>22,473,051</b>	<b>96,242,572</b>	<b>132,729,240</b>	<b>245,870,596</b>	<b>31,867,985</b>	<b>901,231,343</b>
<b>ACCUMULATED AMORTIZATION</b>										
Opening Balance	-	21,844,357	59,794,550	8,135,634	11,578,951	23,073,033	32,954,339	155,224,031	-	<b>312,604,895</b>
Add: Amortization	-	1,041,982	5,562,396	794,687	1,702,681	2,520,463	3,684,460	4,431,190	-	<b>19,737,859</b>
Less: Accumulated Amortization on Disposals	-	(440,752)	-	(121,037)	(1,241,522)	(86,413)	(27,335)	(130,590)	-	<b>(2,047,649)</b>
<b>Closing Balance</b>	<b>-</b>	<b>22,445,587</b>	<b>65,356,946</b>	<b>8,809,284</b>	<b>12,040,110</b>	<b>25,507,083</b>	<b>36,611,464</b>	<b>159,524,631</b>	<b>-</b>	<b>330,295,105</b>
<b>NET BOOK VALUE, YEAR END 2024</b>	<b>150,704,194</b>	<b>17,958,501</b>	<b>101,608,813</b>	<b>5,164,574</b>	<b>10,432,941</b>	<b>70,735,489</b>	<b>96,117,776</b>	<b>86,345,965</b>	<b>31,867,985</b>	<b>570,936,238</b>

<sup>1</sup> Additions to Assets Under Construction are shown net of transfers to other Tangible Capital Asset categories.

DISTRICT OF WEST VANCOUVER  
**CONSOLIDATED FINANCIAL STATEMENTS**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the Year Ended December 31, 2025

**1. OPERATIONS**

The Corporation of the District of West Vancouver (the "District") was incorporated in 1912 and is subject to the provisions of the *Local Government Act* and the *Community Charter* of British Columbia. The District's principal activity is the provision of local government services to residents of the incorporated area. These include administrative, protective, transportation, environmental, recreational, water and sanitary services.

**2. SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statements of the District have been prepared in accordance with Canadian Public Sector Accounting Standards as prescribed by the Public Sector Accounting Board.

The significant accounting policies are summarized below:

**(a) Basis of Consolidation**

The consolidated financial statements include the assets, liabilities, revenues, and expenses of the District, including a controlled entity, the West Vancouver Memorial Library Foundation (the "Library Foundation").

**(b) Basis of Accounting**

The District follows the accrual method of accounting for revenues and expenses. Revenues are recognized in accordance with Note 2(c). Expenses are recognized as they are incurred and are measurable as a result of receipt of goods and services and/or the creation of a legal obligation to pay.

**(c) Revenue Recognition**

Revenue from exchange transactions with a single performance obligation that is satisfied at a point in time, including certain sale of services, licences and permits, and other revenue, is recognized when the District satisfies the performance obligation by providing the promised goods or services to a payor. Revenue from exchange transactions with performance obligations satisfied over a period of time, including utility fees, certain sale of services, permits, and other revenue, is recognized as the District satisfies the performance obligations by providing the promised goods or services to a payor. For transactions with multiple performance obligation, including certain types of permits, revenue is allocated between the performance obligations based on the estimated effort to satisfy each performance obligation.

Revenue from transactions with no performance obligations, including penalties and fines, is recognized when the District has the authority to claim or retain an inflow of economic resources; and identifies a past transaction or event that gives rise to an asset.

**(i) Taxation**

Annual levies for non-optional District services and general administrative services are recorded as General Taxation in the year to which they relate. Levies imposed by other taxing authorities are not included in the consolidated statement of operations.

**(ii) Community Amenity Contributions**

Community amenity contributions received by the District are included on the consolidated statement of operations. Revenue is recognized in the year when payment is received.

**(iii) Long-Term Prepaid Leases**

Prepaid lease payments received in advance by the District are included on the consolidated statement of financial position as deferred revenue and deposits. Revenue is recognized on a straight line basis over the term of the lease.

DISTRICT OF WEST VANCOUVER  
**CONSOLIDATED FINANCIAL STATEMENTS**  
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For the Year Ended December 31, 2025

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(iv) Deferred Revenue and Deposits**

Deferred revenue consists of prepaid property taxes, prepaid business licences and prepaid fees. Revenue is recorded in the year which taxes are levied, licences are relating to and services are provided.

**(v) Government Transfers**

Unrestricted government transfers are recognized as revenue in the year in which the transfer is authorized by the issuing government, and when any eligibility criteria has been met. Restricted government transfers, in the way of grants or other transfers, are recognized as revenue in the year in which any liabilities arising from stipulations are extinguished.

**(d) Non-Financial Assets**

Non-financial assets excluding restricted investments are held for use in the provision of goods and services but are not available to discharge existing liabilities.

These assets have a useful life extending beyond the current year and are not intended for sale in the ordinary course of operations.

Intangible assets, such as water rights and mineral resources, are not recorded in the consolidated financial statements.

**(i) Tangible Capital Assets**

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

Type	Major Asset Category	Useful Life Range (Years)
<b>General</b>	Land	n/a
	Land improvements	10 – 50
	Buildings	30 – 100
	Machinery, furniture, and equipment	4 – 15
	Vehicles	5 – 15
<b>Infrastructure</b>	Transportation	10 – 100
	Water	10 – 100
	Sanitary Sewer	10 – 100

Amortization is charged over the asset’s useful life, commencing when the asset is put into use. Assets under construction are not amortized until the asset is available for use.

The District owns a number of works of art and historical treasures including sculptures, paintings and reproductions, mosaics, totem poles and monuments These assets are not included as part of the tangible capital assets.

Contributed tangible capital assets are recognized at fair value at the date of contribution and are also recognized as revenue. Where an estimate of fair value cannot be made, the tangible capital asset is recognized at nominal value.

The District does not capitalize interest whenever external debt is issued to finance the construction of assets.

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**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(ii) Inventories**

Inventories are recorded at the lower of cost and net realizable value. Inventory is written down to net realizable value when the cost of inventory is estimated not to be recoverable. Cost is determined using average cost basis. Inventories are held for use.

**(iii) Restricted Investments**

Restricted investments are measured at fair value and represent long-term investments held by the Library Foundation. Although there is the ability to sell these investments they have been presented in these consolidated financial statements in the category of "Non-Financial Assets". This is because of the requirement that the principal portion of the investments be held in perpetuity and that only related investment earnings can be expended.

**(e) Employee Future Benefits**

The District and its employees make contributions to the Municipal Pension Plan. The District's contributions are considered expenses as incurred.

Post-employment benefits also accrue to the District's employees. The liabilities related to these benefits are actuarially determined, based on services and best estimates of retirement ages and expected future salary and wage increases. The liabilities under these benefit plans are accrued based on projected benefits as the employees render services necessary to earn future benefits.

**(f) Use of Estimates**

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the recorded amounts of assets, liabilities, revenues, expenses and contingent liabilities. Areas requiring the use of estimates include: 1) employee future benefits payable, 2) provisions for contingencies, 3) the useful lives of tangible capital assets, and 4) asset retirement obligations. If actual results differ, adjustments are reflected on subsequent consolidated financial statements.

**(g) Debt**

Debt is recorded net of sinking fund and actuarial adjustments.

**(h) Investments**

Investments in guaranteed investment certificates ("GICs"), Bank of Nova Scotia high interest savings account ("Scotia HISA"), the Municipal Finance Authority of BC (the "MFA") Money Market Fund, Government Focused Ultra-Short Bond are recorded at amortized cost. When, in the opinion of management, there is an other than temporary decline in value, investments are written down to their net realizable value.

**(i) Development Cost Charge**

Development cost charges are restricted by legislation or by agreement with external parties for expenditures on capital infrastructure. These amounts are deferred upon receipt and are recognized as revenue when the expenditures are incurred in accordance with the restrictions.

**(j) Segment Disclosure**

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. The District has provided definitions of segments used by the District (Note 15) as well as financial information in segment format (Schedule 1 and 2).

DISTRICT OF WEST VANCOUVER  
**CONSOLIDATED FINANCIAL STATEMENTS**  
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**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(k) Contaminated Sites**

A liability for remediation of contaminated sites is recognized when a site is not in productive use and an environmental standard exists, contamination exceeds the environmental standard, the District is directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The liability is recognized as management's estimate of the cost of remediation and post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

**(l) Asset Retirement Obligations**

A liability 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 has occurred;
- (c) it is expected that future economic benefits will be given up; and
- (d) a reasonable estimate of the amount can be made.

At the District, asset retirement obligations are measured by using the best estimate and discounting method, which involves estimating the obligations at the inception of the obligation and recognizing the corresponding liability on the consolidated statement of financial position. The obligation is determined based on the present value of expected future cash outflows directly attributable to asset retirement activities, discounted at an appropriate risk-adjusted rate.

The resulting costs have been capitalized into the carrying amount of tangible capital asset categories and are being amortized on the same basis as the related tangible capital asset (see Note 2(d)(i)). Assumptions and discount rate used in the calculations are reviewed annually.

**(m) Financial Instruments**

Financial instruments include cash, investments, accounts receivables, restricted investments, accounts payable and accrued liabilities, due from other governments, and debt.

Financial instruments are recorded at fair value on initial recognition. Equity instruments quoted in an active market and derivatives are subsequently measured at fair value as at the reporting date. All other financial instruments are subsequently recorded at cost or amortized cost unless management elects to carry the financial instrument at fair value. The District has elected to carry its restricted investments at fair value.

Unrealized changes in fair value are recognized in the consolidated statement of remeasurement gains and losses. They are recorded in the consolidated statement of operations when they are realized. There are no significant unrealized changes in fair value as at December 31, 2025 and December 31, 2024. As a result, the District does not have a consolidated statement of remeasurement gains and losses.

Transaction costs incurred on the acquisition of financial instruments are recorded at cost and are expensed as incurred.

Sales and purchases of investments are recorded on the trade date.

Accounts receivable, investments, accounts payable and accrued liabilities, and debt are measured at amortized cost using the effective interest rate method.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the consolidated statement of operations.

**DISTRICT OF WEST VANCOUVER**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
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**3. INVESTMENTS**

	<b>2025</b>	2024
MFA Investment pools		
Money Market Fund	<b>11,898</b>	11,566
Government Focused Ultra-Short Bond	<b>33,361</b>	32,305
	<b>45,259</b>	43,871
Bank of Nova Scotia High Interest Savings Account	<b>94,619,150</b>	66,968,142
Guaranteed Investment Certificates	<b>184,207,714</b>	195,500,000
<b>Total Investments</b>	<b>278,872,123</b>	262,512,013

The District placed the majority of its investments in GIC and Bank of Nova Scotia high interest savings account with 95 days call ("Scotia HISA"). The lengths and interest rates of GICs vary depending on the date of purchase. The District has a total of \$184,207,714 (2024 - \$195,500,000) invested with maturity dates ranging from February 7, 2026 to December 17, 2027, and the interest rates ranging from 3.41% to 5.95% (2024 - 5.37% to 6.50%). The interest rate of Scotia HISA, which fluctuates with the Bank of Canada prime rate, is currently 3.05% (2024 – 4.20%)

Interest earned by investments for the year ended December 31, 2025 totalled \$13,748,572 (2024 - \$18,389,160). Earnings have been recorded as investment income and partially allocated to various reserves (Note 11), or deferred as appropriate (Note 8).

The Library Foundation Restricted Investments are invested in pooled funds:

	<b>2025</b>	2024
Leith Wheeler Fixed Income Funds	<b>2,213,440</b>	1,918,007
Leith Wheeler Canadian Equity Fund	<b>1,586,085</b>	1,526,826
Leith Wheeler US Equity Funds	<b>799,506</b>	848,783
Leith Wheeler International Fund	<b>798,520</b>	685,312
Leith Wheeler Money Market Fund	<b>38,657</b>	37,392
RBC Direct Investing	<b>2,926</b>	-
	<b>5,439,134</b>	5,016,320

**4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>2025</b>	2024
Accounts Payable	<b>14,758,607</b>	10,749,485
Accrued Liabilities	<b>2,573,758</b>	2,220,031
Amberview Co-op Lease Payback (Note 13 (a))	<b>14,775,295</b>	15,031,612
Accrued Payroll Liabilities	<b>12,377,301</b>	9,713,641
Due to Other Government Agencies	<b>16,470,071</b>	14,727,522
	<b>60,955,032</b>	52,442,291

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**5. ASSET RETIREMENT OBLIGATIONS**

Legal liabilities exist for the removal and disposal of asbestos in buildings upon renovations or demolition. The District recognized an obligation relating to the removal of the hazardous materials in certain District-owned buildings. These costs have been integrated into the assets' carrying value and are amortized over their estimated useful lives.

Estimated costs totalling \$4,386,511 (2024 - \$4,443,033) have been discounted using a present value calculation with a discount rate of 4.46 % (2024 – 4.46%). The timing of these expenditures is estimated to occur between 2026 and 2051 with the regular replacement, renovation, or disposal of assets.

	<b>2025</b>	2024
Opening asset retirement obligation	<b>2,775,736</b>	2,659,161
Increase due to accretion	<b>121,774</b>	116,575
Decrease due to remeasurement	<b>(21,478)</b>	-
Closing asset retirement obligation	<b>2,876,032</b>	2,775,736

**6. EMPLOYEE FUTURE BENEFITS LIABILITY**

The District provides certain post-employment benefits, non-vested sick leave, compensated absences, and termination benefits to its employees.

	<b>2025</b>	2024
Accrued benefit obligation, beginning of year	<b>6,680,237</b>	5,930,797
Current service costs	<b>538,116</b>	524,213
Interest costs	<b>296,014</b>	271,521
Plan amendments	-	645,132
Actual benefits paid	<b>(569,582)</b>	(632,532)
Actuarial (gain) loss arising in the period	<b>1,161,367</b>	(58,894)
Accrued benefit obligation, end of year	<b>8,106,152</b>	6,680,237
Unamortized actuarial gain (loss)	<b>(1,107,827)</b>	58,894
	<b>6,998,325</b>	6,739,131

The liabilities reported in the consolidated financial statements are based on an actuarial valuation performed in 2025.

Actuarial gains and losses are amortized over a period equal to the employees' expected average remaining service lifetime.

The significant actuarial assumptions adopted in measuring the District's accrued benefit liabilities for post-employment benefits are as follows:

	<b>2025</b>	2024
Discount rates	<b>4.40%</b>	4.30%
Future inflation rates	<b>2.50%</b>	2.50%
Compensation increases, net of inflation	<b>0.00% to 3.40%</b>	2.58% to 4.63%
Estimated average remaining service life	<b>12 years</b>	11 years

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**7. DEFERRED REVENUE AND DEPOSITS**

	<b>2025</b>	2024
Long-Term Prepaid Leases	<b>34,162,473</b>	34,502,665
Prepaid Taxes	<b>8,559,286</b>	8,126,287
Deposits	<b>29,477,713</b>	28,789,145
Memberships, Fees, and Other Revenues	<b>10,205,279</b>	8,877,760
	<b>82,404,751</b>	80,295,857

Deferred revenue and deposits are short-term in nature, with the exception of the Long-Term Prepaid Leases. Wetmore lease is recognized as revenue over the 125-year term of the lease and Darwin lease is recognized as revenue over the 99-year term.

**8. DEFERRED DEVELOPMENT COST CHARGES**

These funds, including interest earned thereon are restricted by bylaw for the purposes for which they were collected from developers. Separate accounts hold funds that are to be used for underground wiring, waterworks infrastructure, drainage, roads, and parks and open space projects in specific areas. Expenditures require budgetary authorization within the purposes authorized in the establishing bylaws. There were no developments for which development cost charges were waived or reduced in 2025 and 2024.

Continuity of Deferred Development Cost Charges:

	<b>Opening Balances</b>	<b>Current Receipts</b>	<b>Interest Earned</b>	<b>Amounts Spent</b>	<b>Closing Balance</b>
<b>General Fund</b>					
Highways	7,486,940	35,426	306,190	-	7,828,556
Underground Wiring	1,544,626	3,136	63,085	-	1,610,847
Parks and Open Space	19,717,645	131,949	647,960	(7,804,414)	12,693,140
	28,749,211	170,511	1,017,235	(7,804,414)	22,132,543
<b>Water Utility Fund</b>	2,117,913	8,144	86,577	-	2,212,634
<b>Sewer Utility Fund</b>	3,641,234	16,592	148,901	-	3,806,727
	<b>34,508,358</b>	<b>195,247</b>	<b>1,252,713</b>	<b>(7,804,414)</b>	<b>28,151,904</b>

**9. DEBT**

The District obtains debt through the MFA, pursuant to security-issuing bylaws under authority of the *Community Charter*, to finance certain capital expenditures. The debt is recorded net of the MFA sinking fund deposits. The rates of interest on the principal amount of the MFA debt vary between 2.60% and 4.77% per annum. Interest expenses incurred for the year on the debt was \$938,282 (2024 - \$1,001,160).

Outstanding debt:

	<b>2025</b>	2024
Various Infrastructure Loans	<b>33,316,500</b>	39,316,500
Repayments and actuarial adjustments	<b>(9,849,989)</b>	(14,811,477)
Net Debt	<b>23,466,511</b>	24,505,023

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**9. DEBT (Continued)**

Repayments on net debt required in the next five years and thereafter are as follows:

	<b>Total</b>
2026	728,163
2027	935,706
2028	968,427
2029	1,002,300
2030	868,128
2031 - 2047	18,963,787
<b>Total</b>	<b>23,466,511</b>

Under borrowing arrangements with the MFA, the District is required to lodge security by means of demand notes and interest-bearing cash deposits based on the amount of the borrowing. As a condition of these borrowings, a portion of the debenture proceeds is withheld by the MFA as a debt reserve fund. These deposits totalling \$399,581 (2024 - \$429,112) are included in the District's financial assets as Accounts Receivable - Other and are held by the MFA as security against the possibility of debt repayment default. As at December 31, 2025, there were contingent demand notes of \$446,975 (2024 - \$517,449), which are not recorded in the consolidated financial statements of the District. If the debt is repaid without default, the deposits are refunded to the District and demand notes are cancelled.

**10. ACCUMULATED SURPLUS**

Accumulated surplus is represented by:

	<b>2025</b>	2024
Unappropriated Surplus	<b>4,925,545</b>	11,421,005
Amberview Co-op Lease Payback (Note 13(a))	<b>(14,188,448)</b>	(14,480,123)
Reserve Funds - Cash (Note 11)	<b>208,900,194</b>	185,318,609
Investment in Non-Financial Assets	<b>591,611,045</b>	553,717,288
<b>Accumulated Surplus</b>	<b>791,248,336</b>	735,976,779

The unappropriated surplus is the amount of accumulated surplus remaining after deducting the various appropriated surplus balances and the investment in non-financial assets.

Amberview Co-op Lease Payback is the buy back amount of Amberview members' shares upon expiration of the lease, net of sinking fund payments received (Note 13(a)).

Reserve funds represent a portion of the accumulated surplus that has been set aside by Council for specified purposes. In the normal course of operations, these funds will be used to finance the services or the capital projects for which they have been set aside.

Investment in non-financial assets represents the net book value of the District's non-financial assets including the Library Foundation's non-financial assets less any capital debt. In the normal course of operations, non-financial assets excluding Library Foundation restricted investments, will be used to provide services, and debt will be repaid by future utility rate and tax revenues.

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## 11. RESERVE FUNDS

Individual statutory and non-statutory reserve funds have restrictions and conditions as follows:

### Statutory Reserves

**(a) Land Reserve**

Established in 2018, this fund is used to capture the net proceeds or net revenues from the sale of real property or the long-term lease of land and real property owned by the District. The Land Reserve Fund may be used for acquisitions of real property, or construction of major capital facilities for public use and service debt during the construction.

**(b) Affordable Housing Fund**

Designed to support the development of below market housing for low income residents.

**(c) Capital Facilities Reserve**

Used for the creation and maintenance of facilities to deliver municipal services; planning works for designing or enhancing District owned or occupied buildings; and acquisition of land and improvements for use in delivering services in the District.

**(d) Capital Infrastructure Reserve**

Designated for ongoing maintenance and replacements of existing infrastructure.

**(e) Capital Equipment Reserve**

Used for heavy equipment, general equipment and information technology and communications equipment.

**(f) Cypress Village Reserve**

Established in 2024 for the purpose of planning, designing, and constructing a community centre, a fire station, and McGavin sports field in the Cypress Village area.

**(g) Amenity Contributions Fund**

Developer contributions received by the District, for the purpose of improving the quality of life in the community, are held in the Amenity Contributions Reserve. The funds may be secured under the *Local Government Act*, as a term of the sale of District-owned land or by other means, and fall within a broad range of categories. On May 10, 2021, Council approved the amended Community Amenity Contributions Policy to allocate 1% of the unrestricted Community Amenity Contributions ("CAC") received to the Public Art Reserve; 50% of the remaining unrestricted CAC to neighbourhood serving capital projects; and the other 50% of the remaining unrestricted CAC to community serving capital projects.

**(h) Endowment Fund**

Subject to a minimum threshold as established in the District's Endowment Fund Bylaw. On January 8, 2018 Council amended the Endowment Fund to set the threshold value at \$18,000,000. The reserve may be used to pay for the acquisition or construction of major capital projects or the reduction of municipal debt incurred for acquisition or construction of major capital projects.

**(i) Environmental Reserve Fund**

Established in 2022, this fund is used for programs that support the protection of the natural environment and natural capital assets, as well as initiatives to reduce greenhouse gas emissions at the District and community level.

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**11. RESERVE FUNDS (Continued)**

**Statutory Reserves (Continued)**

**(j) Public Art Reserve Fund**

Established in 2016, this fund is used for the purpose of creation, maintenance, and preservation of public art in the District of West Vancouver and furthering the goals of the District's public art program.

**(k) Youth Activity Reserve Fund**

Subject to a minimum threshold as established in the District Youth Activity Reserve Fund Bylaw and adjusted annually for inflation using the annual Provincial Consumer Price Index. This fund is used for capital projects or programs undertaken by the District or community groups for the benefit of youth in the community. The amount of the threshold at December 31, 2025 is \$664,651 (2024 - \$657,248).

**(l) Water Reserve Fund**

May be used to finance the acquisition or construction of water system works, repay debt and interest, and contribute to the stabilization of District water rates.

**(m) Sewer and Drainage Reserve Fund**

May be used to finance the acquisition or construction of sewer and drainage system works, repay debt and interest, and contribute to the stabilization of District sewer and drainage rates.

**Non-Statutory Reserves**

**(n) Operating Reserves**

Intended for one-time operating expenditures that may occur from time to time, and may be expended within general budgetary authority.

**(o) Operational Asset Reserve**

Used for items that may not be capital in nature but still require replacement on a periodic basis.

**(p) Other Capital Reserves**

Designated for the periodic replacement of specified assets or retirement of debt.

**(q) Water Operating Reserve**

Serves as a contingency for water operating costs. The balance in the reserve at year end should be adequate to cover 120 days operating funding requirements for the subsequent year.

**(r) Sewer and Drainage Operating Reserve**

Serves as a contingency for sewer and drainage operating costs. The balance in the reserve at year end should be adequate to cover 90 days operating funding requirements for the subsequent year.

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**11. RESERVE FUNDS (Continued)**

**Non-Statutory Reserves (Continued)**

**(s) Solid Waste Reserve**

Net revenue or expense from solid waste operations are transferred to or from this fund annually. This reserve is used as a contingency for solid waste collection and rate stabilization should solid waste collection costs increase.

**(t) Golf Development Reserve**

Net revenues or expenses from golf operations are transferred to/from this fund annually. These funds are designated for golf course development generally, and may be expended within general budgetary authority.

**(u) Cemetery Development Reserve**

Net revenues or expenses from cemetery operations are transferred to or from this fund annually. These funds are for cemetery development generally, and may be expended within general budgetary authority.

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**11. RESERVE FUNDS (Continued)**

Continuity of Reserve Funds is as follows:

GENERAL FUND	Opening Balance	Revenues and Transfers	Interest Earned	Expenditures and Transfers	Closing Balance
<b>Statutory Reserves</b>					
Land Reserve	4,386,237	6,724,192	130,919	(8,932,367)	2,308,981
Affordable Housing	5,841,672	2,000,000	279,142	-	8,120,814
Capital Facilities Reserve	11,659,961	4,797,323	491,119	(3,441,416)	13,506,987
Capital Infrastructure Reserve	8,237,209	8,592,424	394,926	(4,949,371)	12,275,188
Capital Equipment Reserve	8,864,704	5,079,455	369,322	(4,262,867)	10,050,614
Cypress Village Reserve Fund	13,372,450	1,000,000	565,996	-	14,938,446
Amenity Contributions Fund	23,682,611	581,800	949,871	(1,384,706)	23,829,576
Endowment Fund (\$18,000,000 minimum)	21,188,584	514,881	847,995	(1,323,678)	21,227,782
Environmental Reserve Fund	3,074,527	1,291,623	139,352	(609,684)	3,895,818
Public Arts Reserve Fund	831,343	54,674	33,930	(54,148)	865,799
Youth Activity Reserve Fund (\$664,651 minimum)	685,443	-	27,966	-	713,409
<b>Non-Statutory Reserves</b>					
Operating Reserves	13,020,447	1,366,168	32,997	(3,551,325)	10,868,287
Operational Asset Reserve	1,174,321	2,825,202	69,655	(1,561,039)	2,508,139
Other Capital Reserves	3,416,981	579,195	77,408	(2,499,109)	1,574,475
<b>Total General Fund</b>	<b>119,436,490</b>	<b>35,406,937</b>	<b>4,410,598</b>	<b>(32,569,710)</b>	<b>126,684,315</b>
<b>OTHER FUNDS</b>					
<b>Statutory Reserves</b>					
Water Reserve Fund	16,059,733	14,385,000	-	(11,013,659)	19,431,074
Sewer and Drainage Reserve Fund	36,152,966	15,868,865	8,315	(5,117,000)	46,913,146
<b>Non-Statutory Reserves</b>					
Water Operating Reserve	2,621,060	125,000	109,489	-	2,855,549
Sewer and Drainage Operating Reserve	4,017,466	-	163,913	-	4,181,379
Solid Waste Reserve Fund	1,806,859	492,215	83,761	-	2,382,835
Golf Development Reserve	2,354,254	500,311	93,357	(632,509)	2,315,413
Cemetery Development Reserve	2,869,781	1,287,528	133,537	(154,363)	4,136,483
<b>Total Other Fund</b>	<b>65,882,119</b>	<b>32,658,919</b>	<b>592,372</b>	<b>(16,917,531)</b>	<b>82,215,879</b>
<b>Total Reserve Funds</b>	<b>185,318,609</b>	<b>68,065,856</b>	<b>5,002,970</b>	<b>(49,487,241)</b>	<b>208,900,194</b>

## 12. CONTRACTUAL OBLIGATIONS AND CONTINGENCIES

### (a) Legal Actions

The District is currently involved in certain legal actions. Financial implications of potential claims against the District, resulting from such litigation, and that are not covered by insurance, are accrued to the extent that amounts can be reasonably estimated. Otherwise, such claims are recognized in the year in which a measurable obligation is determined.

### (b) Municipal Pension Plan

The District and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2024, the plan has about 273,000 active members and approximately 133,000 retired members. Active members include approximately 915 contributors from the District.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and 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 valuation for the Municipal Pension Plan as at December 31, 2024, indicated a \$2,675 million funding surplus for basic pension benefits on a going concern basis.

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

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.

The District paid \$8,460,980 (2024 - \$8,260,869) for employer contributions while employees contributed \$7,237,552 (2024 - \$7,023,837) to the plan in fiscal 2025.

### (c) Cypress Village

In 2024, the District entered into the Cypress Village Phased Development Agreement with British Pacific Properties Limited Inc. ("BPP"). The agreement establishes a long-term framework for phased development and include obligations for both the developer and the District, including land transfers, infrastructure, civic facilities, and community amenities, some of which are triggered by time, occupancy thresholds, subdivision activity, building permit issuance, and other contractual milestones.

The District's obligations include the transfer and receipt of certain lands; construction or funding of specified infrastructure and facilities, including the 11th Street pump station, the Westmount pump station and Reservoir, works yard-related alterations, a fire station, a community centre, and future McGavin Field improvements; and the future operation and maintenance of certain roads, services, parks, trails, and municipal facilities delivered through the development.

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**12. CONTRACTUAL OBLIGATIONS AND CONTINGENCIES (Continued)**

**(c) Cypress Village (Continued)**

Funding for obligations under the agreements is project-specific and may be provided by the District, by BPP, or by both parties. District funding sources include reserves, Development Cost Charges reserve funds, utility funding, and borrowing where required, while BPP funding may take the form of direct construction, reimbursement of District-incurred costs, and fixed or indexed capital contributions. Certain projects are also subject to shared-cost arrangements under the agreement.

**(d) Contingent liabilities**

As a member of the Metro Vancouver Regional District ("MVRD"), the Greater Vancouver Sewerage and Drainage District and the Greater Vancouver Water District, the District is jointly and severally liable for the net capital liabilities of these districts. Any liability which may arise as a result will be accounted for in the period in which the required payment is made.

On November 1, 2024, MVRD approved amendments to its cost-sharing bylaw related to the North Shore Wastewater Treatment Plant, under which the North Shore municipalities are collectively responsible for 37.3% of the estimated total project cost of \$3.86 billion. Within that share, the District is responsible for 30%.

The District participates in regional wastewater services provided by MVRD and is required to fund its share of related costs through regional sewerage levies. The ultimate financial impact to the District will depend on final project costs, financing arrangements, and future decisions by MVRD.

**13. CONTRACTUAL RIGHTS**

The District has entered into agreements related to the lease of District property, for periods from 5 to 125 years. Lease proceeds are recognized based on the terms of the specific leases which are as follows:

**(a) 14th Street - Duchess Avenue to Esquimalt Avenue, Amblevue Place Housing Co-Operative**  
Included in Other Trust Funds (Note 18) are lease payments received related to District-owned land. These amounts will not be available to the District until the end of the lease period, February 28, 2047.

The premises will revert to the District upon the expiration of the term. Payments are to be received in annual amounts escalating from \$5,040 to \$20,160 (currently \$12,600) until the year 2047. As at December 31, 2025, the cumulative amount totalled \$586,847 (2024 - \$551,489).

In 2022, the District discovered its obligation to buy back Amblevue members' shares upon expiration of the lease, at an amount that is equivalent to the fair market value of the freehold interest in the units according to the ratios outlined in the lease agreement.

In 2025, the payment amount of \$14,775,295 (2024 - \$15,031,612) was based on a third-party appraisal value at the consolidated statement of financial position date.

**(b) 328 Taylor Way**

The District receives annual lease proceeds of \$125,000 (plus an adjustment for inflation starting in 1999) to the year 2087. The net proceeds of \$346,669 (2024 - \$333,259) were received in 2025 and transferred to the Endowment Fund.

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**13. CONTRACTUAL RIGHTS (Continued)**

**(c) Community Centre**

The District leases 19,529 square feet of custom designed space at the West Vancouver Community Centre under a long-term lease agreement to Vancouver Coastal Health Authority. The lease commenced on May 1, 2009 with the following terms:

Term – 30 years, with one 10 year renewal option

Annual rentals are as follows:

Years 1 to 10 - \$629,810 or \$32.25 per square foot

Years 11 to 20 - \$744,250 or \$38.11 per square foot

Years 21 to 30 - \$995,002 or \$50.95 per square foot

plus a proportionate share of defined operating and maintenance costs

Certain other spaces in the West Vancouver Community Centre are covered by commercial third party rental and leasing agreements with varying terms.

**(d) Performance Deposits**

In addition to cash deposits, the District is holding irrevocable Letters of Credit in the amount of \$14,814,485 (2024 - \$15,392,179), which were received from depositors to ensure their performance of works to be undertaken within the District. These amounts are not reflected in these consolidated financial statements.

**14. TAXATION AND UTILITY USER FEE REVENUES**

	2025	2025	2024
	Budget (Note 17)	Actual	Actual
Collection for District Purposes			
General Taxation*	101,536,561	<b>101,456,994</b>	95,291,266
Payments in Lieu of Taxes	981,395	<b>1,045,336</b>	1,058,725
Specified Area Levies	500,000	<b>500,000</b>	500,000
	<b>103,017,956</b>	<b>103,002,330</b>	96,849,991
Recycling Fees and Charges	1,758,200	<b>1,796,834</b>	1,724,823
Solid Waste Disposal Fees	3,447,200	<b>3,552,988</b>	3,416,577
Water Utility Fees	22,338,400	<b>22,735,362</b>	20,821,361
Sewer Utility Fees	29,407,519	<b>30,591,054</b>	26,953,617
	<b>159,969,275</b>	<b>161,678,568</b>	149,766,369

\*The 2025 General Taxation budget and actual amounts include North Shore Wastewater Treatment Plant Levy.

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**14. TAXATION AND UTILITY USER FEE REVENUES (Continued)**

**Collection for Other Agencies**

The following amounts collected on behalf of other taxing authorities are not included in the District's consolidated statement of operations:

	<b>2025</b>	2024
	<b>Actual</b>	Actual
Province of BC School Taxes		
Residential		
Basic School Taxes	<b>40,619,865</b>	39,660,603
Additional School Taxes	<b>41,503,863</b>	41,637,814
Non-residential	<b>7,166,277</b>	6,649,777
	<b>89,290,005</b>	87,948,194
Regional Transit	<b>18,553,684</b>	15,989,479
BC Assessment Authority	<b>2,106,521</b>	2,042,722
Regional District	<b>3,400,389</b>	3,282,261
Municipal Finance Authority	<b>11,596</b>	11,589
	<b>113,362,195</b>	109,274,245

Introduced in 2019, the Additional School Tax applies to the residential portion of properties valued over \$3 million. The tax is tiered: 0.2% is charged on the value between \$3 million and \$4 million, and 0.4% on the value above \$4 million. The first \$3 million of assessed value is exempt from this additional rate.

**15. SEGMENTED REPORTING**

The District is a diversified municipal government that provides a wide range of services to its residents. For management reporting purposes, the activities are organized and reported by fund. These funds include General, Water, Sewer, Solid Waste, Cemetery, and Golf. The funds were created to attain certain objectives in accordance with special regulations, restrictions or limitations.

The following are the activities or services provided by each of the segments reported on:

**GENERAL FUND**

**General Government**

Finance and Administration functions of the District include: Support to Council, Legislative Services, Communications, Indigenous and Community Relations, Emergency Program, Human Resources and Payroll Services, Taxes and Utilities, Information Technology, Purchasing and Risk Management and Facilities and Asset Management.

**Public Safety**

Law enforcement and protection of persons and property by Police, Fire and Rescue, and Bylaw Services.

**Engineering and Transportation**

Maintenance of streets, roads and sidewalks; street and traffic signs; signals and lighting; snow removal and sanding; foreshore protection; climate change initiatives; and community energy planning.

**Planning, Development, and Environment Services**

Community and land use planning; development issues including the processing of rezoning applications, development permits and development variances; building permit review and inspections.

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**15. SEGMENTED REPORTING (Continued)**

**GENERAL FUND (Continued)**

**Recreation and Library**

Development and maintenance of the District's open spaces, parks, and other landscaped areas; maintenance and operation of recreational facilities; development and provision of recreational programs and operation of the West Vancouver Memorial Library; cultural programs and special events.

**WATER UTILITY FUND**

Operation of the local membrane filtration facilities at Eagle Lake and at Montizambert Creek, and distribution of water from both Eagle Lake and MVRD to residents.

**SEWER UTILITY FUND**

Provision of sanitary sewer collection and storm drainage management includes the provision of, and maintenance of: pipes, manholes, culverts and sewage lift stations. Sewage treatment is provided by MVRD.

**SOLID WASTE FUND**

Administration of contracted services for the collection and disposal of household garbage, yard trimmings and recyclables.

**CEMETERY FUND**

Operation of the Capilano View Cemetery.

**GOLF FUND**

Operation of the Ambleside Par 3 Golf Course and Gleneagles Golf Course.

**TRANSIT BLUE BUS**

Operation of the Blue Bus transit services are contracted to the District, and are completely funded by TransLink.

**LIBRARY FOUNDATION**

Operation and administration of the West Vancouver Memorial Library Foundation.

Schedule 1 and 2, "Segment Information - Revenues by Type and Expenses by Object," presents revenues and expenses for each of the segments noted above. Only direct revenues and expenses are reflected within individual segments. Other revenues (notably property taxation) and expenses not directly arising within specific segments have been shown separately as "Unallocated."

**16. COMMUNITY AMENITY CONTRIBUTIONS**

Three amenity contribution payments were received in 2025. These funds will be used for provision and improvement of community assets.

Civic Address	2025	2024
737 20th Street	37,445	-
2550 Queens Avenue	150,000	-
2237 Palmerston Avenue	280,000	-
1745 and 1747 Marine Drive	-	29,068
325 Keith Road	-	175,125
14 Glenmore Drive	-	205,776
2229 Folkestone Way	-	264,000
	<b>467,445</b>	<b>673,969</b>

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**17. 2025 BUDGET**

The budget amounts presented throughout these consolidated financial statements are based on the budget (referred to as the Financial Plan in the legislation) approved by Council on April 14, 2025, with the exception of the budgets for tangible capital asset (“TCA”) related expenses (maintenance, amortization, write-downs and loss on disposal). The table below reconciles the approved budget to the budget figures reported.

<b>Revenue per Consolidated Statement of Operations</b>	<b>243,467,835</b>
<i>Add back:</i>	
Transfers from Reserves (Net of Development Cost Charges)	225,822,253
Levies from Other Government	114,450,000
Inter-departments charges and other	<u>1,041,816</u>
Subtotal	<u>341,314,069</u>
<b>Approved Five-Year Financial Plan Bylaw No.5381, 2025</b>	<b>584,781,904</b>
<b>Expenses per Consolidated Statement of Operations</b>	<b>219,610,428</b>
<i>Less:</i>	
Tangible Capital Asset Maintenance	7,196,509
Tangible Capital Asset Amortization	19,876,434
Net Gain on Sale of Tangible Capital Asset	<u>(4,005,008)</u>
Subtotal	23,067,935
<i>Add Back:</i>	
Transfers to Reserves	37,659,242
Levies from Other Government	114,450,000
Debt Service - Debt Principal	736,620
Capital	45,188,209
Prior Year Approved Work in Progress	72,523,087
Provision for Reserve Expenditures	116,126,833
Inter-departments charges and other	<u>1,555,420</u>
Subtotal	<u>388,239,411</u>
<b>Approved Five-Year Financial Plan Bylaw No.5381, 2025</b>	<b>584,781,904</b>

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**18. TRUST FUNDS**

Certain assets have been conveyed or assigned to the District to be administered as directed by agreement or statutes. The Cemetery Care Fund is restricted by legislation as to principal amount, interest earnings are available for ongoing maintenance of cemetery grounds as required. Other Trust Funds include funds for various seniors' clubs, community projects and library bequests. The District holds the assets for the benefit of and stands in fiduciary relationship to the beneficiaries. The District excludes trusts it administers from consolidated financial statements.

	<b>2025</b>	2024
Cemetery Care Trust Fund		
Balance, Opening	<b>7,826,914</b>	7,456,745
Additions during year		
Contributions received	<b>366,022</b>	370,169
Interest Earned	<b>326,805</b>	308,623
	<b>8,519,741</b>	8,135,537
Transfer to Cemetery Operations	<b>(326,805)</b>	(308,623)
Balance, Closing	<b>8,192,936</b>	7,826,914
Other Trust Funds	<b>2,246,581</b>	3,923,447
	<b>10,439,517</b>	11,750,361

**19. MEMBERSHIP IN E-COMM EMERGENCY COMMUNICATIONS FOR BRITISH COLUMBIA INCORPORATED (E-Comm)**

The District is a member of E-Comm, an organization comprised predominantly of member municipalities, for the purpose of providing emergency and dispatch services. The District is represented on the Board and, as a Class A shareholder, has voting rights should E-Comm want to incur debt.

The E-Comm facility was constructed using debt as a financing mechanism. Members are liable for their proportionate share of that debt with debt being repaid by members through annual fees charged by E-Comm. Should E-Comm dissolve, members would be liable for a proportionate share of any residual debt. Alternatively, should a member choose to opt out of E-Comm, they would be liable for a proportionate share of the debt at the time of withdrawal. The District holds two Class A shares, and one Class B share.

**20. GOVERNMENT TRANSFERS**

Government transfers are received for operating and capital activities. The operating transfers consist of provincial, federal and other government agencies contributions. Capital transfers are included in other contributions for capital. The source of government transfers are as follows:

	<b>2025</b>	2024
<b>Operating</b>		
Province of BC	<b>788,676</b>	1,151,135
Federal Government of Canada	<b>390,258</b>	277,305
Other government agencies	<b>426,824</b>	388,158
	<b>1,605,758</b>	1,816,598
<b>Capital</b>		
TransLink	<b>32,623</b>	40,022
Province of BC	<b>808,075</b>	178,915
Federal Government of Canada	<b>85,076</b>	144,254
	<b>925,774</b>	363,191
	<b>2,531,532</b>	2,179,789

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**21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

Financial instruments include cash, investments, accounts receivables, restricted investments, accounts payable and accrued liabilities and debt. The District has exposure to the following financial risks from its use of financial instruments: credit risk and interest rate risk.

Management is responsible for safeguarding resources, managing risks, and implementing appropriate policies and framework.

**(a) Credit Risk**

Credit risk refers to the potential for the District to incur financial losses if a third party fails to fulfill its contractual obligations. Primarily, credit risk arises from the District's cash and investments and restricted investments.

Cash is held with banks that have high credit ratings and minimal market risk. Given these high credit ratings, management does not expect any counterparty to fail to meet its obligations.

Investments and restricted investments are held with reputable financial institutions. Management ensures the District's investment policy is followed to mitigate credit risk.

**(b) Interest rate risk**

Changes in interest rates may affect the District's future cash flows or fair market value of financial instruments. Primarily, interest rates risk arises from the District's investments and debts.

The District is taking advantage of current high interest rates by actively investing in longer term GICs as the market conditions indicate rates may flatten out.

**(c) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The District is exposed to market risk in its restricted investments. Management ensures that the investment policy is followed to mitigate market risk.

**(d) Liquidity risk**

Liquidity risk arises when the District is not able to meet its financial obligations when they fall due. The District manages this risk by monitoring actual and forecasted cash flows from operation and budgeted capital expenditures and maintaining a conservative balance in the treasury account as a buffer.

If unexpected cash needs arise beyond this buffer, investments can be quickly liquidated without loss of principal, though investment income may be forfeited. No such event happened in 2025.

There have been no significant changes to the risk exposure from 2024.