



2016

Annual Report

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ABOUT THE DISTRICT OF NORTH VANCOUVER

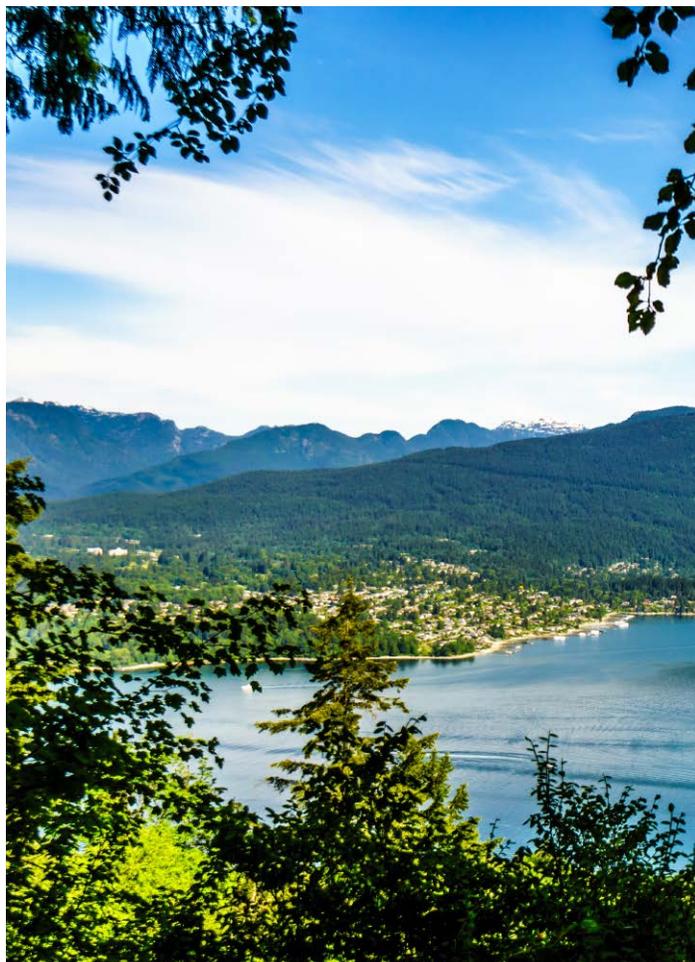
Inspired by nature. Enriched by people.

Located on Metro Vancouver's North Shore, the District of North Vancouver extends from the Capilano River in the west, to Indian Arm in the east, and from Burrard Inlet northwards to the Coast Mountains.

With a population of just over 85,000 and a total land area of just over 16,000 hectares (63 square miles), the District is the largest of the three North Shore municipalities.

With its naturally beautiful surroundings, high quality of life, and close proximity to downtown Vancouver, it is one of Canada's most desirable places to live, work and play.

The District's unique geography and location combine to offer the benefits of simultaneously being part of a dynamic metropolitan region, while living next door to a vast natural wilderness.

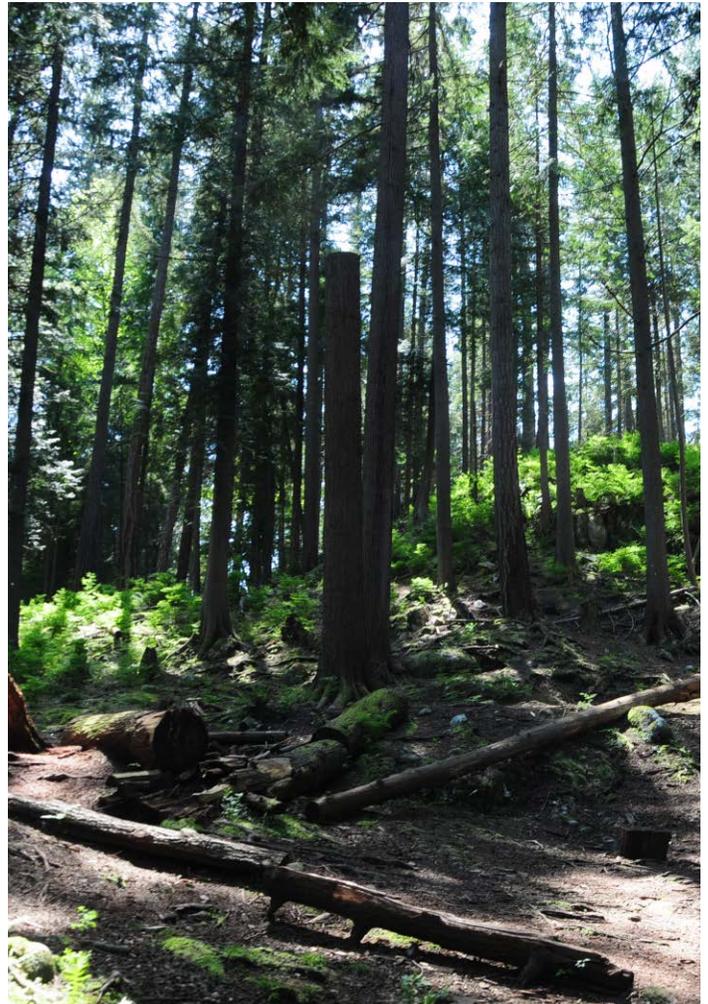


INTRODUCTION

Welcome to the District of North Vancouver's 2016 Annual Report. The format, statutory content and activity measures presented here are consistent with past years, as we continue to use the Corporate Plan as the basis for reporting on past and future District objectives.

The 2016 Annual Report provides all of the elements of annual reporting as outlined in the Community Charter, which include: audited financial statements, permissive tax exemptions, progress reporting on previously stated objectives, a statement of objectives that will measure performance for the current and following year, and information on municipal services and operations. The Community Charter also requires reporting of any declarations of disqualifications of Councillors, if any had occurred, made in the previous year.

This year's Annual Report is offered online in PDF format, and is also available for review at District Hall and at all three District Public Library branches, through public access terminals and in print form.



MESSAGE FROM THE MAYOR



Richard Walton

Every community in Metro Vancouver is feeling the pressures associated with regional growth, and North Vancouver is no exception. The perfect storm of proximity to downtown

Vancouver, rising real estate values, and the stunning North Shore mountains at our back door have made North Vancouver an attractive place to live for an increasing number of people. We can choose to view this in a negative light, or we can see it as an opportunity to make growth and change work to the benefit of our community.

Our Official Community Plan (OCP), adopted in 2011, provides a well-thought out and deeply consulted upon roadmap for shaping change in our community. The past year has seen the District take some definitive steps towards the execution of that plan, while keeping our eyes and minds open to the need for adjustments as we progress.

Our OCP seeks to maintain the character of our

low density neighbourhoods – traditionally home to 70 per cent of our residents – by focussing our community's growth into the four town centres of Lions Gate, Lynn Valley, Lynn Creek and Maplewood. We are well aware of the so-called 'missing middle'; the 20-40 year olds who are unable to remain in, or return to, the District, given the cost of housing. This is not only a societal issue, but an economic issue as well. North Shore businesses are increasingly unable to retain young up-and-coming employees who are leaving for jobs south of the inlet to avoid burdensome commutes. The housing-cost issue is compounded even further for lower income renters.

In response to these challenges, Council began in 2015 to focus beyond the OCP mandate of the creation of town centres, and developed a policy that would ensure the provision of rental and non-market housing. In 2016 Council adopted a new and District-focussed Affordable and Rental Housing Strategy. It provides a foundation for the District to enter into partnerships for development of affordable housing within the four town centres, and Council is now actively assessing opportunities to deliver on this strategy, including three recent development applications which propose to include over 50 affordable rental units.

The other growth-related challenge facing the District is mobility. Traffic congestion on the North Shore intensified markedly in the past few years and the causes are not always what

MESSAGE FROM THE MAYOR

you might expect. In 2016 the District issued 1300 permits for renovation or rebuilds of single family homes. The vast majority of the array of tradespeople who work on these projects are not able to afford to live in the District, so they commute from municipalities south of Burrard Inlet. Every day you can see the army of panel vans from small contracting companies flooding across the Ironworkers Memorial Bridge to come to work, and they all land on the north end of the bridge and the Highway 1 interchange just as District residents are making their morning commute to work and school. The interchange was not designed for the volume or speeds of today's traffic and it is no longer serving the public well.

In 2016 an agreement with the Province of BC and the Government of Canada was finalized to fund the long-awaited and much needed improvements to the Mountain Highway, Highway 1, and Second Narrows Ironworkers Memorial Bridge interchange area. Part of the District's contribution, the replacement and expansion of the Keith Road Bridge, was substantially completed in 2016. The work to fix this troublesome bottleneck in the midst of our community will take several years to complete, but it will separate east-west traffic travelling across the District from the north-south Highway 1 traffic, which will greatly improve mobility in our community. At the same time we are continuing our work to realize the other transportation infrastructure improvements needed to increase options for residents,

contained in the 10-year plan from the Mayors' Council on Regional Transportation.

The work to shepherd change is challenging, can be slow, and oftentimes it is not easy for the public to visibly discern amongst the daily business of keeping a municipality running. Council is indeed paying attention to these bigger picture strategic needs, and providing thoughtful guidance as we move towards our shared vision for the future.

DISTRICT OF NORTH VANCOUVER COUNCIL



(l to r): Jim Hanson, Robin Hicks, Roger Bassam, Mayor Richard Walton, Lisa Muri, Doug MacKay-Dunn, Mathew Bond.

MESSAGE FROM THE CHIEF ADMINISTRATIVE OFFICER



David Stuart

On behalf of the Executive Team, I am pleased to present our 2016 Annual Report. Our Corporate Plan articulates the District's priorities for the 2015-2018 Council term, and it and the Financial Plan

together form the foundation upon which we report our progress in this Annual Report.

This past year has been one of on-the-ground progress for the District as we completed major infrastructure projects and began new initiatives, secured senior government funding partnerships for coming significant public works improvements, consulted with the entire community on the future of public lands, and mounted a record-breaking response to the extended winter weather.

Construction was completed on the Philip Avenue Overpass project, a partnership between three levels of government and two private companies, to improve the flow of rail and truck traffic at the western end of our industrialized waterfront, and reduce noise for

the Norgate residential neighbourhood. The Keith Road Bridge replacement project was also substantively completed in 2016. Fifty per cent of the construction cost is expected to be paid for by Development Cost Charges levied against new residential construction projects in the Town Centres. The new \$53.5M Delbrook Community Recreation Centre continued to take shape, with an anticipated opening in spring 2017. And we began design work for replacement of the Montroyal Bridge, with completion anticipated in early 2018.

We also reached a funding partnership agreement with the Province of B.C. and the Government of Canada for much needed changes to the Mountain Highway/ Highway 1/Ironworkers' Memorial bridgehead system of roadways. This long-awaited suite of improvements will separate east-west traffic in the District from the north-south Highway 1 and bridge traffic, thus removing a significant daily bottleneck in our community's mobility. In the meantime, the District re-allocated funding towards a Major Projects Delivery Office which, with a very small team, manages all impacts to District roadways. We also launched a traffic impacts map on the web, providing residents and businesses with regularly updated information on projects that affect traffic movement across the District.

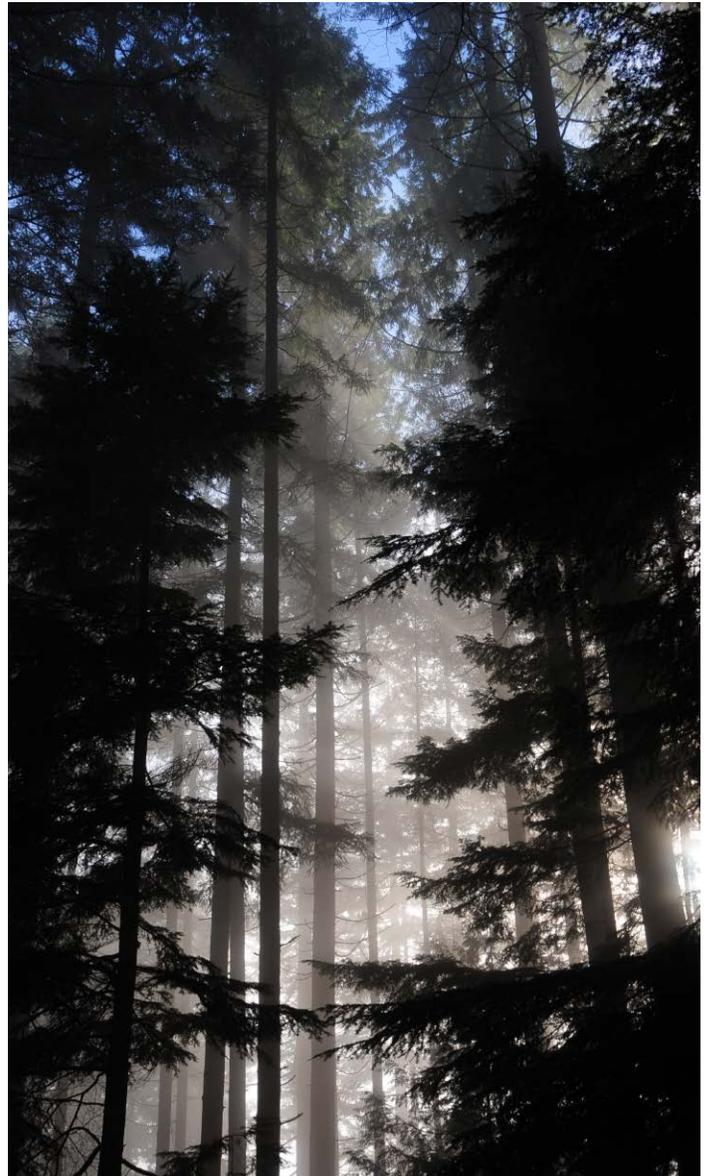
Council adopted a new Affordable and Rental Housing Strategy which provides a foundation for the District to enter into partnerships for

MESSAGE FROM THE CHIEF ADMINISTRATIVE OFFICER

development of affordable housing within the four town centres. The strategy is intended to provide additional detail that will inform existing housing policies in the Official Community Plan, Centres Implementation Plans, and relevant corporate policies. As well, Council adopted a new Residential Tenant Relocation Assistance Policy to help mitigate the impacts of redevelopment in town centres.

The District consulted widely with residents, businesses and stakeholders on the future of the Delbrook Lands and, through a deliberative dialogue process, was able to determine the most widely-supported options for the future of the 1.7 hectare old recreation centre site. Staff will return to Council in 2017 having fully researched the public's preferred options for moving forward.

Our Financial Plan, and related strategies and policies, continue to provide a stable foundation for all our capital and operational undertakings. We proactively monitor the long term funding strategy in relation to growth management, regional influences, and best practices to ensure both the District's financial resilience, and the ability to respond to opportunities for collaboration with private and public partners.



EXECUTIVE TEAM

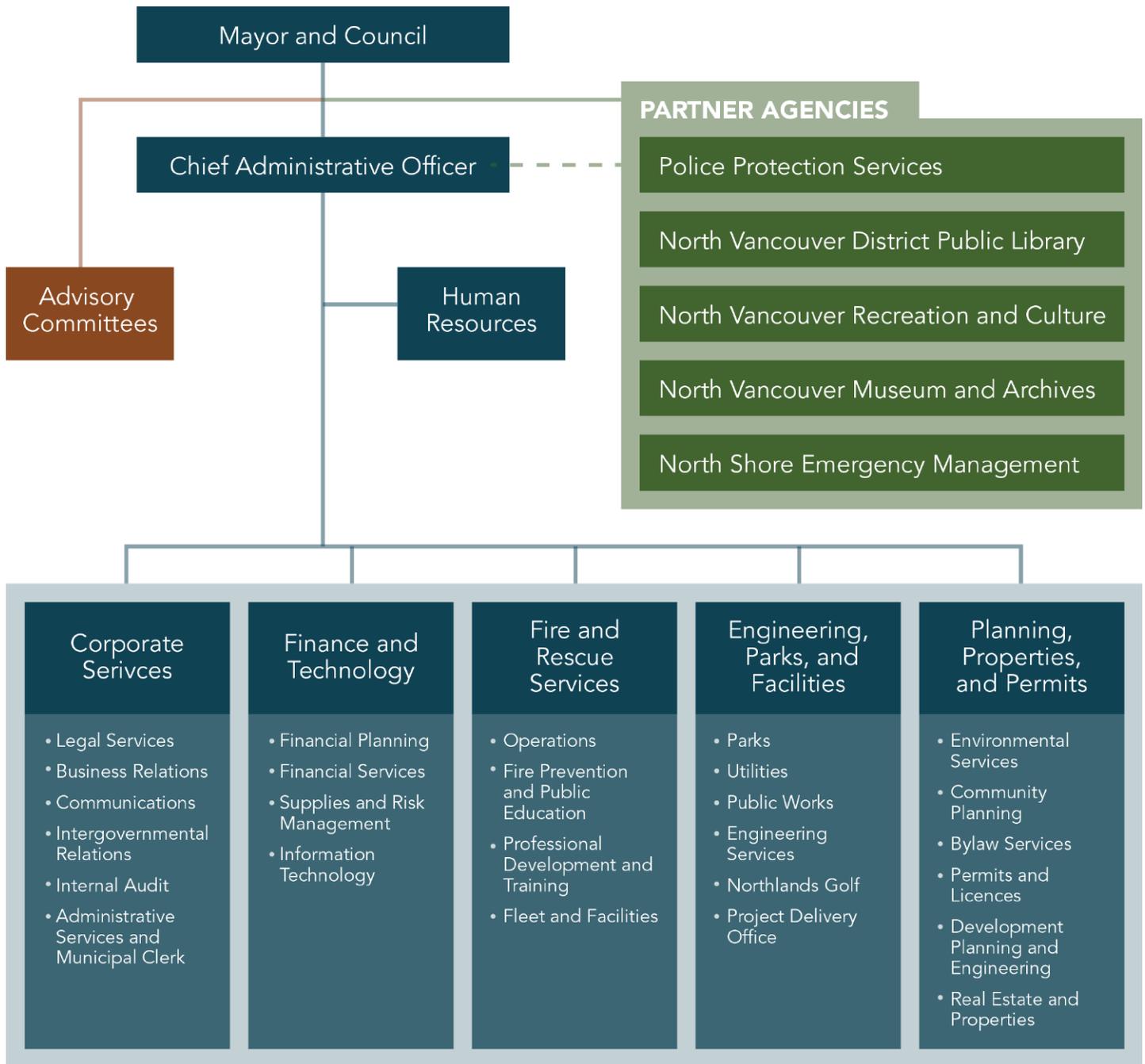


Back Row (l to r): Andy Wardell, Acting Chief Financial Officer; Mike Andrews, Acting Director, North Shore Emergency Management; Gavin Joyce, General Manager, Engineering, Parks & Facilities.

Centre Row (l to r): Saira Walker, Manager, Human Resources; Charlene Grant, General Manager, Corporate Services; Jacqueline van Dyk, Director, Library Services; Dan Milburn, General Manager, Planning, Properties & Permits;

Front Row (l to r): Chris Kennedy, Superintendent, RCMP; Nancy Kirkpatrick, Director, North Vancouver Museum & Archives; David Stuart, Chief Administrative Officer; Heather Turner, Director, Recreation & Culture; Victor Penman, Chief, Fire & Rescue Services.

ORGANIZATIONAL CHART



MESSAGE FROM THE ACTING CHIEF FINANCIAL OFFICER

Mayor Richard Walton and Members of Council District of North Vancouver

Your Worship and Members of Council:

It is my pleasure to submit the Corporation of the District of North Vancouver's ("District") audited Consolidated Financial Statements (the "Financial Statements") for the year ended December 31, 2016.

The preparation and presentation of the Financial Statements and related information in the 2016 Annual Report is the responsibility of the Finance and Technology Division. These Financial Statements have been prepared in accordance with Canadian public sector accounting standards. The Financial Statements have been audited by KPMG LLP, Chartered Professional Accountants who have expressed an unqualified audit opinion on the fairness of the financial information being presented.

The Financial Statements are prepared on an entity basis. The reporting entity is comprised of all organizations accountable to the District for the administration of their affairs and resources, and are owned or controlled by the District. These Financial Statements include the entire operations of the Municipality and the Municipal Public Library and a proportionate interest in a number of joint service agreements with other North Shore municipalities. The District shares in the provision of services where it makes economic or operational sense. Services such

as recreation and culture, museum and archives and emergency preparedness are not under the sole control of the District but have multiple accountability and reporting lines and funding partners. The Financial Statements reflect the District's share of these arrangements.



Andy Wardell

The Notes to the Financial Statements are an integral part of the District's financial information and as such, I encourage you to read them thoroughly. The Notes describe the accounting policies followed by the District and provide additional disclosure of the more significant financial statement items, commitments and contingencies.

The District maintains a system of internal controls designed to provide reasonable assurance for the safeguarding of assets and the reliability of financial records. This system is routinely evaluated and revised to ensure effective controls are operating as intended. The monitoring and assessment of the system

MESSAGE FROM THE ACTING CHIEF FINANCIAL OFFICER

of internal controls is a joint effort between the Chief Financial Officer, the Internal Auditor and the External Auditor within the scope of their engagement.

Financial Results

The Consolidated Statement of Financial Position shows net financial assets of \$92.4 million (a decrease of \$7.0 million over 2015). This decrease is primarily attributable to growth of restricted revenues and security deposits associated with development activity as well as amounts payable to regional governments. Development costs charges are restricted until related project expenditures are incurred. Security deposits are held pending final inspection of related development projects.

The Consolidated Statement of Operations reports a surplus of \$38.5 million. This surplus is a matter of financial presentation. The District raises revenues based on the current replacement value on its existing assets while expenses reflect the depreciation of these assets at historical cost. For the most part, it is this surplus that funds the renewal, upgrade and new assets within our capital plans.

Revenues are higher than budget by \$14.3 million due to higher development revenues and senior government funding for the Philip Avenue Overpass project that completed in 2016. Actual expenses, excluding depreciation of \$15.9 million, are lower than budget by \$6.2 million. The District budget is based upon Provincial legislation that excludes asset depreciation.

Canadian public sector accounting standards however require depreciation. Note 16 to the Financial Statements explains further the reconciling items between the District's budget based on Provincial legislation and the budget reported following Canadian public sector accounting standards.

Accumulated Surplus (Note 10)

Operating Fund

The Operating fund balance is comprised of general surplus and operating reserves which are discretionary appropriations of surplus for specific purposes. The amount to retain in reserves is determined based on risk analysis, historical claim patterns and existing uncertainty with respect to operating contingencies. The 2016 operating reserves have increased \$3.2 million from 2015 as a result of risk assessments, growth in community amenity contributions and the development reserve to mitigate impacts on the community.

Reserve Fund

The District uses three major reserves for the management of its infrastructure, facilities and land base. The "Infrastructure Replacement", the "New Capital and Innovation", and the "Land Opportunity" reserve funds are the mechanisms by which the District replaces and acquires new capital and land assets. The principles embodied in this framework are the preservation of the value of our land base, the prioritized replacement of existing assets and the careful consideration of any new asset additions to

MESSAGE FROM THE ACTING CHIEF FINANCIAL OFFICER

our portfolio. Compared to last year, the total reserve fund has decreased by \$3.5 million. The total reserve balance of \$44.8 million is available with the focus on asset renewal and long term sustainable delivery of District services.

Committed Capital Fund

The balance in the Committed Capital fund is driven by the level of asset acquisition and construction activity during the year. It represents allocated funding for capital spending at a point in time. Given the fact that the District is in a period of growth, combined with an ambitious asset renewal cycle, we anticipate the amount of capital funds committed will continue to be fairly significant over the next few years.

Tangible Capital Assets (Note 9)

The historical value of the District's tangible capital assets represents our investment in infrastructure and facilities over time. Historical value is \$917 million with accumulated depreciation of \$318 million for a net book value of \$600 million. The District owns 95.3 per cent of its tangible capital assets free of long term debt.

Investment Portfolio (Note 3)

Our investment portfolio totals \$219.3 million (2015 - \$216.7 million) and increased due to capital project timing, the receipt of community amenity contributions, and restricted revenues related to development activities.

Soft market conditions of the last few years continue to adversely impact the renewal of maturing long-term investments as these funds

are re-invested at rates much lower than past investment opportunities. Average yield on investments was 1.96 per cent (2015 – 2.09 per cent). Protracted low economic growth continues to push out rising interest rates into future years. The District continues to budget lower interest rates for the short to mid-term horizon.

Current Developments

In conclusion, I would like to acknowledge the members of the Finance and Audit Standing Committee of Council, all municipal staff and in particular the staff of the Finance and Technology Division for their due diligence in governing and managing the financial affairs of the municipality. The Financial Statements are a useful tool in understanding the past performance of the municipality and assessing its challenges. It is our goal to make them accessible and informative to the reader.

Andy Wardell, CPA CGA, MA

Acting Chief Financial Officer and General Manager of Finance and Technology

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements are prepared on an entity basis. The reporting entity is comprised of all organizations accountable to the District for the administration of their affairs and resources, and are owned or controlled from the District. These financial statements include the entire operations of the Municipality, the Municipal Public Library and a proportionate interest in a number of joint service agreements with other North Shore municipalities. The Municipality shares in the provision of services where it makes economic or operational sense. Services such as recreation and culture, museum and archives and emergency preparedness are not under the sole control of the District but have multiple accountability reporting lines and funding partners. These consolidated statements reflect the District's share of these arrangements.



CONSOLIDATED FINANCIAL STATEMENTS

**District of North Vancouver
Consolidated Financial Statements
December 31, 2016**

CONSOLIDATED FINANCIAL STATEMENTS

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CONSOLIDATED FINANCIAL STATEMENTS



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Fax (604) 527-3636

INDEPENDENT AUDITORS' REPORT

To the Mayor and Councilors

We have audited the accompanying consolidated financial statements of the Corporation of the District of North Vancouver, which comprise the consolidated statement of financial position as at December 31, 2016, the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as, evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation of the District of North Vancouver as at December 31, 2016, and its consolidated results of operations, its consolidated changes in its net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants

May 8, 2017
Burnaby, Canada

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.

CONSOLIDATED FINANCIAL STATEMENTS

District of North Vancouver Consolidated Statement of Financial Position December 31, 2016

	2016	2015
Financial assets		
Cash	\$ 6,992,170	\$ 7,182,490
Taxes receivable	3,644,750	3,938,742
Accounts receivable	3,826,472	3,873,459
Due from governments (Note 2)	2,823,041	4,446,404
Investments (Note 3)	219,281,486	216,749,996
MFA debt reserve deposit	801,802	808,145
Inventories held for resale	177,527	113,986
	<u>237,547,248</u>	<u>237,113,222</u>
Financial liabilities		
Accounts payable and accrued liabilities	21,208,676	20,599,324
Due to governments (Note 4)	14,095,110	10,791,045
Restricted revenues (Note 5)	18,003,971	14,785,347
Deferred revenues (Note 6)	23,924,999	22,196,205
Long-term debt (Note 7)	42,658,482	46,650,352
Post-employment benefits (Note 8)	10,070,289	9,752,464
Deposits and other liabilities	15,232,652	13,007,298
	<u>145,194,179</u>	<u>137,782,035</u>
Net financial assets	92,353,069	99,331,187
Non-financial assets		
Prepaid expenses	1,866,719	1,262,368
Inventories held for consumption	1,022,064	934,517
Tangible capital assets (Note 9)	599,528,895	554,748,931
Other assets	245,034	284,327
	<u>602,662,712</u>	<u>557,230,143</u>
Accumulated surplus (Note 10)	\$ 695,015,781	\$ 656,561,330
Commitments and contingencies (Note 13)		


 Andy Wardell, CPA, CGA, MA
 Chief Financial Officer

See accompanying notes to consolidated financial statements

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CONSOLIDATED FINANCIAL STATEMENTS

District of North Vancouver Consolidated Statement of Operations Year Ended December 31

	2016 Budget (Note 16)	2016	2015
Revenues			
Taxation (Note 11)	\$ 93,800,878	\$ 94,392,353	\$ 90,817,647
Sales, fees, and user charges			
Water	24,950,618	24,495,967	24,182,645
Sewer	22,011,021	22,092,097	21,376,578
Solid waste	8,283,868	8,189,926	8,190,802
Parks, recreation and culture	12,470,586	12,254,441	12,212,830
Other	17,062,736	25,513,735	27,031,708
Transfer from governments	4,520,585	8,602,490	14,609,468
Investment income	3,498,032	3,915,166	4,151,143
Land sales and other contributions	5,236,436	6,704,750	13,914,331
	<u>191,834,760</u>	<u>206,160,925</u>	<u>216,487,151</u>
Expenses (Note 12)			
General government	24,804,728	35,214,246	34,612,358
Protective services	42,394,580	42,538,868	39,992,939
Solid waste removal services	7,716,298	7,546,190	7,902,534
Social services	2,556,893	2,338,116	2,690,523
Development services	4,848,020	3,882,785	3,320,252
Transport and other services	7,893,052	8,602,245	6,776,267
Parks, recreation and cultural services	34,928,130	34,206,243	33,495,105
Water utility services	17,223,603	17,497,008	17,305,338
Sewer utility services	15,697,197	15,880,773	15,420,299
	<u>158,062,501</u>	<u>167,706,474</u>	<u>161,515,615</u>
Annual surplus	<u>\$ 33,772,259</u>	<u>38,454,451</u>	<u>54,971,536</u>
Accumulated surplus, beginning of year		<u>656,561,330</u>	<u>601,589,793</u>
Accumulated surplus, end of year		<u>\$ 695,015,781</u>	<u>\$ 656,561,330</u>

See accompanying notes to consolidated financial statements

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CONSOLIDATED FINANCIAL STATEMENTS

District of North Vancouver Consolidated Statement of Cash Flows Year Ended December 31

	2016	2015
Operating transactions		
Annual surplus	\$ 38,454,451	\$ 54,971,536
Non-cash items:		
Depreciation	15,885,125	15,372,913
(Gain) loss on disposal of tangible capital assets	223,076	(8,561,929)
Amortization of other assets	79,650	64,521
Contributed tangible capital assets	(1,778,116)	(4,262,043)
Changes in non-cash assets and liabilities	12,578,903	6,525,539
Cash provided by operating transactions	<u>65,443,089</u>	<u>64,110,538</u>
Capital transactions		
Proceeds on sale of tangible capital assets	304,660	9,993,064
Cash used to acquire tangible capital assets	<u>(59,414,709)</u>	<u>(62,916,791)</u>
Cash applied to capital transactions	<u>(59,110,049)</u>	<u>(52,923,727)</u>
Investing transactions		
Proceeds from portfolio investments	384,668,559	317,017,730
Portfolio investments acquired	<u>(387,200,049)</u>	<u>(354,500,000)</u>
Cash used by investing transactions	<u>(2,531,490)</u>	<u>(37,482,270)</u>
Financing transactions		
Proceeds from debt	-	28,000,000
Debt repayment	<u>(3,991,870)</u>	<u>(1,727,358)</u>
Cash provided by (applied to) financing transactions	<u>(3,991,870)</u>	<u>26,272,642</u>
Increase (decrease) in cash	(190,320)	(22,817)
Cash, beginning of year	<u>7,182,490</u>	<u>7,205,307</u>
Cash, end of year	<u>\$ 6,992,170</u>	<u>\$ 7,182,490</u>

See accompanying notes to consolidated financial statements

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CONSOLIDATED FINANCIAL STATEMENTS

District of North Vancouver Consolidated Statement of Changes in Net Financial Assets Year Ended December 31

	2016 Budget	2016	2015
	(Note 16)		
Annual surplus	\$ 33,772,259	\$ 38,454,451	\$ 54,971,536
Contributed tangible capital assets (Note 9(a))		(1,778,116)	(4,262,043)
Acquisition of tangible capital assets	(53,456,851)	(59,414,709)	(62,916,791)
Depreciation of tangible capital assets		15,885,125	15,372,913
(Gain) loss on disposal of tangible capital assets		223,076	(8,561,929)
Proceeds on disposal of tangible capital assets		304,660	9,993,064
Amortization of other assets		79,650	64,521
	<u>(53,456,851)</u>	<u>(44,700,314)</u>	<u>(50,310,265)</u>
Acquisition of other assets		(40,357)	(117,903)
Acquisition of inventories held for consumption		(1,022,064)	(934,517)
Acquisition of prepaid expenses		(1,866,719)	(1,262,368)
Use of inventories held for consumption		934,517	978,887
Use of prepaid expenses		1,262,368	1,071,757
	<u>-</u>	<u>(732,255)</u>	<u>(264,144)</u>
Change in net financial assets	<u>\$ (19,684,592)</u>	(6,978,118)	4,397,128
Net financial assets, beginning of year		99,331,187	94,934,059
Net financial assets, end of year		<u>\$ 92,353,069</u>	<u>\$ 99,331,187</u>

See accompanying notes to consolidated financial statements

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CONSOLIDATED FINANCIAL STATEMENTS

District of North Vancouver Notes to Consolidated Financial Statements December 31, 2016

1. Significant accounting policies

a) Basis of presentation

The consolidated financial statements of the District of North Vancouver (the District) are prepared by management in accordance with Canadian generally accepted accounting principles for local governments, as prescribed in the CPA Canada Public Sector Accounting Handbook.

b) Basis of consolidation

The consolidated financial statements reflect the assets, liabilities, revenues, expenses and changes in net financial assets and the financial position of the reporting entity.

The reporting entity is comprised of all organizations that are controlled by the District. The financial statements reflect the consolidation of the District's funds with the financial position and results of operations of the District of North Vancouver Municipal Public Library and the District's proportionate interest in the North Vancouver Recreation and Culture Commission, North Vancouver Museum and Archives Commission, North and West Vancouver Emergency Management Office and North and West Vancouver Recycling Services. Inter-organizational transactions and proportionate balances have been eliminated.

c) Segment disclosures

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. Consolidated statements report financial activities by major service. Segment disclosures provide information on the District's services delivered by external entities.

d) Revenue recognition

Revenue is recorded on the accrual basis and is recognized when it is earned. Unearned revenue is reported on the statement of financial position as either deferred revenues or deposits and other liabilities. Property tax revenue is recognized on the accrual basis using the approved mill rates and the assessment related to each year.

e) Expense recognition

Expenses are recognized on an accrual basis by the receipt of goods and services or the creation of an obligation to pay.

f) Fund accounting

Funds within the consolidated financial statements consist of operating, capital and reserve funds. Transfers between funds are recorded as adjustments to the appropriate fund balance. All interfund assets and liabilities and financial operations have been eliminated in the consolidated financial statements. The funds consist of the following:

i) Operating fund

These funds include the General, Water and Sewer Operating funds as well as the operating fund of the District of North Vancouver Municipal Public Library and the District's interest in the operating fund of the North Vancouver Recreation and Culture Commission, North Vancouver Museum and Archives Commission, North and West Vancouver Emergency Management Office and North and West Vancouver Recycling Services. They are used to record the operating assets, liabilities, revenues and expenses of the District.

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CONSOLIDATED FINANCIAL STATEMENTS

District of North Vancouver Notes to Consolidated Financial Statements December 31, 2016

1. Significant accounting policies, continued

ii) Reserve fund

Under the Community Charter of British Columbia, Council may, by bylaw, establish reserve funds for specified purposes. Money in a reserve fund, and interest earned thereon, must be expended only for the purpose for which the fund was established or as is otherwise permitted by the Community Charter.

iii) Capital fund

These funds include the General, Water and Sewer Capital funds as well as the Capital fund of the District of North Vancouver Municipal Public Library. They are used to record the acquisition and construction costs of tangible capital assets and any related debt outstanding.

g) Other taxing jurisdictions

The assets, liabilities, taxation, other revenues and expenses with respect to the operations of other taxing jurisdictions including the provincial school system and the Greater Vancouver Regional District are not reflected in these financial statements.

h) Investments

Investments are recorded at cost plus accrued interest receivable and net of amortized discounts or premiums.

i) Inventories held for resale

Inventories held for resale are valued at the lower of cost or net realizable value. Cost is determined on a weighted average basis.

j) Restricted revenues

Revenues which are restricted by the legislation of senior governments or by agreement with external parties are deferred and reported as restricted revenue. When qualifying expenses are incurred, restricted revenue is recognized as revenue at amounts equal to the qualifying expenses.

k) Deferred revenues

Revenues received in advance of services to be provided are deferred until they are earned by the provision of those services.

l) 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. They include prepaid expenses, inventories held for consumption, tangible capital assets and other assets.

i) Inventories held for consumption

Inventories of supplies held for consumption are recorded at the lower of cost and replacement cost. Cost is determined on a weighted average basis.

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CONSOLIDATED FINANCIAL STATEMENTS

District of North Vancouver Notes to Consolidated Financial Statements December 31, 2016

1. Significant accounting policies, continued

ii) Tangible capital assets

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

<u>Asset Category</u>	<u>Useful Lives (Years)</u>
Land improvements	5 - 100
Buildings and building improvements	15 - 40
Vehicles	3 - 25
Furniture and equipment	2 - 30
Water and waste water infrastructure	15 - 100
Road infrastructure	
- Base	75
- Surface	16 - 80
- Other infrastructure	12 - 100
Library Collection	2 - 10

Assets under construction are not depreciated until the asset is placed in service.

a) Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair market value at the date of receipt and also are recorded as revenue when received.

b) Natural resources

Natural resources that have not been purchased are not recognized as assets in the financial statements.

c) Works of art and historic assets

The District manages and controls various works of art and non-operational historical cultural assets including artifacts, paintings and sculptures located at District sites and public display areas. These assets are not recorded as tangible capital assets and are not depreciated.

d) Leased tangible capital assets

Leases which transfer substantially all the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

iii) Other assets

Commissions, free rent and lease inducements are deferred and amortized over the first term of the lease agreement, which is typically five years. Any expenses related to a tenant that vacates prior to the end of their lease are written off immediately.

CONSOLIDATED FINANCIAL STATEMENTS

District of North Vancouver Notes to Consolidated Financial Statements December 31, 2016

1. Significant accounting policies, continued

m) Capitalization of interest

Interest is capitalized whenever external debt is issued to finance the construction of assets. When internal funds are utilized as an interim measure prior to issuing the authorized debt, interest is capitalized based on a weighted average cost of borrowing.

n) Use of accounting estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of post-employment benefits, allowance for doubtful accounts receivable, useful lives of tangible capital assets, and provision for contingencies. Actual results could differ from those estimates. Adjustments, if any, will be reflected in the financial statements in the year that the change in estimate is made, as well as in the year of settlement if the amount is different.

o) Contaminated Sites

A liability for contaminated sites is recognized when a site is not in productive use and the following criteria are met:

- i. An environmental standard exists;
- ii. Contamination exceeds the environmental standard;
- iii. The District is directly responsible or accepts responsibility;
- iv. It is expected that future economic benefits will be given up; and
- v. A reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

2. Due from governments

	2016	2015
Due from Federal Government	\$ 1,524,266	\$ 2,775,923
Due from Provincial Government	499,355	1,175,489
Due from Regional Governments	799,420	494,992
	<u>\$ 2,823,041</u>	<u>\$ 4,446,404</u>

CONSOLIDATED FINANCIAL STATEMENTS

District of North Vancouver Notes to Consolidated Financial Statements December 31, 2016

3. Investments

	2016	2015
Investments consist of:		
(average rate of return 1.96% (2015 - 2.09%))		
Municipal Finance Authority	\$ 417,415	\$ 414,124
Business Investment Savings Account	14,024,987	15,805,454
Bank and Credit Union notes & deposits	204,839,084	200,530,418
	<u>\$ 219,281,486</u>	<u>\$ 216,749,996</u>

4. Due to governments

	2016	2015
Due to Federal Government	\$ 4,639,409	\$ 4,315,306
Due to Provincial Government	1,333,975	932,250
Due to Regional Governments	8,121,726	5,543,489
	<u>\$ 14,095,110</u>	<u>\$ 10,791,045</u>

5. Restricted revenues

Restricted revenues are comprised mainly of Development Cost Charges that are collected to pay for the general capital and utility expenses due to development. In accordance with the Community Charter, these funds are deposited into separate accounts. When the related expenses are incurred, the Development Cost charges are then recognized as revenue.

	2016	2015
Development cost charges		
Water	\$ 1,190,304	\$ 911,421
Sewer	1,252,724	759,750
Drainage	896,306	648,547
Roads	1,182,547	132,297
Parks	9,532,974	8,590,209
	<u>14,054,855</u>	<u>11,042,224</u>
Restricted donations and other	3,218,682	3,051,490
Community amenity contribution	464,097	430,416
Developer parkland reserve contributions	266,337	261,217
	<u>\$ 18,003,971</u>	<u>\$ 14,785,347</u>

CONSOLIDATED FINANCIAL STATEMENTS

District of North Vancouver Notes to Consolidated Financial Statements December 31, 2016

5. Restricted revenues, continued

Development cost charges:

In accordance with section 569 of the Local Government Act 2015 Annual Development Cost Charges include the following, reported for each purpose under section 559 (2) and (3) for which the local government imposes the Development Cost Charges in the applicable year:

- i. The amount of development cost charges received;
- ii. The expenditures from the development cost charge reserve funds;
- iii. The balance in the development cost charge reserve fund at the start and at the end of the applicable year;
- iv. Any waivers and reductions under section 533 (2).

	Roads	Parks	Water	Sewer	Drainage	Total
Balance, Beginning of year	\$ 132,297	8,590,209	911,421	759,750	648,547	\$ 11,042,224
Add:						
Interest Income	12,760	175,884	20,397	19,531	14,993	243,565
Dev Cost Charges collected	1,479,370	926,656	1,007,589	853,757	637,395	4,904,767
Deduct:						
Acquisition of tangible capital assets	441,880	159,775	749,103	380,314	404,629	2,135,701
Balance, End of year	\$ 1,182,547	9,532,974	1,190,304	1,252,724	896,306	\$ 14,054,855

DCC Waivers - None in 2016

6. Deferred revenues

	2016	2015
Prepaid taxes	\$ 16,202,091	\$ 16,004,518
Contributions for future use	2,026,201	1,444,967
Memberships, fees and other revenues	5,696,707	4,746,720
	<u>\$ 23,924,999</u>	<u>\$ 22,196,205</u>

CONSOLIDATED FINANCIAL STATEMENTS

District of North Vancouver
Notes to Consolidated Financial Statements
December 31, 2016

7. Long-term debt

The District finances certain tangible capital acquisitions through the Municipal Finance Authority in accordance with the Community Charter. The District makes payments to sinking funds related to its debt. Sinking fund balances, managed by the Municipal Finance Authority, are netted against related long-term debt.

Debt principal is reported net of sinking fund balances. The District carries no debt for others. The total debt issued and outstanding, net of sinking fund balance as at December 31, 2016 was \$42,658,482 (2015 - \$46,650,352).

Future payments on net outstanding debt over the next five years and thereafter are as follows:

<u>Year</u>		
2017	\$	4,206,282
2018		4,206,282
2019		3,150,971
2020		3,150,971
2021		3,150,971
Thereafter		48,260,184
Principal and interest payments		66,125,661
Amount representing interest		(23,467,179)
Total debt owing	\$	<u>42,658,482</u>

The District paid \$2,218,149 (2015 - \$2,117,153 net of interest capitalized) in interest on long-term debt during the year. Interest rates on long-term debt range from 2.20% to 5.77%.

CONSOLIDATED FINANCIAL STATEMENTS

District of North Vancouver Notes to Consolidated Financial Statements December 31, 2016

8. Post-employment benefits

As per the terms of the various Collective Agreements and compensation policies, the District provides its employees with sick days and certain employee benefits on termination and retirement. These include service severance pay based on years of service and a full year's vacation entitlement in the year of retirement.

The District uses an actuarial valuation to determine the estimated value of post-employment benefits. The most recent full actuarial valuation was completed as at December 31, 2014 and has been updated to December 31, 2016.

	2016	2015
Accrued benefit obligation:		
Balance, beginning of year	\$ 10,018,302	\$ 9,976,204
Current service cost	809,906	783,072
Interest Cost	322,035	317,402
Benefits paid	(851,274)	(1,004,540)
Actuarial (gain)	(195,469)	(53,836)
Balance, end of year	<u>\$ 10,103,500</u>	<u>\$ 10,018,302</u>

Actuarial gains and losses are amortized over 8 - 10 years, being the expected average remaining service period of the related employee group, commencing the year after the gain or loss arises.

	2016	2015
Accrued benefit obligation:		
Liability, end of year	\$ 10,103,500	\$ 10,018,302
Unamortized actuarial (gain)	(118,461)	(384,998)
Other employee benefit liabilities	85,250	119,160
Accrued benefit liability, end of year	<u>\$ 10,070,289</u>	<u>\$ 9,752,464</u>

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

	2016	2015
Discount rate	3.30%	3.10%
Expected future inflation rates	2.50%	2.50%
Expected wage increases	2.58 - 4.63%	2.58 - 4.63%

CONSOLIDATED FINANCIAL STATEMENTS

District of North Vancouver Notes to Consolidated Financial Statements December 31, 2016

9. Tangible capital assets

Cost	Balance at December 31, 2015	Additions	Disposals	Balance at December 31, 2016
Land	\$ 145,491,237	\$ 7,016,419	(150,864)	\$ 152,356,792
Buildings	142,552,655	2,037,038	(191,883)	144,397,810
Furniture, Equipment and vehicles	35,287,721	4,194,691	(1,372,254)	38,110,158
Roads	181,477,340	32,639,426	(2,069,652)	212,047,114
Water	115,708,225	5,303,096	(361,552)	120,649,769
Sewer	64,567,738	586,090	(129,768)	65,024,060
Drainage	107,079,905	2,188,648	(100,758)	109,167,795
Library Collection	4,451,278	561,064	(621,388)	4,390,954
Assets Under Construction	64,265,411	6,666,353	-	70,931,764
Total	\$ 860,881,510	\$ 61,192,825	\$ (4,998,119)	\$ 917,076,216

Accumulated depreciation	Balance at December 31, 2015	Depreciation for the year	Disposals	Balance at December 31, 2016
Land	\$ 31,235,863	\$ 1,884,512	(148,082)	\$ 32,972,293
Buildings	65,953,307	3,391,973	(189,468)	69,155,812
Furniture, Equipment and vehicles	21,538,824	2,405,458	(1,277,909)	22,666,373
Roads	93,501,068	4,315,669	(1,794,750)	96,021,987
Water	25,007,469	1,306,484	(348,029)	25,965,924
Sewer	26,933,009	912,684	(71,227)	27,774,466
Drainage	38,738,008	1,256,408	(100,758)	39,893,658
Library Collection	3,225,031	411,937	(540,160)	3,096,808
Assets Under Construction	-	-	-	-
Total	\$ 306,132,579	\$ 15,885,125	\$ (4,470,383)	\$ 317,547,321

	Net book value, December 31, 2015	Net book value, December 31, 2016
Land	\$ 114,255,374	\$ 119,384,499
Buildings	76,599,348	75,241,998
Furniture, Equipment and vehicles	13,748,897	15,443,785
Roads	87,976,272	116,025,127
Water	90,700,756	94,683,845
Sewer	37,634,729	37,249,594
Drainage	68,341,897	69,274,137
Library Collection	1,226,247	1,294,146
Assets Under Construction	64,265,411	70,931,764
Total	\$ 554,748,931	\$ 599,528,895

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CONSOLIDATED FINANCIAL STATEMENTS

District of North Vancouver
Notes to Consolidated Financial Statements
December 31, 2016

9. Tangible capital assets, continued**a) Contributed tangible capital assets**

Contributed tangible capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is as follows:

	2016	2015
Land	\$ 475,000	\$ 2,171,370
Roads	942,801	1,573,235
Water	59,232	199,030
Sewer	53,221	103,525
Drainage	247,862	214,883
	<u>\$ 1,778,116</u>	<u>\$ 4,262,043</u>

b) Tangible capital assets disclosed at nominal value

Where an estimate of fair value could not be made, the tangible capital asset was recognized at a nominal value. Land is the only category where nominal values were assigned.

c) Write-down of tangible capital assets

The write-down of tangible capital assets during the year was \$nil (2015 - \$nil).

CONSOLIDATED FINANCIAL STATEMENTS

District of North Vancouver Notes to Consolidated Financial Statements December 31, 2016

10. Accumulated surplus

a) The Operating fund is comprised of the following:

	2016	2015
Operating reserves:		
Working capital	\$ 2,684,294	\$ 2,734,294
Assessment appeal and property tax	3,473,000	3,183,000
Protective services emergency reserve	4,108,789	2,887,129
Future expenditures	1,977,966	3,813,708
Auto, fire and liability insurance	950,000	2,070,483
Recycling and sanitation stabilization	858,366	3,568,815
Community amenity contributions	8,566,159	3,857,164
Development stabilization reserve	4,718,835	2,000,000
District of North Vancouver Municipal Public Library	130,020	246,650
North Vancouver Recreation & Culture Commission	60,003	73,336
North Vancouver Museum and Archives	47,614	(43,627)
North Shore Emergency Management Office	93,883	103,920
Total operating reserves	<u>27,668,929</u>	<u>24,494,872</u>
Surplus contributed from:		
General municipal operations	4,924,105	4,773,769
Water utility operations	6,899,624	5,638,982
Sewer utility operations	12,809,583	8,214,803
District of North Vancouver Municipal Public Library	397,519	397,523
Total operating surplus	<u>25,030,831</u>	<u>19,025,077</u>
Equity in tangible capital assets	<u>556,870,990</u>	<u>535,347,964</u>

b) The Reserve fund is comprised of the following:

Land opportunity	3,260,276	7,929,814
New capital and innovation	4,653,336	3,963,777
Infrastructure replacement	21,646,617	23,333,673
Local improvement	3,849,374	3,743,031
Equipment replacement	10,885,645	8,886,376
Public art	394,541	293,572
Trails	140,596	137,893
Traffic management	2,445	2,398
Total reserve funds	<u>44,832,830</u>	<u>48,290,534</u>

c) The Committed Capital fund is comprised of the following:

Land and improvements	2,329,458	1,271,059
Buildings	5,911,178	2,826,148
Furniture, equipment and vehicle	8,810,776	3,786,061
Roads	12,030,237	9,730,149
Water	1,240,282	2,505,606
Sewer	1,769,696	1,156,582
Drainage	1,267,203	1,382,613
Future major repair and maintenance	6,706,599	6,330,892
Other	546,772	413,773
Total capital funds	<u>40,612,201</u>	<u>29,402,883</u>
Accumulated surplus	<u>\$ 695,015,781</u>	<u>\$ 656,561,330</u>

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CONSOLIDATED FINANCIAL STATEMENTS

District of North Vancouver Notes to Consolidated Financial Statements December 31, 2016

11. Taxation

In addition to levying and collecting property tax for municipal purposes, the District is required to levy and collect taxes on behalf of other jurisdictions.

	2016 Budget	2016 Actual	2015 Actual
Gross taxes levied on property	\$ 158,608,978	\$ 159,139,606	\$ 152,906,236
Deduct:			
Taxes levied and collected on behalf of other jurisdictions			
Province of B.C. – school taxes	52,666,525	52,659,357	50,418,871
Translink	11,795,286	11,793,289	11,460,450
B.C. Assessment	2,133,020	2,132,834	2,018,775
GVRD	1,908,349	1,908,237	1,809,915
Municipal Finance Authority	7,320	7,320	6,350
	<u>68,510,500</u>	<u>68,501,037</u>	<u>65,714,361</u>
Add:			
Payment in lieu of taxes	3,702,400	3,753,784	3,625,772
Net taxes for municipal purposes	<u>\$ 93,800,878</u>	<u>\$ 94,392,353</u>	<u>\$ 90,817,647</u>

12. Expenses by object

Expenses by object were comprised of the following:

	2016 Budget	2016 Actual	2015 Actual
Salaries and benefits	\$ 77,215,752	\$ 77,194,993	\$ 72,983,408
Goods and materials	4,614,399	5,059,946	4,967,368
Building and grounds	11,514,411	8,776,580	8,208,998
Equipment costs	2,765,614	3,393,310	3,657,295
Service costs	662,129	624,081	575,579
Administrative costs	13,779,047	10,316,984	10,081,161
Contract services	43,730,373	42,750,757	41,740,680
Grants	1,790,408	1,786,692	1,811,060
Debt interest	1,990,367	1,918,006	2,117,153
Depreciation	-	15,885,125	15,372,913
	<u>\$ 158,062,501</u>	<u>\$ 167,706,474</u>	<u>\$ 161,515,615</u>

District of North Vancouver
Notes to Consolidated Financial Statements
December 31, 2016

13. Commitments and contingencies**a) Contingent liabilities**

The District, as a member of the Greater Vancouver Regional District, the Greater Vancouver Sewerage and Drainage District and the Greater Vancouver Water 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.

b) Pension liability

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 the assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2015, the plan has about 189,000 active members and approximately 85,000 retired members. Active members include approximately 850 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 is then adjusted to the extent there is amortization of any funding deficit.

The most recent valuation for the Municipal Pension Plan as of December 31, 2015, indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2018 with results available in 2019. 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 \$6,432,494 (2015 - \$5,612,498) for employer contributions to the plan in fiscal 2016.

c) Third party claims and property tax appeals

Several claims have been initiated against the District in varying or unspecified amounts. In addition, several property tax appeals have been filed with BC Assessment and are pending at December 31, 2016. Any amounts payable in addition to the accrued amounts, if any, arising from the claims and the appeals will be recorded in the year in which the amount is determinable. Reserves have been established to fund potential additional unfavourable results.

CONSOLIDATED FINANCIAL STATEMENTS

District of North Vancouver Notes to Consolidated Financial Statements December 31, 2016

13. Commitments and contingencies, continued

d) Insurance

Effective January 1, 2002, "errors and omissions" insurance coverage for damages resulting from water penetration into buildings inspected by municipal staff is no longer available. Claims presented to the District prior to January 1, 2002 are covered under the insurance policy in effect at the time of the claim. The District's exposure to these claims will not exceed the aggregate of its deductible limit of \$100,000 per occurrence. The District's exposure to any future claims of this nature cannot reasonably be determined at this time. Accordingly, no liability has been recorded in the accounts for those potential future actions. The amount of the loss, if any, arising from these potential claims will be recorded in the year in which the loss is realized.

e) Contractual obligations

The District has entered into an agreement with a facility manager to manage a recreational facility for a period of 5 years commencing September 1, 1998 and renewable at the option of the facility manager for further 5-year terms to August 31, 2048. As part of the agreement the District has committed to the payment of 2,800 hours of facility rental for each year ended August 31st. For the year ended December 31, 2016, the District's liability is estimated at \$592,742. For succeeding years, this amount will be adjusted by any change in the Vancouver average all-in consumer price index for the previous year.

14. Performance deposits

In addition to cash deposits, the District is holding irrevocable Letters of Credit in the amount of \$39,447,487 (2015 - \$17,482,655), which were received from depositors to ensure their performance of works to be undertaken within the District. These amounts are not reflected in these financial statements.

15. Segment disclosures

The District has adopted a basis of segmentation that reflects the different accountability and control relationships between itself and a number of external entities that deliver municipal services on its behalf. The results of operations of the external entities are presented on a 100% basis to disclose the entire cost of providing the service with the District's municipal share shown separately in the narrative.

a) Water and Sewer and Drainage Utilities

The services for the Water and Sewer and Drainage Utilities were established by Bylaws 2279 and 6656 respectively. Utilities are operating self-funding entities based on a fee for service model. The District collected \$46,963,104 (2015 - \$46,180,221) in fees for the provision of water and sanitation services.

b) District of North Vancouver Municipal Public Library

The District of North Vancouver Municipal Public Library (Library) was established under the Library Act of British Columbia in 1963. The Library is governed by a Board of Trustees appointed by Council. The Library operation is entirely funded by the District of North Vancouver. In 2016, the District's contribution to library services was \$5,713,134 (2015 - \$5,742,324).

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District of North Vancouver
Notes to Consolidated Financial Statements
December 31, 2016

c) North Vancouver Recreation & Culture Commission

The North Vancouver Recreation & Culture Commission (NVRC) was established under an agreement between the District and the City of North Vancouver in 1970. The agreement was approved as Bylaw 4044 which enacts the structure of the NVRC. The NVRC operation is funded by both municipalities based on an allocation formula which approximates facility usage by the residents. In 2016, the District's net contribution to recreation was \$8,921,319 (2015 - \$8,440,378).

d) North Vancouver Museum and Archives Commission

The North Vancouver Museum and Archives Commission (M & A) was established by agreement between the District and City of North Vancouver in 1995. The agreement created a joint civic properties commission to serve as a custodian of both municipalities' cultural, archival and museum collection. The M & A operation is funded equally by both municipalities. In 2016, the District's net contribution to museum and archive services was \$524,325 (2015 - \$522,194).

e) North and West Vancouver Emergency Program

The North and West Vancouver Emergency Program, commonly known as the North Shore Emergency Management (NSEM), was established under the Emergency Program Act in 1988. The agreement between the Districts of North Vancouver and West Vancouver and the City of North Vancouver was approved as Bylaw 6093. The NSEM is funded by all three municipalities in proportion to their population as determined by census. In 2016, the District's net contribution to emergency preparedness was \$414,661 (2015 - \$406,823).

CONSOLIDATED FINANCIAL STATEMENTS

District of North Vancouver Notes to Consolidated Financial Statements December 31, 2016

Statement of Segmented Operations:

	Revenues	Expenses			Annual Surplus (Deficit)	
		Salaries & Benefits	Other Expenses	Depreciation		Total
Municipal Operation	\$ 144,561,145	\$ 55,971,806	\$ 51,889,427	\$ 11,781,403	119,642,636	\$ 24,918,509
Utilities	47,285,029	5,409,603	28,065,220	3,557,328	37,032,151	10,252,878
Library	6,221,341	4,385,463	1,154,118	541,010	6,080,591	140,750
NVRC	25,510,739	18,607,475	6,044,239	-	24,651,714	859,025
M & A	1,163,422	705,649	432,192	-	1,137,841	25,581
NSEM	901,877	614,199	328,003	11,170	953,372	(51,495)
Recycling	525,829	409,246	116,583	-	525,829	-
Eliminations	(20,008,457)	(7,095,399)	(15,216,475)	(5,786)	(22,317,660)	2,309,203
2016	<u>\$ 206,160,925</u>	<u>\$ 79,008,042</u>	<u>\$ 72,813,307</u>	<u>\$ 15,885,125</u>	<u>\$ 167,706,474</u>	<u>\$ 38,454,451</u>
2015	<u>\$ 216,487,151</u>	<u>\$ 72,983,408</u>	<u>\$ 73,159,294</u>	<u>\$ 15,372,913</u>	<u>\$ 161,515,615</u>	<u>\$ 54,971,536</u>

CONSOLIDATED FINANCIAL STATEMENTS

District of North Vancouver Notes to Consolidated Financial Statements December 31, 2016

16. Budget figures

The operating and capital budget figures, presented on a basis consistent with that used for actual results, were approved by Council as the 2016 - 2020 Financial Plan Approval Bylaw No. 8176. Depreciation was not included on development of the budget and, as such, has not been included. The chart below reconciles the approved budget to the budget figures reported in these financial statements.

	Budget
Revenues	
Operating budget	\$ 229,623,177
Capital budget	6,540,885
Proceeds from debt	-
Total revenue per approved budget	<u>236,164,062</u>
Less:	
Transfers from other funds	(44,245,692)
Development cost charges funding not recognized current year	-
Inter-agency eliminations	(83,610)
Proceeds from debt	-
Total revenues, as reported	<u>191,834,760</u>
Expenses	
Operating budget	173,454,730
Capital budget	<u>62,709,332</u>
Total expenses per approved budget	236,164,062
Less:	
Transfers to other funds	(21,204,824)
Inter-agency eliminations	(163,002)
Capital expenses, including major repair and maintenance	(62,709,332)
Debt principal repayment	(3,276,884)
Operating repair and maintenance funded as capital expenses	<u>9,252,481</u>
Total expenses as reported	<u>158,062,501</u>
Annual surplus, per Consolidated Statement of Operations	<u>\$ 33,772,259</u>

Council approved an amended budget Bylaw 8201 on November 21, 2016 which increased approved funding for various capital projects funded from reserves and surplus in the amount of \$8,299,800.

PERMISSIVE TAX EXEMPTIONS

The Community Charter provides municipalities with the authority to exempt certain lands and/or improvements from municipal property taxation as part of a broader strategy to advance the values of the community. An independent committee comprised of District staff and citizens make the recommendation for eligibility based on guidelines endorsed by Council.

Among the numerous factors considered are the non-profit status of the applicant, its targeting of services to the residents of the municipality, volunteer participation, financial accountability, and the ability of the organization to attract funding from other sources. The municipal Annual Report must provide a listing of these exemptions, including the amount of property tax that would have been imposed had the exemption not been granted.

PERMISSIVE TAX EXEMPTIONS

DISTRICT OF NORTH VANCOUVER
 PERMISSIVE TAX EXEMPTIONS
 FOR THE YEAR ENDED DECEMBER 31, 2016

APPLICANT	ADDRESS	2016 MUNICIPAL TAXES EXEMPT PORTION
Aga Khan Foundation Canada	1150 Gladwin Drive	\$47,093
Canadian Mental Health Association	1573 Arborlynn Drive	2,149
Canadian Mental Health Association	1198 Harold Road	1,881
Capilano Tennis Club	2500 Capilano Road	7,727
Change the World Foundation (Harvest Project)	1071-1091 Roosevelt Crescent	16,170
Community Living Society	2985 Newmarket Drive	3,884
Community Living Society	4537 Capilano Road	2,286
Community Living Society	3091 Paisley Road	2,926
Community Living Society	3660 Maginnis Avenue	2,257
Community Living Society	1075 Frederick Road	1,974
Community Living Society	1680 Ross Road	2,115
Community Living Society	3636 Norwood Avenue	2,507
Deep Cove Cultural Society	4360 Gallant Avenue	16,626
Deep Cove Rowing Club	2156 Banbury Road	4,635
Delbrook Partnership for Quality Childcare Association	3111 Stanley Avenue	564
Family Services of the North Shore	399 Seymour River Place	3,777
Greater Vancouver Community Services Society	3403 Mount Seymour Parkway	1,872
Greater Vancouver Community Services Society	1693 Coleman Street	2,109
Greater Vancouver Water District	Capilano River Regional Park	18,184
Hollyburn Family Services Society	That portion of Lot A, Block 7, District Lot 193, Plan 12218, PID: 005-411-483	2,599
Hollyburn Family Services Society	3212 Mount Seymour Parkway	1,808
Hollyburn Family Services Society	3218 Mount Seymour Parkway	1,930
Kiwanis Seniors Citizens Homes Ltd.	2555 Whiteley Court	72,732
Lowland Senior Citizens Housing Society	1335 East 27th Street	28,746
Lynn Valley Parent Participation Preschool	3220 Mountain Highway	721
Lynn Valley Services Society, Mollie Nye House	940 Lynn Valley Road	1,703
North Shore Connexions Society	2490 Edgemont Boulevard	2,310
North Shore Connexions Society	4410 Capilano Road	2,492
North Shore Connexions Society	1240 Barlynn Crescent	2,597
North Shore Connexions Society	1904 Peters Road	2,422
North Shore Crisis Services Society	That portion of Lot 2, District Lot 2087, Plan LMP 24090, PID: 023-125-578	3,257

PERMISSIVE TAX EXEMPTIONS

DISTRICT OF NORTH VANCOUVER
 PERMISSIVE TAX EXEMPTIONS
 FOR THE YEAR ENDED DECEMBER 31, 2016

APPLICANT	ADDRESS	2016 MUNICIPAL TAXES EXEMPT PORTION
North Shore Disability Resource Centre Foundation	3158 Mountain Highway	1,813
North Shore Disability Resource Centre Foundation	3140 Mountain Highway	8,358
North Shore Disability Resource Centre Association	5793 Nancy Greene Way	2,838
North Shore Disability Resource Centre Association	4060 Shone Road	2,487
North Shore Disability Resource Centre Association	4338 Quinton Place	4,100
North Shore Neighbourhood House	3361 Mountain Highway	1,718
North Vancouver Community Players	815 East 11th Street	12,087
North Vancouver Museum and Archives (Warehouse Facility)	1480 and 1482 Columbia Street	10,948
Parkgate Community Health Centre	3625 Banff Court	20,740
Parkgate Community Services Society	949 Lytton Street	10,370
RNB Dance & Theatre Arts Society	3355 Mountain Highway	16,692
RNB Dance & Theatre Arts Society	151/155 - 1233 Lynn Valley Road	8,700
Seymour Heights Parent Participation Preschool Association	800 Lytton Street	708
St Pius X Church	1150 Mount Seymour Road	8,159
St Stephen's Church	1330 East 24th Street	5,377
St. John Society (B.C. and Yukon)	106/107 - 223 Mountain Highway	7,706
St. John Society (B.C. and Yukon)	108 - 223 Mountain Highway	2,314
The Corporation of the District of West Vancouver	Parkland	9,347
The Corporation of the District of West Vancouver	Parkland	3,675
The Corporation of the District of West Vancouver	Parkland	1,999
The Royal Canadian Legion Branch 114 Lynn Valley	1630 Lynn Valley Road	18,192
Turning Point Recovery Society	2670 Lloyd Avenue	4,242
WBT - Wild Bird Trust of British Columbia	2649 Dollarton Highway	1,952
TOTAL		\$428,575

SUPPLEMENTAL FINANCIAL INFORMATION

The supplemental section provides information about the financial health of the District of North Vancouver. It includes graphs, charts and narratives that complement the financial statements by illustrating results over a broader time horizon. Select measures identify trends and provide perspective on how the financial resiliency of the organization has changed over time. The narratives accompanying each illustration enhance understanding by telling the story for each selected measure.



SUPPLEMENTAL FINANCIAL INFORMATION

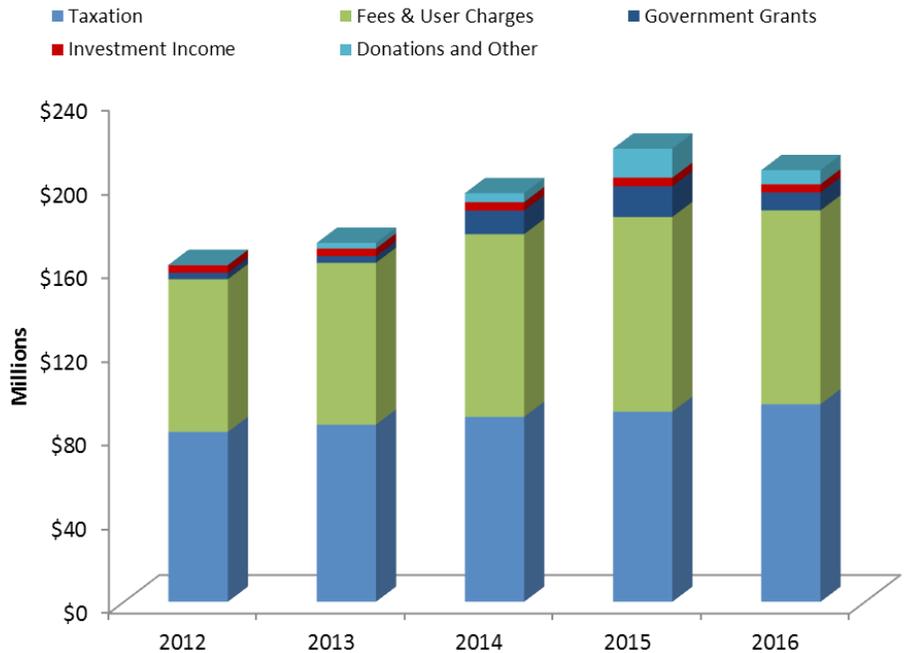
RESULTS FROM OPERATIONS

Revenues

The District of North Vancouver maintains diverse revenue streams with taxation and other revenue sources such as government grants and related investment income supporting public services, while fees and user charges target private consumption of services. Taxation along with fees and user charges are the largest sources of revenue and account for over 90% of the District's revenues.

Revenues By Source 2012 - 2016

Source: Audited Financial Statements



Taxation continues to include an annual lift of 1% for asset renewal per Council policy. This asset renewal lift, the property tax levy inflation increase, and growth in the tax base has resulted in taxation revenue increasing at an average of 3.5% per year over the last five years. Growth in the tax base from new housing units is held in a reserve as the impact on future services is assessed.

The average annual rate of growth for fees and user charges over the past five years was 6.4%, declining 0.5% from the prior year.

The Donations and Other category can fluctuate significantly from year to year. For example, the sale of the old Lynn Valley Library site generated an additional \$8 million in 2015.

Senior level Government Grants are project specific and also vary significantly from year to year.

SUPPLEMENTAL FINANCIAL INFORMATION

Expenses by Object

Consistent with prior years, Salaries and Benefits is the District's largest expense (46%) followed by Contract and Service costs (26%).

Increases in Salaries & Benefits for 2016 reflect higher levels of activity as well as the negotiated labour and benefit rates included within the recently negotiated collective agreements for District employees, retroactively applied as appropriate.

A significant portion of Contracts and Services are externally driven and include the water purchases and tipping fees paid to Metro Vancouver as well as costs associated with the RCMP policing contract. Contracts

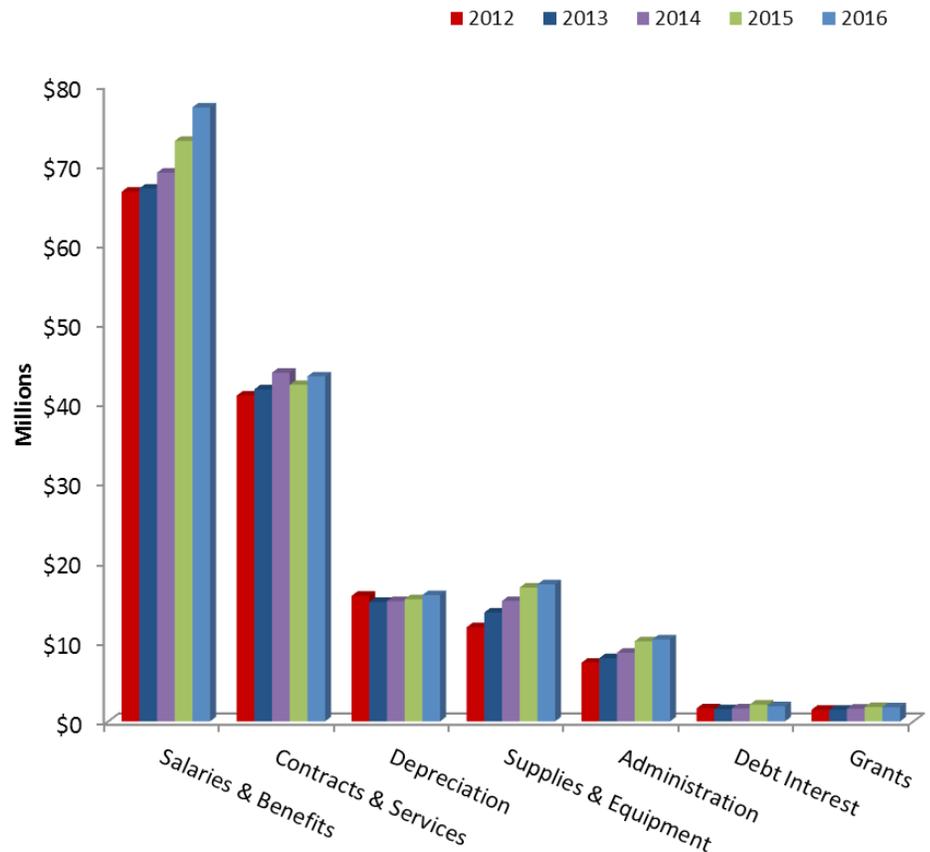
and Services increased two per cent annually over the past five years, with 2016 requiring external resources to some extent beyond this level to address urgent and unanticipated weather related events.

Expenses by Function

Protective Services and Utilities are the District's largest expenditures, each representing approximately 25 per cent of total 2016 expenses. Protective Services is comprised of Fire and Rescue, Police Services, North Shore Emergency Management, and Municipal Bylaw Enforcement. The increase in Protective Services reflects the implementation of the Fire labour contract applied retroactively to 2012.

Expenses by Object 2012 - 2016

Source: Audited Financial Statements

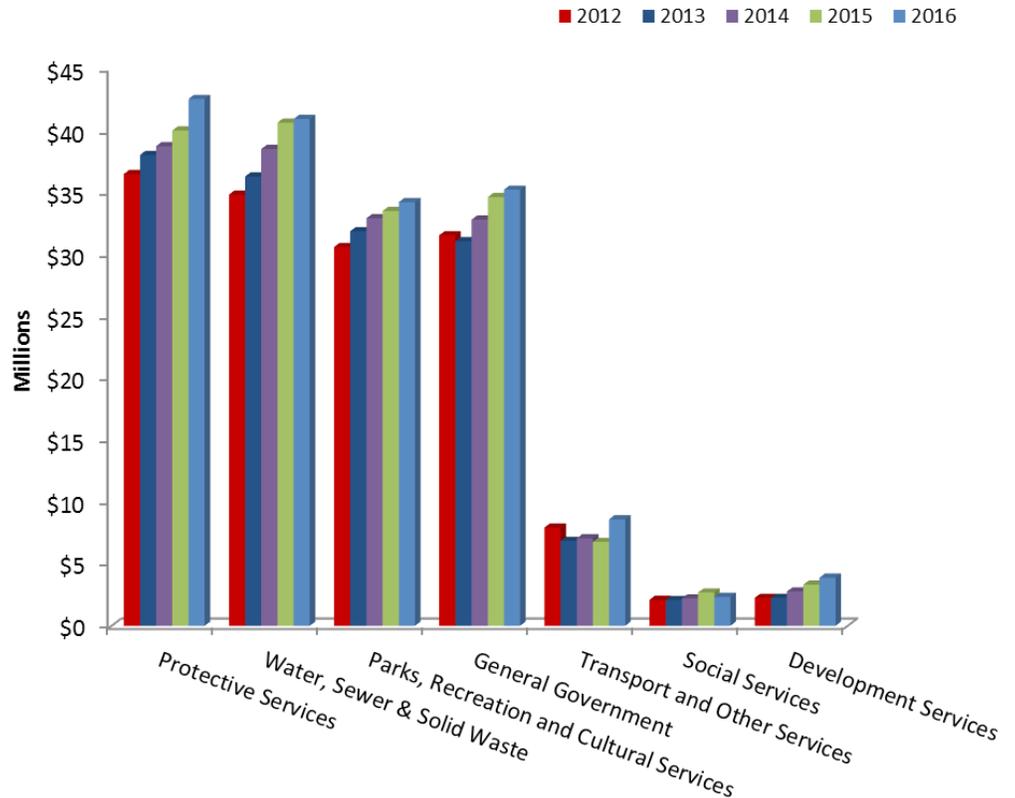


SUPPLEMENTAL FINANCIAL INFORMATION

The District provides an extensive utility service in three areas. The Water Utility operates, maintains, and upgrades the water distribution system. The Sewer and Drainage Utility provides for trouble free collection of sanitary sewage and storm water. The Solid Waste and Recycling Utility provides weekly collection and processing of solid waste, organics and recyclables. On a combined basis, utility service costs increased at an annual average rate of 4.6% over the past five years as a result of regional and external pressures as well as the District's policy of building financial resilience for the replacement of utility infrastructure.

Expenses by Function 2012 - 2016

Source: Audited Financial Statements



Parks, Recreation and Cultural Services and General Government each represent about 20% of the total expenses. These areas have increased at an annual average rate of 2.3% over the past five years with Parks incurring additional expenditures for tree removal due to weather related events. General Government includes the depreciation of tangible capital assets which accounts for 45% of the General Government expenditures and averages \$16 million per year.

Increased development activity inside and around Town Centres is reflected in the higher cost of Transportation and Other Services as staff capacity is adjusted. In addition, weather related events this past winter required higher expenditures for snow and ice removal.

SUPPLEMENTAL FINANCIAL INFORMATION

CAPITAL PLANNING

Renewal capital spending has steadily increased over the past five years supported by Council's 1% policy for asset renewal. The last three years highlight the large increase in capital planning mainly due to multi-year projects initiated in 2012 with funding peaking between 2014 and 2016. These projects are a combination of bridges, facilities, and technology projects. The largest project, the New Delbrook Community Recreation Centre, is scheduled to complete in late spring of 2017 while another major project, the Philip Avenue Overpass, completed in 2016.

Expansion / upgrade capital varies from year to year and is largely driven by approved major projects and availability of external funding from senior government grants and development.

Asset Management Plans are updated annually for full life cycle costs, asset condition, service levels, risk management and replacement values. This information forms the foundation for the Capital Budget which responds to priorities through a process of lifecycle replacement planning, risk mitigation and an assessment of business and strategic criteria.

Capital Budgets 2012 - 2016

Source: Financial Plan Amendment Bylaw



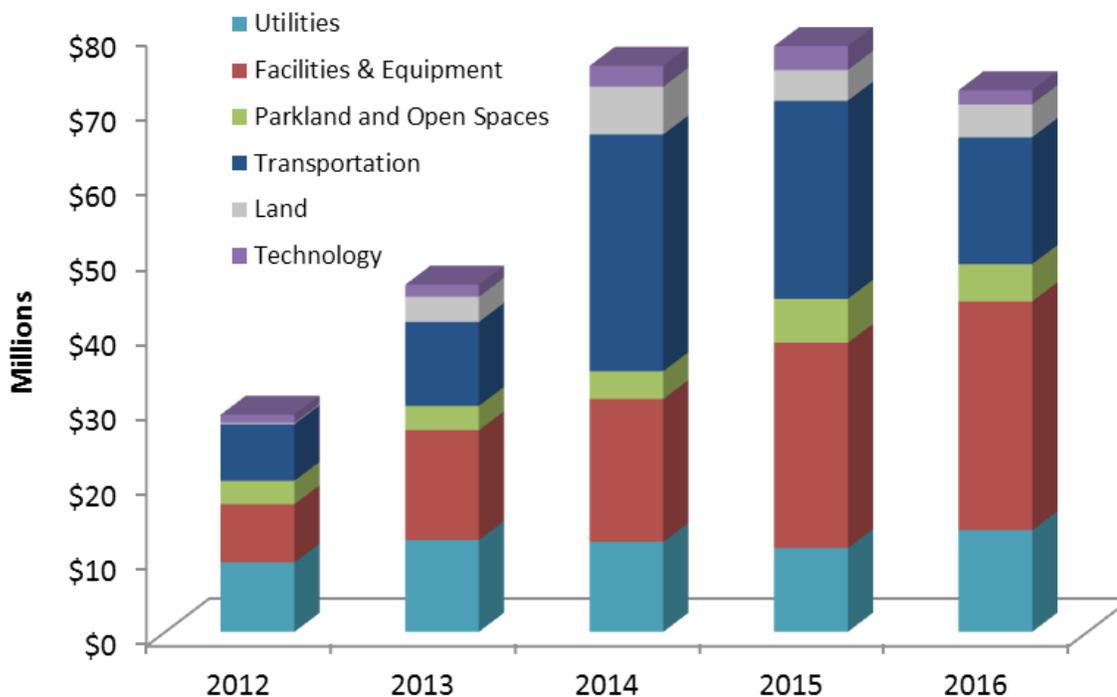
SUPPLEMENTAL FINANCIAL INFORMATION

The Capital Budget by Expenditure Type shows increasing budget related to Facilities & Equipment due to the new Delbrook Community Recreation Centre, with the purchase of new residential garbage and organics carts further impacting 2016. The Utilities budget has also increased due to improvements to the culvert program. Conversely, the Transportation capital budget declined in 2016 as two key projects, the Keith Road Bridge and the Philip Avenue Overpass received more than 95% of their total combined project funding of \$44.6M prior to 2016.

In 2016, the capital budget accounted for 29% or \$72 million of the total use of funds in the Financial Plan Amendment Bylaw.

Capital Budget by Expenditure Type 2012 - 2016

Source: Financial Plan Amendment Bylaw



SUPPLEMENTAL FINANCIAL INFORMATION

DEBT FINANCING

The District maintains significant borrowing capacity to ensure its continued ability to meet expenditure requirements. The District uses debt strategically as one of several tools to fund its diverse infrastructure. Leveraging favourable market conditions, the District has both retired debt to reduce high interest rate costs and issued new debt at lower interest rates.

No new debt was issued in 2016, however the District retired debt, reducing interest costs and enhancing future borrowing capacity.

Outstanding Debt Relative to Borrowing Capacity 2012 - 2016

Source: Local Government Data Entry Filing (LGDE)



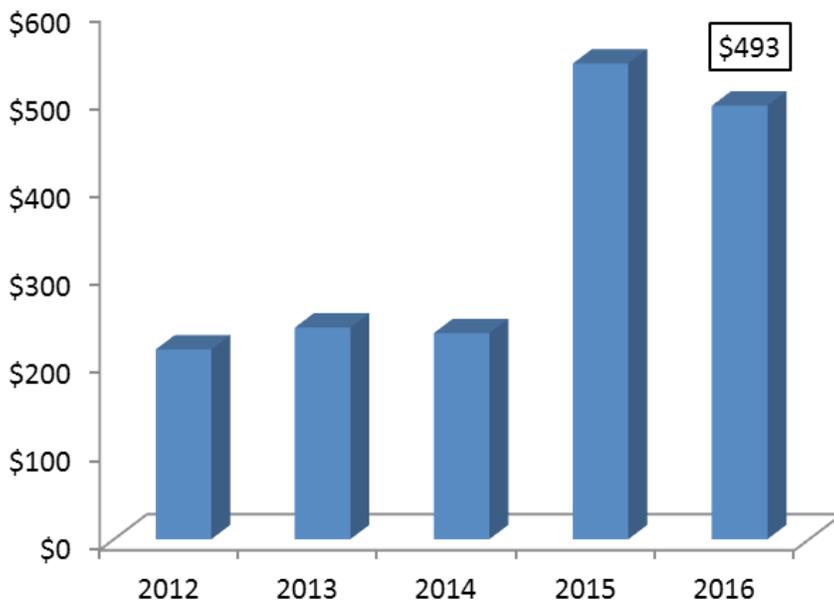
SUPPLEMENTAL FINANCIAL INFORMATION

In 2016, outstanding debt totalled \$43 million or 5.9 per cent of borrowing capacity which translates to \$493 of outstanding debt per capita. As Council's 1% policy for renewal capital is applied and reserve fund balances optimized, the need for debt financing will diminish. When this occurs the District will have achieved its goal of steady state replacement of infrastructure.

In 2016, debt servicing costs increased to 3 per cent of total annual expenditures and included an early retirement of debt.

Outstanding Debt per Capita 2012- 2016

Source: Finance Department



SUPPLEMENTAL FINANCIAL INFORMATION

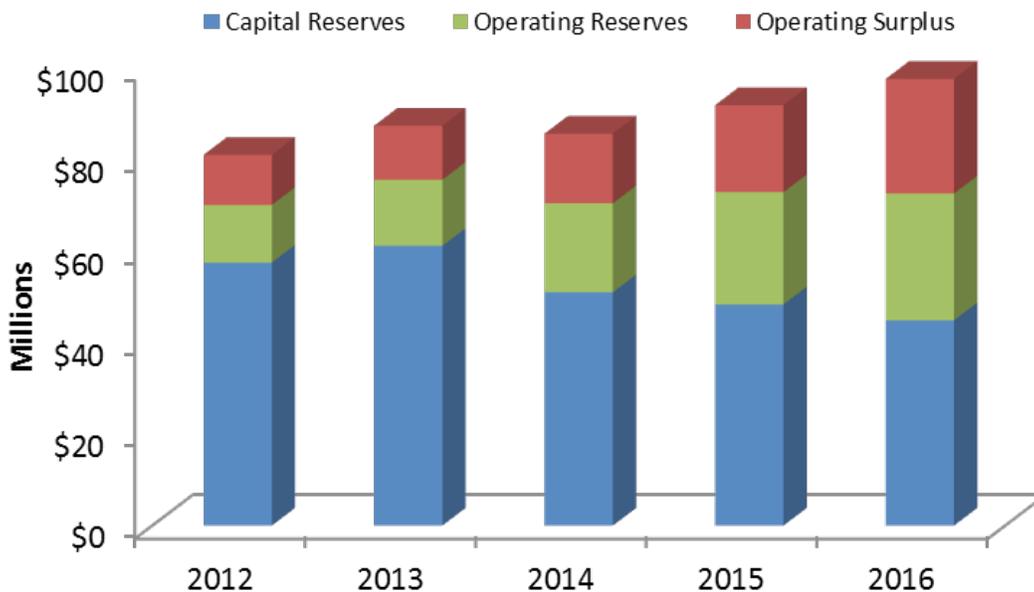
RESERVE FUNDS

The management of reserves is based upon strategic planning decisions that support asset management reserve optimization and the Official Community Plan. Over the past five years, the District's reserve and surplus funds are trending upwards. In 2016, the District's reserve and surplus funds total \$98 million, increasing \$6 million from 2015. The increase is primarily due to surplus contributed from utility operations and due to community amenity contributions received from new developments, partially offset by funds used for infrastructure replacement as well as land acquisitions.

Reserve and surplus funds support long term steady state replacement of existing infrastructure and risk mitigation and are key financial resiliency measures.

Reserve and Surplus Funds 2012 - 2016

Source: Audited Financial Statements



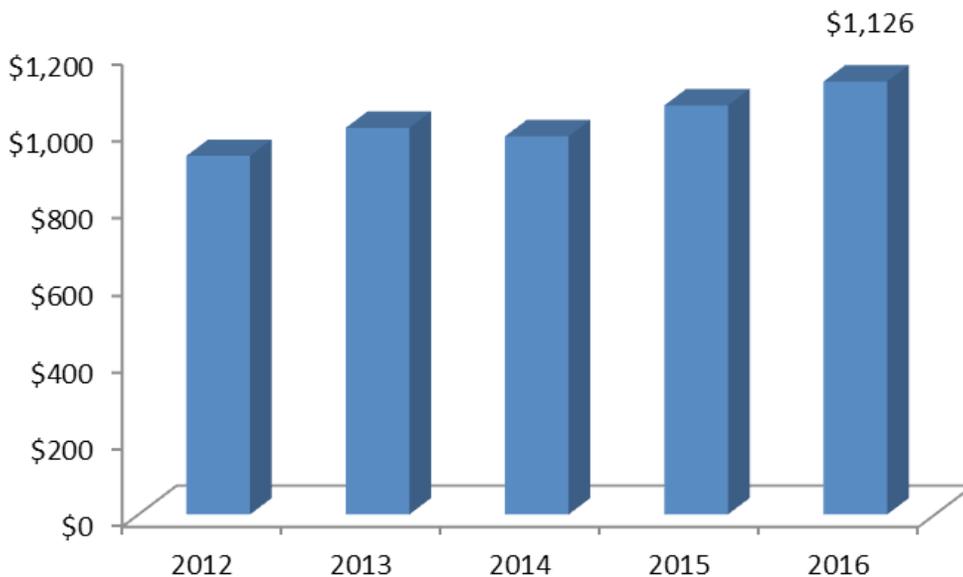
SUPPLEMENTAL FINANCIAL INFORMATION

Fund balances vary depending upon the District's capital and operational requirements and risk profile assessments. Prudency requires minimum thresholds be maintained at all times to ensure the organization's capacity to react to unforeseen events, sustain levels of service to the community and ensure the long term financial viability of the District. Sound judgement, trend analysis and best practices are followed to establish a reasonable provision.

Reserve and surplus funds on a per capita basis are \$1,126 at the end of 2016.

Reserve and Surplus Funds per Capita 2012-2016

Source: Audited Financial Statements and BC Statistics



SUPPLEMENTAL FINANCIAL INFORMATION

TAXATION

Assessed Value of Land and Improvements

The market values of land and improvements are independently determined by BC Assessment. Property tax rates approved by Council and other taxing jurisdictions are then applied to these assessed values.

Total net assessed value for 2016 is \$32.6 billion, an increase of \$4.6 billion or 16 per cent over 2015, and represents the largest increase over the past five years. The net value of land increased to \$26.3 billion and improvements (buildings) increased to \$6.3 billion. This is a reflection of the increasing values experienced in the current real estate market.

Assessed Value of Land & Improvements 2012 - 2016

Source: BC Assessment



SUPPLEMENTAL FINANCIAL INFORMATION

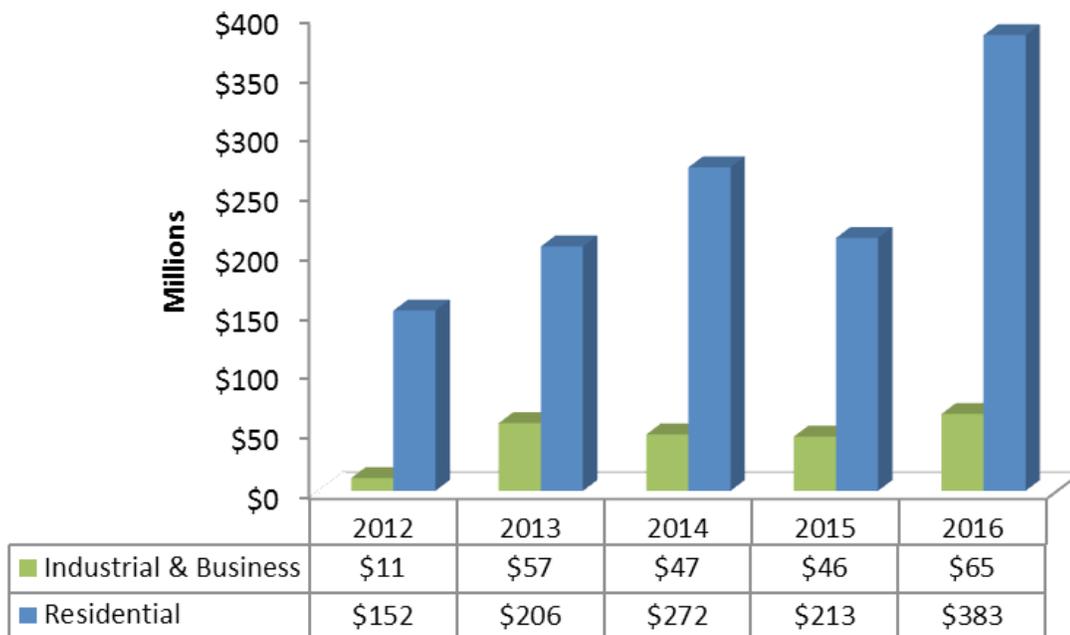
Assessed Value of New Construction

New construction is an essential component and a good indicator of the economic vibrancy of a municipality. Over the past five years there has been significant investment in new construction realized from future growth and community needs as set through the Official Community Plan (OCP) adopted in 2011. The value of new construction increases as the community renews itself and new developments are completed. For 2016, completion of new mixed use developments amid new town and village centres accounts for the increase in value.

The value for new construction supplied by BC Assessment is based on the actual percentage of completion and reflects a growth in the number of new units being completed per the community implementation plans.

Assessed Value New Construction 2012 - 2016

Source: BC Assessment



SUPPLEMENTAL FINANCIAL INFORMATION

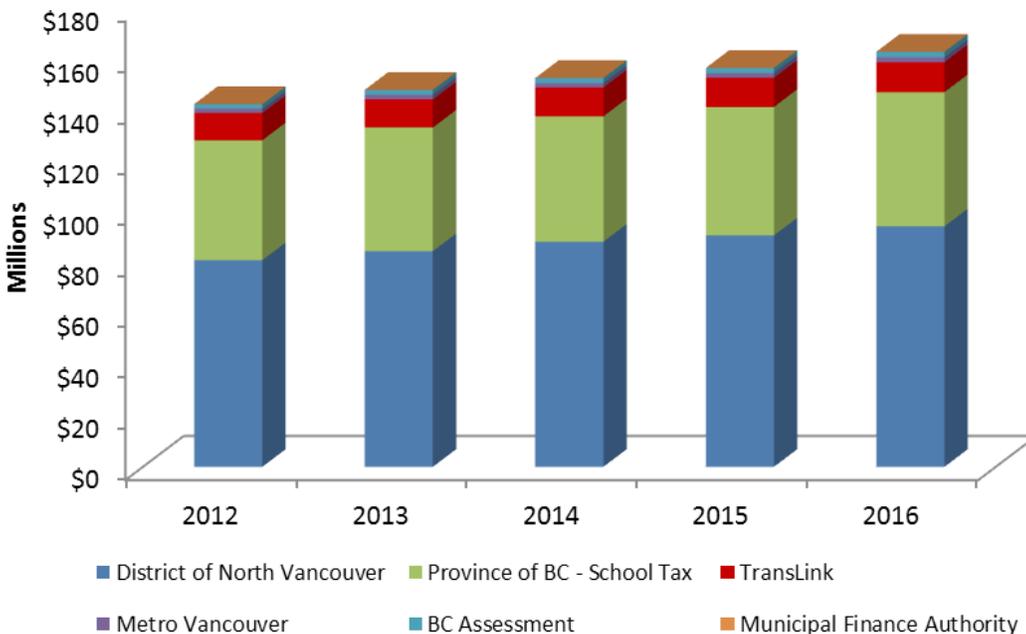
Municipal Property Taxes and Other

Over the past five years, the average annual increase in taxation revenue for the District has been 3.5% including the impacts from Council's one per cent policy for asset renewal and the growth in taxation revenue from new construction.

In 2016, 42 per cent of property taxes collected were on behalf of other taxing authorities, of which 77 per cent was levied on behalf of, and paid to, the Province for School Taxes.

Municipal Property Taxes & Taxes Collected for Other Jurisdictions 2012 - 2016

Source: DNV Audited Financial Statements



CORPORATE PERFORMANCE

The Community Charter requires that the municipal annual report describes progress in relation to objectives established for the previous year, and that it provides a statement of municipal objectives and measures for the current and following year. This means reviewing 2016 accomplishments against set goals, and updating objectives for 2017 and 2018. For consistency, and to track priorities in alignment with Council's mandate, our practice is to refer to objectives in the multi-year Corporate Plan established by Council. The 2015 – 2018 Corporate Plan was endorsed by Council in November 2015 and can be found at dnv.org/corporate-plan



CORPORATE OBJECTIVES

To set a course for 2015 to 2018 that advances the community's vision, Council and staff considered a range of external influences, organizational resources and other constraints and opportunities. Eleven strategic directions were then identified by Council as priorities. These are organized within a framework of three fundamental purposes, consistent with previous plans; namely: achieving the community vision of the OCP, providing strong governance and service, and protecting and enhancing the environment and building resilience. This approach is summarized in the table, below.

2015–2018 CORPORATE PLAN PRIORITIES

Achieving the Community Vision of the OCP

- 1** Manage the impacts of development and change
- 2** Improve transportation and mobility
- 3** Systematically monitor progress on community goals
- 4** Manage outdoor recreation with an integrated approach
- 5** Focus on OCP objectives related to social well-being, the Maplewood area, and strategies supporting town centres:
 - Advance the social well-being objectives of the OCP
 - Plan for Maplewood with a jobs/housing balance
 - Complete policies that support town centre and OCP implementation strategies

Providing Strong Governance and Service

- 6** Sustain financial health and resilience
- 7** Foster an engaged and nimble public service
- 8** Ensure strong administrative foundations for continued service excellence

Protecting and Enhancing the Environment and Building Resilience

- 9** Create new and updated strategies to support OCP environmental goals
- 10** Take action on climate change by reducing GHGs and developing a Climate Change Adaptation Strategy
- 11** Continue to build community resilience through planning, response, recovery, training and education

CORPORATE OBJECTIVES

2016 Progress

Significant progress on OCP and Corporate Plan goals was achieved throughout 2016. The overview below illustrates progress on major projects and other initiatives. A comprehensive summary of 2016 progress on corporate objectives and priorities is provided in the tables which follow.

Major Projects



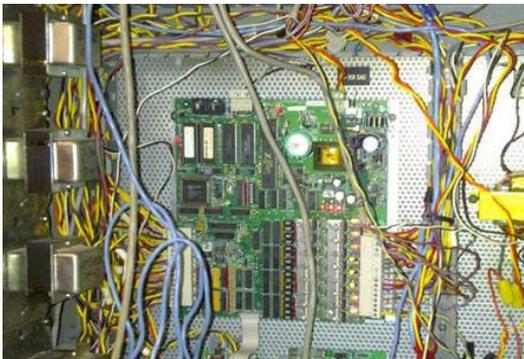
Philip Avenue Overpass

The Philip Avenue overpass is located at Philip Avenue near West 1st St. and replaced the at-grade railway crossing. Construction began in 2014 and continued throughout 2015, with completion in July 2016. The new overpass is an investment in transportation infrastructure that will help accommodate and enhance growth in economic activity in the area while also making the crossing safer, and reducing noise.



Keith Road Bridge

The replacement of Keith Road Bridge is a major upgrade to the District's east-west transportation network. The new bridge relieves congestion, enhances traffic flow efficiency, provides a safer route for pedestrians and cyclists, and better manages runoff to protect Lynn Creek. The bridge was substantially completed in 2016 and opened to traffic in December. Final completion is expected in 2017.



Karen Magnussen Community Centre Energy Retrofit

In 2016 the District completed energy retrofits at Karen Magnussen Community Centre, including LED lighting, a new insulated ceiling, heat recovery, and more efficient dehumidification. These retrofits resulted in a 25 per cent decrease in electricity use, projected to save \$120,000 yearly in energy costs. The upgrades also reduced greenhouse gas emissions by 60 per cent .

CORPORATE OBJECTIVES



Lynn Valley Bike Lanes

The District began construction of the Lynn Valley bike lanes in late 2016, with completion forecast for 2017. The project installs separated bike lanes along Lynn Valley Road, allowing for much safer and more comfortable travel for both motorists and cyclists. The project is part of the District's long-term vision to enhance cycling, and creates a network for cyclists across the District.



New Delbrook Community Recreation Centre

Substantial work was completed in 2016 on the new Delbrook Community Recreation Centre on West Queens Road. The centre will open in 2017 and includes recreation, cultural, and community spaces. Features include a six-lane swimming pool, convertible squash and racquetball courts, multipurpose rooms, pottery, arts and crafts studios, and a weight room.

Governance



Rental and Affordable Housing Strategy

In November 2016 District Council adopted a new Rental and Affordable Housing Strategy. The strategy helps guide developers, community members, Council and staff toward meeting the estimated demand for rental and affordable housing in the District. Focusing on lower income seniors, students, persons with disabilities, and vulnerable populations, the strategy will help the District achieve a more affordable and livable community for all residents.

CORPORATE OBJECTIVES

Governance (continued)



Climate Change Adaptation Strategy

District staff completed a draft Climate Change Adaptation Strategy in 2016. This strategy follows best practices and, when complete, will support and inform other key programs and plans – including the Official Community Plan, Transportation Plan, and Parks and Open Spaces Strategic Plan – helping to make the District adaptive and resilient in the face of climate change.

Engagement



Delbrook Lands Deliberative Dialogue

In June 2016 the District teamed with the SFU Centre for Dialogue to host a deliberative dialogue session on the future of the Delbrook lands. Nearly 90 community members and stakeholders engaged in a day-long facilitated dialogue session. The results, which were compiled and represented in a report received by District Council in September 2016, will be instrumental in informing the future of the site of the old Delbrook Recreation Centre.



Maplewood Charrette Process

As part of the community planning process for the Maplewood area, the District hosted a two-day collaborative design workshop in October 2016. The workshop included design and planning professionals, residents, businesses and community stakeholders representing a variety of interests, external agencies, and District staff. The results will inform a comprehensive plan for the neighbourhood.

Looking Ahead: 2017 & 2018

Many of the objectives within the four-year Corporate Plan require action over several years, and may be advanced or amended due to resource considerations or unforeseen priorities or influences. Based on progress and achievements in 2016, we anticipate completion of some projects in 2017 such as: the new Delbrook Community Recreation Centre, a plan for Maplewood Village Centre, installation of Lynn Valley Road bike lanes, and strategies for climate change adaption and integrated stormwater management, for example.

It is also anticipated that a strategy for reviewing and reporting on OCP implementation will be finalized, including the establishment of a new committee to enable ongoing community involvement in monitoring and reporting activities. These efforts will be ongoing beyond 2017. Likewise, a funding partnership agreement reached in 2016 with the Province of B.C. and the Government of Canada for much needed changes to the Mountain Highway/Highway 1/Ironworkers Memorial bridgehead system of roadways means that work will be continuing over several years to achieve separation of east-west traffic travelling across the District and improve mobility in the community.

Details, including anticipated timing, on all corporate objectives can be found in the 2015 – 2018 Corporate Plan Summary.

CORPORATE PLAN SUMMARY

Achieving the Community Vision of the OCP

Priority	Goals	Actions	2015 Progress	2016 Progress
1 Manage the impacts of development and change	Proactively, and with partners, manage projects and other construction activity to minimize negative impacts on existing residents, visitors and businesses, while making progress towards the OCP vision and targets	Actively monitor the pace of development and assess impacts on community livability. Consider interrelated factors and develop mechanisms to facilitate Council decision making and communication	Public Workshop Jan 20 presented analysis of pace of growth Quarterly development report and early input opportunities provided at council workshops (Nov, Apr, July)	Launched traffic impacts map on DNV website
		Review single-family residential development regulations and assess impacts on neighbourhoods	Initiated discussion on Single Family redevelopment impacts (Oct 5) to identify range of interrelated issues for further examination in 2016	Completed public input on single family renewal issues (June) Completed Small Lot Infill Areas (SLIA) study, including public input (July workshop)
2 Improve transportation and mobility	Work with all partners for a comprehensive understanding of regional and local transportation issues and to implement decisions that improve transportation and mobility in the long term	Work with the Province and other jurisdictions to better understand transportation issues and opportunities	Ongoing consultation and research with MOTI and consultants re: understanding Highway 1 traffic (Feb, June) Updated analysis of collector/distributor concept for Lower Lynn interchanges anticipated mid-2016 Initiated North Shore integrated transportation planning efforts; municipal staff working group and workshops (Jan, March)	Continued work with Metro Vancouver, Translink, and the other north shore municipalities on Marine-Main B-Line corridor study
		Work with the Province and community to advance Ironworkers Memorial bridgehead improvements and related projects, such as Mountain Highway interchange, Fern Street and Phibbs Exchange	Refinement of options in conjunction with MOTI continued throughout 2015 (Nov 9, COW) and will continue in 2016	Continued to collaborate on design options and process with MOTI on Lower Lynn interchange improvements and design throughout 2016
		Identify opportunities to expand east-west movement across the District independent of Highway 1	See above	See above
		Develop and implement construction and traffic management tools for better planning, coordination and communication among partners and the public	Construction and Traffic Management program was instituted with semi-annual updates (Feb 23) and included strengthening Highway Use Permits, coordination and monitoring Regulation of activity on local roads enhanced in 2015	Added dedicated staff to traffic management in 2016 with emphasis on single-family development Improved noise regulation bylaw system resulting in better compliance

CORPORATE PLAN SUMMARY

Priority	Goals	Actions	2015 Progress	2016 Progress
		Review the District's Transportation Plan (2012) in the context of OCP implementation, including assessment of cycling, pedestrian and other programs and investments that reduce reliance on automobile use	Initial review of transportation priorities outside of centres with Council (Nov 23) Funding for active transportation improvements program submitted to 2016 budget	Initiated update of the North Shore sub-area transportation model Commenced construction of Lynn Valley Road Bike lane extension from Molly Nye to Morgan complete with post delineator separation from motor vehicles
		Complete the District's portion(s) of the Spirit Trail route	Concept for Lynn Creek Spirit Trail Bridge and route alignment for central section presented to Council in fall 2015	Completed conceptual study for bridge at Hunter St.
		Deliver Philip Avenue Overpass and Keith Road Bridge infrastructure projects	Both projects progressed according to plans in 2015. Philip Ave completion anticipated June 2016; Keith Road Bridge completion expected Fall, 2016	Keith Road Bridge completed and open to traffic December 2016 (final paving and line painting early 2017) Philip Avenue Overpass completed and opened July 2016
3	Design and implement a comprehensive measuring and reporting system that communicates progress towards achieving the OCP vision that is transparent and responsive to changes in the community	Create and endorse an OCP monitoring framework, including a comprehensive set of targets and measures	OCP Progress Monitoring Report Implementation approach endorsed by Council (Dec 14, 2015)	Initial directions on proposed scope of OCP implementation review to be completed in early 2017 (November 2016)
Systematically monitor progress on community goals		Maintain ongoing opportunities for public input to the monitoring process	See above	See above. Initial directions on proposed scope of OCP implementation review (to be completed in early 2017) included consideration of an implementation monitoring group, to be further defined
		Initiate public reporting of progress towards targets and address overall performance at regular intervals as indicated in the OCP	Format to be developed in 2016	Continued work on developing appropriate framework and reporting tools for progress measurement
4	Develop a comprehensive framework for managing outdoor recreation, considering the range of activities, existing assets, community expectations, user trends and competing resource demands	Examine options for integrated outdoor recreation planning models	This research will span 2016 and 2017	Ongoing research and analysis of trends and priorities including review of policy re: commercial uses
Manage outdoor recreation with an integrated approach				

CORPORATE PLAN SUMMARY

Priority	Goals	Actions	2015 Progress	2016 Progress
		Implement actions in approved plans to improve access points, including: <ul style="list-style-type: none"> • Fromme Mountain parking/staging • Braemar parking/staging • Short-term measures identified in the Deep Cove Parking and Access study and rehabilitation of Quarry Rock trail 	Deep Cove Parking and Access Implementation Plan endorsed by Council (April 21). 2015 actions included agreement to use school parking, improved wayfinding, creation of additional parking at Rockcliff lot, additional bike racks, new regulations and increased enforcement Parking lot and staging area for Fromme Mountain trail users opened July, 2015	Ongoing monitoring of Fromme staging usage Conceptual design work completed for Braemar parking/staging for implementation in 2017 Rehabilitation of quarry rock trail (boardwalk) completed and park ranger presence enhanced
		Establish a framework for systematic review and update of environmental and usage assessments of trail networks in Grouse, Fromme and Seymour systems	Updated Fromme Mountain trails environmental assessment completed (Feb 24 Workshop)	Continue to implement recommendations for bridge and boardwalk improvements to enhance environmental protection
		Identify trail management resource needs, capacity and options	See above re: recreational trail update for Fromme	Ongoing
		Review and update sport fields needs assessment		Council workshops held January 19, 2016 and October 24, 2016. Review expected to be complete in early 2017
5	Advance the social well-being objectives of the OCP	Prepare a discussion paper on housing affordability in the District that addresses regulatory and policy tools to ensure a future supply of affordable housing. Include options such as: <ul style="list-style-type: none"> • Property acquisition • Utilization of District properties • Rental property management and partnership models 	'Green Paper' outlining affordable and rental housing strategy considerations completed (Nov 2) Series of workshops commenced to refine strategy (Dec 1, 8) and continuing in 2016	Completed new Rental and Affordable Housing Strategy, which was approved in November 2016
		Identify any options that may exist to provide temporary relief to displaced renters. Consider financial and human resource capacity to support such initiatives	Initiated research on tenant assistance options that will be completed in 2016	Completed analysis of tenant assistance May 2016 (May 3rd workshop) Policy approved November 28, 2016

Focus on OCP objectives related to social well-being, the Maplewood area, and strategies supporting town centres:

CORPORATE PLAN SUMMARY

Priority	Goals	Actions	2015 Progress	2016 Progress
	Plan for Maplewood with a jobs/housing balance	Complete an integrated plan for the Maplewood area (including Maplewood Village and Maplewood North) that includes strategies to address industrial land, jobs, housing and environmental considerations	Council direction to commence development of an Implementation Plan for the Maplewood Area and Village Centre (July 6) Process will continue through 2016	Held an open house for public input on Maplewood charrette, October 2016 Completed charrette for Maplewood November 2016 Further policy and plan development to follow in 2017
	Complete policies (land use, development, communications, financial and administrative) that support town centre and OCP implementation strategies	Complete the Lower Lynn Town Centre Special Study Area to plan for land uses that consider potential highway redevelopment and impacts on surrounding properties	Highway 1 interchange study work continues Public Realm Design Guidelines completed (Dec) "Lower Lynn Centre Special Study Area" work planned for 2016 and 2017	Workshop to discuss the scope of the Lynn Creek Town Centre (formerly Lower Lynn) Special Study Area scheduled for fall 2017
Determine the relocation of Fire Hall #2 and Fire Training Centre		Site analyses continued in 2015. Council approved consolidation of fire facilities in Maplewood.	Continued work in 2016 in conjunction with Maplewood Village Centre planning.	
Determine future land use for the existing Delbrook Community Recreation Centre site, scheduled for closure in 2016		Council endorsed the engagement strategy to help determine the future use of the Delbrook lands (Sept 28) Delbrook ideas forum and deliberative dialogue planned for 2016	Community Ideas Workshop co-hosted with SFU Centre for Dialogue January 28, 2016 Deliberative Dialogue event June 25, 2016 Deliberative Dialogue results presented to Council in September Analysis of community recommendations conducted Fall 2016	

CORPORATE PLAN SUMMARY

Providing Strong Governance and Service

Priority	Goals	Actions	2015 Progress	2016 Progress
6 Sustain financial health and resilience	Successfully adapt the long-term financial plan and strategies to ensure financial resilience in an evolving context of unprecedented physical and revenue growth	Monitor the growth management model to support tax revenue reserve decisions and make adjustments as necessary	In 2015 continued to stabilize impacts from growth by reserving growth revenue and allocating a portion to reduce impacts caused by growth and construction	Continued reserving growth revenue in 2016 including tax growth for future impacts on services, development surplus to stabilize operations from changes in construction activity and to help facilitate the development planning process
		Update and expand the long-term financial model and related strategies to include a focus on facilities and transportation over the course of the 2015–2018 Corporate Plan	Major projects identified. Funding strategies and financial impacts analysis in progress	Revised ten-year Capital Plan based on latest Strategic Plans, refreshed development forecast including community amenity contributions (CAC's), and completed fund balance analysis Presented the 2017 to 2021 five-year Financial Plan to Council in December 2016
		Advocate for an equitable financing formula for the North Shore Sewage Treatment Plant	Continued to monitor Metro Vancouver processes for determining funding of the Lions Gate Wastewater Treatment Plan	Continued monitoring procurement process
		Complete the Community Amenity policy framework and bylaw	Research and stakeholder consultation was completed in 2015 Proposed policy to come forward in 2016	Amended policy with new community amenity contribution rates approved in January and came into force in August
		Critically assess existing shared service delivery arrangements and identify options that enhance equity in funding and delivery among: <ul style="list-style-type: none"> • Recreation (administration) • Police Services • Museum and Archives • Other arrangements 	Collection clean-up, deaccessioning and disposal program continued in 2015 while City of North Vancouver processes for a new museum continued	Museum and Archives deaccessioning and disposal program continued in 2016 New museum location and funding approved by City of North Vancouver (December, 2016), with opening anticipated in 2019
		Undertake research and explore options for community dialogue towards the long-term goal of reuniting North Vancouver District and city	Public workshop review of North Shore Reunification Committee Report Detailed research to continue in 2016	Completed a preliminary report on the issue of North Vancouver reunification in January 2016 Council endorsed a research plan to continue work on the issue throughout 2017 and 2018

CORPORATE PLAN SUMMARY

Priority	Goals	Actions	2015 Progress	2016 Progress
7 Foster an engaged and nimble public service	Create conditions that allow the organization to meet the community's needs in responsive, confident and innovative ways, with knowledge, professionalism and accountability	Based on workforce and market analysis, develop strategies for employee succession and retention, beginning with areas facing greatest change	Preliminary assessments of capacity needs completed in 2015 for input to the 2016 financial planning process Development of retention and succession strategies is ongoing	Strengthened employee engagement through the launch of DNV culture dialogue to assess existing corporate values Conducted a review of best in class employers to align DNV programs with HR best practices Developed a framework for building organizational capacity through leadership development and training
		Create and adopt a flexible framework for community engagement to respond to a range of issues, needs and community preferences for involvement	Development of the framework will be ongoing in 2016	Completed background research in 2016 including: Review of industry best practices Consultation and needs assessment with staff Survey of resident preferences for engagement methods
8 Ensure strong administrative foundations for continued service excellence	Complete comprehensive updates to major systems that support all service delivery processes and contribute to consistent good management and community satisfaction	Complete ECLIPS (Electronic Civic Management, Licenses, Inspections, Permits, Services) Implementation <ul style="list-style-type: none"> Phase 1, Permits and Inspections Phase 2, Licencing and Renewals Phase 3, Planning, Bylaw, Other processes 	Work continued in 2015 on Phase 1, Permits and Inspections; implementation of this Phase, including the mobile inspection app, anticipated in 2016	Implemented (went live with) Phase 1 in 2016: permits and inspections Planning, bylaw, and other services moved to Phase 2, with anticipated implementation in 2017 Licensing and renewals moved to Phase 3 to allow for review of business license processes
		Pilot priority online services: e-tax bill, e-inspection–e-plan review	On-line tax bills available to the public in 2015 Implementation of on-line services customer self-service portal for permits and inspections anticipated in 2016	On-line customer self-service portal under development in collaboration with the vendor in order to enhance information privacy controls
		Continue fibre optic network expansion, based on review of progress, goals and options for implementation	Expansion of fibre optic network in 2015 completed north-south connectivity 80% of District buildings now connected; remaining 20% will be connected in 2016	Completed remaining connections to District buildings including communication infrastructure connecting District Fire Hall #1 to the District Operations Centre. All DNV network serviced buildings are now on the District's own fibre network and are self-sufficient, with no added operating costs as demand continues to grow.

CORPORATE PLAN SUMMARY

Protecting and Enhancing the Environment and Building Resilience

Priority	Goals	Actions	2015 Progress	2016 Progress
9 Create new and updated strategies to support OCP environmental goals	Develop new strategies and update existing strategies that support the environmental goals in the OCP	Create and implement Integrated Storm Water Management Plans (ISMPs), including a District-wide drainage model to assess OCP and climate change scenarios	Work on ISMP is ongoing with targeted completion by end of 2016. Rainfall intensity curves have been updated, watershed health baseline reports have been completed, prescriptions and prioritised action plans are being prepared	Completed District-wide drainage model in 2016 Continued work on ISMP framework and objectives for Council consideration in 2017
		Develop and implement strategies for energy and water conservation	In 2015, we continued to implement strategies to reduce our water consumption in all our facilities, through sprinkling, water use and proactive leak detection plans, as well as education and awareness with a water conservation officer Ongoing Energy Management initiatives include Karen Magnussen Recreation Center retrofit completion expected in fall 2016	Enhanced Public Education and communication programs in 2016 DNV contributed to the significant revision to Metro's Water Shortage Response Plan Karen Magnussen Recreation Centre energy retrofit completed December 2016, resulting in 40% greenhouse gas reduction and 25% electricity savings Began design for energy retrofit measures for District Hall, Operations Centre, and Ron Andrews Community Recreation Centre Piloted LED streetlight conversion project on Mount Seymour Parkway and Dollarton Highway; expansion planned for 2017
10 Take action on climate change by reducing GHGs and developing a Climate Change Adaptation Strategy	Prepare for the effects of climate change by reducing greenhouse gas emissions (GHGs) and developing and implementing a Climate Change Adaptation Strategy	Complete a Climate Change Adaptation Strategy that includes: <ul style="list-style-type: none"> • Assessment of vulnerabilities • Range of proactive management opportunities • Awareness and capacity building measures • Community engagement approach 	Initiated Climate Change Adaptation Strategy development using a comprehensive five-step process (Dec 7 Workshop) Work will continue through 2016	Draft Climate Change Adaptation Strategy completed and will be presented to Council in 2017

CORPORATE PLAN SUMMARY

Priority	Goals	Actions	2015 Progress	2016 Progress
		Implement the Climate Change Adaptation Strategy and integrate measures with the financial and corporate strategic planning processes	Implementation will commence in the 2016-2018 time period	The Implementation section of the Draft Climate Change Adaptation Strategy includes specific steps to integrate actions into the long-range financial plan, asset management plan and OCP
11 Continue to build community resilience through planning, response, recovery, training and education	Continue to deliver and expand emergency management planning, response, recovery, training and education efforts collaboratively with North Shore partners, Metro Vancouver and other agencies	Review and update emergency management planning, response and recovery activities with Metro Vancouver, other partners and jurisdictions; in 2015, include monitoring and follow-up to address the impacts of the 2014 Seymour River Rockslide	2015 initiatives included: <ul style="list-style-type: none"> • Tri-municipal simulation/training exercise • Release of a comprehensive District wide earthquake risk assessment and When the Ground Shakes, a plain language guide regarding earthquake risk and preparedness • Provided in kind support to Metro Vancouver Seymour River Hatchery and salmonid society to sustain salmon lifecycle health in response to the Seymour River rock slide 	2016 initiatives included: <ul style="list-style-type: none"> • Tri-municipal wildfire response exercise • Seymour River rockslide remediation work commenced, with additional work planned for 2017 • Prepared post-earthquake inspection procedures for District facilities • Geotechnical assessment of access road into Lynn Headwaters Regional Park delivered, resulting in road closure due to stability concerns • 1300 residents trained across 60 free emergency preparedness training sessions.
		Within the context of the District Natural Hazards Program, pursue external funding (Build Canada) to implement a three-year program to upgrade stream and flood mitigation works	Obtained Building Canada Fund grants for debris hazard mitigation works Treated three areas to remove ladder fuels and reduce wildfire risk in 2015. Projects are ongoing in 2016 and 2017	Completed debris flood mitigation project at Kilmer Creek

SERVICES AND OPERATIONS

The Services and Operations section reports on divisional activities that illustrate the operational priorities and range of services delivered by the District and its partner agencies.

For 2016, we continue to report on a consistent set of measures, showing five years of data year over year, in most cases. These measures are organized by service categories which align with other provincial reporting requirements to provide additional consistency and relevance for readers. Areas of reporting include: Community Services (library, parks, recreation and culture), Development and Land Use Planning, Protective Services, Transportation, Governance and Corporate Management, Utility Services, and Recycling and Solid Waste.

The Performance and Activity Measures section includes descriptions of each service area, activity measures, and additional explanatory comments.



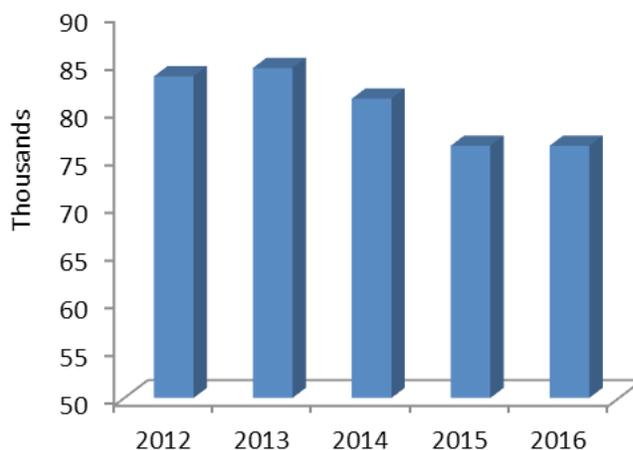
COMMUNITY SERVICES – ACTIVITY MEASURES

North Vancouver Recreation and Culture Commission

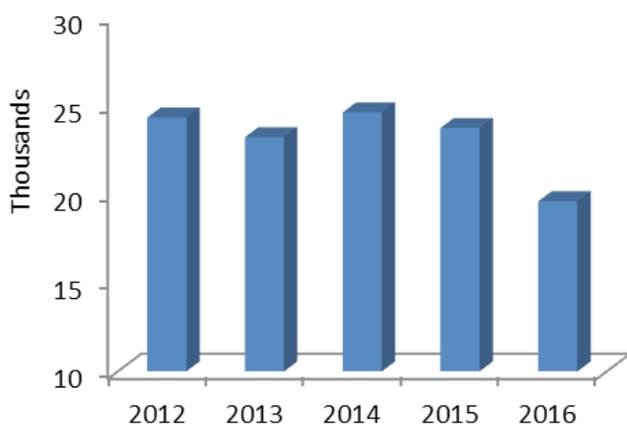
The North Vancouver Recreation & Culture Commission (NVRCC) offers a wide range of opportunities for individuals and families to be active, engaged and inspired through recreation and culture services and events.

The statistical results for 2015 and 2016 reflect the impact of operating with one less core facility (William Griffin) in our inventory, resulting in lower program registrations and fitness memberships. Staff expect a rebound on both measures in 2017 with the opening of the new Delbrook Community Recreation Centre. Innovative participation incentives such as the Pool and Play Pass and additional aquatic programming supported the public admissions and drop-ins figures.

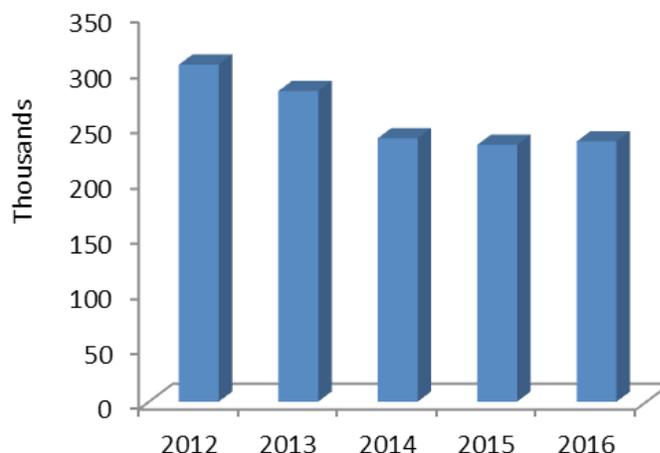
Program Registrations



Fitness Memberships



Public Admissions & Drop-ins



Note: data reflects the closure of the William Griffin Community Recreation Centre in late 2013

COMMUNITY SERVICES – ACTIVITY MEASURES

Parks Department

The District's Parks Department is responsible for the planning and construction of parks and natural parkland amenities; the maintenance of urban park grounds, medians and boulevards; street trees, park facilities, and fields and courts. The department also operates visitor attractions such as Maplewood Farm and the Lynn Canyon Ecology Centre, and maintains the District's forests, greenbelts, trails, and manages wildlife and habitat issues.

Maplewood Farm

Maplewood Farm provides a unique educational-based tourist attraction home to over 200 domestic animals and birds. In 2016, the Farm recovered 80 per cent of its operating costs, and revenues continue to grow supported by new marketing initiatives and recent facility improvements.



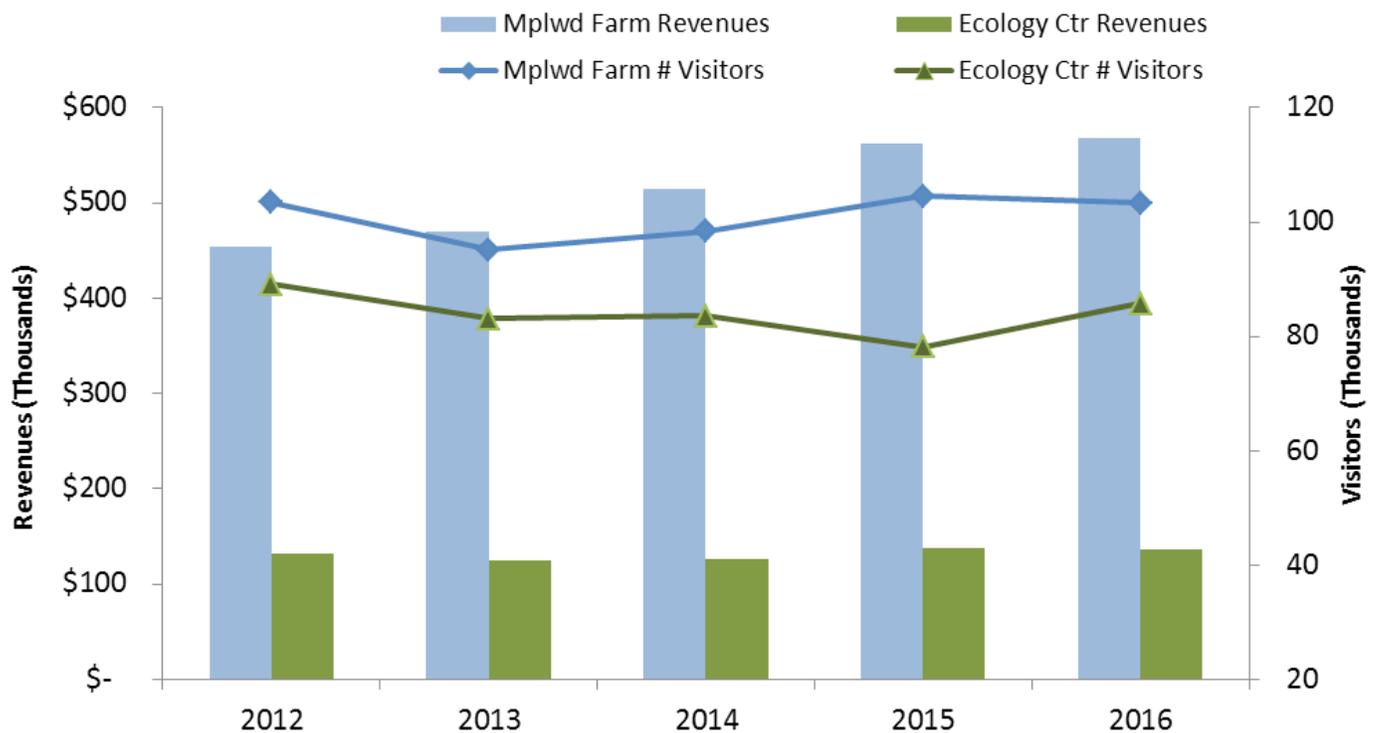
Improvements included a new roof on the main section of the livestock barn, the addition of public art to the north wall of the livestock barn, an electrical upgrade to supply the farm's greenhouse, re-decking of the main equestrian bridge, and new programs – all of which have attributed to a steady growth in attendance, with positive feedback on all attractions. Maplewood Farm experienced another successful year with 103,285 visitors in 2016.

COMMUNITY SERVICES – ACTIVITY MEASURES

Lynn Canyon Ecology Centre

In 2016, the Lynn Canyon Ecology Centre celebrated its 45th year of operations, welcoming over 3 million visitors since the Centre opened. In 2016, the Centre delivered 338 educational programs to families, schools, and community groups. Programs were designed to enrich school curriculum and contribute to awareness of local ecosystems and environmental issues. Another 139 groups visited the Centre and toured the displays on their own. In total, visitation for 2016 was 85,779. Revenues remained consistent with prior years, facilitating a recovery of 41 per cent of operating costs.

Maplewood Farm and Ecology Centre: Revenues & Visitors

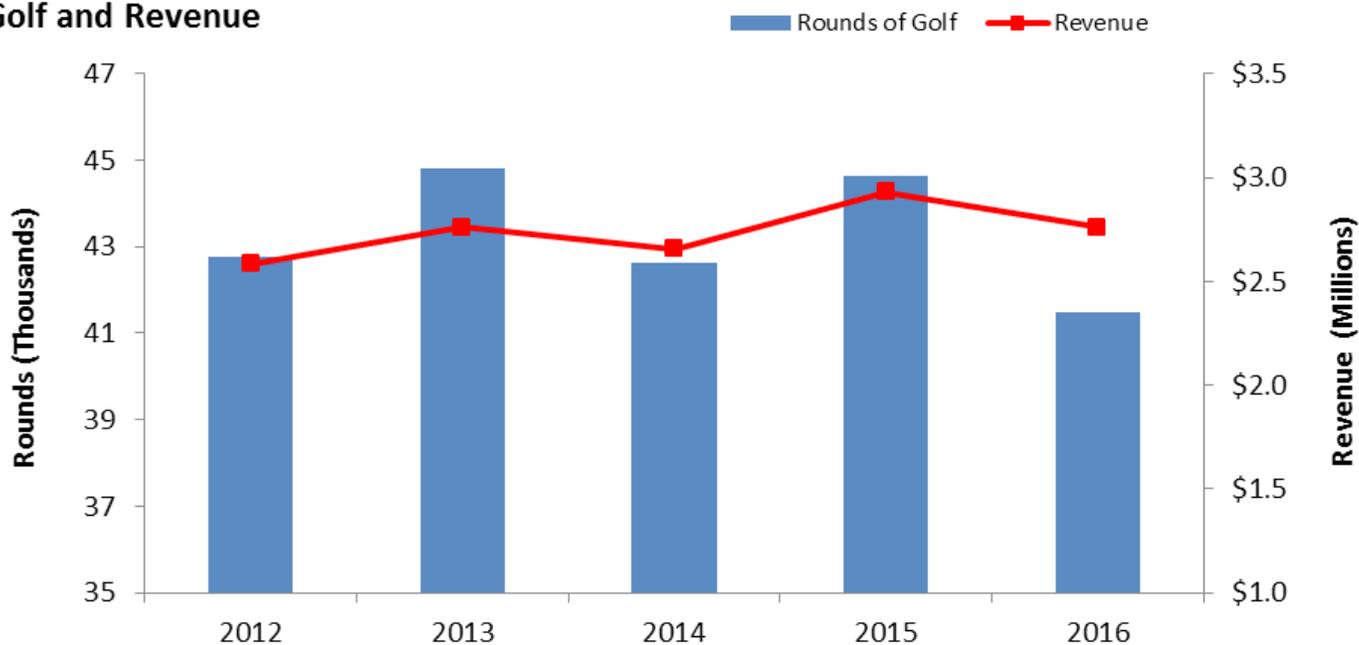


COMMUNITY SERVICES – ACTIVITY MEASURES

Northlands golf

Most outdoor recreational facilities are subject to weather conditions which impact participation and revenues. The Northlands Golf Course is no exception. In 2016 it experienced the second lowest rounds of golf played since opening for business. Aside from April and May, the balance of the year was subject to unfavourable weather conditions. The course opened in January to frozen conditions followed by mild wet weather. Participation in the spring was higher than expected however, heavy rains plagued June, and wet conditions were experienced during September through to November. December was primarily cold and snowy. The golf program continues to be supported by the popular Northlands loyalty program which now includes more rounds of golf in the shoulder seasons.

Northlands Golf Course - Rounds of Golf and Revenue



COMMUNITY SERVICES – ACTIVITY MEASURES

Library System

The Library's system offers a full range of information services and learning opportunities, including an extensive collection of books and digital collections, a variety of online resources through the Library website, and innovative programs for both children and adults.

Library Visits climbed again in 2016, reflecting a steady overall increase in annual total visits, reaching a five-year high for both in-person and virtual visits.

Circulation of the Library Collection continues to reflect strong patron demand for both physical and digital materials, with the circulation of digital materials increasing 3.6 per cent over 2015. The Library remains focused on providing digital materials and services that meet and exceed expectations.

Public Program Attendance has grown steadily over the past five years, increasing 8.3 per cent over 2015, as the Library builds on the strengths of its established community connections.

In 2016, the North Vancouver District Public Library received District Council support for its 2017-2019 Strategic Plan, which includes three strategic priorities: to collaborate with our community; to transform our digital environment; and to expand community learning. Please visit the Library's website at www.nvdpl.ca.

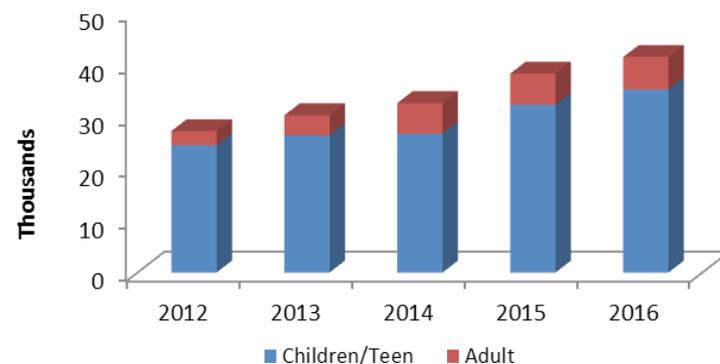
Library Visits



Circulation



Program Attendance

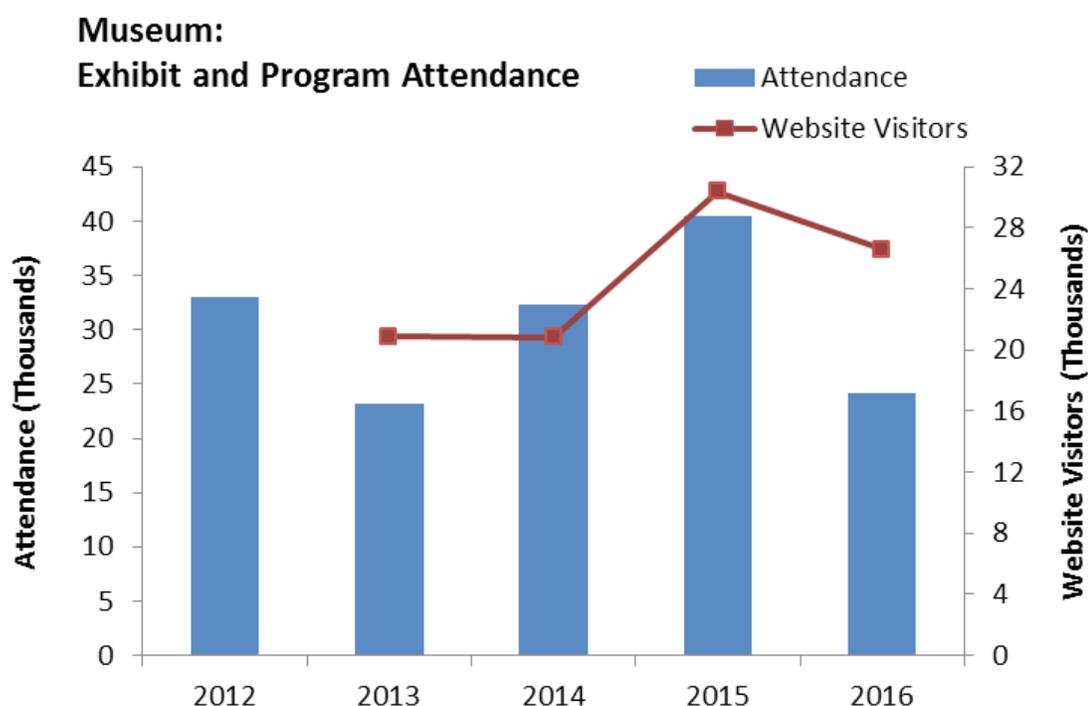


COMMUNITY SERVICES – ACTIVITY MEASURES

Museum

The Museum re-opened part way through 2016 and overall attendance returned to historic norms, although 2015 visitation was higher as several off-site exhibits were very well-attended. Expanded social media activities also saw large gains in followers. Traditional website visitation remained stable with 56 per cent of visitors new to the site and visitors spending an average of 24 per cent more time on the site. Online activity included 26,598 unique website visitors to nvma.ca generating 73,279 page views.

A significant accomplishment in 2016 was the publication of a major hard cover book, *Where Mountains Meet the Sea: An Illustrated History of the District of North Vancouver*.



Note: Statistics for Online Website Visitors are not available prior to 2013

COMMUNITY SERVICES – ACTIVITY MEASURES

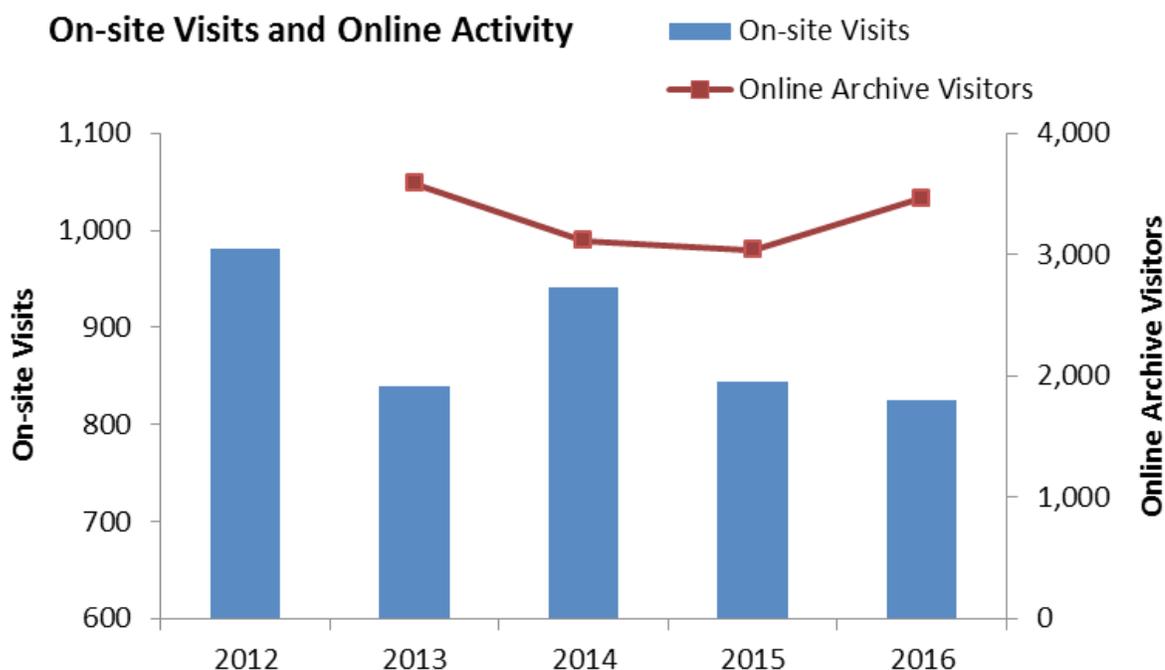
Archives

Demand for online access to Archive’s resources grew in 2016, with 3,465 unique website visitors accessing 67,526 pages. Forty-two per cent of visitors were new to the site. Traditional reference services (in-person, telephone and e-mail) remained stable.

Important acquisitions from the North Vancouver Recreation Commission, Presentation House Gallery and the North Shore Women’s Centre added 30 metres of processed records to our holdings. Archival descriptions for 281 new items were added to the database, and our program of adding digitized photographs continued.

Archives:

On-site Visits and Online Activity



Note: Statistics for Online Archive Visitors are not available prior to 2013

DEVELOPMENT & LAND USE PLANNING – ACTIVITY MEASURES

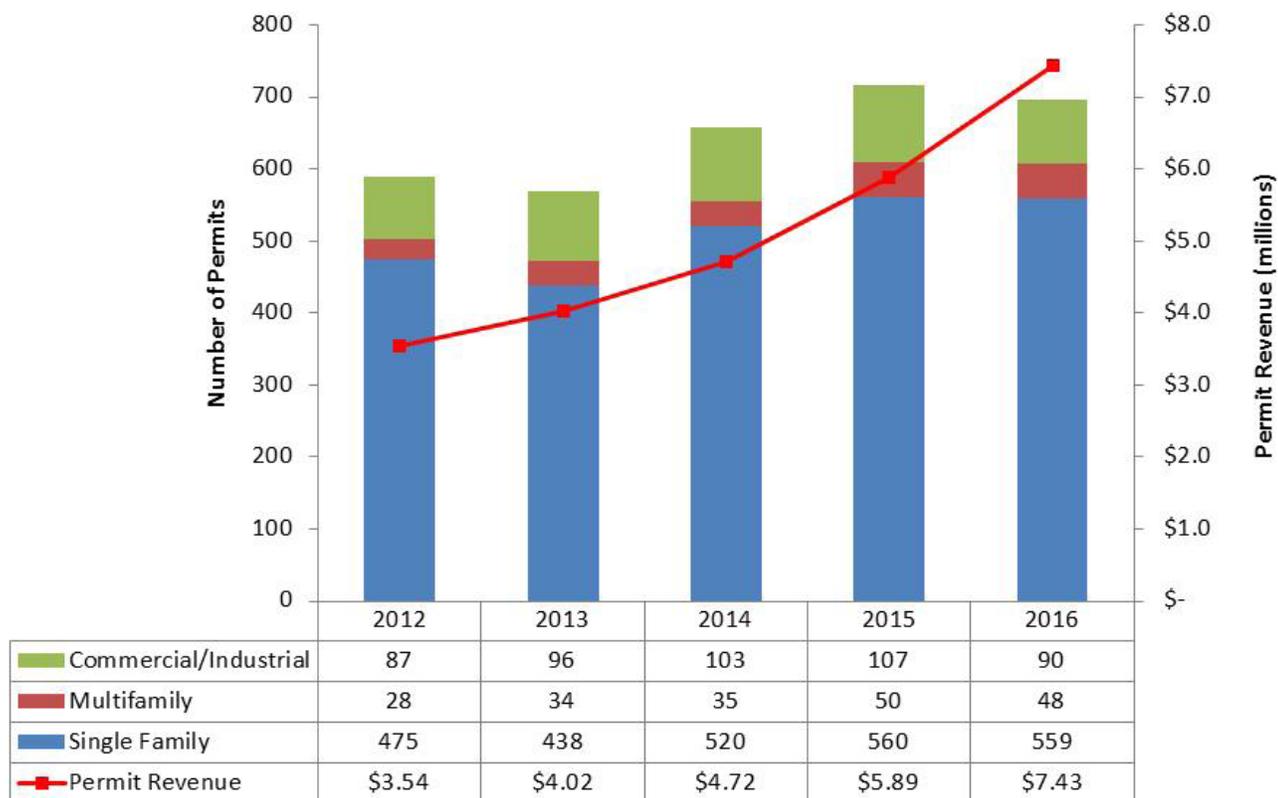
Development and land use planning services involves the creation of long-term, integrated community, land use, environment, and social policy and plans. The District provides advisory and support services through management of the development process. Services that help shape the process include community planning, development services, and public lands management.

Building Permits

Building Permits are required for any new construction, alteration, demolition, or addition to a structure in the District of North Vancouver. The majority of building permits issued is for single family construction.

The total number of permits has leveled after two years of growth. The increase in permit revenue in 2016 is due to larger scale projects in town centres, in alignment with the Official Community Plan.

Building Permits and Revenue



Note: Graph excludes permits issued for assembly use and demolitions

DEVELOPMENT & LAND USE PLANNING – ACTIVITY MEASURES

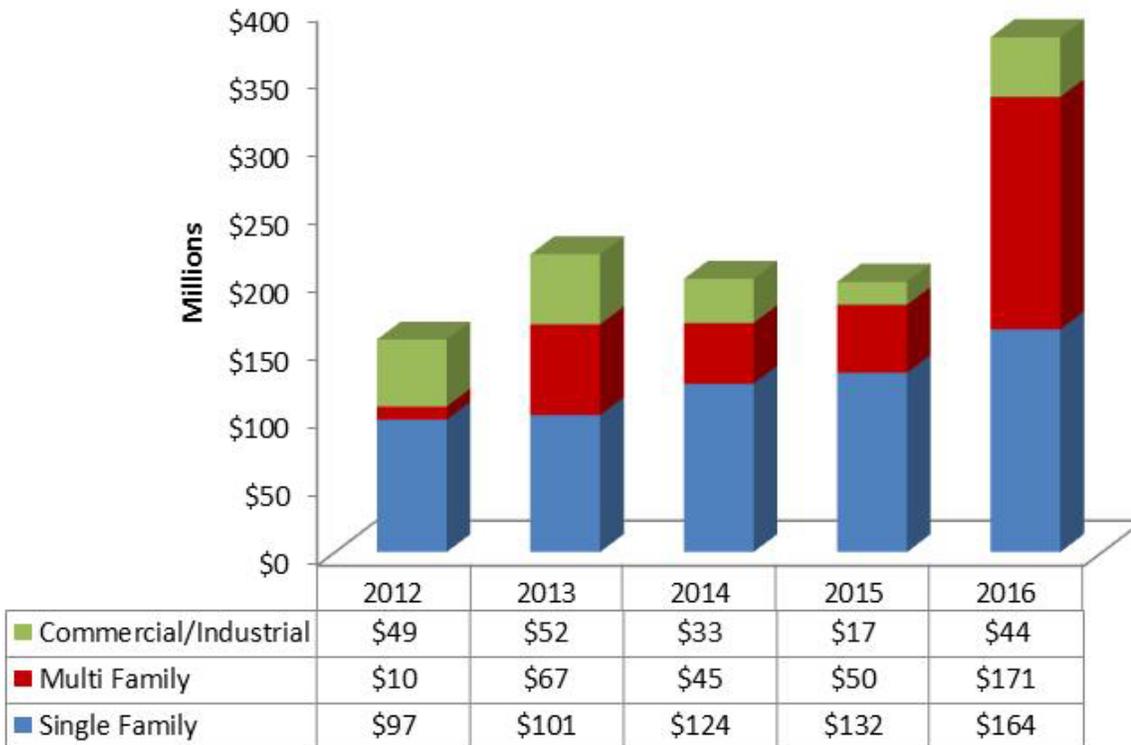
Construction Values

Following a period of relative stability, construction values increased significantly in 2016 due to major projects including:

- Seylynn Village: 70 unit affordable rental project in Lynn Creek
- Grosvenor: mixed-use development in Edgemont including retail and 82 residence units
- Polygon: 95 residence units Cates Landing project on Dollarton Highway
- Mountain Court: 75 unit rental and 68 unit market development in Lynn Valley
- Seaspans: new head office building

Value of Construction 2012 - 2016

Source: DNV, Permits, Planning & Bylaws

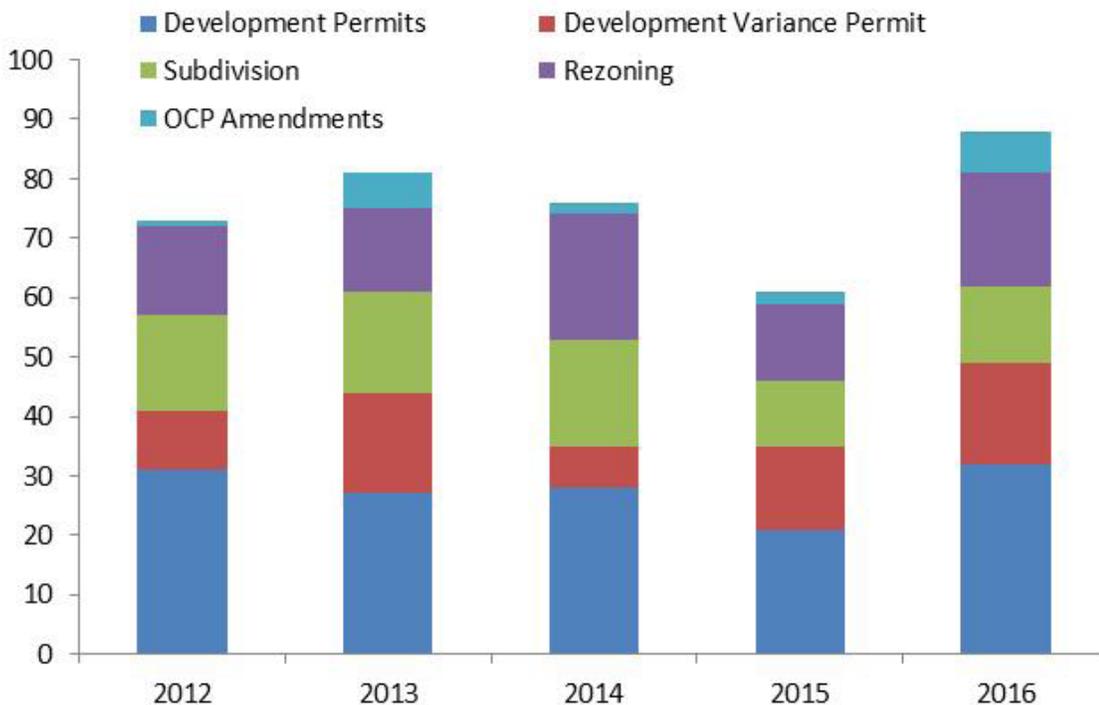


DEVELOPMENT & LAND USE PLANNING – ACTIVITY MEASURES

Planning Applications

The number of Planning Applications rose in 2016, as development of town centres continued, in alignment with the Official Community Plan.

Number of Planning Applications



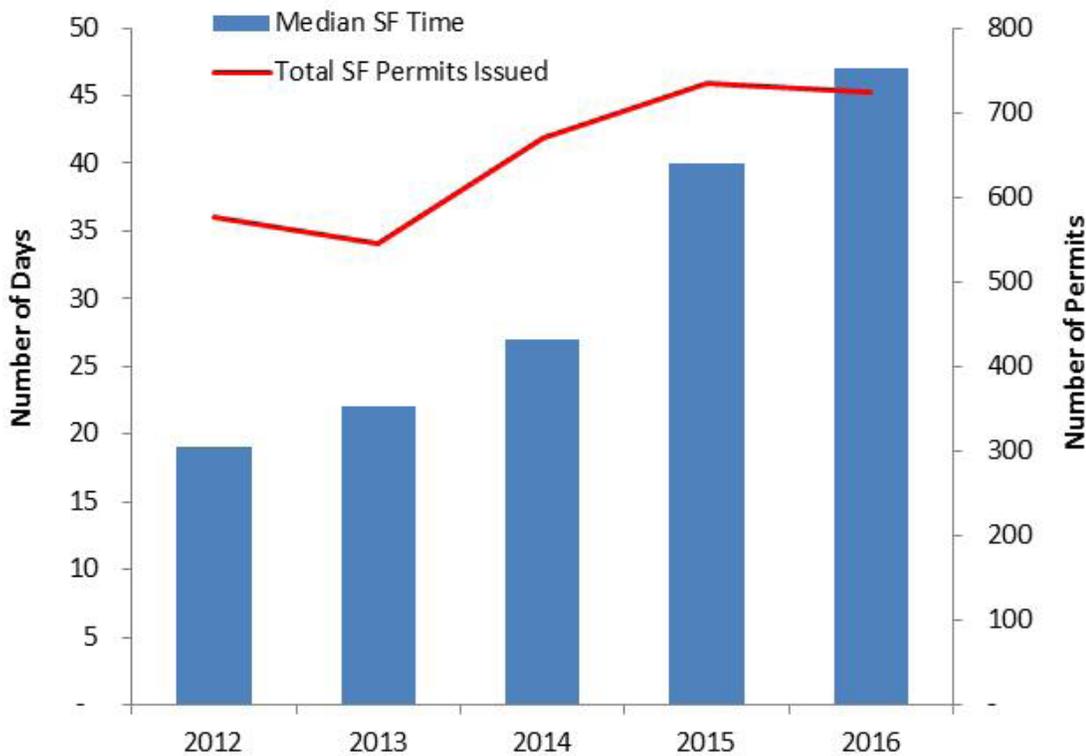
Note: Data has been restated to exclude single family environmental development permits which are reviewed and approved by Environmental Services.

DEVELOPMENT & LAND USE PLANNING – ACTIVITY MEASURES

Single-Family Building Permits

There was an increase in median processing time for single-family residential building permits in 2016. The processing time was influenced by a number of factors including an ongoing increase in the volume of permits, and the development and implementation of a new permit management system. The anticipated launch of the new permit management system together with business process changes and staffing initiatives undertaken throughout 2016 will improve internal efficiencies and capacity to addressing customer needs ultimately reducing processing time in the coming years. Preliminary customer feedback has indicated measures undertaken to date are resulting in improved service levels.

Single-Family Building Permits Processing Time

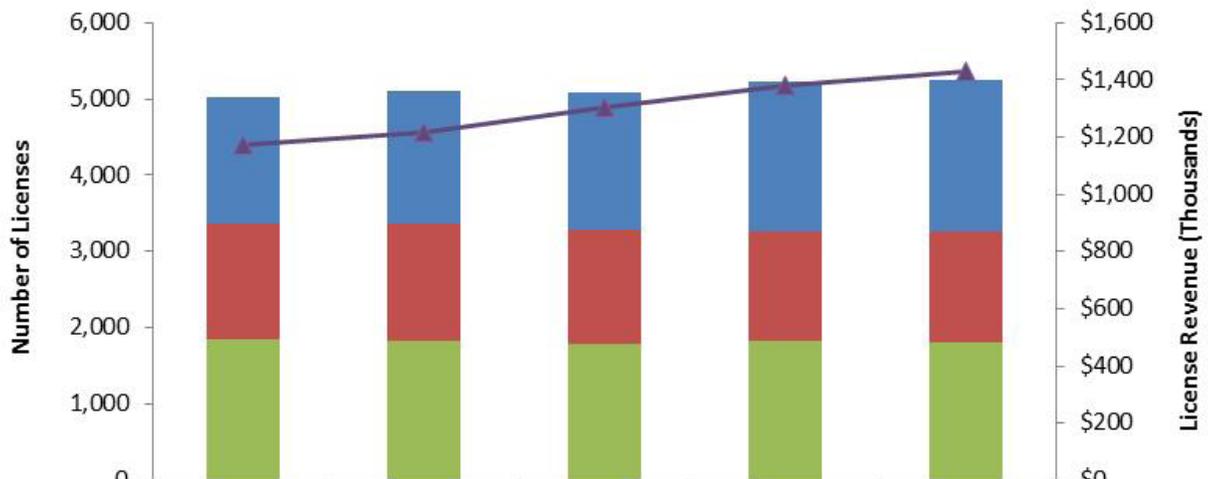


DEVELOPMENT & LAND USE PLANNING – ACTIVITY MEASURES

Business Licenses

Related revenues have grown at an average rate of five per cent each year with the total number of business licenses issued increasing five per cent since 2012.

Business Licences



	2012	2013	2014	2015	2016
Non-DNV Premises	1,647	1,744	1,805	1,971	1,983
DNV Premises: Home Based	1,530	1,541	1,496	1,436	1,461
DNV Premises: Commercial	1,838	1,818	1,783	1,822	1,806
Total DNV Premises	3,368	3,359	3,279	3,258	3,267
Business License Revenue	\$1,170,505	\$1,215,885	\$1,304,033	\$1,377,179	\$1,428,354

PROTECTIVE SERVICES – PERFORMANCE MEASURE

Ensuring the safety and well-being of our community is essential. The range of services provided by the District includes: first responder/emergency medical services, fire prevention education and inspections, general policing duties, emergency and natural hazards management, and general animal welfare services.

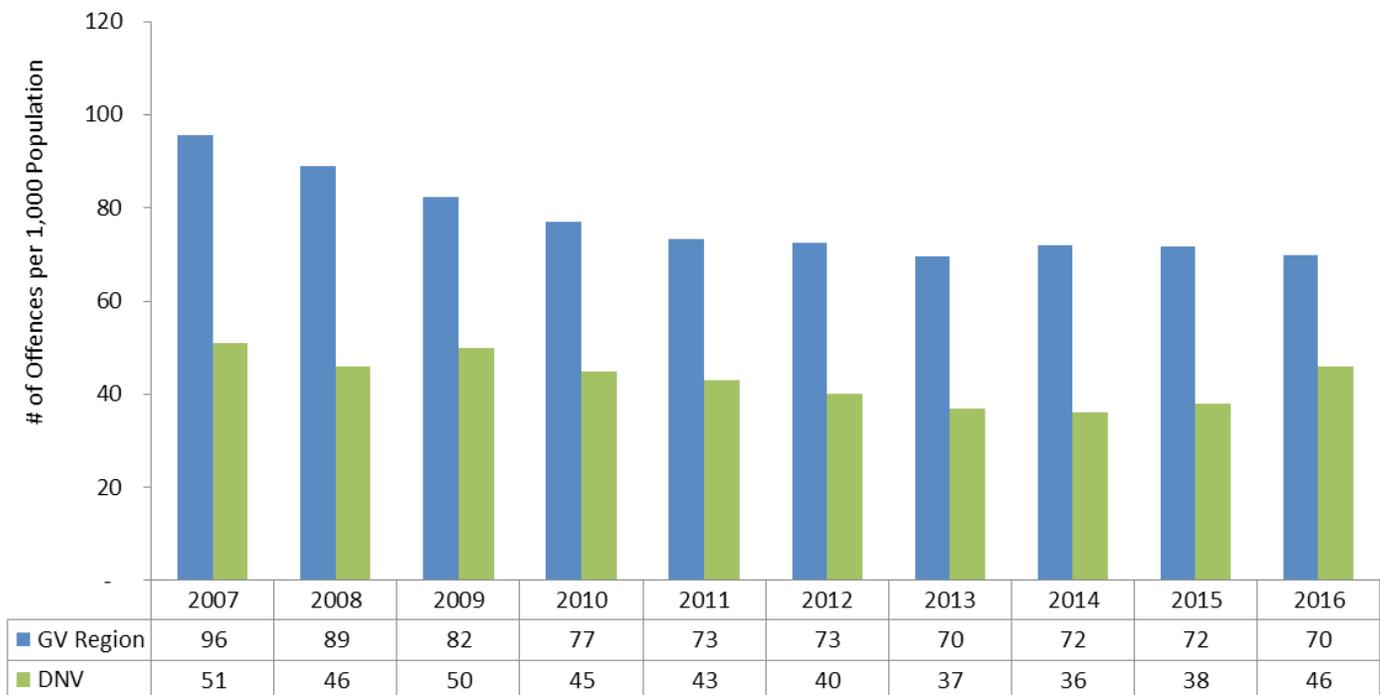
Crime Rate

Crime Rate is defined as the number of offences per 1,000 population. The population figures used in the rate calculations are based upon Census results and represent the permanent residential or “late night” population of a municipality and do not include part-time populations, such as commuters, students, tourists and other part-time residents.

While increases in break and enters, theft from automobiles, and other property crime contributed to the higher Crime Rate in 2016, the rate of crime in the District continues to be significantly lower than that of the Metro Vancouver Region.

Crime Rate 2007 - 2016

Source: RCMP Strategic Services Section



PROTECTIVE SERVICES – PERFORMANCE MEASURE

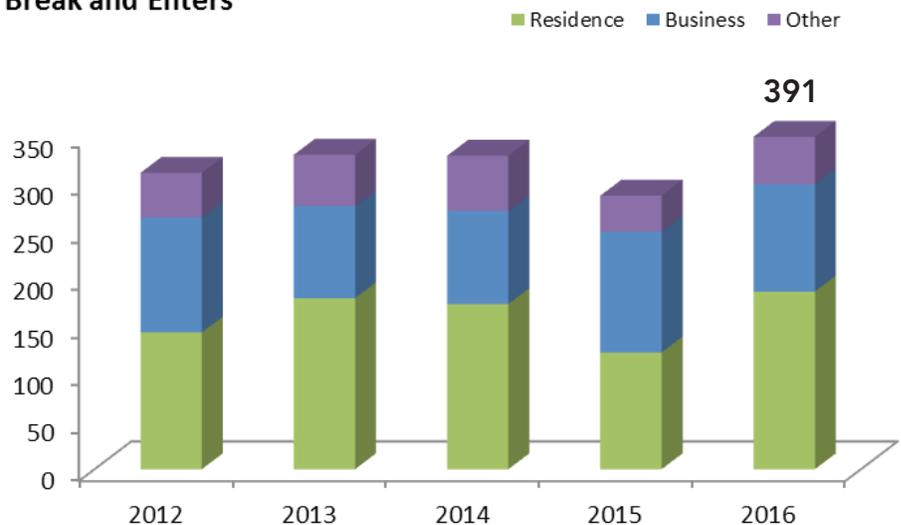
Break and Enters/Automobile Theft

In 2016, the District experienced increases in Residential and Other Break and Enters including detached garages and sheds. Break and Enters totalled 391, and increased at an average annual rate of 4 per cent over the last five years. Automobile thefts declined to 74, decreasing an average of 6 per cent annually over the last

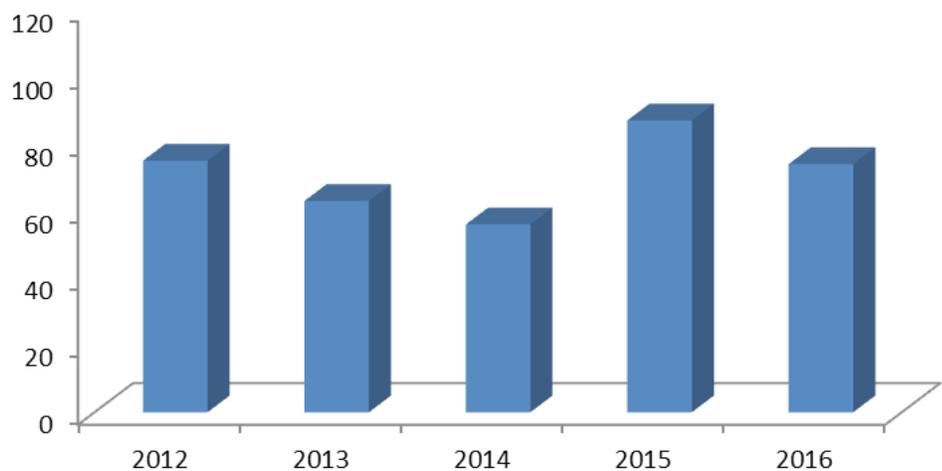
five years. Crime prevention continues to be a priority for the North Vancouver RCMP Detachment with a special task force and initiatives set up to reduce theft from vehicles. In late 2016, a successful six week Theft from Auto initiative was conducted resulting in a greater police presence in and near transit hubs, reducing incidents and arresting numerous individuals.

The RCMP is critical to providing safety and security for Canadians by tackling crime at the municipal, provincial/territorial, federal and international levels. The Detachment provides various services including crime prevention and investigation, maintaining peace and order, enforcing laws, ensuring the safety of visiting dignitaries and officials, while providing operational support services to other police and law enforcement agencies.

Break and Enters



Automobile Thefts



PROTECTIVE SERVICES – PERFORMANCE MEASURE

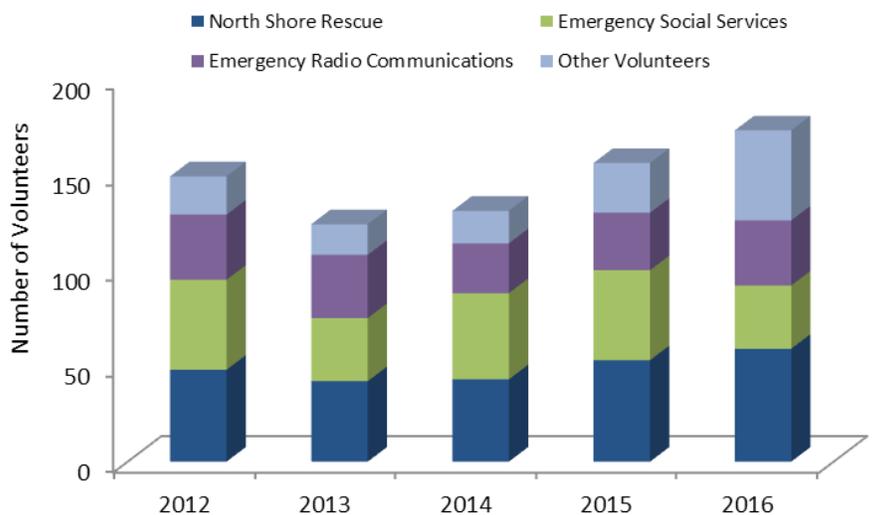
North Shore Emergency Management

North Shore Emergency Management (NSEM) provides an extensive range of services to the three North Shore municipalities, including emergency support services, search and rescue, and emergency communications with the vision of a disaster resilient North Shore.

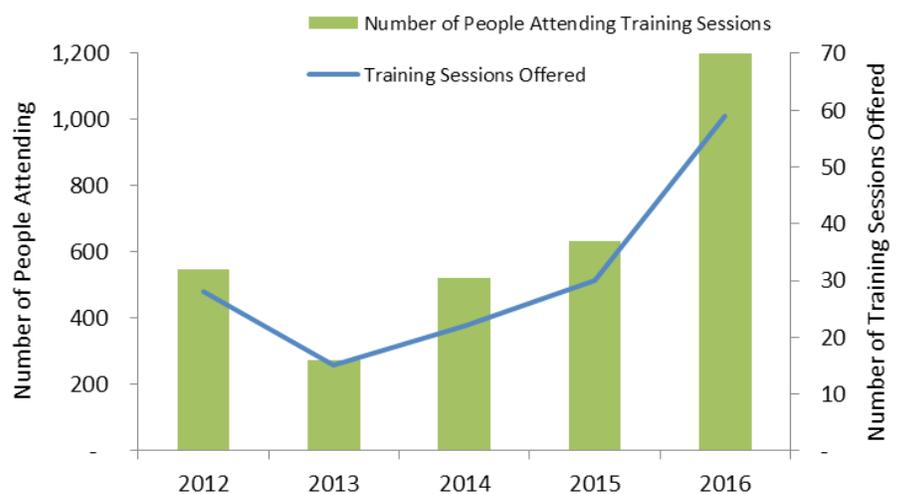
NSEM has been offering free personal preparedness training to the public for over two decades. NSEM also offers residents extensive information on a wide range of emergency management topics through their website nsem.info. Whether it is information on personal preparedness, natural hazards, or emergency response and recovery, NSEM's website provides a wealth of information in convenient, accessible formats (videos, fact sheets, etc.). NSEM's social media channels (Twitter and Facebook) provide topical updates to residents. It also maintains RapidNotify, a North Shore wide emergency notification system which residents can sign up for to receive emergency alerts.

In 2016, NSEM increased its compliment of volunteers, particularly on the Emergency Education Instructor Team. As such, a larger variety of presentations and workshops were offered in 2016 including the Youth Emergency Preparedness Presentation and an increased focus on tracking attendees has provided better data. Activities in 2016 are reflected in these graphs.

Number of Volunteers



Emergency Training Offered to the Public



PROTECTIVE SERVICES – PERFORMANCE MEASURE

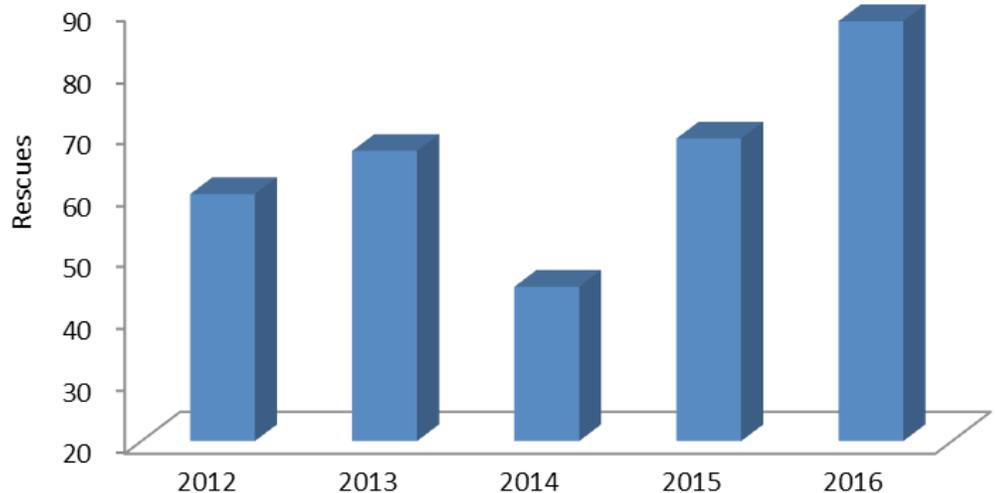
North Vancouver District Fire and Rescue Services

North Vancouver District Fire and Rescue Services (NVFRS) continue to train extensively throughout the year in preparation for technical rescues, including high angle, mountainous terrain, and swift water. In 2016, the number of technical rescues attended increased 28 per cent over the prior year with 18 rescues occurring at Lynn Canyon, 18 at Seymour Mountain, 15 at Quarry Rock in Deep Cove, and 14 at the Grouse Grind.

NVFRS continues to promote public safety through education and awareness.



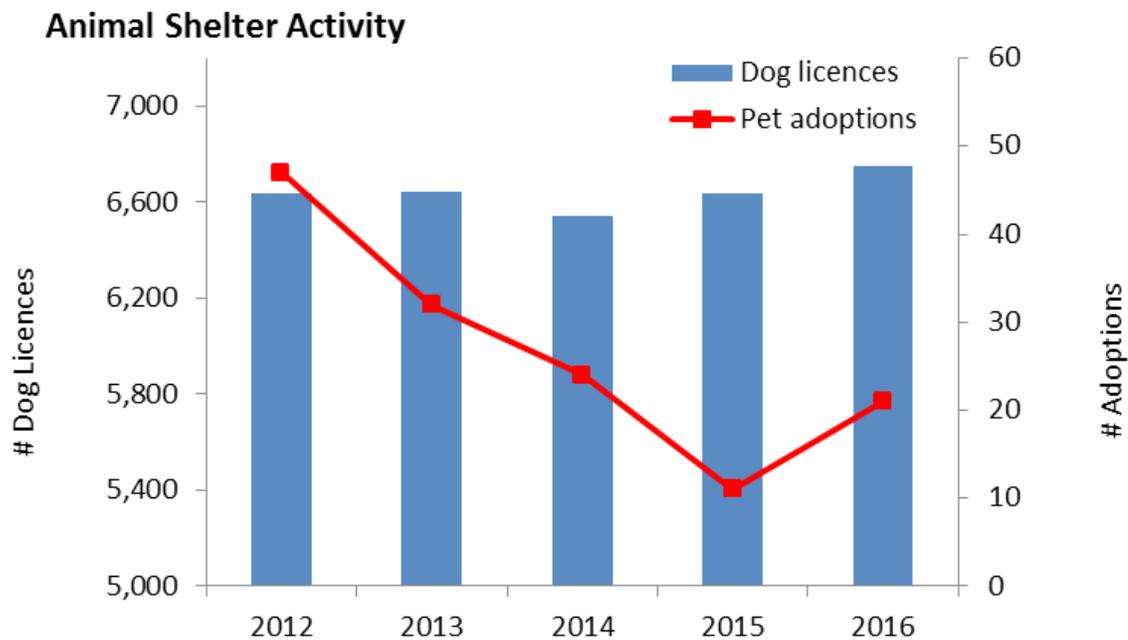
Technical Rescues



PROTECTIVE SERVICES – PERFORMANCE MEASURE

Animal Welfare Shelter & Services

Animal Welfare Shelter & Services of the District of North Vancouver provides a temporary home for animals until they are reunited with their owners or a new home is found. Years of public outreach and education, combined with a committed community and responsible pet guardians, has created a situation where there are fewer animals in the shelter kennels. Correspondingly, since 2012, pet adoptions have declined at an average annual rate of 18 per cent. Dog licence fees continue to remain stable and help to offset the costs of this program.



TRANSPORTATION – ACTIVITY MEASURES

In addition to pavement resurfacing, road repairs/cleaning, snow and ice control, the District's Engineering Department delivers a variety of transportation and alternative transportation services including planning transportation routes for new town centres, managing traffic flow, cycling infrastructure, traffic calming and pedestrian improvements, as well as signage and street lighting.

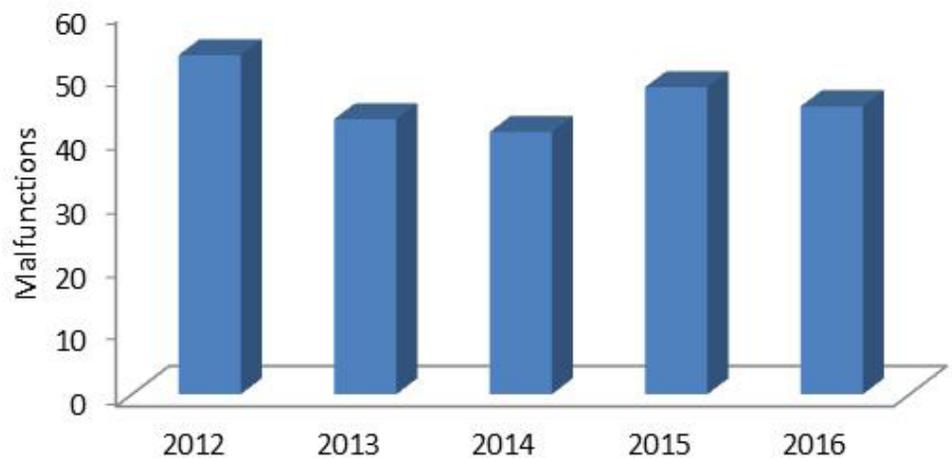
Traffic Signal Malfunctions

The occurrence of traffic signal malfunctions has levelled off in recent years as many traffic controls at intersections that were beyond their life cycle have now been upgraded.

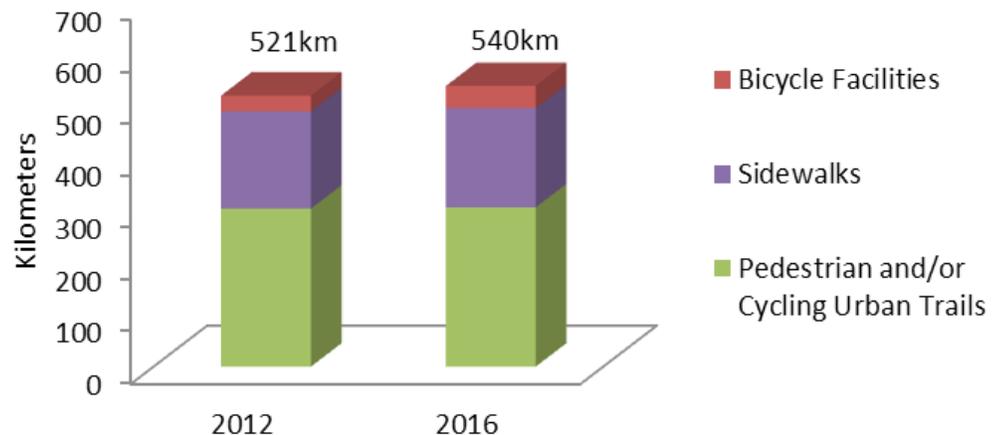
Pedestrian and Cycling Network

The District continues to increase the pedestrian and cycling network and coordinates with other agencies as the need arises. Bicycle network definitions have been revised to improve future planning. As such, prior years data has been restated.

Traffic Signal Malfunctions



Length of Pedestrian & Cycling Network



GOVERNANCE & CORPORATE MANAGEMENT – PERFORMANCE MEASURES

Governance and corporate management services relate to the business of managing the District as an organization. While these services are not necessarily visible to the public, their impacts can be seen through financial reporting and property tax notices, communications with residents, and service delivery.

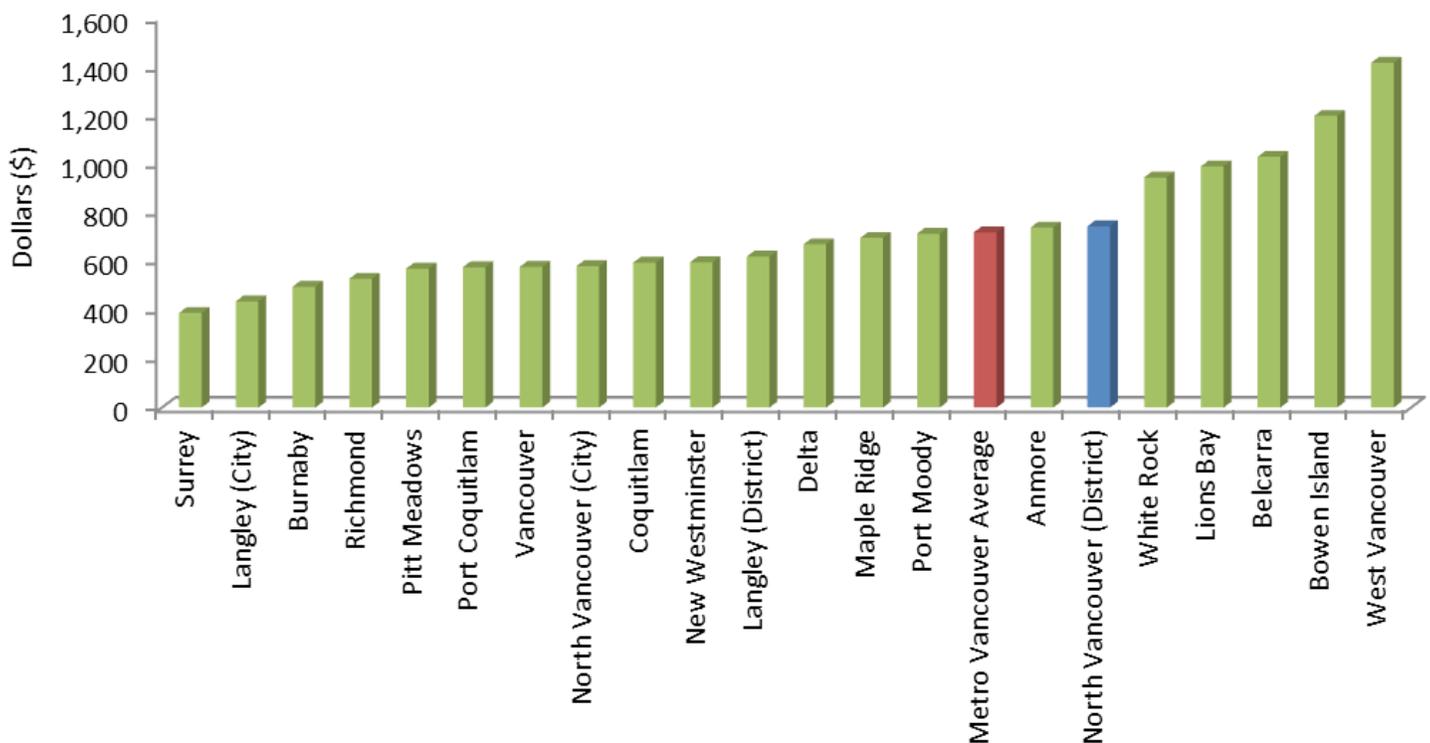
Residential Taxes

This graph compares the 2016 net municipal residential tax levy for Metro Vancouver communities.

The per capita comparison is calculated by dividing municipal residential taxes by the population base for each municipality represented. Many factors influence this per capita result including: levels of service, service delivery efficiency, size of the business community, revenue policy (e.g. tax distribution and user fees), geography, population growth and density.

2016 Municipal Residential Taxes per Capita

Source: Ministry of Community and Rural Development, Local Government Department



GOVERNANCE & CORPORATE MANAGEMENT – PERFORMANCE MEASURES

The District of North Vancouver’s objective is to distribute the tax burden between property classes equitably and to reflect community goals. Council has approved a tax strategy based on rate competitiveness designed to attract and retain its industrial and commercial base. Its main elements are:

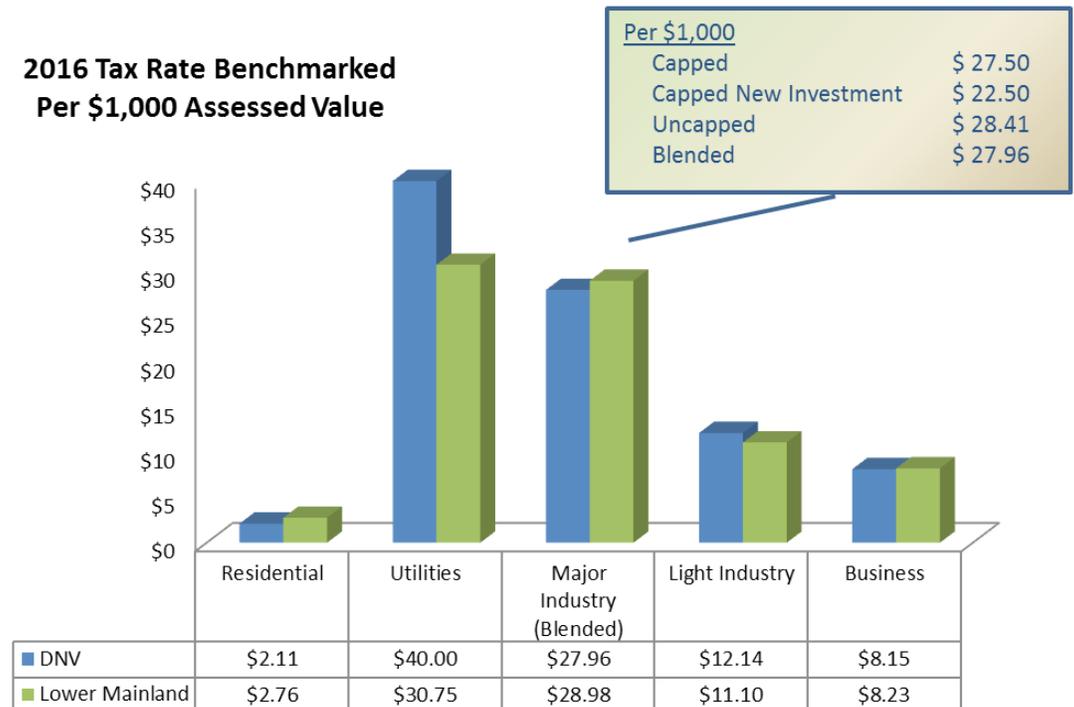
- Harmonize tax rates with averages for the region or the Ports Property Tax Act capped rate of \$27.50 (if applicable);
- Shift taxes between classes where the tax base for a property class is too small to be corrected by investment alone.

Note: the District is one of a handful of municipalities impacted by provincial legislation that imposes capped rates under the Ports Property Tax Act for some of its major industrial taxpayers. The District’s average (blended) rate for Major Industry was \$27.96 in 2016, compared with \$28.98 for the Lower Mainland.

Since being implemented in 2009, tax strategy outcomes have led to a continued rate reduction

for both the light and major industrial classes resulting in tax rates closer to the regional averages. Light Industry tax rates have decreased from \$25.28 in 2009 to \$12.14 per \$1,000 in 2016, while uncapped rates for Major Industry have fallen from \$47.62 in 2009 to \$28.41 per \$1,000 in 2016.

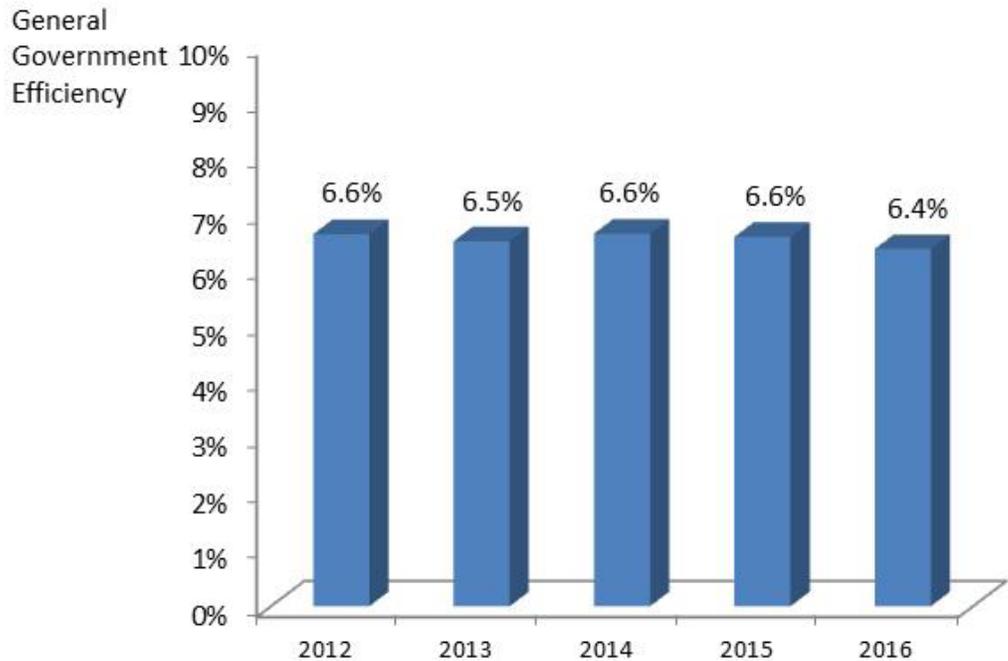
**2016 Tax Rate Benchmarked
Per \$1,000 Assessed Value**



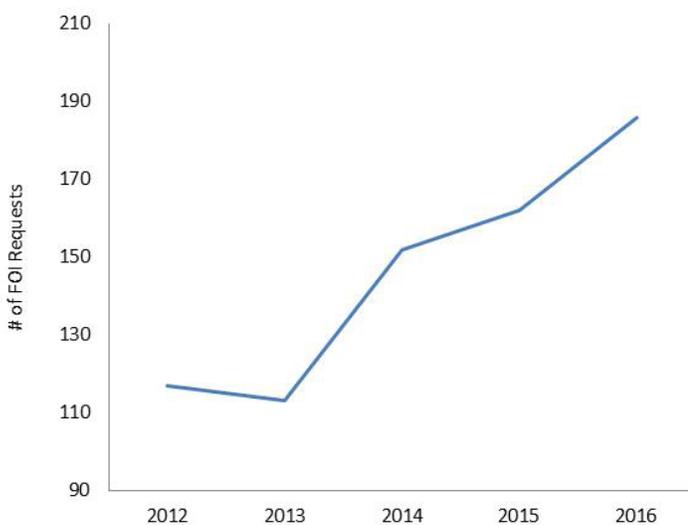
Operating Costs for Governance and Corporate Management

The cost of governance and corporate management (GCM) has remained consistent with prior years and in 2016 accounted for 6.4 per cent of the municipal operating budget. In 2016, municipal operating expenses have grown due to recent development activity while GCM expenses are contained at prior year levels.

Operating Costs For Governance and Corporate Management



Number of FOI Requests



Freedom of Information requests

Public awareness continues to drive the increase in the number of FOI requests.

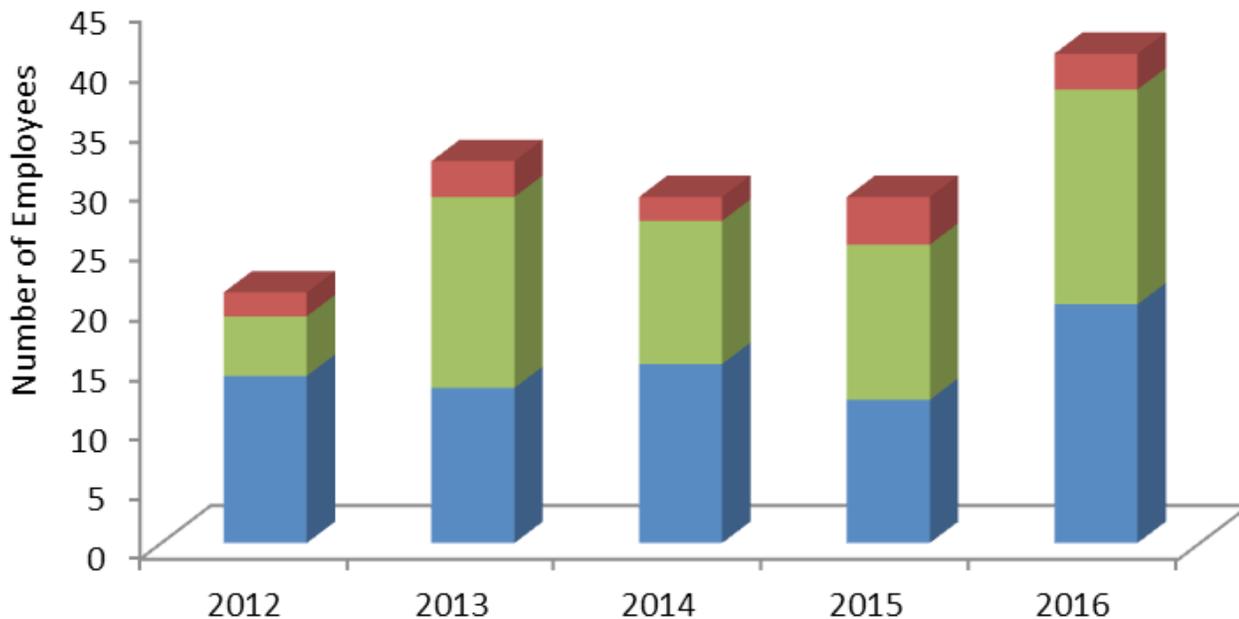
Employee Turn-over

Turn-over remained fairly consistent in 2014 and 2015, increasing in 2016. This can be attributed to a number of factors. The District’s workforce is highly mobile. As the competition for talent in the external labour market increases, District employees continue to be potential recruits for the private sector and other governments. Commuting challenges and the cost of real estate on the North Shore make it difficult to compete. As the older cohort in the workforce continues to age, the number of retirements rises. In 2015 and 2016 the District saw a significant increase in retirements and we expect this to continue for the next several years as baby boomers continue to exit the workforce.

Employees cited relocation, working closer to home, promotional opportunities, retirement and, personal and family reasons for exiting the organization.

Employee Turnover

■ Involuntary ■ Retired ■ Resigned

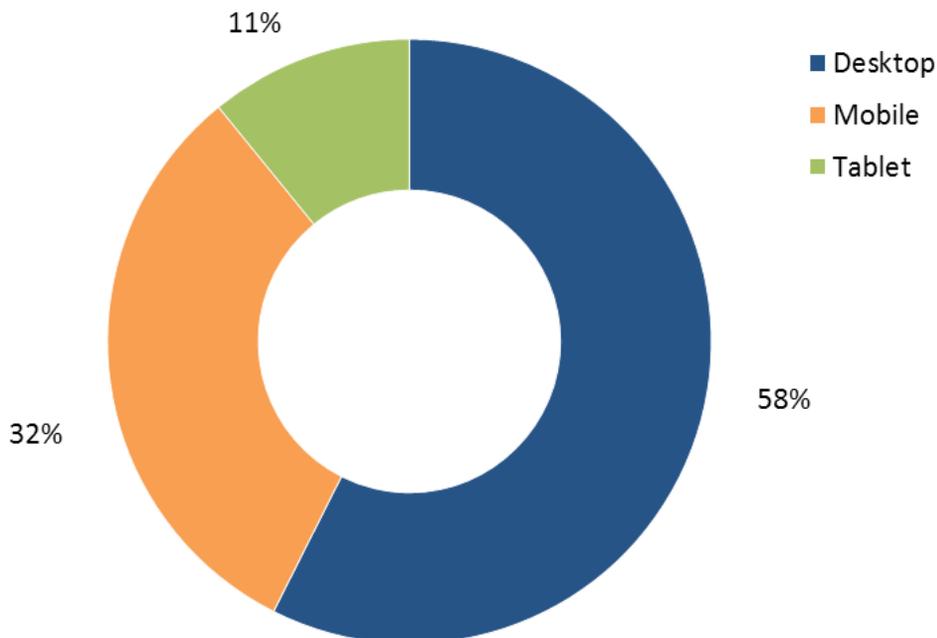


Website Metrics

During 2016, 41 per cent of the visits to our website came from mobile devices, reaffirming our 2015 decision to adopt a 'mobile-first' approach to our digital channels. Due to our mobile first guidelines – which help us shape the volume, complexity, and visual presentation of our online information, and simplify our digital tools and services – all of our visitors enjoy the same level of customer service, regardless of whether they use smartphones on the go, or are seated at traditional desktop computers.

DNV.org had 307,385 users in 2016, visiting a total of 564,770 times. Over time, these key website metrics will help us measure progress on our objective of making digital our residents' preferred choice for doing business with us. Because we made substantial improvements to how we gather this data in 2016, we are able to report our yearly growth more accurately going forward; however we are unable to compare 2016 with prior years' results.

Website Usage by Device Type



Reserve and Surplus Funds

In 2016, the District's reserve and surplus funds total \$98 million, increasing \$6 million from 2015. The increase is primarily due to surplus contributed from utility operations and due to community amenity contributions received from development, partially offset by funds used for infrastructure replacement as well as land acquisitions.

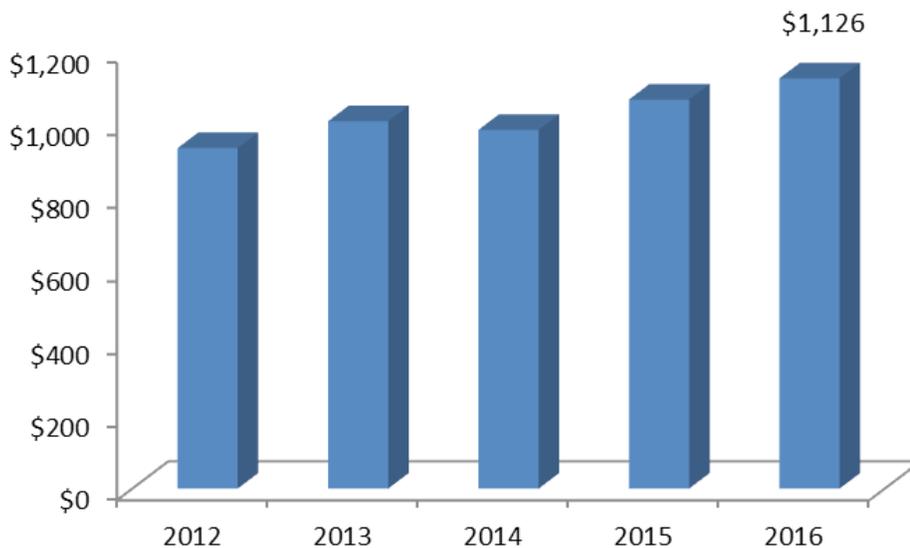
Reserve and surplus funds support long term steady state replacement of existing infrastructure, risk mitigation and are a key financial resilience measure.

Fund balances vary depending upon the District's capital requirements and its operational risk profile at any given time. Prudence requires minimum thresholds be maintained at all times to ensure the organization's capacity to react to unforeseen events, sustain levels of service to the community and ensure the long term financial viability of the District. Sound judgement, trend analysis and best practices are followed to establish a reasonable provision.

Reserve and surplus funds on a per capita basis are \$1,126 at the end of 2016.

Reserve and Surplus Funds per Capita 2012-2016

Source: Audited Financial Statements and BC Statistics



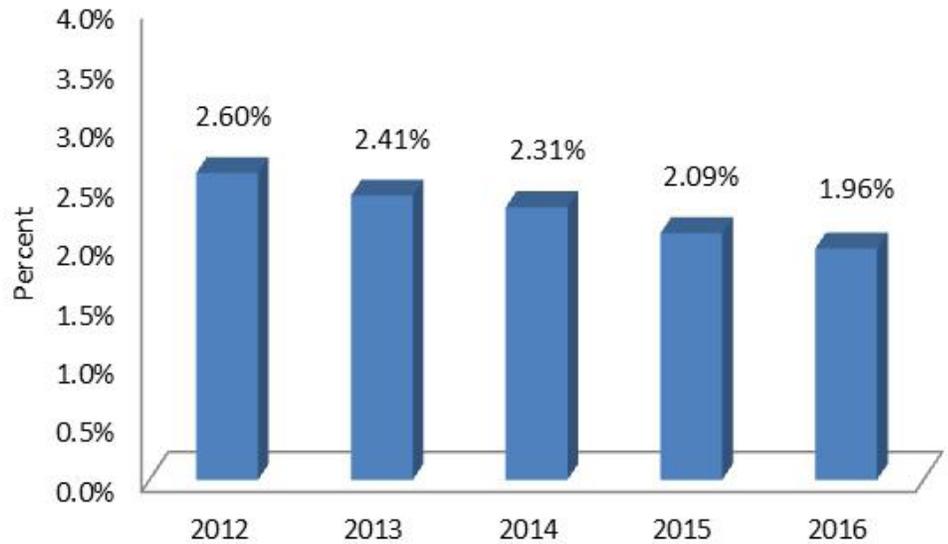
Note: Per Capita amounts have been restated for 2012 – 2015, due to updated population estimates from BC Statistics

Return on Investments

Market conditions over the past five years have not been conducive to strong rates of return, and are reflected in the downward trend above.

The District invests with a focus on preservation of capital as a top priority, followed by liquidity and then rate of return. All investments are compliant with the Community Charter.

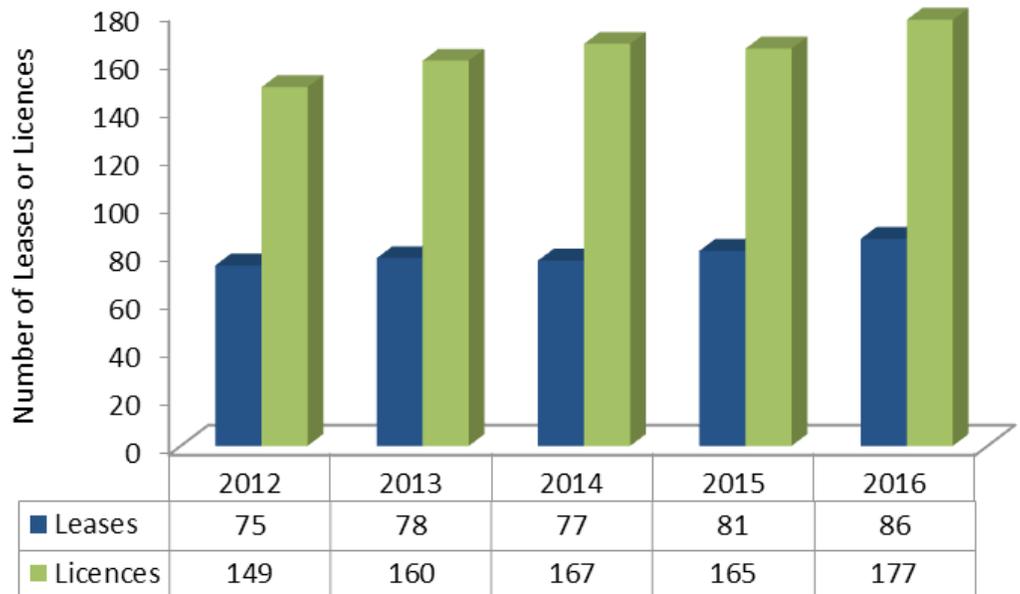
Average Rate of Return on Investments



Leases and Licences

Leases and licences continue to rise in line with demand.

Leases and Licences Administered



UTILITY SERVICES, WATER – PERFORMANCE MEASURE

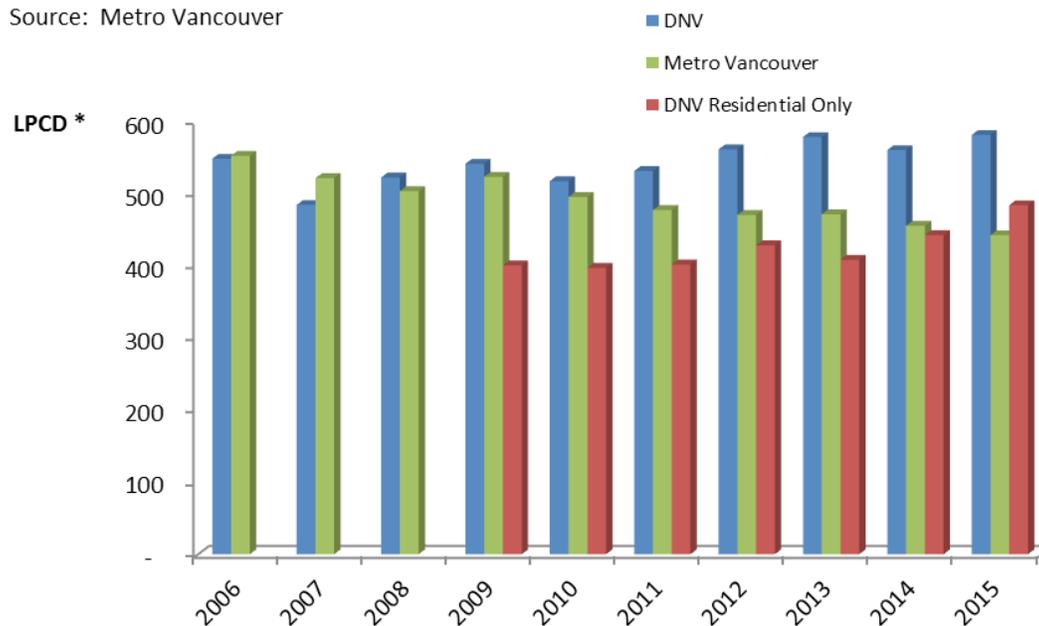
The provision of water services contributes to District residents' health and well-being by providing a safe, adequate, and trouble-free supply of potable water. The District manages, maintains, and upgrades its network of pipes, pump stations and connections to supply water to its residents from the Capilano and Seymour Watersheds managed by Metro Vancouver.

Water Consumption

This graph compares the District's water consumption to that of Metro Vancouver as a whole. It is based upon data from the Greater Vancouver Water District for total water consumption by all users, including commercial users. Residential consumption increased in 2014 and 2015 in response to warm temperatures and dry weather. In July 2015, Metro moved to Stage 3 water restrictions in response to decreasing reservoir levels resulting from increased outdoor water use attributed to the abnormally warm dry spring and summer. The District's relatively large proportion of single family residential customers creates a use pattern that heavily influences residential water use.

Water Consumption Per Capita

Source: Metro Vancouver



*LPCD = average litres of water consumed per capita per day

Note: Water Consumption data is provided by Metro Vancouver one year following the reported year of operations

The District's Water Conservation Program continued into its ninth year with an emphasis on public education. We continue to develop our proactive leak detection system and a leak repair protocol to minimise water loss from the system.

The District continues to refine its monitoring process for water consumption by user, time of year, and other considerations.

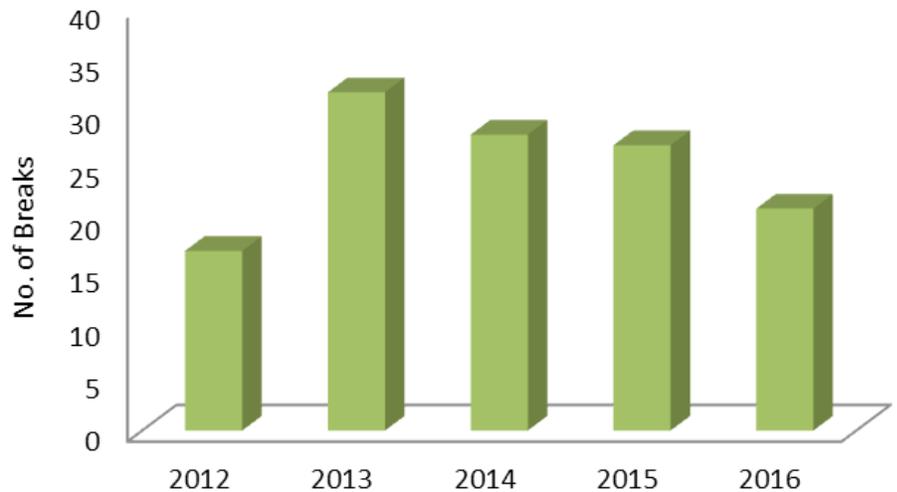
UTILITY SERVICES, WATER – PERFORMANCE MEASURE

Watermain Breaks

A proactive replacement strategy was implemented in the mid-1990s when breaks had reached 50 per year. Yearly fluctuations in the number of water main breaks are due largely to seasonal weather variations and to changes in Metro Vancouver's operational system. In 2016, water main breaks dropped to 21, a rate just below what is considered normal for our system. Water main breaks continue to heavily influence annual water main replacement selection and priority.



Watermain Breaks



UTILITY SERVICES, WATER – PERFORMANCE MEASURE

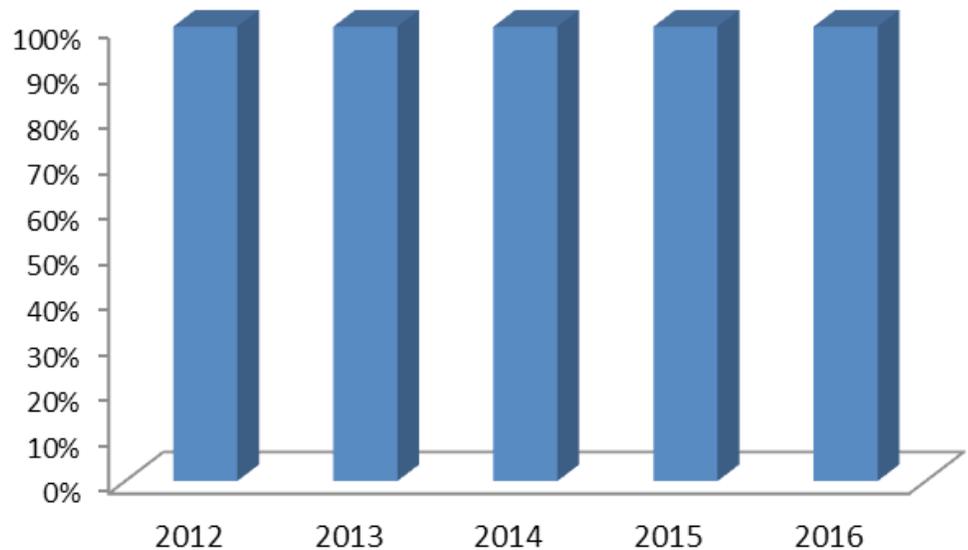
Water Quality

Water quality in the District continues to be exceptional. One hundred per cent of water samples in 2016 met bacteriological and aesthetic standards, continuing an unbroken trend since 2009.

This marks the second full year that we received 100 per cent of our water from the Seymour Capilano Filtration Plant. In 2016 Metro Vancouver improved water supply security by relocating and replacing a critical large-diameter supply main in the Capilano neighbourhood and brought into service a new supply reservoir for the Lynn Valley neighbourhood. The District improved water distribution flexibility this year by adding strategic supply connections in the Lynn Valley, Capilano, Highlands, Pemberton Heights and Lower Capilano neighbourhoods.



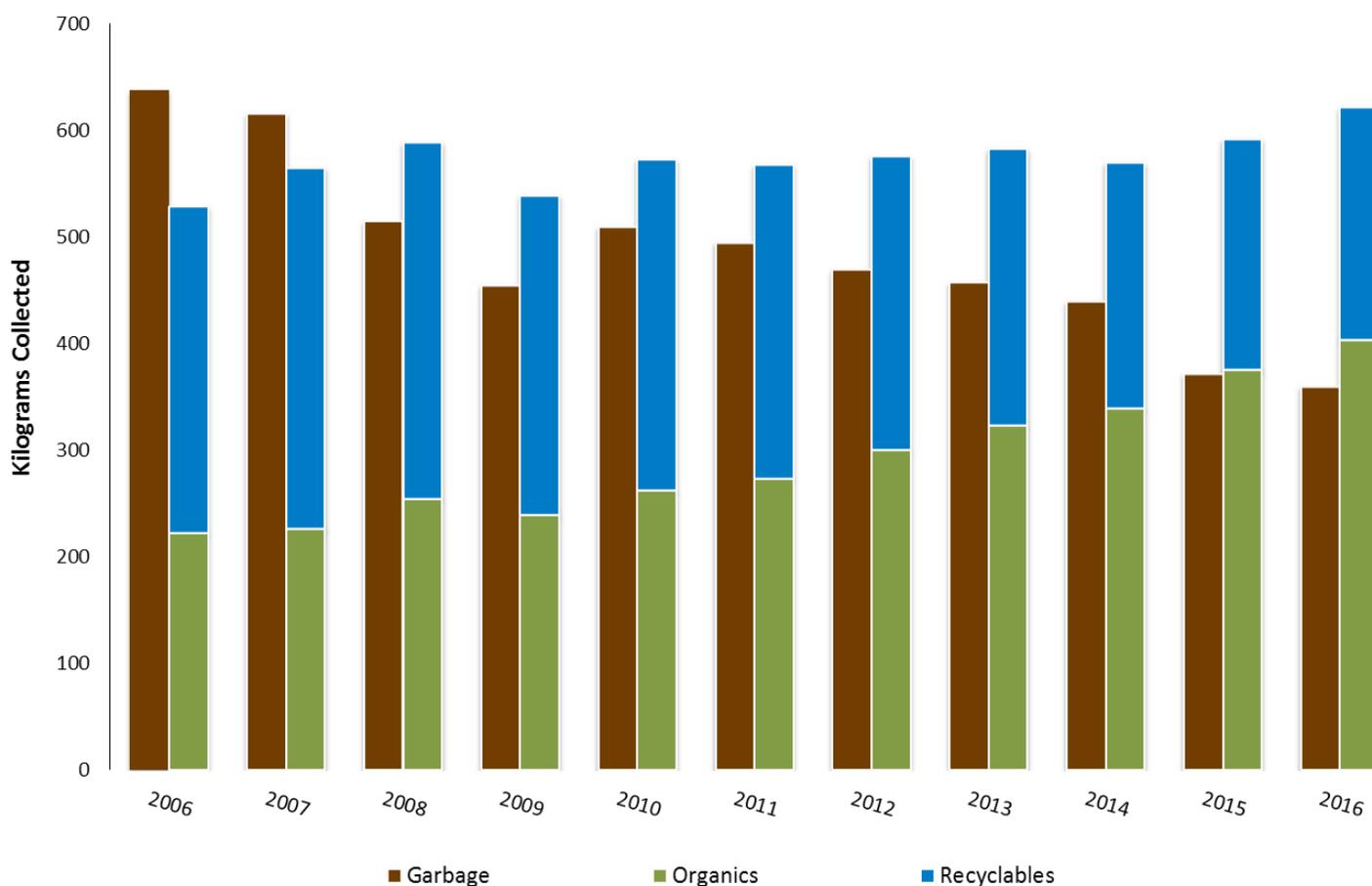
Percentage of Water Quality Samples Meeting Bacteriological Standards



RECYCLING & SOLID WASTE – PERFORMANCE MEASURE

Recycling and solid waste services include the collection, processing and disposal of household waste for both residential and commercial customers. The District also provides organics (food and yard waste) collection for residents. The District recognizes that residents value waste diversion initiatives in their community and will continue to develop programs which reduce garbage and promote recycling.

Garbage, Organics & Recyclables Collected per single family residence



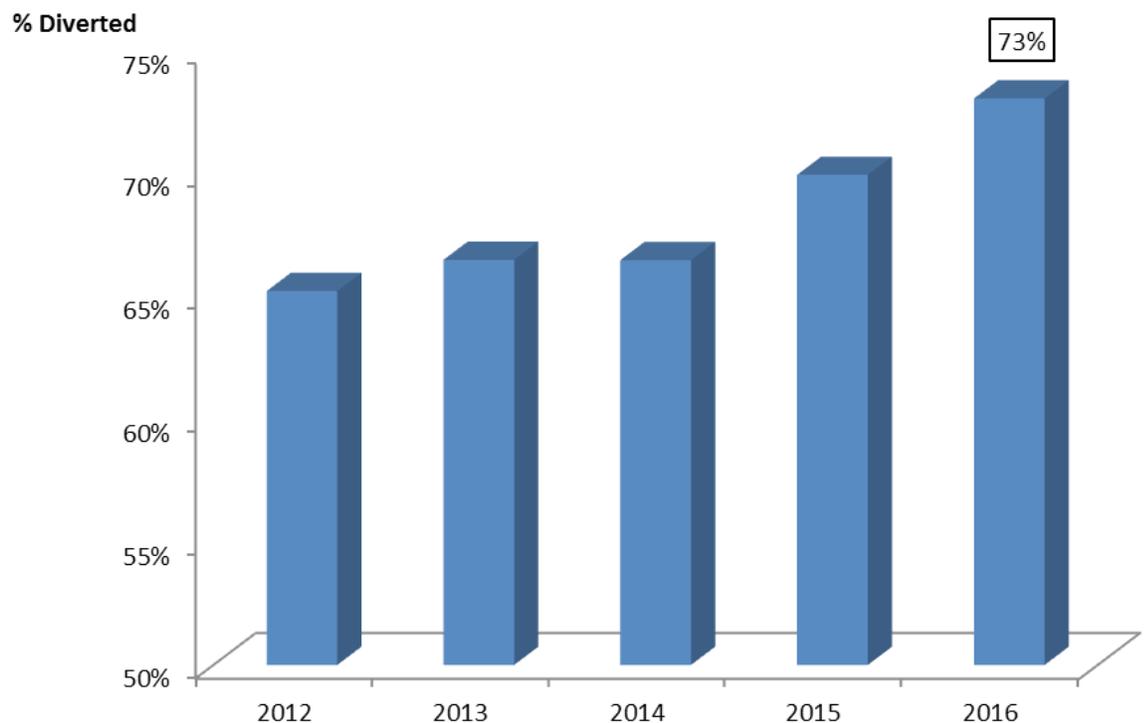
RECYCLING & SOLID WASTE – PERFORMANCE MEASURE

The District diverted 73 per cent of recyclable and compostable material from the municipal garbage stream in 2016. The District's overall goal is to divert 80 per cent of waste away from landfill by 2020 which aligns with Metro Vancouver's regional diversion target. In addition, approximately 700 tonnes of recyclables were collected through the multi-family building blue cart program and over 630 tonnes were collected through the depot from District residents in 2016. Nearly 35,000 tonnes of recyclables were diverted from the District's garbage stream over the past five years.

In 2016, approximately 7,700 tonnes of garbage (360 kgs per single family residence) was collected, which is a reduction from the amount of garbage generated in 2015. Approximately 8,700 tonnes of organics (403 kgs per single family residence) was collected in 2016 (a 13 per cent or 993 tonne increase from 2015).

A new cart program will be rolled out in 2017 as part of an initiative to increase waste diversion throughout the District. The District hopes to reduce residential garbage by incentivizing waste reduction through a reduced utility fee for smaller garbage carts while increasing participation in the organics program by providing residents with wildlife resistant containers.

Total Solid Waste Diversion Rate



DIVISIONAL AREAS OF RESPONSIBILITY

Executive Services

Executive Services includes the Chief Administrative Officer, Mayor, and Council, who define strategic directions and priorities that support the District's vision of a sustainable future. Service areas include strategic planning, leadership, human resources and overall corporate governance to ensure Council direction is supported and corporate accountabilities are met.

Corporate Services

Corporate Services provides internal services and plays a liaison role in relations with other governments, agencies and partners. Corporate planning, internal audit, business improvement, legal, communications, and business relations services, along with the activities of the Clerk's office, are all provided by the Corporate Services group.

Finance and Information Technology Services

Finance and Information Technology Services focuses on business support, policy development, and analysis for decision making. It is dedicated to effective, efficient business transformation and the development of long term strategies for both service delivery and financial health.



Fire and Rescue Services

Fire and Rescue Services works closely with its partner agencies on the North Shore to deliver a diverse set of emergency services including structural and wild land urban interface firefighting, motor vehicle rescue, high angle rescue, tower crane rescue, swift water rescue, hazardous materials response, pre-hospital medical response and in partnership with Vancouver Fire Department, marine firefighting.

DIVISIONAL AREAS OF RESPONSIBILITY

Engineering, Parks and Facilities

Engineering, Parks and Facilities consists of several distinct service groups including: Parks, Utilities, Public Works, Engineering Services, Public Safety, Project Delivery Services and Northlands Golf. The Division:

- plays a key role in the development process through the review of development applications, maintenance of development related infrastructure bylaws, and the provision of project services
- provides park services supporting public enjoyment of parks and green spaces
- makes sport fields and sport courts available for recreational use
- provides transportation services including infrastructure supporting the movement of people and goods
- provides utility services including water, liquid and solid waste, recycling and energy
- provides operational services including streets, construction, survey and fleet
- provides a number of central support services to other divisions and partners including facility, fleet and project services



Planning, Properties and Permits

Planning, Properties and Permits is comprised of these groups:

- Community Planning is responsible for long range, integrated community planning, as well as heritage and social planning functions
- Development Planning and Engineering is responsible for the review of a variety of land use applications including OCP amendments, rezonings, subdivisions, development permits and development variance permits and ensures comprehensive assessment of development , including engineering, transportation, planning and regulatory considerations
- Environmental Services is responsible for both regulatory and proactive environmental planning functions to protect and enhance the natural assets of the District
- Bylaw Services provides enforcement and public education about the District's regulations to support public safety, quality of life and community sustainability
- Real Estate and Properties provides a variety of real estate services such as property management, community leases, negotiation, valuation, marketing and Land Title Office and Court Registry
- Permits and Licences is responsible for inspection and compliance monitoring for the demolition, construction, alteration, and addition of buildings and structures

DIVISIONAL AREAS OF RESPONSIBILITY

Partner Agencies

Police Protection Services (RCMP)

The North Vancouver RCMP Detachment provides policing services to citizens of both the District and City of North Vancouver. These services include investigation, enforcement, crime prevention and services to victims of crime. The detachment is committed to preserving the peace, upholding the law, and providing quality services in partnership with the community. The Community Policing program provides an important bridge to local communities through the Auxiliary Constables, Block Watch, Business Watch, and Youth Intervention Unit programs.

North Vancouver District Public Library

Connecting Community, Fostering Knowledge, and Inspiring Stories. The library system offers a full range of information services and learning opportunities, including an extensive collection of books and digital collections, a variety of online resources through the library website, and innovative programs for both children and adults. The District is served by three library branches: Capilano, Lynn Valley, and Parkgate.

North Vancouver Recreation and Culture

The North Vancouver Recreation and Culture Commission (NVRCC), established and supported by the District and City of North Vancouver, provides a wide variety of recreation and cultural services for North Vancouver residents. Services are delivered in community

recreation centres and other indoor/outdoor venues and include social, active and creative services for people of all ages, gender, abilities and economic status. In addition, the Commission is responsible for the allocation of arts and culture grants, coordination of the public art programs, booking of many public spaces, and supporting community events. The Commission is also responsible for community recreation centres which include such spaces as pools, art rooms, fitness spaces, multi-purpose spaces, public gathering spaces, youth centres, seniors' spaces, ice arenas, gymnasiums, sport courts, and meeting rooms.



DIVISIONAL AREAS OF RESPONSIBILITY

North Vancouver Museum and Archives

North Vancouver Museum and Archives (NVMA) is a shared service with the City of North Vancouver that explores our community's collective past and shares its history with students, residents and visitors. NVMA preserves unique and historically valuable community records, stories and artifacts that the public can access at the Archives in Lynn Valley's Community History Centre, the Museum in Presentation House, and through an online collection database at nvma.ca. Special exhibits, walking tours, and programs celebrating unique aspects of North Vancouver are offered throughout the year.

North Shore Emergency Management

North Shore Emergency Management (NSEM) is the shared emergency management for the District of North Vancouver, City of North Vancouver and District of West Vancouver. NSEM's vision is "A Disaster Resilient North Shore". NSEM provides planning, training, exercises, public education, volunteer management, stakeholder engagement and an operationally ready, centralized Emergency Operations Centre which is activated during emergencies. The team also provides emergency response and recovery support thereby increasing community resiliency.



FEEDBACK

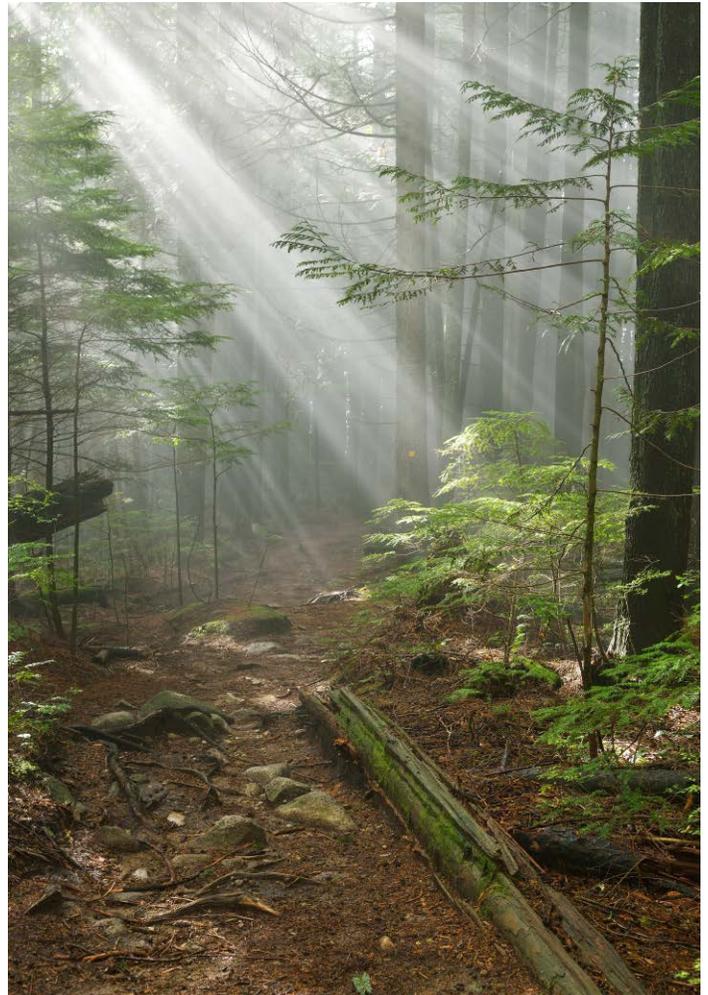
The District believes in continuous improvement and your comments are appreciated.

You can reach us at:

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Annual Report 2016

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