



2019

ANNUAL  
REPORT

**The 2019 Annual Report addresses activity and performance for the fiscal year ending December 2019. Due to the impact of the COVID-19 pandemic on our community at the time of publication, much of the forward-looking work articulated throughout may require reconsideration. Those changes will be reflected in subsequent reporting.**

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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.

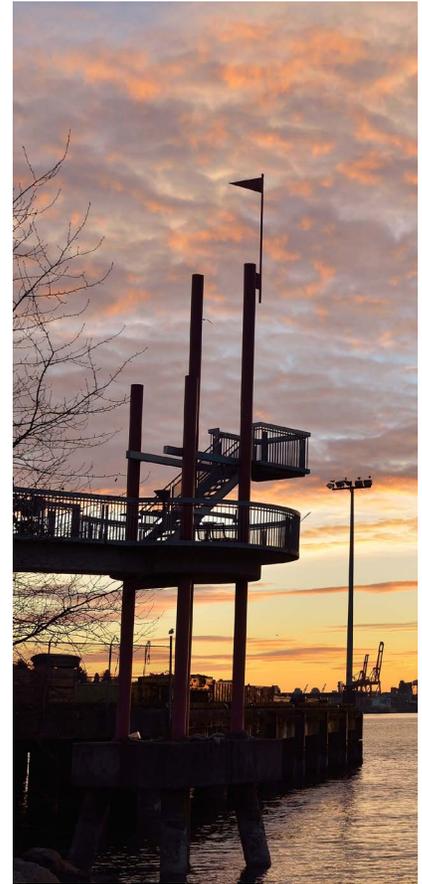
## *Welcome to the District of North Vancouver's 2019 Annual Report*

As required by the Community Charter, the 2019 Annual Report provides all of the elements of annual reporting 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.

The format, statutory content and activity measures presented here are consistent with past years.

This year's Annual Report is offered online in PDF format and at District Hall and the North Vancouver District Public Libraries for take out by appointment.



# MESSAGE FROM THE MAYOR



**Mike Little**

This year was a time of readjustment and collaboration, as Council marked our first full term in office. We have learned together, listened to our community, and have set a foundation to move our community forward at a thoughtful pace.

In late 2019, after much discussion, Council shared our priorities with both staff and the community. I am pleased that these directions—to improve mobility and transportation; increase housing diversity and address affordability; support a vibrant economy and jobs-housing balance; and take action on climate change—have become ingrained in the work of the municipality, both in our community and as a strong voice in our region.

As you will see throughout this report, we moved forward on many of these priorities in 2019. We facilitated improvements to our transportation and transit system, and through our continued support of the work of the Integrated North Shore Transportation Planning Project, we look forward to seeing many important transportation initiatives realized, such as a North Shore express bus route, which is set to launch next year.

We acted on our community's desire to make bold moves on climate issues. In 2019, we declared a climate and ecology emergency, supported the regulation of single-use items, and approved the Community Energy Emissions Plan, which has set us on a path to achieve new emissions targets.

We heard our community's desire to pause and reflect on the implementation of our Official Community Plan (OCP), and in mid-2019, began a Targeted Review of this important guiding document. While we continue to support the vision and goals of the 2011 OCP, new challenges have emerged since its adoption. A fresh look at the plan with an updated perspective will guide us in future years.

As I look ahead to the remainder of this term, I am confident in our Council's commitment to provide the leadership necessary to maintain the good financial, social, and environmental prosperity that we enjoy as residents and business owners in the District of North Vancouver.

In this report, I am pleased to share with you progress made

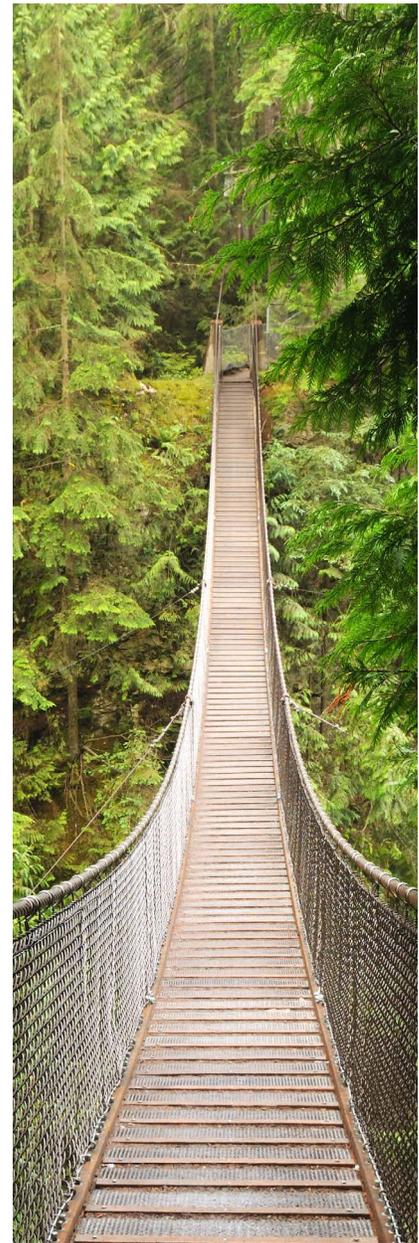
over the past year toward many of the issues that matter most to our community, and I look forward to continue sharing our progress with you in the years to come.

Lastly, it is not my normal practice to comment on activity outside of the scope of the 2019 Annual Report. However, the COVID-19 pandemic has impacted our lives dramatically in the first half of 2020. The pandemic has also impacted our work as a municipality, including many of the goals and timelines stated in this report. I am confident in our ability as Council, staff, and the community to navigate this challenging time together. Our thoughts continue to be with those in our community who have lost loved ones.

Sincerely,

**Mike Little**

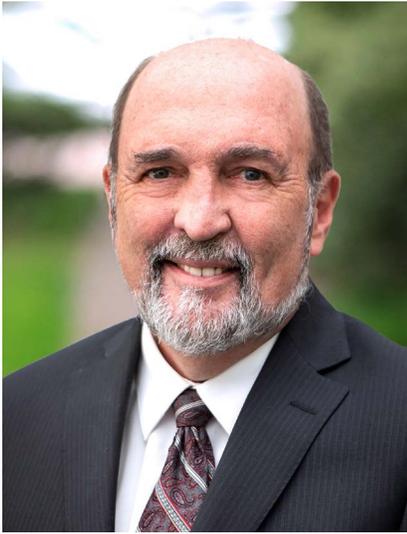
Mayor, District of North Vancouver





**Left to right:** Jordan Back, Lisa Muri, Mathew Bond, Betty Forbes, Mayor Mike Little, Megan Curren, Jim Hanson

# MESSAGE FROM THE CHIEF ADMINISTRATIVE OFFICER



## David Stuart

I am pleased to present our 2019 Annual Report. While the Annual Report is a statutory obligation for municipalities, the real value is the opportunity to share with the community the progress being made on corporate goals and priorities.

2019 represented a year of transition as the newly elected Council set about identifying their priorities for the term in alignment with our mission: *to provide leadership and exemplary service that supports our community's needs today and aspirations for*

*tomorrow.* "Council Directions: 2019-2022" identifies Mobility, Housing, the Economy and the Environment as the District's four priorities. Staff have incorporated actions relating to these directions in both the Financial Plan and Corporate Plan.

While congestion and transportation challenges persist in our busy and growing region, all levels of government and TransLink are engaged in making significant investments in our transit and transportation systems. These investments include interchange improvements, bridge replacement, increased bus and SeaBus service, new sidewalks and bike lanes. Studies are also underway to assess long term opportunities to improve access to the North Shore.

Work continues on the North Shore Wastewater Treatment Plant, which has now been designed to provide tertiary treatment, one of the biggest civic investments in the North Shore's history. We continue to make significant investments

in community facilities. With the new Delbrook Community Centre up and running, we are now working to deliver new community centres in Lynn Creek and Lions Gate to support the residents who will be living in these town centres.

Affordable rental and social housing continues to be a priority and the District is advancing a number of projects with our partners to increase supply of this housing stock. In conjunction with these efforts, Council has also initiated a review of the implementation of the Official Community Plan, to determine if adjustments are necessary to achieve our goals and targets. A Rental and Affordable Housing Task Force has been created to support these initiatives.

Businesses on the North Shore continue to be challenged by increasing costs, as well as dysfunctional taxation systems and land assessments. Council and staff remain committed to working with other municipalities in the region to encourage the Provincial

# MESSAGE FROM THE CHIEF ADMINISTRATIVE OFFICER

government to take action and address these issues.

We continue to take seriously our role as leaders in environmental management. In 2019, Council approved the Community Energy and Emissions Plan, which seeks to reduce the District's emissions by 45% below 2007 levels by 2030. While many initiatives in support of this plan are multi-year endeavours, we have already begun to make our buildings more energy efficient and to green our operating fleet.

All of the progress I've described would not be possible without a solid foundation of financial policies

and decision-making practices, sound guidance from Council and strong support from staff.

I would be remiss if I did not mention the situation we find ourselves in at the time of publishing this report. The COVID-19 pandemic has impacted all aspects of our lives and work in a dramatic way. It is quite likely that many of the initiatives and projects planned in 2019 for implementation 2020 and 2021 will require adjustments to their timelines.

Sincerely,

**David Stuart**

Chief Administrative Officer,  
District of North Vancouver



# EXECUTIVE TEAM



**Ghalib Bhayani,**  
*Superintendent,  
RCMP*



**Fiona Dercole,**  
*North Shore  
Emergency  
Management*



**Charlene Grant,**  
*General Manager,  
Corporate Services*



**Brian Hutchinson,**  
*Chief, Fire & Rescue  
Services*



**Gavin Joyce,**  
*General Manager,  
Engineering, Parks &  
Facilities*



**Dan Milburn,**  
*General Manager,  
Planning, Properties &  
Permits*



**David Stuart,**  
*Chief Administrative  
Officer*



**Heather Turner,**  
*Director, Recreation &  
Culture*



**Jacqueline van Dyk,**  
*Director, Library  
Services*



**Saira Walker,**  
*Manager, Human  
Resources*

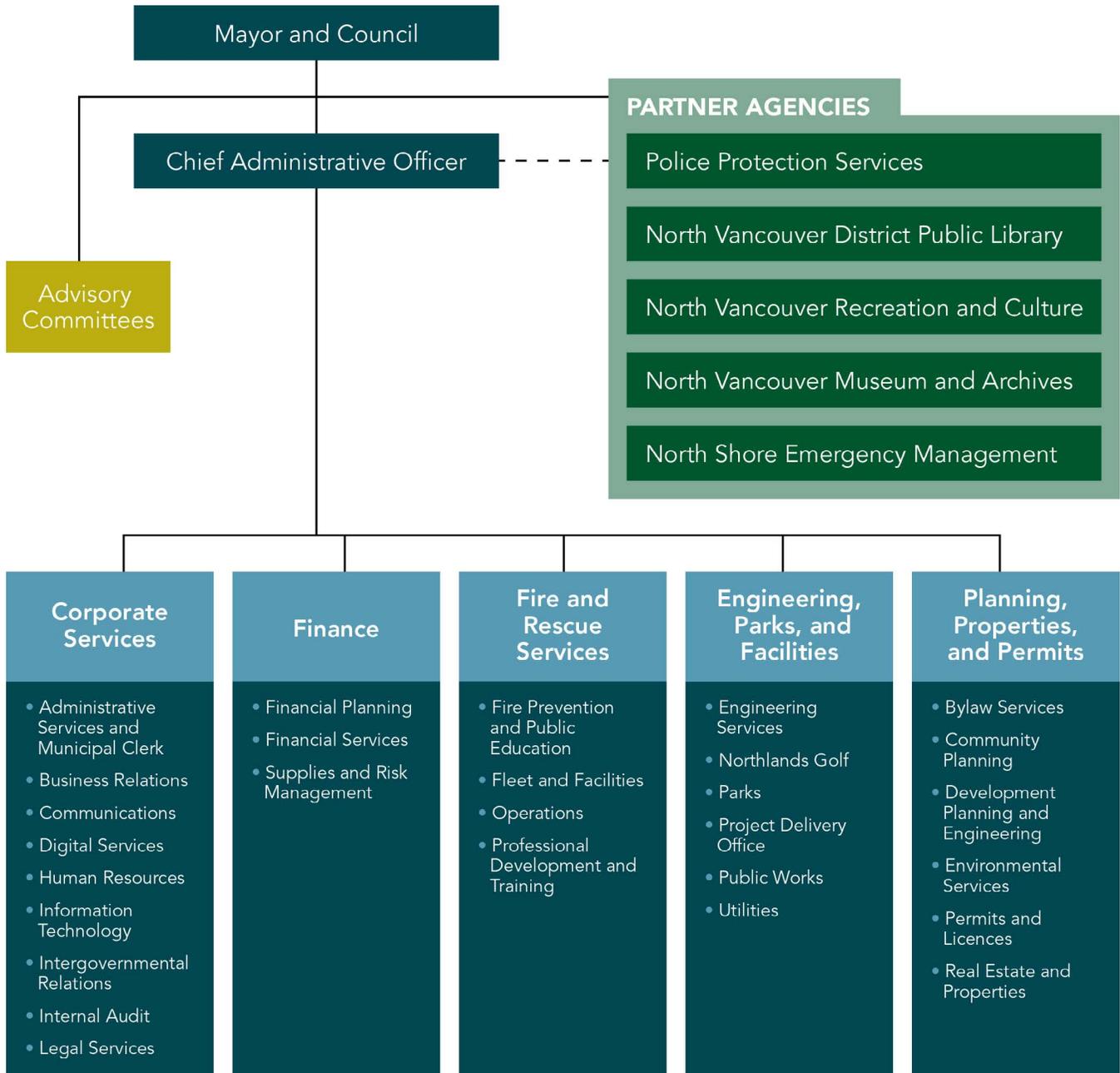


**Andy Wardell,**  
*General Manager,  
Finance & Chief  
Financial Officer*



**Wes Wenhardt,**  
*Director, North  
Vancouver Museum &  
Archives*

# ORGANIZATIONAL CHART



# MESSAGE FROM THE CHIEF FINANCIAL OFFICER

## *Mayor Mike Little 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, 2019.

The preparation and presentation of the Financial Statements and related information in the 2019 Annual Report is the responsibility of the Finance 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 services 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 accountabilities, reporting lines and funding partners. The Financial Statements reflect the District's share of these arrangements.

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



***Andy Wardell***

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 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 \$151.5 million (an increase of \$11.8 million over 2018). This increase is primarily attributable to development activity and reserve growth due to capital project timing.

The Consolidated Statement of Operations reports a surplus of \$38.8 million. This surplus is a matter of financial presentation. First, the District raises revenues based on the current replacement value of assets while expenses reflect depreciation of existing assets at historical cost. It is this surplus that funds renewal, upgrade and new assets within our capital plans.

Revenues are lower than budget by \$23.5 million due to lower development revenues, and grants received in support of capital projects completed during the year. Actual expenses, excluding depreciation of \$20.1 million, are lower than budget by \$3.6 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 11)**

### **Operating and Risk Management**

The Operating and Risk Management reserve 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 2019 Operating and Risk Management reserve balance has increased \$1.8 million from 2018 as a result of risk assessments related to property tax assessment appeals, growth and development activity and to mitigate potential future impacts on the community.

### **Capital Renewal and Rate Stabilization**

The District uses these reserves for the management of infrastructure, equipment, and utilities. These reserve funds are the mechanisms by which the District replaces capital assets and stabilizes future rates. The principles embodied in this framework are the prioritized replacement of existing assets in our portfolio and providing services at stable rates. Compared to last year, the total Reserve fund has increased by \$6.4 million. The total reserve balance of \$79.1 million is focused on long term sustainable delivery of District services.

### **New Capital and Growth Management**

These reserves have been established for the management of community growth and development related impacts in the District. These include community amenity contributions which will be used to fund future capital improvements in the community. The total fund balance has increased by \$7.3 million which is largely related to the collection of community amenity contributions in 2019.

### **Land and Housing**

These reserves are used by the District to replace and acquire land and address social housing needs. Careful considerations are made of any new asset additions to our portfolio and the preservation of the value of our land base. This reserve fund has increased by \$1.8 million which is the net impact of land sales and purchases and planned contributions to the housing reserve to support investments in social housing.

# MESSAGE FROM THE CHIEF FINANCIAL OFFICER

## **Capital Projects in Progress**

These funds are committed to capital projects in progress and ending balances are driven by the level of asset acquisition and construction activity during the year. 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 10)**

The historical value of the District's tangible capital assets represents our investment in infrastructure and facilities over time. Historical value is \$1.1 billion with accumulated depreciation of \$357.5 million for a net book value of \$702.1 million. The District owns 95% of its tangible capital assets free of long term debt.

## **Cash Equivalents and Investments (Notes 2, 4)**

Cash equivalents are held by the Municipal Finance Authority and have increased to \$50.4 million earning 2.41% for the year. This is a shift in strategy focused on liquidity to support the capital program while earning a better short duration rate of return than offered by credit unions and major banks. The investment portfolio at \$250.2 million (2018 - \$253.7 million) remains stable earning an average of 2.73% for the year.

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 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.

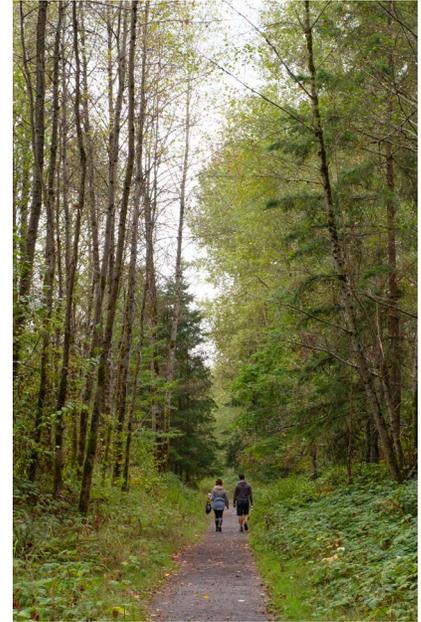
As we move forward into 2020 and beyond, the COVID-19 outbreak has brought new challenges. The District's strong financial framework has served it well through the early months of the pandemic as staff and Council worked with other levels of government to optimize supports for the community and improve legislation in support of emergency response and recovery efforts. Staff are continuously monitoring and modeling cash flow implications within a framework that supports maximum flexibility and timely responses to pandemic impacts on both the community and District services.

**Andy Wardell,**  
CPA CGA, MA  
General Manager of Finance  
and Chief Financial Officer

# 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 by 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 services

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.



**The Corporation of the District of North Vancouver  
Consolidated Financial Statements  
Year Ended December 31, 2019**

And Independent Auditors' Report thereon

# CONSOLIDATED FINANCIAL STATEMENTS

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KPMG LLP  
PO Box 10426 777 Dunsmuir Street  
Vancouver BC V7Y 1K3  
Canada  
Telephone (604) 691-3000  
Fax (604) 691-3031

## INDEPENDENT AUDITORS' REPORT

To the Mayor and Councillors of the Corporation of the District of North Vancouver

### **Opinion**

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

- the consolidated statement of financial position as at December 31, 2019;
- the consolidated statement of operations for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the consolidated statement of changes in net financial assets for the year then ended; and
- notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the District as at December 31, 2019 and its consolidated results of operations, its consolidated changes in net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### **Basis for Opinion**

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

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

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

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.



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

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

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

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.  
  
The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosure made by management.

# CONSOLIDATED FINANCIAL STATEMENTS



The Corporation of the District of North Vancouver  
Page 3

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

*KPMG LLP*

Chartered Professional Accountants

Vancouver, Canada  
May 12, 2020

# CONSOLIDATED FINANCIAL STATEMENTS

**The Corporation of the District of North Vancouver  
Consolidated Statement of Financial Position  
As of December 31, 2019**

	2019	2018
<b>Financial assets</b>		
Cash and cash equivalents (Note 2)	\$ 62,510,046	\$ 28,090,065
Taxes receivable	5,631,044	5,222,978
Accounts receivable	5,313,361	5,029,636
Due from governments (Note 3)	4,172,611	4,697,064
Investments (Note 4)	250,198,752	253,751,944
MFA debt reserve deposit	583,515	570,233
Inventories held for resale	131,985	166,159
	<u>328,541,314</u>	<u>297,528,079</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	20,107,330	20,386,912
Due to governments (Note 5)	22,570,804	16,518,231
Restricted revenue (Note 6)	31,880,289	21,702,382
Deferred revenue (Note 7)	25,033,446	23,687,537
Debt (Note 8)	34,936,873	37,033,861
Post-employment benefits (Note 9)	11,133,360	10,830,540
Deposits and other liabilities	31,417,177	27,682,126
	<u>177,079,279</u>	<u>157,841,589</u>
<b>Net financial assets</b>	<b>151,462,035</b>	<b>139,686,490</b>
<b>Non-financial assets</b>		
Prepaid expenses	1,334,128	1,157,740
Inventories held for consumption	1,204,643	1,194,520
Tangible capital assets (Note 10)	702,089,266	675,169,821
Other assets	99,576	149,207
	<u>704,727,613</u>	<u>677,671,288</u>
<b>Accumulated surplus (Note 11)</b>	<b>\$ 856,189,648</b>	<b>\$ 817,357,778</b>
<b>Commitments and contingencies (Note 13)</b>		
<b>Subsequent event (Note 19)</b>		

  
 Andy Wardell, CPA, CGA, MA  
 GM, Finance & CFO

See accompanying notes to consolidated financial statements

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# CONSOLIDATED FINANCIAL STATEMENTS

## The Corporation of the District of North Vancouver Consolidated Statement of Operations Year Ended December 31

	2019 Budget (Note 16)	2019	2018
<b>Revenue</b>			
Taxation (Note 12)	\$ 108,062,126	\$ 111,521,856	\$ 106,718,133
Sales, fees, and user charges			
Water	27,769,884	27,739,568	26,852,133
Sewer	24,896,512	23,854,209	23,711,583
Solid waste	7,741,828	7,633,345	7,401,613
Parks, recreation and culture	13,800,065	14,568,324	13,734,483
Other	25,689,253	29,003,072	32,340,613
Transfer from governments			
Federal Government	182,023	473,369	1,787,849
Provincial Government	1,383,841	1,732,782	3,777,492
Regional Government	9,524,245	1,917,005	1,278,227
Investment income	4,432,820	7,444,115	5,600,144
Land sales and other contributions	32,514,684	6,653,235	17,563,550
	<u>255,997,281</u>	<u>232,540,880</u>	<u>240,765,820</u>
<b>Expenses (Note 15)</b>			
General government	24,058,734	41,808,286	39,439,147
Protective services	48,786,196	48,661,859	47,085,213
Solid waste removal services	8,392,615	7,972,282	7,818,025
Social services	3,258,356	2,749,330	2,926,204
Development services	5,115,605	4,447,143	4,720,610
Transport and other services	10,130,285	11,352,917	9,922,774
Parks, recreation and cultural services	39,599,072	39,860,145	37,338,349
Water utility services	20,737,392	19,582,836	18,973,998
Sewer utility services	17,141,123	17,274,212	16,326,152
	<u>177,219,378</u>	<u>193,709,010</u>	<u>184,550,472</u>
Annual surplus	<u>\$ 78,777,903</u>	<u>38,831,870</u>	<u>56,215,348</u>
Accumulated surplus, beginning of year		<u>817,357,778</u>	<u>761,142,430</u>
Accumulated surplus, end of year		<u>\$ 856,189,648</u>	<u>\$ 817,357,778</u>

See accompanying notes to consolidated financial statements

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# CONSOLIDATED FINANCIAL STATEMENTS

## The Corporation of the District of North Vancouver Consolidated Statement of Cash Flows Year Ended December 31

	2019	2018
Operating transactions		
Annual surplus	\$ 38,831,870	\$ 56,215,348
Non-cash items:		
Depreciation	20,142,397	19,034,478
(Gain)/Loss on disposal of tangible capital assets	752,150	(8,225,890)
Amortization of other assets	49,631	53,835
Contributed tangible capital assets	(1,248,066)	(1,564,346)
Changes in non-cash assets and liabilities	<u>21,001,721</u>	<u>1,632,297</u>
Cash provided by operating transactions	79,529,703	67,145,722
Capital transactions		
Proceeds on sale of tangible capital assets	163,217	9,020,839
Cash used to acquire tangible capital assets	<u>(46,729,143)</u>	<u>(42,505,537)</u>
Cash applied to capital transactions	(46,565,926)	(33,484,698)
Investing transactions		
Net change in investments	<u>3,553,192</u>	<u>(22,648,960)</u>
Cash provided (used) by investing transactions	3,553,192	(22,648,960)
Financing transactions		
Debt repayment	<u>(2,096,988)</u>	<u>(2,790,248)</u>
Cash applied to financing transactions	(2,096,988)	(2,790,248)
Increase in cash and cash equivalents	34,419,981	8,221,816
Cash and cash equivalents, beginning of year	<u>28,090,065</u>	<u>19,868,249</u>
Cash and cash equivalents, end of year	<u>\$ 62,510,046</u>	<u>\$ 28,090,065</u>

See accompanying notes to consolidated financial statements

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# CONSOLIDATED FINANCIAL STATEMENTS

## The Corporation of the District of North Vancouver Consolidated Statement of Changes in Net Financial Assets Year Ended December 31

	2019 Budget (Note 16)	2019	2018
Annual surplus	\$ 78,777,903	\$ 38,831,870	\$ 56,215,348
Contributed tangible capital assets (Note 10(a))	-	(1,248,066)	(1,564,346)
Acquisition of tangible capital assets	(61,279,034)	(46,729,143)	(42,505,537)
Depreciation of tangible capital assets	-	20,142,397	19,034,478
(Gain)/Loss on disposal of tangible capital assets	-	752,150	(8,225,890)
Proceeds on disposal of tangible capital assets	-	163,217	9,020,839
	<u>(61,279,034)</u>	<u>(26,919,445)</u>	<u>(24,240,456)</u>
Amortization of other assets	-	49,631	53,835
Acquisition of other assets	-	(0)	(15,000)
Acquisition of inventories held for consumption	-	(1,204,643)	(1,194,520)
Acquisition of prepaid expenses	-	(1,334,128)	(1,157,740)
Use of inventories held for consumption	-	1,194,520	1,046,858
Use of prepaid expenses	-	1,157,740	1,229,876
	<u>-</u>	<u>(136,880)</u>	<u>(36,691)</u>
Change in net financial assets	<u>\$ 17,498,869</u>	11,775,545	31,938,201
Net financial assets, beginning of year		<u>139,686,490</u>	<u>107,748,289</u>
Net financial assets, end of year		<u>\$ 151,462,035</u>	<u>\$ 139,686,490</u>

See accompanying notes to consolidated financial statements

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## The Corporation of the District of North Vancouver Notes to Consolidated Financial Statements December 31, 2019

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The Corporation of the District of North Vancouver (the District) was incorporated in 1891 and operates under the provision of the Community Charter and the Local Government Act of British Columbia. The District's principal activities include the provision of local government services to residents and businesses of the incorporated area. These include administrative, protective, transportation, environmental, recreational, water and sewer services.

### 1. Significant accounting policies

#### a) Basis of presentation

The consolidated financial statements have been prepared in accordance with the Canadian public sector accounting standards.

#### b) Basis of consolidation

The consolidated financial statements reflect the assets, liabilities, revenues, expenses and changes in net financial assets 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 & Culture Commission, North Vancouver Museum and Archives Commission, and North Shore Emergency Management Office. Inter-fund balances and transactions have been eliminated on consolidation.

#### 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 financial statements report financial activities by major service. Segment disclosures provide information on the District's services delivered by department.

#### d) Revenue recognition

Revenue is recorded on the accrual basis and is recognized when it is earned. Unearned revenue is reported on the consolidated statement of financial position as either deferred revenue or deposits and other liabilities. Property tax revenue is recognized on the accrual basis using approved tax rates and the tax class assessments related to the 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 & Culture Commission, North Vancouver Museum and Archives Commission, and North Shore Emergency Management Office. They are used to record the consolidated operating assets, liabilities, revenue and expenses of the District.

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**The Corporation of the District of North Vancouver  
Notes to Consolidated Financial Statements  
December 31, 2019**

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**f) Fund accounting, continued**

**ii) 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.

**iii) 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.

**g) Other taxing jurisdictions**

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

**h) Cash and cash equivalents**

Cash and cash equivalents consist of cash, highly liquid money market investments and short-term investments with maturities of less than 90 days from the date of acquisition.

**i) Investments**

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

**j) 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.

**k) Restricted revenue**

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.

**l) Deferred revenue**

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

**m) 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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**The Corporation of the District of North Vancouver**  
**Notes to Consolidated Financial Statements**  
**December 31, 2019**

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**m) Non-financial assets, 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 value at the date of receipt and also are recorded as revenue when received.

**b) Natural resources**

Natural resources are not recognized as assets in these consolidated 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 of 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.

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**The Corporation of the District of North Vancouver**  
**Notes to Consolidated Financial Statements**  
**December 31, 2019**

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**1. Significant accounting policies, continued**

**n) 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.

**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. As at December 31, 2019, no liability for contaminated sites was recognized.

**p) Government Transfers**

Government transfers that are restricted are deferred and recognized as revenue as the related expenditures are incurred or the stipulations in the related agreements are met. Unrestricted transfers are recognized as revenue when received or if the amount to be received can be reasonably estimated and collection is reasonably assured.

**q) Post-employment benefits**

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

**r) Pension fund**

The District and its employees make contributions to the Municipal Pension Plan. As this plan is a multi-employer plan, contributions are expensed as incurred.

**s) Use of accounting estimates**

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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 consolidated 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.

**t) Related parties**

Transactions of all organizations that are controlled by the District are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

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# CONSOLIDATED FINANCIAL STATEMENTS

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**The Corporation of the District of North Vancouver**  
**Notes to Consolidated Financial Statements**  
**December 31, 2019**

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**2. Cash and cash equivalents**

	<u>2019</u>	<u>2018</u>
Cash	\$ 10,757,291	\$ 12,799,727
Business Investment Savings Account	1,342,835	1,326,162
MFA Pooled High Interest Saving	50,409,920	13,964,176
	<u>\$ 62,510,046</u>	<u>\$ 28,090,065</u>

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**3. Due from governments**

	<u>2019</u>	<u>2018</u>
Due from Federal Government	\$ 1,084,102	\$ 2,253,041
Due from Provincial Government	926,935	1,520,916
Due from Regional Government	2,161,574	923,107
	<u>\$ 4,172,611</u>	<u>\$ 4,697,064</u>

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# CONSOLIDATED FINANCIAL STATEMENTS

## The Corporation of the District of North Vancouver Notes to Consolidated Financial Statements December 31, 2019

### 4. Investments

	2019	2018
Investments consist of:		
(average rate of return 2.73% (2018 - 2.35%))		
Municipal Finance Authority	\$ 436,407	\$ 428,434
Bank and Credit Union notes & deposits	239,883,888	243,472,329
Provincial Government Notes	9,878,457	9,851,181
	<u>\$ 250,198,752</u>	<u>\$ 253,751,944</u>

### 5. Due to governments

	2019	2018
Due to Federal Government		
RCMP police contract	\$ 8,961,942	\$ 7,830,086
Other	31,073	22,662
	<u>8,993,015</u>	<u>7,852,748</u>
Due to Provincial Government		
Taxes collected on behalf of other jurisdictions	990,694	822,010
Ministry of Transportation & Infrastructure Capital Project	625,423	-
Payroll liability	99,002	128,396
Other	8,472	46,719
	<u>1,723,591</u>	<u>997,125</u>
Due to Regional Governments		
Metro Vancouver	3,773,494	3,455,155
Due to partner organizations	2,464,207	2,353,685
School District No. 44	2,217,559	49,410
District of West Vancouver	1,436,154	1,032,466
City of North Vancouver	1,186,747	648,567
DCC collected on behalf of other jurisdictions	707,036	58,096
Taxes collected on behalf of other jurisdictions	45,637	68,223
Other	23,364	2,756
	<u>11,854,198</u>	<u>7,668,358</u>
	<u>\$ 22,570,804</u>	<u>\$ 16,518,231</u>

# CONSOLIDATED FINANCIAL STATEMENTS

## The Corporation of the District of North Vancouver Notes to Consolidated Financial Statements December 31, 2019

### 6. Restricted revenue

- (a) Restricted revenue are comprised mainly of Development Cost Charges (DCC) 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.

	2019	2018
Development cost charges (1)		
Water	\$ 2,676,969	\$ 1,328,548
Sewer	3,801,379	2,184,257
Drainage	1,900,082	879,126
Roads	7,096,993	2,918,899
Parks	11,950,016	10,241,982
	<u>27,425,439</u>	<u>17,552,812</u>
Restricted donations and other	3,663,627	3,379,373
Community amenity contribution	505,865	492,422
Developer parkland reserve contributions	285,358	277,775
	<u>\$ 31,880,289</u>	<u>\$ 21,702,382</u>

(1) Development cost charges:

In accordance with section 569 of the Local Government Act, 2019 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).

	Water	Sewer	Drainage	Roads	Parks	Total
Balance, Beginning of year	\$ 1,328,548	2,184,257	879,126	2,918,899	10,241,982	\$17,552,812
Add:						
Interest Income	53,939	80,604	37,425	134,876	298,842	605,686
Dev Cost Charges collected	2,149,018	1,621,021	1,368,425	4,337,403	2,374,637	11,850,504
Deduct:						
Acquisition of tangible capital assets	854,536	84,502	384,894	294,185	965,445	2,583,562
Balance, End of year	<u>\$ 2,676,969</u>	<u>3,801,379</u>	<u>1,900,082</u>	<u>7,096,993</u>	<u>11,195,016</u>	<u>\$27,425,439</u>
DCC Waivers in 2019 (Bylaw 8328)	\$ 325,077	161,024	93,449	873,385	676,990	\$ 2,129,925

# CONSOLIDATED FINANCIAL STATEMENTS

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**The Corporation of the District of North Vancouver  
Notes to Consolidated Financial Statements  
December 31, 2019**

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**7. Deferred revenue**

	2019	2018
Prepaid taxes	\$ 16,748,217	\$ 16,302,987
Contributions for future use	2,069,286	2,288,233
Memberships, fees and other revenue	6,215,943	5,096,317
	<u>\$ 25,033,446</u>	<u>\$ 23,687,537</u>

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**8. Debt**

The District finances certain tangible capital asset 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 debt.

	Gross Amount Borrowed	Repayments and Actuarial Adjustments	Net Debt 2019	Net Debt 2018
General Capital Fund	\$ 47,745,000	\$ 12,808,127	\$ 34,936,873	\$ 37,033,861

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

<u>Year</u>	
2020	\$ 2,138,396
2021	2,218,250
2022	2,301,101
2023	2,387,060
2024	2,476,244
Thereafter	23,415,822
	<u>\$ 34,936,873</u>

The District paid \$1,108,563 (2018 - \$1,615,058) in interest on long-term debt during the year. Interest rates on debt range from 2.20% to 3.30%.

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**The Corporation of the District of North Vancouver**  
**Notes to Consolidated Financial Statements**  
**December 31, 2019**

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**9. 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, 2017 and has been updated to December 31, 2019.

	2019	2018
Accrued benefit obligation:		
Balance, beginning of year	\$ 10,373,368	\$ 10,805,903
Current service cost	891,740	889,873
Interest cost	341,436	318,601
Benefits paid	(944,739)	(742,468)
Actuarial (gain) loss	138,234	(898,541)
Balance, end of year	<u>\$ 10,800,039</u>	<u>\$ 10,373,368</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.

	2019	2018
Accrued benefit obligation balance, end of year	\$ 10,800,039	\$ 10,373,368
Unamortized actuarial gain	280,971	379,772
Other employee benefit liabilities	52,350	77,400
Accrued benefit liability, end of year	<u>\$ 11,133,360</u>	<u>\$ 10,830,540</u>

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

	2019	2018
Discount rate	2.70%	3.20%
Expected future inflation rates	2.50%	2.50%
Expected wage increases	2.58 - 4.63%	2.58 - 4.63%

# CONSOLIDATED FINANCIAL STATEMENTS

## The Corporation of the District of North Vancouver Notes to Consolidated Financial Statements December 31, 2019

### 10. Tangible capital assets

Cost	Balance at December 31, 2018	Additions, net of transfers	Disposals	Balance at December 31, 2019
Land and improvements	\$ 192,012,078	\$ 12,690,547	(649,882)	\$ 204,052,743
Buildings	198,373,719	440,630	-	198,814,349
Furniture, Equipment and vehicles	45,568,497	5,091,543	(1,721,152)	48,938,888
Roads	242,526,437	6,099,051	(2,666,977)	245,958,511
Water	135,950,391	7,918,547	(248,857)	143,620,081
Sewer	67,410,379	4,112,400	(3,604)	71,519,175
Drainage	114,470,752	2,731,595	(54,332)	117,148,015
Library Collection	4,456,541	588,857	(539,706)	4,505,692
Assets Under Construction	16,746,406	8,304,039		25,050,445
<b>Total</b>	<b>\$ 1,017,515,200</b>	<b>\$ 47,977,209</b>	<b>\$ (5,884,510)</b>	<b>\$ 1,059,607,899</b>

Accumulated depreciation	Balance at December 31, 2018	Depreciation for the year	Disposals	Balance at December 31, 2019
Land and improvements	\$ 36,609,801	\$ 2,041,113	(647,363)	\$ 38,003,551
Buildings	74,791,530	4,737,182	-	79,528,712
Furniture, Equipment and vehicles	24,815,427	3,197,502	(1,613,882)	26,399,047
Roads	102,806,861	5,861,401	(1,972,141)	106,696,121
Water	28,339,648	1,552,952	(242,004)	29,650,596
Sewer	29,581,530	979,720	(2,214)	30,559,036
Drainage	42,457,164	1,394,998	(48,110)	43,804,052
Library Collection	2,943,418	377,529	(443,429)	2,877,518
<b>Total</b>	<b>\$ 342,345,379</b>	<b>\$ 20,142,397</b>	<b>\$ (4,969,143)</b>	<b>\$ 357,518,633</b>

	Net book value, December 31, 2018	Net book value, December 31, 2019
Land and improvements	\$ 155,402,277	\$ 166,049,192
Buildings	123,582,189	119,285,637
Furniture, Equipment and vehicles	20,753,070	22,539,841
Roads	139,719,576	139,262,390
Water	107,610,743	113,969,485
Sewer	37,828,849	40,960,139
Drainage	72,013,588	73,343,963
Library Collection	1,513,123	1,628,174
Assets Under Construction	16,746,406	25,050,445
<b>Total</b>	<b>\$ 675,169,821</b>	<b>\$ 702,089,266</b>

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**The Corporation of the District of North Vancouver**  
**Notes to Consolidated Financial Statements**  
**December 31, 2019**

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**10. Tangible capital assets, continued**

**a) Contributed tangible capital assets**

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

	2019	2018
Land	\$ 184,290	\$ 1,059,770
Roads	372,806	479,476
Water	321,623	3,500
Sewer	169,120	-
Drainage	200,227	21,600
	<u>\$ 1,248,066</u>	<u>\$ 1,564,346</u>

**b) Tangible capital assets disclosed at nominal value**

Where an estimate of fair value can not be made, the tangible capital asset is recognized at a nominal value.

**c) Write-down of tangible capital assets**

The write-down of tangible capital assets during the year was \$nil (2018 - \$nil).

# CONSOLIDATED FINANCIAL STATEMENTS

## The Corporation of the District of North Vancouver Notes to Consolidated Financial Statements December 31, 2019

### 11. Accumulated surplus

a) Reserves are comprised of the following:

	2019	2018
Operating and Risk Management:		
Assessment appeal and property tax	\$ 10,530,991	\$ 7,281,637
Development stabilization	7,140,126	6,600,133
General municipal operations	4,933,366	4,586,664
Human resources	802,768	1,155,030
Insurance	1,188,657	1,037,327
Operating projects in progress (future expenditures)	2,112,818	2,571,643
Protective services	2,375,608	3,022,514
Working capital	1,842,162	2,642,162
	<u>31,231,779</u>	<u>29,474,208</u>
Partner Organizations:		
District of North Vancouver Municipal Public Library	121,021	268,548
North Vancouver Recreation & Culture Commission	100,005	98,005
North Vancouver Museum and Archives	38,662	36,002
North Shore Emergency Management Office	45,595	74,543
	<u>312,283</u>	<u>477,103</u>
Capital Renewal and Rate Stabilization:		
Infrastructure replacement	34,383,507	32,457,566
Equipment replacement	3,955,669	4,336,039
Public golf	1,220,425	1,085,791
Recycling and solid waste utility	4,139,710	3,099,766
Sewer and drainage utility	25,935,071	22,664,536
Water utility	9,467,099	9,030,216
	<u>79,101,481</u>	<u>72,673,914</u>
New Capital and Growth Management:		
Community amenity contributions	16,568,411	10,880,984
Other development contributions	489,251	387,876
Local improvement	4,110,506	4,001,271
New capital and innovation	2,028,899	599,992
Public art	272,005	309,236
Recreation Reserve	4,099,682	4,124,968
Trails and traffic management	153,257	149,184
	<u>27,722,011</u>	<u>20,453,511</u>
Land and Housing:		
Land opportunity	4,575,060	5,893,022
Housing	5,696,701	2,611,750
	<u>10,271,761</u>	<u>8,504,772</u>
b) Capital projects in progress:		
Land and improvements	5,149,932	15,771,561
Buildings	17,618,829	12,480,658
Furniture, equipment and vehicle	8,411,361	7,282,767
Roads	2,026,733	2,349,969
Water	-	500,062
Sewer	1,276,148	1,333,721
Drainage	881,183	3,572,278
Future major repair and maintenance	4,917,650	4,454,006
Other	428,387	369,834
Total capital funds	<u>40,710,223</u>	<u>48,114,856</u>
c) Equity in tangible capital assets:		
Equity in tangible capital assets	667,152,393	638,136,517
Accumulated surplus	<u>\$ 856,189,648</u>	<u>\$ 817,357,778</u>

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**The Corporation of the District of North Vancouver**  
**Notes to Consolidated Financial Statements**  
**December 31, 2019**

**12. 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.

	2019 Budget	2019 Actual	2018 Actual
Gross taxes levied on property	\$ 183,538,679	\$ 186,843,738	\$ 179,032,989
Deduct:			
Taxes levied and collected on behalf of other jurisdictions			
Province of B.C. – school taxes	62,039,499	61,906,607	58,775,238
Translink	14,011,298	13,983,856	13,297,299
B.C. Assessment	2,428,923	2,425,436	2,452,688
GVRD	2,357,961	2,354,654	2,345,430
Municipal Finance Authority	11,173	11,156	10,774
	<u>80,848,854</u>	<u>80,681,709</u>	<u>76,881,429</u>
Add:			
Payment in lieu of taxes	5,372,301	5,359,827	4,566,573
Net taxes for municipal purposes	<u>\$ 108,062,126</u>	<u>\$ 111,521,856</u>	<u>\$ 106,718,133</u>

**13. Commitments and contingencies**

**a) Contingent liabilities**

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

**b) Municipal Pension Plan**

The District and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2018, the plan has about 205,000 active members and approximately 101,000 retired members. Active members include approximately 917 contributors from the District.

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

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**The Corporation of the District of North Vancouver  
Notes to Consolidated Financial Statements  
December 31, 2019**

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**13. Commitments and contingencies, continued**

**b) Municipal Pension Plan, continued**

The most recent valuation for the Municipal Pension Plan as of December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2021, with results available in 2022. 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 the individual employers participating in the plan.

The District paid \$6,795,673 (2018 - \$6,421,062) for employer contributions to the plan in fiscal 2019.

**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, 2019. 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.

**d) Insurance**

In the ordinary course of business, claims are asserted or made against the District, and the District is currently involved in various legal actions. The outcome of these actions cannot be determined at this time. A provision has been made in the accounts for any possible unfavourable outcome of these actions. The amount of any loss in excess of the provision and insurance coverage will be recorded when determinable.

**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, 2019, the District's liability is estimated at \$635,309. For succeeding years, this amount will be adjusted by any change in the Vancouver average all-in consumer price index for the previous year.

**f) Municipal Finance Authority demand notes**

The District issues its debt instruments through the Municipal Finance Authority. As a condition of these borrowings, a portion of the debenture proceeds is withheld by the Municipal Finance Authority as a debt reserve deposit. The District also executes demand notes in connection with each debenture whereby the District may be required to lend certain amounts to the Municipal Finance Authority. Demand notes have been executed in the amount of \$1,099,485 (2018 - \$1,099,485). These demand notes are contingent in nature and are therefore not recorded as liabilities.

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**The Corporation of the District of North Vancouver**  
**Notes to Consolidated Financial Statements**  
**December 31, 2019**

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**13. Commitments and contingencies, continued**

**g)E-Comm Emergency Communications for British Columbia Incorporated (“E-Comm”)**

The District is a shareholder and member of E-Comm Emergency Communications for British Columbia Incorporated (E-Comm), whose services include: regional 911 call centre for the Greater Vancouver Regional District, Area Wide Radio emergency communications network, dispatch operations and records management. The District holds 1 Class A share and 1 Class B share (of a total 32 Class A and 21 Class B shares issued and outstanding at December 31, 2019). As a Class A shareholder, the District is committed to paying levies for services received under a cost-sharing formula to fund operating and capital costs of the E-Comm operations. In addition, the District is contingently liable to cover its proportionate share of such costs should any member be unable to fulfill its funding obligations. Annual levy amounts fluctuate based on various factors under the cost-sharing formula, and amounted to \$310,415 during 2019 (2018 - \$338,371).

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**14. Performance deposits**

In addition to cash deposits, the District is holding irrevocable Letters of Credit in the amount of \$93,574,827 (2018 - \$38,119,183), which were received from depositors to ensure their performance of works to be undertaken within the District. These amounts are not reflected in these consolidated financial statements.

**15. Segment disclosures**

District services are provided by departments and their activities are reported in the District's funds as described in Note 1(c). The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.

Revenues not directly attributable to a specific segment are included in General Government & Admin.

Amounts shown for operating expenses are the gross amounts including interfund eliminations incurred by departments for all segmented activity.

The segments include the following:

**General Government & Admin** provides internal support services to Council and other departments who provide direct services to its residents. These internal departments include the City Manager's Office, Corporate Services, Financial service, Information Technology, Legal and Human Resources.

**Utility services** which are managed by the Engineering department and provide planning, design, construction and maintenance related to the water distribution, sewage collection, drainage, neighbourhood energy utilities and refuse removal services.

**Transportation & Engineering** provides planning, design, construction and maintenance of the District's streets, street lighting, traffic control, transportation planning, utility and communication corridors and project delivery services.

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**The Corporation of the District of North Vancouver  
Notes to Consolidated Financial Statements  
December 31, 2019**

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**15. Segment disclosures, continued**

**Protective services** includes Police, fire and rescue, natural hazards mitigation, bylaws and emergency management. Emergency Management is a shared service provided by the District of North Vancouver, the District of West Vancouver and the City of North Vancouver.

**Community services** which includes programs to create sustainable, creative and inclusive communities for living and working. It also includes North Vancouver Museum and Archives Commission (NVMA) and North Vancouver Recreation & Cultural Commission (NVRC) which are shared services provided by the District of North Vancouver and the City of North Vancouver.

**Planning and Development** which creates plans, programs and policies required for District wide and community planning, zoning and subdivision. It also includes Real Estate and Properties.

**Library services** includes the District of North Vancouver Municipal Public Library (the "Library") which provides access to reading and information needs, and a free place for everyone to discover, create and share ideas.

# CONSOLIDATED FINANCIAL STATEMENTS

## The Corporation of the District of North Vancouver Notes to Consolidated Financial Statements December 31, 2019

### 15. Segment disclosures, continued

	General Government & Admin	Utility Services	Transportation & Engineering	Protective Services	Community Services	Planning & Development	Library Services	Eliminations	2019 Consolidated	2018 Consolidated
<b>Revenues</b>										
Taxation	111,521,856	-	-	-	-	-	-	-	111,521,856	106,718,133
Sales, fees and user charges										
Water	-	28,184,893	-	-	-	-	-	(445,325)	27,739,568	26,852,133
Sewer	-	23,857,056	-	-	-	-	-	(2,846)	23,854,209	23,711,583
Solid waste	-	7,806,047	-	-	-	-	-	(172,702)	7,633,345	7,401,613
Parks, recreation and culture	288	-	-	-	14,332,280	-	-	235,756	14,568,324	13,734,483
Other	17,064,201	1,176,967	875,814	2,060,874	264,567	16,627,352	-	(9,066,704)	29,003,072	32,340,613
Transfers from government	228,024	19,627	1,420,663	825,011	71,784	155,807	-	(5,210,677)	4,123,156	6,843,568
Investment income	7,939,293	-	-	-	118,090	-	-	(613,269)	7,444,115	5,600,144
Land, sales and other contributions	5,089,172	527,829	9,500	12,967	76,755	-	-	21,316	916,696	17,563,550
	141,841,834	61,572,419	2,305,977	2,898,852	14,863,478	16,783,159	6,869,991	(14,594,827)	232,540,980	240,765,820
<b>Operating expenses</b>										
Salaries and benefits	13,869,243	7,622,899	7,639,108	21,570,223	23,678,965	9,299,080	4,781,153	-	88,460,671	83,105,011
Goods and materials	1,457,050	1,101,868	1,012,365	202,086	1,270,421	69,206	-	-	5,112,996	4,944,888
Building and grounds	1,408,542	2,757,853	858,512	944,541	3,734,480	216,248	488,514	(627,626)	9,781,064	10,148,947
Equipment costs	(2,129,846)	2,811,563	1,003,471	727,843	1,268,268	208,035	176,634	(9,471)	4,056,497	4,064,716
Service costs	-	-	744,848	-	-	-	-	-	744,848	670,242
Administrative costs	3,523,727	1,799,174	1,062,176	1,268,431	3,725,050	1,097,938	634,654	(29,444)	13,081,706	11,792,935
Contract services	(198,923)	28,735,973	35,126	19,113,411	6,871,079	691,724	44,622	(6,274,336)	49,018,676	47,368,943
Grants	2,000	-	-	10,000	2,078,744	-	-	-	2,090,744	1,833,547
Debt interest	1,219,611	-	-	-	-	-	-	-	1,219,611	1,586,765
	19,151,404	44,829,330	12,355,406	43,836,535	42,627,007	11,582,231	6,125,577	(6,940,877)	173,566,613	165,515,994
Depreciation	6,869,519	4,405,895	5,682,091	288,688	2,391,710	-	504,494	-	20,142,397	19,034,478
	26,020,923	49,235,225	18,037,497	44,125,223	45,018,717	11,582,231	6,630,071	(6,940,877)	193,709,010	184,550,472
<b>Annual (Surplus) Deficit</b>	115,820,911	12,337,194	(15,731,520)	(41,226,371)	(30,155,241)	5,200,928	239,920	(7,653,950)	38,831,870	56,215,348

# CONSOLIDATED FINANCIAL STATEMENTS

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**The Corporation of the District of North Vancouver**  
**Notes to Consolidated Financial Statements**  
**December 31, 2019**

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**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 2019 - 2023 Financial Plan Approval Bylaw No. 8373. 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 consolidated financial statements.

	Budget
Revenue	
Operating budget	\$ 288,195,253
Capital budget	<u>46,303,221</u>
Total revenue per approved budget	334,498,474
Less:	
Transfers from other funds	(65,630,643)
Capital funding less repair and maintenance	
Inter-agency eliminations	<u>(12,870,550)</u>
Total revenues, as reported	<u>255,997,281</u>
Expenses	
Operating budget	263,333,594
Capital budget	<u>71,164,880</u>
Total expenses per approved budget	334,498,474
Less:	
Transfers to other funds	(94,079,623)
Inter-agency eliminations	(247,346)
Capital expenses, including major repair and maintenance	(71,164,880)
Debt principal repayment	(1,673,093)
Operating repair and maintenance funded as capital expenses	<u>9,885,846</u>
Total expenses as reported	<u>177,219,378</u>
Annual surplus, per Consolidated Statement of Operations	<u>\$ 78,777,903</u>

Council approved an amended budget Bylaw 8413 on November 25, 2019 which decreased approved funding for various capital projects funded from reserves and surplus in the amount of \$19,937,000. This amendment is not reflected in the above.

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**The Corporation of the District of North Vancouver**  
**Notes to Consolidated Financial Statements**  
**December 31, 2019**

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**17. Contractual rights**

The District has entered into contracts or agreements in the normal course of operations that it expects will result in the realization of revenue and assets in future fiscal years. The District's contractual rights arise because of contracts entered into for leases, and various agreements. The following table summarizes the expected revenue from the contractual rights of the District for future assets for the next four years:

	2020	2021	2022	2023	Total
Development Agreements	\$ 22,021,210	\$ 4,883,308	\$ 21,681,275	\$ 364,448	\$ 48,950,241
Leases	2,732,263	1,541,465	1,359,866	820,984	6,454,578
	<b>\$ 24,753,473</b>	<b>\$ 6,424,773</b>	<b>\$ 23,041,141</b>	<b>\$ 1,185,432</b>	<b>\$ 55,404,819</b>

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**18. Comparative figures**

Certain 2019 comparative figures have been reclassified to conform with the consolidated financial statement presentation adopted in the current year.

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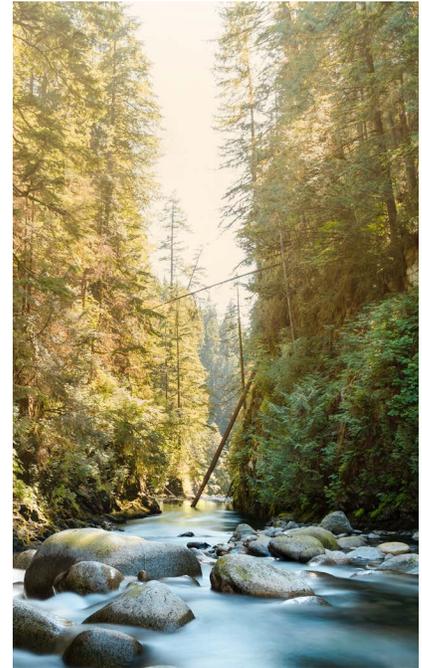
**19. Subsequent event**

Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This situation presents uncertainty over the District's future cash flows, and may have a significant impact on the District's future operations. In response to the outbreak, the District has temporarily closed some of its facilities. Potential impacts on the District's business could include future decreases in revenue, impairment of investments or reduction in investment income, and delays in completing capital project work. As the situation is dynamic and the ultimate duration and magnitude of the impact on the economy are not known, an estimate of the financial effect on the District is not practicable at this time.

# 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. The Community Services Advisory Committee, an independent group comprised of District staff and citizens make the recommendations 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, 2019

APPLICANT	ADDRESS	2019 MUNICIPAL TAXES EXEMPT PORTION
18th Street Society	1063 Hendecourt Road	\$2,490
18th Street Society	821 E 29th Street	2,456
Aga Khan Foundation Canada	1150 Gladwin Drive	45,689
Canadian Mental Health Association	1573 Arborlynn Drive	2,229
Canadian Mental Health Association	1198 Harold Road	2,003
Capilano Tennis Club	2500 Capilano Road	5,240
Change the World Foundation (Harvest Project)	1071-1091 Roosevelt Crescent	17,877
Community Living Society	2985 Newmarket Drive	4,064
Community Living Society	4537 Capilano Road	2,400
Community Living Society	3091 Paisley Road	3,184
Community Living Society	3660 Maginnis Avenue	2,368
Community Living Society	1075 Frederick Road	2,118
Community Living Society	1680 Ross Road	2,269
Community Living Society	3636 Norwood Avenue	2,701
Deep Cove Cultural Society	4360 Gallant Avenue	11,412
Deep Cove Rowing Club	2156 Banbury Road	3,040
Delbrook Partnership for Quality Child Care Association	3111 Stanley Avenue	2,055
Family Services of the North Shore	399 Seymour River Place	2,425
Greater Vancouver Community Services Society	3403 Mount Seymour Parkway	2,092
Greater Vancouver Community Services Society	1693 Coleman Street	2,406
Greater Vancouver Water District	Capilano River Regional Park	15,585
Hollyburn Family Services Society	3212 Mount Seymour Parkway	5,147
Hollyburn Family Services Society	3218 Mount Seymour Parkway	7,714
Hollyburn Family Services Society	Lot F, Block G, District Lot 613, Plan 20442, PID: 002-826-810	5,642
Hollyburn Family Services Society	That portion of Lot A, Block 7, District Lot 193, Plan 12218, PID: 005-411-483	2,718
Kiwanis Seniors Citizens Homes Ltd.	2555 Whiteley Court	31,741
Lowland Senior Citizens Housing Society	1335 East 27th Street	35,620
Lynn Valley Parent Participation Preschool	3220 Mountain Highway	572
Lynn Valley Services Society	940 Lynn Valley Road	1,823
North Shore Connexions Society	2490 Edgemont Boulevard	2,417
North Shore Connexions Society	4410 Capilano Road	2,611
North Shore Connexions Society	1240 Barlynn Crescent	2,612
North Shore Connexions Society	1904 Peters Road	2,605

# PERMISSIVE TAX EXEMPTIONS

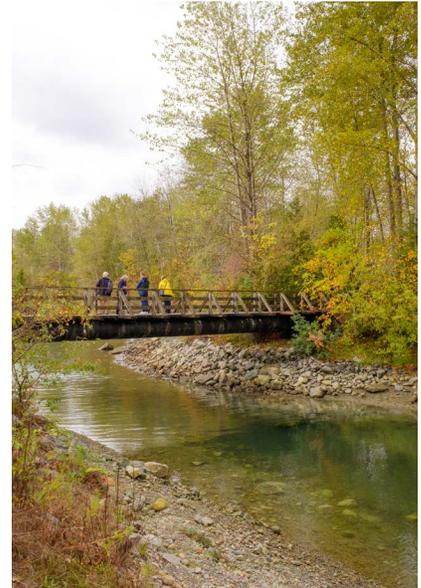
DISTRICT OF NORTH VANCOUVER  
 PERMISSIVE TAX EXEMPTIONS  
 FOR THE YEAR ENDED DECEMBER 31, 2019

APPLICANT	ADDRESS	2019 MUNICIPAL TAXES EXEMPT PORTION
North Shore Crisis Services Society	That portion of Lot 2, District Lot 2087, Plan LMP 24090, PID: 023-125-578	3,555
North Shore Disability Resource Centre Association	104-3205 Mountain Highway	233
North Shore Disability Resource Centre Association	204-3205 Mountain Highway	233
North Shore Disability Resource Centre Association	304-3205 Mountain Highway	233
North Shore Disability Resource Centre Association	404-3205 Mountain Highway	233
North Shore Disability Resource Centre Association	951 Hendry Avenue	2,814
North Shore Disability Resource Centre Association	750 W 23rd Street	2,946
North Shore Disability Resource Centre Association	2000 Rufus Drive	2,396
North Shore Disability Resource Centre Association	5793 Nancy Greene Way	2,794
North Shore Disability Resource Centre Association	4060 Shone Road	2,663
North Shore Disability Resource Centre Association	4338 Quinton Place	4,318
North Shore Disability Resource Centre Foundation	3158 Mountain Highway	2,617
North Shore Disability Resource Centre Foundation	3140 Mountain Highway	11,828
North Shore Neighbourhood House	3361 Mountain Highway	1,818
North Star Montessori Elementary School	1325 E Keith Road	2,180
North Vancouver Community Players	815 East 11th Street	9,018
North Vancouver Museum and Archives (VIAM Holdings Ltd.)	1480 and 1482 Columbia Street	12,213
Parkgate Community Health Centre	3625 Banff Court	12,060
Parkgate Community Services Society	949 Lytton Street	7,622
RNB Dance & Theatre Arts Society	3355 Mountain Highway	18,099
RNB Dance & Theatre Arts Society	151/155 1233 Lynn Valley Road	7,631
School District No. 64	1390 West 22nd Street	5,724
Seymour Heights Parent Participation Preschool Association	800 Lytton Street	739
St Pius X Church	1150 Mount Seymour Road	6,933
St Stephen's Church	1330 East 24th Street	5,758
St. John Society (B.C. and Yukon)	106/107 - 223 Mountain Highway	8,816
St. John Society (B.C. and Yukon)	108 - 223 Mountain Highway	2,642
The Corporation of the City of North Vancouver - Parkland	DL 1620	27,359
The Corporation of the District of West Vancouver	Parkland	8,486
The Corporation of the District of West Vancouver	Parkland	3,326
The Corporation of the District of West Vancouver	Parkland	2,180
The Royal Canadian Legion Branch 114 Lynn Valley	1630 Lynn Valley Road	14,827
Turning Point Recovery Society	2431 Burr Place	3,459
Turning Point Recovery Society	2670 Lloyd Avenue (leased portion)	4,153
WBT Wild Bird Trust of British Columbia	2649 Dollarton Highway	1,094
<b>TOTAL</b>		<b>\$440,325</b>

# 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.

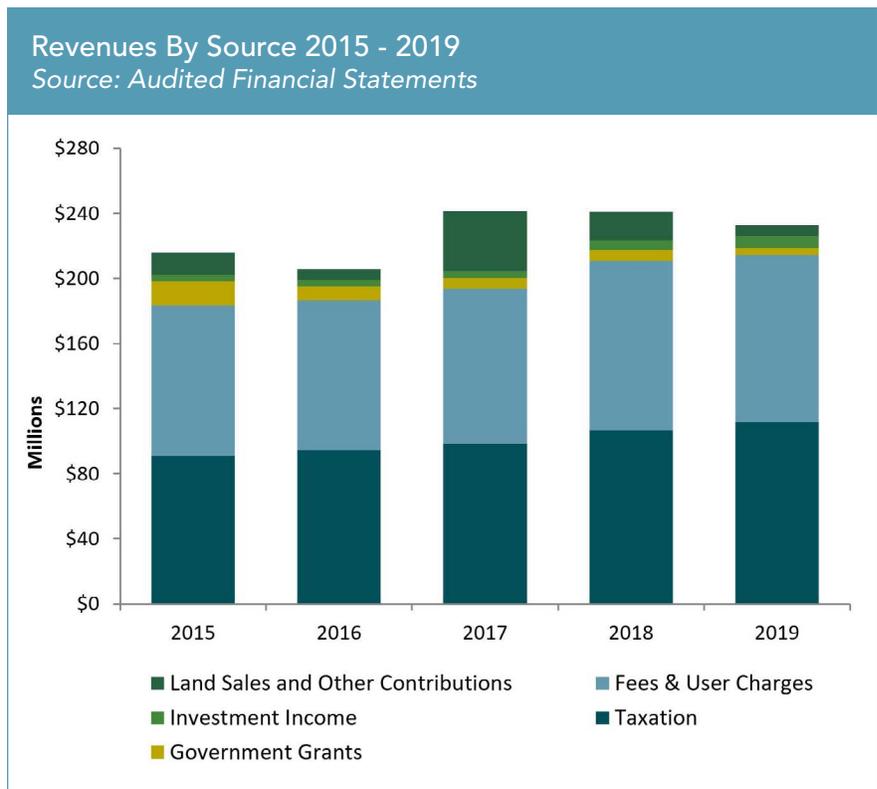


## RESULTS FROM OPERATIONS

### 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 account for 92% of the District's revenues.

Taxation continues to include an annual lift of 1% for asset renewal per Council policy. This asset renewal lift along with growth in the tax base and property tax levy inflation of 2% have all contributed to taxation increasing at an average of 4.1% per year over the past five years. The 4.1% increase excludes a \$3.4 million levy on the major industrial class (non-capped) over each of the last two years to address risks related to tax assessment appeals. Growth in the tax base generated from new housing units are held in a reserve to support growth



related impacts on services.

The average annual rate of growth for fees and user charges over the past five years was 3.5%, decreasing 1.2% from 2018 as development activity declined.

### Expenses by Object

Consistent with prior years, Salaries and Benefits is the District's largest expense (46%) followed by Contract Service costs (25%).

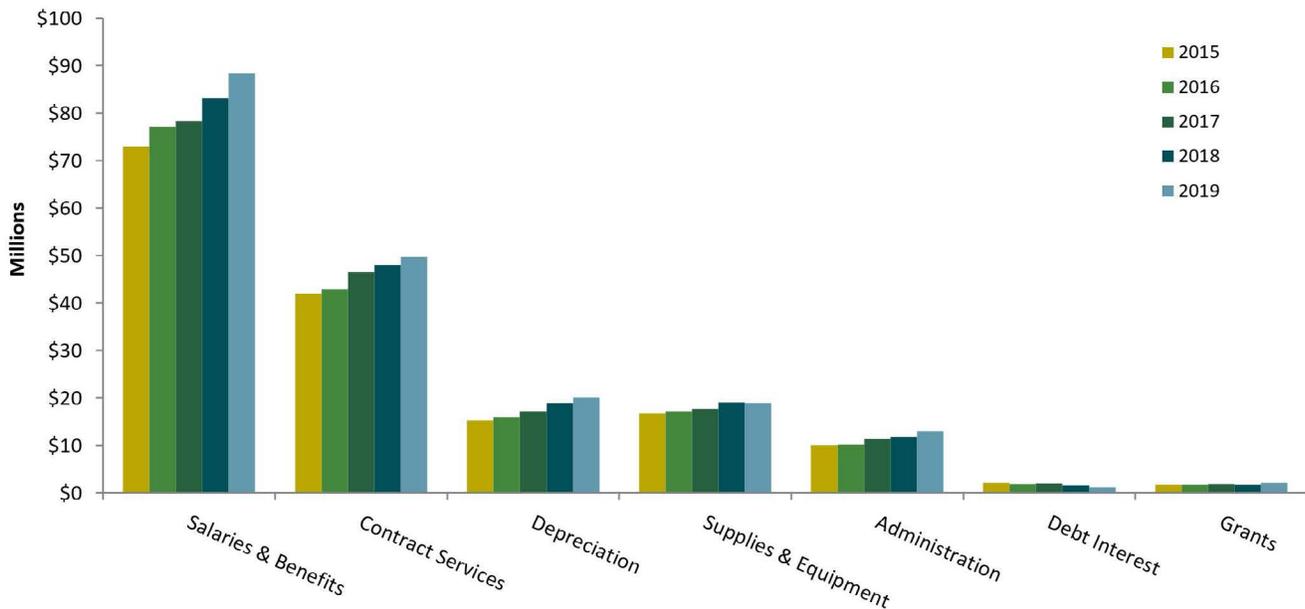
Increases in Salaries & Benefits

for 2019 reflect increased staff capacity due to higher levels of activity as well as negotiated labour and benefit rate increases for District employees.

A significant portion of Contract Service costs are externally driven and include water purchases, sewer charges and tipping fees paid to Metro Vancouver as well as costs associated with the RCMP policing contract. Contract Service costs

# SUPPLEMENTAL FINANCIAL INFORMATION

Expenses by Object 2015 - 2019  
Source: Audited Financial Statements



increased an average of 5.9% annually over the past five years, with Metro Vancouver charges accounting for the majority of this increase.

### Expenses by Function

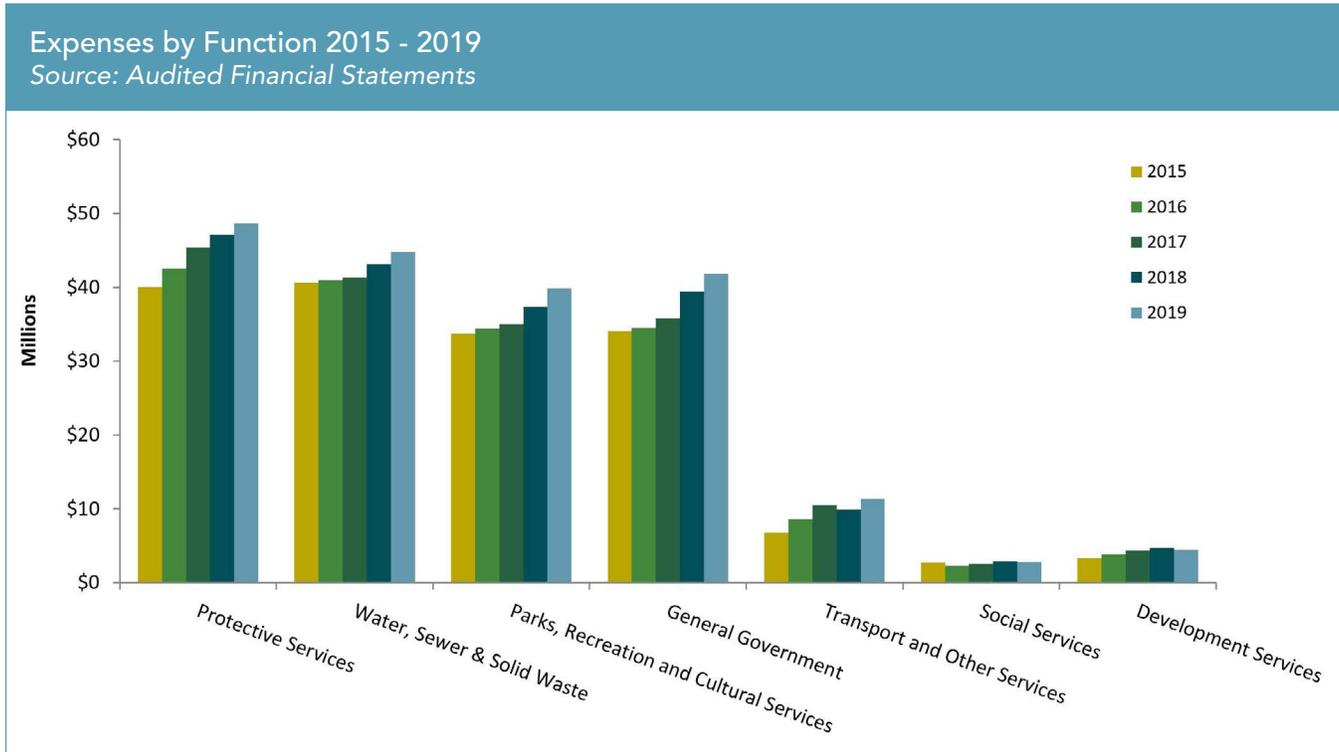
Protective Services and Utilities are the District's largest expenditures and account for nearly 50% of total 2019 expenses. Protective Services is comprised of Fire and Rescue, Police Services, North Shore Emergency Management, and Municipal Bylaw Enforcement.

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. 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 3.1% 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 including the North Shore Waste Water Treatment Plant.

Parks, Recreation and Cultural Services as well as General Government each represent 21% and 22% respectively of total expenses. Parks, Recreation and Cultural

# SUPPLEMENTAL FINANCIAL INFORMATION



Services increased at an annual average rate of 3.9% over the past five years while General Government increased by 5.3%. The growth within General Government is due to increased depreciation and support costs for capital asset additions and one time costs related to projects and emergency response. General Government also includes \$20.1 million for depreciation of the District's tangible capital assets accounting for 48% of the General Government expenditures in 2019.

Transportation and Other Services returned to normal levels after a milder winter and lower snow and ice costs in 2018.

## CAPITAL PLANNING

The total capital plan was \$72.8 million in 2019, in line with the five year average and representing 23% of total use of funds in the amended Financial Plan Bylaw. In 2019, expansion/upgrade projects

decreased to \$31 million and renewal projects increased to \$42 million as the plan moved past investments to support the highway interchange project in prior years.

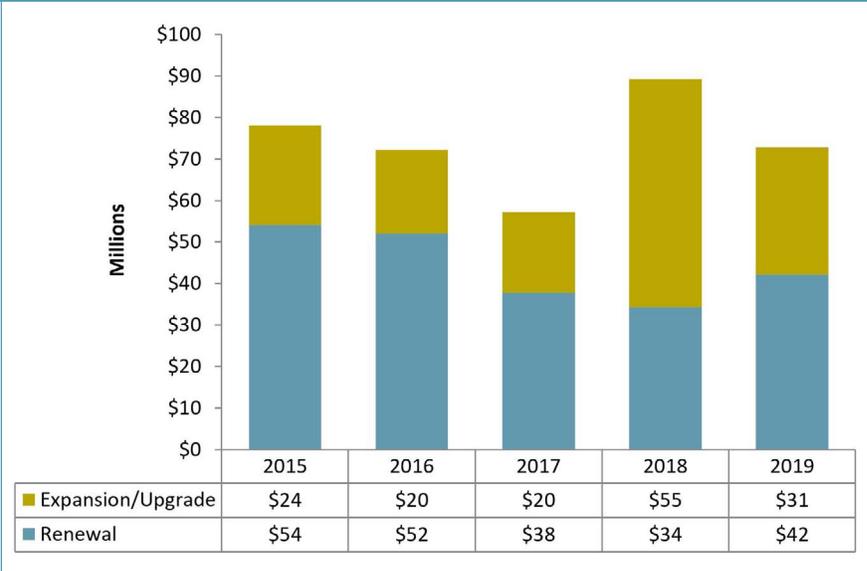
A large portion of the capital plan is directed toward building, transportation, and utility improvements with these three groups combining to form 82% of planned spending in 2019. Highlights include the new Maplewood Fire and Rescue Centre, Lynn Creek Community Centre, Ross

# SUPPLEMENTAL FINANCIAL INFORMATION

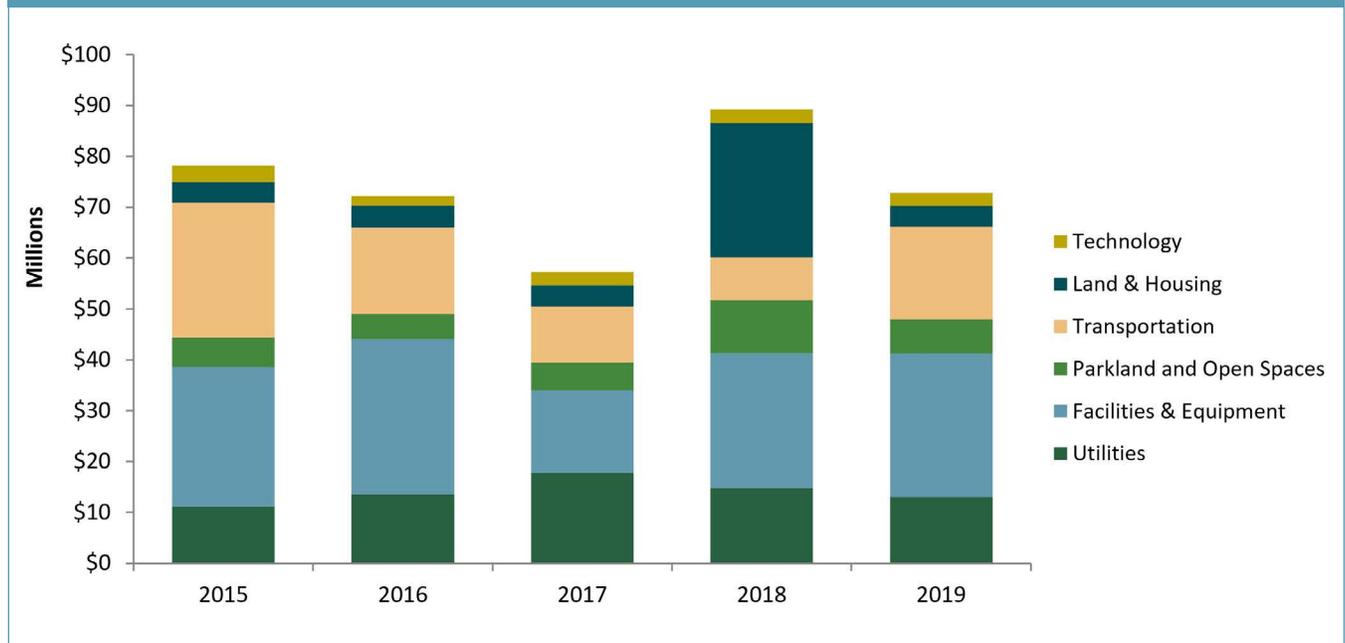
Road Improvements, East 29th Safety Measures and Culvert Improvements which form part of the District's Climate Change Adaptation Strategy.

Transportation investments over the last five years totalled nearly \$80 million as the District continues to work closely with all levels of government to improve transportation systems on the North Shore, as seen through progress on the new highway interchanges and B-Line service facilities.

**Capital Plan 2015 - 2019**  
Source: Financial Plan Amendment Bylaw



**Capital Plan by Expenditure Type 2015 - 2019**  
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 debt was issued or retired in 2019.

At December 31, 2019, debt borrowed totalled \$35 million or 4.1% of borrowing capacity which translates to debt of \$389 per capita. Total debt borrowed was for the Delbrook Community Recreation Centre and the Lynn Valley Library and Town Centre. Debt

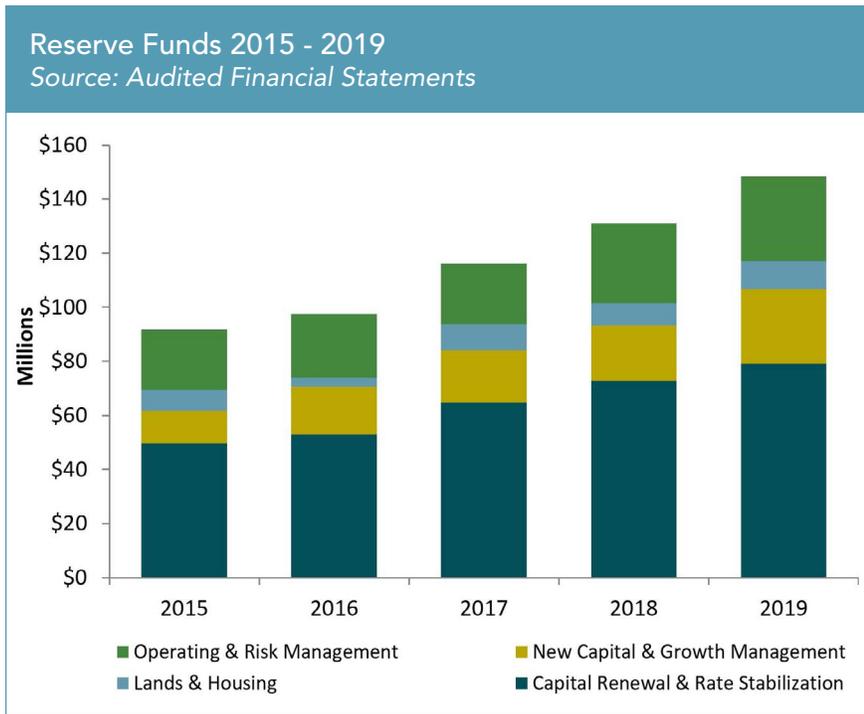
repayments and retirements gradually reduce the total debt balance. Correspondingly, debt servicing costs have also declined and now represent 1.4% of total annual expenditures.

Following the principle of sustainable service delivery, debt is used strategically for select major capital projects in support of steady state funding for renewal and replacement of infrastructure.

Debt Borrowed Relative to Borrowing Capacity 2015 - 2019

Source: Local Government Data Entry Filing (LGDE)





## RESERVE FUNDS

Reserves are a critical element in providing long term sustainable service delivery, steady state replacement of existing infrastructure and risk mitigation. The management of reserves is based upon strategic planning decisions that support asset management and the Official Community Plan.

The majority of the District's Reserve Funds (53%) are for capital renewal and rate

stabilization. These funds return existing capital assets to their original service capability or replace them with 'like for like' or 'modern day equivalents'. In addition to renewing existing assets, these reserves also help to smooth rate increases so they are stable and predictable over time.

Operating and risk management reserves are the next largest category (21%). These reserves are reviewed and adjusted annually after careful assessment of

operating needs and an analysis of major categories of risk.

New capital and growth management reserves include funds set aside for the management of community growth and development related impacts in the District.

Land and housing reserves support the long term preservation and enhancement of District lands or the addition of new social housing, which in some cases results in improvements to District owned lands.

Fund balances vary depending upon the timing of the District's capital and operational requirements and risk assessments. 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.

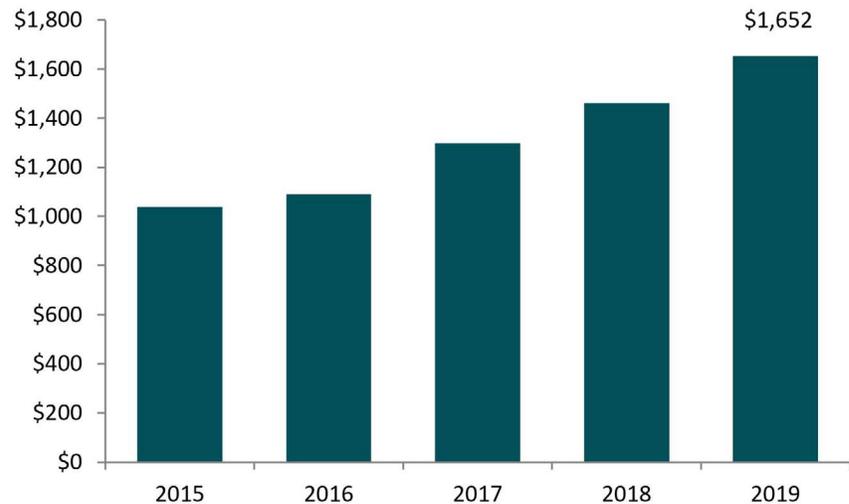
# SUPPLEMENTAL FINANCIAL INFORMATION

Over the past five years, reserve funds have trended upwards totalling \$148.3 million in 2019, growing to \$1,652 on a per capita basis and increasing 13% increase over the prior year.

This trend is anticipated to change in the near term as adjustments for the impacts of COVID-19 and planned major capital projects place continuing pressure on reserve fund balances over the next five years.

Reserve Funds per Capita 2015 - 2019

Source: Audited Financial Statements and BC Statistics



Note: Per Capita amounts have been restated for 2015 – 2017, due to updated population estimates from BC Statistics

## TAXATION

### Assessed Value of Land and Improvements

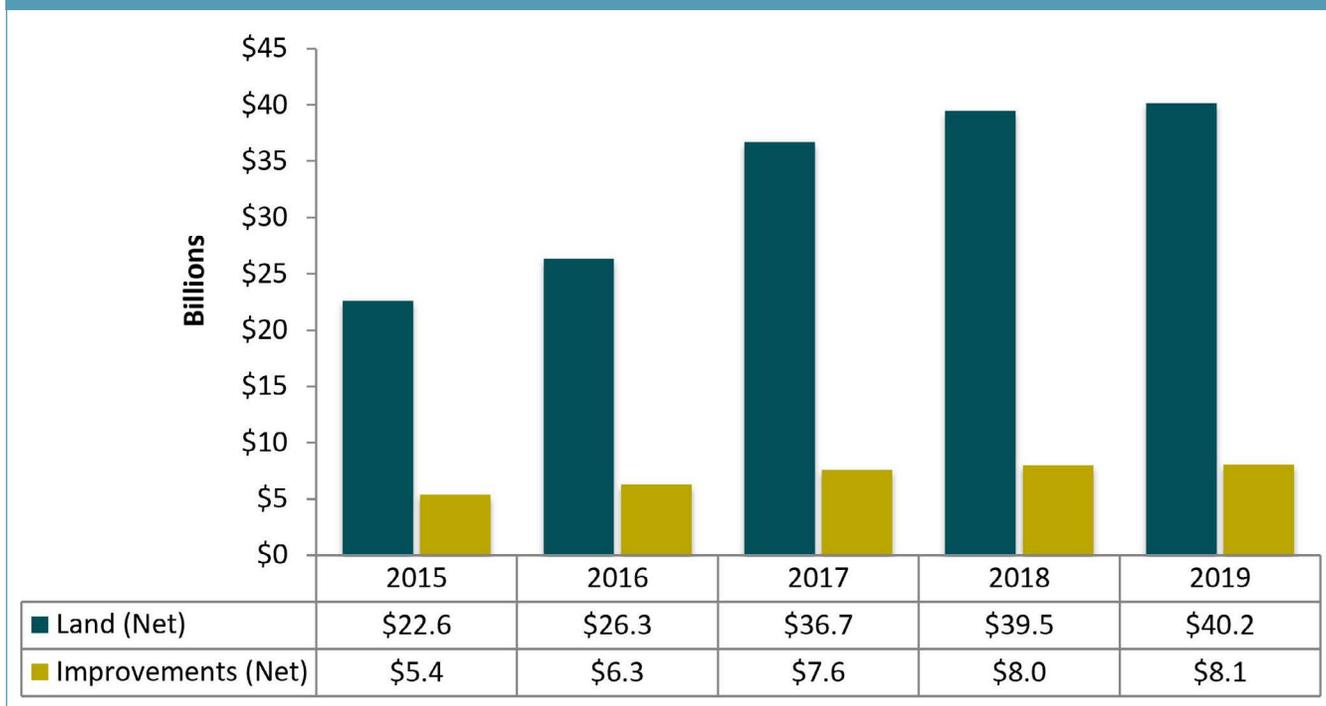
The values of land and improvements are independently determined by BC Assessment. Property tax rates approved by Council and

other taxing jurisdictions are then applied to these assessed values. Total net assessed value for 2019 is \$48.3 billion, an increase of \$1.0 billion or 1.7% over 2018. The net value of land increased to \$40.2 billion and improvements (buildings) increased to \$8.1 billion.

Changes generally reflect the long term increase in land valuation in the lower mainland real estate market and the timing of BC Assessments valuation work.

Assessed Value of Land & Improvements 2015 - 2019

Source: BC Assessment



# SUPPLEMENTAL FINANCIAL INFORMATION

## Assessed Value of New Construction

The addition of newly built structures within a community is an essential component and a useful indicator of the economic vibrancy of a municipality. Over the past five years building and construction activity increased

as our community continued to renew itself and growth was realized in accordance with the Official Community Plan (OCP). As the community vision transpires into building greater residential density within town centers, a redistribution from the commercial / industrial classes

to mixed uses is reflected within the 2019 figures (shift of \$22 million). The value for new construction supplied by BC Assessment is based on actual percentage of completion and is closely monitored to ensure new tax revenue supports the District's growth management objectives.

Assessed Value of New Construction 2015 - 2019

Source: BC Assessment



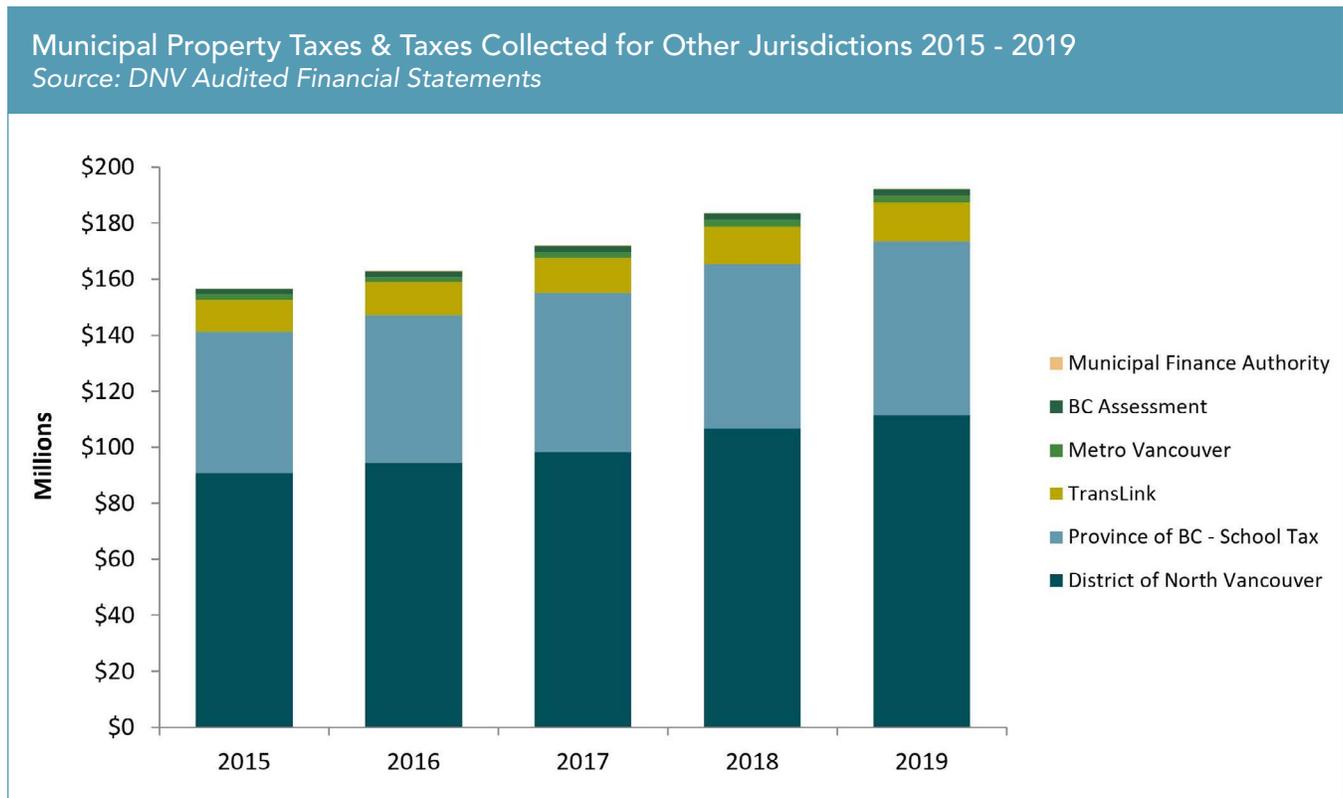
# SUPPLEMENTAL FINANCIAL INFORMATION

## Municipal Property Taxes and Other Taxing Authorities

Over the past five years, taxation revenue for the District increased at an average annual rate of 4.1% including

2% inflation, Council's 1% policy for asset renewal, and growth from new construction. This excludes a \$3.4 million levy on the non-capped major industrial class over each of the last two years. In 2019, 42%

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



# CORPORATE PERFORMANCE

The Annual Report is required to describe progress in relation to objectives established for the previous year, and to state municipal objectives for the current and following year. This means reviewing 2019 accomplishments against set goals and updating these goals for 2020 and 2021. Our practice has been to reference the multi-year Corporate Plan in order to report on previous and future objectives. As 2019 bridges the 2015-2018 and 2019-2022 Corporate Plans, our approach this year is to review our accomplishments against both *Council Directions* and the general objectives of the 2019-2022 Corporate Plan, which are subject to further refinement in 2020.

**[DNV.org/council-directions-2019-2022](https://www.dnv.org/council-directions-2019-2022)**



# CORPORATE OBJECTIVES

## The Strategic Framework and Corporate Plan

The purpose of our strategic framework is twofold: to set directions that move the District closer to the shared vision of the community expressed in the Official Community Plan (OCP), and to fulfill the District organization's

mission for service and leadership.

**Inspired by nature, enriched by people**

### - DNV Vision

The shared vision for our community provides the context within which the District organization works. At the start of each new term, Council articulates their priority

directions. These priorities are considered along with the organization's longer term priorities to build the Corporate Plan. Together with the Financial Plan, the Corporate Plan informs departmental and divisional work plans to deliver programs and services to meet the needs of the community.



# CORPORATE OBJECTIVES

Following the municipal election in October 2018, Council proceeded in 2019 to establish its mandate and strategic directions.

With Council's priorities articulated, staff undertook development of corresponding organizational objectives in a comprehensive 2019-2022 Corporate Plan.

While refinements to the Corporate Plan continued in 2019 and additional adjustments are anticipated in 2020, the *corporate objectives* of the organization underpinning the 2019-2022 Corporate Plan and against which we measure performance across these years are:

- 1 Focus on Transportation, Traffic Congestion and Mobility Improvements
- 2 Address Housing Needs
- 3 Complete OCP Implementation Assessment & Make Necessary Amendments
- 4 Sustain a Healthy and Responsive Organization
- 5 Support Community Wellbeing and Safety
- 6 Build Resilience and Take Action on Climate Change
- 7 Foster a Thriving Economy and Financial Sustainability

## 2019 Progress

### 1 *Focus on Transportation, Traffic Congestion and Mobility Improvements*

- Complete major in-stream projects including the Highway 1 Interchanges
- Continue our commitment to a collaborative approach across levels of government
- Advance local improvements for cycling and pedestrians

#### **Progress made in 2019**

- Construction on the Ross Road Bridge upgrade progressed, with substantial completion expected by end of 2020, total completion expected by mid-2021.
- Coordinated with the Ministry of Transportation and Infrastructure to open Phase 1 Mountain Highway Interchange in fall 2019. Continued to progress on Phase 2 and 4 construction with Phase 3 design currently in progress.
- Council endorsed additional priority bike routes in 2019.

2

## *Address Housing Needs*

- Identify priority actions, targets, and partners, to access available funding and meet the community's most pressing needs
- Focus on OCP objectives related to affordable housing and strategies supporting town centres

### **Progress made in 2019**

- Advanced a variety of social and supportive housing projects including 600 West Queens Road (Delbrook) to enable the development of a four-storey building for low and moderate income rental housing, a senior's care facility and neighbourhood park.
- Council endorsed a revised Coach House program which includes a simplified Coach House approval process, new Coach House Development Permit Area guidelines, improved regulations, and new exemptions for energy efficiency.

3

## *Complete OCP Implementation Assessment & Make Necessary Amendments*

- Analyze and research potential adjustments to targets, pace and focus areas for implementation

### **Progress made in 2019**

- Council approved the Targeted Official Community Plan Review - Scope, Timeline, and Budget.

4

## *Sustain a Healthy and Responsive Organization*

- Support a multi-generational team inspired by possibilities and innovation while planning for succession
- Foster an engaged and nimble public service
- Ensure strong technical and administrative foundations for continued service excellence
- Explore opportunities for enhancing community engagement
- Explore opportunities for reconciliation
- Provide strong governance

### **Progress made in 2019**

- Launched the NextGen Municipal Mentorship Program to support future leaders at the DNV and within the municipal sector.
- Launched the DNV Digital Strategy internally to improve online services, information and public engagement.
- The RCMP introduced the use of online reporting technology for the public to report minor property crimes.

- The Library researched and developed a new Strategic Plan for implementation in 2020-2023 in consultation with the Library Board, key stakeholders and community partners.

## 5

### *Support Community Wellbeing and Safety*

- Provide welcoming community spaces and services
- Address community facility, recreation, and cultural needs
- Focus on OCP objectives related to social well-being
- Manage outdoor recreation with an integrated approach
- Promote the conditions for a safe and resilient community through planning and protection programs

#### **Progress made in 2019**

- Council approved an updated Heritage Strategic Plan.
- Designed and commenced construction of the Digital Story Lab at the Lynn Valley Library.
- North Vancouver Museum and Archives installed new exhibits at Delbrook Recreation Centre and developed new content for an upcoming exhibit at Lions Gate Recreation Centre.
- Increased North Vancouver Recreation and Culture fitness, arts and culture programming in the outdoors.
- Completed the Inter River bike pump track and lacrosse box renovations: pump track and lacrosse box re-opened in fall 2019. Continued preload work on Inter River Park Phase 1.
- Commenced the Seymour Recreational Trail Strategy.
- Commenced Phase 1 construction for the Seylynn Park renovation.
- Completed re-design of the Maplewood Fire and Rescue Centre to improve wildlife corridors, enhance area hydrology, and additional environmental design elements.
- DNV Fire and Rescue Services implemented a new resource deployment matrix across all three fire services to increase efficiencies and effectiveness during fire responses.
- North Shore Emergency Management completed a disaster debris management plan for the North Shore Sector.
- The RCMP opened a local police sub-office in Deep Cove to increase police visibility and reduce police response times to calls for service in the DNV.
- Reduced fatal motor vehicle collisions by 100 per cent due to increased RCMP education and enforcement campaigns.

## 6

### ***Build Resilience and Take Action on Climate Change***

- Build community and organizational capacity to respond to climate related shocks and disasters
- Protect and enhance the environment through management programs and policy
- Take action on climate change by reducing emissions and updating strategies

#### **Progress made in 2019**

- Council approved *IMPACT2050: Community Energy and Emissions Plan* (CEEP). The CEEP establishes the community's GHG emissions targets (45% below 2007 levels by 2030 and 100% by 2050) and identifies four strategies for: Transportation & Land Use, Buildings & Energy; Solid Waste; and Urban Forestry.
- Added 17 zero-emission light duty vehicles to the DNV fleet. Electric charging stations were added at DNV Hall, the Operations Centre, and Gerry Brewer Building.
- Updated the Community Wildfire Protection Plan.
- DNV Fire and Rescue Services completed FireSmart training for staff and engaged with three local neighbourhoods to undertake FireSmart practices. Two DNV neighbourhoods have achieved FireSmart designation.
- North Shore Emergency Management implemented Phase 1 of the Operational Readiness Strategy, including installation of four disaster supply caches.

## 7

### ***Foster a Thriving Economy and Financial Sustainability***

- Advocate for fairness in taxation and fees
- Continue to review property assessment methodologies to reduce inequalities and better support business and industry working with the Province, the Port, industry, and municipal governments
- Explore and leverage funding opportunities and allocation, with a focus on community improvements
- Focus on strategies, plans and relationships that increase employment opportunities and economic development activity, with attention paid to local impact

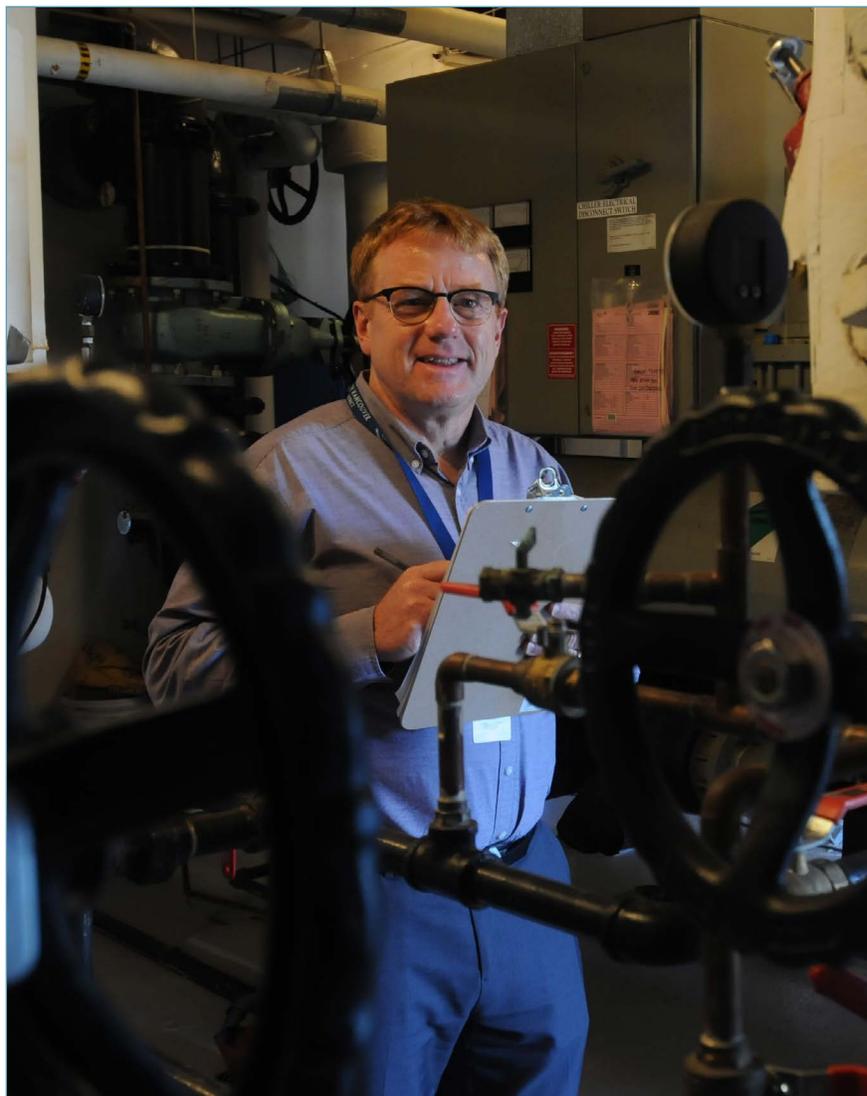
#### **Progress made in 2019**

- Worked with the Province and industry to successfully change the Ports Property Tax Act to stabilize property taxes for major waterfront industries.
- Reviewed property assessment methodologies to reduce inequalities and better support business and industry.
- Updated natural hazard decision models to include estimated values for risk reduction achieved through measures applied.

# SERVICES AND OPERATIONS

The Services and Operations section provides activity measures that illustrate the operational priorities and range of services delivered by the District and its partner agencies.

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.



# COMMUNITY SERVICES – ACTIVITY MEASURES

## North Vancouver Recreation and Culture Commission

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

Revenues in 2019 increased to \$14.6 million, a 5% increase

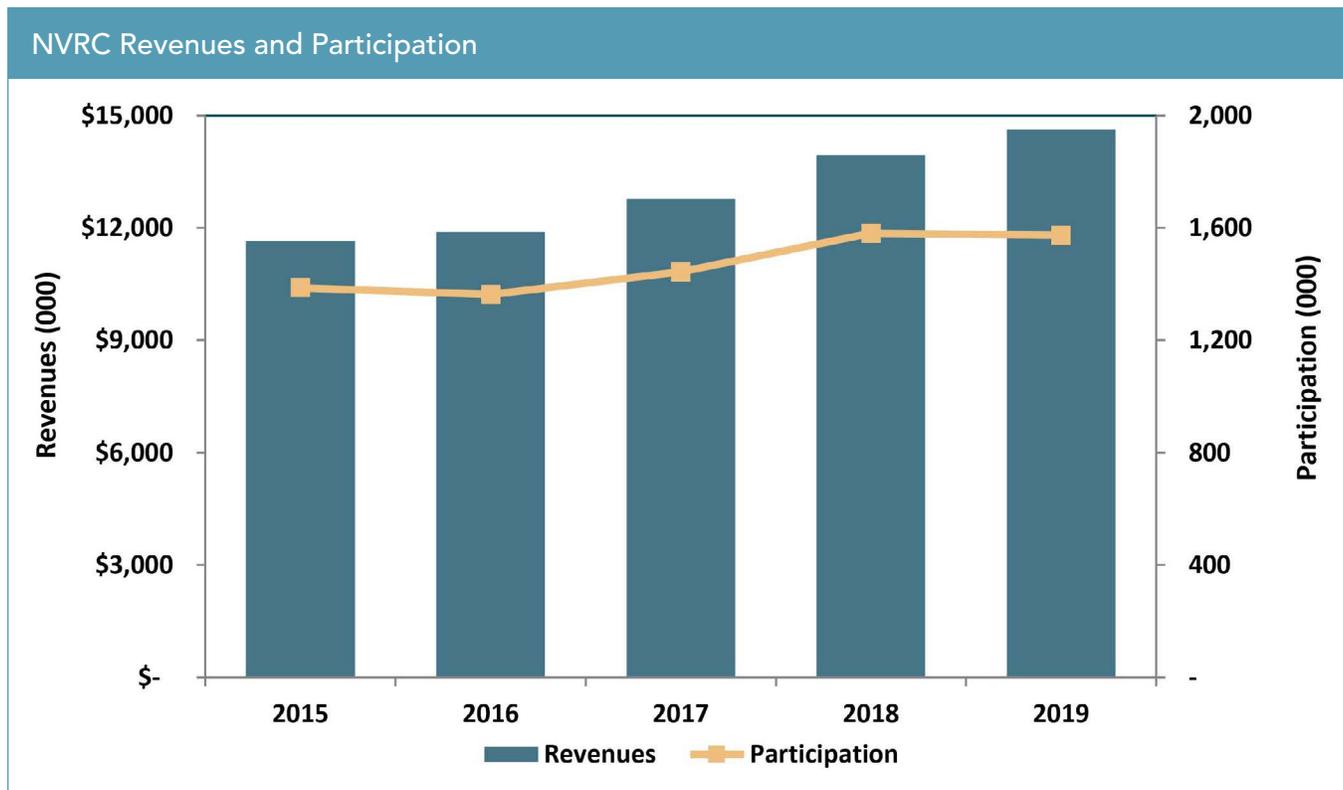
over 2018, and 25% increase since 2015. This largely reflects the opening of the Delbrook Community Recreation Centre in 2017, which offers increased capacity for swimming, sports, performing arts and fitness program and services.

Facility visits, based on drop-in, membership and program attendance data, show similar increases over the past 5 years.

A new recreation management software for

program registration and membership management was implemented to provide enhanced customer engagement tools and online self-serve functionality.

Findings from the 2018 Community Needs Assessment and Fitness, Health and Wellness Review were incorporated into service, program and facility planning. New outdoor fitness, arts and culture programming was introduced.



# COMMUNITY SERVICES – ACTIVITY MEASURES

## Parks Department

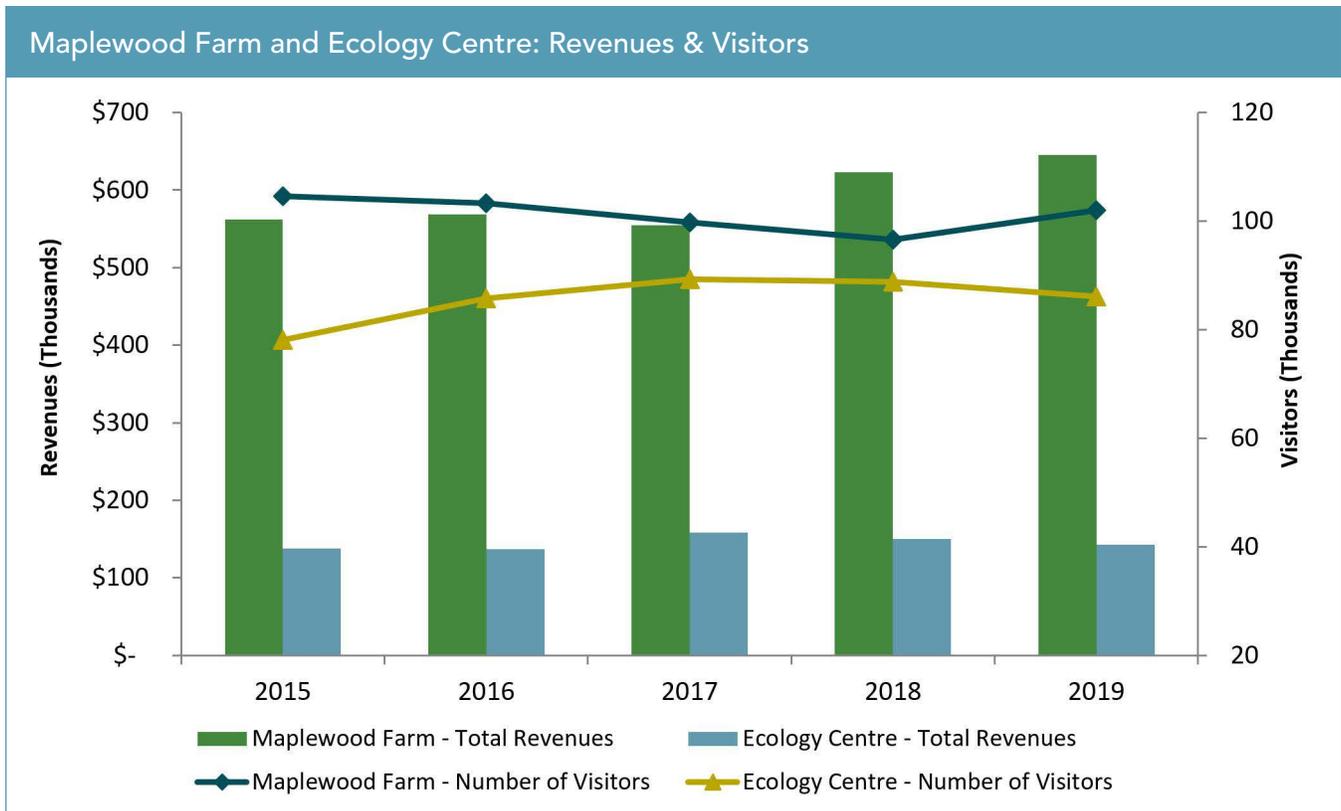
The District's Parks Department is responsible for the planning and construction of parks and natural parkland amenities; the maintenance of urban park grounds, medians and boulevards; street trees, park facilities, and fields and courts. The department also operates visitor attractions such as Maplewood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

maintains the District's forests, greenbelts, trails and manages wildlife and habitat issues.

### Maplewood Farm

Maplewood Farm provides a unique education-based tourist attraction, which is home to over 200 domestic animals and birds. The smoke free summer of 2019 positively impacted attendance, 2019 admissions and retail revenues grew to

\$645,408. Improvements included the construction of a new storage building for store merchandise and installation of wind breaks on some of the outdoor animal shelters. New marketing initiatives continue to be explored. In 2019, 101,976 visitors experienced Maplewood Farm, up by 6% from the previous year.



# COMMUNITY SERVICES – ACTIVITY MEASURES

## Lynn Canyon Ecology Centre

The end of 2019 marked the successful completion of the Ecology Centre’s 48th year of operation. The Centre received 86,141 visitors in 2019, slightly lower than 2018 due to necessary maintenance, upgrades and repairs to the bridge and parking lot areas in the park. With the goal of bringing in visitors in spite of difficult access, we remained open throughout the year to local visitors and tourists from over 71 countries. Staff delivered 323 education programs to families, schools and community groups; 47 groups visited the Centre and explored the displays on their own for a total of 9,633 people. Another 76,507 individuals and families from across Metro Vancouver and around the world visited the Centre to learn about the park and local natural history.

Despite the difficult access, the Centre had a good year

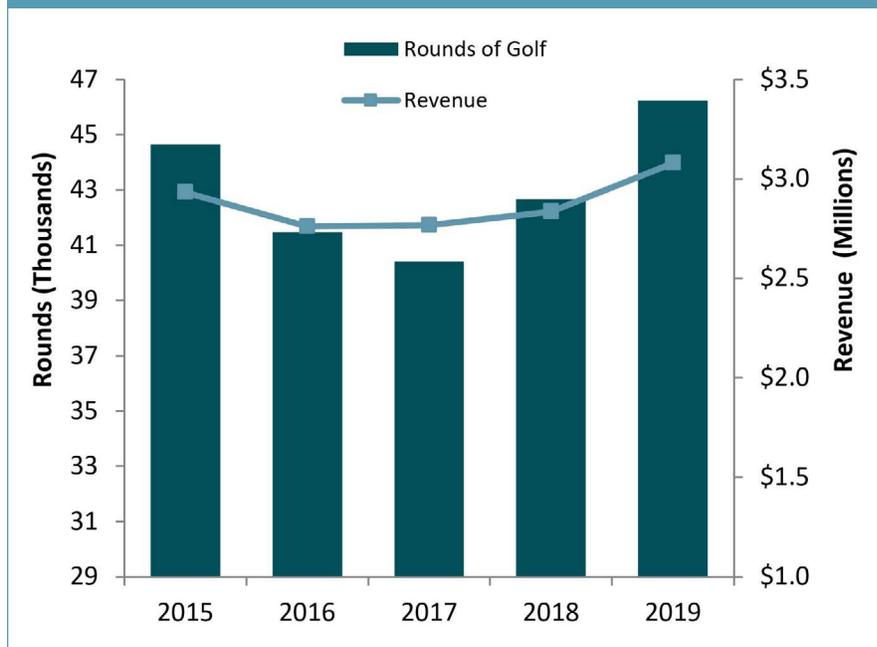
with combined revenues from sales, programs and donations totalling \$142,907 while keeping operating costs below plan.

## Northlands Golf

In 2019 golf rounds increased by 8% from the previous year, increasing to 46,233 rounds. Golf revenues increased 9% from 2018 to a total of \$3.1 million.

The increase of golf play and revenues were a result of favourable weather, starting from mid-March through September. Golfing within Metro Vancouver has remained stagnant in recent years, and this is reflected in green fees across the region. Northlands growth of its Loyalty Program has continued to drive golfers to play more of their annual rounds of golf at Northlands.

Northlands Golf Course: Rounds of Golf & Revenue



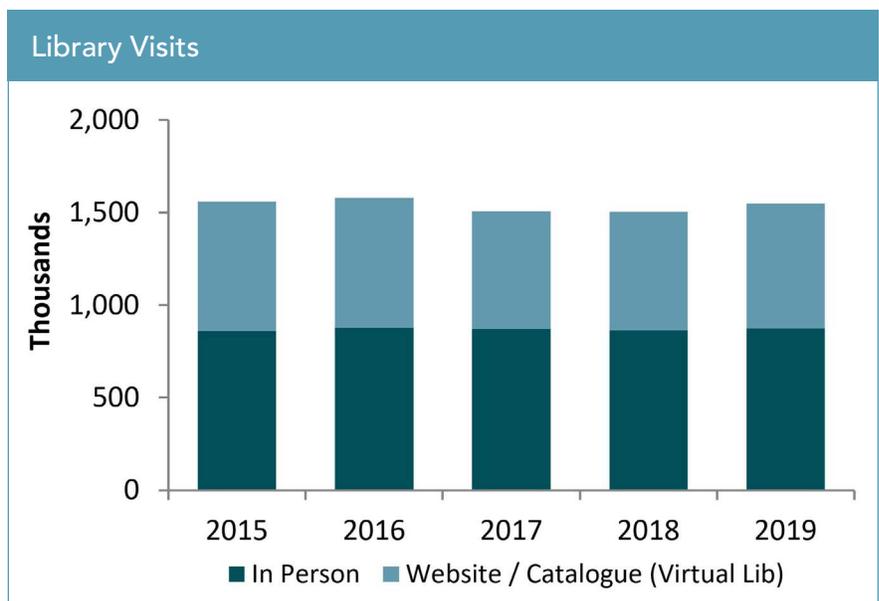
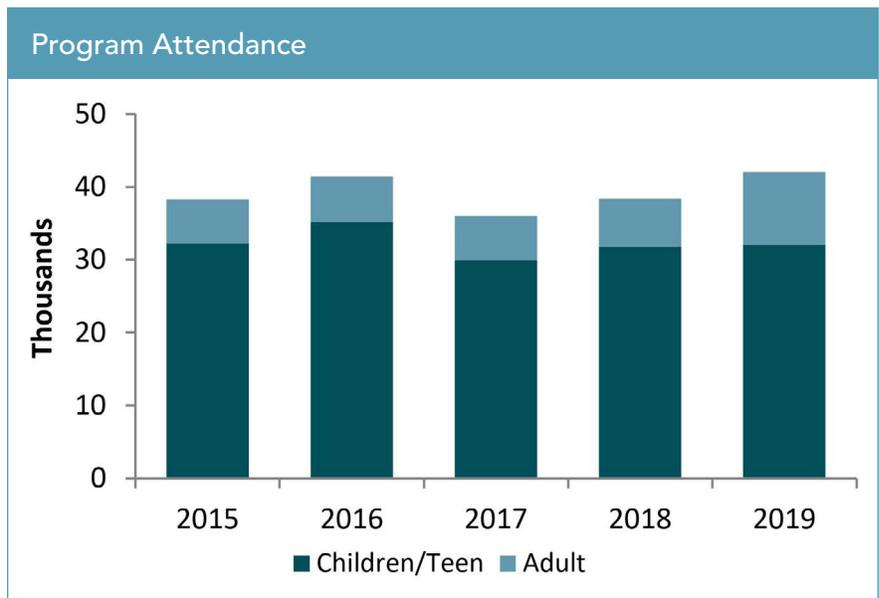
# COMMUNITY SERVICES – ACTIVITY MEASURES

## Library System

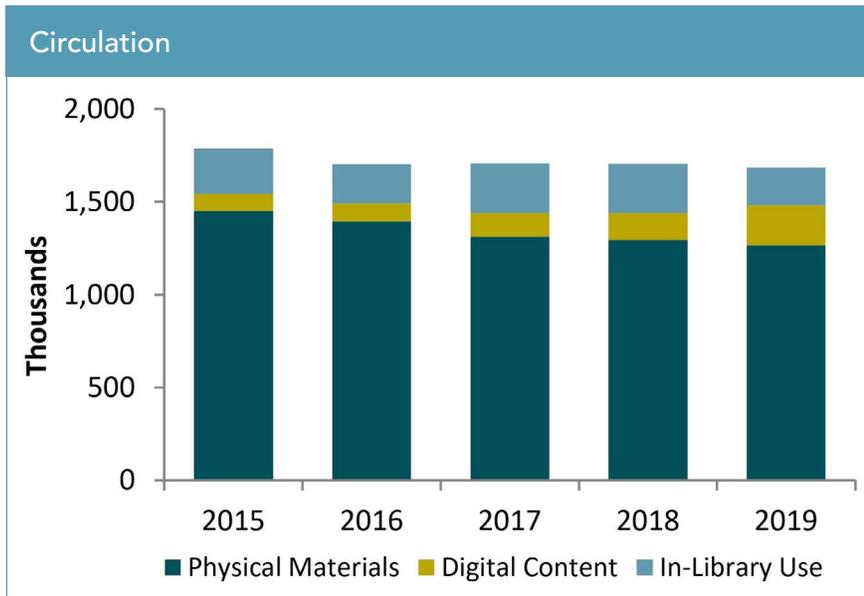
North Vancouver District Public Library offers a full range of information services, literacy-based programs and learning opportunities, an extensive collection of books and digital collections, a variety of online resources through the Library website, and public spaces and innovative programs for both children and adults. The Library serves the community through its three branches at Capilano, Lynn Valley, and Parkgate, and through around-the-clock access to its digital resources.

In-person and digital visits to the Library have remained steady over the past 5 years, with total visits firmly in the range of 1.5 million annually.

Public Program figures in 2019 highlight a 52% increase in Adult Program attendance over 2018 figures. This was due to a combination of factors including new offerings



# COMMUNITY SERVICES – ACTIVITY MEASURES



in Adult Programming, an increase in the number of patrons attending English Conversation Circles, and the first-time inclusion of data from the Library Home Services’ outreach to Senior’s Facilities, which accounted for just under half of the overall increase.

The Library Collection reflects the popularity of both physical and digital materials, and

strives for balance, recognizing the growth in the demand for digital resources and the value that patrons place on traditional materials. In 2019, the circulation of digital materials increased by more than 48% over 2018. The sustained upswing in this area was due to a combination of factors, fuelled by the Library’s strategic focus and ongoing

commitment to increasing and promoting access to digital resources. In 2019, patrons enjoyed increased access to e-books and audiobooks, digital newspapers, and online magazines and journals.

The implementation of the 2017-2019 Strategic Plan increased the Library’s investments in digital content and technologies, and improved a number of interior spaces, laying the groundwork for the 2020-2023 Strategic Plan. Among other strategic goals, this new plan includes a focus on improving the flexibility and modernization of all interior library spaces and delivering services, where and when needed, in order to support the changing demands of our community. For more information, please visit the Library’s website at [nvdpl.ca](http://nvdpl.ca).

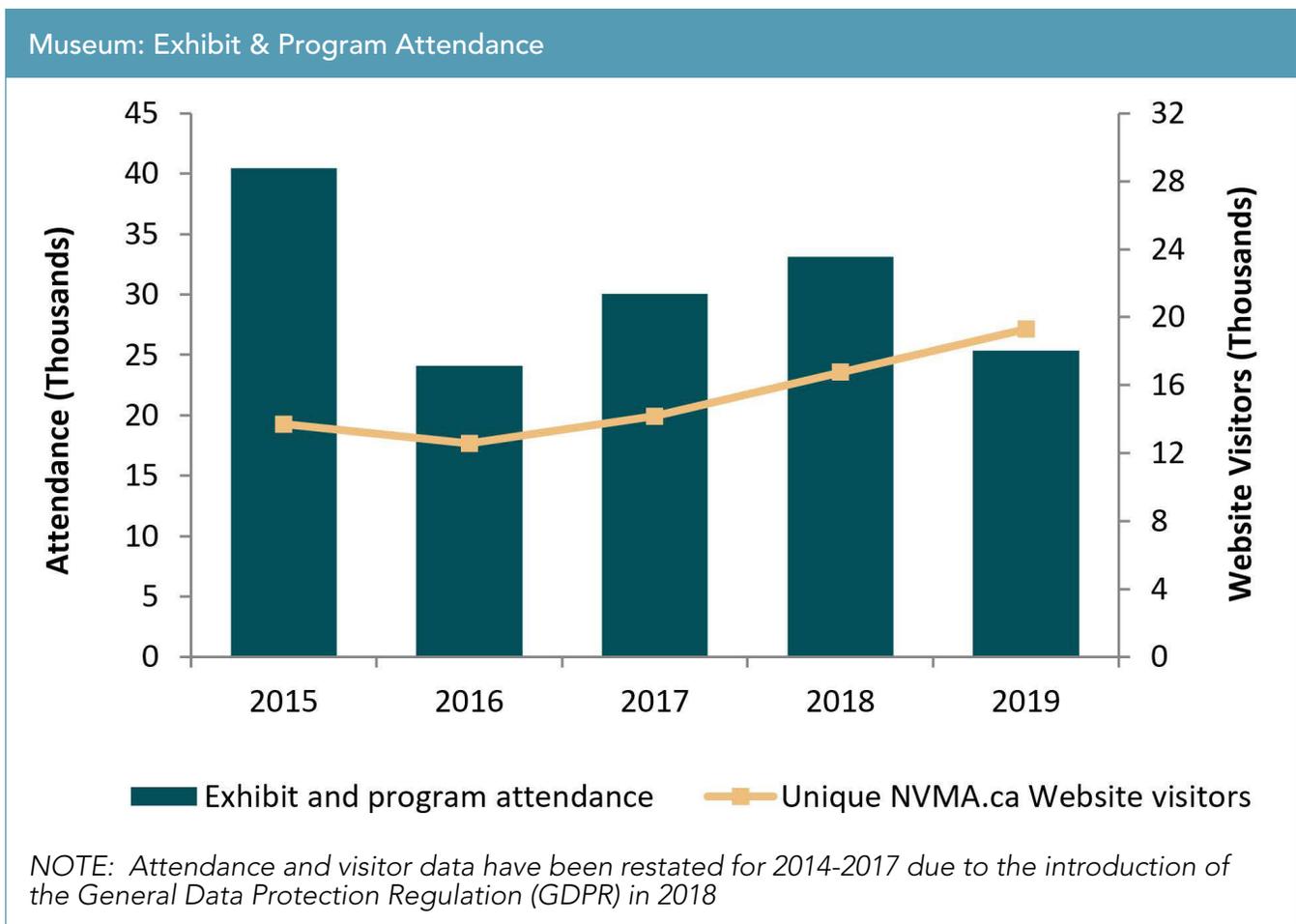
# COMMUNITY SERVICES – ACTIVITY MEASURES

## Museum

With the museum site closed, general attendance declined but increased use of school program extension kits and more public programs allowed us to maintain community presence. Online visitors increased (15%) and the net

page views remained stable. The largest website gains came on pages that provide updates on the new museum project, during planning, construction and exhibit fabrication phases, as well as the virtual exhibit pages. Time spent by visitors on nvma.ca website generally

showed a 150% increase in average time spent on a page. Social media activity continued to expand with Facebook (46%) and Instagram (96%) referrals to **nvma.ca** all up significantly over 2018.



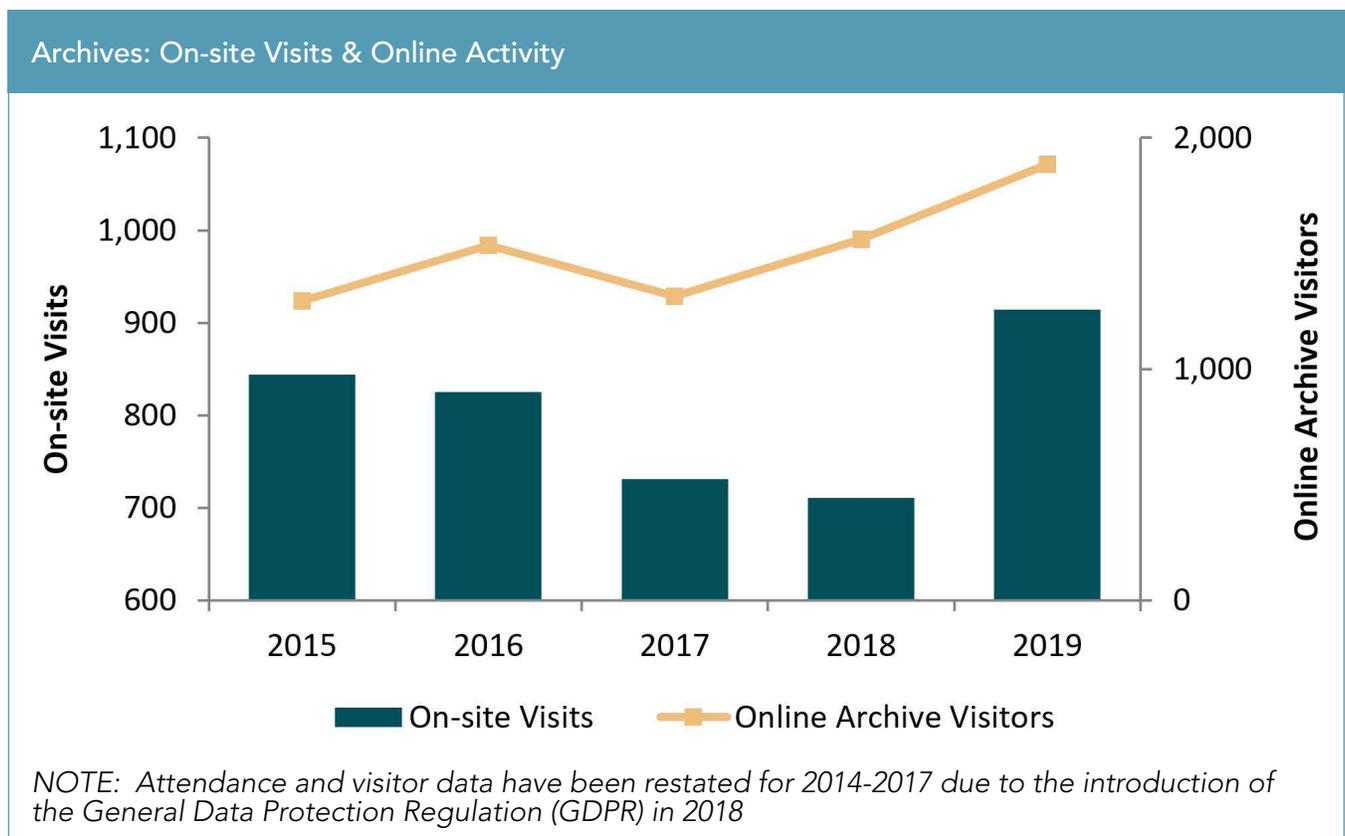
# COMMUNITY SERVICES – ACTIVITY MEASURES

## Archives

On-site visits and external inquiries to the Archives increased by 29% in 2019. Online visitors increased by 21%, which reflects the success of our social media program, which drove users to our database through image permalinks. In 2020, the Archives will be migrating the database to a new application with multimedia (i.e., video and audio streaming) capabilities

to support enhanced user interaction with the archival holdings. In 2019, 2,000 archival photographs were scanned and 40 large format maps and drawings were scanned. Thirty-one new acquisitions were added to the Archives, including the archival records of the North Shore Mountain Biking Association (NSMBA); North Shore Rescue (NSR) donated by founder, Gerry Brewer; and Mt. Seymour

Ski Club, donated by founder and Mount Seymour historian, Alex Douglas. These three high profile acquisitions reflect a new acquisition strategy by the Archivist aimed at preserving the archives of associations and organizations that reflect our unique relationship with the North Shore mountain environment. There were 73 new archival descriptions added to the database.



# DEVELOPMENT & LAND USE PLANNING – ACTIVITY MEASURES

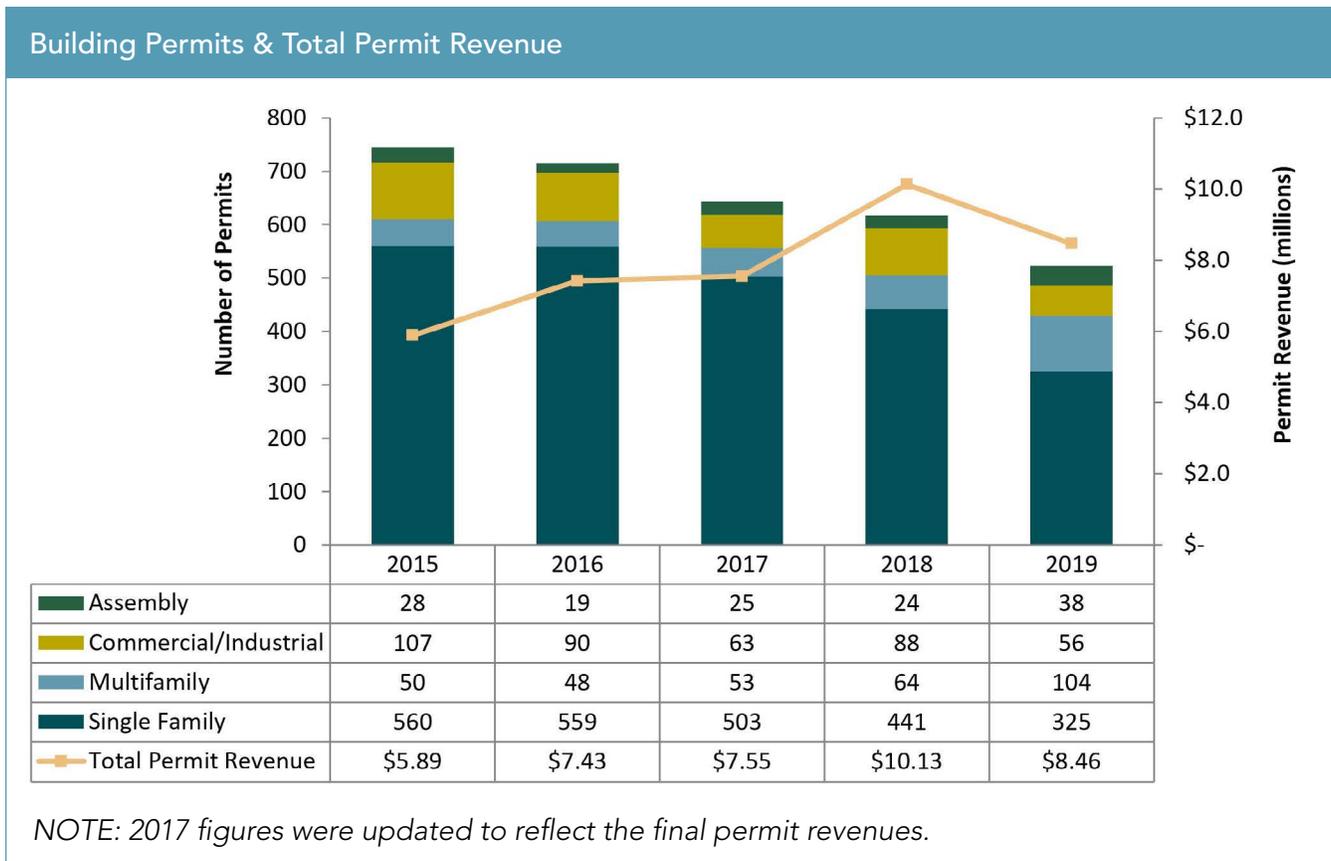
Development and land use planning services involves the creation of long-term, integrated community, land use, environment, and social policy and plans. The District provides advisory and support services through management of the development process. Services that help shape the process include community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

Over the past five years, the average number of all permits issued is 649. The reduction in permit numbers and revenue

in recent years coincides with changes in market demand. There was an average of 516 single family permits from 2015 to 2018 reducing to 325 permits in 2019. Commercial/Industrial permits went from an average of 87 permits over the same period to 56 permits in 2019. Total permit revenues, however remain strong due to larger scale projects in town centres.



# DEVELOPMENT & LAND USE PLANNING – ACTIVITY MEASURES

Permit figures relate to new construction and alteration/additions for Single Family, Multi-family, Commercial, Industrial, and Assembly uses.

## Construction Values

Construction values were high in 2019 at \$404 million. Major projects approved for construction included:

- **Argyle Secondary School Replacement** (1131 Fredrick Road)
- **Citimark Belle Isle Place** (2060 Curling Road): 88 townhouse units in 11 separate three-storey buildings
- **Kiwanis Lynn Manor** (2551 Whitley Court): a new six-storey building with 106 units of below-market rental housing for seniors, next to the existing 16-storey Kiwanis tower, and renovations to the ground floor of the existing tower to add four new units
- **Seylynn Village** (600 Mountain Hwy) “Apex Tower”: mixed use concrete tower in Lynn

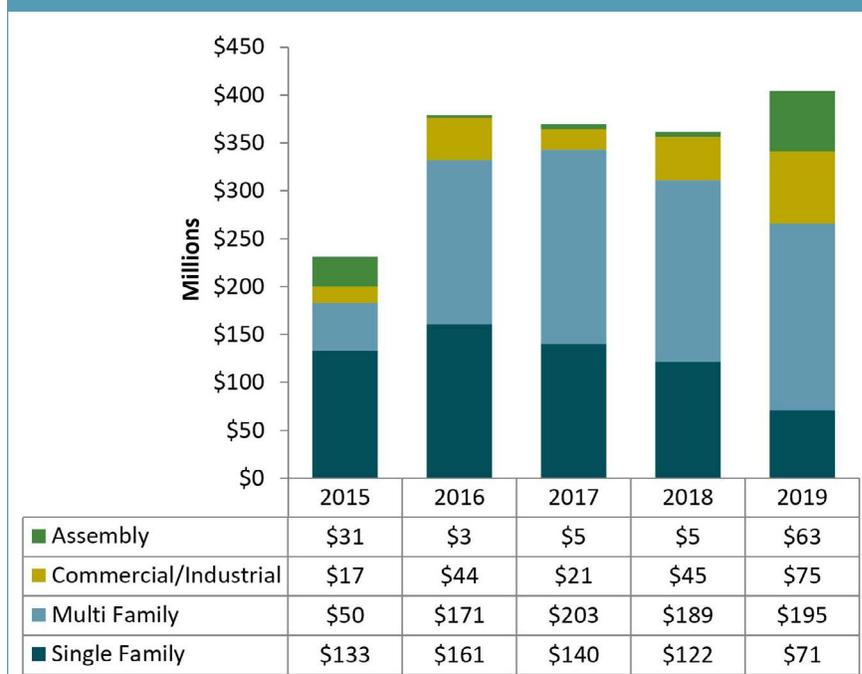
Creek including 274 market residential units and approximately 8,000 square feet of commercial space

- **Vancouver Wharves Terminal Diesel Handling Facility** (1995 W 1st Street): The project includes two additional diesel storage tanks (approximately 20 metres high) and 12 new railcar unloading positions on this property.

- **Fibreco Expansion** (1209 McKeen Avenue): The project includes replacing two large woodchip piles on the property with 56 silos, to be used to store and transport agriculture products, such as grain.

- **North Shore Wastewater Treatment Plant** (107 Pemberton Ave): excavation permit issued for a new regional wastewater treatment facility

Value of Construction 2015-2019  
Source: DNV, Permits, Planning & Bylaws



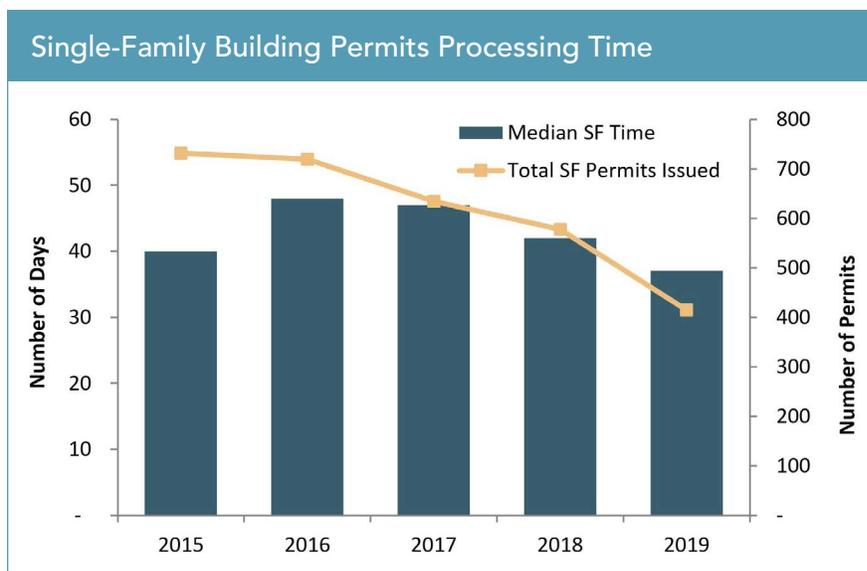
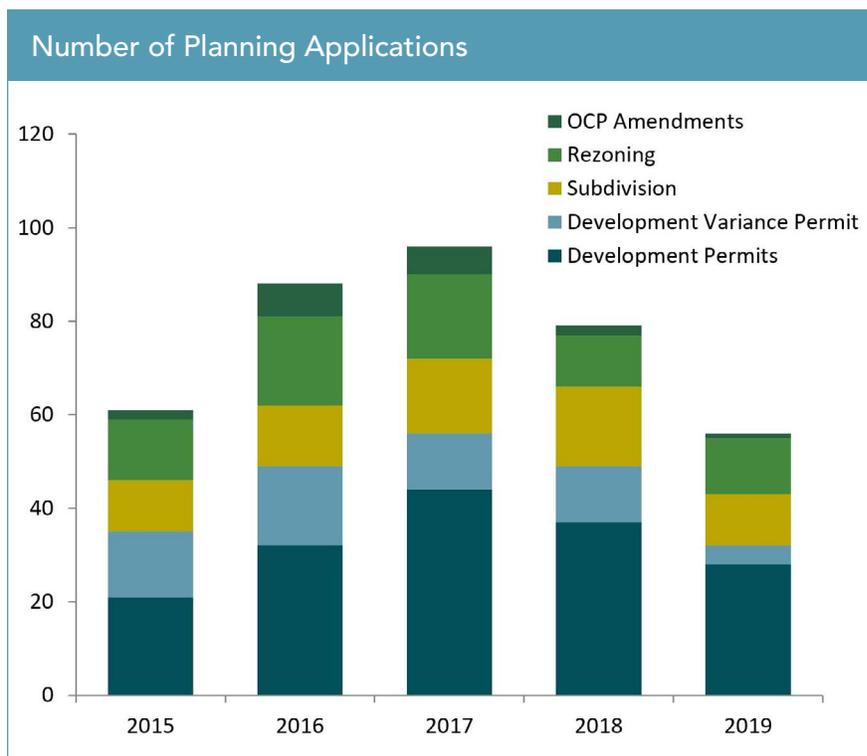
## Planning Applications

The chart at right shows the number of detailed development planning applications received each year for OCP Amendments, Rezoning, Subdivision, Development Variance Permits, and Development Permits. The total planning applications received in 2019 saw a second year of decline after two years of growth.

## Single-Family Building Permits

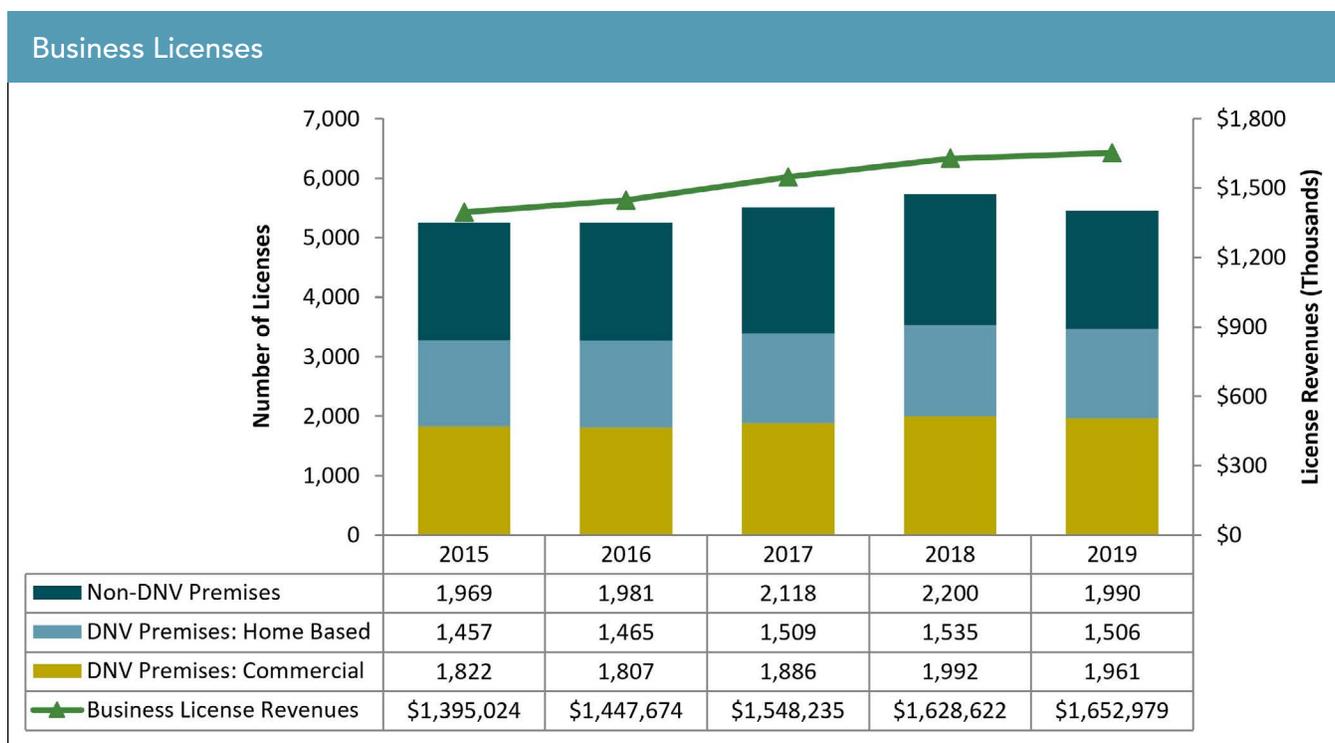
The majority of building permits processed and issued by the District relate to single family homes and related structures. The graph below shows the number of single family building permits issued, the median processing times and trends over the last 5 years.

The reduction in median processing times in 2019 from 42 days to 37 days corresponds with a reduction in the number of single family permits issued.



## Business Licenses

After an increasing trend in the number of business licenses over the past few years, 2019 saw a decrease in issued business licenses. In particular, licenses issued to businesses outside of the District declined by 10% from 2018 to 2019. This is commensurate with reductions in construction permit activity. Revenues correspondingly increased a modest 1.5% in 2019 due to changes in the volume of licenses issued and an inflationary increase in rates.



# 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, and emergency and natural hazards management.

## 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.

According to a 2018 survey conducted by Maclean’s ([www.macleans.ca/canadas-most-dangerous-places](http://www.macleans.ca/canadas-most-dangerous-places)), the District of North Vancouver is one of the safest communities in

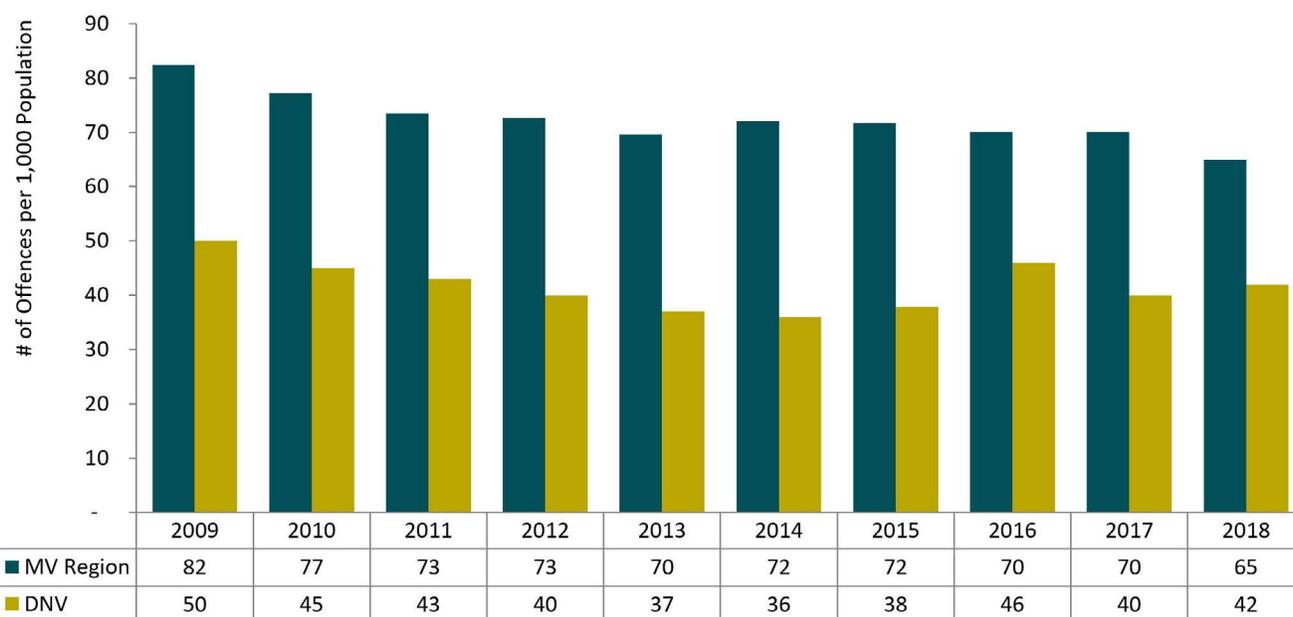
Canada, ranking 11th out of 229 communities with a Violent Crime Severity Index of 19 (national average is 75.25).

## Break and Enters & Automobile Crime

In 2019, the District experienced a decrease in Break and Enters to residential properties while Auto Crime such as Theft from Automobiles continue to trend below the five year average. Several factors contributed to this reduction in property

### Crime Rate 2009 - 2018

Source: RCMP Strategic Services Section



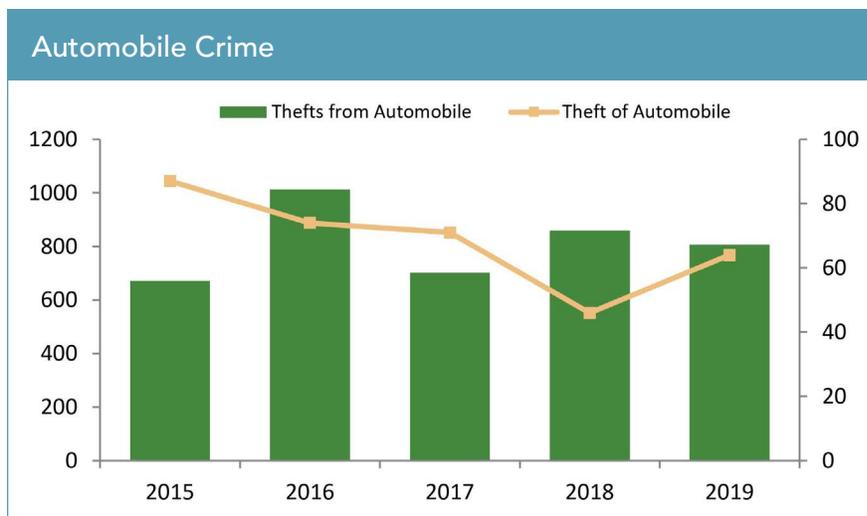
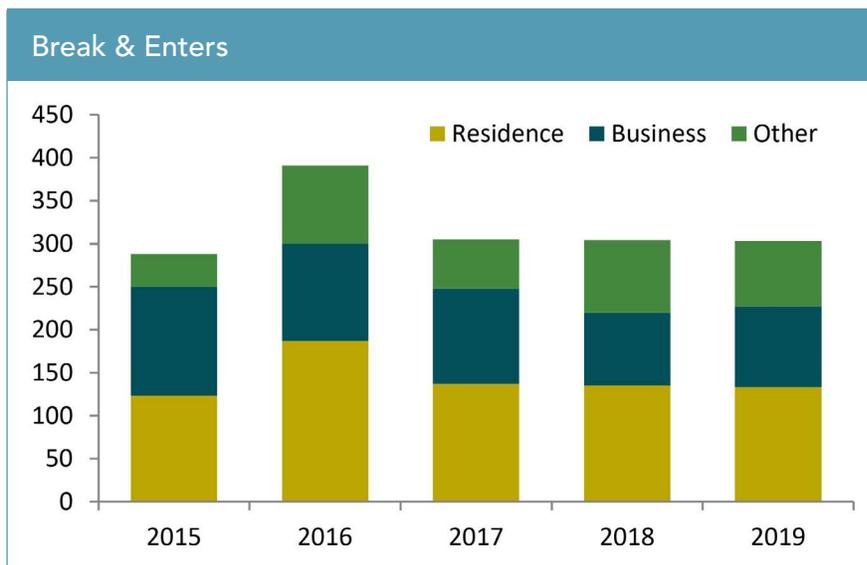
Note: Crime rate data for 2019 was unavailable at the time of writing this report.

# PROTECTIVE SERVICES – PERFORMANCE MEASURE

crime. North Vancouver RCMP continued with an intelligence, data driven patrol response based on recommendations provided by the Detachment crime analyst, who produces a bi-weekly bulletin highlighting “hot spot” locations and persons of interest. Academic literature has shown that a relatively small number of offenders are responsible for committing the majority of property-related offences. Using intelligence driven and data-led policing to target this small segment of prolific offenders yields the greatest crime preventative benefits for the community.

Another significant Detachment initiative was the creation of the Crime Reduction Team in 2017. This team is responsible for implementing a prolific and priority offender management program, conducting focused patrols in “hot spots” and transit routes, and undertaking minor drug trafficking investigations.

The RCMP is vital in 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 strategies and investigative services,

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.

# PROTECTIVE SERVICES – PERFORMANCE MEASURE

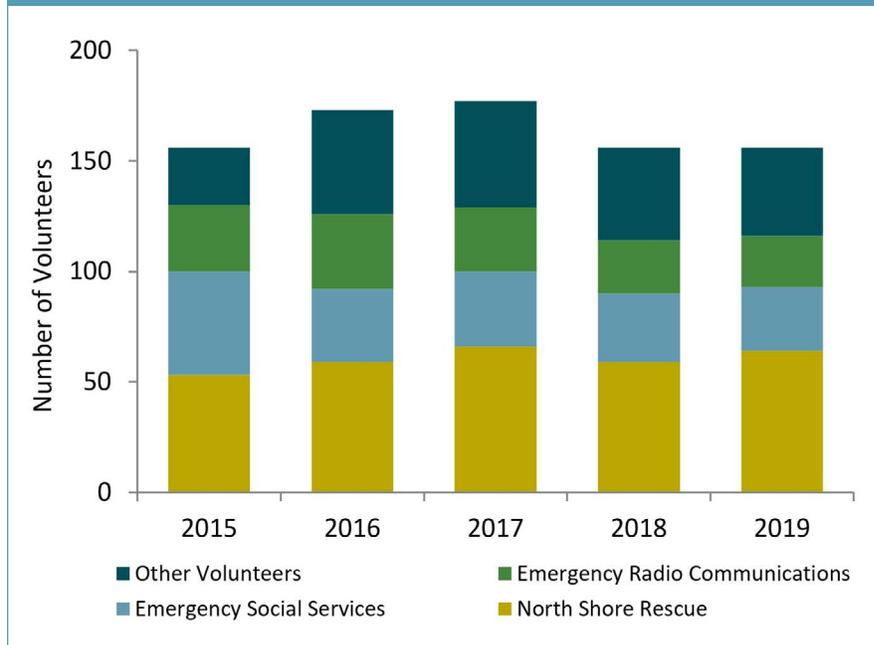
## North Shore Emergency Management

North Shore Emergency Management (NSEM) provides an extensive range of services to ensure that the three North Shore municipalities are resilient and ready to respond to and recover from emergencies and disasters.

This work includes facilitating emergency planning for natural hazards and other potential emergencies, maintaining an operationally-ready Emergency Operations Centre (EOC), and conducting training and exercises for municipal staff and other stakeholders. NSEM also manages a large team of volunteers engaged in response support and education to residents, community groups and businesses on emergency preparedness.

During 2019, NSEM staff and volunteers assisted North Shore residents recovering from a number of residential and apartment fires as well as a severe weather event that resulted in localized flooding and slope failures.

Number of Volunteers



Emergency Training Offered to the Public



# PROTECTIVE SERVICES – PERFORMANCE MEASURE

## Fire & Rescue Incidents & Responses

The District of North Vancouver Fire & Rescue Services (DNVFRS) is a mission-oriented emergency services agency focused on ensuring the health, safety, and well-being of our citizens.

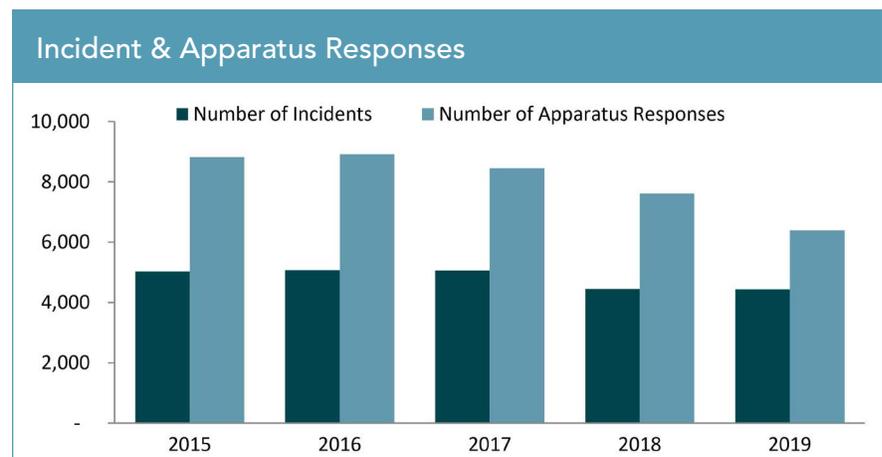
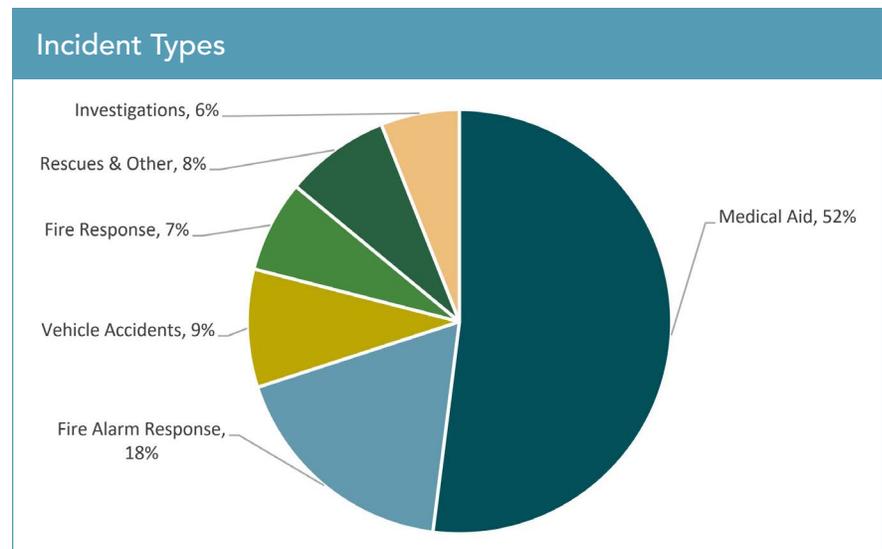
Each and every day our members provide caring and compassionate service to our citizens and visitors to the North Shore who may be experiencing difficult or trying circumstances. We deliver our services through an integrated approach, encompassing emergency and non-emergency response, fire & life safety outreach, and fire prevention/investigation. Our Fire & Rescue Services maintain a high level of expertise and proficiency in a broad span of disciplines, though most notably in the area of Technical Rescue incorporating both High-Angle Rope Rescue and Swiftwater Rescue.

The apparatus response figures below reflect the number of units assigned to each

incident. To ensure appropriate resources respond based on the hazard associated with each incident, we assign multiple pieces of fire apparatus to incidents such as, but not limited to: Residential Fires, Motor Vehicle Accidents, Rescues, and Commercial Fire Alarms.

In 2019, DNVFRS published a dedicated Annual Report to summarize our achievements in 2018 as well as provide additional useful performance measures.

Please visit [DNV.org/FireAnnualReport](https://www.dnv.org/FireAnnualReport) for further information.



# 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

Traffic signals can be affected by poor weather or faulty equipment, both of which create variability in the results and are difficult to forecast. The occurrence of traffic signal malfunctions have leveled off in recent years as many traffic controllers and intersections have been upgraded.

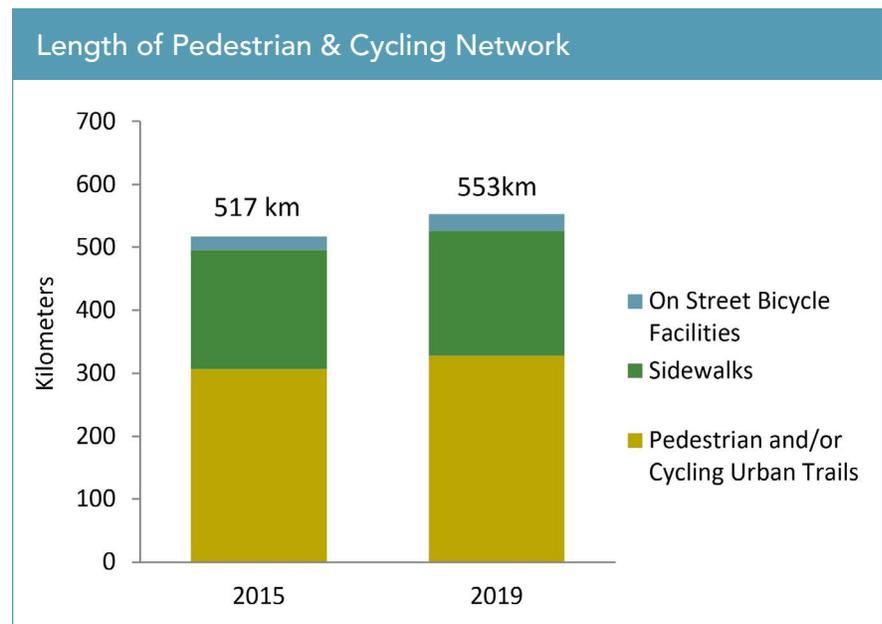
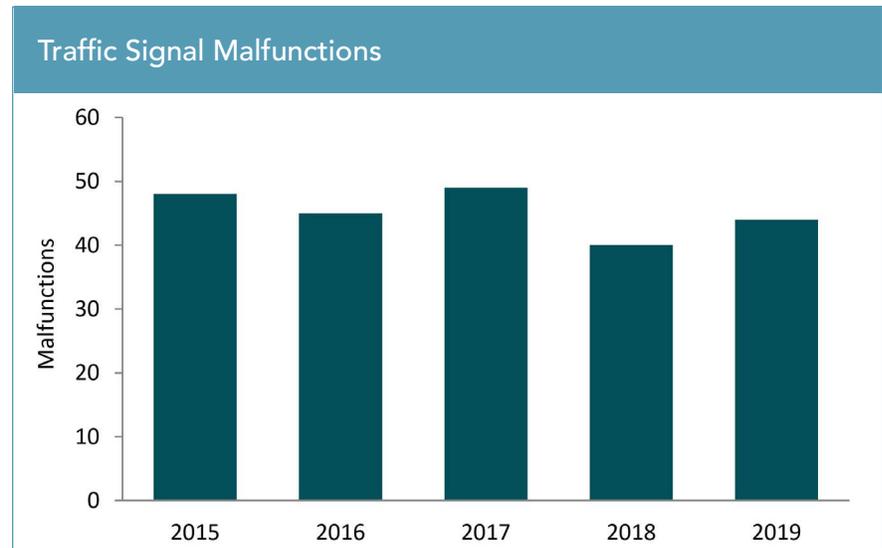
## Pedestrian and Cycling Network

The total pedestrian and cycling network has marginally increased with the District coordinating with other agencies as opportunities arise. The bicycle network

continues to be refined as trail surveys and new information is received. As such, prior years’ data has been restated.

A number of ongoing mobility

improvements are planned and in progress as the District continues to improve conditions for pedestrians and cyclists.



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

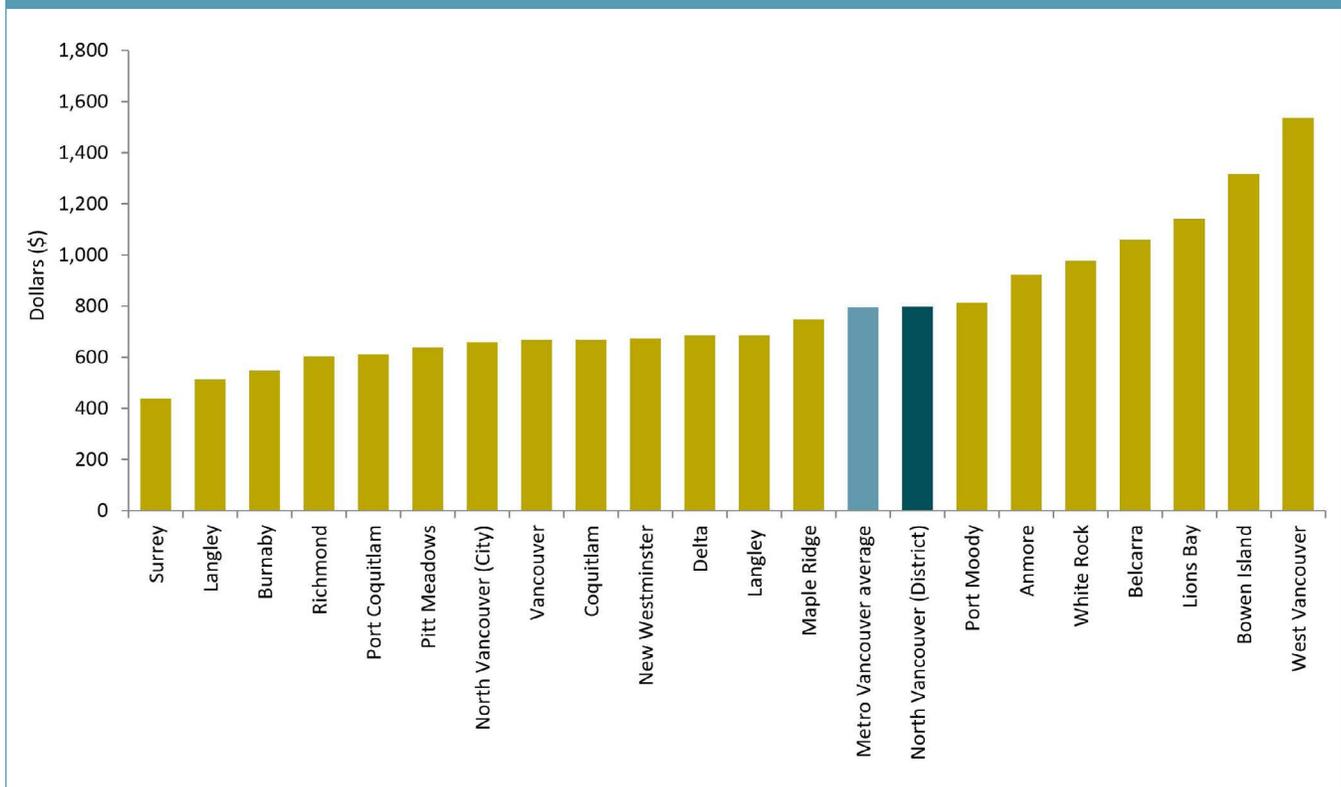
This graph compares the 2019 net municipal residential tax levy for Metro Vancouver communities.

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.

### 2019 Municipal Residential Taxes per Capita

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



## 2019 Tax Rate benchmarked per \$1,000 Assessed Value

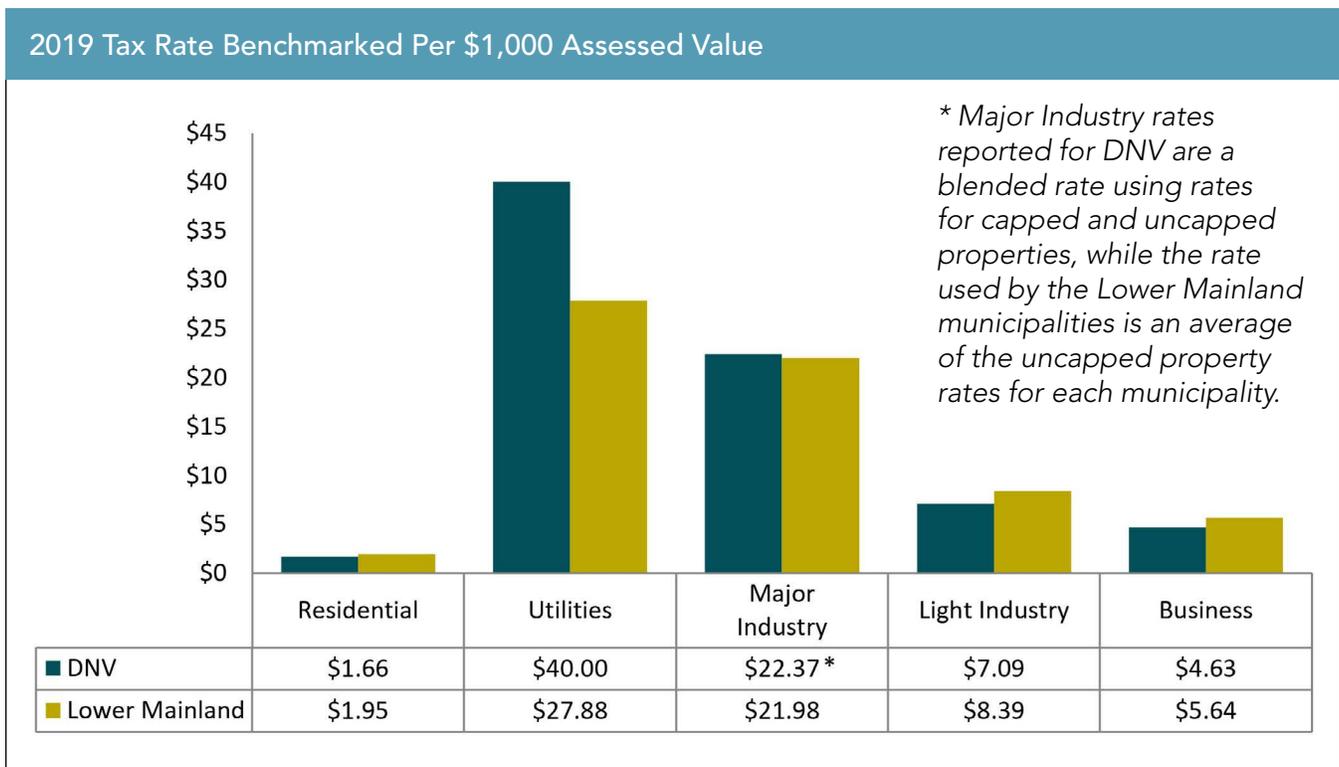
The District’s objective in allocating the tax requirement is to distribute the tax burden between property classes based on the principles of equity, fairness and responsiveness to community goals. Council approved a tax strategy based on rate competitiveness designed to attract and retain its industrial 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.

Since being implemented in 2009, tax strategy outcomes have led to a continued rate reduction for both the light and major industrial classes

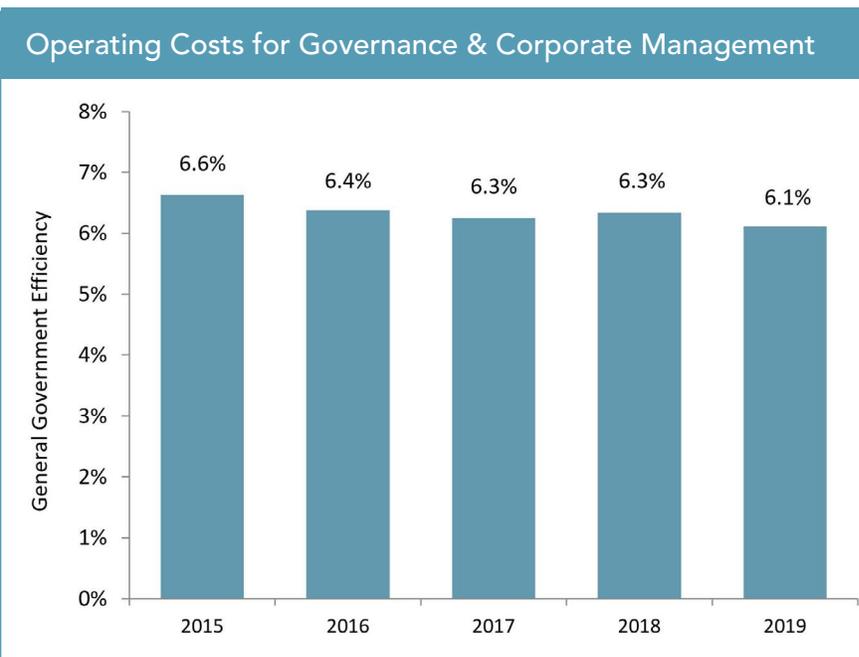
resulting in tax rates better than the regional averages. Light Industry tax rates have decreased from \$25.28 in 2009 to \$7.09 per \$1,000 in 2019, while uncapped rates for Major Industry have fallen from \$47.62 in 2009 to \$22.37 per \$1,000 in 2019.

In 2019, the District’s rate for Major Industry was \$22.37, compared with a \$30.06 regional average for lower mainland municipalities with heavy industries adjacent to accessible waterways.



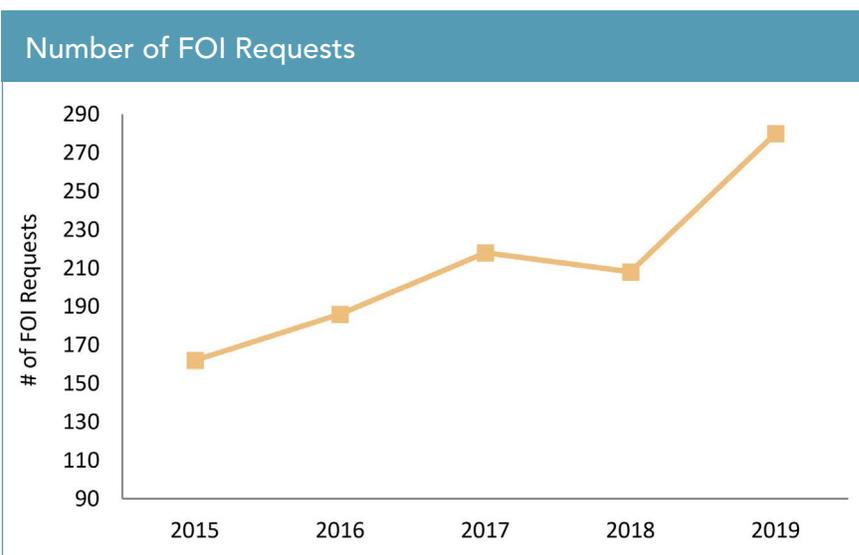
## Operating Costs for Governance and Corporate Management

The cost of governance and corporate management (GCM) has remained consistent with prior years and in 2019 accounted for 6.1% of the municipal operating budget.



## Freedom of Information requests

Freedom of Information (FOI) requests continue to increase.



## Asset Sustainability Indicators

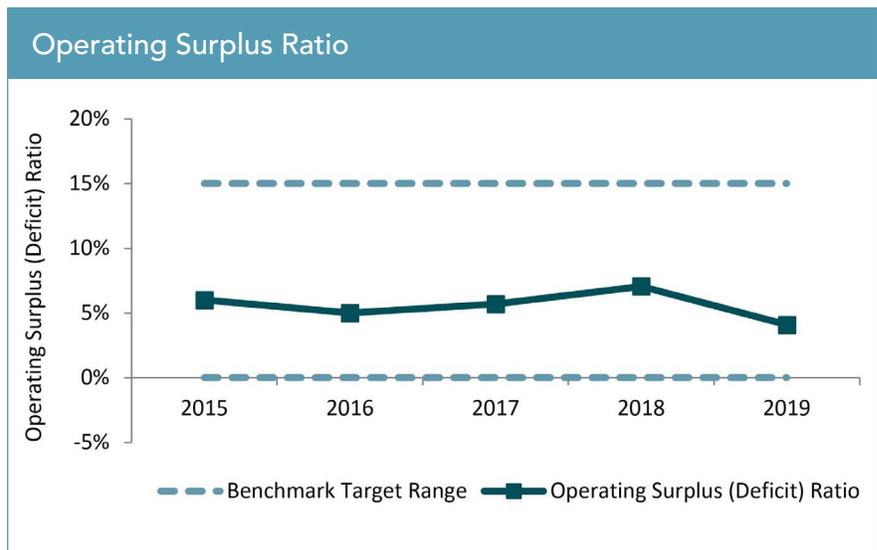
### Operating Surplus Ratio

When recurring revenues exceed recurring operating expenses, this ratio indicates if there is reasonable flexibility in funding to support the renewal of ageing infrastructure.

A positive operating surplus ratio is a strong indicator of long-term financial sustainability. The District aims for a small surplus each year in order to achieve a ratio that falls within the benchmark target range of 0% and 15%. This target has been met since 2013, averaging 6% over the past 5 years. For 2019, the operating surplus ratio is 4% of operating expenses.

### Asset Sustainability Ratio

This ratio assists in measuring progress on the renewal of ageing infrastructure. It expresses actual net capital expenditures on renewal and replacement of existing assets as a percentage of optimal levels calculated in the District's Asset Management Plans. The District's minimum target is 90%.



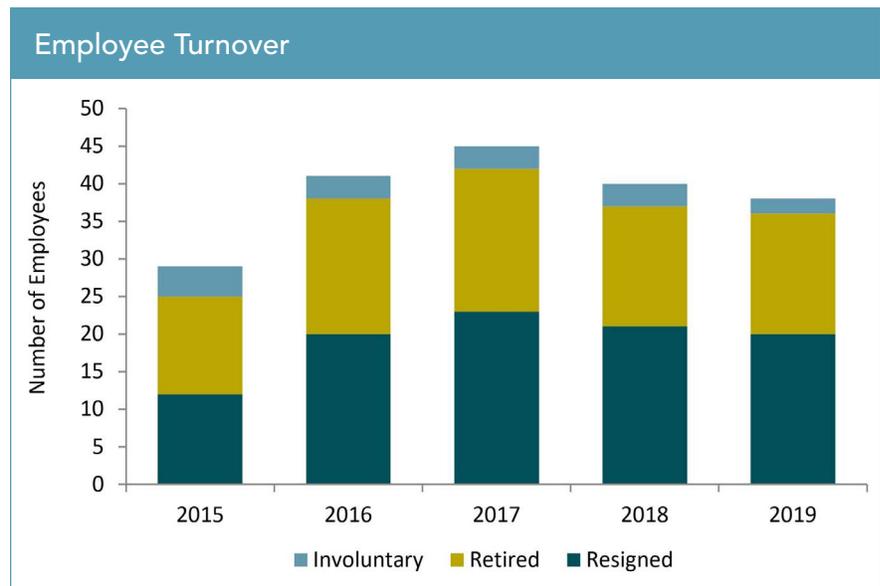
In 2019, the asset management ratio reached 92% and represents the first year the ratio has exceeded 90% and now falls within the benchmark target range. The asset sustainability ratio for the water

utility specifically has exceeded the minimum target since 2013 primarily due to a Council-directed program requiring accelerated replacement of asbestos water mains.

## Employee Turn-over

The period 2016-2019 showed an increase in the number of retirements from the organization over previous years. However, the District experienced a decrease in attrition in 2019, with fewer people exiting the organization. As Boomers age out of the work force, we can expect this attrition to continue. As the competition for talent in the external labour market increases, we continue to expect District employees to be potential recruits for private industry and other public sector employers.

The District was selected as one of BC's Top Employers in 2019. Key strategies to attract and retain staff continue to be



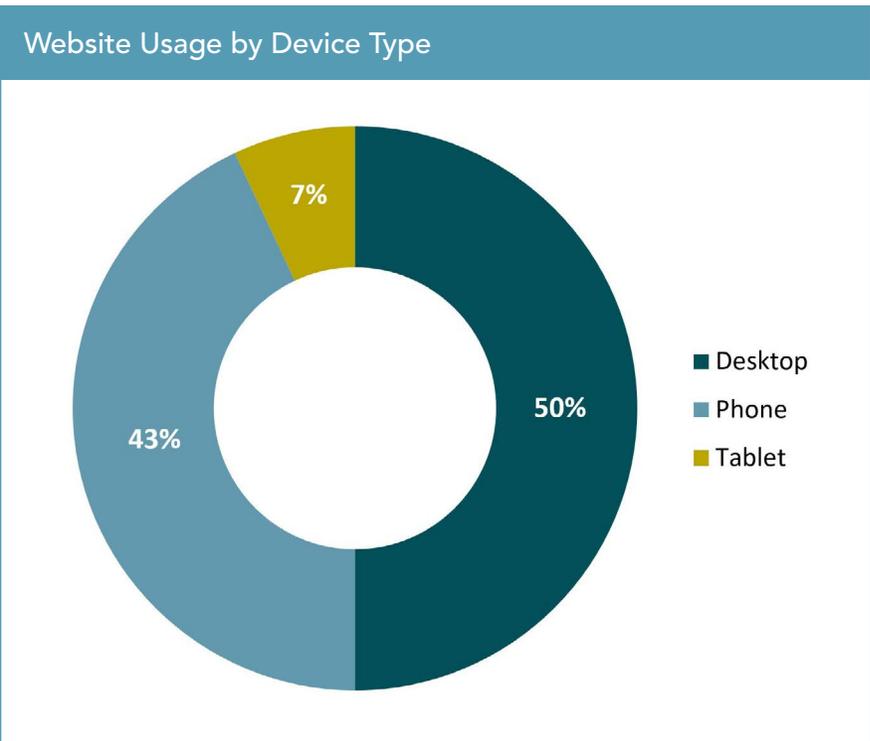
a top priority, including being designated as an employer of choice on the North Shore.

While our turnover rate appears to be below the industry average, we remain challenged by commuting distances, traffic congestion

and the cost of real estate on the North Shore. Employees cited commuting, opportunities closer to home, promotions, private sector salaries, retirement, and personal and family reasons for exiting the organization.

## Website Visits

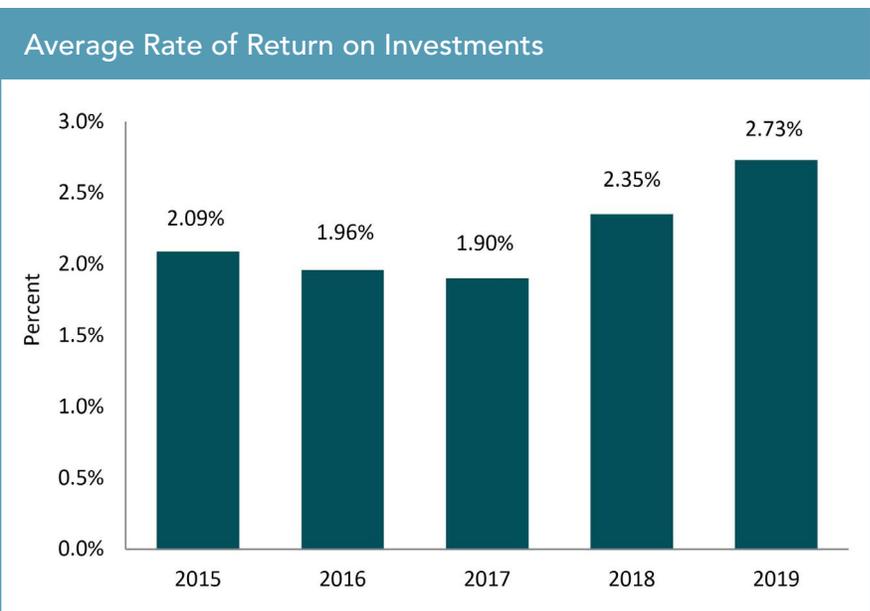
Visits to **DNV.org** by mobile device continued to climb, with 50% of all visits in 2019 coming from either a smartphone or tablet (compared to 49% in 2018). Since our new mobile-friendly site launched in 2016, visits by mobile devices have increased steadily. We anticipate that mobile usage will exceed desktop usage by 2020, as we continue our efforts to make the information and services we provide through **DNV.org** accessible to anyone, from anywhere, at any time.



## Return on Investments

Market conditions over the past 5 years have not been conducive to strong rates of return. In 2019, however, the District earned a higher average rate of return of 2.73% on its investments as interest rates climbed during the year.

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.

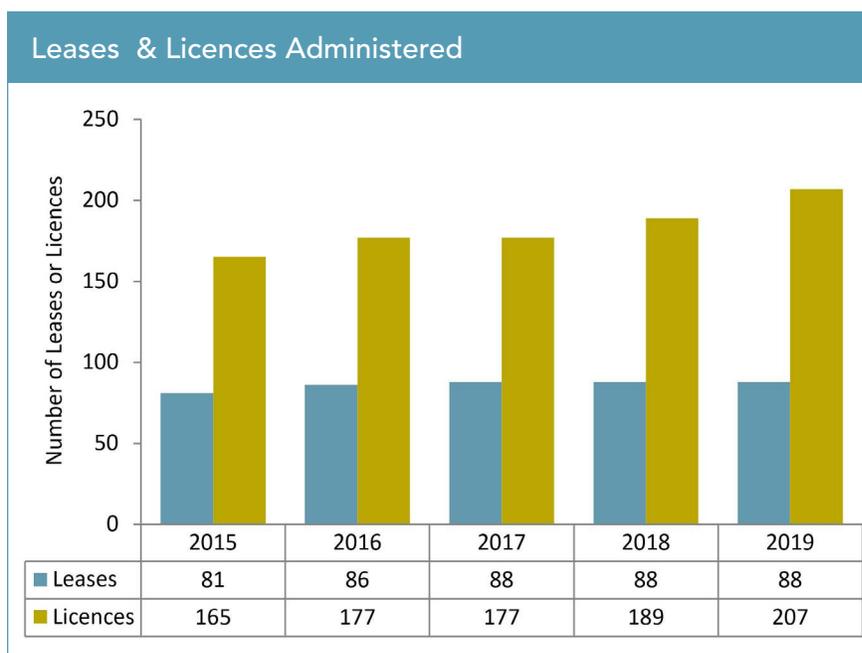


## Leases and Licences

The District enters into both lease and licence agreements with third parties to allow either exclusive possession and/or use of a District asset for a specific period in exchange for payments.

The lease agreement creates an interest in land whereas a licence only grants a contractual right and can generally be terminated on short-term notice.

Leases and licences remained strong in 2019 with a number of new short-term licences for awning encroachments, presentation centres and temporary rentals.



# UTILITY SERVICES, WATER – PERFORMANCE MEASURE

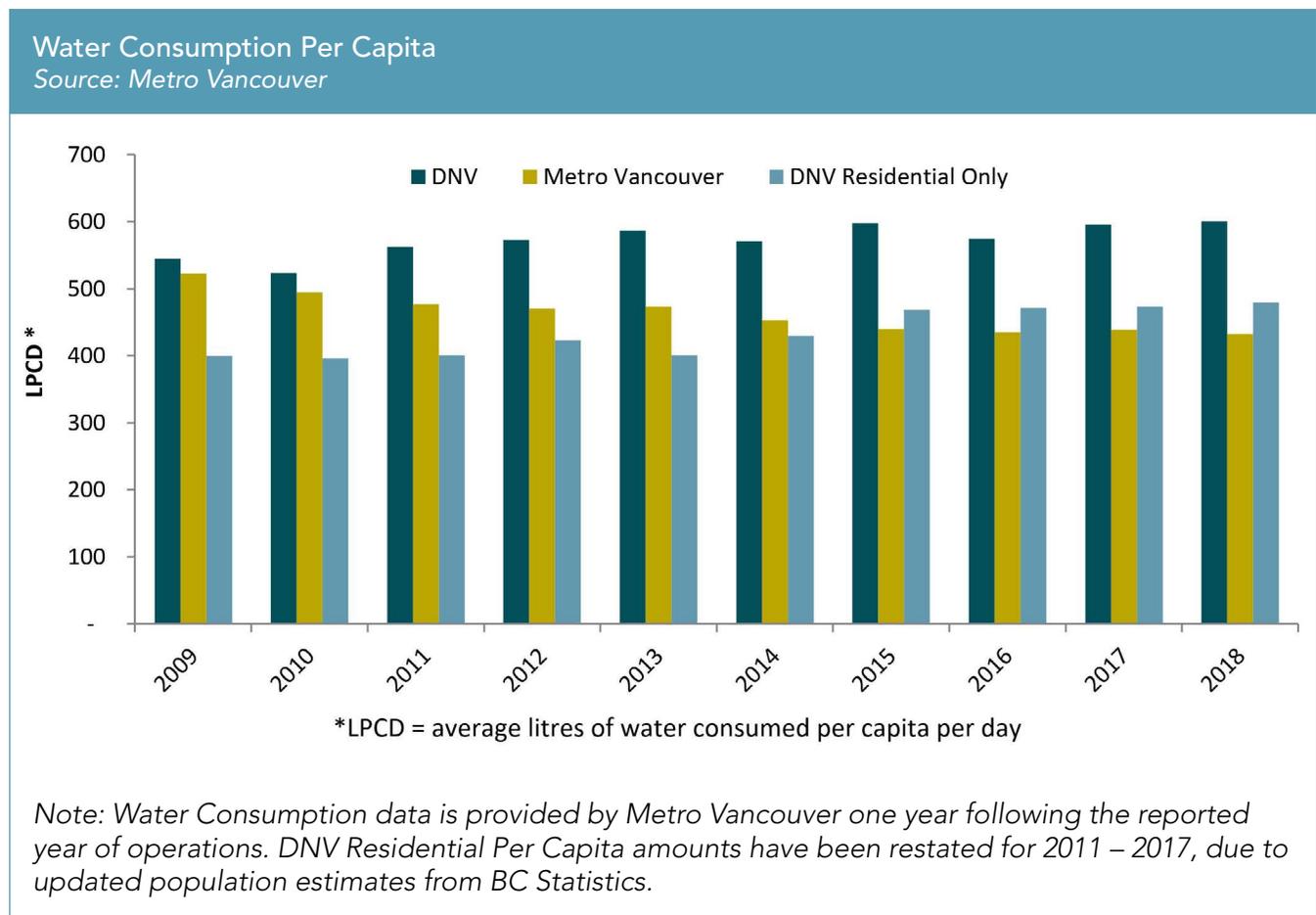
The provision of water services contributes to District residents' health and well-being by providing a safe, adequate, and trouble-free supply of potable water. The District manages, maintains, and upgrades its network of pipes, pump stations and connections to supply water to its residents from the 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. In 2018, residential consumption

marginally increased over 2017 primarily in response to warm temperatures and dry weather, partially mitigated by water conservation efforts in place. The District's relatively large proportion of single-family residential customers creates a use pattern that heavily influences residential water use.



The District's Water Conservation Program continued into its 12th year with an emphasis on public education. Under Metro Vancouver's new 2018 Water Conservation Plan, water restrictions now take effect earlier on May 1st of each year, versus May 15th in 2017 and 2016, which in turn was 2 weeks earlier than in 2015. The chart below shows an increase in the District's water consumption over the past decade, however total water consumption was under-reported prior to 2011 due to faulty meters in high-use areas. Once rectified, a "rise" in water consumption was subsequently noted. Additional measures to develop our proactive leak detection system and a leak repair protocol helped to minimize water loss from the system.

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

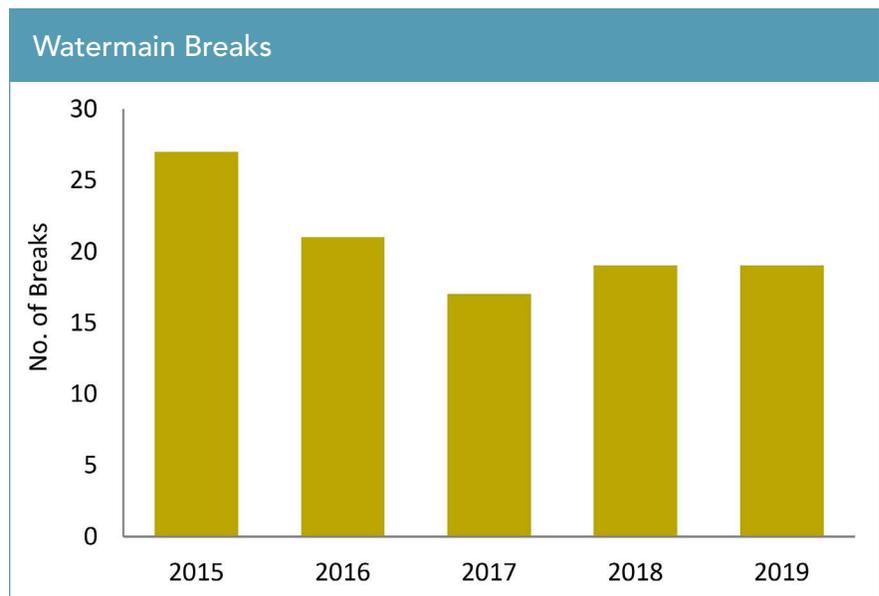
## Watermain Breaks

A proactive accelerated replacement strategy was implemented in the mid-1990s. Yearly fluctuations in the number of water main breaks are due largely to seasonal weather variations and operational fluctuations. In 2019 there were 19 water main breaks in the District, below the 5-year annual average of 21. Water main breaks continue to heavily influence annual water main replacement selection and priority.

## Water Quality

Water quality in the District continues to be exceptional.

One hundred percent of water samples in 2019 met bacteriological and aesthetic standards, continuing an unbroken trend since 2009. We received one hundred percent of our water from the Seymour Capilano Filtration Plant. The water quality sampling program included over 1,200 samples taken from 39 stations strategically distributed across the District to represent all areas of the system. Our 'Drinking Water Annual Report' is submitted annually to Vancouver Coastal Health and available to the public on the DNV website at [DNV.org/drinking-water-quality](https://www.dnv.org/drinking-water-quality).

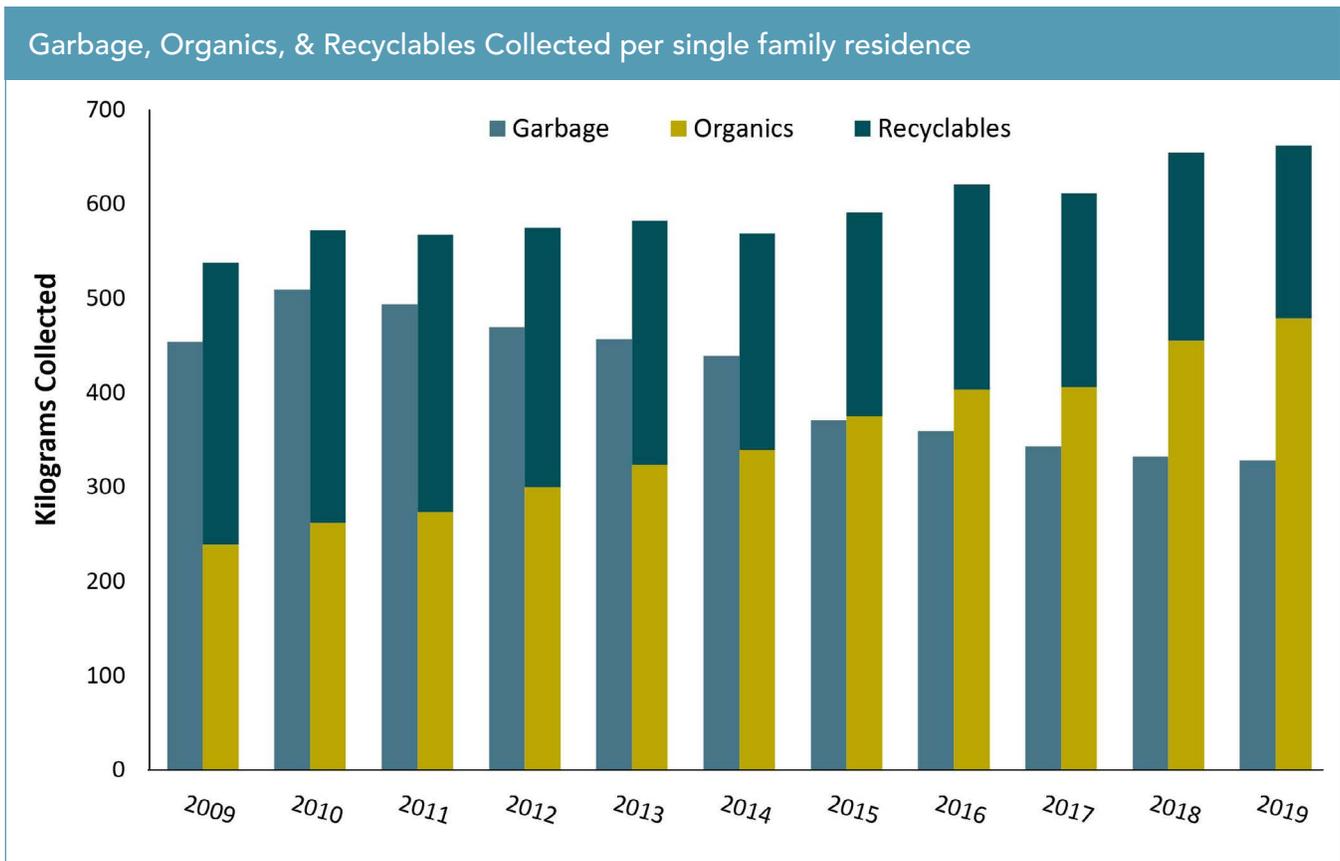


# RECYCLING & SOLID WASTE – PERFORMANCE MEASURE

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 municipality recognizes that residents value waste diversion initiatives

in their community and will continue to develop programs which reduce garbage and promote recycling within the District. There is also a general push towards Zero Waste with manufacturers reducing packaging and residents becoming more aware of what they purchase with the intention of minimizing waste.

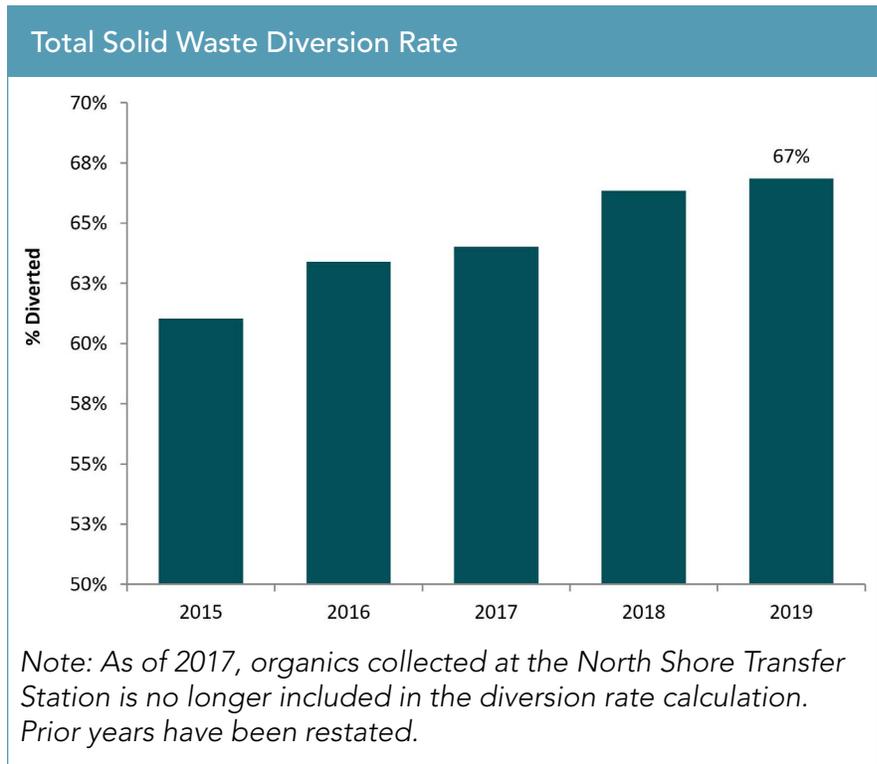
The District diverted 66.9% of curbside recyclable and compostable material from the municipal garbage stream in 2019. In addition, approximately 628 tonnes of recyclables were collected through the multi-family blue cart program. The District will continue to push for the aspirational goal of 80% waste



# RECYCLING & SOLID WASTE – PERFORMANCE MEASURE

diversion from landfill by 2020, which aligns with Metro Vancouver’s regional diversion target as outlined in their Integrated Solid Waste and Resource Management Plan. The region is among the most successful jurisdictions in North America in reducing municipal solid waste; however will not be able to reach its goal of 80% diversion without new regulatory and policy tools.

In 2019, approximately 7,100 tonnes of garbage (328 kgs per single family residence) were collected representing a reduction of 1% or 66 tonnes over the prior year. In addition, approximately 10,300 tonnes of organics (479 kgs per single family residence) were collected in 2019 and reflects a 5% or 533 tonne increase from 2018.



In 2020, Solid Waste collection services will be reviewed to increase the efficiency of collection routes, reduce vehicle emissions, reduce operating costs, improve diversion rates, and continue

to provide a reputable level of service.

Effective July 1, 2020, Recycle BC will manage the collection of residential packaging and paper recycling for the District.

# 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. Service areas include strategic planning, leadership 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, business relations services, information technology services, human resources, and digital services, along with the activities of the Clerk's office, are all provided by the Corporate Services group.

## **Finance and Information Technology Services**

Finance focuses on financial stewardship and policy development, business planning and decision support, procurement and risk management, and accounting and financial reporting. It is dedicated to effective, efficient business transformation and the development of long term strategies supporting sustainable 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.

## **Engineering, Parks and Facilities**

Engineering, Parks and Facilities consists of several distinct service groups including: Parks, Utilities, Public Works, Engineering Services, 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

# DIVISIONAL AREAS OF RESPONSIBILITY

- 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

## **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.

# DIVISIONAL AREAS OF RESPONSIBILITY

## **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.

## **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 and through an online collection database at [nvma.ca](http://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:*



[annualreportfeedback@dnv.org](mailto:annualreportfeedback@dnv.org)

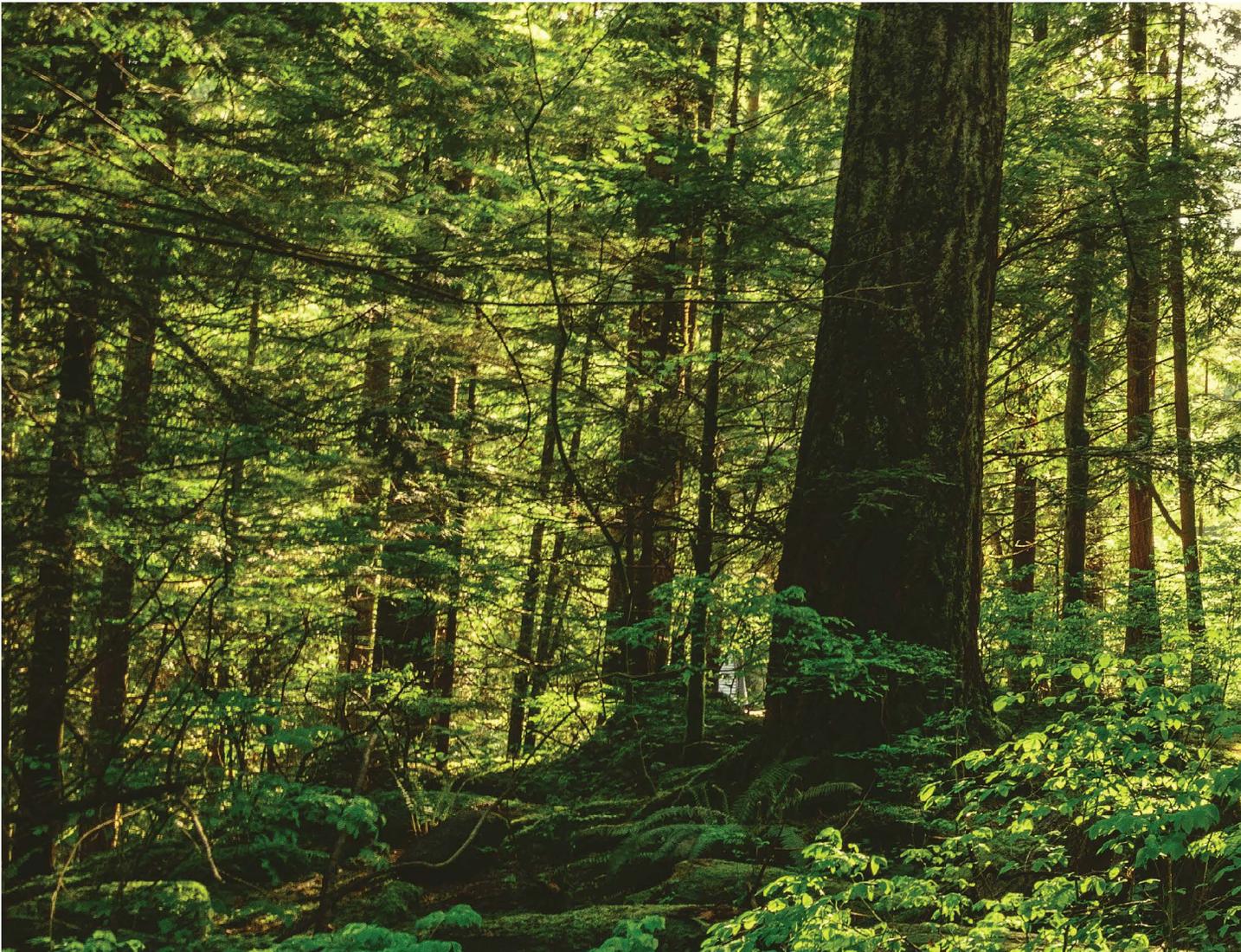


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## Annual Report 2019

355 West Queens Road  
North Vancouver, BC  
V7N 4N5

604-990-2311  
[DNV.org/annualreport](http://DNV.org/annualreport)  
[annualreportfeedback@dnv.org](mailto:annualreportfeedback@dnv.org)



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