

**The Corporation of the District of North Vancouver
Consolidated Financial Statements
Year Ended December 31, 2021**

And Independent Auditors' Report thereon

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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, 2021
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- 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, 2021 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.



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.



- 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 9, 2022

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

| | 2021 | 2020 |
|--|-----------------------|-----------------------|
| Financial assets | | |
| Cash and cash equivalents (Note 2) | \$ 116,497,600 | \$ 159,717,708 |
| Taxes receivable | 6,392,488 | 6,110,364 |
| Accounts receivable | 7,117,593 | 5,816,075 |
| Due from governments (Note 3) | 2,583,312 | 2,925,700 |
| Investments (Note 4) | 216,695,355 | 204,786,080 |
| MFA debt reserve deposit (Note 13(f)) | 605,651 | 595,522 |
| Inventories held for resale | 159,213 | 191,231 |
| | <u>350,051,212</u> | <u>380,142,680</u> |
| Liabilities | | |
| Accounts payable and accrued liabilities | 29,375,682 | 28,750,909 |
| Due to governments (Note 5) | 23,657,367 | 57,424,891 |
| Restricted revenue (Note 6) | 29,915,741 | 30,977,981 |
| Deferred revenue (Note 7) | 25,500,909 | 24,589,179 |
| Debt (Note 8) | 30,503,882 | 32,760,765 |
| Post-employment benefits (Note 9) | 10,695,683 | 10,800,096 |
| Deposits and other liabilities | 28,780,549 | 30,672,227 |
| | <u>178,429,813</u> | <u>215,976,048</u> |
| Net financial assets | 171,621,399 | 164,166,632 |
| Non-financial assets | | |
| Prepaid expenses | 1,402,071 | 1,600,315 |
| Inventories held for consumption | 1,645,680 | 1,396,906 |
| Tangible capital assets (Note 10) | 775,280,912 | 733,439,086 |
| Other assets | 36,772 | 55,157 |
| | <u>778,365,435</u> | <u>736,491,464</u> |
| Accumulated surplus (Note 11) | \$ 949,986,834 | \$ 900,658,096 |
| Commitments and contingencies (Note 13) | | |


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

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

| | 2021 Budget (Note 16) | 2021 | 2020 |
|--|--------------------------|-----------------------|-----------------------|
| Revenue | | | |
| Taxation (Note 12) | \$ 116,282,087 | \$ 115,856,623 | \$ 104,703,219 |
| Sales, fees, and user charges | | | |
| Water | 30,966,991 | 30,459,002 | 28,980,942 |
| Sewer | 27,572,494 | 26,675,847 | 24,497,227 |
| Solid waste | 7,863,134 | 7,823,465 | 7,867,638 |
| Parks, recreation and culture | 14,734,702 | 11,079,377 | 7,844,239 |
| Other | 23,304,682 | 34,973,377 | 28,901,903 |
| Transfer from governments | | | |
| Federal Government | - | 25,652 | - |
| Provincial Government | 2,666,294 | 12,103,509 | 8,446,059 |
| Regional Government | 1,215,443 | 1,645,887 | 770,191 |
| Investment income | 3,300,844 | 3,453,234 | 5,931,940 |
| Land sales and other contributions | 3,193,112 | 7,028,983 | 15,231,172 |
| | <u>231,099,783</u> | <u>251,124,956</u> | <u>233,174,530</u> |
| Expenses (Note 15) | | | |
| General government | 25,638,424 | 45,092,402 | 41,765,248 |
| Protective services | 53,631,849 | 53,306,772 | 49,232,455 |
| Solid waste removal services | 7,710,863 | 7,226,706 | 7,858,789 |
| Social services | 4,339,213 | 3,534,428 | 3,002,340 |
| Development services | 5,187,991 | 4,393,316 | 4,607,849 |
| Transport and other services | 9,997,818 | 11,572,650 | 10,327,086 |
| Parks, recreation and cultural services | 44,044,131 | 37,894,989 | 33,943,741 |
| Water utility services | 21,920,399 | 19,789,391 | 19,758,812 |
| Sewer utility services | 19,437,373 | 18,985,564 | 18,209,762 |
| | <u>191,908,061</u> | <u>201,796,218</u> | <u>188,706,082</u> |
| Annual surplus | <u>\$ 39,191,722</u> | <u>49,328,738</u> | <u>44,468,448</u> |
| Accumulated surplus, beginning of year | | <u>900,658,096</u> | <u>856,189,648</u> |
| Accumulated surplus, end of year (Note 11) | | <u>\$ 949,986,834</u> | <u>\$ 900,658,096</u> |

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

| | 2021 | 2020 |
|---|------------------------------|------------------------------|
| Operating transactions | | |
| Annual surplus | \$ 49,328,738 | \$ 44,468,448 |
| Non-cash items: | | |
| Depreciation | 21,522,413 | 20,933,021 |
| Loss on disposal of tangible capital assets | 889,111 | 315,402 |
| Amortization of other assets | 18,385 | 44,419 |
| Contributed tangible capital assets | (10,326,729) | (12,279,481) |
| Changes in operating assets and liabilities (Note 18) | <u>(36,559,247)</u> | <u>40,808,051</u> |
| Cash provided by operating transactions | 24,872,671 | 94,289,860 |
| Capital transactions | | |
| Proceeds on sale of tangible capital assets | - | 80,507 |
| Cash used to acquire tangible capital assets | <u>(53,926,621)</u> | <u>(40,399,269)</u> |
| Cash applied to capital transactions | (53,926,621) | (40,318,762) |
| Investing transactions | | |
| Net change in investments | <u>(11,909,275)</u> | 45,412,672 |
| Cash provided by (applied to) investing transactions | (11,909,275) | 45,412,672 |
| Financing transactions | | |
| Debt repayment | <u>(2,256,883)</u> | <u>(2,176,108)</u> |
| Cash applied to financing transactions | (2,256,883) | (2,176,108) |
| Increase (decrease) in cash and cash equivalents | (43,220,108) | 97,207,662 |
| Cash and cash equivalents, beginning of year | <u>159,717,708</u> | <u>62,510,046</u> |
| Cash and cash equivalents, end of year | <u><u>\$ 116,497,600</u></u> | <u><u>\$ 159,717,708</u></u> |

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

| | 2021 Budget (Note 16) | 2021 | 2020 |
|--|--------------------------|-----------------------|-----------------------|
| Annual surplus | \$ 39,191,722 | \$ 49,328,738 | \$ 44,468,448 |
| Contributed tangible capital assets (Note 10(a)) | - | (10,326,729) | (12,279,481) |
| Acquisition of tangible capital assets | (88,852,303) | (53,926,621) | (40,399,269) |
| Depreciation of tangible capital assets | - | 21,522,413 | 20,933,021 |
| Loss on disposal of tangible capital assets | - | 889,111 | 315,402 |
| Proceeds on disposal of tangible capital assets | - | - | 80,507 |
| | <u>(88,852,303)</u> | <u>(41,841,826)</u> | <u>(31,349,820)</u> |
| Amortization of other assets | - | 18,385 | 44,419 |
| Acquisition of inventories held for consumption | - | (1,645,680) | (1,396,906) |
| Acquisition of prepaid expenses | - | (1,402,071) | (1,600,315) |
| Use of inventories held for consumption | - | 1,396,906 | 1,204,643 |
| Use of prepaid expenses | - | 1,600,315 | 1,334,128 |
| | <u>-</u> | <u>(32,145)</u> | <u>(414,031)</u> |
| Change in net financial assets | <u>\$ (49,660,581)</u> | 7,454,767 | 12,704,597 |
| Net financial assets, beginning of year | | <u>164,166,632</u> | <u>151,462,035</u> |
| Net financial assets, end of year | | <u>\$ 171,621,399</u> | <u>\$ 164,166,632</u> |

The Corporation of the District of North Vancouver

Notes to Consolidated Financial Statements

December 31, 2021

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.

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.

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant impact globally, domestically, and locally. The pandemic impacted the District's operations resulting in a decrease in certain types of revenue, and changes in expenses and cash flows. The District continues to closely monitor the impact of any financial implications.

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-entity and 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.

The Corporation of the District of North Vancouver
Notes to Consolidated Financial Statements
December 31, 2021

1. Significant accounting policies, continued

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 inter-fund 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.

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

These funds have been established for a specific purpose and include the following types: 1) Existing Capital Reserves, to enable the District to maintain existing assets in a state of good repair; 2) New Capital, Initiatives and Growth Reserves, to support investments in transportation and mobility, community health and safety, climate mitigation and innovation, and to help smooth financial impacts as the community grows; 3) Land and Housing Reserves, to preserve the value of the District's lands, acquire new lands and support investments in social and supportive housing.

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. Net realizable value is determined by estimating the selling price of these goods, minus the cost of their sale or disposal. Cost is determined on a weighted average basis.

The Corporation of the District of North Vancouver

Notes to Consolidated Financial Statements

December 31, 2021

1. Significant accounting policies, continued

k) Restricted revenue

Revenues which are restricted by legislation 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.

ii) Tangible capital assets

Tangible capital assets are initially 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 | 2 - 50 |
| Vehicles | 2 - 25 |
| Furniture and equipment | 4 - 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.

The Corporation of the District of North Vancouver
Notes to Consolidated Financial Statements
December 31, 2021

ii) Tangible capital assets, continued

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.

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, 2021, no liability for contaminated sites was recognized.

p) Government Transfers

Government transfers that are restricted are deferred as restricted revenue and then 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.

The Corporation of the District of North Vancouver

Notes to Consolidated Financial Statements

December 31, 2021

1. Significant accounting policies, continued

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. 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 with 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.

2. Cash and cash equivalents

| | 2021 | 2020 |
|-------------------------------------|-----------------------|-----------------------|
| Cash | \$ 9,179,954 | \$ 8,198,729 |
| Business Investment Savings Account | 1,376,842 | 1,359,756 |
| Pooled High Interest Saving Account | 105,940,804 | 150,159,223 |
| | <u>\$ 116,497,600</u> | <u>\$ 159,717,708</u> |

3. Due from governments

| | 2021 | 2020 |
|--------------------------------|---------------------|---------------------|
| Due from Federal Government | \$ 977,482 | \$ 1,411,059 |
| Due from Provincial Government | 587,783 | 197,300 |
| Due from Regional Government | 1,018,047 | 1,317,341 |
| | <u>\$ 2,583,312</u> | <u>\$ 2,925,700</u> |

The Corporation of the District of North Vancouver
Notes to Consolidated Financial Statements
December 31, 2021

4. Investments

| | <u>2021</u> | <u>2020</u> |
|---|-----------------------|-----------------------|
| Investments consist of: | | |
| (average rate of return 1.99% (2020 - 1.99%)) | | |
| Bank and Credit Union notes & deposits | \$ 206,321,495 | \$ 194,440,168 |
| Provincial Government Notes | <u>10,373,860</u> | <u>10,345,912</u> |
| | <u>\$ 216,695,355</u> | <u>\$ 204,786,080</u> |

5. Due to governments

| | <u>2021</u> | <u>2020</u> |
|---|----------------------|----------------------|
| Due to Federal Government | | |
| RCMP police contract | \$ 10,736,454 | \$ 9,470,450 |
| Other | <u>129,212</u> | <u>113,776</u> |
| | 10,865,666 | 9,584,226 |
| Due to Provincial Government | | |
| Taxes collected on behalf of other jurisdictions | 1,611,575 | 39,065,216 |
| Ministry of Transportation & Infrastructure Capital Project | 5,763,762 | 682,824 |
| Payroll liability | - | 140,466 |
| Other | <u>1,652</u> | <u>214,474</u> |
| | 7,376,989 | 40,102,980 |
| Due to Other Regional Entities | | |
| Metro Vancouver | 2,592,999 | 3,043,525 |
| Due to partner organizations | 2,307,070 | 2,369,128 |
| School District No. 44 | 294,174 | 216,069 |
| District of West Vancouver | 77,981 | 727,791 |
| City of North Vancouver | 217,504 | 617,306 |
| DCC collected on behalf of other jurisdictions | 501,089 | 1,210,890 |
| Taxes collected on behalf of other jurisdictions | (635,042) | (486,162) |
| Other | <u>58,937</u> | <u>39,138</u> |
| | <u>5,414,712</u> | <u>7,737,685</u> |
| | <u>\$ 23,657,367</u> | <u>\$ 57,424,891</u> |

The Corporation of the District of North Vancouver
Notes to Consolidated Financial Statements
December 31, 2021

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 DCC are then recognized as revenue.

| | <u>2021</u> | <u>2020</u> |
|--|----------------------|----------------------|
| Development cost charges (1) | | |
| Water | \$ 1,800,990 | \$ 2,314,923 |
| Sewer | 3,995,880 | 3,985,201 |
| Drainage | 1,127,187 | 2,181,346 |
| Roads | 9,182,933 | 6,734,004 |
| Parks | 11,439,608 | 11,207,948 |
| | <u>27,546,598</u> | <u>26,423,422</u> |
| Restricted donations and other | 1,552,743 | 3,747,590 |
| Community amenity contribution | 521,962 | 515,932 |
| Developer parkland reserve contributions | 294,438 | 291,037 |
| | <u>\$ 29,915,741</u> | <u>\$ 30,977,981</u> |

(1) Development cost charges:

In accordance with section 569 of the Local Government Act, 2021 Annual Development Cost Charges include the following, reported for each purpose under section 559 (2) and (3) for which the local government imposes the DCC in the applicable year:

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

| | <u>Water</u> | <u>Sewer</u> | <u>Drainage</u> | <u>Roads</u> | <u>Parks</u> | <u>Total</u> |
|--|---------------------|------------------|------------------|------------------|-------------------|----------------------|
| Balance, Beginning of year | \$ 2,314,923 | 3,985,201 | 2,181,346 | 6,734,004 | 11,207,948 | \$ 26,423,422 |
| Add: | | | | | | |
| Interest Income | 23,911 | 46,366 | 19,221 | 92,469 | 131,570 | 313,537 |
| DCC collected | 501,601 | 248,440 | 200,344 | 2,421,800 | 1,001,618 | 3,441,053 |
| Deduct: | | | | | | |
| Acquisition of tangible capital assets | 1,039,445 | 284,127 | 1,273,724 | 65,340 | 901,528 | 2,631,414 |
| Balance, End of year | <u>\$ 1,800,990</u> | <u>3,995,880</u> | <u>1,127,187</u> | <u>9,182,933</u> | <u>11,439,608</u> | <u>\$ 27,546,598</u> |
| DCC Waivers provided in 2021 | | | | | | |
| Bylaw 8453 | \$ 119,124 | 59,007 | 34,244 | 320,052 | 248,083 | \$ 780,510 |
| Bylaw 8488 | \$ 77,308 | 38,294 | 22,224 | 207,705 | 160,999 | \$ 506,530 |
| | <u>\$ 196,432</u> | <u>97,301</u> | <u>56,468</u> | <u>527,757</u> | <u>409,082</u> | <u>\$ 1,287,040</u> |

The Corporation of the District of North Vancouver
Notes to Consolidated Financial Statements
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7. Deferred revenue

| | 2021 | 2020 |
|-------------------------------------|----------------------|----------------------|
| Prepaid taxes | \$ 17,725,544 | \$ 17,164,698 |
| Contributions for future use | 2,199,139 | 2,245,228 |
| Memberships, fees and other revenue | 5,576,226 | 5,179,253 |
| | <u>\$ 25,500,909</u> | <u>\$ 24,589,179</u> |

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 2021 | Net Debt 2020 |
|---------------------|--------------------------|--|---------------|---------------|
| General Fund | \$ 47,745,000 | \$ 17,241,118 | \$ 30,503,882 | \$ 32,760,765 |

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

| <u>Year</u> | |
|-------------|----------------------|
| 2022 | \$ 2,301,101 |
| 2023 | 2,387,060 |
| 2024 | 2,476,244 |
| 2025 | 2,568,774 |
| 2026 | 2,664,778 |
| Thereafter | 18,105,925 |
| | <u>\$ 30,503,882</u> |

The District paid \$1,108,563 (2020 - \$1,108,563) in interest on long-debt during the year. Interest rates on debt range from 2.20% to 3.30% (2020 – 2.20% to 3.30%).

The Corporation of the District of North Vancouver
Notes to Consolidated Financial Statements
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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, 2020. Results have been extrapolated to December 31, 2021.

| Accrued benefit obligation: | 2021 | 2020 |
|-----------------------------|---------------|---------------|
| Balance, beginning of year | \$ 12,610,283 | \$ 10,800,039 |
| Current service cost | 1,087,301 | 974,373 |
| Interest cost | 267,555 | 303,402 |
| Benefits paid | (1,657,572) | (1,692,775) |
| Actuarial (gain)/loss | (498,460) | 2,225,244 |
| Balance, end of year | \$ 11,809,107 | \$ 12,610,283 |

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

| | 2021 | 2020 |
|---|---------------|---------------|
| Accrued benefit obligation balance, end of year | \$ 11,809,107 | \$ 12,610,283 |
| Unamortized actuarial loss | (1,140,281) | (1,830,637) |
| Other employee benefit liabilities | 26,857 | 20,450 |
| Accrued benefit liability, end of year | \$ 10,695,683 | \$ 10,800,096 |

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

| | 2021 | 2020 |
|---------------------------------|--------------|--------------|
| Discount rate | 2.50% | 2.10% |
| Expected future inflation rates | 2.50% | 2.50% |
| Expected wage increases | 2.58 - 4.63% | 2.58 - 4.63% |

The Corporation of the District of North Vancouver
Notes to Consolidated Financial Statements
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10. Tangible capital assets

| Cost | Balance at December 31, 2020 | Additions, net | Disposals | Balance at December 31, 2021 |
|--------------------------------------|---|-----------------------|-----------------------|---|
| Land and Improvements | \$ 208,559,706 | \$ 12,408,451 | (87,529) | \$ 220,880,628 |
| Buildings | 207,441,465 | 16,513 | - | 207,457,978 |
| Furniture, Equipment and vehicles | - | 4,244,596 | (1,059,187) | - |
| Roads | 54,787,377 | 4,244,596 | (1,059,187) | 57,972,786 |
| Water | 252,182,219 | 6,972,740 | (2,307,781) | 256,847,178 |
| Sewer | 150,115,845 | 7,909,196 | (282,319) | 157,742,722 |
| Drainage | 71,851,858 | 2,905,734 | (10,994) | 74,746,598 |
| Library Collection | 119,399,274 | 8,255,337 | (70,677) | 127,583,934 |
| Assets Under Construction | 4,566,168 | 600,866 | (520,625) | 4,646,409 |
| | 39,051,349 | 20,939,917 | - | 59,991,266 |
| Total | \$ 1,107,955,261 | \$ 64,253,350 | \$ (4,339,112) | \$ 1,167,869,499 |

| Accumulated depreciation | Balance at December 31, 2020 | Depreciation for the year | Disposals | Balance at December 31, 2021 |
|--------------------------------------|---|--------------------------------------|-----------------------|---|
| Land and Improvements | \$ 39,856,298 | \$ 2,143,091 | (83,443) | \$ 41,915,946 |
| Buildings | 84,244,839 | 4,942,819 | - | 89,187,658 |
| Furniture, Equipment and vehicles | - | 3,717,673 | (864,768) | - |
| Roads | 28,640,160 | 3,717,673 | (864,768) | 31,493,065 |
| Water | 111,176,355 | 6,174,925 | (1,797,559) | 115,553,721 |
| Sewer | 31,042,218 | 1,720,159 | (227,384) | 32,534,993 |
| Drainage | 31,547,002 | 975,049 | (6,203) | 32,515,848 |
| Library Collection | 45,164,733 | 1,457,336 | (43,774) | 46,578,295 |
| Assets Under Construction | 2,844,570 | 391,361 | (426,870) | 2,809,061 |
| | - | - | - | - |
| Total | \$ 374,516,175 | \$ 21,522,413 | \$ (3,450,001) | \$ 392,588,587 |

| | Net book value, December 31, 2020 | Net book value, December 31, 2021 |
|--------------------------------------|--|--|
| Land and Improvements | \$ 168,703,408 | \$ 178,964,682 |
| Buildings | 123,196,626 | 118,270,320 |
| Furniture, Equipment and vehicles | - | - |
| Roads | 26,147,217 | 26,479,721 |
| Water | 141,005,864 | 141,293,457 |
| Sewer | 119,073,627 | 125,207,729 |
| Drainage | 40,304,856 | 42,230,750 |
| Library Collection | 74,234,541 | 81,005,639 |
| Assets Under Construction | 1,721,598 | 1,837,348 |
| | 39,051,349 | 59,991,266 |
| Total | \$ 733,439,086 | \$ 775,280,912 |

The Corporation of the District of North Vancouver
Notes to Consolidated Financial Statements
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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:

| | 2021 | 2020 |
|--------------------|----------------------|----------------------|
| Land and Buildings | \$ - | \$ 11,593,792 |
| Roads | 5,118,403 | 422,349 |
| Water | 1,516,236 | 105,967 |
| Sewer | 1,448,967 | 74,594 |
| Drainage | 2,243,123 | 82,779 |
| | <u>\$ 10,326,729</u> | <u>\$ 12,279,481</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 (2020 - \$nil).

The Corporation of the District of North Vancouver
Notes to Consolidated Financial Statements
December 31, 2021

11. Accumulated surplus

a) Reserves are comprised of the following:

| | 2021 | 2020 |
|--|-----------------------|-----------------------|
| Operating and Risk Management: | | |
| Assessment appeal and property tax | \$ 2,650,000 | \$ 3,572,474 |
| Development stabilization | 7,517,736 | 6,670,755 |
| General municipal operations | 5,210,952 | 6,500,000 |
| Utilities – Water working capital | 3,170,000 | 1,111,727 |
| Utilities – Sewer working capital | 2,880,000 | 2,800,000 |
| COVID-19 safe restart | 539,380 | 3,250,660 |
| Human Resources | 522,341 | 763,418 |
| Auto, fire and liability insurance | 1,370,519 | 1,248,040 |
| Operating projects in progress (future expenditures) | 2,556,168 | 2,184,247 |
| Partner Organizations: | | |
| District of North Vancouver Municipal Public Library | 485,887 | 354,362 |
| North Vancouver Recreation & Culture Commission | - | - |
| North Vancouver Museum and Archives | 21,501 | 39,599 |
| North Shore Emergency Management Office | 156,371 | 143,881 |
| | <u>27,080,855</u> | <u>28,639,164</u> |
| Existing Capital | | |
| Infrastructure | 32,340,109 | 32,004,770 |
| Utilities – Water | 9,776,617 | 8,389,285 |
| Utilities – Sewer and Drainage | 20,494,137 | 18,404,114 |
| Utilities – Solid Waste | 5,783,387 | 4,984,557 |
| Vehicles and Equipment | 4,389,482 | 4,003,169 |
| | <u>72,783,732</u> | <u>67,785,895</u> |
| New Capital, Initiatives and Growth | | |
| Transportation and Mobility | 4,179,967 | 3,648,875 |
| Community Health and Safety | 4,119,881 | 6,203,469 |
| Climate and Innovation | 882,249 | 535,865 |
| Other development charges | 815,208 | 500,513 |
| Community amenity contributions | 20,663,424 | 16,645,101 |
| Local improvement | 307,550 | 303,997 |
| Tax Growth | 5,685,181 | 2,843,492 |
| | <u>36,653,460</u> | <u>30,681,312</u> |
| Land and Housing: | | |
| Land | 25,154 | 4,666,103 |
| Land income | 6,195,056 | 3,256,068 |
| Housing | 3,751,815 | 2,604,484 |
| | <u>9,972,025</u> | <u>10,526,655</u> |
| b) Capital projects in progress: | | |
| Land and improvements | 4,604,760 | 4,197,146 |
| Buildings | 21,260,815 | 21,669,509 |
| Furniture, equipment and vehicle | 12,827,424 | 10,606,681 |
| Roads | 5,299,480 | 6,986,087 |
| Water | 286,207 | 189,114 |
| Sewer | 6,044,562 | 620,953 |
| Drainage | 5,778,956 | 8,296,093 |
| Future major repair and maintenance | 7,494,930 | 9,150,944 |
| Other | 520,645 | 630,222 |
| Total capital funds | <u>64,117,779</u> | <u>62,346,749</u> |
| c) Equity in tangible capital assets: | | |
| Equity in tangible capital assets | 739,378,983 | 700,678,321 |
| Accumulated surplus | <u>\$ 949,986,834</u> | <u>\$ 900,658,096</u> |

The Corporation of the District of North Vancouver

Notes to Consolidated Financial Statements

December 31, 2021

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 \$6,955,124 (2020 - \$6,802,370) for employer contributions to the plan in fiscal 2021.

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, 2021. 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, 2021, the District's liability is estimated at \$651,059. 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 (2020 - \$1,099,485). These demand notes are contingent in nature and are therefore not recorded as liabilities.

The Corporation of the District of North Vancouver
Notes to Consolidated Financial Statements
December 31, 2021

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 36 Class A and 19 Class B shares issued and outstanding at December 31, 2021). 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 \$294,031 during 2021 (2020 - \$309,496).

14. Performance deposits

In addition to cash deposits, the District is holding irrevocable Letters of Credit in the amount of \$88,467,465 (2020 - \$111,831,647), 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(f). 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 the community and other departments who provide direct services to its residents. These internal departments include the City Manager's Office, Corporate Services, Financial services, Information Technology, Legal and Human Resources. Various corporate expenses not directly attributable to a specific segment are included in General Government including but not limited to depreciation, climate related events, interest on long term debt and third party claims.

Utility services provide planning, design, construction and maintenance for 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.

The Corporation of the District of North Vancouver
Notes to Consolidated Financial Statements
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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 includes programs that foster 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 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 enriches our community by connecting people, sharing knowledge and inspiring stories. The Library is a welcoming community hub that provides free access to a wide range of public resources and services to the residents of the District of North Vancouver.

The Corporation of the District of North Vancouver
Notes to Consolidated Financial Statements
December 31, 2021

15. Segment disclosures, continued

| | General Government & Admin | Utility Services | Transportation & Engineering | Protective Services | Community Services | Planning & Development | Library Services | Eliminations | 2021 Consolidated | 2020 Consolidated |
|-------------------------------------|----------------------------------|------------------|---------------------------------|------------------------|-----------------------|---------------------------|------------------|--------------|----------------------|----------------------|
| Revenues | | | | | | | | | | |
| Taxation | 115,856,623 | - | - | - | - | - | - | - | 115,856,623 | 104,703,219 |
| Sales, fees and user charges | | | | | | | | | | |
| Water | - | 30,864,402 | - | - | - | - | - | (405,400) | 30,459,002 | 28,980,942 |
| Sewer | - | 26,689,153 | - | - | - | - | - | (13,306) | 26,675,847 | 24,497,227 |
| Solid waste | - | 8,109,701 | - | - | - | - | - | (286,236) | 7,823,465 | 7,867,638 |
| Parks, recreation and culture | 10 | - | - | - | 10,963,462 | - | 115,905 | - | 11,079,377 | 7,844,239 |
| Other | 9,000,145 | 60,950 | 635,778 | 1,809,824 | 380,635 | 17,810,449 | - | 5,275,596 | 34,973,377 | 28,901,903 |
| Transfers from government | | | | | | | | | | |
| Federal Government | - | - | - | - | - | - | 25,652 | - | 25,652 | - |
| Provincial Government | 76,623 | - | 664,115 | 1,214,357 | 111,504 | 67,133 | 7,473,105 | 2,496,672 | 12,103,509 | 8,446,059 |
| Regional Government | 169,200 | 21,699 | 705,560 | - | 77,081 | 29,630 | - | 642,717 | 1,645,887 | 770,191 |
| Investment income | 3,737,596 | - | - | - | 32,576 | - | - | (316,938) | 3,453,234 | 5,931,940 |
| Land, sales and other contributions | 4,531,267 | 227,710 | - | 823,691 | 265,828 | 5,439 | 42,543 | 1,132,505 | 7,028,983 | 15,231,172 |
| | 133,371,464 | 65,973,615 | 2,005,453 | 3,847,872 | 11,831,086 | 17,912,651 | 7,657,205 | 8,525,610 | 251,124,956 | 233,174,530 |
| Operating expenses | | | | | | | | | | |
| Salaries and benefits | 15,506,819 | 7,527,507 | 7,769,182 | 23,695,190 | 20,833,694 | 10,306,238 | 5,001,912 | - | 90,640,542 | 83,462,833 |
| Goods and materials | 1,487,395 | 1,357,169 | 808,465 | 248,923 | 1,300,799 | 106,686 | 950 | - | 5,310,387 | 4,862,057 |
| Building and grounds | 2,401,872 | 1,233,762 | 703,956 | 921,962 | 4,359,825 | 239,373 | 517,015 | (704,178) | 9,673,587 | 8,819,415 |
| Equipment costs | (2,881,957) | 3,293,351 | 1,088,015 | 990,333 | 1,467,895 | 263,765 | 239,208 | - | 4,460,610 | 4,219,021 |
| Service costs | - | - | 806,053 | - | - | - | - | - | 806,053 | 774,774 |
| Administrative costs | 2,868,299 | 1,530,129 | 1,254,773 | 1,134,597 | 3,848,280 | 1,307,838 | 565,283 | (31,181) | 12,478,018 | 11,926,703 |
| Contract services | (352,369) | 31,059,743 | 8,987 | 21,397,068 | 7,526,264 | 765,264 | 33,711 | (7,262,794) | 53,175,874 | 50,428,233 |
| Grants | 111,000 | - | - | - | 2,375,935 | 42,820 | - | - | 2,529,755 | 2,079,480 |
| Debt interest | 1,198,979 | - | - | - | - | - | - | - | 1,198,979 | 1,200,545 |
| | 20,340,038 | 46,001,661 | 12,439,431 | 48,388,073 | 41,712,692 | 13,031,984 | 6,358,079 | (7,998,153) | 180,273,805 | 167,773,061 |
| Depreciation | 7,517,109 | 4,639,286 | 6,004,576 | 316,097 | 2,513,676 | - | 531,669 | - | 21,522,413 | 20,933,021 |
| | 27,857,147 | 50,640,947 | 18,444,007 | 48,704,170 | 44,226,368 | 13,031,984 | 6,889,748 | (7,998,153) | 201,796,218 | 188,706,082 |
| Annual (Surplus) Deficit | 105,514,317 | 15,332,668 | (16,438,554) | (44,856,298) | (32,395,282) | 4,880,667 | 767,457 | 16,523,763 | 49,328,738 | 44,468,448 |

The Corporation of the District of North Vancouver
Notes to Consolidated Financial Statements
December 31, 2021

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 "2021 - 2025 Financial Plan Approval Bylaw 8502, 2021 Amendment Bylaw 8546, 2021 (Amendment 2)" on December 13, 2021. Depreciation was not included on development of the budget and, as such, has not been included.

| | Original Budget | Amended Budget | Change |
|-------------------------------------|-----------------------|-----------------------|----------------------|
| Revenue | | | |
| Taxation | \$ 117,287,087 | \$ 117,287,087 | \$ - |
| Sales, Fees, and Other User Charges | 99,160,808 | 105,399,495 | 6,238,687 |
| Developer Contributions | 11,064,995 | 5,564,995 | (5,500,000) |
| Grants and Other Contributions | 3,682,701 | 8,465,548 | 4,782,847 |
| Investment Income | 3,520,580 | 3,520,580 | - |
| Penalties & Interest on Taxes | 870,000 | 870,000 | - |
| | <u>235,586,171</u> | <u>241,107,705</u> | <u>5,521,534</u> |
| Proceeds from Borrowing | 15,564,965 | 15,564,965 | - |
| Appropriations from: | | | |
| Operating Reserves | 8,781,985 | 9,808,602 | 1,026,617 |
| Capital Reserves | 67,195,971 | 75,944,446 | 8,748,475 |
| | <u>75,977,956</u> | <u>85,753,048</u> | <u>9,775,092</u> |
| Source of Funds | <u>327,129,092</u> | <u>342,425,718</u> | <u>15,296,626</u> |
| Operating Expenditures | | | |
| Community Services | 42,607,397 | 43,133,471 | 526,074 |
| Planning and Development | 13,618,107 | 14,297,854 | 679,747 |
| Protective Services | 45,130,474 | 46,153,196 | 1,022,722 |
| Transportation and Engineering | 9,167,470 | 9,145,285 | (22,185) |
| Utilities | 49,796,437 | 49,796,437 | - |
| Governance and Admin | 18,556,768 | 18,405,336 | (151,432) |
| | <u>178,876,653</u> | <u>180,931,579</u> | <u>2,054,926</u> |
| Capital Expenditures | 87,045,156 | 99,524,975 | 12,479,819 |
| Debt Service | 2,761,745 | 2,761,745 | - |
| Contributions to: | | | |
| Operating Reserves | 3,271,566 | 3,696,959 | 425,393 |
| Capital Reserves | 55,173,972 | 55,510,460 | 336,488 |
| | <u>58,445,538</u> | <u>59,207,419</u> | <u>761,881</u> |
| Use of Funds | <u>\$ 327,129,092</u> | <u>\$ 342,425,718</u> | <u>\$ 15,296,626</u> |

The Corporation of the District of North Vancouver
Notes to Consolidated Financial Statements
December 31, 2021

16. Budget figures, continued

The chart below reconciles the amended budget to the budget figures reported in these consolidated financial statements.

| | |
|---|----------------------|
| Revenue | |
| Operating budget | \$ 336,860,724 |
| Capital budget | 5,564,994 |
| Total revenue per approved budget | <u>342,425,718</u> |
| Less: | |
| Transfers from other funds | (85,753,048) |
| Capital funding less repair and maintenance | |
| Inter-agency eliminations | (10,007,922) |
| Proceeds from debt | (15,564,965) |
| Total revenues, as reported | <u>231,099,783</u> |
| Expenses | |
| Operating budget | 242,900,744 |
| Capital budget | 99,524,974 |
| Total expenses per approved budget | <u>342,425,718</u> |
| Less: | |
| Transfers to other funds | (59,207,419) |
| Inter-agency eliminations | (804,753) |
| Capital expenses, including major repair and maintenance | (99,524,975) |
| Debt principal repayment | (1,653,182) |
| Operating repair and maintenance funded as capital expenses | 10,672,672 |
| Total expenses as reported | <u>191,908,061</u> |
| Annual surplus, per Consolidated Statement of Operations | <u>\$ 39,191,722</u> |

The Corporation of the District of North Vancouver
Notes to Consolidated Financial Statements
December 31, 2021

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:

| | 2022 | 2023 | 2024 | 2025 | Total |
|------------------------|----------------------|----------------------|----------------------|---------------------|----------------------|
| Development Agreements | \$ 10,583,024 | \$ 13,462,852 | \$ 12,714,353 | \$ - | \$ 36,760,229 |
| Leases | 3,406,891 | 1,419,480 | 1,299,459 | 1,024,785 | \$ 7,150,615 |
| | \$ 13,989,915 | \$ 14,882,332 | \$ 14,013,812 | \$ 1,024,785 | \$ 43,910,844 |

18. Supplemental Cash Flow Information

Changes in operating assets and liabilities, as presented in the Consolidated Statement of Cash Flows is as follows:

| | 2021 | 2020 |
|--|------------------------|----------------------|
| Cash provided from (used in): | | |
| Accounts receivable | \$ (1,593,771) | \$ (994,042) |
| Inventories held for consumption/resale | (216,756) | (251,509) |
| Prepaid expenses | 198,244 | (266,187) |
| Due to/from Governments | (33,425,136) | 36,100,999 |
| Accounts payable and accrued liabilities | (1,371,318) | 7,565,365 |
| Deferred revenue | (150,510) | (1,346,575) |
| Change in operating assets and liabilities | <u>\$ (36,559,247)</u> | <u>\$ 40,808,051</u> |

BC Safe Restart Grant Received – (Unaudited)

Due to the COVID-19 pandemic in 2020, the District received the BC Safe Restart Grant of \$6.4 million from the Province to help with COVID-19 financial impacts to the District's operations. The schedule below details how the District utilized the grant funds in 2020 and 2021. The remainder of the funds have been placed in the COVID-19 safe restart reserve to be utilized to offset ongoing COVID-19 impacts.

| | 2021 | 2020 |
|---|-----------------------------|-----------------------------|
| | <u> </u> | <u> </u> |
| Opening Balance | \$ 3,250,660 | \$ 6,484,000 |
| Less Operating costs: | | |
| Communcations and public safety | 115,569 | 69,892 |
| Cleaning supplies and services | 301,397 | 130,531 |
| Modifications to workplace and facilities | 351,282 | 360,795 |
| Support for Vulnerable Populations | 189,531 | - |
| Staff pandemic response | 961,436 | 137,162 |
| | <u>1,919,215</u> | <u>698,380</u> |
| Less Facility and Technology Capital Costs: | | |
| Fire equipment | - | 105,013 |
| IT applications and equipment | 658,024 | 354,215 |
| Police equipment | - | 24,648 |
| | <u>658,024</u> | <u>483,875</u> |
| Less Revenue not Collected | | |
| TransLink MRN Grant | - | 950,750 |
| Parks revenue decline | 156,059 | 414,443 |
| Sewer and Drainage revenue decline | - | 722,800 |
| | <u>156,059</u> | <u>2,087,993</u> |
| Add: Interest Allocation | 22,018 | 36,908 |
| Ending Balance | <u>\$ 539,380</u> | <u>\$ 3,250,660</u> |