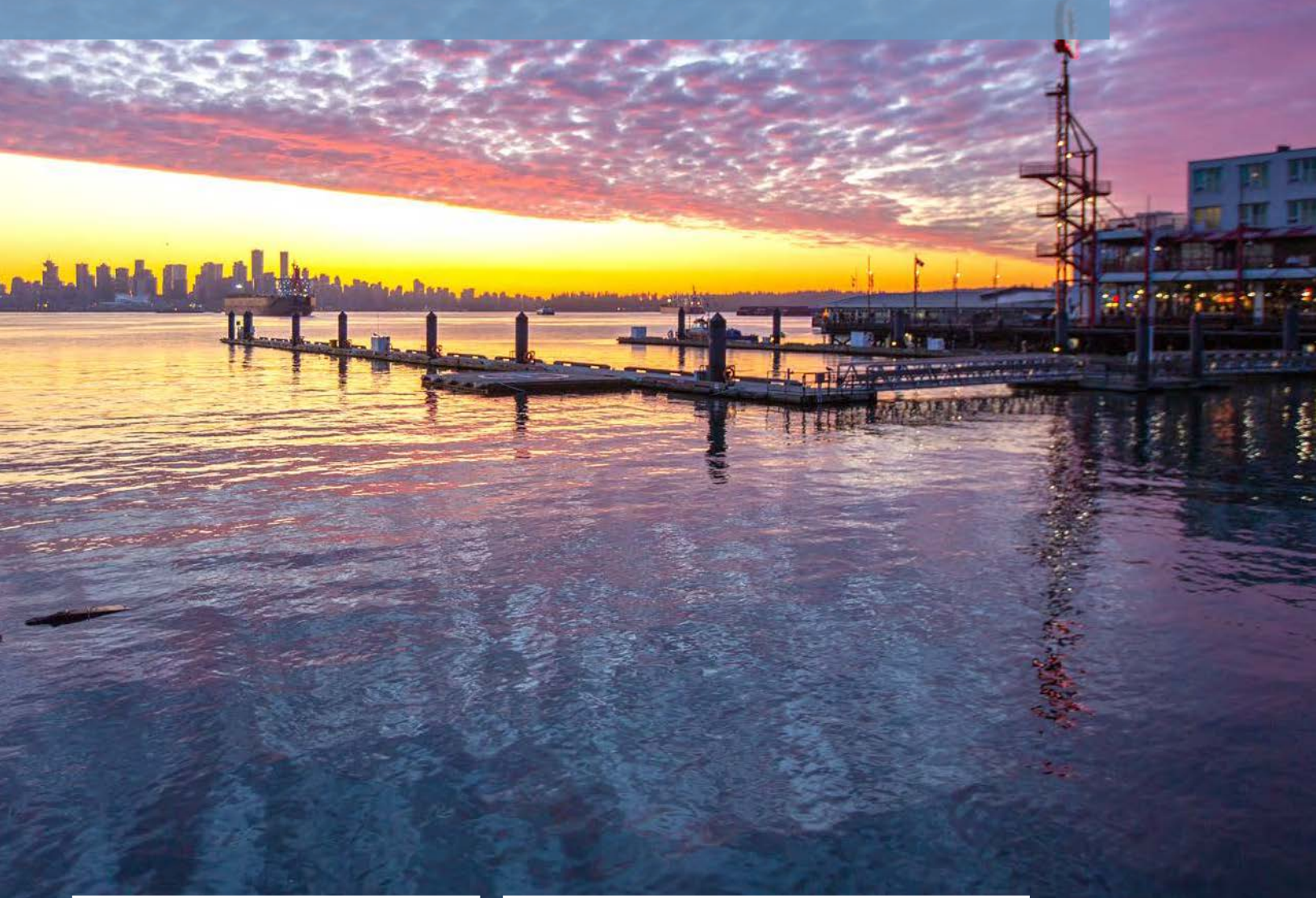


2019

ANNUAL MUNICIPAL REPORT

CITY OF NORTH VANCOUVER



CNV.ORG
f t i y

CITY OF NORTH VANCOUVER
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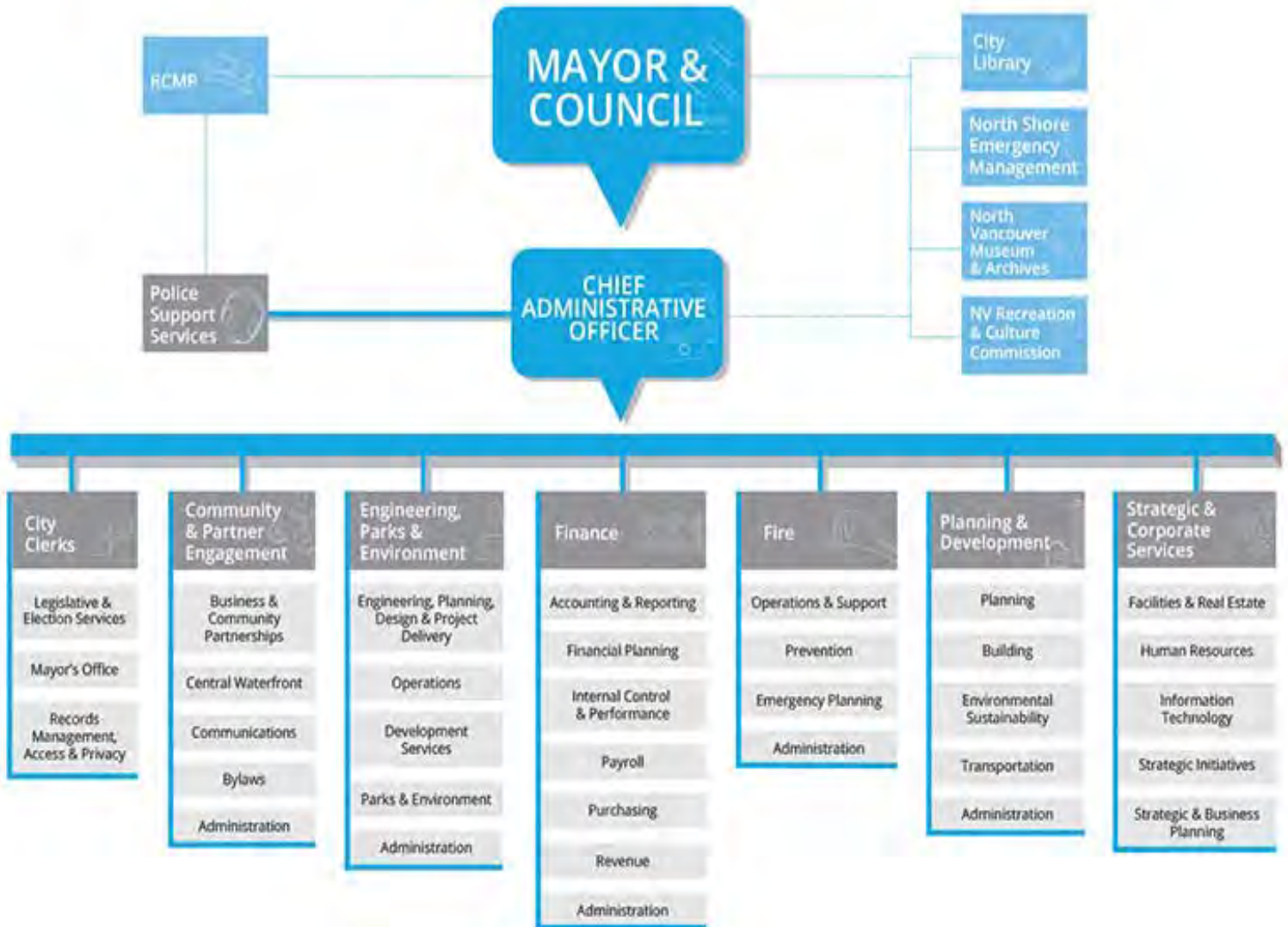
The 2020 Objectives included in the 2019 Annual Municipal Report are based on departmental work plans that were prepared before the impact of COVID-19. The work plans consider various documents approved by Council such as the Council Strategic Plan, Official Community Plan, Financial Plan, etc. At the time of preparation of the Report, it became evident that some of the 2020 Objectives would need to be modified to address the circumstances resulting from the crisis. The full potential impact of COVID-19 on the City is still unknown. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of disruption and the related business and financial impact cannot be reasonably estimated at this time. The 2020 Objectives will likely be modified as the COVID-19 situation evolves and Council provides further direction to staff.

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Organization Chart



City Council

Your dedicated Mayor and Councillors are responsible for providing community leadership and establishing administrative policies that ensure the social, economic and environmental health of our municipality.



Left to right: Councillor Tony Valente, Mayor Linda Buchanan, Councillor Tina Hu, Councillor Jessica McIlroy, Councillor Holly Back, Councillor Angela Girard, Councillor Don Bell.

Offices of the Chief Administrative Officer, City Clerks and Mayor

The Chief Administrative Officer provides organization leadership to all City staff. The various departments within the City provide critical support services for the organization.

The City solicitor provides legal advice to City Council and City staff; drafts and negotiates legal agreements on behalf of the organization.

The City Clerk's Office is responsible for the preparation of Council and Committee meeting agendas and minutes, administration and certification of City bylaws, interpreting legislation, administration of local elections and managing corporate records, coordinating Committees of Council, protection of privacy and access for information requests.

The Mayor's Office provides administrative, communications and research support for the Mayor.



KEY RESPONSIBILITIES

- Act as liaison between Mayor, Council and City staff
- Oversee the affairs and operations of the City and its departments
- Advise City Council and City staff on legal obligations, legislative interpretation and the extent of municipal authority
- Provide strategic advice to minimize legal risk to the City
- Negotiate agreements on behalf of the City to protect the City's interests and maximize contract value
- Deliver information to Council and Council Committees
- Administer and preserve corporate records management services
- Provide information and records to the public regarding Council business
- Respond to requests for information under the *Freedom of Information and Protection of Privacy Act*
- Administer the general local election
- Oversee Committees of Council
- Coordinate the Mayor's schedule, commitments and speaking engagements
- Conduct research and draft media communications
- Provide administrative support to the Office of the Mayor

Offices of the Chief Administrative Officer, City Clerks and Mayor

2019 MEASURES
<ul style="list-style-type: none">• Completed review of City policies and established a corporate policy framework• Completed Phase 3 of the digitization of Council reports and resolutions• Finalized Corporate Business Plan and Strategic Plan

2020 OBJECTIVES
<ul style="list-style-type: none">• Implement Council’s Strategic Plan within the community• Deploy corporate policy framework• Continue to Phase 4 of the digitization of Council reports and resolutions

Finance

Finance provides financial services to citizens, City departments and City Council.

KEY RESPONSIBILITIES

- Accounting and reporting
- Financial planning
- Internal control and performance
- Payroll
- Purchasing
- Revenue
- Administration



2019 MEASURES

- Continue the review of the City's Purchasing Policy
- Continue the review of the Long Term Property Tax Strategy
- Completed the four-year cycle review of Permissive Tax Exemptions

2020 OBJECTIVES

- Review the Living and Fair Wage Policy for inclusion in the City's Purchasing Policy
- Review the Economic Development Strategy for its impact on the Long Term Property Tax Strategy
- Review of Permissive Tax Exemptions Policy

Engineering, Parks and Environment

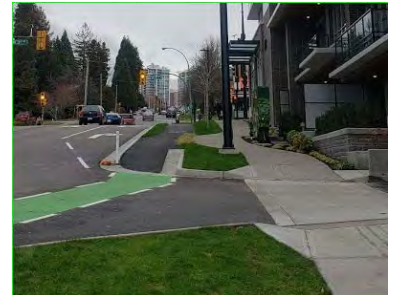
The Engineering, Parks and Environment department provides and maintains essential municipal services and infrastructure.

KEY RESPONSIBILITIES

Creating safe, resilient, inviting and cost effective public infrastructure that supports our community and enables it to thrive.

DIVISIONS

- Engineering Planning and Design
- Public Realm Infrastructure and Project Management Office
- Operations
- Development Services
- Parks and Environment (and Cemetery)
- Administration



2019 MEASURES

- Developed an asset management policy and draft strategy
- Completed Moodyville Park play features
- Completed transit priority measures along the Marine–Main corridor to support RapidBus launch in 2020

2020 OBJECTIVES

- Provide key protected bike facilities and improve the sidewalk network with a focus on missing sections and improved accessibility
- Complete construction of the Marine Drive - Mosquito Creek Bridge replacement
- Complete Moodyville Park Master Plan

Community and Partner Engagement

Community and Partner Engagement takes direction from Mayor and Council, the Official Community Plan, the Economic Development Strategy, and other civic policies in order to provide excellent customer service.

KEY RESPONSIBILITIES

- Liaison between the City and news media, managing external communications and City website
- Assist City departments with public engagement processes
- Business licensing and compliance
- Economic and tourism development
- Place-making and events
- Parking and bylaw enforcement
- Shipyards skate plaza and splash park
- Shipyards / Waterfront programming and events



DIVISIONS

- Business and Community Partnerships
- Communications
- Bylaws
- Administration
- Shipyards and Waterfront Operations

2019 MEASURES

- Created the Community and Partner Engagement department with a new vision and undertook team building efforts
- Launched the new Shipyard Commons to manage and program the Central Waterfront
- Worked with the Leadership Team to create an engagement strategy for the Corporation, including a suite of engagement methods

2020 OBJECTIVES

- Update the City's Economic Development Strategy with an emphasis on City of North Vancouver Economic Health Cluster
- Establish and implement a Programming Framework for the Shipyards Waterfront
- Social and Community Engagement Strategy with emphasis on the needs of the Vulnerable Sector

Planning and Development

Planning and Development assists Mayor and Council in setting community goals and objectives, creating plans, and implementing these plans through policies, regulations and development.

KEY RESPONSIBILITIES

- Long range and land use planning
- Community and social planning
- Transportation planning
- Environmental planning and sustainability
- Development planning
- Building permits
- Zoning administration
- Code interpretation and regulation
- Construction approvals



DIVISIONS

- Building
- Planning
- Transportation
- Environmental Sustainability
- Administration

2019 MEASURES

- Launched the Balanced Housing Lab partnership for housing solutions for middle income earners and successfully secured senior government funding
- Advanced key transportation policy components including endorsement of the WalkCNV strategy, set 'AAA' mobility lanes priorities and began the Mobility Strategy process to update the City's Long Range Transportation Plan and Lonsdale great streets vision
- Successfully transitioned to CityPal permits and licensing platform supporting future improvements in customer service, business process and analytics

2020 OBJECTIVES

- Complete Draft Directions for Environment and Mobility Strategies including Lonsdale great streets vision
- Implement Balanced Housing Lab recommendations and support delivery of new non-market housing on strategic City lands
- Finalize Well-Being Strategy and support implementation of childcare objectives

RCMP

The RCMP serves and protects citizens of the City.

KEY RESPONSIBILITIES

- Municipal traffic enforcement
- Investigative services
- Crime reduction and prevention
- Community policing
- Youth intervention



2019 MEASURES

- Increased road awareness and safety through regular education programs and partnerships with ICBC
- Reduced property crime through proactive and intelligence-led policing
- Increased operational readiness by allocating resources to upgrade and improve the General Duty interview room to current technological standards

2020 OBJECTIVES

- Increase road safety and improve sense of security in our communities
- Partner for social impact
- Optimize people capacity

Fire

Fire safeguards and serves our community through the promotion and provision of education, emergency medical and fire services in order to protect life, property and the environment.

KEY RESPONSIBILITIES

- Administration
- Operations and support
- Fire prevention and public education
- Emergency management and planning



2019 MEASURES

- Completed CityPal Integration for Fire Inspections
- Completed North Shore Shipboard Firefighting Training
- Completed Emergency Planning program Review and Development

2020 OBJECTIVES

- Complete Infor Integration for Fire Inspections
- Increase the number of trained personnel as Emergency Medical Responders (EMR)
- Improve post-emergency resiliency through planning and training

Strategic and Corporate Services

The Strategic and Corporate Services department is dedicated to creating and maintaining critical support services for the organization, and delivering spaces for betterment of the entire community. The Department works closely with all other groups to deliver effective and efficient service.

KEY RESPONSIBILITIES

- Lead large scale public development projects from inception to completion
- Provide a complete range of facility, property management and real estate services for City-owned and City-leased properties and building assets
- Provide progressive, client-focused Human Resources services
- Support Council and Corporation with strategic and business planning services
- Deliver customer-focused technology services for solutions that contribute to the City's business objectives



DIVISIONS

- Strategic Initiatives
- Civic Facilities
- Real Estate
- Human Resources
- Information Technology

2019 MEASURES

- Developed Council Strategic Plan and began work on Corporate Business Plan
- Completed Central Waterfront revitalization and handed over governance and staffing to Community and Partner Engagement
- Continued implementation of new telephony system and CityServ online services for residents.

2020 OBJECTIVES

- Finalize Corporate Business Plan and begin work on corporate metrics and reporting
- Advance design of Harry Jerome Community Recreation Centre
- Commence implementation of CityWorks software project to facilitate improved customer service requests, work management and asset management analysis

North Vancouver Museum and Archives Commission

The Museum and Archives Commission is the sole custodian of the City's cultural, archival and museum collections.

KEY RESPONSIBILITIES

- Manages and preserves artifacts and records of municipal, historical and cultural significance to the community
- Develops and delivers engaging and compelling interpretative, educational programs and exhibits
- Works with the local community to identify, document and preserve local history and bring it to life



2019 MEASURES

- Met significant milestones for new museum fundraising campaign and developed a marketing and communications plan
- Moved Streetcar #153 into the new museum, began exhibit fabrication, and created new educational and public programs
- Created concept for new mobile exhibits for the Lions Gate Community Centre and strengthened the vision for the Community History Centre in the areas of programming and exhibits

2020 OBJECTIVES

- Complete construction of new Museum of North Vancouver, install exhibits, and launch new museum and programs, enriched by digital content
- Launch 2020-2023 NVMA Strategic Plan
- Continue to develop and deliver mobile exhibits to the community and mark the 100th anniversary of the Archives building in Lynn Valley

North Vancouver Recreation and Culture Commission

The Recreation and Culture Commission improves the health and well-being of all North Vancouver individuals, families and communities and inspires residents through quality recreation and culture opportunities.

KEY RESPONSIBILITIES

- Community recreation and culture service, program and event planning and delivery
- Community recreation and culture facility management, operations and maintenance and facility planning
- Management of the public art programs and oversight of community arts grants
- Capacity building of relevant recreation and culture organizations



2019 MEASURES

- Incorporated findings from Community Needs Assessment and Fitness, Health and Wellness review into service, program and facility planning
- Increased fitness, arts and culture programming in the outdoors
- Implemented new recreation management software for program registration and membership management

2020 OBJECTIVES

- Develop new strategic plan for program and service delivery
- Implement new human resources recruitment and onboarding strategies and applicant tracking software
- Support community recreation facility renewal, replacement and future planning

North Shore Emergency Management (NSEM)

NSEM is the lead municipal agency responsible for coordinating work to build resilience to disasters, capacity for emergency response, and strategies for community recovery.

KEY RESPONSIBILITIES

- Operationally-ready Emergency Operations Centre
- Emergency plans and strategies for disaster resilience
- Trained municipal staff and volunteers for emergency response and recovery
- Provision of public education programs
- Administrative support to North Shore Rescue



2019 MEASURES

- Implemented phase one of the Operational Readiness Strategy, including installation of four disaster supply caches, a technology upgrade to the EOC, and conducted Operation Dry Lightning III, a wildfire emergency exercise, and Operation Annona, a supply, distribution, and transportation emergency exercise
- Advanced the North Shore Resilience Strategy, including hosting two workshops in the NS EOC with staff from all three municipalities and partner agencies
- Completed a disaster debris management plan for the North Shore Sector (including Bowen Island and Lions Bay) and participated in IPREM disaster debris management exercise

2020 OBJECTIVES

- Complete roll-out of NSEM Disaster Supply Cache initiative at strategic locations across the North Shore
- Advance North Shore resilience strategy, including hazard, risk, and vulnerability assessment and critical infrastructure interdependencies
- Update the North Shore evacuation plan, crisis communications strategy, and business continuity planning

Council Strategic Plan

On July 22, 2019, the 2018-2022 Council Strategic Plan was adopted. Since that time, staff have been working towards achieving Council's five strategic priorities.

Below is a summary of some key 2019 accomplishments:

A City for People

- *Develop and adopt Community Well-Being Strategy*
 - Phase 1 finding report out in process; preparation of strategy beginning
- *Complete Balanced Housing Lab and implement its solutions*
 - Project on schedule. Consultant hired, project governance established and first lab sessions held in early December 2019
- *Improve access to childcare and early childhood development opportunities*
 - Delivery of policy work underway. Consultant retained and strategic opportunities workshop forthcoming
- *Continue protection and expansion of rental housing stock*
 - Zoning Bylaw review at inception stage and Housing Lab underway
- *Develop a Community Recreation Strategy that includes the Harry Jerome Community Recreation Centre*
 - Strategy development underway. Report back to Council anticipated for Q1 2020

A Liveable City

- *Develop and adopt a new Climate and Environment Strategy that includes a pathway to net-zero buildings by 2050*
 - Engagement Consultant secured to support Environmental Strategy and scope of work under development for gap analysis
- *Implement new climate adaptation and environmental improvement measures*
 - Tree planting / forest restoration in Moodyville, Hyak and Heywood Park. Living City Street Tree Planting project along West 14th Street. A total of 1,736 trees were planted in 2019
- *Further develop a renewable energy strategy to transition the City-owned Lonsdale Energy Corporation district energy system to incorporate low carbon energy sources and minimize the use of natural gas, including exploring a compost/waste to energy facility and other strategic opportunities*
 - A project sheet was submitted for consideration in Year 1 of the 2020-2029 Project Plan
- *Advance the City's Electric Vehicle Strategy to accelerate the transition to electric vehicles*
 - Consultation with other municipalities on commercial requirements completed

A Vibrant City

- *Complete Central Waterfront Revitalization*
 - Splash park opened in July 2019; Skating plaza opened in December 2019. Final completion of site is underway. Anticipated to be completed in early 2020. Site transferred to operational group
- *Build a new vision to revitalize Lonsdale Avenue as a high street*
 - Phase I RFP and Engagement RFP awarded for shared services. Mobility Strategy will develop overarching goals and objectives for Great Streets, with Lonsdale on an accelerated timeline

A Connected City

- *Develop and adopt new Mobility Plan*
 - RFP awarded for Phase I services. Staff working groups confirmed
- *Complete east-west RapidBus (B-Line)*
 - Construction on corridor nearing completion. Upgrades to Cotton Rd and Lower Lonsdale remaining in anticipation of the April launch of the RapidBus Service
- *Increase kilometres of protected bike lanes*
 - Corridor endorsement by Council and accompanying framework will be incorporated into Mobility Strategy. Priority Corridors for AAA Mobility Lanes strategy approved by Council. Preliminary design for 2020 corridor construction underway
- *Undertake Burrard Inlet Rapid Transit Technical Feasibility Study*
 - Attending bi-weekly partner working group workshops as per Phase I schedule
- *Secure funding for the Casano Loutet Overpass project and the Upper Levels Greenway project*
 - Funding application to TransLink submitted October 31, 2019. Update on application status anticipated by April 2020
- *Explore safe routes to schools opportunities*
 - Staff on-track for February 2020 council report with recommendations based on engagement and technical analysis
- *Explore innovative solutions to transportation challenges, and continue to integrate land use and transportation planning to support connectivity across the region*
 - NXSTPP Transportation Leadership Group (previously known as INSTPP – Integrated North Shore Transportation Planning Project) convening before year-end to set work plan and priorities for Steering Committee and new project manager

A Prosperous City

- *Create Lower Lonsdale Brewery District*
 - Zoning Change completed
- *Foster the expansion of Business Improvement Associations across the City*
 - Initial relationship building with Central Lonsdale businesses begun

**The Corporation of the City of
North Vancouver**
Consolidated Financial Statements
For the year ended December 31, 2019

Statement of Management Responsibility

The Council of the Corporation of the City of North Vancouver ("City") has delegated the responsibility for the integrity and objectivity of the financial information contained in the consolidated financial statements to the management of the City. The consolidated financial statements which, in part, are based on informed judgments and estimates, have been prepared by management in accordance with Canadian public sector accounting standards, which have been applied on a basis consistent with that of the preceding year.

To assist in carrying out their responsibility, management maintains an accounting system and internal controls to provide reasonable assurance that transactions are executed and recorded in accordance with authorization, and that financial records are reliable for preparation of financial statements.

The Mayor and Council oversee management's responsibilities for the financial reporting and internal control systems. Council annually reviews and approves the consolidated financial statements.

The City's independent auditors, BDO Canada LLP, are engaged to express an opinion as to whether the City's consolidated financial statements present fairly in all material respects the financial position of the City as at December 31, 2019, and the results of operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian generally accepted auditing standards.

The consolidated financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and in accordance with Canadian public sector accounting standards.



Director of Finance

May 4, 2020



Independent Auditor's Report

To the Mayor and Council of the Corporation of the City of North Vancouver

Opinion

We have audited the consolidated financial statements of Corporation of the City of North Vancouver and its controlled entities (the "City"), which comprise the consolidated statement of financial position as at December 31, 2019 and the consolidated statement of operations, the consolidated statement of changes in net financial assets and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

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

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

In preparing the consolidated financial statements, management is responsible for assessing the City'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 City or to cease operations, or has no realistic alternative but to do so.

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

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

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



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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the City to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the City audit. We remain solely responsible for our audit opinion.

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

BDO Canada LLP

Chartered Professional Accountants

Vancouver, British Columbia
May 4, 2020

The Corporation of the City of North Vancouver
Consolidated Statement of Financial Position
As at December 31, 2019 with comparative figures for 2018
(in thousands of dollars)

	2019	2018
FINANCIAL ASSETS		
Cash	\$ 9,929	\$ 6,796
Temporary investments (note 3(a))	52,994	43,918
Portfolio investments (note 3(b))	139,269	139,902
Investment in Lonsdale Energy Corp. (note 4)	2,709	2,114
Due from other governments	4,561	3,542
Accounts receivable	8,365	10,727
Loan to Lonsdale Energy Corp. (note 5)	25,623	23,294
Interest receivable	13,145	14,210
	<u>256,595</u>	<u>244,503</u>
LIABILITIES		
Accounts payable and accrued liabilities	24,888	17,066
Deferred revenue	30,218	27,735
Deferred development cost charges	23,323	22,282
Long-term debt (note 6)	684	895
Employee future benefits (note 7)	8,150	8,121
Advances and other liabilities	10,447	10,493
	<u>97,710</u>	<u>86,592</u>
NET FINANCIAL ASSETS	<u>158,885</u>	<u>157,911</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (note 8)	414,093	402,540
Inventories	631	656
Prepaid expenses	1,745	1,619
	<u>416,469</u>	<u>404,815</u>
ACCUMULATED SURPLUS (note 9)	<u>\$ 575,354</u>	<u>\$ 562,726</u>

Commitments and contingencies (note 10)
 See accompanying notes to the consolidated financial statements



 Director of Finance

The Corporation of the City of North Vancouver
Consolidated Statement of Operations
Year ended December 31, 2019 with comparative figures for 2018
(in thousands of dollars)

	2019 Budget	2019	2018
	(notes 2(h) and 14)		
REVENUE			
Property value tax	\$ 62,557	\$ 62,521	\$ 58,775
Parcel taxes	3,160	3,204	2,940
Licences and permits	4,572	4,856	6,493
Fines and fees	4,840	5,157	6,418
Rent	1,491	2,191	2,213
Interest, dividends and penalties	2,119	6,477	5,924
Sale of services	27,947	29,896	27,767
Rebate and recoveries	85	58	62
Grants and other	7,116	11,276	10,850
Developer contributions and other transfers	269	5,203	34,856
Gains on disposition of assets	-	(427)	1,626
Lonsdale Energy Corp. income (note 4)	-	595	580
	<u>114,156</u>	<u>131,007</u>	<u>158,504</u>
EXPENSES			
General government	18,999	19,818	19,293
Transportation and transit	6,109	8,279	7,173
Health, social services and housing	2,663	2,685	2,637
Development services	6,009	6,340	5,926
Protective services	27,489	27,259	25,319
Parks, recreation and culture	28,422	30,210	27,790
Water utilities	10,337	9,964	9,618
Sewer utilities	9,272	9,598	9,139
Solid waste	4,396	4,226	4,151
	<u>113,696</u>	<u>118,379</u>	<u>111,046</u>
Total expenses (note 12)			
Annual surplus	460	12,628	47,458
Accumulated surplus beginning of year	<u>562,726</u>	<u>562,726</u>	<u>515,268</u>
Accumulated surplus end of year	<u>\$ 563,186</u>	<u>\$ 575,354</u>	<u>\$ 562,726</u>

See accompanying notes to the consolidated financial statements

**The Corporation of the City of North Vancouver
Consolidated Statement of Change in Net Financial Assets
Year ended December 31, 2019 with comparative figures for 2018
(in thousands of dollars)**

	2019 Budget	2019	2018
	(notes 2(h) and 14)		
Annual surplus	\$ 460	\$ 12,628	\$ 47,458
Acquisition of tangible capital assets	(78,542)	(26,315)	(32,071)
Non-cash developer contributed assets and found assets	-	(1,085)	(3,918)
Proceeds on sale of tangible capital assets	-	70	2,187
Depreciation of tangible capital assets	15,100	15,350	14,827
Loss (gain) on disposition of tangible capital assets	-	427	(1,626)
	<u>(63,442)</u>	<u>(11,553)</u>	<u>(20,601)</u>
Acquisition of inventories		(1,347)	(1,243)
Acquisition of prepaid expenses	-	(1,707)	(1,693)
Use of inventories	-	1,372	1,280
Use of prepaid expenses	-	1,581	1,554
	<u>-</u>	<u>(101)</u>	<u>(102)</u>
Increase (decrease) in net financial assets	(62,982)	974	26,755
Net financial assets, beginning of year	<u>157,911</u>	<u>157,911</u>	<u>131,156</u>
Net financial assets, end of year	<u>\$ 94,929</u>	<u>\$ 158,885</u>	<u>\$ 157,911</u>

See accompanying notes to the consolidated financial statements

The Corporation of the City of North Vancouver
Consolidated Statement of Cash Flows
Year ended December 31, 2019 with comparative figures for 2018
(in thousands of dollars)

	<u>2019</u>	<u>2018</u>
Cash provided by (used for):		
Operating Transactions		
Annual surplus	\$ 12,628	\$ 47,458
Items not involving cash:		
Depreciation expense	15,350	14,827
Loss (gain) on disposal of tangible capital assets	427	(1,626)
Non-cash developer contributed assets and found assets	(1,085)	(3,918)
Lonsdale Energy Corp. income	(595)	(580)
Changes in non-cash operating items:		
(Increase) decrease in due from other governments	(1,019)	311
Decrease (increase) in accounts receivable	2,362	(1,773)
Increase in loan to Lonsdale Energy Corp.	(2,329)	(4,052)
Decrease (increase) in interest receivable	1,065	(1,469)
Increase (decrease) in accounts payable and accrued liabilities	7,822	(2,032)
Increase increase in deferred revenue	2,483	11
Increase in deferred development cost charges	1,041	3,016
Increase (decrease) in accrued employee future benefits	29	(137)
Decrease in advances and other liabilities	(46)	(279)
Decrease in inventories	25	37
Increase in prepaid expenses	(126)	(139)
	<u>38,032</u>	<u>49,655</u>
Capital Transactions		
Cash used to acquire tangible capital assets	(26,315)	(32,071)
Proceeds from sale of tangible capital assets	70	2,187
	<u>(26,245)</u>	<u>(29,884)</u>
Investing Transactions		
Decrease (increase) in temporary investments	(9,076)	970
Increase in portfolio investments	633	(21,489)
	<u>(8,443)</u>	<u>(20,519)</u>
Financing Transactions		
Repayment of long-term debt	(211)	(203)
(Decrease) increase in cash	3,133	(951)
Cash, beginning of year	<u>6,796</u>	<u>7,747</u>
Cash, end of year	<u>\$ 9,929</u>	<u>\$ 6,796</u>

See accompanying notes to the consolidated financial statements

**The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
Year ended December 31, 2019
(tabular amounts in thousands of dollars)**

1. OPERATIONS

The City of North Vancouver (the “City”) was incorporated in 1907 and operates under the provisions of the Community Charter and the Local Government Act of British Columbia. The City’s principal activity is the provision of local government services to residents of the incorporated area. These include administrative, protective, transportation, environmental, recreational, water and sanitary services.

2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the City have been prepared in accordance with Canadian public sector accounting standards, as prescribed by the Public Sector Accounting Board (“PSAB”) of the Chartered Professional Accountants Canada. The significant accounting policies are summarized below:

(a) Basis of Presentation

The consolidated financial statements include the accounts of all the funds of the City, the accounts of the North Vancouver City Library, which is controlled by the City, the City’s 33% proportionate share of the operations of the North Vancouver Recreation Commission, and the City’s 50% proportionate share of the operations of the North Vancouver Museum and Archives Commission. The City’s investment in Lonsdale Energy Corporation (“LEC”), a wholly owned government business enterprise, is accounted for using the modified equity method.

The City participates with the District of North Vancouver in the operation and management of the North Vancouver Recreation Commission, and the City includes its proportionate share in the City’s consolidated financial statements. The current agreement specifies that the operating costs shall be paid 33% (2018 – 33%) by the City and 67% (2018 – 67%) by the District of North Vancouver. Each municipality is responsible for its own facilities and pays 100% of all capital costs relating to improvement, expansion and replacement of buildings or facility equipment.

The City also participates with the District of North Vancouver in the operation and management of the North Vancouver Museum and Archives Commission, and the City includes its proportionate share in the City’s consolidated financial statements. The current agreement specifies that the operating costs shall be paid 50% (2018 – 50%) by the City and 50% (2018 – 50%) by the District of North Vancouver. Each municipality is responsible for its own facilities and pays 100% of all capital costs relating to improvement, expansion and replacement of buildings or facility equipment.

(b) Basis of Accounting

Revenue is recorded on an accrual basis and recognized when earned. Expenses are recognized as they are incurred and measurable as a result of the receipt of goods and services.

**The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
Year ended December 31, 2019
(tabular amounts in thousands of dollars)**

2. SIGNIFICANT ACCOUNTING POLICIES (con't)

(c) Revenue Recognition

Taxes are recognized as revenue in the year they are levied. Through the British Columbia Assessments appeal process, taxes may be adjusted by way of supplementary roll adjustments. The effects of these adjustments on taxes are recognized at the time they are awarded. Any additional adjustments required over that estimated are recognized at the time they are awarded. Levies imposed by other taxing authorities are not included as taxes for municipal purposes. Levies imposed for Regional District services and other taxing authorities are not included.

Charges for sewer, water and solid waste usage are recorded as user fees. Connection fees revenues are recognized when the connection has been established.

Sale of service and other revenue are recognized on an accrual basis.

(d) Deferred Revenue

Deferred revenue consists of prepaid property taxes, prepaid business licenses, and fees paid in advance for services yet to be provided.

(e) Development Cost Charges

Development cost charges collected to pay for future capital projects are deferred upon receipt and recognized as revenue when the capital costs for which they were collected are incurred.

(f) Temporary Investments

Temporary investments include bank issued notes and bonds and provincial bonds and debentures maturing in the subsequent year and are valued at the lower of cost or market value.

(g) Portfolio Investments

Portfolio investments include bank issued notes and bonds and provincial bonds and debentures maturing after the subsequent year end. Securities are recorded at their cost and written down to reflect losses in value that are other than temporary.

(h) Budget Figures

The budget figures are based on the ten year financial plan adopted on April 8th, 2019.

**The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
Year ended December 31, 2019
(tabular amounts in thousands of dollars)**

2. SIGNIFICANT ACCOUNTING POLICIES (con't)

(i) Government Transfers

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

(j) Employee Future Benefits

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

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

(k) Long-term Debt

Long-term debt is recorded in the consolidated financial statements net of repayments and sinking fund adjustments.

(l) Non-Financial Assets

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

(i) Tangible Capital Assets

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

Land improvements	Straight line over useful life of each asset unit	10 – 100 years
Parks	Straight line over useful life of each asset unit	10 – 75 years
Buildings	Straight line over useful life of each asset unit	10 – 100 years
Machinery & equipment	Straight line over useful life of each asset unit	3 – 25 years
Vehicles	Straight line over useful life of each asset unit	6 – 25 years
Infrastructure	Straight line over useful life of each asset unit	7 – 100 years
Library materials	Straight line over useful life of each asset unit	2 – 5 years
Work in progress	Not depreciated until put into use	

**The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
Year ended December 31, 2019
(tabular amounts in thousands of dollars)**

(l) Non-Financial Assets (cont'd)

(ii) Contributions of Tangible Capital Assets

Tangible capital assets received as contributions or transfers from developers are recorded at their estimated fair value at the date of receipt and also are recorded as revenue.

(iii) Works of Art and Historic Assets

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

(iv) Natural Resources

Horticultural assets such as treed areas, grassy areas and gardens are not recognized as assets in the consolidated financial statements.

(v) Interest Capitalization

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

(vi) Leased Tangible Capital Assets

Leases that 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 payments are charged to expenses as incurred.

(vii) Inventories

Inventories held for consumption are recorded at the lower of weighted average cost and replacement cost.

(m) Estimates

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts in the consolidated financial statements and the disclosure of contingent liabilities. Areas requiring significant estimation are post-employment benefits, compensated absences and termination benefits and estimated useful life of tangible capital assets. Actual results could differ from these estimates.

(n) Segment Disclosure

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information related to expenses. See note 12.

**The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
Year ended December 31, 2019
(tabular amounts in thousands of dollars)**

2. SIGNIFICANT ACCOUNTING POLICIES (con't)

(o) Contaminated Sites

A liability for contaminated sites is recognized when a site is not in productive use or an unexpected event has occurred and the following criteria are met:

- i) An environmental standard exists;
- ii) Contamination exceeds the environmental standard;
- iii) The City 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.

The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
Year ended December 31, 2019
(tabular amounts in thousands of dollars)

3. INVESTMENTS

(a) Temporary Investments

The fair value of temporary investments at December 31, 2019 was \$54,943,973 (2018 - \$46,769,729). These investments range in maturity date from January 2, 2020 to December 16, 2020, and range in yield from 2.05% to 5.16%.

(b) Portfolio Investments

The fair value of portfolio investments at December 31, 2019 was \$151,360,972 (2018 - \$149,587,369). These investments range in maturity from January 7, 2021 to May 15, 2031, and range in yield from 2.01% to 7.52%.

4. INVESTMENT IN LONSDALE ENERGY CORPORATION (“LEC”)

The City owns all the issued and outstanding shares of LEC, which was incorporated under the British Columbia Company Act on July 7, 2003. LEC operates a district energy system providing hydronic energy to residential, institutional and commercial buildings in the Lonsdale and Marine Drive – Harbourside areas of the City of North Vancouver.

Summarized financial information relating to LEC is as follows:

	2019	2018
Cash and accounts receivable	\$ 2,230	\$ 1,874
Tangible capital assets	34,762	31,777
Other assets	659	612
Total assets	\$ 37,651	\$ 34,263
Accounts payable and accrued liabilities	\$ 1,346	\$ 1,449
Deferred contributions	7,289	6,511
Debt	26,307	24,189
Total Liabilities	\$ 34,942	\$ 32,149
Shareholder’s equity	\$ 2,709	\$ 2,114
Total revenue	\$ 5,964	\$ 4,770
Total expenses	5,369	4,190
Net income	\$ 595	\$ 580

**The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
Year ended December 31, 2019
(tabular amounts in thousands of dollars)**

4. INVESTMENT IN LONSDALE ENERGY CORPORATION (“LEC”) (con’t)

Included in the City’s consolidated statement of financial position is “Investment in Lonsdale Energy Corp.” in the amount of \$2,709,000 (2018 - \$2,114,000) and a loan receivable, see note 5. Also, included in accounts receivable in the City’s consolidated statement of financial position are receivables from LEC in the amount of \$522,000 (2018 - \$559,000).

5. LOAN TO LONSDALE ENERGY CORPORATION (“LEC”)

The loan receivable balance of \$25,623,086 (2018 - \$23,293,926) consists of the following interest bearing promissory notes:

On August 1, 2018, the City converted amounts due from LEC whereby LEC issued a 5 year promissory note to the City in the amount of \$33,661,966 bearing interest at 2.65%. The promissory note to the City has been partially drawn upon with a balance owing at December 31, 2019 of \$25,623,086 (2018 - \$23,293,926).

All loans are due on demand and bear interest at 2.65% (2018 – 2.65%). Interest revenue of \$648,777 (2018 - \$492,448) and Dividend revenue of \$30,100 (2018 - \$0) has been included in the consolidated statement of operations.

At the maturity date of the loan to LEC, the City may, at its discretion, extend the terms of the loan in whole or in part or LEC may repay the loan in whole or in part using either internal or external financing.

6. LONG-TERM DEBT

The City has financed the expansion of LEC by assuming debt on behalf of LEC through the Municipal Finance Authority in accordance with the Community Charter. Debt principal is reported net of repayments and actuarial adjustments. The City carries no other long-term debt. The total debt issued and outstanding as at December 31, 2019 was \$684,288 (2018 - \$895,067).

The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
Year ended December 31, 2019
(tabular amounts in thousands of dollars)

6. LONG-TERM DEBT (con't)

Future principal re-payments and actuarial adjustments on net outstanding debt over the next five years are as follows:

	<u>2019</u>
2020	\$ 219,210
2021	227,979
2022	<u>237,099</u>
	<u>\$ 684,288</u>

Interest expense of \$6,000 (2018 - \$6,000) has been included in the Consolidated Statement of Operations. The interest rate on long-term debt is 0.3% per annum.

7. EMPLOYEE FUTURE BENEFITS

(a) Sick and Severance

Employees of the City are entitled to payments related to unused sick leave and severance upon retirement or resignation after ten years of service. The amount recorded for these benefits is based on an actuarial valuation done by an independent firm of actuaries using a projected benefit actuarial valuation method pro-rated on services. The most recent actuarial valuation of the City's future benefits was completed as at December 31, 2019.

Information regarding the City's obligations for these benefits, including its proportionate share of the North Vancouver City Library, North Vancouver Recreation Commission, and North Vancouver Museum and Archives Commission, is as follows:

	<u>2019</u>	<u>2018</u>
Benefit obligation - beginning of the year	\$ 7,604	\$ 7,862
Add: Current service costs	646	655
Interest on accrued benefit obligation	257	239
Less: Actuarial (gain) loss	130	(154)
Benefits paid	<u>(822)</u>	<u>(998)</u>
Benefit obligation - end of the year	\$ 7,815	\$ 7,604
Add: Unamortized actuarial gain	<u>335</u>	<u>517</u>
Accrued benefit liability - end of the year	<u>\$ 8,150</u>	<u>\$ 8,121</u>

**The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
Year ended December 31, 2019
(tabular amounts in thousands of dollars)**

7. EMPLOYEE FUTURE BENEFITS (con't)

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

	2019	2018
Discount rates	2.70%	3.30%
Expected future inflation rates	2.50%	2.50%
Expected wage and salary increases	2.58% to 4.63%	2.58% to 4.63%

The unamortized actuarial gain is amortized over a period equal to the employees' average remaining service lifetime of ten years for the City.

(b) Council Retirement Stipend

Starting 2005, Council Members are entitled to a retirement stipend based on 9.97% of the individual's total indemnity received subsequent to 2002. These amounts are accrued as earned and recorded in accounts payable and accrued liabilities.

8. TANGIBLE CAPITAL ASSETS

2019	Land	Land Improvements	Parks	Buildings	Machinery & Equipment	Vehicles	Infrastructure	Library Materials	Work in Progress	Total
Cost										
Balance as at December 31, 2018	\$ 38,909	\$ 63,348	\$ 49,700	\$ 125,709	\$ 19,708	\$ 10,901	\$ 232,731	\$ 930	\$ 46,888	\$ 588,824
Additions	-	12,753	657	1,262	1,232	899	7,913	233	49,339	74,288
Disposals	-	-	-	286	(644)	473	770	211	46,888	47,984
Balance as at December 31, 2019	\$ 38,909	\$ 76,101	\$ 50,357	\$ 126,685	\$ 21,584	\$ 11,327	\$ 239,874	\$ 952	\$ 49,339	\$ 615,128
Accumulated Depreciation										
Balance as at December 31, 2018	\$ -	\$ 12,219	\$ 14,126	\$ 57,170	\$ 13,644	\$ 5,944	\$ 82,721	\$ 460	\$ -	\$ 186,284
Depreciation expense	-	2,103	1,703	4,925	1,483	546	4,374	216	-	15,350
Disposals	-	-	-	283	(644)	402	347	211	-	599
Balance as at December 31, 2019	\$ -	\$ 14,322	\$ 15,829	\$ 61,812	\$ 15,771	\$ 6,088	\$ 86,748	\$ 465	\$ -	\$ 201,035
Net Book Value										
December 31, 2019	\$ 38,909	\$ 61,779	\$ 34,528	\$ 64,873	\$ 5,813	\$ 5,239	\$ 153,126	\$ 487	\$ 49,339	\$ 414,093
2018										
Cost										
Balance as at December 31, 2017	\$ 35,365	\$ 55,813	\$ 42,766	\$ 123,057	\$ 19,225	\$ 11,082	\$ 227,567	\$ 936	\$ 39,874	\$ 555,685
Additions	4,467	7,535	6,934	2,657	1,005	410	6,671	219	46,888	76,786
Disposals	923	-	-	5	522	591	1,507	225	39,874	43,647
Balance as at December 31, 2018	\$ 38,909	\$ 63,348	\$ 49,700	\$ 125,709	\$ 19,708	\$ 10,901	\$ 232,731	\$ 930	\$ 46,888	\$ 588,824
Accumulated Depreciation										
Balance as at December 31, 2017	\$ -	\$ 10,458	\$ 12,513	\$ 52,352	\$ 12,427	\$ 5,859	\$ 79,666	\$ 471	\$ -	\$ 173,746
Depreciation expense	-	1,761	1,613	4,823	1,739	587	4,090	214	-	14,827
Disposals	-	-	-	5	522	502	1,035	225	-	2,289
Balance as at December 31, 2018	\$ -	\$ 12,219	\$ 14,126	\$ 57,170	\$ 13,644	\$ 5,944	\$ 82,721	\$ 460	\$ -	\$ 186,284
Net Book Value										
December 31, 2018	\$ 38,909	\$ 51,129	\$ 35,574	\$ 68,539	\$ 6,064	\$ 4,957	\$ 150,010	\$ 470	\$ 46,888	\$ 402,540

The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
Year ended December 31, 2019
(tabular amounts in thousands of dollars)

8. TANGIBLE CAPITAL ASSETS (con't)

(a) Work in Progress

Work in progress having a value of \$ 49,339,000 (2018 - \$46,888,000) has not been amortized. Amortization of these assets will commence when the asset is in service.

(b) Developer Contributed Tangible Capital Assets and Other Transfers

Developer contributed tangible capital assets and other transfers have been recognized at their estimated fair value at the date of contribution. Developer contributed tangible capital assets and other transfers of \$1,085,000 (2018 - \$4,841,000) have been recognized during the year.

(c) Works of Art and Historic Assets

The City manages and controls various works of art and non-operational historic assets including buildings, artifacts, paintings and sculptures located at City sites and public display areas. These assets are not recorded in the consolidated financial statements of the City.

(d) Write-Down and Write-Up of Tangible Capital Assets

There were no write-downs during the current or prior year. Write-ups of tangible capital assets during the current year relate to software still in active use.

9. ACCUMULATED SURPLUS

	2019	2018
Current Funds – general, water and sewer	\$ 36,718	\$ 35,877
Reserve fund	107,552	112,153
Capital fund	431,084	414,696
Accumulated surplus, end of year	\$ 575,354	\$ 562,726

(a) Current Funds – general, water and sewer

	2019	2018
Appropriated:		
General funds	\$ 13,298	\$ 14,162
Water fund	1,857	1,096
Sewer fund	9,675	10,722
Unappropriated:		
General funds	10,722	9,128
Sewer funds	476	745
Water fund	690	24
	\$ 36,718	\$ 35,877

The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
Year ended December 31, 2019
(tabular amounts in thousands of dollars)

9. ACCUMULATED SURPLUS (con't)

(b) Reserve Funds

	Balance December 31, 2018	Contributions & Transfers	Earnings	Less Expenditures	Balance December 31, 2019
Machinery and Equipment					
Engineering	\$ 3,914	\$ 437	\$ 166	\$ 655	\$ 3,862
Fire	704	350	32	213	873
General	99	-	4	8	95
Computer	561	38	11	409	201
Building	539	-	12	225	326
Local Improvements	805	5	23	5	828
Affordable Housing	4,868	396	140	508	4,896
Tax Sale Lands	34,928	-	1,190	877	35,241
Waterworks	6,044	-	151	1,639	4,556
Parking	190	-	8	159	39
Civic Amenity	54,771	4,185	2,287	9,358	51,885
Justice Administration Accommodation	142	-	4	23	123
Streets DCC	-	2,027	-	2,027	-
Parks DCC	-	4,543	-	4,543	-
Lower Lonsdale Amenity	70	-	-	-	70
Lower Lonsdale Legacy	2,660	-	76	76	2,660
Infrastructure	332	-	734	428	638
Public Art	502	85	15	55	547
Marine Drive Community Amenity	346	-	-	156	190
Sustainable Transportation	349	88	8	167	278
Carbon Fund	329	65	8	158	244
Water DCC	-	-	-	-	-
Sanitary DCC	-	-	-	-	-
Drainage DCC	-	-	-	-	-
Total	\$ 112,153	\$ 12,219	\$ 4,869	\$ 21,689	\$ 107,552

(c) Capital Fund

	2019	2018
Capital fund		
Invested in tangible capital assets	\$ 414,093	\$ 402,540
Appropriated Capital funds	16,991	12,156
	<u>\$ 431,084</u>	<u>\$ 414,696</u>

**The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
Year ended December 31, 2019
(tabular amounts in thousands of dollars)**

10. COMMITMENTS AND CONTINGENCIES

(a) Property Taxes

The City is obliged to levy, collect and remit property taxes on behalf of, and to finance the arrears of property taxes of, other bodies as follows:

Collections for and remittances to other bodies	2019	2018
Provincial Government - Schools	\$ 39,123	\$ 36,026
Greater Vancouver Regional District	1,460	1,340
Greater Vancouver Transportation Authority	8,917	7,992
British Columbia Assessment Authority	1,448	1,367
Municipal Finance Authority	7	6
BIA Lower Lonsdale Society	498	498
	<u>\$ 51,453</u>	<u>\$ 47,229</u>

(b) Pension Liability

The City 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 40,000 contributors from local governments.

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

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The City paid \$4,259,000 (2018 - \$4,112,000) for employer contributions to the plan in fiscal 2019.

The next valuation will be as at December 31, 2021, with results available in 2022.

**The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
Year ended December 31, 2019
(tabular amounts in thousands of dollars)**

(b) Pension Liability (con't)

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

(c) Contingent Liabilities

The City is currently engaged in or party to certain legal actions, assessment appeals and other existing conditions involving uncertainty which may result in material loss. A reasonable estimate of these future liabilities has been made where possible and is recorded in the financial statements as a liability. Where the outcomes of amounts or losses are uncertain, no amounts have been recorded.

(d) E-Comm

The City is a member of Emergency Communications for British Columbia, Incorporated ("E-Comm"), an organization comprised predominately of member municipalities, for the purpose of providing emergency dispatch services. The City is represented on the board and as a class "A" shareholder has voting rights should the organization want to incur additional debt.

The E-Comm facility was constructed using debt as a financing mechanism and members are liable for a proportionate share of that debt. This debt is repaid by members through annual fees charged by E-Comm. Should E-Comm dissolve, the members would be liable for a proportionate share of any residual debt. Alternatively, should members choose to opt out of E-Comm they would be liable for a proportionate share of debt at the time of withdrawal.

The City holds 2 class "A" shares and one class "B" share.

(e) Contractual Obligations

During 2014 the City, in conjunction with the District of North Vancouver and the District of West Vancouver, entered into a new contract for recyclables collection for a period of five years commencing July 1, 2015. The City's portion of the annual contract costs is expected to be approximately \$1,100,000 for the years from 2015 to mid 2020. The City is also eligible to receive an incentive from Multi-Materials BC (MMBC) of approximately \$65,000 per month (\$780,000 annually). This will not be renewed as commencing July 2020, RecycleBC will be responsible for providing residential recycling services in the City.

As at December 31, 2019 the City had entered into various construction contracts for a total outstanding value of \$19,6M

(f) Construction Loan Guarantee

On February 14, 2017 the City entered an agreement as a loan guarantor, for the British Columbia Photography and Media Society, for a demand construction bridge loan to a maximum of \$5M not to exceed five years.

**The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
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11. TRUST FUNDS

Certain assets have been conveyed or assigned to the City to be administered as directed by an agreement or statute. The City holds the assets for the benefit of, and stands in a fiduciary relationship to, the beneficiary. The Cemetery Trust Fund, totaling \$3,045,000 (2018 - \$2,918,000), which is administered by the City, has not been included with the City's accounts.

12. SEGMENTED INFORMATION

The City is a diversified municipal government entity in the Province of British Columbia that provides a wide range of services to its citizens. Certain functional areas have been combined and separately disclosed in the segmented information. The segments and the services they provide are as follows:

General Government

General Government provides the administrative and legislative services that support the various sectors of the City. Functions include financial planning and reporting, economic development and legislative services.

Transportation and Transit

The Transportation department aims to provide enhanced access to public transit, safe pedestrian and cyclist routes, enable accessible transportation for people with limited mobility and maintain existing infrastructure. These goals are achieved through street design, traffic signals and signs, street lighting and road maintenance activities.

Health, Social Services and Housing

Health, Social Services and Housing encompasses a wide variety of City funded initiatives aimed at supporting the social structure and sustainability of the community. Included are cemetery operations, youth and family support services, seniors programs and homeless prevention initiatives.

Development Services

Development Services' focus is community planning, which includes land use guidelines, the management of City owned lands, heritage planning and development of the City's official community plan.

Protective Services

Protective Services is comprised of the North Vancouver RCMP detachment, the North Vancouver City Fire Department and bylaw enforcement. The North Vancouver RCMP detachment plays an integral role in the protection of North Vancouver residents and their property through crime prevention and detection, emergency response and victim services. The North Vancouver City Fire Department is responsible to provide fire suppression service, fire prevention services and fire safety education.

Parks, Recreation and Culture

Parks, Recreation and Culture provides access to recreation facilities, the operation and maintenance of the City's many parks and trails, the North Vancouver City Library and the City's participation in the North Vancouver Museum and Archives and the North Vancouver Office of Cultural Affairs.

The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
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12. SEGMENTED INFORMATION (con't)

Water Utilities

The Water Utility, in conjunction with Metro Vancouver, provides safe, clean, reliable water to the residents and businesses of the City of North Vancouver.

Sewer Utilities

The Sewer Utility collects waste water and transports it to trunk water mains and wastewater treatment plants operated by Metro Vancouver. In addition to the collection of wastewater, the Sewer Utility also manages the City's 150km storm sewerage system which diverts rainfall runoff from private property with an emphasis on flood prevention.

Solid Waste

The Solid Waste department provides curbside garbage, recycling and yard trimmings collection to the residents of the City of North Vancouver.

	Revenues	Expenses					Total	Annual Surplus(Deficit)
		Wages & Benefits	Goods & Supplies	Services	Depreciation	Capitalized		
General government	\$ 81,436	\$ 13,801	\$ 4,465	\$ 3,538	\$ 4,435	\$ (6,421)	\$ 19,818	\$ 61,618
Transportation and transit	2,294	2,773	1,207	5,853	3,029	(4,583)	8,279	(5,985)
Health, social services and housing	377	400	98	2,236	-	(49)	2,685	(2,308)
Development services	5,991	6,094	35	211	-	-	6,340	(349)
Protective services	1,621	18,675	815	7,346	664	(241)	27,259	(25,638)
Parks, recreation and culture	9,820	14,715	1,394	15,036	5,674	(6,609)	30,210	(20,390)
Water utilities	12,495	2,350	7,874	2,467	786	(3,513)	9,964	2,531
Sewer utilities	13,184	1,928	583	11,235	751	(4,899)	9,598	3,586
Solid waste	3,789	1,490	34	2,691	11	-	4,226	(437)
2019	<u>\$ 131,007</u>	<u>\$ 62,226</u>	<u>\$ 16,505</u>	<u>\$ 50,613</u>	<u>\$ 15,350</u>	<u>\$ (26,315)</u>	<u>\$ 118,379</u>	<u>\$ 12,628</u>
2018	<u>\$ 158,504</u>	<u>\$ 58,133</u>	<u>\$ 13,771</u>	<u>\$ 56,167</u>	<u>\$ 14,827</u>	<u>\$ (31,852)</u>	<u>\$ 111,046</u>	<u>\$ 47,458</u>

13. CONTRACTUAL RIGHTS

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. As at December 31, 2019 the significant contractual rights of the City consisted of developer contributions. These rights exist as the City has entered into a number of public works development agreements which require the developers to contribute various infrastructure assets to the City, including roads and underground utilities. The timing and extent of these future contributions vary depending on development activity and fair value of the assets received at time of contribution. The contributions will be recorded as revenue based on the fair value of the assets received at the time that the City assumes the risks and responsibilities related to the assets.

The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
Year ended December 31, 2019
(tabular amounts in thousands of dollars)

14. BUDGET FIGURES

The budget figures presented in these consolidated financial statements are based upon the financial plan approved by Council as the Financial Plan for the Years 2019 to 2028 Bylaw, 2019, No. 8703 April 8th, 2019. The table below reconciles the approved budget to the budget figures reported.

		Financial Plan Bylaw
Revenue per Statement of Operations		\$ 114,156
Less:		
Budget Adjustments for Consolidation	(144)	
Transfers from Reserve	(3,467)	
Interagency Funds	<u>(4,926)</u>	(8,537)
Revenue per financial plan bylaw 8637		<u>105,619</u>
Expenses per Statement of Operations		113,696
Add:		
Transfer to other funds		(5,314)
Less:		
Budget Adjustments for Consolidation	4,003	
Interagency payments	<u>(4,926)</u>	(923)
Expenses per financial plan bylaw 8637		<u>107,459</u>
Deficit for the year		(1,840)
Reserves and capital:		
Capital expenditures		(78,542)
Depreciation		15,100
Equity		(9,424)
Transfers from reserves		54,298
External contributions		<u>20,408</u>
Annual budgeted Surplus per financial plan bylaw		<u>\$ -</u>

**The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
Year ended December 31, 2019
(tabular amounts in thousands of dollars)**

15. COVID-19 IMPACT

Subsequent to year end, the impact of COVID-19 in Canada and on the global economy increased significantly. As the impacts of COVID-19 continue, there could be specific impact on the City, its citizens, employees, suppliers and other third party business associates that could impact the timing and amounts realized on the City's assets and future ability to deliver services and projects. At this time, the full potential impact of COVID-19 on the City is not known. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of disruption and the related financial impact cannot be reasonably estimated at this time. The City's ability to continue delivering non-essential services and employ related staff will depend on the legislative mandates from the various levels of government. The City will continue to focus on collecting receivables, managing expenditures, and, if necessary, leveraging existing reserves and available credit facilities. A revenue anticipation borrowing bylaw, 2020, No. 8749 was also authorized to borrow up to \$35M to ensure it is able to continue providing essential services to its citizens.

2019 Permissive Tax Exemptions

ORGANIZATION	PROPERTY ADDRESS	MUNICIPAL TAXES EXEMPT PORTION
Anavets Senior Citizens' Housing Society	245 3rd St. East	\$44,123
Army, Navy, and Air Force Veterans in Canada	119 East 3rd Street	\$20,809
The Auxillary to the Lions Gate Hospital	128 15th Street West	\$11,999
BC Photography and Media Arts Society	105 Carrie Cates Court	\$61,136
Canadian Mental Health Association	300-1835 Lonsdale Ave	\$5,314
The Cascadia Society for Social Working	325 West 19th Street	\$3,741
The Cascadia Society for Social Working	351 West 19th Street	\$3,257
The Cascadia Society for Social Working	348 West 19th Street	\$3,411
Community Living Society	317 & 319 East Keith Road	\$3,865
Community Living Society	1003-555 West 28th Street	\$1,215
City of North Vancouver (Pipe Shop)	115 Victory Ship Way	\$32,763
Family Services North Shore	1109-1117 Lonsdale Avenue	\$17,771
Fraternal Order of Eagles, Northwest Aerie 2638	170, 168, 166, 164, 162 West 3rd Street	\$14,274
Girl Guides of Canada	252 Esplanade W	\$59,720
Hollyburn Family Services Society	210 West 13th Street	\$6,095
HYAD Housing for Young Adults with Disabilities	2130 Chesterfield Avenue	\$2,693
Kiwanis North Shore Housing Society	170 West 2nd Street	\$46,691
Kiwanis North Shore Housing Society	1480 St. Andrews Avenue	\$3,243
Lighthouse Harbour Ministries	1 - 260 East Esplanade	\$4,892
The Lonsdale Creek Daycare Centre Society	230 West 21st Street	\$6,475
Lookout Housing & Health Society	705 West 2nd Street	\$17,843
Marineview Housing Society	1415 Chesterfield Ave	\$3,436
Marineview Housing Society	1053 Grand Blvd	\$4,311
Marineview Housing Society	1057 Cloverley Street	\$2,438
Navy League of Canada	1555 Forbes Ave	\$15,906
North Shore Connexions Society	1924 Jones Avenue	\$2,514
The North Shore Disability Resource Centre Association	2412 Wilding Way	\$2,699
North Shore Multicultural Society	123 East 15th Street - Various Units	\$54,439
North Shore Neighbourhood House	113 East 3rd Street	\$31,147
North Shore Neighbourhood House (Centre View Childcare)	143 East 14th Street	\$2,834
North Shore Neighbourhood House (Community Garden)	207 East 2nd Street	\$3,651
North Vancouver Chamber of Commerce	102-124 West 1st Street	\$6,878
North Vancouver Lawn Bowling Club	2160 Lonsdale Avenue	\$539,655
North Vancouver Masonic Temple	1140 - 1144 Lonsdale Avenue	\$9,209
Presentation House Cultural Society	333 Chesterfield Avenue	\$76,176
North Vancouver Royal Canadian Legion, Branch 118	121/123 West 15th Street	\$17,329
Silver Harbour Centre	144 East 22nd Street	\$85,922
St. Edmund's Parish	613 Mahon Avenue	\$5,592
St Leonard's Society of North Vancouver	312 Bewicke Avenue	\$2,380
Vancouver Coastal Health Authority- Magnolia House	720 East 17th Street	\$2,741
Vancouver Coastal Health Authority- Margaret Fulton Centre	1601 Forbes Avenue	\$22,531
Young Women's Christian Association	125 East 14th Street	\$2,070
Assembly of Christians (Gospel Hall)	133 East 4th Street	\$3,832
North Shore Bethel Christian Mennonite Brethern Church	185 East Keith Road	\$2,794
Holy Trinity Catholic Church	2705 Lonsdale Avenue	\$3,483
North Shore Alliance Church	201 East 23rd Street	\$19,133
King's Temple Missionary Society (North Shore Christian Centre)	1400 Sutherland Avenue	\$1,890
Parish of St. Agnes Anglican Church	530 East 12th Street	\$716
Parish of St. John The Evangelist Anglican Church	209 West 13th Street	\$16,065
Salvation Army North Vancouver Community Church	105 West 12th Street	\$11,685
St. Andrew's & St. Stephen's Presbyterian Church	2641 Chesterfield Avenue	\$4,600
St. Andrew's United Church	1044 St. Georges Avenue	\$2,889
Sutherland Church	630 East 19th Street	\$4,168
Total		\$1,336,443

Declaration of Council Disqualifications

No Councillors were disqualified from holding office in 2019 under the provisions set out in the Community Charter.





city
of north
vancouver

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