

CITY OF NORTH VANCOUVER 2021 ANNUAL MUNICIPAL REPORT



city
of north
vancouver





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A MESSAGE FROM OUR MAYOR



Mayor, Linda Buchanan

Cities are about the people. That’s why the people who live, work, and play in our community are at the heart of our decision-making.

I am proud that the City has always been a place that anyone can call home. We are delivering new child care spaces, a range of new housing options, park enhancements, and more that will make our community a people-friendly place.

2021 was another busy year and much was accomplished to advance us as an inclusive, vibrant, prosperous, connected, sustainable, and healthy community for all.

When people think of the City they imagine the SeaBus, the Quay and now, the Shipyards. Over the past year, there was not a single day where this space wasn’t animated and lively. We’re happy to welcome markets, concerts, festivals, art installations, the return of ice skating, the summer splash park, and more. There is truly something for everyone at our waterfront. Lower Lonsdale has become our arts and culture precinct in the City as we also celebrated the opening of the new North Vancouver Museum.

The City made history in 2021 by launching the first-ever electric bike share program in B.C. Expanding transportation options has long been a priority for the City as it will enhance the movement of all goods and people. The City, in partnership with other municipalities and First Nations governments, launched North Shore Connects to advance Burrard Inlet Rapid Transit as well as other key upgrades to the transportation network. We’ve also invested in new mobility lanes, expanded our sidewalk network, and completed key safety upgrades for all road users.

In 2021 we eased the process of doing business in the City by launching Gateway, a client service centre that makes it easy to access information and services related to licences, planning and permits. Further, we’ve renewed the Lower Lonsdale Business Improvement Area for another eight years and grew the Lower Lonsdale Brewery District. We are working hard to ensure that the City is supporting local business and is the clear choice for future investment.

Extreme weather events of the past year have made it clear climate change is a problem we cannot ignore. That’s why the City has expanded our urban tree canopy and supported energy-efficient home retrofits. We are committed to making the City a liveable and sustainable community for generations.

There is much more I could highlight. Our success is thanks to those who work tirelessly each and every day to make the City an even better place. This includes staff, volunteers, businesses, community groups, and government partners. This Annual Report details our work over the past year and I hope you join me in celebrating our progress.

Sincerely,

Linda Buchanan, Mayor

A MESSAGE FROM OUR CAO



CAO, Leanne McCarthy

The City's Annual Report gives us a chance each year to reflect and report on our progress. As one of Metro Vancouver's most sustainable municipalities, our team is committed to supporting our vision of being the Healthiest City in the World. We strive to meet that vision every day with innovative, creative and strategic solutions and initiatives.

One of our most exciting projects in 2021 was planning for the construction of the City's largest-ever infrastructure project – the new Harry Jerome Community Recreation Centre. Now underway, the project will include an array of amenities that will deliver exceptional experiences, services and programs to all community members. To reduce community impact, we've planned for continuous services in existing buildings until we can welcome residents and visitors to the new facility, anticipated in 2025.

We also continued the strategic transformation of the City's Waterfront area, which has become a great source of pride in our community. The foot of Lonsdale is now complete and offers inviting public spaces, integration of the North Shore Spirit Trail, and improved pedestrian, cycling and road access. Our award-winning Shipyards is now an interactive, year-round tourist destination offering scenic views, an outdoor skating rink in the winter, a splash park in the summer, and event space supported by surrounding businesses and public amenities.

A number of our 2021 projects supported health and well-being in our community. For example, during the height of the pandemic, we addressed challenges faced by local businesses and encouraged community connection.

We also launched our first e-bike share system, celebrated the opening of the new Museum of North Vancouver, and continued to deliver unique community-centred programs such as PLAY CNV, a place-making program that encourages social connection through the creative use of parks, squares, streets and plazas.

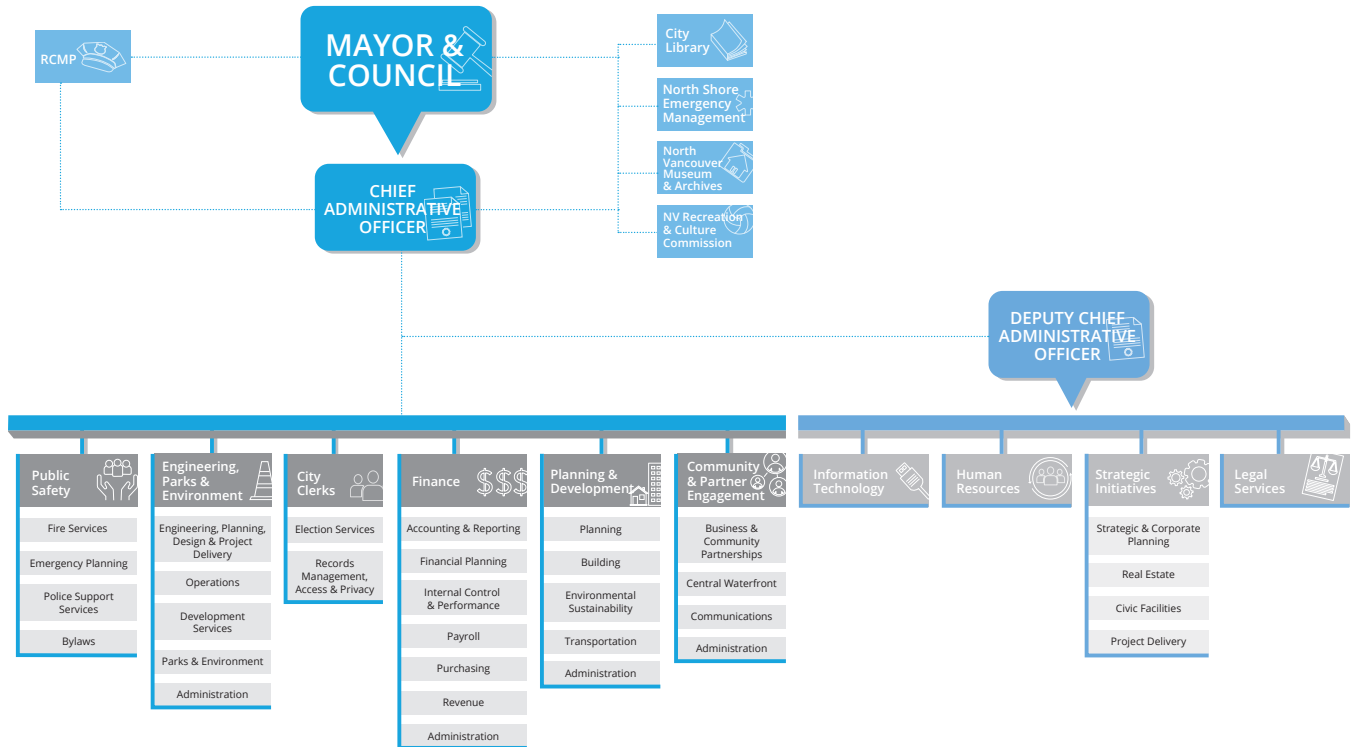
At the same time, the City continued to deliver critical public infrastructure projects including the Esplanade Complete Street project, the All Ages & Abilities Mobility bike network, and the Marine Drive RapidBus service. Substantial progress was also made on our Housing Action Plan.

The City of North Vancouver owes its success to the hard work of our staff and Council members. We're proud of the way our team responded throughout the pandemic by being flexible and responsive to adjusting how we work and deliver services to our community. Looking ahead, we'll continue to deliver on the City's priorities and the exciting future that lies ahead for our community.

A handwritten signature in black ink that reads "L. McCarthy". The signature is fluid and cursive.

Leanne McCarthy, Chief Administrative Officer

CITY ORGANIZATIONAL CHART





Council members (left to right): Councillor Tony Valente, Mayor Linda Buchanan, Councillor Tina Hu, Councillor Jessica McIlroy, Councillor Holly Back, Councillor Angela Girard, Councillor Don Bell.

CITY COUNCIL

The City of North Vancouver Council is comprised of a mayor and six councillors. The current Council members were elected on October 18, 2018 to serve for a four-year term. The next General Local Election will take place in October 2022.

Council's main responsibilities include establishing policies, bylaws, and strategic priorities that benefit the city, and prioritizing the establishment of programs and services that are fiscally responsible and maximize overall value for community members.

The day-to-day administration and operation of the City is delegated to the City Chief Administrative Officer and City staff.



COUNCILS' STRATEGIC PLAN

Council's Vision is to be "The Healthiest Small City in the World" and they've identified five key priorities to support this vision and guide their work:

A CITY FOR PEOPLE is



welcoming, inclusive, safe, accessible and supports the health and well-being of all.

A LIVEABLE CITY leads the way



in climate action and acts as a steward of the environment for future generations.

A PROSPEROUS CITY



supports a diverse economy by creating an environment where new and existing businesses can grow and thrive.

A CONNECTED CITY



provides active and sustainable ways for people and goods to move to, from and within the City safely and efficiently.

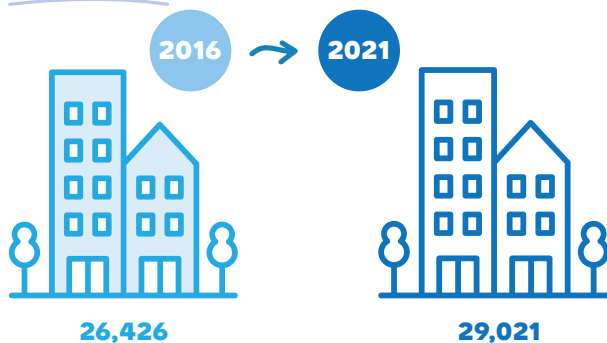
A VIBRANT CITY is



where dynamic public spaces and places provide opportunities for connection and enable residents to engage with their community and celebrate their culture and history.

DID YOU KNOW?

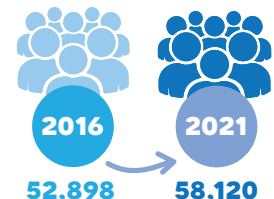
PRIVATE DWELLINGS



The number of private dwellings in the City increased by **2,595 or 9.8%** from 2016 to 2021.

POPULATION

The City's population grew by **5,222 people or 9.9%** from 2016 to 2021.



POPULATION GROWTH

The North Shore grew by **5.2%** with the City having the largest share of population growth

Metro Vancouver's population grew slightly slower than the provincial average





CNV CORPORATE BUSINESS PLAN

2021 CORPORATE BUSINESS PLAN OUTCOMES

Each year the City tracks priority corporate outcomes and initiatives as part of the Corporate Business Plan process.

A SAFE & SECURE COMMUNITY

We provide a safe and secure community where homes and business are well protected, personal information is secured and the City is prepared to respond to and recover from emergencies and disasters.

- Complete a Fire Services Master Plan
- Collaborate with NSEM and the other North Shore communities to renew the North Shore Emergency Management Strategy

A HEALTHY & WELCOMING COMMUNITY

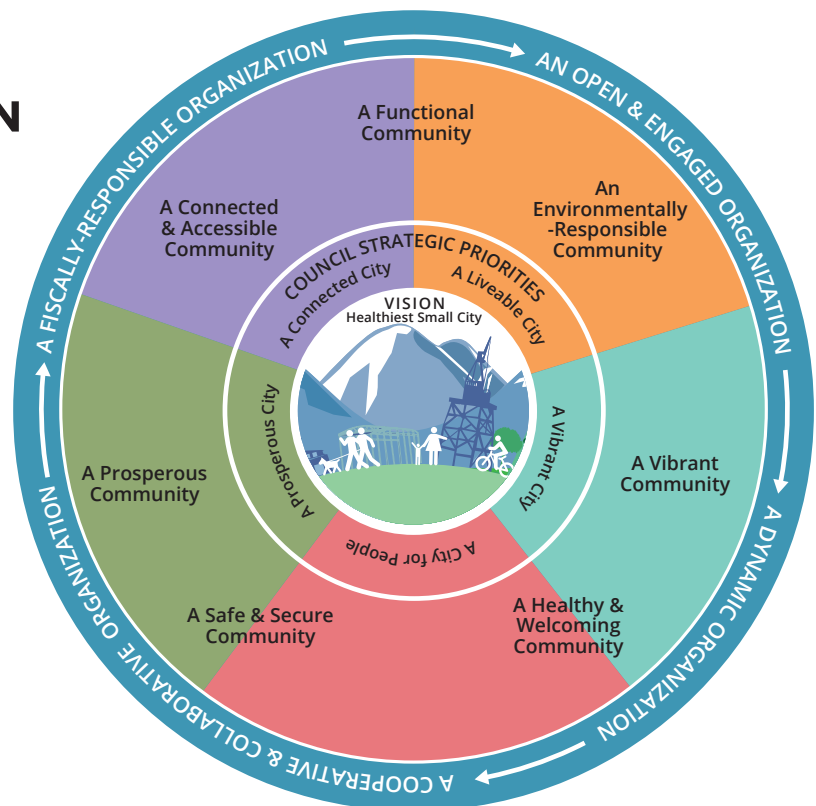
We provide an inclusive environment where diversity is respected and celebrated, and community members are supported and connected.

- Commence Phase 2 of the Community Recreation Strategy
- Advance the Harry Jerome Community Recreation Centre Redevelopment
- Participate in the North Shore Homelessness Action Project

A CONNECTED & ACCESSIBLE COMMUNITY

We build and maintain roads, streets, sidewalks and pathways that are well-connected and integrated to enable the safe and efficient movement of people and goods by a variety of modes throughout the City and beyond.

- Continue to expand active transportation in the City
- Launch the E-bike share pilot program
- Complete Economic Impact Assessment for Burrard Inlet Rapid Transit





A FUNCTIONAL COMMUNITY

We provide plans, policies, bylaws and the organizational capacity to protect and enhance the look, feel and utility of the community.

- Complete the Community Well-Being, Mobility and Environment Strategies
- Initiate development process review including targeted bylaw changes
- Update transportation requirements for new development

A VIBRANT COMMUNITY

We create public spaces that are vibrant and exciting, and give people the opportunity to gather, grow and connect through positive experiences.

- Support the opening of the new Museum of North Vancouver
- Expand and improve the Open Streets Initiative and Place-Making Activations
- Initiate the Waterfront Park Master Plan

AN ENVIRONMENTALLY RESPONSIBLE COMMUNITY

We protect our environmental assets, address climate change through policies and action, and steadily reduce the impact of municipal operations on the natural environment.

- Collaborate on a plan to migrate Lonsdale Energy Corporation to renewable energy sources
- Expedite the implementation of the Electric Vehicle Strategy
- Support and promote the Park Stewards Program
- Update the Green Building Policy for Civic facilities

A PROSPEROUS COMMUNITY

We encourage a prosperous and thriving economy by attracting new business and supporting existing businesses.

- Review and update the City's Economic (Investment) Strategy
- Support and participate in economic partnerships in the region

A FISCALLY RESPONSIBLE ORGANIZATION

We are a leader in promoting transparent fiscal sustainability and accountability.

- Implement a new Asset Management Strategy
- Review the City's Long-Term Property Tax Strategy
- Improve the integration of the City's business and financial planning processes



AN OPEN & ENGAGED ORGANIZATION

We are actively and consistently engaging our residents and stakeholders using a variety of platforms on City projects, programs, services and infrastructure.

- Implement a public engagement framework for all programs and projects
- Explore new initiatives for public input related to Council meetings

A COOPERATIVE & COLLABORATIVE ORGANIZATION

We work with a wide range of partners to continually improve the delivery of programs, services and infrastructure within the City.

- Support Metro Vancouver Board's regional management and action plans
- Support the NXSTPP Steering Committee and implement 2021 priorities
- Support the implementation of the RCMP, NSEM, NVCL and NVRC Strategic and Corporate Plans
- Strengthen relationships with local Indigenous communities and our urban Indigenous population

A DYNAMIC ORGANIZATION

We are recognized as a top, innovative employer where there is a well-established culture of learning and continuous improvement.

- Review and update City's Human Resources Policies and Strategies
- Expand online City services including CityServe, CityFix and CityView
- Review and update City's Training, Education and Development Programion

An update on 2021 Outcomes was provided in a report to Council on March 8, 2022. Visit cnv.org/BusinessPlan2021Outcomes

2021 AWARDS

The City is consistently recognized for demonstrating our innovation and leadership in the areas of sustainability, climate action and planning excellence.

Climate and Energy Action Award – Climate Adaptation - North Shore Sea Level Rise Risk Assessment and Adaptive Management Strategy (with municipal and partner agencies and Squamish First Nation) | *Community Energy Association*

Award for Excellence in Policy Planning (Silver) – Safe Mobility Strategy | *Planning Institute of British Columbia*

Community Project Award – The Shipyards | *British Columbia Economic Development Association*

Excellence on the Waterfront Awards – Top Honours - The Shipyards | *The Waterfront Center*

Ecclesiastical Insurance Cornerstone Award – Transformative Projects - The Shipyards | *National Trust for Canada*

2021 GRANTS

The City applies for grants to support a variety of programs and services that benefit the community and take the financial burden off of taxpayers.

GRANT PROJECT	AMOUNT	FROM
2021 Traffic Signal Safety Upgrades	\$35,000.00	ICBC
2021 – Traffic Calming Implementation	\$20,000.00	ICBC
2021 – New Traffic Signal Construction: Moody at 3rd St	\$50,000.00	ICBC
2021 – St Andrews Safety Upgrades	\$20,000.00	ICBC
2021 – UPS Upgrades at 13 Traffic Signals	\$32,500.00	ICBC
W1st St Mobility Corridor	\$35,000.00	ICBC
Transit Corridor Traffic Signal Detection Upgrades	\$32,880.00	Translink
Esplanade Complete Street	\$476,000.00	Translink
Esplanade Complete Street	\$235,000.00	Translink
Esplanade Complete Street	\$600,000.00	Translink
Esplanade Complete Street	\$84,000.00	Translink
Esplanade Complete Street	\$400,000.00	Translink
2021 – E Grand Blvd & E 13th St – Installation of new wheelchair loading pad	\$2,500.00	Translink (Coast Mountain Bus Company)
2021 – E Grand Blvd & E 15th St – Installation of new wheelchair loading pad	\$2,500.00	Translink (Coast Mountain Bus Company)
Fuel Management Prescriptions, Treatment and Training	\$50,000.00	UBCM – Comm. Resiliency Investment Prog. 2021
Service delivery focused grant for homeless population (Lead applicant – partnered with North Shore municipalities)	\$1,900,000.00	UBCM
Improving Permits Processing	\$470,000.00	UBCM



CNV CORPORATE BUSINESS PLAN

2022 CORPORATE BUSINESS PLAN INITIATIVES



A Safe & Secure Community

We provide a safe and secure community where homes and business are well protected, personal information is secured and the City is prepared to respond to and recover from emergencies and disasters.

- Implement the Community Wildfire Protection Plan
- Implement NVCFD Service Priority Plan outcomes
- Establish Joint Rescue Task Force with RCMP and DNV Fire



A Healthy & Welcoming Community

We provide an inclusive environment where diversity is respected and celebrated, and community members are supported and connected.

- Advance the development of the overall Harry Jerome program
- Deliver a North Shore Poverty Reduction Strategy
- Support expanded child care options
- Complete the Community Wellbeing Strategy



A Connected & Accessible Community

We build and maintain roads, streets, sidewalks and pathways that are well-connected and integrated to enable the safe and efficient movement of people and goods by a variety of modes throughout the City and beyond.

- Complete the construction of the Esplanade Complete Street project
- Complete public engagement and design of the Upper Levels Greenway
- Improve the comfort and safety of all roadway users in priority locations throughout the City
- Complete the Mobility Strategy



A Functional Community

We provide plans, policies, bylaws and the organizational capacity to protect and enhance the look, feel and utility of the community.

- Facilitate the 2022 General Local Election
- Continue to update transportation and mobility requirements for new developments
- Complete development process review including targeted bylaw change
- Advance policy actions to support and deliver affordable housing and community amenities

CITY DEPARTMENTS (LEAD)

- Chief Administrative Officer
- Engineering, Parks & Environment
- Planning & Development
- Clerks
- Finance
- Strategy & Corporate Services
- Community & Partner Engagement
- Fire



A Vibrant Community

We create public spaces that are vibrant and exciting, and give people the opportunity to gather, grow and connect through positive experiences.

- Refine the Open Streets initiative and place-making activations
- Support the North Shore Neighbourhood House Hub partners to deliver health services and non-profit housing
- Implement new park recreation shelters
- Complete Phase 1 of the Dog Strategy



An Environmentally-Responsible Community

We protect our environmental assets, address climate change through policies and action, and steadily reduce the impact of municipal operations on the natural environment.

- Support and expand the City's urban forest canopy
- Continue actions to reduce the City's carbon footprint
- Foster community-based environmental stewardship
- Complete the Environment & Climate Strategy



A Prosperous Community

We encourage a prosperous and thriving economy by attracting new business and supporting existing businesses.

- Complete and implement the City's Economic Strategy
- Support and participate in economic partnerships in the region
- Advance the Shipyards vision and plan

CITY DEPARTMENTS (LEAD)

- Chief Administrative Officer
- Clerks
- Community & Partner Engagement
- Engineering, Parks & Environment
- Finance
- Fire
- Planning & Development
- Strategy & Corporate Services



A Fiscally-Responsible Organization

We are a leader in promoting transparent fiscal sustainability and accountability.

- Advance development of a new financial framework
- Establish team to provide Business Partnership support to the organization
- Implement Asset Management Strategy



An Open & Engaged Organization

We are actively and consistently engaging our residents and stakeholders using a variety of platforms on City projects, programs, services and infrastructure.

- Implement a public engagement framework for all programs and projects
- Continue the modernization of development applications



A Cooperative & Collaborative Organization

We work with a wide range of partners to continually improve the delivery of programs, services and infrastructure within the City.

- Support the North Shore Connects Steering Committee and implement priorities
- Expand the work of the CNV Public Safety Committee
- Collaborate on the North Shore Homelessness Action Initiative
- Strengthen relationships with local Indigenous communities and urban Indigenous population



A Dynamic Organization

We are recognized as a top, innovative employer where there is a well-established culture of learning and continuous improvement.

- Expand online City services including CityServe, CityFix and parking permits
- Expand the Gateway desk towards a City-wide client service model
- Develop an Equity, Diversity & Inclusion Framework





DEPARTMENTAL OVERVIEWS

OFFICES OF THE CAO, CITY CLERK'S AND MAYOR

The Chief Administrative Officer (CAO) is appointed by and reports to City Council, and oversees the overall administration of the City and ensures the strategic direction for the City's short and long-term corporate objectives are achieved. The CAO executes the policy decisions of City Council, leads senior staff and ensures all departments adhere to the highest standards of service and accountability.

KEY RESPONSIBILITIES

- The Mayor's Office provides administrative, communications and research support to the Mayor
- The City Clerk's office prepares Council and Committee meeting agendas and minutes, administers City bylaws, interprets legislation, administers local elections and manages corporate records, coordinates Committees of Council and protects privacy and access for information requests



OFFICE OF THE DEPUTY CAO/STRATEGIC & CORPORATE SERVICES

The Office of the Deputy CAO/Strategic & Corporate Services Department creates and maintains critical support services for the organization, and delivers vibrant public facilities.

KEY RESPONSIBILITIES

- Lead large scale public development projects
- Provide a complete range of real estate and facilities management services for City-owned and City-leased properties and building assets
- Provide legal advice to Council, staff and prepare legal agreements
- Provide progressive, client-focused Human Resources services



- Support Council and Corporation with strategic and business planning services
- Deliver customer-focused technology services for solutions

DIVISIONS

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

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 to provide vibrant, animated community spaces, ways for the community to connect and engage and excellent customer service.

KEY RESPONSIBILITIES

- Communications and Public Engagement
- Economic Development and Tourism
- Film and Special Events
- Business Licensing and Compliance
- Shipyards Skate Plaza and Splash Park
- Shipyards/Waterfront Programming
- Community partnerships
- Youth and Family Community Development
- Place-making and Public Realm Activation



DIVISIONS

- Communications and Engagement
- Economic Development and Business Services
- Shipyards and Waterfront
- Administration





ENGINEERING, PARKS AND ENVIRONMENT

The Engineering, Parks and Environment Department provides and maintains essential municipal services, public spaces and infrastructure.

KEY RESPONSIBILITIES

- Planning, design, implementation, operation and maintenance of the transportation network, water distribution, stormwater, sewage systems and the collection of garbage and green waste.
- Community stewardship and environmental programs to enhance our natural assets.
- Development and maintenance of parks, trails and greenways and landscaping within the public realm.
- Engineering servicing related to new development in the City including processing of subdivision applications and regulating City right of way use and access.

DIVISIONS

- Engineering Planning and Design
- Public Realm Infrastructure and Project Delivery
- Operations
- Development Services
- Parks and Environment
- Administration



FINANCE

The Finance Department provides financial information, advice and direction to Council, City departments and agencies, as well as the general public.

KEY RESPONSIBILITIES

- Accounting and Reporting
- Financial Planning
- Taxation
- Internal Control and Performance
- Payroll Administration
- Investments and Purchasing



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



PUBLIC SAFETY

FIRE DEPARTMENT

The North Vancouver City Fire Department (NVCFD) is committed to protecting life, property, and the environment and works to ensure the safety of all who live and work in the community through emergency response and public education and outreach.

KEY RESPONSIBILITIES

- Administration
- Operations and Support
- Fire Prevention and Public Education
- Emergency Management and Planning
- Public Safety and Community Service



RCMP

The North Vancouver RCMP serves and protects citizens of the City.

KEY RESPONSIBILITIES

- Municipal Traffic Enforcement
- Investigative Services
- Crime Reduction and Prevention
- Community Policing
- Youth Intervention
- Mental Health Integrated Outreach Team
- Integrated First Nations Unit



BYLAW SERVICES

Bylaw Services is responsible for the enforcement and education of the City's bylaws and conflict resolution.

KEY RESPONSIBILITIES

- Educate the community about bylaws
- Enforce fairly and consistently
- Resolve any conflicts in a collaborative way



North Vancouver City Library

NORTH VANCOUVER CITY LIBRARY

The Library supports lifelong learning and community development with free and equitable access to information and ideas.

KEY RESPONSIBILITIES

- Programming and resources to support literacy development and lifelong learning
- Robust physical and digital collections
- Access to technology, public technology support and digital literacy
- Provision of spaces for study, collaboration, creation and discovery





NORTH VANCOUVER RECREATION AND CULTURE COMMISSION

The Recreation & Culture Commission is an entity established through a partnership between the City of North Vancouver and the District of North Vancouver. Its mission is to improve the health and well-being of all North Vancouver individuals, families and communities, and inspire residents through quality recreation and arts opportunities.

KEY RESPONSIBILITIES

- Plan and deliver engaging, welcoming and inclusive community recreation and arts services, programs and events
- Reduce barriers for participation, and develop and promote opportunities to reach underserved populations
- Operate and maintain community recreation, culture and sport facilities, plan for future facility needs and make recommendations to the applicable municipality
- Manage public art programs
- Administer, adjudicate and allocate funds through community arts grants program and sport and recreation grant programs
- Handle rentals of community recreation and culture facilities, athletic fields, parks and plazas
- Collaborate with and support arts and culture, recreation, sport and community organizations



NORTH VANCOUVER MUSEUM AND ARCHIVES COMMISSION

MONOVA (Museum of North Vancouver) oversees the City's cultural, archival and museum collections.

KEY RESPONSIBILITIES

- MONOVA operates both the museum at The Shipyards and the Archives of North Vancouver located in Lynn Valley
- Manage and preserve artifacts and records of municipal, historical and cultural significance to the community
- Develop and deliver engaging and compelling interpretative educational programs and exhibits
- Work with the local community to identify, document and preserve local history and bring it to life







The Corporation of the
CITY OF NORTH VANCOUVER
**CONSOLIDATED
FINANCIAL STATEMENTS**

For year ending December, 2021



LETTER OF TRANSMITTAL



FINANCE DEPARTMENT
CITY OF NORTH VANCOUVER T 604 983 7319
141 WEST 14TH STREET F 604 985 1573
NORTH VANCOUVER FINANCE@CNV.ORG
BC / CANADA / V7M 1H9 CNV.ORG

May 3, 2022

Mayor and Council
The City of North Vancouver

Your Worship and Members of Council,

I am pleased to submit the City of North Vancouver's Annual Municipal Report for the year ended December 31, 2021, as required by Section 98 of the Community Charter. The purpose of the report is to provide readers with a clear understanding of the operations and financial position of the Corporation of the City of North Vancouver ("the City"). The report includes the City's annual audited financial statements, a listing of permissive tax exemptions, reporting respecting municipal services and operations, and other supplementary information for the organization.

The City is a member of the Metro Vancouver Regional District. Metro Vancouver is the main political forum for regional issues, regional planning and the provision of regional scale core services. Metro Vancouver provides potable water, liquid waste treatment and solid waste transfer services to the City.

The City has agreements with the District of North Vancouver for the operation of the North Vancouver Recreation Commission and the North Vancouver Museum & Archives as well as a cost sharing agreement for the North Vancouver RCMP detachment. The City's proportionate shares of these services are included in the City's consolidated financial statements.

The City's consolidated financial statements for the year ended December 31, 2021 were prepared by staff in accordance with Public Sector Accounting Standards as prescribed by the Public Sector Account Board ("PSAB") and were audited by BDO Canada, the City's appointed auditors.

Financial Overview

1. Consolidated Statement of Financial Position

This statement reports the City's financial assets, non-financial assets and liabilities. The difference between these financial assets and liabilities is the City's net financial assets. The City's net financial assets at the end of 2021 are \$169.7M an increase of \$1.6 million from 2020. This figure provides an indicator of the City's strong financial flexibility.

LETTER OF TRANSMITTAL

The difference between the City's total assets and the liabilities is its accumulated surplus, which provides an indicator of the resources available for future use. The majority of this number is made up of equity in capital assets and does not represent a source of funding for future operations. Accumulated surplus at the end of 2021 is significant, at \$633.1M.

Financial Assets

Financial assets decreased \$15.2M in 2021 as they were needed to support the City's capital plan.

Liabilities

Overall liabilities decreased by \$16.8M in 2021, driven by changes in accounts payable and accrued liabilities. School Tax remittance dates returned to normal in 2021 after being delayed in 2020 due to COVID. By making the School Tax remittance earlier in 2021 than 2020, the City's year-end liabilities have been reduced.

Non-financial Assets

Non-financial assets are comprised of the net-book value of tangible capital assets, inventories and prepaid expenses. In 2021 non-financial assets increased by \$15.2M, primarily due to the City's capital spending program.

2. Consolidated Statement of Operations

This statement reports the changes in economic resources and accumulated surplus compared to budget and prior year. Annual revenues exceeded annual expenses for the year resulting in a modest annual surplus of \$16.8M, increasing the accumulated surplus to \$633.1M.

Revenue

Compared to 2020

Revenues were less than 2020 by \$15.4M primarily due to \$5.4M in one-time revenues received in 2020 for the Provincial Safe Restart Grant; and \$13.8M less developer delivered tangible capital assets, the receipt of which fluctuates as large projects are completed.

Compared to Budget

Revenues exceeded budget by \$19.0M. Grants realized by the City were \$5.1M greater than plan as the City continues to see success in its pursuit of funding from other governments and agencies where interests align. Developer contributions and other transfers, an area where the City is very prudent in its financial planning, was also over budget by \$7.9M.

Expenses

Compared to 2020

Consolidated expenses includes the purchase of goods and services, costs for labour, and the annual costs recognized for the use of tangible capital assets (depreciation). Expenses in 2021 exceed expenses in 2020 by \$8.8M, however, they are consistent with a normalized expense

LETTER OF TRANSMITTAL

pattern. 2020 expenses were lower than typical due to COVID-19 related spending restrictions that were implemented in response to the uncertainty associated with the pandemic.

Compared to Budget

The consolidated expenses for 2021 are consistent with budgeted expenses.

3. Consolidated Statement of Change in Net Financial Assets

This statement is a measure of whether the revenues raised were sufficient to cover spending for the year. The statement begins with the annual surplus from the consolidated statement of operations and adjusts for transactions relating to the acquisition of tangible capital assets and non-cash transactions such as depreciation, as well as the acquisition and use of inventories and prepaid expenses.

The City's net financial assets increased by modestly in 2021, by \$1.6M.

4. Consolidated Statement of Cash Flows

This statement identifies where cash came from, shows how cash was used, and provides details on changes in cash and cash equivalents since the last reporting period. The statement reports cash flows classified as operating transactions, capital transactions, investing transactions and financing transactions.

Overall, the City's cash position decreased by \$42.1M in 2021, from \$116.7M to \$74.6M. Cash was primarily used to finance the City's capital investment program (\$32.5M) and was needed to make School Tax remittances earlier than in 2020 and according to previously normal timelines.

Financial Planning Process

The City's financial planning process is comprised of several components:

- General Operating Budget
- Capital Plan
- Water, Sewerage & Drainage and Solid Waste Utility Budgets
- Cemetery Operating Budget

The City's Financial Plans are a reflection of the policies of the City, and the work plans of all City departments. These Plans are consistent with the requirements of the Community Charter, support several of the objectives of the City's 2014 Official Community Plan, and was prepared with consideration of the 2018-2022 Council Strategic Plan and the City's Corporate Business Plan.

Conclusion

The financial results for 2021 continue to reflect Council and staff's commitment to sound financial management and provide ongoing support of Council's Objectives. These results also reflect Community Charter requirements to manage within a balanced budget framework.

LETTER OF TRANSMITTAL

The City's favourable financial position is based on a commitment to these goals, and reflects each department's cooperation and participation in financial management.

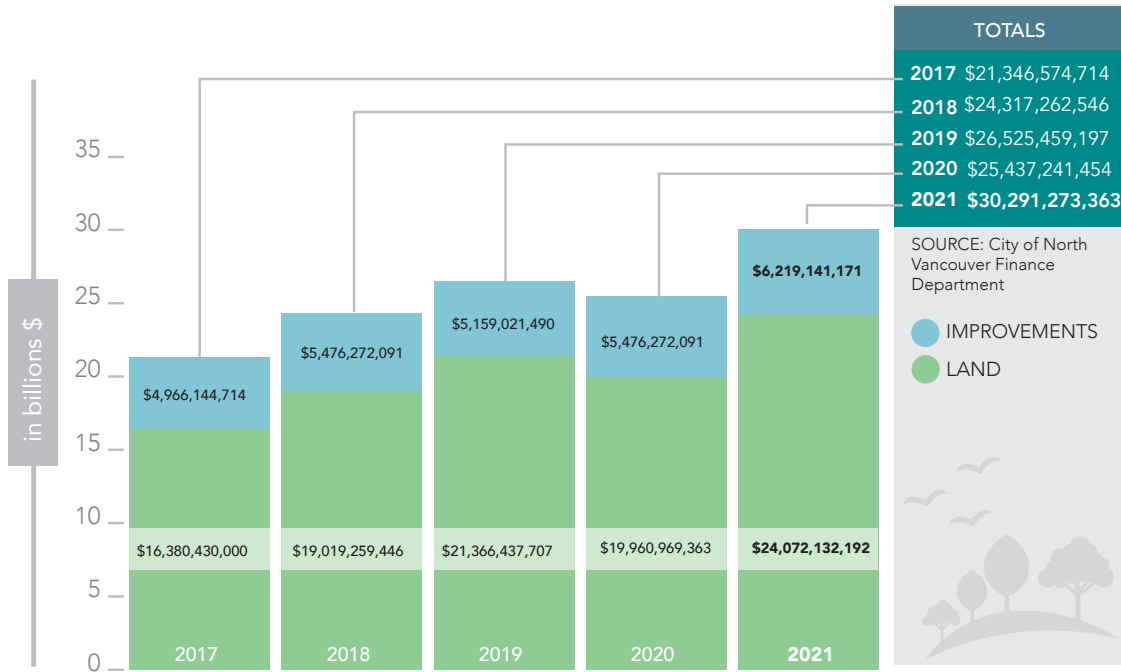
Sincerely,

A handwritten signature in black ink, appearing to read 'Larry Sawrenko', with a stylized flourish at the end.

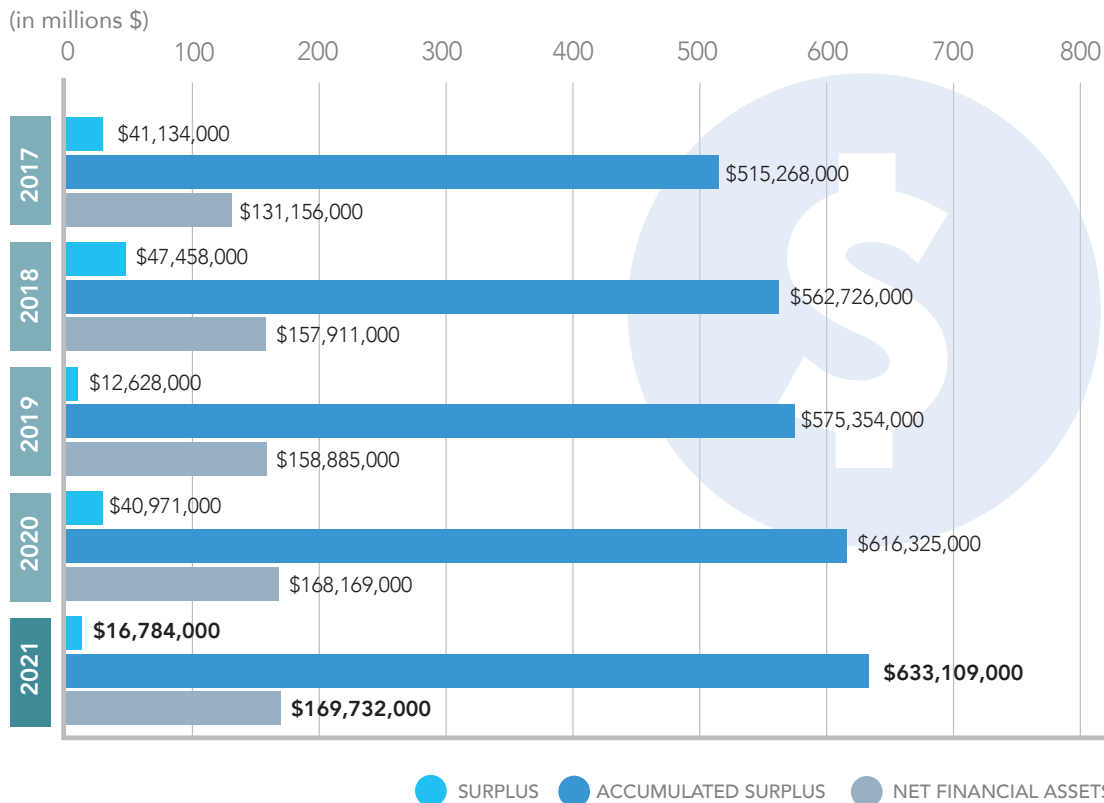
Larry Sawrenko
Chief Financial Officer



Assessed Values – General Taxable Values



Surplus, Accumulated Surplus and Net Financial Assets



Taxes, Major Levies and Other Government Collections

	2017	2018	2019	2020	2021
PROPERTY TAX	\$56,218,000	\$58,775,000	\$62,521,000	\$65,928,000	\$69,056,000
WATER UTILITY FEES	\$10,922,000	\$10,845,000	\$11,694,000	\$11,495,000	\$12,804,000
SEWER UTILITY FEES	\$7,318,000	\$8,260,000	\$9,232,000	\$9,668,000	\$10,790,000
SOLID WASTE UTILITY FEES	\$3,648,000	\$3,331,000	\$2,946,000	\$2,185,000	\$1,787,000
COLLECTIONS FOR OTHER GOVERNMENTS	\$44,904,000	\$47,229,000	\$51,453,000	\$41,380,000	\$55,968,000







SOURCE: City of North Vancouver Finance Department

Revenues by Source

	2017	2018	2019	2020	2021
PROPERTY VALUE TAX	\$56,218,000	\$58,775,000	\$62,521,000	\$65,928,000	\$69,056,000
PARCEL TAXES	\$2,811,000	\$2,940,000	\$3,204,000	\$3,571,000	\$3,814,000
LICENSES + PERMITS	\$5,797,000	\$6,493,000	\$4,856,000	\$4,949,000	\$6,441,000
FINES + FEES	\$5,102,000	\$6,418,000	\$5,157,000	\$4,799,000	\$4,678,000
RENT	\$2,100,000	\$2,213,000	\$2,191,000	\$1,874,000	\$3,368,000
INTEREST, DIVIDENDS + PENALTIES	\$5,315,000	\$5,924,000	\$6,477,000	\$6,059,000	\$5,589,000
SALES OF SERVICES	\$26,996,000	\$27,767,000	\$29,896,000	\$26,331,000	\$29,672,000
REBATE + RECOVERIES	\$118,000	\$62,000	\$58,000	\$638,000	\$185,000
GRANTS + OTHER	\$9,261,000	\$10,850,000	\$11,276,000	\$19,430,000	\$12,729,000
DEVELOPER CONTRIBUTIONS + OTHER TRANSFERS	\$28,692,000	\$34,856,000	\$5,203,000	\$25,063,000	\$8,200,000
LOSS ON DISPOSITION OF ASSETS	\$3,304,000	\$1,626,000	(\$427,000)	(823,000)	(\$714,000)
LONSDALE ENERGY CORPORATION INCOME	\$800,000	\$580,000	\$595,000	\$1,238,000	\$666,000
TOTAL	\$146,514,000	\$158,504,000	\$131,007,000	\$159,057,000	\$143,684,000

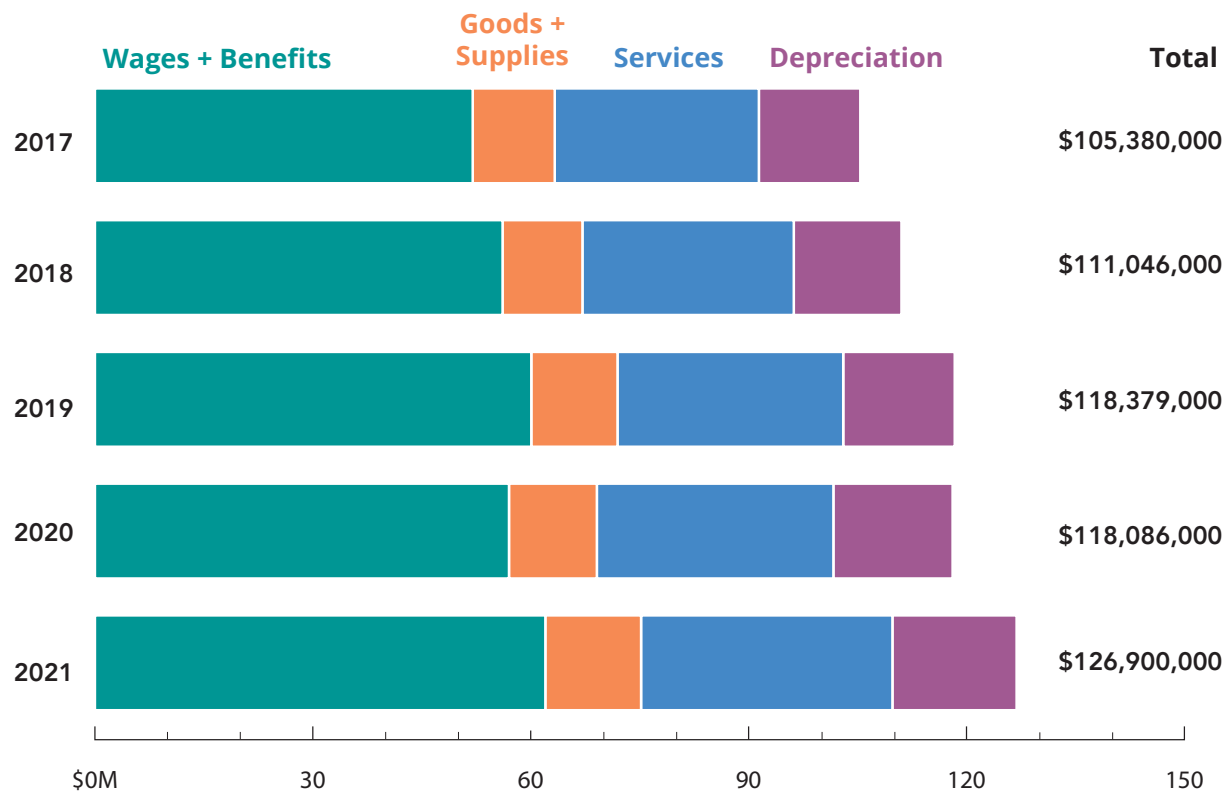
SOURCE: City of North Vancouver Finance Department

Capital Expense by Function

	2017	2018	2019	2020	2021
 GENERAL GOVERNMENT	\$9,862,000	\$8,184,000	\$6,421,000	\$6,522,000	\$4,484,000
 TRANSPORTATION + TRANSIT	\$4,327,000	\$4,755,000	\$4,583,000	\$14,960,000	\$11,555,000
 HEALTH, SOCIAL SERVICES + HOUSING	\$32,000	\$0	\$49,000	(\$49,000)	\$34,000
 PROTECTIVE SERVICES	\$1,489,000	\$261,000	\$241,000	\$182,000	\$2,940,000
 PARKS, RECREATION + CULTURE	\$11,006,000	\$13,714,000	\$6,609,000	\$6,391,000	\$9,992,000
 WATER UTILITIES	\$2,292,000	\$2,888,000	\$3,513,000	\$2,890,000	\$2,425,000
 SEWER UTILITIES	\$1,742,000	\$2,050,000	\$4,899,000	\$3,407,000	\$1,321,000
TOTAL	\$30,750,000	\$31,852,000	\$26,315,000	\$34,303,000	\$32,751,000

SOURCE: City of North Vancouver Finance Department

Expense by Object



SOURCE: City of North Vancouver Finance Department

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, 2021, 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.



Chief Financial Officer

Larry Sawrenko

May 3, 2022

AUDITOR'S REPORT



Tel: (604) 688 -5421
Fax: (604) 688-5132
www.bdo.ca

BDO Canada LLP
Unit 1100 Royal Centre
1055 West Georgia Street, P.O. Box 11101
Vancouver, British Columbia
V6E 3P3

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 the 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, 2021 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, 2021, and its consolidated results of operations, its changes in consolidated net financial assets, 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.

Unaudited Information

We have not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the Schedule A of the City's consolidated financial statements.

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 3, 2022

STATEMENT OF FINANCIAL POSITION

**The Corporation of the City of North Vancouver
Consolidated Statement of Financial Position
As at December 31, 2021 with comparative figures for 2020
(in thousands of dollars)**

	<u>2021</u>	<u>2020</u>
FINANCIAL ASSETS		
Cash	\$ 74,571	\$ 116,691
Temporary investments (note 3(a))	103,526	55,589
Portfolio investments (note 3(b))	83,466	102,501
Investment in Lonsdale Energy Corp. (note 4)	4,613	3,947
Due from other governments	3,962	3,872
Accounts receivable	11,471	11,053
Loan to Lonsdale Energy Corp. (note 5)	27,043	26,518
Interest receivable	8,720	12,418
	<u>317,372</u>	<u>332,589</u>
LIABILITIES		
Accounts payable and accrued liabilities	22,680	39,355
Deferred revenue	34,258	32,132
Deferred lease revenue (note 13)	49,930	51,925
Deferred development cost charges	22,072	21,963
Debt (note 6)	237	465
Employee future benefits (note 7)	8,386	8,229
Advances and other liabilities	10,077	10,351
	<u>147,640</u>	<u>164,420</u>
NET FINANCIAL ASSETS	<u>169,732</u>	<u>168,169</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (note 8)	461,087	445,625
Inventories	746	703
Prepaid expenses	1,544	1,828
	<u>463,377</u>	<u>448,156</u>
ACCUMULATED SURPLUS (note 9)	<u>\$ 633,109</u>	<u>\$ 616,325</u>

Commitments and contingencies (note 10)

See accompanying notes to the consolidated financial statements



Chief Financial Officer
Larry Sawrenko

STATEMENT OF OPERATIONS

**The Corporation of the City of North Vancouver
Consolidated Statement of Operations
Year ended December 31, 2021 with comparative figures for 2020
(in thousands of dollars)**

	2021 Budget	2021	2020
	(notes 2(i) and 14)		
REVENUE			
Property value tax (Note 10 (a))	\$ 68,974	\$ 69,056	\$ 65,928
Parcel taxes	3,746	3,814	3,571
Licences and permits	4,203	6,441	4,949
Fines and fees	4,748	4,678	4,799
Rent	2,544	3,368	1,874
Interest, dividends and penalties	2,148	5,589	6,059
Sale of services	30,331	29,672	26,331
Rebate and recoveries	85	185	638
Grants and other	7,591	12,729	19,430
Developer contributions and other transfers	314	8,200	25,063
Loss on disposition of assets	-	(714)	(823)
Lonsdale Energy Corp. income (note 4)	-	666	1,238
	<u>124,684</u>	<u>143,684</u>	<u>159,057</u>
EXPENSES			
General government	21,625	23,211	22,078
Transportation and transit	7,194	8,866	8,317
Health, social services and housing	2,749	2,724	2,764
Development services	7,127	7,494	5,406
Protective services	28,781	28,139	27,229
Parks, recreation and culture	33,051	30,665	28,084
Water utilities	10,795	10,871	9,719
Sewer utilities	11,090	11,767	10,538
Solid waste	3,535	3,163	3,951
	<u>125,947</u>	<u>126,900</u>	<u>118,086</u>
Total expenses (note 12)			
Annual surplus	(1,263)	16,784	40,971
Accumulated surplus beginning of year	<u>616,325</u>	<u>616,325</u>	<u>575,354</u>
Accumulated surplus end of year	<u>\$ 615,062</u>	<u>\$ 633,109</u>	<u>\$ 616,325</u>

See accompanying notes to the consolidated financial statements

STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

**The Corporation of the City of North Vancouver
Consolidated Statement of Change in Net Financial Assets
Year ended December 31, 2021 with comparative figures for 2020
(in thousands of dollars)**

	2021 Budget	2021	2020
	(notes 2(i) and 14)		
Annual surplus	\$ (1,263)	\$ 16,784	\$ 40,971
Acquisition of tangible capital assets	(69,827)	(32,751)	(34,303)
Non-cash developer contributed assets	-	(737)	(14,499)
Proceeds on sale of tangible capital assets	-	213	34
Depreciation of tangible capital assets	16,800	17,099	16,413
Loss on disposition of tangible capital assets	-	714	823
	<u>(53,027)</u>	<u>(15,462)</u>	<u>(31,532)</u>
Acquisition of inventories	-	(1,182)	(1,156)
Acquisition of prepaid expenses	-	(1,591)	(1,807)
Use of inventories	-	1,140	1,083
Use of prepaid expenses	-	1,874	1,725
	<u>-</u>	<u>241</u>	<u>(155)</u>
Increase (decrease) in net financial assets	(54,290)	1,563	9,284
Net financial assets, beginning of year	<u>168,169</u>	<u>168,169</u>	<u>158,885</u>
Net financial assets, end of year	<u>\$ 113,879</u>	<u>\$ 169,732</u>	<u>\$ 168,169</u>

See accompanying notes to the consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

**The Corporation of the City of North Vancouver
Consolidated Statement of Cash Flows
Year ended December 31, 2021 with comparative figures for 2020
(in thousands of dollars)**

	<u>2021</u>	<u>2020</u>
Cash provided by (used for):		
Operating Transactions		
Annual surplus	\$ 16,784	\$ 40,971
Items not involving cash:		
Depreciation expense	17,099	16,413
Loss on disposal of tangible capital assets	714	823
Non-cash developer contributed assets	(737)	(14,499)
Lonsdale Energy Corp. income	(666)	(1,238)
Changes in non-cash operating items:		
(Increase) decrease in due from other governments	(90)	689
Increase in accounts receivable	(418)	(2,688)
Increase in loan to Lonsdale Energy Corp.	(525)	(895)
Decrease in interest receivable	3,698	727
(Decrease) increase in accounts payable and accrued liabilities	(16,675)	14,467
Increase in deferred revenue	2,126	1,914
(Decrease) increase in deferred lease revenue	(1,995)	51,925
Increase (decrease) in deferred development cost charges	109	(1,360)
Increase in accrued employee future benefits	157	79
Decrease in advances and other liabilities	(274)	(96)
Increase in inventories	(43)	(72)
Decrease (increase) in prepaid expenses	284	(83)
	<u>19,548</u>	<u>107,077</u>
Capital Transactions		
Cash used to acquire tangible capital assets	(32,751)	(34,303)
Proceeds from sale of tangible capital assets	213	34
	<u>(32,538)</u>	<u>(34,269)</u>
Investing Transactions		
Increase in temporary investments	(47,937)	(2,595)
Decrease in portfolio investments	19,035	36,768
	<u>(28,902)</u>	<u>34,173</u>
Financing Transactions		
Repayment of long-term debt	(228)	(219)
	<u>(42,120)</u>	<u>106,762</u>
(Decrease) increase in cash	(42,120)	106,762
Cash, beginning of year	<u>116,691</u>	<u>9,929</u>
Cash, end of year	<u>\$ 74,571</u>	<u>\$ 116,691</u>

See accompanying notes to the consolidated financial statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Corporation of the City of North Vancouver Notes to Consolidated Financial Statements Year ended December 31, 2021 (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"). 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 33.94% 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 has an agreement 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 33.94% (2020 – 33.94%) by the City and 66.06% (2020 – 66.06%) 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 has an agreement 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% (2020 – 50%) by the City and 50% (2020 – 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Corporation of the City of North Vancouver Notes to Consolidated Financial Statements Year ended December 31, 2021 (tabular amounts in thousands of dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (con't)

(c) Revenue Recognition

Taxes are recognized as revenue in the year that the taxes are authorized, the taxable event occurs and they are considered collectible. 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. Levies imposed for Regional District services and other taxing authorities are not included. Lease revenue is recognized on a straight-line basis over the term of the lease.

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) Deferred Lease Revenue

Deferred lease revenue consists of funds collected in advance of rental periods for Long-Term Prepaid Leases, which will be recognized as revenue, on a straight line basis, over the term of the lease.

(f) Deferred Development Cost Charges

Deferred 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.

(g) 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.

(h) 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.

(i) Budget Figures

The budget figures are based on the ten year financial plan adopted on April 12th, 2021.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Corporation of the City of North Vancouver Notes to Consolidated Financial Statements Year ended December 31, 2021 (tabular amounts in thousands of dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (con't)

(j) 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.

(k) 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.

(l) Long-term Debt

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

(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 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	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Corporation of the City of North Vancouver Notes to Consolidated Financial Statements Year ended December 31, 2021 (tabular amounts in thousands of dollars)

(m) 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

The City and the Museum and Archives Commission 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.

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 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.

(n) 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.

(o) Segment Disclosure

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Corporation of the City of North Vancouver Notes to Consolidated Financial Statements Year ended December 31, 2021 (tabular amounts in thousands of dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (con't)

(p) 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Corporation of the City of North Vancouver Notes to Consolidated Financial Statements Year ended December 31, 2021 (tabular amounts in thousands of dollars)

3. INVESTMENTS

(a) Temporary Investments

The fair value of temporary investments at December 31, 2021 was \$106,252,156 (2020 - \$60,316,506). Financial instruments included in temporary investments range in maturity date from January 7, 2022 to December 30, 2022, and range in yield from 0.50% to 5.35%. Included in temporary investments is \$50,351,077 in High Interest Savings Accounts.

(b) Portfolio Investments

The fair value of portfolio investments at December 31, 2021 was \$91,472,860 (2020 - \$116,309,955). These investments range in maturity from January 31, 2023 to May 15, 2031, and range in yield from 1.30% 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 Business Corporations Act (British Columbia) on July 7, 2003. LEC operates a district energy system providing hydronic energy to residential, institutional and commercial buildings in the City of North Vancouver.

Summarized financial information relating to LEC is as follows:

	2021	2020
Cash and accounts receivable	\$ 2,956	\$ 3,316
Plant and equipment	37,381	36,179
Other assets	711	653
Total assets	<u>\$ 41,048</u>	<u>\$ 40,148</u>
Accounts payable and accrued liabilities	\$ 2,173	\$ 1,878
Deferred contributions	7,322	7,340
Debt	26,940	26,983
Total Liabilities	<u>\$ 36,435</u>	<u>\$ 36,201</u>
Shareholder's equity	<u>\$ 4,613</u>	<u>\$ 3,947</u>
Total revenue	\$ 8,277	\$ 7,282
Total expenses	7,611	6,044
Net income	<u>\$ 666</u>	<u>\$ 1,238</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Corporation of the City of North Vancouver Notes to Consolidated Financial Statements Year ended December 31, 2021 (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 \$4,613,000 (2020 - \$3,947,000) and a loan receivable in the amount of \$27,043,000 (note 5) (2020 – 26,518,000). Also, included in accounts receivable in the City’s consolidated statement of financial position are receivables from LEC in the amount of \$668,000 (2020 - \$524,000).

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

The loan receivable balance of \$27,043,000 (2020 - \$26,518,000) 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. The loan matures on August 1, 2023 and bears interest at 2.65% per annum. On July 15, 2019 and November 17, 2021, the City’s Council authorized LEC to borrow an additional \$1,681,000 and \$290,000 respectively. These Promissory notes carry the same terms. The promissory notes to the City have been partially drawn upon with a balance owing at December 31, 2021 of \$27,043,000 (2020 - \$26,518,000).

All loans are due with a 12 month notice period and bear interest at 2.65% (2020 – 2.65%). Interest revenue of \$709,000 (2020 - \$693,000) and Dividend revenue of \$33,000 (2020 - \$34,000) 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. 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, including future principal re-payments and actuarial adjustments on the net outstanding debt outstanding as at December 31, 2021 was \$237,098 (2020 - \$465,077).

Interest expense of \$6,000 (2020 - \$6,000) has been included in the Consolidated Statement of Operations. The interest rate on long-term debt is 0.3% per annum.

(a) The City has a revenue anticipation borrowing bylaw, 2020, No 8749 authorized to borrow up to \$35M to ensure the City is able to continue providing essential services to its citizens. There has been no drawdown on the facility (2020 - \$nil)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Corporation of the City of North Vancouver Notes to Consolidated Financial Statements Year ended December 31, 2021 (tabular amounts in thousands of dollars)

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, 2021.

Information regarding the City's obligations for these benefits, including 100% of the North Vancouver City Library and its proportionate share of the North Vancouver Recreation Commission, and North Vancouver Museum and Archives Commission, is as follows:

	2021	2020
Benefit obligation - beginning of the year	\$ 8,505	\$ 7,815
Add: Current service costs	789	793
Interest on accrued benefit obligation	186	222
Less: Actuarial (gain) loss	(778)	598
Benefits paid	(796)	(923)
Benefit obligation - end of the year	\$ 7,906	\$ 8,505
Add: Unamortized actuarial gain	480	(276)
Accrued benefit liability - end of the year	<u>\$ 8,386</u>	<u>\$ 8,229</u>

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

	2021	2020
Discount rates	2.50%	2.10%
Expected future inflation rates	2.00%	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 eleven years for the City.

(b) Council Retirement Stipend

Starting 2005, Council Members are entitled to a retirement stipend based on 9.98% of the individual's total indemnity received subsequent to 2002. These amounts are accrued as earned and recorded in accounts payable and accrued liabilities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Corporation of the City of North Vancouver Notes to Consolidated Financial Statements Year ended December 31, 2021 (tabular amounts in thousands of dollars)

8. TANGIBLE CAPITAL ASSETS

2021	Land	Land Improvements	Parks	Buildings	Machinery & Equipment	Vehicles	Infrastructure	Library Materials	Work in Progress	Total
Cost										
Balance as at December 31, 2020	\$ 43,909	\$ 82,357	\$ 55,508	\$ 141,793	\$ 23,382	\$ 11,867	\$ 244,320	\$ 929	\$ 57,677	\$ 661,742
Additions	1,000	11	149	7,897	1,134	1,391	7,990	236	71,357	91,165
Disposals	-	-	-	-	498	673	1,548	223	57,677	60,619
Balance as at December 31, 2021	\$ 44,909	\$ 82,368	\$ 55,657	\$ 149,690	\$ 24,018	\$ 12,585	\$ 250,762	\$ 942	\$ 71,357	\$ 692,288
Accumulated Depreciation										
Balance as at December 31, 2020	\$ -	\$ 16,655	\$ 17,365	\$ 66,996	\$ 17,091	\$ 6,491	\$ 91,042	\$ 477	\$ -	\$ 216,117
Depreciation expense	-	2,428	1,916	5,479	1,541	692	4,830	213	-	17,099
Disposals	-	-	-	-	498	572	722	223	-	2,015
Balance as at December 31, 2021	\$ -	\$ 19,083	\$ 19,281	\$ 72,475	\$ 18,134	\$ 6,611	\$ 95,150	\$ 467	\$ -	\$ 231,201
Net Book Value										
December 31, 2021	\$ 44,909	\$ 63,285	\$ 36,376	\$ 77,215	\$ 5,884	\$ 5,974	\$ 155,612	\$ 475	\$ 71,357	\$ 461,087
2020										
Cost										
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
Additions	5,000	6,256	5,469	15,108	2,007	810	5,634	180	57,677	98,141
Disposals	-	-	318	-	209	270	1,188	203	49,339	51,527
Balance as at December 31, 2020	\$ 43,909	\$ 82,357	\$ 55,508	\$ 141,793	\$ 23,382	\$ 11,867	\$ 244,320	\$ 929	\$ 57,677	\$ 661,742
Accumulated Depreciation										
Balance as at December 31, 2019	\$ -	\$ 14,322	\$ 15,829	\$ 61,812	\$ 15,771	\$ 6,088	\$ 86,748	\$ 465	\$ -	\$ 201,035
Depreciation expense	-	2,333	1,786	5,184	1,529	620	4,746	215	-	16,413
Disposals	-	-	250	-	209	217	452	203	-	1,331
Balance as at December 31, 2020	\$ -	\$ 16,655	\$ 17,365	\$ 66,996	\$ 17,091	\$ 6,491	\$ 91,042	\$ 477	\$ -	\$ 216,117
Net Book Value										
December 31, 2020	\$ 43,909	\$ 65,702	\$ 38,143	\$ 74,797	\$ 6,291	\$ 5,376	\$ 153,278	\$ 452	\$ 57,677	\$ 445,625

(a) Work in Progress

Work in progress having a cost of \$71,357,000 (2020 - \$57,677,000) 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 of \$737,000 (2020 - \$14,499,000) have been recognized during the year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
Year ended December 31, 2021
(tabular amounts in thousands of dollars)**

9. ACCUMULATED SURPLUS

	2021	2020
Current Funds – general, water and sewer	\$ 51,719	\$ 46,081
Reserve fund	100,376	107,826
Capital fund	481,014	462,418
Accumulated surplus, end of year	<u>\$ 633,109</u>	<u>\$ 616,325</u>

(a) Current Funds – general, water and sewer

	2021	2020
Appropriated:		
General funds	\$ 17,408	\$ 14,247
General funds – COVID-19 Grant	4,118	5,359
Water fund	2,547	1,975
Sewer fund	11,508	9,825
Unappropriated:		
General funds	14,002	13,270
Water funds	1,446	715
Sewer fund	690	690
	<u>\$ 51,719</u>	<u>\$ 46,081</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
Year ended December 31, 2021
(tabular amounts in thousands of dollars)**

9. ACCUMULATED SURPLUS (con't)

(b) Reserve Funds

	Balance December 31, 2020	Contributions & Transfers	Earnings	Less Expenditures	Balance December 31, 2021
Machinery and Equipment					
Engineering	\$ 3,550	\$ 477	\$ 266	\$ 998	\$ 3,295
Fire	730	2,137	9	2,608	268
General	63	-	8	6	65
Computer	117	38	2	50	107
Building	277	-	5	46	236
Local Improvements	794	3	19	36	780
Affordable Housing	6,305	670	117	108	6,984
Tax Sale Lands	35,636	-	649	1,709	34,576
Waterworks	4,691	-	83	-	4,774
Parking	-	219	130	8	341
Civic Amenity	51,701	5,281	2,834	14,855	44,961
Justice Administration Accommodation	126	-	2	48	80
Streets DCC	-	1,173	-	1,173	-
Parks DCC	-	1,569	-	1,569	-
Lower Lonsdale Amenity	70	-	-	62	8
Lower Lonsdale Legacy	2,662	-	47	78	2,631
Infrastructure	166	-	755	652	269
Public Art	504	85	10	-	599
Marine Drive Community Amenity	-	-	-	-	-
Sustainable Transportation	187	88	3	114	164
Carbon Fund	247	90	4	103	238
Water DCC	-	-	-	-	-
Sanitary DCC	-	-	-	-	-
Drainage DCC	-	-	-	-	-
Total	\$ 107,826	\$ 11,830	\$ 4,943	\$ 24,223	\$ 100,376

(c) Capital Fund

	2021	2020
Capital fund		
Invested in tangible capital assets	\$ 461,087	\$ 445,625
Appropriated Capital funds	19,927	16,793
	\$ 481,014	\$ 462,418

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Corporation of the City of North Vancouver Notes to Consolidated Financial Statements Year ended December 31, 2021 (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:

	2021	2020
Total tax collected	\$ 125,024	\$ 107,308
Less Collections for and remittances to other bodies		
Provincial Government - Schools	\$ 41,917	\$ 28,135
Greater Vancouver Regional District	1,935	1,719
Greater Vancouver Transportation Authority	10,033	9,499
British Columbia Assessment Authority	1,565	1,525
Municipal Finance Authority	7	7
BIA Lower Lonsdale Society	511	495
	<u>\$ 55,968</u>	<u>\$ 41,380</u>
Property Value Tax	<u>\$ 69,056</u>	<u>\$ 65,928</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, 2020, the plan has about 220,000 active members and approximately 112,000 retired members. Active members include approximately 42,000 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 \$4,521,000 (2020 - \$4,385,000) for employer contributions to the plan in fiscal 2021.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Corporation of the City of North Vancouver Notes to Consolidated Financial Statements Year ended December 31, 2021 (tabular amounts in thousands of dollars)

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

(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 or amounts or losses are uncertain management has determined that there are no potential material amounts involved.

(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

As at December 31, 2021 the City had entered into various construction contracts for a total outstanding value of \$10.7M.

(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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Corporation of the City of North Vancouver Notes to Consolidated Financial Statements Year ended December 31, 2021 (tabular amounts in thousands of dollars)

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 \$3,437,000 (2020 - \$3,201,000), 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 division 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 Recreation and Culture Commission.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Corporation of the City of North Vancouver Notes to Consolidated Financial Statements Year ended December 31, 2021 (tabular amounts in thousands of dollars)

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	\$ 88,129	\$ 16,482	\$ 4,949	\$ 1,123	\$ 5,141	\$ (4,484)	\$ 23,211	\$ 64,918
Transportation and transit	4,401	3,096	1,095	12,831	3,399	(11,555)	8,866	(4,465)
Health, social services and housing	662	420	118	2,220	-	(34)	2,724	(2,062)
Development services	8,978	5,379	36	2,079	-	-	7,494	1,484
Protective services	1,590	18,809	3,469	8,127	674	(2,940)	28,139	(26,549)
Parks, recreation and culture	9,039	14,632	1,552	18,234	6,239	(9,992)	30,665	(21,626)
Water utilities	13,579	2,076	8,026	2,343	851	(2,425)	10,871	2,708
Sewer utilities	14,225	1,784	281	10,228	795	(1,321)	11,767	2,458
Solid waste	3,081	1,478	79	1,606	-	-	3,163	(82)
2021	<u>\$ 143,684</u>	<u>\$ 64,156</u>	<u>\$ 19,605</u>	<u>\$ 58,791</u>	<u>\$ 17,099</u>	<u>\$ (32,751)</u>	<u>\$ 126,900</u>	<u>\$ 16,784</u>
2020	<u>\$ 159,057</u>	<u>\$ 59,158</u>	<u>\$ 16,139</u>	<u>\$ 60,679</u>	<u>\$ 16,413</u>	<u>\$ (34,303)</u>	<u>\$ 118,086</u>	<u>\$ 40,971</u>

13. DEFERRED LEASE REVENUE

In 2020 the City entered into an agreement for the Harry Jerome Neighborhood Lands for a lease term of 99 years and included in Deferred Revenue is \$49.9M (2020 - \$51.9M).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Corporation of the City of North Vancouver Notes to Consolidated Financial Statements Year ended December 31, 2021 (tabular amounts in thousands of dollars)

14. BUDGET FIGURES

The budget figures presented in these consolidated financial statements include 100% of the North Vancouver City Library and its proportionate share of the North Vancouver Recreation Commission, and North Vancouver Museum and Archives Commission. The financial plan was approved by Council as the Financial Plan for the Years 2021 to 2030 Bylaw, 2020, No. 8822 April 12th, 2021. The table below reconciles the approved budget to the budget figures reported.

		Financial Plan Bylaw
Revenue per Statement of Operations		\$ 124,684
Less:		
Budget Adjustments for Consolidation	\$ (2,648)	
Transfers from Reserve	(1,908)	
Interagency Funds	(5,451)	(10,007)
		<u>114,677</u>
Revenue per financial plan bylaw 8822		<u>114,677</u>
Expenses per Statement of Operations		125,947
Add:		
Capital Expenditures	(5,195)	
Reserves for Non-Capital Projects	1,694	
Transfer to other funds		(3,501)
Less:		
Budget Adjustments for consolidation	(21)	
Interagency payments	(5,451)	(5,472)
		<u>116,974</u>
Expenses per financial plan bylaw 8822		<u>116,974</u>
Deficit for the year		(2,298)
Reserves and capital:		
Capital expenditures		(69,827)
Depreciation		16,800
Equity		(17,407)
Transfers from reserves		52,281
External contributions		20,451
Annual budgeted Surplus per financial plan bylaw		<u>\$ -</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
Year ended December 31, 2021
(tabular amounts in thousands of dollars)**

15. COVID-19 IMPACT

Subsequent to the previous 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. The full potential impact of COVID-19 on the City is unknown and cannot be reasonably estimated at this time.

SCHEDULE A – UNAUDITED - YEAR ENDED DECEMBER 31, 2021

The Corporation of the City of North Vancouver
Schedule A – Unaudited
Year ended December 31, 2021
(tabular amounts in thousands of dollars)

SCHEDULE A: COVID-19 Safe Restart Grant

General funds – COVID-19 Safe Restart Grant	2021
2020 Grant Funding Balance	\$ 5,359
Grant Expenditure:	
Business Continuity	(300)
Community Resiliency & Recovery	(226)
City Services	(567)
Response & Emerging Issues	(148)
2021 Grant Funding Balance	\$ 4,118

2021 PERMISSIVE TAX EXEMPTIONS

Organization	Address	Municipal Taxes Exempt Portion
Anavets Senior Citizens Housing Society	245 East 3rd Street	49,052
Army, Navy and Airforce Veterans in Canada, Unit 45	119 East 3rd Street	22,178
The Auxillary to the Lions Gate Hospital	128 West 15th Street	12,919
BC Photography and Media Arts Society	101 Carrie Cates Court	68,930
Canadian Mental Health Association	300-1835 Lonsdale Avenue	4,089
Cascadia Society for Social Working	325 West 19th Street	3,856
Cascadia Society for Social Working	351 West 19th Street	3,388
Cascadia Society for Social Working	348 West 19th Street	3,517
Community Living Society	East Keith Road House	3,684
Community Living Society	1003 - 555 West 28th St	1,317
Corporation of City of North Vancouver (Pipe Shop)	115 Victory Ship Way	36,928
Corporation of City of North Vancouver (Shipyards Commons)	125 - 135 Victory Ship Way	54,324
Family Services North Shore	203 & 206 1111 Lonsdale Avenue	18,315
Fraternal Order of Eagles Northwest Aerie 2638	162,164,166,168 & 170 West 3rd Street	15,618
Girl Guides of Canada	107,108,109,207,208 & 209 - 252 Esplanade W Unit 104,106,107,205,206,& 207-210 West 13th Street	65,359
Hollyburn Family Services Society	Street	6,271
HYAD Housing for Young Adults with Disabilities	2130 Chesterfield Avenue	2,979
Kiwanis North Shore Housing Society	170 West 2nd Street	53,205
Kiwanis North Shore Housing Society	1480 St. Andrew's Avenue	3,723
Lighthouse Harbour Ministries	#1 - 260 East Esplanade	5,598
Lonsdale Creek Daycare Centre Society	230 West 21st Street	12,945
Lookout Housing & Health Society	705 West 2nd Street	19,880
Chesterfield House Society	1415 Chesterfield Avenue	3,802
Marineview Housing Society	1053 Grand Blvd	4,723
Marineview Housing Society	1057 Cloverley Street	2,540
Navy League of Canada	1555 Forbes Ave	15,277
North Shore Connexions Society	1924 Jones Avenue	2,599
North Shore Disability Resource Centre	2412 Wilding Way	2,857
North Shore Multicultural Society	124 East 15th Street (units 100, 207, 202,203,204,204A,205,302,303,305)	65,437
North Shore Neighbourhood House	225 East 2nd Street	29,566
North Shore Neighbourhood House (Centre view childcare)	143 East 14th Street	3,070
North Shore Neighbourhood House (Community Garden)	207 East 2nd Street	3,170
North Shore Neighbourhood House	113 East 3rd Street	495
North Vancouver Chamber of Commerce	102 - 124 West 1st Street	7,710
The North Vancouver Masonic Temple Association Ltd.	1140 - 1144 Lonsdale	8,999
North Vancouver Museum and Archives Commission	131 - 115 W Esplanade	92,606
Presentation House Cultural Society	333 Chesterfield Avenue	81,979
Royal Canadian Legion, Branch 118	121/123 West 15th	20,271
Silver Harbour Seniors' Activity Centre	144 East 22nd Street	78,161
St. Edmund's Parish	613 Mahon Avenue	4,547
St. Leonard's Society of North Vancouver	312 Bewicke Avenue	2,443
Vancouver Coastal Health Authority	Magnolia House Residential Mental Health Facility, 720 E. 17th	3,068
Vancouver Coastal Health Authority	Margaret Fulton ADC, 1601 Forbes Avenue	21,915
Young Women's Christian Association	125 14TH St E	2,343
North Shore Bethel Christian Mennonite Brethern Church	185 East Keith Road	2,730
Holy Trinity Catholic Church	2725 Lonsdale Avenue	3,031
North Shore Alliance Church	201 & 241 East 23rd Street	17,498
Kings Temple Missionary Society	North Shore Christian Centre, 1400 Sutherland	1,641
Parish of St. Agnes Anglican Church of Canada	530 East 12th Street	622
St. John the Evangelist Anglican Church	209 West 13th Street	14,433
Salvation Army, North Vancouver	105 West 12th Street	11,418
St. Andrew's & St. Stephen's Presbyterian Church	2641 Chesterfield Avenue	3,994
St. Andrew's United Church	Units #100, 200 & 300- 1046 St. Georges Avenue	855
St. Andrew's United Church	1044 St. Georges Avenue	1,656
Sutherland Church	630 East 19th Street	3,618
Total		987,149

DECLARATION OF DISQUALIFICATIONS

No Councillors were disqualified from holding office in 2021 under the provisions set out in the Community Charter.

A handwritten signature in black ink, appearing to read 'K. Graham', followed by a period.

Karla Graham – City Clerks
Corporate Officer





CITY OF NORTH VANCOUVER
141 WEST 14TH STREET
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JUNE 2022