

Consolidated Financial Statements of

**THE CORPORATION OF THE DISTRICT
OF NORTH VANCOUVER**

And Independent Auditor's Report thereon

Year ended December 31, 2024



KPMG LLP

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

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

- the consolidated statement of financial position as at December 31, 2024
- the consolidated statement of operations for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- notes to the consolidated financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the District as at December 31, 2024 and its consolidated results of operations, its consolidated changes in net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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



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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosure made by management.



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

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
May 9, 2025

THE CORPORATION OF THE DISTRICT OF NORTH VANCOUVER

Consolidated Statement of Financial Position

December 31, 2024, with comparative information for 2023

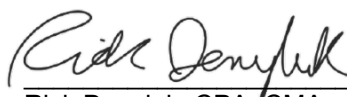
	2024	2023
Financial assets:		
Cash and cash equivalents (note 3)	\$ 106,862,619	\$ 32,291,065
Taxes receivable	7,174,855	5,829,148
Accounts receivable	6,383,759	8,450,166
Due from governments (note 4)	3,583,006	4,060,487
Investments (note 5)	235,843,963	302,849,275
Municipal Finance Authority ("MFA") debt reserve deposit	862,824	638,423
Inventories held for resale	229,103	225,801
	360,940,129	354,344,365
Liabilities:		
Accounts payable and accrued liabilities	23,744,921	28,350,669
Due to governments (note 6)	26,927,644	31,509,549
Restricted revenue (note 7)	23,691,081	27,007,197
Deferred revenue (note 8)	30,814,104	30,051,937
Debt (note 9)	43,212,589	25,730,403
Post-employment benefits (note 10)	11,608,187	11,187,524
Asset retirement obligations (note 12)	4,621,478	5,306,934
Deposits and other liabilities	28,904,292	31,782,404
	193,524,296	190,926,617
Net financial assets	167,415,833	163,417,748
Non-financial assets:		
Prepaid expenses	2,337,133	2,558,308
Inventories held for consumption	1,648,686	1,616,508
Tangible capital assets (note 11)	958,396,875	908,154,260
Other assets	7,831	16,276
	962,390,525	912,345,352
Accumulated surplus (note 13)	\$ 1,129,806,358	\$ 1,075,763,100

Commitments and contingencies (note 15)

Contractual rights (note 19)

Subsequent event (note 22)

See accompanying notes to consolidated financial statements.


 Rick Danyluk, CPA, CMA
 GM, Finance & CFO

THE CORPORATION OF THE DISTRICT OF NORTH VANCOUVER

Consolidated Statement of Operations

Year ended December 31, 2024, with comparative information for 2023

	2024 Budget (note 18)	2024	2023
Revenue:			
Taxation (note 14)	\$ 138,457,883	\$ 137,396,242	\$ 128,651,525
Sales, fees, and user charges:			
Water	36,256,998	35,563,409	34,430,113
Sewer	36,525,709	36,704,766	32,132,303
Solid waste	8,830,521	8,889,140	8,551,970
Parks, recreation and culture	15,045,065	16,394,941	15,093,814
Other	33,352,317	33,739,711	30,413,763
Transfer from governments:			
Federal Government	326,523	3,075,739	1,208,873
Provincial Government	7,502,840	6,472,621	14,012,350
Regional Government	5,284,400	2,282,694	4,527,601
Investment income	7,692,054	14,962,455	14,467,649
Land sales and other contributions	7,408,120	9,116,240	12,482,943
	296,682,430	304,597,958	295,972,904
Expenses (note 17):			
General government	31,218,093	57,906,028	57,330,762
Protective services	62,585,712	60,114,213	58,697,888
Solid waste removal services	8,509,993	8,369,181	7,800,758
Social services	6,198,318	4,799,053	4,437,259
Development services	10,246,506	8,582,355	6,811,345
Transport and other services	12,205,614	12,552,631	11,239,872
Parks, recreation and cultural services	55,805,605	52,280,911	48,418,718
Water utility services	25,174,443	22,611,375	21,555,456
Sewer utility services	24,961,920	23,338,953	21,914,184
	236,906,204	250,554,700	238,206,242
Annual surplus	59,776,226	54,043,258	57,766,662
Accumulated surplus, beginning of year	1,075,763,100	1,075,763,100	1,017,996,438
Accumulated surplus, end of year (note 13)	\$ 1,135,539,326	\$ 1,129,806,358	\$ 1,075,763,100

See accompanying notes to consolidated financial statements.

THE CORPORATION OF THE DISTRICT OF NORTH VANCOUVER

Consolidated Statement of Cash Flows

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in)		
Operating activities:		
Annual surplus	\$ 54,043,258	\$ 57,766,662
Items not involving cash:		
Amortization of tangible capital assets	25,330,485	23,626,074
Accretion expense	149,471	185,707
Loss on disposal of tangible capital assets	824,701	505,048
Amortization of other assets	8,445	9,167
Contributed tangible capital assets	(7,130,839)	(5,841,488)
Changes in non-cash operating working capital:		
Taxes receivable	(1,345,707)	(19,478)
Accounts receivable	2,066,407	(2,906,921)
Due from governments	477,481	(1,610,551)
Inventories held for resale	(3,302)	(10,498)
Prepaid expenses	221,175	(839,013)
Inventories held for consumption	(32,178)	234,152
Accounts payable and accrued liabilities	(4,605,748)	3,244,736
Due to governments	(4,581,905)	5,248,088
Restricted revenue	(3,316,116)	5,383,898
Deferred revenue	762,167	3,015,780
Post-employment benefits	420,663	240,524
Deposits and other liabilities	(2,878,112)	4,312,586
Net change in cash from operating activities	60,410,346	92,544,473
Capital activities:		
Cash used to acquire tangible capital assets	(70,101,889)	(80,304,817)
Net change in cash from capital activities	(70,101,889)	(80,304,817)
Investing activities:		
Net change in investments	67,005,312	4,045,105
Net change in cash from investing activities	67,005,312	4,045,105
Financing activities:		
Proceeds from debt	20,000,000	-
Debt repayment	(2,517,814)	(2,436,536)
MFA debt reserve deposit	(224,401)	(19,244)
Net change in cash from financing activities	17,257,785	(2,455,780)
Increase in cash and cash equivalents	74,571,554	13,828,981
Cash and cash equivalents, beginning of year	32,291,065	18,462,084
Cash and cash equivalents, end of year	\$ 106,862,619	\$ 32,291,065
Non-cash transactions, related to asset retirement obligations:		
Tangible capital assets	\$ (834,927)	\$ 5,121,227

See accompanying notes to consolidated financial statements.

THE CORPORATION OF THE DISTRICT OF NORTH VANCOUVER

Consolidated Statement of Changes in Net Financial Assets

Year ended December 31, 2024, with comparative information for 2023

	2024 Budget (note 18)	2024	2023
Annual surplus	\$ 59,776,226	\$ 54,043,258	\$ 57,766,662
Contributed tangible capital assets (note 11(a))	-	(7,130,839)	(5,841,488)
Asset retirement obligation	-	834,927	(5,121,227)
Acquisition of tangible capital assets	(78,618,081)	(70,101,889)	(80,304,817)
Amortization of tangible capital assets	-	25,330,485	23,626,074
Loss on disposal of tangible capital assets	-	824,701	505,048
	(78,618,081)	(50,242,615)	(67,136,410)
Amortization of other assets	-	8,445	9,167
Acquisition of inventories held for consumption	-	(1,648,686)	(1,616,508)
Acquisition of prepaid expenses	-	(2,337,133)	(2,558,308)
Use of inventories held for consumption	-	1,616,508	1,850,660
Use of prepaid expenses	-	2,558,308	1,719,295
	-	197,442	(595,694)
Change in net financial assets	(18,841,855)	3,998,085	(9,965,442)
Net financial assets, beginning of year	163,417,748	163,417,748	173,383,190
Net financial assets, end of year	\$ 144,575,893	\$ 167,415,833	\$ 163,417,748

See accompanying notes to consolidated financial statements.

THE CORPORATION OF THE DISTRICT OF NORTH VANCOUVER

Notes to Consolidated Financial Statements

Year ended December 31, 2024

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

1. Significant accounting policies:

(a) Basis of presentation:

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

(b) Basis of consolidation:

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

The reporting entity is comprised of all organizations that are controlled by the District. The consolidated financial statements reflect the consolidation of the District's funds with the financial position and results of operations of the District of North Vancouver Municipal Public Library and the District's proportionate interest in the North Vancouver Recreation & Culture Commission, North Vancouver Museum and Archives Commission, and North Shore Emergency Management Office.

Inter-entity and inter-fund balances and transactions have been eliminated on consolidation.

(c) Segment disclosures:

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information. Consolidated financial statements report financial activities by major service. Segment disclosures provide information on the District's services delivered by department.

(d) Revenue recognition:

Revenue, unless specified below, is recognized when the District has provided goods or services through exchange transactions with performance obligations, based on each distinct good or service. Revenue is also recognized in non-exchange transactions such as fees, where there is no direct transfer of goods or services (voluntary and/or involuntary). Specific revenue recognitions are detailed below:

(i) Property Taxes, penalties and interest relating to property taxes:

The Community Charter provides the District with the ability to impose and enforce collection of property taxes and levies, and to introduce penalties and interest. Property taxes are calculated based on the British Columbia Assessment Authority's (BCAA) assessment value and annually approved tax rates set by Council. Taxation revenue is recorded at the time property tax bills are issued. Annual property tax levies and payments-in-lieu of taxes are recorded as taxes for municipal services in the year which they are levied. The BC assessment's appeal process may affect current year property assessments by supplementary roll adjustments. Adjustments on taxes are recognized in the year when the appeals are settled.

THE CORPORATION OF THE DISTRICT OF NORTH VANCOUVER

Notes to Consolidated Financial Statements

Year ended December 31, 2024

1. Significant accounting policies (continued):

(d) Revenue recognition (continued):

(ii) Contributed Asset Revenue:

Tangible capital assets from developers are a condition of the development approval process. Public Sector Accounting Board rules require municipalities to recognize as revenue the fair value of the tangible capital assets when they are made available for use and received by the District.

The delivery of the contributed tangible capital assets is dependent upon the developer. The revenue is recognized on the Consolidated Statement of Operations with an increase in tangible capital assets on the Consolidated Statement of Financial Position of the same amount. Contributed asset revenue represents the fair value of assets received. It is not a source of funding available to meet current operating expenditures or obligations.

(iii) Deferred Revenues:

Deferred revenues represent the receipt of funds for which the provision of services occurs in the future. These revenues may only be used in the conduct of certain services, in the completion of specific work. Revenue will be recognized once the performance obligations are satisfied.

(iv) Restricted Revenue and Development cost charges (DCC's):

The District collects development cost charges in accordance with Council-approved bylaws to finance growth-related projects including parks and engineering infrastructure, which includes roads, drainage, sewer and water. DCC's must be spent on projects within defined area boundaries and are recognized as revenue as Council approved expenditures are incurred. Restricted revenue from non-government sources with externally imposed restrictions are recognized as revenue when spent in accordance with the funder's specified purpose or when the restriction is fulfilled.

(v) Government Transfers:

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

(vi) Business License Revenue:

Business license revenue is recognized upon issuance. All licenses issued are calendar year licenses.

(vii) License and development fees:

The fee amount from building and development permits and rezoning is received in advance of services, 50% when the application is submitted and the remaining 50% collected when the permit is issued. Revenue is recognized at each phase once the performance obligations are fulfilled. The nature of the permit determines the number and type of performance obligation and when the revenue is recognized.

THE CORPORATION OF THE DISTRICT OF NORTH VANCOUVER

Notes to Consolidated Financial Statements

Year ended December 31, 2024

1. Significant accounting policies (continued):

(d) Revenue recognition (continued):

(vii) License and development fees (continued):

(A) Single performance obligation:

When a permit includes a single performance obligation, revenue is recognized at the time the performance obligation is fulfilled, being either issuance or completion of the permit.

(B) Multiple performance obligations:

For permits with multiple performance obligations, the first performance obligation is the issuance of the permit, subsequent performance obligations include activities such as inspections or compliance related tasks. Revenue is recognized based on the best estimate of when each performance obligation is fulfilled. When multiple performance obligations exist, revenue is allocated between the performance obligations based on the estimated cost to satisfy each performance obligation.

(viii) Cost Recoveries and Donations:

Fees from sewer and water connection permits are initially deferred and subsequently recognized as revenue when the installation of the connection is completed. Donations are recognized when the related expenditure is incurred.

(ix) All other revenues:

Unilateral transactions are recognized as revenue when the District has the authority to retain the inflow of economic resources and identifies a past transaction or event giving rise to an asset. Exchange transactions are recognized as revenue when the District's performance obligation, which is usually to provide goods and/or services, is fulfilled.

(e) Expense recognition:

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

(f) Fund accounting:

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

(i) Operating fund:

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

THE CORPORATION OF THE DISTRICT OF NORTH VANCOUVER

Notes to Consolidated Financial Statements

Year ended December 31, 2024

1. Significant accounting policies (continued):

(f) Fund accounting (continued):

(ii) Capital fund:

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

(iii) Reserve fund:

These funds have been established for a specific purpose and include the following types:

- (1) Existing Capital Reserves, to enable the District to maintain existing assets in a state of good repair;
- (2) New Capital, Initiatives and Growth Reserves, to support investments in transportation and mobility, community health and safety, climate mitigation and innovation, and to help smooth financial impacts as the community grows;
- (3) Land and Housing Reserves, to preserve the value of the District's lands, acquire new lands and support investments in social and supportive housing.

(g) Cash and cash equivalents:

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

(h) Investments:

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

(i) Inventories held for resale:

Inventories held for resale are valued at the lower of cost or net realizable value. Net realizable value is determined by estimating the selling price of these goods, minus the cost of their sale or disposal. Cost is determined on a weighted average basis.

(j) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. They include prepaid expenses, inventories held for consumption, tangible capital assets and other assets.

(i) Inventories held for consumption:

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

THE CORPORATION OF THE DISTRICT OF NORTH VANCOUVER

Notes to Consolidated Financial Statements

Year ended December 31, 2024

1. Significant accounting policies (continued):

(j) Non-financial assets (continued):

(ii) Tangible capital assets:

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

Asset category	Useful lives (years)
Land improvements	5 - 100
Buildings and building improvements	2 - 50
Vehicles	2 - 25
Furniture and equipment	4 - 30
Water and waste water infrastructure	15 - 100
Road infrastructure:	
Base	75
Surface	16 - 80
Other infrastructure	12 - 100
Library collection	2 - 10

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

Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the District to provide services or when the value of future economic benefits associated with the tangible capital assets are less than their net book value.

(A) Contributions of tangible capital assets:

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

(B) Natural resources:

Natural resources are not recognized as assets in these consolidated financial statements. These assets may include wetlands, riparian areas, forests, freshwater ecosystems, coastal marine areas, and urban green spaces and parks. The District acknowledges the need to manage natural resources in conjunction with engineered infrastructure.

(C) Works of art and historic assets:

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

THE CORPORATION OF THE DISTRICT OF NORTH VANCOUVER

Notes to Consolidated Financial Statements

Year ended December 31, 2024

1. Significant accounting policies (continued):

(j) Non-financial assets (continued):

(ii) Tangible capital assets (continued):

(D) Leased tangible capital assets:

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

(iii) Other assets:

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

(k) Capitalization of interest:

Interest is capitalized whenever external debt is issued to finance the construction of assets.

(l) Contaminated sites:

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

(i) An environmental standard exists;

(ii) Contamination exceeds the environmental standard;

(iii) The District is directly responsible or accepts responsibility;

(iv) It is expected that future economic benefits will be given up; and

(v) A reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site. As at December 31, 2024, no liability for contaminated sites was recognized.

(m) Post-employment benefits:

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

(n) Financial Instruments:

Financial instruments include cash and cash equivalents, investments, accounts receivables, accounts payable and accrued liabilities and debt.

THE CORPORATION OF THE DISTRICT OF NORTH VANCOUVER

Notes to Consolidated Financial Statements

Year ended December 31, 2024

1. Significant accounting policies (continued):

(n) Financial Instruments (continued):

Financial instruments are recorded at fair value on initial recognition. Equity instruments quoted in an active market and derivatives are subsequently measured at fair value as at the reporting date. All other financial instruments are subsequently recorded at cost or amortized cost unless management elects to carry the financial instrument at fair value. The District has not elected to carry any other financial instruments at fair value.

Unrealized changes in fair value are recognized in the Consolidated Statement of Remeasurement Gains and Losses. They are recorded in the Consolidated Statement of Operations when they are realized. There are no unrealized changes in fair value as at December 31, 2024 and December 31, 2023. As a result, the District does not have a Consolidated Statement of Remeasurement Gains and Losses.

Transaction costs incurred on the acquisition of financial instruments recorded at cost are expensed as incurred.

Sales and purchases of investments are recorded on the trade date.

Accounts receivables, investments, accounts payable and accrued liabilities, and debt are measured at amortized cost using the effective interest rate method.

All financial assets measured at amortized cost are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the Consolidated Statement of Operations.

(o) Asset retirement obligations:

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and,
- A reasonable estimate of the amount can be made.

The liability is initially recorded at the best estimate of the expenditures required to retire a tangible capital asset, and the resulting costs are capitalized as part of the carrying amount of the related tangible capital asset if the asset is recognized and in productive use. This liability is subsequently reviewed at each financial reporting date and adjusted for any revisions to the timing or amount required to settle the obligation.

The changes in the liability for the passage of time are recorded as accretion expense in the Consolidated Statement of Operations and all other changes are adjusted to the tangible capital asset. The cost is amortized over the remaining useful life of the tangible capital asset (Note 1 (m)(ii)) and remaining term of the lease agreement for ground leases. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

THE CORPORATION OF THE DISTRICT OF NORTH VANCOUVER

Notes to Consolidated Financial Statements

Year ended December 31, 2024

1. Significant accounting policies (continued):

(o) Asset retirement obligations (continued):

Recoveries related to asset retirement obligations are recognized when the recovery can be appropriately measured, a reasonable estimate of the amount can be made and it is expected that future economic benefits will be obtained. A recovery is recognized on a gross basis from the asset retirement obligations liability.

(p) Pension fund:

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

(q) Use of accounting estimates:

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Areas requiring the use of management estimates relate to the determination of post-employment benefits, amounts to settle asset retirement obligations, and permit revenue.

Actual results could differ from those estimates. Adjustments, if any, will be reflected in the consolidated financial statements in the year that the change in estimate is made, as well as in the year of settlement if the amount is different.

2. Adoption of new accounting standards:

(a) PS 3160 *Public Private Partnerships Standard*:

On January 1, 2024, the District adopted Canadian Public Sector Accounting Standard PS 3160, *Public Private Partnerships* ("PS 3160"). The new standard addresses the recognition, measurement, presentation, and disclosure of infrastructure procured by public sector entities through certain types of public private partnership arrangements. Management has assessed that there is no impact of adopting PS 3160 on the financial statements of the District.

(b) PSG-8 *Purchased Intangibles*:

On January 1, 2024, the District adopted Public Sector Guideline PSG-8, *Purchased Intangibles, applied on a prospective basis* ("PSG-8"). PSG-8 defines purchased intangibles as identifiable non-monetary economic resources without physical substance acquired through an arm's length exchange transaction between knowledgeable, willing parties who are under no compulsion to act. Intangibles acquired through a transfer, contribution, or inter-entity transaction, are not purchased intangibles. Management has assessed the impact of adopting PSG-8 and found that at present no such items meet the criteria to be recognized as a purchased intangible.

THE CORPORATION OF THE DISTRICT OF NORTH VANCOUVER

Notes to Consolidated Financial Statements

Year ended December 31, 2024

2. Adoption of new accounting standards (continued):

(c) PS 3400 *Revenue Standard* :

On January 1, 2024, the District adopted Canadian Public Sector Accounting Standard PS 3400 *Revenue* ("PS 3400") and applied this standard on a prospective basis. The new accounting standard establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and its measurement.

Management has assessed the impact of adoption PS3400 on the financial statements and have identified a \$635,906 increase in permit revenue, with a corresponding decrease in deferred revenue in 2024.

3. Cash and cash equivalents:

	2024	2023
Cash	\$ 6,664,690	\$ 6,352,596
Business Investment Savings Account	1,429,968	1,412,090
Pooled High Interest Saving Account	98,767,961	24,526,379
	<u>\$ 106,862,619</u>	<u>\$ 32,291,065</u>

4. Due from governments:

	2024	2023
Due from Federal Government	\$ 660,053	\$ 2,927,047
Due from Provincial Government	2,134,625	532,279
Due from Regional Government	788,328	601,161
	<u>\$ 3,583,006</u>	<u>\$ 4,060,487</u>

5. Investments:

	2024	2023
Investments consist of:		
Bank and Credit Union notes & deposits	\$ 225,334,244	\$ 292,389,612
Provincial Government Notes	10,509,719	10,459,663
	<u>\$ 235,843,963</u>	<u>\$ 302,849,275</u>

The District's investments have an average rate of return of 4.84% (2023 - 4.45%).

THE CORPORATION OF THE DISTRICT OF NORTH VANCOUVER

Notes to Consolidated Financial Statements

Year ended December 31, 2024

6. Due to governments:

	2024	2023
Due to Federal Government:		
RCMP police contract	\$ 9,191,125	\$ 11,205,348
Other	191,731	154,628
	9,382,856	11,359,976
Due to Provincial Government:		
Taxes collected on behalf of other jurisdictions	2,303,956	2,077,949
Ministry of Transportation & Infrastructure Capital Project	363,407	1,795,608
Payroll liability	218,231	396,479
Other	34,358	14,576
	2,919,952	4,284,612
Due to Other Regional Entities:		
Metro Vancouver Regional District	8,522,214	9,211,101
Due to partner organizations	3,043,907	2,769,816
Municipal Pension Plan	819,079	572,063
District of West Vancouver	405,188	506,990
City of North Vancouver	756,709	957,769
City of Vancouver	-	33,718
Development Cost Charges (DCC) collected on behalf of other jurisdictions	959,386	1,630,491
Other	118,353	183,013
	14,624,836	15,864,961
	\$ 26,927,644	\$ 31,509,549

7. Restricted revenue:

- (a) Restricted revenue are comprised mainly of DCC that are collected to pay for the general capital and utility expenses due to development. In accordance with the Community Charter, these funds are deposited into separate accounts. When the related expenses are incurred, the DCC are then recognized as revenue.

	2024	2023
Development cost charges (i):		
Water *	\$ (330,711)	\$ 403,914
Sewer *	(811,778)	923,046
Drainage	398,891	693,508
Roads	7,950,773	8,135,812
Parks	12,750,785	13,634,583
	19,957,960	23,790,863
Restricted donations and other	2,816,678	2,342,211
Community amenity contribution	585,924	558,867
Developer parkland reserve contributions	330,519	315,256
	\$ 23,691,081	\$ 27,007,197

THE CORPORATION OF THE DISTRICT OF NORTH VANCOUVER

Notes to Consolidated Financial Statements

Year ended December 31, 2024

7. Restricted revenue:

(a) (continued):

* The Community Charter authorizes borrowings between DCC reserves to cover deficit within other reserves. DCC reserves utilized will be repaid at the earlier of when the funds are required to complete DCC capital works or when sufficient DCCs are collected.

(i) Development cost charges:

In accordance with section 569 of the Local Government Act, 2024 annual development cost charges include the following, reported for each purpose under sections 559(2) and 559(3) for which the local government imposes the DCC in the applicable year:

(A) The amount of DCC received;

(B) The expenditures from the DCC reserve funds;

(C) The balance in the DCC reserve fund at the start and at the end of the applicable year;

(D) Any waivers and reductions under section 533(2).

	Water	Sewer	Drainage	Roads	Parks	Total
Balance, beginning of year	\$ 403,914	\$ 923,046	\$ 693,508	\$ 8,135,812	\$ 13,634,583	\$ 23,790,863
Add:						
Interest income	1,730	2,630	25,819	380,203	623,153	1,033,535
DCC collected	132,562	65,676	64,931	371,846	264,879	899,894
Deduct:						
Acquisition of tangible capital assets	868,917	1,803,130	385,367	937,088	1,771,830	5,766,332
Balance, end of year	\$ (330,711)	\$ (811,778)	\$ 398,891	\$ 7,950,773	\$ 12,750,785	\$ 19,957,960
DCC Waivers provided in 2024:						
Bylaw 8644	\$ 105,997	\$ 52,507	\$ 30,431	\$ 284,536	\$ 220,726	\$ 694,197
Bylaw 8663	9,619	4,765	2,762	25,822	20,031	62,999
	\$ 115,616	\$ 57,272	\$ 33,193	\$ 310,358	\$ 240,757	\$ 757,196

8. Deferred revenue:

	2024	2023
Prepaid taxes	\$ 21,067,532	\$ 20,134,680
Contributions for future use	2,633,805	2,548,384
Deferred permit fees	3,279,636	3,495,188
Prepaid membership fees	1,438,999	1,318,881
Prepaid connection fees	733,688	717,310
Other	1,660,444	1,837,494
	\$ 30,814,104	\$ 30,051,937

THE CORPORATION OF THE DISTRICT OF NORTH VANCOUVER

Notes to Consolidated Financial Statements

Year ended December 31, 2024

9. Debt:

The District finances certain tangible capital asset acquisitions through the MFA in accordance with the Community Charter. During the year ended December 31, 2024, the District financed a new debt instrument of \$20,000,000 (2023 - \$nil) through the MFA. The District makes payments to sinking funds related to its debt. Sinking fund balances, managed by the MFA, are netted against related debt.

	Gross amount borrowed	Repayments and actuarial adjustments	Net debt 2024	Net debt 2023
General fund	\$ 67,745,000	\$ 24,532,411	\$ 43,212,589	\$ 25,730,403

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

2025	\$ 3,281,702
2026	3,396,561
2027	3,515,441
2028	2,539,692
2029	2,628,582
Thereafter	27,850,611
	\$ 43,212,589

The District paid \$1,600,606 (2023 - \$1,358,455) in interest on long-debt during the year ended December 31, 2024. Interest rates on debt range from 2.20% to 4.52% (2023 – 2.20% to 3.90%).

10. Post-employment benefits:

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

The District uses an actuarial valuation to determine the estimated value of post-employment benefits. The most recent full actuarial valuation was completed as at December 31, 2023 and has been updated to December 31, 2024.

Accrued benefit obligation	2024	2023
Balance, beginning of year	\$ 12,117,971	\$ 10,279,321
Current service cost	1,070,645	900,591
Interest cost	493,150	477,616
Benefits paid	(1,228,524)	(1,050,434)
Actuarial loss (gain)	(1,180,920)	1,510,877
Balance, end of year	\$ 11,272,322	\$ 12,117,971

THE CORPORATION OF THE DISTRICT OF NORTH VANCOUVER

Notes to Consolidated Financial Statements

Year ended December 31, 2024

10. Post-employment benefits (continued):

Actuarial gains and losses are amortized over 10 years (2023 – 10 years), being the expected average remaining service period of the related employee group, commencing the year after the gain or loss arises.

	2024	2023
Accrued benefit obligation balance, end of year	\$ 11,272,322	\$ 12,117,971
Unamortized net actuarial gains and losses	327,582	(928,130)
Other employee benefit liabilities	8,283	(2,317)
Accrued benefit liability, end of year	\$ 11,608,187	\$ 11,187,524

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

	2024	2023
Discount rate	4.30%	4.10%
Expected future inflation rates	2.50%	2.50%
Expected cost of living and other increases	2.50% - 5.90%	2.50% - 5.90%

11. Tangible capital assets:

Cost	Balance at December 31, 2023	Additions, net of Transfers	Disposals	Balance at December 31, 2024
Land and improvements	\$ 248,177,447	\$ 16,640,009	\$ (907,298)	\$ 263,910,158
Buildings	230,481,194	3,375,929	(285,875)	233,571,248
Furniture, equipment and vehicles	65,477,598	11,920,525	(2,599,821)	74,798,302
Roads	277,672,230	17,920,425	(1,880,294)	293,712,361
Water	178,389,190	8,056,536	(256,832)	186,188,894
Sewer	79,339,831	1,695,006	(299,305)	80,735,532
Drainage	134,739,732	14,044,714	(37,348)	148,747,098
Library collection	4,711,412	613,750	(586,340)	4,738,822
Assets under construction	117,748,709	2,130,907	-	119,879,616
Total	\$ 1,336,737,343	\$ 76,397,801	\$ (6,853,113)	\$ 1,406,282,031

THE CORPORATION OF THE DISTRICT OF NORTH VANCOUVER

Notes to Consolidated Financial Statements

Year ended December 31, 2024

11. Tangible capital assets (continued):

Accumulated amortization	Balance at December 31, 2023	Additions	Disposals	Balance at December 31, 2024
Land and improvements	\$ 45,716,841	\$ 2,187,291	\$ (886,920)	\$ 47,017,212
Buildings	98,963,670	5,549,627	(215,733)	104,297,564
Furniture, equipment and vehicles	36,303,221	5,001,151	(2,456,651)	38,847,721
Roads	125,122,859	6,865,522	(1,576,585)	130,411,796
Water	35,773,213	2,226,617	(246,962)	37,752,868
Sewer	34,454,442	1,288,972	(173,024)	35,570,390
Drainage	49,494,923	1,718,381	(37,348)	51,175,956
Library collection	2,753,914	492,924	(435,189)	2,811,649
Total	\$ 428,583,083	\$ 25,330,485	\$ (6,028,412)	\$ 447,885,156

	Net book value December 31, 2023	Net book value December 31, 2024
Land and improvements	\$ 202,460,606	\$ 216,892,946
Buildings	131,517,524	129,273,684
Furniture, equipment and vehicles	29,174,377	35,950,581
Roads	152,549,371	163,300,565
Water	142,615,977	148,436,026
Sewer	44,885,389	45,165,142
Drainage	85,244,809	97,571,142
Library collection	1,957,498	1,927,173
Assets under construction	117,748,709	119,879,616
Total	\$ 908,154,260	\$ 958,396,875

(a) Contributed tangible capital assets:

Contributed tangible capital assets have been recognized at fair value at the date of contribution and are recorded in land sales and other contributions on the Consolidated Statement of Operations. The value of contributed assets received during the year is as follows:

	2024	2023
Land and improvements	\$ -	\$ 1,304,381
Roads	4,189,688	2,676,418
Water	558,100	965,820
Sewer	466,370	253,889
Drainage	1,916,681	640,980
Total	\$ 7,130,839	\$ 5,841,488

THE CORPORATION OF THE DISTRICT OF NORTH VANCOUVER

Notes to Consolidated Financial Statements

Year ended December 31, 2024

11. Tangible capital assets (continued):

(b) Tangible capital assets disclosed at nominal value:

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

(c) Write-down of tangible capital assets:

The write-down of tangible capital assets during the year ended December 31, 2024 was nil (2023 - nil).

12. Asset retirement obligations:

The District owns and leases some buildings that are known to contain asbestos and other hazardous materials, which represents a health hazard when undergoing certain repairs and maintenance work and upon demolition of the building. Additionally, some sites owned by the District contain underground fuel tanks. As there is a legal obligation to remove hazardous materials, the District has recognized a liability relating to the asset retirement obligations, as estimated at December 31, 2024.

	2024	2023
Asset retirement obligation, opening balance	\$ 5,306,934	\$ -
Asset retirement obligations recorded during the year	-	5,121,227
Accretion expense during the year	149,471	185,707
Change in estimate	(834,927)	-
Balance, end of year	\$ 4,621,478	\$ 5,306,934

The liability has been estimated using a net present value technique with a discount rate of 5.37% (2023 – 5.41%) and inflation rate of 2.00% (2023 – 3.22%). The estimated total undiscounted future expenditures are \$11,597,062 which are to be incurred over 58 years from 2025 to 2082.

THE CORPORATION OF THE DISTRICT OF NORTH VANCOUVER

Notes to Consolidated Financial Statements

Year ended December 31, 2024

13. Accumulated surplus:

	2024	2023
(a) Reserves are comprised of the following:		
Operating and risk management:		
Assessment appeal and property tax	\$ 2,089,991	\$ 6,533,014
Development stabilization	984,516	4,086,184
General municipal operations	8,334,076	5,016,898
Utilities – Water working capital	6,421,228	3,311,065
Utilities – Sewer working capital	22,118,732	3,008,160
Human Resources	468,259	612,344
Auto, fire and liability insurance	1,716,977	1,548,390
Operating projects in progress (future expenditures)	4,613,980	3,305,466
	46,747,759	27,421,521
Partner Organizations:		
District of North Vancouver Municipal Public Library	1,019,825	903,737
North Vancouver Recreation & Cultural Commission	97,108	-
North Vancouver Museum and Archives	(78,487)	(24,912)
North Shore Emergency Management Office	163,436	119,656
	1,201,882	998,481
Existing Capital:		
Infrastructure	23,646,184	12,959,629
Utilities – water	15,700,131	14,652,769
Utilities – sewer and drainage	19,900,563	28,817,403
Utilities – solid waste	8,618,767	7,641,496
Vehicles and equipment	6,624,039	7,257,953
	74,489,684	71,329,250
New capital, initiatives and growth:		
Transportation and mobility	2,008,480	1,975,911
Community health and safety	3,542,019	258,727
Climate and innovation	240,425	627,246
Heritage retention and conservation	146,668	137,941
Other development charges	1,490,687	741,289
Community amenity contributions	734,202	19,643,129
Growing communities grant	10,854,444	10,353,205
Local improvement	344,340	328,439
Film reserve fund	223,624	-
Business Initiatives	369,545	-
Local Government Housing Initiatives	217,093	-
Tax growth	9,666,026	9,115,317
	29,837,553	43,181,204
Land and housing:		
Land & land income	10,166,757	11,374,064
Housing	24,566,349	5,029,828
	34,733,106	16,403,892
(b) Capital projects in progress:		
Land and improvements	11,974,305	3,895,363
Buildings	(13,531,275)	(4,482,226)
Furniture, equipment and vehicle	6,271,959	10,911,250
Roads	(295,755)	(994,464)
Water	3,454,296	2,406,123
Sewer	943,083	3,696,646
Drainage	805,281	553,182
Future major repair and maintenance	11,012,041	10,459,007
Other	9,570,505	10,992,139
	30,204,440	37,437,020
(c) Equity in tangible capital assets	912,591,934	878,991,732
Accumulated surplus	\$ 1,129,806,358	\$ 1,075,763,100

THE CORPORATION OF THE DISTRICT OF NORTH VANCOUVER

Notes to Consolidated Financial Statements

Year ended December 31, 2024

14. Taxation:

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

	2024 Budget	2024 Actual	2023 Actual
Gross taxes levied on property	\$ 233,828,686	\$ 232,630,447	\$ 216,728,964
Deduct: Taxes levied and collected on behalf of other jurisdictions:			
Province of B.C. – school taxes	75,202,124	75,144,371	72,012,546
Translink	20,513,911	20,478,750	16,647,535
B.C. Assessment	2,772,653	2,768,199	2,683,004
MVRD	4,013,554	4,006,407	3,635,018
MFA	14,341	14,316	14,112
	102,516,583	102,412,043	94,992,215
Add:			
Payment in lieu of taxes	7,145,780	7,177,838	6,914,776
Net taxes for municipal purposes	\$ 138,457,883	\$ 137,396,242	\$ 128,651,525

15. Commitments and contingencies:

(a) Contingent liabilities:

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

(b) Municipal Pension Plan:

The District and its employees contribute to the Municipal Pension Plan (a jointly trustees 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, 2023, the plan has about 256,000 active members and approximately 129,000 retired members. Active members include approximately 45,000 contributors from local governments. Active members include approximately 970 contributors (2023 – 918 contributors) from the District.

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

THE CORPORATION OF THE DISTRICT OF NORTH VANCOUVER

Notes to Consolidated Financial Statements

Year ended December 31, 2024

15. Commitments and contingencies (continued):

(b) Municipal Pension Plan (continued):

The most recent valuation for the Municipal Pension Plan as of December 31, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The next valuation will be as at December 31, 2024, with results available later in 2025.

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

The District paid \$8,326,734 (2023 - \$7,634,108) for employer contributions to the plan in fiscal 2024.

(c) Third party claims and property tax appeals:

Several claims have been initiated against the District in varying or unspecified amounts. In addition, several property tax appeals have been filed with BC Assessment and are pending at December 31, 2024. Any amounts payable in addition to the accrued amounts, if any, arising from the claims and the appeals will be recorded in the year in which the amount is determinable.

Reserves have been established to fund potential additional unfavourable results.

(d) Insurance:

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

(e) Contractual obligations:

The District has entered into an agreement with a facility manager to manage a recreational facility for a period of 5 years commencing September 1, 1998 and renewable at the option of the facility manager for further 5-year terms to August 31, 2048. As part of the agreement the District has committed to the payment of 2,800 hours of facility rental for each year ended August 31st. For the year ended December 31, 2024, the District's liability is estimated at \$745,190. For succeeding years, this amount will be adjusted by any change in the Vancouver average all-in consumer price index for the previous year.

(f) MFA demand notes:

The District issues its debt instruments through the MFA. The District also executes demand notes in connection with each debenture whereby the District may be required to lend certain amounts to the MFA. Demand notes have been executed in the amount of \$1,636,096 (2023 - \$1,099,485). These demand notes are contingent in nature and are therefore not recorded as liabilities.

THE CORPORATION OF THE DISTRICT OF NORTH VANCOUVER

Notes to Consolidated Financial Statements

Year ended December 31, 2024

15. Commitments and contingencies (continued):

(g) E-Comm Emergency Communications for British Columbia Incorporated ("E-Comm"):

The District is a shareholder and member of E-Comm Emergency Communications for British Columbia Incorporated (E-Comm), whose services include: regional 911 call centre for the Metro Vancouver Regional District, Area Wide Radio emergency communications network, dispatch operations and records management. The District holds 1 Class A share and 1 Class B share (of a total 37 Class A and 18 Class B shares issued and outstanding at December 31, 2024). As a Class A shareholder, the District is committed to paying levies for services received under a cost-sharing formula to fund operating and capital costs of the E-Comm operations. In addition, the District is contingently liable to cover its proportionate share of such costs should any member be unable to fulfill its funding obligations. Annual levy amounts fluctuate based on various factors under the cost-sharing formula, and amounted to \$393,291 during 2024 (2023 - \$342,511).

16. Performance deposits:

In addition to cash deposits, the District is holding irrevocable Letters of Credit in the amount of \$63,896,051 (2023 - \$74,291,021), which were received from depositors to ensure their performance of works to be undertaken within the District. These amounts are not reflected in these consolidated financial statements.

17. Segment disclosures:

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

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

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

The segments include the following:

- (a) **General Government and Administration** provides support services to Council, the community and other departments providing direct services to residents and businesses. These internal departments include the District Manager's Office, Corporate Services, Finance and Climate Action. Various corporate expenses not directly attributable to a specific segment are included in General Government, including but not limited to depreciation, climate related events, interest on long term debt and third-party claims.
- (b) **Utility Services** provides planning, design, construction and maintenance for water distribution, sewage collection, drainage, neighbourhood energy utilities and refuse removal services.

THE CORPORATION OF THE DISTRICT OF NORTH VANCOUVER

Notes to Consolidated Financial Statements

Year ended December 31, 2024

17. Segment disclosures (continued):

- (c) **Transportation and Engineering** provides planning, design, construction and maintenance of the District's streets, street lighting, traffic control, transportation planning, utility and communication corridors and project delivery services.
- (d) **Protective Services** includes Police, Fire and Rescue, Natural Hazards, Bylaws and Emergency Management. Emergency Management is a shared service provided by the District, the District of West Vancouver and the City of North Vancouver.
- (e) **Community Services** includes Parks and Community Grants as well as the North Vancouver Museum and Archives Commission (NVMA) and North Vancouver Recreation & Culture Commission (NVRC) which are shared services provided by the District and the City of North Vancouver.
- (f) **Planning and Development** creates plans, programs and policies required for District wide community planning, zoning, subdivision and permitting. It also includes Real Estate and Properties, Business Services and Economic Development.
- (g) **Library Services** includes the District of North Vancouver Municipal Public Library (the "Library") which enriches our community by connecting people, sharing knowledge and inspiring stories. The Library is a welcoming community hub that provides free access to a wide range of public resources and services to the residents of the District of North Vancouver.

THE CORPORATION OF THE DISTRICT OF NORTH VANCOUVER

Notes to Consolidated Financial Statements

Year ended December 31, 2024

17. Segment disclosures (continued):

	General Government and Administration	Utility Services	Transportation and Engineering	Protective Services	Community Services	Planning and Development	Library Services	Eliminations	2024 Consolidated	2023 Consolidated
Revenues:										
Taxation	\$ 137,396,242	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 137,396,242	\$ 128,651,525
Sales, fees and user charges:										
Water	-	36,097,782	-	-	-	-	-	(534,373)	35,563,409	34,430,113
Sewer	-	36,723,880	-	-	-	-	-	(19,114)	36,704,766	32,132,303
Solid waste	-	9,171,520	-	-	-	-	-	(282,380)	8,889,140	8,551,970
Parks, recreation and culture	-	-	-	-	16,212,827	-	182,083	31	16,394,941	15,093,814
Other	4,971,569	500,282	1,926,656	1,523,278	2,454,992	17,898,656	-	4,464,278	33,739,711	30,413,763
Transfers from government:										
Federal Government	-	-	-	-	-	-	15,807	3,059,932	3,075,739	1,208,873
Provincial Government	988,168	-	348,491	1,108,397	127,452	768,330	226,996	2,904,787	6,472,621	14,012,350
Regional Government	50,000	21,373	781,944	-	25,341	-	8,561,455	(7,157,419)	2,282,694	4,527,601
Investment income	6,715,602	3,104,885	485,015	-	1,283,167	1,670,760	-	1,703,026	14,962,455	14,467,649
Land, sales & other contributions	-	-	-	1,506,882	556,889	395,403	42,631	6,614,435	9,116,240	12,482,943
	150,121,581	85,619,722	3,542,106	4,138,557	20,660,668	20,733,149	9,028,972	10,753,203	304,597,958	295,972,904
Expenses:										
Salaries and benefits	21,777,207	8,484,711	9,941,841	27,782,291	29,429,799	14,172,612	6,129,018	-	117,717,479	108,800,108
Goods and materials	1,893,911	1,627,349	768,181	186,659	1,614,096	165,094	348	-	6,255,638	6,631,958
Building and grounds	2,063,822	921,997	820,778	1,001,670	5,313,574	293,324	759,140	(835,867)	10,338,438	11,745,013
Equipment costs	(1,853,056)	3,573,945	1,436,321	1,126,221	1,962,679	325,799	614,280	-	7,186,189	8,206,193
Service costs	-	-	633,003	-	-	-	-	-	633,003	681,390
Administrative costs	4,461,102	1,850,122	(111,632)	2,199,708	5,431,680	2,502,262	723,754	(274,248)	16,782,748	15,363,151
Contract services	(365,760)	37,861,385	18,539	21,878,506	9,373,501	1,152,812	96,782	(8,715,558)	61,300,207	58,841,195
Grants	54,242	-	-	1,000	3,010,508	19,708	-	-	3,085,458	2,861,888
Debt interest	1,925,055	-	-	-	-	-	-	-	1,925,055	1,449,272
	29,956,523	54,319,509	13,507,031	54,176,055	56,135,837	18,631,611	8,323,322	(9,825,673)	225,224,215	214,580,168
Amortization	9,006,013	5,740,377	6,670,176	639,844	2,648,317	-	625,758	-	25,330,485	23,626,074
	38,962,536	60,059,886	20,177,207	54,815,899	58,784,154	18,631,611	8,949,080	(9,825,673)	250,554,700	238,206,242
Annual (surplus) deficit	\$ 111,159,045	\$ 25,559,836	\$ (16,635,101)	\$ (50,677,342)	\$ (38,123,486)	\$ 2,101,538	\$ 79,892	\$ 20,578,876	\$ 54,043,258	\$ 57,766,662

THE CORPORATION OF THE DISTRICT OF NORTH VANCOUVER

Notes to Consolidated Financial Statements

Year ended December 31, 2024

18. Budget figures:

The operating and capital budget figures, presented on a basis consistent with that used for actual results, were approved by Council as the "2024-2028 Financial Plan Approval Bylaw 8669 on February 26, 2024 and the 2024 Amendment Bylaw 8723 (Amendment 2)" on December 2, 2024. Amortization was not included in the development of the budget and, as such, has not been included.

	Original Budget	Amended Budget	Change
Revenue:			
Taxation	\$ 141,062,261	\$ 139,641,154	\$ (1,421,107)
Sales, fees, and other user charges	121,383,121	126,987,085	5,603,964
Developer contributions	19,727,726	14,812,372	(4,915,354)
Grants and other contributions	13,023,803	14,290,439	1,266,636
Investment income	8,469,443	8,469,443	-
Penalties and interest on taxes	1,128,330	1,128,330	-
	304,794,684	305,328,823	534,139
Proceeds from borrowing	5,120,916	4,720,916	(400,000)
Appropriations from:			
Operating reserves	4,864,558	5,561,040	696,482
Capital reserves	72,810,676	93,510,382	20,699,706
	77,675,234	99,071,422	21,396,188
Source of funds	387,590,834	409,121,161	21,530,327
Operating expenditures:			
Community services	50,523,954	53,913,486	3,389,532
Planning and development	19,065,638	19,941,552	875,914
Protective services	52,443,775	54,410,000	1,966,225
Transportation and engineering	13,072,385	13,111,623	39,238
Utilities	61,560,436	61,781,973	221,537
Governance and administration	24,008,035	23,336,953	(671,082)
	220,674,223	226,495,587	5,821,364
Capital expenditures	85,307,629	85,830,836	523,207
Debt service	6,325,727	3,061,057	(3,264,670)
Contributions to:			
Operating reserves	602,537	621,537	19,000
Capital reserves	74,680,718	93,112,144	18,431,426
	75,283,255	93,733,681	18,450,426
Use of funds	\$ 387,590,834	\$ 409,121,161	\$ 21,530,327

THE CORPORATION OF THE DISTRICT OF NORTH VANCOUVER

Notes to Consolidated Financial Statements

Year ended December 31, 2024

18. Budget figures (continued):

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

Revenue:	
Operating budget	\$ 394,308,789
Capital budget	14,812,372
Total revenue per approved budget	409,121,161
Less:	
Transfers from other funds	(99,071,430)
Capital funding less repair and maintenance:	
Inter-agency eliminations	(8,646,385)
Proceeds from debt	(4,720,916)
Total revenues, as reported	296,682,430
Expenses:	
Operating budget	323,290,325
Capital budget	85,830,836
Total expenses per approved budget	409,121,161
Less:	
Transfers to other funds	(93,733,681)
Inter-agency eliminations	3,197,862
Capital expenses, including major repair and maintenance	(85,830,836)
Debt principal repayment	(3,061,057)
Operating repair and maintenance funded as capital expenses	7,212,755
Total expenses as reported	236,906,204
Annual surplus, per Consolidated Statement of Operations	\$ 59,776,226

19. Contractual rights:

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

	2025	2026	2027	2028	Total
Development agreements	\$ 5,746,071	\$ 8,390,733	\$ 2,125,775	\$ -	\$ 16,262,579
Leases	3,911,972	1,441,750	966,187	680,698	7,000,607
	\$ 9,658,043	\$ 9,832,483	\$ 3,091,962	\$ 680,698	\$ 23,263,186

THE CORPORATION OF THE DISTRICT OF NORTH VANCOUVER

Notes to Consolidated Financial Statements

Year ended December 31, 2024

20. Financial risk management:

Financial instruments include cash and cash equivalents, investments, receivables, payables, and debt. The District has exposure to the following financial risks from its use of financial instruments: credit risk, market risk, interest rate risk and liquidity risk. Management is responsible for safeguarding resources, managing risks, and implementing appropriate policies and framework. This note presents information on how the District manages those financial risks.

(a) Credit risk:

Credit risk is the risk of economic loss should the counterparty to a transaction default or otherwise fail to meet its obligation. The District is exposed to credit risk through its cash and cash equivalents, accounts receivables, and investments. The maximum exposure to credit risk on these instruments is their carrying value.

Credit risk associated with cash and cash equivalents is minimized by ensuring that these assets are held at financial institutions with a high credit quality. The District has deposited cash with reputable financial institutions, from which management believes the risk of loss to be remote.

The District mitigates credit risk in its investments by adhering to its investment Policy which limits the type and distribution of investments.

Accounts receivables mainly consist of property taxes, utilities, trade and other receivables. The Community Charter grants legislative authority for the District to enforce the collection of unpaid property taxes. As at December 31, 2024 and 2023, there were no significant collection issues related to outstanding receivable accounts. The District assesses, on a continuous basis, accounts receivables and provides for any amounts that are not collectible.

(b) Market risk:

Market risk is the risk that changes in market prices, as a result of changes in foreign exchange rates or interest rate will affect the District's value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing return on investments.

(i) Interest rate risk:

Interest rate risk relates to the risk that changes in interest rates will affect the fair value or future cash flows of financial instruments held by the District. There is no interest rate risk regarding the District's short terms notes and deposits, government guaranteed bonds, bank guaranteed bonds and Municipal Finance Authority bonds.

The District is exposed to interest rate risk related to its debt issued by the MFA which is subject to fixed interest rate. Fluctuations in rates could impact future payments upon renewal.

(ii) Currency risk:

Investments in foreign securities would be exposed to currency risk due to fluctuations in foreign exchange rates. The District does not hold investments in foreign currencies.

THE CORPORATION OF THE DISTRICT OF NORTH VANCOUVER

Notes to Consolidated Financial Statements

Year ended December 31, 2024

20. Financial risk management (continued):

(c) Liquidity risk:

Liquidity risk is the risk that the District will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The District manages its liquidity risk by monitoring its operating and capital requirements. The District prepares budget and cash flow forecasts to ensure it has sufficient funds to fulfill its obligations.

There has been no significant change to the risk exposure from 2023.

21. Comparative Figures:

Certain comparative information has been reclassified to conform to the consolidated financial statement presentation adopted for the current year. These reclassifications do not impact the annual surplus reported in the prior year.

22. Subsequent Event:

Tariffs, other potential changes to tariff and import/export regulations, and ongoing trade disputes between the United States and other jurisdictions may have a negative effect on global economic conditions and the stability of global financial markets.

These tariffs are relatively recent and are subject to a number of uncertainties as they are implemented, and the impact cannot be predicted at this time.

THE CORPORATION OF THE DISTRICT OF NORTH VANCOUVER

Unaudited Statement of Growing Communities Fund

Year ended December 31, 2024

Growing Communities Grant – (Unaudited):

In March 2023, the District received \$10,254,000 from the Province of B.C. relating to the Growing Communities Fund grant. The Growing Communities grant is a one-time grant that can be used to address the District's infrastructure and amenity needs. This amount was recognized as revenue in 2023. The schedule below provides details on the amount of grant funding received, the use of those funds and ending balance of unused funds.

	2024	2023
Growing Communities Fund opening balance	\$ 10,353,205	\$ -
Add: Growing Communities Fund received	-	10,254,000
Less capital costs:		
Local road improvement and upgrades	-	(126,140)
Add: interest earned	501,239	225,345
Ending balance	\$ 10,854,444	\$ 10,353,205

THE CORPORATION OF THE DISTRICT OF NORTH VANCOUVER

Unaudited Statement of Local Government Housing Initiatives

Year ended December 31, 2024

Local Government Housing Initiatives Grant – (Unaudited):

In January 2024, the District received \$563,354 from the Province of B.C. relating to the Local Government Housing Initiatives grant. The Local Government Housing Initiatives grant is a one-time grant that can be used by local governments to meet the new legislative requirements to support housing initiatives, including small-scale multi-unit housing and proactive planning, development finance, and transit-oriented development. This amount was recognized as revenue in 2024. The schedule below provides details on the amount of grant funding received, the use of those funds and ending balance of unused funds.

	2024
Local Government Housing Initiatives Fund received	\$ 563,354
Less eligible costs:	
Housing Initiatives and Official Community Plan Update	(353,165)
Add: interest earned	6,904
Ending balance	\$ 217,093
