



## City of Richmond

## Report to Council

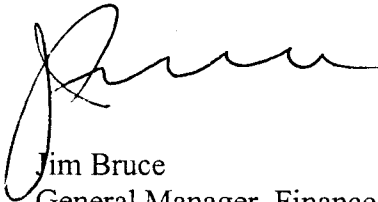
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**To:** Richmond City Council  
**From:** Jim Bruce  
General Manager, Finance and Corporate Services  
**Date:** July 4, 2003  
**File:** 0950-03  
**Re:** 2002 Audited Financial Statements

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### Staff Recommendation

That the attached 2002 Audited Financial Statements be approved prior to their submission to the Inspector.



Jim Bruce  
General Manager, Finance and Corporate Services

JWB/naw

Att.1

### Staff Report

#### Origin

As per Section 328 of the Local Government Act, Municipal Financial Statements for a fiscal year must be:

- a) prepared by the Municipal Officer assigned responsibility, and
- b) presented to Council for its acceptance

#### Analysis

Attached please find the 2002 Audited Financial Statements incorporated as part of the City's 2002 Annual Report. Included in the Annual Report is an overview of the City's major accomplishments and projects along with a detailed statistical section. As well, the Annual Report combines the financial statements and information for the Richmond Public Library. The Annual Report was prepared and produced in-house with the exception of the printing.

The financial statements are the responsibility of the City of Richmond's Management and have been prepared in accordance with generally accepted accounting principles for local government. They observe the Public Sector Accounting Board (PSAB) standards established by the Canadian Institute of Chartered Accountants. These financial statements have been audited by KPMG LLP and their responsibility was to express an opinion based on the results of their audit.

Financial management and control for the City of Richmond is the responsibility of the City's Finance Department and includes policies, directions and practices with review and recommendations provided by the Finance Select Committee of City Council.

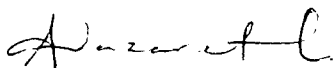
The City continued to maintain a strong financial position in 2002. The cash position, including temporary investments, increased to \$229.5 million from \$199.9 million in 2001. The City's expenditures were maintained within the operating budget, ending the year with a surplus of \$0.1 million. Non-restricted statutory reserves increased by \$4.4 million to \$81.6 million and the City experienced capital growth of \$30.2 million

#### Financial Impact

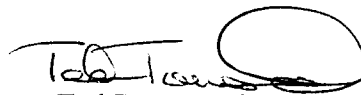
No impact.

#### Conclusion

The 2002 financial statements and Annual Report are being presented for Council's acceptance and staff recommend that they be approved.



Andrew Nazareth  
Director of Finance



Ted Townsend  
Manager, Communication & Public Affairs



City of Richmond,  
British Columbia, Canada

# 2002 Annual Report

Vision:

To be the most appealing, livable, and  
well-managed community in Canada



# City of Richmond

British Columbia, Canada

2002 Annual Report

**Cover photo:**

The Lady Washington (centre) and the HMCS Yellowkife (left) were among 20 vessels taking part in Richmond Tall Ships 2002. Photo by Hans Sipma.

Production, layout, design and photos provided by the City of Richmond Production Centre.  
Prepared by the City of Richmond Finance Department. © 2003



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# A Message from the Mayor

On behalf of Richmond City Council, it is my pleasure to present the 2002 Annual Report for the City of Richmond. This year has been an exciting one of continued economic growth, successful endeavours, and new directions, as the City made substantial strides towards its vision of being the most appealing, livable, and well-managed community in Canada.

This Annual Report provides a comprehensive financial report and highlights the major achievements of the past year through our significant projects, sound administrative and fiscal planning, improved business processes, innovation, and improved customer service.

In 2002, Richmond hosted the Tall Ships Challenge and Maritime Festival, which was the largest and most successful public event in the City's history. Riding on this wave of success, we have pledged our support for the Vancouver Whistler 2010 Olympic Bid, another extraordinary event that will bring the world to our doorstep. Richmond remains committed to the benefits of sports and recreation, while recognizing the positive impact the games would have on the economic health of our community.

The City has seen a major increase in construction and development activity during 2002, providing a firm footing for future growth and vibrancy. The long-awaited redevelopment of the waterfront lands in Steveston commenced, adding a variety of residential housing choices and opening up the area for all to enjoy, complete with stunning views of the river. In addition, new businesses are continually starting up or relocating to Richmond, bringing with them jobs, services, and opportunities for our residents.

I am proud of the harmonious community spirit reflected in Richmond's cultural diversity. In 2002, Council approved the appointment of the Richmond Intercultural Advisory Committee to enhance intercultural harmony and strengthen intercultural co-operation in Richmond. Our vision reflects that, as a community, we want to enjoy harmony, value different perspectives, and share ideas. Working together, we can all make Richmond a better place in which to work and live.

The Civic Election was held in November, returning a majority of existing Council members to serve the public, and welcoming back a familiar face. Following the election, City Council adopted several new strategic directions that will set the tone for the next three years as we move forward to meet and exceed expectations in the delivery of services to our residents.

Richmond continues to be a strong leader in municipal government through the dedication of City staff, and the support and involvement of its many partners and the community. Initiatives have been undertaken for improving community safety, particularly with respect to street racing; efforts are underway to provide Richmond with a more financially sustainable future; and the City continues to be the recipient of awards that recognize excellence and innovation.

City Council is committed to open and accountable government and financial stewardship to ensure that the City remains fiscally strong and viable. Council also will continue to focus on economic development, community safety and mobility, environmental sustainability, development of the waterfront, and improved customer service. Moreover, City Council will strive to ensure that all City services are managed in the most effective and efficient manner possible, while not sacrificing quality.

My door is always open. If you have any concerns or would just like to talk about our wonderful City, I'll be happy to see you.

A handwritten signature in black ink, appearing to read "Malcolm D. Brodie". The signature is fluid and cursive, written over a light-colored background.

Malcolm D. Brodie  
Mayor



Richmond City Council as at January 1, 2002

**Back Row, left to right:**

Staff Sergeant Colin Abel, Richmond RCMP, Councillor Rob Howard, Councillor Bill McNulty, Councillor Evelina Halsey-Brandt, Councillor Kiichi Kumagai, Bill Mulder, Richmond Fire Rescue.

**Front row, left to right:**

Councillor Linda Barnes, Councillor Lyn Greenhill, Mayor Malcolm Brodie, Councillor Sue Halsey-Brandt, Councillor Harold Steves

# Richmond City Council

## as at January 1, 2002

Mayor Malcolm Brodie  
 Councillor Linda Barnes  
 Councillor Lyn Greenhill  
 Councillor Evelina Halsey-Brandt  
 Councillor Sue Halsey-Brandt  
 Councillor Rob Howard  
 Councillor Kiichi Kumagai  
 Councillor Bill McNulty  
 Councillor Harold Steves

## as at December 2, 2002

Mayor Malcolm Brodie  
 Councillor Linda Barnes  
 Councillor Derek Dang  
 Councillor Evelina Halsey-Brandt  
 Councillor Sue Halsey-Brandt  
 Councillor Rob Howard  
 Councillor Kiichi Kumagai  
 Councillor Bill McNulty  
 Councillor Harold Steves



# City of Richmond Organizational Chart



## Civic Officials

Chief Administrative Officer .....	George Duncan (to July 31, 2002)
General Manager, Community Safety .....	Chuck Gale
General Manager, Engineering and Public Works .....	Jeff Day
General Manager, Finance and Corporate Services .....	Jim Bruce
General Manager, Human Resources .....	Mike Kirk
General Manager, Parks, Recreation and Cultural Services .....	Cathy Volkering Carlile
General Manager, Urban Development .....	David McLellan
City Clerk .....	Richard McKenna
City Solicitor .....	Paul Kendrick
Chief, Richmond Fire Rescue .....	Jim Hancock
Officer in Charge, Royal Canadian Mounted Police .....	Ward Clapham
Chief Librarian, Richmond Public Library .....	Greg Buss

## Banker

Bank of Nova Scotia

## Auditors

KPMG, LLP

# Report from the General Manager, Finance and Corporate Services

The Mayor and Council  
City of Richmond

Your Worship and Members of Council:

It is my pleasure to submit the Financial Statements for the City of Richmond for year ended December 31, 2002 as directed by Section 328 of the Local Government Act. This report also includes the 2002 Financial Statements for the Richmond Public Library, which while receiving funding from the City, operates and reports independently.

These statements are the responsibility of the City of Richmond's management have been prepared in accordance with generally accepted accounting principles for local government. They observe the Public Sector Accounting Board (PSAB) standards established by the Canadian Institute of Chartered Accountants. These financial statements have been audited by KPMG LLP and their responsibility was to express an opinion based on the results of their audit.

Financial management and control for the City of Richmond is the responsibility of the City's Finance Department and includes policies, directions, and practices with review and recommendations provided by the Finance Select Committee of City Council

The City continued to maintain a strong financial position in 2002. The cash position, including temporary investments, increased to \$229.5 million from \$199.9 million in 2001. The City's expenditures were maintained within the operating budget, ending the year with a surplus of \$0.1 million. Non-restricted statutory reserves increased by \$4.4 million to \$81.6 million and the City experienced capital growth of \$30.2 million.

The City of Richmond enjoys an enviable level of community services, supported by a competitively low tax burden. To maintain and enhance this record of excellence, the City's energies have now been focused on seven core strategies: Long Term Financial Management, Economic Development, Development of the City's Waterfront, Community Mobility, Community Safety, Customer Service, and a Sustainable Community.

The Long Term Financial Management Strategy will allow us to enhance Richmond's economic well-being for present and future generations without sacrificing the attractiveness of the City and the high level of services, facilities, and quality of life provided to the community.

Finally, I would like to acknowledge the hard work and dedication exemplified by Members of Council and City staff. The achievements outlined in this report are a tribute to the ongoing teamwork of City Council and staff. The year ahead looks just as promising. We are committed to providing our community with a broad base of services backed by sound financial management in continued pursuit of the City's vision for Richmond to be the most appealing, livable, and well-managed community in Canada.



J.W. Bruce  
General Manager, Finance and Corporate Services



# City of Richmond 2002 Overview

## City Vision

The City of Richmond is a model of diversity. The 2001 Canada Census determined that nearly 60 per cent of Richmond's population is made up of visible minorities. Over the past few decades, Richmond's cultural diversity has broadened by the arrival of newcomers from China, Hong Kong, Taiwan, the Philippines, India, and many other nations. A vibrant Asian commercial district, a wealth of cultural organizations, and popular multicultural festivals and events further contribute to the City's rich and diverse social mix.

The diversity of Richmond is reflected in many other ways. Traditional industries like farming and fishing thrive side-by-side with a nexus of aerospace and other high tech firms. Richmond is a dynamic urban centre with a population of 165,800 at the end of 2002, yet fully half of its land-base remains as farmland, parks, or other open space. Heritage neighbourhoods blend with the urbanized City Centre, all set amid beautiful natural surroundings on 17 islands located in the mouth of the Fraser River.

The City of Richmond's vision is to be the most appealing, livable, and well-managed community in Canada. As part of this vision, the City's mission is to protect and enhance the community's livability and economic well-being for current and future generations. This is being accomplished through a commitment to visionary leadership, responsible decision-making, accountable and sustainable fiscal practice, development of a unique and beautiful city, product and service excellence and efficiency, and community consultation.

Richmond's strong commitment to its vision was recognized in 2002 through a variety of awards for civic design, innovation, leadership, and livability. The City continues to build on these successes as it focuses on enhancing current operations and fulfilling long-term priorities.

*Photo: Steveston Landing.  
Richmond is a diverse, vibrant,  
and active community.*

*Richmond's sea, land, and air connections are unparalleled.*

## Community Profile

Centrally located, Richmond is a transportation hub for the Greater Vancouver region. The Vancouver International Airport, two seaports, and highway and transit connections link Richmond with its neighbours and the world.

The City of Richmond also enjoys the highest ratio of jobs to resident workers in Greater Vancouver. Richmond's economy supports 116,000 jobs and a vibrant mix of residential, commercial, and industrial development along with a thriving agricultural base. Vancouver International Airport in Richmond is also one of the province's largest economic generators.

Richmond's unique heritage attractions, many located along the historic Steveston waterfront and linked to the commercial fishing industry, are inter-nationally known. In 2002, the Steveston waterfront played host to the hugely popular Richmond Tall Ships 2002, attracting historic and unique sailing vessels from around the world and hundreds of thousands of their fans.

Recreational and cultural opportunities also abound in Richmond. The City's award-winning parks system has more than 1,500 acres of developed park land and natural areas, including the Richmond Nature Park and 320 acre Iona Island Regional Park. The City maintains an 80-kilometre system of interconnecting dyke trails, cycling routes, and walkways offering scenic views of the Coastal and Cascade mountains and natural and historic areas. The Fraser River estuary surrounding Richmond provides habitat for resident plants, fish, and birds, and is a central stopping point in the ecologically-critical Pacific Flyway for migratory birds.

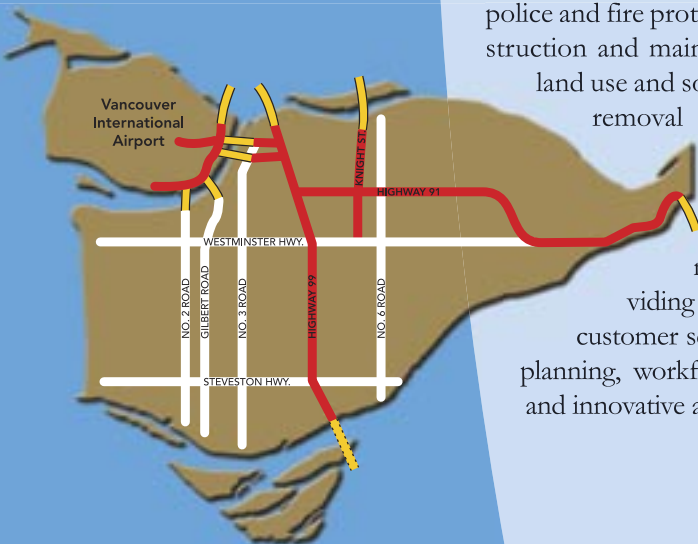
## City Governance and Services

A wide variety of services are provided by the City of Richmond including police and fire protection, parks, recreation and cultural services, road construction and maintenance, libraries, community centres, transportation, land use and social planning, water, sewer and drainage services, waste removal and recycling, environmental protection, emergency preparedness, business services, bylaw enforcement, engineering, and infrastructure maintenance.

The City of Richmond maintains a strong commitment to achieving excellence in customer service by providing cost effective and efficient municipal services. The City's customer service focus includes responsible fiscal practice, strategic planning, workforce development, strategic partnerships and alliances, and innovative approaches to service delivery.

### Links to Richmond

-  Bridge
-  Tunnel



## Corporate Plan

To ensure continued progress towards the corporate vision, City Council set goals for the 2003-2005 term of office. Based on these goals, the City updated its Corporate Plan as the vehicle to bring about Council's objectives, introducing seven core strategies to guide the organization over the next few years. The seven strategies are:

1. **Long Term Financial Management** – developing strategies for maintaining sound financial health for the City over the long term.
2. **Economic Development** – focusing on attracting, retaining, and growing desirable and diversified business and industry.
3. **Waterfront Development** – capitalizing on the opportunities offered by Richmond's continuous waterfront for economic development, public use and enjoyment, environmental stewardship, and the celebration of our heritage.
4. **Community Mobility** – maintaining effective mobility networks and choices that ensure community access, connectedness, and reduced reliance on personal cars.
5. **Community Safety** – focusing on enhancing the community's sense of safety through ensuring that public safety services, measures, and resources are effectively targeted to community needs and priorities.
6. **Customer Service** – finding the best possible ways to serve customers, with attention given to service quality, speed, choice, e-government opportunities, and the use of new technologies to better meet customer needs.
7. **Sustainable Community** – enhancing the city's livability, environmental sustainability, and social well-being in the context of a growing, aging, culturally diverse, and active population.

To accomplish these strategies, the City has adopted a team-based model to guide the implementation of the Corporate Plan, with staff from across the organization involved in strategy development and creating significant results and organizational change.

The City's Corporate Plan provides the guiding compass for the efforts of its employees and partners. New strategic objectives in the Corporate Plan point the way forward, while the achievements of the past year provide important benchmarks along the way.



*Richmond's waterfront offers many opportunities.*



*The City continues to enhance community safety measures.*



*Expanding transportation options is a priority for the City.*



# Appealing

Richmond has received international recognition as an appealing City. People from across the globe are drawn to the City as new residents, as tourists, and as business people. What makes Richmond attractive are its quality of life, natural beauty, business advantage, and cultural richness.

With continued focus on enhancing Richmond's beauty, the City and community worked together in 2002 to create public art, a bike park, and other park facilities. Access to the waterfront in Steveston was enhanced with an expanded boardwalk at Steveston Landing. Richmond's vibrant cultural life, and in particular the Tall Ships festival, attracted visitors from around the world. Building on this success, the City pledged support for the Vancouver Whistler 2010 Olympic Bid as an opportunity to again welcome the world to this City and region.

To enhance Richmond's appeal to new business and development, the City created an economic development strategic plan in 2002. It sets out strategies and actions to position Richmond as a regional leader in economic development, to create an environment supportive of business and investment, and to help grow key sectors of the economy. As well, the City streamlined its administrative processes for business licences and building approvals and expanded services to the industrial area of Mitchell Island.

Development saw a significant jump this year, with construction value of building permits almost doubling in the last year, to \$340 million. Growth was strongest in the residential sector with housing starts of 1,864 units in 2002, three times the number of starts in 2001. As well, significant commercial and industrial projects commenced in 2002, including a high school, an expanded Asian shopping centre, and a major warehouse development. The City issued almost 12,000 business licences in 2002 of which 1,900 were for new businesses. The City continues to attract a wide range of commercial, light industrial, high tech, and service enterprises.

With 15 million travellers passing through the Vancouver International Airport each year, Richmond is indeed an international city. For residents and visitors alike, the city offers a rich diversity of culture, business, and community activities.

Working towards the vision as the most appealing, livable, and well-managed community in Canada inspires the City towards excellence. Richmond's many achievements in 2002 highlight the City's commitment to this vision.

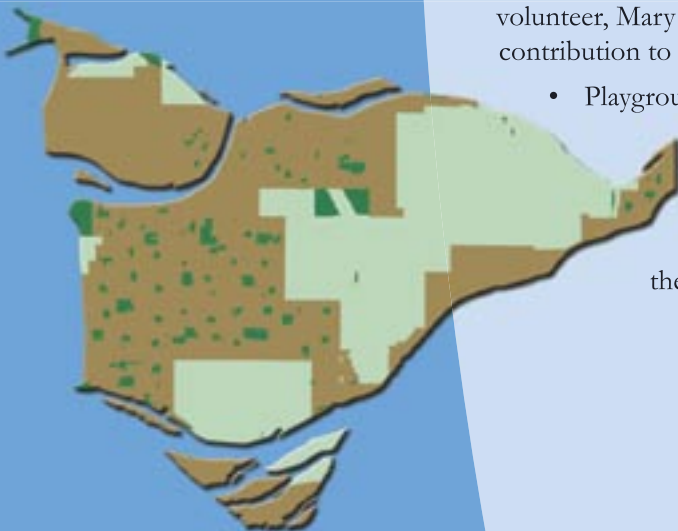
*Photo: Minoru Lakes in the City Centre. Richmond's natural beauty is reflected in its parks and natural areas.*



*Richmond has more than 1,500 acres of park land and natural areas.*

Designated Park Land and Environmentally Sensitive Areas in Richmond

- Park land
- Environmentally Sensitive Areas



## Achievements

- Richmond’s first artificial turf field was opened in Minoru Park. The field looks and feels like natural grass but can be played on year-round without the maintenance and seasonal field closures associated with natural grass.
- The public boardwalk along the riverfront at Steveston Landing was significantly extended, enhancing public access to and viewing of Fraser River activity. The project, a partnership between the City and the Steveston Harbour Authority, also included parking improvements for commercial fishermen.
- A bike terrain park for BMX and mountain bike enthusiasts was created in the Steveston area through a youth-led initiative. The park was largely funded and constructed through the efforts of youth, parent volunteers, and community donors, in collaboration with the City, Steveston Community Police Station, and Steveston Community Centre.
- Octopus Garden was created in 2002 through the City’s public art program in partnership with the residential developer of Riviera Gardens in Terra Nova. The artwork is a 33-foot curved concrete bench with a ceramic tile relief depicting giant Pacific octopi, salmon, sea stars, and crabs.
- Marking the 125th anniversary of the arrival of the first Japanese to Canada, a Japanese fishermen’s memorial was created at Imperial Landing in Steveston. A statue of a traditional Japanese fisherman commemorates the contributions to the fishing industry of pioneering Japanese fishermen and the generations that followed.
- Richmond’s Gateway Theatre saw the highest subscription and single ticket attendance in its history. The main stage production of Wildcat was nominated for three Jessie Richardson awards. Long time Gateway volunteer, Mary Pearce, was awarded the Queen’s Jubilee Medal for her contribution to Richmond arts and culture.
- Playground equipment was upgraded at five neighbourhood parks in 2002, enhancing community safety and play value.
- The City partnered with an industrial land owner in East Richmond to convert an undeveloped portion of the owner’s property into a public park and green space.

- To enhance industrial development, a new water main to Mitchell Island was installed. Crews used directional drilling under the Fraser River to minimize environmental impact and disruption to businesses.
- The City's beautification efforts were extended to the Hollybridge and No. 1 Road drainage pump stations. Both were updated to improve drainage, while at the same time creating public amenities for general community use, incorporating attractive design, artwork, and landscaping.
- Richmond adopted an economic development strategy to encourage business retention and economic growth in the community.
- The front dock of the historic Britannia Shipyard was reconstructed in 2002, providing improved and safe public access to the dock and the heritage boats displayed there.
- Planning and implementation began on the development of Imperial Landing Park. This important new waterfront park, created through the redevelopment of the BC Packers land, will feature green space, boardwalks, historical artifacts, and interpretive signage.
- The historic 'Fleetwood', a classic 1930s wooden boat, was donated to the Britannia Heritage Shipyard. Restoration of the shipyard's 17-foot wooden boat 'Coquitlam' was also completed in 2002.
- Richmond updated its inventory of environmentally sensitive areas and included information on the types of ecosystems that exist in Richmond, how they function, and recommendations for managing these and other natural areas.
- A comprehensive biophysical, heritage, and landscape character inventory and analysis was conducted for the Terra Nova North West Quadrant, a preserved natural area and open space of more than 50 acres.
- Richmond's popular annual Landscape and Garden Contest celebrated its 10th anniversary of encouraging local residents and property owners to participate in civic beautification efforts. More than 130 entrants took part in the competition in 2002, which included a gala awards night at the Gateway Theatre attended by a crowd of over 350 people.



*A bronze fisherman commemorates Richmond's Japanese heritage.*



*The Octopus Garden is a unique park bench with public art.*



*Photo by H. Sipma*

*Richmond's trails and parks offer spectacular destinations.*



## Livable

Richmond is known for its exceptional quality of life. The City has the longest life expectancy of any city in Canada and ranks the lowest for major health risks. Richmond residents are active and engaged in making their community a great place to live, work, and play.

Keeping Richmond as a highly livable community is an important focus for the City. For 2002 this involved enhancing community safety and emergency preparedness, increasing access to services, improving transportation and environmental stewardship, and enhancing recreation and cultural opportunities.

Key safety initiatives in 2002 included completion of an emergency social services plan and Council's approval for fire hall and public safety building replacement over the next five years. The fight against street racing was stepped up, and the City and community were engaged in a number of other safety related initiatives and events.

Access to housing and social services were given a boost in 2002 through the addition of new affordable housing units, support for child care, the creation of guidelines for seniors supportive housing, and the design of a flexible house. As well, the City introduced a neighbourhood services program to bring City services and preventative safety measures closer to the community.

Enhancing environmental sustainability continues to be a priority for the City. For 2002 this included improving transportation choices, heightening community environmental awareness, and assessing the City's environmentally sensitive areas. Transportation improvements in 2002 included expanded transit service, new cycling lanes, and continued work towards a rapid transit link between Richmond, the airport, and Vancouver. An innovative program introduced school children to how Richmond's water system works and the value of water conservation.

The City of Richmond values and supports an involved, active, and diverse community. With cultural diversity as one of Richmond's distinguishing features, City Council appointed the Richmond Intercultural Advisory Committee to build on the community's intercultural harmony and co-operation. Hundreds of community organizations, social service agencies, and advisory groups work alongside the City, offering a wide array of recreation and cultural opportunities, festivals, community services, and input into City operations. Thousands of volunteers contribute in significant ways to Richmond's high quality of life.

*Photo: Award winning architecture and a variety of housing choices make Richmond a great place to live.*

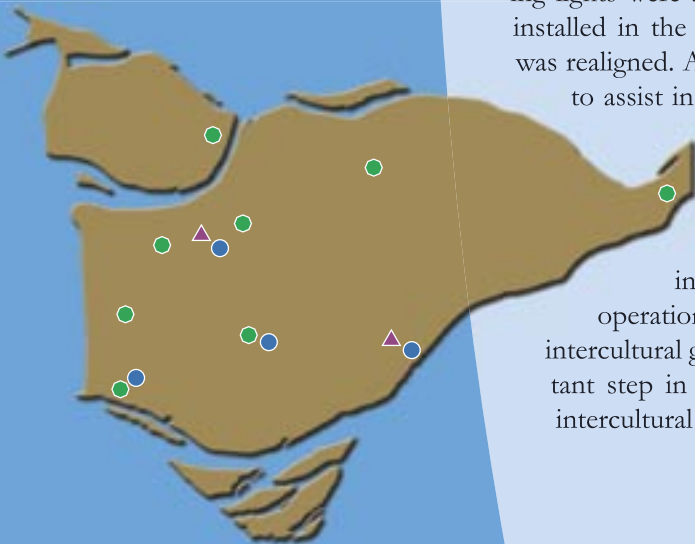
*Active lifestyles make Richmond's residents the longest living in Canada.*

## Achievements

- The City completed a child care needs assessment in 2002 and provided funds from the Child Care Statutory Reserve Fund to licenced child care providers for the purchase of furnishings and equipment.
- Richmond City Council approved a program to replace four fire halls and the central police facility and to create an emergency operations centre by 2008. As well, Council established a Community Safety Advisory Task Force to seek public input and create awareness regarding the Community Safety Plan and safety related matters. Other initiatives included a community safety day, a forum on Internet safety, and a Junior Fire Fighter day camp promoting personal and fire safety.
- As a demonstration project the City, Canada Mortgage and Housing Corporation, and a developer partnered to design and construct an adaptable house able to accommodate the lifetime needs of a family, from child-rearing to senior years. The house features healthy building materials, energy efficiency, and universal access design.
- Richmond partnered with the Greater Vancouver Housing Corporation to offer more affordable housing in the community by opening the Maplewood project with 26 new affordable housing units.
- Design guidelines were created and adopted in 2002 for affordable seniors supportive housing projects. Included are guidelines for site location and planning, amenities, and building design.
- The City created a task force of business and community interests to build support for the Richmond-Airport-Vancouver rapid transit project.
- Transportation improvements this year included the addition of 18,000 service hours to Richmond's transit service, an additional 6.8 km of cycling lanes, and traffic calming measures. Pedestrian-activated crossing lights were added on arterial roads, fire pre-emption signals were installed in the No. 4 Fire Hall response area, and Hazelbridge Way was realigned. As well the City implemented a traffic flow data system to assist in traffic planning and management. The system counts traffic every five minutes, 24 hours a day from 1,400 detectors across the city.
- The Richmond Intercultural Advisory Committee was established by City Council in 2002 to enhance intercultural harmony and strengthen intercultural co-operation in Richmond. The Committee consulted with local intercultural groups, churches, and community agencies as an important step in encouraging networking and developing solutions to intercultural issues.

### Community Centres, Pools, and Arenas in Richmond

- Community Centres
- Pools
- ▲ Arenas



- The City provided land on a long term lease for the 10-bed Nova House, a transition home for women and their children who are fleeing domestic violence. As well, City Council endorsed a homelessness strategy, developed by a community steering committee, which focuses on emergency shelters, supportive and affordable housing, and community collaboration.
- The City developed an education program for elementary school students, Project WET, which focuses on how the City's water system works, why water conservation is important, and Richmond's role in providing high quality water.
- Working with the community the City launched efforts to crackdown on street racing. New measures include community partnerships and dialogue as well as new equipment such as night vision binoculars, mobile radar equipment, and remote control spike belts to combat criminal driving.
- The City introduced a Neighbourhood Services Program aimed at improving customer service at the neighbourhood level. The program connects people to people, providing them with information and know-how to take more responsibility for their own and their neighbourhood's safety.
- The Richmond Substance Abuse Task Force was established by Council in 2002 to provide recommendations for a municipal drug strategy. They researched trends in illicit drug use and drug-related activity in Richmond, the ability of existing agencies to address these problems, and the need for additional services.
- Richmond completed its Emergency Social Services Plan, which outlines how basic personal needs of residents will be met in the event of an emergency or disaster. The plan describes how the City, working with other agencies and volunteers, will help re-unite families and provide temporary emergency food, clothing, lodging, and personal services to help preserve the emotional and physical well-being of impacted individuals. An emergency exercise, Operation Horizon, was held to test the plan, with the help of over 100 volunteers including high school students and apartment residents.
- Cyber teens/cyber seniors, a cooperative program between Richmond Public Library and Minoru Place Seniors Centre matched volunteer high school students with seniors to assist them in using the Internet.



*Multicultural festivals celebrate Richmond's diverse and vibrant character.*



*Project WET introduces children to the City's waterworks.*



*The first of its kind, Richmond's Flex House can be adapted to the needs of all life stages.*



## Well-Managed

Richmond continually strives for excellence in how the City is managed, in meeting customer needs, and improving the efficiency and effectiveness of service delivery. Balancing fiscal responsibility with community needs, environmental stewardship, and economic development are important factors in City decision-making.

To better serve the needs of community and business clients, the City introduced a number of process changes which streamlined building approvals, inspections, and business licence applications. An interactive voice response system allows developers and homeowners to more effectively schedule and obtain results from site inspections. Payment options for City services were expanded with the ability to pay any bill from any City facility. City bylaws, tenders, and bid awarding are now posted on the City's web site, allowing for more accessible and open government. As well, the City's automated recreation registration program, which was expanded this year to all recreation facilities, was hugely popular.

Managing the City's physical assets is a major focus. New asset management software and a full review of infrastructure condition and replacement costing have enabled the City to more effectively maintain and plan for roads, sewers, water systems, buildings, and other City utilities. Reducing energy consumption was again a focus of a number of projects in 2002, including facility lighting enhancements and energy efficient traffic light technology. Using global positioning technology and a web-based geographic information system, the City enhanced the efficiency and accuracy of surveying, mapping, and other geography related functions.

Richmond continues to be seen as a leader in municipal government. Governments and organizations from around the world come here to learn from Richmond's successes. As well, through the TeamWorks program, Richmond staff have shared their expertise with other British Columbia communities in tangible, hands-on ways.

*Photo: Richmond continues to manage and upgrade its utilities to meet the needs of a growing community.*



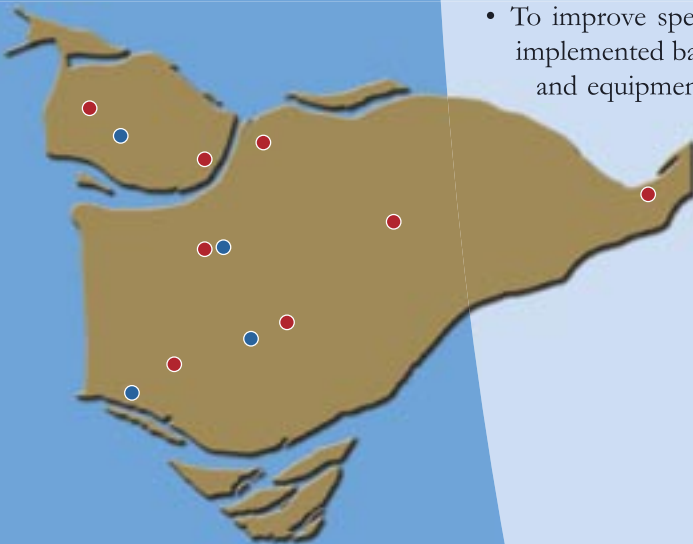
*Richmond will build four fire halls and a central police facility by 2008.*

## Achievements

- The City conducted an analysis of its urban infrastructure, which included a review of the condition, age, remaining useful life, replacement costs, and funding requirements for roads, water systems, sewers, dykes, buildings, parks, and other City infrastructure. This information is being used to develop a long-term financial management strategy for the City.
- A survey by members of the Urban Development Institute rated Richmond highest overall among regional local governments in processing new developments. The City was considered the most efficient and cost effective municipality for the development industry in the Pacific Region and was praised for its quick turnaround time and receptiveness to new proposals.
- Richmond completed installing LED (light emitting diode) technology for all red, green, Don't Walk signals, and arrows. In recognition of Richmond's leadership in this area, BC Hydro awarded Richmond a grant towards the capital costs of the project.
- With funding assistance from BC Hydro, the City upgraded the lighting at five of its facilities including the library, seniors centre, and three community centres. This resulted in improved lighting levels, reduced power consumption, reduced maintenance costs, and improved user comfort.
- To enhance timely customer service for building inspections, Richmond introduced an integrated voice response phone system. It allows contractors and homeowners to schedule inspections, check inspection history and results, and check permit application status around the clock, without having to visit the job site or City Hall. The system also allows inspectors to enter results, schedule subsequent inspections, and leave voice messages for clients from the field.
- To improve speed and efficiency of inventory management, the City implemented bar code scanning for the receiving and issuing of goods and equipment. The wireless hand-held technology, adapted for the City's Stores Department and integrated with the financial system, eliminates paper forms and key entry while enhancing inventory control.

### Police and Fire Stations in Richmond

- Police Stations
- Fire Stations



- Data logging devices were installed in 170 pump stations in Richmond to track pump starts and stops. This information is useful in engineering modelling of current and future drainage requirements in this City, which is surrounded by water.
- Implementation of the City's asset management system was completed in 2002. The system logs calls and maintenance requests, schedules needed repair and maintenance work, serves as a cost control centre, and allows the City to better plan, control, and manage its assets.
- An innovative tool for repairing metal doors was designed and fabricated by the City's welding shop. The Buckmaster 1000, as it is dubbed, allows the City to repair doors that would otherwise have had to be replaced, resulting in cost savings of \$40,000 in one year.
- Richmond RCMP created a technological crime unit to provide investigative support to officers, train officers on electronic crime scenes, and increase community education and awareness concerning Internet safety. In 2002, this unit hosted a public forum and school talks on Internet safety and electronic bullying.
- The City purchased thermal imaging cameras for each fire engine. The camera enhances fire rescue, allowing fire fighters to quickly find people and other heat sources in a building, thus saving time and lives.
- Richmond's community policing model has drawn international attention. Richmond RCMP hosted police officials from other nations including England and 12 Central American countries interested in this model.
- Other customer service improvements in 2002 included posting City bylaws, requests for bids, and bid awards on the City's web site and introducing a point of sale system allowing residents to register for programs or pay City bills at any City facility.
- City crews began using the global positioning system for more accurate and consistent surveying. The system can pinpoint a precise location on the ground using satellite transmission signals and a hand-held receiver. The City also uses this technology to layout survey monuments for private industry on a fee for service basis.



*Bar code scanning technology enhances City inventory management.*



*Thermal imaging cameras improve fire response and save lives.*



*Richmond ranks first in the region for service to the development industry.*



## Awards

The City of Richmond continues to be recognized for its excellence and innovation in municipal government. The awards won in 2002 honoured the City for technological innovation, civic beautification, contribution to heritage and the arts, and innovative leadership. As well, community organizations and volunteers played a significant role in Richmond receiving a number of honours. These and past awards serve as benchmarks in tracking the City's progress towards positive change.

- Richmond received the Award of Excellence in Health Promotions from the BC Medical Association for its diverse efforts to promote healthy living. The award honoured the City's and community's numerous programs and initiatives promoting healthy and active lifestyles and community livability.
- Richmond's City Hall, which was completed in 2000, was named one of 12 winners of the 2002 Governor General's Medal for Architecture as selected by the Royal Architectural Institute of Canada and the Canada Council for the Arts.
- The American Sail Association (ASTA) awarded Richmond the prestigious title as 2002 Port City of the Year for hosting Richmond Tall Ships 2002. ASTA honoured Richmond for the enthusiastic welcome the Tall Ships received and for the work of volunteers, community partners, and staff in creating a highly successful event.
- Richmond Public Library's contribution to community literacy was honoured with the Canada Post Literacy Award for Community Leadership. The award recognized the Library's many programs serving the diverse needs of Richmond's multicultural, multi-lingual community.
- For the fourth time the City won an award for its unique use of wireless technology to monitor Richmond's extensive dyke and drainage network. In 2002, the City received the British Columbia Technology Industry Association award for the best application of web technology.
- Richmond's Chief Administrative Officer, George Duncan, received the Award of Excellence from BC Human Resources Management Association for creating a corporate culture dedicated to innovative leadership, strategic thinking, and consistent commitment to creating a positive work environment.
- The City received the Canadian Society of Landscape Architects' Regional Honour Award in 2002 for the landscape design, beautification, and livability initiatives associated with the Number Three Road rapid bus line.
- The City of Richmond Archives received a Certificate of Recognition from The Heritage Society of BC for the publication of *Whispers from the Shedrows: A history of thoroughbred racing in Richmond*. The book was written by local authors Jack Lowe, Dody Wray, and Gerry Gilker and was published by the City of Richmond Archives.

Photo: Landscape design along Richmond's rapid bus route won the City a prestigious award.



Photo by H. Sipma

## Richmond Tall Ships 2002

Richmond Tall Ships 2002 was an historic and unique community event that provided unforgettable memories for hundreds of thousands of participants and spectators.

One hundred years ago, Tall Ships from around the world thronged the City's Steveston waterfront to load cargoes of Pacific salmon for international markets. In July and August 2002, the Steveston waterfront hosted the largest gathering of Tall Ships in a century as a fleet of magnificent sailing ships made an historic return to the Canadian West Coast.

An estimated 400,000 people took part in a five-day maritime festival, welcoming more than 20 classic sailing ships, making Richmond Tall Ships 2002 the most popular event ever held in the city. More than 2,000 volunteers worked together with City Council and staff and dozens of community supporters and sponsors to make this festival an outstanding success.

Richmond Tall Ships 2002 generated millions of dollars in economic spin-offs and showcased the City and the Steveston community to a worldwide audience. Major waterfront infrastructure improvements and return visits by many festival visitors are among the tangible benefits of the festival, along with increased community capacity for volunteerism and event planning and management.

The success of Richmond Tall Ships 2002 was recognized by many accolades, including Tourism BC's Best Tourism Marketing Campaign Award, the American Sail Training Association's Port of the Year Award and Tourism Richmond's Gateway Award for tourism industry contribution.



*Photo: Richmond Tall Ships 2002 was the most popular event ever held in Richmond, attracting 20 classic sailing ships and over 400,000 visitors.*

City of Richmond  
Financial Section



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Chartered Accountants

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## AUDITORS' REPORT

To the Mayor and Members of Council,  
City of Richmond

We have audited the statement of financial position of the City of Richmond (the "City") as at December 31, 2002 and the statements of financial activities and cash flows for the year then ended. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2002 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The current year's supplementary information included in Schedules 1 through 4 is presented for purposes of additional analysis and is not a required part of the financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style.

Chartered Accountants

Vancouver, Canada

March 21, 2003



KPMG LLP, a Canadian owned limited liability partnership established under the laws of Ontario, is a member firm of KPMG International, a Swiss association



City of Richmond

**Statements of Financial Position** *(Expressed in thousands of dollars)*

*As at December 31, 2002 and 2001*

	2002	2001
<b>Financial Assets</b>		
Cash	\$ 1,506	\$ 1,337
Investments	228,043	198,550
Accrued interest receivable	17,027	16,885
Accounts receivable	14,812	16,642
Taxes receivable	7,920	8,949
Development fees receivable	7,042	3,532
Municipal Finance Authority deposits (note 4)	676	676
	<b>277,026</b>	<b>246,571</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (note 5)	42,223	38,092
Deposits and holdbacks	7,565	6,428
Deferred revenue	24,128	18,954
Restricted reserves (note 6)	29,831	24,915
Municipal Finance Authority debt requirement (note 4)	676	676
Long-term debt (note 7)	42,709	46,393
	<b>147,132</b>	<b>135,458</b>
<b>Net financial assets</b>	<b>129,894</b>	<b>111,113</b>
<b>Physical assets</b>		
Capital assets (note 8)	918,329	888,082
Inventory of materials and supplies	2,601	2,635
	<b>\$ 1,050,824</b>	<b>\$ 1,001,830</b>
<b>Equity</b>		
Investment in capital assets (note 9)	\$ 895,639	\$ 849,622
Reserves (Schedule 1)	81,586	77,164
Appropriated surplus (note 10)	26,344	27,897
Surplus (Schedule 3)	47,255	47,147
	<b>\$ 1,050,824</b>	<b>\$ 1,001,830</b>

Commitments and contingencies (note 11).  
See accompanying notes to financial statements.



General Manager, Finance and Corporate Services

City of Richmond

**Statements of Financial Activities** *(Expressed in thousands of dollars)*

*Years ended December 31, 2002 and 2001*

	Budget 2002	Actual 2002	Actual 2001
<b>Revenues:</b>			
Taxation and levies	\$ 105,493	\$ 105,414	\$ 100,724
User fees	30,539	31,083	27,995
Sales of services	22,930	24,071	20,767
Provincial and federal grants	3,570	3,975	5,858
Grants-in-lieu of taxes	9,063	10,091	9,730
Other revenue from own sources:			
Licences and permits	4,630	6,634	4,524
Investment income	4,910	6,020	5,207
Other	1,812	2,397	2,182
	<b>182,947</b>	<b>189,685</b>	<b>176,987</b>
<b>Expenditures:</b>			
General government	22,167	21,808	21,547
Protective services	50,550	51,806	46,669
Transportation services	17,689	17,566	17,295
Sanitation and recycling services	6,885	6,889	6,859
Environmental development services	2,315	2,539	2,371
Recreational and cultural services	23,434	23,705	22,409
Richmond Public Library	5,331	5,171	5,464
Utilities:			
Water supply and distribution	14,321	15,088	12,972
Sewerage collection and disposal	10,250	9,668	9,379
Debt and finance	14,465	13,090	11,873
Other expenses	261	195	177
	<b>167,668</b>	<b>167,525</b>	<b>157,015</b>
<b>Excess of revenues over expenditures</b>	<b>15,279</b>	<b>22,160</b>	<b>19,972</b>
Net allocation to reserves and investments in capital assets	(13,157)	(13,106)	(12,745)
Net allocations to appropriated surplus	(2,122)	(8,946)	(6,860)
	<b>(15,279)</b>	<b>(22,052)</b>	<b>(19,605)</b>
	-	<b>108</b>	<b>367</b>
<b>Surplus, beginning of year</b>	-	<b>47,147</b>	<b>46,780</b>
<b>Surplus, end of year</b>	<b>\$ -</b>	<b>\$ 47,255</b>	<b>\$ 47,147</b>

See accompanying notes to financial statements.

City of Richmond

**Statements of Cash Flows** *(Expressed in thousands of dollars)*

*Years ended December 31, 2002 and 2001*

	2002	2001
<b>Cash flows from operations:</b>		
Excess of revenues over expenditures	\$ 22,160	\$ 19,972
Changes in non-cash operating items:		
Accrued interest receivable	(142)	(2,196)
Accounts, taxes and development fees receivable	(651)	(1,097)
Inventory of materials and supplies	34	(104)
Accounts payable and accrued liabilities	4,131	(5,818)
Deposits and holdbacks	1,137	2,622
Deferred revenue	5,174	1,208
	<b>31,843</b>	<b>14,587</b>
<b>Cash flows from investments:</b>		
Purchases of capital assets	(30,247)	(32,182)
Proceeds from investments, net of purchases	(29,493)	5,448
	<b>(59,740)</b>	<b>(26,734)</b>
<b>Cash flows from financing:</b>		
Contributions to reserves and investments in capital assets	31,750	19,645
Repayment of long-term debt	(3,684)	(3,572)
	<b>28,066</b>	<b>16,073</b>
Increase in cash	169	3,926
Cash, beginning of year	1,337	(2,589)
Cash, end of year	<b>\$ 1,506</b>	<b>\$ 1,337</b>

Cash is defined as cash less bank indebtedness.

See accompanying notes to financial statements.

City of Richmond

# Notes to Financial Statements *(Tabular amounts expressed in thousands of dollars)*

*Years ended December 31, 2002 and 2001*

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## 1. Significant accounting policies:

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles for British Columbia municipalities as prescribed by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants, and reflect the following policies:

**(a) Use of estimates:**

In preparing the financial statements in conformity with generally accepted accounting principles, management makes estimates and assumptions that affect the reported amounts of assets, particularly the recoverability of capital assets and receivables, and restricted reserves and other liabilities, and disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the estimates.

**(b) Funds of the City:**

The financial statements combine the accounts of all of the self-balancing funds of the City of Richmond (the “City”) (noted below). All inter-fund assets and liabilities and revenues and expenditures have been eliminated.

*(i)* General Revenue Fund:

This fund is used to account for the current operations of the City as provided for in the Annual Budget, including collection of taxes, administering operations, provision of transportation services, policing, servicing general debt, etc.

*(ii)* General Capital and Loan Fund:

This fund is used to record the City’s capital assets and work-in-progress, including engineering structures such as roads and bridges, and the related long-term debt.

*(iii)* Waterworks and Sewerworks Funds:

These funds have been established to cover the costs of operating these utilities, with related capital and loan funds to record the related capital assets and long-term debt.

*(iv)* Reserve Funds:

Certain funds are established by bylaws for specific purposes. They are funded primarily by budgeted contributions from the General Revenue Fund plus interest earned on fund balances.

**(c) Revenue:**

Revenue is recorded on the accrual basis and is recognized when earned. Deferred revenue on the balance sheet represents property tax and business licence revenue received in respect of the following year.

City of Richmond

**Notes to Financial Statements** *(Tabular amounts expressed in thousands of dollars)*

*Years ended December 31, 2002 and 2001*

**1. Significant accounting policies (continued):**

**(d) Expenditures:**

Expenditures are recognized on the accrual basis with costs being reported as expenditures in the periods they are incurred.

**(e) Investments:**

Investments are recorded at cost. Investments include term deposits and short-term bonds which, for the most part, are held until, and have their principal guaranteed at, maturity. Provisions for losses are recorded when they are considered to be other than temporary. At various times during the term of each individual investment, market value may be less than cost. Such a temporary decline in value generally reverses as the investment matures and therefore adjustment to market value for these market declines is not recorded.

**(f) Accounts receivable:**

Accounts receivable are net of an allowance for doubtful accounts and therefore represent amounts expected to be collected within the next year.

**(g) Inventory of materials and supplies:**

Inventory of materials and supplies is valued at the lower of cost and net realizable value. Cost is determined on a first-in first-out basis.

**(h) Capital assets:**

Capital assets and capital work in progress are recorded at gross cost. Interest incurred on borrowed funds used during construction is capitalized. Donated assets are recorded at their estimated fair market value at the time they are received.

The City does not provide for depreciation or replacement of capital assets in the accounts. Proceeds from disposal of capital assets are credited to the appropriate reserve account.

**2. Collections for other governments:**

The City collects certain taxation revenue on behalf of other government bodies. These funds are excluded from the City's financial statements since they are not revenue of the City. Such taxes collected and remitted to the government bodies during the year were as follows:

	2002	2001
Province of British Columbia - Schools	\$ 91,247	\$ 90,503
Regional District and others	17,417	15,510
	<b>\$ 108,664</b>	<b>\$ 106,013</b>

City of Richmond

**Notes to Financial Statements** *(Tabular amounts expressed in thousands of dollars)*

*Years ended December 31, 2002 and 2001*

**3. Pensions:**

The City of Richmond (the “City”) and its employees contribute to the Municipal Pension Plan (the “Plan”), a jointly trusted pension plan governed by the B.C. Public Sector Pension Plans Act. The Plan is a multi-employer contributory defined benefit pension plan with about 125,000 active contributors, including approximately 26,000 contributors from over 180 local governments. Joint trusteeship was established effective April 5, 2001. The board of trustees, representing plan members and employees, is fully responsible for the management of the pension plan, including investment of the assets and administration of the plan. The British Columbia Pension Corporation provides pension benefit administration services and the British Columbia Investment Management Corporation provides investment management services for the Plan.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of Plan funding. The most recent valuation as at December 31, 2000 indicates a surplus of \$436 million, an improved position of 9% surplus of covered payroll from a 14% unfunded liability of covered payroll as at the previous valuation of December 1997. The Joint Trust Agreement specifies how surplus assets can be used. The actuary does not attribute portions of the surplus to individual employers. Each employer expenses contributions to the plan in the year in which payments are made. Contributions to the Plan by the City totalled approximately \$4,860,000 (2001 - \$4,937,000).

**4. Municipal Finance Authority deposits and debt requirement:**

The City issues its debt instruments through the Municipal Finance Authority. As a condition of these borrowings, a portion of the debenture proceeds is withheld by the Municipal Finance Authority as a Debt Reserve Fund. The City also executes demand notes in connection with each debenture whereby the City may be required to loan amounts to the Municipal Finance Authority. These demand notes are contingent in nature and are not reflected in the accounts. The details of the cash deposits and demand notes at December 31, 2002 are as follows:

	Cash deposits	Demand notes	Total
General revenue fund	\$ 576	\$ 2,760	\$ 3,336
Waterworks revenue fund	15	88	103
Sewerworks revenue fund	85	465	550
<b>Total</b>	<b>\$ 676</b>	<b>\$ 3,313</b>	<b>\$ 3,989</b>

City of Richmond

**Notes to Financial Statements** *(Tabular amounts expressed in thousands of dollars)*

*Years ended December 31, 2002 and 2001*

**5. Accounts payable and accrued liabilities:**

	2002	2001
Accounts payable	\$ 22,317	\$ 23,084
Accrued liabilities	15,841	11,694
Accrued vacation pay	4,065	3,314
	<b>\$ 42,223</b>	<b>\$ 38,092</b>

Accrued vacation pay represents the estimated value of the City's liability for employee vacation time. Employees of the City can accumulate benefits related to sick leave. The approximate value of the City's liability for employee sick time has been accrued in these financial statements.

**6. Restricted reserves:**

Included in liabilities are the below noted reserves, the use of which, together with any earnings thereon, is restricted by legislation or agreement with external parties.

	2002	2001
Development cost charges	\$ 29,831	\$ 24,411
Tax sale land reserve	-	504
	<b>\$ 29,831</b>	<b>\$ 24,915</b>

**7. Long-term debt:**

	2002	2001
Municipal Finance Authority debentures	\$ 42,600	\$ 46,216
Municipal agreements	20	20
Provincial capital improvement loan	89	157
	<b>\$ 42,709</b>	<b>\$ 46,393</b>

City of Richmond

**Notes to Financial Statements** *(Tabular amounts expressed in thousands of dollars)*

*Years ended December 31, 2002 and 2001*

**7. Long-term debt (continued):**

The rates of interest on the principal amount of the Municipal Finance Authority debentures vary between 5.99% and 12.35% per annum. The average rate of interest for the year ended December 31, 2002 approximates 8.891%.

The Municipal agreements bear interest at 4.42% and the Provincial capital improvement loan bears interest at 9.00%.

Payments on debentures and agreements required in the following five years and thereafter are as follows:

	Revenue Funds			Total
	General	Waterworks	Sewerworks	
<b>Years ending December 31:</b>				
2003	\$ 7,320	\$ 197	\$ 1,269	\$ 8,786
2004	7,051	-	1,125	8,176
2005	7,133	-	1,042	8,175
2006	7,284	-	1,063	8,347
2007	7,444	-	374	7,818
Thereafter	46,437	-	2,327	48,764
Principal and interest payments	82,669	197	7,200	90,066
Interest expense payments	(43,213)	(14)	(4,130)	(47,357)
<b>Debt principal repayments</b>	<b>\$ 39,456</b>	<b>\$ 183</b>	<b>\$ 3,070</b>	<b>\$ 42,709</b>

**8. Capital assets:**

	2002	2001
General government	\$ 77,038	\$ 73,250
Public works	479,211	463,069
Protection to persons and property	14,495	13,621
Sanitation and waste removal	12,357	11,838
Social welfare	2,953	2,931
Recreation services	126,221	124,151
Community services	88,671	85,076
Miscellaneous	46	46
Work in progress	117,337	114,100
	<b>\$ 918,329</b>	<b>\$ 888,082</b>



City of Richmond

**Notes to Financial Statements** *(Tabular amounts expressed in thousands of dollars)*

*Years ended December 31, 2002 and 2001*

**9. Investment in capital assets:**

	2002	2001
Balance, beginning of year	\$ 849,622	\$ 810,369
<b>Additions:</b>		
Principal payments on long-term debt	3,684	3,573
Federal, provincial and developer contributions	2,157	1,504
	<b>5,841</b>	<b>5,077</b>
<b>Contributions from:</b>		
General revenue fund	7,707	2,899
Capital expenditure reserve	8,211	13,202
Equipment reserve	3,164	3,318
Development cost charges reserve	8,703	10,605
Affordable housing reserve	2,000	1,000
Neighbourhood improvement reserve	-	300
Public art reserve	-	425
Child care development	50	-
Sanitary sewer lateral replacement reserve	2,512	1,623
Sanitary sewer trunk replacement reserve	-	2,400
Waterworks main replacement reserve	3,167	2,840
Local improvement reserve	750	-
Capital building and infrastructure reserve	650	-
Steveston road ends reserve	620	-
Other	6,666	3,889
	<b>44,200</b>	<b>42,501</b>
<b>Reductions:</b>		
Return of unspent funds to reserves	(2,838)	(7,636)
Disposal of capital assets	(1,186)	(689)
	<b>(4,024)</b>	<b>(8,325)</b>
Balance, end of year	<b>\$ 895,639</b>	<b>\$ 849,622</b>

City of Richmond

**Notes to Financial Statements** *(Tabular amounts expressed in thousands of dollars)*

*Years ended December 31, 2002 and 2001*

**10. Appropriated surplus:**

	2002	2001
Appropriated surplus, beginning of year	\$ 27,897	\$ 21,395
Additions in the year	11,953	14,712
Usage	(13,506)	(8,210)
<b>Appropriated surplus, end of year</b>	<b>\$ 26,344</b>	<b>\$ 27,897</b>

Surplus amounts are appropriated or reserved for certain types of expenditures that may be incurred in the future. Surplus appropriations to December 31, 2002 have been made in the general, waterworks and sewerworks funds. These expenditures would be for such items as unexpected human resource issues, emergency or disaster recovery, debt requirements and future capital maintenance programs.

**11. Commitments and contingencies:**

- (a) As a member of the following districts, the City is jointly and severally liable for each district's applicable proportion of the net capital liability including that of:

Greater Vancouver Regional District  
 Greater Vancouver Water District  
 Greater Vancouver Sewerage and Drainage District

- (b) As at December 31, 2002, the City was committed to operating lease payments for premises and equipment in the following estimated amounts:

2003	\$ 3,871
2004	3,639
2005	3,639
2006	3,509
2007	3,390
Thereafter	50,328

- (c) As at December 31, 2002, there were pending legal actions against the City relating primarily to expropriations of properties. The outcome at this time remains indeterminate in each case. At December 31, 2002, the balance in the reserve for legal settlements to meet possible settlements not covered by insurance amounted to \$1,081,000 (2001 - \$1,072,000).

City of Richmond

**Notes to Financial Statements** *(Tabular amounts expressed in thousands of dollars)*

*Years ended December 31, 2002 and 2001*

**12. Trust funds:**

These funds account for assets which must be administered as directed by agreement or statute for certain beneficiaries. In accordance with PSAB recommendations on financial statement presentation for local governments, trust funds are not included in the City's financial statements.

	2002	2001
<b>Assets:</b>		
Cash and short-term investment	\$ 1,211	\$ 1,123
<b>Equity:</b>		
Balance, beginning of year	\$ 1,123	\$ 242
Contributions	250	854
Interest revenue	53	27
Refunded to Community Associations	(215)	-
<b>Balance, end of year</b>	<b>\$ 1,211</b>	<b>\$ 1,123</b>

**13. Related party balances:**

As at December 31, 2002, the City has payable \$808,000 (2001 - \$600,000) to the Richmond Public Library, a related party. This amount is included in accounts payable and accrued liabilities.

City of Richmond

Schedule 1

## Continuity of Reserve Funds and Reserves *(Expressed in thousands of dollars)*

Year ended December 31, 2002

	Reserve Funds						Reserve Funds Subtotal
	Capital Expenditure Reserve	Steveston Road End Reserves	Equipment Reserve	Affordable Housing Reserve	Steveston Off Street Parking Reserve	Neighborhood Improvement Reserve	
Balance, beginning of year	\$ 23,822	\$ -	\$ 6,889	\$ 5,752	\$ 71	\$ 1,878	\$ 38,412
<b>Revenues:</b>							
Contributions from developers	-	-	-	750	-	342	1,092
Investment income	400	29	415	336	3	97	1,280
Contributions from revenue funds to reserve funds	8,111	-	1,723	-	-	-	9,834
Proceeds from disposal of capital assets	427	165	-	-	-	-	592
Other	306	479	249	-	3	-	1,037
	9,244	673	2,387	1,086	6	439	13,835
<b>Expenditures:</b>							
Contributions to capital programs	7,211	620	3,164	2,000	-	-	12,995
Other	-	-	-	-	-	-	-
<b>Balance, end of year</b>	<b>\$ 25,855</b>	<b>\$ 53</b>	<b>\$ 6,112</b>	<b>\$ 4,838</b>	<b>\$ 77</b>	<b>\$ 2,317</b>	<b>\$ 39,252</b>

## Continuity of Reserve Funds and Reserves (continued)

(Expressed in thousands of dollars) Year ended December 31, 2002

	Reserve Funds Subtotal Carried Forward	Reserve Funds					Local Improvement Reserve
		Public Art	Child Care Facility	Sewer Trunk Replacement Reserve	Sewer Lateral Replacement Reserve	Waterworks Main Replacement Reserve	
Balance, beginning of year	\$ 38,412	\$ 54	\$ 62	\$ 7,358	\$ 4,371	\$ 18,689	\$ 3,495
<b>Revenues:</b>							
Contributions from developers	1,092	100	-	-	-	-	-
Investment income	1,280	13	3	-	532	910	172
Contributions from revenue funds to reserve funds	9,834	-	-	-	500	3,450	-
Proceeds from disposal of capital assets	592	-	-	-	-	-	-
Other	1,037	-	23	-	8,305	675	261
	13,835	113	26	-	9,337	5,035	433
<b>Expenditures:</b>							
Contribution to capital programs	12,995	-	50	-	2,512	3,166	750
Other	-	-	-	7,358	-	-	-
	12,995	-	50	7,358	2,512	3,166	750
Balance, end of year	\$ 39,252	\$ 167	\$ 38	\$ -	\$ 11,196	\$ 20,558	\$ 3,178

City of Richmond

Schedule 1

## Continuity of Reserve Funds and Reserves (continued)

*(Expressed in thousands of dollars) Year ended December 31, 2002*

	Reserve Funds				Reserve Funds Total	Reserves	Reserve Funds and Reserve Subtotal
	Drainage Improvement Reserve	Special Sports Reserve	Waterfront Improvement Reserve	Capital Building and Infrastructure Reserve		Future Elections	
Balance, beginning of year	\$ 237	\$ 677	\$ -	\$ -	\$ 73,355	\$ 183	\$ 73,538
<b>Revenues:</b>							
Contributions from developers	-	-	-	-	1,192	-	1,192
Investment income	11	17	10	43	2,991	-	2,991
Contributions from revenue funds to reserve funds	-	-	400	-	14,184	-	14,184
Proceeds from disposal of capital assets	-	-	-	-	592	-	592
Other	-	15	-	1,815	12,131	11	12,142
	11	32	410	1,858	31,090	11	31,101
<b>Expenditures:</b>							
Contribution to capital programs	-	650	-	-	20,123	-	20,123
Other	-	-	-	-	7,358	150	7,508
	-	650	-	-	27,481	150	27,631
Balance, end of year	\$ 248	\$ 59	\$ 410	\$ 1,858	\$ 76,964	\$ 44	\$ 77,008

## Continuity of Reserve Funds and Reserves (continued)

(Expressed in thousands of dollars) Year ended December 31, 2002

	Reserve Funds and Reserve Subtotal Carried Forward	Reserves				Reserve Funds and Reserves Total
		Appeal Board Decisions	Legal Settlements	Major Road Networks Rehabilitation Reserve	Reserves Total	
Balance, beginning of year	\$ 73,538	\$ 427	\$ 1,803	\$ 1,396	\$ 3,809	\$ 77,164
<b>Revenues:</b>						
Contributions from developers	1,192	-	-	-	-	1,192
Investment income	2,991	-	-	-	-	2,991
Contributions from revenue funds to reserve funds	14,184	-	189	472	661	14,845
Proceeds from disposal of capital assets	592	-	-	-	-	592
Other	12,142	-	-	416	427	12,558
	31,101	-	189	888	1,088	32,178
<b>Expenditures:</b>						
Contribution to capital programs	20,123	-	-	-	-	20,123
Other	7,508	-	-	125	275	7,633
	27,631	-	-	125	275	27,756
Balance, end of year	\$ 77,008	\$ 427	\$ 1,992	\$ 2,159	\$ 4,622	\$ 81,586

City of Richmond

Schedule 2

## Fund Statement of Financial Position *(Expressed in thousands of dollars)*

*As at December 31, 2002*

	Revenue Funds			Reserves	Capital and Loan Funds	Total
	General Revenue Fund	Waterworks Revenue Fund	Sewerworks Revenue Fund	Combined Reserve Funds	Combined Capital and Loan Funds	
<b>Financial Assets</b>						
Cash	\$ 1,506	\$ -	\$ -	\$ -	\$ -	\$ 1,506
Investments	49,960	-	-	99,749	78,334	228,043
Accrued interest receivable	16,704	70	253	-	-	17,027
Accounts receivables	9,247	2,715	1,265	-	1,585	14,812
Taxes receivable	7,920	-	-	-	-	7,920
Due from other funds	25,681	17,519	16,653	47	-	59,900
Development fees receivable	-	-	-	7,042	-	7,042
Municipal Finance Authority deposits	576	15	85	-	-	676
	111,594	20,319	18,256	106,838	79,919	336,926
<b>Liabilities</b>						
Accounts payable and accrued liabilities	41,256	111	813	43	-	42,223
Deposits and holdbacks	7,042	230	293	-	-	7,565
Deferred revenue	10,450	5,502	8,176	-	-	24,128
Due to other funds	-	-	-	-	59,900	59,900
Restricted reserves	-	-	-	29,831	-	29,831
Municipal Finance Authority debt requirement	576	15	85	-	-	676
Long-term debt	-	-	-	-	42,709	42,709
	59,324	5,858	9,367	29,874	102,609	207,032
Net financial assets (deficiency)	52,270	14,461	8,889	76,964	(22,690)	129,894
<b>Physical Assets</b>						
Capital assets	-	-	-	-	918,329	918,329
Inventory of materials and supplies	2,601	-	-	-	-	2,601
	\$ 54,871	\$ 14,461	\$ 8,889	\$ 76,964	\$ 895,639	\$ 1,050,824
<b>Equity</b>						
Investment in capital assets	\$ -	\$ -	\$ -	\$ -	\$ 895,639	\$ 895,639
Reserves	4,622	-	-	76,964	-	81,586
Appropriated surplus	26,344	-	-	-	-	26,344
Surplus	23,905	14,461	8,889	-	-	47,255
	\$ 54,871	\$ 14,461	\$ 8,889	\$ 76,964	\$ 895,639	\$ 1,050,824



City of Richmond

Schedule 3

## Fund Statement of Financial Activities *(Expressed in thousands of dollars)*

Year ended December 31, 2002

	Revenue Funds			Total
	General Revenue Fund	Waterworks Revenue Fund	Sewerworks Revenue Fund	
<b>Revenues:</b>				
Taxation and levies	\$ 100,010	\$ -	\$ 5,404	\$ 105,414
User fees	-	18,388	12,695	31,083
Sales of services	24,071	-	-	24,071
Provincial and federal grants	3,975	-	-	3,975
Grants-in-lieu of taxes	10,091	-	-	10,091
Other revenue from own sources:				
Licences and permits	6,634	-	-	6,634
Investment income	3,897	1,448	675	6,020
Other	2,397	-	-	2,397
	151,075	19,836	18,774	189,685
<b>Expenditures:</b>				
General government	21,808	-	-	21,808
Protective services	51,806	-	-	51,806
Transportation services	17,566	-	-	17,566
Sanitation and recycling services	6,889	-	-	6,889
Environmental development services	2,539	-	-	2,539
Recreational and cultural services	23,705	-	-	23,705
Richmond Public Library	5,171	-	-	5,171
Utilities:				
Water supply and distribution	-	15,088	-	15,088
Sewerage collection and disposal	-	-	9,668	9,668
Debt and finance	4,803	214	8,073	13,090
Other expenses	195	-	-	195
	134,482	15,302	17,741	167,525
Excess of revenues over expenditures	16,593	4,534	1,033	22,160
Net allocations to reserves and investments in capital assets	(9,056)	(3,500)	(550)	(13,106)
Allocation to appropriated surplus	(7,471)	(1,010)	(465)	(8,946)
	(16,527)	(4,510)	(1,015)	(22,052)
Excess of revenues over expenditures after allocations	66	24	18	108
Surplus, beginning of year	23,839	14,437	8,871	47,147
<b>Surplus, end of year</b>	<b>\$ 23,905</b>	<b>\$ 14,461</b>	<b>\$ 8,889</b>	<b>\$ 47,255</b>

City of Richmond

Schedule 4

## Fund Statement of Financial Activities Reported by Object

*(Expressed in thousands of dollars) Year ended December 31, 2002*

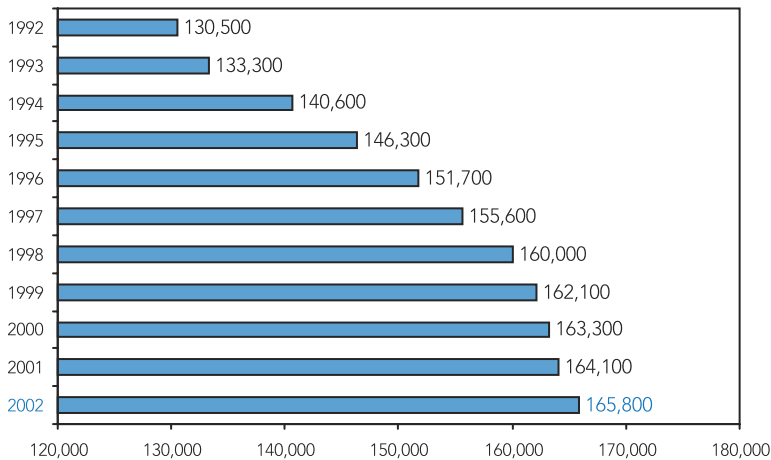
	Revenue Funds			Total
	General Revenue Fund	Waterworks Revenue Fund	Sewerworks Revenue Fund	
<b>Revenues:</b>				
Property and utility taxes	\$ 101,175	\$ -	\$ -	\$ 101,175
GVRD levies and charges	-	-	5,404	5,404
Federal grants in lieu	5,890	-	-	5,890
Provincial grants in lieu	159	-	-	159
Grants in lieu – other	4,041	-	-	4,041
Unconditional grants	3,741	-	-	3,741
Conditional grants	234	-	-	234
Utility charges	-	18,388	12,695	31,083
Service charges	10,983	-	-	10,983
Other sales of services	3,723	-	-	3,723
Business licences and permits	6,636	-	-	6,636
Community revenue and program fees	4,936	-	-	4,936
Fines	562	-	-	562
Miscellaneous operating income	1,240	-	-	1,240
Investment and debt income	3,897	1,448	675	6,020
Miscellaneous fiscal earnings	3,858	-	-	3,858
	151,075	19,836	18,774	189,685
<b>Operating expenditures:</b>				
Advertising and marketing	399	-	5	404
Contracts	27,367	-	-	27,367
Equipment and other purchases	1,342	8,594	-	9,936
Facilities management	6,280	10	38	6,328
General operating expenditures	2,406	29	17	2,452
Insurance	1,169	-	-	1,169
Leases	3,876	-	-	3,876
Other expenditures	5,265	1,666	1,052	7,983
Public works maintenance	13,916	3,748	2,048	19,712
Salaries	60,638	563	395	61,596
Suppliers	1,638	153	-	1,791
Vehicles	3,260	324	201	3,785
	127,556	15,087	3,756	146,399
<b>Fiscal expenditures:</b>				
Fiscal debt expenditures	4,491	215	8,073	12,779
Provisions and allowances	9,030	1,010	465	10,505
Transfer to statutory reserves	8,684	3,500	550	12,734
Fiscal expenditures	1,248	-	5,912	7,160
	23,453	4,725	15,000	43,178
Total expenditures	151,009	19,812	18,756	189,577
Excess of revenues over expenditures	\$ 66	\$ 24	\$ 18	\$ 108

City of Richmond  
Statistical Section

## Statistical Section Table of Contents

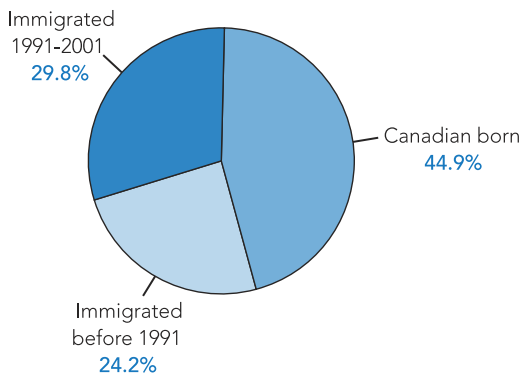
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## City of Richmond Population



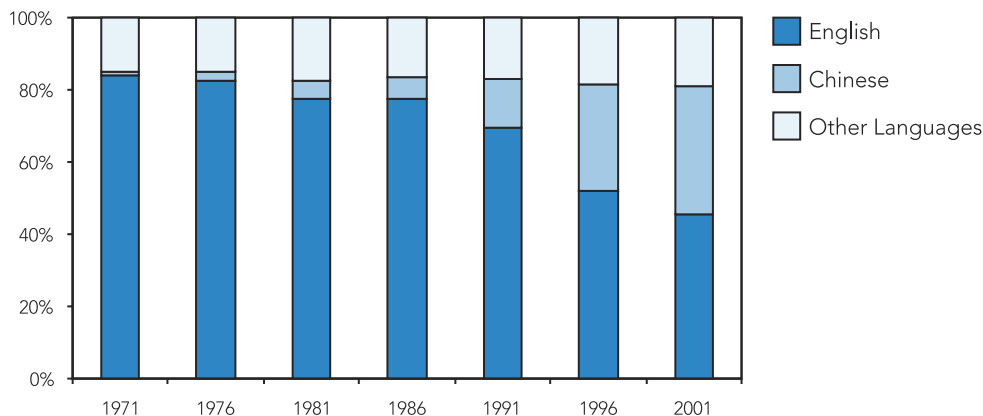
Source: City of Richmond, Urban Development Division.

## Immigrant Status of Richmond Residents by Period of Immigration – 2001



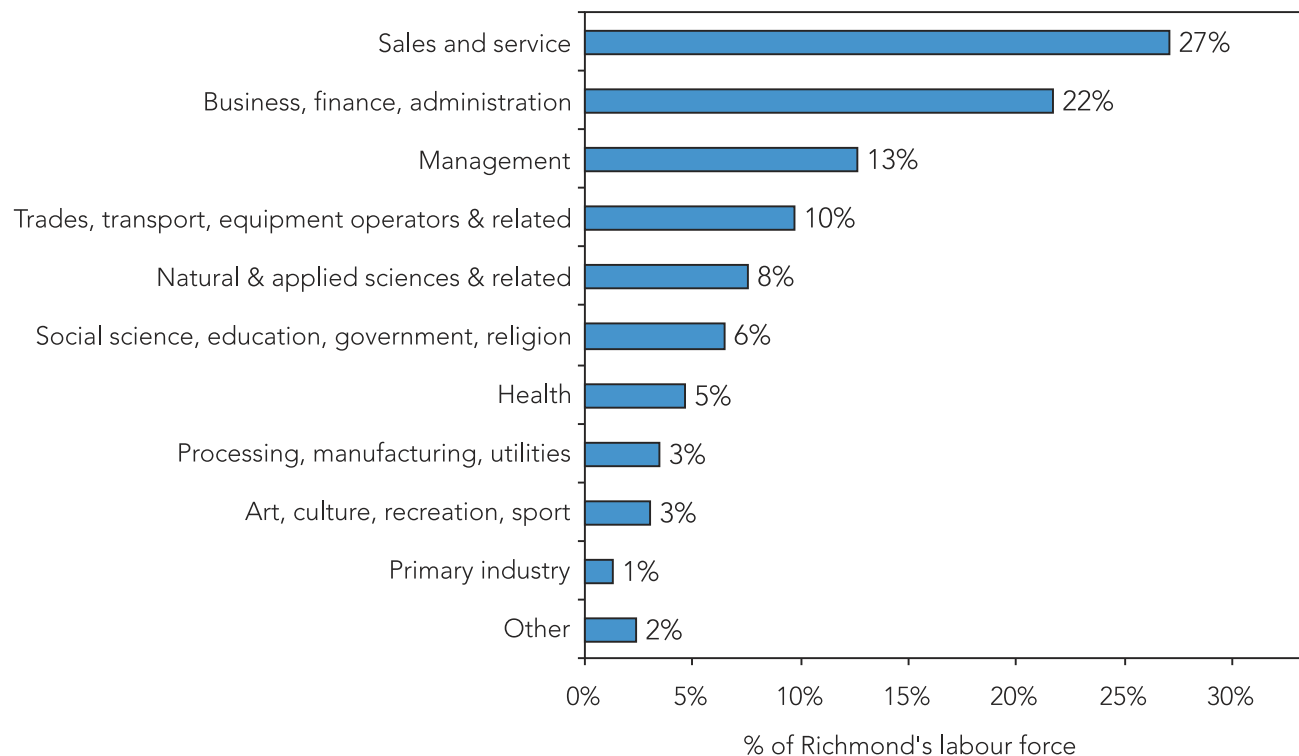
Source: Statistics Canada 2001 Census.

## Richmond Population by Mother Tongue – 1971 - 2001



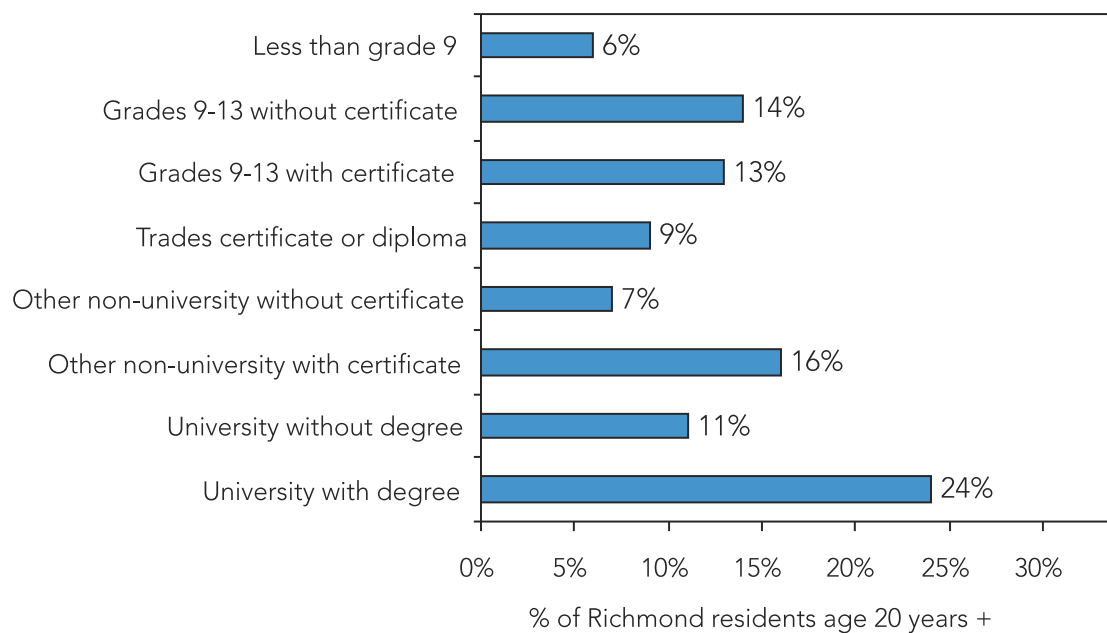
Source: Statistics Canada, Census – 1971-2001.  
Not including those with multiple mother tongues.

## Occupations of Richmond Residents – 2001



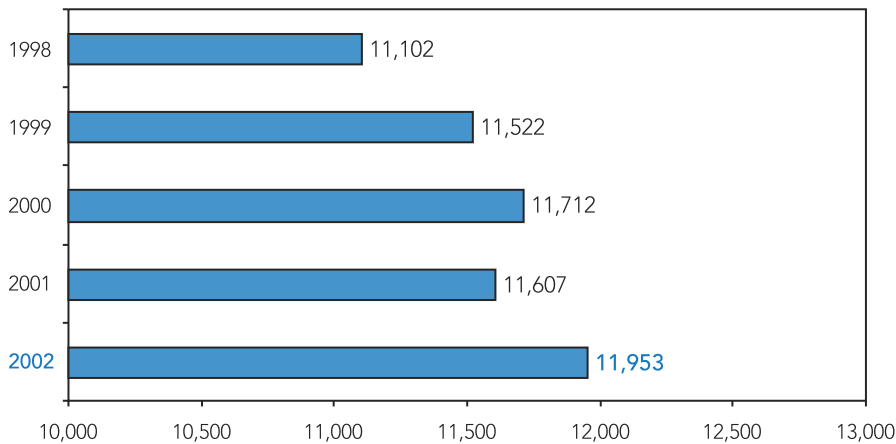
Source: Statistics Canada 2001 Census.

## Education Profile of Richmond Residents Age 20 and Over – 2001



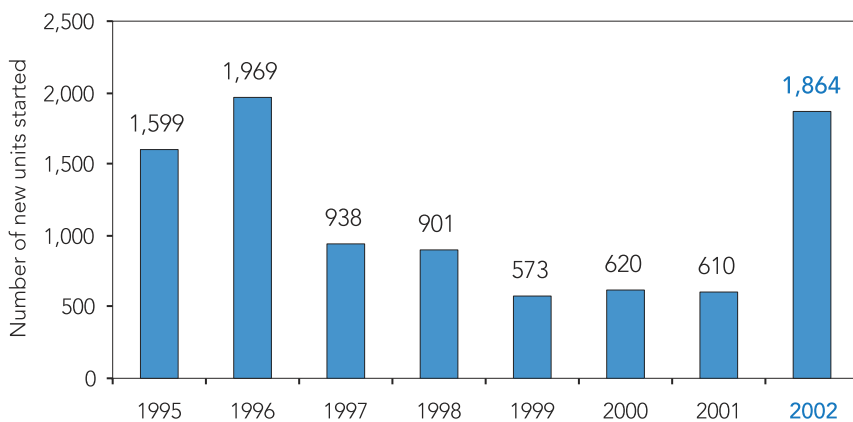
Source: Statistics Canada 2001 Census.

## Richmond Business Licences Issued – 1998 - 2002



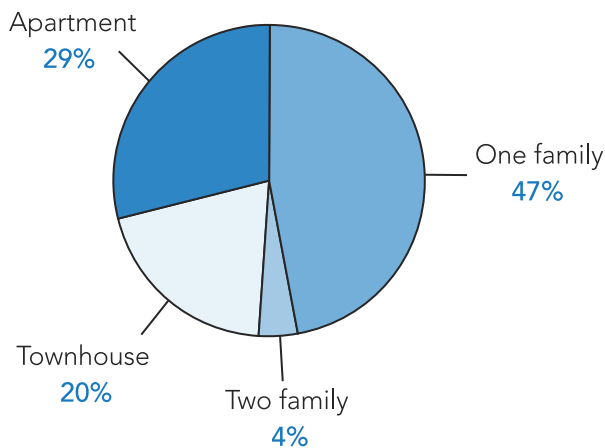
Source: City of Richmond Business Licence System. Represents valid licences as at Dec. 31.

## Housing Starts in Richmond – 1995 - 2002



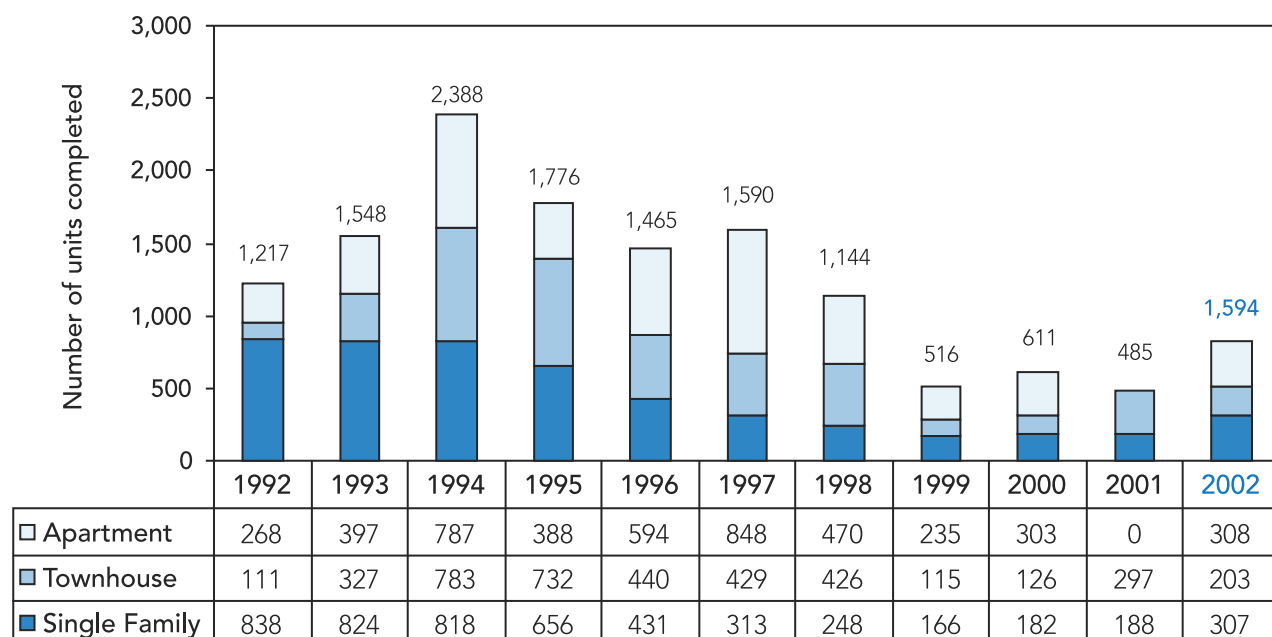
Source: City of Richmond building permit data.

## Richmond Housing Units by Type – 2002



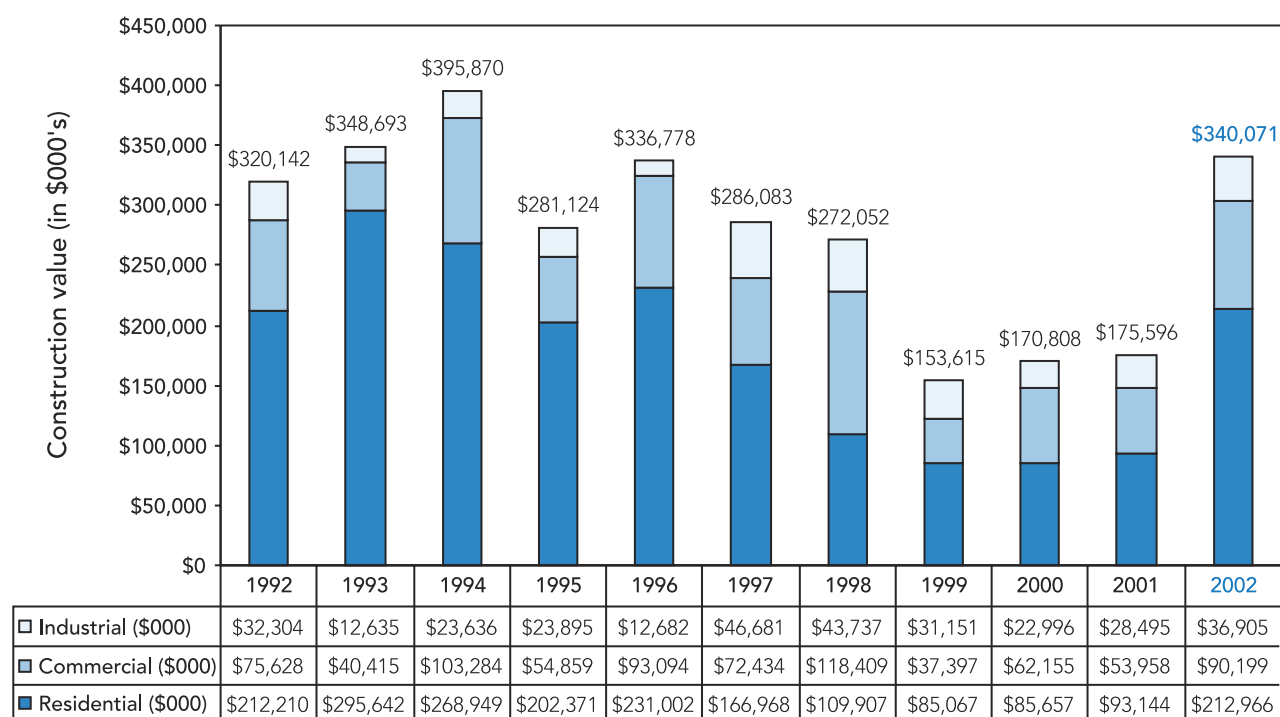
Source: City of Richmond tax and permit data.

## New Dwelling Units Constructed – 1992 - 2002



Source: City of Richmond Building Permit Data. Includes projects receiving final permits.

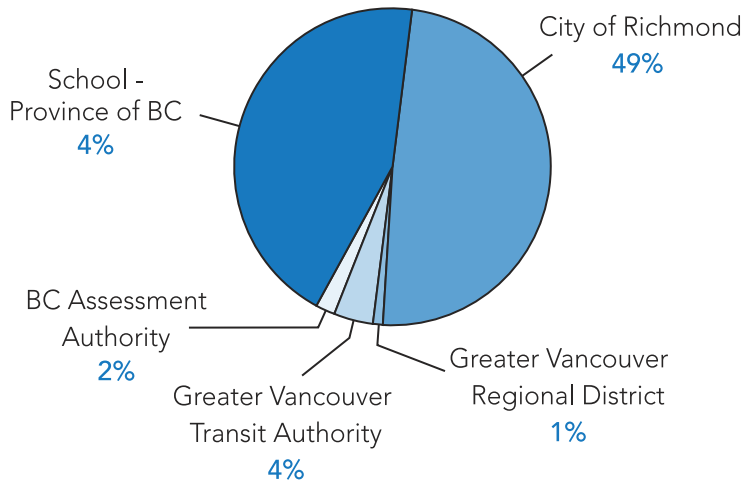
## Construction Value of Building Permits Issued – 1992 - 2002 (in \$000's)



Source: City of Richmond Building Permit data. Note: Includes all projects - new, additions, alterations. Hotels and farm buildings are included in residential; assembly permits are included in commercial. Institutional, government, and miscellaneous permits not included in totals.

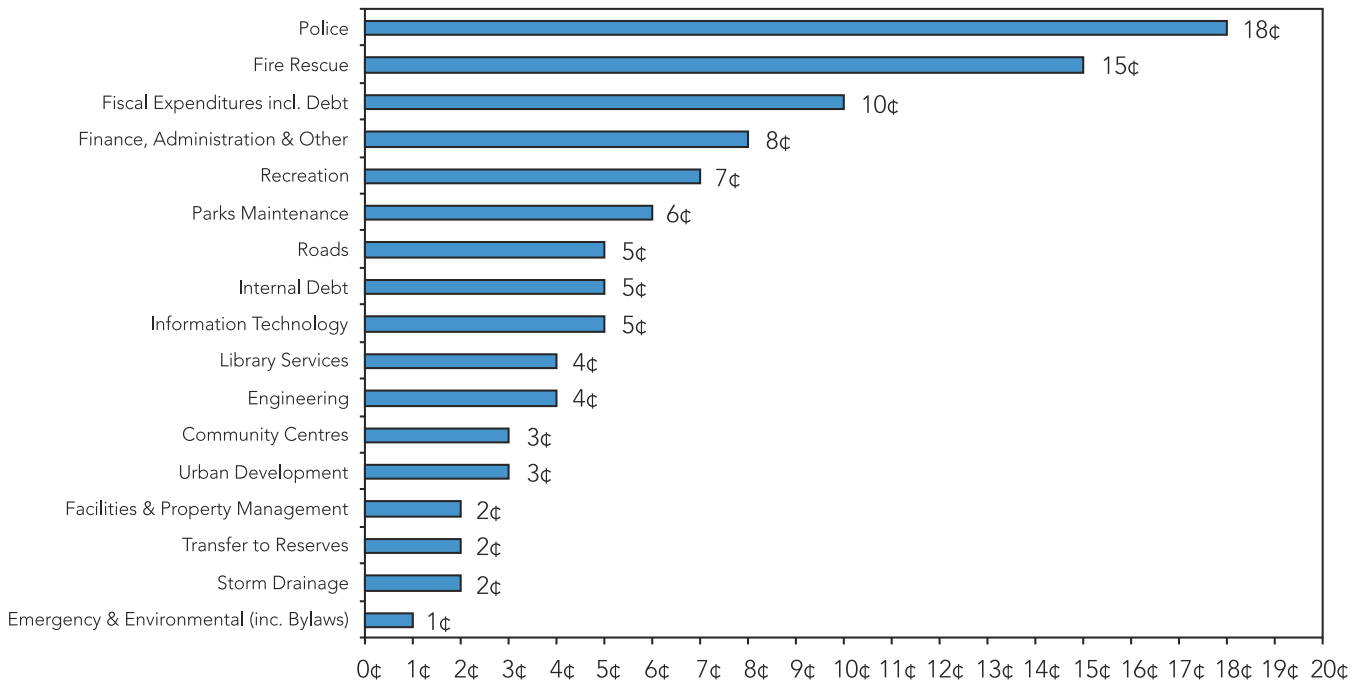


## Breakdown of Residential Property Tax Bill – 2002



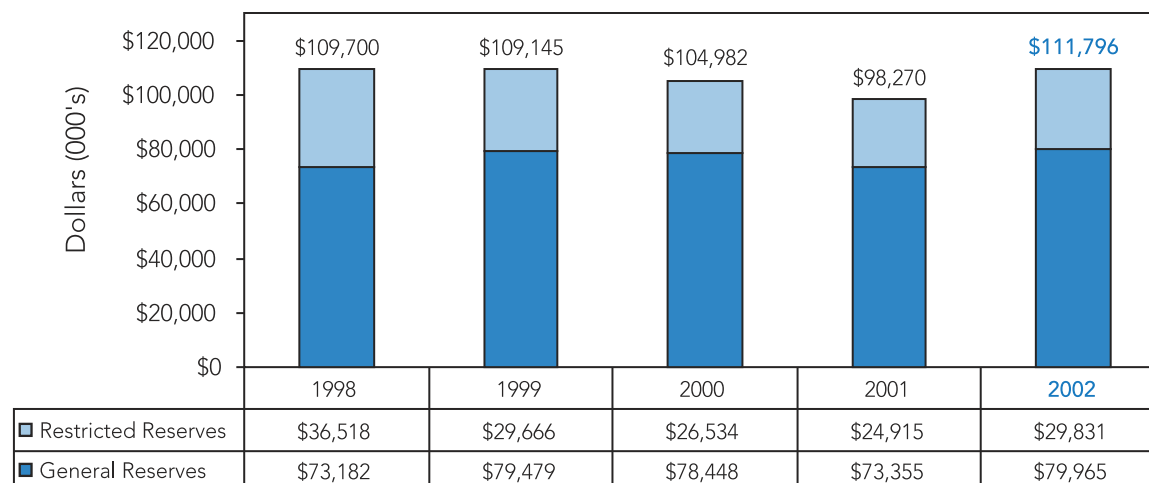
Source: City of Richmond Tax Department.

## Breakdown of \$1 of Municipal Tax – 2002



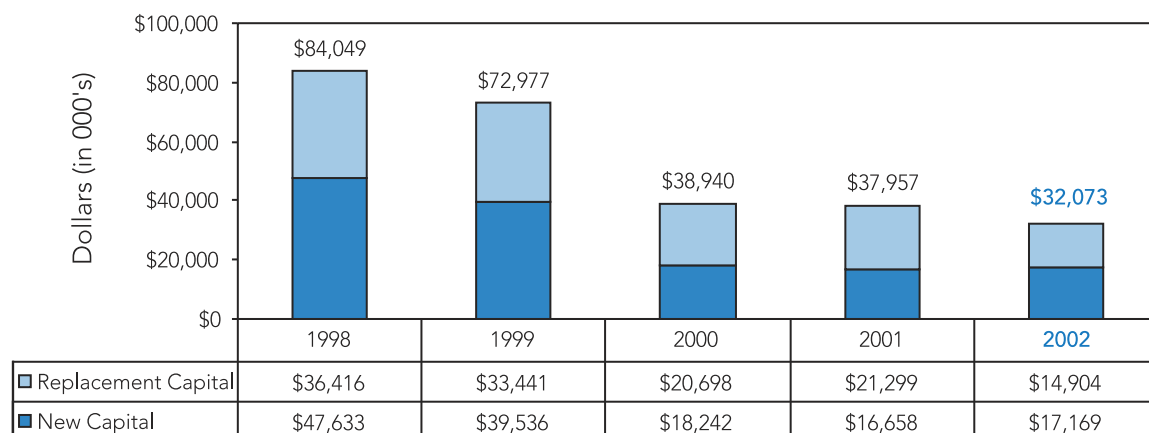
Source: City of Richmond Tax Department.

## Summary of Statutory Reserves – 1998 - 2002 (in \$000's)



Source: City of Richmond Audited Financial and Statistical Records.

## Capital Construction Costs – 1998 - 2002 (in \$000's)



Source: City of Richmond Audited Financial and Statistical Records.

## Taxes on a Typical Richmond Single Family Dwelling

	1999	2000	2001	2002
<b>Average Assessed Land and Improvements</b>	\$ 249,522	\$ 238,503	\$ 237,365	\$ 240,460
<b>City Taxes</b>				
General	822	849	892	944
Utilities - Sewer Parcel	81	79	78	78
Utilities - Flat Rate Water	176	191	203	246
Utilities - Flat Rate Sewer	124	139	151	171
Utilities - Waste Mangement	169	173	173	177
<b>Subtotal</b>	<b>1,372</b>	<b>1,431</b>	<b>1,497</b>	<b>1,616</b>
<b>Taxes Collected for Other Authorities</b>				
Greater Vancouver Regional District	29	27	26	27
Greater Vancouver Transit Authority	52	50	50	69
BC Assessment Authority	31	30	30	30
School - Province of BC	842	831	827	843
<b>Subtotal</b>	<b>954</b>	<b>938</b>	<b>933</b>	<b>969</b>
<b>Gross Taxes and Rates</b>	<b>2,326</b>	<b>2,369</b>	<b>2,430</b>	<b>2,585</b>
<b>Province of BC Homeowner Grant</b> (65 years old or over \$745)	<b>(470)</b>	<b>(470)</b>	<b>(470)</b>	<b>(470)</b>
<b>Net Taxes and Rates</b>	<b>\$ 1,856</b>	<b>\$ 1,899</b>	<b>\$ 1,960</b>	<b>\$ 2,115</b>

Source: City of Richmond Tax Department.

## 2002 Tax Rates

	General	School	Regional	BC Assessment Authority	Municipal Finance Authority	Greater Vancouver Transit Authority
<b>Residential</b>	3.92786	3.50730	0.11029	0.1245	0.0003	0.2874
<b>Business</b>	10.92123	9.90000	0.27020	0.3486	0.0002	1.6657
<b>Light Industrial</b>	13.74808	9.90000	0.37498	0.3486	0.0005	2.3138
<b>Seasonal</b>	1.36426	4.50000	0.11029	0.1394	0.0002	0.2874
<b>Major Industrial</b>	10.81530	12.50000	0.37498	0.6727	0.0005	2.3138
<b>Farm</b>	7.27462	6.80000	0.11029	0.1693	0.0002	0.2874
<b>Utilities</b>	40.00000	15.00000	0.38601	0.6259	0.0005	2.3802

Source: Unaudited City Financial and Statistical Records.

## 2002 General Revenue Fund Assessment and Taxation by Property Class (in \$000's)

	Assessment		Taxation	
Residential	\$ 12,791,265	73.61%	\$ 50,242	49.98%
Business	4,088,543	23.53%	44,652	44.42%
Light Industrial	298,671	1.72%	4,106	4.08%
Seasonal	90,169	0.52%	123	0.12%
Major Industrial	71,163	0.41%	770	0.77%
Farm	26,196	0.15%	191	0.20%
Utilities	10,901	0.06%	436	0.43%
<b>Total</b>	<b>\$ 17,376,908</b>	<b>100.00%</b>	<b>\$ 100,520</b>	<b>100.00%</b>

Source: Unaudited City Financial and Statistical Records.

## 2002 Collections for Other Taxing Authorities (in \$000's)

	1998	1999	2000	2001	2002
Total Taxes	\$ 182,186	\$ 194,107	\$ 200,481	\$ 207,043	\$ 215,029
City	\$ 80,148	\$ 84,896	\$ 89,538	\$ 95,345	\$ 100,520
School	\$ 87,073	\$ 88,567	\$ 89,972	\$ 90,855	\$ 91,733
Regional Districts and Other	\$ 14,965	\$ 20,644	\$ 20,971	\$ 20,843	\$ 22,776
<b>% of Total Taxes Retained</b>	<b>44.0%</b>	<b>43.7%</b>	<b>44.7%</b>	<b>46.1%</b>	<b>46.7%</b>

Source: Unaudited City Financial and Statistical Records.

## Long Term Debt

### Repayments as a Percentage of Expenditures

General Revenue Fund	1998	1999	2000	2001	2002
Long Term Debt Repayments	\$ 7,666	\$ 5,091	\$ 5,341	\$ 4,570	\$ 4,491
General Expenditures	\$ 120,264	\$ 124,643	\$ 133,534	\$ 141,916	\$ 151,009
<b>% of Expenditures</b>	<b>6.4%</b>	<b>4.1%</b>	<b>4.0%</b>	<b>3.2%</b>	<b>3.0%</b>

### Waterworks Revenue Fund

Long Term Debt Repayments	\$ 869	\$ 777	\$ 488	\$ 218	\$ 215
Water Expenditures	\$ 13,992	\$ 15,380	\$ 16,752	\$ 17,072	\$ 19,813
<b>% of Expenditures</b>	<b>6.2%</b>	<b>5.1%</b>	<b>2.9%</b>	<b>1.3%</b>	<b>1.1%</b>

### Sewerworks Revenue Fund

Long Term Debt Repayments	\$ 7,138	\$ 7,073	\$ 7,282	\$ 6,681	\$ 8,073
Sewer Expenditures	\$ 16,393	\$ 16,047	\$ 18,710	\$ 17,632	\$ 18,756
<b>% of Expenditures</b>	<b>43.5%</b>	<b>44.1%</b>	<b>38.9%</b>	<b>37.9%</b>	<b>43.0%</b>

Source: City of Richmond Audited Financial Statements.

## 2002 Fund Statements of Financial Activities Reported by Object and Per Capita

	2000		2001		2002	
Richmond's Population	163,319		164,069		165,786	
	Dollars (\$,000's)	Per Capita	Dollars (\$,000's)	Per Capita	Dollars (\$,000's)	Per Capita
<b>Operating Expenditures</b>						
Salaries	\$ 52,665	\$ 322	\$ 57,368	\$ 350	\$ 61,596	\$ 372
Contracts	24,248	148	25,817	157	27,367	165
Public Works Maintenance	18,836	115	19,506	119	19,712	119
Purchases Equipment and Others	7,851	48	8,636	52	9,936	60
Other Expenditures	5,344	32	5,114	31	7,983	48
Facilities Management	5,352	33	5,672	35	6,328	38
Leases	3,120	19	3,740	23	3,876	23
Vehicles	2,750	17	2,852	17	3,785	23
General Operating Expenditures	1,912	12	2,265	14	2,452	15
Supplies	1,799	11	1,769	11	1,791	11
Insurance	1,058	6	1,012	6	1,169	7
Advertising and Marketing	363	2	368	2	404	2
<b>Total Operating Expenditures</b>	<b>\$ 125,298</b>	<b>\$ 765</b>	<b>\$ 134,120</b>	<b>\$ 817</b>	<b>\$ 146,399</b>	<b>\$ 883</b>
<b>Fiscal Expenditures</b>						
Fiscal Debt Expenditures	13,111	80	11,469	70	12,779	77
Transfer to Statutory	12,501	77	12,455	76	12,734	77
Provisions and Allowances	8,685	53	9,575	58	10,505	63
Fiscal Expenditures	9,402	58	9,001	55	7,160	43
<b>Total Fiscal Expenditures</b>	<b>\$ 43,698</b>	<b>\$ 268</b>	<b>\$ 42,500</b>	<b>\$ 259</b>	<b>\$ 43,178</b>	<b>\$ 260</b>
<b>Total Expenditures</b>	<b>\$ 168,996</b>	<b>\$ 1,033</b>	<b>\$ 176,620</b>	<b>\$ 1,076</b>	<b>\$ 189,577</b>	<b>\$ 1,143</b>

Source: City of Richmond Audited Financial and Statistical Records.

## Consolidated Revenues by Source (in \$000's)

Revenue	1998	1999	2000	2001	2002
Taxation and User Fees	\$ 110,867	\$ 115,330	\$ 121,862	\$ 128,719	\$ 136,497
Sales of Services	19,385	19,424	21,058	20,767	24,071
Grants-In-Lieu of Taxes	9,326	8,700	8,999	9,730	10,091
Licences and Permits	4,946	4,412	4,580	4,524	6,634
Investment Income	4,828	5,316	3,868	5,207	6,020
Provincial and Federal Grants	2,575	1,533	5,416	5,858	3,975
Other	849	2,292	3,325	2,181	2,397
<b>Total Revenue</b>	<b>\$ 152,776</b>	<b>\$ 157,007</b>	<b>\$ 169,108</b>	<b>\$ 176,986</b>	<b>\$ 189,685</b>
<b>Revenue as a Percentage of Total</b>					
Taxation and User Fees	72.6%	73.5%	72.1%	72.7%	72.0%
Sales of Services	12.7%	12.4%	12.5%	11.7%	12.7%
Grants-In-Lieu of Taxes	6.1%	5.5%	5.3%	5.5%	5.3%
Licences and Permits	3.2%	2.8%	2.7%	2.6%	3.5%
Investment Income	3.1%	3.5%	2.2%	3.0%	3.1%
Provincial and Federal Grants	1.7%	1.0%	3.2%	3.3%	2.1%
Other	0.6%	1.5%	2.0%	1.2%	1.3%
<b>Total Revenue</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: City of Richmond Audited Financial Statements.

## Consolidated Expenditures by Source (in \$000's)

Expenditure	1998	1999	2000	2001	2002
General Government	\$ 11,616	\$ 15,729	\$ 17,062	\$ 21,547	\$ 21,808
Protective Services	39,237	39,443	44,106	46,669	51,806
Recreation and Cultural	19,346	20,559	21,155	22,409	23,705
Contribution to Other Funds	18,964	19,214	22,403	19,605	22,052
Transportation Services	15,080	15,233	17,415	17,295	17,566
Water Supply and Distribution	10,058	11,051	12,716	12,972	15,088
Debt and Finance	15,964	12,942	10,638	11,873	13,090
Sewerage Collection and Disposal	7,732	9,125	9,868	9,379	9,668
Sanitation and Recycling Services	5,903	5,884	6,403	6,859	6,889
Richmond Public Library	4,291	4,809	4,992	5,464	5,171
Environmental Development	2,715	1,822	2,081	2,371	2,539
Other Expenses	32	261	156	177	195
<b>Total Expenditures</b>	<b>\$ 150,938</b>	<b>\$ 156,072</b>	<b>\$ 168,995</b>	<b>\$ 176,620</b>	<b>\$ 189,577</b>
<b>Expenditure as a % of Total</b>					
General Government	7.7%	10.1%	10.1%	12.2%	11.5%
Protective Services	26.0%	25.3%	26.1%	26.4%	27.3%
Recreation and Cultural	12.8%	13.2%	12.5%	12.7%	12.5%
Contribution to Other Funds	12.6%	12.3%	13.3%	11.1%	11.6%
Transportation Services	10.0%	9.8%	10.3%	9.8%	9.3%
Water Supply and Distribution	6.7%	7.1%	7.5%	7.4%	8.0%
Debt and Finance	10.6%	8.3%	6.3%	6.7%	6.9%
Sewerage Collection and Disposal	5.1%	5.8%	5.8%	5.3%	5.1%
Sanitation and Recycling Services	3.9%	3.8%	3.8%	3.9%	3.6%
Richmond Public Library	2.8%	3.0%	3.0%	3.1%	2.7%
Environmental Development	1.8%	1.2%	1.2%	1.3%	1.4%
Other Expenses	0.0%	0.1%	0.1%	0.1%	0.1%
<b>Total Expenditure</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: City of Richmond Audited Financial Statements.



**Richmond**  
Public Library



Information



# Richmond Public Library

## Highlights for 2002

In 2002, Richmond Public Library (RPL) offered innovative programs and services to the local community and beyond. New, improved technology, expanded collections, and unique programs targeted at teens, seniors, and Richmond's multicultural, multilingual community are among the highlights. Brighthouse (Main), Ironwood, and Steveston branches offer a wide range of services designed to facilitate lifelong learning and recreation and to meet the needs of businesses and organizations. Services and collections are developed to respond to existing and emerging needs of the community.

Library usage and demand are at an all-time high. By forging new community partnerships and building on established ones, RPL is able to provide excellent, cost-effective service. During the year, RPL staff responded to a broad range of public expectations by providing services, programs, and collections in formats and languages that suit the needs of library users.

The spirit of generosity inspired dozens of individual donors and community sponsors to give freely to the Library. The most committed and dedicated group of volunteers and fundraisers are the Friends of the Richmond Public Library. In the year 2002, this group donated \$25,500 in support of the Library.

## Milestones

- Richmond Public Library received 1.7 million in-person visits in 2002 and 6.4 million Web site visits.
- Web site visits were up 31% over 2001.
- Over 3.3 million items were borrowed in 2002 from Richmond libraries.
- Chinese New Year Celebrations at RPL were attended by over 1,500 people.
- Over 4,900 children joined the Summer Reading Club which included a concert by Charlotte Diamond.
- The Library sponsored 2,200 programs with 67,500 attendees, a 22% increase in attendance over last year.

*Richmond Public Library provides lifelong learning opportunities for people of all ages and cultures.*

## Customer Service

Customer service enhancements included more programs, expanded collections, a redesigned Web site, and notable technology-related initiatives. With the new Web site redesign, it is more convenient for customers to check their library accounts, place holds, and perform other functions on their own.

Computer hardware and software upgrades enabled the Library to offer an enhanced level of online services, which resulted in increased customer-initiated renewals and requests, as well as greater flexibility and access for users. The Library also introduced free Internet access for laptop users. NoveList, an online fiction selection tool for the public, was also introduced in 2002.

## Achievements

- The Multilingual Services Department increased the number of programs for adults and children offered in Chinese and other languages.
- New and innovative teen programs were introduced.
- The Library offered many more hands-on, practical programs for seniors in 2002, such as computer skills, tax preparation, financial planning, and others.
- The attendance at Chinese language programs increased 32% over last year.



*Library Board: (from left to right)*

*Henry Beh, Gregory Smith, Leslie Wilson, Lesley Wood Bernbaum (Chair),  
Councillor Lyn Greenhill, Keiron McConnell, Rama Singhal,  
Tung Chan (Vice-Chair), and Geoffrey Bargh.*

## Collections

Offering traditional and electronic formats – including paper, pixels, discs, toys, and tapes – the RPL collection has something to meet every need. With over 446,500 items in the collection there is material of interest to people of all ages, from infants to seniors.

## Achievements

- Over 49,000 new books, videos, DVDs, CDs, and CD-ROMS were added to the collection in 2002.
- DVD movies and CD music collections in Hindi were introduced at the Ironwood branch.
- The collection of children’s board books was expanded, with funding from the ABC Canada Literacy Foundation Grant.
- The collection of Chinese DVD’s was increased in response to public demand.

## Innovative Programs and Services

Anticipating and responding to the needs of customers, Library staff initiated a number of innovative and unique programs. These included the following highlights.

## Achievements

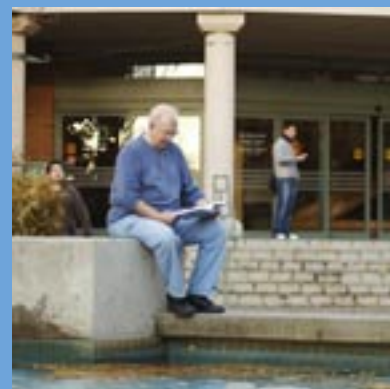
- As a pilot project, Ironwood branch partnered with a private school to offer students access to library materials and library instruction for a fee.
- Cyberteens/Cyberseniors, a partnership with Minoru Place Seniors Centre, introduced 128 seniors to computers with the help of 11 teens as buddies.
- Other buddy programs, including after school tutoring and reading buddies, involved over 500 children and teens working one-to-one.
- New programs highlighted this year include multicultural celebrations, teen resume writing, financial basics for teens and seniors, safe driving for seniors, Internet classes in Cantonese and Mandarin, and various healthy living programs.
- The Library’s orientation program for new immigrants expanded to 23 sessions, attracting 1,358 participants.
- The Library purchased a new puppet theatre and 60 puppets with a grant from the Friends of Richmond Public Library.



*A wide selection of popular movies are available on DVD at the library.*



*With the library’s many resources, it can be a fun place to study.*



*The library has something for readers of all ages.*



Families enjoy reading together and participating in programs.

## Cyber Services

Richmond Public Library serves those who use the library in person as well as those accessing it remotely via the Internet. The Library's redesigned Web site is an ever-evolving, responsive, full-service, virtual library branch, offering many of the same services that the traditional branches offer, and more. The new Web site includes improved organization, lots of new information and graphics, more links to useful sites, the ability for users to manage their library accounts on line, and improved site maintenance functions for staff.

The site has become well known as a source for practical, specific online information in the community and beyond. Library staff serve as teachers and navigators in the wired world and help customers of all ages to find, interpret, and use electronic information to their advantage.

### Achievements

- Improved Web site features include holds, renewals, and loans online, Richmond seniors directory, online purchase suggestion form, and online application forms for the teen tutor and reading buddies programs.
- Web-based AskUs reference questions increased by 14% over 2001.

## Community Partnerships

The Library formed and nurtured numerous community partnerships in 2002, as the Library promoted its services and the value of books and reading at conferences, schools, local festivals, parent groups, business gatherings, and other venues. Business and community partnerships have enabled the Library to offer special programs, services, and collections that would not otherwise have been possible.

### Achievements

- Mr. Kwok-Chu Lee, the Library's most significant individual benefactor donated \$20,000 and thousands of Chinese language books.
- Charlotte Diamond's concert at Gateway Theatre was sponsored by a prominent restaurant.
- A Chinese book exhibit was hosted by a local publisher.
- New immigrant orientation programs, income tax seminars, and public education workshops were co-hosted by SUCCESS.
- Chinese New Year celebrations were held in partnership with the Richmond Chinese Community Society and many other groups.
- Numerous health, safety, and lifestyle programs were hosted in partnership with community agencies.
- Asian Heritage Month celebrations were held with the assistance of Asian Heritage Month Society.
- Several business and financial programs were offered in partnership with local businesses and agencies.
- Arts and cultural programs were co-hosted by the Library and the City.



At listening stations visitors can try out the extensive selection of CD music.

## Awards

Richmond Public Library was again honoured for its many achievements including community building, literacy programs, leading edge technology, and customer service focus. These awards symbolize the importance of the library and its central role in the life of this community.

## Achievements

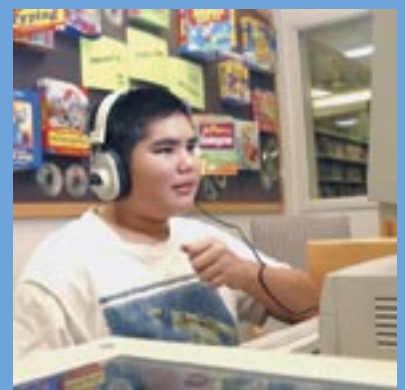
- The Library was awarded the ExplorASIAN Canadian Heritage Award for Community Building Through Arts and Culture.
- The Canada Post Literacy Award for Community Leadership recognized Richmond Public Library for contributing to literacy in the community, through programs such as ESL conversation circles, after school tutoring, reading buddies, computer literacy programs, a writing contest for young adults, and new immigrant orientation programs.
- Library Journal Movers and Shakers recognized Cate McNeely, Deputy Chief Librarian for her visionary leadership in the library field.
- ABC Canada Literacy Foundation “share the stories” Grant of \$1,500 was awarded to the Library in recognition of its outstanding literacy initiatives.

## Richmond Public Library Statistics

	2002	2001
Number of books, videos, and CDs borrowed	<b>3,327,695</b>	3,305,044
Customers who regularly use their library cards	<b>137,267</b>	133,290
Number of people who attended library programs	<b>67,456</b>	55,269
Number of computer bookings	<b>244,213</b>	147,493
Number of items in collection	<b>446,557</b>	440,000
Number of in-person library visits	<b>1,658,146</b>	1,576,915
Number of Library Web site visits	<b>6,398,774</b>	4,898,459



*The Library and Cultural Centre plaza offers a peaceful setting in the City Centre.*



*Cyber services provide opportunities for recreation and education.*

Richmond Public Library  
Financial Section



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Chartered Accountants

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## AUDITORS' REPORT

To the Chairman and Trustees  
Richmond Public Library

We have audited the statement of financial position of Richmond Public Library Board as at December 31, 2002 and the statements of financial activities and donated funds for the year then ended. These financial statements are the responsibility of the Library's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Library as at December 31, 2002 and the results of its operations for the year then ended in accordance with generally accepted accounting principles.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style.

Chartered Accountants

Vancouver, Canada

March 25, 2003



KPMG LLP, a Canadian owned limited liability partnership established under the laws of Ontario, is a member firm of KPMG International, a Swiss association



Richmond Public Library Board

## Statements of Financial Position

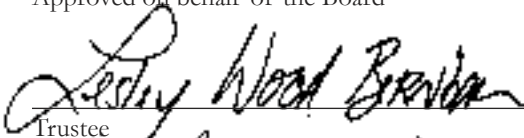
*As at December 31, 2002 and 2001*

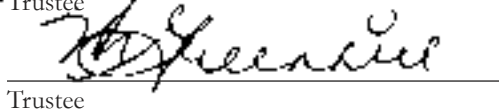
	2002	2001
<b>Financial Assets</b>		
Accounts receivable	\$ 15,812	\$ 14,005
Prepaid expenses	3,261	12,730
Unexpended funds held by the City of Richmond (note 3)	808,184	600,506
	<b>827,257</b>	<b>627,241</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (note 4)	478,096	350,369
Deferred revenue	116,954	96,302
	595,050	446,671
<b>Net financial assets</b>	<b>\$232,207</b>	<b>\$180,570</b>
<b>Surplus</b>		
Appropriated surplus (note 5)	\$ 197,233	\$ 162,907
General surplus	34,974	17,663
	<b>\$232,207</b>	<b>\$180,570</b>

Commitments (note 9)

See accompanying notes to financial statements.

Approved on behalf of the Board

  
 \_\_\_\_\_  
 Trustee

  
 \_\_\_\_\_  
 Trustee

## Richmond Public Library Board

## Statements of Financial Activities

Years ended December 31, 2002 and 2001

	Budget 2002	Actual 2002	Actual 2001
<b>Revenue:</b>			
Municipal contribution	\$ 5,331,000	\$ 5,171,000	\$ 5,464,283
Grants (note 6)	313,800	375,073	457,336
Fines and miscellaneous (note 7)	487,200	524,469	503,556
Donations	-	56,012	63,433
	<b>6,132,000</b>	<b>6,126,554</b>	<b>6,488,608</b>
<b>Expenditures:</b>			
Automation	165,400	100,640	126,555
Books and periodicals	1,053,000	1,064,224	1,189,080
Building, leases and maintenance	203,400	155,677	157,611
Utilities	169,200	144,454	176,806
Minor capital purchases	2,000	39,119	62,397
Resource sharing services	84,200	76,085	61,793
Salaries and employee benefits	3,976,600	3,970,688	4,188,619
Supplies and equipment services	272,200	315,098	266,917
General and administration	206,000	208,926	223,489
	<b>6,132,000</b>	<b>6,074,911</b>	<b>6,453,267</b>
Excess of revenue over expenditure	-	51,643	35,341
Allocation to appropriated surplus	-	(34,332)	(31,821)
	-	17,311	3,520
<b>General surplus, beginning of year</b>	<b>17,663</b>	<b>17,663</b>	<b>14,143</b>
<b>General surplus, end of year</b>	<b>\$ 17,663</b>	<b>\$ 34,974</b>	<b>\$ 17,663</b>

See accompanying notes to financial statements.

Richmond Public Library Board

## Notes to Financial Statements

Years ended December 31, 2002 and 2001

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### 1. Operations:

The Richmond Public Library Board (“the Library”) is responsible for the administration of public libraries in the City of Richmond. Funding for the provision of these services is primarily through an annual contribution from the City of Richmond and from provincial government grants. In addition, revenue is received from library fees, donations and other miscellaneous sources. The library is a registered charity under provisions of the Canadian Income Tax Act and is not a taxable entity. The library receives accounting services and operates primarily in facilities provided free of charge by the City of Richmond.

### 2. Significant accounting policies:

The Library’s financial statements are prepared in accordance with accounting recommendations and disclosure requirements prescribed by the Public Sector Accounting Board (the “PSAB”) of the Canadian Institute of Chartered Accountants and reflect the following policies:

**(a) Use of estimates:**

In preparing the financial statements in conformity with Canadian generally accepted accounting principles, management makes estimates and assumptions that affect the reported amounts of assets, particularly the recoverability of accounts receivable, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the estimates.

**(b) Revenue and expenditure recognition:**

The Library utilizes accrual accounting for revenue, expenditures, and for the purchases of books. Under the accrual method of accounting, costs are reported as expenditures in the periods they are incurred.

**(c) Donations-in-kind:**

During the year, the Library received donations-in-kind with an estimated value of \$24,154 (2001 - \$36,168) consisting of 2,368 books. Because of the difficulty of determining the fair value, donations-in-kind are not recognized in the financial statements.

**(d) Deferred revenue:**

The Library defers a portion of the revenue collected from restricted donations and recognizes this revenue in the year in which related expenditures are incurred.

**(e) Statement of cash flows:**

A statement of cash flows has not been presented as it would disclose no significant additional information.

**(f) Books:**

The Library accounts for the purchase of books as a current year expenditure funded by current year revenues. The insured value of books at December 31, 2002 is approximately \$12.8 million (2001 - \$12.4 million).

## Richmond Public Library Board

## Notes to Financial Statements

Years ended December 31, 2002 and 2001

**3. Unexpended funds held by the City of Richmond:**

Funds held by the City of Richmond on behalf of the library are non-interest bearing and due on demand.

**4. Accounts payable and accrued liabilities:**

	2002	2001
Accounts payable	\$ 233,459	\$ 143,014
Accrued liabilities	7,737	(3,486)
Payroll liabilities	152,144	128,606
Accrued vacation pay	84,756	82,235
	<b>\$ 478,096</b>	<b>\$ 350,369</b>

**5. Appropriated surplus:**

Surplus amounts are appropriated for certain types of expenditures that may be incurred in the future, including donations and employee sick time as follows:

	2002	2001
Donations	\$ 138,189	\$ 103,863
Employee sick time accruals	59,044	59,044
	<b>\$ 197,233</b>	<b>\$ 162,907</b>

**6. Grants:**

	2002	2001
Provincial Revenue Sharing Grant	\$ 316,939	\$ 313,753
Urban Community Access Grant	15,000	15,300
Human Resources Development Canada ("HRDC") Labour Market Grant	43,134	78,743
Collections Enrichment Grant	-	49,540
	<b>\$ 375,073</b>	<b>\$ 457,336</b>

Richmond Public Library Board

## Notes to Financial Statements

Years ended December 31, 2002 and 2001

### 6. Grants (continued):

The Urban Community Access Grant (the “Grant”) under Industry Canada’s funding was provided to assist with expansion, social and cultural opportunities including access to the Internet. The Grant fund will be used for purchases of hardware, software and internet connections as well as staff and equipment costs.

The HRDC Labour Market Grant funded by Human Resources Centre of Canada is intended to offer Labour Market Information sessions for eligible Richmond residents.

The Collections Enrichment Grant is funded by a provincial budget surplus with libraries being identified as a key priority.

### 7. Fines and miscellaneous:

	2002	2001
Book fines	\$ 250,279	\$ 242,774
Photocopy and printer revenues	37,959	34,076
Miscellaneous	236,231	226,706
	<b>\$ 524,469</b>	<b>\$ 503,556</b>

### 8. Contributions:

Friends of the Library continue to support the Library through donated funds.

	2002	2001
Friends of the Library	\$ 25,500	\$ 26,000
Other	51,159	54,493
	<b>\$ 76,659</b>	<b>\$ 80,493</b>

### 9. Commitments:

The Library has committed to lease payments for premises and equipment for \$173,741 per year up to 2022 and \$86,867 in 2023 in the following amounts:

2003	\$ 198,328
2004	173,741
2005	173,741
2006	173,741
2007	173,741
Thereafter	2,692,989



## **City of Richmond**

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