



City of Richmond

Report to Committee

To: Finance Committee
From: Andrew Nazareth
General Manager, Finance and Corporate
Services
Re: 2014 Annual Report and 2014 Annual Report - Highlights
Date: May 13, 2015
File:

Staff Recommendation

That the City of Richmond 2014 Annual Report and the 2014 Annual Report – Highlights be approved.

Andrew Nazareth
General Manager, Finance and Corporate Services Division
(4095)

Att.

REPORT CONCURRENCE	
CONCURRENCE OF GENERAL MANAGER 	
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS:
APPROVED BY CAO 	

Staff Report

Origin

Pursuant to Section 98 of the Community Charter, before June 30th, in each year, a Council must

- a) Prepare an annual report
- b) Make the report available for public inspection
- c) Make the report available for public inspection at a Council or other public meeting

Analysis

The City of Richmond's annual report formally presents the audited financial statements, financial, economic and demographic statistics. In addition, the report highlights some of the City's significant achievements from 2014, including the following:

- Doubling the number of child care spaces offered in City-owned facilities, securing creation of more than 200 new spaces over the next few years.
- Richmond RCMP introducing online crime reporting via the City's website. This innovative new service makes it simpler and quicker for residents to report selected crimes.
- Council approving a master plan for the Garden City Lands, ensuring the important 136.5 acre-parcel adjoining the City Centre is preserved as park and green space for community use.
- The City adopting a new Resilient Economy Strategy. The strategy identifies priority initiatives, focuses efforts on key economic sectors and emphasizes both business expansion and retention.
- Preliminary design completed and approved for the new multipurpose Minoru Complex and new No. 1 and No. 3 Fire Halls.
- The City investing nearly \$10 million in 2014 in improvements to Richmond's flood protection network.

The City of Richmond received numerous awards and recognition in 2014 including the following:

- Alexandra District Energy Utility (ADEU) project;
 - National Energy Globe Award for Canada as the best project in Canada in this international competition;
 - Canadian Geo-exchange Coalition Excellence Award;
 - Community Planning and Development Award from the Community Energy Association; and
 - Sustainability Award from the Association of Professional Engineers and Geoscientists of BC.
- The Excellence on the Waterfront Award from Washington DC-based Waterfront Center for the Richmond Middle Arm Park and Greenway.

- CAMA Professional Development Award for the Corporate Programs Management Group (CPMG) leadership development program.
- The inaugural Culture Days National Marketing Award for promotion of the annual nation-wide event.
- An Honourable Mention in the Federation of Canadian Municipalities 2015 Sustainable Communities Awards for Neighbourhood Development for our City Centre Neighbourhood Development Action Plan.
- Wood WORKS! BC Community Recognition Award for the City's commitment to promoting the use of wood in civic projects.
- *Western Investor* magazine selected Richmond as the best city for real estate investment in Western Canada.
- Silver Leaf (national) and Bronze Quill (provincial) Awards of Excellence from the International Association of Business Communicators for the Green Cart program launch.
- A Distinguished Systems Award from the Urban and Regional Information Systems Association (URISA) for the City's GIS tool.
- A Leadership Excellence Award from BC Hydro's Power Smart Excellence Awards for energy efficiency initiatives.
- A Most Business Friendly Award from NAIOP Vancouver for the City's green building initiatives.
- Government Finance Officers Association awards for the 2013 Annual Report:
 - Canadian Award for Financial Reporting (12th consecutive year).
 - Outstanding Achievement in Popular Annual Financial Reporting (5th consecutive year).

Staff have followed the award-winning format from past years in which two versions of the report are prepared. The first version is the comprehensive 2014 Annual Report, which meets all legislative requirements. The comprehensive version includes the City's audited consolidated financial statements; the City's corporate objectives and success indicators, as identified through Council's Term Goals and objectives; and a listing of permissive exemptions as required under the Community Charter for British Columbia's local governments. In addition to the statutorily required information, the comprehensive version provides information on City milestones from 2014, including awards and achievements, as well as relevant statistical data.

The second version is the popular financial report, or titled 2014 Annual Report – Highlights. It has been prepared to inform the general public about the City of Richmond, its services, highlights from 2014 and the City's financial condition. Both versions will be publicly available through the City's website. The simplified version will be mailed out and made available for the general public in hard copy at Richmond City Hall, Front of House and on the City's website, while the comprehensive version will be printed only on an exception basis

Financial Impact

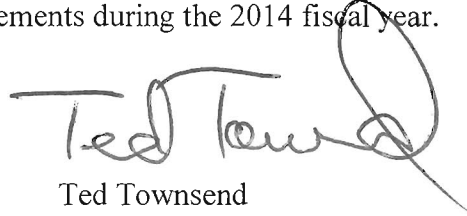
None.

Conclusion

The City of Richmond 2014 Annual Report and the 2014 Annual Report – Highlights satisfy Community Charter requirements for financial reporting and provide important tools in ensuring public transparency and accountability for the management of City finances. The reports also provide useful information on the City’s achievements during the 2014 fiscal year.



Jerry Chong
Director, Finance
(4064)



Ted Townsend
Senior Manager, Corporate Communications
(4399)

- Att. 1: 2014 Annual Report
- 2: 2014 Annual Report – Highlights



City of
Richmond
British Columbia, Canada

2014 Annual Report

For the year ended December 31, 2014





Government Finance Officers Association

Canadian Award for Financial Reporting

Presented to

**City of Richmond
British Columbia**

For its Annual
Financial Report
for the Year Ended

December 31, 2013

Executive Director/CEO

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting to the City of Richmond for its annual financial report for the fiscal year ended December 31, 2013. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

In order to be awarded a Canadian Award for Financial Reporting, a government unit must publish an easily readable and efficiently organized annual financial report, whose contents conform to the program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments, and address user needs.

A Canadian Award for Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Canadian Award for Financial Reporting program requirements, and we are submitting it to the GFOA.



City of Richmond

British Columbia, Canada

2014 Annual Report

For the year ended December 31, 2014

Our vision is to be the most appealing, livable and well-managed community in Canada

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Cover photo: The Terra Nova Adventure Play Environment officially opened in 2014 at Terra Nova Rural Park.

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Message from the Mayor



The City of Richmond continued to enjoy sustained long-term growth and a robust local economy throughout 2014. In response, the City made prudent investments to ensure we have the infrastructure and programs to meet the needs of both current and future residents; we retain our outstanding, internationally-recognized quality of life; and, that Richmond remains on a sustainable path. Richmond's strong financial position allowed us to make these investments with minimal impact on property taxes.

As the final year of the Council Term, 2014 was a busy year for Council, as we worked to complete or advance our many Council Term Goals.

Most notably, the year was marked by the opening of a number of new key amenities to serve the community. The popular Railway Greenway has been a huge success, turning an abandoned railway corridor into an active and vital cross-island transportation link, while promoting physical activity. The Terra Nova Adventure Play Environment set new standards for innovation and sustainability in creating exciting play opportunities for our youth. Similarly, the new Terra Nova Nature Preschool brought children directly into contact with their natural environment, developing an appreciation for ecology from an early age. A critically-needed expansion of child care spaces in Richmond began with the opening of new City-owned child care facilities in the Hamilton and West Cambie areas.

Council also approved the preliminary design for the \$79 million Minoru Complex (housing an aquatics centre, older adults centre and sport and recreation amenities). Design was also approved for two new fire halls, which will complete a decade-long upgrade of all of our public safety buildings to post-disaster status. Construction of these new buildings is in progress and will be complete by 2017.

The City also approved the master plan for the Garden City Lands, a 136.5-acre parcel of open space on the edge of the City Centre. This vital parcel of land will be entirely preserved for park and other community use. Other key plans approved by Council included a Resilient Economy Strategy and expansion of our award-winning District Energy program.

As Council enters the first year of a new four-year term in 2015, we will be revisiting our Council Term Goals to ensure that Richmond continues to be one of Canada's most livable communities and that our residents and businesses continue to receive extraordinary value from the programs and services they help fund. As always, I invite you to contact the Mayor's Office to discuss or comment on any of the information contained in this Annual Report.

A handwritten signature in black ink, appearing to read 'Malcolm Brodie'. The signature is fluid and cursive, written over a white background.

Malcolm Brodie
Mayor, City of Richmond

Richmond City Council



As of December 1, 2014

Front row, left to right:

Councillor Carol Day,
 Councillor Bill McNulty,
 Mayor Malcolm Brodie,
 Councillor Linda McPhail,
 Councillor Harold Steves

Back row, left to right:

Constable Adam Carmichael,
 Richmond RCMP,
 Councillor Chak Au,
 Councillor Derek Dang,
 Councillor Ken Johnston,
 Councillor Alexa Loo,
 Captain Jack Beetstra,
 Richmond Fire-Rescue



Prior to December 1, 2014

Front row, left to right:

Councillor Linda Barnes,
 Councillor Bill McNulty,
 Mayor Malcolm Brodie,
 Councillor Linda McPhail,
 Councillor Harold Steves

Back row, left to right:

Captain Dave Cullen,
 Richmond Fire-Rescue (retired),
 Councillor Chak Au,
 Councillor Derek Dang,
 Councillor Evelina Halsey-Brandt,
 Councillor Ken Johnston,
 Constable Melissa Lui,
 Richmond RCMP

City of Richmond organizational chart

Chief Administrative Office
George Duncan, CAO
Deputy Chief Administrative Office
Joe Erceg, Deputy CAO

Community Services	Engineering and Public Works	Finance and Corporate Services
Dave Semple, GM Cathy Volkering Carlile, GM	Robert Gonzalez, GM	Andrew Nazareth, GM

Law and Community Safety	Planning and Development
Phyllis Carlyle, GM	Joe Erceg, GM



Civic officials as of December 31, 2014

Chief Administrative Officer	George Duncan
Deputy Chief Administrative Officer	Joe Erceg
General Manager, Community Services	Cathy Volkering Carlile
General Manager, Community Services	Dave Semple
General Manager, Engineering and Public Works	Robert Gonzalez
General Manager, Finance and Corporate Services	Andrew Nazareth
General Manager, Law and Community Safety	Phyllis Carlyle
General Manager, Planning and Development	Joe Erceg
Director, City Clerk’s Office	David Weber
City Solicitor	Doug Long
Chief, Richmond Fire-Rescue	John McGowan
Officer in Charge, Royal Canadian Mounted Police	Rendall Nessett
Chief Operating Officer, Richmond Olympic Oval	John Mills
Chief Librarian, Richmond Public Library	Greg Buss
Chief Executive Officer, Lulu Island Energy Corporation	Robert Gonzalez

Banker **Auditors**
 Scotiabank KPMG

Message from the Chief Administrative Officer



It is my pleasure to present the City of Richmond's 2014 Annual Report, which documents another extraordinary year of achievement for our administration, along with the continued strong financial position of the City.

2014 saw the City undertake a record Capital budget of \$192.1 million as we moved to replace aging infrastructure and meet the emerging public amenity needs of our community. The budget included funding for an extraordinary \$124.1 million major facilities building program, which includes a new main fire hall, a new City Centre Community Centre and the Minoru Complex, which will house an aquatic centre, older adults centre and provide other recreation and sport program space. This ambitious program was undertaken with minimal impact on property taxes through

funding from our carefully-nurtured reserve funds and judicious borrowing to take advantage of low interest rates.

The past year was also extraordinary for the recognition received by the City of Richmond. Our organization received more than 15 awards from local, national and international organizations honouring our commitment to innovation, excellence and sustainability. Of particular note was an award from my peers in the Canadian Association of Municipal Administrators (CAMA) for Richmond's Corporate Programs Management Group (CPMG). This innovative, homegrown program provides accelerated training and professional development opportunities for the City's next generation of leaders, while creating capacity to support implementation of priority initiatives. The winner of CAMA's 2014 Professional Development Award, the CPMG program has become the inspiration and model for other local governments.

Richmond also continues to be highly committed to using an entrepreneurial approach to address community needs and objectives. This includes forming new lines of business, such as Lulu Island Energy Company, a district energy utility, to achieve our goals. The City-owned Richmond Olympic Oval Corporation continues to be hugely successful as it manages Richmond's world class, Olympic legacy facility. Innovative new partnerships were formed by the Oval Corporation in 2014 to support development of the Richmond Olympic Experience, which will open in 2015, as a major new regional tourist attraction.

The achievements outlined in this Annual Report become a new benchmark for our City. Richmond remains committed to continuous improvement and to raising the bar ever higher in fulfilling our vision for Richmond to be the most appealing, livable and well-managed community in Canada.

A handwritten signature in black ink, appearing to read 'George Duncan', with a long, sweeping underline that extends to the right.

George Duncan
Chief Administrative Officer



Council approved the next phase of expansion for Richmond's award-winning Alexandra District Energy Utility.

2014 Awards

As a City we are constantly striving to raise the bar in the quality and quantity of services we provide our community. We seek to excel in community engagement and local government management and leadership. One of the ways we measure our success is through the awards and recognition we receive from our peers and others. 2014 was a remarkable year on this front.

- Richmond's innovative and successful foray into district energy produced four awards for the Alexandra District Energy Utility (ADEU) project; including:
 - National Energy Globe Award for Canada. This is an international award competition and the ADEU was selected as best project in Canada;
 - 2014 Canadian Geo-exchange Coalition Excellence Award;
 - Community Planning and Development Award from the Community Energy Association; and
 - 2014 Sustainability Award from the Association of Professional Engineers and Geoscientists of BC 2014.
- The Excellence on the Waterfront Award from the Washington DC-based Waterfront Center for the Richmond Middle Arm Park and Greenway.
- The 2014 CAMA Professional Development Award for the Corporate Programs Management Group (CPMG) leadership development program.
- The inaugural Culture Days National Marketing Award for promotion of the annual nationwide event. Richmond was also ranked as the top Regional or Belt City for Culture Days based on the number of activities scheduled for the annual event locally.
- An Honourable Mention in the Federation of Canadian Municipalities 2015 Sustainable Communities Awards for Neighbourhood Development for our City Centre Neighbourhood Development Action Plan.
- A 2014 Wood WORKS! BC Community Recognition Award for the City's commitment to promoting the use of wood in civic projects.
- *Western Investor* magazine selected Richmond as the best city for real estate investment in Western Canada.
- Silver Leaf (national) and Bronze Quill (provincial) Awards of Excellence from the International Association of Business Communicators for the communications campaign developed in support of the Green Cart program launch.
- A Distinguished Systems Award from the Urban and Regional Information Systems Association (URISA) for innovation related to the City's GIS tool.
- Richmond's Economic Development Office received an honourable mention in the reputable Site Selection magazine in its annual Top 10 ranking of Canadian local and regional economic development programs.
- A Leadership Excellence Award from BC Hydro's Power Smart Excellence Awards for achievements in energy efficiency.
- A Richmond Chinese Community Society (RCCS) Community Award recognizing the City's contributions to community livability and its ongoing support of the RCCS.
- A Most Business Friendly Award from NAIOP Vancouver recognizing Richmond for excelling in creating environments positive to business creation through its green building initiatives.
- The City was awarded for best, innovative use of the AirWatch Secure Content Locker tool to internally distribute Council agendas and other documents to mobile devices.
- Richmond Sport Hosting was nominated as one of three finalists for the Sport Hosting Organization of the Year in the Canadian Sport Tourism Alliance (CSTA) 2014 PRESTIGE Awards.
- Two awards were received from the Government Finance Officers Association for the 2013 Annual Report:
 - Canadian Award for Financial Reporting, which Richmond received for a 12th consecutive year.
 - Outstanding Achievement in Popular Annual Financial Reporting, which we received for a 5th consecutive year.

Council Term Goals and Objectives: 2011 to 2014

The Community Charter requires that all BC municipalities include a statement in the Annual Report of their objectives for the current and future years, along with measures to track success towards these objectives.

The City of Richmond's objectives and success indicators are expressed through the Council Term Goals for 2011-2014. At the beginning of each new term of Council, a term goal setting process is undertaken to help Council fulfil its governance role and achieve a successful term of office. This process is an integral part of City operations, helping to ensure the effective use of public resources by providing clear direction and guidance for City work programs. These goals are set based on an extensive review of issues, opportunities and trends affecting City business, and provide a sound framework for evaluating and monitoring the organization's progress towards achieving its vision "to be the most appealing, livable and well managed community in Canada."

1. Community Safety

To ensure Richmond remains a safe and desirable community to live, work and play in, through the delivery of effective public safety services that are targeted to the City's specific needs and priorities.

2014 Achievement

Richmond RCMP introduced online crime reporting via the City's website. This innovative new service makes it simpler and quicker for residents to report many crimes. A new Crime Prevention Guide was also launched, helping citizens take greater responsibility in combatting crime.

2. Community Social Services

To develop and implement an updated social services strategy that clearly articulates and communicates the City's roles, priorities and limitations with respect to social services issues and needs.



Cranberry Children's Centre

2014 Achievement

Richmond is doubling the number of child care spaces offered in City-owned facilities, adding more than 200 new spaces over the next few years. The new Cranberry Children's Centre opened in the Hamilton area in 2014.

3. Economic Development

To enhance the City's economic well being and financial sustainability through the development and implementation of strategies and initiatives that lead to long-term business retention, expansion and attraction by clearly defining the businesses and industries we want to attract and retain; placing a stronger focus on tourism and Asia Pacific Gateway business development opportunities; and incorporating a broad business community engagement model.

2014 Achievement

The City adopted a new Resilient Economy Strategy in 2014. The strategy identifies priority initiatives, focuses efforts on key economic sectors and emphasizes both business expansion and retention.

4. Facility Development

To ensure that quality public facilities and amenities in Richmond keep pace with the rate of growth, the City is implementing an updated comprehensive Facility Development Plan. This plan includes an analysis of required new facilities and the recommended timing, financial strategies and public process for implementing the plan.

2014 Achievement

Preliminary design was completed and approved for the new multipurpose Minoru Complex and new No. 1 and No. 3 Fire Halls. The complex will replace aging facilities with a new and expanded aquatic centre, older adults centre and additional sports and recreation program space. When the new fire halls are completed by 2017, all the City's public safety buildings will be post-disaster rated.

5. Financial Management

To develop and implement effective and innovative financial policies and strategies that help the City to successfully manage the challenges of tough economic times, while taking advantage of financial opportunities, and balance current and long term financial needs.

2014 Achievement

The City continued to strengthen its financial condition and position in 2014. The City's net worth reached \$2.6 billion. Cash and investments increased to \$864.7 million. Net financial assets increased to \$602.6 million, up from \$549 million in 2013.



Minoru Complex

6. Intergovernmental Relations

To strengthen relationships with other levels of government and government agencies to ensure City needs and priorities are well represented, understood and proactively advanced.

2014 Achievement

The City secured about \$2 million in funding from the provincial and federal governments to build a new Bath Slough Pump Station. The \$4.2 million pump station is an important link in Richmond's flood protection, drainage and irrigation network.



Garden City Lands master plan approved

7. Managing Growth and Development

To ensure effective growth management for the City, including the adequate provision of facility, service and amenity requirements associated with growth.

2014 Achievement

Council approved a master plan for the Garden City Lands, ensuring the important 136.5-acre parcel adjoining the City Centre is preserved as park and green space for community use.

8. Sustainability

To demonstrate leadership in sustainability through continued implementation of the City's Sustainability Framework.

2014 Achievement

The City continued to expand its recycling and waste diversion programs, with expanded curbside collection of various recyclables and approval of plans to provide organics recycling collection for multi-family residences. Residents in single-family homes achieved 71 per cent waste diversion — well ahead of the regional goal of achieving 70 per cent diversion by 2015.

2014 Achievement

Council adopted an updated Sustainable High Performance Building Policy, which ensures that new City buildings are built to meet high standards for environmentally sustainable design and construction.



Recycling program expanded

9. Arts and Culture

To continue to support the development of a thriving, resilient and diverse cultural sector and related initiatives in creating a vibrant healthy and sustainable City.

2014 Achievement

Richmond received the first national Marketing Awards for Culture Days. Since its inception, Richmond has been a national leader in promoting and participating in the annual Culture Days events, which encourages communities across the country to build support for the arts.

10. Community Wellness

To continue to collaborate with community organizations and agencies to optimize resources in the implementation of the City's adopted Wellness Strategy.

2014 Achievement

The Terra Nova Adventure Play Environment was officially opened. Designed to integrate with the natural park surroundings, the innovative play area features a wide variety of unique and exciting play experiences for youth.

2014 Achievement

The Railway Greenway was officially opened, turning an abandoned railway corridor into a vibrant new transportation link that encourages residents to walk, run and cycle between neighbourhoods or across the island.

11. Municipal Infrastructure Improvement

To continue to invest in the City's infrastructure networks and systems in a manner that meets community needs and responds to the issues of aging components of the system, growth related capacity issues and the requirements due to changing climate and environmental impacts.

2014 Achievement

The City invested nearly \$10 million in 2014 in improvements to Richmond's flood protection network. This included construction of the new Montrose pump station and major retrofit of the Woodward pump station.

12. Waterfront Enhancement

To place greater emphasis on protecting and enhancing the City's waterfront while successfully integrating a balance between urban development, public access and events, and a healthy river environment.

2014 Achievement

Ships to Shore Steveston set a new record for attendance in 2014 with more than 35,000 enjoying the popular annual celebration. The 2014 festival included the debut of Canada Day fireworks over the Steveston Channel.



Railway Greenway



RichmondBC app

13. A Well Informed Public

To ensure a well informed public regarding Council priorities, activities and achievements.

2014 Achievement

Council meetings became more accessible to the public through the introduction of live streaming of Council meetings. Viewers can now watch meetings live online or access archived video post-meeting.

2014 Achievement

The City introduced two new mobile applications to improve public access to information. The RichmondBC application allows users to readily access in-depth information about programs and events at City facilities. The Richmond Election app provided users with extensive information and interactive services related to the civic election.

Additional information on the success indicators in support of these objectives can be found at:

www.richmond.ca/cityhall/council/goals

Report from the General Manager, Finance and Corporate Services

I am pleased to submit the City of Richmond's consolidated financial statements for the year ended December 31, 2014 pursuant to Section 167 of the Community Charter. The financial statements reflect a consolidation of the financial position and operating results for the City of Richmond, Lulu Island Energy Company Ltd., Richmond Olympic Oval Corporation and the Richmond Public Library. I disclose that management is responsible for the financial statements.

The external auditors, KPMG LLP, conducted an independent examination and have expressed their opinion that the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City of Richmond as at December 31, 2014 in accordance with Canadian public sector accounting standards.

The City continued to strengthen its financial condition and position in 2014. The City's net worth reached \$2.6B (2013: \$2.4B) and cash and investments increased to \$864.7M (2013: \$754.5M). Net financial assets increased to \$602.6M (2013: \$549.0M). The City's 2014 revenues were \$484.8M (2013: \$454.9M) and expenses were \$360.9M (2013: \$328.6M). The revenue increases were mainly due to a substantial gain on disposal of land, taxation and utility fees, external funding for capital construction and gaming revenues. The expense increases were mainly due to significant contributions for affordable housing, policing and recycling contract costs and settlement of the Richmond Fire Rescue wage agreement.

Statutory reserves increased to \$374.9M (2013: \$353.8M). Net debt outstanding was \$50.8M as the City undertook its first external borrowing in more than two decades to take advantage of low interest rates to partially finance the new Minoru complex that is currently under construction. This debt will be repaid using casino revenues over the next decade so that there will be no direct borrowing impact on property taxes.

City Council's focus on long term planning guided by its Long Term Financial Management Strategy has helped place the City in a strong financial position. Meanwhile, the City's success in creating a positive economic development climate was recognized by the Western Investor magazine, which named Richmond as the best City for investment in Western Canada in 2014. The City was also recognized by the Government Finance Officers Association with two awards for our annual financial reporting.

The outlook is exciting as we will continue to focus on innovation in serving our community. We are rethinking how we digitally operate and provide services to the community. As we change, customers will be able to request a service, report a concern or easily find the information they are looking for. Our goal is to integrate all our systems in a 'customer first' manner that will make their dealings with the City more efficient. In addition, services will be delivered through a new customer portal and we have begun our journey down this path with the release of the RichmondBC Mobile App. In addition, Council has committed to providing free Wi-Fi services in community centres, arenas and select parks. Council meetings are now live-streamed and recorded on the City's website. Overall, we will strive to always provide best value for our customers while ensuring that the City remains flexible and financially sustainable.



Andrew Nazareth, BEc, CGA
General Manager, Finance and Corporate Services
May 13, 2015

City of Richmond audited financial statements

Year ended December 31, 2014



KPMG LLP
Chartered Accountants
Metrotower II
Suite 2400 – 4720 Kingsway
Burnaby BC V5H 4N2
Canada

Telephone (604) 527-3600
Fax (604) 527-3636
Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Mayor and Council

We have audited the accompanying consolidated financial statements of the City of Richmond, which comprise the consolidated statement of financial position as at December 31, 2014 and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City of Richmond as at December 31, 2014, and its consolidated results of operations, its changes in net consolidated financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Accountants

May 11, 2015

Burnaby, Canada

CITY OF RICHMOND

Consolidated Statement of Financial Position
(Expressed in thousands of dollars)

December 31, 2014, with comparative figures for 2013

	2014	2013
Financial Assets		
Cash and cash equivalents	\$ 22,053	\$ 38,368
Investments (note 3)	842,642	716,114
Accrued interest receivable	5,363	3,224
Accounts receivable (note 4)	28,071	19,422
Taxes receivable	7,481	9,447
Development fees receivable	25,360	21,405
Debt reserve fund - deposits (note 5)	708	200
	<u>931,678</u>	<u>808,180</u>
Liabilities		
Accounts payable and accrued liabilities (note 6)	88,331	83,204
Development cost charges (note 7)	82,965	87,212
Deposits and holdbacks (note 8)	65,103	51,841
Deferred revenue (note 9)	41,823	35,870
Debt, net of MFA sinking fund deposits (note 10)	50,815	1,056
	<u>329,037</u>	<u>259,183</u>
Net financial assets	602,641	548,997
Non-Financial Assets		
Tangible capital assets (note 11)	1,947,102	1,877,298
Inventory of materials and supplies	2,415	2,363
Prepaid expenses	1,950	1,594
	<u>1,951,467</u>	<u>1,881,255</u>
Accumulated surplus (note 12)	<u>\$ 2,554,108</u>	<u>\$ 2,430,252</u>

Commitments and contingencies (note 16)

See accompanying notes to consolidated financial statements.



General Manager, Finance and Corporate Services

CITY OF RICHMOND

Consolidated Statement of Operations
(Expressed in thousands of dollars)

Year ended December 31, 2014, with comparative figures for 2013

	Budget 2014	2014	2013
	(notes 2(m) and 22)		
Revenue:			
Taxation and levies	\$ 183,822	\$ 183,687	\$ 176,283
Utility fees	90,428	93,201	90,540
Sales of services	28,707	32,809	34,959
Payments-in-lieu of taxes	13,473	14,546	14,406
Provincial and federal grants	6,782	7,480	7,092
Development cost charges		18,765	11,730
Other capital funding sources	192,122	51,667	55,542
Other revenues:			
Investment income	16,790	16,568	13,490
Gaming revenue	14,908	21,047	17,632
Licenses and permits	7,704	9,819	9,241
Other (note 19)	57,393	35,194	23,947
	612,129	484,783	454,862
Expenses:			
Law and Community safety	87,025	83,820	77,649
Utilities: water, sewer and sanitation	78,108	79,552	75,134
Engineering, public works and project development	55,369	55,899	53,268
Community services	52,021	65,137	49,753
General government	50,754	42,582	41,061
Planning and development	12,806	13,301	11,854
Richmond Olympic Oval	11,565	11,065	10,509
Library services	9,590	9,563	9,390
Lulu Island Energy Company	-	8	-
	357,238	360,927	328,618
Annual surplus	254,891	123,856	126,244
Accumulated surplus, beginning of year	2,430,252	2,430,252	2,304,008
Accumulated surplus, end of year	\$ 2,685,143	\$ 2,554,108	\$ 2,430,252

See accompanying notes to consolidated financial statements.

CITY OF RICHMOND

Consolidated Statement of Changes in Net Financial Assets
(Expressed in thousands of dollars)

Year ended December 31, 2014, with comparative figures for 2013

	2014 budget (notes 2(m) and 22)	2014	2013
Surplus for the year	\$ 254,891	\$ 123,856	\$ 126,244
Acquisition of tangible capital assets	(192,122)	(78,946)	(47,447)
Acquired tangible capital assets from developers		(43,835)	(50,887)
Amortization of tangible capital assets	51,433	52,106	50,334
Gain on disposal of tangible capital assets	-	(13,744)	(3,590)
Proceeds on sale of tangible capital assets	-	14,615	4,911
	114,202	54,052	79,565
Acquisition of inventories of supplies	-	(2,415)	(2,363)
Acquisition of prepaid expenses	-	(1,950)	(1,594)
Consumption of inventories of supplies	-	2,363	2,276
Use of prepaid expenses	-	1,594	1,954
Change in net financial assets	114,202	53,644	79,838
Net financial assets, beginning of year	548,997	548,997	469,159
Net financial assets, end of year	\$ 663,199	\$ 602,641	\$ 548,997

See accompanying notes to consolidated financial statements.

CITY OF RICHMOND

Consolidated Statement of Cash Flows
(Expressed in thousands of dollars)

Year ended December 31, 2014, with comparative figures for 2013

	2014	2013
Cash provided by (used in):		
Operations:		
Annual surplus	\$ 123,856	\$ 126,244
Items not involving cash:		
Amortization	52,106	50,334
(Gain) on disposal of tangible capital assets	(13,744)	(3,590)
Contributions of tangible capital assets	(43,835)	(50,887)
Change in non-cash operating working capital:		
Increase in accrued interest receivable	(2,139)	(102)
(Increase) decrease in accounts receivable	(8,649)	3,057
Decrease (increase) in taxes receivable	1,966	(349)
Increase in development fees receivable	(3,955)	(8,482)
(Increase) decrease in debt reserve fund	(508)	186
(Increase) decrease in prepaid expenses	(356)	360
Increase in inventories of supplies	(52)	(87)
Increase in accounts payable and accrued liabilities	5,157	7,821
Increase in deposits and holdbacks	13,262	11,172
Increase (decrease) in deferred revenue	5,953	(1,437)
(Decrease) increase in development cost charges	(4,247)	24,665
Net change in cash from operating activities	124,815	158,905
Capital activities:		
Cash used to acquire tangible capital assets	(78,945)	(47,447)
Proceeds on disposal of tangible capital assets	14,614	4,911
Net change in cash from capital activities	(64,331)	(42,536)
Financing activities:		
Increase (decrease) in debt	49,759	(2,432)
Principal payments on obligations under capital leases	(30)	(48)
Net change in cash from financing activities	49,729	(2,480)
Investing activities:		
(Decrease) in investments	(126,528)	(125,153)
Net change in cash and cash equivalents	(16,315)	(11,264)
Cash and cash equivalents, beginning of year	38,368	49,632
Cash and cash equivalents, end of year	\$ 22,053	\$ 38,368

See accompanying notes to consolidated financial statements.

CITY OF RICHMOND

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

Year ended December 31, 2014

1. Operations:

The City of Richmond (the "City") is incorporated under the Local Government Act of British Columbia. The City's principal activities include the provision of local government services to residents of the incorporated area. These include administrative, protective, transportation, environmental, recreational, water, and sewer.

2. Significant accounting policies:

The consolidated financial statements of the City are the representation of management prepared in accordance with Canadian generally accepted accounting principles as prescribed by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

(a) Basis of consolidation:

The consolidated financial statements reflect a combination of the City's General Revenue, General Capital and Loan, Waterworks and Sewerworks, and Reserve Funds consolidated with the Richmond Public Library (the "Library"), the Richmond Olympic Oval and the Lulu Island Energy Company Ltd. (LIEC). The Library is consolidated as the Library Board is appointed by the City. The Richmond Olympic Oval and LIEC are consolidated as they are wholly owned municipal corporations of the City and operate as other government organizations. Inter-fund transactions, fund balances and activities have been eliminated on consolidation.

(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, policing, and servicing general debt.

(ii) General Capital and Loan Fund:

This fund is used to record the City's tangible 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 and developer contributions plus interest earned on fund balances.

CITY OF RICHMOND

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

Year ended December 31, 2014

2. Significant accounting policies (continued):

(b) Basis of accounting:

The City follows the accrual method of accounting for revenues and expenses. Revenues are recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods and services and/or the creation of a legal obligation to pay.

(c) Government transfers:

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

(d) Cash and cash equivalents:

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

(e) Investments:

Investments are recorded at cost, adjusted for amortization of premiums or discounts. 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 declines in value are considered temporary for investments with known maturity dates as they generally reverse as the investments mature and therefore an 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.

(g) Development cost charges:

Development cost charges are restricted by legislation to expenditures on capital infrastructure. These amounts are deferred upon receipt and recognized as revenue when the expenditures are incurred in accordance with the restrictions.

(h) Post-employment benefits:

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

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

CITY OF RICHMOND

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

Year ended December 31, 2014

2. Significant accounting policies (continued):

(i) Non-financial assets:

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

(i) Tangible capital assets:

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

Asset	Useful life - years
Buildings and building improvements	10 - 75
Infrastructure	5 - 100
Vehicles, machinery and equipment	3 - 40
Library's collections, furniture and equipment	4 - 20

Amortization is charged over the asset's useful life commencing when the asset is acquired. Assets under construction are not amortized until the asset is available for productive use.

(ii) Contributions of tangible capital assets:

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

(iii) Natural resources:

Natural resources that have been purchased are not recognized as assets in the financial statements.

(iv) Works of art and cultural and historic assets:

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

(v) Interest capitalization:

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

(vi) Labour capitalization:

Internal labour directly attributable to the construction, development or implementation of a tangible capital asset is capitalized.

CITY OF RICHMOND

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

Year ended December 31, 2014

2. Significant accounting policies (continued):

(i) Non-financial assets (continued):

(vii) Leased tangible capital assets:

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

(viii) Impairment of tangible capital assets:

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Company's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations.

(ix) Inventory of materials and supplies:

Inventory is recorded at cost, net of an allowance for obsolete stock. Cost is determined on a weighted average basis.

(j) Revenue recognition:

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impractical.

The City is required to act as the agent for the collection of certain taxes and fees imposed by other authorities. Collections for other authorities are excluded from the City's taxation revenues.

(k) Deferred revenue:

The City defers a portion of the revenue collected from permits, licenses and other fees and recognizes this revenue in the year in which related inspections are performed or other related expenditures are incurred.

(l) Deposits:

Receipts restricted by the legislation of senior governments or by agreement with external parties are deferred and reported as deposits and are refundable under certain circumstances. When qualifying expenditures are incurred, deposits are recognized as revenue at amounts equal to the qualifying expenditures.

(m) Debt:

Debt is recorded net of related sinking fund balances.

CITY OF RICHMOND

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

Year ended December 31, 2014

2. Significant accounting policies (continued):

(n) Budget information:

Budget information, presented on a basis consistent with that used for actual results, was included in the City of Richmond's Five Year Financial Plan and was originally adopted through Bylaw No. 9100 on February 24, 2014.

(o) Use of accounting estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenditures during the reporting period. Significant areas requiring the use of management estimates relate to the value of contributed tangible capital assets, value of developer contributions, useful lives for amortization, determination of provisions for accrued liabilities, performing actuarial valuation of employee future benefits, allowance for doubtful accounts, and provision for contingencies. Actual results could differ from those estimates. Adjustments, if any, will be reflected in the financial statements in the period that the change in estimate is made, as well as in the period of settlement if the amount is different.

(p) Segment disclosures:

A segment is defined as a distinguishable activity of group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the standard. The City of Richmond has provided definitions of segments used by the City as well as presented financial information in segment format (note 21).

(q) Public-private partnership projects:

Public-private partnership ("P3") projects are delivered by private sector partners selected to design, build, finance, and maintain the assets. The cost of the assets under construction are estimated at fair value, based on construction progress billings and also includes other costs, if any, incurred directly by the City.

The asset cost includes development costs estimated at fair value. Interest during construction is not included in the asset cost. When available for operations, the project assets are amortized over their estimated useful lives. Correspondingly, an obligation for the cost of capital and financing received to date, net of the contributions received is recorded as a liability and included as debt on the statement of financial position.

CITY OF RICHMOND

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

Year ended December 31, 2014

3. Investments:

	2014		2013	
	Cost	Market value	Cost	Market value
Short-term notes and deposits	\$ 298,737	\$ 298,768	\$ 205,162	\$ 205,186
Government and government guaranteed bonds	261,847	265,941	442,963	444,447
Municipal Finance Authority Pooled Investment	22,527	22,527	22,033	22,033
Other Bonds	259,531	261,176	45,956	47,100
	\$ 842,642	\$ 848,412	\$ 716,114	\$ 718,766

4. Accounts receivable:

	2014	2013
Water and sewer utilities	\$ 10,358	\$ 8,949
Casino revenues	5,652	4,292
Capital grant	4,279	1,350
Other trade receivables	7,782	4,831
	\$ 28,071	\$ 19,422

5. Debt reserve fund deposits and contingent demand notes:

The City issues its debt instruments through the Municipal Finance Authority (the "MFA"). As a condition of these borrowings, a portion of the debenture proceeds is withheld by the MFA in a Debt Reserve Fund. The City also executes demand notes in connection with each debenture whereby the City may be required to loan certain amounts to the MFA. These demand notes are contingent in nature and are not reflected in the City's accounts. The details of the cash deposits and contingent demand notes at December 31, 2014 are as follows:

	Cash deposits	Contingent demand notes
General Revenue Fund	\$ 708	\$ 2,447

CITY OF RICHMOND

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

Year ended December 31, 2014

6. Accounts payable and accrued liabilities:

	2014	2013
Trade and other liabilities	\$ 57,576	\$ 53,162
Post-employment benefits (note 14)	30,755	30,042
	\$ 88,331	\$ 83,204

7. Development cost charges:

	2014	2013
Balance, beginning of year	\$ 87,212	\$ 62,547
Contributions	13,313	35,424
Interest	1,205	971
Revenue recognized	(18,765)	(11,730)
Balance, end of year	\$ 82,965	\$ 87,212

8. Deposits and holdbacks:

	Balance December 31, 2013	Deposit contributions	Refund expenditures	Balance December 31, 2014
Security deposits	\$ 35,859	\$ 20,727	\$ 8,209	\$ 48,377
Developer contribution	6,164	124	951	5,337
Contract holdbacks	1,598	2,225	1,855	1,968
Transit Oriented Development Fund	1,523	-	-	1,523
Other	6,697	5,200	3,999	7,898
	\$ 51,841	\$ 28,276	\$ 15,014	\$ 65,103

9. Deferred revenue:

Deferred revenue represents revenues that are collected but not earned as of December 31, 2014. These revenues will be recognized in future periods as they are earned. Deferred revenue also represents funds received from external parties for specified purposes. These revenues are recognized in the period in which the related expenses are incurred.

CITY OF RICHMOND

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

Year ended December 31, 2014

9. Deferred revenue (continued):

	Balance December 31, 2013	External restricted inflows	Revenue earned	Balance December 31, 2014
Taxes and Utilities	\$ 16,843	\$ 19,983	\$ 18,369	\$ 18,457
Building permits/business licenses	9,235	5,855	5,206	9,884
Capital grants	3,187	6,844	6,560	3,471
Parking easement/leased land	2,409	47	43	2,413
Other	4,196	3,994	592	7,598
	\$ 35,870	\$ 36,723	\$ 30,770	\$ 41,823

10. Debt:

The rates of interest on the principal amount of the MFA debentures vary between 3.15% and 3.30% per annum. The average rate of interest for the year ended December 31, 2014 approximates 3.30%.

The City obtains debt instruments through the MFA pursuant to security issuing bylaws under authority of the Community Charter to finance certain capital expenditures.

Gross amount for the debt less principal payments and actuarial adjustments to date are as follows:

	Gross amount borrowed	Repayments and actuarial adjustments	Net debt 2014	Net debt 2013
General Fund	\$ 70,815	\$ 20,000	\$ 50,815	\$ 1,056
	\$ 70,815	\$ 20,000	\$ 50,815	\$ 1,056

Repayments on net outstanding debenture debt over the next year are as follows:

	General Fund	Total
2015	4,232	4,232
2016	4,402	4,402
2017	4,578	4,578
2018	4,761	4,761
2019	4,951	4,951
	\$ 22,924	\$ 22,924

CITY OF RICHMOND

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

Year ended December 31, 2014

11. Tangible capital assets:

Cost	Balance at December 31, 2013	Additions and transfers	Disposals	Balance at December 31, 2014
Land	\$ 671,922	\$ 51,846	\$ (10)	\$ 723,758
Buildings and building improvements	352,937	8,029	-	360,966
Infrastructure	1,561,056	30,109	(5,439)	1,585,726
Vehicles, machinery and equipment	93,386	7,485	(2,812)	98,059
Library's collections, furniture and equipment	9,391	1,320	(1,452)	9,259
Assets under construction	42,232	23,991	-	66,223
	\$ 2,730,924	\$ 122,780	\$ (9,713)	\$ 2,843,991

Accumulated amortization	Balance at December 31, 2013	Disposals	Amortization expense	Balance at December 31, 2014
Buildings and building improvements	\$ 115,392	\$ -	\$ 12,812	\$ 128,204
Infrastructure	673,784	4,632	31,215	700,367
Vehicles, machinery and equipment	59,894	2,785	6,385	63,494
Library's collections, furniture and equipment	4,556	1,426	1,694	4,824
	\$ 853,626	\$ 8,843	\$ 52,106	\$ 896,889

CITY OF RICHMOND

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

Year ended December 31, 2014

11. Tangible capital assets (continued):

	Net book value December 31, 2014	Net book value December 31, 2013
Land	\$ 723,758	\$ 671,922
Buildings and building improvements	232,762	237,545
Infrastructure	885,359	887,272
Vehicles, machinery and equipment	34,565	33,492
Library's collection, furniture and equipment	4,435	4,835
Assets under construction	66,223	42,232
Balance, end of year	\$ 1,947,102	\$ 1,877,298

(a) Assets under construction:

Assets under construction having a value of approximately \$66,223,263 (2013 - \$42,231,645) have not been amortized. Amortization of these assets will commence when the asset is put into service.

(b) Contributed tangible capital assets:

Contributed tangible capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is approximately \$43,834,556 (2013 - \$50,887,000) comprised of infrastructure in the amount of approximately \$18,937,542 (2013 - \$10,934,000), land in the amount of approximately \$24,897,014 (2013 - \$38,892,000), and Library books in the amount of approximately nil (2013 - \$971,000).

(c) Tangible capital assets disclosed at nominal values:

Where an estimate of fair value could not be made, the tangible capital asset was recognized at a nominal value.

(d) Works of Art and Historical Treasures:

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

(e) Write-down of tangible capital assets:

There were no write-downs of tangible capital assets during the year (2013 - nil).

CITY OF RICHMOND

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

Year ended December 31, 2014

12. Accumulated surplus:

	General Funds and Reserve	Water Utility Fund	Sanitary Sewer Utility Fund	Richmond Olympic Oval	Library Services	Lulu Island Energy	2014 Total	2013 Total
Investment in tangible capital assets	\$1,935,285	\$ -	\$ -	\$ 7,076	\$ 4,438	\$ -	\$1,946,799	\$1,876,184
Reserves (note 13)	372,274	-	-	2,648	-	-	374,922	353,805
Appropriated Surplus	162,143	8,397	13,223	681	200	-	184,644	159,559
Surplus	19,133	15,536	9,290	1,313	115	23	45,410	38,341
Other equity	2,333	-	-	-	-	-	2,333	2,363
Balance, end of year	\$2,491,168	\$ 23,933	\$ 22,513	\$ 11,718	\$ 4,753	\$ 23	\$2,554,108	\$2,430,252

13. Reserves:

	2013	Change during year	2014
Reserve funds:			
Affordable housing	\$ 20,696	\$ (8,145)	\$ 12,551
Arts, culture and heritage	4,379	(17)	4,362
Capital building and infrastructure	46,394	9,257	55,651
Capital reserve	101,834	1,972	103,806
Capstan station	3,862	4,379	8,241
Child care development	2,696	(495)	2,201
Community legacy and land replacement	16,353	367	16,720
Drainage improvement	35,555	8,950	44,505
Equipment replacement	17,820	(579)	17,241
Leisure facilities	3,551	70	3,621
Local improvements	6,527	116	6,643
Neighborhood improvement	6,335	389	6,724
Public art program	2,282	272	2,554
Sanitary sewer	37,233	2,271	39,504
Steveston off-street parking	287	6	293
Steveston road ends	684	(61)	623
Waterfront improvement	104	555	659
Watermain replacement	42,481	3,894	46,375
Oval Capital Reserve	4,732	(2,084)	2,648
	\$ 353,805	\$ 21,117	\$ 374,922

CITY OF RICHMOND

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

Year ended December 31, 2014

14. Post-employment benefits:

The City provides certain post-employment benefits, non-vested sick leave, compensated absences, and termination benefits to its employees.

	2014	2013
Balance, beginning of year	\$ 30,042	\$ 28,414
Current service cost	1,791	2,212
Interest cost	1,054	1,038
Amortization of actuarial loss	430	389
Benefits paid	(2,562)	(2,011)
Balance, end of year	\$ 30,755	\$ 30,042

An actuarial valuation for these benefits was performed to determine the City's accrued benefit obligation as at December 31, 2013 and the results are extrapolated to December 31, 2014. The difference between the actuarially determined accrued benefit obligation of approximately \$29,201,000 and the liability of approximately \$30,755,000 as at December 31, 2014 is an unamortized net actuarial gain of \$1,554,000. This actuarial gain is being amortized over a period equal to the employees' average remaining service lifetime of 10 years.

	2014	2013
Actuarial benefit obligation:		
Liability, end of year	\$ 30,755	\$ 30,042
Unamortized actuarial loss (gain)	(1,554)	1,093
Balance, end of year	\$ 29,201	\$ 31,135

Actuarial assumptions used to determine the City's accrued benefit obligation are as follows:

	2014	2013
Discount rate	3.10%	3.50%
Expected future inflation rate	2.00%	2.00%
Expected wage and salary range increases	2.50%	2.50%

CITY OF RICHMOND

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

Year ended December 31, 2014

15. Pension plan:

The City and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trustee pension plan. The board of trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including the investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. The Plan has about 182,000 active members and approximately 75,000 retired members. Active members include approximately 1,500 contributors from the City.

The most recent actuarial valuation as at December 31, 2012 indicated a \$1,370 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2015 with results available in 2016. Employers participating in the Plan record their pension expense as the amount of employer contributions made during the year (defined contribution pension plan accounting). This is because Plan records accrued liabilities and accrued assets for the Plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the Plan.

The City paid \$10,649,936 (2013 - \$10,311,445) for employer contributions to the Plan in fiscal 2014. Employees paid \$8,780,321 (2013 - \$8,677,397) for employee contributions to the Plan in fiscal 2013.

16. Commitments and contingencies:

(a) Joint and several liabilities:

The City has a contingent liability with respect to debentures of the Greater Vancouver Water District, Greater Vancouver Sewerage and Drainage District and Greater Vancouver Regional District, to the extent provided for in their respective Enabling Acts, Acts of Incorporation and Amending Acts. Management does not consider payment under this contingency to be likely and therefore no amounts have been accrued.

(b) Lease payments:

In addition to the obligations under capital leases, at December 31, 2014, the City was committed to operating lease payments for premises and equipment in the following approximate amounts:

2015	\$ 4,654
2016	4,324
2017	4,215
2018	4,147
2019 and thereafter	17,847

CITY OF RICHMOND

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

Year ended December 31, 2014

16. Commitments and contingencies (continued):

(c) Litigation:

As at December 31, 2014, there were a number of claims or risk exposures in various stages of resolution. The City has made no specific provision for those where the outcome is presently not determinable.

(d) Municipal Insurance Association of British Columbia:

The City is a participant in the Municipal Insurance Association of British Columbia (the "Association"). Should the Association pay out claims in excess of premiums received, it is possible that the City, along with other participants, would be required to contribute towards the deficit. Management does not consider external payment under this contingency to be likely and therefore, no amounts have been accrued.

(e) Contractual obligation:

The City has entered into various contracts for services and construction with periods ranging beyond one year. These commitments are in accordance with budgets passed by Council.

On October 30, 2014, Lulu Island Energy Company Ltd. (LIEC) and Corix Utilities Inc. ("Corix") entered into a 30 year Concession Agreement (the "Agreement"), where Corix will design, construct, finance, operate, and maintain the infrastructure for the district energy utility at the River Green community. The total estimated concession liability to finance the construction is \$31,964,000 and will be accrued over time. As part of the agreement, the infrastructure will be owned by the LIEC.

In addition, on October 30, 2014, Corix and the City entered into a Limited Guarantee Agreement whereby the City agreed to guarantee the performance of LIEC's obligations under the Concession Agreement described above up to a total of \$18,000,000.

(f) E-Comm Emergency Communications for Southwest British Columbia ("E-Comm"):

The City is a shareholder of the Emergency Communications for Southwest British Columbia Incorporated (E-Comm) whose services provided include: regional 9-1-1 call centre for the Greater Vancouver Regional District; Wide Area Radio network; dispatch operations; and records management. The City has 2 Class A shares and 1 Class B share (of a total of 28 Class A and 23 Class B shares issued and outstanding as at December 31, 2013). As a Class A shareholder, the City shares in both funding the future operations and capital obligations of E-Comm (in accordance with a cost sharing formula), including any lease obligations committed to by E-Comm up to the shareholder's withdrawal date.

CITY OF RICHMOND

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

Year ended December 31, 2014

16. Commitments and contingencies (continued):

(g) Community Associations:

The City has a close relationship with the various community associations which operate the community centers throughout the City. While they are separate legal entities, the City does generally provide the buildings and grounds for the use of the community associations as well as pay the operating costs of the facilities. Typically the community associations are responsible for providing programming and services to the community. The community associations retain all revenue which they receive. The City provides the core staff for the facilities as well as certain additional services such as information technology services.

17. Trusts:

Certain assets have been conveyed or assigned to the City to be administered as directed by agreement or statute. The City holds the assets for the benefit of and stands in fiduciary relationship to the beneficiary. The following trust fund is excluded from the City's financial statements.

	2014	2013
Richmond Community Associations	\$ 1,127	\$ 1,107

18. Collections for other governments:

The City is obligated to collect 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 are as follows:

	2014	2013
Province of British Columbia - Schools	\$ 133,539	\$ 133,660
Greater Vancouver Regional District and others	41,046	39,918
	\$ 174,585	\$ 173,578

CITY OF RICHMOND

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

Year ended December 31, 2014

19. Other revenue:

	2014	2013
Developer reserve contribution	\$ 10,382	\$ 9,248
Tangible capital assets gain on land	14,419	4,024
Taxes and fines	2,844	2,433
Parking program	1,932	1,994
Debt funding	478	1,291
Sponsorship	217	188
Donation	73	1,022
Other	4,849	3,747
	\$ 35,194	\$ 23,947

20. Government transfers:

Government transfers are received for operating and capital activities. The operating transfers consist of gaming revenue and provincial and federal grants. Capital transfers are included in other capital funding sources revenue. The sources of the government transfers are as follows:

	2014	2013
Operating		
Province of BC	\$ 25,161	\$ 21,319
TransLink	2,200	1,993
Government of Canada	1,166	1,412
Capital		
Government of Canada	2,742	2,132
TransLink	1,292	135
Province of BC	459	537
	\$ 33,020	\$ 27,528

21. Segmented reporting:

The City of Richmond provides a wide variety of services to its residents. For segment disclosure, these services are grouped and reported under service areas/departments that are responsible for providing such services. They are as follows:

Law and Community Safety brings together the City's public safety providers such as Police (RCMP), Fire-Rescue, Emergency Programs, and Community Bylaws along with sections responsible for legal and regulatory matters. It is responsible for ensuring safe communities by providing protection services with a focus on law enforcement, crime prevention, emergency response, protection of life and properties, and legal services.

CITY OF RICHMOND

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

Year ended December 31, 2014

21. Segmented reporting (continued):

Utilities provide such services as planning, designing, constructing, operating, and maintaining the City's infrastructure of water and sewer networks and sanitation and recycling.

Engineering, Public Works and Project Development comprises of General Public Works, Roads and Construction, Storm Drainage, Fleet Operations, Engineering, Project Development, and Facility Management. The services provided are construction and maintenance of the City's infrastructure and all City owned buildings, maintenance of the City's road networks, managing and operating a mixed fleet of vehicles, heavy equipment and an assortment of specialized work units for the City operations, development of current and long-range engineering planning and construction of major projects.

Community Services comprises of Parks, Recreation, Arts, Culture and Heritage Services and Community Social Development. These departments ensure recreation opportunities in Richmond by maintaining a variety of facilities such as arenas, community centres, pools, etc. It designs, constructs and maintains parks and sports fields to ensure, there is adequate open green space and sports fields available for Richmond residents. It also addresses the economic, arts, culture, and community issues that the City encounters.

General Government comprises of Mayor and Council, Corporate Administration, and Finance and Corporate Services. It is responsible for adopting bylaws, effectively administering city operations, levying taxes, providing sound management of human resources, information technology, and City finance, and ensuring high quality services to Richmond residents.

Planning and Development is responsible for land use plans, developing bylaws and policies for sustainable development in the City including the City's transportation systems.

Richmond Olympic Oval is formed as a wholly owned subsidiary of the City. The City uses the Richmond Olympic Oval facility as a venue for a wide range of sports, business and community activities. The financial statements include the Oval's 50% proportionate share of operations of VROX Sport Simulation Ltd (VROX). VROX is a government partnership established to develop, manufacture and sell sport simulators to the Richmond Olympic Experience and third party customers.

Richmond Public Library provides public access to information by maintaining 5 branches throughout the City.

Lulu Island Energy Company Ltd. (LIEC) was incorporated on August 19, 2013 under the Business Corporations Act of British Columbia as a municipal corporation wholly-owned by the City of Richmond for the management of district energy utilities.

CITY OF RICHMOND

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

Year ended December 31, 2014

21. Segmented reporting (continued):

	Law and Community Safety	Utilities	Engineering, public works and project development	Community services	General government	Planning and development	Total City
Revenues:							
Taxation and levies	\$ -	\$ -	\$ -	\$ -	\$ 183,687	\$ -	\$ 183,687
User fees	-	82,866	10,335	-	-	-	93,201
Sales of services	5,348	2,855	2,358	9,001	4,288	1,909	25,759
Payments-in-Lieu of taxes	-	-	-	-	14,546	-	14,546
Provincial and Federal Grants	84	14	2,312	20	2,339	28	4,797
Development cost charges	-	950	2,749	1,883	12,297	886	18,765
Other Capital Funding Sources	8	3,526	20,503	2,474	24,898	169	51,578
Other revenue from own sources:							
Investment Income	-	592	-	-	15,976	-	16,568
Gaming revenue	628	-	1,400	-	19,019	-	21,047
Licenses and permits	246	-	75	-	3,743	5,724	9,788
Other	2,141	1,558	475	297	28,981	88	33,540
	8,455	92,361	40,207	13,675	309,774	8,804	473,276
Expenditures:							
Wages and Salaries	38,415	10,978	20,625	28,357	20,250	9,982	128,607
Contract Services	40,764	7,252	2,262	2,873	3,241	1,209	57,601
Supplies and Materials	2,176	28,310	879	11,136	6,206	514	49,221
Amortization of tangible capital assets	2,380	7,347	22,617	5,309	11,408	978	50,039
Interest and Finance	32	18,984	-	3	2,336	-	21,355
Transfer from(to) capital for tangible capital assets	13	707	1,928	14,651	352	614	18,265
PW Maintenance	40	5,563	7,332	2,808	(1,211)	4	14,536
Loss(gain) on disposal of tangible capital assets	-	411	256	-	-	-	667
	83,820	79,552	55,899	65,137	42,582	13,301	340,291
Annual surplus (deficit)	\$ (75,365)	\$ 12,809	\$ (15,692)	\$ (51,462)	\$ 267,192	\$ (4,497)	\$ 132,985
		Total City (from above)	Richmond Olympic Oval	Richmond Public Library	Lulu Island Energy Company	2014 Consolidated	2013 Consolidated
Revenues:							
Taxation and levies	\$ 183,687	\$ -	\$ -	\$ -	\$ -	\$ 183,687	\$ 176,283
User fees	93,201	-	-	-	-	93,201	90,540
Sales of services	25,759	6,878	172	-	-	32,809	34,959
Payments-in-Lieu of taxes	14,546	-	-	-	-	14,546	14,406
Provincial and Federal Grants	4,797	2,271	412	-	-	7,480	7,092
Development cost charges	18,765	-	-	-	-	18,765	11,730
Other Capital Funding Sources	51,578	-	89	-	-	51,667	55,542
Other revenue from own sources:							
Investment Income	16,568	-	-	-	-	16,568	13,490
Gaming revenue	21,047	-	-	-	-	21,047	17,632
Licenses and permits	9,788	-	-	-	31	9,819	9,241
Other	33,540	1,413	241	-	-	35,194	23,947
	473,276	10,562	914	31	484,783	454,862	
Expenditures:							
Wages and Salaries	128,607	6,940	6,622	-	142,169	137,648	
Contract Services	57,601	126	219	-	57,946	50,539	
Supplies and Materials	49,221	3,626	1,077	-	53,924	53,222	
Amortization of tangible capital assets	50,039	373	1,694	-	52,106	50,333	
Interest and Finance	21,355	-	4	8	21,367	19,783	
Transfer from(to) capital for tangible capital assets	18,265	-	(73)	-	18,192	2,414	
PW Maintenance	14,536	-	12	-	14,548	14,246	
Loss(gain) on disposal of tangible capital assets	667	-	8	-	675	433	
	340,291	11,065	9,563	8	360,927	328,618	
Annual surplus (deficit)	\$ 132,985	\$ (503)	\$ (8,649)	\$ 23	\$ 123,856	\$ 126,244	

CITY OF RICHMOND

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

Year ended December 31, 2014

22. Budget data:

The budget data presented in these consolidated financial statements is based on the 2014 operating and capital budgets approved by Council on February 25, 2014 and the approved budget for Richmond Olympic Oval. Below is the reconciliation of the approved budget to the budget amount reported in these financial statements.

	Budget Amount
Revenues:	
Approved operating budget	\$ 460,924
Approved capital budget	392,801
Approved Oval budget	13,140
Less:	
Transfer from other funds	10,924
Intercity recoveries	39,925
Intercompany recoveries	3,208
Carried forward capital expenditures	200,679
Total revenue	612,129
Expenses:	
Approved operating budget	460,924
Approved capital budget	392,801
Approved Oval budget	11,565
Less:	
Transfer to other funds	71,108
Intercity payments	39,925
Intercompany payments	3,208
Capital expenditures	192,122
Debt principal payments	1,010
Carried forward capital expenditures	200,679
Total expenses	357,238
Annual surplus per statement of operations	\$ 254,891

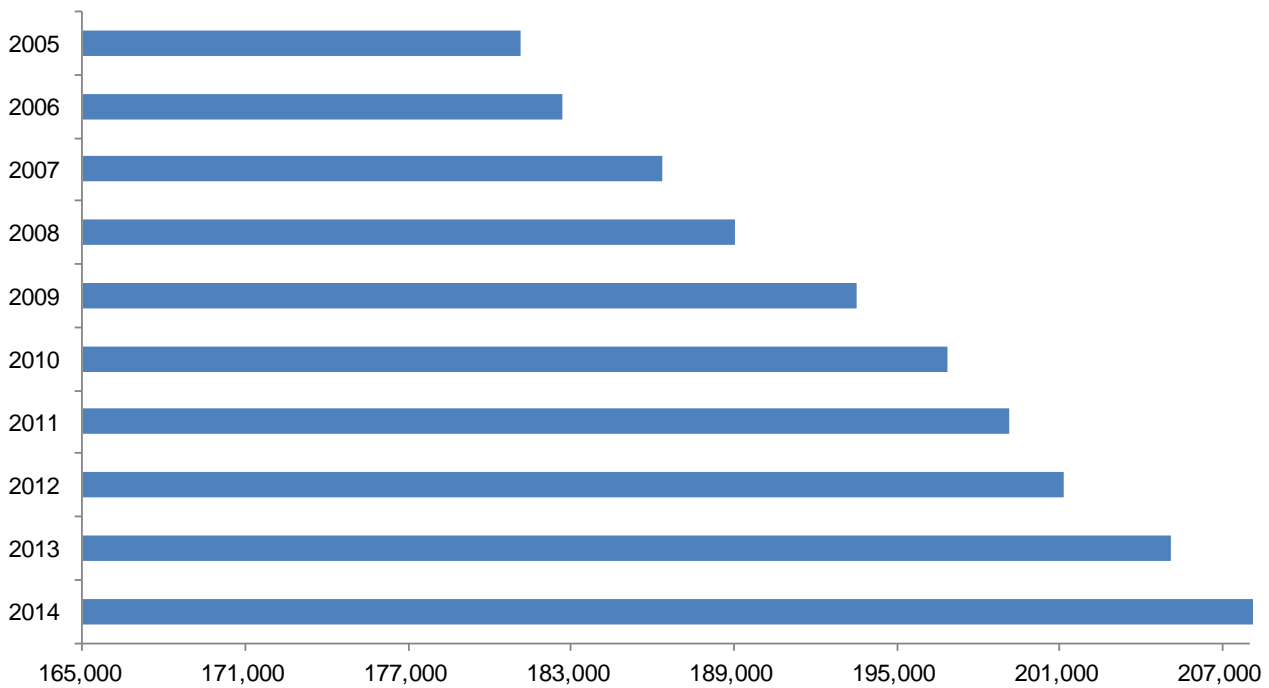
23. Comparative Figures:

Certain comparative information has been reclassified to conform to the financial statement presentation adopted for the current year.

City of Richmond statistical data

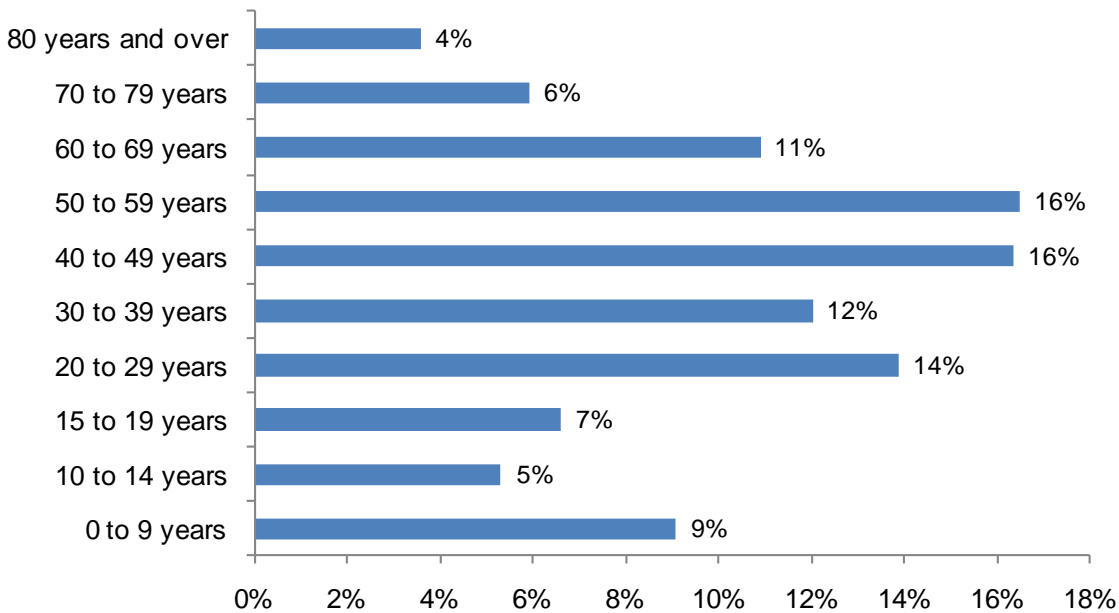
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City of Richmond population 2005–2014



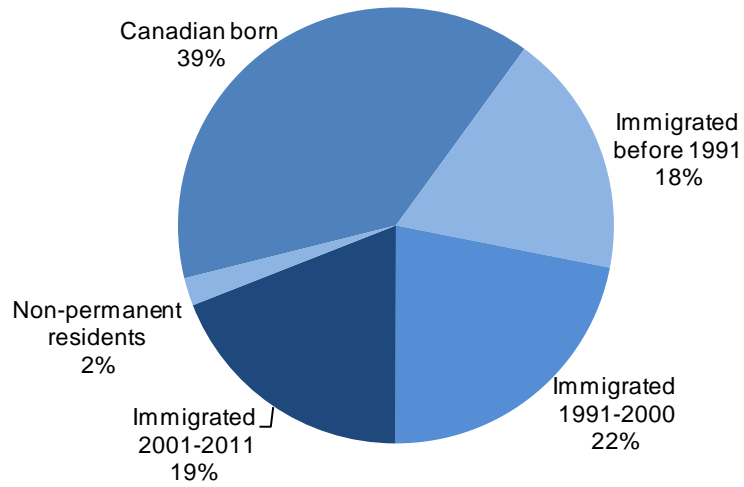
Source: City of Richmond Policy Planning Division

Total population by age groups



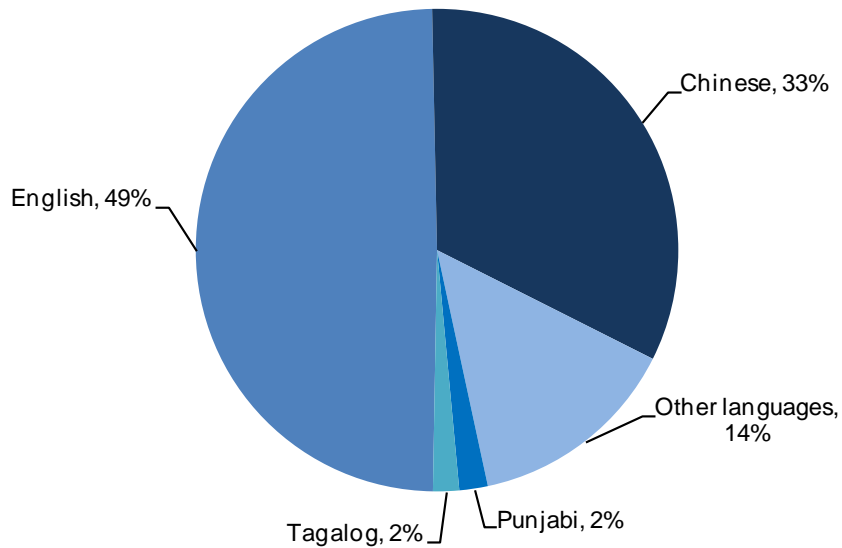
Source: Statistics Canada 2011 Census of Population

Immigrant status of Richmond residents by period of immigration



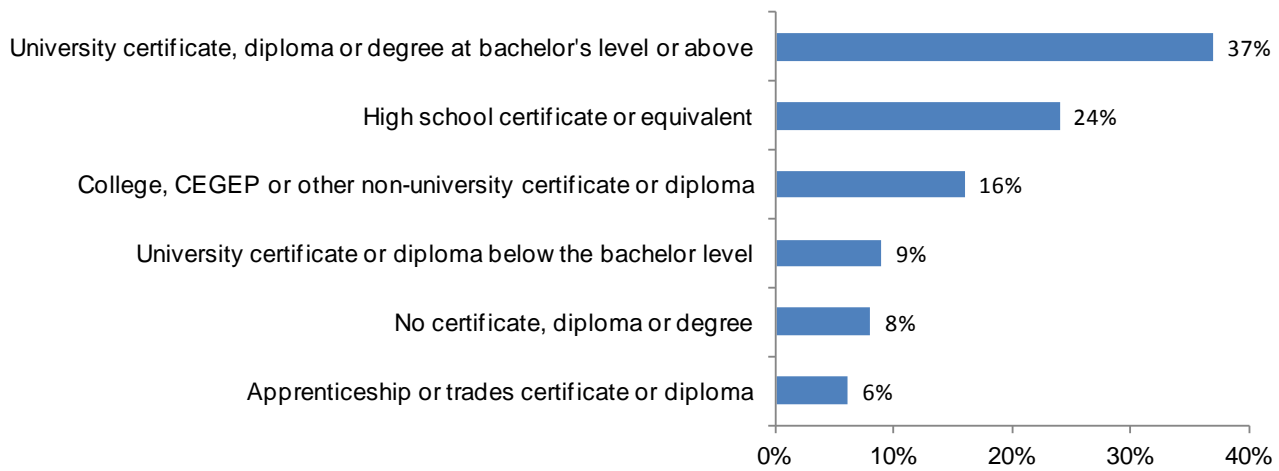
Source: Statistics Canada, 2011 National Household Survey (NHS)

Language spoken most often at home



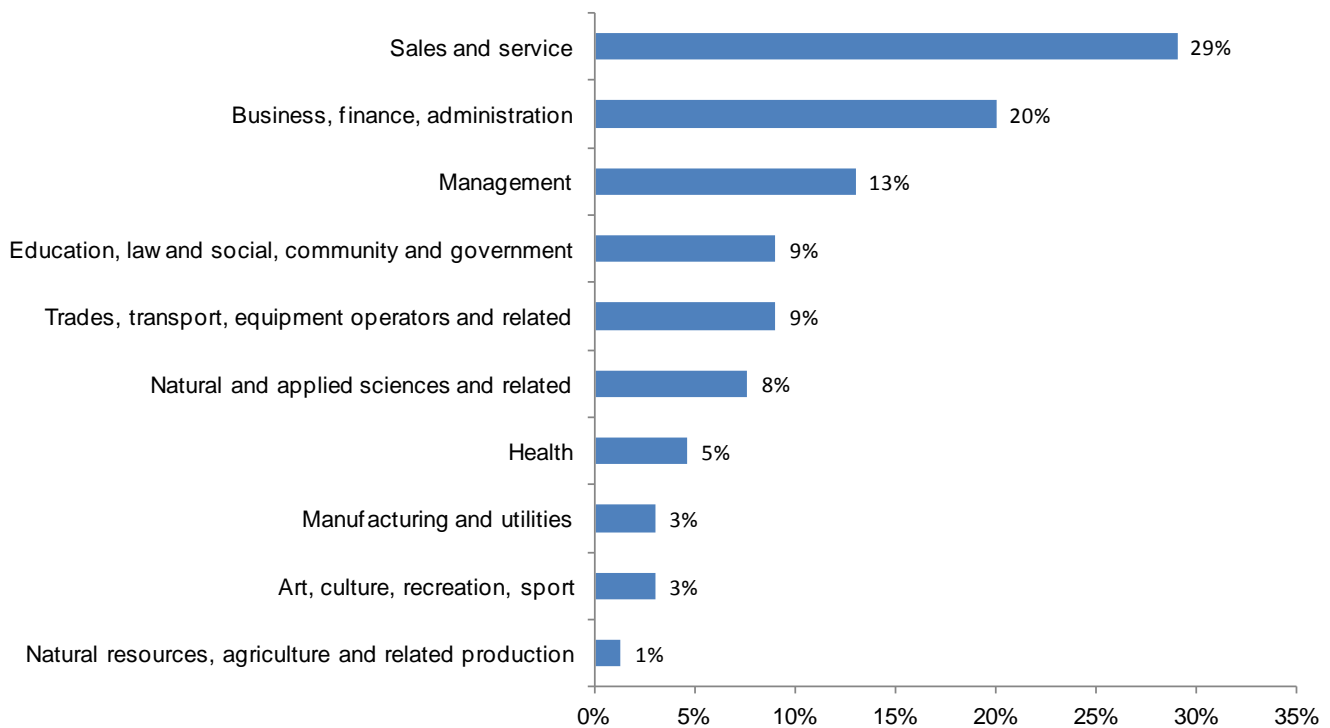
Source: Statistics Canada 2011 Census of Population

Highest level of education attainment for the population aged 25 to 64



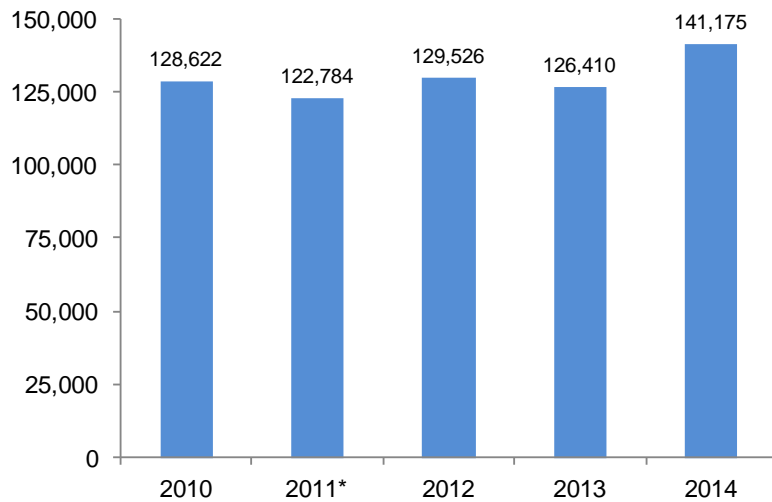
Source: Statistics Canada, 2011 National Household Survey (NHS)

Occupations of Richmond residents



Source: Statistics Canada, 2011 National Household Survey (NHS)

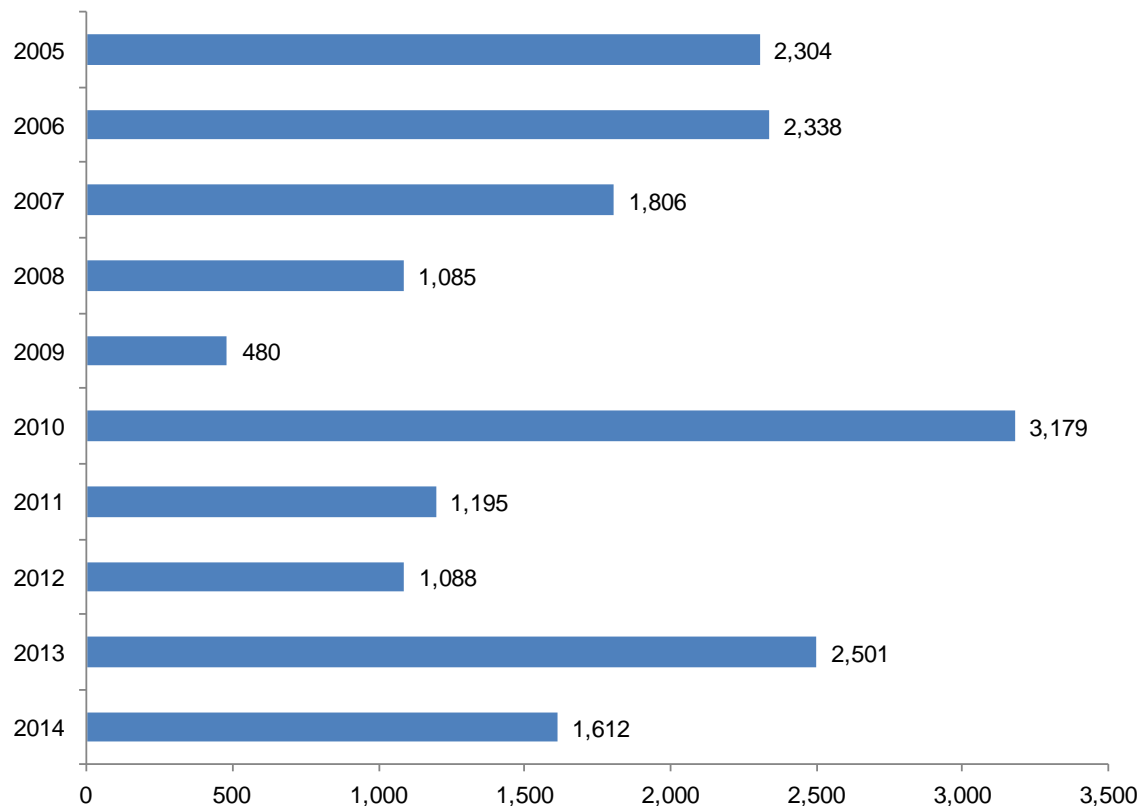
Registration in Richmond Recreation and Cultural Services programs 2010–2014



*Change in registration system 2011

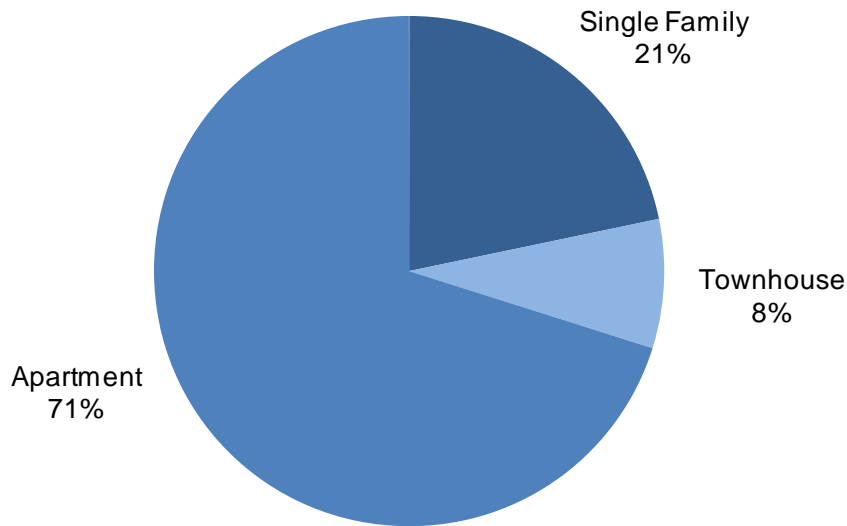
Source: City of Richmond Finance and Corporate Services

Housing starts in Richmond 2005–2015



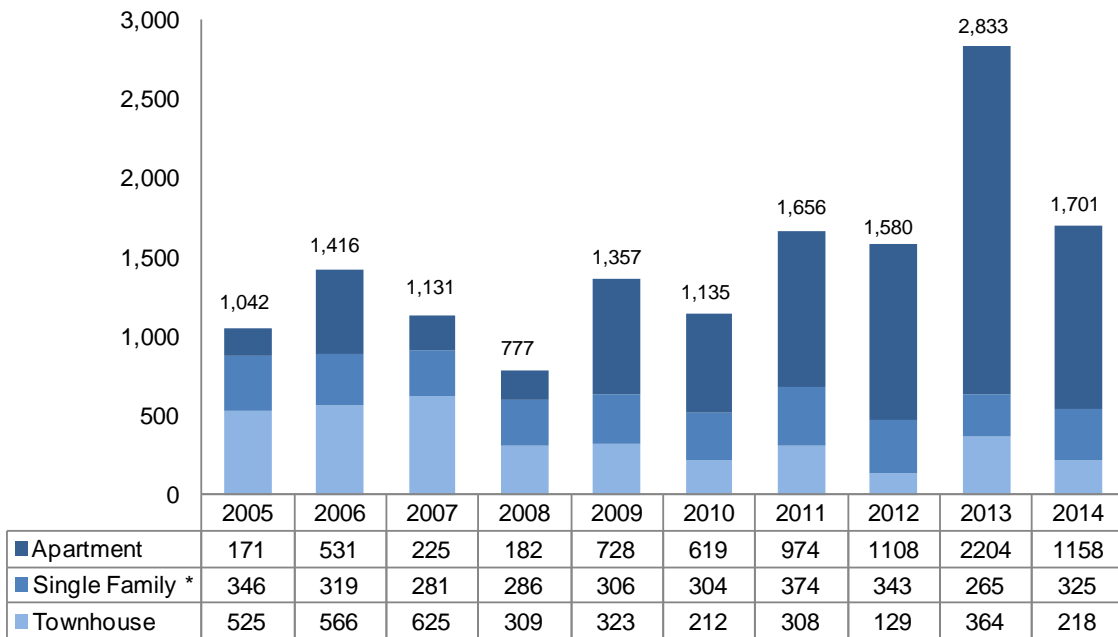
Source: City of Richmond building permit records. Includes only projects for new residential construction receiving final building permit in the given year.

Richmond housing starts by type of units 2014



Source: City of Richmond building permit records. Includes only projects for new residential construction receiving final building permit in the given year.

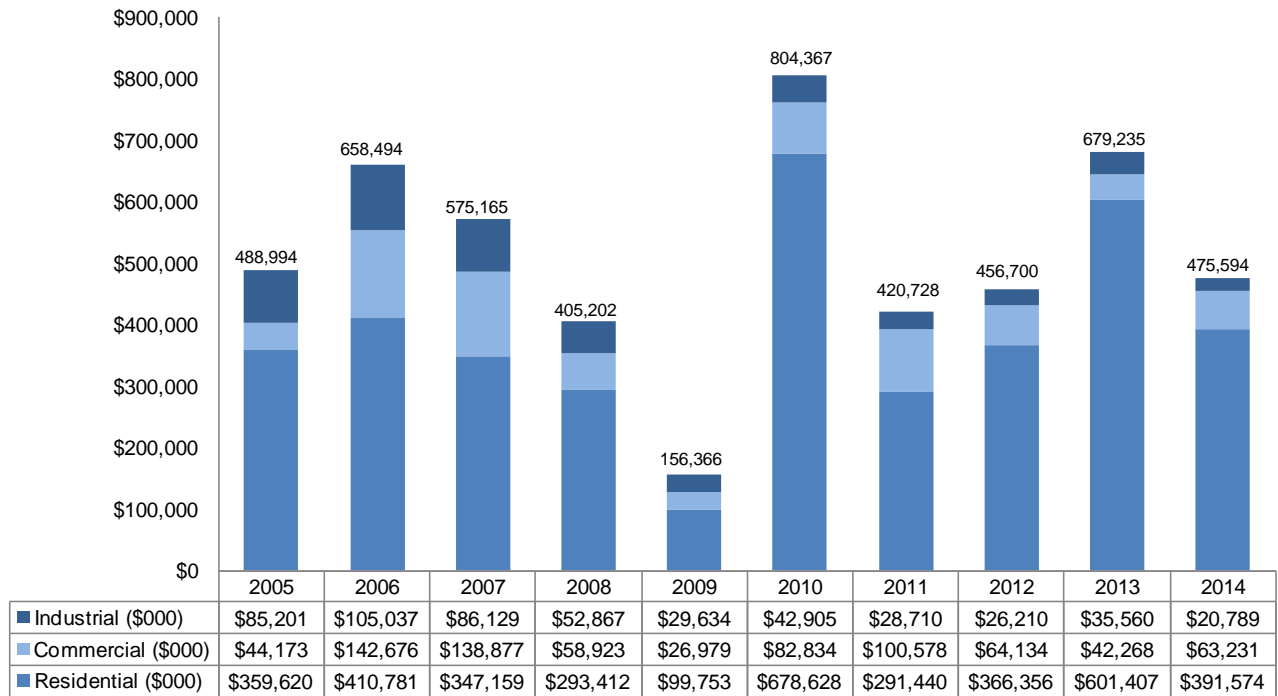
New dwelling units constructed 2005–2014



*Includes one family and two family dwellings

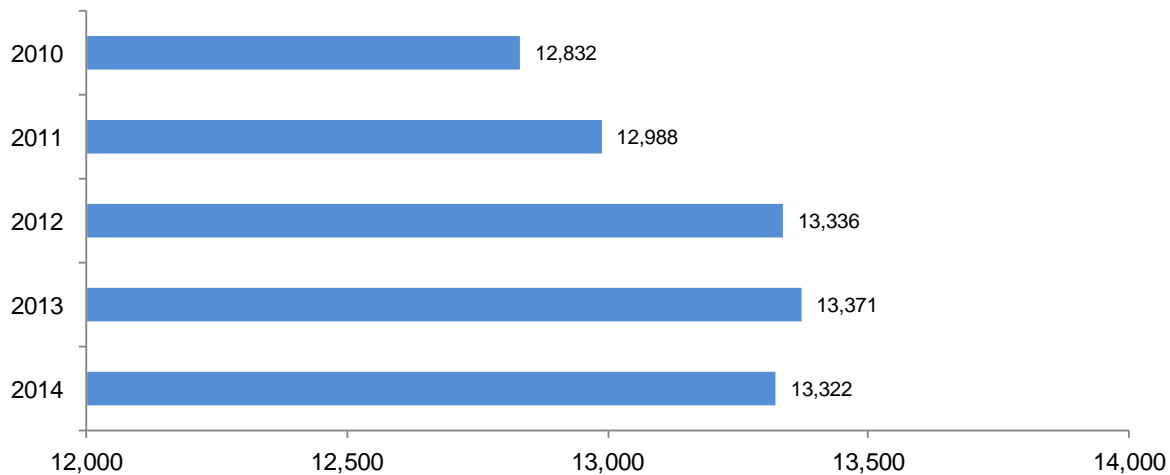
Source: City of Richmond building permit records. Includes only projects for new residential construction receiving final building permit in the given year.

Construction value of building permits issued 2005–2014 (in \$000s)



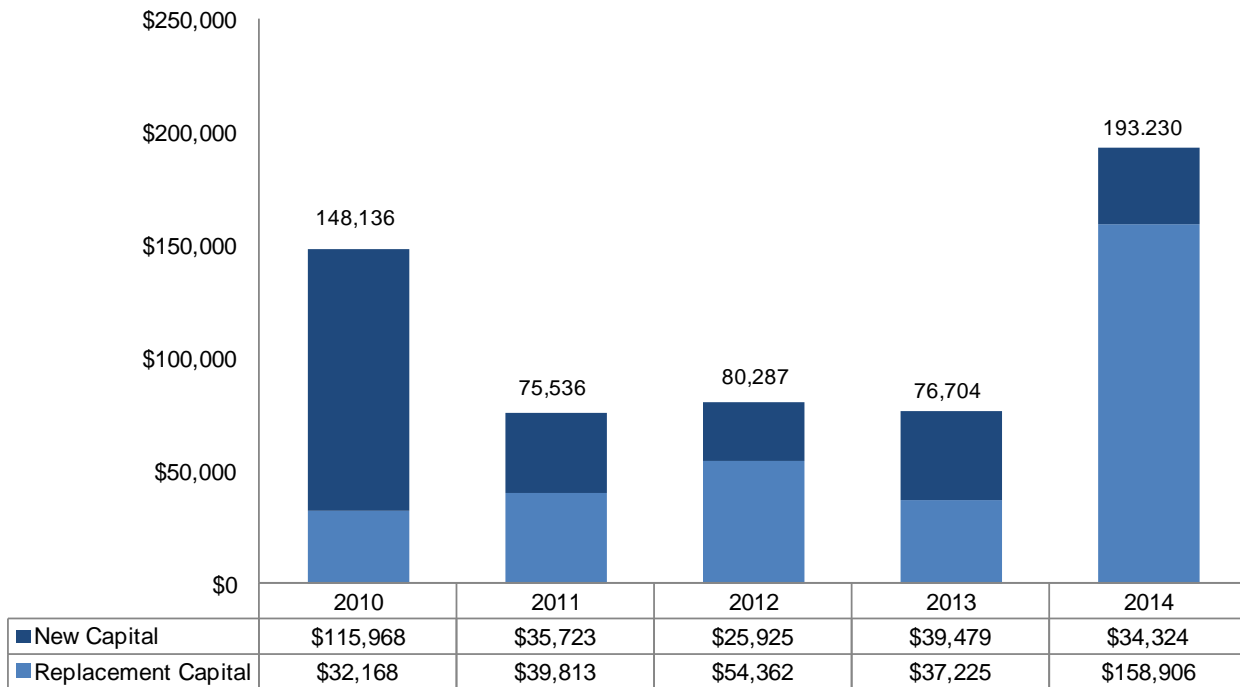
Source: Permits and Licence System, custom report

Richmond business licences 2010–2014



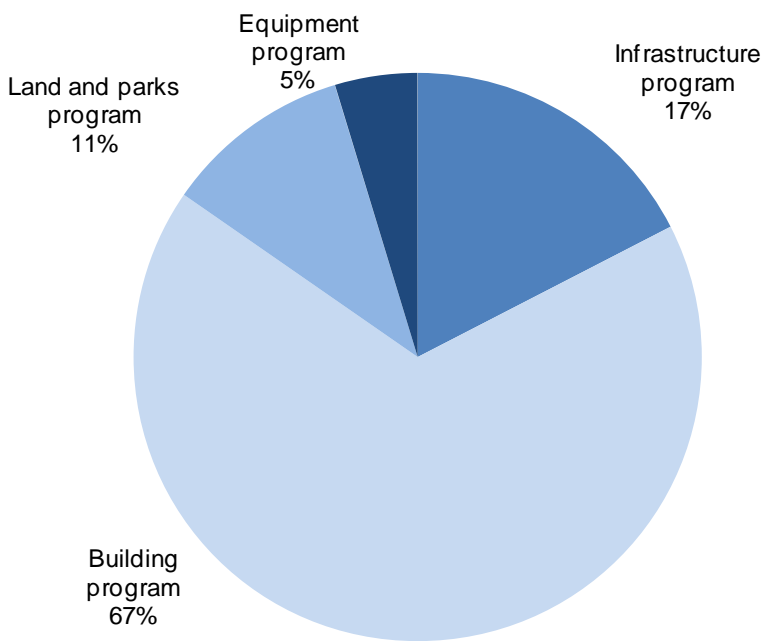
Source: 2014 City of Richmond Consolidated Financial Statements

City of Richmond budgeted capital construction costs 2010–2014 (in \$000s)



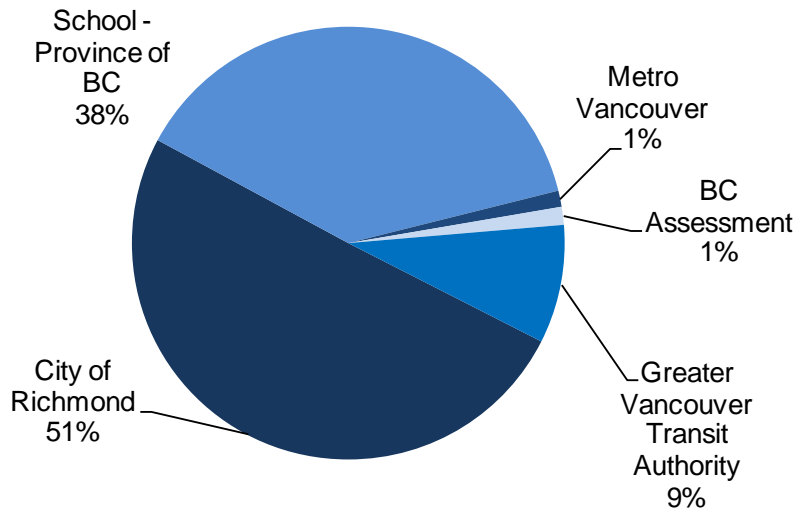
Source: City of Richmond Finance and Corporate Services

Capital program by type 2014



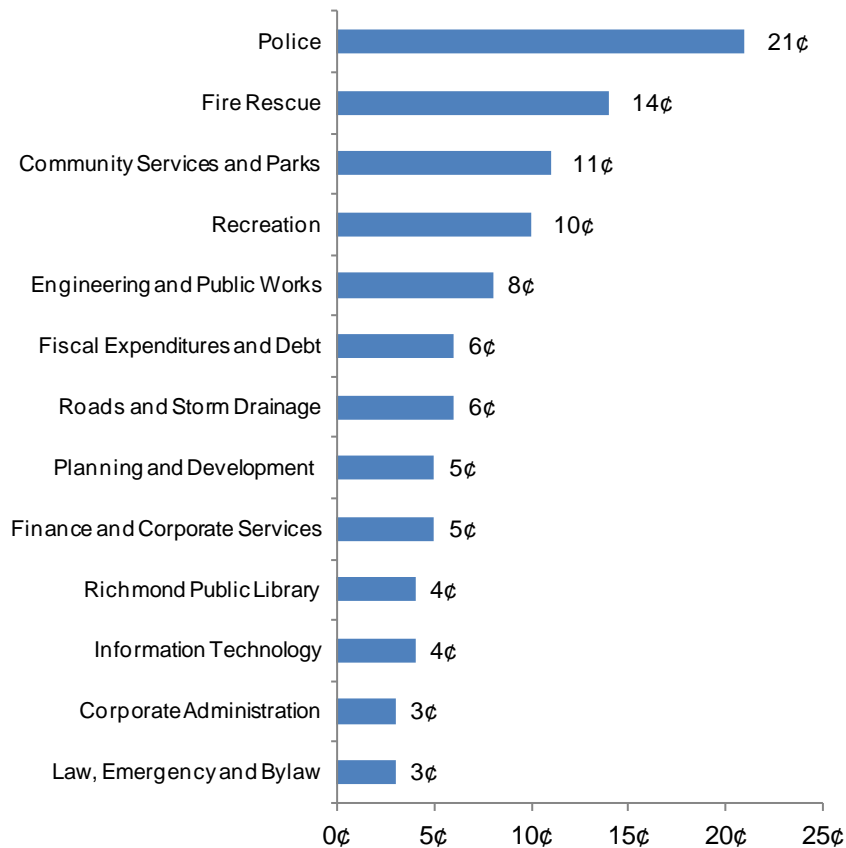
Source: City of Richmond Finance and Corporate Services

Breakdown of residential tax bill 2014



Source: City of Richmond Finance and Corporate Services

Breakdown of actual municipal tax dollar 2014



Source: City of Richmond Finance and Corporate Services

2014 tax rates

	City of Richmond	School - Province of BC	Metro Vancouver	BC Assessment	Municipal Finance Authority	TransLink
Residential	2.24956	1.62470	0.05701	0.06190	0.00020	0.33150
Business	7.28682	6.00000	0.13967	0.17550	0.00050	1.45080
Light industrial	7.28682	6.00000	0.19383	0.17550	0.00070	1.70070
Seasonal / Recreational	2.16069	3.40000	0.05701	0.06190	0.00020	0.31700
Major industrial	13.71527	2.40000	0.19383	0.51150	0.00070	2.11300
Farm	12.60253	3.45000	0.05701	0.06190	0.00020	0.36650
Utilities	39.91245	13.60000	0.19953	0.51150	0.00070	2.74170

Source: City of Richmond Finance and Corporate Services

2014 general revenue fund assessment and taxation by property class (in \$000s)

	Assessment	% of assessment by class	Taxation	% of taxation by class
Residential	\$44,543,518	79.66%	\$100,025	54.36%
Business	9,001,342	16.10%	65,591	35.64%
Light industrial	2,100,089	3.76%	15,303	8.32%
Seasonal / Recreational	97,338	0.17%	210	0.11%
Major industrial	125,716	0.22%	1,724	0.94%
Farm	26,112	0.05%	329	0.18%
Utilities	20,888	0.04%	834	0.45%
Total	\$55,915,002	100.00%	\$184,016	100.00%

Source: City of Richmond Finance and Corporate Services
Amounts are based on Billing

Taxes collected on behalf of taxing authorities (in \$000s)

	2010	2011	2012	2013	2014
City of Richmond	\$156,071	\$161,821	\$167,529	\$176,283	\$183,687
School Board	118,391	122,465	128,610	133,660	133,539
Metro Vancouver	3,632	3,957	4,102	4,268	4,253
BC Assessment	4,013	4,258	4,593	4,667	4,843
TransLink	28,058	29,427	30,789	30,968	31,935
Other	11	13	14	15	15
Total taxes	\$310,177	\$321,941	\$335,637	\$349,861	\$358,272

Source: City of Richmond Finance and Corporate Services
Amounts are less supplementary adjustments

2010–2014 general assessment by property class (in \$000s)

	2010	2011	2012	2013	2014
Residential	\$32,706,544	\$38,773,463	\$45,026,858	\$44,663,439	\$44,543,518
Business	7,441,015	7,753,426	8,046,568	8,197,372	9,001,342
Light industrial	1,371,608	1,480,246	1,614,402	1,902,602	2,100,089
Seasonal / Recreational	108,471	113,149	111,935	120,715	97,338
Major industrial	107,044	107,536	111,752	115,791	125,716
Farm	26,801	26,699	26,572	26,618	26,112
Utilities	19,543	21,094	19,685	23,064	20,888
Total	\$41,781,026	\$48,275,613	\$54,957,772	\$55,049,601	\$55,915,002

Source: City of Richmond Finance and Corporate Services

2010–2014 property tax levies (in \$000s)

	2010	2011	2012	2013	2014
Total Tax Levy	\$314,484	\$325,814	\$339,221	\$363,129	\$367,571
Municipal portion of Total Tax Levy	156,482	162,214	168,205	175,960	184,016
% of current collections to current levy	98.63%	98.81%	98.94%	96.35%	97.81%

Source: City of Richmond Finance and Corporate Services

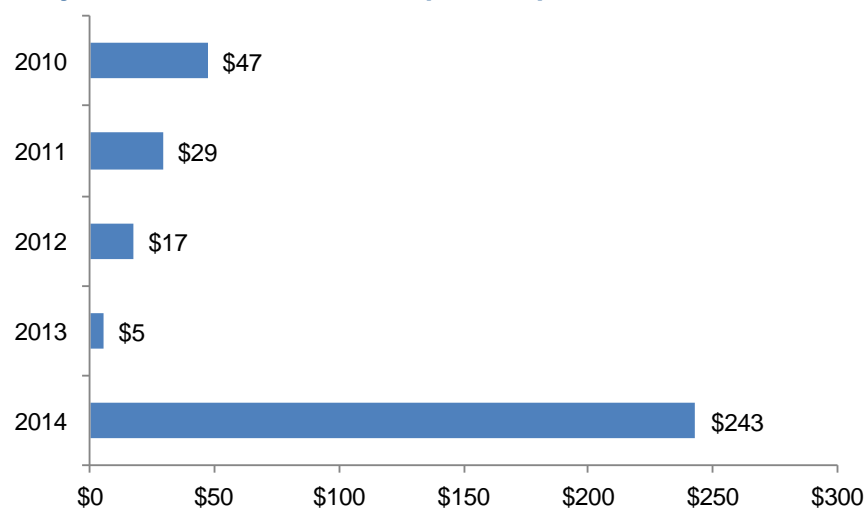
Long-term debt repayments relative to expenditures 2010–2014 (in \$000s)

General revenue fund	2010	2011	2012	2013	2014
Long term debt repayments	\$3,554	\$3,413	\$2,972	\$2,267	\$4,232
General expenditures	\$249,446	\$257,155	\$227,773	\$234,089	\$280,736
Repayments as % of expenditures	1.4%	1.3%	1.3%	1.0%	1.6%
Sewerworks revenue fund					
Long term debt repayments	\$115	\$115	\$115	\$30	\$0
Sewer expenditures	\$23,291	\$24,724	\$23,789	\$26,916	\$22,409
Repayments as % of expenditures	0.5%	0.5%	0.5%	0.0%	0.0%

Note: Expenditures do not include capital and infrastructure investments.

Source: City of Richmond Finance and Corporate Services

City of Richmond debt per capita 2010–2014



Source: City of Richmond Finance and Corporate Services

Net debt 2010–2014 (in \$000s)

	2010	2011	2012	2013	2014
Net debt	\$9,274	\$5,808	\$3,488	\$1,056	\$50,815

Source: City of Richmond Finance and Corporate Services

Expenses by function 2010–2014 (in \$000s)

	2010	2011	2012	2013*	2014
Community Safety	\$70,838	\$74,548	\$75,193	\$77,649	\$83,820
Engineering and Public Works	56,365	52,727	53,164	53,268	55,899
Community Services	43,647	45,345	46,796	49,753	65,137
General government	35,130	42,358	38,570	41,061	42,582
Utilities	69,214	69,430	72,682	75,134	79,552
Planning and Development	11,427	11,560	11,961	11,854	13,301
Library services	8,221	8,615	9,245	9,390	9,563
Richmond Olympic Oval	6,614	8,646	9,826	10,509	11,065
Lulu Island Energy Corp	-	-	-	-	8
Total Expenses	\$301,456	\$313,229	\$317,437	\$328,618	\$360,927

* Amounts have been restated.

Source: City of Richmond Finance and Corporate Services

Expenses by object 2010–2014 (in \$000s)

	2010	2011	2012	2013*	2014
Wages, salaries and benefits	\$121,244	\$128,361	\$129,981	\$137,648	\$142,169
Public works maintenance	16,346	18,444	20,901	14,246	14,548
Contract services	46,582	45,687	47,945	50,539	57,946
Supplies and materials	78,972	63,765	63,684	53,222	53,924
Interest and finance	6,002	5,164	4,495	19,783	21,367
Transfer from (to) capital for tangible capital assets	(11,518)	2,755	1,289	2,414	18,192
Amortization of tangible capital assets	47,725	47,696	49,565	50,333	52,106
Loss/(gain) on disposal of tangible capital assets	(3,897)	1,373	(423)	433	675
Total Expenses	\$222,484	\$313,245	\$317,437	\$328,618	\$360,927

* Amounts have been restated.

Source: City of Richmond Finance and Corporate Services

Revenue by source 2010–2014 (in \$000s)

	2010*	2011	2012	2013*	2014
Taxation and levies	\$156,071	\$161,821	\$167,529	\$176,283	\$183,687
User fees	68,365	69,359	74,222	90,540	93,201
Sales of services	37,403	41,518	41,449	34,959	32,809
Licences and permits	7,328	7,524	8,734	9,241	9,819
Investment income	16,864	20,328	17,144	13,490	16,568
Grants including casino revenue	32,119	35,520	38,261	39,131	43,073
Development cost charges	17,804	14,321	10,480	11,730	18,765
Other capital funding sources	53,217	50,063	19,306	55,542	51,667
Other	10,335	23,588	23,186	23,946	35,194
Total Revenue	\$399,506	\$424,042	\$400,311	\$454,862	\$484,783

*Amounts have been restated

Source: City of Richmond Finance and Corporate Services

Accumulated surplus 2010–2014 (in \$000s)

	2010*	2011	2012	2013	2014
Accumulated surplus, beginning of year	\$2,012,287	\$2,110,337	\$2,221,134	\$2,304,008	\$2,430,252
Annual surplus	98,050	110,797	82,874	126,244	123,856
Accumulated surplus, end of year	\$2,110,337	\$2,221,134	\$2,304,008	\$2,430,252	\$2,554,108

*Amounts have been restated

Source: City of Richmond Finance and Corporate Services

Changes in net financial assets 2010–2014 (in \$000s)

	2010	2011	2012	2013	2014
Change in net financial assets	\$(32,872)	\$47,884	\$53,436	\$79,838	\$53,644
Net Financial Assets, end of year	\$367,839	\$415,723	\$469,159	\$548,997	\$602,641

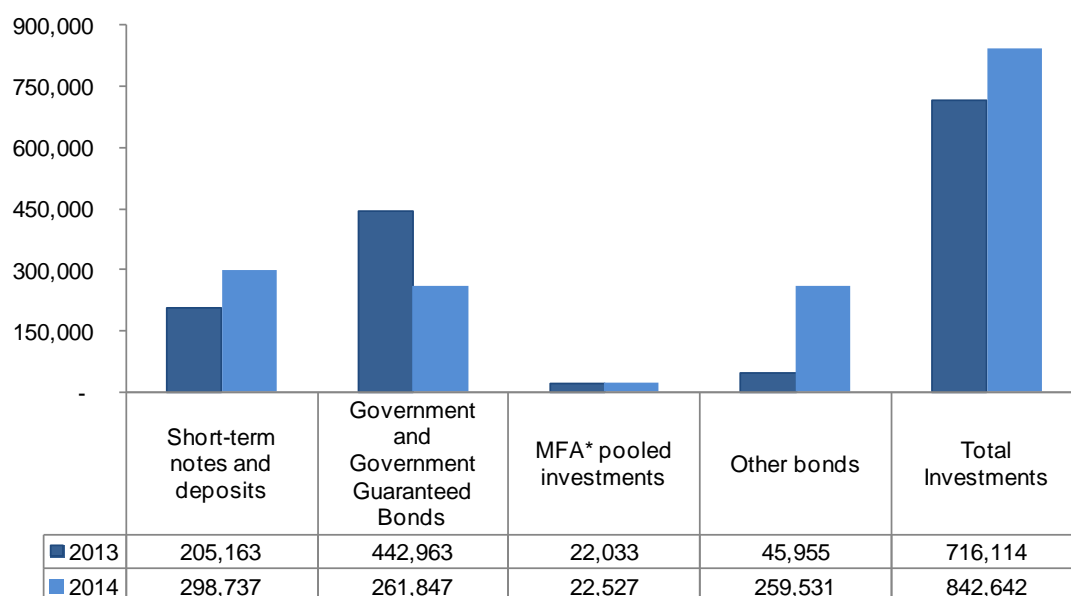
Source: City of Richmond Finance and Corporate Services

Reserves 2010–2014 (in \$000s)

	2010	2011	2012	2013	2014
Affordable housing	\$10,728	\$11,344	\$18,082	\$20,696	\$12,551
Arts, culture and heritage	-	-	-	4,379	4,362
Capital building and infrastructure	26,238	27,646	36,686	46,394	55,651
Capital reserve	76,229	81,820	78,254	101,834	103,806
Capstan Station	-	-	-	3,862	8,241
Child care development	1,789	2,146	1,995	2,696	2,201
Community legacy and land replacement	5,718	17,097	16,681	16,353	16,720
Drainage improvement	18,213	23,395	27,948	35,555	44,505
Equipment replacement	14,912	16,744	16,579	17,820	17,241
Leisure facilities	2,522	2,621	3,177	3,551	3,621
Local improvements	6,117	6,330	6,428	6,527	6,643
Neighbourhood improvement	5,649	6,057	6,011	6,335	6,724
Public art program	1,278	1,585	1,967	2,282	2,554
Sanitary sewer	27,661	30,254	33,672	37,233	39,504
Steveston off-street parking	266	277	282	287	293
Steveston road ends	2,930	2,723	1,347	684	623
Waterfront improvement	496	179	112	104	659
Watermain replacement	46,377	43,435	41,680	42,481	46,375
Oval Capital Reserve	0	1,700	4,100	4,732	2,648
Total reserves	\$247,123	\$275,353	\$295,001	\$353,805	\$374,922

Source: City of Richmond Finance and Corporate Services

Investment portfolio per type 2013–2014 (\$000s)



Source: City of Richmond Finance and Corporate Services

*MFA: Municipal Finance Authority of BC

Ratio analysis indicators of financial condition

	2013	2014
Sustainability ratios		
Assets to liabilities (times)	11.1	10.0
Financial assets to liabilities (times)	3.1	3.0
Net debt to total revenues	0.8%	4.1%
Net debt to the total assessment	0.0%	0.0%
Expenses to the total assessment	0.6%	0.6%
Flexibility ratios		
Public debt charges to revenues	0.8%	0.3%
Net book value of capital assets to its cost	69.4%	68.8%
Own source revenue to the assessment	0.7%	0.7%
Vulnerability ratios		
Government transfers to total revenues	2.0%	1.9%

Note: Based on three year average

Source: City of Richmond Finance and Corporate Services

2014 permissive property tax exemptions

In accordance with Section 98 (2)(b) of the Community Charter, we disclose that the following properties were provided permissive property tax exemptions by Richmond City Council in 2014. Permissive tax exemptions are those exemptions granted by bylaw in accordance with Section 224 of the Community Charter.

Property / Organization	Address	2014 Municipal tax exempted
Churches and Religious Properties		
B.C. Muslim Association	12300 Blundell Road	\$ 3,689
Bakerview Gospel Chapel	8991 Francis Road	2,331
Beth Tikvah Congregation	9711 Geal Road	7,282
Bethany Baptist Church	22680 Westminster Highway	15,060
Brighthouse United Church	8151 Bennett Road	5,462
Broadmoor Baptist Church	8140 Saunders Road	7,044
Canadian Martyrs Parish	5771 Granville Avenue	8,870
Christian and Missionary Alliance	3360 Sexmith Road	4,213
Christian Reformed Church	9280 No. 2 Road	7,336
Church in Richmond	4460 Brown Road	15,987
Church of God	10011 No. 5 Road	4,857
Church of Latter Day Saints	8440 Williams Road	10,322
Cornerstone Evangelical Baptist Church	12011 Blundell Road	1,020
Dharma Drum Mountain Buddhist Temple	8240 No. 5 Road	5,554
Emmanuel Christian Community	10351 No. 1 Road	4,557
Faith Evangelical Church	11960 Montego Street	2,960
Fraserview Mennonite Brethren Church	11295 Mellis Drive	8,978
Fujian Evangelical Church	12200 Blundell Road	5,441
Gilmore Park United Church	8060 No. 1 Road	6,249
I Kuan Tao (Fayi Chungder) Association	8866 Odlin Crescent	3,541
Immanuel Christian Reformed Church	7600 No. 4 Road	3,554
India Cultural Centre	8600 No. 5 Road	7,910
International Buddhist Society	9160 Steveston Highway	6,845
Ismaili Jamatkama & Centre	7900 Alderbridge Way	31,559
Johrei Fellowship Inc	10380 Odlin Road	5,164
Lansdowne Congregation Jehovah's Witnesses	11014 Westminster Highway	2,580
Larch St. Gospel Meeting Room	8020 No. 5 Road	2,813
Ling Yen Mountain Temple	10060 No. 5 Road	3,575
Nanaksar Gurdwara Gursikh Temple	18691 Westminster Highway	4,012
North Richmond Alliance Church	9140 Granville Avenue	2,211

Churches and religious properties continued . . .

Our Savior Lutheran Church	6340 No. 4 Road	\$ 4,555
Parish of St. Alban's	7260 St. Albans Road	5,026
Patterson Road Assembly	9291 Walford Street	841
Peace Evangelical Church	8280 No 5 Road	6,171
Peace Mennonite Church	11571 Daniels Road	10,101
Richmond Alliance Church	11371 No. 3 Road	3,567
Richmond Baptist Church	6560 Blundell Road	1,329
Richmond Baptist Church	6640 Blundell Road	4,864
Richmond Bethel Mennonite Church	10160 No. 5 Road	11,136
Richmond Chinese Alliance Church	10100 No. 1 Road	6,584
Richmond Chinese Evangelical Free Church	8040 No. 5 Road	3,295
Richmond Emmanuel Church	7451 Elmbridge Way	10,552
Richmond Pentecostal Church	9300 Westminster Highway	9,036
Richmond Pentecostal Church	9260 Westminster Highway	754
Richmond Presbyterian Church	7111 No. 2 Road	4,347
Richmond Sea Island United Church	8711 Cambie Road	11,888
Salvation Army Church	8280 Gilbert Road	3,241
Science of Spirituality SKRM Inc	11011 Shell Road	1,493
Shia Muslim Community	8580 No. 5 Road	2,014
South Arm United Church	11051 No. 3 Road	1,968
St. Anne's Anglican Church	4071 Francis Road	4,010
St. Edward's Anglican Church	10111 Bird Road	3,904
St. Gregory Armenian Apostolic Church	13780 Westminster Highway	1,319
St. Monica's Roman Catholic Church	12011 Woodhead Road	6,348
St. Paul's Roman Catholic Parish	8251 St. Albans Road	9,498
Steveston Buddhist Temple	4360 Garry Street	9,259
Steveston Congregation Jehovah's Witnesses	4260 Williams Road	4,561
Steveston United Church	3720 Broadway Street	3,092
Subramaniya Swamy Temple	8840 No. 5 Road	1,240
Thrangu Monastery Association	8140 No. 5 Road	4,903
Thrangu Monastery Association	8160 No. 5 Road	2,376
Towers Baptist Church	10311 Albion Road	6,456
Trinity Lutheran Church	7100 Granville Avenue	7,614
Ukrainian Catholic Church	8700 Railway Avenue	1,586
Vancouver Airport Chaplaincy	3211 Grant McConachie Way	570
Vancouver International Buddhist Progress Society	6690 - 8181 Cambie Road	9,686
Vancouver International Buddhist Progress Society	8271 Cambie Road	6,497
Vedic Cultural Society of B.C.	8200 No. 5 Road	3,114
West Richmond Gospel Hall	5651 Francis Road	2,798

Recreation, Child Care, and Community Service Properties

Cook Road Children's Centre	8300 Cook Road	\$ 1,957
Girl Guides of Canada	4780 Blundell Road	2,318
Navy League of Canada	7411 River Road	10,803
Richmond Animal Protection Society	12071 No. 5 Road	11,305
Richmond Caring Place	7000 Minoru Boulevard	149,941
Richmond Center for Disabilities	100 - 5671 No. 3 Road	17,441
Richmond Family Place	8660 Ash Street	8,443
Richmond Ice Centre	14140 Triangle Road	124,605
Richmond Lawn Bowling Club	6131 Bowling Green Road	8,285
Richmond Public Library	11580 Cambie Road	3,181
Richmond Public Library	11688 Steveston Hwy	5,917
Richmond Rod and Gun Club	7760 River Road	17,219
Richmond Tennis Club	6820 Gilbert Road	12,502
Richmond Watermania	14300 Entertainment Blvd	179,933
Richmond Winter Club	5540 Hollybridge Way	153,227
Riverside Children's Centre	5862 Dover Crescent	1,093
Scotch Pond Heritage	2220 Chatham Street	5,726
Terra Nova Children's Centre	6011 Blanchard Drive	2,092
Treehouse Learning Centre	100 - 5500 Andrews Road	1,516
West Cambie Childcare Centre	4033 Stolberg Street	3,316

Private Educational Properties

B.C. Muslim Association	12300 Blundell Road	\$ 994
Choice Learning Centre	20411 Westminster Highway	1,178
Choice Learning Centre	20451 Westminster Highway	5,356
Cornerstone Christian Academy School	12011 Blundell Road	638
Richmond Christian School	10260 No. 5 Road	5,079
Richmond Christian School Association	5240 Woodward's Road	25,502
Richmond Jewish Day School	8760 No. 5 Road	11,346
St Joseph the Worker Church & School	4451 Williams Road	19,997

Senior Citizen Housing

Richmond Legion Senior Citizen Society	7251 Langton Road	\$	19,724
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Community Care Facilities

Canadian Mental Health Association	8911 Westminster Highway	\$	6,942
Development Disabilities Association	6531 Azure Road		1,829
Development Disabilities Association	8400 Robinson Road		2,395
Development Disabilities Association	7611 Langton Road		2,281
Greater Vancouver Community Service	4811 Williams Road		2,029
Pinegrove Place, Mennonite Care Home Society	11331 Mellis Drive		13,844
Richmond Lions Manor	9020 Bridgeport Road		16,372
Richmond Society for Community Living	303 - 7560 Moffatt Road		745
Richmond Society for Community Living	4433 Francis Road		1,440
Richmond Society for Community Living	5635 Steveston Highway		5,319
Richmond Society for Community Living	9 - 11020 No. 1 Road		983
Richmond Society for Community Living	9580 Pendleton Road		6,580
Rosewood Manor, Richmond Intermediate Care Society	6260 Blundell Road		29,433

Municipal Use

Richmond Oval	6111 River Road	\$	1,624,159
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2014 City Centre Area transitional tax exemptions

Organization	Address	2014 Municipal tax exempted
0737293 BC Ltd	4711 Garden City Rd	\$ 20,148
2725312 Canada Inc	5900 No. 2 Road	41,680
2725312 Canada Inc	6191 Westminster Hwy	23,369
2725312 Canada Inc	6751 Westminster Hwy	32,558
317159 BC Ltd	4551 No. 3 Road	35,305
684104 BC Ltd	9311 River Drive	15,361
AAA Self Storage Depot Inc	8520 Cambie Road	18,815
Arthur Bell Holdings Ltd	7960 Alderbridge Way	29,023
Arthur Bell Holdings Ltd	5333 No. 3 Road	27,377
Canada Bodhi Dharma Society	5600 Cedarbridge Way	11,506
Canadian Tire Real Estate Ltd	3500 No. 3 Road	35,050
Centro Ovalsquare Development Ltd	6791 Elmbridge Way	42,053
China Cereals & Oils Corp	8777 Odlin Road	11,397
Conway Richmond Estates Ltd	4800 No. 3 Road	18,355
EIG Alderbridge Investments Inc	7851 Alderbridge Way	37,673
Grand Long Holdings Canada Ltd	8091 Park Road	41,542
Hallmark Holdings Ltd	7811 Alderbridge Way	40,413
HGL Investments Ltd	132-4940 No. 3 Road	30,138
Jiatai Realty Inc	5400 Minoru Blvd	27,231
Marisco Holdings Ltd	7680 River Road	15,849
McDonald's Restaurants of Canada Ltd	7120 No. 3 Road	19,951
Munch Holdings Co. Ltd	5660 Minoru Blvd	19,842
PLR Holdings Ltd	5840 Minoru Blvd	29,089
Porte Industries Ltd	5560 Minoru Blvd	19,208
Richmond Holdings Ltd	7880 Alderbridge Way	41,965
Richmond Holdings Ltd	7111 Elmbridge Way	18,917
Richmond Holdings Ltd	7671 Alderbridge Way	28,564
Richmond Holdings Ltd	5003 Minoru Blvd	17,088
Richmond Holdings Ltd	6851 Elmbridge Way	21,511
Richmond Holdings Ltd	6871 Elmbridge Way	18,458
Richmond Holdings Ltd	6851 Elmbridge Way	18,967
Richmond Holdings Ltd	6871 Elmbridge Way	16,927
Vancouver Soho Holding Ltd	5740 Minoru Blvd	23,274

City of Richmond contacts

The City of Richmond offers many civic services to the community. Additional services to the community are provided through the Richmond Olympic Oval, Richmond Public Library and Gateway Theatre. For more information on City services contact:

City of Richmond

6911 No. 3 Road
Richmond, British Columbia
V6Y 2C1 Canada
Phone: 604-276-4000
Email: infocentre@richmond.ca
www.richmond.ca

 [/CityofRichmondBC](https://www.facebook.com/CityofRichmondBC)

 [@Richmond_BC](https://twitter.com/Richmond_BC)

 [/CityofRichmondBC](https://www.youtube.com/CityofRichmondBC)

Gateway Theatre

6500 Gilbert Road
Phone: 604-270-6500
Box Office: 604-270-1812
www.gatewaytheatre.com

 [/Gateway-Theatre](https://www.facebook.com/Gateway-Theatre)

 [@Gateway_Theatre](https://twitter.com/Gateway_Theatre)

Richmond Public Library

Hours: 604-231-6401
www.YourLibrary.ca

 [/yourlibraryRichmond](https://www.facebook.com/yourlibraryRichmond)

 [@RPL_YourLibrary](https://twitter.com/RPL_YourLibrary)

 [/YourLibraryRichmond](https://www.youtube.com/YourLibraryRichmond)

Richmond Olympic Oval

6111 River Road
Phone: 778-296-1400
www.richmondoval.ca

 [/RichmondOval](https://www.facebook.com/RichmondOval)

 [@RichmondOval](https://twitter.com/RichmondOval)

City of Richmond Services

Law and Community Safety

Brings together the City's public safety providers including police, fire-rescue and emergency programs as well as bylaw enforcement, legal and regulatory matters.

Community Services

Coordinates, supports and develops Richmond's community services including recreation, arts, heritage, sports, social planning, affordable housing, diversity, youth, childcare and older adult services. Oversees City owned public facilities and the design, construction and maintenance of City parks, trails and green spaces. Works with community partners and coordinates special events and filming in the City.

Finance and Corporate Services

Includes customer service, information technology, finance, economic development, real estate services, City Clerk, enterprise services, business licences, administration and compliance.

Engineering and Public Works

Comprises engineering planning, design, construction and maintenance services for all utility and City building infrastructure. Responsible for local water supply, sewer and drainage, dikes and irrigation system, roads and construction services, street lighting, environmental services, corporate sustainability, and district, corporate and community energy programs.

Planning and Development

Incorporates the policy planning, transportation, planning, development applications and the building approvals departments. This division provides policy directions that guide growth and change in Richmond with emphasis on land use planning, development regulations, environmental protection, heritage and livability. These planning functions play a vital part in the City's life cycle and involve the development of community plans and policies, zoning bylaws, as well as development related approvals and permits.



City of Richmond

6911 No. 3 Road, Richmond, BC V6Y 2C1
Telephone: 604-276-4000
www.richmond.ca

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City of Richmond, B.C.

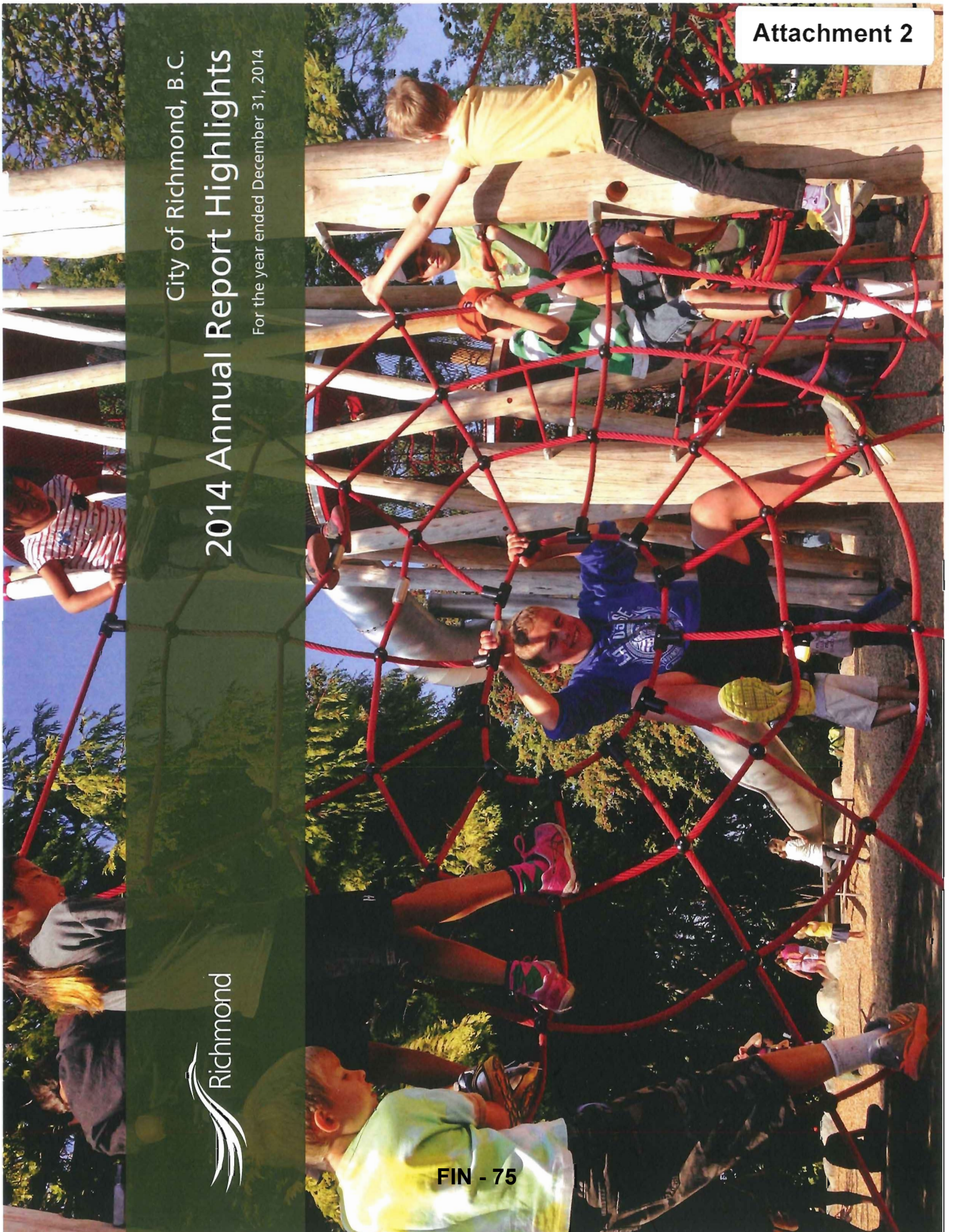
2014 Annual Report Highlights

For the year ended December 31, 2014



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Attachment 2





Government Finance Officers Association

**Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting**

Presented to

**City of Richmond
British Columbia**

For its Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

A handwritten signature in black ink, reading 'Jeffrey R. Snow'.

Executive Director/CEO

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Richmond for its Popular Annual Financial Report for the fiscal year ended December 31, 2013. The Award for Outstanding Achievement in Popular Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to achieve an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirement, and we are submitting it to the GFOA.

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This report features highlights from Richmond's 2014 Annual Report. For the detailed 2014 Annual Report that meets legislated requirements, please visit www.richmond.ca (City Hall > Finance, Taxes & Budgets > Budgets & Financial Reporting > Annual Reports).

Cover photo: The Terra Nova Adventure Play Environment officially opened in 2014 at Terra Nova Rural Park.

This report was prepared by the City of Richmond Finance and Corporate Services Division and Corporate Communications Office. Design, layout and production was done by the City of Richmond Production Centre. ©2015 City of Richmond

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Richmond City Council



As of December 1, 2014

Front row, left to right:

Councillor Carol Day, Councillor Bill McNulty,
Mayor Malcolm Brodie, Councillor Linda McPhail,
Councillor Harold Steves

Back row, left to right:

Constable Adam Carmichael, Richmond RCMP,
Councillor Chak Au, Councillor Derek Dang,
Councillor Ken Johnston, Councillor Alexa Loo,
Captain Jack Beetstra, Richmond Fire-Rescue



Prior to December 1, 2014

Front row, left to right:

Councillor Linda Barnes, Councillor Bill McNulty,
Mayor Malcolm Brodie, Councillor Linda McPhail,
Councillor Harold Steves

Back row, left to right:

Captain Dave Cullen, Richmond Fire-Rescue (retired),
Councillor Chak Au, Councillor Derek Dang,
Councillor Evelina Halsey-Brandt, Councillor Ken Johnston,
Constable Melissa Lui, Richmond RCMP

Message from the Mayor



The City of Richmond continued to enjoy sustained long-term growth and a robust local economy throughout 2014. In response, the City made prudent investments to ensure we have the infrastructure and programs to meet the needs of both current and future residents; we retain our outstanding, internationally-recognized quality of life; and, that Richmond remains on a sustainable path. Richmond's strong financial position allowed us to make these investments with minimal impact on property taxes.

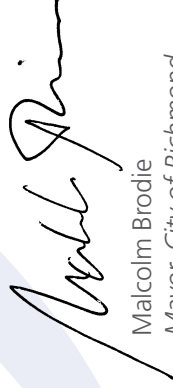
As the final year of the Council Term, 2014 was a busy year for Council, as we worked to complete or advance our many Council Term Goals.

Most notably, the year was marked by the opening of a number of new key amenities to serve the community. The popular Railway Greenway has been a huge success, turning an abandoned railway corridor into an active and vital cross-island transportation link, while promoting physical activity. The Terra Nova Adventure Play Environment set new standards for innovation and sustainability in creating exciting play opportunities for our youth. Similarly, the new Terra Nova Nature Preschool brought children directly into contact with their natural environment, developing an appreciation for ecology from an early age. A critically-needed expansion of child care spaces in Richmond began with the opening of new City-owned child care facilities in the Hamilton and West Cambie areas.

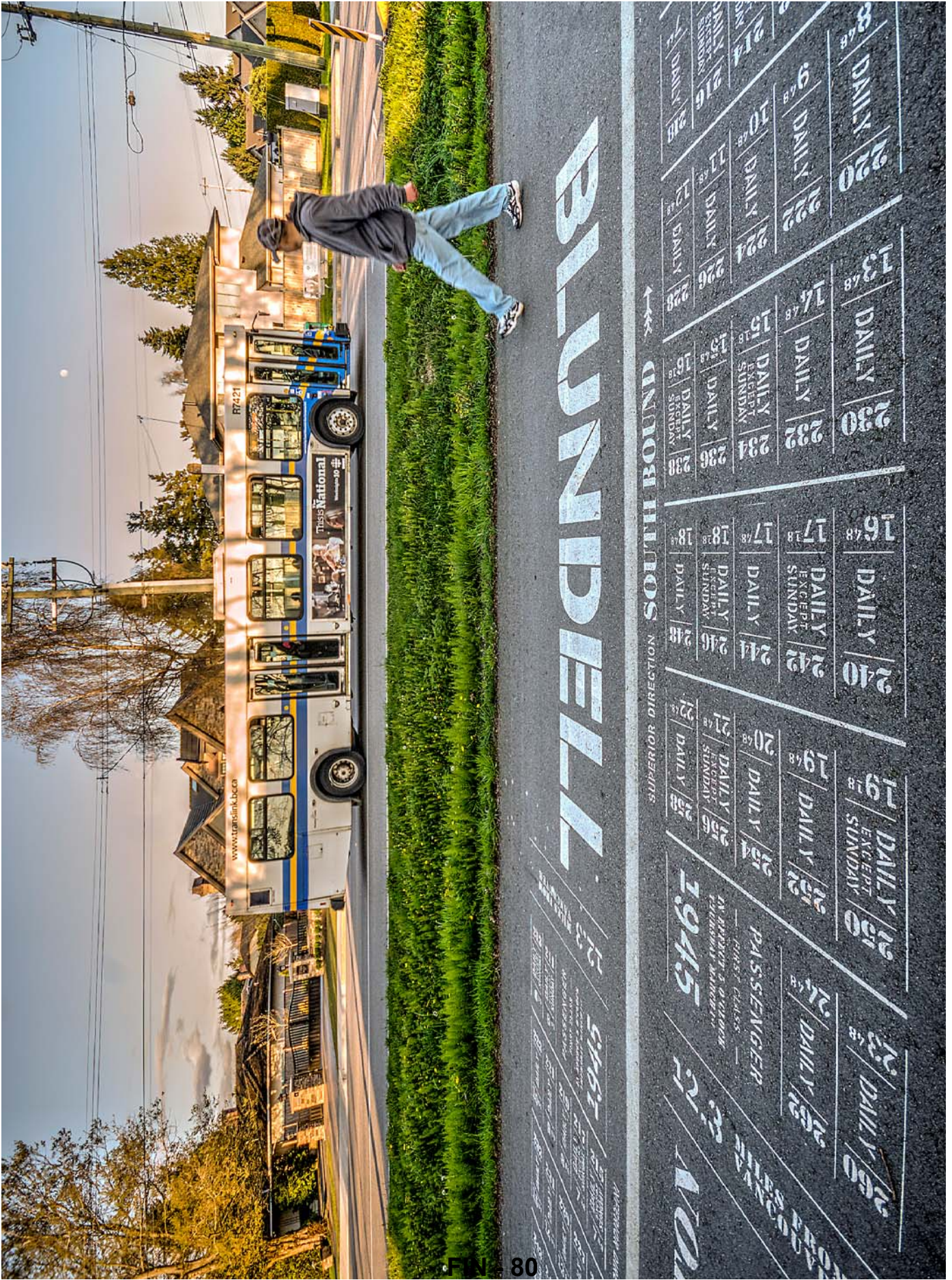
Council also approved the preliminary design for the \$79 million Minoru Complex (housing an aquatics centre, older adults centre and sport and recreation amenities). Design was also approved for two new fire halls, which will complete a decade-long upgrade of all of our public safety buildings to post-disaster status. Construction of these new buildings is in progress and will be complete by 2017.

The City also approved the master plan for the Garden City Lands, a 136.5-acre parcel of open space on the edge of the City Centre. This vital parcel of land will be entirely preserved for park and other community use. Other key plans approved by Council included a Resilient Economy Strategy and expansion of our award-winning District Energy program.

As Council enters the first year of a new four-year term in 2015, we will be revisiting our Council Term Goals to ensure that Richmond continues to be one of Canada's most livable communities and that our residents and businesses continue to receive extraordinary value from the programs and services they help fund. As always, I invite you to contact the Mayor's Office to discuss or comment on any of the information contained in this Annual Report.



Malcolm Brodie
Mayor, City of Richmond



New Railway Greenway opened in 2014 to popular acclaim.

Message from the Chief Administrative Officer



It is my pleasure to present the City of Richmond's 2014 Annual Report, which documents another extraordinary year of achievement for our administration, along with the continued strong financial position of the City.

2014 saw the City undertake a record Capital budget of \$192.1 million as we moved to replace aging infrastructure and meet the emerging public amenity needs of our community. The budget included funding for an extraordinary \$124.1 million major facilities building program, which includes a new main fire hall, a new City Centre Community Centre and the Minoru Complex, which will house an aquatic centre, older adults centre and provide other recreation and sport program space. This ambitious program was undertaken with minimal impact on property taxes through funding from our carefully-nurtured reserve funds and judicious borrowing to take advantage of low interest rates.

The past year was also extraordinary for the recognition received by the City of Richmond. Our organization received more than 15 awards from local, national and international organizations honouring our commitment to innovation, excellence and sustainability. Of particular note was an award from my peers in the Canadian Association of Municipal Administrators (CAMA) for Richmond's Corporate Programs Management Group (CPMG). This innovative, homegrown program provides accelerated

training and professional development opportunities for the City's next generation of leaders, while creating capacity to support implementation of priority initiatives. The winner of CAMA's 2014 Professional Development Award, the CPMG program has become the inspiration and model for other local governments.

Richmond also continues to be highly committed to using an entrepreneurial approach to address community needs and objectives. This includes forming new lines of business, such as Lulu Island Energy Company, a district energy utility, to achieve our goals. The City-owned Richmond Olympic Oval Corporation continues to be hugely successful as it manages Richmond's world class, Olympic legacy facility. Innovative new partnerships were formed by the Oval Corporation in 2014 to support development of the Richmond Olympic Experience, which will open in 2015, as a major new regional tourist attraction.

The achievements outlined in this Annual Report become a new benchmark for our City. Richmond remains committed to continuous improvement and to raising the bar ever higher in fulfilling our vision for Richmond to be the most appealing, livable and well-managed community in Canada.

A handwritten signature in black ink, appearing to read "George D'Amico".

Chief Administrative Officer

2014 highlights



Cranberry Children's Centre

In 2014, the City achieved a number of milestones in fulfilling Council's Terms Goals for 2011–2014. Some of the more significant achievements of the year are highlighted on these pages:

Community Social Services

Richmond is doubling the number of child care spaces offered in City-owned facilities, adding more than 200 new spaces over the next few years. The new Cranberry Children's Centre opened in the Hamilton area in 2014.

Economic Development

The City adopted a new Resilient Economy Strategy in 2014. The strategy identifies priority initiatives, focuses efforts on key economic sectors and emphasizes both business expansion and retention.



Garden City Lands

Managing Growth and Development

Council approved a master plan for the Garden City Lands, ensuring the important 136.5-acre parcel adjoining the City Centre is preserved as park and green space for community use.

Community Safety

Richmond RCMP introduced online crime reporting via the City's website. This innovative new service makes it simpler and quicker for residents to report many crimes. A new Crime Prevention Guide was also launched, helping citizens take greater responsibility in combatting crime.



Minoru Complex

Facility Development

Preliminary design was completed and approved for the new multipurpose Minoru Complex and new No. 1 and No. 3 Fire Halls. The complex will replace aging facilities with a new and expanded aquatic centre, older adults centre and additional sports and recreation program space. When the new fire halls are completed by 2017, all the City's public safety buildings will be post-disaster rated.

Municipal Infrastructure Improvement

The City invested nearly \$10 million in 2014 in improvements to Richmond's flood protection network. This included construction of the new Montrose pump station and major retrofit of the Woodward pump station.



Recycling program expanded

Sustainability

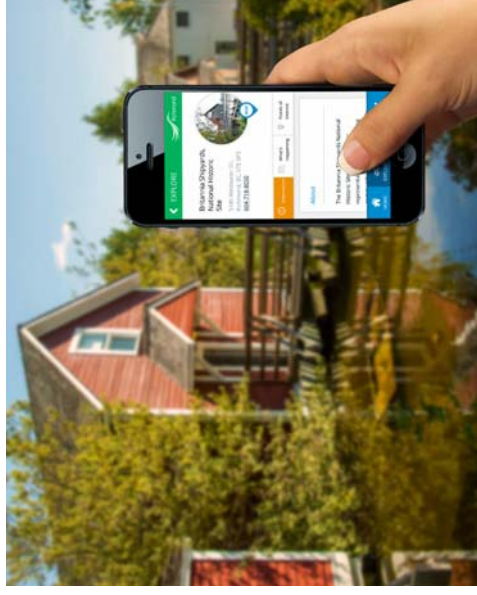
The City continued to expand its recycling and waste diversion programs, with expanded curbside collection of various recyclables and approval of plans to provide organics recycling collection for multi-family residences. Residents in single-family homes achieved 71 per cent waste diversion—well ahead of the regional goal of achieving 70 per cent diversion by 2015.



Terra Nova Adventure Play Environment

Community Wellness

The Terra Nova Adventure Play Environment was officially opened. Designed to integrate with the natural park surroundings, the innovative play area features a wide variety of unique and exciting play experiences for youth. The Railway Greenway was officially opened, turning an abandoned railway corridor into a vibrant new transportation link that encourages residents to walk, run and cycle between neighbourhoods or across the island.



RichmondBC app

A Well Informed Public

The City introduced two new mobile applications to improve public access to information. The RichmondBC application allows users to readily access in-depth information about programs and events at City facilities. The Richmond Election app provided users with extensive information and interactive services related to the civic election.

2014 awards



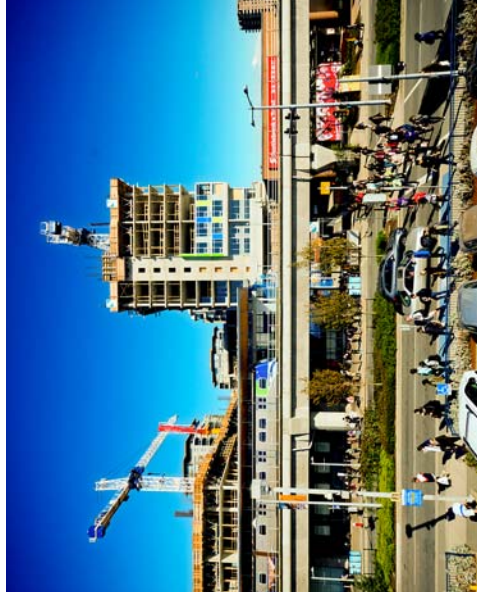
Alexandra District Energy Utility

- One of the ways the City of Richmond measures our success is through the awards and recognition we receive from our peers and others. 2014 was a remarkable year on this front.
 - Richmond's innovative and successful foray into district energy produced four awards for the Alexandra District Energy Utility (ADEU) project; including:
 - National Energy Globe Award for Canada. ADEU named as best project in Canada in this international competition;
 - 2014 Canadian Geo-exchange Coalition Excellence Award;
 - Community Planning and Development Award from the Community Energy Association; and
 - 2014 Sustainability Award from the Association of Professional Engineers and Geoscientists of BC 2014.



Corporate Programs Management Group

- The Excellence on the Waterfront Award from Washington DC-based Waterfront Center for the Richmond Middle Arm Park and Greenway.
- The 2014 CAMA Professional Development Award for the Corporate Programs Management Group (CPMG) leadership development program.
- The inaugural Culture Days National Marketing Award for promotion of the annual nation-wide event.
- An Honourable Mention in the Federation of Canadian Municipalities 2015 Sustainable Communities Awards for Neighbourhood Development for our City Centre Neighbourhood Development Action Plan.
- A 2014 Wood WORKS! BC Community Recognition Award for the City's commitment to promoting the use of wood in civic projects.
- *Western Investor* magazine selected Richmond as the best city for real estate investment in Western Canada.



Richmond City Centre

- Silver Leaf (national) and Bronze Quill (provincial) Awards of Excellence from the International Association of Business Communicators for the Green Cart program launch.
- A Distinguished Systems Award from the Urban and Regional Information Systems Association (URISA) for the City's GIS tool.
- A Leadership Excellence Award from BC Hydro's Power Smart Excellence Awards for energy efficiency initiatives.
- A Most Business Friendly Award from NAIOP Vancouver for the City's green building initiatives.
- Government Finance Officers Association awards for the 2013 Annual Report:
 - Canadian Award for Financial Reporting (12th consecutive year).
 - Outstanding Achievement in Popular Annual Financial Reporting (5th consecutive year).

Report from the General Manager, Finance and Corporate Services



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the consolidated financial position of the City of Richmond as at December 31, 2014 in accordance with Canadian public sector accounting standards.

The City continued to strengthen its financial condition and position in 2014. The City's net worth reached \$2.6B (2013: \$2.4B) and cash and investments increased to \$864.7M (2013: \$754.5M). Net financial assets increased to \$602.6M (2013: \$549.0M). The City's 2014 revenues were \$484.8M (2013: \$454.9M) and expenses were \$360.9M (2013: \$328.6M). The revenue increases were mainly due to a substantial gain on disposal of land, taxation and utility fees, external funding for capital construction and gaming revenues. The expense increases were mainly due to significant contributions for affordable housing, policing and recycling contract costs and settlement of the Richmond Fire Rescue wage agreement.

Statutory reserves increased to \$374.9M (2013: \$353.8M). Net debt outstanding was \$50.8M as the City undertook its first external borrowing in more than two decades to take advantage of low interest rates to partially finance the new Minoru complex that is currently under construction. This debt will be repaid using casino revenues over the next decade so that there will be no direct borrowing impact on property taxes.

City Council's focus on long term planning guided by its Long Term Financial Management Strategy has helped place the City in a strong financial position. Meanwhile, the City's success in creating

a positive economic development climate was recognized by the Western Investor magazine, which named Richmond as the best City for investment in Western Canada in 2014. The City was also recognized by the Government Finance Officers Association with two awards for our annual financial reporting.

The outlook is exciting as we will continue to focus on innovation in serving our community. We are rethinking how we digitally operate and provide services to the community. As we change, customers will be able to request a service, report a concern or easily find the information they are looking for. Our goal is to integrate all our systems in a 'customer first' manner that will make their dealings with the City more efficient. In addition, services will be delivered through a new customer portal and we have begun our journey down this path with the release of the RichmondBC Mobile App. In addition, Council has committed to providing free Wi-Fi services in community centres, arenas and select parks. Council meetings are now live-streamed and recorded on the City's website. Overall, we will strive to always provide best value for our customers while ensuring that the City remains flexible and financially sustainable.

Andrew Nazareth, BEc, CPA, CGA
General Manager, Finance and Corporate Services

I am pleased to submit the City of Richmond's consolidated financial statements for the year ended December 31, 2014 pursuant to Section 167 of the Community Charter. The financial statements reflect a consolidation of the financial position and operating results for the City of Richmond, Lulu Island Energy Company Ltd., Richmond Olympic Oval Corporation and the Richmond Public Library. I disclose that management is responsible for the financial statements.

The external auditors, KPMG LLP, conducted an independent examination and have expressed their opinion that the consolidated financial statements present fairly, in all material respects,

City of Richmond financial information

City of Richmond consolidated statement of financial position (expressed in thousands of dollars)
December 31, 2014, with comparative figures for 2013

2013

2014

Financial assets¹

Cash and cash equivalents	\$ 22,053	\$ 38,368
Investments	842,642	716,114
Accrued interest receivable	5,363	3,224
Accounts receivable	28,071	19,422
Taxes receivable	7,481	9,447
Development fees receivable	25,360	21,405
Debt reserve fund—deposits	708	200
	931,678	808,180

Financial liabilities

Accounts payable and accrued liabilities	88,331	83,204
Deposits and holdbacks	65,103	51,841
Deferred revenue	41,823	35,870
Development cost charges	82,965	87,212
Debt	50,815	1,056
	329,037	259,183

Net financial assets²

548,997

Non-financial assets³

Tangible capital assets	1,947,102	1,877,298
Inventory of materials and supplies	2,415	2,363
Prepaid expenses	1,950	1,594
	1,951,467	1,881,255

Accumulated surplus⁴

\$ 2,554,108

\$ 2,430,252

¹ Financial assets: cash resources.

² Net financial assets: the net financial position, calculated as the difference between financial assets and liabilities.

³ Non-financial assets: assets that are owned and will be utilized for future services, including tangible capital assets, inventories and prepaid expenses.

⁴ Accumulated surplus: this is an indicator of the City's overall financial health. It is the difference between the combined financial assets and non-financial assets as compared to its liabilities and includes the investments in tangible capital assets (capital equity), total reserves (restricted funds), appropriated surplus (internally appropriated funds/provisions) and general or unrestricted surplus.

The Financial Statements are presented in conformity with generally accepted accounting practices (GAAP).

City of Richmond consolidated statement of operations¹ (expressed in thousands of dollars)

Year ended December 31, 2014, with comparative figures for 2013

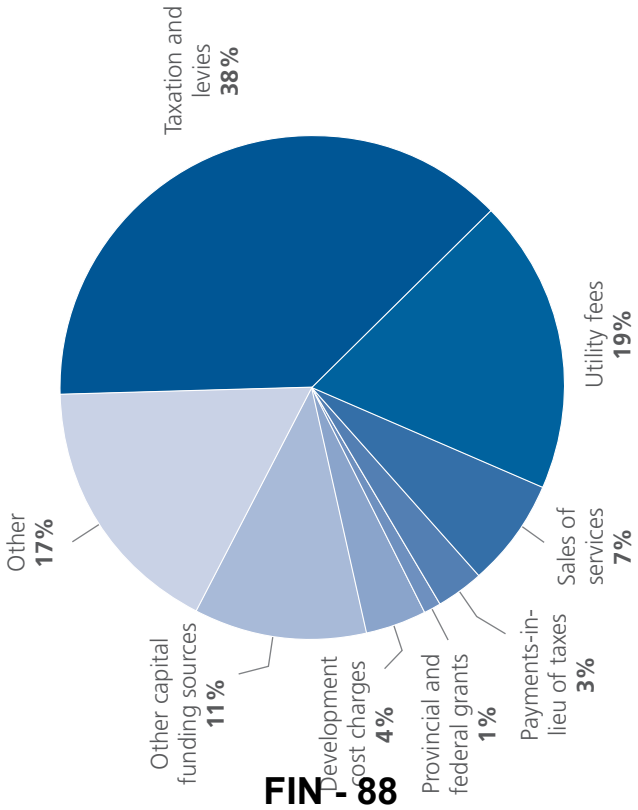
	Budget 2014	Actual 2014	Actual 2013
Revenues			
Taxation and levies	\$ 183,822	\$ 183,687	\$ 176,283
Utility fees	90,428	93,201	90,540
Sales of services	28,707	32,809	34,959
Payments-in-lieu of taxes	13,473	14,546	14,406
Provincial and federal grants	6,782	7,480	7,092
Development cost charges	-	18,765	11,730
Other capital funding sources	192,122	51,667	55,542
Other revenues:			
Investment income	16,790	16,568	13,490
Gaming revenue	14,908	21,047	17,632
Licenses and permits	7,704	9,819	9,241
Other	57,393	35,194	23,947
	612,129	484,783	454,862
Expenses			
Law and Community Safety	\$ 87,025	\$ 83,820	\$ 77,649
Utilities: water, sewerage and sanitation	78,108	79,552	75,134
Engineering, Public Works and Project Development	55,369	55,899	53,268
Community Services	52,021	65,137	49,753
General government	50,754	42,582	41,061
Planning and Development	12,806	13,301	11,854
Richmond Olympic Oval	11,565	11,065	10,509
Library services	9,590	9,563	9,390
Lulu Island Energy Corp	-	8	-
	357,238	360,927	328,618
Annual surplus ²	254,891	123,856	126,244
Accumulated surplus, end of year	\$ 2,685,143	\$ 2,554,108	\$ 2,430,252

¹ The statement of operations shows the sources of revenues and expenses, the annual surplus or deficit and the change in the accumulated surplus.

² Annual surplus is shown on this statement as the difference between revenues recognized and the cost of government services provided in the fiscal year

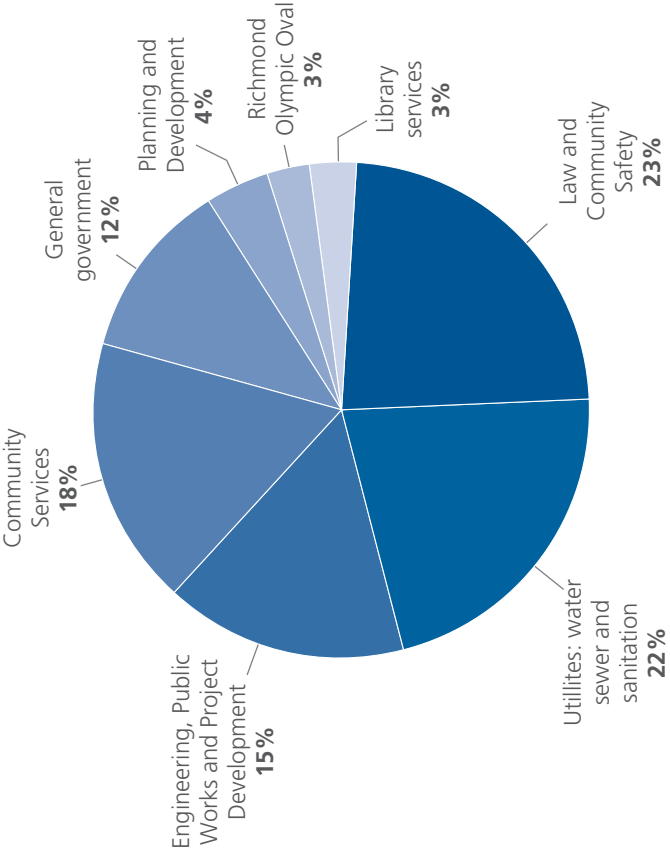
City of Richmond financial information continued ...

2014 actual revenue



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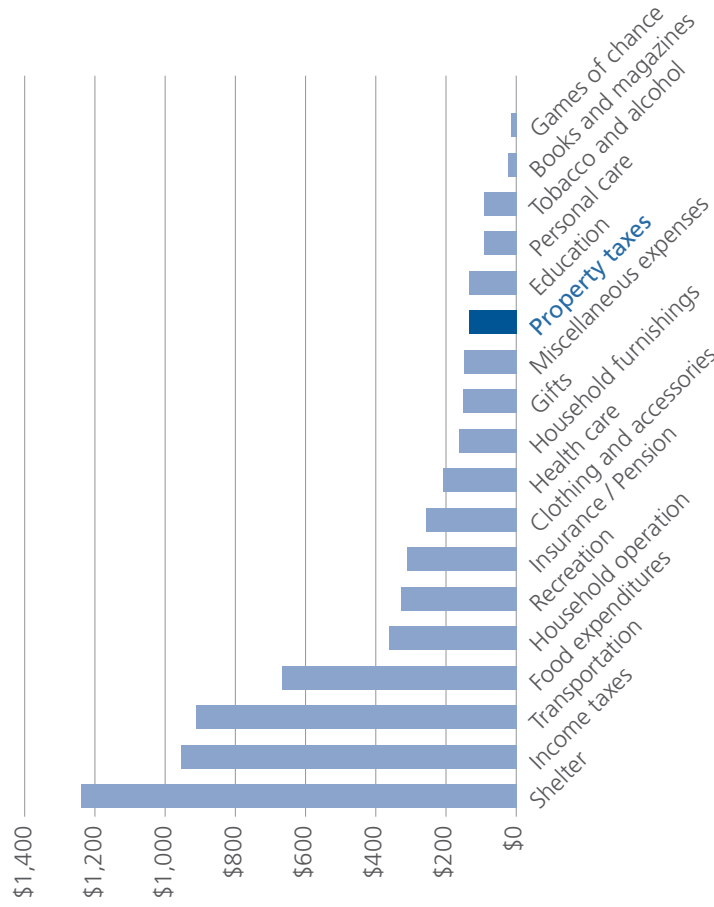
2014 actual expense



5 year trend—2010–2014

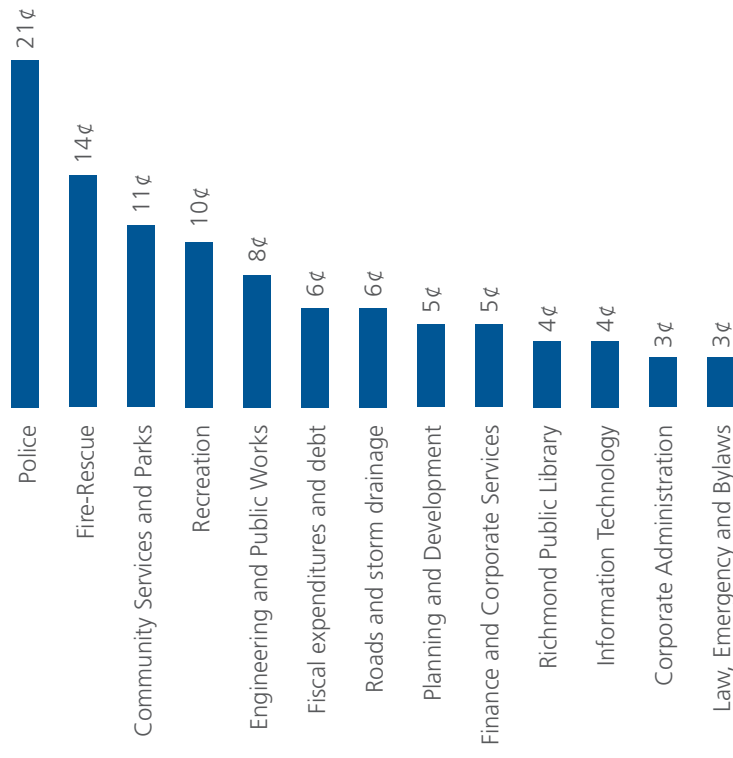
	2010	2011	2012	2013	2014
Consolidated Revenue:	378,703	424,042	400,311	454,862	484,783
Consolidated Expenses:	301,456	313,245	317,437	328,618	360,927
Annual Surplus:	77,247	110,797	82,874	126,244	123,856

Monthly average household costs in British Columbia



Source: Statistics Canada—Survey of household spending in 2011

2014 actual breakdown of \$1 municipal taxes



Source: City of Richmond Finance and Corporate Services

Contacts and major services provided by the City of Richmond

City of Richmond contacts

The City of Richmond offers many civic services to the community. Additional services to the community are provided through the Richmond Olympic Oval, Richmond Public Library and Gateway Theatre. For more information on City services contact:

City of Richmond

6911 No. 3 Road

Richmond, British Columbia

V6Y 2C1 Canada

Phone: 604-276-4000

Email: infocentre@richmond.ca

www.richmond.ca

 [/CityofRichmondBC](https://www.facebook.com/CityofRichmondBC)

 [@Richmond_BC](https://twitter.com/Richmond_BC)

 [/CityofRichmondBC](https://www.youtube.com/channel/UCityofRichmondBC)

Gateway Theatre

6500 Gilbert Road

Phone: 604-270-6500

Box Office: 604-270-1812

www.gatewaytheatre.com

 [/Gateway-Theatre](https://www.facebook.com/Gateway-Theatre)


 [@Gateway_Theatre](https://twitter.com/Gateway_Theatre)

Richmond Public Library

Hours: 604-231-6401

www.yourlibrary.ca

 [/YourLibraryRichmond](https://www.facebook.com/YourLibraryRichmond)

 [@RPL_YourLibrary](https://twitter.com/RPL_YourLibrary)

 [/YourLibraryRichmond](https://www.youtube.com/channel/YourLibraryRichmond)

Richmond Olympic Oval

6111 River Road

Phone: 778-296-1400

www.richmondoval.ca

 [/RichmondOval](https://www.facebook.com/RichmondOval)

 [@RichmondOval](https://twitter.com/RichmondOval)

Major services provided by the City of Richmond

Law and Community Safety

Brings together the City's public safety providers including police, fire-rescue and emergency programs as well as bylaw enforcement, legal and regulatory matters.

Community Services

Coordinates, supports and develops Richmond's community services including recreation, arts, heritage, sports, social planning, affordable housing, diversity, youth, childcare and older adult

services. Oversees City owned public facilities and the design, construction and maintenance of City parks, trails and green spaces. Works with community partners and coordinates special events and filming in the City.

Finance and Corporate Services

Includes customer service, information technology, finance, economic development, real estate services, City Clerk, enterprise services, business licences, administration and compliance.

Engineering and Public Works

Comprises engineering planning, design, construction and maintenance services for all utility and City building infrastructure. Responsible for local water supply, sewer and drainage, dikes and irrigation system, roads and construction services, street lighting, environmental services, corporate sustainability and district, corporate and community energy programs.

Planning and Development

Incorporates the policy planning, transportation, planning, development applications and the building approvals departments. This division provides policy directions that guide growth and change in Richmond with emphasis on land use planning, development regulations, environmental protection, heritage and livability. These planning functions play a vital part in the City's life cycle and involve the development of community plans and policies, zoning bylaws, as well as development related approvals and permits.

City of Richmond's Vision:

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

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City of Richmond

6911 No. 3 Road, Richmond, BC V6Y 2C1

Telephone: 604-276-4000

www.richmond.ca

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