



City of Richmond

Report to Committee




To: Finance Committee
From: Andrew Nazareth
General Manager, Finance and Corporate
Services
Date: May 3, 2018
File:
Re: 2017 Annual Report and 2017 Annual Report – Highlights

Staff Recommendation

That the reports titled, “2017 Annual Report” and the “2017 Annual Report – Highlights” be approved.

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

Att. 2

REPORT CONCURRENCE	
CONCURRENCE OF GENERAL MANAGER 	
REVIEWED BY SMT	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) Have 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 and other relevant financial, economic and demographic indicators to the public. The report also highlights many of the City's significant achievements from 2017, in support of Council's Term Goals and objectives.

Two versions of the Annual Report are produced each year in order to reach the different audiences interested in this information. The comprehensive 2017 Annual Report meets all legislative requirements for financial reporting as required under the Community Charter for British Columbia's local governments. This version will be publicly available through the City's website at www.richmond.ca and printed only on a demand basis. 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 a listing of permissive exemptions. In addition to the statutorily required information, the comprehensive version provides information on the City's milestones from 2017, including awards and achievements and a variety of key corporate financial and community demographic statistical data for the year.

For a broader audience, the City also produces a condensed financial reporting document known as the 2017 Annual Report – Highlights. This shorter version which is designed to be accessible and easily understandable to the general public provides information about the City of Richmond, its services, highlights from 2017 and the City's financial condition. This condensed version will also be available through the City's website and limited copies will be mailed out and available to the general public at Richmond City Hall. New this year, the layout has been enhanced to allow for an expanded section detailing the City's milestones during 2017, including a focus on Richmond Canada 150. The community profile section in the Highlights report has also been revised to provide an expanded numerical snapshot of the City.

Both copies will be submitted to the Government Finance Officers Association for consideration in their annual award program.

Financial Impact

None.

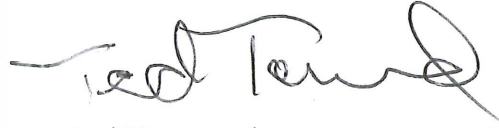
Conclusion

The City of Richmond 2017 Annual Report and the 2017 Annual Report – Highlights satisfy the Community Charter requirements for financial reporting and are important instruments 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 2017 fiscal year.



Jerry Chong
Director, Finance

(4064)



Ted Townsend
Director, Corporate Communications and
Marketing

(4399)

- Att. 1: 2017 Annual Report
- 2: 2017 Annual Report – Highlights



**City of
Richmond**
British Columbia, Canada



2017 Annual Report

FOR THE YEAR ENDED DECEMBER 31, 2017



City of Richmond

British Columbia, Canada

2017 Annual Report

For the year ended December 31, 2017

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

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For an online copy of this report please visit www.richmond.ca
(City Hall > Finance, Taxes & Budgets > Budgets & Financial Reporting > Annual Reports).

Cover photo: Storeys opened; District Energy Utility expanded;
City Centre Community Centre honoured; Kaiwo Maru visited.

This report was prepared by the City of Richmond Finance and Corporate Communications and Marketing Departments. Design, layout and production by the City of Richmond Production Centre. ©2018 City of Richmond

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Message from the Mayor



2017 was a milestone year for Richmond and for Canada. Richmond fully embraced the 150th anniversary of Canadian Confederation with a memorable year of programs and events to showcase our national heritage, while also creating new legacies for our community.

Our Richmond Canada 150 program was one of the largest year-long community celebrations in the country. The City hosted many of its own marquee Canada 150 events, including a very popular Pioneer Luncheon for longtime residents, and provided funding through grants for dozens of other events organized by our community partners. Some of these events, such as the Richmond Cherry Blossom Festival, are now planned to become ongoing annual events. Council also funded a number of legacy public art projects to commemorate Canada 150, including the Fraser Giant, a life-sized replica of the giant sturgeon that live in the

waters of the Fraser River surrounding Richmond. We were pleased that the Richmond Canada 150 program was named as a finalist for two awards in the 2017 Canadian Event Industry Awards.

Council also took many steps in 2017 to improve our service delivery to residents. This included the opening of the Storeys affordable housing complex, providing 129 homes and program and office space for a number of community social service agencies. This unique partnership, which involved three levels of government and five non-profit agencies, has now become a national model for addressing housing affordability challenges.

We also opened the new Cambie No. 3 Fire Hall, the first facility in urban BC to house both a fire hall and an ambulance station. In 2018, we will open the Brighthouse No.1 Fire Hall, completing an ambitious 15-year program which has included building five new fire halls along with creating a new home for our Richmond RCMP detachment.

As a further commitment to community safety, Council approved funding to hire another 16 additional police officers and three new municipal police employees in 2018. Altogether, 39 additional police officers and six municipal police support employees have been added during the current Council term.

Our award-winning district energy program continues to be a huge success and is now on its way to becoming North America's largest district energy utility. Our commitment to district energy and other energy reduction initiatives has allowed us to achieve an overall six per cent reduction in community greenhouse gas emissions despite a seven per cent growth in population over the past decade.

We are proud of our accomplishments and thankful for the support of our staff, volunteers, community partners and businesses as we grow and preserve our high quality of life. To learn more, I invite you to contact the Mayor's Office at any time.

Malcolm Brodie
Mayor, City of Richmond

Richmond City Council



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

Connect with Richmond City Council

To contact Council: mayorandcouncillors@richmond.ca or call 604-276-4000.

For Council Meetings Agendas and Minutes visit: www.richmond.ca/cityhall/council/agendas.

To watch Council meetings on live streaming or view videos of past meetings visit: www.richmond.ca/cityhall/council/watch-video.

City of Richmond organizational chart

as of December 31, 2017

Chief Administrative Office
George Duncan, CAO
Deputy Chief Administrative Office
Robert Gonzalez, Deputy CAO

Community Services	Engineering and Public Works	Finance and Corporate Services
Joe Erceg (Acting), GM	Robert Gonzalez, GM	Andrew Nazareth, GM

Community Safety	Planning and Development
Cecilia Achiam, GM	Joe Erceg, GM

Civic officials

Chief Administrative Officer	George Duncan
Deputy Chief Administrative Officer	Robert Gonzalez
General Manager, Community Services	Cathy Volkering Carlile to October 26, 2017
General Manager, Engineering and Public Works	Robert Gonzalez
General Manager, Finance and Corporate Services	Andrew Nazareth
General Manager, Planning and Development.....	Joe Erceg
General Manager, Interagency Programs and Steveston Waterfront Initiatives.....	Dave Semple
General Manager, Community Safety.....	Cecilia Achiam from May 1, 2017
Director, City Clerk’s Office.....	David Weber
City Solicitor	Barbara Sage
Chief, Richmond Fire-Rescue.....	John McGowan to September 30, 2017

Affiliated agencies

Officer in Charge, Royal Canadian Mounted Police	Will Ng
Chief Operating Officer, Richmond Olympic Oval	John Mills
Chief Librarian, Richmond Public Library.....	Susan Walters
Chief Executive Officer, Lulu Island Energy Company Ltd.	Robert Gonzalez

Banker	Auditors
Scotiabank	KPMG

Message from the Chief Administrative Officer



I am proud to present the City of Richmond’s Annual Report for the year 2017. This report details our outstanding financial position, while highlighting our ongoing commitment to a culture of continuous improvement through excellence, innovation and visionary leadership.

During the past year, our administration placed a strong focus on the continued fulfilment of Council’s nine term goals. These goals place an emphasis on community safety, economic development, financial stewardship, sustainability, community vibrancy, partnerships and collaboration, infrastructure, planning and citizen engagement. Major strides were made on all these goals, which are highlighted throughout the Annual Report.

Strong financial stewardship continues to be one of our hallmarks thanks to our Long Term Financial Management Strategy. This Strategy has allowed us to limit property tax increases, while still making significant investments in infrastructure and programs. Richmond’s property taxes also remain among the lowest in the region.

As part of the financial strategy, City Council continues to responsibly replenish our reserves each year to ensure we meet the City’s long-term needs and minimize borrowing. This strategy has allowed us to invest more than \$800 million as of the five years ending in 2018 to renew and expand our civic infrastructure. Our 2017 capital budget of \$122 million included further investments in the development of the Garden City Lands, a new signature park in the heart of our city, and the City’s award-winning Digital Strategy, which is putting us on the cutting edge of using technology and innovation to improve customer service and efficiency.

Our strong planning framework is also guiding the City’s continued evolution. The City’s population continues to grow, reaching nearly 220,000 in 2017. Total construction value of building permits for 2017 was \$709 million our fourth highest year’s total ever, with total new construction topping \$4.4 billion since 2011.

This new growth has helped the City secure contributions for two new community centres, new parks, hundreds of affordable housing units and child care spaces, public art investments and other civic infrastructure improvements. Through a special development levy, the City is close to accumulating the monies needed to fund an additional Canada Line station in the Capstan Village area, which will enhance transit service and community mobility.

With our strong commitment to financial stewardship and sound community planning, we continue to deliver services that are second to none, while providing great value for our taxpayers.

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

George Duncan
Chief Administrative Officer



A ceremonial Canada Day flag raising celebrated Richmond Canada 150.

Richmond Canada 150

In 2017, Richmond was one of the most active communities in the country as citizens from coast to coast to coast celebrated Canada's 150th anniversary of Confederation. In addition to dozens of local events, the City undertook a number of legacy Richmond Canada 150 projects that will permanently enrich the community. A special grants program provided assistance to local community organizations to host their own celebratory events and/or complete legacy programs. The Richmond Canada 150 program was a finalist in two categories in the Canadian Event Industry Awards for 2017. The photos on this page include some of the highlights from the Richmond Canada 150.



Japan's Kaiwo Maru tall ship made a rare overseas visit to Richmond.



The Richmond World Festival expanded to two days.



The Fraser Giant was unveiled, depicting the large sturgeon that live in local waters.



Noted maritime artist John Horton produced a painting depicting Richmond's marine heritage.



A Pioneer Luncheon honoured thousands of longtime Richmond residents.

2017 Awards

The City of Richmond is committed to its vision to be the most appealing, livable and well-managed community in Canada. In 2017, this commitment was again recognized by our peers and others with numerous international, national and provincial awards recognizing outstanding service delivery.

Of particular note, Richmond continued to receive global recognition for innovative energy programs, including our district energy program and other initiatives aimed at reducing both corporate and community energy use. Over the past five years, the City has received more than 15 awards for its various energy programs. Richmond received four new energy-related awards in 2017, including:

- Association of Energy Engineers Canada Region Institutional Energy Management Award;

- Community Energy Association 2017 Climate and Energy Action Award;
- Union of British Columbia Municipalities Leadership & Innovation – Green Initiative Award, Honourable Mention; and
- Canadian Consulting Engineering Award of Excellence.

Additional 2017 Awards

World Leisure Community of Excellence for 2017

The City of Richmond was designated as a World Leisure Community of Excellence for 2017 by the World Leisure Organization. This title recognizes Richmond’s successful use of leisure to improve its citizens’ quality of life.



The Alexandra District Energy Utility was expanded to provide service to a major new retail complex.

2017 Accessible Cities Award

The Rick Hansen Foundation Accessible Cities Award recognizes municipalities that are leaders in planning accessibility into their built environments and encouraging their communities to be more inclusive. The Richmond Olympic Oval was also recognized in the award's Circle of Excellence as a 'best in class' example of accessible and inclusive community places or spaces.

2017 Bill Woycik Outstanding Facility Award

Richmond's City Centre Community Centre was recognized with the 2017 Bill Woycik Outstanding Facility Award. The award is presented annually by the Recreation Facilities Association of BC to one outstanding new or newly renovated recreation, sport or leisure facility in British Columbia that exemplifies innovations in design, energy management, operations, revenue generation and services.

Canadian Award for Financial Reporting and Outstanding Achievement in Popular Annual Financial Reporting Award

The City's 2016 Annual Reports were honoured with two awards from the Government Finance Officers Association (GFOA) of the United States and Canada. The City received the Canadian Award for Financial Reporting for the 15th consecutive year and the Award for Outstanding Achievement in Popular Annual Financial Reporting for the 8th year.

Finalist—Best Public Event/Fair or Festival and Finalist—Most Outstanding Event Over \$200,000 Public/Festival/Sporting/Cultural

The City's Richmond Canada 150 program, a year-long program of events and other activities celebrating Canada's 150th anniversary, was chosen as a finalist in two categories in the Canadian Event Industry Awards.

Wood WORKS! BC Community Recognition Award

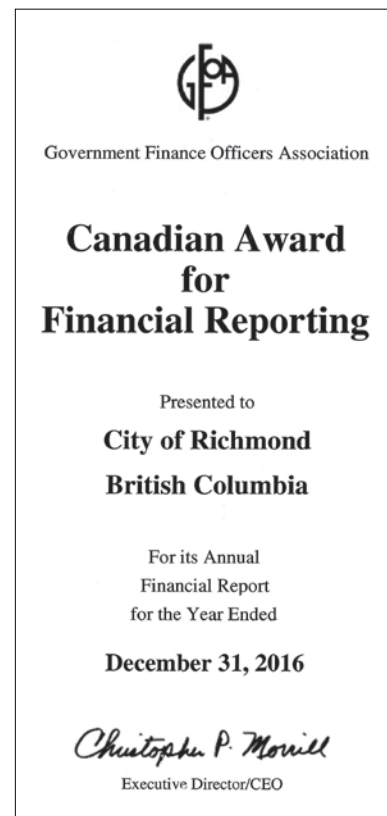
Wood WORKS! BC's awards recognize leadership in the use of wood, both architecturally and structurally. The City was honoured for its use of wood in the construction of the Alexandra District Energy Utility service building.

Developmental Disabilities Association Employer of the Year Award

The City was honoured by the Developmental Disabilities Association's Jobs West division for our City's initiative to create opportunities for people with developmental disabilities.

Pathways Clubhouse Recognition Award

Richmond City received the Pathways Clubhouse's 2017 Recognition Award for the City's role as an employment partner; and creating workplace opportunities for people with disabilities.



Council Term Goals: 2014 to 2018

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. With the beginning of a new four-year term of Council, a term goal setting process was undertaken to help Council fulfil its governance role and achieve a successful term of office. The new Council adopted a revised set of nine Term Goals, which provide the framework for the City's programs and services through 2018.

1. A Safe Community

Maintain emphasis on community safety to ensure Richmond continues to be a safe community.

2017 Achievement

The new Cambie No. 3 Fire Hall was opened. The facility also hosts a BC Ambulance Station, the first time these two critical emergency response agencies have been co-housed in the same facility in an urban BC community.



The Cambie No. 3 Fire Hall officially opened and includes both a fire hall and ambulance station.

2. A Vibrant, Active, and Connected City

Continue the development and implementation of an excellent and accessible system of programs, services, and public spaces that reflect Richmond's demographics, rich heritage, diverse needs, and unique opportunities, and that facilitate active, caring, and connected communities.

2017 Achievement

The Willow Early Care and Learning Centre was opened, providing 37 spaces of licensed child care for infants, toddlers and children. The City now owns seven facilities providing close to 200 licensed child care spaces. Nearly 2,000 new licensed child care spaces have been created in Richmond since 2009 with additional facilities on the way.

3. A Well-Planned Community

Adhere to effective planning and growth management practices to maintain and enhance the livability, sustainability and desirability of our City and its neighbourhoods, and to ensure the results match the intentions of our policies and bylaws.

2017 Achievement

Council approved the Yuan Heng rezoning and Development Permit for a large site at Capstan Way and No. 3 Road. The project will create a large mixed-use development with 964 units and has secured a turn-key 35,000 sq. ft. community centre to serve future residents of the Capstan Village.



The Willow Early Care and Learning Centre was opened, part of a major expansion of child care spaces in Richmond.

4. Leadership in Sustainability.

Continue advancement of the City's sustainability framework and initiatives to improve the short and long term livability of our City, and that maintain Richmond's position as a leader in sustainable programs, practices and innovations.

2017 Achievement

Lulu Island Energy Company continued to grow with the Alexandra District Energy Utility expanding to serve the new Cambie No. 3 Fire Hall and a major shopping complex. The Oval Village District Energy Utility also expanded, while plans were put in place for a City Centre District Energy Utility that will service more than 9 million square feet of new development.

5. Partnerships and Collaboration

Continue development and utilization of collaborative approaches and partnerships with intergovernmental and other agencies to help meet the needs of the Richmond community.

2017 Achievement

The new Storeys affordable housing complex was opened. Three levels of government and five not-for-profit agencies collaborated to create 129 affordable housing units and supportive services for residents at risk of being homeless. This unique partnership promises to serve as a model for other cities.



The new Storeys complex opened.

6. Quality Infrastructure Networks

Continue diligence towards the development of infrastructure networks that are safe, sustainable, and address the challenges associated with aging systems, population growth, and environmental impact.

2017 Achievement

A significant extension of Lansdowne Road was opened. This created a much-needed new east-west corridor stretching from the Garden City Lands to the Richmond Olympic Oval improving mobility throughout the City Centre by offering an important new link through the heart of the downtown.

7. Strong Financial Stewardship

Maintain the City's strong financial position through effective budget processes, the efficient and effective use of financial resources, and the prudent leveraging of economic and financial opportunities to increase current and long-term financial sustainability.

2017 Achievement

Richmond retained the fifth lowest property taxes within the region in 2017 with a 1.95% tax increase to fund City services, plus an additional 1% tax increase to fund reserves. The 2017 budget provided for hiring of 11 additional police officers and three additional civilian staff for Richmond RCMP.



Council approved hiring of 11 additional police officers.

8. Supportive Economic Development Environment

Review, develop and implement plans, policies, programs and practices to increase business and visitor appeal and promote local economic growth and resiliency.

2017 Achievement

The Richmond Olympic Oval became the primary training home for Canada's Women's Volleyball Team. This five year agreement contributes to the more than \$300 million in Gross Domestic Product and 400 fulltime jobs created by the Oval. The team also hosted a sold out Grand Prix Women's Volleyball Tournament featuring national teams from four countries.

9. Well-Informed Citizenry

Continue to develop and provide programs and services that ensure the Richmond community is well-informed and engaged on City business and decision making.

2017 Achievement

Through the City's Digital Strategy an innovative mobile inspections app was launched, allowing inspectors to complete inspections on their smart phones providing enhanced service to builders.

Additional information on the success indicators in support of these objectives can be found at: www.richmond.ca/cityhall/council/about/goals.htm.



Canada's women's volleyball team made the Richmond Olympic Oval their home.

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, 2017, pursuant to Section 167 of the *Community Charter*. These statements contain the 2017 financial results for the "City", which include the City of Richmond, Richmond Olympic Oval Corporation, Richmond Public Library and investment in Lulu Island Energy Company Ltd.

Management is responsible for the preparation of the financial statements and the external auditors, KPMG LLP, have conducted an independent examination and have expressed their opinion that the consolidated financial statements present fairly in all material respects, as at December 31, 2017 in accordance with Canadian public sector accounting standards.

The City continued to strengthen its financial position in 2017. The City's net worth reached \$3.0B (2016: \$2.8B) and cash and investments were \$1.0B (2016: \$997.0M). Net financial assets increased to \$698.1M (2016: \$662.7M) while reserve fund balances increased to \$484.9M (2016: \$471.8M).

Revenues for 2017 were \$523.2M (2016: \$492.6M) and expenses were \$413.3M (2016: \$379.5M). The increase in revenue was mainly due to exceptional development activity during 2017. Developer contributed assets increased by \$20.1M in 2017 to \$52.2M and developer community amenity contributions increased by \$2.9M to \$13.0M. The expense increases were mainly due to a \$17.0M contribution towards the Storeys affordable housing initiative along with increases to the RCMP policing contract and collective agreement increases.

These financial results are a reflection of City Council's commitment to ongoing financial sustainability through the Long Term Financial Management Strategy, which combines financial forecasting with strategizing, thus aligning financial capacity and assets with long term service objectives and requirements. In taking this long range financial perspective, the City expects to continue to maintain flexibility while achieving sustainability and preparedness for any challenges that may arise.

In 2017, Richmond had the fifth lowest residential property taxes out of 21 municipalities in Metro Vancouver and was second lowest in our comparator group of the largest five municipalities by population.

Under the direction and guidance of City Council, the City of Richmond is well positioned to continue to deliver a high quality of services for its current and future residents and businesses in support of the City's vision to be the most appealing, livable and well-managed community in Canada.



Andrew Nazareth, BEc, CPA, CGA
General Manager, Finance and Corporate Services
May 14, 2018

City of Richmond audited financial statements

Year ended December 31, 2017



KPMG LLP
 Metro Tower I
 4710 Kingsway, Suite 2400
 Burnaby BC V5H 4M2
 Canada
 Telephone (604) 527-3600
 Fax (604) 527-3636

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, 2017 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.

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.



City of Richmond
Page 2

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, 2017, 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.

KPMG LLP

Chartered Professional Accountants

May 14, 2018

Burnaby, Canada

CITY OF RICHMOND

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

December 31, 2017, with comparative figures for 2016

	2017	2016
		(recast – note 3)
Financial Assets		
Cash and cash equivalents	\$ 47,867	\$ 18,335
Investments (note 4)	972,783	978,638
Investment in Lulu Island Energy Company (note 5)	28,289	-
Accrued interest receivable	6,651	6,972
Accounts receivable (note 6)	27,036	27,766
Taxes receivable	8,976	9,422
Development fees receivable	22,376	16,712
Debt reserve fund - deposits (note 7)	508	508
	<u>1,114,486</u>	<u>1,058,353</u>
Liabilities		
Accounts payable and accrued liabilities (note 8)	99,036	96,720
Development cost charges (note 9)	130,684	117,597
Deposits and holdbacks (note 10)	82,786	72,796
Deferred revenue (note 11)	66,287	66,320
Debt, net of MFA sinking fund deposits (note 12)	37,603	42,181
	<u>416,396</u>	<u>395,614</u>
Net financial assets	698,090	662,739
Non-Financial Assets		
Tangible capital assets (note 13)	2,251,901	2,180,026
Inventory of materials and supplies	3,762	3,138
Prepaid expenses	2,376	2,525
	<u>2,258,039</u>	<u>2,185,689</u>
Accumulated surplus (note 14)	<u>\$ 2,956,129</u>	<u>\$ 2,848,428</u>

Commitments and contingencies (note 18)

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, 2017, with comparative information for 2016

	2017 Budget (notes 2(p) and 24)	2017	2016 (recast - note 3)
Revenue:			
Taxation and levies (note 20)	\$ 206,490	\$ 206,901	\$ 198,612
Utility fees	97,678	99,493	97,819
Sales of services	35,576	39,430	38,231
Payments-in-lieu of taxes	13,860	14,647	14,770
Provincial and federal grants	7,592	9,276	9,101
Development cost charges	18,933	15,710	16,632
Other capital funding sources	45,429	57,570	34,283
Other revenues:			
Investment income	14,694	17,832	17,614
Gaming revenue	18,088	16,753	17,559
Licenses and permits	9,548	13,011	12,422
Other (note 21)	9,985	31,502	35,543
Equity income (note 5)	-	1,042	-
	477,873	523,167	492,586
Expenses:			
Community safety	95,910	89,933	88,702
Utilities: water, sewer and sanitation	87,097	87,757	84,183
Engineering, public works and project development	68,171	66,120	61,243
Community services	63,361	77,387	59,618
General government	60,204	51,720	45,634
Planning and development	14,275	15,417	14,233
Richmond Olympic Oval	15,652	15,331	15,120
Library services	9,983	9,619	9,788
Lulu Island Energy Company (note 2(a))	-	-	943
	414,653	413,284	379,464
Annual surplus	63,220	109,883	113,122
Accumulated surplus, beginning of year (note 5)	2,846,246	2,846,246	2,735,306
Accumulated surplus, end of year	\$ 2,909,466	\$ 2,956,129	\$ 2,848,428

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, 2017, with comparative information for 2016

	2017 Budget (notes 2(p) and 24)	2017	2016 (recast - note 3)
Surplus for the year	\$ 63,220	\$ 109,883	\$ 113,122
Acquisition of tangible capital assets	(116,714)	(110,742)	(139,781)
Contributed tangible capital assets	(30,610)	(52,249)	(32,123)
Amortization of tangible capital assets	55,892	58,012	55,960
Net gain on disposal of tangible capital assets	-	(3,293)	(12,859)
Proceeds on sale of tangible capital assets	-	5,361	15,784
Reclassification of assets to LIEC as GBE	-	31,036	-
Classification of LIEC as GBE (note 5)	-	(2,182)	-
	(28,212)	35,826	103
Acquisition of inventories of supplies	-	(3,762)	(3,138)
Acquisition of prepaid expenses	-	(2,376)	(2,525)
Consumption of inventories of supplies	-	3,138	2,359
Use of prepaid expenses	-	2,525	1,930
Change in net financial assets	(28,212)	35,351	(1,271)
Net financial assets, beginning of year	662,739	662,739	664,010
Net financial assets, end of year	\$ 634,527	\$ 698,090	\$ 662,739

See accompanying notes to consolidated financial statements.

CITY OF RICHMOND

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

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
		(recast – note 3)
Cash provided by (used in):		
Operations:		
Annual surplus	\$ 109,883	\$ 113,122
Items not involving cash:		
Amortization	58,012	55,960
Gain on disposal of tangible capital assets	(3,293)	(12,859)
Contributions of tangible capital assets	(52,249)	(32,123)
Accounting adjustments upon transition of LIEC to a GBE	5,846	-
Increase in investment in GBE	(1,042)	-
Change in non-cash operating working capital:		
Accrued interest receivable	321	(685)
Accounts receivable	730	2,396
Taxes receivable	446	(1,412)
Development fees receivable	(5,664)	4,423
Prepaid expenses	149	(595)
Inventories of supplies	(624)	(779)
Accounts payable and accrued liabilities	2,316	9,019
Deposits and holdbacks	9,990	13,900
Deferred revenue	(33)	17,609
Development cost charges	13,087	6,006
Net change in cash from operating activities	137,875	173,982
Capital activities:		
Cash used to acquire tangible capital assets	(110,742)	(139,781)
Proceeds on disposal of tangible capital assets	5,361	15,784
Net change in cash from capital activities	(105,381)	(123,997)
Financing activities:		
Decrease in debt	(4,578)	(4,402)
Investing activities:		
Sale (purchase) of investments	5,855	(49,048)
Contribution to LIEC	(4,239)	-
Net change in cash from investing activities	1,616	(49,048)
Net change in cash and cash equivalents	29,532	(3,465)
Cash and cash equivalents, beginning of year	18,335	21,800
Cash and cash equivalents, end of year	\$ 47,867	\$ 18,335

See accompanying notes to consolidated financial statements.

CITY OF RICHMOND

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

Year ended December 31, 2017

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, infrastructure, environmental, recreational, water, sewer, and drainage.

2. Significant accounting policies:

The consolidated financial statements of the City are the representation of management and have been prepared in accordance with Canadian generally accepted accounting principles as prescribed by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants 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") and the Richmond Olympic Oval (the "Oval"). The Library is consolidated as the Library Board is appointed by the City. The Oval is consolidated as they are a wholly owned municipal corporation of the City and operate as an other government organization. Interfund transactions, fund balances and activities have been eliminated on consolidation. The City's investment in Lulu Island Energy Company ("LIEC"), a wholly owned government business enterprise ("GBE"), is accounted for using the modified equity method effective for fiscal 2017. For fiscal 2016 and prior, LIEC was consolidated into the City's financial statements as it was classified as a government organization (note 5).

(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.

CITY OF RICHMOND

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

Year ended December 31, 2017

2. Significant accounting policies (continued):

(a) Basis of consolidation (continued):

(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.

(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) Investment in government business enterprises:

Government business enterprises are recorded using the modified equity method of accounting. The City's investment in the GBE is recorded as the value of the GBE's shareholder's equity. The investment's income or loss is recognized by the City when it is earned by the GBE. Inter-organizational transactions and balances are not eliminated, except for any gains or losses on assets remaining within the City.

(g) Accounts receivable:

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

CITY OF RICHMOND

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

Year ended December 31, 2017

2. Significant accounting policies (continued):

(h) 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.

(i) 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.

(j) Non-financial assets:

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

(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.

CITY OF RICHMOND

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

Year ended December 31, 2017

2. Significant accounting policies (continued):

(j) Non-financial assets (continued):

(iii) Natural resources:

Natural resources 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.

(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 City'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 consolidated 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.

CITY OF RICHMOND

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

Year ended December 31, 2017

2. Significant accounting policies (continued):

(k) 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.

(l) Property taxes:

The City establishes property tax rates based on assessed market values provided by the British Columbia Assessment Authority (BCA). Market values are determined as of July 1st of each year. The City records taxation revenue at the time the property tax bills are issued and the City is entitled to collect interest and penalties on overdue taxes.

(m) 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.

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.

(n) 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.

(o) Debt:

Debt is recorded net of related sinking fund balances.

(p) Budget information:

Budget information, presented on a basis consistent with that used for actual results, was included in the City's 5 Year Consolidated Financial Plan (2017-2021) ("Consolidated Financial Plan") and was adopted through Bylaw No. 9663 on February 14, 2017.

CITY OF RICHMOND

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

Year ended December 31, 2017

2. Significant accounting policies (continued):

(q) Contaminated sites:

Contaminated sites are a result of contamination being introduced into air, soil, water, or sediment of a chemical, organic or radioactive material of live organism that exceeds an environmental standard. Liabilities are recorded net of any expected recoveries.

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

- (i) An environmental standard exists;
- (ii) Contamination exceeds the environmental standard;
- (iii) The City is directly responsible or accepts responsibility;
- (iv) It is expected that future economic benefits will be given up; and
- (v) A reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

(r) 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.

(s) Segment disclosures:

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

CITY OF RICHMOND

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

Year ended December 31, 2017

3. Recast of comparative figures:

Tangible capital assets:

During the year, the City determined that certain tangible capital assets had been omitted from its asset registers.

The impact of these immaterial errors has been recorded retrospectively and prior periods have been recast as follows:

Accumulated surplus at January 1, 2016:

Accumulated surplus, as previously reported	\$ 2,731,194
Net book value of tangible capital assets not previously recorded	4,112
Accumulated surplus, as recast	\$ 2,735,306

Annual surplus for 2016:

Annual surplus, as previously reported	\$ 105,467
Recognition of contributed capital assets, net of amortization expense	7,655
Annual surplus, as recast	\$ 113,122

Tangible capital assets at December 31, 2016:

Tangible capital assets, as previously reported	\$ 2,168,259
Net book value of tangible capital assets not previously recorded	11,767
Tangible capital assets, as recast	\$ 2,180,026

4. Investments:

	2017		2016	
	Cost	Market value	Cost	Market value
Short-term notes and deposits	\$ 499,541	\$ 488,215	\$ 473,721	\$ 473,409
Government and government guaranteed bonds	177,648	178,246	213,542	216,895
Municipal Finance Authority Pooled Investment	45,065	43,943	44,172	43,834
Other Bonds	250,529	249,120	247,203	249,235
	\$ 972,783	\$ 959,524	\$ 978,638	\$ 983,373

CITY OF RICHMOND

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

Year ended December 31, 2017

5. Investment in Lulu Island Energy Company Ltd:

The City owns 100% of the issued and outstanding shares of LIEC, which was incorporated under the British Columbia Company Act on August 19, 2013. LIEC develops, manages and operates district energy utilities in the City of Richmond on the City's behalf.

Summarized financial information relating to LIEC is as follows:

	2017	2016
Cash, cash equivalents, and investments	\$ 6,227	\$ 170
Accounts receivable	1,488	696
Tangible capital assets	32,033	31,256
Total assets	39,748	32,122
Accounts payable and accrued liabilities	1,550	1,194
Deferred contributions	3,522	2,686
Concession liability	6,387	5,234
Total liabilities	11,459	9,114
Shareholder's equity	\$ 28,289	\$ 23,008
Total revenue	\$ 4,224	\$ 800
Total expenses	3,182	822
Net income (loss)	\$ 1,042	\$ (22)

Included in the City's consolidated statement of financial position are payables to LIEC in the amount of \$360,766 (2016 - nil).

During 2016, LIEC was considered a government organization and was accounted for in accordance with Canadian generally accepted accounting principles as prescribed by the PSAB of the Chartered Professional Accountants of Canada, and consolidated in the financial statements of the City.

CITY OF RICHMOND

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

Year ended December 31, 2017

5. Investment in Lulu Island Energy Company Ltd. (continued):

Effective January 1, 2017, LIEC is classified as a GBE and its financial information is no longer consolidated with the City's financial information. The City's investment in LIEC as a GBE is accounted for using the modified equity method. The adjustments to opening 2017 accumulated surplus are as follows:

Accumulated surplus at January 1, 2017:

Accumulated surplus, as at December 31, 2016	\$ 2,848,428
Accounting changes to opening accumulated surplus due to LIEC's transition to GBE	(2,182)
Adjusted opening accumulated surplus, as at January 1, 2017	\$ 2,846,246

6. Accounts receivable:

	2017	2016
Water and sewer utilities	\$ 12,661	\$ 12,541
Casino revenues	4,025	3,951
Capital grant	2,929	2,345
Other trade receivables	7,421	8,929
	\$ 27,036	\$ 27,766

7. 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, 2017 are as follows:

	Cash deposits	Contingent demand notes
General Revenue Fund	\$ 508	\$ 2,447

CITY OF RICHMOND

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

Year ended December 31, 2017

8. Accounts payable and accrued liabilities:

	2017	2016
Trade and other liabilities	\$ 68,618	\$ 65,417
Post-employment benefits (note 16)	30,418	31,303
	<u>\$ 99,036</u>	<u>\$ 96,720</u>

9. Development cost charges:

	2017	2016
Balance, beginning of year	\$ 117,597	\$ 111,591
Contributions	26,866	20,886
Interest	1,931	1,752
Revenue recognized	(15,710)	(16,632)
Balance, end of year	<u>\$ 130,684</u>	<u>\$ 117,597</u>

10. Deposits and holdbacks:

	Balance December 31, 2016	Deposit contributions	Refund/ expenditures	Balance December 31, 2017
Security deposits	\$ 50,970	\$ 21,932	\$ 14,819	\$ 58,083
Developer contribution	5,643	7,290	5,224	7,709
Contract holdbacks	5,764	60	-	5,824
Transit Oriented Development Fund	1,057	-	995	62
Other	9,362	11,276	9,530	11,108
	<u>\$ 72,796</u>	<u>\$ 40,558</u>	<u>\$ 30,568</u>	<u>\$ 82,786</u>

CITY OF RICHMOND

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

Year ended December 31, 2017

11. Deferred revenue:

	Balance December 31, 2016	External restricted inflows	Revenue earned/ adjustments	Balance December 31, 2017
Taxes and Utilities	\$ 19,888	\$ 19,613	\$ 19,888	\$ 19,613
Building permits/development	12,767	6,928	5,969	13,726
Oval	5,819	11,056	10,360	6,515
Capital grants	21,094	4,631	5,447	20,278
Business licenses	2,485	2,109	2,084	2,510
Parking easement/leased land	2,421	47	45	2,423
Other	1,846	8,164	8,788	1,222
	\$ 66,320	\$ 52,548	\$ 52,581	\$ 66,287

12. Debt, net of MFA sinking fund deposits:

The interest rate for the year ended December 31, 2017 on the principal amount of the MFA debentures was 3.30% per annum. Interest expense incurred for the year on the long-term debt was \$1,676,895 (2016 - \$1,676,895).

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 2017	Net debt 2016
General Fund	\$ 50,815	\$ 4,578	\$ 37,603	\$ 42,181

CITY OF RICHMOND

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

Year ended December 31, 2017

12. Debt, net of MFA sinking fund deposits (continued):

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

2018	\$ 4,761
2019	4,951
2020	5,149
2021	5,355
2022	5,570
Thereafter	11,817
	\$ 37,603

13. Tangible capital assets:

	Balance, December 31, 2016	Adjustment for LIEC as GBE	Additions and transfers	Disposals	Balance December 31, 2017
Land	\$ 859,115	\$ -	\$ 47,068	\$ (1,065)	\$ 905,118
Building and building improvements	385,795	-	30,941	(707)	416,029
Infrastructure	1,688,543	(31,361)	41,265	(1,372)	1,697,075
Vehicles, machinery and equipment	116,842	-	14,333	(370)	130,805
Library's collections, furniture and equipment	8,428	-	1,109	(490)	9,047
Assets under construction	113,436	(959)	28,275	-	140,752
	\$ 3,172,159	\$ (32,320)	\$ 162,991	\$ (4,004)	\$ 3,298,826

CITY OF RICHMOND

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

Year ended December 31, 2017

13. Tangible capital assets (continued):

Accumulated amortization	Balance, December 31, 2016 (recast - note 3)	Adjustment for LIEC as GBE (note 5)	Disposals	Amortization expense	Balance December 31, 2017
Building and building improvements	\$ 155,999	\$ -	\$ (363)	\$ 14,943	\$ 170,579
Infrastructure	758,501	(1,284)	(783)	32,931	789,365
Vehicles, machinery and equipment	72,699	-	(326)	8,916	81,289
Library's collections, furniture and equipment	4,934	-	(464)	1,222	5,692
	\$ 992,133	\$ (1,284)	\$ (1,936)	\$ 58,012	\$ 1,046,925

	Net book value 2017	Net book value 2016 (recast - note 3)
Land	\$ 905,118	\$ 859,115
Buildings and building improvements	245,450	229,796
Infrastructure	907,710	930,042
Vehicles, machinery and equipment	49,516	44,143
Library's collection, furniture and equipment	3,355	3,494
Assets under construction	140,752	113,436
Balance, end of year	\$ 2,251,901	\$ 2,180,026

(a) Assets under construction:

Assets under construction having a value of \$140,751,542 (2016 - \$113,435,734) 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 \$52,248,550 (2016 - \$32,123,282 restated) comprised of infrastructure in the amount of \$13,694,410 (2016 - \$17,308,488), land in the amount of \$36,128,140 (2016 - \$14,814,794 restated), and building in the amount of \$2,426,000 (2016 - nil).

CITY OF RICHMOND

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

Year ended December 31, 2017

13. Tangible capital assets (continued):

(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 (2016 - nil).

14. Accumulated surplus:

	General Funds and Reserve	Water Utility Fund	Sanitary Sewer Utility Fund	Richmond Olympic Oval	Library Services	2017 Total	2016 Total (recast – note 3)
Investment in tangible capital assets	\$ 2,199,287	\$ -	\$ -	\$ 9,122	\$ 3,362	\$ 2,211,771	\$ 2,154,591
Reserves (note 15)	480,134	-	-	4,749	-	484,883	471,846
Appropriated surplus	155,866	31,512	15,657	1,684	291	205,010	200,966
Investment in LIEC	28,289	-	-	-	-	28,289	-
Surplus	14,644	246	6,247	546	935	22,618	18,001
Other equity	3,558	-	-	-	-	3,558	3,024
Balance, end of year	\$ 2,881,778	\$ 31,758	\$ 21,904	\$ 16,101	\$ 4,588	\$ 2,956,129	\$ 2,848,428

CITY OF RICHMOND

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

Year ended December 31, 2017

15. Reserves:

	2016	Change during year	2017
Reserve funds:			
Affordable housing	\$ 23,726	\$ (13,558)	\$ 10,168
Arts, culture and heritage	4,538	(355)	4,183
Capital building and infrastructure	63,476	6,255	69,731
Capital reserve	155,672	7,927	163,599
Capstan station	14,957	4,768	19,725
Child care development	3,789	(783)	3,006
Community legacy and land replacement	8,413	210	8,623
Drainage improvement	55,903	1,053	56,956
Equipment replacement	18,571	3,597	22,168
Hamilton area plan community amenity	-	735	735
Leisure facilities	5,568	1,197	6,765
Local improvements	6,222	(175)	6,047
Neighborhood improvement	6,933	167	7,100
Oval	4,261	488	4,749
Public art program	3,108	753	3,861
Sanitary sewer	44,527	(1,618)	42,909
Steveston off-street parking	305	5	310
Steveston road ends	407	(196)	211
Waterfront improvement	615	(271)	344
Watermain replacement	50,855	2,838	53,693
	\$ 471,846	\$ 13,037	\$ 484,883

16. Post-employment benefits:

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

	2017	2016
Balance, beginning of year	\$ 31,303	\$ 31,706
Current service cost	1,814	1,980
Interest cost	1,015	906
Past service cost (credit)	-	(868)
Amortization of actuarial gain	(61)	(473)
Benefits paid	(3,653)	(1,948)
Balance, end of year	\$ 30,418	\$ 31,303

CITY OF RICHMOND

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

Year ended December 31, 2017

16. Post-employment benefits (continued):

An actuarial valuation for these benefits was performed to determine the City's accrued benefit obligation as at December 31, 2017. The difference between the actuarially determined accrued benefit obligation of approximately \$29,892,000 and the liability of approximately \$30,418,000 as at December 31, 2017 is an unamortized net actuarial gain of \$526,000. This actuarial gain is being amortized over a period equal to the employees' average remaining service lifetime of 10 years.

	2017	2016
Actuarial benefit obligation:		
Liability, end of year	\$ 30,418	\$ 31,303
Unamortized actuarial loss (gain)	(526)	253
Balance, end of year	\$ 29,892	\$ 31,556

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

	2017	2016
Discount rate	2.90%	3.30%
Expected future inflation rate	2.00%	2.00%
Expected wage and salary range increases	2.50% to 3.00%	2.50% to 3.00%

17. Pension plan:

The City and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2015, the plan has about 193,000 active members and approximately 90,000 retired members. Active members include approximately 38,000 contributors from local governments.

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

CITY OF RICHMOND

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

Year ended December 31, 2017

17. Pension plan (continued):

The most recent valuation for the Municipal Pension Plan as at December 31, 2015, indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1,927 million was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rates remained unchanged.

The City of Richmond paid \$12,284,569 (2016 - \$11,952,478) for employer contributions while employees contributed \$10,154,394 (2016 - \$9,827,790) to the plan in fiscal 2017.

The next valuation will be as at December 31, 2018, with results available in 2019.

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

18. 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, 2017, the City was committed to operating lease payments for premises and equipment in the following approximate amounts:

2018	\$ 5,185
2019	3,867
2020	2,950
2021	2,960
2022 and thereafter	14,106

(c) Litigation:

As at December 31, 2017, 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.

CITY OF RICHMOND

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

Year ended December 31, 2017

18. Commitments and contingencies (continued):

(d) Municipal Insurance Association of British Columbia (“Association”):

The City is a participant in 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.

(f) E-Comm Emergency Communications for Southwest British Columbia Incorporated (“E-Comm”):

The City is a shareholder of the 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 29 Class A and 23 Class B shares issued and outstanding as at December 31, 2017). 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.

(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.

19. Trust funds:

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.

	2017	2016
Richmond Community Associations	\$ 1,800	\$ 1,270

CITY OF RICHMOND

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

Year ended December 31, 2017

20. Collections for other authorities:

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:

	2017	2016
Province of British Columbia - Schools	\$ 169,573	\$ 149,518
Greater Vancouver Regional District and others	46,678	42,104
	\$ 216,251	\$ 191,622

21. Other revenues:

	2017	2016
Developer contributions	\$ 13,014	\$ 10,098
Tangible capital assets gain on sale of land	4,217	13,880
Taxes and fines	3,247	2,944
Parking program	1,818	2,153
Other	9,206	6,468
	\$ 31,502	\$ 35,543

22. 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 source of the government transfers are as follows:

	2017	2016
Operating:		
Province of BC	\$ 21,368	\$ 22,652
TransLink	2,656	2,595
Government of Canada	1,580	1,413
Capital:		
Province of BC	746	941
TransLink	456	1,049
Government of Canada	803	104
	\$ 27,609	\$ 28,754

CITY OF RICHMOND

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

Year ended December 31, 2017

23. 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:

- (a) **Community Safety** brings together the City's public safety providers such as Police (RCMP), Fire-Rescue, Emergency Programs, and Community Bylaws. It is responsible for ensuring safe communities by providing protection services with a focus on law enforcement, crime prevention, emergency response, and protection of life and properties.
- (b) **Utilities** provide such services as planning, designing, constructing, operating, and maintaining the City's infrastructure of water and sewer networks and sanitation and recycling.
- (c) **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.
- (d) **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.
- (e) **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, legal services, providing sound management of human resources, information technology, City finance, and ensuring high quality services to Richmond residents.
- (f) **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.
- (g) **Richmond Olympic Oval Corporation** 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.
- (h) **Richmond Public Library** provides public access to information by maintaining 5 branches throughout the City.

CITY OF RICHMOND

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

Year ended December 31, 2017

23. Segmented reporting (continued):

	Community safety	Utilities	Engineering, public works and project development	Community services	General government	Planning and development	Total City subtotal
Revenues:							
Taxation and levies	\$ -	\$ -	\$ -	\$ -	\$ 206,901	\$ -	\$206,901
User fees	-	88,022	11,471	-	-	-	99,493
Sales of services	5,948	3,015	3,117	9,445	6,749	2,961	31,235
Payments-in-lieu of taxes	-	-	-	-	14,647	-	14,647
Provincial and federal grants	89	-	2,910	170	2,881	-	6,050
Development cost charges	-	2,213	2,280	5,624	2,202	3,391	15,710
Other capital funding sources	-	2,462	13,093	4,454	35,961	1,600	57,570
Other revenues:							
Investment income	-	542	-	-	17,222	-	17,764
Gaming revenue	676	-	-	-	16,077	-	16,753
Licenses and permits	4,248	-	84	-	56	8,623	13,011
Other	2,181	3,042	672	736	9,905	105	16,641
Lulu Island Energy Company income	-	-	-	-	1,042	-	1,042
	13,142	99,296	33,627	20,429	313,643	16,680	496,817
Expenses:							
Wages and salaries	40,570	12,549	23,786	31,200	25,772	9,950	143,827
Public works maintenance	15	6,886	7,074	1,689	(1,478)	785	14,971
Contract services	44,028	8,741	2,888	4,467	3,407	984	64,515
Supplies and Materials	2,534	29,613	1,485	14,441	11,039	596	59,708
Interest and finance	61	20,601	-	80	2,473	-	23,215
Transfer from (to) capital for tangible capital assets	40	1,131	4,776	19,154	(1,037)	1,819	25,883
Amortization of tangible capital assets	2,685	8,078	25,331	6,356	11,544	1,283	55,277
Loss (gain) on disposal of tangible capital assets	-	158	780	-	-	-	938
	89,933	87,757	66,120	77,387	51,720	15,417	388,334
Annual surplus (deficit)	\$ (76,791)	\$ 11,539	\$ (32,493)	\$ (56,958)	\$ 261,923	\$ 1,263	\$108,483

CITY OF RICHMOND

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

Year ended December 31, 2017

23. Segmented reporting (continued):

	Total City subtotal	Richmond Olympic Oval	Richmond Public Library	2017 Consolidated	2016 Consolidated (recast – note 3)
Revenues:					
Taxation and levies	\$ 206,901	\$ -	\$ -	\$ 206,901	\$ 198,612
User fees	99,493	-	-	99,493	97,819
Sales of services	31,235	8,100	95	39,430	38,231
Payments-in-lieu of taxes	14,647	-	-	14,647	14,770
Provincial and federal grants	6,050	2,805	421	9,276	9,101
Development cost charges	15,710	-	-	15,710	16,632
Other capital funding sources	57,570	-	-	57,570	34,283
Other revenues:					
Investment income	17,764	-	68	17,832	17,614
Gaming revenue	16,753	-	-	16,753	17,559
Licenses and permits	13,011	-	-	13,011	12,422
Other	16,641	5,629	9,232	31,502	35,543
Lulu Island Energy Company income	1,042	-	-	1,042	-
	496,817	16,534	9,816	523,167	492,586
Expenses:					
Wages and salaries	143,827	8,916	6,833	159,576	152,286
Public works maintenance	14,971	-	2	14,973	14,368
Contract services	64,515	-	397	64,912	63,583
Supplies and materials	59,708	4,903	1,348	65,959	60,227
Interest and finance	23,215	-	1	23,216	22,602
Transfer from (to) capital for tangible capital assets	25,883	-	(171)	25,712	9,417
Amortization of tangible capital assets	55,277	1,513	1,222	58,012	55,960
Loss (gain) on disposal of tangible capital assets	938	-	(14)	924	1,021
	388,334	15,332	9,618	413,284	379,464
Annual surplus (deficit)	\$ 108,483	\$ 1,202	\$ 198	\$ 109,883	\$ 113,122

CITY OF RICHMOND

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

Year ended December 31, 2017

24. Budget data:

The budget data presented in these consolidated financial statements is based on the Consolidated Financial Plan adopted by Council on February 14, 2017. The chart below reconciles the adopted Consolidated Financial Plan to the budget figures reported in these consolidated financial statements.

	Financial Plan Bylaw No. 9663	Financial Statement Budget
Revenues:		
Consolidated Financial Plan	\$ 482,467	\$ 482,467
Less: LIEC budget	-	(4,594)
Total revenue	482,467	477,873
Expenses:		
Consolidated Financial Plan	418,210	418,210
Less: LIEC budget	-	(3,557)
Total expenses	418,210	414,653
Annual surplus	\$ 64,257	\$ 63,220
Less: Acquisition of tangible capital assets	(406,199)	-
Less: Transfer to reserves	(66,824)	-
Less: Debt principal	(4,578)	-
Add: Capital funding	383,279	-
Add: Transfer from surplus	30,065	-
Annual surplus per consolidated statement of operations	\$ -	\$ 63,220

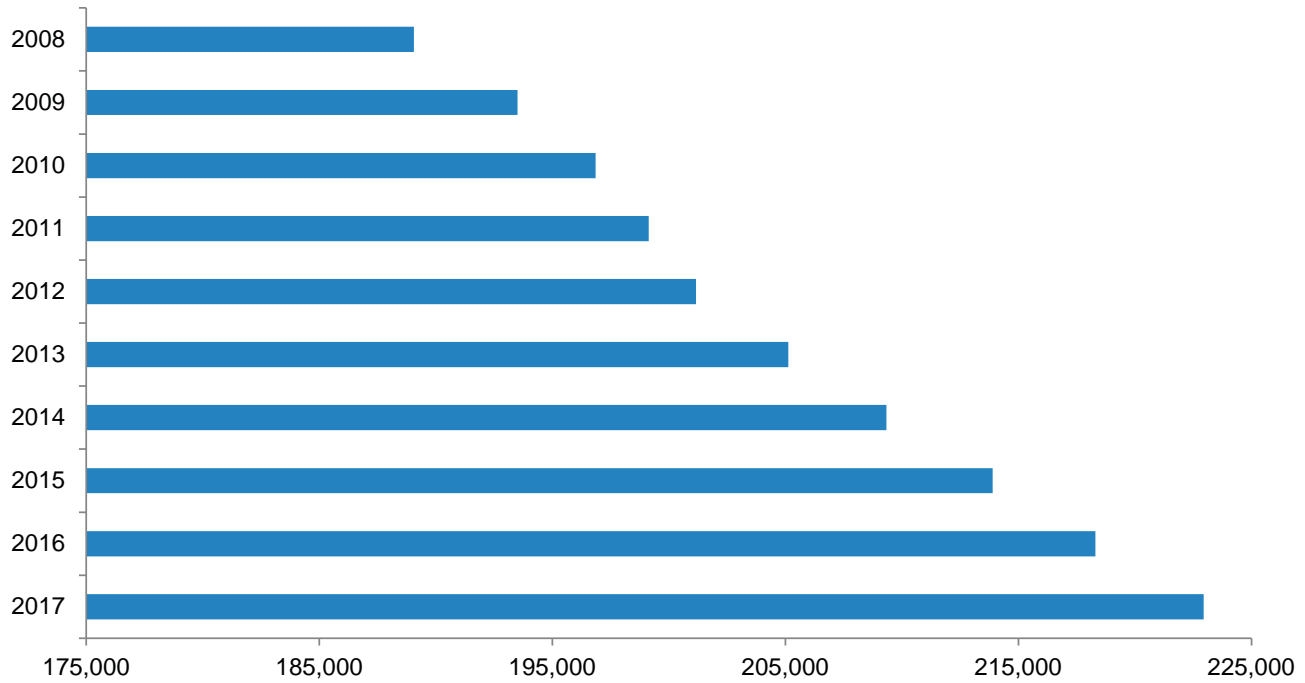
25. Comparative information:

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

City of Richmond statistical data

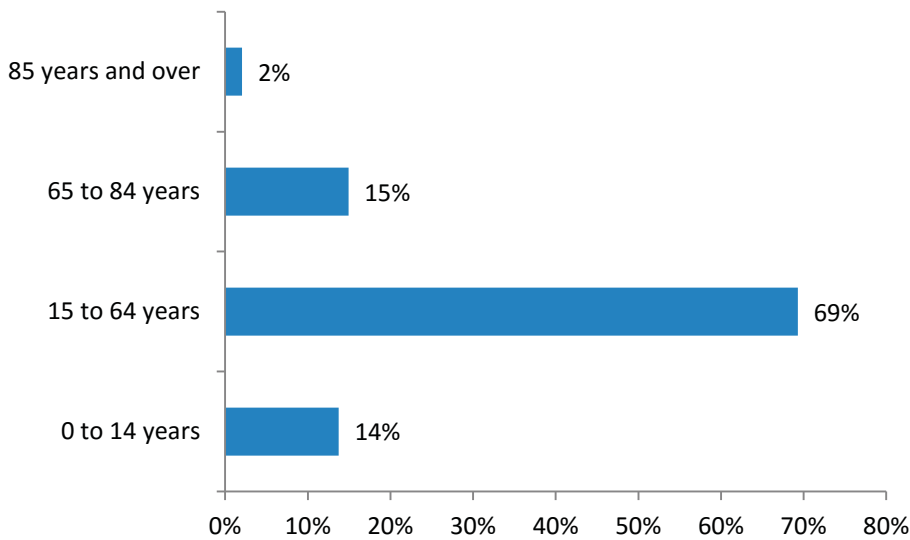
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City of Richmond population 2008–2017



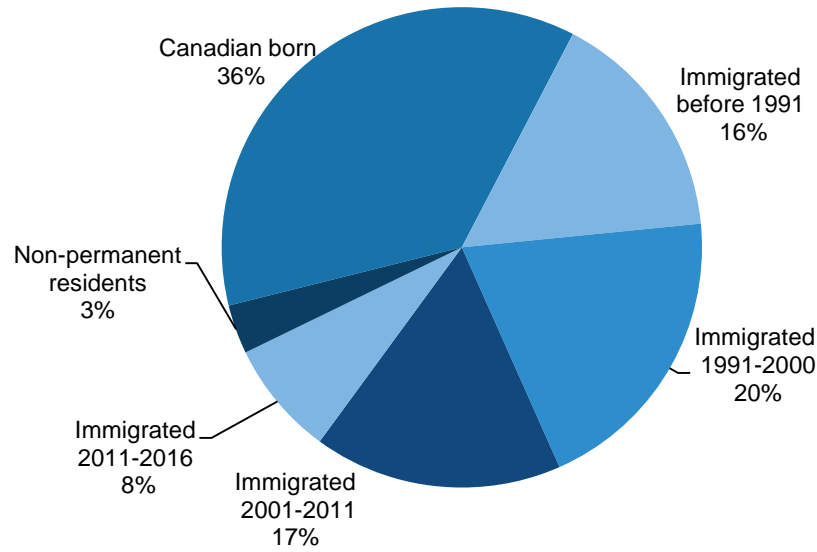
Source: City of Richmond Policy Planning Department

Total population by age groups



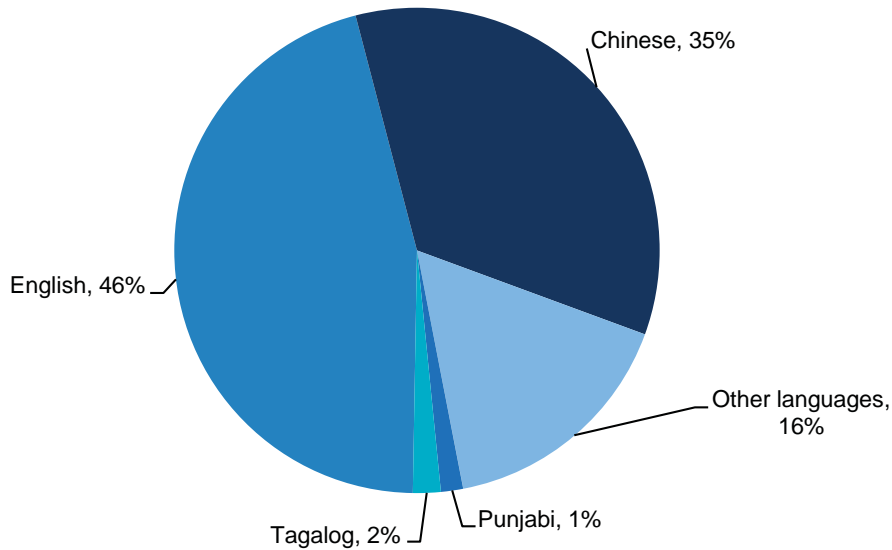
Source: Statistics Canada, 2016 Census of Population

Immigrant status of Richmond residents by period of immigration



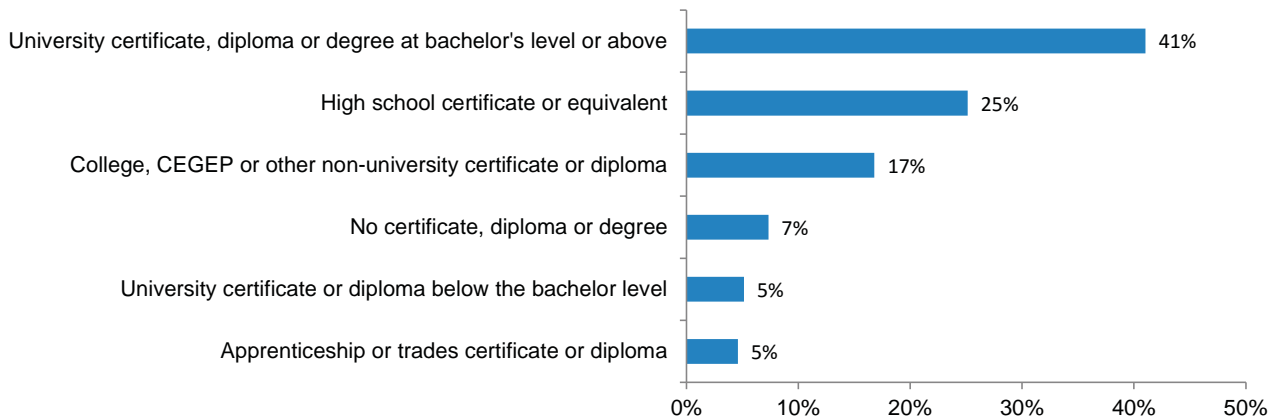
Source: Statistics Canada, 2016 Census of Population

Language spoken most often at home



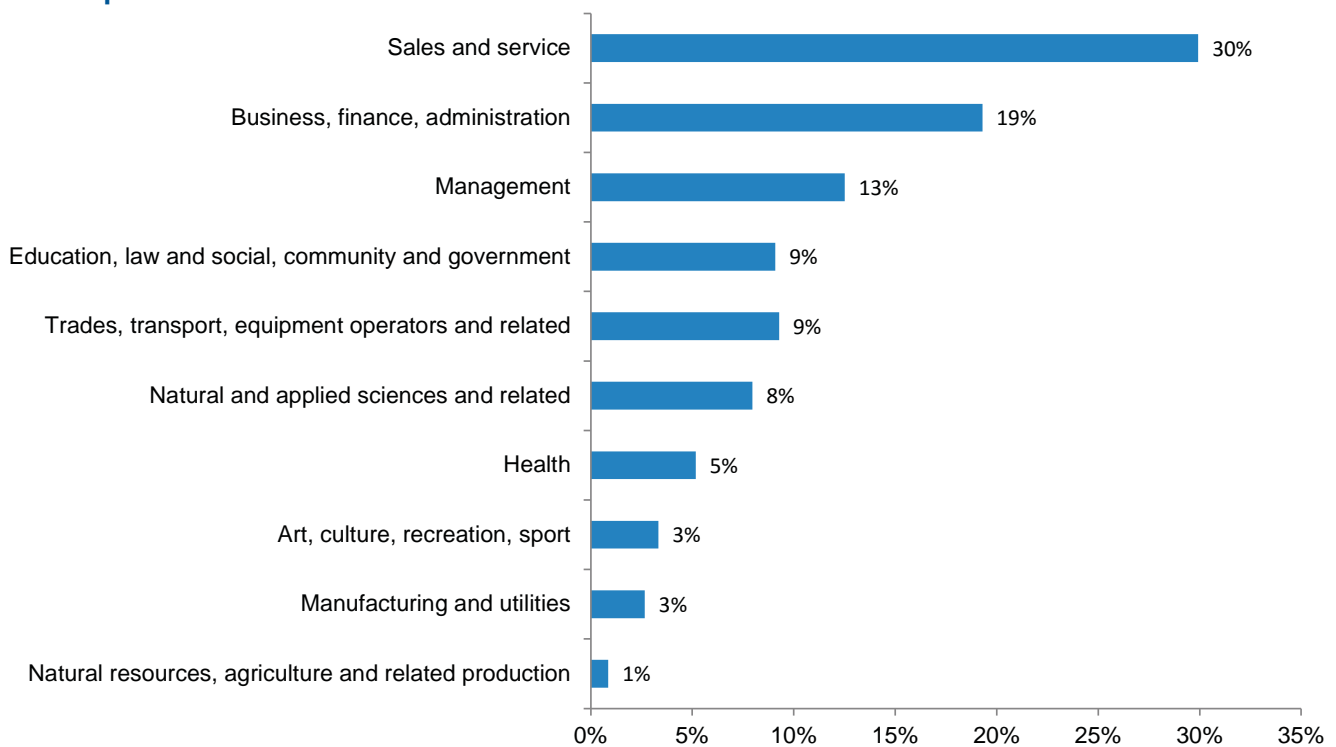
Source: Statistics Canada, 2016 Census of Population

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



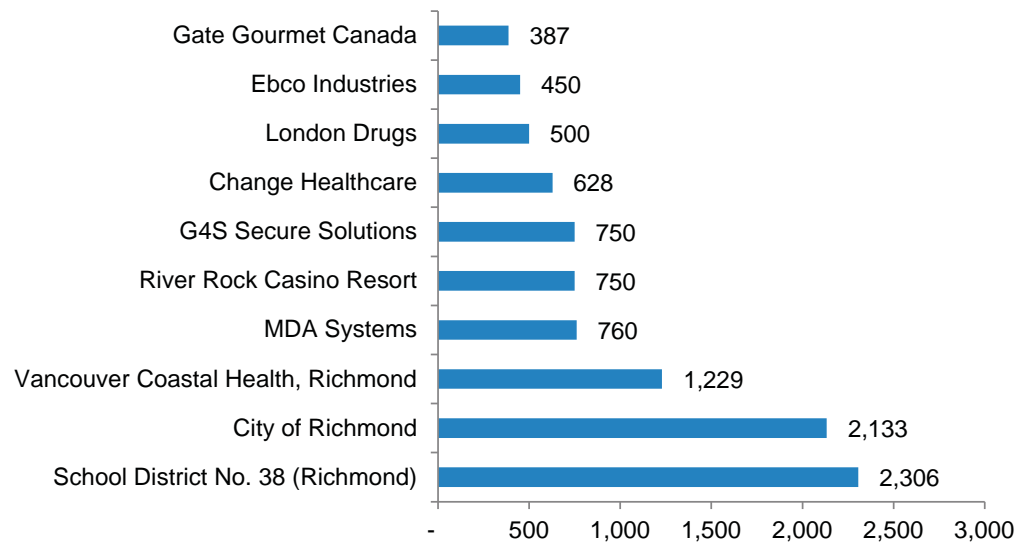
Source: Statistics Canada, 2016 Census of Population

Occupations of Richmond residents



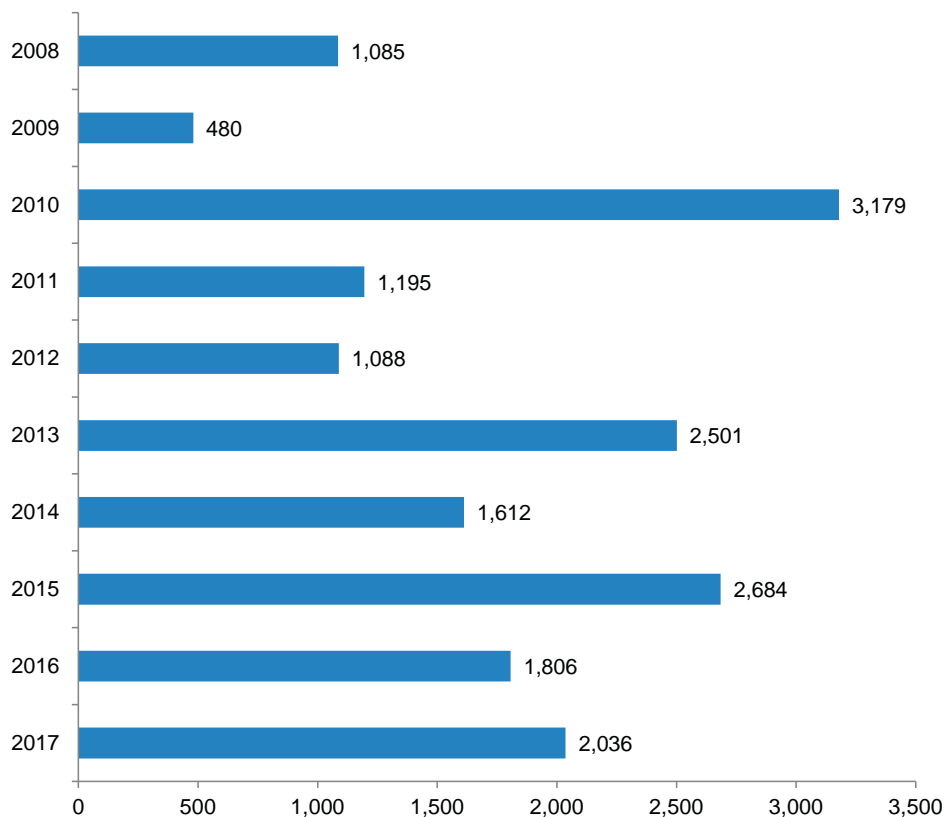
Source: Statistics Canada, 2016 Census of Population

Top 10 Largest employers in Richmond (full-time employees)



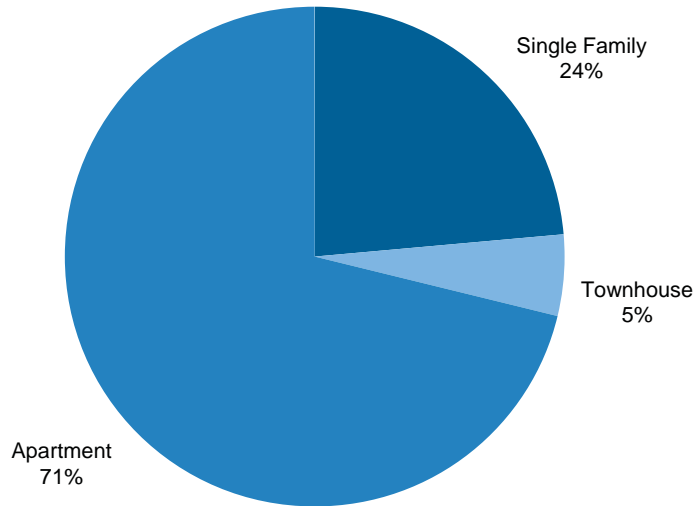
Source: City of Richmond Business Licences

Housing starts in Richmond 2008–2017



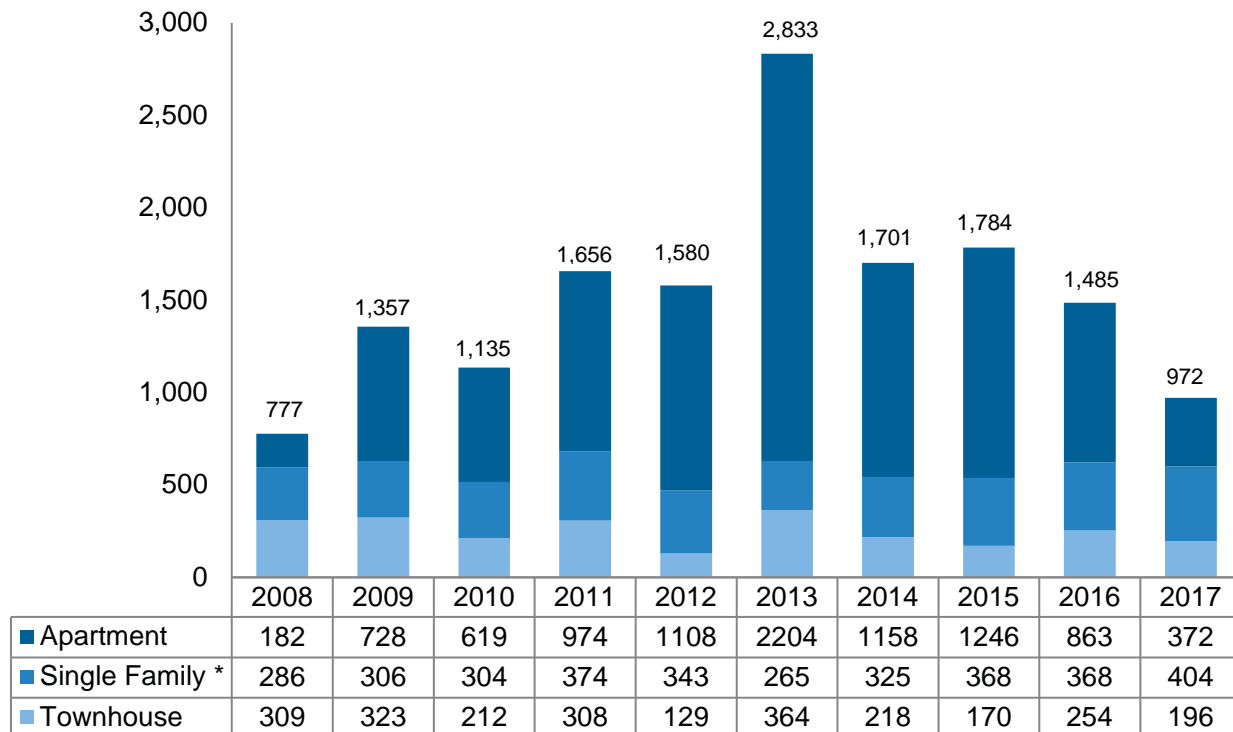
Source: City of Richmond building permit records. Includes only projects for new residential construction receiving final building permit in given year.

Richmond housing starts by type of units 2017



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

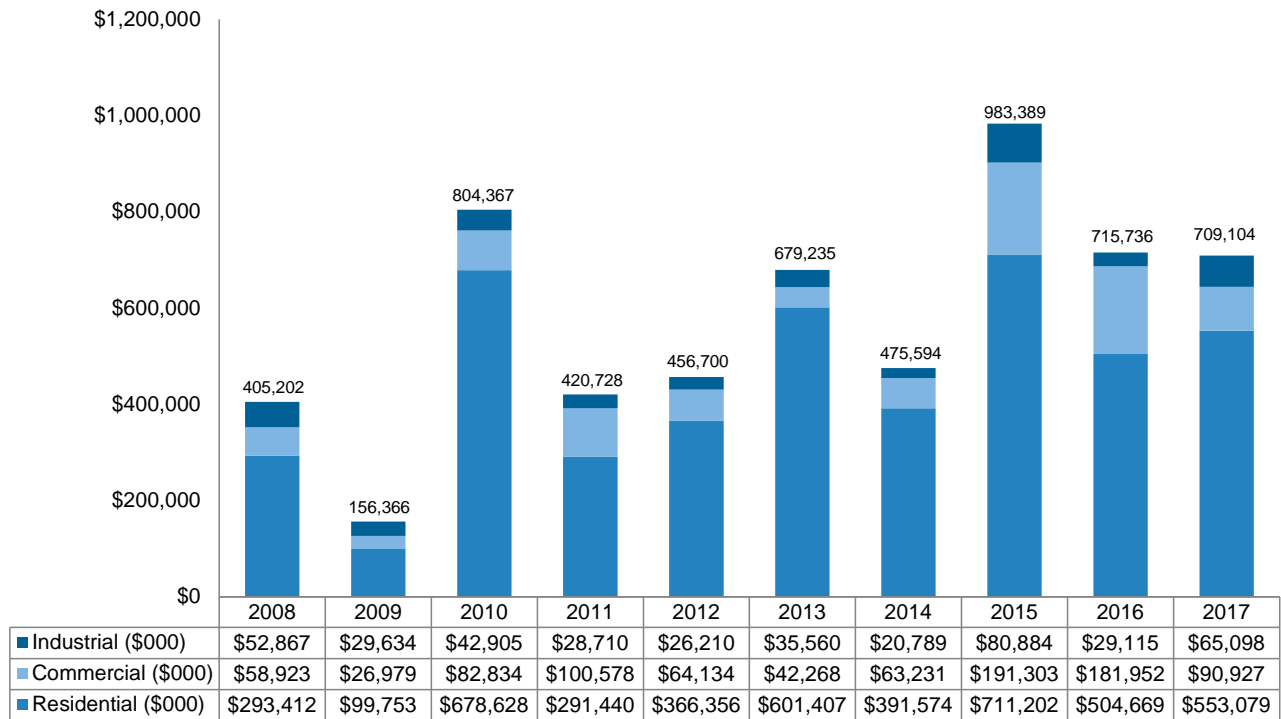
New dwelling units constructed 2008–2017



*Includes one family and two family dwellings

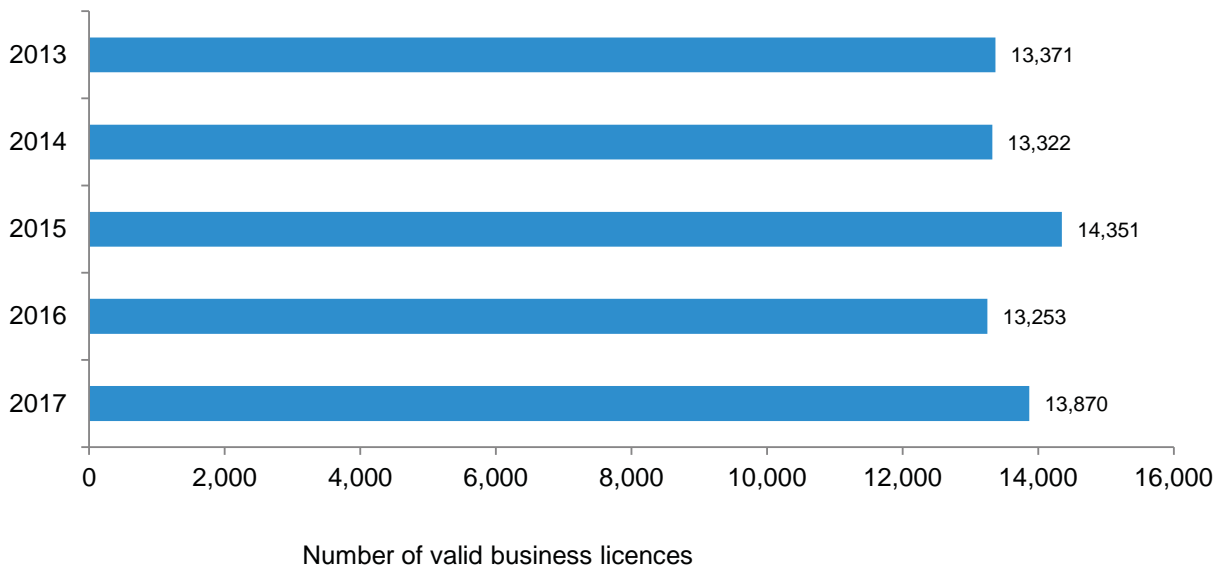
Source: City of Richmond building permit records. Includes only projects for new residential construction receiving final building permit in given year.

Construction value of building permits issued 2008–2017 (in \$000s)



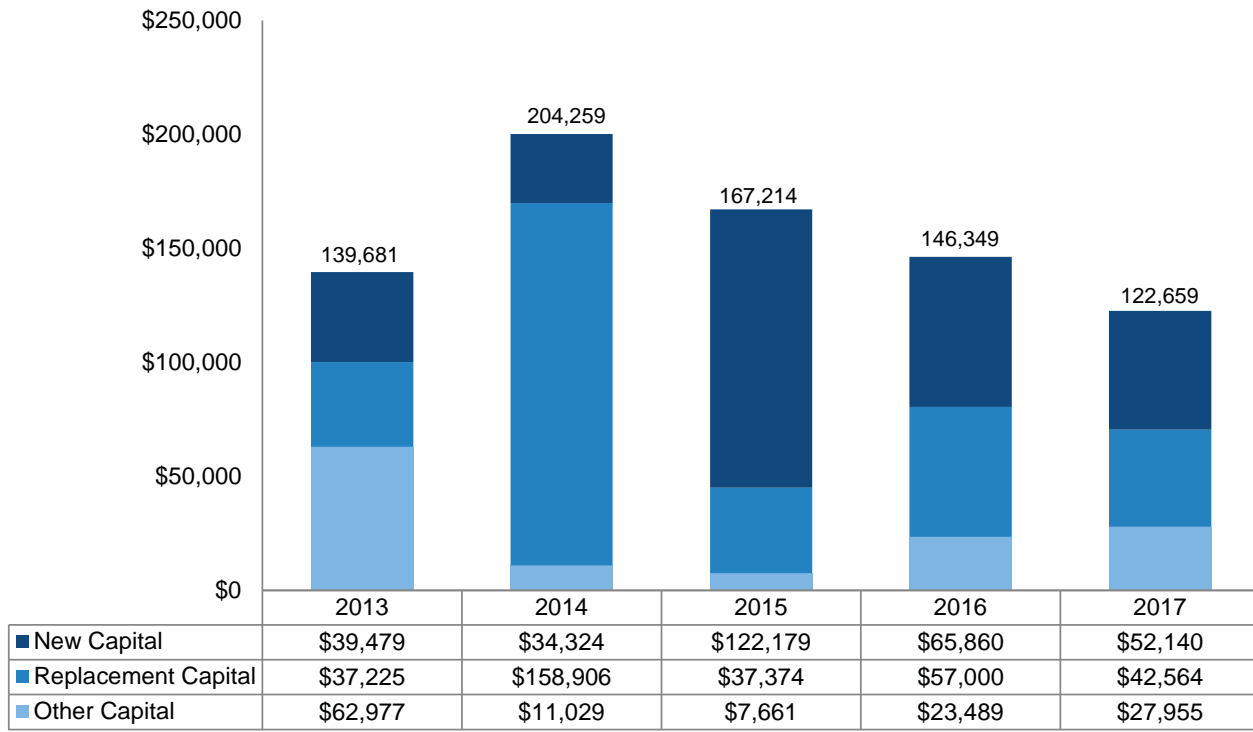
Source: City of Richmond building permit records.

Richmond business licences 2013–2017



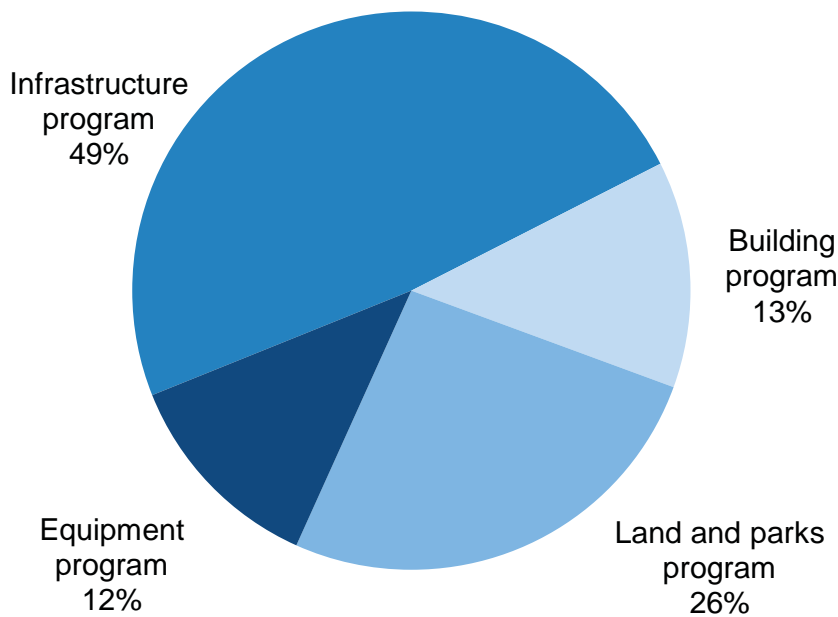
Source: City of Richmond Business Licences

City of Richmond budgeted capital costs 2013–2017 (in \$000s)



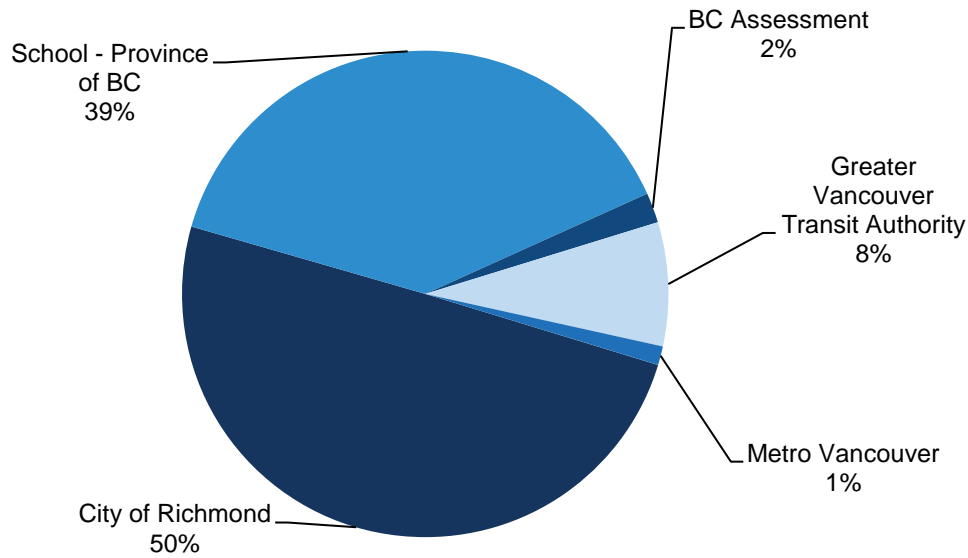
Source: City of Richmond Finance and Corporate Services. Other capital includes items such as internal transfers, debt repayment and contributions from capital funding sources.

Capital program by type 2017



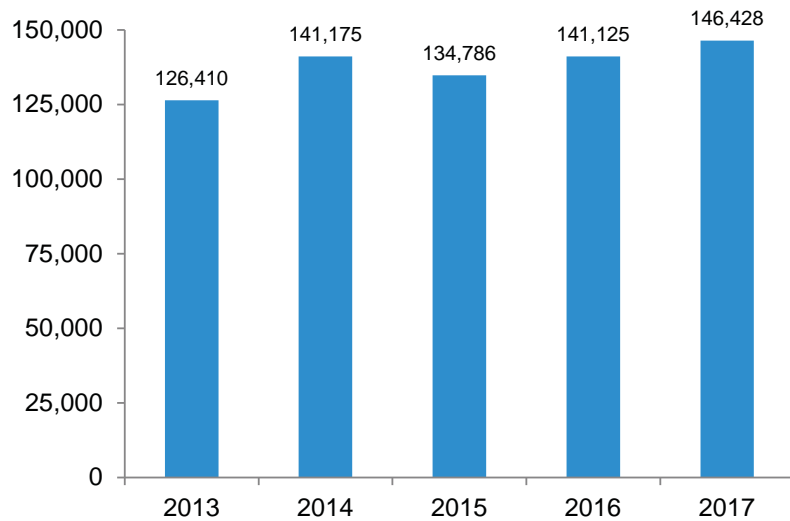
Source: City of Richmond Finance and Corporate Services

Breakdown of residential tax bill 2017



Source: City of Richmond Finance and Corporate Services

Registration in Richmond Recreation and Cultural Services programs 2013–2017



Source: City of Richmond Finance and Corporate Services

2017 tax rates

	City of Richmond	School - Province of BC	Metro Vancouver	BC Assessment	Municipal Finance Authority	Translink
Residential	1.57216	1.13160	0.04145	0.04320	0.00020	0.21930
Business	5.60635	4.80000	0.10154	0.13930	0.00050	1.07720
Light industrial	5.60635	4.80000	0.14091	0.13930	0.00070	1.34420
Seasonal / Recreational	1.71721	2.70000	0.04145	0.04320	0.00020	0.21050
Major industrial	12.57288	1.92000	0.14091	0.49810	0.00070	1.87560
Farm	13.09827	3.45000	0.04145	0.04320	0.00020	0.35310
Utilities	33.63390	13.40000	0.14506	0.49810	0.00070	2.49920

Source: City of Richmond Finance and Corporate Services

2017 general revenue fund assessment and taxation by property class (in \$000s)

	Assessment	% of assessment by class	Taxation	% of taxation by class
Residential	\$73,414,252	81.95%	\$115,419	55.54%
Business	13,093,223	14.62%	73,405	35.33%
Light industrial	2,624,855	2.93%	14,716	7.08%
Seasonal / Recreational	183,360	0.20%	315	0.15%
Major industrial	215,246	0.24%	2,706	1.30%
Farm	26,566	0.03%	348	0.17%
Utilities	26,541	0.03%	893	0.43%
Total	\$89,584,043	100.00%	\$207,802	100.00%

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

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

	2013	2014	2015	2016	2017
City of Richmond	\$176,283	\$183,687	\$190,074	\$199,744	\$207,802
School Board	133,660	133,539	147,087	150,420	162,120
Metro Vancouver	4,268	4,253	4,499	4,859	5,216
BC Assessment	4,667	4,843	4,973	5,087	5,517
TransLink	30,968	31,935	32,644	32,623	34,380
Other	15	15	16	18	23
Total Taxes	\$349,861	\$358,272	\$379,293	\$392,752	\$415,058

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

2013–2017 general assessment by property class (in \$000s)

	2013	2014	2015	2016	2017
Residential	\$44,663,439	\$44,543,518	\$47,402,471	\$53,427,310	\$73,414,252
Business	8,197,372	9,001,342	21,195	10,669,183	13,093,222
Light industrial	1,902,602	2,100,089	137,265	2,338,871	2,624,855
Seasonal / Recreational	120,715	97,338	2,208,027	126,430	183,360
Major industrial	115,791	125,716	9,770,812	139,616	215,246
Farm	26,618	26,112	144,622	26,650	26,566
Utilities	23,064	20,888	26,364	22,181	26,541
Total	\$55,049,601	\$55,915,003	\$59,710,756	\$66,750,242	\$89,584,043

Source: City of Richmond Finance and Corporate Services

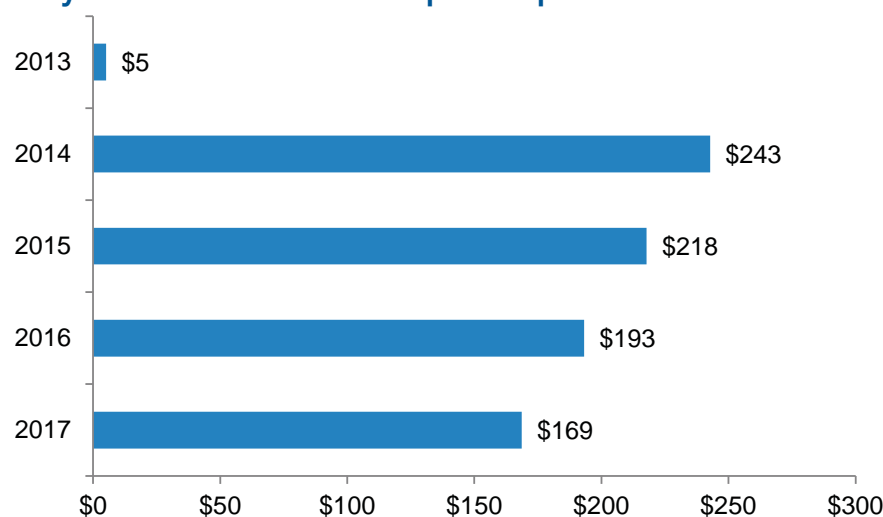
Long-term debt repayments relative to expenditures 2013–2017 (in \$000s)

	2013	2014	2015	2016	2017
General revenue fund					
Long term debt repayments	\$2,267	\$4,232	\$4,232	\$4,402	\$4,578
General expenditures	\$234,089	\$280,736	\$297,065	\$276,497	\$284,017
Repayments as % of expenditures	1.0%	1.6%	1.4%	1.6%	1.6%
Sewerworks revenue fund					
Long term debt repayments	\$30	\$0	\$0	\$0	\$0
Sewer expenditures	\$26,916	\$22,409	\$26,457	\$28,966	\$32,491
Repayments as % of expenditures	0.0%	0.0%	0.0%	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 2013–2017



Source: City of Richmond Finance and Corporate Services

Net debt 2013–2017 (in \$000s)

	2013	2014	2015	2016	2017
Net debt	\$1,056	\$50,815	\$46,583	\$42,181	\$37,603

Source: City of Richmond Finance and Corporate Services

Expenses by function 2013–2017 (in \$000s)

	2013	2014*	2015	2016*	2017
Community Safety	\$77,649	\$83,820	\$85,386	\$88,702	\$89,933
Engineering and Public Works	53,268	55,899	56,294	61,243	66,120
Community Services	49,753	65,137**	68,246**	59,618	77,387**
General government	41,061	42,582	43,438	45,634	51,720
Utilities	75,134	79,552	83,650	84,183	87,757
Planning and Development	11,854	13,301	13,211	14,233	15,417
Library services	9,390	9,563	9,463	9,788	9,619
Richmond Olympic Oval	10,509	11,065	13,395	15,120	15,331
Lulu Island Energy Company	-	8	491	943	-
Total Expenses	\$328,618	\$360,927	\$373,574	\$379,464	\$413,284

* Amounts have been restated.

** Includes one-time affordable housing contributions.

Source: City of Richmond Finance and Corporate Services

Expenses by object 2013–2017 (in \$000s)

	2013	2014*	2015	2016*	2017
Wages, salaries and benefits	\$137,648	\$142,169	\$147,996	\$152,286	\$159,576
Public works maintenance	14,246	14,548	15,294	14,368	14,973
Contract services	50,539	58,121	59,073	63,583	64,912
Supplies and materials	53,222	53,749	55,750	60,227	65,959
Interest and finance	19,783	21,367	21,391	22,602	23,216
Transfer from (to) capital for tangible capital assets	2,414	18,192	19,349	9,417	25,712
Amortization of tangible capital assets	50,333	52,106	53,966	55,960	58,012
Loss/(gain) on disposal of tangible capital assets	433	675	755	1,021	924
Total Expenses	\$328,618	\$360,927	\$373,574	\$379,464	\$413,284

* Amounts have been restated.

Source: City of Richmond Finance and Corporate Services

Revenue by source 2013–2017 (in \$000s)

	2013	2014*	2015	2016*	2017
Taxation and levies	\$176,283	\$183,687	\$189,136	\$198,612	\$206,901
User fees	90,540	93,201	94,290	97,819	99,493
Sales of services	34,959	32,809	34,186	38,231	39,430
Licences and permits	9,241	9,819	10,747	12,422	13,011
Investment income	13,490	16,568	16,303	17,614	17,832
Grants including casino revenue	39,131	43,073	43,318	41,430	40,676
Development cost charges	11,730	18,765	17,818	16,632	15,710
Capital funding	55,542	63,221	72,575	34,283	57,570
Other	23,946	35,194	48,755	35,543	32,544
Total Revenue	\$454,862	\$496,337	\$527,128	\$492,586	\$523,167

*Amounts have been restated

Source: City of Richmond Finance and Corporate Services

Accumulated surplus 2013–2017 (in \$000s)

	2013	2014*	2015	2016*	2017
Accumulated surplus, beginning of year	\$2,304,008	\$2,442,230	\$2,577,640	\$2,735,306	\$2,846,246**
Annual surplus	126,244	135,410	153,554	113,122	109,883
Accumulated surplus, end of year	\$2,430,252	\$2,577,640	\$2,731,194	\$2,848,428	\$2,956,129

*Amounts have been restated

** Opening Adjustment for change in accounting treatment for a government business enterprise

Source: City of Richmond Finance and Corporate Services

Changes in net financial assets 2013–2017 (in \$000s)

	2013	2014*	2015	2016*	2017
Change in net financial assets	\$79,838	\$53,623	\$61,390	-\$1,271	\$35,351
Net financial assets, end of year	\$548,997	\$602,620	\$664,010	\$662,739	\$698,090

*Amounts have been restated

Source: City of Richmond Finance and Corporate Services

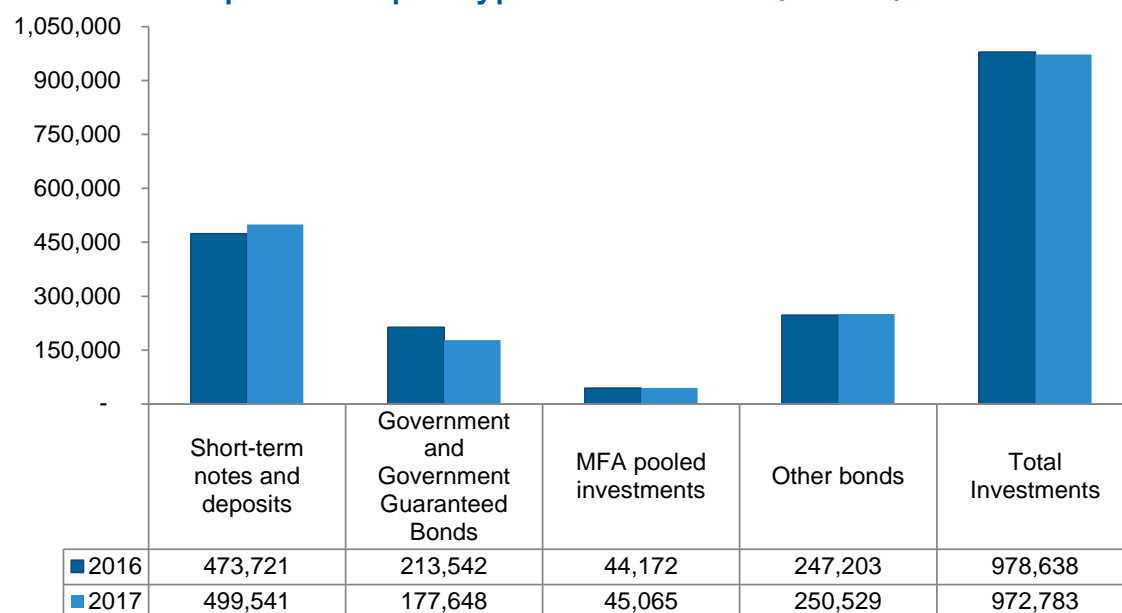
Reserves 2013–2017 (in \$000s)

	2013	2014*	2015	2016	2017
Affordable housing	\$20,696	\$12,551	\$24,934	\$23,726	\$10,168
Arts, culture and heritage	4,379	4,362	4,449	4,538	4,183
Capital building and infrastructure	46,394	55,651	60,412	63,476	69,731
Capital reserve	101,834	103,806	157,778	155,672	163,599
Capstan Station	3,862	8,241	9,508	14,957	19,725
Child care development	2,696	2,201	2,335	3,789	3,006
Community legacy and land replacement	16,353	16,720	16,994	8,413	8,623
Drainage improvement	35,555	44,505	52,922	55,903	56,956
Equipment replacement	17,820	17,241	16,882	18,571	22,168
Hamilton area plan community amenity	-	-	-	-	735
Leisure facilities	3,551	3,621	5,275	5,568	6,765
Local improvements	6,527	6,643	6,767	6,222	6,047
Neighbourhood improvement	6,335	6,724	6,975	6,933	7,100
Oval	4,732	4,328	3,191	4,261	4,749
Public art program	2,282	2,554	3,056	3,108	3,861
Sanitary sewer	37,233	39,504	41,687	44,527	42,909
Steveston off-street parking	287	293	299	305	310
Steveston road ends	684	623	458	407	211
Waterfront improvement	104	659	642	615	344
Watermain replacement	42,481	46,375	46,614	50,855	53,693
Total reserves	\$353,805	\$376,602	\$461,178	\$471,846	\$484,883

* Amounts have been restated.

Source: City of Richmond Finance and Corporate Services

Investment portfolio per type 2016–2017 (\$000s)



Source: City of Richmond Finance and Corporate Services

Ratio analysis indicators of financial condition

	2017	2016*
Sustainability ratios		
Assets to liabilities (times)	8.1	8.2
Financial assets to liabilities (times)	2.7	2.7
Net debt to total revenues	7.2%	8.6%
Net debt to the total assessment	0.04%	0.06%
Expenses to the total assessment	0.5%	0.6%
Flexibility ratios		
Public debt charges to revenues	0.3%	0.3%
Net book value of capital assets to its cost	68.3%	68.7%
Own source revenue to the assessment	0.5%	0.7%
Vulnerability ratios		
Government transfers to total revenues	5.0%	5.4%

* Ratios have been restated

Source: City of Richmond Finance and Corporate Services

2017 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 2017. Permissive tax exemptions are those exemptions granted by bylaw in accordance with Section 224 of the Community Charter.

Property / Organization	Address	2017 Municipal tax exempted
Churches and Religious Properties		
Aga Khan Foundation Canada	4000 May Drive	\$ 20,563
B.C. Muslim Association	12300 Blundell Road	22
Bakerview Gospel Chapel	8991 Francis Road	3,469
Beth Tikvah Congregation	9711 Geal Road	15,366
Bethany Baptist Church	22680 Westminster Highway	20,495
Brighthouse United Church	8151 Bennett Road	11,908
Broadmoor Baptist Church	8140 Saunders Road	12,338
Canadian Martyrs Parish	5771 Granville Avenue	21,568
Christian and Missionary Alliance	3360 Sexmith Road	7,661
Christian Reformed Church	9280 No. 2 Road	16,666
Church in Richmond	4460 Brown Road	5,977
Church of Latter Day Saints	8440 Williams Road	19,807
Cornerstone Evangelical Baptist Church	12011 Blundell Road	841
Dharma Drum Mountain Buddhist Temple	8240 No. 5 Road	2,843
Emmanuel Christian Community	10351 No. 1 Road	9,374
Faith Evangelical Church	11960 Montego Street	4,976
Fraserview Mennonite Brethren Church	11295 Mellis Drive	12,454
Fujian Evangelical Church	12200 Blundell Road	6,027
Gilmore Park United Church	8060 No. 1 Road	5,836
I Kuan Tao (Fayi Chungder) Association	8866 Odlin Crescent	3,992
Immanuel Christian Reformed Church	7600 No. 4 Road	4,412
India Cultural Centre	8600 No. 5 Road	5,954
International Buddhist Society	9160 Steveston Highway	4,078
Johrei Fellowship Inc.	10380 Odlin Road	8,319
Lansdowne Congregation Jehovah's Witnesses	11014 Westminster Highway	3,509
Larch St. Gospel Meeting Room	8020 No. 5 Road	3,525
Ling Yen Mountain Temple	10060 No. 5 Road	2,901
Nanaksar Gurdwara Gursikh Temple	18691 Westminster Highway	3,545
North Richmond Alliance Church	9140 Granville Avenue	4,889
Our Savior Lutheran Church	6340 No. 4 Road	5,294
Parish of St. Alban's	7260 St. Albans Road	11,024

Churches and Religious Properties continued . . .

Patterson Road Assembly	9291 Walford Street	\$	1,303
Peace Evangelical Church	8280 No. 5 Road		6,401
Peace Mennonite Church	11571 Daniels Road		18,225
Richmond Alliance Church	11371 No. 3 Road		4,286
Richmond Baptist Church	6560 Blundell Road		2,770
Richmond Baptist Church	6640 Blundell Road		9,813
Richmond Bethel Mennonite Church	10160 No. 5 Road		11,276
Richmond Chinese Alliance Church	10100 No. 1 Road		14,850
Richmond Chinese Evangelical Free Church	8040 No. 5 Road		3,895
Richmond Emmanuel Church	7451 Elmbridge Way		11,512
Richmond Pentecostal Church	9300 Westminster Highway		7,365
Richmond Pentecostal Church	9260 Westminster Highway		1,019
Richmond Presbyterian Church	7111 No. 2 Road		9,914
Richmond Sea Island United Church	8711 Cambie Road		13,932
Salvation Army Church	8280 Gilbert Road		4,490
Science of Spirituality SKRM Inc	11011 Shell Road		1,918
Shia Muslim Community	8580 No. 5 Road		2,130
South Arm United Church	11051 No. 3 Road		2,169
St. Anne's Anglican Church	4071 Francis Road		7,649
St. Edward's Anglican Church	10111 Bird Road		6,327
St. Gregory Armenian Apostolic Church	13780 Westminster Highway		2,448
St. Joseph the Worker Roman Catholic Church	4451 Williams Road		3,532
St. Monica's Roman Catholic Church	12011 Woodhead Road		10,893
St. Paul's Roman Catholic Parish	8251 St. Albans Road		12,184
Steveston Buddhist Temple	4360 Garry Street		20,410
Steveston Congregation Jehovah's Witnesses	4260 Williams Road		9,764
Steveston United Church	3720 Broadway Street		5,099
Subramaniya Swamy Temple	8840 No. 5 Road		1,684
Thrangu Monastery Association	8140 No. 5 Road		4,827
Thrangu Monastery Association	8160 No. 5 Road		1,819
Towers Baptist Church	10311 Albion Road		9,941
Trinity Lutheran Church	7100 Granville Avenue		11,860
Trinity Pacific Church	10011 No. 5 Road		7,034
Ukrainian Catholic Church	8700 Railway Avenue		4,527
Vancouver Airport Chaplaincy	3211 Grant McConachie Way		565
Vancouver International Buddhist Progress Society	6690 - 8181 Cambie Road		8,745
Vancouver International Buddhist Progress Society	8271 Cambie Road		7,342
Vedic Cultural Society of B.C.	8200 No. 5 Road		3,945
West Richmond Gospel Hall	5651 Francis Road		5,898

Recreation, Child Care, and Community Service Properties

Canadian Sport Institute Pacific Society	2005 - 6111 River Road	\$	5,397
City Centre Community Centre	5900 Minoru Boulevard		64,202
Cook Road Children's Centre	8300 Cook Road		1,403
Cranberry Children's Centre	23591 Westminster Highway		2,743
Girl Guides of Canada	4780 Blundell Road		2,738
Girl Guides of Canada	11551 Dyke Road		15,255
Navy League of Canada	7411 River Road		9,779
Richmond Animal Protection Society	12071 No. 5 Road		10,091
Richmond Caring Place	7000 Minoru Boulevard		146,030
Richmond Center for Disabilities	100 - 5671 No. 3 Road		18,444
Richmond Family Place	8660 Ash Street		10,645
Richmond Ice Centre	14140 Triangle Road		178,466
Richmond Lawn Bowling Club	6131 Bowling Green Road		28,923
Richmond Gymnastics Association	140-7400 River Road		7,663
Richmond Oval	6111 River Road		1,398,430
Richmond Public Library	11580 Cambie Road		3,184
Richmond Public Library	11688 Steveston Highway		5,696
Richmond Rod and Gun Club	7760 River Road		22,461
Richmond Rod and Gun Club	140-7400 River Road		7,662
Richmond Tennis Club	6820 Gilbert Road		37,125
Richmond Watermania	14300 Entertainment Boulevard		198,452
Richmond Winter Club	5540 Hollybridge Way		162,167
Riverside Children's Centre	5862 Dover Crescent		827
Scotch Pond Heritage	2220 Chatham Street		7,220
Terra Nova Children's Centre	6011 Blanchard Drive		2,043
Treehouse Learning Centre	100 - 5500 Andrews Road		1,192
West Cambie Childcare Centre	4033 Stolberg Street		2,668

Private Educational Properties

Choice Learning Centre	20411 Westminster Highway	\$	1,649
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Senior Citizen Housing

Richmond Legion Senior Citizen Society	7251 Langton Road	\$	16,692
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Community Care Facilities

Canadian Mental Health Association	8911 Westminster Highway	\$	8,482
Development Disabilities Association	6531 Azure Road		2,547
Development Disabilities Association	8400 Robinson Road		3,284
Development Disabilities Association	7611 Langton Road		3,182
Greater Vancouver Community Service	4811 Williams Road		2,571
Pinegrove Place, Mennonite Care Home Society	11331 Mellis Drive		12,805
Richmond Lions Manor	9020 Bridgeport Road		15,590
Richmond Society for Community Living	303 - 7560 Moffatt Road		619
Richmond Society for Community Living	4433 Francis Road		1,994
Richmond Society for Community Living	5635 Steveston Highway		7,071
Richmond Society for Community Living	9 - 11020 No. 1 Road		949
Richmond Society for Community Living	9580 Pendleton Road		10,304
Rosewood Manor, Richmond Intermediate Care Society	6260 Blundell Road		27,407
Western Recovery Foundation	10411 Odlin Road		2,562

Major services provided by the City of Richmond

Administration

Includes the Office of the Chief Administrative Officer who oversees the overall administration of the City's operations. Also includes the Deputy Chief Administrative Officer, human resources, intergovernmental relations and protocol, corporate communications and marketing and the Corporate Planning and Programs Management Group.

Community Safety

Brings together the City's public safety providers including police, fire-rescue, emergency programs, business licences and community bylaws.

Community Services

Coordinates, supports and develops Richmond's community services including recreation, arts, heritage, sports, social planning, affordable housing, diversity, youth, childcare and seniors services. Oversees most 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, law, City Clerk's Office, enterprise services, compliance, records and archives.

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, garbage and recycling 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 direction that guides growth and change in Richmond with emphasis on land use planning, development regulations, environmental protection, heritage and livability.



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

 @Richmond_BC

 /CityofRichmondBC

Gateway Theatre

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

 /Gateway-Theatre

 @Gateway_Theatre

 @gatewaythtr

Lulu Island Energy Company

6911 No. 3 Road
Richmond, British Columbia
V6Y 2C1 Canada
Phone: 604-276-4011
www.luluislandenergy.ca


Richmond Public Library

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

 /yourlibraryRichmond

 @RPLBC

 /YourLibraryRichmond

 Account: RPLYourlibrary

 @rplbc

Richmond Olympic Oval

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

 richmond-olympic-oval

 /RichmondOval

 @RichmondOval

 @RichmondOval



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**
British Columbia, Canada



2017 Annual Report Highlights

FOR THE YEAR ENDED DECEMBER 31, 2017

RICHMOND CITY COUNCIL



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

CONNECT WITH RICHMOND CITY COUNCIL

To contact Council: mayorandcouncillors@richmond.ca or call 604-276-4000.

For Council Meetings Agendas and Minutes visit: www.richmond.ca/cityhall/council/agendas.

To watch Council meetings on live streaming or view videos of past meetings visit: www.richmond.ca/cityhall/council/watch-video.

COVER PHOTO: STOREYS OPENED; DISTRICT ENERGY UTILITY EXPANDED;
CITY CENTRE COMMUNITY CENTRE HONOURED; KAIWO MARU VISITED.

CITY OF RICHMOND, BRITISH COLUMBIA 2017 ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2017

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For an online copy of this report please visit www.richmond.ca (City Hall > Finance, Taxes & Budgets > Budgets & Financial Reporting > Annual Reports)

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

MESSAGE FROM THE MAYOR



2017 was a milestone year for Richmond and for Canada. Richmond fully embraced the 150th anniversary of Canadian Confederation with a memorable year of programs and events to showcase our national heritage, while also creating new legacies for our community.

Our Richmond Canada 150 program was one of the largest year-long community celebrations in the country. The City hosted many of its own marquee Canada 150 events, including a very popular Pioneer Luncheon for longtime residents, and provided funding through grants for dozens of other events organized by our community partners.

Some of these events, such as the Richmond Cherry Blossom Festival, are now planned to become ongoing annual events. Council also funded a number of legacy public art projects to commemorate Canada 150, including the Fraser Giant, a life-sized replica of the giant sturgeon that live in the waters of the Fraser River surrounding Richmond. We were pleased that the Richmond Canada 150 program was named as a finalist for two awards in the 2017 Canadian Event Industry Awards.

Council also took many steps in 2017 to improve our service delivery to residents. This included the opening of the Storeys affordable housing complex, providing



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129 homes and program and office space for a number of community social service agencies. This unique partnership, which involved three levels of government and five non-profit agencies, has now become a national model for addressing housing affordability challenges.

We also opened the new Cambie No. 3 Fire Hall, the first facility in urban BC to house both a fire hall and an ambulance station. In 2018, we will open the Brighthouse No.1 Fire Hall, completing an ambitious 15-year program which has included building five new fire halls along with creating a new home for our Richmond RCMP detachment.

As a further commitment to community safety, Council approved funding to hire another 16 additional police officers and three new municipal police employees in 2018. Altogether, 39 additional police officers and six municipal police support employees have been added during the current Council term.

Our award-winning district energy program continues to be a huge success and is now on its way to becoming North America's largest district energy utility. Our commitment to district energy and other energy reduction initiatives has allowed us to achieve an overall six per cent reduction in community greenhouse gas emissions

despite a seven per cent growth in population over the past decade.

We are proud of our accomplishments and thankful for the support of our staff, volunteers, community partners and businesses as we grow and preserve our high quality of life. To learn more I invite you to contact the Mayor's Office at any time.



Malcolm Brodie
Mayor, City of Richmond



CITY STAFF, VOLUNTEERS AND LOCAL OFFICIALS CELEBRATED THE LAUNCH OF RICHMOND CANADA 150.

MESSAGE FROM THE CHIEF ADMINISTRATIVE OFFICER



I am proud to present the City of Richmond's Annual Report for the year 2017. This report details our outstanding financial position, while highlighting our ongoing commitment to a culture of continuous improvement through excellence, innovation and visionary leadership.

During the past year, our administration placed a strong focus on the continued fulfilment of Council's nine term goals. These goals place an emphasis on community safety, economic development, financial stewardship, sustainability, community vibrancy, partnerships and collaboration, infrastructure, planning and citizen engagement. Major strides were made on all these goals, which are highlighted throughout the Annual Report.

Strong financial stewardship continues to be one of our hallmarks thanks to our Long Term Financial Management Strategy. This Strategy has allowed us to limit property tax increases, while still making significant investments in infrastructure and programs. Richmond's property taxes also remain among the lowest in the region.

As part of the financial strategy, City Council continues to responsibly replenish our reserves each year to ensure we meet the City's long-term needs and minimize borrowing. This strategy has allowed us to invest more than \$800 million as of the five years ending in 2018 to renew and expand our civic infrastructure. Our 2017 capital budget of \$122 million included further investments in the development of



A MAJOR NEW SHOPPING CENTRE WAS LINKED TO THE CITY'S AWARD WINNING ALEXANDRA DISTRICT ENERGY UTILITY.

the Garden City Lands, a new signature park in the heart of our city, and the City's award-winning Digital Strategy, which is putting us on the cutting edge of using technology and innovation to improve customer service and efficiency.

Our strong planning framework is also guiding the City's continued evolution. The City's population continues to grow, reaching nearly 220,000 in 2017. Total construction value of building permits for 2017 was \$709 million our fourth highest year's total ever, with total new construction topping \$4.4 billion since 2011.

This new growth has helped the City secure contributions for two new community centres, new parks, hundreds of affordable housing units and child care

spaces, public art investments and other civic infrastructure improvements. Through a special development levy, the City is close to accumulating the monies needed to fund an additional Canada Line station in the Capstan Village area, which will enhance transit service and community mobility.

With our strong commitment to financial stewardship and sound

community planning, we continue to deliver services that are second to none, while providing great value for our taxpayers.



George Duncan
Chief Administrative Officer

2017 Awards

The City of Richmond is committed to its vision to be the most appealing, livable and well-managed community in Canada. In 2017, this commitment was again recognized by our peers and others with numerous international, national and provincial awards recognizing outstanding service delivery.

Of particular note, Richmond continued to receive global recognition for our innovative energy programs, including our innovative district energy program and other initiatives aimed at reducing both corporate and community energy use. Over the past five years, the City has received more than 15 awards for its various energy programs. Richmond received four new energy-related awards in 2017, including:

ASSOCIATION OF ENERGY ENGINEERS
CANADA REGION INSTITUTIONAL
ENERGY MANAGEMENT AWARD

COMMUNITY ENERGY ASSOCIATION 2017
CLIMATE AND ENERGY ACTION AWARD

UNION OF BRITISH COLUMBIA MUNICIPALITIES
LEADERSHIP & INNOVATION—GREEN
INITIATIVE AWARD, HONOURABLE MENTION

CANADIAN CONSULTING ENGINEERING
AWARD OF EXCELLENCE

For additional 2017 Awards please see next page.



RICHMOND RECEIVED A PRESTIGIOUS
WORLD LEISURE ORGANIZATION
COMMUNITY OF EXCELLENCE AWARD.



2017 Awards

WORLD LEISURE COMMUNITY OF EXCELLENCE FOR 2017

The City of Richmond was designated as a World Leisure Community of Excellence for 2017 by the World Leisure Organization. This title recognizes Richmond's innovative and successful use of leisure to improve its citizens' quality of life.

2017 ACCESSIBLE CITIES AWARD

The Rick Hansen Foundation Accessible Cities Award recognized municipalities that are leaders in planning accessibility into their built environments and encouraging their communities to be more inclusive. The Richmond Olympic Oval was also recognized in the award's Circle of Excellence as a 'best in class' example of accessible and inclusive community places or spaces.

2017 BILL WOYCIK OUTSTANDING FACILITY AWARD

Richmond's City Centre Community Centre was recognized with the 2017 Bill Woycik Outstanding Facility Award. The award is presented annually by the Recreation Facilities Association of BC to one outstanding new or newly renovated recreation, sport or leisure facility in British Columbia that exemplifies innovations in design, energy management, operations, revenue generation, and services.

CANADIAN AWARD FOR FINANCIAL REPORTING AND OUTSTANDING ACHIEVEMENT IN POPULAR ANNUAL FINANCIAL REPORTING AWARD

The City's 2016 Annual Reports were honoured with two awards, from the Government Finance Officers Association (GFOA) of the United States and Canada. The City received the Canadian Award for Financial Reporting for the 15th consecutive year and the Award for Outstanding Achievement in Popular Annual Financial Reporting for the 8th year.

THE RICHMOND WORLD FESTIVAL WAS PART OF RICHMOND CANADA 150 WHICH WAS A FINALIST FOR TWO NATIONAL AWARDS.

FINALIST—BEST PUBLIC EVENT/FAIR OR FESTIVAL AND FINALIST—MOST OUTSTANDING EVENT OVER \$200,000 PUBLIC/FESTIVAL/SPORTING/CULTURAL

The City's Richmond Canada 150 program, a year-long program of events and other activities celebrating Canada's 150th anniversary, was chosen as a finalist in two categories in the Canadian Event Industry Awards.

WOOD WORKS! BC COMMUNITY RECOGNITION AWARD

Wood WORKS! BC's awards recognize leadership in the use of wood, both architecturally and structurally. The City was honoured for its use of wood in the construction of the Alexandra District Energy Utility service building.

DEVELOPMENTAL DISABILITIES ASSOCIATION EMPLOYER OF THE YEAR AWARD

The City was honoured by the Developmental Disabilities Association's Jobs West division for the City's initiative to create opportunities for people with developmental disabilities.

PATHWAYS CLUBHOUSE RECOGNITION AWARD

Richmond City received the Pathways Clubhouse's 2017 Recognition Award for the City's role as an employment partner; and creating workplace opportunities for people with disabilities.



Richmond Canada 150

In 2017, Richmond was one of the most active communities in the country as citizens from coast to coast to coast celebrated Canada's 150th anniversary of Confederation. In addition to dozens of local events, the City undertook a number of legacy Richmond Canada 150 projects that will permanently enrich the community. A special grants program provided assistance to local community organizations to host their own celebratory events and or complete legacy programs. The Richmond Canada 150 program was a finalist in two categories in the Canadian Event Industry Awards for 2017. The photos in this section include some of the highlights from the Richmond Canada 150.



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FLAG BEARING KIDS MADE A BIG SPLASH ON CANADA DAY.



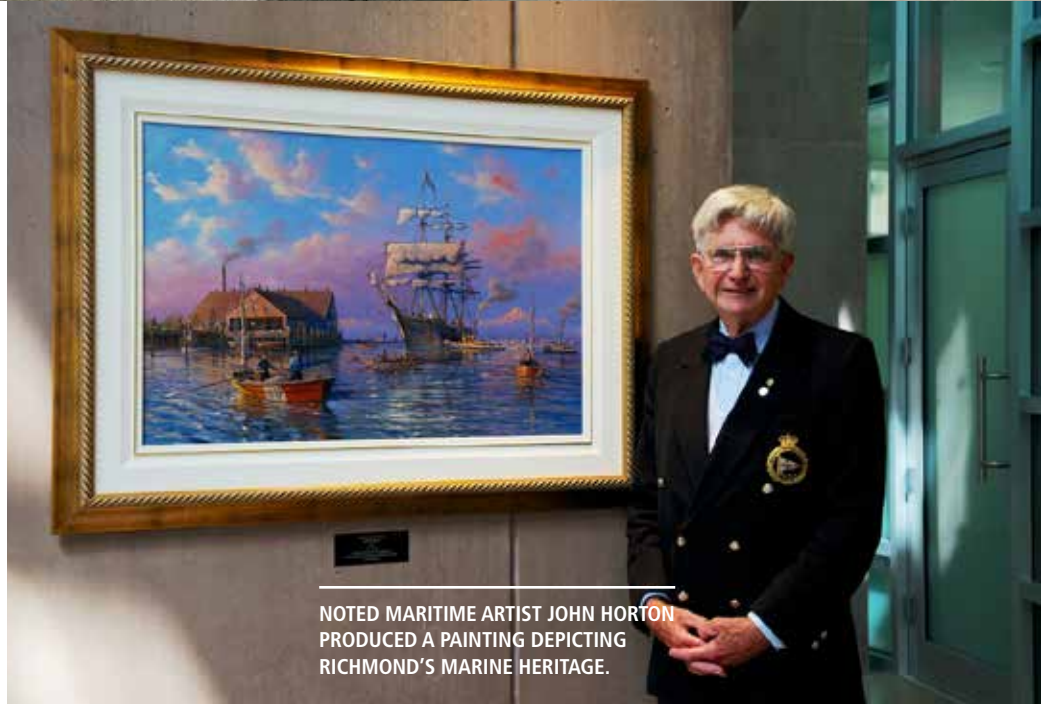
RICHMOND'S CANADA 150 BRANDING,
DEVELOPED FOR PROMOTION OF
RICHMOND CANADA 150 EVENTS



THE FRASER GIANT WAS UNVEILED, DEPICTING THE LARGE STURGEON THAT LIVE IN LOCAL WATERS.



**RICHMOND
CANADA 150**



NOTED MARITIME ARTIST JOHN HORTON PRODUCED A PAINTING DEPICTING RICHMOND'S MARINE HERITAGE.



A PIONEER LUNCHEON HONoured THOUSANDS OF LONGTIME RICHMOND RESIDENTS.

A NEW STEVESTON VILLAGE STREET PARTY WAS PART OF EXPANDED CANADA DAY CELEBRATIONS.



THE RICHMOND WORLD FESTIVAL EXPANDED TO TWO DAYS.

COUNCIL TERM GOALS ACHIEVEMENT HIGHLIGHTS

CANADA'S WOMEN'S VOLLEYBALL
TEAM MADE THE RICHMOND OLYMPIC
OVAL THEIR NEW HOME.



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Council Term Goals 2014–2018

1. A SAFE COMMUNITY
2. A VIBRANT, ACTIVE,
AND CONNECTED CITY
3. A WELL-PLANNED COMMUNITY
4. LEADERSHIP IN SUSTAINABILITY
5. PARTNERSHIPS AND COLLABORATION
6. QUALITY INFRASTRUCTURE
NETWORKS
7. STRONG FINANCIAL STEWARDSHIP
8. SUPPORTIVE ECONOMIC
DEVELOPMENT ENVIRONMENT
9. WELL-INFORMED CITIZENRY

For more detail on these goals, visit
www.richmond.ca/cityhall/council/about/goals

The City's work is driven by Council's Term Goals 2014–2018. This document sets out nine focus areas, each with numerous sub-goals and objectives. The following achievements represent our work to fulfil Council's Term Goals in 2017:

1. SAFE COMMUNITY

The new Cambie No. 3 Fire Hall was opened. The facility also hosts a BC Ambulance Station, the first time these two critical emergency response agencies have been co-housed in the same facility in an urban BC community.

2. VIBRANT, ACTIVE AND CONNECTED COMMUNITY

The Willow Early Care and Learning Centre was opened, providing 37 spaces of licensed child care for infants, toddlers and children. The City now owns seven facilities providing close to 200 licensed child care spaces. Nearly 2,000 new licensed child care spaces have been created in Richmond since 2009, with additional facilities on the way.

3. WELL PLANNED COMMUNITY

Council approved the Yuan Heng rezoning and Development Permit for a large site at Capstan Way and No. 3 Road. The project will create a large mixed-use development with 964 units and has secured a turn-key 35,000 sq. ft. community centre to serve future residents of the Capstan Village.

4. SUSTAINABILITY

Lulu Island Energy Company continued to grow with the Alexandra District Energy Utility expanding to serve the new Cambie No. 3 Fire Hall and a major shopping complex. The Oval Village District Energy Utility also expanded, while plans were put in place for a City Centre District Energy Utility that will service more than 9 million square feet of new development.

5. PARTNERSHIPS AND COLLABORATION

The new Storeys affordable housing complex was opened. Three levels of government and five not-for-profit agencies collaborated to create 129 affordable housing units and supportive services for residents at risk of being homeless. This unique partnership promises to serve as a model for other cities.

6. QUALITY INFRASTRUCTURE NETWORKS

A significant extension of Lansdowne Road was opened. This created a much-needed new east-west corridor stretching from the Garden City Lands to the Richmond Olympic Oval improving mobility throughout the City Centre, by offering an important new link through the heart of the downtown.

7. FINANCIAL STEWARDSHIP

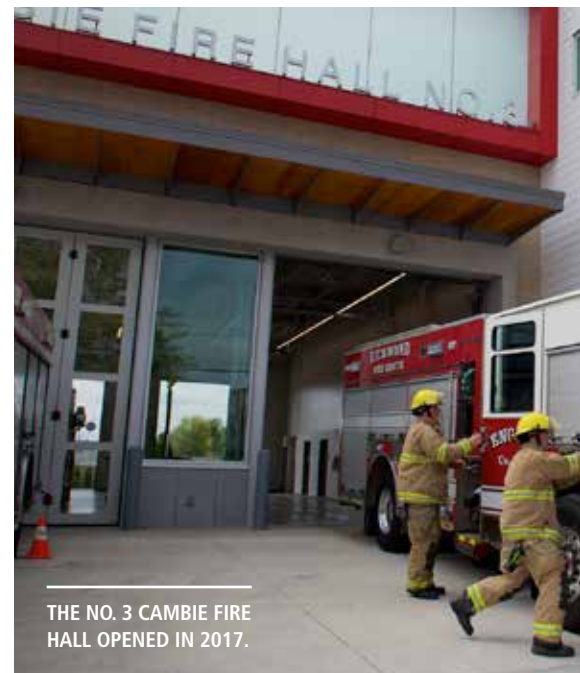
Richmond retained the fifth lowest property taxes within the region with a 1.95% tax increase to fund City services, plus an additional 1% tax increase to fund reserves. The 2017 budget provided for the hiring of 11 additional police officers and three additional civilian staff for Richmond RCMP.

8. ECONOMIC DEVELOPMENT

The Richmond Olympic Oval became the primary training home for Canada's Women's Volleyball Team. This five year agreement contributes to the more than \$300 million in Gross Domestic Product and 400 fulltime jobs created by the Oval. The team also hosted a sold out Grand Prix Women's Volleyball Tournament featuring national teams from four countries.

9. WELL INFORMED CITIZENRY

Through the City's Digital Strategy an innovative mobile inspections app was launched, allowing inspectors to complete inspections on their smart phones providing enhanced service to builders.



THE NEW STOREYS COMPLEX OPENED,
PROVIDING AFFORDABLE HOUSING
AND OTHER COMMUNITY SERVICES.



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, 2017, pursuant to Section 167 of the *Community Charter*. These statements contain the 2017 financial results for the "City", which include the City of Richmond, Richmond Olympic Oval Corporation, Richmond Public Library and investment in Lulu Island Energy Company Ltd.

Management is responsible for the preparation of the financial statements and the external auditors, KPMG LLP, have conducted an independent examination and have expressed their opinion that the consolidated financial statements present fairly in all material respects, as at December 31, 2017 in accordance with Canadian Public Sector Accounting Standards.

STATEMENT OF FINANCIAL POSITION (IN \$'000s)

	2017 Actual	2016 Actual*	Change
Financial Assets	\$1,114,486	\$1,058,353	\$56,133
Total Liabilities	416,396	395,614	20,782
Net Financial Assets	698,090	662,739	35,351
Non-Financial Assets	2,258,039	2,185,689	72,350
Accumulated Surplus	\$2,956,129	\$2,848,428	\$107,701

The accumulated surplus is a key measure of the City of Richmond's financial strength and long-term sustainability which increased during 2017 to \$3.0B (2016: \$2.8B). Accumulated surplus is the amount by which all assets exceed all liabilities and it is represented by non-financial assets and net financial assets. Non-financial assets are owned and include tangible capital assets such as buildings, recreation centres, parks, roads, water and sewer infrastructure, land, inventories and prepaid expenses.

STATEMENT OF OPERATIONS (IN \$'000s)

	2017 Actual	2016 Actual*	Change
Total Revenue	\$523,167	\$492,586	\$30,581
Total Expenses	413,284	379,464	33,820
Annual Surplus	\$109,883	\$113,122	(\$3,239)

Annual surplus, which is the excess of revenues over expenses is lower in 2017 by \$3.2M and amounts to \$109.9M (2016: \$113.1M). The annual surplus includes amounts collected for transfer to reserves, recognition of restricted capital revenue and contributed assets. Revenues increased by \$30.6M to \$523.2M (2016: \$492.6M) mainly due to exceptional development activity during 2017. Developer contributed assets increased by \$20.1M in 2017 to \$52.2M and developer community amenity contributions increased by \$2.9M to \$13.0M. The expenses increased by \$33.8M to \$413.3M (2016: \$379.5M) mainly due to a one-time \$17.0M contribution towards the Storeys affordable housing initiative along with increases to the RCMP policing contract and collective agreement increases.

STATUTORY RESERVES (IN \$'000s)

	2013	2014	2015	2016	2017
Total Reserves	\$353,805	\$376,602	\$461,178	\$471,846	\$486,900

Statutory reserves are established by Bylaw for specific purposes, mainly capital expenditures. The increase in the balance to \$486.9M (2016: \$471.8M) is mainly attributable to the timing of these capital expenditures. Each year, amounts are



transferred to the reserves through Council's Long Term Financial Management Strategy towards asset construction and renewal.

These financial results are a reflection of City Council's commitment to ongoing financial sustainability through the Long Term Financial Management Strategy, which combines financial forecasting with strategizing, thus aligning financial capacity and assets with long term service objectives and requirements. In taking this long range financial perspective,

the City expects to continue to maintain flexibility while achieving sustainability and preparedness for any challenges that may arise.

In 2017, Richmond had the fifth lowest residential property taxes out of 21 municipalities in Metro Vancouver and was second lowest in our comparator group of the largest five municipalities by population.

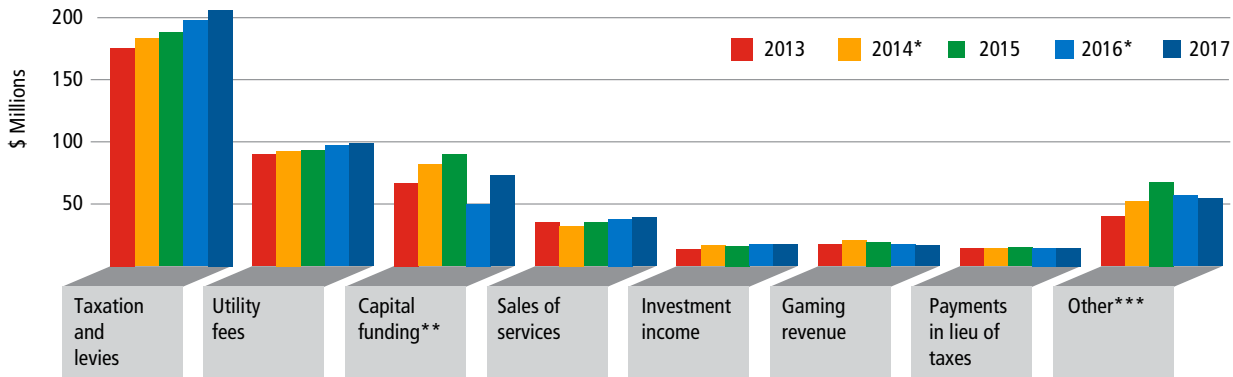
Under the direction and guidance of City Council, the City of Richmond is well positioned to continue to deliver a high

quality of services for its current and future residents and businesses in support of the City's vision to be the most appealing, livable and well-managed community in Canada.



Andrew Nazareth, BEc, CPA, CGA
 General Manager, Finance
 and Corporate Services
 May 14, 2018

REVENUE BY SOURCE 2013–2017



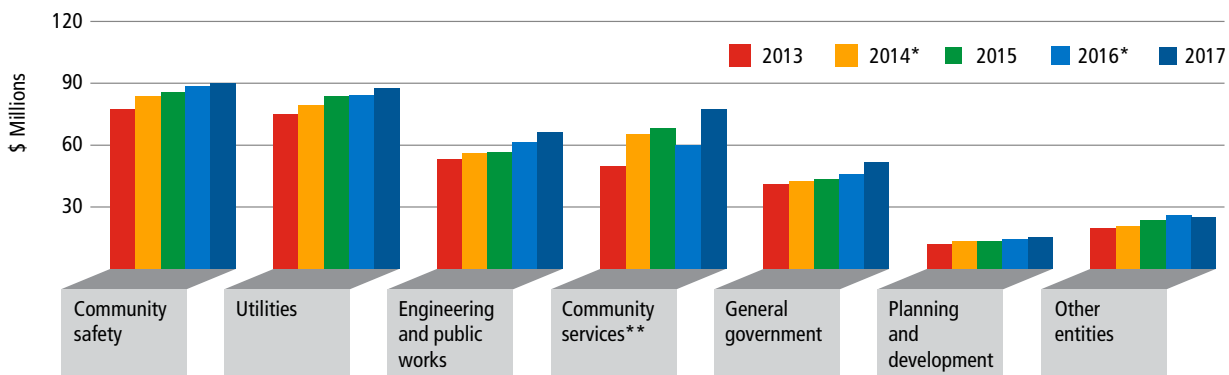
Source: City of Richmond Finance and Corporate Services

*Amounts have been restated

**Capital funding includes: Development Cost Charges and other capital funding sources

***Other includes: provincial and federal grants, licenses and permits and other sources

EXPENSES BY FUNCTION 2013–2017



Source: City of Richmond Finance and Corporate Services

*Amounts have been restated

**Expenses for Community Services include one-time contributions toward affordable housing of \$11.8m in 2014, \$12.3m in 2015 and \$17.0m in 2017

Richmond at a glance

219,273

2017 POPULATION

November 10, 1879

INCORPORATED AS MUNICIPALITY

129.27

SIZE OF CITY IN
SQUARE KM

17

ISLANDS COMPRISING
THE CITY

December 3, 1990

DESIGNATED AS CITY OF RICHMOND

Fast facts

4,678

HOTEL ROOMS.
20% OF METRO
VANCOUVER TOTAL

76.3 %

PERCENTAGE OF VISIBLE
MINORITIES. HIGHEST IN BC,
2ND HIGHEST IN CANADA

1

LARGEST COMMERCIAL
FISHING HARBOUR IN
CANADA

\$709 million

CONSTRUCTION VALUE OF
BUILDING PERMITS ISSUED IN
2017; 4TH HIGHEST EVER

24.2 million

NUMBER OF 2017
PASSENGERS TRAVELLING
THROUGH VANCOUVER
INTERNATIONAL AIRPORT
IN RICHMOND

38.5 million

INVENTORY OF INDUSTRIAL
SPACE. LARGEST IN THE
REGION

13,870

2017 LICENCED BUSINESSES

60.2%

PERCENTAGE OF
IMMIGRANTS.
HIGHEST IN CANADA

118,565

TOTAL NUMBER OF
JOBS IN RICHMOND

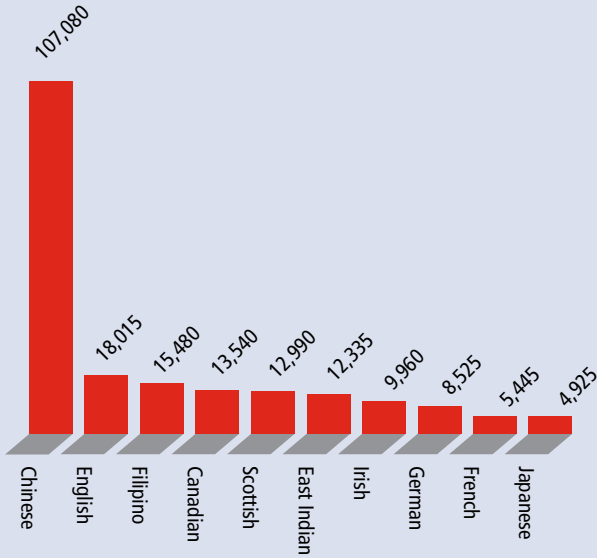
4,993

HECTARES WITHIN
THE AGRICULTURAL
LAND RESERVE

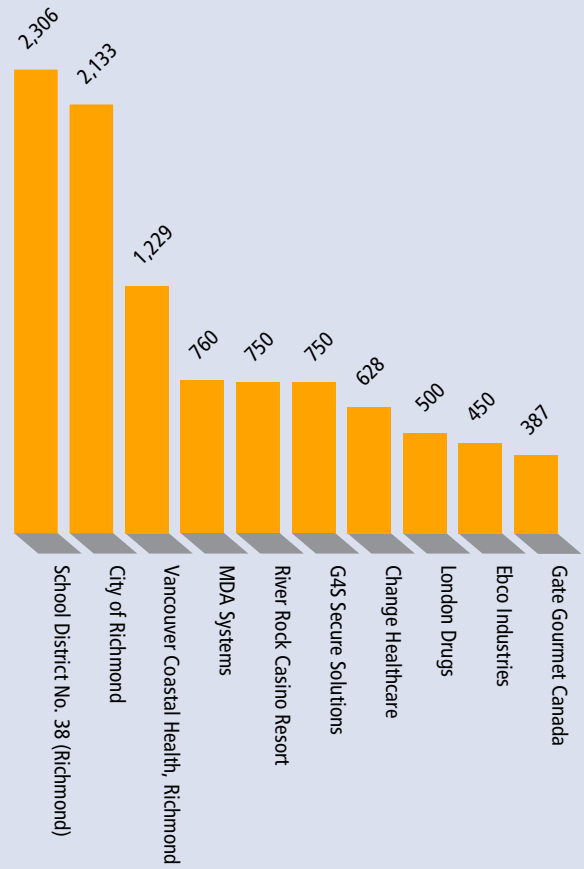
86.3 years

AVERAGE LIFE EXPECTANCY.
HIGHEST IN CANADA

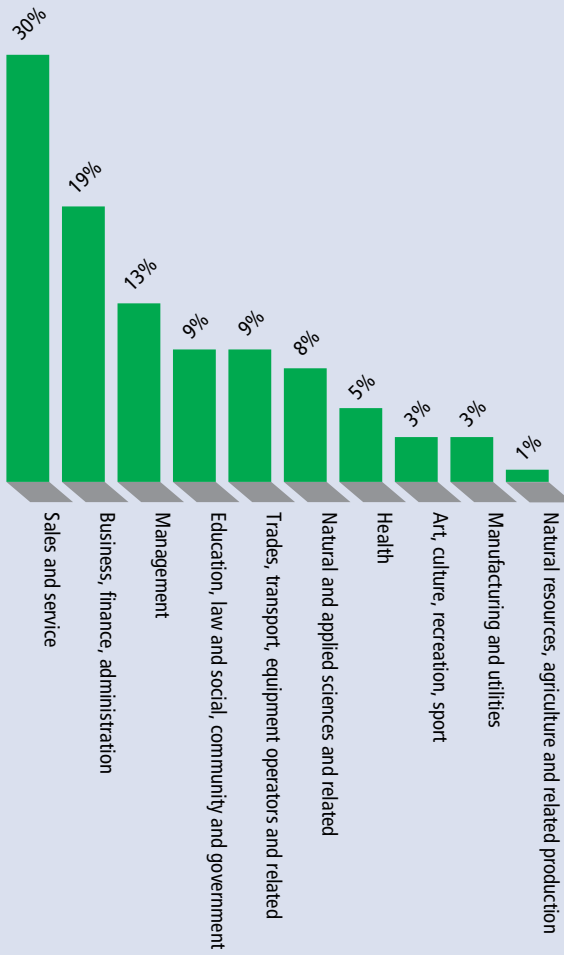
RICHMOND'S ETHNIC ORIGINS



TOP 10 LARGEST EMPLOYERS IN RICHMOND (FULL-TIME EMPLOYEES)



OCCUPATIONS OF RICHMOND RESIDENTS



Sources: Statistics Canada, City of Richmond, Vancouver International Airport Authority, Steveston Harbour Authority, Metro Vancouver, Richmond School District.

MAJOR SERVICES PROVIDED BY THE CITY OF RICHMOND

ADMINISTRATION

Includes the Office of the Chief Administrative Officer who oversees the overall administration of the City's operations. Also includes the Deputy Chief Administrative Officer, human resources, intergovernmental relations and protocol, corporate communications and marketing and the Corporate Planning and Programs Management Group.

LAW AND COMMUNITY SAFETY

Brings together the City's public safety providers including police, fire-rescue and emergency programs, business licences and community bylaws.

COMMUNITY SERVICES

Coordinates, supports and develops Richmond's community services including recreation, arts, heritage, sports, social planning, affordable housing, diversity, youth, childcare and seniors services. Oversees most 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's Office, enterprise services, law, compliance, records and archives.

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, garbage and recycling 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.






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
604-276-4000
infocentre@richmond.ca
www.richmond.ca

 /CityofRichmondBC
 @Richmond_BC
 /CityofRichmondBC






GATEWAY THEATRE

6500 Gilbert Road
Richmond, BC V7C 3V4
604-270-6500
Box Office: 604-270-1812
www.gatewaytheatre.com
 /GatewayTheatreBC
 @Gateway_Theatre
 @gatewaythtr




LULU ISLAND ENERGY COMPANY

6911 No. 3 Road
Richmond, BC V6Y 2C1
604-276-4011
www.luluslandenergy.ca

RICHMOND PUBLIC LIBRARY

604-231-6404 (Brighthouse Branch)
www.yourlibrary.ca
 /YourlibraryRichmond
 @RPLBC
 /YourLibraryRichmond
 RPLYourlibrary
 @rplbc

RICHMOND OLYMPIC OVAL

6111 River Road
Richmond, BC V7C 0A2
Phone: 778-296-1400
info@richmondoval.ca
www.richmondoval.ca
LinkedIn richmond-olympic-oval
 /RichmondOval
 @RichmondOval
 @RichmondOval





City of Richmond

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

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