



---

**Finance Committee**

**Anderson Room, City Hall  
6911 No. 3 Road**

**Monday, June 2, 2014**

**Immediately Following Open General Purposes Committee**

Pg. #      ITEM

**MINUTES**

**FIN-3**      *Motion to adopt the **minutes** of the meeting of the Finance Committee held on Monday, May 5, 2014.*



**FINANCE AND CORPORATE SERVICES DEPARTMENT**

1.      **2013 ANNUAL DEVELOPMENT COST CHARGES**  
(File Ref. No. 03-0905-05-01) (REDMS No. 4234366)

**FIN-6**

**See Page FIN-6 for full report**

*Designated Speaker: Cindy Gilfillan*

**STAFF RECOMMENDATION**

*That the staff report titled, 2013 Annual Development Cost Charges, dated May 16, 2014, from the Director, Finance be received for information.*



Pg. #

ITEM

2. **2013 ANNUAL REPORT AND 2013 ANNUAL REPORT – HIGHLIGHTS**

(File Ref. No.) (REDMS No. 4224011)

**FIN-20**

[See Page FIN-20 for full report](#)

*Designated Speakers: Jerry Chong & Ted Townsend*

**STAFF RECOMMENDATION**

*That the reports titled, City of Richmond 2013 Annual Report and the 2013 Annual Report – Highlights, dated May 13, 2014, from the General Manager, Finance and Corporate Services, be approved.*

☐

**RICHMOND OLYMPIC OVAL CORPORATION**

3. **1<sup>ST</sup> QUARTER 2014 – FINANCIAL INFORMATION FOR THE RICHMOND OLYMPIC OVAL CORPORATION**

(File Ref. No.) (REDMS No. 4233897)

**FIN-104**

[See Page FIN-104 for full report](#)

*Designated Speaker: Rick Dusanj*

**STAFF RECOMMENDATION**

*That the report on Financial Information for the Richmond Olympic Oval Corporation for the first quarter ended March 31, 2014 from the Controller of the Richmond Olympic Oval Corporation be received for information.*

☐

**ADJOURNMENT**

☐



## Finance Committee

Date: Monday, May 5, 2014

Place: Anderson Room  
Richmond City Hall

Present: Mayor Malcolm D. Brodie, Chair  
Councillor Chak Au  
Councillor Linda Barnes  
Councillor Derek Dang  
Councillor Evelina Halsey-Brandt  
Councillor Ken Johnston  
Councillor Bill McNulty  
Councillor Harold Steves

Absent: Councillor Linda McPhail

Call to Order: The Chair called the meeting to order at 4:00 p.m.

## MINUTES

It was moved and seconded

*That the minutes of the meeting of the Finance Committee held on Monday, April 7, 2014, be adopted as circulated.*

**CARRIED**

The Chair advised that the order of the agenda would be varied to consider audited financial statements first.

## DELEGATION

1. C.J. James, Partner, accompanied by Archie Johnston, Partner, KPMG, were available to answer questions related to the 2013 Auditor's report on the City's financial statements. Ms. James thanked City staff for their efficiency in compiling the City's financial statements.

**FINANCE AND CORPORATE SERVICES DEPARTMENT**

2. **2013 CONSOLIDATED FINANCIAL STATEMENTS**

(File Ref. No.) (REDMS No. 4206667)

It was moved and seconded

*That the City's audited consolidated financial statements for the year ended December 31, 2013 be approved.*

**CARRIED**

3. **FINANCIAL INFORMATION – 1<sup>ST</sup> QUARTER MARCH 31, 2014**

(File Ref. No.) (REDMS No. 4206667 v. 2)

Please see Page 3 for action on this matter.

**RICHMOND PUBLIC LIBRARY BOARD**

4. **2013 FINANCIAL STATEMENTS FOR RICHMOND PUBLIC LIBRARY BOARD**

(File Ref. No.) (REDMS No.)

It was moved and seconded

*That the report on the 2013 Financial Statements and Independent Auditor's report for the Richmond Public Library Board be received for information.*

**CARRIED**

**LULU ISLAND ENERGY COMPANY LTD.**

5. **2013 FINANCIAL STATEMENTS FOR THE LULU ISLAND ENERGY COMPANY**

(File Ref. No.) (REDMS No. 4212662 v. 2)

It was moved and seconded

*That the Lulu Island Energy Company audited financial statements for the year ended December 31, 2013, as presented in the report titled "2013 Financial Statements for the Lulu Island Energy Company", dated May 2, 2014 from the Director, Finance, be received for information.*

**CARRIED**

**Finance Committee**  
**Monday, May 5, 2014**

---

**RICHMOND OLYMPIC OVAL CORPORATION**

6. **2013 FINANCIAL STATEMENTS FOR THE RICHMOND OLYMPIC OVAL CORPORATION**

(File Ref. No.) (REDMS No. 4216958)

In reply to queries from Committee, Rick Dusanj, Controller, Richmond Olympic Oval Corporation, commented on the annual surplus, highlighting that financial trends indicate a similar result for 2014.

It was moved and seconded

*That the report on the 2013 Financial Statements and Independent Auditor's report for the Richmond Olympic Oval Corporation from the Controller of the Richmond Olympic Oval Corporation be received for information.*

**CARRIED**

3. **FINANCIAL INFORMATION – 1<sup>ST</sup> QUARTER MARCH 31, 2014**

(File Ref. No.) (REDMS No. 4206667 v. 2)

It was moved and seconded

*That the staff report titled Financial Information – 1<sup>st</sup> Quarter March 31, 2014 from the Director, Finance, be received for information.*

The question on the motion was not called as in reply to queries from Committee, John McGowan, Fire Chief, Richmond Fire-Rescue (RFR), advised that three retirements and one resignation have created four RFR vacancies.

The question on the motion was then called and it was **CARRIED**.

**ADJOURNMENT**

It was moved and seconded

*That the meeting adjourn (4:20 p.m.).*

**CARRIED**

Certified a true and correct copy of the Minutes of the meeting of the Finance Committee of the Council of the City of Richmond held on Monday, May 5, 2014.

---

Mayor Malcolm D. Brodie  
Chair

---

Hanieh Berg  
Committee Clerk

3.



# City of Richmond

## Report to Committee

**To:** Finance Committee

**Date:** May 16, 2014

**From:** Jerry Chong  
Director, Finance

**File:** 03-0905-05-01/2014-  
Vol 01


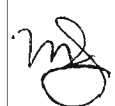
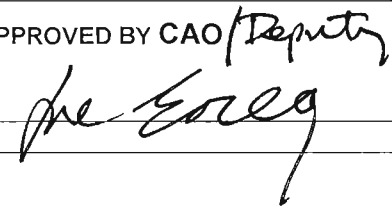
**Re:** 2013 Annual Development Cost Charges

### Staff Recommendation

That the report titled, "2013 Annual Development Cost Charges," from the Manager, Financial Reporting be received for information.

Jerry Chong  
Director, Finance  
(604-276-4064)

Att. 1

REPORT CONCURRENCE		
<b>ROUTED TO:</b>	<b>CONCURRENCE</b>	<b>CONCURRENCE OF GENERAL MANAGER</b>
Affordable Housing	<input checked="" type="checkbox"/>	
Development Applications	<input checked="" type="checkbox"/>	
Engineering	<input checked="" type="checkbox"/>	
Parks Services	<input checked="" type="checkbox"/>	
Transportation	<input checked="" type="checkbox"/>	
<b>REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE</b>	<b>INITIALS:</b> 	<b>APPROVED BY CAO/Deputy</b> 

## Staff Report

### Origin

In compliance with section 937.01 of the *Local Government Act*, the City is required to prepare a Development Cost Charges (DCC) report on or before June 30<sup>th</sup>, with information from the previous year. The DCC report must include the following, reported under subsections (2) and (2.1) of section 933 for which the local government imposes development cost charges in the applicable year:

- (a) *the amount of development cost charges received;*
- (b) *the expenditures from the development cost charge reserve funds;*
- (c) *the balance in the development cost charge reserve funds at the start and at the end of the applicable year;*
- (d) *any waivers and reductions under section 933.1 (2).*

### Analysis

The City's 2013 Annual DCC Report covers the following seven broad categories:

- (i) Description and principles of the City of Richmond's DCC program,
- (ii) 2013 DCC reserve fund balances,
- (iii) 2013 DCC credits,
- (iv) 2013 to 2014 DCC programs,
- (v) DCC waivers and reductions,
- (vi) Municipal assist factor, and
- (vii) Inter-fund transfers between DCC reserve funds.

A copy of the 2013 Annual Development Cost Charges Report, which will be available for public viewing on the City's website on June 30, 2014, is attached for information.

### Conclusion

The attached 2013 Annual Development Cost Charges Report is in compliance with the annual reporting requirements as prescribed under section 937.01 of the *Local Government Act*.



Cindy Gilfillan  
Manager, Financial Reporting  
(604-276-4077)

CG:cg

Att. 1: 2013 Annual Development Cost Charges Report

# 2013 ANNUAL DEVELOPMENT COST CHARGES REPORT

For the year ended December 31, 2013

City of Richmond's Vision:  
To be the most appealing, livable, and  
well-managed community in Canada





# CITY OF RICHMOND

## 2013 ANNUAL DEVELOPMENT COST CHARGES REPORT

---

This 2013 Annual Development Cost Charges (DCC) Report is prepared by the City of Richmond pursuant to Section 937.01 of the *Local Government Act*. This report contains information pertaining to the following reporting requirements:

- I. Description and Principles of the City of Richmond's DCC Program
- II. 2013 DCC Reserve Fund Balances
- III. 2013 DCC Credits
- IV. 2013 to 2014 DCC Programs
- V. DCC Waivers and Reductions
- VI. Municipal Assist Factor
- VII. Inter-Fund Transfers between DCC Reserve Funds

### **I. DEVELOPMENT COST CHARGES**

*What are DCC's?*

Development Cost Charges (DCC's) are charges levied on new development to assist in financing the cost of upgrading or providing infrastructure services or acquiring and developing parkland needed to support new development. The purpose of DCC's is to assist the municipality with accommodating development by providing a dedicated source of funding for the capital costs of:

- New arterial roads and widening of arterial roads, traffic signals, sidewalks, pedestrian and bicycle lane improvements, transit-related road infrastructures, and traffic safety projects;
- Water mains, drainage mains, pump stations and channel improvements, sanitary sewer mains and pump stations; and
- Acquisition and development of parkland (playing fields, drainage and irrigation, turf, etc.)

*What is the purpose of the DCC Program?*

The DCC program is one of the many pieces of the City's broader community development framework. It is developed in ways that are consistent with the City's long-term planning objectives and financial strategies. The objective of the DCC program is to ensure that those people that will use and benefit from the services provided will pay their share of the costs in a fair and equitable basis. The DCC program provides the information and basis in which DCC rates are derived, allowing for information transparency and accountability to the public.

## CITY OF RICHMOND

### 2013 ANNUAL DEVELOPMENT COST CHARGES REPORT

---

#### *What are the guiding principles in developing the DCC program?*

Each local government has a fundamental philosophy with respect to development and the government's role in facilitating development. The City of Richmond's DCC program has been developed to be consistent with the following legislation, plans, and policy guides:

- Local Government Act
- Development Cost Charges Best Practices Guide
- Liveable Region Strategic Plan, 1999 (Greater Vancouver Regional District)
- Official Community Plan (OCP) Bylaw
- Richmond Urban Development Forecast
- Parks, Recreation and Cultural Services Master Plan 2005 - 2015
- Parks Land Acquisition and Development 2006 DCC Program
- City Centre Transportation Plan
- City Centre Area Plan (CCAP)

Furthermore, to ensure that affected stakeholders are informed about the DCC program, the City is required to consult with and obtain comments and input from representatives from the development industry. They include representatives from the Urban Development Institute (UDI), Greater Vancouver Home Builders Association (GVHBA), National Association of Industrial and Office Properties (NAIOP), and small local homebuilders and developers.

#### *How are DCC rates derived?*

The City began the DCC process by determining the amount of growth that was projected to occur over a specified future period of time. The growth projections were based on information received in 2008 for the various types of residential development (e.g. single family, duplex, townhouse, apartment), as well as commercial, industrial, and institutional growth, growth areas, and major servicing needs that can be found in the CCAP.

Following the growth projections, the City identified specific infrastructure works that were required to accommodate the growth. The estimated infrastructure costs were determined and formed the basis of the DCC Program.

DCC's collected in 2013 were based on rates established in Development Cost Charges Bylaw No. 8024, Amendment Bylaw No. 8396 that was adopted on September 14, 2009.

# CITY OF RICHMOND

## 2013 ANNUAL DEVELOPMENT COST CHARGES REPORT

### *How are DCC's used?*

Funds collected through DCC's must be deposited in a separate reserve account. These funds may only be used to pay for the capital costs of the works and short-term financing costs of a debt incurred for capital works identified in the DCC program.

DCC's cannot be used for costs incurred to replace, operate and maintain parks, roads, water mains, sanitary and storm sewers already in place to serve the existing residents of the City. In addition, DCC's collected cannot be used to pay for services such as recreation, policing, fire and library that are affected by growth.

### *How are costs allocated to growth and existing users?*

To achieve the objective of promoting growth and to ensure the use of a fair and equitable basis of allocating costs, the costs of the DCC works are allocated between growth and the existing population on the basis of benefits.

## II. 2013 DCC RESERVE FUND BALANCES

The City records and maintains separate accounts for each DCC reserve fund. The follow table provides a continuity schedule of each DCC reserve fund (by service) for the 2013 fiscal year:

	<i>(amounts expressed in thousands of dollars)</i>					
	January 1 Balance	Transfers In	DCC Credits	Interest Earned	Transfers Out	December 31 Balance
Basic:						
Roads	\$ 14,854	\$11,475	\$936	\$208	\$3,149	\$22,452
Drainage	12,255	3,270	50	192	118	\$15,549
Water	3,536	1,140	-	48	307	\$4,417
Sewer	8,582	2,931	306	96	85	\$11,218
Parks Acquisition	7,071	12,649	1,211	186	4,232	\$14,463
Parks Development	10,617	5,617	-	154	3,796	\$12,592
Total Basic	\$ 56,915	\$37,082	\$2,503	\$884	\$11,687	\$80,691
Local Area - West Cambie:						
Roads	\$ 2,385	\$63	\$-	\$42	\$-	\$2,490
Drainage	623	115	-	10	-	\$748
Water	101	12	-	2	-	\$114
Sewer	224	25	-	4	-	\$253
Parks Acquisition	1,858	560	-	29	-	\$2,447
Parks Development	441	71	-	-	43	\$469
Total Local Area	\$ 5,632	\$845	\$-	\$87	\$43	\$6,521
Total DCC Reserve	\$ 62,547	\$37,927	\$2,503	\$971	\$11,730	\$87,212

**CITY OF RICHMOND**  
**2013 ANNUAL DEVELOPMENT COST CHARGES REPORT**

---

**III. 2013 DCC Credits**

<b>Site Address</b>	<b>Developer</b>
<u>Roads</u>	
6951 Elmbridge Way	Quintet
7388 Gollner Ave	Polygon Development
10111 River Road	Parc Riviera
10133 River Dr	Parc Riviera
10033 River Dr	Parc Riviera
10155 River Rd	Oris Consulting on behalf of Parc Riviera
7338 Gollner Ave	Polygon Cerrera Homes Ltd

<u>Drainage</u>	
6951 Elmbridge Way	Quintet
7388 Gollner Ave	Polygon Development
7338 Gollner Ave	Polygon Cerrera Homes Ltd

<u>Sewer</u>	
6188 No 3 Road	Fairborne Developments Ltd
10111 River Road	Parc Riviera
10133 River Dr	Parc Riviera
10033 River Dr	Parc Riviera
10155 River Rd	Oris Consulting on behalf of Parc Riviera

<u>Parks Acquisition</u>	
10111 River Road	Parc Riviera
10133 River Dr	Parc Riviera
10033 River Dr	Parc Riviera
10155 River Rd	Oris Consulting on behalf of Parc Riviera

**IV. 2013 to 2014 DCC PROGRAMS**

Roads

The projects in the Roads DCC Program include intersection and traffic signal improvements, selected arterial and collector improvements, pedestrian and cyclist improvements, transit-related road infrastructures, traffic safety projects, and debt repayments.

## CITY OF RICHMOND

### 2013 ANNUAL DEVELOPMENT COST CHARGES REPORT

---

A summary of the projects funded by the Roads DCC's in year 2013 and the projects set to begin in year 2014 is contained in Appendix 1.

#### Drainage

The projects in the Drainage DCC Program include storm sewers, pump station upgrades, and new pump stations, and development coordinated works.

A summary of the projects funded by the Drainage DCC's in year 2013 and the projects set to begin in year 2014 is contained in Appendix 2.

#### Water

The projects in the Water DCC Program include watermain replacement and upgrades, infrastructure advanced design, and development coordinated works.

A summary of the projects funded by the Water DCC's in year 2013 and the projects set to begin in year 2014 is contained in Appendix 3.

#### Sewer

The projects in the Sewer DCC Program include pump stations, sewer upgrades, and development coordinated works.

A summary of the projects funded by the Sewer DCC's in year 2013 and the projects set to begin in year 2014 is contained in Appendix 4.

#### Parks Acquisition and Parks Development

The projects in the Parks Acquisition DCC Program include acquisition of land for parks and open space required to meet the needs of growth. The projects in the Parks Development DCC Program include park planning and design, and construction projects required to meet the needs of future growth. The types of parks include urban parks, community parks, neighbourhood parks, trails, natural areas and waterfront parks.

A summary of the projects funded by the Parks Acquisition and Parks Development DCC's in year 2013 and the projects set to begin in year 2014 is contained in Appendix 5.

**CITY OF RICHMOND**  
**2013 ANNUAL DEVELOPMENT COST CHARGES REPORT**

---

**V. WAIVER AND REDUCTIONS**

Section 933.1 of the Local Government Act provides the option for municipalities to exempt or waive DCC's for the following classes of eligible development:

- Not-for-profit rental housing, including supportive living housing;
- For-profit affordable rental housing;
- Subdivisions of small lots that is designed to result in low greenhouse gas emission; and
- Developments designed to result in low environmental impact.

For year 2013, no waivers or reductions were granted.

Currently, the City has a Richmond Affordable Housing Strategy which allows Council to grant funding to eligible non-profit affordable housing societies to cover the DCC costs for affordable housing projects (i.e. subsidized rental housing). The City's grant is funded from Affordable Housing Reserve and is still a cost to the City. There are two grants currently being provided (disbursements scheduled in 2014 and 2015).

**VI. MUNICIPAL ASSIST FACTOR**

The Local Government Act recognizes that it would be unfair to impose on new development all of the costs that are attributable to new development. As such, the Local Government Act stipulates that an assist factor will be included as part of the calculation of DCC's. An assist factor represents the City's contribution towards the capital costs for the projects that are attributed to new development. In determining the municipal assist factor, the City considered the following factors:

- Future land use patterns and development;
- Phasing of works and services;
- Whether the charges are excessive in relation to the capital costs of prevailing standards of service;
- Whether the costs will deter development; or
- Whether the charges will discourage the construction of reasonably priced housing or the provision of reasonably priced serviced land.

Based on the above factors, the City of Richmond's municipal assist factor has been set at 1%.

**VII. INTER-FUND TRANSFER**

Local governments are permitted to lend available money in one DCC reserve fund to another DCC reserve fund on a temporary basis.

There were no DCC inter-fund transfers in year 2013.

**ROADS – 2013 Expenditures**

This table summarizes all projects from 2013 and earlier that had expenditures funded by the Roads DCC's in the year 2013:

<b>Location</b>	<b>Type of Infrastructure / Description</b>
City-wide	Crosswalk Improvement Program
City-wide	Cycling Network Expansion
City-wide	Functional and Preliminary Design of Transportation Capital Projects
Lansdowne Road	Lansdowne Road Extension - Alderbridge Way to Minoru Blvd
Lansdowne Road	Lansdowne Road Extension Repayment
City-wide	Miscellaneous Cycling Safety Enhancements
City-wide	Neighbourhood Traffic Safety Program
City-wide	Neighbourhood Walkway Improvements
No. 2 Road Bridge	No. 2 Road Bridge Debt Payment
City-wide	Pedestrian and Roadway Improvement Program
River Road/ North Loop	River Road/ North Loop Repayment
Nelson Road	Road Widening - Nelson Road: Westminster Hwy to Blundell Rd
No. 6 Road	Road Widening - No. 6 Road: Wireless Way to Commerce Parkway
Westminster Highway	Road Widening - Westminster Hwy: Nelson Rd to McMillan
City-wide	Traffic signal installation and improvement program

**ROADS – 2014 Projects**

This table summarizes all projects funded by the Roads DCC's that are set to begin in 2014:

<b>Location</b>	<b>Type of Infrastructure / Description</b>
City-wide	Active Transportation Improvement Program
City-wide	Crosswalk Improvement Program
City-wide	Functional and Preliminary Design of Transportation Capital Projects
Lansdowne Road	Lansdowne Road Extension Repayment
City-wide	Neighbourhood Traffic Safety Program
Nelson Road	Nelson Road Interchange Repayment
City-wide	Pedestrian and Roadway Improvement Program
River Road/ North Loop	River Road/ North Loop Repayment
Cambie Road / Stolberg Street	Traffic signal installation and improvement program
City-wide	Traffic signal installation and improvement program

**DRAINAGE – 2013 Expenditures**

This table summarizes all projects from 2013 and earlier that had expenditures funded by the Drainage DCC's in the year 2013:

<b>Location</b>	<b>Type of Infrastructure / Description</b>
City-wide	Development Coordinated Works
Gilbert North	Drainage Area Replacement and Upgrade
Peace Arch	Drainage Area Replacement and Upgrade
Steveston	Drainage Area Replacement and Upgrade
Woodward's Slough	Infrastructure Advanced Design
City-wide	Pump Station Replacement and Improvements

**DRAINAGE – 2014 Projects**

This table summarizes all projects funded by the Drainage DCC's that are set to begin in 2014:

<b>Location</b>	<b>Type of Infrastructure / Description</b>
No. 2 Rd	Pump Station Replacement and Improvements



**WATER – 2013 Expenditures**

This table summarizes all projects from 2013 and earlier that had expenditures funded by the Water DCC's in the year 2013:

<b>Location</b>	<b>Type of Infrastructure / Description</b>
City-wide	Development Coordinated Works
City-wide	Infrastructure Advanced Design
City-wide	PW Minor Capital Waterworks Program
Foster Road / McMath Road	Watermain Replacement
Steveston Area	Watermain Replacement
Windjammer Drive	Watermain Replacement

**WATER – 2014 Projects**

This table summarizes all projects funded by the Water DCC's that are set to begin in 2014:

<b>Location</b>	<b>Type of Infrastructure / Description</b>
Colbeck Road Area	Watermain Replacement
Ledway Area	Watermain Replacement
Ryan Road Area	Watermain Replacement

**SEWER – 2013 Expenditures**

This table summarizes all projects from 2013 and earlier that had expenditures funded by the Sewer DCC's in the year 2013:

<b>Location</b>	<b>Type of Infrastructure / Description</b>
City-wide	Development Coordinated Works
City-wide	Infrastructure Advanced Design
Ackroyd	Pump Station Replacement and Improvements
Montrose	Pump Station Replacement and Improvements
Bridgeport	Sewer Upgrades
City Centre	Sewer Upgrades
East Richmond	Sewer Upgrades

**SEWER – 2014 Projects**

This table summarizes all projects funded by the Sewer DCC's that are set to begin in 2014:

<b>Location</b>	<b>Type of Infrastructure / Description</b>
Eckersley Road	Pump Station Replacement and Improvements
Hamilton Area	Sewer Upgrades
Leslie Road	Pump Station Replacement and Improvements

**PARKS – 2013 Expenditures**

This table summarizes all projects from 2013 and earlier that had expenditures funded by the Parks DCC's in the year 2013:

<b>Location</b>	<b>Type of Infrastructure / Description</b>
City-wide	Advanced Planning and Design
Britannia Heritage Shipyard	Britannia Heritage Shipyard - Boardwalk
City Centre Middle Arm Park	Park and Trail Construction
City-wide	Park Improvements
City-wide	Parkland Acquisition and repayments
Railway Avenue	Railway Avenue Greenway
Terra Nova	Terra Nova Park Improvements
No. 5 Road / Steveston Hwy	The Gardens Agricultural Park
Granville Ave / Lynas Lane	Thompson Integrated Youth Park
City-wide	Trail Construction and Tree Planting
West Cambie	West Cambie Greenway

**PARKS – 2014 Projects**

This table summarizes all projects funded by the Parks DCC's that are set to begin in 2014:

<b>Location</b>	<b>Type of Infrastructure / Description</b>
City-wide	Advanced Planning and Design
Cambie Mueller Park	Park Construction
No. 5 Road / Steveston Highway	Park Construction
City-wide	Park Improvements
City-wide	Parkland Acquisition and repayments
City-wide	Parkland Acquisition and repayments
Terra Nova	Play Environment Washroom and Landscaping
City-wide	Trail Construction and Tree Planting



# City of Richmond

## Report to Committee

**To:** Finance Committee **Date:** May 13, 2014  
**From:** Andrew Nazareth **File:**  
General Manager, Finance and Corporate  
Services  
**Re:** 2013 Annual Report and 2013 Annual Report - Highlights

### Staff Recommendation

That the reports titled, "City of Richmond 2013 Annual Report" and the "2013 Annual Report – Highlights" be approved.

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

Att.

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

## **Staff Report**

### **Origin**

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

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

### **Analysis**

The City of Richmond's annual report formally presents the audited financial statements and other relevant financial, economic and demographic indicators to the public. In addition, the report highlights many of the City's significant achievements from 2013, in both delivery of basic civic services and in support of Council's Term Goals and objectives.

Staff have followed the award-winning format from past years in which two versions of the report are prepared. The first version is the comprehensive 2013 Annual Report, which meets all legislative requirements. This version will be publicly available through the City's website and printed only on an exception 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 objectives; and a listing of permissive exemptions as required under the Community Charter for British Columbia's local governments. In addition to the statutorily required information, the comprehensive version provides information on City milestones from 2013, including awards and achievements, as well as relevant statistical data.

The second version is the popular financial report, or titled 2013 Annual Report – Highlights. It has been prepared to inform the general public about the City of Richmond, its services, highlights from 2013 and the City's financial condition. Copies of this simplified version will be mailed out and made available for the general public in hard copy at Richmond City Hall, Front of House and on the City's website.

This year, the Annual Report team will also be working with Information Technology to produce a more user-friendly and enhanced online version of the Annual Report. This further supports Council's Term Goal of better informing the public about the City's priorities, activities and achievements.

### **Financial Impact**

None.

## Conclusion

The City of Richmond 2013 Annual Report and the 2013 Annual Report – Highlights satisfy Community Charter requirements for financial reporting and provide important tools in ensuring public transparency and accountability for the management of City finances. The reports also provide useful information on the City's achievements during the 2013 fiscal year.



Jerry Chong  
Director, Finance  
(4064)



Ted Townsend  
Senior Manager, Corporate Communications  
(4399)





# City of Richmond

British Columbia, Canada

## 2013 Annual Report

For the year ended December 31, 2013







Government Finance Officers Association

## **Canadian Award for Financial Reporting**

Presented to

**City of Richmond  
British Columbia**

For its Annual  
Financial Report  
for the Year Ended

**December 31, 2012**



Executive Director/CEO

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting to the City of Richmond for its annual financial report for the fiscal year ended December 31, 2012. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

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

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





# City of Richmond

British Columbia, Canada

## 2013 Annual Report

For the year ended December 31, 2013

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

## Contents

### Introductory section

Message from the Mayor .....	2
Richmond City Council.....	3
City of Richmond organizational chart .....	4
Message from the Chief Administrative Officer .....	5
2013 Awards.....	7
Council Term Goals and Objectives: 2011 to 2014 .....	8
Report from the General Manager, Finance and Corporate Services.....	12

### Financial section

City of Richmond audited financial statements.....	13
--	----

### Statistical section

City of Richmond statistical data .....	39
---	----

### Tax exemption section

2013 permissive property tax exemptions.....	55
2013 City Centre Area transitional tax exemptions.....	59
City of Richmond contacts .....	60

**Cover photo:** Richmond City Centre as viewed from the Canada Line's Aberdeen station.  
*Photo by Chung Chow.*

This report was prepared by the City of Richmond Finance and Corporate Services Department and Corporate Communications Office. Design, layout and production was done by the City of Richmond Production Centre. ©2014 City of Richmond

Contents printed on Canadian made, 100% recycled stock, using environmentally friendly toners.

# Message from the Mayor



The City of Richmond enjoyed another year of positive growth in 2013. With our population now over 200,000 and billions of dollars of investment in new development and public infrastructure planned for our community in the coming decade, Council has placed a strong focus on planning and building for our future.

In November, Council approved a comprehensive \$124.1 million major capital program which will include much needed replacements for our major aquatic centre; a new, expanded older adult centre; completion of our new City Centre Community Centre and replacement of the City's No. 1 Fire Hall. These new facilities will replace aging and outdated buildings that no longer meet the growing and evolving needs of our community. All these new projects will be completed by 2017 and the

construction costs will not impact property taxes.

Council was also pleased to conclude an innovative agreement with the province that will see a new joint fire hall/ambulance facility built in North Richmond, the first combined facility of this type in a major urban centre in BC.

The City also launched the master planning process for the Garden City Lands, a 136.5-acre parcel of open space on the edge of the City Centre, which will be entirely for community use. It is an extraordinary opportunity for any community to develop a plan for such a large area in a central location with all of it destined to remain in the public realm. Thousands of our residents have already participated in the planning process and we look forward to the Garden City Lands becoming a treasured public resource in the years to come.

As our City grows, our community social needs are also becoming greater. In 2013, Council approved a 10-year Social Development Strategy, one of the first such comprehensive community plans in the province. This plan identifies civic social development priorities and actions for the next decade. We've already made great strides towards implementing this plan. In December, Council committed more than \$30 million to support two major affordable housing projects, which will result in more than 400 units of new affordable housing for seniors and low income/at risk residents.

As Council enters the final year of our current term in 2014, we will continue to work closely with staff, community groups and other partners to achieve our Council Term Goals, ensuring that Richmond residents and business will remain being well-served by the City today and in the future. I invite you to contact the Mayor's Office at any time to discuss or comment on any of the information contained in this Annual Report.

A handwritten signature in black ink, appearing to read 'Malcolm Brodie'. The signature is fluid and cursive, with a long horizontal stroke at the end.

Malcolm Brodie  
*Mayor, City of Richmond*

# Richmond City Council



## Front row, left to right:

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

## Back row, left to right:

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

# City of Richmond organizational chart

<b>Chief Administrative Office</b> George Duncan, CAO		
<b>Deputy Chief Administrative Office</b> Joe Erceg, Deputy CAO		
<b>Community Services</b> Dave Semple, GM Cathy Volkering Carlile, GM	<b>Engineering and Public Works</b> Robert Gonzalez, GM	<b>Finance and Corporate Services</b> Andrew Nazareth, GM
<b>Law and Community Safety</b> Phyllis Carlyle, GM	<b>Planning and Development</b> Joe Erceg, GM	

## Civic officials as at December 31, 2013

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

### Banker

Scotiabank

### Auditors

KPMG

# Message from the Chief Administrative Officer



I am delighted to present the City of Richmond's 2013 Annual Report, chronicling another year of innovation, progress and achievement and our continued strong financial position.

Our taxpayers enjoy the second lowest taxes among the largest cities in our region. Thanks to the City's Long Term Financial Management Strategy, which caps annual tax increases, the growth in our property taxes has also been the second lowest in the region over the past five years.

Our financial health has ensured that we have been able to maintain and build upon Richmond's reputation for outstanding quality of life and exceptional municipal services and amenities, while focusing on delivery of Council's Term Goals. Our prudent financial planning, which has reduced debt and built our reserves, allowed Council to achieve one of its major goals by approving a major \$124.1 million capital building program for critically-needed new facilities, without having property taxes impacted by the construction costs.

Sustainability, another key Council Term Goal, has become a major focus for our organization. A highlight of our sustainability initiatives is our innovative district energy program. 2013 marked the first year of operation for the City's first district energy utility. By year's end, the Alexandra District Energy Utility (ADEU) was supplying heating and cooling to more than 600 new homes. When fully operational, the ADEU is projected to reduce greenhouse gas emissions by 6,000 tonnes annually. The City received both provincial and national awards in 2013 for the ADEU for its innovative solutions and commitment to sustainability. Richmond is aggressively pursuing other district energy projects and has formed a new municipal corporation to act as the operating entity for an anticipated expanding array of utility projects.

The City's other municipal corporation, the Richmond Olympic Oval Corporation, also continues to be hugely successful. The Oval Corporation again reported a profit for its latest fiscal year. This return on investment virtually offsets the City's operating contribution to the corporation, ensuring the long-term viability and success of this tremendous community asset. In addition, the Richmond Olympic Oval has continued to exceed all of its operational targets attracting more than 700,000 visits annually for its diverse array of programs, amenities and events.

Our organization remains committed to continuous improvement. While we are proud of the achievements highlighted in the Annual Report for 2013, they will now become a benchmark as we continue to work toward our vision for Richmond to be the most appealing, livable and well-managed community in Canada.

A stylized, handwritten signature in black ink, appearing to read 'George Duncan'.

George Duncan  
*Chief Administrative Officer*





Alexandra District Energy Utility

# 2013 Awards

The awards and recognition received by the City form an important part of our annual benchmarking of our achievements. In 2013, the City again received a number of awards for innovation and excellence.

- Richmond's success in creating a positive economic development climate was recognized for the second consecutive year by fDi (Foreign Direct Investment) magazine. Among over 400 North American cities rated, Richmond was ranked as a Top 10 Small City of the Future (third), as well as a Top 10 Small City in the Business Friendliness and Foreign Direct Investment Strategy categories.
- The City's development of the Alexandra District Energy Utility won two awards for innovation in both engineering and public works. Canadian Consulting Engineer magazine and the Association of Consulting Engineering Companies–Canada bestowed the ADEU with the Award of Excellence. This award

is the most prestigious recognition in Canadian engineering and is given to projects that exhibit a high quality of engineering, imagination and innovation. The ADEU was also named Project of the Year by the Public Works Association of BC. This award is given to a municipality that constructs a major and complex public works or utilities project that meets specific criteria including innovative design with project benefits for the community and the environment.

- Richmond again won awards from the Government Financial Officers Association of North America for our 2012 Annual Report, marking a decade of excellence in financial reporting. Richmond received the Canadian Award for Financial Reporting for the eleventh consecutive year. The City also received the Association's Award for Outstanding Achievement in Popular Annual Financial Reporting for the fourth year in a row.





# Council Term Goals and Objectives: 2011 to 2014

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

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

## 1. Community Safety

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

### 2013 Achievement

The City and BC Emergency Health Services reached agreement to build a joint fire hall/ ambulance station in North Richmond. To open in 2016, it will be the first combined facility of this type in a major BC urban centre.



## 2. Community Social Services

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

### 2013 Achievement

Council approved a 10-year Social Development Strategy. One of the first of its kind in BC, this comprehensive strategy identifies civic social development priorities and actions for the next decade.

### 2013 Achievement

The City guaranteed more than \$30 million in land and funding to support two major new affordable housing projects. Together, these projects will see the creation of more than 400 new units for seniors and low income/at-risk residents.



### 3. Economic Development

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

#### 2013 Achievement

The City's Sport Hosting Program helped secure more than 30 sports events for Richmond in 2013. These events generated more than 23,000 hotel room nights for Richmond plus millions of dollars in economic spinoffs.



### 4. Facility Development

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

#### 2013 Achievement

Council approved a new \$124.1 million major facilities building program. The program will include construction of new aquatic and older adult centres and a new No. 1 Fire Hall to replace the aging and outdated facilities; and completion of the new City Centre Community Centre.

#### 2013 Achievement

The new Tram Barn was opened at Steveston Park. The facility houses the historic Interurban Tram and has become a popular attraction for residents and visitors.

## 5. Financial Management

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

### 2013 Achievement

The City retired \$18.6 million of debt, initially incurred in the early 1990s to fund construction of the No. 2 Road Bridge and sewer works.

## 6. Intergovernmental Relations

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

### 2013 Achievement

A dredging program was completed in the Steveston Channel, improving movement of fishing industry and other marine traffic through Richmond's key small crafts harbour. This was accomplished through an innovative \$10 million partnership between the City, Port Metro Vancouver and senior governments.

## 7. Managing Growth and Development

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

### 2013 Achievement

An extensive master planning process for the Garden City Lands was launched. This plan will determine the future community use for this valuable 136.5-acre parcel on the edge of Richmond's City Centre.

## 8. Sustainability

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

### 2013 Achievement

The City's new Alexandra District Energy Utility (ADEU) successfully completed its first full year of operation. Working with the private sector, over 600 units are now connected to the system, leading to the reduction of greenhouse gas emissions by more than 330 tonnes to date.

### 2013 Achievement

Richmond introduced new Green Cart and Large Item Pickup Programs for single-family homes and 11,000 townhomes. This improved convenience for residents resulted in an increase in organics recycling by more than 4,000 tonnes in 2013.



## 9. Arts and Culture

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

### 2013 Achievement

The tenth annual Richmond Maritime Festival attracted 40,000 visitors to the Britannia Heritage Shipyards National Historic Site. During the Festival, a new Guinness World Record was set when 180 participants sang in sequence the nursery rhyme *Row, Row, Row Your Boat*.

## 10. Community Wellness

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

### 2013 Achievement

The Richmond Olympic Oval marked its fifth anniversary in 2013. A major asset in promoting community wellness through active lifestyles, the Oval hosted more than 700,000 visits in 2013 and recorded 23,000 sport and fitness program registrations.

## 11. Municipal Infrastructure Improvement

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

### 2013 Achievement

Phase 1 of a new Dike Master Plan, which includes Steveston and the West Dike, was endorsed in 2013. Implementation of this innovative long-term plan will ensure Richmond remains safe from flooding and addresses the long-term impacts of rising sea levels.



## 12. Waterfront Enhancement

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

### 2013 Achievement

The newly-restored Seine Net Loft at Britannia Heritage Shipyards National Historic Site was officially opened in 2013. The new facility provides a historic and versatile new amenity space for programs and events in a beautiful waterfront setting.



## 13. A Well-Informed Public

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

### 2013 Achievement

City Council extended funding of the popular Let's Talk Richmond online discussion tool. This forum has allowed thousands of residents to conveniently participate in various public consultations on subjects ranging from the Official Community Plan to plans for the Garden City Lands.

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

<http://www.richmond.ca/cityhall/council/about/goals.htm>



# 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, 2013 pursuant to Section 167 of the Community Charter. The financial statements reflect a consolidation of the financial position and operating results for the City of Richmond, Lulu Island Energy Company, Richmond Olympic Oval Corporation and the Richmond Public Library. The Lulu Island Energy Company was incorporated on August 19, 2013 and is a municipal corporation wholly-owned by the City of Richmond. The primary business of the new corporation is to manage and operate district energy utilities.

The external auditors, KPMG LLP, conducted an independent examination and have expressed their opinion that the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City of Richmond as at December 31, 2013 in accordance with Canadian public sector accounting standards.

The City continued to strengthen its financial condition and position in 2013; the City's net worth reached \$2.4B (2012: \$2.3B) and cash and investments increased to \$754.4M (2012: \$640.6M). Net financial assets increased to \$549.0M (2012: \$469.2M), while net debt outstanding was reduced to \$1.1M (2012: \$3.5M). Statutory reserves increased to \$353.8M (2012: \$295.0M). The City's 2013 operating revenues were \$454.0M (2012: \$400.3M) and operating expenses were \$327.8M (2012: \$317.4M).

In addition to prudently managing the City's finances, we are continuing to create a positive business climate in Richmond. The City's new business development program, including a dedicated business portal—[www.businessinrichmond.ca](http://www.businessinrichmond.ca)—and a business outreach initiative, was launched to provide business with easy access to information, resources and City services. To provide flexibility to local business, Richmond participated in an innovative pilot program to streamline business licence requirements for mobile businesses which operate in multiple municipalities within the region. Increased economic activity in 2013 saw construction value of building permits exceeding \$679M, the second highest on record while business licences increased to 13,371, all indicators of a thriving local economy.

Richmond's success in creating a positive economic environment was again recognized by fDi (Foreign Direct Investment) Magazine in 2013. Among over 400 North American cities rated, Richmond was ranked as a Top 10 Small City of the Future (3rd), as well as a Top 10 Small City in the Business Friendliness and Foreign Direct Investment Strategy categories.

Richmond's economy continues to thrive and the City's solid financial condition ensures that City Council is well positioned to address both current and emerging community needs.



Andrew Nazareth, BEc, CGA  
*General Manager, Finance and Corporate Services*  
May 13, 2014

# City of Richmond audited financial statements

Year ended December 31, 2013



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

Telephone (604) 527-3600  
 Fax (604) 527-3636  
 Internet [www.kpmg.ca](http://www.kpmg.ca)

## INDEPENDENT AUDITORS' REPORT

To the Mayor and Council

We have audited the accompanying consolidated financial statements of the City of Richmond, which comprise the consolidated statement of financial position as at December 31, 2013 and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Consolidated Financial Statements*

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

### *Auditors' Responsibility*

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

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

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

### *Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City of Richmond as at December 31, 2013, 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.

Chartered Accountants

May 12, 2014

Burnaby, Canada

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

December 31, 2013, with comparative information for 2012

	2013	2012
<b>Financial Assets</b>		
Cash and cash equivalents	\$ 38,368	\$ 49,632
Investments (note 3)	716,114	590,961
Accrued interest receivable	3,224	3,122
Accounts receivable (note 4)	19,625	22,682
Taxes receivable	9,244	8,895
Development fees receivable	21,405	12,923
Debt reserve fund deposits (note 5)	200	386
	808,180	688,601
<b>Liabilities</b>		
Accounts payable and accrued liabilities (note 6)	83,146	75,325
Deposits and holdbacks (note 7)	51,841	40,669
Deferred revenue (note 8)	35,870	37,307
Development cost charges (note 9)	87,212	62,547
Obligations under capital leases (note 10)	58	106
Debt, net of MFA sinking fund deposits (note 11)	1,056	3,488
	259,183	219,442
Net financial assets	548,997	469,159
<b>Non-Financial Assets</b>		
Tangible capital assets (note 12)	1,877,298	1,830,619
Inventory of materials and supplies	2,363	2,276
Prepaid expenses	1,594	1,954
	1,881,255	1,834,849
Accumulated surplus (note 13)	\$ 2,430,252	\$ 2,304,008

Commitments and contingencies (note 17)

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, 2013, with comparative information for 2012

	Budget 2013	2013	2012
	(notes 2(m) and 22)		
Revenue:			
Taxation and levies	\$ 174,825	\$ 176,283	\$ 167,529
Utility fees	74,321	79,613	74,222
Sales of services	40,366	45,941	41,449
Payments-in-lieu of taxes	13,199	14,406	13,189
Provincial and federal grants	7,256	7,092	9,487
Development cost charges	1,280	11,730	10,480
Other capital funding sources	71,768	55,542	19,306
Other revenues:			
Investment income	16,792	13,490	17,144
Gaming revenue	12,364	17,632	15,585
Licenses and permits	7,537	9,178	8,734
Other (note 20)	7,662	23,096	23,186
	427,370	454,003	400,311
Expenses:			
Law and Community safety	83,844	77,587	75,193
Utilities: water, sewerage and sanitation	73,862	73,764	72,682
Engineering, public works and project development	56,427	53,219	53,164
Community services	49,162	49,753	46,796
General government	47,931	41,677	38,570
Planning and development	12,513	11,854	11,961
Richmond Olympic Oval	11,432	10,509	9,826
Library services	9,540	9,396	9,245
	344,711	327,759	317,437
Annual surplus	82,659	126,244	82,874
Accumulated surplus, beginning of year	2,304,008	2,304,008	2,221,134
Accumulated surplus, end of year	\$ 2,386,667	\$ 2,430,252	\$ 2,304,008

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, 2013, with comparative information for 2012

	2013 budget (notes 2(m) and 22)	2013	2012
Surplus for the year	\$ 82,659	\$ 126,244	\$ 82,874
Acquisition of tangible capital assets	(82,659)	(47,447)	(66,377)
Contributions of tangible capital assets	-	(50,887)	(12,784)
Amortization of tangible capital assets	-	50,334	49,566
Gain on disposal of tangible capital assets - land	-	(4,024)	(5,405)
Loss (gain) on disposal of tangible capital assets	-	434	(423)
Proceeds on sale of tangible capital assets	-	4,911	6,434
	-	79,565	53,885
Acquisition of inventories of supplies	-	(2,363)	(2,276)
Acquisition of prepaid expenses	-	(1,594)	(1,954)
Consumption of inventories of supplies	-	2,276	1,934
Use of prepaid expenses	-	1,954	1,847
Change in net financial assets	-	79,838	53,436
Net financial assets, beginning of year	469,159	469,159	415,723
Net financial assets, end of year	\$ 469,159	\$ 548,997	\$ 469,159

See accompanying notes to consolidated financial statements.

# CITY OF RICHMOND

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

Year ended December 31, 2013, with comparative information for 2012

	2013	2012
Cash provided by (used in):		
Operations:		
Annual surplus	\$ 126,244	\$ 82,874
Items not involving cash:		
Amortization	50,334	49,566
Gain on disposal of tangible capital assets - land	(4,024)	(5,405)
Loss (gain) on disposal of tangible capital assets	434	(423)
Contributions of tangible capital assets	(50,887)	(12,784)
Change in non-cash operating working capital:		
Increase in accrued interest receivable	(102)	(412)
Decrease (increase) in accounts receivable	3,057	(587)
Increase in taxes receivable	(349)	(2,179)
(Increase) decrease in development fees receivable	(8,482)	3,903
Decrease in debt reserve fund	186	-
Decrease (increase) in prepaid expenses	360	(107)
Increase in inventory of materials and supplies	(87)	(342)
Increase (decrease) in accounts payable and accrued liabilities	7,821	(2,373)
Increase in deposits and holdbacks	11,172	3,916
(Decrease) increase in deferred revenue	(1,437)	2,506
Increase in development cost charges	24,665	10,168
Net change in cash from operating activities	158,905	128,321
Capital activities:		
Cash used to acquire tangible capital assets	(47,447)	(66,323)
Proceeds on disposal of tangible capital assets	4,911	6,434
Net change in cash from capital activities	(42,536)	(59,889)
Financing activities:		
Principal payments on debt	(2,432)	(2,320)
Principal payments on obligations under capital leases	(48)	(447)
Net change in cash from financing activities	(2,480)	(2,767)
Investing activities:		
Change in investments	(125,153)	(27,799)
Net change in cash and cash equivalents	(11,264)	37,866
Cash and cash equivalents, beginning of year	49,632	11,766
Cash and cash equivalents, end of year	\$ 38,368	\$ 49,632
Supplementary Information:		
Non-cash transactions:		
Tangible capital assets financed by capital leases	\$ -	\$ 54

See accompanying notes to consolidated financial statements.

# CITY OF RICHMOND

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

Year ended December 31, 2013

---

## 1. Operations:

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

## 2. Significant accounting policies:

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

### (a) Basis of consolidation:

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

#### (i) General Revenue Fund:

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

#### (ii) General Capital and Loan Fund:

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

#### (iii) Waterworks and Sewerworks Funds:

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

#### (iv) Reserve Funds:

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

# CITY OF RICHMOND

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

Year ended December 31, 2013

## 2. Significant accounting policies (continued):

### (b) Basis of accounting:

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

### (c) Government transfers:

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

### (d) Cash and cash equivalents:

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

### (e) Investments:

Investments are recorded at cost, adjusted for amortization of premiums or discounts. Provisions for losses are recorded when they are considered to be other than temporary. At various times during the term of each individual investment, market value may be less than cost. Such declines in value are considered temporary for investments with known maturity dates as they generally reverse as the investments mature and therefore an adjustment to market value for these market declines is not recorded.

### (f) Accounts receivable:

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

### (g) Development cost charges:

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

### (h) Post-employment benefits:

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

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

# CITY OF RICHMOND

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars)

Year ended December 31, 2013

## 2. Significant accounting policies (continued):

### (i) Non-financial assets:

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

#### (i) Tangible capital assets:

Tangible capital assets are recorded at cost, which include 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, is amortized on a straight-line basis over their estimated useful lives as follows:

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

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

#### (ii) Contributions of tangible capital assets:

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

#### (iii) Natural resources:

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

#### (v) Interest capitalization:

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

#### (vi) Labour capitalization:

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

# CITY OF RICHMOND

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

Year ended December 31, 2013

---

## 2. Significant accounting policies (continued):

### (i) Non-financial assets (continued):

#### (vii) Leased tangible capital assets:

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

#### (viii) Impairment of tangible capital assets:

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

### (j) 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.

### (k) 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.

### (l) Debt:

Debt is recorded net of related sinking fund balances.

### (m) Budget information:

Budget information, presented on a basis consistent with that used for actual results, was included in the City of Richmond's Five Year Financial Plan and was originally adopted through Bylaw No. 8990 on February 25, 2013.

# CITY OF RICHMOND

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars)

Year ended December 31, 2013

## 2. Significant accounting policies (continued):

### (n) Use of accounting estimates:

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenue and expenses 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 consolidated 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.

### (o) Segment disclosures:

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

## 3. Investments:

	2013		2012	
	Cost	Market value	Cost	Market value
Short-term notes and deposits	\$ 205,162	\$ 205,186	\$ 61,835	\$ 62,206
Government and government guaranteed bonds	442,963	444,447	466,984	468,382
Municipal Finance Authority Pooled Investment	22,033	22,033	21,691	21,692
Other bonds	45,956	47,100	40,451	42,192
	<u>\$ 716,114</u>	<u>\$ 718,766</u>	<u>\$ 590,961</u>	<u>\$ 594,472</u>

# CITY OF RICHMOND

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

Year ended December 31, 2013

## 4. Accounts receivable:

	2013	2012
Water and sewer utilities	\$ 8,949	\$ 8,130
Casino revenues	4,292	3,580
Capital grant	1,350	3,054
Other trade receivables	5,034	7,918
	<u>\$ 19,625</u>	<u>\$ 22,682</u>

## 5. Debt reserve fund deposits and contingent demand notes:

The City issues its debt instruments through the Municipal Finance Authority (the "MFA"). As a condition of these borrowings, a portion of the debenture proceeds is withheld by the MFA in a Debt Reserve Fund. The City also executes demand notes in connection with each debenture whereby the City may be required to loan certain amounts to the MFA. These demand notes are contingent in nature and are not reflected in the City's accounts. The details of the cash deposits and contingent demand notes at December 31, 2013 are as follows:

	Cash deposits	Contingent demand notes
General Revenue Fund	\$ 200	\$ 868

## 6. Accounts payable and accrued liabilities:

	2013	2012
Trade and other liabilities	\$ 53,104	\$ 46,911
Post-employment benefits (note 15)	30,042	28,414
	<u>\$ 83,146</u>	<u>\$ 75,325</u>



# CITY OF RICHMOND

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

Year ended December 31, 2013

## 7. Deposits and holdbacks:

	Balance December 31, 2012	Deposit contributions	Refund expenditures	Balance December 31, 2013
Security deposits	\$ 27,490	\$ 17,354	\$ 8,985	\$ 35,859
Developer contribution	6,002	162	-	6,164
Contract holdbacks	1,667	2,100	2,169	1,598
Transit Oriented Development Fund	1,523	-	-	1,523
Other	3,987	4,512	1,802	6,697
	<b>\$ 40,669</b>	<b>\$ 24,128</b>	<b>\$ 12,956</b>	<b>\$ 51,841</b>

## 8. Deferred revenue:

Deferred revenue represents revenues that are collected but not earned as of December 31, 2013. These revenues will be recognized in future periods as they are earned. Deferred revenue also represents funds received from external parties for specified purposes. These revenues are recognized in the period in which the related expenses are incurred.

	Balance December 31, 2012	External restricted inflows	Revenue earned	Balance December 31, 2013
Taxes and utilities	\$ 18,026	\$ -	\$ 1,183	\$ 16,843
Building permits/business licenses	7,710	4,800	3,275	9,235
Capital grants	4,351	1,527	2,691	3,187
Leased land	2,409	42	42	2,409
Other	4,811	315	930	4,196
	<b>\$ 37,307</b>	<b>\$ 6,684</b>	<b>\$ 8,121</b>	<b>\$ 35,870</b>

## 9. Development cost charges:

	2013	2012
Balance, beginning of year	\$ 62,547	\$ 52,379
Contributions	35,424	19,772
Interest	971	876
Revenue recognized	(11,730)	(10,480)
Balance, end of year	<b>\$ 87,212</b>	<b>\$ 62,547</b>

# CITY OF RICHMOND

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

Year ended December 31, 2013

## 10. Obligations under capital leases:

The City has entered into capital lease agreements to finance certain equipment at an estimated cost of borrowing of 2% per year.

Future minimum lease payments, relating to obligations under capital leases expiring on various dates, are as follows:

Year ending December 31:	
2014	\$ 31
2015	22
2016	6
Total future minimum lease payments	59
Less amount representing interest	(1)
Present value of capital lease payments	\$ 58

## 11. Debt:

The rates of interest on the principal amount of the MFA debentures vary between 3.15% and 8.50% per annum. The average rate of interest for the year ended December 31, 2013 approximates 4.82%.

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 2013	Net debt 2012
General Fund	\$ 37,600	\$ 36,544	\$ 1,056	\$ 3,412
Sewerworks Fund	1,000	1,000	-	76
	\$ 38,600	\$ 37,544	\$ 1,056	\$ 3,488

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

	General	Sewerworks	Total
2014	\$ 1,056	\$ -	\$ 1,056

# CITY OF RICHMOND

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars)

Year ended December 31, 2013

## 12. Tangible capital assets:

Cost	Balance at December 31, 2012	Additions and transfers	Disposals	Balance at December 31, 2013
Land	\$ 633,580	\$ 39,137	\$ (795)	\$ 671,922
Buildings and building improvements	347,867	5,433	(363)	352,937
Infrastructure	1,529,191	36,739	(4,874)	1,561,056
Vehicles, machinery and equipment	88,288	7,846	(770)	95,364
Library's collections, furniture and equipment	9,193	2,415	(2,217)	9,391
Assets under construction	33,490	6,764	-	40,254
	<b>\$ 2,641,609</b>	<b>\$ 98,334</b>	<b>\$ (9,019)</b>	<b>\$ 2,730,924</b>

Accumulated amortization	Balance at December 31, 2012	Disposals	Amortization expense	Balance at December 31, 2013
Buildings and building improvements	\$ 103,049	\$ (163)	\$ 12,506	\$ 115,392
Infrastructure	647,597	(4,596)	30,783	673,784
Vehicles, machinery and equipment	55,243	(754)	5,405	59,894
Library's collections, furniture and equipment	5,101	(2,185)	1,640	4,556
	<b>\$ 810,990</b>	<b>\$ (7,698)</b>	<b>\$ 50,334</b>	<b>\$ 853,626</b>

# CITY OF RICHMOND

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

Year ended December 31, 2013

## 12. Tangible capital assets (continued):

	Net book value December 31, 2013	Net book value December 31, 2012
Land	\$ 671,922	\$ 633,580
Buildings and building improvements	237,545	244,818
Infrastructure	887,272	881,594
Vehicles, machinery and equipment	35,470	33,045
Library's collection, furniture and equipment	4,835	4,092
Assets under construction	40,254	33,490
Balance, end of year	\$ 1,877,298	\$ 1,830,619

(a) Assets under construction:

Assets under construction, having a value of approximately \$40,254,000 (2012 - \$33,490,000), have not been amortized. Amortization of these assets will commence when the asset is put into service.

(b) Contributed tangible capital assets:

Contributed tangible capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is approximately \$50,887,000 (2012 - \$12,784,000), comprised of infrastructure in the amount of approximately \$10,934,000 (2012 - \$9,838,000), land in the amount of approximately \$38,982,000 (2012 - \$2,946,000), and Library books in the amount of approximately \$971,000 (2012 - nil).

(c) Tangible capital assets disclosed at nominal values:

Where an estimate of fair value could not be made, the tangible capital assets were 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) Writedown of tangible capital assets:

There were no writedowns of tangible capital assets during the year (2012 - nil).

# CITY OF RICHMOND

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

Year ended December 31, 2013

## 13. Accumulated surplus:

	General Funds and Reserve	Water Utility Fund	Sanitary Sewer Utility Fund	Richmond Olympic Oval	Library Services	2013 Total	2012 Total
Investment in tangible capital assets	\$ 1,868,683	\$ -	\$ -	\$ 2,664	\$ 4,837	\$ 1,876,184	\$ 1,827,025
Reserves (note 14)	349,073	-	-	4,732	-	353,805	295,001
Appropriated surplus	148,209	3,595	7,047	577	131	159,559	150,895
Obligations to be funded	-	-	-	-	-	-	(4)
Surplus	12,674	15,229	9,186	1,065	187	38,341	28,839
Other equity	2,363	-	-	-	-	2,363	2,252
Balance, end of year	\$ 2,381,002	\$ 18,824	\$ 16,233	\$ 9,038	\$ 5,155	\$ 2,430,252	\$ 2,304,008

## 14. Reserves:

	2012	Change during year	2013
Reserve funds:			
Affordable housing	\$ 18,082	\$ 2,614	\$ 20,696
Arts, culture and heritage	-	4,379	4,379
Capital building and infrastructure	36,686	9,708	46,394
Capital reserve	78,254	23,580	101,834
Capstan station	-	3,862	3,862
Child care development	1,995	701	2,696
Community legacy and land replacement	16,681	(328)	16,353
Drainage improvement	27,948	7,607	35,555
Equipment replacement	16,579	1,241	17,820
Leisure facilities	3,177	374	3,551
Local improvements	6,428	99	6,527
Neighborhood improvement	6,011	324	6,335
Public art program	1,967	315	2,282
Sanitary sewer	33,672	3,561	37,233
Steveston off-street parking	282	5	287
Steveston road ends	1,347	(663)	684
Waterfront improvement	112	(8)	104
Watermain replacement	41,680	801	42,481
Oval	4,100	632	4,732
	\$ 295,001	\$ 58,804	\$ 353,805

# CITY OF RICHMOND

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

Year ended December 31, 2013

## 15. Post-employment benefits:

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

	2013	2012
Balance, beginning of year	\$ 28,414	\$ 26,890
Current service cost	2,212	2,095
Interest cost	1,038	1,021
Amortization of actuarial loss	389	460
Benefits paid	(2,011)	(2,052)
Balance, end of year	\$ 30,042	\$ 28,414

An actuarial valuation for these benefits was performed to determine the City's accrued benefit obligation as at December 31, 2013. The difference between the actuarially determined accrued benefit obligation of approximately \$31,135,000 and the liability of approximately \$30,042,000 as at December 31, 2013 is an unamortized net actuarial loss of \$1,093,000. This actuarial loss is being amortized over a period equal to the employees' average remaining service lifetime of 10 years.

	2013	2012
Actuarial benefit obligation:		
Liability, end of year	\$ 30,042	\$ 28,414
Unamortized actuarial loss	1,093	412
Balance, end of year	\$ 31,135	\$ 28,826

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

	2013	2012
Discount rate	3.50%	3.50%
Expected future inflation rate	2.00%	2.50%
Expected wage and salary range increases	2.50%	3.50%



# CITY OF RICHMOND

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

Year ended December 31, 2013

## 16. Pension plan:

The City and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trustee pension plan. The board of trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including the investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. The Plan has about 179,000 active members and approximately 71,000 retired members. Active members include approximately 1,500 contributors from the City.

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

The City paid \$10,311,445 (2012 - \$9,970,567) for employer contributions to the Plan in fiscal 2013. Employees paid \$8,677,397 (2012 - \$8,324,541) for employee contributions to the Plan in fiscal 2013.

## 17. 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, 2013, the City was committed to operating lease payments for premises and equipment in the following approximate amounts:

---

2014	\$ 4,525
2015	4,472
2016	4,141
2017	4,032
2018 and thereafter	21,622

---

# CITY OF RICHMOND

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

Year ended December 31, 2013

---

## 17. Commitments and contingencies (continued):

### (c) Litigation:

As at December 31, 2013, there were a number of claims or risk exposures in various stages of resolution. The City has made no specific provision for those where the outcome is presently not determinable.

### (d) Municipal Insurance Association of British Columbia:

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

### (e) Contractual obligation:

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

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

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

### (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.

# CITY OF RICHMOND

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars)

Year ended December 31, 2013

## 17. Commitments and contingencies (continued):

### (h) Contingent liabilities:

The City has a contract with the federal government whereby the federal government provides Royal Canadian Mounted Police (RCMP) policing services. RCMP members and the federal government are currently in legal proceedings regarding pay raises for 2009 and 2010 that were retracted for RCMP members. As the final outcome of the legal action and the potential financial impact to the City is not determinable, the City has not recorded any provision for this matter in the consolidated financial statements as at December 31, 2013.

### (i) Municipal Financing Authority:

City Council adopted Loan Authorization Bylaw No. 9075 on November 25, 2013 for the City to borrow up to \$50,815,000 for a maximum term of 30 years. Subsequent to year-end, the City obtained statutory approval from the Ministry of Community, Sport and Cultural Development of British Columbia and obtained consent from Metro Vancouver to proceed with the long-term borrowing from the Municipal Financing Authority for a term of 10 years. The Municipal Finance Authority issued the long-term debt to the City at a rate of 3.30%.

## 18. 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 consolidated financial statements.

	2013	2012
Richmond Community Associations	\$ 1,107	\$ 1,091

## 19. Collections for other governments:

The City is obligated to collect certain taxation revenue on behalf of other government bodies. These funds are excluded from the City's consolidated 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:

	2013	2012
Province of British Columbia - Schools	\$ 133,660	\$ 128,610
Greater Vancouver Regional District and others	39,918	39,498
	\$ 173,578	\$ 168,108

# CITY OF RICHMOND

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

Year ended December 31, 2013

## 20. Other revenue:

	2013	2012
Developer reserve contribution	\$ 9,248	\$ 8,534
Tangible capital assets gain on land	4,024	5,405
Taxes and fines	2,433	2,003
Parking program	1,994	1,566
Debt funding	1,291	1,180
Sponsorship	188	200
Donation	1,022	53
Other	2,896	4,245
	<u>\$ 23,096</u>	<u>\$ 23,186</u>

## 21. Segmented reporting:

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

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

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

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

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

# CITY OF RICHMOND

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars)

Year ended December 31, 2013

## 21. Segmented reporting (continued):

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

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

**Richmond Olympic Oval** is formed as a wholly-owned subsidiary of the City. The City uses the Richmond Olympic Oval facility as a venue for a wide range of sports, business and community activities.

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

**Lulu Island Energy Company Ltd. (LIEC)** was incorporated on August 19, 2013 under the Business Corporations Act of British Columbia as a municipal corporation wholly owned by the City of Richmond for the management of district energy utilities. There are no activities in 2013.

# CITY OF RICHMOND

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

Year ended December 31, 2013

## 21. Segmented reporting (continued):

	Law and community safety	Utilities	Engineering, public works and project development	Community services	General government	Planning and development	Richmond Olympic Oval	Richmond Public Library	2013 Consolidated	2012 Consolidated
<b>Revenues:</b>										
Taxation and levies	\$ -	\$ -	\$ -	\$ -	\$ 176,283	\$ -	\$ -	\$ -	\$ 176,283	\$ 167,529
User fees	-	70,385	9,228	-	-	-	-	-	79,613	74,222
Sales of services	4,871	11,734	2,197	8,650	9,470	2,250	6,568	201	45,941	41,448
Payments-in-lieu of taxes	-	-	-	-	14,406	-	-	-	14,406	13,189
Provincial and federal grants	81	-	1,993	-	1,772	8	2,823	415	7,092	9,487
Development cost charges	-	396	2,183	3,839	5,312	-	-	-	11,730	10,480
Other capital funding sources	(40)	5,358	9,005	2,164	38,982	-	-	73	55,542	19,306
Other revenue from own sources:										
Investment Income	-	697	-	-	12,793	-	-	-	13,490	17,144
Gaming revenue	599	-	1,400	-	15,633	-	-	-	17,632	15,585
Licenses and permits	227	-	87	-	3,525	5,339	-	-	9,178	8,734
Other	2,154	81	510	281	17,563	87	1,235	1,185	23,096	23,186
	<b>7,892</b>	<b>88,651</b>	<b>26,603</b>	<b>14,934</b>	<b>295,739</b>	<b>7,684</b>	<b>10,626</b>	<b>1,874</b>	<b>454,003</b>	<b>400,311</b>
<b>Expenses:</b>										
Wages and salaries	35,276	10,039	20,717	27,467	19,337	9,318	6,713	6,599	135,466	129,980
Supplies and materials	2,586	45,768	(3,402)	11,281	6,911	1,379	3,443	1,044	69,010	63,684
Amortization of tangible capital assets	2,438	7,157	21,936	5,047	10,883	923	310	1,640	50,334	49,566
Contract services	37,259	5,868	487	2,320	2,677	109	43	173	48,536	47,945
Public works maintenance	8	4,121	11,960	2,426	137	72	-	3	18,727	20,901
Interest and finance	22	949	-	2	1,459	-	-	6	2,438	4,495
Transfer from (to) capital for tangible capital assets	(2)	(332)	1,494	1,210	77	51	-	(84)	2,414	1,289
Loss (gain) on disposal of tangible capital assets	-	194	27	-	196	2	-	15	434	(423)
	<b>77,587</b>	<b>73,764</b>	<b>53,219</b>	<b>49,753</b>	<b>41,677</b>	<b>11,854</b>	<b>10,509</b>	<b>9,396</b>	<b>327,759</b>	<b>317,437</b>
<b>Annual surplus (deficit)</b>	<b>\$ (69,695)</b>	<b>\$ 14,887</b>	<b>\$ (26,616)</b>	<b>\$ (34,819)</b>	<b>\$ 254,062</b>	<b>\$ (4,170)</b>	<b>\$ 117</b>	<b>\$ (7,522)</b>	<b>\$ 126,244</b>	<b>\$ 82,874</b>



# CITY OF RICHMOND

Notes to Consolidated Financial Statements (continued)

(Tabular amounts expressed in thousands of dollars)

Year ended December 31, 2013

## 22. Budget data:

The budget data presented in these consolidated financial statements is based on the 2013 operating and capital budgets approved by Council on February 25, 2013 and the approved budget for Richmond Olympic Oval. Below is the reconciliation of the approved budget to the budget amount reported in these consolidated financial statements.

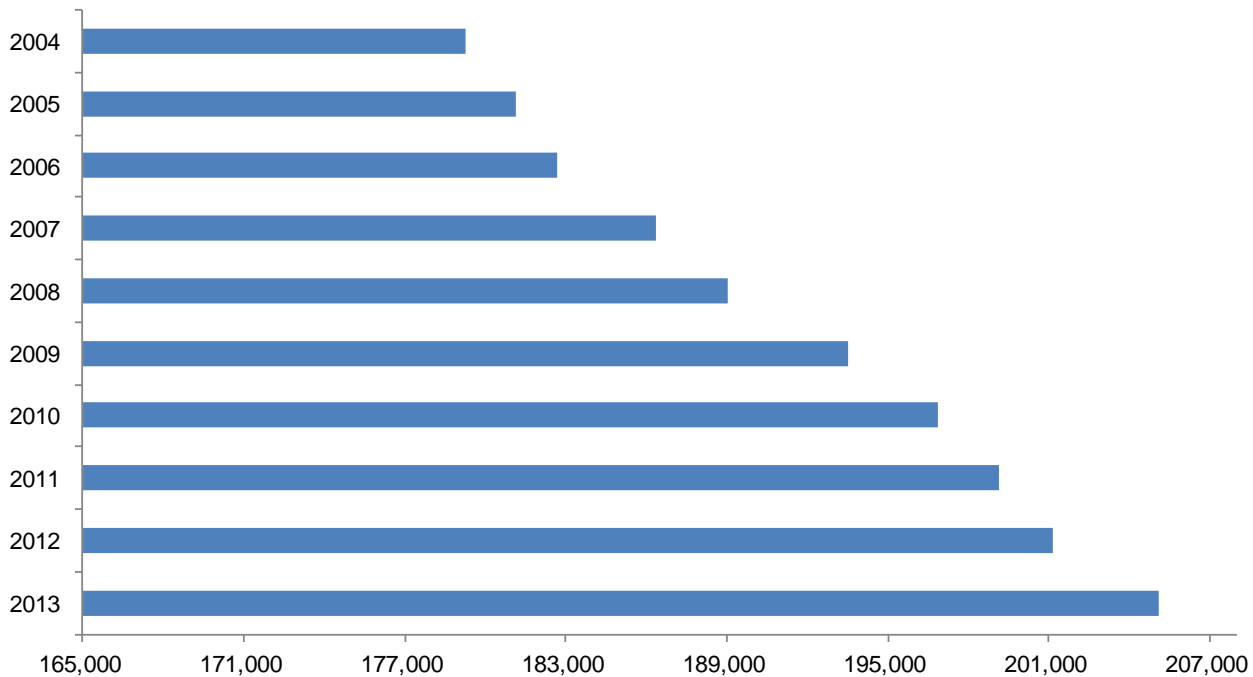
	Budget Amount
Revenues:	
Approved operating budget	\$ 392,829
Approved capital budget	169,290
Approved Oval budget	12,983
Less:	
Transfer from other funds	7,870
Intercity recoveries	39,195
Intercompany recoveries	3,145
Carried forward capital expenditures	97,522
Total revenue	427,370
Expenses:	
Approved operating budget	392,829
Approved capital budget	169,290
Approved Oval budget	11,432
Less:	
Transfer to other funds	16,047
Intercity payments	39,217
Intercompany payments	3,145
Capital expenditures	71,768
Debt principal payments	1,141
Carried forward capital expenditures	97,522
Total expenses	344,711
Annual surplus per statement of operations	\$ 82,659



# City of Richmond statistical data

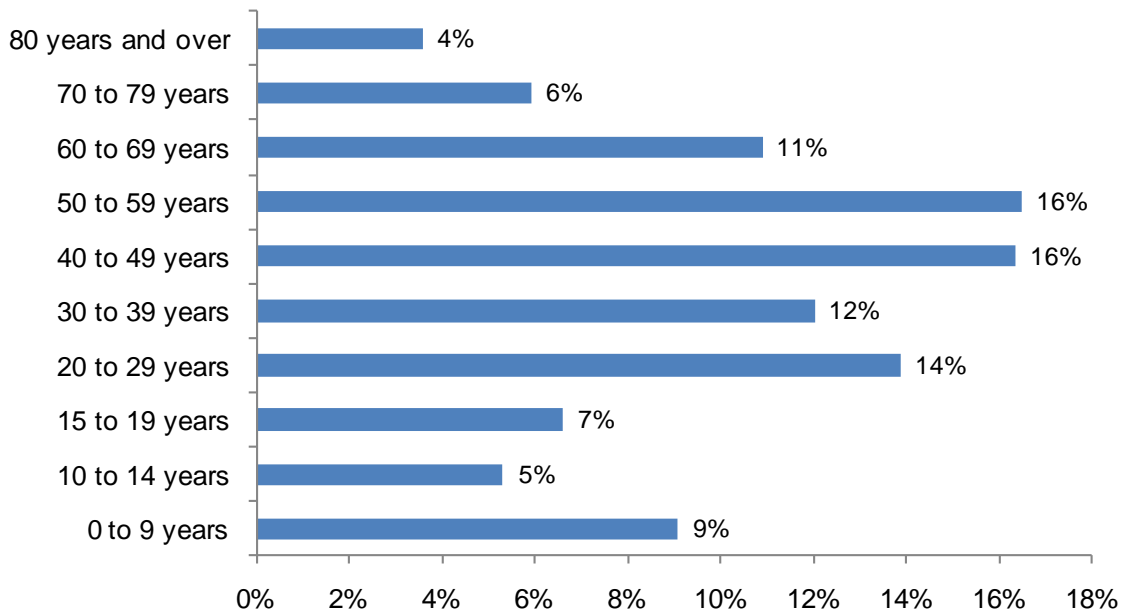
City of Richmond population 2004–2013.....	40
Total population by age groups .....	40
Immigrant status of Richmond residents by period of immigration .....	41
Language spoken most often at home .....	41
Highest level of education attainment for the population aged 25 to 64 .....	42
Occupations of Richmond residents .....	42
Registration in Richmond Recreation and Cultural Services programs 2009–2013.....	43
Housing starts in Richmond 2004–2013 .....	43
Richmond housing starts by type of units 2013 .....	44
New dwelling units constructed 2004–2013 .....	44
Construction value of building permits issued 2004–2013 (in \$000s) .....	45
Richmond business licences 2009–2013 .....	45
City of Richmond budgeted capital construction costs 2009–2013 (in \$000s).....	46
Capital program by type 2013 .....	46
Breakdown of residential tax bill 2013 .....	47
Breakdown of actual municipal tax dollar 2013.....	47
2013 tax rates.....	48
2013 general revenue fund assessment and taxation by property class (in \$000s).....	48
Taxes collected on behalf of taxing authorities (in \$000s) .....	48
2009–2013 general assessment by property class (in \$000s) .....	49
2009–2013 property tax levies (in \$000s).....	49
Long-term debt repayments relative to expenditures 2009–2013 (in \$000s) .....	50
City of Richmond debt per capita 2009–2013 .....	50
Net Debt 2009–2013 (in \$000s).....	50
Expenses by function 2009–2013 (in \$000s) .....	51
Expenses by object 2009–2013 (in \$000s).....	51
Revenue by source 2009–2013 (in \$000s).....	52
Accumulated surplus 2009–2013 (in \$000s).....	52
Net financial assets 2009–2013 (in \$000s) .....	52
Reserves 2009–2013 (in \$000s).....	53
Investment portfolio per type 2012–2013 (\$000s).....	54
Ratio analysis indicators of financial condition .....	54

## City of Richmond population 2004–2013



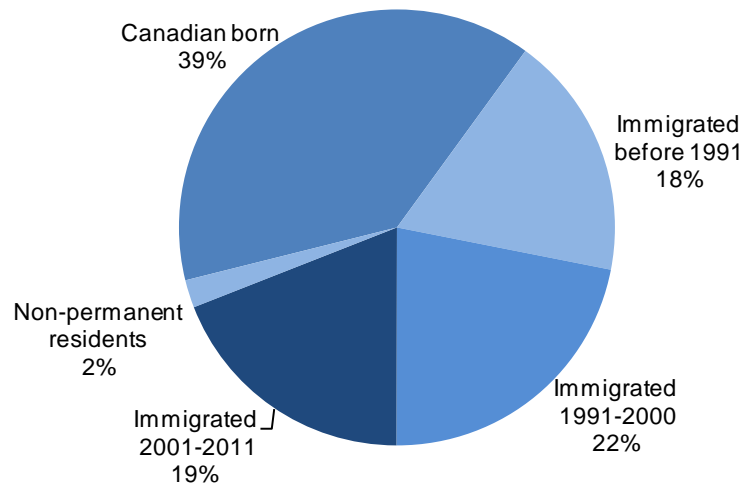
Source: City of Richmond Policy Planning Division

## Total population by age groups



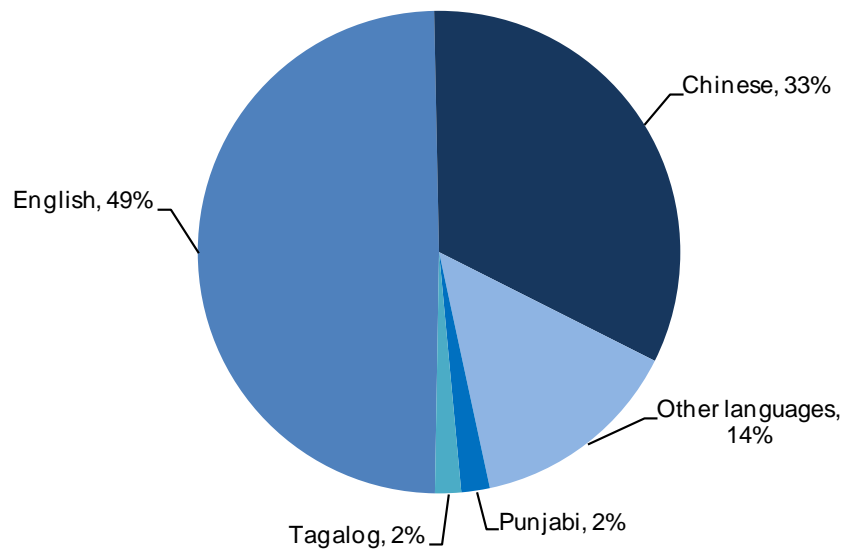
Source: Statistics Canada 2011 Census of Population

## Immigrant status of Richmond residents by period of immigration



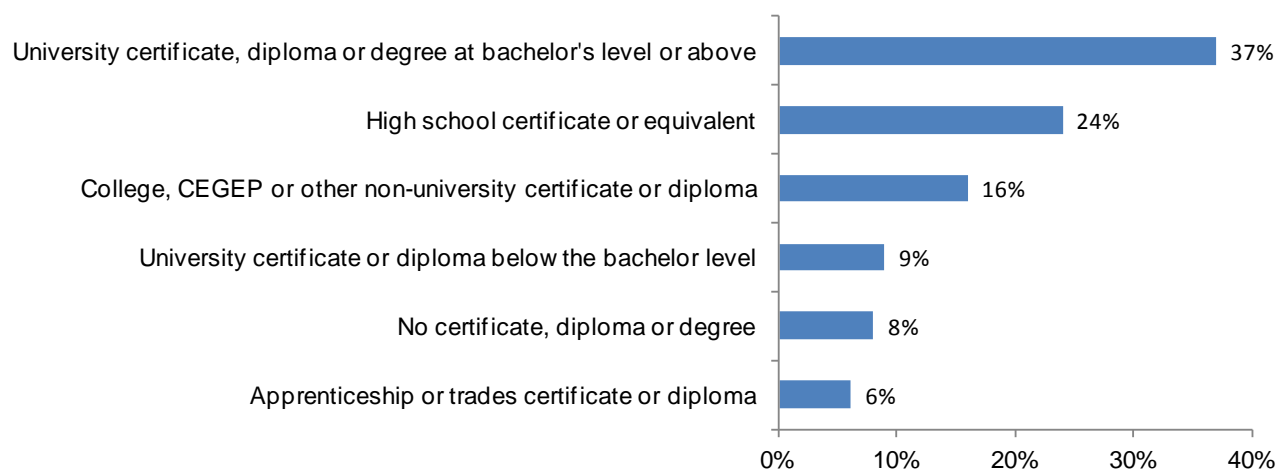
Source: Statistics Canada, 2011 National Household Survey (NHS)

## Language spoken most often at home



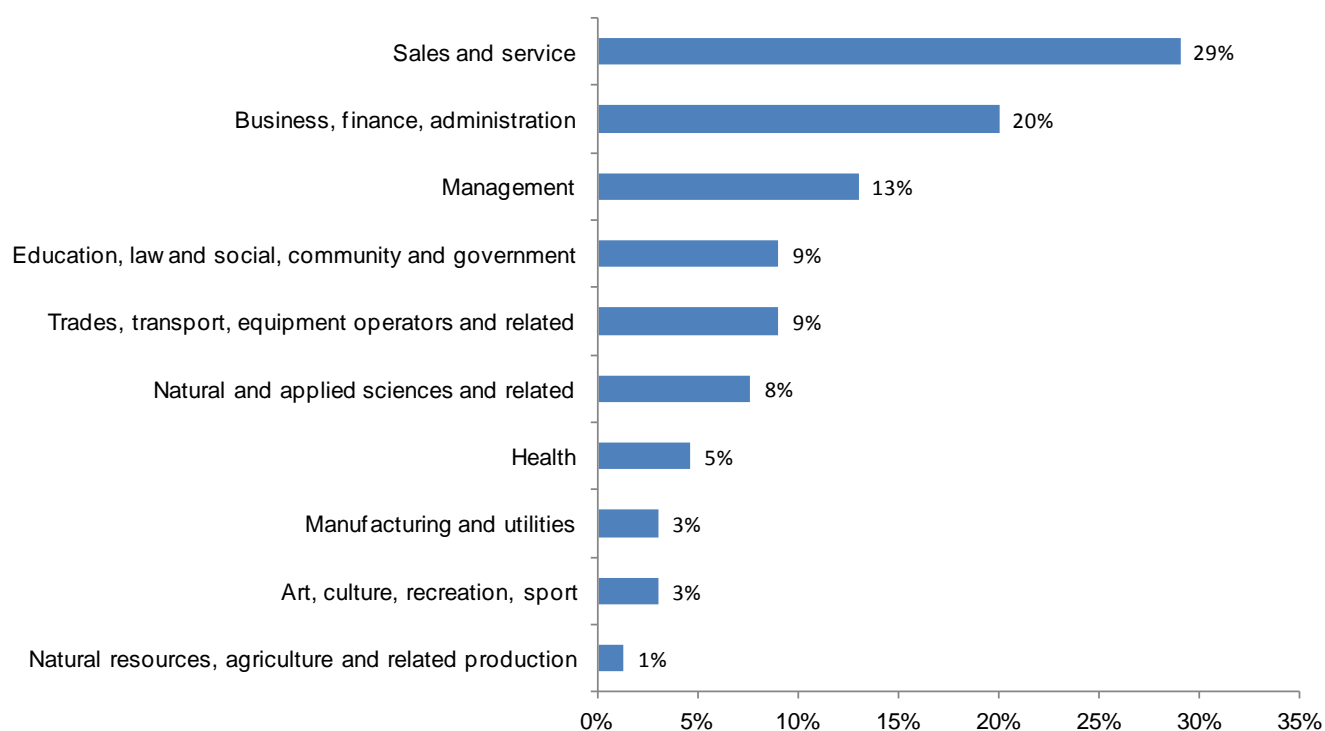
Source: Statistics Canada 2011 Census of Population

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



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

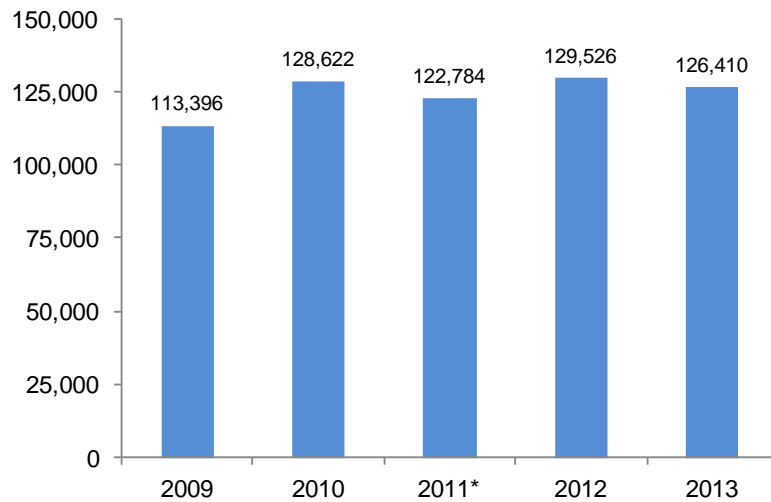
## Occupations of Richmond residents



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



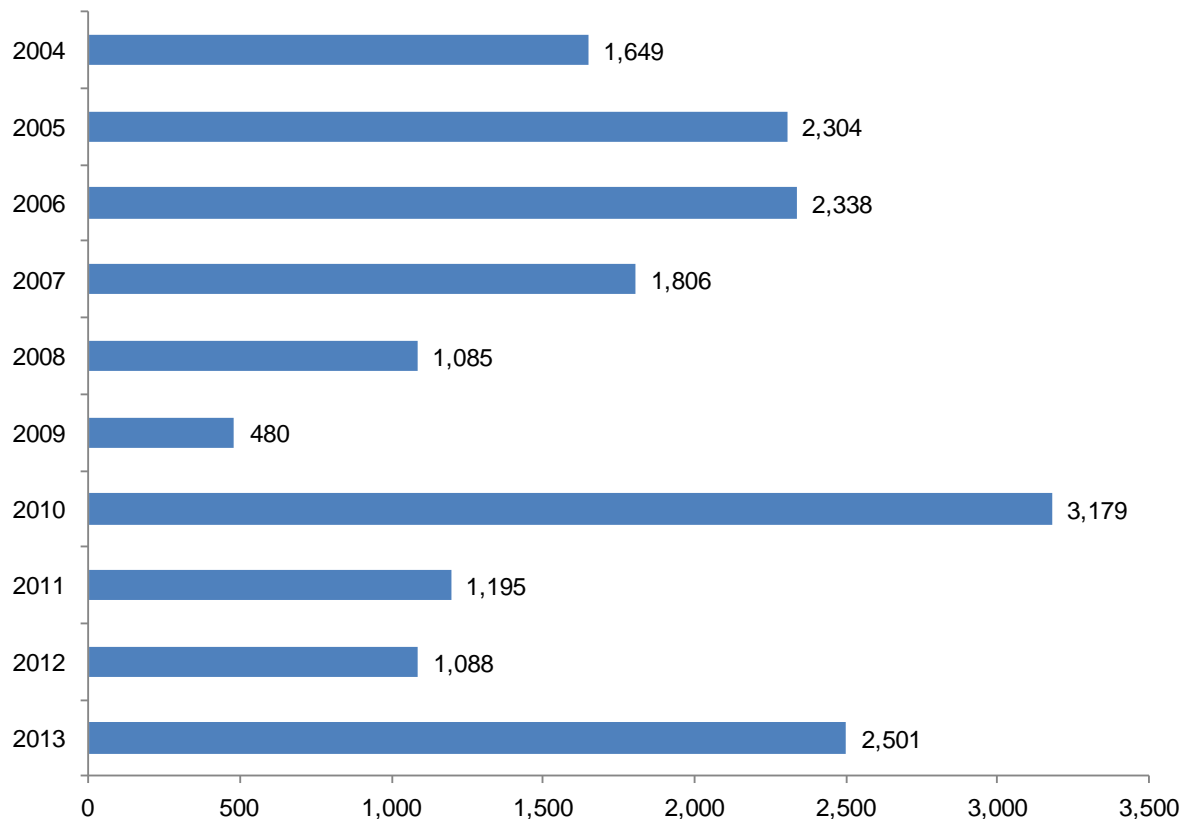
## Registration in Richmond Recreation and Cultural Services programs 2009–2013



\*Change in registration system 2011

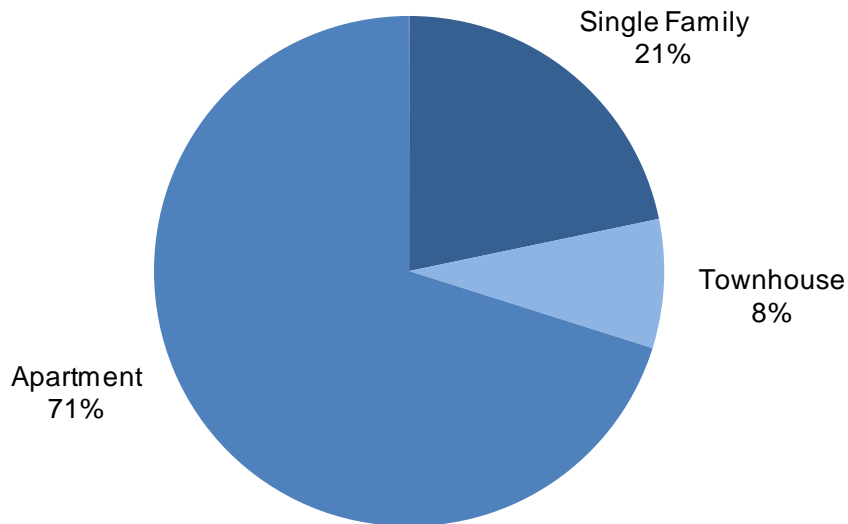
Source: City of Richmond Finance and Corporate Services

## Housing starts in Richmond 2004–2013



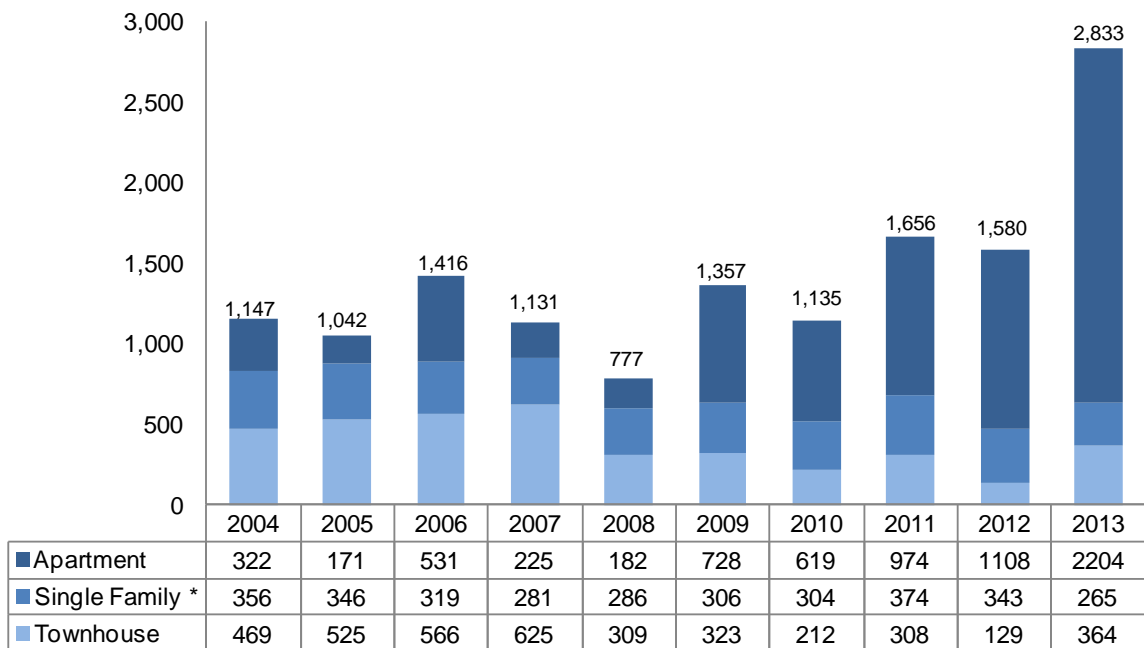
Source: City of Richmond building permit records. Includes only projects for new residential construction receiving final building permit in the given year.

## Richmond housing starts by type of units 2013



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

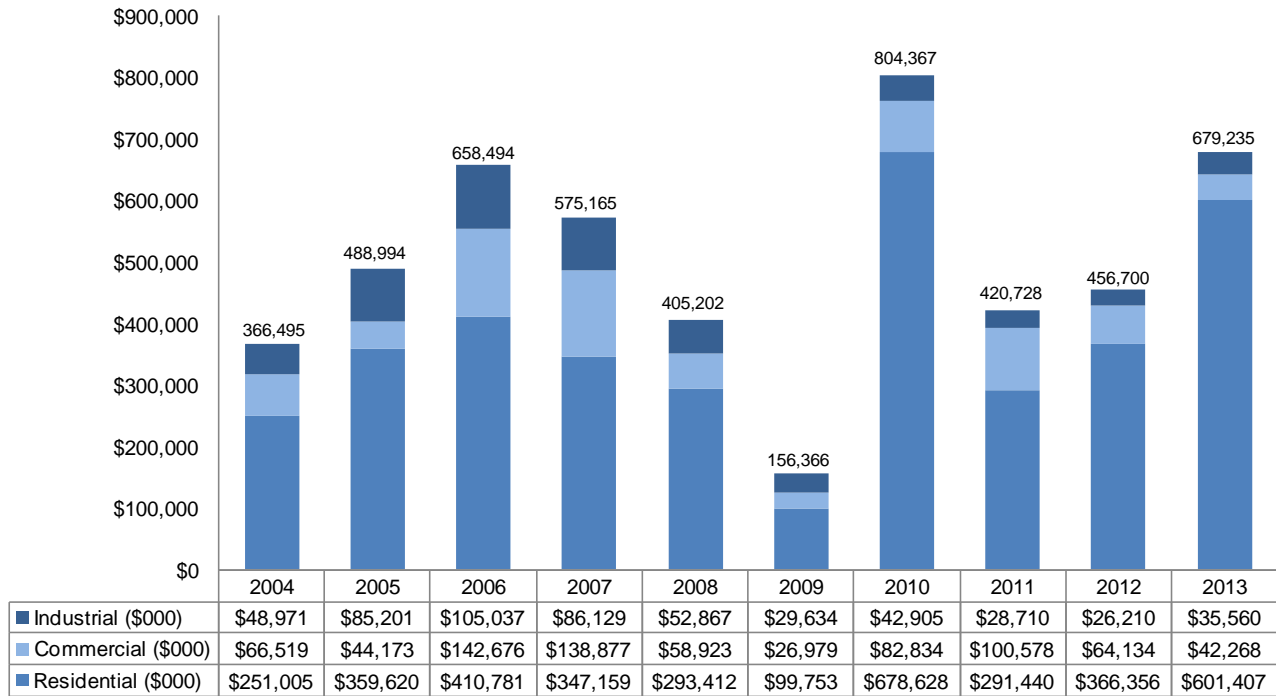
## New dwelling units constructed 2004–2013



\*Includes one family and two family dwellings

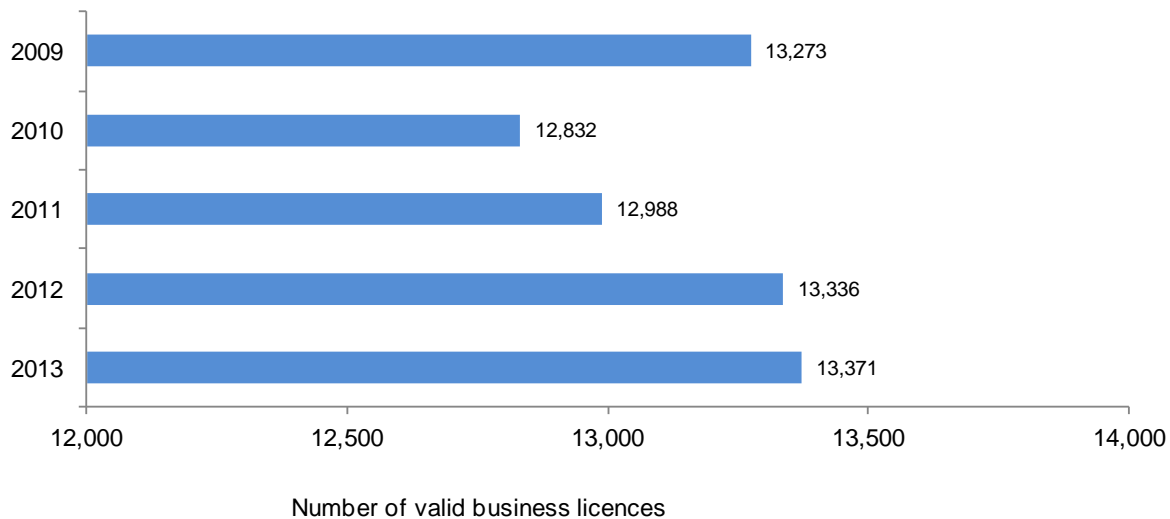
Source: City of Richmond building permit records. Includes only projects for new residential construction receiving final building permit in the given year.

## Construction value of building permits issued 2004–2013 (in \$000s)



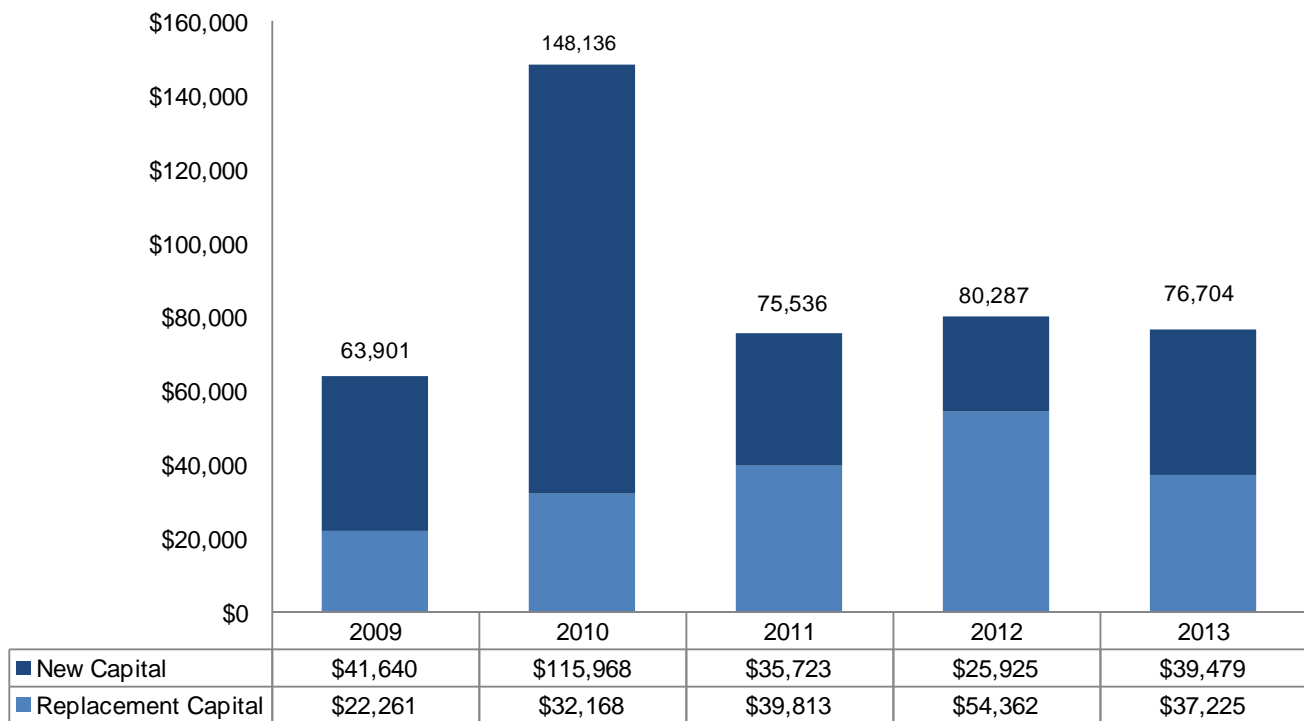
Source: Permits and Licence System, custom report

## Richmond business licences 2009–2013



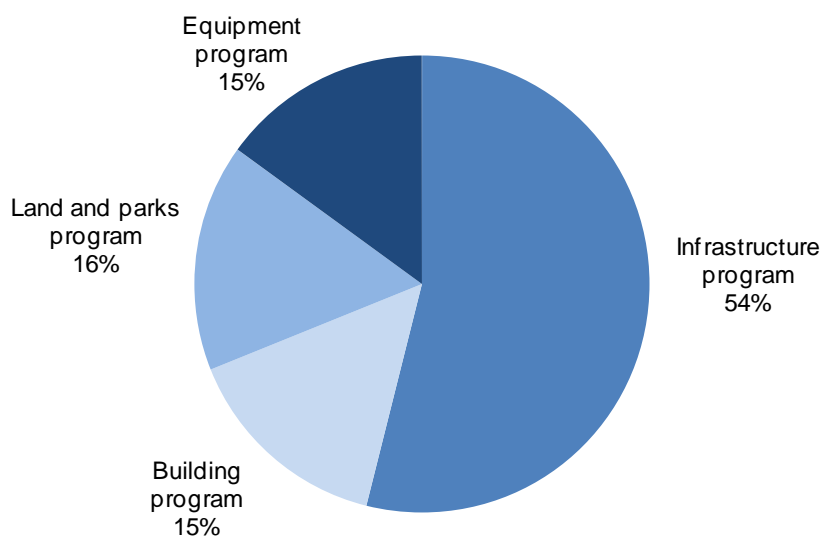
Source: 2012 City of Richmond Consolidated Financial Statements

## City of Richmond budgeted capital construction costs 2009–2013 (in \$000s)



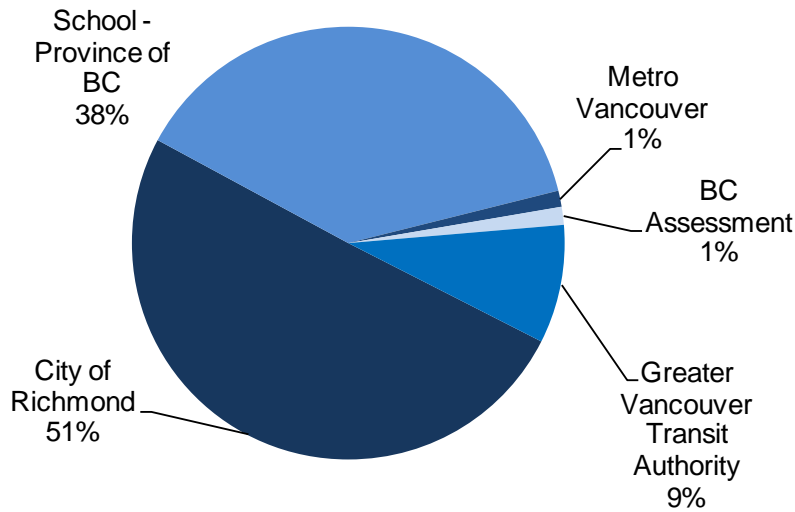
Source: City of Richmond Finance and Corporate Services

## Capital program by type 2013



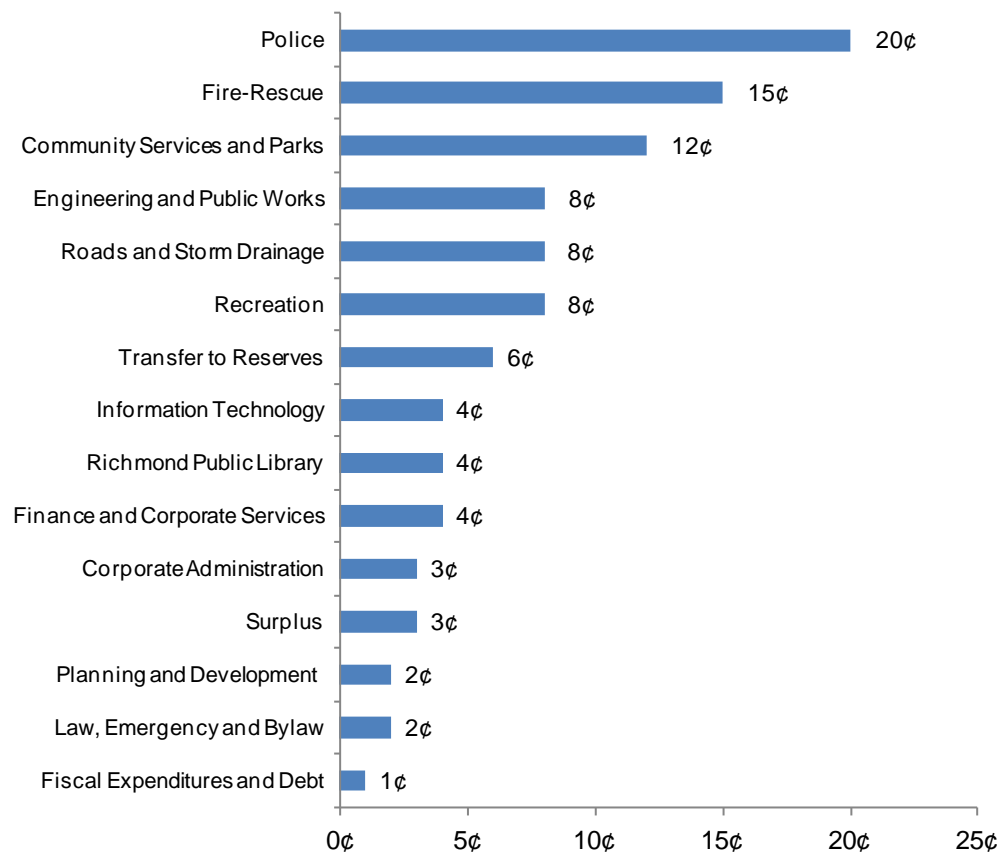
Source: City of Richmond Finance and Corporate Services

## Breakdown of residential tax bill 2013



Source: City of Richmond Finance and Corporate Services

## Breakdown of actual municipal tax dollar 2013



Source: City of Richmond Finance and Corporate Services

## 2013 tax rates

	City of Richmond	School - Province of BC	Metro Vancouver	BC Assessment	Municipal Finance Authority	TransLink
Residential	2.12246	1.59940	0.05915	0.06100	0.00020	0.32520
Business	7.62851	6.20000	0.14493	0.18110	0.00050	1.48890
Light industrial	8.13367	4.32000	0.20112	0.18110	0.00070	1.81480
Seasonal / Recreational	1.96366	3.40000	0.05915	0.06100	0.00020	0.31050
Major industrial	14.42822	2.48000	0.20112	0.52130	0.00070	2.25440
Farm	12.25825	3.45000	0.05915	0.06100	0.00020	0.36190
Utilities	39.91246	14.00000	0.20703	0.52130	0.00070	2.71970

Source: City of Richmond Finance and Corporate Services

## 2013 general revenue fund assessment and taxation by property class (in \$000s)

	Assessment	% of assessment by class	Taxation	% of taxation by class
Residential	\$44,663,439	81.13%	\$94,796	53.87%
Business	8,197,372	14.89%	62,534	35.54%
Light industrial	1,902,602	3.46%	15,475	8.79%
Seasonal / Recreational	120,715	0.22%	237	0.13%
Major industrial	115,791	0.21%	1,671	0.95%
Farm	26,618	0.05%	326	0.19%
Utilities	23,064	0.04%	921	0.52%
<b>Total</b>	<b>\$55,049,601</b>	<b>100.00%</b>	<b>\$175,960</b>	<b>100.00%</b>

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

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

	2009	2010	2011	2012	2013
City of Richmond	\$148,563	\$156,071	\$161,821	\$167,529	\$176,283
School Board	115,122	118,391	122,465	128,610	133,660
Metro Vancouver	3,329	3,632	3,957	4,102	4,268
BC Assessment	3,791	4,013	4,258	4,593	4,667
TransLink	27,209	28,058	29,427	30,789	30,968
Other	11	11	13	14	15
<b>Total taxes</b>	<b>\$298,025</b>	<b>\$310,177</b>	<b>\$321,941</b>	<b>\$335,637</b>	<b>\$349,861</b>

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

## 2009–2013 general assessment by property class (in \$000s)

	2009	2010	2011	2012	2013
Residential	\$31,379,141	\$32,706,544	\$38,773,463	\$45,026,858	\$44,663,439
Business	7,382,861	7,441,015	7,753,426	8,046,568	8,197,372
Light industrial	1,178,324	1,371,608	1,480,246	1,614,402	1,902,602
Seasonal / Recreational	101,851	108,471	113,149	111,935	120,715
Major industrial	104,193	107,044	107,536	111,752	115,791
Farm	26,444	26,801	26,699	26,572	26,618
Utilities	17,888	19,543	21,094	19,685	23,064
<b>Total</b>	<b>\$40,190,702</b>	<b>\$41,781,026</b>	<b>\$48,275,613</b>	<b>\$54,957,772</b>	<b>\$55,049,601</b>

Source: City of Richmond Finance and Corporate Services

## 2009–2013 property tax levies (in \$000s)

	2009	2010	2011	2012	2013
Total Tax Levy	\$303,853	\$314,484	\$325,814	\$339,221	\$363,129
Municipal portion of Total Tax Levy	148,878	156,482	162,214	168,205	175,960
% of current collections to current levy	98.08%	98.63%	98.81%	98.94%	96.35%

Source: City of Richmond Finance and Corporate Services

## Long-term debt repayments relative to expenditures 2009–2013 (in \$000s)

<b>General revenue fund</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Long term debt repayments	8,235	\$3,554	\$3,413	\$2,972	\$2267
General expenditures	\$191,976	\$249,446	\$257,155	\$227,773	\$234,089
Repayments as % of expenditures	4.3%	1.4%	1.3%	1.3%	1.0%

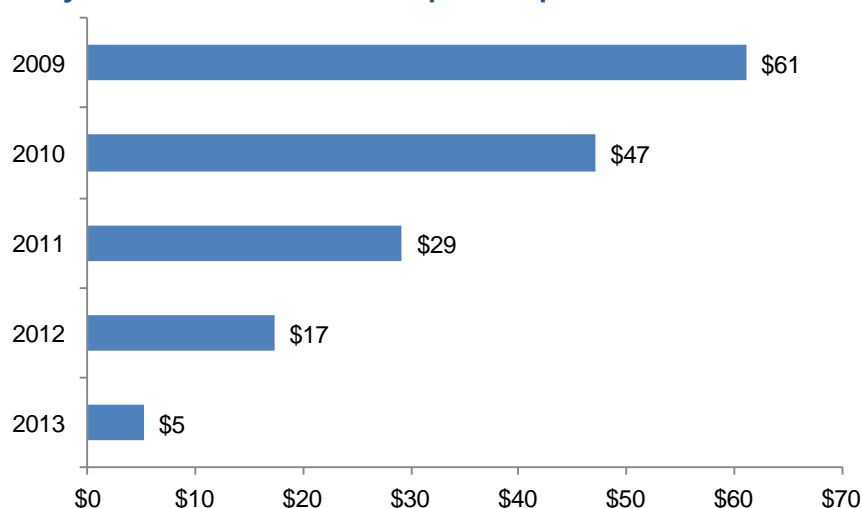
  

<b>Sewerworks revenue fund</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Long term debt repayments	\$115	\$115	\$115	\$115	\$30
Sewer expenditures	\$23,269	\$23,291	\$24,724	\$23,789	\$26,916
Repayments as % of expenditures	0.5%	0.5%	0.5%	0.5%	0.0%

Note: Expenditures do not include capital and infrastructure investments.

Source: City of Richmond Finance and Corporate Services

## City of Richmond debt per capita 2009–2013



Source: City of Richmond Finance and Corporate Services

## Net debt 2009–2013 (in \$000s)

	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Net debt	\$11,808	\$9,274	\$5,808	\$3,488	\$1,056

Source: City of Richmond Finance and Corporate Services



## Expenses by function 2009–2013 (in \$000s)

	2009	2010	2011	2012	2013
Community Safety	\$68,294	\$70,838	\$74,548	\$75,193	\$77,587
Engineering and Public Works	56,451	56,365	52,727	53,164	53,219
Community Services	41,474	43,647	45,345	46,796	49,753
General government	42,971	35,130	42,358	38,570	41,677
Utilities	62,795	69,214	69,430	72,682	73,764
Planning and Development	9,898	11,427	11,560	11,961	11,854
Library services	7,751	8,221	8,615	9,245	9,396
Richmond Olympic Oval	7,007	6,614	8,646	9,826	10,509
<b>Total expenses</b>	<b>\$296,641</b>	<b>\$301,456</b>	<b>\$313,229</b>	<b>\$317,437</b>	<b>\$327,759</b>

Source: City of Richmond Finance and Corporate Services

## Expenses by object 2009–2013 (in \$000s)

	2009	2010	2011	2012	2013
Wages, salaries and benefits	\$115,980	\$121,244	\$128,361	\$129,981	\$135,466
Public works maintenance	10,697	16,346	18,444	20,901	18,727
Contract services	46,994	46,582	45,687	47,945	48,936
Supplies, materials	63,550		63,765	63,684	69,010
Interest and finance	7,182	6,002	5,164	4,495	2,438
Transfer from (to) capital for tangible capital assets	7,476	(11,518)	2,755	1,289	2,414
Amortization of tangible capital assets	43,823	47,725	47,696	49,565	50,334
Loss/(gain) on disposal of tangible capital assets	939	(3,897)	1,373	(423)	434
<b>Total expenses</b>	<b>\$296,641</b>	<b>\$222,484</b>	<b>\$313,245</b>	<b>\$317,437</b>	<b>\$327,759</b>

Source: City of Richmond Finance and Corporate Services

## Revenue by source 2009–2013 (in \$000s)

	2009	2010*	2011	2012	2013
Taxation and levies	\$148,503	\$156,071	\$161,821	\$167,529	\$176,283
User fees	63,150	68,365	69,359	74,222	79,613
Sales of services	33,528	37,403	41,518	41,449	45,941
Licences and permits	5,844	7,328	7,524	8,734	9,178
Investment income	22,147	16,864	20,328	17,144	13,490
Grants including casino revenue	31,272	32,119	35,520	38,261	39,130
Development cost charges	22,932	17,804	14,321	10,480	11,730
Other capital funding sources	26,878	53,217	50,063	19,306	55,542
Other	14,673	10,335	23,588	23,186	23,096
<b>Total revenue</b>	<b>\$368,927</b>	<b>\$399,506</b>	<b>\$424,042</b>	<b>\$400,311</b>	<b>\$454,003</b>

\*Amounts have been restated

Source: City of Richmond Finance and Corporate Services

## Accumulated surplus 2009–2013 (in \$000s)

	2009	2010*	2011	2012	2013
Accumulated surplus, beginning of year	\$1,932,963	\$2,012,287	\$2,110,337	\$2,221,134	\$2,304,008
Annual surplus	72,286	98,050	110,797	82,874	126,244
Accumulated surplus, end of year	\$2,005,249	\$2,110,337	\$2,221,134	\$2,304,008	\$2,430,252

\*Amounts have been restated

Source: City of Richmond Finance and Corporate Services

## Net financial assets 2009–2013 (in \$000s)

	2009	2010	2011	2012	2013
Change in net financial assets	\$20,849	\$(32,872)	\$47,884	\$53,436	\$79,838
Net financial assets, end of year	\$400,711	\$367,839	\$415,723	\$469,159	\$548,997

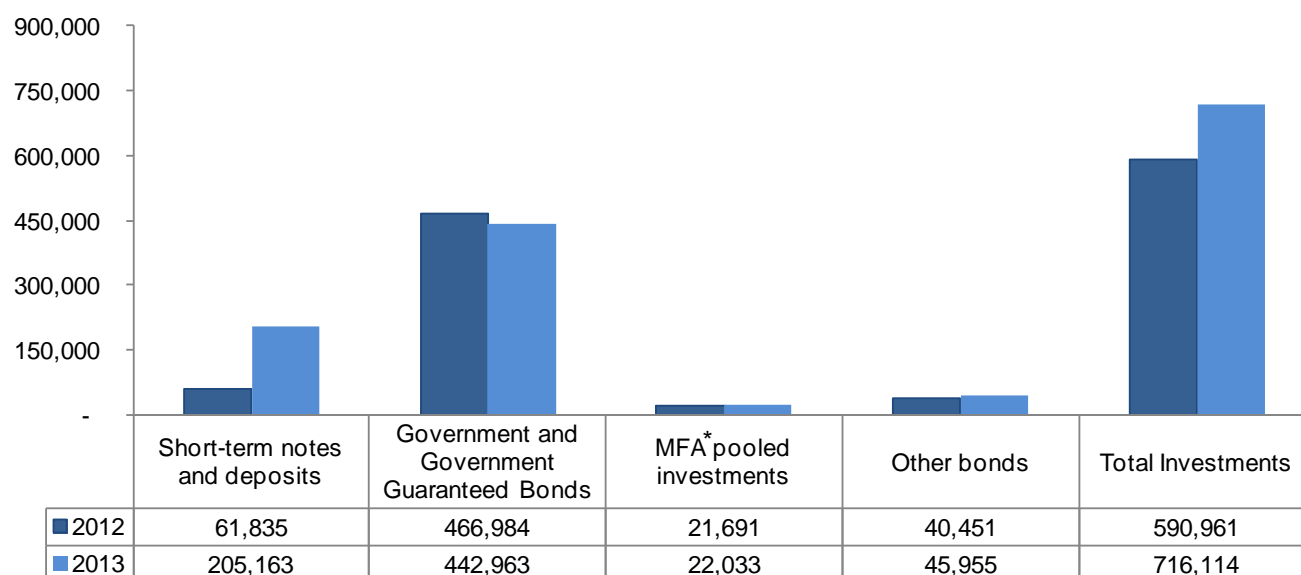
Source: City of Richmond Finance and Corporate Services

## Reserves 2009–2013 (in \$000s)

	2009	2010	2011	2012	2013
Affordable housing	\$10,537	\$10,728	\$11,344	\$18,082	\$20,696
Arts, culture and heritage	-	-	-	-	4,379
Capital building and infrastructure	22,655	26,238	27,646	36,686	46,394
Capital reserve	70,799	76,229	81,820	78,254	101,834
Capstan Station	-	-	-	-	3,862
Child care development	854	1,789	2,146	1,995	2,696
Community legacy and land replacement	57,298	5,718	17,097	16,681	16,353
Drainage improvement	13,493	18,213	23,395	27,948	35,555
Equipment replacement	13,823	14,912	16,744	16,579	17,820
Leisure facilities	2,319	2,522	2,621	3,177	3,551
Local improvements	5,750	6,117	6,330	6,428	6,527
Neighbourhood improvement	6,276	5,649	6,057	6,011	6,335
Public art program	1,105	1,278	1,585	1,967	2,282
Sanitary sewer	24,332	27,661	30,254	33,672	37,233
Steveston off-street parking	256	266	277	282	287
Steveston road ends	204	2,930	2,723	1,347	684
Waterfront improvement	1,344	496	179	112	104
Watermain replacement	42,619	46,377	43,435	41,680	42,481
Oval	-	-	1,700	4,100	4,732
<b>Total reserves</b>	<b>\$273,664</b>	<b>\$247,123</b>	<b>\$275,353</b>	<b>\$295,001</b>	<b>\$353,805</b>

Source: City of Richmond Finance and Corporate Services

## Investment portfolio per type 2012–2013 (\$000s)



Source: City of Richmond Finance and Corporate Services

\*MFA: Municipal Finance Authority of BC

## Ratio analysis indicators of financial condition

	2012	2013
<b>Sustainability ratios</b>		
Assets to liabilities (times)	11.6	10.9
Financial assets to liabilities (times)	3.1	3.1
Net debt to total revenues	1.2%	0.5%
Net debt to the total assessment	0.0%	0.0%
Expenses to the total assessment	0.6%	0.5%
<b>Flexibility ratios</b>		
Public debt charges to revenues	1.2%	1.1%
Net book value of capital assets to its cost	70.4%	69.7%
Own source revenue to the assessment	0.8%	0.7%
<b>Vulnerability ratios</b>		
Government transfers to total revenues	1.9%	2.6%

Note: Based on average Balance Sheet amounts

Source: City of Richmond Finance and Corporate Services

## 2013 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 2013. Permissive tax exemptions are those exemptions granted by bylaw in accordance with Section 224 of the Community Charter.

Property / Organization	Address	2013 Municipal tax exempted
<b>Churches and religious properties</b>		
B.C. Muslim Association	12300 Blundell Road	\$ 3,722
Bakerview Gospel Chapel	8991 Francis Road	2,259
Beth Tikvah Congregation	9711 Geal Road	7,036
Bethany Baptist Church	22680 Westminster Highway	14,149
Brighthouse United Church	8151 Bennett Road	5,265
Broadmoor Baptist Church	8140 Saunders Road	6,789
Canadian Martyrs Parish	5771 Granville Avenue	8,456
Christian and Missionary Alliance	3360 Sexsmith Road	2,846
Christian Reformed Church	9280 No. 2 Road	7,088
Church in Richmond	4460 Brown Road	17,460
Church of God	10011 No. 5 Road	4,703
Church of Latter Day Saints	8440 Williams Road	9,990
Cornerstone Evangelical Baptist Church	12011 Blundell Road	1,027
Dharma Drum Mountain Buddhist Temple	8240 No. 5 Road	5,849
Emmanuel Christian Community	10351 No. 1 Road	4,370
Faith Evangelical Church	11960 Montego Street	2,866
Fraserview Mennonite Brethren Church	11295 Mellis Drive	8,646
Fujian Evangelical Church	12200 Blundell Road	5,324
Gilmore Park United Church	8060 No. 1 Road	5,827
I Kuan Tao (Fayi Chungder) Association	8866 Odlin Crescent	3,263
Immanuel Christian Reformed Church	7600 No. 4 Road	3,543
India Cultural Centre	8600 No. 5 Road	7,659
International Buddhist Society	9120 Steveston Highway	6,671
Ismaili Jamatkham & Centre	7900 Alderbridge Way	5,969
Johrei Fellowship Inc	10380 Odlin Road	4,868
Lansdowne Congregation Jehovah's Witnesses	11014 Westminster Highway	2,604
Larch St. Gospel Meeting Room	8020 No. 5 Road	2,803
Ling Yen Mountain Temple	10060 No. 5 Road	3,417
Nanaksar Gurdwara Gursikh Temple	18691 Westminster Highway	3,802
North Richmond Alliance Church	9140 Granville Avenue	2,136
Our Savior Lutheran Church	6340 No. 4 Road	4,478

**Churches and religious properties continued . . .**

Parish of St. Alban's	7260 St. Albans Road	\$	4,847
Patterson Road Assembly	9291 Walford Street		777
Peace Evangelical Church	8280 No. 5 Road		5,819
Peace Mennonite Church	11571 Daniels Road		9,743
Richmond Alliance Church	11371 No. 3 Road		3,502
Richmond Baptist Church	6560 Blundell Road		1,287
Richmond Baptist Church	6640 Blundell Road		4,692
Richmond Bethel Mennonite Church	10160 No. 5 Road		10,738
Richmond Chinese Alliance Church	10100 No. 1 Road		6,367
Richmond Chinese Evangelical Free Church	8040 No. 5 Road		3,237
Richmond Emmanuel Church	7451 Elmbridge Way		8,498
Richmond Pentecostal Church	9300 Westminster Highway		8,720
Richmond Pentecostal Church	9260 Westminster Highway		729
Richmond Presbyterian Church	7111 No. 2 Road		4,209
Richmond Sea Island United Church	8711 Cambie Road		7,859
Salvation Army Church	8280 Gilbert Road		3,125
Science of Spirituality SKRM Inc	11011 Shell Road		1,407
Shia Muslim Community	8580 No. 5 Road		2,034
South Arm United Church	11051 No. 3 Road		1,896
St. Anne's Anglican Church	4071 Francis Road		3,846
St. Edward's Anglican Church	10111 Bird Road		3,782
St. Gregory Armenian Apostolic Church	13780 Westminister Highway		1,323
St. Joseph the Worker Roman Catholic Church	4451 Williams Road		7,954
St. Monica's Roman Catholic Church	12011 Woodhead Road		6,044
St. Paul's Roman Catholic Parish	8251 St. Albans Road		5,807
Steveston Buddhist Temple	4360 Garry Street		8,945
Steveston Congregation Jehovah's Witnesses	4260 Williams Road		4,411
Steveston United Church	3720 Broadway Street		2,988
Subramaniya Swamy Temple	8840 No. 5 Road		1,253
Thrangu Monastery Association	8140 No. 5 Road		4,597
Thrangu Monastery Association	8160 No. 5 Road		2,390
Towers Baptist Church	10311 Albion Road		6,251
Trinity Lutheran Church	7100 Granville Avenue		7,161
Ukrainian Catholic Church	8700 Railway Avenue		2,005
Vancouver Airport Chaplaincy	3211 Grant McConachie Way		521
Vancouver International Buddhist Progress Society	6690 - 8181 Cambie Road		8,885
Vancouver International Buddhist Progress Society	8271 Cambie Road		3,535
Vedic Cultural Society of B.C.	8200 No. 5 Road		3,061
West Richmond Gospel Hall	5651 Francis Road		2,698

**Recreation, Child Care, and Community Service Properties**

Cook Road Children's Centre	8300 Cook Road	\$ 1,851
Girl Guides of Canada	4780 Blundell Road	2,323
Kinsmen Club of Richmond	11851 Westminster Highway	299
Navy League of Canada	7411 River Road	9,557
Richmond Animal Protection Society	12071 No. 5 Road	10,978
Richmond Caring Place	7000 Minoru Boulevard	164,256
Richmond Center for Disabilities	100 - 5671 No. 3 Road	11,243
Richmond Family Place	8660 Ash Street	9,370
Richmond Ice Centre	14140 Triangle Road	130,667
Richmond Lawn Bowling Club	6131 Bowling Green Road	8,039
Richmond Public Library	11580 Cambie Road	3,332
Richmond Public Library	11688 Steveston Highway	6,203
Richmond Rod and Gun Club	7760 River Road	18,080
Richmond Tennis Club	6820 Gilbert Road	13,433
Richmond Watermania	14300 Entertainment Boulevard	201,069
Richmond Winter Club	5540 Hollybridge Way	138,490
Riverside Children's Centre	5862 Dover Crescent	1,045
Scotch Pond Heritage	2220 Chatham Street	6,325
Terra Nova Children's Centre	6011 Blanchard Drive	2,221
Treehouse Learning Centre	100 - 5500 Andrews Road	1,439

**Private Educational Properties**

B.C. Muslim Association	12300 Blundell Road	\$ 1,143
Choice Learning Centre	20411 Westminister Highway	999
Choice Learning Centre	20451 Westminister Highway	5,299
Cornerstone Christian Academy School	12011 Blundell Road	736
Richmond Christian School	10260 No. 5 Road	5,861
Richmond Christian School Association	5240 Woodward's Road	28,199
Richmond Jewish Day School	8760 No. 5 Road	13,768
St. Joseph the Worker Roman Catholic Church	4451 Williams Road	7,954

**Senior Citizen Housing**

Richmond Legion Senior Citizen Society	7251 Langton Road	\$ 16,166
--	-------------------	-----------

**Community Care Facilities**

Canadian Mental Health Association	8911 Westminster Highway	\$	6,324
Development Disabilities Association	6531 Azure Road		1,745
Development Disabilities Association	8400 Robinson Road		2,521
Development Disabilities Association	7611 Langton Road		2,399
Greater Vancouver Community Service	4811 Williams Road		2,020
Pinegrove Place, Mennonite Care Home Society	11331 Mellis Drive		13,959
Richmond Society for Community Living	303 - 7560 Moffatt Road		722
Richmond Society for Community Living	4433 Francis Road		1,414
Richmond Society for Community Living	5635 Steveston Highway		5,857
Richmond Society for Community Living	9 - 11020 No. 1 Road		954
Richmond Society for Community Living	9580 Pendleton Road		7,319
Rosewood Manor, Richmond Intermediate Care Society	6260 Blundell Road		29,683

**Municipal Use**

Richmond Oval	6111 River Road	\$	2,038,855
---------------	-----------------	----	-----------



## 2013 City Centre Area transitional tax exemptions

Organization	Address	2013 Municipal tax exempted
0737293 BC Ltd	4711 Garden City Road	\$ 21,232
0815024 BC Ltd	5440 Hollybridge Way	51,836
0882892 BC Ltd	5600 Cedarbridge Way	10,635
0883911 BC Ltd	5740 Minoru Boulevard	16,955
2725312 Canada Inc	5900 No. 2 Road	37,322
2725312 Canada Inc	6191 Westminster Highway	19,421
2725312 Canada Inc	6751 Westminster Highway	28,898
317159 BC Ltd	4551 No. 3 Road	37,146
AAA Self Storage Depot Inc	8520 Cambie Road	19,832
Amacon Development (Alderbridge) Corp	7680 Alderbridge Way	17,406
Arthur Bell Holdings Ltd	7960 Alderbridge Way	20,727
Arthur Bell Holdings Ltd	5333 No. 3 Road	19,556
Canadian Tire Real Estate Ltd	3500 No. 3 Road	31,346
China Cereals & Oils Corp	8777 Odlin Road	12,043
Conway Richmond Estates Ltd	4800 No. 3 Road	19,350
Cressey Gilbert Holdings Ltd	5640 Hollybridge Way	25,547
EIG Alderbridge Investments Inc	7851 Alderbridge Way	41,988
Elmbridge Holdings Ltd	6791 Elmbridge Way	42,238
Grand Long Holdings Canada Ltd	8091 Park Road	34,231
HGL Investments Ltd	132-4940 No. 3 Road	31,721
Hallmark Holdings Ltd	7811 Alderbridge Way	38,854
Jiatai Realty Inc	5400 Minoru Boulevard	19,824
Marisco Holdings Ltd	7680 River Road	17,656
McDonald's Restaurants of Canada Ltd	7120 No. 3 Road	19,143
Munch Holdings Co. Ltd	5660 Minoru Boulevard	14,461
PLR Holdings Ltd	5840 Minoru Boulevard	21,178
Porte Industries Ltd	5560 Minoru Boulevard	14,001
Richmond Holdings Ltd	7880 Alderbridge Way	30,528
Richmond Holdings Ltd	7111 Elmbridge Way	16,228
Richmond Holdings Ltd	7671 Alderbridge Way	26,029
Richmond Holdings Ltd	5003 Minoru Boulevard	14,659
Richmond Holdings Ltd	6851 Elmbridge Way	18,967
Richmond Holdings Ltd	6871 Elmbridge Way	16,927

## 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](mailto:infocentre@richmond.ca)  
[www.richmond.ca](http://www.richmond.ca)

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

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

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

### Gateway Theatre

6500 Gilbert Road  
Information Line: 604-270-6500  
Box Office: 604-270-1812  
[www.gatewaytheatre.com](http://www.gatewaytheatre.com)

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

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

### Richmond Public Library

Hours: 604-231-6401  
[www.yourlibrary.ca](http://www.yourlibrary.ca)

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

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

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

### Richmond Olympic Oval

6111 River Road  
Information Line: 778-296-1400  
[www.richmondoval.ca](http://www.richmondoval.ca)

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

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

## Major services provided by the City of Richmond

### Finance and Corporate Services

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

### Engineering and Public Works

Comprises engineering design, construction and maintenance services for the infrastructure throughout the City as well as all City-owned buildings. Responsible for local water supply, sewer and drainage, dikes and irrigation system, roads, environmental services and corporate sustainability.

### Planning and Development

Responsible for the physical planning and form of the City. This includes neighbourhood design, building and construction, development, land use, traffic, transportation.

### Law and Community Safety

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

### Community Services

Supports and develops recreation, arts and cultural opportunities as well as social planning, heritage, affordable housing, diversity youth and older adult services. Oversees City-owned recreational facilities and the design, construction, and maintenance of City parks, trails and green spaces. Coordinates sports programming, special events and filming in the City.



## City of Richmond

6911 No. 3 Road, Richmond, BC V6Y 2C1  
Telephone: 604-276-4000  
[www.richmond.ca](http://www.richmond.ca)

Contents printed on Canadian made, 100% recycled stock using environmentally friendly toners.

**FIN-85**





# City of Richmond, B.C. 2013 Annual Report Highlights

For the year ended December 31, 2013







Government Finance Officers Association

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

Presented to

**City of Richmond  
British Columbia**

For its Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2012**

Executive Director/CEO

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Richmond for its Popular Annual Financial Report for the fiscal year ended December 31, 2012. The Award for Outstanding Achievement in Popular Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

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

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

# Contents

Richmond City Council.....	2
Message from the Mayor .....	3
Message from the Chief Administrative Officer .....	5
2013 Highlights .....	6
2013 Awards .....	8
Report from the General Manager, Finance and Corporate Services.....	9
City of Richmond financial information .....	10
Contacts and major services provided by the City of Richmond .....	14

*This report features highlights from Richmond's 2013 Annual Report. For the detailed 2013 Annual Report that meets legislated requirements, please visit [www.richmond.ca](http://www.richmond.ca) (City Hall > Finance, Taxes & Budgets > Budgets & Financial Reporting > Annual Reports).*

**Cover photo:** Richmond City Centre as viewed from the Canada Line's Aberdeen station.  
*Photo by Chung Chow.*

This report was prepared by the City of Richmond Finance and Corporate Services Department and Corporate Communications Office. Design, layout and production was done by the City of Richmond Production Centre. ©2014 City of Richmond

 Contents printed on Canadian made, 100% recycled stock, using environmentally friendly toners.

# Richmond City Council



**Front row, left to right:**

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

**Back row, left to right:**

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

# Message from the Mayor



FIN - 90

The City of Richmond enjoyed another year of positive growth in 2013. With our population now over 200,000 and billions of dollars of investment in new development and public infrastructure planned for our community in the coming decade, Council has placed a strong focus on planning and building for our future.

In November, Council approved a comprehensive \$124.1 million major capital program which will include much needed replacements for our major aquatic centre; a new, expanded older adult centre; completion of our new City Centre Community Centre and replacement of the City's No. 1 Fire Hall. These new facilities will replace aging and outdated buildings that no longer meet the growing and evolving needs of our community. All these new projects will be completed by 2017 and the construction costs will not impact property taxes.

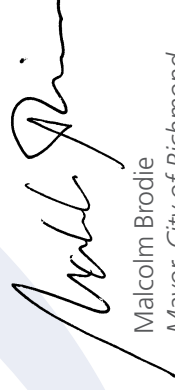
Council was also pleased to conclude an innovative agreement with the province that will see a new joint fire hall/ambulance facility built in North Richmond, the first combined facility of this type in a major urban centre in BC.

The City also launched the master planning process for the Garden City Lands, a 136.5-acre parcel of open space on the edge of the City Centre, which will be entirely for community use. It is an extraordinary opportunity for any community to develop a plan for such a large area in a central

location with all of it destined to remain in the public realm. Thousands of our residents have already participated in the planning process and we look forward to the Garden City Lands becoming a treasured public resource in the years to come.

As our City grows, our community social needs are also becoming greater. In 2013, Council approved a 10-year Social Development Strategy, one of the first such comprehensive community plans in the province. This plan identifies civic social development priorities and actions for the next decade. We've already made great strides towards implementing this plan. In December, Council committed more than \$30 million to support two major affordable housing projects, which will result in more than 400 units of new affordable housing for seniors and low income/at-risk residents.

As Council enters the final year of our current term in 2014, we will continue to work closely with staff, community groups and other partners to achieve our Council Term Goals, ensuring that Richmond residents and business will remain being well-served by the City today and in the future. I invite you to contact the Mayor's Office at any time to discuss or comment on any of the information contained in this Annual Report.



Malcolm Brodie  
Mayor, City of Richmond





FIN - 91

# Message from the Chief Administrative Officer



I am delighted to present the City of Richmond's 2013 Annual Report, chronicling another year of innovation, progress and achievement and our continued strong financial position.

Our taxpayers enjoy the second lowest taxes among the largest cities in our region. Thanks to the City's Long Term Financial Management Strategy, which caps annual tax increases, the growth in our property taxes has also been the second lowest in the region over the past five years.

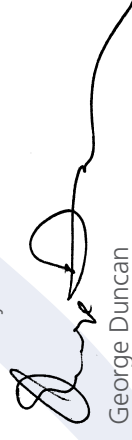
Our financial health has ensured that we have been able to maintain and build upon Richmond's reputation for outstanding quality of life and exceptional municipal services and amenities, while focusing on delivery of Council's Term Goals. Our prudent financial planning, which has reduced debt and built our reserves, allowed Council to achieve one of its major goals by approving a major \$124.1 million capital building program for critically-needed new facilities, without having property taxes impacted by the construction costs.

Sustainability, another key Council Term Goal, has become a major focus for our organization. A highlight of our sustainability initiatives is our innovative district energy program. 2013 marked the first year of operation for the City's first district energy utility. By year's end, the Alexandra District Energy Utility (ADEU) was supplying heating and cooling to more than 600 new homes. When fully operational, the ADEU is projected to reduce greenhouse gas

emissions by 6,000 tonnes annually. The City received both provincial and national awards in 2013 for the ADEU for its innovative solutions and commitment to sustainability. Richmond is aggressively pursuing other district energy projects and has formed a new municipal corporation to act as the operating entity for an anticipated expanding array of utility projects.

The City's other municipal corporation, the Richmond Olympic Oval Corporation, also continues to be hugely successful. The Oval Corporation again reported a profit for its latest fiscal year. This return on investment virtually offsets the City's operating contribution to the corporation, ensuring the long-term viability and success of this tremendous community asset. In addition, the Richmond Olympic Oval has continued to exceed all of its operational targets attracting more than 700,000 visits annually for its diverse array of programs, amenities and events.

Our organization remains committed to continuous improvement. While we are proud of the achievements highlighted in the Annual Report for 2013, they will now become a benchmark as we continue to work toward our vision for Richmond to be the most appealing, livable and well-managed community in Canada.

A stylized, handwritten signature in black ink, representing George Duncan.

George Duncan  
*Chief Administrative Officer*



# 2013 highlights



In 2013, the City achieved a number of milestones in fulfilling Council's Terms Goals for 2011–2014. Some of the more significant achievements of the year are highlighted on these pages:

## Facility Development

Council approved a new \$124.1 million major facilities building program. The program will include construction of new aquatic and older adult centres and new No. 1 Fire Hall to replace the aging and outdated facilities; and completion of the new City Centre Community Centre.

## Community Social Services

Council approved a 10-year Social Development Strategy. One of the first of its kind in BC, this comprehensive strategy identifies civic social development priorities and actions for the next decade.



## Managing Growth and Development

An extensive master planning process for the Garden City Lands was launched. This plan will determine the future community use for this valuable 136.5-acre parcel on the edge of Richmond's City Centre.

## Community Social Services

The City guaranteed more than \$30 million in land and funding to support two major new affordable housing projects. Together, these projects will see creation of more than 400 new units for seniors and low income/at-risk residents.

## Sustainability

Richmond introduced new Green Cart and Large Item Pickup Programs for single-family homes and 11,000 townhomes. This improved convenience for residents resulted in an increase in organics recycling by more than 4,000 tonnes in 2013.



## Community Safety

The City and BC Emergency Health Services reached an agreement to build a joint fire hall/ambulance station in North Richmond. To open in 2016, it will be the first combined facility of this type in a major BC urban centre.

## Economic Development

The City's Sport Hosting Program helped secure more than 30 sports events for Richmond in 2013. These events generated more than 23,000 hotel room nights for Richmond plus millions of dollars in economic spinoffs.



### Sustainability

The City's new Alexandra District Energy Utility (ADEU) successfully completed its first full year of operation. Working with the private sector, over 600 units are now connected to the system leading to the reduction of greenhouse gas emissions by more than 330 tonnes to date.

### Community Wellness

The Richmond Olympic Oval marked its fifth anniversary in 2013. A major asset in promoting community wellness through active lifestyles, the Oval hosted more than 700,000 visits in 2013 and recorded 23,000 sport and fitness program registrations.



### Municipal Infrastructure Improvement

Phase 1 of a new Dike Master Plan, which includes Steveston and the West Dike, was endorsed in 2013. Implementation of this innovative long-term plan will ensure Richmond remains safe from flooding and addresses the long-term impacts of rising sea levels.

### Facility Development

The new Tram Barn was opened at Steveston Park. The facility houses the historic Interurban Tram and has become a popular attraction for residents and visitors.



### Waterfront Enhancement

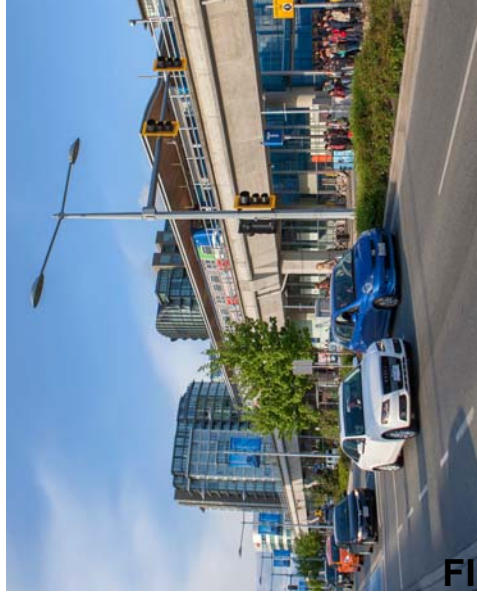
The newly-restored Seine Net Loft at Britannia Heritage Shipyards National Historic Site was officially opened in 2013. The new facility provides a historic and versatile new amenity space for programs and events in a beautiful waterfront setting.

### Arts and Culture

The tenth annual Richmond Maritime Festival attracted 40,000 visitors to the Britannia Heritage Shipyards National Historic Site. During the Festival, a new Guinness World Record was set when 180 participants sang in sequence the nursery rhyme *Row, Row, Row Your Boat*.



# 2013 awards



FIN - 95

The awards and recognition received by the City form an important part of the annual benchmarking of our achievements. In 2013, the City again received a number of awards for innovation and excellence.

- Richmond's success in creating a positive economic development climate was recognized for the second consecutive year by fDi (Foreign Direct Investment) magazine. Among over 400 North American cities rated, Richmond was ranked as a Top 10 Small City of the Future (third), as well as a Top 10 Small City in the Business Friendliness and Foreign Direct Investment Strategy categories.



- The City's development of the Alexandra District Energy Utility won two awards for innovation in both engineering and public works. Canadian Consulting Engineer magazine and the Association of Consulting Engineering Companies—Canada bestowed the ADEU with the Award of Excellence. This award is the most prestigious recognition in Canadian engineering and is given to projects that exhibit a high quality of engineering, imagination and innovation. The ADEU was also named Project of the Year by the Public Works Association of BC. This award is given to a municipality that constructs a major and complex public works or utilities project that meets specific criteria including innovative design with project benefits for the community and the environment.



- Richmond again won awards from the Government Financial Officers Association of North America for our 2012 Annual Report, marking a decade of excellence in financial reporting. Richmond received the Canadian Award for Financial Reporting for the eleventh consecutive year. The City also received the Association's Award for Outstanding Achievement in Popular Annual Financial Reporting for the fourth year in a row.
- City Council awarded Freedom of the City to long time former mayor and councillor Greg Halsey-Brandt. He is only the fifth individual to receive this prestigious honour.

# Report from the General Manager, Finance and Corporate Services



**FIN - 96**

I am pleased to submit the City of Richmond's consolidated financial statements for the year ended December 31, 2013 pursuant to Section 167 of the Community Charter. The financial statements reflect a consolidation of the financial position and operating results for the City of Richmond, Lulu Island Energy Company, Richmond Olympic Oval Corporation and the Richmond Public Library. The Lulu Island Energy Company was incorporated on August 19, 2013 and is a municipal corporation wholly-owned by the City of Richmond. The primary business of the new corporation is to manage and operate district energy utilities.

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

the consolidated financial position of the City of Richmond as at December 31, 2013 in accordance with Canadian public sector accounting standards.

The City continued to strengthen its financial condition and position in 2013; the City's net worth reached \$2.4B (2012: \$2.3B) and cash and investments increased to \$754.4M (2012: \$640.6M). Net financial assets increased to \$549.0M (2012: \$469.2M), while net debt outstanding was reduced to \$1.1M (2012: \$3.5M). Statutory reserves increased to \$353.8M (2012: \$295.0M). The City's 2013 operating revenues were \$454.0M (2012: \$400.3M) and operating expenses were \$327.8M (2012: \$317.4M).

In addition to prudently managing the City's finances, we are continuing to create a positive business climate in Richmond. The City's new

business development program, including a dedicated business portal—[www.businessinrichmond.ca](http://www.businessinrichmond.ca)—and a business outreach initiative, was launched to provide business with easy access to information, resources and City services. To provide flexibility to local business, Richmond participated in an innovative pilot program to streamline business license requirements for mobile businesses which operate in multiple municipalities within the region. Increased economic activity in 2013 saw construction value of building permits exceeding \$679M, the second highest on record while business licenses increased to 13,371, all indicators of a thriving local economy.

Richmond's success in creating a positive economic environment was again recognized by fDi (Foreign Direct Investment) Magazine in 2013. Among over 400 North American cities rated, Richmond was ranked as a Top 10 Small City of the Future (third), as well as a Top 10 Small City in the Business Friendliness and Foreign Direct Investment Strategy categories.

Richmond's economy continues to thrive and the City's solid financial condition ensures that City Council is well positioned to address both current and emerging community needs.

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

# City of Richmond financial information

## City of Richmond consolidated statement of financial position (expressed in thousands of dollars)

December 31, 2013, with comparative figures for 2012

**2012**

**2013**

### Financial assets<sup>1</sup>

Cash and cash equivalents	\$ 38,368	\$ 49,632
Investments	716,114	590,961
Accrued interest receivable	3,224	3,122
Accounts receivable	19,625	22,682
Taxes receivable	9,244	8,895
Development fees receivable	21,405	12,923
Debt reserve fund—deposits	200	386
	808,180	688,601

### Financial liabilities

Accounts payable and accrued liabilities	83,146	75,325
Deposits and holdbacks	51,841	40,669
Deferred revenue	35,870	37,307
Development cost charges	87,212	62,547
Obligations under capital leases	58	106
Debt	1,056	3,488
	259,183	219,442

Net financial assets<sup>2</sup>

469,159

### Non-financial assets<sup>3</sup>

Tangible capital assets	1,877,298	1,830,619
Inventory of materials and supplies	2,363	2,276
Prepaid expenses	1,594	1,954
	1,881,255	1,834,849

Accumulated surplus<sup>4</sup>

\$ 2,430,252

\$

**2,304,008**

<sup>1</sup> Financial assets: cash resources.

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

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

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

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



# City of Richmond consolidated statement of operations<sup>1</sup> (expressed in thousands of dollars)

Year ended December 31, 2013, with comparative figures for 2012

	Budget 2013	Actual 2013	Actual 2012
<b>Revenues</b>			
Taxation and levies	\$ 174,825	\$ 176,283	\$ 167,529
Utility fees	74,321	79,613	74,222
Sales of services	40,366	45,941	41,449
Payments-in-lieu of taxes	13,199	14,406	13,189
Provincial and federal grants	7,256	7,092	9,487
Development cost charges	1,280	11,730	10,480
Other capital funding sources	71,768	55,542	19,306
Other revenues:			
Investment income	16,792	13,490	17,144
Gaming revenue	12,364	17,632	15,585
Licenses and permits	7,537	9,178	8,734
Other	7,662	23,096	23,186
	427,370	454,003	400,311
<b>Expenses</b>			
Law and Community Safety	83,844	77,587	75,193
Utilities: water, sewerage and sanitation	73,862	73,764	72,682
Engineering, Public Works and Project Development	56,427	53,219	53,164
Community Services	49,162	49,753	46,796
General government	47,931	41,677	38,570
Planning and Development	12,513	11,854	11,961
Richmond Olympic Oval	11,432	10,509	9,826
Library services	9,540	9,396	9,245
	344,711	327,759	317,437
Annual surplus <sup>2</sup>	82,659	126,244	82,874
Accumulated surplus, beginning of year	2,304,008	2,304,008	2,221,134
Accumulated surplus, end of year	<b>\$ 2,386,667</b>	<b>\$ 2,430,252</b>	<b>\$ 2,304,008</b>

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

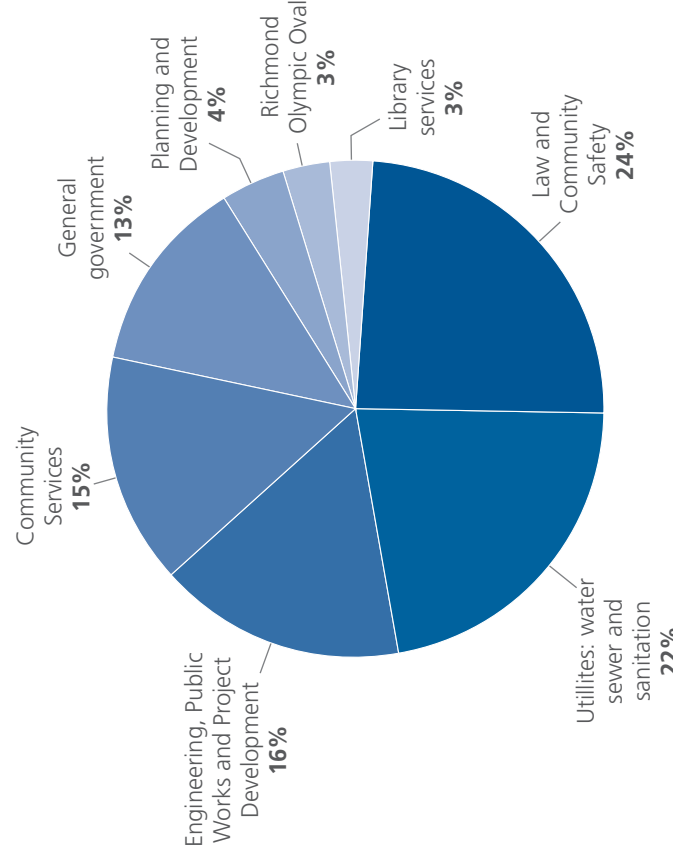
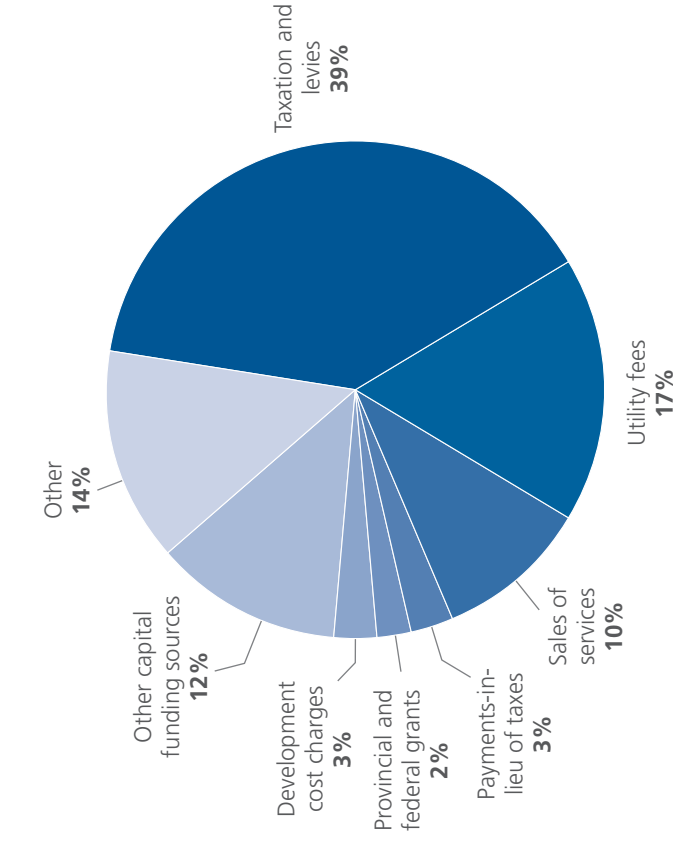
<sup>2</sup> Annual surplus is shown on this statement as the difference between revenues recognized and the cost of government services provided in the fiscal year



# City of Richmond financial information continued ...

## 2013 actual revenue

## 2013 actual expense

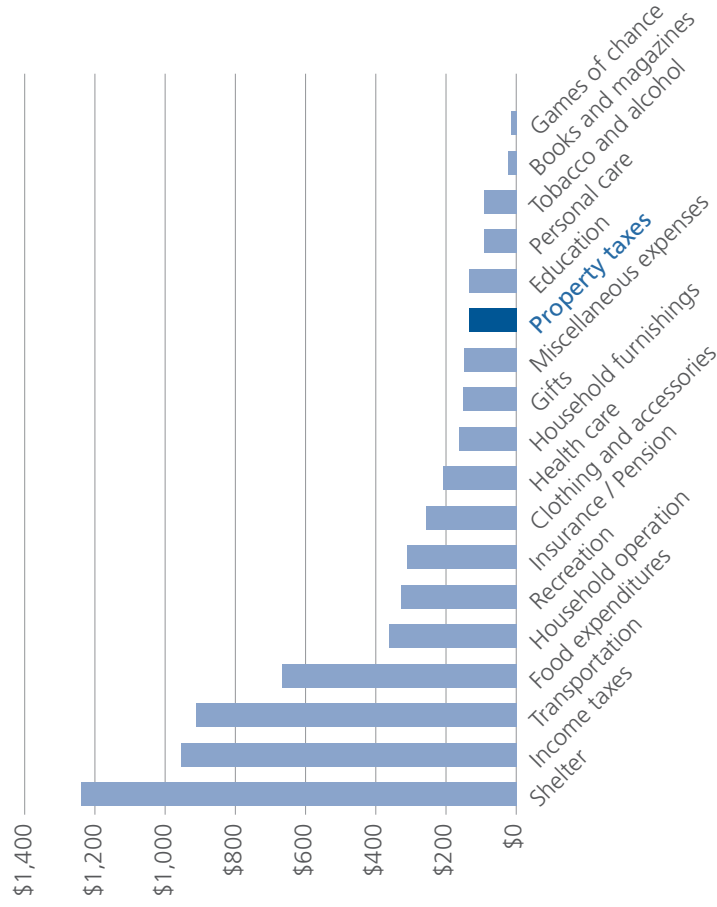


FIN - 99

## 5 year trend—2009–2013

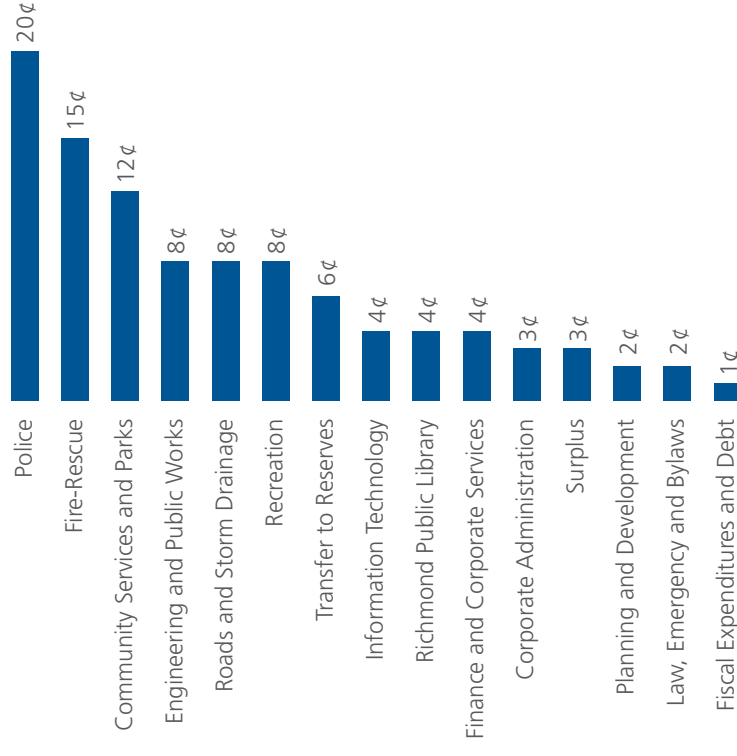
	2009	2010	2011	2012	2013
Consolidated Revenue:	368,927	378,703	424,042	400,311	454,003
Consolidated Expenses:	296,641	301,456	313,245	317,437	327,759
Annual Surplus:	72,286	77,247	110,797	82,874	126,244

## Monthly average household costs in British Columbia



Source: Statistics Canada—Survey of household spending in 2011

## 2013 actual breakdown of \$1 municipal taxes



Source: City of Richmond Finance and Corporate Services

# Contacts and major services provided by the City of Richmond

## City of Richmond contacts

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

### City of Richmond

6911 No. 3 Road  
Richmond, British Columbia  
V6Y 2C1 Canada  
Phone: 604-276-4000  
Email: [infocentre@richmond.ca](mailto:infocentre@richmond.ca)  
[www.richmond.ca](http://www.richmond.ca)



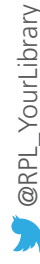
### Gateway Theatre

6500 Gilbert Road  
Information Line: 604-270-6500  
Box Office: 604-270-1812  
[www.gatewaytheatre.com](http://www.gatewaytheatre.com)



### Richmond Public Library

Hours: 604-231-6401  
[www.yourlibrary.ca](http://www.yourlibrary.ca)



### Richmond Olympic Oval

6111 River Road  
Information Line: 778-296-1400  
[www.richmondoval.ca](http://www.richmondoval.ca)



## Major services provided by the City of Richmond

### Law and Community Safety

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

### Community Services

Supports and develops recreation, arts and cultural opportunities as well as social planning, heritage, affordable housing, diversity youth and older adult services. Oversees City-owned recreational facilities and the design, construction, and maintenance of City parks, trails and green spaces. Coordinates sports programming, special events and filming in the City.

### Engineering and Public Works

Comprises engineering design, construction and maintenance services for the infrastructure throughout the City as well as all City-owned buildings. Responsible for local water supply, sewer and drainage, dikes and irrigation system, roads, environmental services and corporate sustainability.

### Planning and Development

Is responsible for the physical planning and form of the City. This includes neighbourhood design, building and construction, development, land use, traffic and transportation.

### Finance and Corporate Services

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

City of Richmond's Vision:  
To be the most appealing, livable and  
well-managed community in Canada



**City of Richmond**

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

Telephone: 604-276-4000

[www.richmond.ca](http://www.richmond.ca)

Contents printed on Canadian made, 100% recycled stock using environmentally friendly toners.



# City of Richmond

## Report to Committee

---

**To:** Finance Committee

**Date:** May 20, 2014

**From:** George Duncan  
Chief Administrative Officer  
& President and CEO  
Richmond Olympic Oval

**File:**

Andrew Nazareth  
General Manager, Finance and Corporate Services  
& Chief Financial Officer, Richmond Olympic Oval

**Re:** 1<sup>st</sup> Quarter 2014 - Financial Information for the Richmond Olympic Oval Corporation

---

### Staff Recommendation

That the report on Financial Information for the Richmond Olympic Oval Corporation for the first quarter ended March 31, 2014 from the Controller of the Richmond Olympic Oval Corporation be received for information.

George Duncan  
Chief Administrative Officer  
& President and CEO  
Richmond Olympic Oval

Andrew Nazareth  
General Manager, Finance and Corporate Services  
& Chief Financial Officer,  
Richmond Olympic Oval

**DATE:** May 15, 2014

**TO:** George Duncan  
Chief Executive Officer, Richmond Olympic Oval Corporation

Andrew Nazareth  
Chief Financial Officer, Richmond Olympic Oval Corporation

John Mills  
Chief Operating Officer, Richmond Olympic Oval Corporation

**FROM:** Rick Dusanj, CPA, CA  
Controller, Richmond Olympic Oval Corporation

**Re:** **Richmond Olympic Oval Corporation – 1<sup>st</sup> Quarter 2014 Financial information**

---

### **Origin**

Section 7.3 of the Operating Agreement between the City of Richmond (the “City”) and the Richmond Olympic Oval Corporation (the “Corporation”) requires reporting with respect to business plans, budgets, audited financial statements, and quarterly comparisons of actual results to budget along with projections to fiscal year end. This staff report deals with the first quarter business plan and financial results for the 3 months ended March 31, 2014 (“Q1”) which was approved by the Corporation’s Board of Directors.

### **Business Plans and Financial Results**

The Q1 revenues were budgeted at \$3,348,000 and the actual results show revenues of \$3,399,000, indicating a favorable variance of \$51,000. Q1 expenses were budgeted at \$2,874,000 and the actual results show expenses of \$2,512,000, indicating a favorable variance of \$362,000. As such, there is an overall favorable variance of \$413,000 before transfers to reserves/provisions (please see page 4 for the Corporation’s statement of operations). In Q1, \$327,000 has been allocated to the reserves/provisions.

### **Highlights**

Some of the highlights of the activities undertaken by the Corporation during Q1 are described below.

#### Community Use

Member Care continued to provide member engagement with the February Membership Challenge, which is an incentive program designed to improve retention and use of the Oval facility. This challenge was successful as entrants that completed the challenge, increased their usage of the Oval

by 28% on average. At the end of Q1 2014, a total of 78% of Oval members were Richmond Residents.

Total visitation for Q1 2014 was 199,277, a 4% increase over the same time last year. Total visitations are calculated based on the sum of the following figures: the number of paid admissions, the number of membership scans, the number of visits for those individuals in registered programs, and the number of visits from event rentals and user groups. The event rental and user group figures are based on data obtained from the clients and programmers responsible for the respective rentals.

Spring Break Sport Camps had its most successful season with 1,674 registrants, a 43% increase over the same time last year. Personal Training at the Oval also had a very strong start to 2014, with personal training revenues showing a 33% increase over the same period last year.

#### Sport Development and Events

High Performance Sport Services continues to make its mark at the Oval. Over 4,300 individual athlete training sessions were completed in Q1 2014.

These sessions included:

- Local athletes from the Richmond Sockeyes, Greater Vancouver Canadians, Trinity Western, Pacific Wave Synchro, and South Delta Secondary;
- Provincial level athletes from the Canadian Sport Institute's IGNITE Program (Field Hockey, Softball, Alpine Skiing, Freestyle Skiing), Synchro BC, BC Fencing Association, Skate BC and Judo BC; and
- National level athletes from Field Hockey Canada, Sailing Canada, Wheelchair Rugby, Beach Volleyball Canada, Athletics Canada, and a new contract with Goalball (a Paralympic Sport played exclusively by athletes who are blind or visually impaired).

Some additional 'Oval trained' athlete success stories from Q1 included:

- Oval trained Volleyball Canada Daytime Centre of Excellence Athletes accomplished a number of accolades in Q1 2014:
  - The South Delta Secondary Senior Girls Volleyball Team went onto win the AAAA Provincial Championships, a team that featured four Oval trained athletes: Laura Findlay, Zoe Mydanky, Ashley Klassen and Maria Starko.
  - At the 2014 Volleyball Club Provincials, two athletes were selected to the All-Star Team: Kaleigh Matheson and Siobhan Finan.
  - Tamara Clarke was part of the AAA Provincial Champion Seaquam Secondary team and was also named Tournament MVP.
- Mo Zhang, Oval High Performance Table Tennis athlete and coach, attended the Canadian Challenge Trial Cup in Toronto and placed first, solidifying her number 1 ranking in Canada.



Once again Q1 was a very busy Sport Hosting and Events quarter at the Oval. Some of the highlights included the following: New Years Day Tim Horton's Annual Family Skating Event, BC Sports Rep Association Trade Show, Karate Nationals, Vancouver International Open Judo Tournament, Harry Jerome Indoor Classic, Football BC Provincial Combine, Judo Pacific International Tournament, Red Bull Crashed Ice, BC Power Lifting Winter Open, AAA & AAAA Lower Mainland High School Boys Basketball Championships, Panther Cheer Mardi Parti Event, Vancouver Island University Career Fair, BC Cancer Foundation's Workout to Conquer Cancer, Vancouver Invitational Wheelchair Rugby Tournament, World Grand Prix Fencing Championship, North American Cup Karate Championship, Canadian Short Track National Team Trials, and the Province Gran Forza Pentathlon.

Events secured in Q1 included: 2014 Can Am Wushu Martial Arts Championship, 2014 Canadian Short Track Speed Skating National Team Selections, 2014 SportAbility PowerChair Soccer Tournament, and the 2015 Judo Pacific International Tournament.

Governance

Meetings of the Corporation's Board of Directors and the Audit & Finance Committee took place during Q1.

A handwritten signature in blue ink, appearing to read 'RD', with a stylized flourish at the end.

Rick Dusanj, CPA, CA  
Controller, Richmond Olympic Oval Corporation

cc: Shana Turner  
Director, Finance and Corporate Services, Richmond Olympic Oval Corporation

# **RICHMOND OLYMPIC OVAL CORPORATION**

## **Statement of Operations**

**For the quarter ended Mar 31, 2014**

**Unaudited, prepared by management**

	QTR 1 2014			QTR 1 2013			2014		
	BUDGET	ACTUAL	\$ Variance Fav/(Unfav)	% Variance Fav/(Unfav)	BUDGET	ACTUAL	\$ Variance Fav/(Unfav)	% Variance Fav/(Unfav)	BUDGET
REVENUES									
2010 Games Operating Trust Fund	550,000	550,000	-	0%	675,000	705,750	30,750	5%	2,200,000
Contribution from City of Richmond	801,900	801,900	-	0%	786,175	786,175	-	0%	3,208,000
Memberships, admissions and programs	1,709,591	1,726,935	17,345	1%	1,786,183	1,826,916	40,733	2%	6,348,893
Other	286,857	320,452	33,595	12%	260,381	386,606	126,225	48%	1,383,695
	3,348,347	3,399,287	50,940	2%	3,507,739	3,705,447	197,708	6%	13,140,588
EXPENSES									
Memberships, admissions, and program services	1,056,507	918,500	138,007	13%	1,177,772	1,038,680	139,092	12%	4,227,515
Facility Operations	1,014,883	955,544	59,339	6%	941,583	888,477	53,106	6%	4,065,225
Marketing	119,201	97,047	22,154	19%	84,689	86,670	(1,981)	-2%	487,432
Admin/Finance	683,666	541,003	142,663	21%	681,594	524,176	157,418	23%	2,784,663
	2,874,257	2,512,094	362,163	13%	2,885,638	2,538,002	347,636	12%	11,564,835
Net before transfers to reserves/provisions									
	474,090	887,193	413,102		622,101	1,167,444	545,343		1,575,753
Transfers to reserves/provisions (Note 1)									
	325,000	327,122	2,122		325,000	615,447	290,447		1,300,000
Net after transfers to reserves/provisions									
	149,090	560,071	410,981		297,101	551,997	254,896		275,753

**Note 1** - In Q1, \$327,122 was transferred into reserves/provisions which primarily includes \$325,000 into the capital reserve fund. The transfers to capital reserves vary from quarter to quarter and are not finalized until year end by the Capital Works Committee.

Numbers may be off due to rounding.

Also see attached comments on the results for the First Quarter of Fiscal Year 2014.