



**Finance Committee
Electronic Meeting**

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

Monday, June 2, 2025

immediately following the General Purposes Committee meeting

Pg. # ITEM

MINUTES

FIN-4 *Motion to adopt the **minutes** of the meeting of the Finance Committee held on May 5, 2025.*



FINANCE AND CORPORATE SERVICES DIVISION

1. **FINANCIAL INFORMATION - 1ST QUARTER MARCH 31, 2025**
(File Ref. No. 03-0905-01) (REDMS No. 8031664)

FIN-7

See Page FIN-7 for full report

Designated Speaker: Cindy Gilfillan

STAFF RECOMMENDATION

That the staff report titled, “Financial Information – 1st Quarter March 31, 2025”, dated May 2, 2025 from the Director, Finance, be received for information.



Finance Committee Agenda – Monday, June 2, 2025

Pg. #

ITEM

2. **2024 ANNUAL REPORT AND 2024 ANNUAL REPORT HIGHLIGHTS**
(File Ref. No. 01-0375-01) (REDMS No. 8049162)

FIN-32

See Page FIN-32 for full report

Designated Speaker: Cindy Gilfillan

STAFF RECOMMENDATION

That the reports titled, “2024 Annual Report” and “2024 Annual Report – Highlights” be approved and posted on the City’s website.

☐

3. **ACTIVE CAPITAL PROJECTS FINANCIAL UPDATE – 1ST QUARTER MARCH 31, 2025**
(File Ref. No. 03-0975-01) (REDMS No. 8037659)

FIN-140

See Page FIN-140 for full report

Designated Speaker: Jenny Ho

STAFF RECOMMENDATION

That the staff report titled, “Active Capital Projects Financial Update – 1st Quarter March 31, 2025”, dated May 5, 2025 from the Director, Finance, be received for information.

☐

LULU ISLAND ENERGY CORPORATION

4. **LULU ISLAND ENERGY COMPANY – 2025 1ST QUARTER FINANCIAL INFORMATION**
(File Ref. No. 03-0950-01) (REDMS No. 8053390)

FIN-156

See Page FIN-156 for full report

Designated Speakers: Alen Postolka & Helen Zhao

STAFF RECOMMENDATION

That the Lulu Island Energy Company report titled “Lulu Island Energy Company – 2025 1st Quarter Financial Information”, dated April 21, 2025, from the Chief Executive Officer and Chief Financial Officer, be received for information.

☐

RICHMOND OLYMPIC OVAL CORPORATION

5. **RICHMOND OLYMPIC OVAL CORPORATION – 1ST QUARTER 2025 FINANCIAL INFORMATION**
(File Ref. No. 03-1200-09) (REDMS No. 8060031)

FIN-166

See Page FIN-166 for full report

Designated Speaker: Rick Dusanj

STAFF RECOMMENDATION

That the Richmond Olympic Oval Corporation – 1st Quarter 2025 Financial Information report from the Director, Finance, Innovation & Technology, Richmond Olympic Oval Corporation be received for information.

☐

ADJOURNMENT

☐



Finance Committee

Date: Monday, May 5, 2025

Place: Anderson Room
Richmond City Hall

Present: Mayor Malcolm D. Brodie, Chair
Councillor Chak Au (by teleconference)
Councillor Carol Day
Councillor Laura Gillanders
Councillor Kash Heed
Councillor Andy Hobbs
Councillor Alexa Loo
Councillor Bill McNulty
Councillor Michael Wolfe

Call to Order: The Chair called the meeting to order at 5:40 p.m.

It was moved and seconded

That Councillor Au be permitted to join the meeting electronically.

CARRIED

MINUTES

It was moved and seconded

That the minutes of the meeting of the Special Finance Committee held on April 22, 2025 be adopted as circulated.

CARRIED

DELEGATION

1. Aanu Adeleye, Engagement Partner, and Chito Lo, Engagement Senior Manager, KPMG, presented the Audit Findings Report on the City's 2024 Consolidated Financial Statements.

FINANCE AND CORPORATE SERVICES DIVISION

2. **2024 CONSOLIDATED FINANCIAL STATEMENTS**

(File Ref. No. 03-0905-01) (REDMS No. 8021882)

It was moved and seconded

That the 2024 City of Richmond Consolidated Financial Statements as presented in Attachment 2 be approved.

CARRIED

RICHMOND PUBLIC LIBRARY

3. **2024 FINANCIAL STATEMENTS FOR THE RICHMOND PUBLIC LIBRARY**

(File Ref. No. 03-0905-01) (REDMS No. 8027857)

It was moved and seconded

That the 2024 Richmond Public Library audited financial statements for the year ended December 31, 2024, as presented in the attached report from the Chief Librarian, be received for information.

CARRIED

LULU ISLAND ENERGY COMPANY

4. **2024 FINANCIAL STATEMENTS FOR THE LULU ISLAND ENERGY COMPANY**

(File Ref. No. 03-0950-01) (REDMS No. 8022654)

It was moved and seconded

That the Lulu Island Energy Company report titled “2024 Financial Statements for the Lulu Island Energy Company”, dated April 10, 2025, from the Chief Executive Officer and Chief Financial Officer, be received for information.

CARRIED

Finance Committee
Monday, May 5, 2025

RICHMOND OLYMPIC OVAL CORPORATION

5. RICHMOND OLYMPIC OVAL CORPORATION 2024 AUDITED FINANCIAL STATEMENTS

(File Ref. No. 03-1200-09) (REDMS No. 8039115)

Discussion ensued regarding (i) details of the Statement of Financial Position and Statement of Cash Flows, (ii) the forthcoming report regarding the Richmond Olympic Oval Corporation's 1st Quarter 2025 Financial Information, (iii) a more streamlined and efficient senior management structure, and (iv) the Oval's marketing budget and operational efficiency.

It was moved and seconded

That the report on the 2024 Audited Financial Statements for the Richmond Olympic Oval Corporation from the Director, Finance, Innovation & Technology, Richmond Olympic Oval Corporation be received for information.

CARRIED

ADJOURNMENT

It was moved and seconded

That the meeting adjourn (5:49 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, 2025.

Mayor Malcolm D. Brodie
Chair

Shannon Unrau
Legislative Services Associate



City of Richmond

Report to Committee

To: Finance Committee
From: Mike Ching, CPA, CMA
Director, Finance
Date: May 2, 2025
File: 03-0905-01/2025-Vol
01
Re: Financial Information - 1st Quarter March 31, 2025

Staff Recommendation

That the staff report titled, "Financial Information – 1st Quarter March 31, 2025", dated May 2, 2025 from the Director, Finance, be received for information.

mc
Mike Ching, CPA, CMA
Director, Finance
(604-276-4137)

Att: 4

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE
Arts, Culture & Heritage Services	<input checked="" type="checkbox"/>	Housing Office <input checked="" type="checkbox"/>
Building Approvals	<input checked="" type="checkbox"/>	Information Technology <input checked="" type="checkbox"/>
Climate and Environment	<input checked="" type="checkbox"/>	Library Services <input checked="" type="checkbox"/>
Community Bylaws	<input checked="" type="checkbox"/>	Parks Services <input checked="" type="checkbox"/>
Community Safety Administration	<input checked="" type="checkbox"/>	Policy Planning <input checked="" type="checkbox"/>
Community Social Development	<input checked="" type="checkbox"/>	Public Works <input checked="" type="checkbox"/>
Development Applications	<input checked="" type="checkbox"/>	RCMP <input checked="" type="checkbox"/>
Economic Development	<input checked="" type="checkbox"/>	Real Estate Services <input checked="" type="checkbox"/>
Engineering	<input checked="" type="checkbox"/>	Recreation & Sport Services <input checked="" type="checkbox"/>
Facilities and Project Development	<input checked="" type="checkbox"/>	Transportation <input checked="" type="checkbox"/>
Fire Rescue	<input checked="" type="checkbox"/>	
		CONCURRENCE OF GENERAL MANAGER
		<i>[Signature]</i>
SENIOR STAFF REPORT REVIEW	INITIALS: <i>CS</i>	APPROVED BY CAO <i>[Signature]</i>

Staff Report

Origin

Pre-audited financial information for the first quarter (ended March 31, 2025) is being provided to the Finance Committee for review. The report provides details on the economic environment, financial results and other key indicator information. The financial information provides Council with an overview of the City of Richmond's (the City's) financial results throughout the year and before the annual audited financial statements are presented.

This report supports Council's Strategic Plan 2022-2026 Focus Area #4 Responsible Financial Management and Governance:

Responsible financial management and efficient use of public resources to meet the needs of the community.

4.1 Ensure effective financial planning to support a sustainable future for the City.

4.3 Foster community trust through open, transparent and accountable budgeting practices and processes.

Economic Overview

Following a prolonged period of unprecedented shocks, global growth had appeared to stabilize with steady but modest growth. However, the landscape has shifted once again, as governments reassess policy priorities and uncertainties have increased. Global growth forecasts have significantly declined within the first quarter of the year, driven by historically high tariff rates and an increasingly unpredictable economic environment. The International Monetary Fund (IMF) is now forecasting global growth rates of 2.8% and 3.0% for 2025 and 2026 respectively. Meanwhile, global headline inflation is now expected to ease more gradually than previously projected.

Canada's growth outlook primarily aligns with global trends, reflecting a moderated pace of expansion that is projected to continue. Real Gross Domestic Product (GDP) is expected to remain stable at 1.4% in 2025 before rising to 1.6% in 2026.¹ The ongoing trade conflict with the United States (U.S.) has introduced significant uncertainty into Canada's economic outlook. Tariffs are expected to continue weighing on Canadian businesses, with growing concerns about a weaker U.S. outlook due to reciprocal tariffs and potential spillover effects on Canada. Inflation in Canada, as in B.C. and Metro Vancouver, is trending lower than global numbers and is expected to stabilize around the 2.0% target in the medium term.

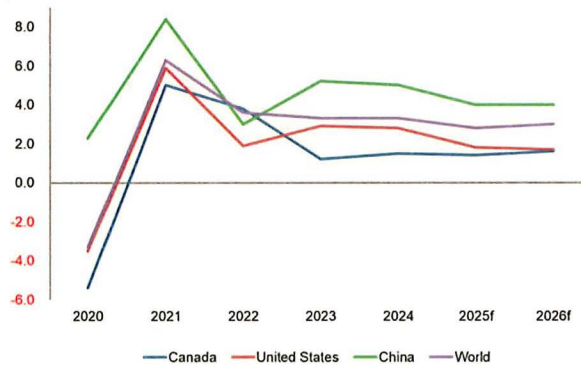
Richmond's economy remains relatively robust and resilient, driven by its diversified nature. While businesses face challenges such as uncertainty regarding tariffs and associated impacts, financing difficulties for large projects, labour shortages, and high input costs, overall economic activity remains strong. Industrial vacancy rates dipped slightly this past quarter after edging upwards at the end of 2024, and the industrial real estate market remains quite competitive.

¹ International Monetary Fund, *World Economic Outlook*, April 2025.

Office vacancy has trended downward and remains lower than the Metro Vancouver average. Low growth should be expected in 2025, aligned with global conditions.

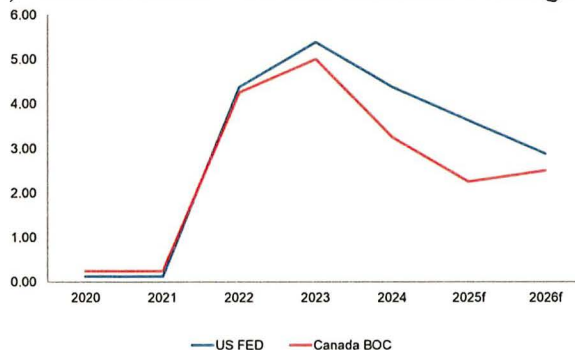
Macroeconomic Indicators & Forecast

1) Global Growth – Real Gross Domestic Product % Change²



- The IMF projects global GDP to decrease from the 2024 rate of 3.3% to 2.8% in 2025, before increasing to 3.0% in 2026. April data reflects a downward revision to the forecast for 2025.
- In 2025, Canadian GDP is forecasted to grow by 1.4%, with U.S. and China GDP growth forecasts of 1.8% and 4.0%, respectively.
- The 2025 global growth outlook marks a notable shift from the previous forecast, reflecting downward revisions for China, the U.S. and Canada. These revisions can be attributed to the effect of the U.S. tariffs and ongoing uncertainty.

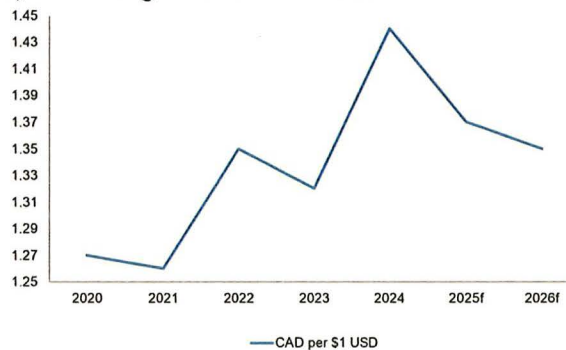
2) Interest Rates – US and Canadian Overnight Central Bank Rate % at Year End³



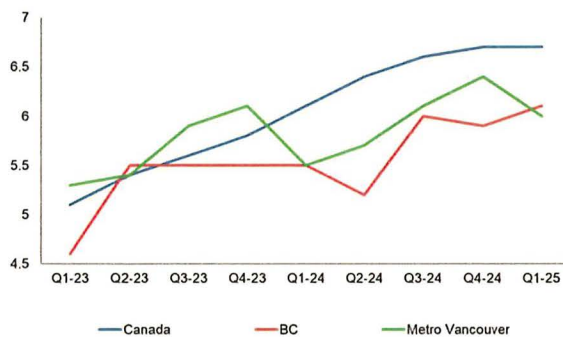
- By the end of Q1 2025, the Bank of Canada (BoC) had lowered its overnight lending rate to 2.75%, down from 3.25% at the end of 2024.
- For the first time since last June, the BoC held interest rates steady in April 2025, citing heightened uncertainty in the economic outlook due to the ongoing U.S. trade tensions.
- Amid growing concerns over the impact tariffs will have on a slowing economy, the U.S. Federal Reserve (U.S. FED) has maintained its key borrowing rate within the 4.25% - 4.50% range, unchanged since December 2024.

²International Monetary Fund, World Economic Outlook (April 2025): A Critical Juncture amid Policy Shifts.

³US Federal Reserve, Bank of Canada and Royal Bank of Canada Research; Bank of Canada Monetary Policy Report (April 2025); RBC Financial Markets Monthly (April 2025).

3) Exchange Rates – CAD/USD at Year End⁴

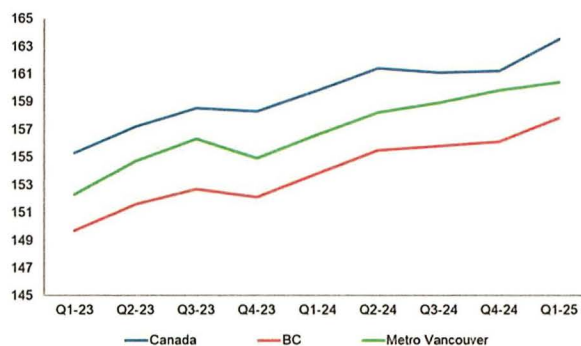
- While the year-over-year outlook for CAD/USD exchange rates is expected to be relatively stable at \$1.37 CAD/ \$1 USD in 2025 and \$1.35 CAD/ \$1 USD in 2026, short term fluctuations are likely.
- The Canadian dollar was trading at a recent low of \$1.44 CAD/\$1 USD at the end of Q1 2025. CAD fluctuations mirror global capital market trends, with investor concerns over US tariffs contributing to heightened market volatility.

4) Unemployment⁵

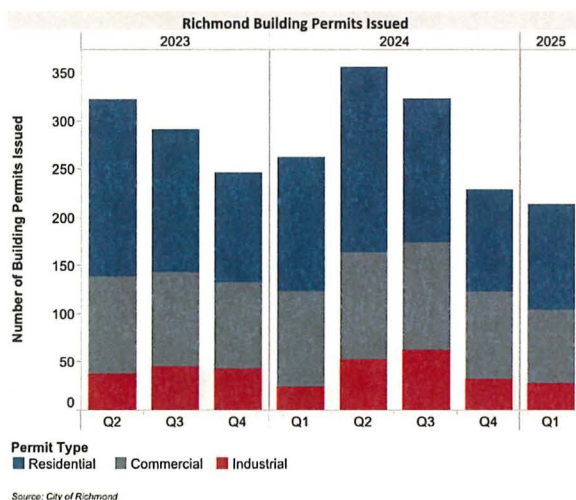
- According to Statistics Canada, national unemployment rose to 6.7% in March, the first increase since November 2024, while in B.C., it increased to 6.1%.
- At the end of Q1 2025, the Canadian, B.C., and Metro Vancouver unemployment rates were 6.7%, 6.1%, and 6.0%, respectively.
- In March 2025, employment in the goods-producing sector declined by 0.4% compared to February, while the services-producing sector saw a 0.3% increase. On a year-over-year basis, employment in goods-producing industries rose by 1.0%, and services-producing industries grew by 0.9%.

⁴RBC Economics (RBC Financial Markets Monthly, April 2025); RBC Currency Report Card, March 2025.

⁵Statistics Canada Labour Force Survey (March 2025); Labour Force Statistics Highlights Issue March 2025 #25-03.

5) Consumer Price Index (CPI – 2002=100)⁶

- The Consumer Price Index (CPI) increased by 2.3% year-over-year in March 2025, as compared to a 2.6% gain in February 2025. This was the smallest year-over-year increase since February 2021.
- The slowing in inflation was largely due to lower year-over-year prices for travel tours and gasoline in March 2025. This slowdown was partially offset by the end of the temporary Goods and Services Tax (GST)/Harmonized Sales Tax (HST) break on February 15, 2025, which contributed to higher prices in March relative to February.
- On average over the past 12 months, inflation has been similar in Metro Vancouver at 2.4% relative to B.C. at 2.6% and Canada at 2.3%.

Regional & Local Economic Activity Indicators6) Building Permits – Richmond⁷

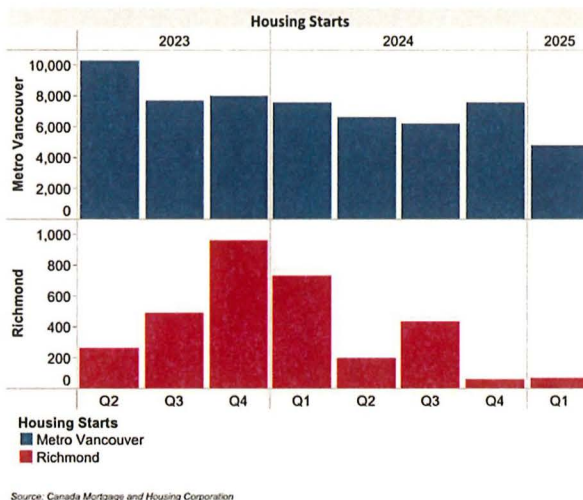
- During the first quarter of 2025, there were 110 residential, 76 commercial, and 28 industrial building permits issued in Richmond.
- This represents an 18.6% decrease in total building permits issued over the same period in 2024, with the highest decrease in residential building permits (20.9%).
- 194 new units were added to the local housing supply in Q1 2025, which represents a 38.6% decrease relative to the same period in 2024. There are substantial quarter-over-quarter fluctuations in the number of new units due to the longer development cycles for multi-family units.

⁶Statistics Canada, Consumer Price Index; also Consumer Price Index, March 2025; also BC Stats, Consumer Price Index, March 2025, Issue 25-03.

⁷City of Richmond Building Permits.

7) Construction Value⁸

- Approximately \$127.5 million in construction value was registered in Q1 2025, a decrease of 37.5% from the same period last year.
- Substantial quarter-over-quarter fluctuations in construction value can be expected, depending on the projects registered that quarter.

8) Housing Starts⁹

- In Q1 2025, there were 69 housing starts in Richmond and 4,834 in Metro Vancouver, as measured by the Canada Mortgage and Housing Corporation (CMHC) and based on verification that construction work has commenced.¹⁰
- Year-to-date housing starts decreased by 90.6% in Richmond and decreased by 36.6% in Metro Vancouver, compared to the same period in 2024. There is a fair amount of fluctuation quarter by quarter, as is to be expected depending on project timelines.
- The fluctuation between the number of residential units permitted for construction and those reported as housing starts by CMHC are further exacerbated when larger projects requiring time to complete underground parking and foundations will show no housing starts until construction has progressed to above grade. Housing units approved by permits issued in Q3 last year will likely be reflected in housing starts toward late 2025 and in 2026.

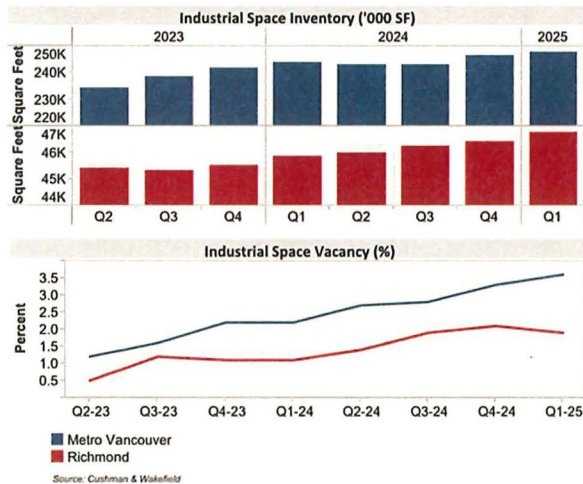
⁸City of Richmond Building Permits.

⁹Canada Mortgage and Housing Corporation; 2025 Housing Market Outlook.

¹⁰Housing Start is defined as the beginning of construction work on a building, generally when the concrete has been poured for the whole of the footing around the structure, or an equivalent stage where a basement will not be part of the structure.

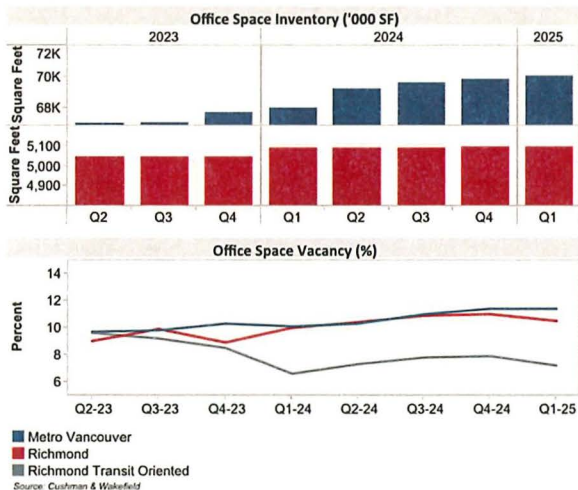
9) Commercial Space¹¹

a) Industrial Space



- In Q1, the Metro Vancouver industrial vacancy rate increased to 3.6% (highest reported vacancy rate since Q3 2016) and is approaching a more balanced market. Recent new construction completions are primarily driving the increased vacancy rate.
- In Richmond, the industrial vacancy rate remains lower than Metro Vancouver at 1.9% in Q1 2025. This rate has decreased slightly from Q4 2024 and has been relatively stable for the last three quarters.
- Despite economic uncertainty, leasing activity has remained strong across Metro Vancouver, with strong demand from wholesale distributors, manufacturers, distribution and engineering services, and recreation and fitness tenants.

b) Office Space



Note that the increased transit-oriented vacancy rate in Q4 2022 was due to the Paramount development (6388 No. 3 Road) coming to market. Short-term fluctuations are expected as new supply is added.

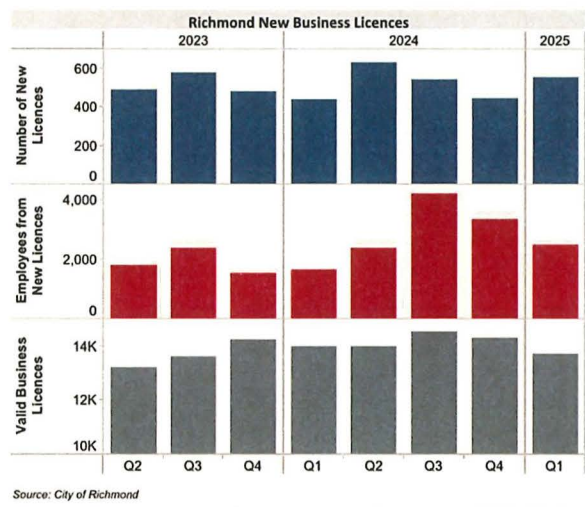
- At the end of Q1 2025, Metro Vancouver's office vacancy rate held steady at 11.4% for the second quarter in a row, though this reflects a 12.9% increase from the same time last year.
- In Richmond, the Q1 office vacancy rate decreased slightly to 10.5%, with transit-oriented vacancy also decreasing from last quarter to 7.2%¹².
- New leasing activity in Metro Vancouver this quarter was primarily driven by the financial and legal sectors. Although no major new entrants joined the market in Q1, tech-related tenants continue to represent a stable presence, accounting for approximately 40.0% of all active tenant requirements.
- Average asking rents in Richmond are the lowest in the Metro Vancouver region.

¹¹Cushman & Wakefield Office and Industrial Market Beat Reports Q1 2025.

¹²Note that transit-oriented office data is sourced from Cushman and Wakefield for consistency across commercial vacancy rates presented in this report. The definition of "transit-oriented office" is office space within 600 meters of a Skytrain station. As this definition includes a limited number of developments in the City Centre, any change (whether related to new inventory or absorption) may have a seemingly disproportionate impact on the data.

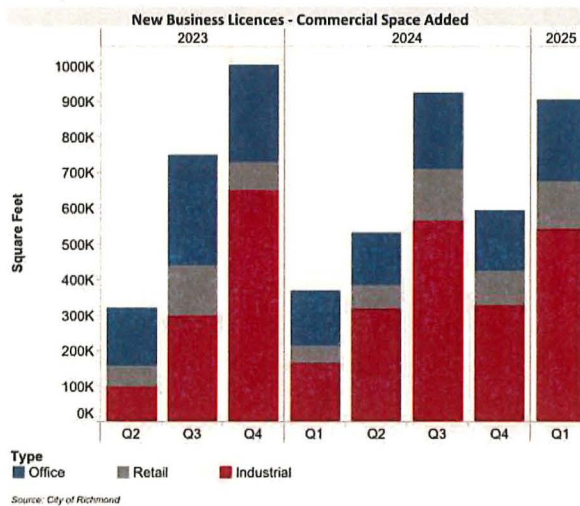
10) Business Growth – Richmond¹³

a) New Business Licences – Number and Employees



- 556 new business licences (representing 2,471 jobs) were issued by the City of Richmond in Q1 2025, a 26.1% increase in new licences and a 48.7% increase in corresponding jobs as compared to the same period last year.
- These new business licences are part of the City's 13,708 total valid business licenses at the end of Q1 2025. Fluctuations are expected in the number of total valid business licences, as businesses update their information as needed and renew their licences annually.

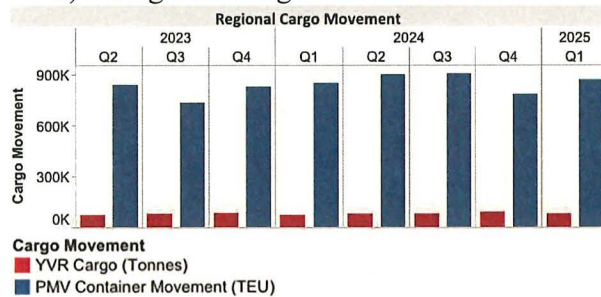
b) New Business Licences – Commercial Space



- 907,372 square feet (sq. ft.) of commercial space absorption was tied to the new business licenses issued during Q1 2025.
- This is an increase of 146.1% compared to the same time period last year. The greatest amount of space was required by industrial (541,816 sq. ft.), followed by office (229,822 sq. ft.), and then retail (135,734 sq. ft.).

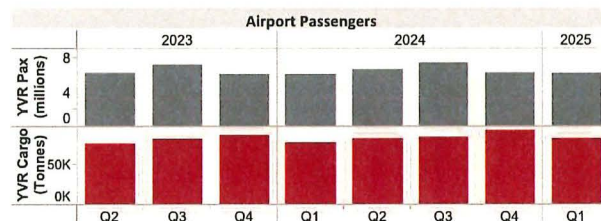
¹³City of Richmond Business Licencing data.

11) Goods and People Movement

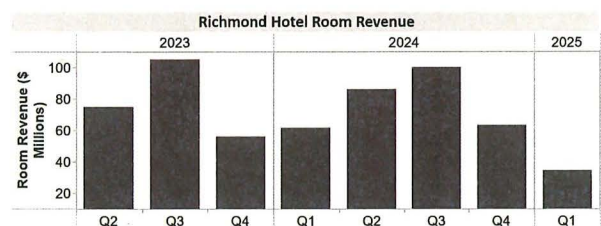
a) Regional Cargo Movement¹⁴

Source: Port of Vancouver, YVR

- In Q1 2025, cargo volumes handled by the Port of Vancouver, as measured by Twenty Foot Equivalents (TEUs), increased by 2.0%, as compared to the same period last year.
- In the first three months of 2025, 83,915 tonnes of air cargo passed through the Vancouver International Airport (YVR), which is an 8.0% increase as compared to the same period last year.

b) Airport Passengers¹⁵Source: YVR Monthly Statistics
Note: YVR data

- Passenger travel through YVR continues to be strong, with an increase of 1.7% during the first two months of 2025 (6.09 million) as compared to the same period last year (5.99 million).
- Canada continues to be a popular destination for travelers. In 2024, YVR recorded a total of 26.2 million passengers, representing a 5.2% increase over the 24.9 million passengers in 2023. This figure marks the second-highest annual passenger volume in the airport's history, closely approaching the record of 26.3 million set in 2019

c) Richmond Hotel Room Revenue¹⁶Source: City of Richmond Hotel Tax Ledger
Note: Richmond Hotel Room Revenue for Q1 2025 includes January and February data only where Q1 2024 includes the full 3 months

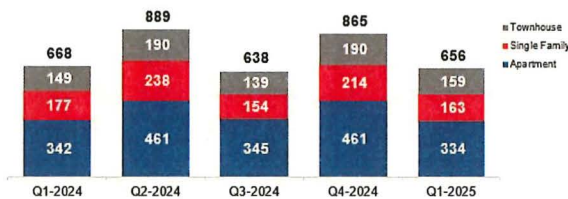
- Hotel room revenues in Richmond for the first two months of Q1 were \$34.5M, which is 13.1% lower than the same period last year.
- Average first quarter hotel occupancy in Richmond was fairly strong at 72.4%, which reflects a 0.5% decrease from the same period last year.

¹⁴Port of Vancouver Monthly Cargo Statistics; YVR Monthly Statistics.¹⁵YVR Monthly Statistics.¹⁶City of Richmond Additional Hotel Room Tax Ledger; STR Global (April 2025).

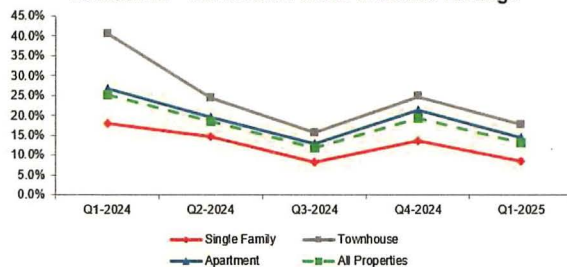
Residential Real Estate¹⁷

The first quarter of 2025 was marked by steady inventory levels, though buyer demand remains restrained. Even with some recent easing in interest rates, many potential buyers are still cautious, holding back due to higher overall borrowing costs. As a result, home prices have leveled off, with the market showing signs of continued stabilization rather than growth.

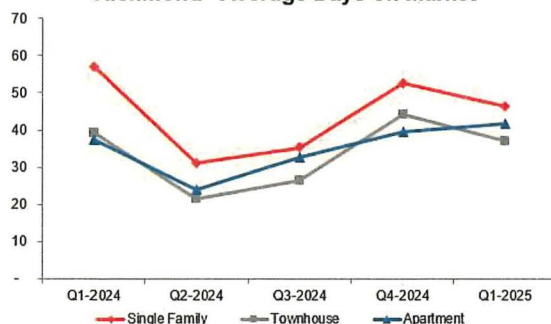
Richmond - Residential Sales



Richmond - Residential Sales-to-Active Listings

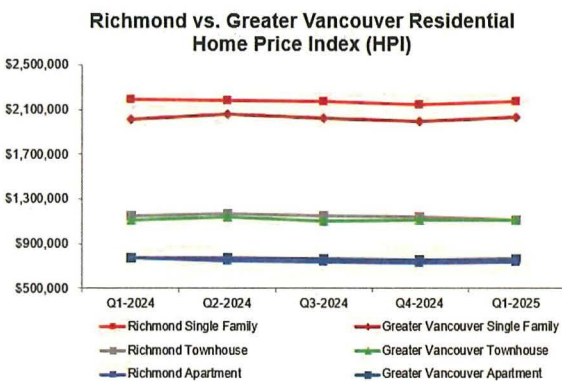
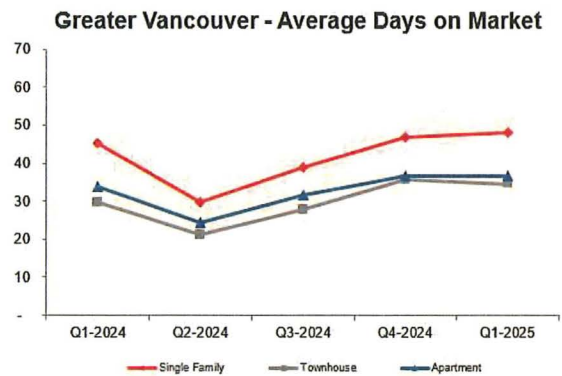


Richmond - Average Days on Market



- Single family detached (SFD) home sales decreased by 7.9% compared to Q1 2024.
- Townhouse sales have increased by 6.7% and apartment sales have decreased by 2.3% compared to Q1 2024.
- Townhouse sales comprise 24.2% of the residential home sales in Richmond. SFD and apartment sales account for 24.8% and 50.9%, respectively, of home sales in Richmond.
- There were 656 residential home sales in Richmond in Q1 2025, a 1.8% decrease compared to the same period last year.
- Richmond residential properties had a sales-to-active listings ratio of 13.0% as at March 31, 2025.
- Analysis of historical data suggests downward pressure on home prices occurs when the ratio dips below 12% for a sustained period, while home prices often experience upward pressure when it surpasses 20% over several months.
- At Q1 2025, SFD properties in Richmond had an average of 46 days on the market, a 19.3% decrease compared to Q1 2024.
- Townhouses and apartments in Richmond had an average of 37 and 42 days on the market, respectively, representing a 5.1% decrease and a 13.5% increase, respectively, over the same period last year.

¹⁷Real Estate Board of Greater Vancouver.

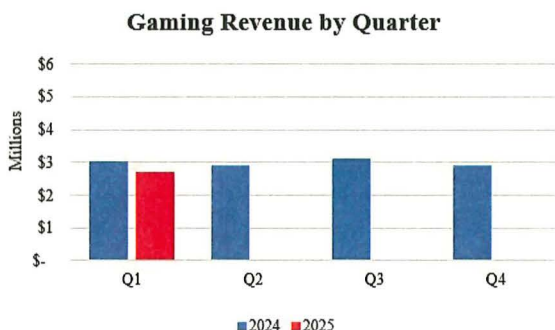


- At Q1 2025, SFD properties in GVRD had an average of 48 days on the market, which represents an increase of 6.7% compared to Q1 2024.
- Townhouses and apartments in GVRD had an average of 35 and 37 days on the market, respectively, representing a 16.7% and 8.8% increase, respectively, over the same period last year.
- The Home Price Index (HPI)¹⁸ for SFD properties in Richmond at Q1 2025 was \$2,168,600, a 1.0% decrease compared to Q1 2024. The GVRD housing market has increased with SFD properties priced at \$2,034,400, which represents a 1.3% increase compared to the same quarter last year.
- At Q1 2025, the HPI for townhouse properties in Richmond was \$1,108,400, a decrease of 3.4% compared to Q1 2024. The HPI for townhouse properties in GVRD was \$1,113,100, which is comparable to the same time last year.
- The HPI for apartments in Richmond was \$731,700, a decrease of 5.2% compared to Q1 2024. The HPI for apartments in GVRD was \$767,300, which represents a 1.4% decrease compared to the same time last year.

¹⁸ Home Price Index is a tool to measure home prices trends in Metro Vancouver and other major markets in the country. It is an alternative measure of real estate prices that provides the market trends over traditional tools such as mean or median average prices.

Gaming Revenue

In accordance with the Host Financial Assistance Agreement with the Province of BC (Province), the Province pays 10% of net gaming income to the City. Net gaming revenue is calculated as net win from casino games less (i) fees payable by BC Lottery Corporation (BCLC) to the service provider, and (ii) BCLC's administrative and operating costs. Distributions are subject to volatility due to fluctuations in net win from casino games, operating costs and accounting adjustments.



- The gaming revenue for Q1 2025 was \$2,697,340 a decrease of 11.4% compared to the same quarter last year when \$3,045,099 was received.
- The 2025 budget for gaming revenue is \$11,500,000. Actual revenue received year to date is 23.5% of the total budget.

Gaming revenue is dependent on the operations of the River Rock Casino, these amounts may vary due to consumer behaviours, changes in regulations and competition.

At the January 27, 2025 Council meeting, the 2025 Budget was approved which included the gaming revenue allocation for 2025. The distribution of these funds is detailed in Table 1 with any surplus revenue or shortfall to be transferred to the capital reserve.

Table 1: Distribution of the 2025 gaming revenue allocation

	Distribution	2025 Budget
Capital Reserves	Remainder	\$1.0M
Grants	25%	2.9M
Council Community Initiatives Account	2%	0.2M
Debt Servicing	Fixed	6.4M
Operating (RCMP)*	9%	1.0M
Total		\$11.5M

*The funding allocation towards total policing costs is calculated based on the cost of four officers and does not reflect actual policing effort.

Operating Activity

Table 2 compares budget to unaudited actual activity up to March 31, 2025. The net figure represents combined revenue and expense amounts. Actuals include estimates for revenues earned and expenses incurred to date where invoices may not yet be issued or received.

Table 2: Net Operational Activity for the period January 1, 2025 to March 31, 2025 (in \$000's)

Division/Department ¹	Q1 YTD Net Budget ²	Q1 YTD Actuals and Commitments ³	Q1 YTD Variance (\$)	Q1 YTD Variance (%)
Corporate Administration	\$2,867	\$2,761	\$106	4%
Engineering and Public Works	19,776	19,571	205	1%
Finance and Corporate Services	8,499	8,183	316	4%
Fire Rescue	14,806	14,551	255	2%
Law and Community Safety ⁴	(214)	(381)	167	78%
Library	3,399	3,377	22	1%
Parks, Recreation and Culture	14,175	13,657	518	4%
Planning and Development	1,993	1,417	576	29%
Policing	20,763	18,539	2,224	11%
Fiscal	(33,519)	(33,910)	391	1%
Total	\$52,545	\$47,765	\$4,780	9%
Flood Protection Utility	\$13,000	\$12,983	\$17	0%
Sanitary Sewer Utility	6,944	6,731	213	3%
Sanitation and Recycling Utility	521	16	505	97%
Water Utility	6,948	6,667	281	4%
Utilities Total	\$27,413	\$26,397	\$1,016	4%

¹Net Operational Activity does not include amounts related to capital such as: contributed assets, developer contributions, amortization, etc. It does not represent Generally Accepted Accounting Principles but is presented on a modified cash basis.

²The Net Budget is based on the operating budget approved by Council on January 27, 2025.

³Includes budgeted equity transactions such as transfer to reserves, transfer to provision, transfers from provision, etc.

⁴Includes Law and Community Safety Administration, Animal Protection Services, Business Licences, Community Bylaws, Emergency Programs and Legal Services.

The following section provides an explanation on a Divisional/Departmental basis of year-to-date variances in relation to the 2025 Financial Plan:

- Corporate Administration's favourable variance mainly due to vacancies that are in the process of being filled and timing of operational spending.
- Engineering and Public Works' favourable variance is mainly due to unbudgeted underpinning fee revenue.
- Finance and Corporate Services' favourable variance is mainly due to temporarily vacant positions in the process of being backfilled and lower overtime and auxiliary staff relative to budget.
- Fire Rescue's favourable variance is driven primarily by retirements and vacant positions.
- Law and Community Safety (excluding fire rescue and policing) has a favourable variance due to vacant positions from recent staff movements and positions under review.

- Library is on budget. Any surplus at year-end will be appropriated for future use within Library operations.
- Parks, Recreation and Culture's favourable variance is mainly due to vacant positions in Recreation.
- Planning and Development's favourable variance is primarily due to vacant positions as a result of recent staff movements and positions under review.
- Policing's favourable variance can be attributed to lower-than-expected expenditures on the policing contract, primarily driven by vacancies within the RCMP officer complement.
- Fiscal's favourable variance is mainly due to the timing of expenditures
- Flood Protection Utility is on budget.
- Sanitary Sewer Utility's variance is due to favourable utility revenue and lower operational expenses. Any surplus at year-end will be transferred to the Sewer Stabilization Provision.
- Sanitation and Recycling Utility's favourable variance is mainly due to Recycle BC revenue due to changes in the renegotiated agreement and higher utility fees due to additional customers. Any surplus at year end will be transferred to the General Solid Waste and Recycling Provision.
- Water Utility's favourable variance is mainly due to lower operational expenses. Any surplus at year-end will be transferred to the Water Levy Provision.

The presentation of the figures for the Financial Statement, Statement of Operations is different from the Net Budget presentation above. The above presentation combines revenues and expenses, and presents the net amount inclusive of transfers. The Statement of Operations presents the revenues and expenses separately and prior to any appropriations and transfer to reserves. The Statement of Operations for the Three Month Period Ended March 31, 2025, with comparative figures for 2024, is included in Attachment 3.

Cash and Investment Portfolio

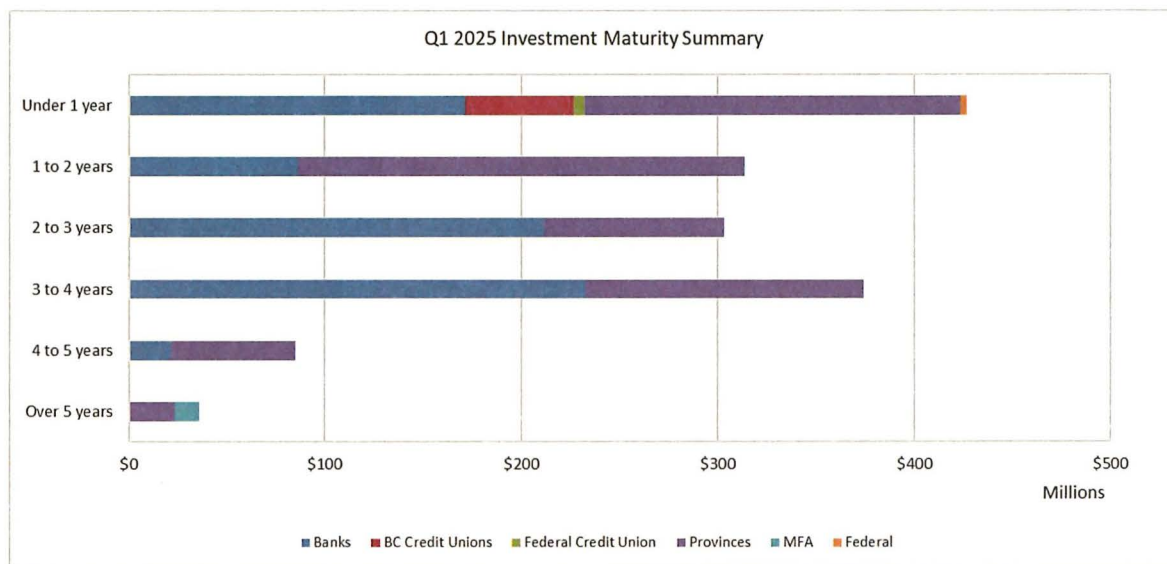
As of March 31, 2025, the City's total cash and investment balance was \$1.7 billion, which represents the City's working capital for ongoing operational obligations, as well as funds held in reserves and liability accounts for future and restricted uses. The City's total cash and investment balance was comprised of \$1.5 billion in investments and \$181.8 million in high interest savings cash account, with a weighted average annualized yield of 4.02%.

At the April 16, 2025 interest rate announcement, the BoC held its key policy rate unchanged at 2.75%. This was the Bank's first pause after seven consecutive cuts for a total reduction of 2.25% since the easing cycle that commenced in June 2024.

Global economic growth was solid in late 2024 and inflation has been easing towards central bank targets. However, tariffs and uncertainty have weakened the outlook. In Canada, the economy is slowing as tariff announcements and uncertainty pull down consumer and business confidence. Consumption, residential investment and business spending all look to have weakened in the first quarter.

The City's overall credit risk exposure remains stable as the City continues to maintain a diversified and high credit quality investment portfolio, where 47.0% is invested in chartered bank deposits and bonds, 48.2% in federal and provincial government securities, 4.0% in credit unions deposits and 0.8% in a MFA long-term bond.

The chart below shows the investment maturity summary by term to maturity. The City's cash and investment portfolio has been strategically positioned to allow the City to sustain favourable investment yields in the long-run, while balancing the needs of near-term cash flow required to support operations and approved capital plans.



Staff will continue to monitor the interest rate movement and will position its cash and investments to ensure that, amongst its investment policy objectives, capital preservation and liquidity continue to be the most critical considerations for all municipal investment decisions.

All investment activities have been conducted in compliance with the City's Investment Policy 3703. Based on Morgan Stanley Capital International (MSCI) Environmental, Social, and Governance (ESG) rating of the City's fixed income portfolio, the City continues to receive a high ESG rating of "AA" as of Q1 2025.

Contract Awards

In accordance with Procurement Policy 3104, this report provides information on new contract awards and aggregate contract extensions greater than \$75,000. During the first quarter, 34 contracts greater than \$75,000 were awarded totalling over \$19.3 million (Attachment 4).

Financial Impact

None.

Conclusion

The March 31, 2025 financial information report provides details on the economic environment, financial results and other key indicator information to the Finance Committee for information.



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

CG:nj

- Att. 1: Economic Indicators
2: Financial and Key Indicators
3: Unaudited Statement of Operations
4: Contract Awards Greater than \$75,000

Economic Indicators**March 31, 2025****Macroeconomic Indicators & Forecast**

1) Real GDP (% at YE)	2025f	2026f			
Canada	1.4	1.6			
United States	1.8	1.7			
China	4.0	4.0			
World	2.8	3.0			
2) Interest Rates (at YE)	2025f	2026f			
Bank of Canada	2.25	2.50			
US FED	3.63	2.88			
3) Exchange Rate (at YE)	2025f	2026f			
CAD per \$1 USD	1.37	1.35			
4) Unemployment (% at QE)	Q1-2025	Q4-2024	Change	Q1-2024	Change
Canada	6.7	6.7	0.0%	6.1	9.8%
BC	6.1	5.9	3.4%	5.5	10.9%
Metro Vancouver	6.0	6.4	(6.3%)	5.5	9.1%
5) CPI (2002=100) (at QE)	Q1-2025	Q4-2024	Change	Q1-2024	Change
Canada	163.5	161.2	1.4%	159.8	2.3%
BC	157.8	156.1	1.1%	153.8	2.6%
Metro Vancouver	160.4	159.8	0.4%	156.6	2.4%

Regional and Local Market Indicators

6) Richmond Building Permits	Q1-2025	Q1-2024	Change	YTD-2025	YTD-2024	Change
Residential – New Construction	30	39	(23.1%)	30	39	(23.1%)
Residential – Alterations	80	100	(20.0%)	80	100	(20.0%)
Residential Total	110	139	(20.9%)	110	139	(20.9%)
Number of units from new residential construction	194	316	(38.6%)	194	316	(38.6%)
Residential	110	139	(20.9%)	110	139	(20.9%)
Commercial	76	99	(23.2%)	76	99	(23.2%)
Industrial	28	25	12.0%	28	25	12.0%
Building Permits Total	214	263	(18.6%)	214	263	(18.6%)
Construction Value (\$ million)	127.5	203.9	(37.5%)	127.5	203.9	(37.5%)
7) Housing Starts CMHC (Units)	Q1-2025	Q1-2024	Change	YTD-2025	YTD-2025	Change
Starts - Richmond	69	735	(90.6%)	69	735	(90.6%)
Starts - Metro Vancouver	4,834	7,627	(36.6%)	4,834	7,627	(36.6%)
Richmond Residential Sales						
8) Activity	Q1-2025	Q1-2024	Change	YTD-2025	YTD-2024	Change
Sales - Detached	163	177	(7.9%)	163	177	(7.9%)
Sales - Townhouse	159	149	6.7%	159	149	6.7%
Sales - Apartment	334	342	(2.3%)	334	342	(2.3%)
Sales - Total	656	668	(1.8%)	656	668	(1.8%)

Economic Indicators**March 31, 2025****Regional and Local Market Indicators (continued)****9) Richmond Sales to Active Listings**

Ratio (% at QE)	Q1-2025	Q1-2024	Change
Single Family Detached	8.4%	17.9%	(53.1%)
Townhouse	17.8%	40.6%	(56.2%)
Apartment	14.3%	26.8%	(46.6%)
Total	13.0%	25.1%	(48.2%)

10) Average Days on Market

Property Type	Richmond			Metro Vancouver		
	Q1-2025	Q1-2024	Change	Q1-2025	Q1-2024	Change
Single Family Detached	46	57	(19.3%)	48	45	6.7%
Townhouse	37	39	(5.1%)	35	30	16.7%
Apartment	42	37	13.5%	37	34	8.8%

11) Home Price Index (\$000 at QE)

Property Type	Richmond			Metro Vancouver		
	Q1-2025	Q1-2024	Change	Q1-2025	Q1-2024	Change
Single Family Detached	2,169	2,191	(1.0%)	2,034	2,008	1.3%
Townhouse	1,108	1,147	(3.4%)	1,113	1,113	0.0%
Apartment	732	772	(5.2%)	767	778	(1.4%)

12) Commercial Space (at QE)

	Richmond			Metro Vancouver		
	Q1-2025	Q1-2024	Change	Q1-2025	Q1-2024	Change
Office Vacancy (%)	10.5	10.0	5.0%	11.4	10.1	12.9%
Transit Oriented Office Vacancy (%)	7.2	6.6	9.1%	N/A	N/A	N/A
Office Inventory (000 sf)	5,094	5,090	0.1%	70,040	67,978	3.0%
Industrial Vacancy (%)	1.9	0.8	137.5%	3.6	2.5	44.0%
Industrial Inventory (000 sf)	46,762	45,863	2.0%	247,870	244,064	1.6%

13) Richmond Business Growth

	Q1-2025	Q1-2024	Change	YTD-2025	YTD-2024	Change
Total Valid Business Licences (at QE)	13,708	13,982	(2.0%)	N/A	N/A	N/A
New Licences - Number Issued	556	441	26.1%	556	441	26.1%
New Licences - Employees	2,471	1,662	48.7%	2,471	1,662	48.7%
New Licences - Office Added (sf)	229,822	154,095	49.1%	229,822	154,095	49.1%
New Licences - Retail Added (sf)	135,734	48,009	182.7%	135,734	48,009	182.7%
New Licences - Industrial Added (sf)	541,816	166,656	225.1%	541,816	166,656	225.1%
Total Space Added (sf)/Avg. Change	907,372	368,760	146.1%	907,372	368,760	146.1%

Economic Indicators**March 31, 2025****Regional and Local Market Indicators (continued)**

14) Goods & People Movement	Q1-2025	Q1-2024	Change	YTD-2025	YTD-2024	Change
YVR Air Cargo (tonnes)	83,915	77,732	8.0%	83,915	77,732	8.0%
PMV Container Movement (TEUs)	877,589	860,605	2.0%	877,589	860,605	2.0%
YVR Passengers (million)	6.09	5.99	1.7%	6.09	5.99	1.7%
Richmond Hotel Revenue (\$ million)*	34.5	39.7	(13.1%)	34.5	39.7	(13.1%)

Notes:

- a) *QE indicates quarter-end; YE indicates year-end.*
b) *f -forecast to year-end.*

*Richmond Hotel Room Revenue for Q1 2025 includes January and February date only. YTD includes data for January and February only.

List of Sources:

- 1) *International Monetary Fund, World Economic Outlook (April 2025). A Critical Juncture amid Policy Shifts.*
- 2) *US Federal Reserve, Bank of Canada and Royal Bank of Canada Research; Bank of Canada Monetary Policy Report, April 2025.*
- 3) *RBC Economics RBC Financial Markets Monthly, April 2025.*
- 4) *Statistics Canada Labour Force Survey (March 2025); BC Stats Labour Force Statistics Highlights, March 2025 Issue #25-03.*
- 5) *Statistics Canada, Consumer Price Index; also Consumer Price Index, March 2025; also BC Stats, Consumer Price Index, March 2025,*
- 6) *City of Richmond Building Permits.*
- 7) *Canada Mortgage and Housing Corporation; 2025 Housing Market Outlook.*
- 8), 9), 10) & 11) *Real Estate Board of Greater Vancouver.*
- 12) *Cushman & Wakefield Office and Industrial Market Beat Reports, Q1 2025.*
- 13) *City of Richmond Business Licences data.*
- 14) *Port of Vancouver Monthly Cargo Statistics; YVR Monthly Statistics.*
YVR Monthly Statistics;
City of Richmond Hotel Tax Ledger; STR Global (April 2025).

Financial and Key Indicators**March 31, 2025**

(All dollar amounts in \$000's)

1) Development Cost Charges Contributions*	Q1-2025	Q1-2024	Change	YTD-2025	YTD-2024	Change
Roads, Water, Sewer DCCs Received	\$9,791	\$3,289	197.7%	\$9,791	\$3,289	197.7%
Parks DCCs Received	\$2,703	\$3,254	(16.9%)	\$2,703	\$3,254	(16.9%)
Total DCC Fees Received	\$12,494	\$6,543	91.0%	\$12,494	\$6,543	91.0%
DCC Reserves – Uncommitted Balance at QE	\$166,254	\$150,201	10.7%	N/A	N/A	N/A
2) Uncommitted Reserves (at QE)	Q1-2025	Q1-2024	Change			
Capital Funding Reserves	\$283,710	\$204,586	38.7%			
Utility Reserves	\$92,193	\$84,726	8.8%			
Affordable Housing Reserves	\$10,918	\$10,458	4.4%			
Other Reserves	\$102,199	\$110,651	(7.6%)			
Total Uncommitted Reserves	\$489,020	\$410,421	19.2%			
3) Taxes to date	Q1-2025	Q1-2024	Change	YTD-2025	YTD-2024	Change
Taxes Collected	\$22,094	\$17,829	23.9%	\$22,094	\$17,829	23.9%
City Portion of Taxes Collected	\$11,268	\$9,093	23.9%	\$11,268	\$9,093	23.9%
Unpaid Taxes - Delinquent & Arrears (at QE)	\$19,421	\$15,502	25.3%	\$19,421	\$15,502	25.3%
No. of Participants on Pre-authorized withdrawal (at QE)	6,412	6,359	0.8%	6,412	6,359	0.8%
Pre-authorized withdrawals payments	\$14,521	\$13,474	7.8%	\$14,521	\$13,474	7.8%
Interest rate % paid	3.45%	5.20%	(33.7%)	3.45%	5.20%	(33.7%)
<i>Sources: All data is from City of Richmond records</i>						
4) Cash and Investments	Q1-2025	Q1-2024	Change			
Investments	\$1,539,031	\$1,400,854	9.9%			
Cash (includes high interest savings accounts)	\$181,811	\$244,746	(25.7%)			
Total Cash and Investments	\$1,720,842	\$1,645,600	4.6%			
Average City Rate of Return on Investments %	4.02%	4.59%	(12.4%)			
5) Planning and Development	Q1-2025	Q1-2024	Change	YTD-2025	YTD-2024	Change
Building Permit Fees Collected	\$2,130	\$2,323	(8.3%)	\$2,130	\$2,323	(8.3%)
Development Applications Received	31	23	34.8%	31	23	34.8%
Development Applications Fees	\$204	\$211	(3.3%)	\$204	\$211	(3.3%)

Financial and Key Indicators**March 31, 2025**

(All dollar amounts in \$000's)

Financial and Key Indicators (continued)

6) Business Licences	Q1-2025	Q1-2024	Change	YTD-2025	YTD-2024	Change
Revenue Received for Current Year Licences	\$2,209	\$2,281	(3.2%)	\$2,209	\$2,281	(3.2%)
7) Other Revenues	Q1-2025	Q1-2024	Change	YTD-2025	YTD-2024	Change
Parking Program Revenue	\$734	\$577	27.2%	\$734	\$577	27.2%
Gaming Revenue	\$2,697	\$3,045	(11.4%)	\$2,697	\$3,045	(11.4%)
Traffic Fine Revenue	\$0	\$0	0%	\$0	\$0	0%
8) Employees	Q1-2025	Q1-2024	Change			
Full Time Equivalent (FTE) Employees (at QE)	1,752	1,678	4.4%			
<i>(City and Library)</i>						
<i>FTE includes Regular Full Time, Temporary and Auxiliary status employees. The calculation is based on actual results.</i>						
9) Operating Indicators	Q1-2025	Q1-2024	Change	YTD-2025	YTD-2024	Change
RCMP - Calls for Service Handled	16,449	16,885	(2.6%)	16,449	16,885	(2.6%)
Community Bylaws	1,584	1,694	(6.5%)	1,584	1,694	(6.5%)
Fire-Rescue Incidents	3,270	3,504	(6.7%)	3,270	3,504	(6.7%)
Public Works Calls for Service	3,096	3,422	(9.5%)	3,096	3,422	(9.5%)
10) Richmond Population Estimate Year End	2025f	2024f				
	241,151	242,966				

*Population figures from BC Stats***Notes:**

- a) All figures presented above are unaudited
b) f - forecast to year-end

Unaudited Statement of Operations¹

For the Three Month Period Ended March 31, 2025, with comparative figures for 2024.

(in \$000's)

	Budget March 31, 2025	Actuals March 31, 2025	Actuals March 31, 2024
Revenue:			
Taxes and levies	\$82,655	\$82,655	\$78,482
Utility fees	40,814	40,771	34,556
Sales of services	12,418	10,667	10,090
Payments-in-lieu of taxes	3,750	3,450	3,350
Provincial and federal grants	2,970	1,031	4,857
Development cost charges	3,215	1,788	1,308
Other capital funding sources	19,551	7,042	3,826
Other revenue:			
Investment income	7,659	14,769	15,739
Gaming revenue	2,875	2,697	3,045
Licences and permits	4,578	4,949	5,274
Other	14,612	16,689	16,954
Equity income	298	650	720
	\$195,395	\$187,158	\$178,201
Expenses:			
Law and community safety	\$43,027	\$40,052	\$35,810
Utilities ⁴	37,772	33,257	29,947
Engineering, public works and project development	19,190	16,480	15,426
Parks, recreation and culture services	20,032	17,154	16,107
General government	36,240	34,527	34,542
Planning and development	6,078	5,160	8,601
Library services	3,238	2,992	2,925
	\$165,577	\$149,622	\$143,358
YTD Surplus (Annual Surplus) ²	\$29,818	\$37,536	\$34,843
Accumulated surplus, beginning of year	3,866,374	3,866,374	3,831,531
Accumulated surplus, end of March 31 ³	\$3,896,192	\$3,903,910	\$3,866,374

¹Statement of Operations for City and Library after intercompany eliminations includes investment in Lulu Island Energy Company but excludes Oval results.

²Annual Surplus is the difference between revenues and expenses and reflects the change in the accumulated surplus on the Statement of Financial Position. Annual Surplus is prior to transfer to reserves and surplus appropriations. The revenues include capital contributions, development cost charges and other items that impact the investment in tangible capital assets within the accumulated surplus. The expenses include amortization, which impacts the investment in tangible capital assets in accumulated surplus.

³Accumulated surplus is equivalent to the net worth of an organization and is comprised of investment in tangible capital assets, reserves, appropriated surplus, general surplus and other equity.

⁴Utilities includes flood protection, water, sanitary sewer, and sanitation and recycling.

Contract Awards Greater than \$75,000January 1st to March 31st, 2025

Item	Description	Awarded Vendor	Awarded Amount	Department
1	Community Safety Building - Emergency Power Upgrades	Ashton Mechanical Ltd.	\$465,071	Facilities and Project Development
2	Cab and Chassis - Model 548 (One Tandem Axle) Truck 2025	Peterbilt Pacific Inc.	221,540	Public Works
3	Inclusionary Zoning and Density Bonusing Framework: Financial Feasibility Assessment	Urban Systems Ltd.	93,066	Housing Office
4	Works Yard Replacement Project Phase 1 - Design Review Services	Kasian Architecture and Interior Design	453,787	Facilities and Project Development
5	City Hall and City Hall Annex Security Upgrades	Heatherbrae Builders Co. Ltd.	475,880	Facilities and Project Development
6	Corporate Leadership Training Program (3 year term)	Citizencentric Consulting Inc.	350,100	Human Resources
7	Geospatial and Digital Twin Strategy	ESRI Canada Ltd.	157,355	Information Technology
8	Supply and Delivery of One (1) Fully Electric Wheelchair Accessible Bus	Greenpower Motor Company Inc.	190,538	Public Works
9	Community Public Engagement Platform License (4 year term)	Social Pinpoint Software Inc.	113,448	Corp Communications & Marketing
10	Steveston Martial Arts Centre - Roof Beam Remediation	Scott Special Projects Ltd.	653,451	Facilities and Project Development
11	Richmond Animal Shelter Flooring Upgrades	Edifice Construction Inc.	211,914	Facilities and Project Development
12	Britannia Shipyards - Building Envelope and Structural Renewals	Scott Special Projects Ltd.	6,669,500	Facilities and Project Development
13	Services to Secure Historical Objects in the Britannia Shipyard Building	Charlemain Productions Ltd.	91,679	Arts, Cultural & Heritage Administration
14	Fire Hall No.5 Mechanical Systems Renewals	Ashton Mechanical Ltd.	648,352	Facilities and Project Development
15	Service Catalogue and KPI Development	KPMG LLP	80,000	Finance

Contract Awards Greater than \$75,000 (continued)January 1st to March 31st, 2025

Item	Description	Awarded Vendor	Awarded Amount	Department
16	Feature Manipulation Engine (FME) Server and FME Desktop Maintenance and Support Renewal Contract (4 year term)	Safe Software Inc.	130,000	Information Technology
17	Supply and Delivery of One (1) Compact Radius Excavator	Finning (Canada)	312,620	Public Works
18	Solution Support for Oracle Enterprise Performance Management (EPM) Implementation	Novamodus Solutions Inc.	75,000	Information Technology
19	Amanda Annual Support and Maintenance Contract Renewal 2025	Granicus LLC	130,471	Information Technology
20	Works Yard Electrical Distribution and Electric Vehicle Infrastructure Installation	PCL Constructors Westcoast Inc.	414,121	Facilities and Project Development
21	Supply and Delivery of One (1) Four (4) Ton Hot Box mounted on a Trailer	PSE Equipment Ltd.	75,389	Public Works
22	Supply and Delivery of One (1) Fully Electric Bus	Greenpower Motor Company Inc.	293,294	Public Works
23	Pay Parking Meter and Mobile Payment Service	Imperial Parking Canada Corporation (Impark)	144,000	Community Bylaws
24	Tent and Supply Rentals for Various Events and Festivals (2 year term)	Elite Tents & Events Ltd. Cascade Tents Inc.	209,447	Arts, Cultural & Heritage Administration
25	Street Light LED Upgrade Program	Westburne Rexel Group	229,156	Engineering
26	Decorative LED Luminaires for the Street Light LED Upgrade Program	Wesco Distribution Canada LP	107,797	Engineering
27	Development Coordinated Drainage Works to Improve Laneway Drainage	Anderson Creek Site Developing Ltd.	80,149	Engineering
28	Supply and Delivery of Two (2) Four-Cylinder Hybrid Minivans	Open Road Toyota Richmond	99,424	Public Works
29	Data Center Server Refresh Including Support and Maintenance - Dell Server	CDW Canada	232,501	Information Technology
30	Nature-Based Flood Protection Solutions Assessment	Kerr Wood Leidel Associates Limited	149,463	Engineering

Contract Awards Greater than \$75,000 (continued)

January 1st to March 31st, 2025

Item	Description	Awarded Vendor	Awarded Amount	Department
31	Seepage Assessment and Groundwater Management Plan	WSP Canada Inc.	92,105	Engineering
32	IT Resiliency Assessment	KPMG LLP	80,000	Finance
33	MRN & non-MRN - Asphaltic Concrete Paving Program 2025	1166618 B.C. DBA Save On Blacktop	5,494,071	Engineering
34	Virtualized Server Infrastructure - VMWare Service License Upgrades and Support 2025	Long View Systems	101,647	Information Technology



City of Richmond

Report to Committee

To:	Finance Committee	Date:	May 7, 2025
From:	Jerry Chong General Manager, Finance and Corporate Services	File:	01-0375-01/2025-Vol 01
Re:	2024 Annual Report and 2024 Annual Report Highlights		

Staff Recommendation

That the reports titled, “2024 Annual Report” and “2024 Annual Report – Highlights” be approved and posted on the City’s website.

Jerry Chong
General Manager, Finance and Corporate Services
(604-276-4064)

Att. 2

REPORT CONCURRENCE	
CONCURRENCE OF GENERAL MANAGER 	
SENIOR STAFF REPORT REVIEW	INITIALS:
APPROVED BY CAO 	

Staff Report

Origin

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

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

This report supports Council's Strategic Plan 2022-2026 Focus Area #4 Responsible Financial Management and Governance:

Responsible financial management and efficient use of public resources to meet the needs of the community.

4.1 Ensure effective financial planning to support a sustainable future for the City.

4.3 Foster community trust through open, transparent and accountable budgeting practices and processes.

Analysis

The City of Richmond's annual report formally presents the audited financial statements and other relevant financial, economic and demographic indicators to the public. The report also highlights many of the City's significant achievements and milestones from 2024.

Two versions of the Annual Report are produced each year in order to reach the different audiences interested in this information. The comprehensive 2024 Annual Report meets all legislative requirements for financial reporting as required under the *Community Charter* for British Columbia's local governments. This version will be publicly available through the City's [website](#) and printed only upon request. The comprehensive version includes the City's audited consolidated financial statements; the City's corporate objectives and success indicators, as identified through Council's Strategic Plan; and a listing of permissive exemptions. In addition to the statutorily required information, the comprehensive version provides information on the City's milestones from 2024, including awards and achievements and a variety of key corporate financial and community demographic statistical data for the year.

For a broader audience, the City also produces a condensed financial reporting document known as the 2024 Annual Report – Highlights. This shorter version, which is designed to be accessible and easily understandable for a general audience, provides information about the City of Richmond, its services, highlights from 2024 and the City's financial condition. In order to support sustainable practices, the condensed version is available through the City's website and distribution will be done electronically. There will be limited printed copies for presentation purposes and to fulfill statutory obligations.

The City will again submit both reports to the Government Finance Officers Association (GFOA) for consideration in their annual awards program. The 2023 reports received the GFOA Canadian Award for Financial Reporting and the Outstanding Achievement in Popular Financial Reporting Award for the 22nd and 15th successive year respectively.

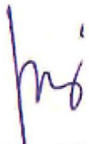
The reports are produced entirely in house through the joint efforts of the Finance Department and the Corporate Communications and Marketing Department, with design by the in-house Production Centre team. The 2024 reports again feature photos from City of Richmond employees who were invited to submit images to showcase their city, and recognize the talent and contributions of staff outside their day-to-day work environments.

Financial Impact

None.

Conclusion

The City of Richmond 2024 Annual Report and the 2024 Annual Report – Highlights satisfy the *Community Charter* requirements for financial reporting and are important instruments in ensuring public transparency and accountability for the management of City finances. The reports also provide useful information on the City's achievements and milestones during the 2024 fiscal year.



Mike Ching
Director, Finance
(604-276-4137)



Clay Adams
Director, Corporate Communications and
Marketing
(604-276-4399)

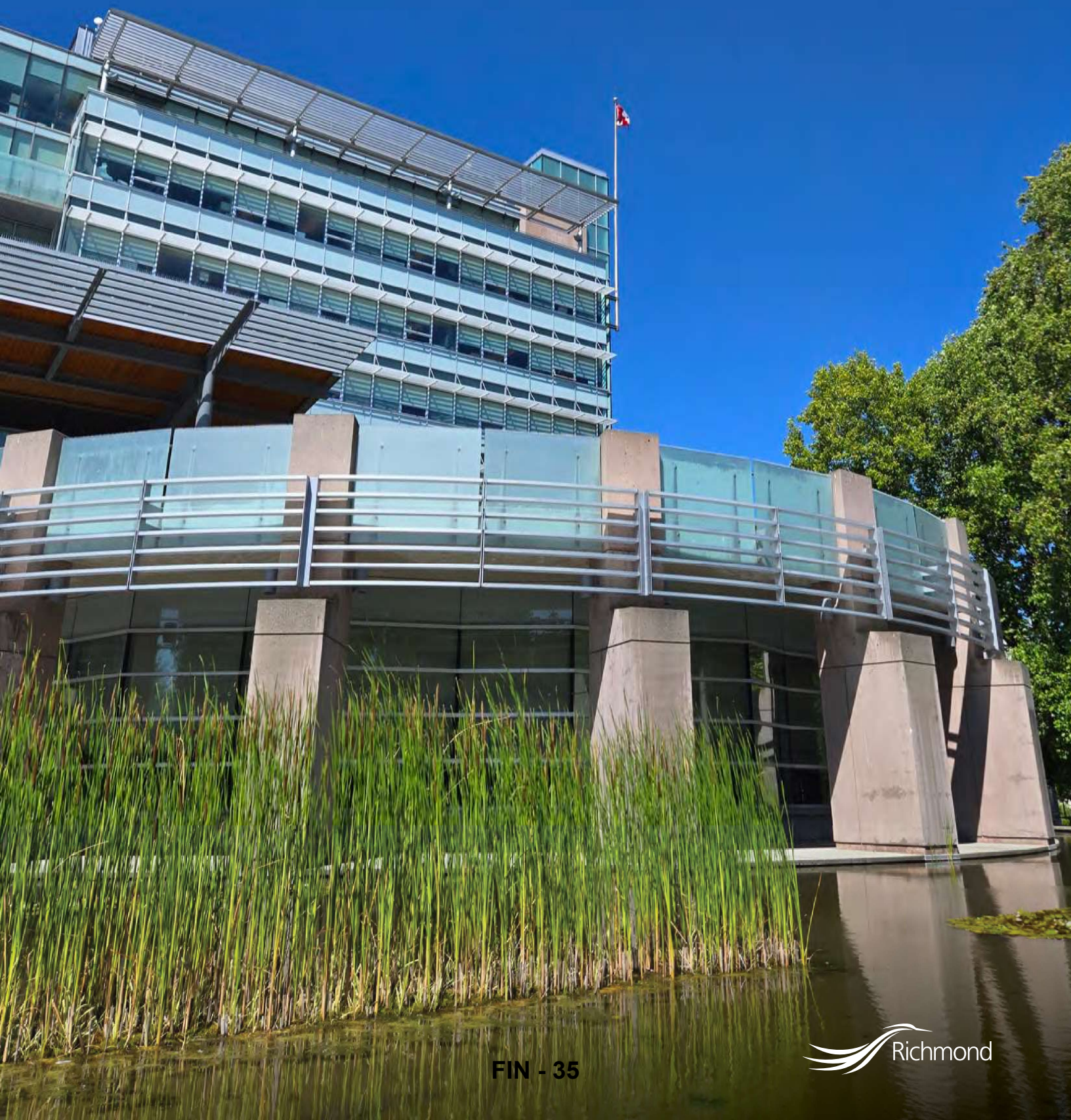
- Att. 1: 2024 Annual Report
2: 2024 Annual Report – Highlights



City of
Richmond
British Columbia, Canada

2024 Annual Report

For the year ended December 31, 2024





City of Richmond

British Columbia, Canada

2024 Annual Report

For the year ended December 31, 2024

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

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For an online copy of this report, please visit richmond.ca/AnnualReport



The City of Richmond is proud of its diverse and committed workforce. This year, we asked our employees to take photos and send us images of “their Richmond” for this report. Photos with the camera icon are just some of the submissions, and we are delighted to share them with you. None are professional photographers.

COVER PHOTO: CITY HALL SHINES UNDER CLEAR SPRING SKIES

PHOTO BY MORGAN MUIR, SUPERVISOR, MAPPING AND PRODUCTION, CORPORATE COMMUNICATIONS AND MARKETING
CITY EMPLOYEE SINCE 1999

Message from the Mayor



The City of Richmond and City Council continued to be a civic leader in 2024 thanks to short- and long-term strategies focusing on sustainable economic resilience, infrastructure development, public safety, affordability and community welfare.

Our city's economy remained relatively robust and stable through 2024 as it continued to benefit from Council-led strategies supporting local businesses. The number of businesses in Richmond grew six per cent, and over 14,000 businesses now employ around 125,000 jobs in a diverse range of sectors.

The construction industry showed signs of confidence in the local economy as staff issued permits with a construction value of \$1.2 billion in 2024—the first time the value of such permits has exceeded the one-billion-dollar mark in Richmond.

To keep residents and businesses safe and well-served, City Council has always proactively supported infrastructure maintenance and upgrades. It approved

almost \$200 million for 86 important capital projects in 2024, including the start of redevelopment of the Lynas Lane Works Yard, heritage renewal at the historic Britannia Shipyards, almost \$10 million in various facility and arena upgrades, and the replacement of around five kilometres of watermain throughout the city.

Council has always supported and planned for growth. Economic forces and a growing population mean the need for more housing has never been greater. In 2024, Council created a dedicated City Housing Office to focus on opportunities to bring more housing to Richmond—especially affordable housing and rental options. It will also help address the impact of imposed provincial government legislation, which mandates the construction of high-density small-scale multi-unit housing in single-family neighbourhoods. While aiming to increase housing stock, the legislation will forever change many communities and place significant pressure on municipalities to expand and maintain vital infrastructure.

As our population increases, so does the need to keep our community safe. Richmond remains one the safest cities in Metro Vancouver thanks, in part, to Council's ongoing investment in our RCMP, Richmond Fire-Rescue and emergency services. Rates of property and violent crime remained below the regional average, with even more investment underway for the year ahead.

Providing affordable housing is an important component of keeping our community safe. Like others in the region, Richmond faces the challenge of residents experiencing or at risk of homelessness. Council continued to invest in support for enhanced outreach, shelters, expanded shelter hours and drop-in centres, as well as Community Pop-Up sessions to connect individuals in need to key services. Over 1,750 participants accessed such services through this initiative in 2024.

Some of those experiencing homelessness face personal challenges related to mental health and addiction. Providing the services they need is challenging and the community has been clear on the level of services expected in Richmond. Supporting this population requires significant action and investment by other levels of government. Council will continue to do what it can to ensure those in need receive the help they require.

Through wise investments, sound management and innovative strategies, our City Council, staff, volunteers and businesses—as well as our community and government partners—continued to work together to make Richmond a better place for all. This 2024 Annual Report contains examples of just some of our goals and achievements. As always, I invite your comments and questions through my office.



Malcolm Brodie
Mayor, City of Richmond

Richmond City Council



Back row, left to right:

Lieutenant Jim Dickson (Richmond Fire-Rescue), Councillor Andy Hobbs, Councillor Kash Heed, Councillor Laura Gillanders, Councillor Michael Wolfe, Constable Jordan Hitchon (Richmond RCMP)

Front row, left to right:

Councillor Alexa Loo, Councillor Bill McNulty, Mayor Malcolm Brodie, Councillor Chak Au, Councillor Carol Day

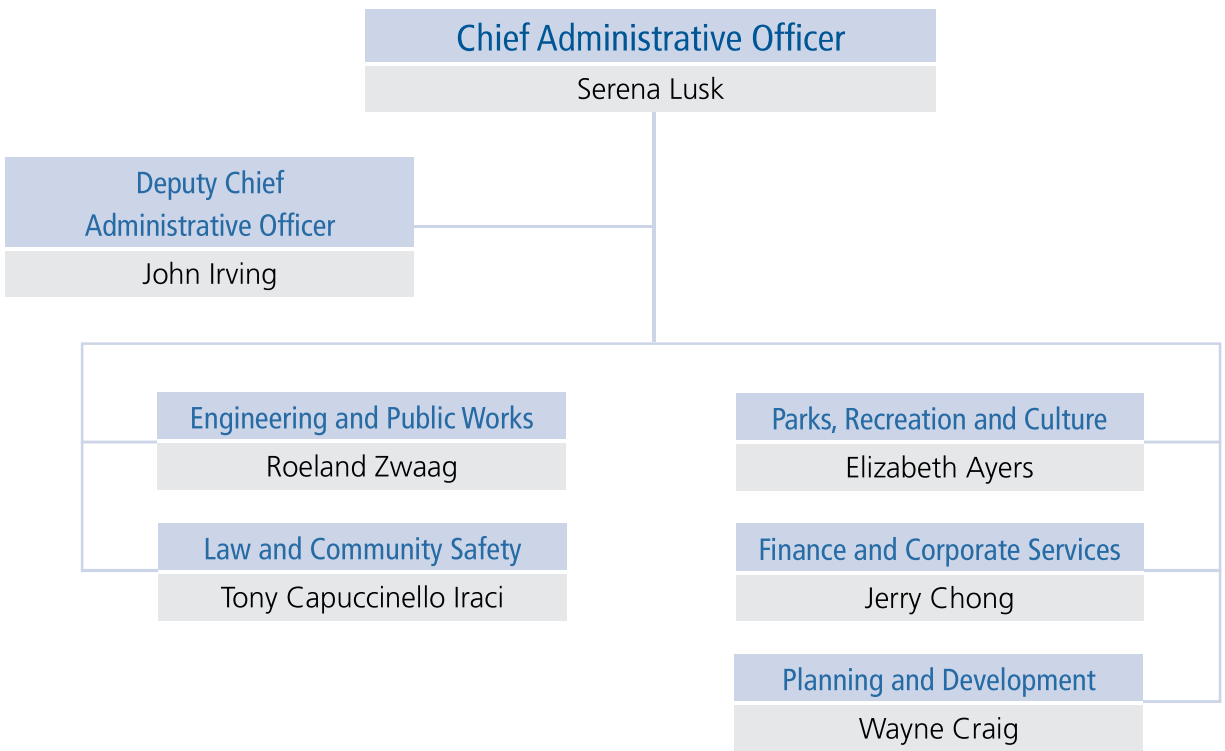
Connect with Richmond City Council

To contact Council, email MayorAndCouncillors@richmond.ca or call 604-276-4000.

For Council Meetings agendas and minutes, visit richmond.ca/agendas.

To live stream Council meetings or view videos of past meetings, visit richmond.ca/WatchOnline.

City of Richmond Senior Management Team 2024



Chief Administrative Officer	Serena Lusk
Deputy Chief Administrative Officer	John Irving
General Manager, Parks, Recreation and Culture	Elizabeth Ayers
General Manager, Engineering and Public Works	Roeland Zwaag
General Manager, Finance and Corporate Services	Jerry Chong
General Manager, Planning and Development.....	Wayne Craig
General Manager, Law and Community Safety.....	Tony Capuccinello Iraci

Public safety agencies

Chief, Richmond Fire-Rescue	Jim Wishlove
Officer in Charge, Royal Canadian Mounted Police	Dave Chauhan

Banker

Scotiabank

Auditors

KPMG

Message from the Chief Administrative Officer



I am pleased to present the City of Richmond's 2024 Annual Report. It details our strong financial position and highlights many of the strategic and operational initiatives that continue to make Richmond one of Canada's most appealing, livable and well-managed communities.

At the heart of a strong, vibrant community is housing, and the City remained firmly committed to providing the housing options necessary to meet current and future needs. Particular emphasis was placed on providing more affordable housing and expanding rental options for residents. A development permit was issued for a 100 per cent rental housing development on Azure Road that includes 330 rental units, of which 170 units are market rental, 110 are moderate market rental and 50 are Low-End Market Rental (LEMR) units. Staff continued to work with BC Housing to redevelop the Rosewood Village site at No. 2 Road and Blundell Road to provide another 100 per cent rental housing development, this one with 830 units. We also established a City-operated Housing Office and enabled construction of 546 LEMR units with another 895 LEMR units secured through conditional planning approvals.

City staff successfully partnered with other levels of government to source funds for housing to support Richmond residents. We secured \$35.9 million in grant funding from Canada Mortgage and Housing Corporation's Housing Accelerator Fund to speed up the delivery of housing and affordable housing units in the city by implementing a fast-track review process for purpose-built rental housing applications. We also launched a Housing Priorities Grant program to increase the supply of below market rental housing units by offsetting developer costs. Partnership funding saw construction of two key housing projects – the Pathways 80-unit affordable rental housing project at No. 2 Road, and a 25-unit affordable rental housing building for women and women with children. Both are expected to open in 2025.

Richmond remains among the healthiest communities in Canada. We have the highest life expectancy, and were named British Columbia's Most Active Community in 2024 for the second time. Being a healthy community takes commitment. It requires long-term investment, as well as having state-of-the-art facilities and programs to meet diverse needs and build a sustainable future.

Fitness, aquatics and other activities attracted in excess of 1.7 million paid visits in 2024, while construction continued on the replacement Bowling Green Community Activity Centre in Minoru Park, and the replacement Steveston Community Centre and Library. Both will add to the array of quality, award-winning facilities, arenas and outdoor spaces that make our city one of the region's "go to" destinations.

None of these achievements would have been possible without the hard work and commitment of our 2,600 staff and the many volunteers who remained dedicated and focused on improving the lives of everyone in Richmond. That success is not without challenges. Residents without stable housing and living with mental health challenges and addictions remain an area of focus, whether it be by directly providing programs and services to support the population, or ongoing work with other levels of government and stakeholders to recognize their role and responsibilities.

Our city's overall foundation for success is built on strong financial stewardship supported by Council's Long Term Financial Management Strategy. It has enabled us to maintain effective and responsive service levels so Richmond remains a strong, diverse community that provides value for taxpayers, and that people of all backgrounds are proud to call home.

As Chief Administrative Officer, I am proud of the commitment to improving the well-being of the community and thank everyone for their continued efforts in support of our residents and businesses.

A handwritten signature in dark ink, reading "Serena".

Serena Lusk
Chief Administrative Officer

Council Strategic Plan: 2022 to 2026

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

The City of Richmond's objectives and success indicators are expressed through the Council Strategic Plan. Soon after Council began its four-year term in October 2022, it undertook a strategic planning process to help fulfill its governance role and achieve a successful term of office. Through that process, Council adopted a set of six Strategic Focus areas, which provided the framework for the City's programs and services during 2024 and beyond. The areas and priorities are of equal importance and interconnected, and build upon the City's strengths in addressing current and future issues.

1. Proactive in Stakeholder and Civic Engagement

Proactive stakeholder and civic engagement to foster understanding and involvement and advance Richmond's interests.



A SERENE WALK THROUGH MINORU LAKES
PHOTO BY REENA CLARKSON, COMMUNICATIONS ASSOCIATE, CORPORATE
COMMUNICATIONS AND MARKETING
CITY EMPLOYEE SINCE 2004

2024 Achievements

Keeping citizens connected and informed is essential to Richmond's strategy of remaining a strong and resilient community. The City coordinated a variety of initiatives throughout the year to engage residents, as well as recognize and embrace their culture and identity. Over 47,000 people followed the City's various social media channels for timely news and information in 2024, a 16 per cent increase from the previous year. The online Let's Talk Richmond engagement platform experienced a record-breaking year, with over 6,500 people participating in almost 40 online projects. A series of public open houses to share information on provincial housing Bills 44 and 47 attracted several thousand residents eager to learn more about how the government-enforced rezoning legislation would impact their properties and community. Programs and infrastructure were further strengthened through partnerships with other levels of government and stakeholders. Richmond received almost \$16 million in grants and funding contributions in 2024 for disaster mitigation, emergency preparedness, climate adaptation, and active transportation. The Federal Government, through Canada Mortgage and Housing Corporation (CMHC), awarded the City \$35.9 million from the Housing Accelerator Fund to support new affordable housing initiatives and expedite new builds. A further \$1.8 million from the provincial and federal governments supported the Minoru Lakes Phase Two development for canal enhancements, storm water management and pathway improvements to reinforce the area as one of the city's key attractions. Accessibility improvements at Minoru Centre for Active Living were completed with support of an \$82,000 grant from the Rick Hansen Foundation, and a \$25,000 federal New Horizons for Seniors Program grant helped to facilitate two new Age-Friendly Neighbourhood Groups in Cambie/East Richmond and Hamilton.

2. Strategic and Sustainable Community Growth

Strategic and sustainable growth that supports long-term community needs, and a well-planned and prosperous city.

2024 Achievements

Capital investment is essential to maintain a strong infrastructure and construction, with 2024 becoming a record year for the development sector in Richmond. Building Approvals processed and issued permits with a construction value of over \$1.2 billion—the first time in the City's history that the level of proposed construction has eclipsed the one-billion-dollar level.

The largest portion of this new and future construction is in multi-family development, with Council issuing Development Permits for over 1,930 new dwellings. Among these were 200 market rental, 130 Low-End Market Rental (LEMR) and 110 below market rental

units. Council also paved the way for rezoning applications for approximately 1,500 more new units, including 160 market rental and 150 LEMR units. Supporting the local economy remained a priority, especially amidst looming pressures from international trading partners. Richmond awarded almost \$90 million in construction contracts, including heating, ventilation and air conditioning (HVAC) upgrades and community improvements, to local vendors, and further expanded the MyPermit system to enable plumbing, gas and fire suppression sprinkler permits to be completed 24/7 online. Around 400 such trade permits were issued in the first few months of operation, with the system expanding to encompass building permits for single-family and duplex renovations and rezoning applications in the coming year. Richmond's economy remained strong in 2024 with over 14,000 licensed businesses employing more than 125,000 workers. Business licences increased 6.2 per cent from the previous year, driven mainly by applications for new businesses and fewer post-pandemic closures.



CITY COUNCIL AND OTHER OFFICIALS BREAKING GROUND AT THE FUTURE SITE OF PATHWAYS CLUBHOUSE



3. A Safe and Prepared Community

Community safety and preparedness through effective planning, strategic partnerships and proactive programs.

2024 Achievements

Richmond continues to be one the safest communities in Metro Vancouver due to Council's continued investment in community safety. Almost half the City budget is designated to public safety, while ongoing infrastructure funding ensures safety from nature's increasingly changing impacts. Richmond Fire-Rescue responded to over 12,500 calls, recruiting 12 new firefighters, including three women and four fluent in languages other than English. Property and violent crime in Richmond remained below regional averages, with robberies down 13 per cent and commercial break and enters dropping 22 per cent. Drug offences declined 56 per cent. The City continued to work with various partners and agencies to support those living with mental health challenges and addictions, as well as those residents experiencing or at risk of homelessness. The City-funded Fox 80 Mental Health car, operated in partnership with Vancouver Coastal Health, handled almost 3,100 files and calls for service in 2024. RCMP officers in the Vulnerable Persons Unit continued to conduct outreach to those without a home,

working alongside staff from the Ministry of Social Development and Poverty Reduction. This team made over 1,650 proactive wellness checks on affected individuals while providing information on support services. The Yankee 30 Youth Partnership car, a collaboration between the RCMP Youth Section and Ministry of Children and Family Development, worked alongside youth probation officers and social workers to support at-risk youth, handling over 1,100 files and calls. As weather patterns change, it is more important than ever for Richmond to maintain its investment in infrastructure. Almost five kilometres of water mains were replaced throughout the city, including over 1,930 metres of storm and sanitary mains in Burkeville alone, along with 17 catch basins, 140 lawn basins, 25 manholes and 1,210 metres of road paving. This ongoing infrastructure investment was vital when a significant rainstorm hit the region in October, dropping over 170 millimetres of rain in Richmond in three days—greater than the catastrophic November 2021 atmospheric river. Upgrades and long-term mitigation efforts led to minimal property flooding as crews maintained the City's 858 kilometres of drainage pipes, 61 kilometres of culverts and 165 kilometres of channelized watercourses. Richmond's 39 drainage pump stations have a combined pumping capacity of 90 cubic metres of water per second—equal to running a household kitchen faucet non-stop for an entire week.

4. Responsible Financial Management and Governance

Responsible financial management and efficient use of public resources to meet the needs of the community.

2024 Achievements

City staff continually review programs and services to identify improvements and efficiencies without compromising service levels. Property taxes remained among the lowest in the region, despite funding pressures from other agencies and levels of government. The City received over \$44.8 million in development cost charges in 2024, providing support for a variety of current and future amenities to benefit our growing communities. Despite shifting exchange rates and industry labour unrest, Richmond remained a popular destination for film and television

production. Over \$165,000 in service/location charges were processed, and series such as Tracker (CBS) and Avatar: The Last Airbender (Netflix) were among the 48 productions shot in the city. Responsible governance means effective representation, and Council responded proactively to enforced provincial legislation that rezoned single-family neighbourhoods to encourage multi-family developments. To protect against infrastructure overload and poor planning, Council successfully obtained an extension from Bill 44 for Steveston so that essential infrastructure work can be completed prior to the implementation of small-scale multi-unit housing in the area. It also successfully removed 11 properties in Burkeville from the Bill 47 (Transit-Oriented Area) designation that would have resulted in the creation of multi-unit development with no residential parking and other requirements.





5. A Leader in Environmental Sustainability

Leadership in environmental sustainability through innovative, sustainable and proactive solutions that mitigate climate change and other environmental impacts.

2024 Achievements

As an award-winning leader and advocate for environmental sustainability, the City of Richmond continued to invest in technology and processes to reduce greenhouse gases, waste and other negative impacts. The City-owned Lulu Island Energy Company achieved another successful year delivering reliable service and competitive rates to customers. In 2024, it connected to over 430,000 square feet of floor area in the first phase of the Richmond Centre development to provide residents with low carbon heating, cooling and domestic hot water. It is now servicing 31 buildings comprising almost 7,000 residential units, and has reduced greenhouse gas emissions by over 20,000 tonnes to date. The City's Recycling Depot at Lynas Lane remained a core resource for recycling and waste recovery. Operating seven days a week, the depot assisted almost 250,000 visitors—the equivalent to one user every 47 seconds. The depot diverted

216 tonnes of electronic devices, 200,880 litres of paint and 1,691 tonnes of yard waste from the landfill. Richmond businesses also gained access to a new Business Recycling Resources Program to assist and support local companies to better assess their waste management needs and understand their options for more responsible handling of waste and recycling materials. Richmond's innovative Reclaimed Asphalt Pavement (RAP) program expanded, reflecting the City's Circular Economy Strategy and reducing its carbon footprint with over 2,300 tonnes of hot-mix 40 per cent RAP used to pave Westminster Highway between No. 3 Road and Gilbert Road. The City also partnered with Urban Bounty, a non-profit promoting food security, to open 36 new community garden plots at Alexandra Community Park. It is now one of 16 community garden sites across the city. Parks staff planted over 28,000 seasonal plants, 68,000 bulbs and 2,339 trees throughout 871 hectares of park space to keep Richmond green.

6. A Vibrant, Resilient and Active Community

Vibrant, resilient and active communities supported by a wide variety of opportunities to get involved, build relationships and access resources.

2024 Achievements

One of Canada's most culturally diverse communities, Richmond is also one of its healthiest. Named once again as British Columbia's Most Active Community, over 102,000 people registered for programs and classes ranging from dance to pottery to gardening in 2024. There were more than 1.7 million paid visits for fitness, aquatics and other activities, an increase of almost five per cent from the previous year and around 5,300 per day. Council's belief that income should not be a barrier to health and fitness was evident through the Recreation Fee Subsidy Program that provides a low-cost facility pass for eligible individuals and families. Over 3,900 people registered in 2024, with around 60 per cent of all registrations



COLOURFUL DANCERS CELEBRATING CULTURE AND COMMUNITY AT THE STEVESTON SALMON FESTIVAL PARADE
PHOTO BY NICOLE JOE, DEPARTMENTAL ASSOCIATE 3, FINANCE
CITY EMPLOYEE SINCE 2023

coming from children. Richmond Public Libraries saw over one million visits and 2.7 million items checked out by 152,000 members. The City’s population has grown six per cent since 2021, with 60 per cent of residents self-identified as immigrants. Richmond’s Cultural Harmony Plan—the first of its kind in Canada—remains a foundation for bringing diverse cultures together and strengthening a sense of community. Reports of hate crimes and hate incidents continued to decline, with zero hate crimes reported and only 11 hate incidents—a 57 per cent decrease since 2022—reported. Eight new art murals were

installed in keeping with the City’s Arts Strategy, and annual festivals continued to bring the community and visitors together. Over 80,000 people attended the 77th annual Steveston Salmon Festival in July while 35,000 visited the 21st annual Richmond Maritime Festival in August. Council endorsed a five-year event plan to support expanded opportunities for community involvement and highlight Richmond’s rich heritage, which will see the agriculturally-focused Farm Fest at Garden City Lands return in 2025, along with a new multicultural festival in the coming years.

Fiscal responsibility, financial sustainability

Through strong fiscal management, sound financial strategies and strategic investments, the City ended 2024 in a position to ensure ongoing support and growth for the community.

Consolidated statement of operations (in \$000s)

	2024 Budget	2024 Actual	2023 Actual
Revenue	\$702,207	\$814,484	\$747,938
Expenses	620,634	581,469	545,575
Annual Surplus	\$81,573	\$233,015	\$202,363

The City’s consolidated revenue for the year totaled \$814.5 million, an increase of \$66.5 million from the previous year. Expenses rose by \$35.9 million from 2023, primarily due to wages and collective agreement increases, recruitment of vacant positions, policing contract costs and water purchases from Metro Vancouver. Overall, the City realized an annual surplus of \$233.0 million in 2024. This includes an operating surplus of \$5.7 million.

More details on the City’s financial position can be found in the Report from the General Manager, Finance and Corporate Services (page 16) and the Audited Financial Statements (page 19).

Richmond looks ahead with vision and optimism

Richmond is among Canada's most diverse and picturesque communities. Located between the north and south arms of the Fraser River, its population includes residents from over 180 different ethnic or cultural backgrounds. More than 80 per cent identify as being from a visible minority, with the predominant ethnic group being Chinese at over 54 per cent. Their cultural influence, along with those from other south Asian countries and elsewhere, is evident throughout Richmond in everything from manufacturing and retail, to shopping and dining.

Despite inflationary and other pressures, 2024 was a transformative year for Richmond as housing affordability took centre stage amidst economic challenges and uncertainty. Through a proactive approach to housing, public safety and sustainable practices, Richmond continued to build a strong and connected community.

With an emphasis on providing diverse housing options for residents, over 1,930 new units received development permits in 2024, and Council granted 3rd Reading to rezoning

applications for a further 1,500 units. Once all these projects are complete and occupied, the City will see an extra 360 market rental, 280 Low-End Market Rental (LEMR) and 110 below market rental units in place.

Recognizing the need for rental options in an increasingly challenging real estate market, Council issued a development permit for a 100 per cent rental housing project of 330 units on Azure Road. Fifty of these will be LEMR units, further adding to Richmond's rental stock.

These increased options will assist in the ongoing housing challenges facing many residents, especially those experiencing or at risk of homelessness. Council supported several initiatives in 2024 to assist those without a home, including funding additional beds at the Salvation Army Emergency Shelter on Horseshoe Way to increase its capacity to 35 men and 20 women; expanding the daytime Drop-in Centre in Brighthouse Park and operating hours for shelters at South Arm and Brighthouse Park; as well as creating a Richmond Homelessness Outreach Team to provide community-based street outreach.



Along with these much needed supports, the City continued to invest in many other areas and reinforce the commitment to keep Richmond a vibrant, resilient and active community. Among the healthiest cities in Canada, Richmond was named British Columbia's Most Active Community for the second time—evidence of the positive impact of ongoing investment in programs that recognize diversity, foster engagement and build a sense of community.

The City's various recreational facilities saw over 1.7 million paid visits in 2024, a five per cent increase from the previous year—and a figure that excludes involvement in sporting clubs, community groups and the internationally renowned Richmond Olympic Oval. The City's reputation as a go-to destination for sport and recreation saw it host several major provincial, national and international championship in sports such as lacrosse, soccer, dodgeball, volleyball, karate and climbing.

Over 230,000 people now call Richmond home, and our population has grown over six per cent since 2021. Almost 200 new residents were welcomed by the City's Newcomers Bus Tour in 2024, a unique opportunity for those new to the city to learn more about civic facilities, processes, programs and services.

Council provided approximately \$713,000 in Health, Social and Safety grants to non-profit community service organizations to enhance the social well-being of Richmond residents through a wide range of programs and services, while our Cultural Harmony Plan—the first of its kind in Canada—remained a foundation for bringing Richmond together and strengthening a sense of community.

With over 14,000 valid businesses—a 6.2 per cent jump from the previous year—and 125,000 jobs, Richmond remained a strong and stable economy throughout 2024. With building approvals surpassing the one-billion-dollar value mark for the first time and more businesses looking to take advantage of the city's location and supportive programs, Richmond's economy is expected to continue to see steady growth in the coming year.

The City of Richmond continues to be a leader in the development and implementation of bold, innovative programs and strategies that recognize and reflect our character, heritage and reputation as a safe, sustainable and culturally diverse community. The many accomplishments and achievements of the past year, some of which are in this Annual Report, demonstrate why Richmond remains one of the most appealing, livable and well-managed communities in Canada.

City mourns long-standing Councillor/School Board Trustee



The City recognized the passing of long-standing Councillor Linda McPhail in August 2024. First elected to Council in 2011, Linda served three terms before announcing she would not be seeking re-election in 2022.

Prior to that, she sat as a School Trustee with the Richmond Board of Education from 2002 to 2011, serving as Chair for seven years. While on Council, Linda served as Chair of both the Community Safety and Planning committees and was a member of the City's Finance, General Purposes, Public Works and Transportation, and Parks, Recreation and Cultural Services committees. She served on the Union of British Columbia Municipalities (UBCM) Executive as one of two regional representatives, as well as the Metro Vancouver Regional District Regional Culture committee and as the Mayor's alternate to the TransLink Mayors' Council. Outside of her elected roles, Linda was an active member of the community and a passionate volunteer, sitting on boards such as the Seafair Minor Hockey Association and Richmond Arenas Community Association and as a member of the local Hospital Auxiliary for over 20 years.

2024 Awards

A measurement of the City's success in achieving its goals are the honours and recognition from our peers and others. In 2024, Richmond again received numerous international, national and provincial awards recognizing our commitment to excellence and innovation.

Planning makes the world go around

Richmond's innovative Circular City Strategy was awarded the Silver Award for Excellence in Policy Planning in City and Urban Areas by the Planning Institute of British Columbia. The City aims to achieve a 100 per cent circular economy by 2050 and launched an online Circular Learning Hub to help educate on ways to reduce embodied carbon emissions and highlight opportunities for increased resource efficiency and the implementation of innovative solutions. The Planning Institute of British Columbia represents over 1,700 public and private sector planners in BC and the Yukon in fields such as land-use and development, municipal and regional planning, resource and environmental management, policy planning and law, heritage conservation, transportation planning, economic development, urban design and more.



A cut above

The Canadian Federation of Independent Business named Richmond as the "One to Watch" in its 2024 Golden Scissors Awards for the MyBusiness and MyPermit online service portals. MyBusiness, launched in 2023, enables applications, management and payment of business licences anytime, anywhere. MyPermit, launched in 2024, allows access to plumbing, gas and sprinkler trades permits as well as service agreements. The City was recognized for the impact these online portals have in reducing administrative burdens and streamlining how businesses interact with the City. The Canadian Federation of Independent Business is Canada's largest non-profit organization devoted to creating and supporting environments for small business, with over 100,000 members.

Making friends

Innovation and a commitment to customer service were key factors in Richmond receiving the 2024 NAIOP Award for the Most Business Friendly community. The award was the result of NAIOP's annual Cost of Business Survey, which identifies municipalities that excel in creating positive business environments. The City received the award in recognition that its fees and approval timelines for industrial development encourage the creation of industrial space which, in turn, support and welcome local businesses and the economy. NAIOP represents commercial real estate developers, owners and investors of office, industrial, retail and mixed-use properties with over 20,000 members across North America.



COMMUNITY SERVICES POP-UP AT BRIGHOUSE LIBRARY

Popping up for the community

The City received an Honourable Mention from the Union of British Columbia Municipalities (UBCM) for its innovative Community Service Pop-Ups. Held in libraries and other public spaces, the City-led pop up sessions have linked over 1,750 residents with lower incomes and other challenges to a variety of community-based resources and supports. The UBCM represents and supports local governments across British Columbia on issues such as advocacy, policy development and implementation, and administration of the Community Charter.

An open book

For the 22nd straight year, the Government Finance Officers Association of the US and Canada presented Richmond with the Canadian Award for Financial Reporting. The award recognizes the City's success in producing a high standard report that demonstrates a constructive spirit of disclosure and clearly communicates the municipality's financial story.



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, 2023

Christopher P. Morrell

Executive Director/CEO

Report from the General Manager, Finance and Corporate Services

Mayor Malcom Brodie and Richmond City Councillors, I am pleased to submit the Consolidated Financial Statements and Auditors' Report for the fiscal year ended December 31, 2024 for the City of Richmond, pursuant to Section 98 and 167 of the Community Charter. The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards as prescribed by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Preparation of the financial statements is management's responsibility.

KPMG LLP was appointed by City Council to independently audit the City's consolidated financial statements. They have expressed an opinion that the City's consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City of Richmond as at December 31, 2024 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.

These financial statements combine the accounts of the City of Richmond, Richmond Olympic Oval, and Richmond Public Library (collectively referred to as the "City"), as well as the City's investment in Lulu Island Energy Company, which is accounted for as a Government Business Enterprise.

Consolidated Statement of Financial Position (in \$000s)

	2024 Actual	2023 Actual	Change
Financial Assets	\$1,944,281	\$1,842,941	\$101,340
Liabilities	731,813	717,366	14,447
Net Financial Assets	1,212,468	1,125,575	86,893
Non-Financial Assets	2,852,079	2,705,957	146,122
Accumulated Surplus	\$4,064,547	\$3,831,532	\$233,015

The City's overall financial position improved by \$233.0 million, with accumulated surplus (similar to net worth of a corporation) totaling \$4.1 billion. A significant part of this increase is due to additions to capital assets and transfers to the statutory reserves for future capital improvements.

The City's cash and investments are \$1.8 billion while long-term debt decreased by \$9.5 million mainly due to the reduction of the loan for the construction of Minoru Centre for Active Living (final payment in 2024). Meanwhile, the City's tangible capital assets increased by \$146.0 million, which includes \$31.1 million of in-kind contributions from development as conditions of rezoning.

Statutory Reserves (in \$000s)

	2020	2021	2022	2023	2024
Total Reserves	\$609,533	\$647,209	\$703,184	\$789,710	\$892,736

Statutory reserves are established by Bylaw for specific purposes, mainly capital expenditures.

The increase in the balance to \$892.7 million is mainly attributable to the timing of these capital expenditures. There are several facility construction projects approved, including strategic land acquisitions, West Richmond Pavilion, Works Yard replacement, Britannia Shipyards and the Phoenix Net Loft, that have reserve funds allocated, but have not been spent as of the reporting date December 31, 2024.

Council's Long Term Financial Management Strategy ensures prudent management of the reserves through safeguarding the existing level of annual transfers through the City's utility and operating budgets and by increasing the annual transfer to the Capital Building and Infrastructure reserve by 1% of the property tax base to address funding gaps, inflation and increased community needs. The total of all contributions since the adoption of the Long Term Financial Management Strategy to 2024 is \$212.0 million and has been applied to the construction of various community safety facilities, including firehalls and police stations, as well as other facilities that support the needs of the growing community.

Consolidated Statement of Operations (in \$000s)

	2024 Budget	2024 Actual	2023 Actual
Revenue	\$702,207	\$814,484	\$747,938
Expenses	620,634	581,469	545,575
Annual Surplus	\$81,573	\$233,015	\$202,363

The City's consolidated revenue for the year totaled \$814.5 million, an increase of \$66.5 million from 2023 mainly due to increased investment income, development cost charges and other revenue related to developer reserve contributions including funds received for Capstan Canada Line Station and City Centre facilities.

Expenses increased by \$35.9 million from the prior year, primarily due to wage and salary increases under the new collective agreement, higher contract costs for community safety, and increased expenses for supplies and materials related to the Rapid Housing Grant and water purchases from Metro Vancouver.

The annual surplus for 2024 was \$233.0 million, including an operating surplus of \$5.7 million. The remainder of the annual surplus represents the change in investment in tangible capital assets, reserves and other items in accumulated surplus.

Budget Variance

Consolidated revenue of \$814.5 million was greater than budgeted revenue by \$112.3 million mainly due to:

- \$44.2 million in investment income due to higher investment rates, with the majority of this increase transferred to reserves in accordance with the Community Charter requirements.
- \$53.8 million for development cost charges due to timing of capital expenditures for parkland acquisitions as development cost charges revenue is recognized when the amounts are spent.
- \$24.7 million higher than budgeted in other revenue due to unbudgeted developer reserve contributions and gain on disposal of land.

Consolidated expenses of \$581.5 million were lower than budgeted by \$39.2 million. The main variances include:

- \$9.5 million in general government mainly due to the timing of contingent grant expenses that were not fully spent in 2024 and will be spent in future periods and unspent contingencies.
- \$7.5 million in planning and development mainly due to timing of contributions to housing projects that vary with externally controlled milestones, including the Rapid Housing Initiatives and Pathways. Also lower spending on contracts, services, supplies and salaries.
- \$5.4 million in community safety mainly due to policing contract costs being less than budgeted due to the number of officers billed.
- \$2.7 million in utilities and \$12.3 million in engineering, transportation, public works and project development mainly due to the timing of the recognition of capital expenditures that did not meet the capitalization criteria and lower contract costs.

The City's consolidated annual surplus of \$233.0 million exceeded the budgeted annual surplus of \$81.6 million by \$151.4 million, prior to transfers to reserves and other accumulated surplus.

Year over year change

Consolidated revenue of \$814.5 million increased by \$66.5 million from 2023 mainly due to:

- \$60.2 million increase in development cost charges primarily due to the timing of capital expenditures for parkland acquisition as development cost charges revenue is recognized when the amounts are spent.
- \$8.4 million increase in investment income due to the elevated interest rate environment and timing of capital expenditures, allowing additional funds to be invested.
- \$6.7 million increase in sales of services mainly due to higher receivable income, favourable Oval program revenue, increased rental and lease revenue due to the acquisition of additional properties and higher external recoveries.
- \$3.9 million increase in licences and permits due to higher building permits and the adoption of PS 3400 Revenue standard for business licences, which recognized an additional \$1.8 million in 2024.

Consolidated expenses of \$581.5 million increased by \$35.9 million over 2023 mainly due to:

- \$11.5 million increase in utilities due to higher labour costs due to the new collective agreement, higher Greater Vancouver Sewerage and Drainage District operating and sewer debt levy, an increase in Metro Vancouver water purchase costs due to an increase in the rate, and more transfers from capital to operating that did not meet the criteria for capitalization.
- \$10.7 million increase in community safety mainly due to increases in labour costs due to new collective agreements, higher policing contract and E-Comm expenses.
- \$6.8 million increase in parks, recreation and culture services mainly due to labour costs, which is attributable to the new collective agreements and hiring more auxiliary staff.
- \$5.3 million increase in planning and development mainly due to the expenses related to the Rapid Housing Initiatives Project and increases in labour costs as negotiated in the collective agreements and filling vacancies.

Financial Sustainability

The City's consolidated financial position improved in 2024, supported by continued increases in investment returns. The guiding principles of Council's Long Term Financial Management Strategy continue to support the City in achieving its long-term goals and maintaining financial sustainability to deliver on Council priorities.

Respectfully submitted,



Jerry Chong, CPA, CA
General Manager, Finance and Corporate Services
May 12, 2025

City of Richmond audited financial statements

Year ended December 31, 2024

**KPMG LLP**

PO Box 10426 777 Dunsmuir Street
 Vancouver BC V7Y 1K3
 Canada
 Telephone 604 691 3000
 Fax 604 691 3031

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of the City of Richmond

Opinion

We have audited the consolidated financial statements of the City of Richmond (the "City"), which comprise:

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

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

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

Basis for Opinion

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

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

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



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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

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



City of Richmond
Page 3

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

A handwritten signature in black ink that reads 'KPMG LLP' with a long horizontal line extending from the end of the signature.

Chartered Professional Accountants

Vancouver, Canada
May 12, 2025

CITY OF RICHMOND

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

December 31, 2024, with comparative information for 2023

	2024	2023
Financial Assets		
Cash and cash equivalents	\$ 199,381	\$ 321,479
Investments (note 4)	1,590,310	1,380,383
Investment in Lulu Island Energy Company ("LIEC") (note 5)	39,855	37,098
Accrued interest receivable	22,681	26,614
Accounts receivable (note 6)	45,887	35,067
Taxes receivable	27,123	20,533
Development fees receivable	18,084	20,299
Debt reserve fund - deposits (note 7)	960	1,468
	<u>1,944,281</u>	<u>1,842,941</u>
Liabilities		
Accounts payable and accrued liabilities	125,784	103,234
Asset retirement obligations (note 8)	11,120	11,893
Post-employment benefits (note 9)	37,397	37,881
Development cost charges (note 10)	226,012	241,634
Deposits and holdbacks (note 11)	161,822	148,738
Deferred revenue (note 12)	80,586	75,357
Debt, net of sinking fund deposits (note 13)	89,092	98,629
	<u>731,813</u>	<u>717,366</u>
Net financial assets	1,212,468	1,125,575
Non-Financial Assets		
Tangible capital assets (note 14)	2,840,927	2,694,902
Inventory of materials and supplies	5,759	6,146
Prepaid expenses	5,393	4,909
	<u>2,852,079</u>	<u>2,705,957</u>
Accumulated surplus (note 15)	\$ 4,064,547	\$ 3,831,532
Contingent demand notes (note 7)		
Contingent assets and contractual rights (note 18)		
Commitments and contingencies (note 19)		

See accompanying notes to consolidated financial statements.

Approved on behalf of Council:



General Manager, Finance and Corporate Services

CITY OF RICHMOND

Consolidated Statement of Operations
(Expressed in thousands of dollars)

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

	2024 Budget (notes 2(p) and 25)	2024	2023
Revenue:			
Taxation and levies (note 21)	\$ 306,676	\$ 318,093	\$ 297,793
Utility fees	148,459	150,823	132,951
Sales of services	54,556	57,450	50,737
Payments-in-lieu of taxes (note 21)	14,650	20,054	18,114
Provincial and federal contributions	26,637	13,545	38,660
Development cost charges (note 10)	16,607	70,450	10,292
Other capital funding sources	68,118	39,740	83,562
Other revenue:			
Investment income	25,635	69,853	61,503
Gaming revenue	12,500	11,971	13,013
Licences and permits	12,832	19,856	15,934
Other (note 22)	15,175	39,892	23,309
Equity income in LIEC (note 5)	362	2,757	2,070
	702,207	814,484	747,938
Expenses:			
Law and community safety	158,119	152,746	142,001
Utilities: flood, sanitation, sewer and water	147,380	144,647	133,166
General government	84,020	74,564	76,288
Engineering, transportation, public works and project development	83,659	71,322	69,915
Parks, recreation and culture	79,733	78,173	71,328
Planning and development	34,953	27,427	22,144
Richmond Olympic Oval	20,274	20,351	19,200
Richmond Public Library	12,496	12,239	11,533
	620,634	581,469	545,575
Annual surplus	81,573	233,015	202,363
Accumulated surplus, beginning of year	3,831,532	3,831,532	3,629,169
Accumulated surplus, end of year	\$ 3,913,105	\$ 4,064,547	\$ 3,831,532

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, 2024, with comparative information for 2023

	2024 Budget (notes 2(p) and 25)	2024	2023
Annual surplus for the year	\$ 81,573	\$ 233,015	\$ 202,363
Acquisition of tangible capital assets - current year	(211,510)	(187,379)	(90,046)
Contributed tangible capital assets	(45,640)	(31,065)	(75,945)
Amortization of tangible capital assets	72,090	71,703	71,938
Asset retirement obligation	-	(103)	(7,081)
Net gain on disposal of tangible capital assets	-	(2,514)	(2,133)
Proceeds on sale of tangible capital assets	-	3,333	2,577
	(103,487)	86,990	101,673
Acquisition of inventory of materials and supplies	-	(5,759)	(6,146)
Acquisition of prepaid expenses	-	(5,393)	(4,909)
Consumption of inventory of materials and supplies	-	6,146	5,405
Use of prepaid expenses	-	4,909	3,827
Change in net financial assets	(103,487)	86,893	99,850
Net financial assets, beginning of year	1,125,575	1,125,575	1,025,725
Net financial assets, end of year	\$ 1,022,088	\$ 1,212,468	\$ 1,125,575

See accompanying notes to consolidated financial statements.

CITY OF RICHMOND

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

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

	2024	2023
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 233,015	\$ 202,363
Items not involving cash:		
Amortization of tangible capital assets	71,703	71,938
Asset retirement obligation	(876)	4,812
Net gain on disposal of tangible capital assets	(2,514)	(2,133)
Contributions of tangible capital assets	(31,065)	(75,945)
Equity income in LIEC	(2,757)	(2,070)
Changes in non-cash operating working capital:		
Accrued interest receivable	3,933	(11,938)
Accounts receivable	(10,820)	947
Taxes receivable	(6,590)	(5,310)
Development fees receivable	2,215	22,920
Inventory of materials and supplies	387	(741)
Prepaid expenses	(484)	(1,082)
Accounts payable and accrued liabilities	22,550	(348)
Post-employment benefits	(484)	(647)
Development cost charges	(15,622)	4,583
Deposits and holdbacks	13,084	(1,269)
Deferred revenue	5,229	16,294
Net change in cash from operating activities	280,904	222,374
Capital activities:		
Cash used to acquire tangible capital assets	(187,379)	(90,046)
Proceeds on disposal of tangible capital assets	3,333	2,577
Net change in cash from capital activities	(184,046)	(87,469)
Financing activities:		
Repayments of debt	(9,537)	(9,187)
Debt reserve fund	508	-
Net change in cash from financing activities	(9,029)	(9,187)
Investing activities:		
Purchase of investments	(209,927)	(458,890)
Net change in cash from investing activities	(209,927)	(458,890)
Decrease in cash and cash equivalents	(122,098)	(333,172)
Cash and cash equivalents, beginning of year	321,479	654,651
Cash and cash equivalents, end of year	\$ 199,381	\$ 321,479
Non-cash transactions, related to asset retirement obligations:		
Tangible capital asset additions	\$ 103	\$ 7,081

See accompanying notes to consolidated financial statements.

CITY OF RICHMOND

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2024

1. Operations:

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

2. Significant accounting policies:

These consolidated financial statements of the City have been prepared in accordance with Canadian public sector accounting standards as prescribed by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

(a) Basis of consolidation:

These 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 Board (the "Library") and the Richmond Olympic Oval Corporation (the "Oval"). The Library is consolidated as the Library Board is appointed by the City. The Oval is consolidated as they are a wholly-owned municipal corporation of the City. Interfund and inter-entity transactions, fund balances and activities have been eliminated on consolidation. The City's investment in Lulu Island Energy Company ("LIEC"), a wholly-owned government business enterprise ("GBE"), is accounted for using the modified equity method.

(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 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 tangible capital assets and debt.

(iv) Reserve Funds:

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

CITY OF RICHMOND

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2024

2. Significant accounting policies (continued):

(b) Basis of accounting:

The City follows the accrual method of accounting for revenue and expenses. 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) Financial Instruments:

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

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

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

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

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

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

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

(e) 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.

CITY OF RICHMOND

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2024

2. Significant accounting policies (continued):

(f) Investment in government business enterprises:

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

(g) Accounts receivable and development fees receivable:

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

(h) Development cost charges:

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

(i) Post-employment benefits:

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

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

(j) Non-financial assets:

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

(i) Tangible capital assets:

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

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

CITY OF RICHMOND

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2024

2. Significant accounting policies (continued):

(j) Non-financial assets (continued):

(i) Tangible capital assets (continued):

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, works of art, and cultural and historic assets:

Natural resources, works of art, and cultural and historic assets are not recorded as assets in the consolidated financial statements.

(iv) Interest capitalization:

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

(v) Labour capitalization:

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

(vi) 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.

(vii) Impairment of tangible capital assets:

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

(viii) Inventory of materials and supplies:

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

CITY OF RICHMOND

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2024

2. Significant accounting policies (continued):

(k) Revenue recognition:

(i) Property taxes, penalties and interest:

The Community Charter provides the City with the ability to impose and enforce collection of property taxes and levies, and to introduce penalties and interest. Property taxes are calculated based on the British Columbia Assessment Authority's (BCAA) assessment value and annually approved tax rates by Council. Tax revenues are recognized when they meet the definition of an asset, have been authorized, and the taxable event occurs. Annual property tax levies and payments-in-lieu of taxes are recorded as taxes for municipal services in the year which they are levied. The BCAA's appeal process may affect current year property assessments by supplementary roll adjustments. Adjustments on taxes are recognized in the year when the appeals are settled.

(ii) Licence and development fees:

Revenue from building and development permits and rezoning fees received in advance of services are provided, is initially deferred and recognized as the performance obligations are fulfilled. The nature of the permit determines the number and type of performance obligation and when the revenue is recognized.

(A) Single performance obligation:

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

(B) Multiple performance obligations:

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

(iii) Cost recoveries:

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

(iv) Donations:

Donations for specified purposes are recognized when the related expenditures are incurred. Unrestricted donations are recognized when the donation is received.

CITY OF RICHMOND

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2024

2. Significant accounting policies (continued):

(k) Revenue recognition (continued):

(v) Restricted non-government grants:

Grants from non-government sources with externally imposed restrictions are recognized as revenue when spent in accordance with the funder's specified purpose or when the restriction is fulfilled.

(vi) Development cost charges (DCC's):

The City collects development cost charges in accordance with Council-approved bylaws to finance growth-related projects including parks and engineering infrastructure, which includes roads, drainage, sewer and water. DCC's must be spent on projects within defined area boundaries and are recognized as revenue as Council approved expenditures are incurred.

(vii) Prepaid leases:

The City has land leases with terms ranging from 3 to 99 years, some of which have been prepaid. These amounts are recognized as revenue on a straight-line basis over the lease term.

(viii) Capital contributions, government transfers:

Contributions are recognized as revenue as the related expenditures are incurred. Restricted transfers from governments are initially deferred and subsequently 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.

(ix) All other revenues:

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

CITY OF RICHMOND

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2024

2. Significant accounting policies (continued):

(l) Taxes:

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

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

Payments in Lieu of Taxes ("PILT") for federal properties are calculated on the basis of values and rates which would apply if these properties were taxable. The annual tax rates together with the assessed value on the Grant Roll are used to calculate the PILT levy. The PILT revenue is recorded when the payment is received.

(m) Deferred revenue:

The City defers a portion of the revenue collected from permits, licences and other fees and recognizes this revenue in the year in which related performance obligations are met, other related expenses are incurred or services are provided.

Deferred revenue also represents funds received from external parties for specified purposes. This revenue is recognized in the period in which the related expenses are incurred.

(n) Deposits:

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

(o) Debt:

Debt is recorded net of related sinking fund balances.

(p) Budget information:

Budget information, presented on a basis consistent with that used for actual results, was included in the City's Consolidated 5 Year Financial Plan (2024-2028) ("Consolidated Financial Plan") and was adopted through Bylaw No. 10515 on January 29, 2024.

CITY OF RICHMOND

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2024

2. Significant accounting policies (continued):

(q) Contaminated sites:

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

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

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

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

(r) Use of accounting estimates:

The preparation of 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 expenditures during the reporting period. Areas requiring the use of management estimates relate to performing the actuarial valuation of employee future benefits, the value of contributed tangible capital assets, the value of developer contributions, the value of asset retirement obligations, useful lives for amortization, determination of provisions for accrued liabilities, 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.

CITY OF RICHMOND

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2024

2. Significant accounting policies (continued):

(s) Segment disclosures:

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

(t) Asset retirement obligations:

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

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

The City's asset retirement obligations includes the removal for asbestos and lead in buildings, removal of fuel tanks owned by the City and end-of-life decommissioning costs for certain leases.

Measurement of the asset retirement obligation is recorded at the best estimate of the expenditures required to retire a tangible capital asset. Where available, assessment reports are used with experience and expert advice to determine the liability. The resulting costs are capitalized as part of the carrying amount of the related tangible capital asset that are in productive use. The cost is amortized over the useful life of the tangible capital asset (Note 2 (j)(i)). If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

The carrying value of the liability is reviewed at each financial reporting date and adjusted for any revisions to the timing or amount required to settle the obligation. Changes in the liability due to the passage of time are recorded as an accretion expense in the Consolidated Statement of Operations and all other changes are adjusted to the tangible capital asset. Recoveries related to asset retirement obligations are recognized when the recovery can be appropriately measured, a reasonable estimate of the amount can be made and it is expected that future economic benefits will be obtained. A recovery is recognized on a gross basis from the asset retirement obligations liability.

CITY OF RICHMOND

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2024

3. Adoption of new accounting standards:

(a) Adoption of PS 3160 Public Private Partnerships Standard:

On January 1, 2024, the City adopted Canadian Public Sector Accounting Standard PS 3160, Public Private Partnerships ("PS 3160"). The new standard addresses the recognition, measurement, presentation, and disclosure of infrastructure procured by public sector entities through certain types of public private partnership arrangements. This standard was adopted on a prospective basis. The adoption of this standard did not have any impact on the amounts presented in these consolidated financial statements.

(b) Adoption of PSG-8, Purchased Intangibles:

On January 1, 2024, the City adopted Public Sector Guideline PSG-8, Purchased Intangibles ("PSG-8"), applied on a prospective basis. PSG-8 defines purchased intangibles as identifiable non-monetary economic resources without physical substance acquired through an arm's length exchange transaction between knowledgeable, willing parties who are under no compulsion to act. Intangibles acquired through a transfer, contribution, or inter-entity transaction, are not purchased intangibles. The adoption of this standard did not have any impact on the amounts presented in these consolidated financial statements.

(c) Adoption of PS 3400 Revenue Standard:

On January 1, 2024, the City adopted Canadian Public Sector Accounting Standard PS 3400 Revenue and applied this standard on a prospective basis. The new standard applies to all revenues, except for taxation revenues, government transfers, income from investments in GBE and other revenues which are covered in other Public Sector Accounting Standards.

The standard was adopted prospectively from the date of adoption. As a result, the City's licences and permits revenue increased by \$1,812,934, with a corresponding decrease in deferred revenue. In addition, the City's other revenues increased by \$492,557, with a corresponding decrease in deferred revenue.

4. Investments:

	2024		2023	
	Cost	Market value	Cost	Market value
Short-term notes and deposits	\$ 489,091	\$ 489,091	\$ 443,418	\$ 443,418
Government and government guaranteed bonds	755,104	759,769	599,013	595,015
Bank bonds	333,646	342,568	325,486	328,578
Municipal Finance Authority bonds	12,469	12,758	12,466	12,722
	<u>\$ 1,590,310</u>	<u>\$ 1,604,186</u>	<u>\$ 1,380,383</u>	<u>\$ 1,379,733</u>

CITY OF RICHMOND

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2024

5. Investment in Lulu Island Energy Company Ltd.:

The City owns 100% of the issued and outstanding shares of LIEC, which was incorporated under the British Columbia Business Corporations Act on August 19, 2013. LIEC develops, manages and operates district energy utilities in the city of Richmond, on the City's behalf, including but not limited to energy production, generation or exchange, transmission, distribution, maintenance, marketing and sales to customers, customer service, profit generation, financial management and advisory services for energy and infrastructure.

Summarized financial information relating to LIEC, prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, is as follows:

	2024	2023
Cash, cash equivalents, and investments	\$ 21,305	\$ 14,527
Accounts receivable	4,385	4,793
Tangible capital assets	58,128	53,741
Total assets	83,818	73,061
Deferred contributions	22,789	19,236
Project agreement	19,283	14,475
Accounts payable and accrued liabilities	1,291	1,776
Government grants	514	403
Post-employment benefits	86	73
Total liabilities	43,963	35,963
Shareholder's equity	\$ 39,855	\$ 37,098
Total revenue	\$ 9,760	\$ 8,570
Total expenses	7,003	6,500
Net income	\$ 2,757	\$ 2,070

Included in accounts payable and accrued liabilities in the City's Consolidated Statement of Financial Position are payables to LIEC in the amount of \$166,301 (2023 - \$165,059).

On September 22, 2022, LIEC entered into a new concession project agreement (the "Project Agreement") with City Centre Energy Limited Partnership ("Project Contractor") to design, build, finance, operate and maintain City Centre District Energy Utility infrastructure providing heating and cooling services to new residential and mixed use commercial developments within the City Centre area (the "CCDEU project"). The Project Contractor was a wholly owned subsidiary of Corix Utilities Inc. ("Corix"). During 2024, following a re-organization within Corix, the Project Contractor become a wholly owned subsidiary of Corix District Energy Holdings GP Inc.

CITY OF RICHMOND

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2024

6. Accounts receivable:

	2024	2023
Water and sewer utilities	\$ 17,903	\$ 15,429
Casino revenue	2,918	2,940
Grants	12,728	8,416
Other trade receivables	12,338	8,282
	<u>\$ 45,887</u>	<u>\$ 35,067</u>

7. Debt reserve fund deposits and contingent demand notes:

The City issues its debt instruments through the Municipal Finance Authority (the "MFA"). As a condition of these borrowings, a portion of the debt proceeds is withheld by the MFA in a Debt Reserve Fund. The City also executes demand notes in connection with each debt 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, 2024 are as follows:

	Cash deposits	Contingent demand notes
General Revenue Fund	\$ 960	\$ 2,701

8. Asset retirement obligations:

The City's asset retirement obligation consists of the following obligations:

- (a) **Asbestos and Lead Obligation:** Once disturbed, the City has a legal obligation to properly remove and dispose of asbestos and lead. As such, asset retirement obligations have been recognized for various City buildings that are known and/or suspected of containing asbestos and lead.
- (b) **Fuel Tank Obligation:** The City has a legal obligation to adhere to particular practices when removing aboveground storage tanks and underground storage tanks. Asset retirement obligations have been recognized for all known land or buildings where an aboveground storage tank and underground storage tank is known to exist.
- (c) **Contractual Obligation:** The City is party to various contracts and agreements with entities that dictate various end-of life decommissioning activities associated with properties the City is leasing. Asset retirement obligations have been recognized for the estimated cost of adhering to these contracts.

CITY OF RICHMOND

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2024

8. Asset retirement obligations (continued):

The City has recognized liabilities related to the legal obligations to incur costs to retire a tangible capital asset. A significant part of City's asset retirement obligations results from the removal and disposal of designated materials from buildings and fuel tanks. The City estimates that the majority of the obligations will be paid during fiscal years 2048 to 2073.

	2024	2023
Asset retirement obligation, opening balance	\$ 11,893	\$ -
Asset retirement obligation recorded during the year	103	7,081
Accretion expense during the year	195	290
Asset retirement obligation expenditure incurred during the year	(1,059)	4,522
Asset retirement obligation settled during the year	(12)	-
Asset retirement obligation, closing balance	\$ 11,120	\$ 11,893

When significant obligations have reliable cash flow projections, the liability may be estimated using the present value of future cash flows, otherwise they are recorded at current costs. The discount rate used reflects the risks specific to the asset retirement liability. The discount rate used for 2024 is 4.30% (2023 - 4.10%). There are no liabilities recorded using the present value of future cash flows at December 31, 2024 (2023 - nil).

9. Post-employment benefits:

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

	2024	2023
Accrued benefit obligation, beginning of year	\$ 34,813	\$ 33,637
Opening adjustment due to Oval actuarial valuation January 1, 2023	-	207
Current service cost	2,514	2,434
Interest cost	1,463	1,528
Past service cost / (credit)	411	(440)
Benefits paid	(4,056)	(3,840)
Actuarial loss	2	1,287
Accrued benefit obligation, end of year	\$ 35,147	\$ 34,813

CITY OF RICHMOND

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2024

9. Post-employment benefits (continued):

An actuarial valuation for these benefits was performed to determine the City's accrued benefit obligation as at December 31, 2024. This actuarial gain is being amortized over a period equal to the employees' expected average remaining service lifetime of 11-years (2023 - 11-years).

	2024	2023
Accrued benefit obligation, end of year	\$ 35,147	\$ 34,813
Unamortized net actuarial gain	2,250	3,068
Accrued benefit liability, end of year	\$ 37,397	\$ 37,881

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

	2024	2023
Discount rate	4.30%	4.10%
Expected future inflation rate	2.50%	2.50%
Expected wage and salary range increases	2.50% to 3.00%	2.50% to 3.00%

10. Development cost charges:

	2024	2023
Balance, beginning of year	\$ 241,634	\$ 237,051
Contributions	44,832	4,342
Interest	9,996	10,533
Revenue recognized	(70,450)	(10,292)
Balance, end of year	\$ 226,012	\$ 241,634

11. Deposits and holdbacks:

	Balance December 31, 2023	Deposit contributions / interest earned	Refund/ expenditures	Balance December 31, 2024
Security deposits	\$ 125,713	\$ 24,411	\$ (11,289)	\$ 138,835
Developer contributions	7,919	172	-	8,091
Damage deposits	6,658	827	(958)	6,527
Contract holdbacks	4,767	3,823	(3,882)	4,708
Other	3,681	432	(452)	3,661
	\$ 148,738	\$ 29,665	\$ (16,581)	\$ 161,822

CITY OF RICHMOND

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2024

12. Deferred revenue:

	Balance December 31, 2023	Externally restricted inflows	Revenue earned	Balance December 31, 2024
Taxes and utilities	\$ 30,008	\$ 33,197	\$ (30,008)	\$ 33,197
Building permits/development	15,082	10,608	(8,368)	17,322
Oval	2,813	8,862	(8,782)	2,893
Grants	16,609	20,890	(17,578)	19,921
Licences	2,613	2,294	(4,064)	843
Parking easement/leased land	2,480	109	(54)	2,535
Other	5,752	5,353	(7,230)	3,875
	\$ 75,357	\$ 81,313	\$ (76,084)	\$ 80,586

13. Debt, net of MFA sinking fund deposits:

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:

MFA issue	Loan authorization bylaw	Gross amount borrowed	Repayments and actuarial adjustments	Net debt 2024	Net debt 2023
127	9075	\$ 50,815	\$ 50,815	\$ -	\$ 6,024
158	10334	96,000	6,908	89,092	92,605
		\$ 146,815	\$ 57,723	\$ 89,092	\$ 98,629

Current borrowing includes:

MFA issue	Issue date	Term (yrs.)	Maturity date	Interest rate	Refinancing date
158	September 23, 2022	20	September 23, 2042	4.09%	September 23, 2032

CITY OF RICHMOND

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2024

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

Interest expense incurred for the year on the long-term debt was \$4,764,848 (2023 - \$5,594,469).
Repayments on net outstanding debt over the next five years and thereafter are as follows:

2025	\$	3,636
2026		3,764
2027		3,895
2028		4,032
2029		4,173
Thereafter		69,592
	\$	89,092

14. Tangible capital assets:

Cost	Balance December 31, 2023	Additions and transfers	Disposals	Balance December 31, 2024
Land	\$ 1,191,847	\$ 93,570	\$ (107)	\$ 1,285,310
Building and building improvements	621,743	31,274	(1,048)	651,969
Infrastructure	2,002,755	38,547	(6,728)	2,034,574
Vehicles, machinery and equipment	184,620	12,082	(577)	196,125
Library's collections, furniture and equipment	11,969	1,137	(322)	12,784
Assets under construction	65,736	41,937	-	107,673
	\$ 4,078,670	\$ 218,547	\$ (8,782)	\$ 4,288,435

Accumulated amortization	Balance December 31, 2023	Disposals	Amortization expense	Balance December 31, 2024
Building and building improvements	\$ 265,314	\$ (1,023)	\$ 22,621	\$ 286,912
Infrastructure	984,920	(6,131)	37,392	1,016,181
Vehicles, machinery and equipment	125,139	(487)	10,689	135,341
Library's collections, furniture and equipment	8,395	(322)	1,001	9,074
	\$ 1,383,768	\$ (7,963)	\$ 71,703	\$ 1,447,508

CITY OF RICHMOND

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2024

14. Tangible capital assets (continued):

Net book value	December 31, 2024	December 31, 2023
Land	\$ 1,285,310	\$ 1,191,847
Buildings and building improvements	365,057	356,429
Infrastructure	1,018,393	1,017,835
Vehicles, machinery and equipment	60,784	59,481
Library's collection, furniture and equipment	3,710	3,574
Assets under construction	107,673	65,736
Balance, end of year	\$ 2,840,927	\$ 2,694,902

(a) Assets under construction:

Assets under construction having a value of \$107,673,230 (2023 - \$65,735,570) 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 value at the date of contribution. The value of contributed assets received during the year is \$31,065,021 (2023 - \$75,944,770) comprised of land in the amount of \$23,144,146 (2023 - \$58,306,673), and infrastructure in the amount of \$7,920,875 (2023 - \$17,638,097).

(c) Tangible capital assets disclosed at nominal values:

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

(d) Works of art and historical treasures:

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

(e) Write-down of tangible capital assets:

There were no write-down of tangible capital assets in 2024 (2023 - nil).

CITY OF RICHMOND

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2024

15. Accumulated surplus:

	General and Reserve Funds	Waterworks Utility Fund	Sewerworks Utility Fund	Richmond Olympic Oval	Library	2024 Total	2023 Total
Investment in tangible capital assets	\$ 2,814,071	\$ -	\$ -	\$ 8,297	\$ 3,711	\$ 2,826,079	\$ 2,687,860
Reserves (note 16)	792,544	51,864	35,195	13,133	-	892,736	789,710
Appropriated surplus	237,862	18,847	12,556	590	3,199	273,054	285,974
Investment in LIEC	39,855	-	-	-	-	39,855	37,098
Surplus	18,344	1,068	6,661	606	536	27,215	24,930
Other equity	5,608	-	-	-	-	5,608	5,960
Balance, end of year	\$ 3,908,284	\$ 71,779	\$ 54,412	\$ 22,626	\$ 7,446	\$ 4,064,547	\$ 3,831,532

16. Reserves:

	Balance, December 31, 2023	Change during year	Balance, December 31, 2024
Affordable housing	\$ 16,924	\$ (76)	\$ 16,848
Arts, culture and heritage	4,126	184	4,310
Capital building and infrastructure	145,902	20,509	166,411
Capital reserve	287,961	49,586	337,547
Capstan station	15,009	6,459	21,468
Child care development	10,866	1,907	12,773
Community legacy and land replacement	1,671	129	1,800
Flood protection BL 7812 and BL 10403	65,719	5,458	71,177
Equipment replacement	29,894	1,496	31,390
Growing communities fund	21,067	461	21,528
Hamilton area plan community amenity	3,767	168	3,935
Leisure facilities	29,059	6,096	35,155
Local improvements	8,109	361	8,470
Neighborhood improvement	9,153	678	9,831
Oval	11,586	1,547	13,133
Public art program	4,987	315	5,302
Sanitary sewer BL 7812 and BL 10401	58,139	4,977	63,116
Solid waste	-	256	256
Steveston off-street parking	354	5	359
Steveston road ends	143	(31)	112
Waterfront improvement	187	8	195
Water supply BL 7812 and BL 10402	65,087	2,533	67,620
	\$ 789,710	\$ 103,026	\$ 892,736

CITY OF RICHMOND

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2024

17. Pension plan:

The City and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2023, the plan has about 256,000 active members and approximately 129,000 retired members. Active members include approximately 45,000 contributors from local governments.

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

be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

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

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

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

The City paid \$17,270,093 (2023 - \$15,534,932) for employer contributions while employees contributed \$15,099,053 (2023 - \$13,023,437) to the plan in fiscal 2024.

18. Contingent assets and contractual rights:

(a) Contingent assets:

Contingent assets are possible assets arising from existing conditions or situations involving uncertainty. That uncertainty will ultimately be resolved when one or more future events not wholly within the City's control occurs or fails to occur.

The City has legal claims, service agreements, and land dedications that may qualify as contingent assets. Amounts cannot be estimated as of December 31, 2024. Contingent assets are not recorded in the consolidated financial statements.

CITY OF RICHMOND

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2024

18. Contingent assets and contractual rights:

(b) Contractual rights:

The City has entered into contracts or agreements in the normal course of operations that it expects will result in revenue and assets in future fiscal years. The City's contractual rights are comprised of leases, licences, grants and various other agreements, including the provision of police services with the Vancouver Airport Authority. The following table summarizes the expected revenue from the City's contractual rights:

2025	\$ 39,375
2026	8,492
2027	5,697
2028	3,607
2029	2,704
Thereafter	5,534

The City is entitled to receive revenue from certain other agreements. The revenue from these agreements cannot be quantified and has not been included in the amounts noted above.

19. 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 Metro 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:

The City is committed to operating lease payments for premises and equipment in the following approximate amounts:

2025	\$ 4,547
2026	2,870
2027	954
2028	583
2029 and thereafter	4,513

CITY OF RICHMOND

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(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2024

19. Commitments and contingencies:

(c) Litigation:

As at December 31, 2024, 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 ("Association"):

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

(e) Contractual obligation:

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

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

The City is a shareholder of the E-Comm whose services provided include: regional 9-1-1 call centre for the Greater Vancouver Regional District; Wide Area Radio network; dispatch operations; and records management. The City has 2 Class A shares and 1 Class B share (of a total of 37 Class A and 18 Class B shares issued and outstanding as at December 31, 2024). 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 agreements with the various community associations which operate the community centers throughout the City. The City generally provides the buildings and grounds, pays the operating costs of the facilities, and provides certain staff and other services such as information technology. Typically the community associations are responsible for providing programming and services to the community. The community associations retain all revenue which they receive.

CITY OF RICHMOND

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Year ended December 31, 2024

20. 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.

	2024	2023
Richmond Community Associations	\$ -	\$ 724

21. Taxation and levies:

	2024	2023
Taxes collected:		
Property taxes	\$ 621,165	\$ 572,078
Payment-in-lieu of taxes and grants	35,264	31,496
Local improvement levies	74	76
Municipal and Regional District Tax (MRDT)	9,315	9,073
	665,818	612,723
Less transfers to other authorities:		
Province of British Columbia - School taxes	(247,616)	(230,746)
TransLink	(60,588)	(48,562)
Metro Vancouver	(11,701)	(10,197)
BC Assessment Authority	(7,724)	(7,270)
Other	(42)	(41)
	(327,671)	(296,816)
Less payment-in-lieu of taxes retained by the City	(20,054)	(18,114)
	\$ 318,093	\$ 297,793

22. Other revenue:

	2024	2023
Developer contributions	\$ 15,967	\$ 3,102
Tangible capital assets gain on sale of land	3,008	2,497
Penalties and fines	5,958	5,080
Parking program	2,930	2,335
Recycle BC	3,326	3,274
Oval - Other revenue	2,712	2,987
Other	5,991	4,034
	\$ 39,892	\$ 23,309

CITY OF RICHMOND

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2024

23. Government transfers:

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

	2024	2023
Operating:		
Government of British Columbia	\$ 16,650	\$ 23,943
Government of Canada	8,468	7,355
Capital:		
Government of British Columbia	7,099	26,123
Government of Canada	1,405	1,566
	<u>\$ 33,662</u>	<u>\$ 58,987</u>

24. Segmented reporting:

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

- (a) **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.
- (b) **Utilities** provide such services as planning, designing, constructing, operating, and maintaining the City's infrastructure of water and sewer networks, flood protection and sanitation and recycling.
- (c) **Engineering, transportation, public works and project development** comprises of general public works, roads and construction, fleet operations, engineering, transportation, project development, and facility management. The services provided are construction and maintenance of the City's infrastructure and City owned buildings, maintenance of the City's road networks, managing and operating a mixed fleet of vehicles, heavy equipment and an assortment of specialized work units for the City operations, development of current and long-range engineering planning and construction of major projects.
- (d) **Parks, recreation and culture** comprises of parks, recreation, arts, and culture and heritage services. 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

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2024

24. Segmented reporting (continued):

- (e) **General government** comprises of Mayor and Council, corporate administration, finance and corporate services. It is responsible for adopting bylaws, effectively administering city operations, levying taxes, providing sound management of human resources, information technology, finance, and ensuring high quality services to Richmond residents.
- (f) **Planning and development** is responsible for land use plans, developing bylaws and policies for sustainable development in the City.
- (g) **Richmond Olympic Oval Corporation** is formed as a wholly owned subsidiary of the City. The City uses the Richmond Olympic Oval facility as a venue for a wide range of sports, business and community activities.
- (h) **Richmond Public Library** provides public access to information by maintaining five branches throughout the City.

	Law and community safety	Utilities	Engineering, transportation, public works and project development	Parks, recreation and culture	General government	Planning and development	Total city subtotal
Revenue:							
Taxation and levies	\$ -	\$ -	\$ -	\$ 400	\$ 317,693	\$ -	\$ 318,093
User fees	-	150,823	-	-	-	-	150,823
Sales of services	9,322	5,021	2,933	13,611	13,497	1,320	45,704
Payments-in-lieu of taxes	-	-	-	-	20,054	-	20,054
Provincial and federal grants	1,305	15	(849)	281	3,317	5,892	9,961
Development cost charges	-	720	9,691	31,119	28,920	-	70,450
Other capital funding sources	-	4,756	10,951	162	23,323	548	39,740
Other revenue:							
Investment income	-	366	-	-	69,457	-	69,823
Gaming revenue	914	-	-	-	11,057	-	11,971
Licences and permits	7,608	32	542	-	17	11,657	19,856
Other	3,371	4,687	1,457	743	26,822	27	37,107
Equity income in LIEC	-	-	-	-	2,757	-	2,757
	22,520	166,420	24,725	46,316	516,914	19,444	796,339
Expenses:							
Wages and salaries	66,833	24,171	30,703	45,324	32,590	15,097	214,718
Public works maintenance	70	10,211	5,252	2,321	(1,447)	-	16,407
Contract services	78,483	11,123	6,975	3,807	13,184	1,086	114,658
Regional district utility charges	-	66,161	-	-	-	-	66,161
Supplies and materials	4,058	10,839	1,372	12,493	14,273	8,674	51,709
Interest and finance	588	2	4	176	5,910	-	6,680
Transfer from (to) capital for tangible capital assets	(498)	4,469	1,514	2,700	443	505	9,133
Amortization of tangible capital assets	3,212	17,033	25,630	11,338	9,620	2,063	68,896
Loss (gain) on disposal of tangible capital assets	-	638	(128)	14	(9)	2	517
	152,746	144,647	71,322	78,173	74,564	27,427	548,879
Annual surplus (deficit)	\$ (130,226)	\$ 21,773	\$ (46,597)	\$ (31,857)	\$ 442,350	\$ (7,983)	\$ 247,460

CITY OF RICHMOND

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2024

24. Segmented reporting (continued):

	Total city subtotal	Richmond Public Library	Richmond Olympic Oval	2024 Consolidated	2023 Consolidated
Revenue:					
Taxation and levies	\$ 318,093	\$ -	\$ -	\$ 318,093	\$ 297,793
User fees	150,823	-	-	150,823	132,951
Sales of services	45,704	81	11,665	57,450	50,737
Payments-in-lieu of taxes	20,054	-	-	20,054	18,114
Provincial and federal grants	9,961	435	3,149	13,545	38,660
Development cost charges	70,450	-	-	70,450	10,292
Other capital funding sources	39,740	-	-	39,740	83,562
Other revenue:					
Investment income	69,823	30	-	69,853	61,503
Gaming revenue	11,971	-	-	11,971	13,013
Licences and permits	19,856	-	-	19,856	15,934
Other	37,107	73	2,712	39,892	23,309
Equity income in LIEC	2,757	-	-	2,757	2,070
	796,339	619	17,526	814,484	747,938
Expenses:					
Wages and salaries	214,718	8,800	12,727	236,245	211,637
Public works maintenance	16,407	37	-	16,444	16,087
Contract services	114,658	547	-	115,205	109,548
Regional district utility charges	66,161	-	-	66,161	60,743
Supplies and materials	51,709	2,125	5,818	59,652	53,164
Interest and finance	6,680	1	-	6,681	8,246
Transfer from (to) capital for tangible capital assets	9,133	(256)	-	8,877	13,848
Amortization of tangible capital assets	68,896	1,001	1,806	71,703	71,938
Loss (gain) on disposal of tangible capital assets	517	(16)	-	501	364
	548,879	12,239	20,351	581,469	545,575
Annual surplus (deficit)	\$ 247,460	\$ (11,620)	\$ (2,825)	\$ 233,015	\$ 202,363

CITY OF RICHMOND

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2024

25. Budget data:

The budget data presented in these consolidated financial statements is based on the Consolidated 5 Year Financial Plan adopted by Council on January 29, 2024. The table below reconciles the adopted Consolidated 5 Year Financial Plan to the budget amounts reported in these consolidated financial statements.

	Financial plan Bylaw No. 10515	Financial statement budget
Revenue from Consolidated financial plan	\$ 702,207	\$ 702,207
Expenses from Consolidated financial plan	620,634	620,634
Annual surplus	81,573	81,573
Less:		
Acquisition of tangible capital assets - current year	(211,510)	-
Acquisition of tangible capital assets - prior years	(231,528)	-
Contributed tangible capital assets	(45,640)	-
Transfer to reserves	(97,079)	-
Debt principal	(9,612)	-
Add:		
Capital funding	492,725	-
Operating reserve funding	7,934	-
Transfer from surplus	13,137	-
Annual surplus	\$ -	\$ 81,573

CITY OF RICHMOND

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2024

26. Financial risk management:

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

(a) Credit risk:

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

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

The City mitigates credit risk in its investments by adhering to its restrictive investment Policy 3703 which limits the type and distribution of investments.

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

(b) Market risk:

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

(i) Interest rate risk:

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

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

(ii) Currency risk:

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

CITY OF RICHMOND

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2024

26. Financial risk management (continued):

(b) Market risk (continued):

(iii) General risk:

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

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

(c) Liquidity risk:

Liquidity risk arises when the City is not able to meet its financial obligations as they fall due. The City manages liquidity risk by monitoring actual and forecasted cash flows from operations and anticipated investing and financing activities to ensure, as far out as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the City's reputation.

With the exception of note 26(b)(iii), there has been no significant change to the risk exposure from 2023.

27. Comparative information:

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

CITY OF RICHMOND

Schedule 1 – Unaudited Statement of Growing Communities Fund (Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2024

In 2023, the Provincial Government announced funding of up to \$1 billion in direct grants provided to local governments to help support all B.C. communities. The objective of this funding is to help local government to invest into infrastructure and amenities that will help facilitate the increase in housing supply throughout the community. In 2023, the City received a Growing Communities Grant of \$20.3 million. A requirement of the Growing Communities Fund is to include a schedule to the financial statements presenting the amount of funding received, use of funds, and year-end balance of unused funds. A schedule will continue to be reported annually until funds are fully drawn down.

	2024	2023
Growing Communities Fund opening balance	\$ 21,067	\$ -
Growing Communities Fund received		20,354
Total eligible costs incurred	(7)	-
Interest earned	468	713
Balance, end of year	\$ 21,528	\$ 21,067

CITY OF RICHMOND

Schedule 2 – Unaudited Statement of Local Government Housing Initiatives Capacity Fund
(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2024

In 2023, the Provincial Government announced funding of \$51 million in grant-based funding to help facilitate implementation and support local governments’ implement of the legislative changes to support housing initiatives, including small-scale multi-unit housing and proactive planning, development finance, and transit-oriented development.

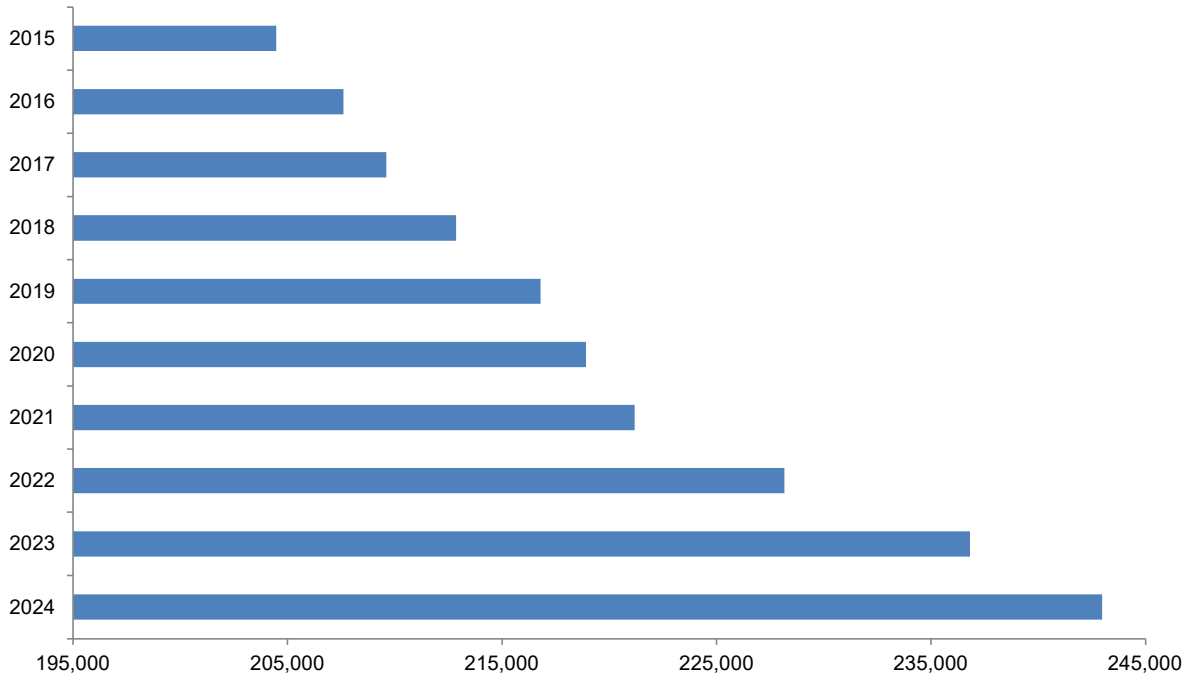
In 2024, the City received the Local Government Housing Initiatives Capacity Fund of \$1.1 million. A requirement of the Local Government Housing Initiatives Capacity Fund is to include a schedule to the financial statements. A schedule will continue to be reported annually until funds are fully drawn down.

		2024
Local Government Housing Initiatives Capacity Fund received	\$	1,146
Total eligible costs incurred		(192)
Balance December 31, 2024	\$	954

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City of Richmond population 2015–2024



Numbers were revised for 2019—restated based on BC Stats estimates.

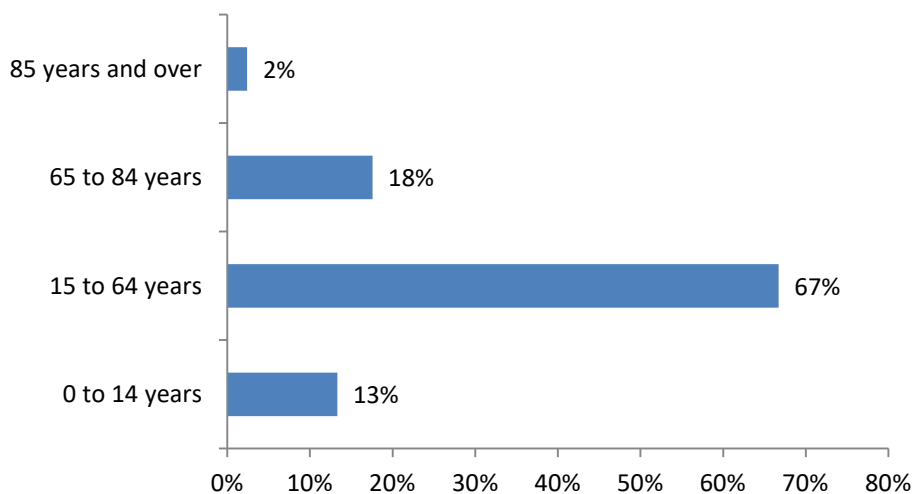
Source: BC Stats population figures

Median age 2020–2024

	2020	2021	2022	2023	2024
Median age	42.1	42.3	41.9	42.1	40.9

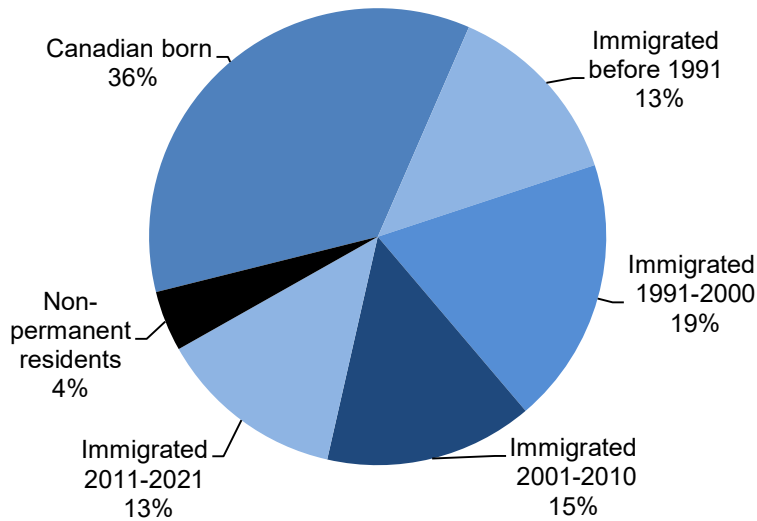
Source: BC Stats population figures

Total population by age groups



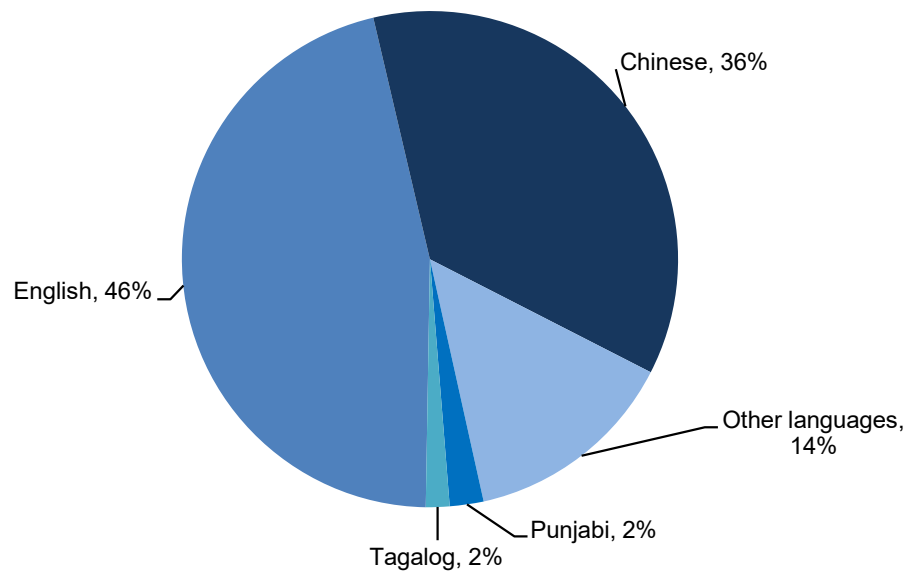
Source: Statistics Canada, 2021 Census of Population

Immigrant status of Richmond residents by period of immigration



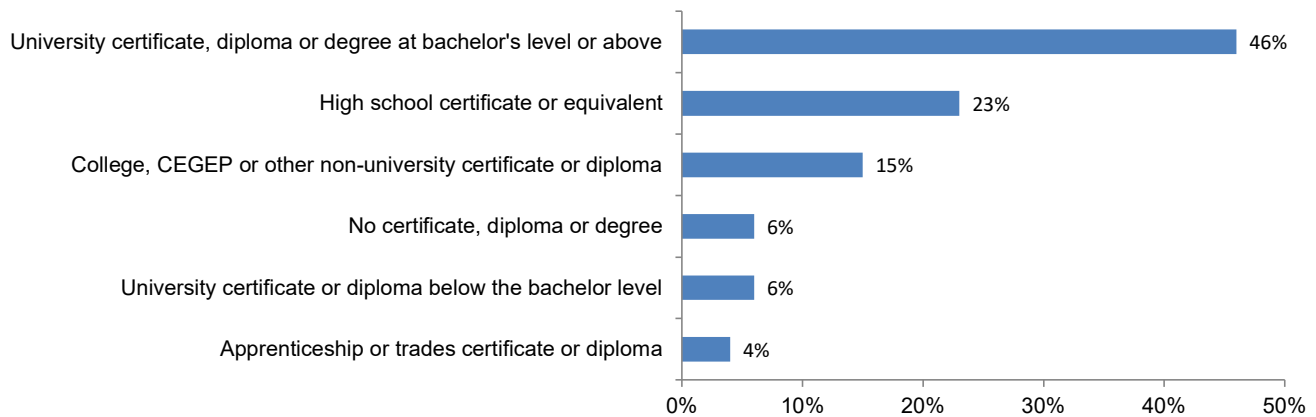
Source: Statistics Canada, 2021 Census of Population

Language spoken most often at home



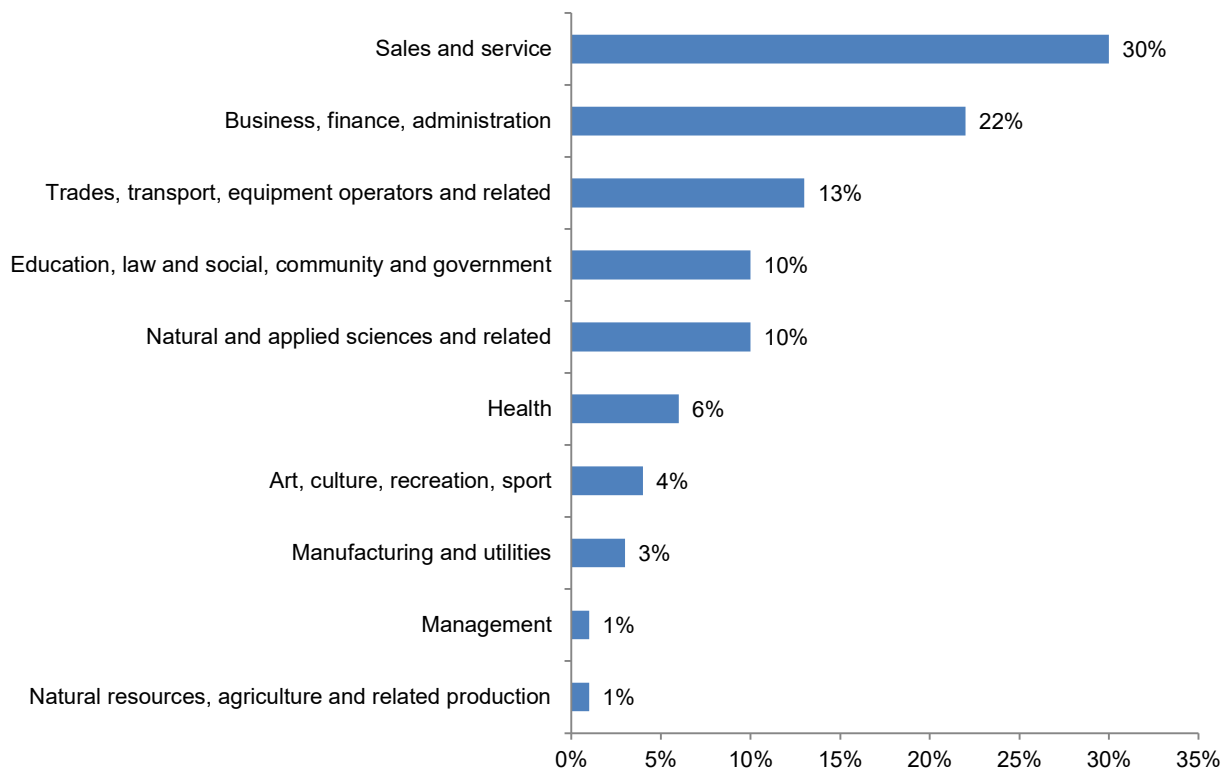
Source: Statistics Canada, 2021 Census of Population

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



Source: Statistics Canada, 2021 Census of Population

Occupations of Richmond residents



Source: Statistics Canada, 2021 Census of Population

Major employers in Richmond*

- Air Canada
- Allied Universal Security Services of Canada
- Amazon Canada
- Change Healthcare Canada
- City of Richmond
- London Drugs Ltd.
- MDA Systems Ltd.
- River Rock Casino Resort
- Richmond School District No. 38
- Vancouver Coastal Health
- WorkSafe BC

*in alphabetical order

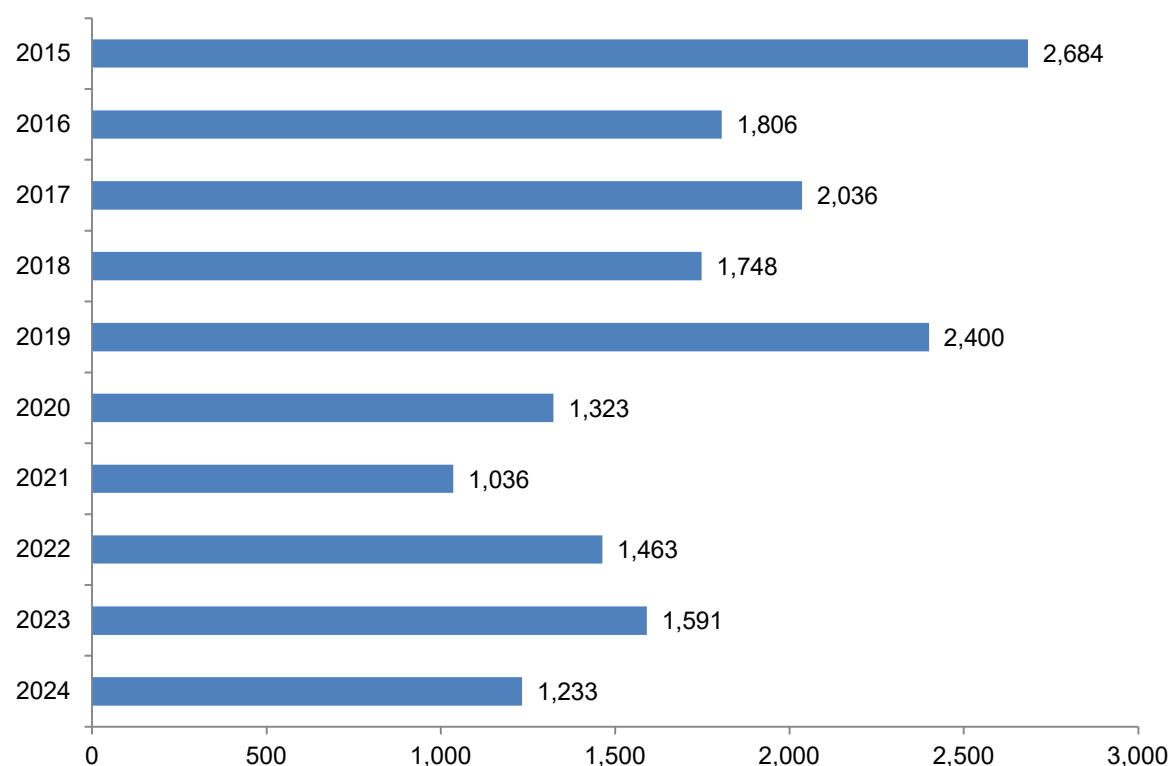
Richmond School District Enrolment Grades K–12

	2018	2019	2020	2021	2022	2023	2024
School Age (Domestic) Enrolment	19,381	19,665	19,637	19,936	20,839	21,770	22,385
International Fee Paying Students	965	952	606	684	744	959	807
Total Enrolment	20,346	20,617	20,243	20,620	21,583	22,729	23,192

Note: Excluding RVS, Continuing Ed and Homestay students.

Source: Richmond School District No. 38

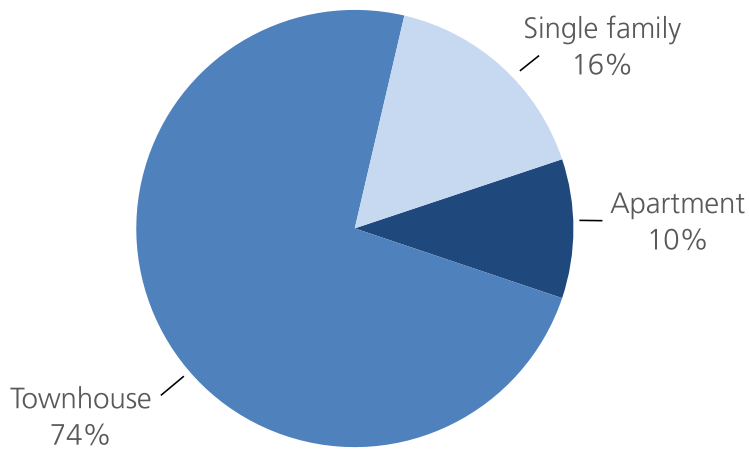
Housing starts in Richmond 2015–2024



Includes only projects for new residential construction receiving final building permit in given year.

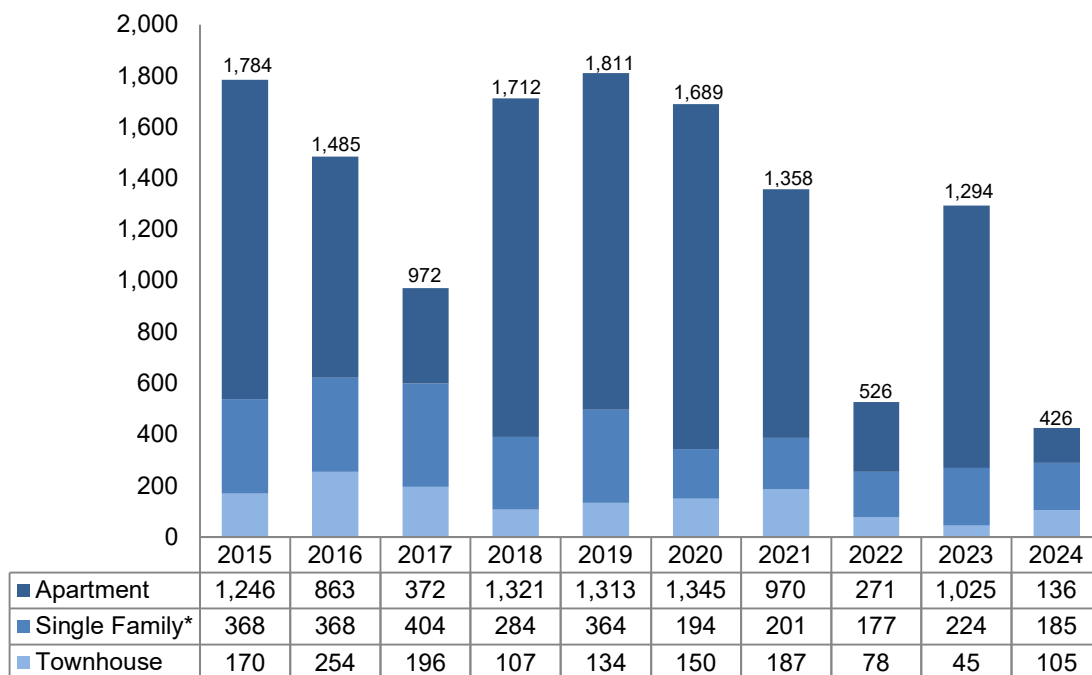
Source: City of Richmond building permit records

Richmond housing starts by type of units 2024



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

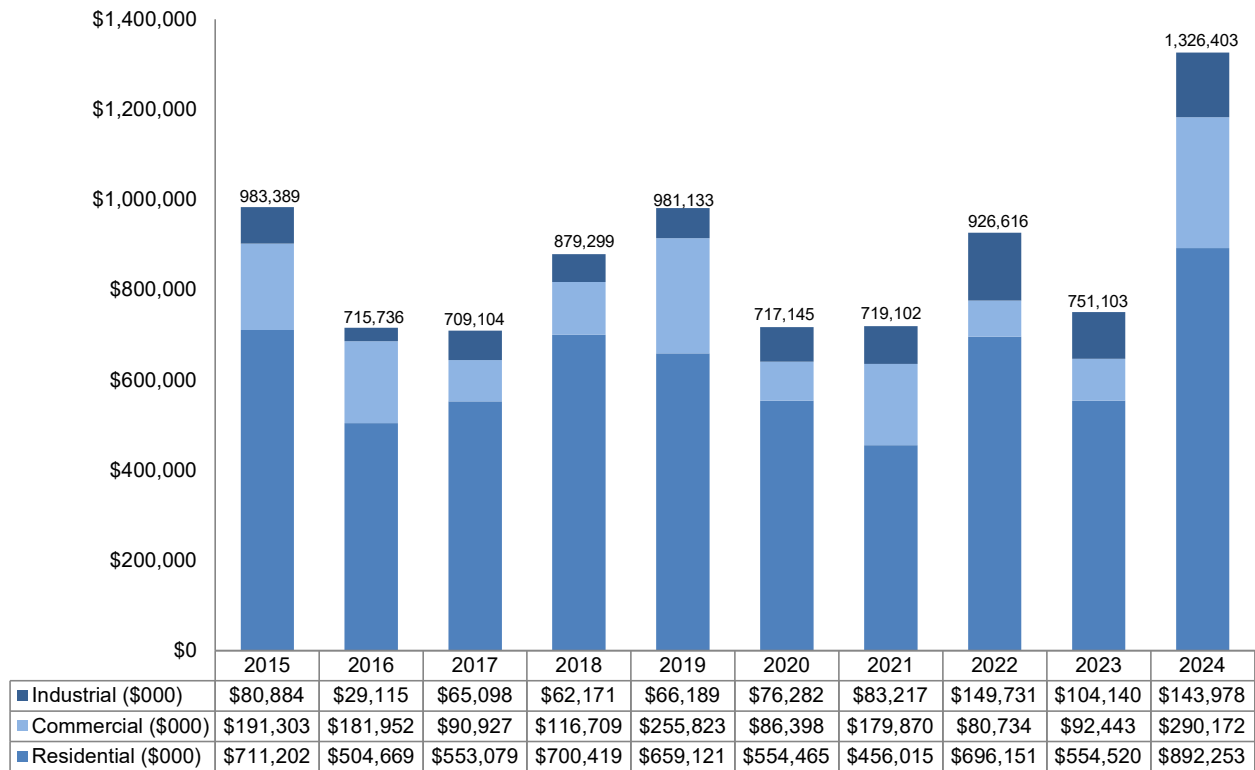
New dwelling units constructed 2015–2024



**Includes one family and two family dwellings.*

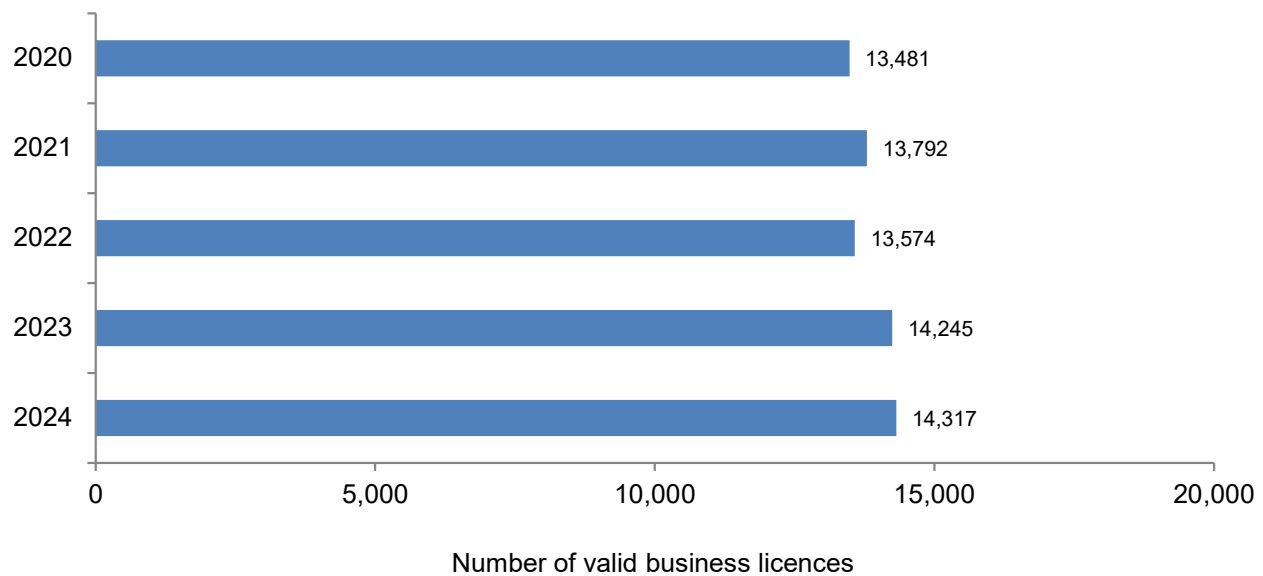
*Includes only projects for new residential construction receiving final building permit in given year.
Source: City of Richmond building permit records*

Construction value of building permits issued 2015–2024 (in \$000s)



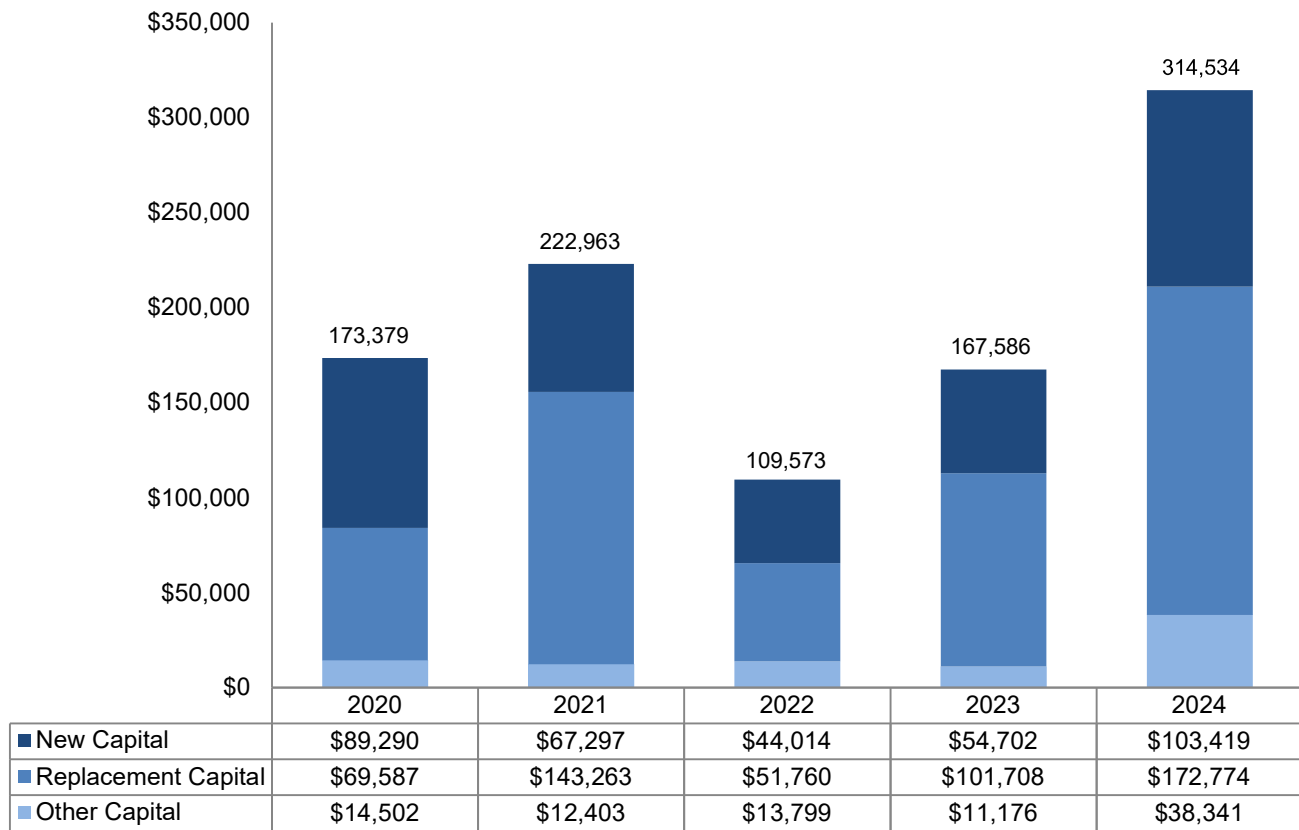
Source: City of Richmond building permit records

Richmond business licences 2020–2024



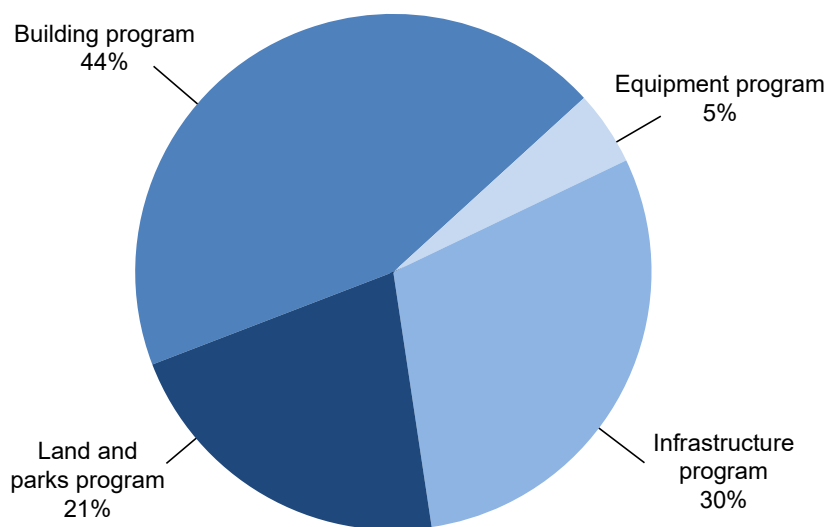
Source: 2024 City of Richmond business licences

City of Richmond budgeted capital costs 2020–2024 (in \$000s)



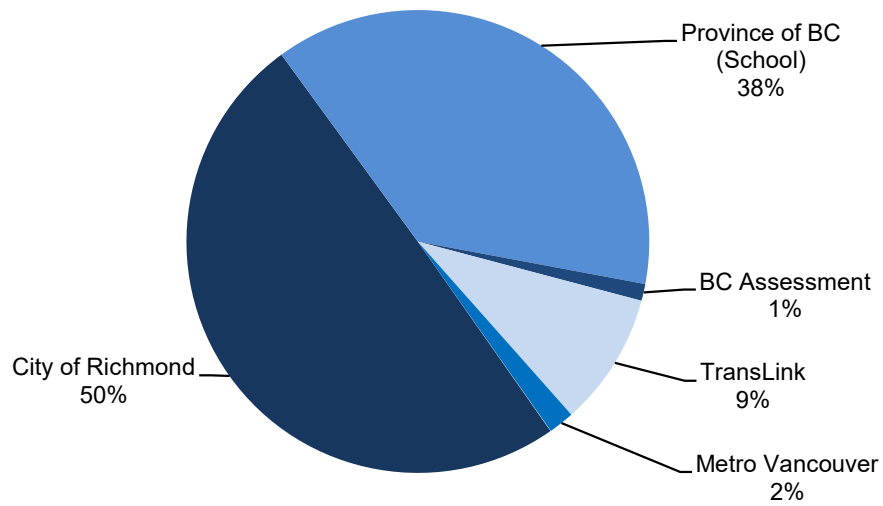
Source: City of Richmond Finance and Corporate Services

Capital program by type 2024



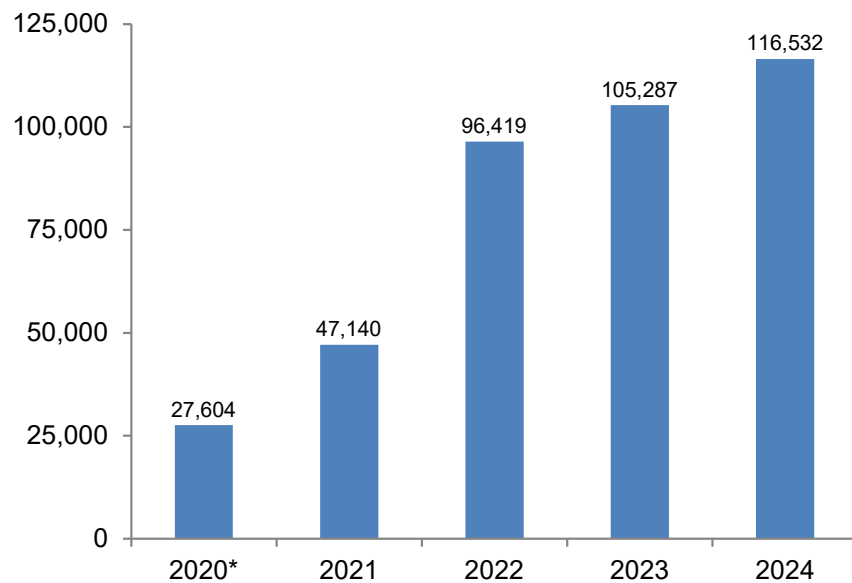
Source: City of Richmond Finance and Corporate Services

Breakdown of residential tax bill 2024



Source: City of Richmond Finance and Corporate Services

Registration in Richmond Recreation and Cultural Services programs 2020–2024



*2020 figure has been restated.

Source: City of Richmond Finance and Corporate Services

2024 tax rates

	City of Richmond	School - Province of BC	Metro Vancouver	BC Assessment	Municipal Finance Authority	TransLink
Residential	1.67556	1.00450	0.05544	0.03470	0.00020	0.27030
Business	3.58403	3.39000	0.13583	0.09630	0.00050	0.84340
Light industrial	3.58403	3.39000	0.18849	0.09630	0.00070	0.67480
Seasonal / recreational	1.38391	2.11000	0.05544	0.03470	0.00020	0.18210
Major industrial	5.44012	1.36000	0.18849	0.43590	0.00070	1.43230
Farm	16.95208	3.57500	0.05544	0.03470	0.00020	0.32760
Utilities	35.81554	12.11000	0.19404	0.43590	0.00070	2.38120

Source: City of Richmond Finance and Corporate Services

2024 general revenue fund assessment and taxation by property class (in \$000s)

	Assessment	% of assessment by class	Taxation	% of taxation by class
Residential	\$105,674,507	74.42 %	\$177,064	57.20%
Business	27,808,606	19.58%	99,667	32.20%
Light industrial	7,445,962	5.24%	26,869	8.62%
Seasonal / recreational	383,283	0.27%	530	0.17%
Major industrial	606,900	0.43%	3,302	1.07%
Farm	25,586	0.02%	434	0.14%
Utilities	52,242	0.04%	1,871	0.60%
Total	\$141,997,086	100.00%	\$309,736	100.00%

Amounts are based on billing.

Source: City of Richmond Finance and Corporate Services

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

	2020	2021	2022	2023	2024
City of Richmond	\$241,739	\$257,088	\$269,907	\$289,386	\$309,554
School Board	121,559	186,528	197,657	221,507	236,575
Metro Vancouver	9,145	11,146	12,410	9,747	11,174
BC Assessment	6,008	6,088	6,344	6,946	7,388
TransLink	40,189	41,576	43,301	46,646	58,199
Other	116	112	117	115	115
Total Taxes	\$418,756	\$502,538	\$529,736	\$574,347	\$623,005

Amounts are less supplementary adjustments.

Source: City of Richmond Finance and Corporate Services

General assessment by property class 2020–2024 (in \$000s)

	2020	2021	2022	2023	2024
Residential	\$75,895,923	\$78,838,953	\$92,961,083	\$101,623,264	\$105,674,507
Business	19,613,458	18,856,561	22,213,156	26,755,530	27,808,606
Light industrial	3,850,127	4,286,605	5,368,958	6,737,965	7,445,962
Seasonal / recreational	211,659	213,776	353,571	440,869	383,283
Major industrial	289,800	336,999	389,851	528,313	606,900
Farm	26,103	26,044	26,496	25,545	25,586
Utilities	55,674	41,633	43,033	47,852	52,242
Total	\$99,942,744	\$102,600,571	\$121,356,148	\$136,159,338	\$141,997,086

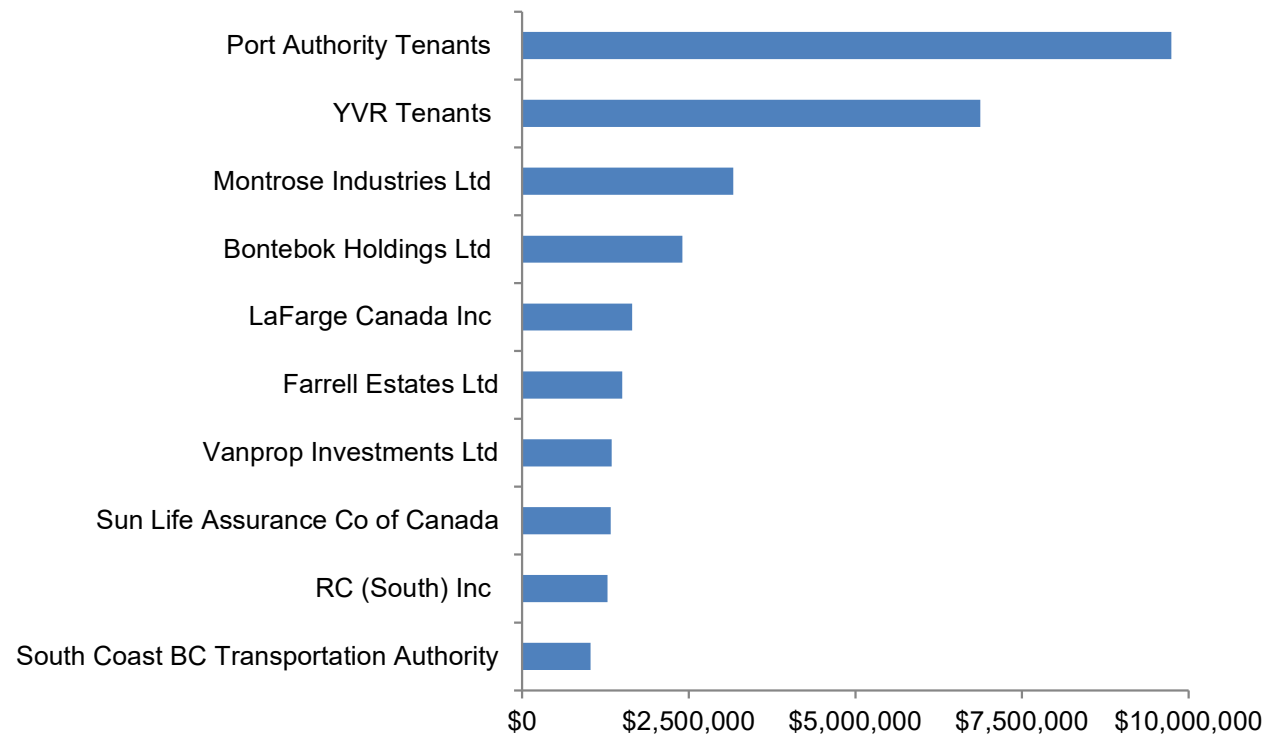
Source: City of Richmond Finance and Corporate Services

2020–2024 current tax levy collected (in \$000s)

	2020	2021	2022	2023	2024
Total current tax levy collected	\$238,007	\$253,685	\$266,272	\$284,473	\$303,215

Source: City of Richmond Finance and Corporate Services

Top 10 corporate taxpayers in Richmond



Source: City of Richmond Finance and Corporate Services

Debt servicing costs compared to general taxation revenue 2020–2024 (in \$000s)

	2020	2021	2022	2023	2024
Debt servicing costs	\$6,826	\$7,032	\$8,320	\$14,782	\$13,912
General taxation revenue	\$239,991	\$255,837	\$269,582	\$297,793	\$318,093
Debt servicing costs as a % of general taxation revenue	2.84%	2.75%	3.09%	4.96%	4.37%

All debt is supported by general revenues.

Source: City of Richmond Finance and Corporate Services

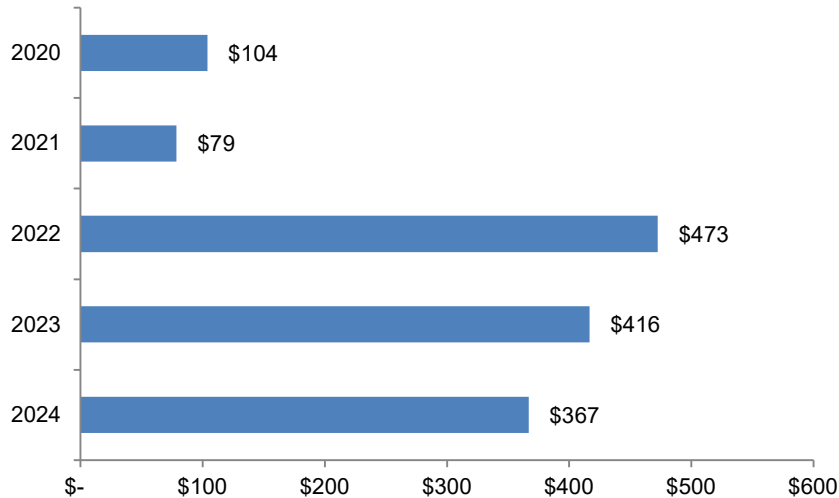
Liability servicing limit 2020–2024 (in \$000s)

	2020	2021	2022	2023	2024
Liability servicing limit	\$113,768	\$113,663	\$127,512	\$156,904	\$165,050

The liability servicing limit is a calculated amount based on 25% of specific municipal revenues.

Source: City of Richmond Finance and Corporate Services

City of Richmond debt per capita 2020–2024



Source: City of Richmond Finance and Corporate Services

Net debt 2020–2024 (in \$000s)

	2020	2021	2022	2023	2024
Net debt	\$22,741	\$17,386	\$107,816	\$ 98,629	\$89,092

Source: City of Richmond Finance and Corporate Services

Expenses by function 2020–2024 (in \$000s)

	2020	2021	2022	2023	2024
Law and community safety	\$112,895	\$123,232	\$127,727	\$142,001	\$152,746
Engineering, transportation, public works and project development	75,314	80,083	89,103	69,915	71,322
Parks, recreation and culture	50,833	59,873	64,955	71,328	78,173
General government	51,495	52,995	59,492	76,288	74,564
Utilities: flood, sanitation, sewer and water	102,824	106,519	110,490	133,166	144,647
Planning and development	19,201	25,166	23,890	22,144	27,427
Richmond Public Library	9,040	9,816	10,565	11,533	12,239
Richmond Olympic Oval	12,586	14,079	16,844	19,200	20,351
Total expenses	\$434,188	\$471,763	\$503,066	\$545,575	\$581,469

Source: City of Richmond Finance and Corporate Services

Expenses by object 2020–2024 (in \$000s)

	2020	2021	2022	2023	2024
Wages and salaries	\$164,788	\$179,260	\$195,616	\$211,637	\$236,245
Public works maintenance	13,343	13,011	14,390	16,087	16,444
Contract services	81,642	89,086	93,463	109,548	115,205
Regional district utility services	52,351	55,221	56,823	60,743	66,161
Supplies and materials	38,424	40,326	45,728	53,164	59,652
Interest and finance	3,441	2,810	2,636	8,246	6,681
Transfer from (to) capital for tangible capital assets	13,568	21,094	21,206	13,848	8,877
Amortization of tangible capital assets	66,254	68,519	72,722	71,938	71,703
Loss on disposal of tangible capital assets	377	2,436	482	364	501
Total Expenses	\$434,188	\$471,763	\$503,066	\$545,575	\$581,469

Source: City of Richmond Finance and Corporate Services

Revenue by source 2020–2024 (in \$000s)

	2020	2021	2022	2023	2024
Taxation and levies	\$239,991	\$255,837	\$269,582	\$297,793	\$318,093
Utility fees	114,335	118,144	127,965	132,951	150,823
Sales of services	29,090	35,601	44,494	50,737	57,450
Licences and permits	19,407	13,995	15,047	15,934	19,856
Investment income	20,175	14,968	30,250	61,503	69,853
Grants including casino revenue	16,953	18,404	25,455	51,673	25,516
Development cost charges	16,737	16,223	22,434	10,292	70,450
Other capital funding sources	71,051	64,695	51,220	83,562	39,740
Other	51,313	37,577	57,901	43,493	62,703
Total revenue	\$579,052	\$575,444	\$644,348	\$747,938	\$814,484

Source: City of Richmond Finance and Corporate Services

Accumulated surplus 2020–2024 (in \$000s)

	2020	2021	2022	2023	2024
Accumulated surplus, beginning of year	\$3,239,342	\$3,384,206	\$3,487,887	\$3,629,169	\$3,831,532
Annual surplus	144,864	103,681	141,282	202,363	233,015
Accumulated surplus, end of year	\$3,384,206	\$3,487,887	\$3,629,169	\$3,831,532	\$4,064,547

Source: City of Richmond Finance and Corporate Services

Changes in net financial assets 2020–2024 (in \$000s)

	2020	2021	2022	2023	2024
Change in net financial assets	\$83,116	\$51,018	\$85,722	\$99,850	\$86,893
Net financial assets, end of year	\$888,985	\$940,003	\$1,025,725	\$1,125,575	\$1,212,468

Source: City of Richmond Finance and Corporate Services

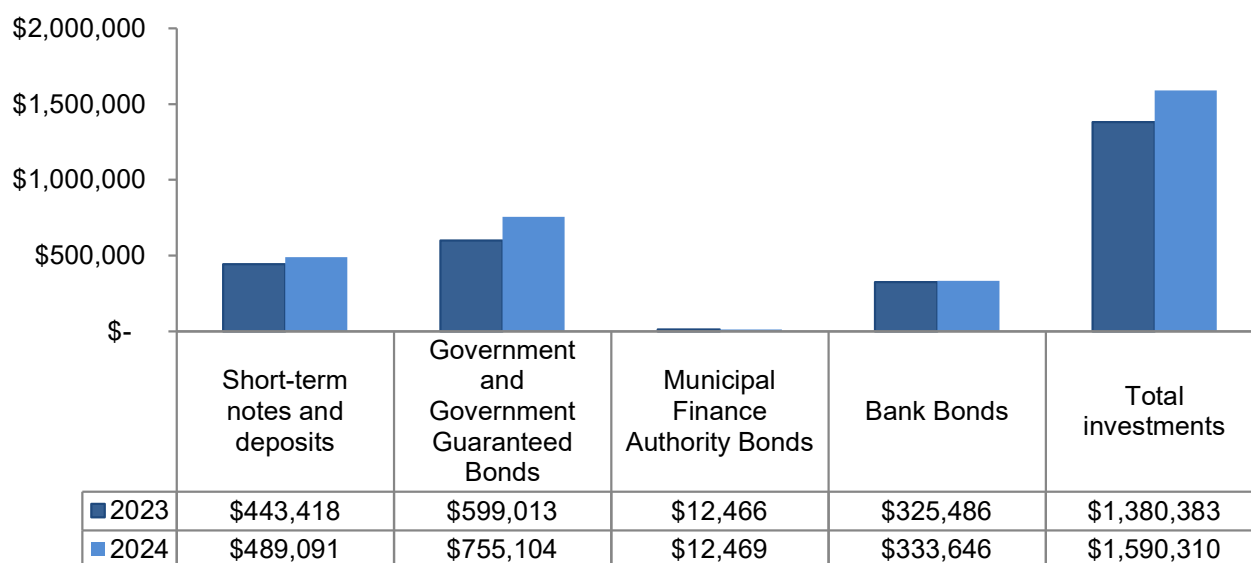
Reserves 2020–2024 (in \$000s)

	2020	2021	2022	2023	2024
Affordable housing	\$12,250	\$14,293	\$15,427	\$16,924	\$16,848
Arts, culture and heritage	3,721	3,526	3,573	4,126	4,310
Capital building and infrastructure	111,528	122,720	129,625	145,902	166,411
Capital reserve	222,778	244,445	263,825	287,961	337,547
Capstan station	11,477	11,149	14,582	15,009	21,468
Child care development	10,055	10,078	10,169	10,866	12,773
Community legacy and land replacement	1,387	1,458	1,545	1,671	1,800
Drainage improvement	60,597	57,159	59,740	52,408	41,861
Equipment replacement	22,577	25,206	26,888	29,894	31,390
Flood protection*	-	-	-	13,311	29,316
Growing communities fund*	-	-	-	21,067	21,528
Hamilton area plan community amenity	2,762	3,007	3,605	3,767	3,935
Leisure facilities	18,097	18,970	27,768	29,059	35,155
Local improvements	7,459	7,571	7,760	8,109	8,470
Neighbourhood improvement	7,919	8,037	8,588	9,153	9,831
Oval	7,810	8,100	9,846	11,586	13,133
Public art program	4,582	4,405	4,828	4,987	5,302
Sanitary sewer	48,903	49,611	53,518	51,958	50,448
Sanitary sewer BL10401*	-	-	-	6,181	12,668
Solid Waste BL10417*	-	-	-	-	256
Steveston off-street parking	331	336	339	354	359
Steveston road ends	153	155	147	143	112
Waterfront improvement	195	187	181	187	195
Watermain replacement	54,952	56,796	61,230	55,624	48,684
Water supply BL10402*	-	-	-	9,463	18,936
Total reserves	\$609,533	\$647,209	\$703,184	\$789,710	\$892,736

*New reserves created in 2023

Source: City of Richmond Finance and Corporate Services

Investment portfolio per type 2023–2024 (in \$000s)



Source: City of Richmond Finance and Corporate Services

Ratio analysis indicators of financial condition

	2024	2023	2022
Sustainability ratios			
Assets to liabilities (times)	6.6	6.3	6.2
Financial assets to liabilities (times)	2.7	2.6	2.5
Net debt to total revenues	10.9%	13.3%	16.7%
Net debt to the total assessment	0.06%	0.07%	0.09%
Expenses to the total assessment	0.4%	0.4%	0.4%
Flexibility ratios			
Debt charges to revenues	0.5%	0.8%	0.4%
Net book value of capital assets to cost	66.2%	66.1%	66.2%
Own source revenue to the assessment	0.4%	0.4%	0.5%
Vulnerability ratios			
Government transfers to total revenues	4.1%	7.9%	5.6%

Source: City of Richmond Finance and Corporate Services

2024 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 2024. Permissive tax exemptions are those exemptions granted by bylaw in accordance with Section 224 of the Community Charter.

Property / Organization	Address	2024 Municipal tax exempted
Churches and religious properties		
Aga Khan Foundation Canada	4000 May Drive	\$14,206
Apostolic Pentecostal Church	8151 Bennett Road	18,034
BC Muslim Association	12300 Blundell Road	2,386
Bakerview Gospel Chapel	8991 Francis Road	3,211
Beth Tikvah Congregation	9711 Geal Road	19,154
Bethany Baptist Church	22680 Westminster Highway	9,023
Broadmoor Baptist Church	8140 Saunders Road	5,145
Canadian Martyrs Parish	5771 Granville Avenue	25,778
Christian and Missionary Alliance	3360 Sexsmith Road	11,068
Christian Reformed Church	9280 No. 2 Road	22,897
Church in Richmond	4460 Brown Road	3,099
Church of Latter Day Saints	8440 Williams Road	21,801
Cornerstone Evangelical Baptist Church	12011 Blundell Road	697
Dharma Drum Mountain Buddhist Temple	8240 No. 5 Road	1,287
Emmanuel Christian Community	10351 No. 1 Road	10,498
Richmond Faith Fellowship	11960 Montego Street	4,350
Fraserview Mennonite Brethren Church	11295 Mellis Drive	6,908
Fujian Evangelical Church	12200 Blundell Road	3,307
Gilmore Park United Church	8060 No. 1 Road	3,696
I Kuan Tao (Fay Chungder) Association	8866 Odlin Crescent	3,604
Immanuel Christian Reformed Church	7600 No. 4 Road	3,748
India Cultural Centre	8600 No. 5 Road	3,269
International Buddhist Society	9160 Steveston Highway	4,752
Johrei Fellowship Inc.	10380 Odlin Road	7,729
Lansdowne Congregation Jehovah's Witnesses	11014 Westminster Highway	3,474
Ling Yen Mountain Temple	10060 No. 5 Road	3,217
Mennonite Church BC (Peace Mennonite Church)	11571 Daniels Road	15,321
Nanaksar Gurdwara Gursikh Temple	18691 Westminster Highway	2,634
North Richmond Alliance Church	9140 Granville Avenue	5,885
Our Savior Lutheran Church	6340 No. 4 Road	3,638
Parish of St. Alban's	7260 St. Albans Road	\$17,144

Churches and religious properties continued . . .

Peace Evangelical Church	8280 No. 5 Road	1,295
Richmond Alliance Church	11371 No. 3 Road	2,634
Richmond Baptist Church	6560 Blundell Road	4,076
Richmond Baptist Church	6640 Blundell Road	13,886
Richmond Bethel Mennonite Church	10160 No. 5 Road	4,399
Richmond Chinese Alliance Church	10100 No. 1 Road	16,906
Richmond Chinese Evangelical Free Church	8040 No. 5 Road	2,655
Richmond Emmanuel Church	7451 Elmbridge Way	6,016
Richmond Pentecostal Church	9260 Westminster Highway	2,037
Richmond Pentecostal Church	9300 Westminster Highway	17,264
Richmond Presbyterian Church	7111 No. 2 Road	13,352
Richmond Sea Island United Church	8711 Cambie Road	23,187
Salvation Army Richmond	8280 Gilbert Road	4,233
Science of Spirituality SKRM Inc	11011 Shell Road	1,247
Shia Muslim Community	8580 No. 5 Road	2,058
South Arm United Church	11051 No. 3 Road	1,972
St. Anne's Steveston Anglican Church	4071 Francis Road	7,080
St. Gregory Armenian Apostolic Church	13780 Westminister Highway	1,287
St. Joseph the Worker Roman Catholic Church	4451 Williams Road	48,471
St. Monica's Roman Catholic Church	12011 Woodhead Road	4,606
St. Paul's Roman Catholic Parish	8251 St. Albans Road	17,608
Steveston Buddhist Temple	4360 Garry Street	19,991
Steveston Congregation Jehovah's Witnesses	4260 Williams Road	11,904
Steveston United Church	3720 Broadway Street	4,952
Subramaniya Swamy Temple	8840 No. 5 Road	1,642
Thrangu Monastery Association	8140 No. 5 Road	3,752
Thrangu Monastery Association	8160 No. 5 Road	1,762
Towers Baptist Church	10311 Albion Road	11,879
Trinity Lutheran Church	7100 Granville Avenue	18,447
Trinity Pacific Church	10011 No. 5 Road	8,346
Trustees Congregation of Meeting Room 8020 No. 5 Rd Richmond BC	8020 No. 5 Road	2,737
Ukrainian Catholic Church	8700 Railway Avenue	4,154
Vancouver International Buddhist Progress Society	6690 - 8181 Cambie Road	9,566
Vancouver International Buddhist Progress Society	8271 Cambie Road	11,201
Vedic Cultural Society of BC	8200 No. 5 Road	3,865
Walford Road Gospel Church	9291 Walford Street	1,341
West Richmond Gospel Hall	5651 Francis Road	5,205

Recreation, child care and community service properties

Atira Women's Resource Society	650 - 5688 Hollybridge Way	\$9,212
BC Society for the Prevention of Cruelty to Animals	12071 No. 5 Road	27,464
City Centre Community Centre	5900 Minoru Boulevard	61,520
Cook Road Children's Centre	8300 Cook Road	2,166
Cranberry Children's Centre	23591 Westminster Highway	9,450
Gardens Children's Centre	10640 No. 5 Road	5,293
Girl Guides of Canada	4780 Blundell Road	7,044
Girl Guides of Canada	11551 Dyke Road	49,634
Hummingbird Child Care Centre	6899 Pearson Way	8,596
Navy League of Canada	7411 River Road	9,162
Richmond Caring Place	7000 Minoru Boulevard	98,407
Richmond Family Place	8660 Ash Street	7,061
Richmond Gymnastics Association	140 - 7400 River Road	20,656
Richmond Lawn Bowling Club	6131 Bowling Green Road	32,909
Richmond Public Library - Cambie Branch	140-160 11590 Cambie Road	3,254
Richmond Public Library - Ironwood Branch	11688 Steveston Highway	3,310
Richmond Rod and Gun Club	7760 River Road	24,623
Richmond Rod and Gun Club	140 - 7400 River Road	10,328
Richmond Tennis Club	6820 Gilbert Road	35,317
Richmond Winter Club	5540 Hollybridge Way	152,518
River Run Early Care & Learning Centre	10277 River Drive	8,560
Riverside Children's Centre	5862 Dover Crescent	1,191
Scotch Pond Heritage	2220 Chatham Street	2,523
Seasing Child Care Centre	10380 No. 2 Road	17,049
Seedlings Early Childhood Development Hub	6380 No. 3 Road	29,549
Sharing Farm	2900 River Road	19,264
Sharing Farm	2771 Westminster Highway	17,410
Sprouts Early Childhood Development Hub	3368 Carscallen Road	10,605
Terra Nova Children's Centre	6011 Blanchard Drive	2,339
Treehouse Learning Centre	100 - 5500 Andrews Road	2,078
Watermania	14300 Entertainment Boulevard	171,259
West Cambie Children's Centre	4033 Stolberg Street	3,607

Senior citizen housing

Richmond Legion Senior Citizen Society	7251 Langton Road	\$30,740
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Community care facilities

Aspire Richmond Support Society	431 Catalina Crescent	\$2,195
Aspire Richmond Support Society	303 - 7560 Moffatt Road	1,143
Aspire Richmond Support Society	5728 Woodward Road	3,249
Aspire Richmond Support Society	9580 Pendleton Road	3,675
Aspire Richmond Support Society	4433 Francis Road	2,645
Developmental Disabilities Association	6531 Azure Road	3,120
Developmental Disabilities Association	8400 Robinson Road	3,476
Developmental Disabilities Association	7611 Langton Road	3,424
Greater Vancouver Community Service	4811 Williams Road	4,018
Pinegrove Place, Mennonite Care Home Society	11331 Mellis Drive	13,488
Richmond Lions Manor	9020 Bridgeport Road	27,171
Rosewood Manor, Richmond Intermediate Care Society	6260 Blundell Road	40,998
Turning Point Housing Society	10411 Odlin Road	3,445

Major services provided by the City of Richmond

Administration

Includes the office of the Chief Administrative Officer who oversees the overall administration of the City's operations. Also includes People and Culture, Intergovernmental Relations, Corporate and Strategic Planning and the Corporate Programs Management Group.

Deputy CAO Office

The Deputy Chief Administrative Officer oversees key operational priorities with direct oversight of Facility Services, Project Development, Works Yard Planning, the Housing Office and the Lulu Island Energy Company.

Law and Community Safety

Brings together the City's public safety providers including RCMP, Fire-Rescue, Emergency Programs, Community Bylaws, Animal Protection Services, Business Licences and the Law Department.

Parks, Recreation and Culture

Provides services to create and engage healthy, active communities such as Parks Services, Recreation and Sport Services and Arts, Culture and Heritage Services, Community Services Planning and Projects, and Corporate Communications and Marketing.

Engineering and Public Works

The Engineering and Public Works Departments deliver public works services, utilities and their maintenance, engineering planning, design and construction, as well as climate and environment programs and transportation planning and operations.

Finance and Corporate Services

Includes Finance, Business Services, Information Technology, Real Estate Services and the City Clerk's Office.

Planning and Development

Includes the Policy Planning, Development Applications, Building Approvals and Community Social Development Departments.

City of Richmond contacts

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

City of Richmond

6911 No. 3 Road
Richmond, BC V6Y 2C1
Phone: 604-276-4000
Email: InfoCentre@Richmond.ca
richmond.ca

 @CityofRichmondBC

 @Richmond_BC

 @CityofRichmondBC

 /CityofRichmondBC

 @CityofRichmondBC

Gateway Theatre

6500 Gilbert Road
Richmond, BC V7C 3V4
Phone: 604-270-6500
Box Office: 604-270-1812
GatewayTheatre.com

 @GatewayThtr

 @GatewayThtr

 @GatewayThtr

Lulu Island Energy Company

6911 No. 3 Road
Richmond, BC V6Y 2C1
Phone: 604-276-4011
Email: Info@LuluIslandEnergy.ca
LuluIslandEnergy.ca

Richmond Public Library

100-7700 Minoru Gate (Brighthouse Branch)
Richmond, BC V6Y 1R8
Library Hours Line: 604-231-6401
YourLibrary.ca

 @YourLibraryRichmond

 @RPLBC

 @RPLBC

 /YourLibraryRichmond

 Account: RPLYourlibrary1

Richmond Olympic Oval

6111 River Road
Richmond, BC V7C 0A2
Phone: 778-296-1400
Email: Info@RichmondOval.ca
RichmondOval.ca

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City of Richmond

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City of
Richmond
British Columbia, Canada

2024 Annual Report Highlights

For the year ended December 31, 2024



RICHMOND CITY COUNCIL



Back row, left to right:

Lieutenant Jim Dickson (Richmond Fire-Rescue), Councillor Andy Hobbs, Councillor Kash Heed, Councillor Laura Gillanders, Councillor Michael Wolfe, Constable Jordan Hitchon (Richmond RCMP)

Front row, left to right:

Councillor Alexa Loo, Councillor Bill McNulty, Mayor Malcolm Brodie, Councillor Chak Au, Councillor Carol Day

CONNECT WITH RICHMOND CITY COUNCIL

To contact Council, email MayorAndCouncillors@richmond.ca or call 604-276-4000.

For Council meeting agendas and minutes, visit richmond.ca/agendas.

To live stream Council meetings or view videos of past meetings, visit richmond.ca/WatchOnline.



The City of Richmond is proud of its diverse and committed workforce. This year, we asked our employees to take photos and send us images of “their Richmond” for this report. Photos with the camera icon are just some of the submissions, and we are delighted to share them with you. None are professional photographers.

COVER PHOTO: A SERENE WALK THROUGH MINORU LAKES
PHOTO BY REENA CLARKSON, COMMUNICATIONS ASSOCIATE,
CORPORATE COMMUNICATIONS AND MARKETING
CITY EMPLOYEE SINCE 2004

CITY OF RICHMOND, BRITISH COLUMBIA 2024 ANNUAL REPORT HIGHLIGHTS

FOR THE YEAR ENDED DECEMBER 31, 2024

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This report features highlights from Richmond’s 2024 Annual Report. For the detailed 2024 Annual Report that meets legislated requirements, or for an online copy of this highlights report, please visit richmond.ca/AnnualReport.

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



 PEACEFUL, SCENIC VIEWS FROM LONDON LANDING
DIANA DALE, COMMUNITY POLICE STATION COORDINATOR, RICHMOND RCMP
CITY EMPLOYEE SINCE 2023

MESSAGE FROM THE MAYOR



The City of Richmond and City Council continued to be a civic leader in 2024 thanks to short- and long-term strategies focusing on sustainable economic resilience, infrastructure development, public safety, affordability and community welfare.

Our city's economy remained relatively robust and stable through 2024 as it continued to benefit from Council-led strategies supporting local businesses. The number of businesses in Richmond grew six per cent, and over 14,000 businesses now employ around 125,000 jobs in a diverse range of sectors.

The construction industry showed signs of confidence in the local economy as staff issued permits with a construction value of \$1.2 billion in 2024—the first time the value of such permits has exceeded the one-billion-dollar mark in Richmond.

To keep residents and businesses safe and well-served, City Council has always proactively supported infrastructure maintenance and upgrades. It approved almost \$200 million for 86 important capital projects in 2024, including the start of redevelopment of the Lynas Lane Works Yard, heritage renewal at the historic Britannia Shipyards, almost \$10 million in various facility and arena upgrades, and the replacement of around five kilometres of watermain throughout the city.

Council has always supported and planned for growth. Economic forces and a growing population mean the need for more housing has never been greater. In 2024, Council created a dedicated City Housing Office to focus on opportunities to bring more housing to Richmond—especially affordable housing and rental options. It will also help



CITY COUNCIL AND OTHER OFFICIALS BREAKING GROUND AT THE FUTURE SITE OF PATHWAYS CLUBHOUSE

address the impact of imposed provincial government legislation, which mandates the construction of high-density small-scale multi-unit housing in single-family neighbourhoods. While aiming to increase housing stock, the legislation will forever change many communities and place significant pressure on municipalities to expand and maintain vital infrastructure.


As our population increases, so does the need to keep our community safe. Richmond remains one the safest cities in Metro Vancouver thanks, in part, to Council's ongoing investment in our RCMP, Richmond Fire-Rescue and emergency services. Rates of property and violent crime remained below the regional average, with even more investment underway for the year ahead.

Providing affordable housing is an important component of keeping our

community safe. Like others in the region, Richmond faces the challenge of residents experiencing or at risk of homelessness. Council continued to invest in support for enhanced outreach, shelters, expanded shelter hours and drop-in centres, as well as Community Pop-Up sessions to connect individuals in need to key services. Over 1,750 participants accessed such services through this initiative in 2024.

Some of those experiencing homelessness face personal challenges related to mental health and addiction. Providing the services they need is challenging and the community has been clear on the level of services expected in Richmond. Supporting this population requires significant action and investment by other levels of government. Council will continue to do what it can to ensure those in need receive the help they require.

Through wise investments, sound management and innovative strategies, our City Council, staff, volunteers and businesses—as well as our community and government partners—continued to work together to make Richmond a better place for all. This 2024 Annual Report contains examples of just some of our goals and achievements. As always, I invite your comments and questions through my office.



Malcolm Brodie
Mayor, City of Richmond



MESSAGE FROM THE CHIEF ADMINISTRATIVE OFFICER

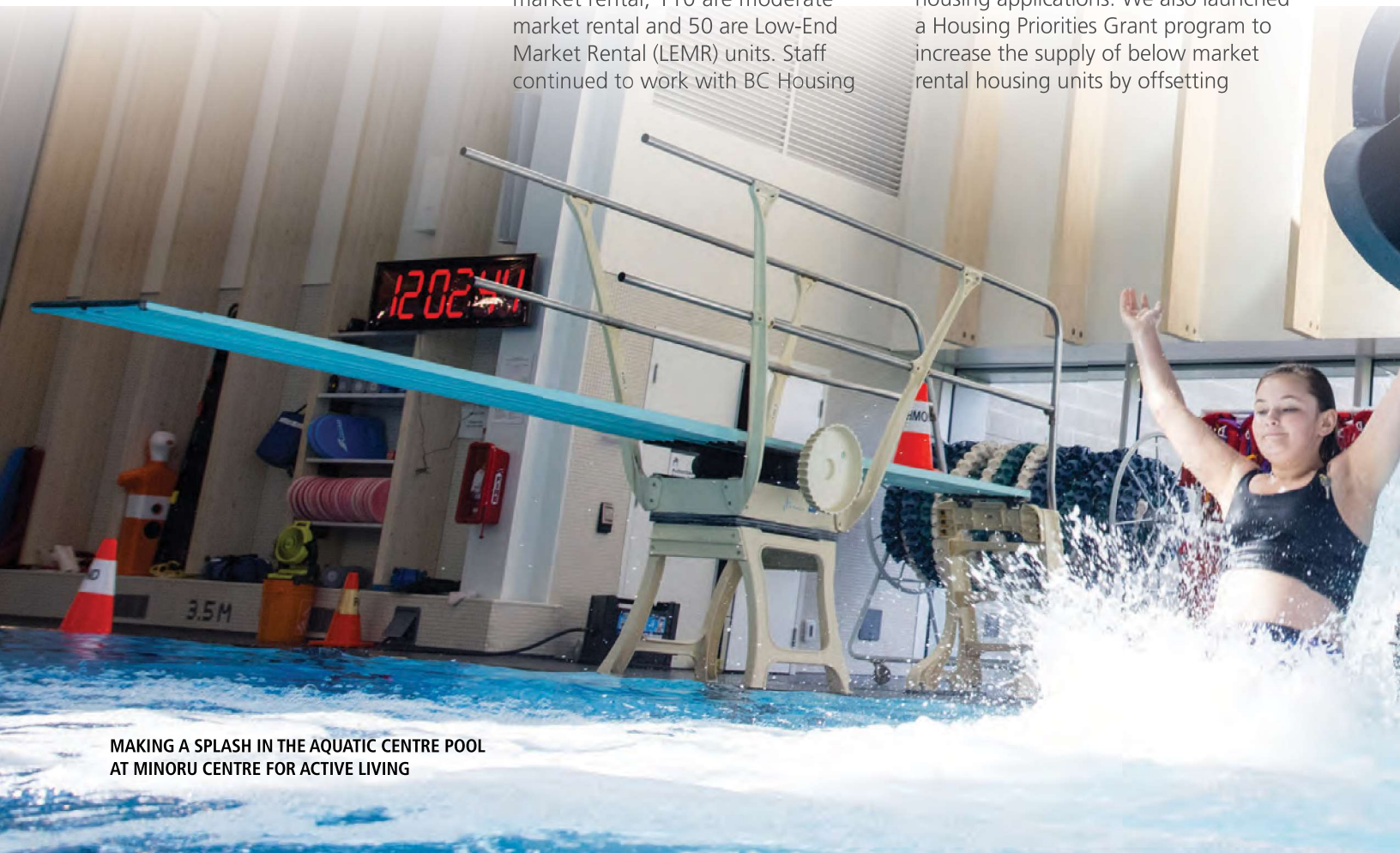


I am pleased to present the City of Richmond's 2024 Annual Report. It details our strong financial position and highlights many of the strategic and operational initiatives that continue to make Richmond one of Canada's most appealing, livable and well-managed communities.

At the heart of a strong, vibrant community is housing, and the City remained firmly committed to providing the housing options necessary to meet current and future needs. Particular emphasis was placed on providing more affordable housing and expanding rental options for residents. A development permit was issued for a 100 per cent rental housing development on Azure Road that includes 330 rental units, of which 170 units are market rental, 110 are moderate market rental and 50 are Low-End Market Rental (LEMR) units. Staff continued to work with BC Housing

to redevelop the Rosewood Village site at No. 2 Road and Blundell Road to provide another 100 per cent rental housing development, this one with 830 units. We also established a City-operated Housing Office and enabled construction of 546 LEMR units with another 895 LEMR units secured through conditional planning approvals.

City staff successfully partnered with other levels of government to source funds for housing to support Richmond residents. We secured \$35.9 million in grant funding from Canada Mortgage and Housing Corporation's Housing Accelerator Fund to speed up the delivery of housing and affordable housing units in the city by implementing a fast-track review process for purpose-built rental housing applications. We also launched a Housing Priorities Grant program to increase the supply of below market rental housing units by offsetting



MAKING A SPLASH IN THE AQUATIC CENTRE POOL
AT MINORU CENTRE FOR ACTIVE LIVING

developer costs. Partnership funding saw construction of two key housing projects – the Pathways 80-unit affordable rental housing project at No. 2 Road, and a 25-unit affordable rental housing building for women and women with children. Both are expected to open in 2025.

Richmond remains among the healthiest communities in Canada. We have the highest life expectancy, and were named British Columbia's Most Active Community in 2024 for the second time. Being a healthy community takes commitment. It requires long-term investment, as well as having state-of-the-art facilities and programs to meet diverse needs and build a sustainable future.

Fitness, aquatics and other activities attracted in excess of 1.7 million paid visits in 2024, while construction continued on the replacement Bowling Green Community Activity Centre in Minoru Park, and the replacement

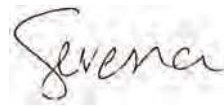
Steveston Community Centre and Library. Both will add to the array of quality, award-winning facilities, arenas and outdoor spaces that make our city one of the region's "go to" destinations.

None of these achievements would have been possible without the hard work and commitment of our 2,600 staff and the many volunteers who remained dedicated and focused on improving the lives of everyone in Richmond. That success is not without challenges. Residents without stable housing and living with mental health challenges and addictions remain an area of focus, whether it be by directly providing programs and services to support the population, or ongoing work with other levels of government and stakeholders to recognize their role and responsibilities.

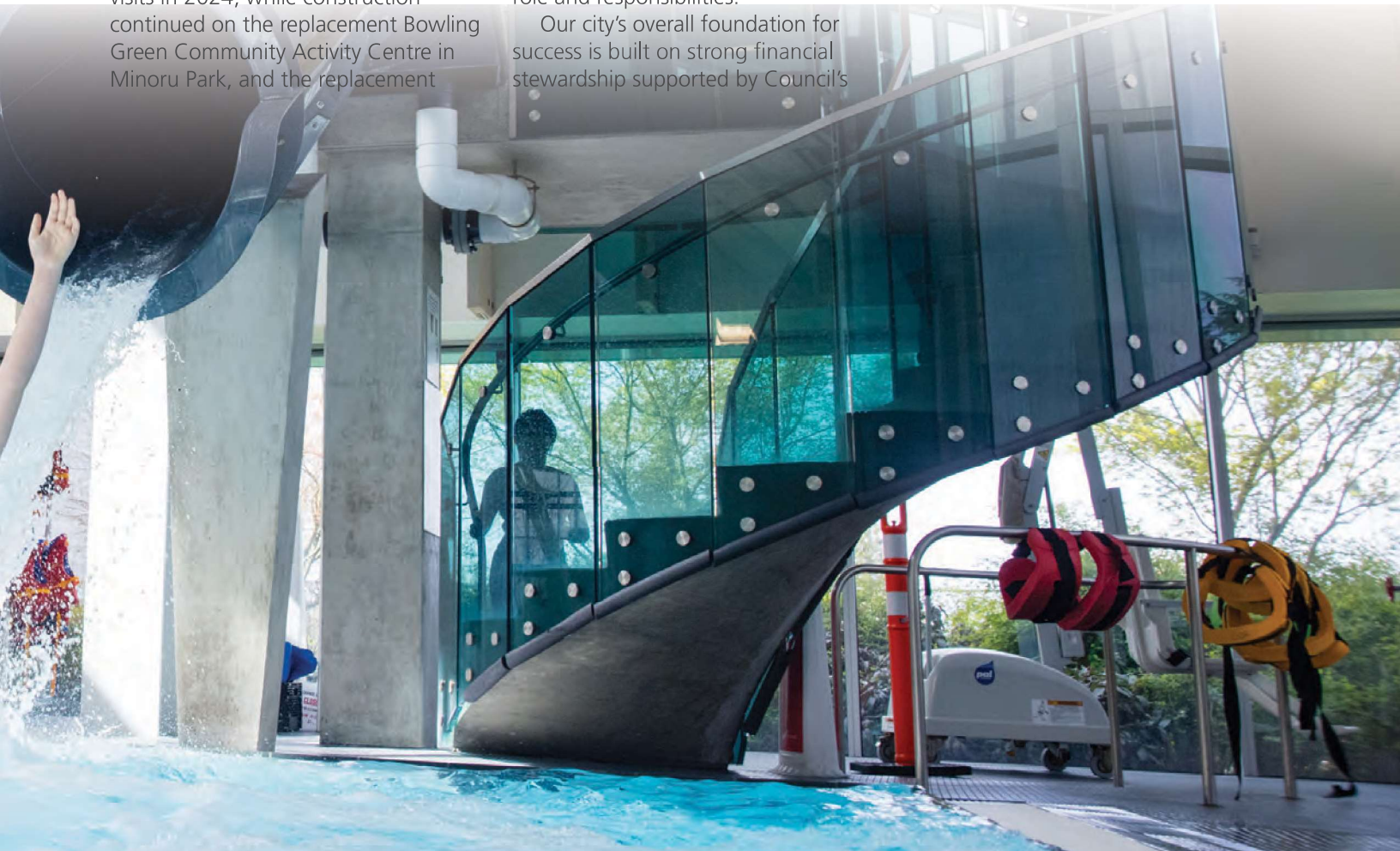
Our city's overall foundation for success is built on strong financial stewardship supported by Council's

Long Term Financial Management Strategy. It has enabled us to maintain effective and responsive service levels so Richmond remains a strong, diverse community that provides value for taxpayers, and that people of all backgrounds are proud to call home.

As Chief Administrative Officer, I am proud of the commitment to improving the well-being of the community and thank everyone for their continued efforts in support of our residents and businesses.



Serena Lusk
Chief Administrative Officer



CONSTRUCTION OF THE AFFORDABLE RENTAL HOUSING
BUILDING FOR WOMEN AND WOMEN WITH CHILDREN.





2024 Achievement highlights

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

The City of Richmond's objectives and success indicators are expressed through the Council Strategic Plan. Soon after Council began its four-year term in October 2022, it undertook a strategic planning process to help fulfill its governance role and achieve a successful term of office. Through that process, Council adopted a new set of six Strategic Focus areas, which provided the framework for the City's programs and services during 2024.



1. PROACTIVE IN STAKEHOLDER AND CIVIC ENGAGEMENT

Keeping citizens connected and informed is essential to Richmond's strategy of remaining a strong and resilient community. The City coordinated a variety of initiatives in 2024 to engage residents as well as recognize and embrace their culture and identity. Over 47,000 people followed the City's various social media channels, a 16 per cent increase from the previous year. The online Let's Talk Richmond engagement platform had a record-breaking year, with over 6,500 people participating in almost 40 online projects. A series of public open houses on provincial housing Bills 44 and 47 attracted several thousand residents eager to learn more about how the government-enforced rezoning legislation would impact their properties and community. Partnerships with other levels of government and stakeholders further strengthened City programs and infrastructure. Richmond received almost \$16 million in grants and funding contributions for disaster mitigation, emergency preparedness, climate adaptation, and active transportation. The Federal Government, through Canada Mortgage and Housing Corporation, awarded Richmond \$35.9 million from the Housing Accelerator Fund to support new affordable housing initiatives and expedite new builds. A further \$1.8 million from the provincial and federal governments supported the Minoru Lakes Phase Two development for canal enhancements, storm water management and pathway improvements to reinforce the area as one of the city's key attractions. Accessibility improvements at Minoru Centre for Active Living were completed with support of an \$82,000 grant from the Rick Hansen Foundation, and a \$25,000 federal New Horizons for Seniors Program grant helped to facilitate two new Age-Friendly Neighbourhood Groups in Cambie/East Richmond and Hamilton.

2. STRATEGIC AND SUSTAINABLE COMMUNITY GROWTH

Capital investment is essential to maintain strong infrastructure and construction, with 2024 becoming a record year for the development sector in Richmond. Building Approvals processed and issued permits with a construction value of over \$1.2 billion—the first time in the City's history that the level of proposed construction has eclipsed the one-billion-dollar level. The largest portion of this new and future construction is multi-family development, with Development Permits issued for over 1,930 new dwellings. Among these were 200 market rental, 130 Low-End Market Rental (LEMR) and 110 below market rental units. Council also paved the way for rezoning applications for approximately 1,500 more new units including 160 market rental and 150 LEMR units. Supporting the local economy remained a priority, especially

amidst looming pressures from international trading partners. Richmond awarded almost \$90 million in construction contracts, including heating, ventilation and air conditioning (HVAC) upgrades and community improvements, to local vendors, and further expanded the MyPermit system to enable plumbing, gas and fire suppression sprinkler permits to be completed 24/7 online. Around 400 such trade permits were issued in the first few months of operation, with the system expanding to encompass Building Permits for single-family and duplex renovations and rezoning applications in the coming year. Richmond's economy remained strong in 2024 with over 14,000 licensed businesses employing more than 125,000 workers. Business licences increased 6.2 per cent from the previous year, driven mainly by applications for new businesses and fewer post-pandemic closures.

3. A SAFE AND PREPARED COMMUNITY

Richmond remains one the region's safest communities thanks to Council's continued investment in community safety. Almost half the City budget is designated to public safety, and ongoing infrastructure funding provides safety from weather extremes. Richmond Fire-Rescue responded to over 12,500 calls, while property and violent crime remained below regional averages. Robberies declined 13 per cent, commercial break and enters dropped 22 per cent, and drug offences fell 56 per cent. The City-funded Fox 80 Mental Health car, operated in partnership with Vancouver Coastal Health, handled almost 3,100 files and calls for service in 2024. The RCMP Vulnerable Persons Unit continued to conduct outreach to those without a home, working alongside staff from the Ministry of Social Development and Poverty Reduction. This team made over 1,650 proactive wellness checks and provided information on support services. The Yankee 30 Youth Partnership car, a collaboration between the RCMP Youth Section and Ministry of Children and Family Development to support at-risk youth, handled over 1,100 files and calls. As weather patterns change, it is more important than ever for Richmond to maintain its investment in infrastructure. Almost five kilometres of watermains were replaced throughout the city, including over 1,930 metres of storm and sanitary mains in Burkeville, along with 17 catch basins, 140 lawn basins, 25 manholes and 1,210 metres of road paving. This infrastructure investment was vital when a significant rainstorm hit the region in October, dropping over 170 millimetres of rain in Richmond in three days—more than the catastrophic November 2021 atmospheric river. Upgrades and long-term mitigation efforts led to minimal property flooding, as City crews maintained the City's 858 kilometres of drainage pipes, 61 kilometres of culverts, 165 kilometres of channelized watercourses and 39 drainage pump stations.

BUILDING THE NEW COMMUNITY GARDEN AT ALEXANDRA COMMUNITY PARK.

4. RESPONSIBLE FINANCIAL MANAGEMENT AND GOVERNANCE

City staff continually review programs and services to identify improvements and efficiencies without compromising service levels. Property taxes remained among the lowest in the region, despite funding pressures from other agencies and levels of government. The City received over \$44.8 million in development cost charges in 2024, providing support for a variety of current and future amenities to benefit our growing communities. Despite shifting exchange rates and industry labour unrest, Richmond remained a popular destination for film and television production. Over \$165,000 in service/location charges were processed, and series such as Tracker (CBS) and Avatar: The Last Airbender (Netflix) were among the 48 productions shot in the city. Responsible governance means effective representation, and Council responded proactively to enforced provincial legislation which rezoned single-family neighbourhoods to encourage multi-family developments. To protect against infrastructure overload and poor planning, Council successfully obtained an extension from Bill 44 for Steveston so that essential infrastructure work can be completed prior to the implementation of small-scale multi-unit housing in the area. It also successfully removed 11 properties in Burkeville from the Bill 47 (Transit-Oriented Area) designation that would have resulted in the creation of multi-unit development with no residential parking and other requirements.

5. A LEADER IN ENVIRONMENTAL SUSTAINABILITY

An award-winning leader and advocate for environmental sustainability, the City continued to invest in technology and processes to reduce greenhouse gases, waste and other impacts. Lulu Island Energy Company achieved another successful year delivering reliable service and competitive rates to customers. It connected over 430,000 square feet of floor area to the grid in the first phase of the Richmond Centre development in 2024, providing residents with environmentally sustainable low carbon heating, cooling and hot water. It now services 31 buildings comprising almost 7,000 residential units, and reduced over 20,000 tonnes of greenhouse gas emissions to date. The City's Recycling Depot at Lynas Lane remained a core resource for recycling and waste recovery. Operating seven days a week, the depot assisted almost 250,000 residents—the equivalent of one user every 47 seconds. The depot diverted 216 tonnes of electronic devices, 200,880 litres of paint and 1,691 tonnes of yard waste from the landfill. Richmond businesses also gained access to a new Business Recycling Resources Program to assist and support local companies to better assess their waste management needs and understand their options for

more responsible handling of waste and recycling materials. Richmond's innovative Reclaimed Asphalt Pavement (RAP) program expanded, reflecting the City's Circular Economy Strategy and reducing its carbon footprint with over 2,300 tonnes of hot-mix 40 per cent RAP used to pave Westminster Highway between No. 3 Road and Gilbert Road. The City also partnered with Urban Bounty, a non-profit promoting food security, to open 36 new community garden plots at Alexandra Community Park. It became one of 16 community garden sites across the city. Parks staff planted over 28,000 seasonal plants, 68,000 bulbs and 2,339 trees throughout 871 hectares of park space to keep Richmond green.

6. A VIBRANT, RESILIENT AND ACTIVE COMMUNITY

One of Canada's most culturally diverse communities, Richmond is also one of its healthiest. Named once again as British Columbia's Most Active Community, over 102,000 people registered for programs and classes ranging from dance to pottery to gardening in 2024. There were more than 1.7 million paid visits for fitness, aquatics and other activities, an increase of almost five per cent from the previous year and around 5,300 per day. Council's belief that income should not be a barrier to health and fitness was evident through the Recreation Fee Subsidy Program that provides a low-cost facility pass for eligible individuals and families. Over 3,900 people registered in 2024, with around 60 per cent of all registrations coming from children. Richmond Public Libraries saw over one million visits and 2.7 million items checked out by 152,000 members. The City's population has grown six per cent since 2021, with 60 per cent of residents self-identifying as immigrants. Richmond's Cultural Harmony Plan—the first of its kind in Canada—remains a foundation for bringing diverse cultures together and strengthening a sense of community. Reports of hate crimes and hate incidents continued to decline, with zero hate crimes reported and only 11 hate incidents—a 57 per cent decrease since 2022—reported. Eight new art murals were installed in keeping with the City's Arts Strategy, and annual festivals continued to bring the community and visitors together. Over 80,000 people attended the 77th annual Steveston Salmon Festival in July while 35,000 visited the 21st annual Richmond Maritime Festival in August. Council endorsed a five-year event plan to support expanded opportunities for community involvement and highlight Richmond's rich heritage, which will see the agriculturally-focused Farm Fest at Garden City Lands return in 2025, along with a new multicultural festival in the coming years.

Richmond looks ahead with vision and optimism

Richmond is among Canada's most diverse and picturesque communities. Located between the north and south arms of the Fraser River, its population includes residents from over 180 different ethnic or cultural backgrounds. More than 80 per cent identify as being from a visible minority, with the predominant ethnic group being Chinese at over 54 per cent. Their cultural influence, along with those from other south Asian countries and elsewhere, is evident throughout Richmond in everything from manufacturing and retail, to shopping and dining.

Despite inflationary and other pressures, 2024 was a transformative year for Richmond as housing affordability took centre stage amidst economic challenges and uncertainty. Through a proactive approach to housing, public safety and sustainable practices, Richmond continued to build a strong and connected community.

With an emphasis on providing diverse housing options for residents, over 1,930 new units received development permits in 2024, and Council granted 3rd Reading to rezoning applications for a further 1,500 units. Once all these projects are complete and occupied, the City will see an extra 360 market rental, 280 Low-End Market Rental (LEMR) and 110 below market rental units in place.

Recognizing the need for rental options in an increasingly challenging real estate market, Council issued a development permit for a 100 per cent rental housing project of 330 units on Azure Road. Fifty of these will be LEMR units, further adding to Richmond's rental stock.

These increased options will assist in the ongoing housing challenges facing many residents, especially those experiencing or at risk of homelessness. Council supported several initiatives in 2024 to assist those without a home, including funding additional beds at the Salvation

Army Emergency Shelter on Horseshoe Way to increase its capacity to 35 men and 20 women; expanding the daytime Drop-in Centre in Brighthouse Park and operating hours for shelters at South Arm and Brighthouse Park; as well as creating a Richmond Homelessness Outreach Team to provide community-based street outreach.

Along with these much needed supports, the City continued to invest in many other areas and reinforce the commitment to keep Richmond a vibrant, resilient and active community. Among the healthiest cities in Canada, Richmond was named British Columbia's Most Active Community for the second time—evidence of the positive impact of ongoing investment in programs that recognize diversity, foster engagement and build a sense of community.

The City's various recreational facilities saw over 1.7 million paid visits in 2024, a five per cent increase from the previous year—and a figure that

PRIDE WEEK ZUMBA ON THE MINORU CENTRE FOR ACTIVE LIVING PLAZA





CITY MOURNS LONG-STANDING COUNCILLOR/ SCHOOL BOARD TRUSTEE

The City recognized the passing of long-standing Councillor Linda McPhail in August 2024. First elected to Council in 2011, Linda served three terms before announcing she would not be seeking re-election in 2022. Prior to that, she sat as a School Trustee with the Richmond Board of Education from 2002 to 2011, serving as Chair for seven years. While on Council, Linda served as Chair of both the Community Safety and Planning committees and was a member of the City's Finance, General Purposes, Public Works and Transportation, and Parks, Recreation and Cultural Services committees. She served on the Union of British Columbia Municipalities (UBCM) Executive as one of two regional representatives, as well as the Metro Vancouver Regional District Regional Culture committee and as the Mayor's alternate to the TransLink Mayors' Council. Outside of her elected roles, Linda was an active member of the community and a passionate volunteer, sitting on boards such as the Seafair Minor Hockey Association and Richmond Arenas Community Association and as a member of the local Hospital Auxiliary for over 20 years.

excludes involvement in sporting clubs, community groups and the internationally renowned Richmond Olympic Oval. The City's reputation as a go-to destination for sport and recreation saw it host several major provincial, national and international championship in sports such as lacrosse, soccer, dodgeball, volleyball, karate and climbing.

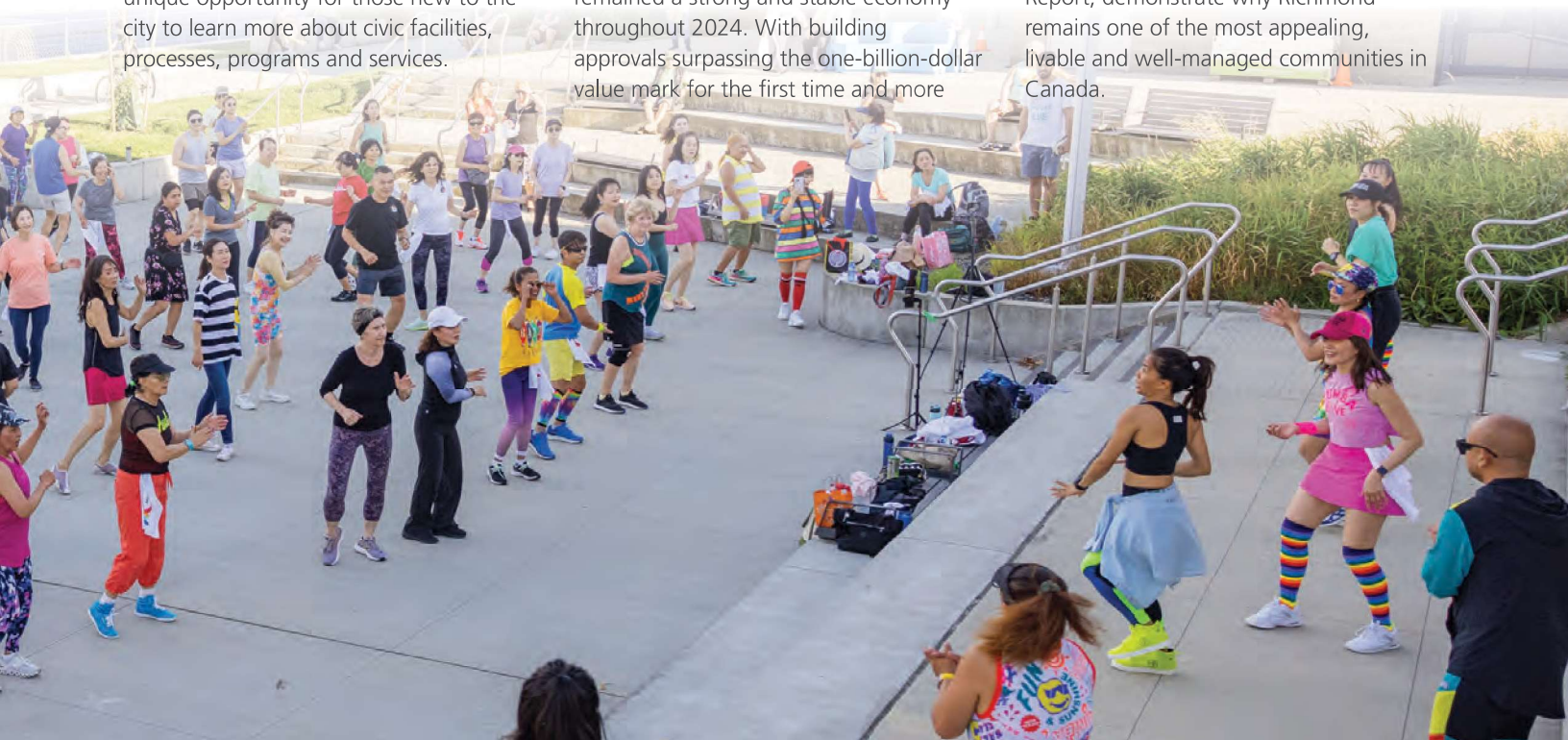
Over 230,000 people now call Richmond home, and our population has grown over six per cent since 2021. Almost 200 new residents were welcomed by the City's Newcomers Bus Tour in 2024, a unique opportunity for those new to the city to learn more about civic facilities, processes, programs and services.

Council provided approximately \$713,000 in Health, Social and Safety grants to non-profit community service organizations to enhance the social well-being of Richmond residents through a wide range of programs and services, while our Cultural Harmony Plan—the first of its kind in Canada—remained a foundation for bringing Richmond together and strengthening a sense of community.

With over 14,000 valid businesses—a 6.2 per cent jump from the previous year—and 125,000 jobs, Richmond remained a strong and stable economy throughout 2024. With building approvals surpassing the one-billion-dollar value mark for the first time and more

businesses looking to take advantage of the city's location and supportive programs, Richmond's economy is expected to continue to see steady growth in the coming year.

The City of Richmond continues to be a leader in the development and implementation of bold, innovative programs and strategies that recognize and reflect our character, heritage and reputation as a safe, sustainable and culturally diverse community. The many accomplishments and achievements of the past year, some of which are in this Annual Report, demonstrate why Richmond remains one of the most appealing, livable and well-managed communities in Canada.





SHOWCASING CIRCULAR ECONOMY
PRACTICES BY INSTALLING SOLAR PANELS
AT THE RICHMOND RECYCLING DEPOT



2024 Awards

A measurement of the City's success in achieving its goals are the honours and recognition from our peers and others. In 2024, Richmond again received numerous international, national and provincial awards recognizing our commitment to excellence and innovation.

PLANNING MAKES THE WORLD GO AROUND

Richmond's innovative Circular City Strategy was awarded the Silver Award for Excellence in Policy Planning in City and Urban Areas by the Planning Institute of British Columbia. The City aims to achieve a 100 per cent circular economy by 2050 and launched an online Circular Learning Hub to help educate on ways to reduce embodied carbon emissions and highlight opportunities for increased resource efficiency and the implementation of innovative solutions. The Planning Institute of British Columbia represents over 1,700 public and private sector planners in BC and the Yukon in fields such as land-use and development, municipal and regional planning, resource and environmental management, policy planning and law, heritage conservation, transportation planning, economic development, urban design and more.

AWARDS CONTINUED . . .

MAKING FRIENDS

Innovation and a commitment to customer service were key factors in Richmond receiving the 2024 NAIOP Award for the Most Business Friendly community. The award was the result of NAIOP's annual Cost of Business Survey, which identifies municipalities that excel in creating positive business environments. The City received the award in recognition that its fees and approval timelines for industrial development encourage the creation of industrial space which, in turn, support and welcome local businesses and the economy. NAIOP represents commercial real estate developers, owners and investors of office, industrial, retail and mixed-use properties with over 20,000 members across North America. It provides advocacy, education, communication, networking and business opportunities for real estate and related professionals within the commercial market.

A CUT ABOVE

The Canadian Federation of Independent Business named Richmond as the "One to Watch" in its 2024 Golden Scissors Awards for the MyBusiness and MyPermit online service portals. MyBusiness, launched in 2023, enables applications, management and payment of business licences anytime, anywhere. MyPermit, launched in 2024, allows access to plumbing, gas and sprinkler trades permits as well as service agreements. The City was recognized for the impact these online portals have in reducing administrative burdens and streamlining how businesses interact with the City. The Canadian Federation of Independent Business is Canada's largest non-profit organization devoted to creating and supporting environments for small business, with over 100,000 members.



POPPING UP FOR THE COMMUNITY

The City received an Honourable Mention from the Union of British Columbia Municipalities (UBCM) for its innovative Community Service Pop-Ups. Held in libraries and other public spaces, the City-led pop up sessions have linked over 1,750 residents with lower incomes and other challenges to a variety of community-based resources and supports. The UBCM represents and supports local governments across British Columbia on issues such as advocacy, policy development and implementation, and administration of the Community Charter.

AN OPEN BOOK

For the 22nd straight year, the Government Finance Officers Association of the US and Canada presented Richmond with the Canadian Award for Financial Reporting. The award recognizes the City's success in producing a high standard report that demonstrates a constructive spirit of disclosure and clearly communicates the municipality's financial story.



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, 2023

Christopher P. Morill

Executive Director/CEO

COMMUNITY SERVICES POP-UP AT BRIGHOUSE LIBRARY

REPORT FROM THE GENERAL MANAGER, FINANCE AND CORPORATE SERVICES

I am pleased to submit the Consolidated Financial Statements and Auditors' Report for the fiscal year ended December 31, 2024 for the City of Richmond, pursuant to Section 98 and 167 of the Community Charter. The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards as prescribed by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Preparation of the financial statements is management's responsibility.

KPMG LLP was appointed by City Council to independently audit the City's consolidated financial statements. They have expressed an opinion that the City's consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City of Richmond as at December 31, 2024 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.

These financial statements combine the accounts of the City of Richmond, Richmond Olympic Oval, and Richmond Public Library (collectively referred to as the "City"), as well as the City's investment in Lulu Island Energy Company, which is accounted for as a Government Business Enterprise.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IN \$000S)

	2024 Actual	2023 Actual	Change
Financial Assets	\$1,944,281	\$1,842,941	\$101,340
Liabilities	731,813	717,366	14,447
Net Financial Assets	1,212,468	1,125,575	86,893
Non-Financial Assets	2,852,079	2,705,957	146,122
Accumulated Surplus	\$4,064,547	\$3,831,532	\$233,015

The City's overall financial position improved by \$233.0 million, with accumulated surplus (similar to net worth of a corporation) totaling \$4.1 billion. A significant part of this increase is due to additions to capital assets and transfers to the statutory reserves for future capital improvements.

The City's cash and investments are \$1.8 billion while long-term debt decreased by \$9.5 million mainly due to the reduction of the loan for the construction of Minoru Centre for Active Living (final payment in 2024). Meanwhile, the City's tangible capital assets increased by \$146.0 million, which includes \$31.1 million of in-kind contributions from development as conditions of rezoning.

CONSOLIDATED STATEMENT OF OPERATIONS (IN \$000S)

	2024 Budget	2024 Actual	2023 Actual
Revenue	\$702,207	\$814,484	\$747,938
Expenses	620,634	581,469	545,575
Annual Surplus	\$81,573	\$233,015	\$202,363

The City's consolidated revenue for the year totaled \$814.5 million, an increase of \$66.5 million from 2023 mainly due to increased investment income, development cost charges and other revenue related to developer reserve contributions, including funds received for Capstan Canada Line Station and City Centre facilities.

Expenses increased by \$35.9 million from the prior year, primarily due to wage and salary increases under the new collective agreement, higher contract costs for community safety, and increased expenses for supplies and materials related to the Rapid Housing Grant and water purchases from Metro Vancouver.

The annual surplus for 2024 was \$233.0 million, including an operating surplus of \$5.7 million. The remainder of the annual surplus represents the change in investment in tangible capital assets, reserves and other items in accumulated surplus.

FINANCIAL SUSTAINABILITY

The City's consolidated financial position improved in 2024, supported by continued increases in investment returns. The guiding principles of Council's Long Term Financial Management Strategy continue to support the City in achieving its long-term goals and maintaining financial sustainability to deliver on Council priorities.

Respectfully submitted,

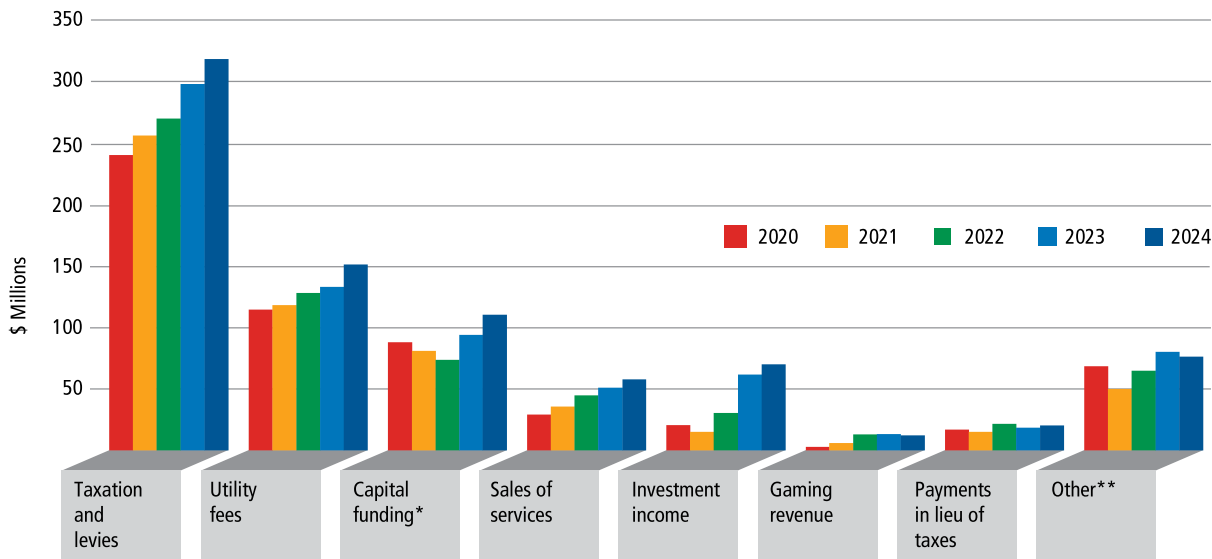


Jerry Chong, CPA, CA
General Manager, Finance and Corporate Services
May 12, 2025



 THE NORTHERN LIGHTS SHINING
ABOVE THE WEST DYKE TRAIL
PHOTO BY DOMINIC TONG, BYLAW LIAISON
OFFICER 1, COMMUNITY BYLAWS
CITY EMPLOYEE SINCE 2015

REVENUE BY SOURCE 2020–2024

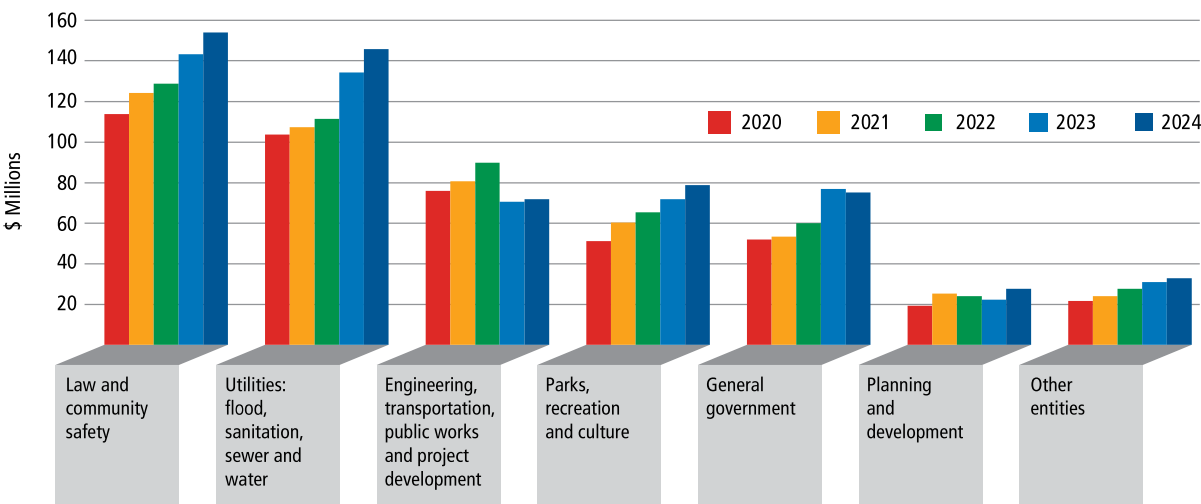


Source: City of Richmond Finance and Corporate Services

* Capital funding includes: Development cost charges and other capital funding sources.

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

EXPENSES BY FUNCTION 2020–2024



Source: City of Richmond Finance and Corporate Services

10-YEAR TREND FOR ACCUMULATED SURPLUS

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
\$2,731,194	\$2,848,428	\$2,956,129	\$3,141,090	\$3,239,342	\$3,384,206	\$3,487,887	\$3,629,169	\$3,831,532	\$4,064,547

229,781
2024 POPULATION

November 10, 1879
INCORPORATED AS MUNICIPALITY

Richmond at a glance

December 3, 1990
DESIGNATED AS CITY OF RICHMOND

129.27
SIZE OF CITY IN
SQUARE KM

17
ISLANDS COMPRISING
THE CITY



Fast facts

1.2 billion
NEW CONSTRUCTION VALUE
IN 2024

49
KILOMETRES OF DIKES FOR
FLOOD PROTECTION

136
KILOMETRES OF WALKING,
ROLLING AND CYCLING TRAILS

830
HECTARES OF CRANBERRY
FIELDS IN PRODUCTION

39
PUMP STATIONS THAT CAN
DISCHARGE 1.4 MILLION US
GALLONS OF WATER PER
MINUTE—THE EQUIVALENT
OF OVER TWO OLYMPIC
SWIMMING POOLS

80
IDENTIFIED HERITAGE
BUILDINGS OR SITES IN
RICHMOND

60.3
PERCENTAGE OF THE CITY'S
POPULATION BORN OUTSIDE
OF CANADA

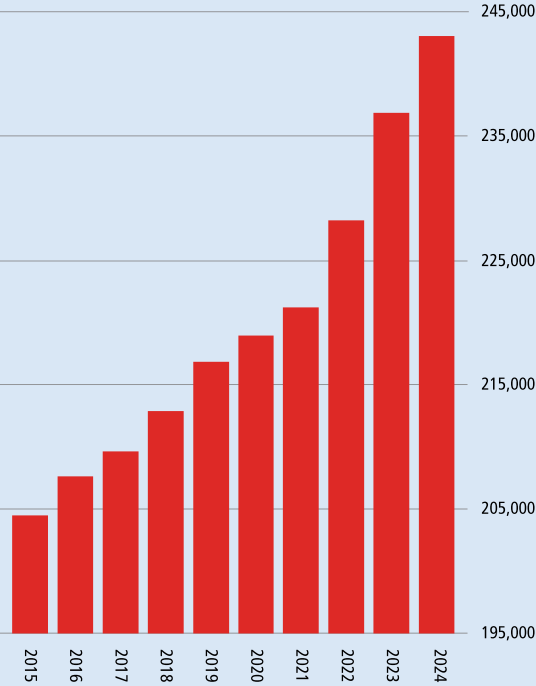
871
HECTARES THAT MAKE
UP THE CITY'S 140 PARKS

1.7 million+
PAID VISITS FOR FITNESS,
AQUATICS AND OTHER
ACTIVITIES IN 2024

39
PERCENTAGE OF THE CITY
WITHIN THE AGRICULTURAL
LAND RESERVE (ALR)

250,000
RESIDENTS WERE SERVED AT
THE RICHMOND RECYCLING
DEPOT IN 2024—THE
EQUIVALENT OF ONE USER
EVERY 47 SECONDS

CITY OF RICHMOND POPULATION 2015–2024

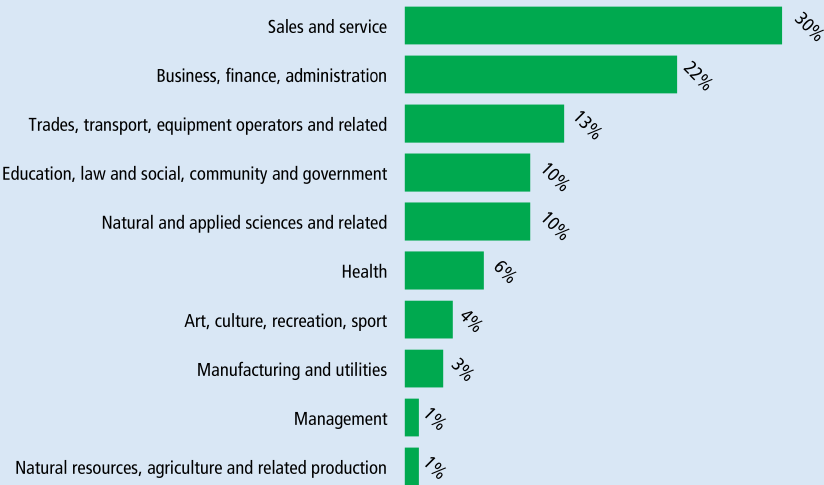


MAJOR EMPLOYERS IN RICHMOND 2024*

- Air Canada
- Allied Universal
- Amazon Canada
- Change Healthcare
- City of Richmond
- London Drugs
- MDA Systems
- Paladin Airport Security Services Ltd.
- Richmond School District No. 38
- River Rock Casino Resort
- Vancouver Coastal Health
- WorkSafeBC

*in alphabetical order

OCCUPATIONS OF RICHMOND RESIDENTS



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

MAJOR SERVICES PROVIDED BY THE CITY OF RICHMOND

ADMINISTRATION

Includes the office of the Chief Administrative Officer who oversees the overall administration of the City's operations. Also includes People and Culture, Intergovernmental Relations, Corporate and Strategic Planning and the Corporate Programs Management Group.

DEPUTY CAO OFFICE

The Deputy Chief Administrative Officer oversees key operational priorities with direct oversight of Facility Services, Project Development, Works Yard Planning, the Housing Office and the Lulu Island Energy Company.

LAW AND COMMUNITY SAFETY

Brings together the City's public safety providers including RCMP, Fire-Rescue, Emergency Programs, Community Bylaws, Animal Protection Services, Business Licences and the Law Department.

PARKS, RECREATION AND CULTURE

Provides services to create and engage healthy, active communities such as Parks Services, Recreation and Sport Services, Arts, Culture and Heritage Services, Community Services Planning and Projects, and Corporate Communications and Marketing.

ENGINEERING AND PUBLIC WORKS

The Engineering and Public Works Departments deliver public works services, utilities and their maintenance, engineering planning, design and construction, as well as climate and environment programs and transportation planning and operations.

FINANCE AND CORPORATE SERVICES

Includes Finance, Business Services, Information Technology, Real Estate Services and the City Clerk's Office.

PLANNING AND DEVELOPMENT

Includes the Policy Planning, Development Applications, Building Approvals and Community Social Development Departments.



GOLDEN HOUR EMBRACES BRITANNIA SHIPYARDS,
CASTING A WARM GLOW ON HISTORY
PHOTO BY ANDRE DIONNE, PARKS TURF TECHNICIAN, PARKS OPERATIONS
CITY EMPLOYEE SINCE 2022

CITY OF RICHMOND CONTACTS

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

CITY OF RICHMOND

6911 No. 3 Road
Richmond, BC V6Y 2C1
Phone: 604-276-4000
Email: InfoCentre@Richmond.ca

richmond.ca

 @CityofRichmondBC
 @Richmond_BC
 @CityofRichmondBC
 /CityofRichmondBC
 @cityofrichmondbc

GATEWAY THEATRE

6500 Gilbert Road
Richmond, BC V7C 3V4
Phone: 604-270-6500
Box Office: 604-270-1812

GatewayTheatre.com

 @GatewayThtr
 @GatewayThtr
 @GatewayThtr

LULU ISLAND ENERGY COMPANY






6911 No. 3 Road
Richmond, BC V6Y 2C1
Phone: 604-276-4011
Email: Info@LuluIslandEnergy.ca

LuluIslandEnergy.ca

RICHMOND PUBLIC LIBRARY

100-7700 Minoru Gate (Brighthouse Branch)
Richmond, BC V6Y 1R8
Library Hours Line: 604-231-6401




YourLibrary.ca

 @YourLibraryRichmond
 @RPLBC
 @RPLBC
 /YourLibraryRichmond
 Account: RPLYourlibrary1

RICHMOND OLYMPIC OVAL

6111 River Road
Richmond, BC V7C 0A2
Phone: 778-296-1400
Email: Info@RichmondOval.ca

RichmondOval.ca

 @RichmondOval
 @RichmondOval
 @RichmondOval



City of Richmond

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

Telephone: 604-276-4000

richmond.ca

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City of Richmond

Report to Committee

To: Finance Committee
From: Mike Ching, CPA, CMA
Director, Finance
Date: May 5, 2025
File: 03-0975-01/2025-Vol
01
Re: **Active Capital Projects Financial Update – 1st Quarter March 31, 2025**

Staff Recommendation

That the staff report titled, “Active Capital Projects Financial Update – 1st Quarter March 31, 2025”, dated May 5, 2025 from the Director, Finance, be received for information.

Mike Ching, CPA, CMA
Director, Finance
(604-276-4137)

Att. 1

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE
Arts, Culture & Heritage Admin	<input checked="" type="checkbox"/>	RCMP <input checked="" type="checkbox"/>
Climate & Environment	<input checked="" type="checkbox"/>	Real Estate Services <input checked="" type="checkbox"/>
Engineering	<input checked="" type="checkbox"/>	Parks, Recreation & Culture Admin <input checked="" type="checkbox"/>
Facility Services & Project Development	<input checked="" type="checkbox"/>	Transportation <input checked="" type="checkbox"/>
Fire Administration	<input checked="" type="checkbox"/>	
Information Technology	<input checked="" type="checkbox"/>	
Parks Services	<input checked="" type="checkbox"/>	
Public Works	<input checked="" type="checkbox"/>	
		CONCURRENCE OF GENERAL MANAGER
SENIOR STAFF REPORT REVIEW	INITIALS: 	APPROVED BY CAO

Staff Report

Origin

The Active Capital Projects Financial Update for the 1st Quarter ended March 31, 2025 is provided to the Finance Committee for information.

This report supports Council's Strategic Plan 2022-2026 Focus Area #4 Responsible Financial Management and Governance:

Responsible financial management and efficient use of public resources to meet the needs of the community.

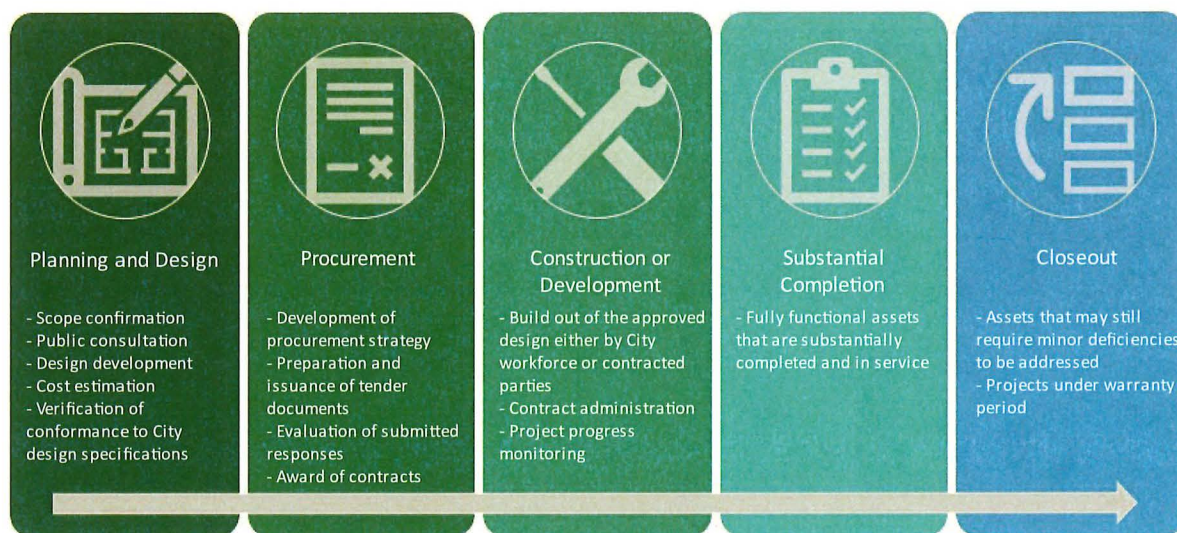
4.3 Foster community trust through open, transparent and accountable budgeting practices and processes.

Analysis

ACTIVE CAPITAL PROJECT DEFINITION

Council approves the budget for each capital project before its initiation. For the purposes of this report, a capital project is considered active if it falls within any of the stages outlined in Figure 1.

Figure 1: Capital Project Completion Stages



Capital projects include amounts set aside for land acquisition where Council approval is required for each specific land acquisition transaction.

FINANCIAL OVERVIEW

The unaudited actual capital expenditures are primarily reported based on the receipt of invoices. As a result, there may be a timing difference between when costs are incurred and when they are reported.

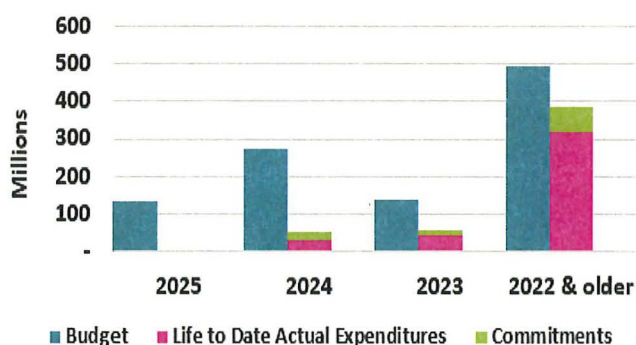
As of March 31, 2025, the approved budget for all active capital projects excluding the contingent external contribution project was \$1,039.0M of which \$496.2M, or 47.8%, has already been spent or contractually committed. Any unspent budget for each active capital project will remain allocated until the project is closed.

Table 1 highlights the capital financial information by program. The total budgets for the Building and Infrastructure Programs are \$460.4M and \$351.1M, respectively, representing 78.1% of the overall capital budget. As the active capital projects progress, additional expenditures and commitments will arise in future periods, which will be covered by the remaining budget. As of March 31, 2025, the total actual expenditures for active capital projects amounted to \$393.1M.

Table 1: Capital Financial Information by Program as of March 31, 2025 (in '000s)

Program	Budget	Actual Expenditures	Commitments	Remaining Budget
Building	\$460,419	\$164,495	\$76,205	\$219,719
Infrastructure	351,113	144,737	17,942	188,434
Land	103,386	32,786	-	70,600
Parks	50,859	32,180	2,369	16,310
Equipment	54,479	13,290	5,102	36,087
Information Technology	18,767	5,650	1,443	11,674
Total	\$1,039,023	\$393,138	\$103,061	\$542,824

Figure 2: Capital Financial Information by Plan Year as of March 31, 2025



Included in capital projects with Plan Years 2022 and prior are the Steveston Community Centre and Library and the Steveston Highway Multi-Use Pathway (Mortfield Gate to No. 2 Road) projects, both of which are in the construction phase, Steveston Highway Multi-Use Pathway (Shell Road to Mortfield Gate) is substantially completed, and the real estate acquisition projects (2021 to 2022) are anticipated to be completed within this year.

FINANCIAL INFORMATION BY CAPITAL PROGRAM

Building Program

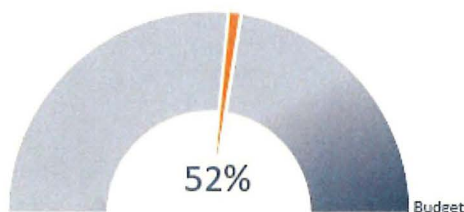


Figure 3: Life-to-Date Actual Expenditures and Commitments Compared to Budget

- Total approved budget for the Building Program is \$460.4M, of which \$240.7M has already been spent or contractually committed.
- Commitments as of March 31, 2025 were \$76.2M.
- Current year capital expenditures were \$7.6M.

Key capital projects are highlighted in Table 2, with project status updates provided in Attachment 1.

Table 2: Key Capital Project Highlights – Building Program as of March 31, 2025 (in '000s)

Project Name	Budget	Actual Expenditures	Commitments	Remaining Budget
Steveston Community Centre and Library (2021)	\$95,000	\$23,790	\$51,483	\$19,727
Works Yard Replacement Project– Phase 1 (2023 & 2024)	100,000	5,829	5,567	88,604
Bowling Green Community Activity Centre (2018)	5,300	2,966	1,850	484
Fire Hall No. 5 System Renewals (2023)	700	55	447	198
Steveston and South Arm Outdoor Pool Renewals (2024)	4,300	35	15	4,250
West Richmond Pavilion (2024)	19,850	45	1,189	18,616

Steveston Community Centre and Library Financial Update

Actual expenditures totaled \$23.8M, primarily spent on site preparation, design services and construction activities. The total commitments as of March 31, 2025 were \$51.5M, with \$48.9M related to the construction management contract for the new facility, on-site and off-site civil work, and landscaping.

Works Yard Replacement Project – Phase 1 Financial Update

A total of \$100.0M has been approved for the Works Yard Replacement Phase 1 project to date. The actual expenditures were \$5.8M, including the initial environmental assessments, operations centre set up, office relocations, community engagements and demolition of old trailers. As of March 31, 2025, commitments were \$5.6M for space planning, site investigations, architectural services, and a construction manager for pre-construction services.

West Richmond Pavilion Financial Update

This project is currently at the conceptual design stage. The total commitments as of March 31, 2025 were \$1.2M related to the design services and contract administration.

Infrastructure Program

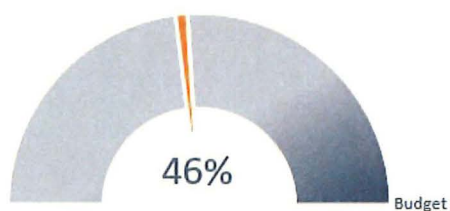


Figure 4: Life-to-Date Actual Expenditures and Commitments Compared to Budget

- Within the Infrastructure Program, the actual expenditures and commitments compared to budget for each sub-program is broken down as follows:
 - Roads Program – 62%
 - Water Program – 43%
 - Flood Protection Program – 33%
 - Sanitary Sewer Program – 29%
- Commitments as of March 31, 2025 were \$17.9M.
- Current year capital expenditures were \$5.7M.

Key capital projects are highlighted in Table 3, with project status updates provided in Attachment 1.

Table 3: Key Capital Project Highlights – Infrastructure Program as of March 31, 2025 (in '000s)

Project Name	Budget	Actual Expenditures	Commitments	Remaining Budget
Active Transportation Improvement Program (2022)	\$1,517	\$942	\$34	\$541
Annual Asphalt Re-Paving Program (2025)	6,309	-	-	6,309
Steveston Highway Multi-Use Pathway – Phases 1 & 2: Shell Road to Mortfield Gate & Mortfield Gate to No. 2 Road (2019 & 2020)	11,500	8,070	1,885	1,545
Steveston Highway Multi-Use Pathway, No 2 Road to Railway Avenue (2023)	5,700	28	1,927	3,745
Burkeville Utility Improvements (2025)	3,000	-	-	3,000
Canal Stabilization and Drainage and Irrigation Upgrades (2023)	3,000	2,137	22	841
Disaster Mitigation and Adaptation Fund Infrastructure Upgrades (2020-2024)	25,216	8,275	725	16,216
Invasive Species Management (2020, 2022-2025)	1,425	573	67	785
Laneway Drainage Upgrades (2025)	1,816	19	4	1,793
Watermain Replacement Upgrades Program (2023)	4,017	1,224	-	2,793

Parks Program

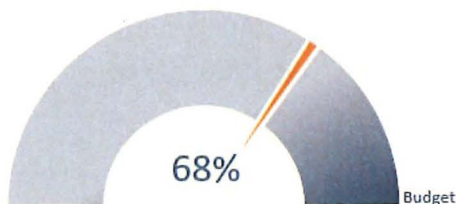


Figure 5: Life-to-Date Actual Expenditures and Commitments Compared to Budget

- Total approved budget for the Parks Program is \$50.9M, of which \$34.5M has already been spent or contractually committed.
- Commitments as of March 31, 2025 were \$2.4M.
- Current year capital expenditures were \$0.6M.

Key capital projects are highlighted in Table 4, with project status updates provided in Attachment 1.

Table 4: Key Capital Project Highlights – Parks Program as of March 31, 2025 (in '000s)

Project Name	Budget	Actual Expenditures	Commitments	Remaining Budget
Brighthouse Park Baseball Diamond Infield Upgrade (2024)	\$520	\$153	\$367	\$-
Burkeville Neighbourhood Park Redevelopment (2024)	600	-	-	600
Minoru Lakes Renewal: Phase 2 (2024)	2,500	82	81	2,337
No. 3 Road Bark Park (2024)	385	298	11	76
Steveston Community Park Playground Expansion (2023)	2,200	947	1,104	149
South Dyke Trail Enhancements (around Crown Packaging) (2025)	400	-	-	400

Equipment Program

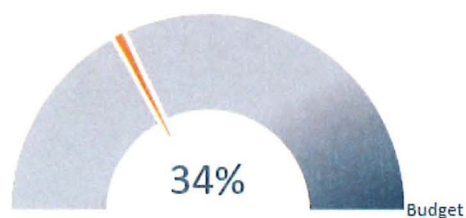


Figure 6: Life-to-Date Actual Expenditures and Commitments Compared to Budget

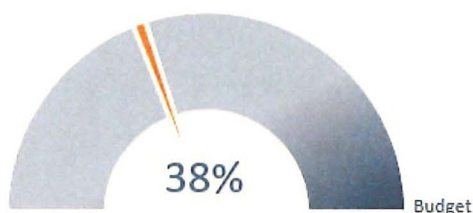
- Total approved budget for Equipment Program is \$54.5M, of which 42% of the Vehicle Program budget and 20% of Equipment Program budget have already been spent or contractually committed.
- Commitments as of March 31, 2025 were \$5.1M.
- Current year capital expenditures were \$0.6M.

Key capital projects are highlighted in Table 5, with project status updates provided in Attachment 1.

Table 5: Key Capital Project Highlights – Equipment Program as of March 31, 2025 (in '000s)

Project Name	Budget	Actual Expenditures	Commitments	Remaining Budget
Fire Vehicle Replacement Reserve Purchases (2021-2025)	\$11,031	\$-	\$-	\$11,031
Vehicle and Equipment Reserve Purchases (Public Works and Corporate Fleet) (2022-2025)	14,836	6,405	3,857	4,574
Public Safety Mobile Command and Communication Centre Vehicle (2024)	1,815	-	-	1,815

Information Technology Program

**Figure 7: Life-to-Date Actual Expenditures and Commitments Compared to Budget**

- Total approved budget for Information Technology Program is \$18.8M, of which \$7.1M have already been spent or contractually committed.
- Commitments as of March 31, 2025 were \$1.4M.
- Current year capital expenditures were \$0.2M.

Key capital projects are highlighted in Table 6, with project status updates provided in Attachment 1.

Table 6: Key Capital Project Highlights – Information Technology Program as of March 31, 2025 (in '000s)

Project Name	Budget	Actual Expenditures	Commitments	Remaining Budget
Document and Records Management System Modernization (2025)	\$3,440	\$-	\$-	\$3,440
Budget Planning & Monitoring Software Solution (2019 & 2023)	1,650	631	80	939
Permit Optimization Project (MyPermit) (2021 & 2024)	2,916	612	201	2,103

CAPITAL BUDGET REALLOCATION

Council Policy 3001 requires that changes to the Capital Budget be reported to the Finance Committee. The following reallocations were recorded since September 30, 2024:

Table 7: Budget Reallocation for the Quarter Ended March 31, 2025 (in '000s)

Funding Source	Project Name	Amount
Appropriated Surplus	Oval West Waterfront Park - Phase 1 (2013)	\$190
External Contribution ¹	Public Works Infrastructure Advanced Design (2025)	150

¹ The grant was awarded by Union of BC Municipalities (UBCM) under the Community Emergency Preparedness Fund, Disaster Risk Reduction - Climate Adaptation funding stream for the Flood Protection and Rain Gauge Monitoring Stations project.

Table 7: Budget Reallocation for the Quarter Ended March 31, 2025 (in '000s) - continued

Funding Source	Project Name	Amount
Budget Planning & Monitoring Software Solution Phase 2 (2023)	Workforce Management (2016)	\$100
Traffic Signal Program (2020)	Traffic Signal Power Backup System (UPS) (2024)	35
Total Budget Reallocation		\$475

CAPITAL PROJECTS CLOSED IN THE QUARTER

The following capital projects were closed in the quarter ended March 31, 2025. Any unspent funding will be returned to the original source (e.g. Reserve Fund) for funding towards future projects.

Table 8: Projects Closed in the Quarter Ended March 31, 2025 (in '000s)

Project Name	Plan Year	Budget	Actuals	Remaining Budget
Strategic Land Acquisition	2017	\$16,020	\$16,020	\$-
Pilot Sewer Grease and Heat Recovery Facility ²	2018	3,500	3	3,497
Sanitary Facility Land Acquisition for Grease Management ²	2017	2,500	-	2,500
Parks Ageing Infrastructure Replacement Program	2020	590	590	-
PeopleSoft Financial 9.2 Upgrade	2022	478	233	245
ePlan Expansion and SSO Integration	2023	295	247	48
Parks Ageing Infrastructure Replacement Program	2021	150	150	-
Automatic Vehicle Location (AVL)/Global Positioning System (GPS) Expansion	2022	140	140	-
Total		\$23,673	\$17,383	\$6,290

² Both projects are cancelled and the funding is no longer needed as the Lulu Island Energy Company, the City's district energy utility corporation, is building the Sewer Heat Recovery Central Energy Plant at the River Parkway.

CONTRIBUTED ASSETS

Throughout the year, developers and third parties contribute assets to the City. The timing of the transfer of the contributed assets to the City is subject to the development and construction progress of the private developers, which the City cannot ascertain.

As of March 31, 2025, \$6.9M of contributed assets were recorded. These contributed assets are non-cash contributions and have no impact on the net operating surplus. Under the Public Sector Accounting Standards, these are recorded as revenue at fair market value at the time of contribution and will be reflected in the financial statements in the annual surplus, with a corresponding increase to investment in tangible capital assets in accumulated surplus.

May 5, 2025

- 9 -

Financial Impact

None.

Conclusion

This report provides financial information on the active capital projects that were previously approved by Council for the 1st quarter ended March 31, 2025.

A handwritten signature in black ink, appearing to read "Jenny Ho".

Jenny Ho, CPA, CGA
Manager, Tangible Cap Assets
(604-276-4223)

JH:sx

Att. 1: Highlights of Key Active Capital Projects

Highlights of Key Active Capital Projects

Building Program

The Building Program includes major building construction and renovation projects, as well as minor facility upgrades.

Steveston Community Centre and Library (2021)

Budget: \$95.0M

Expected Completion Date: Q4 2026

Construction for the new, three-storey, 60,350 sq. ft. facility is progressing on-site, with the below-ground structure completed and the above-ground structure ongoing. The replacement facility includes a community centre with a double gymnasium, fitness centre, multipurpose rooms, gathering spaces, a shared community living room, and library with enhanced collections, children's and youth spaces, educational program rooms and space for quiet study. The detailed design will target Richmond's Enhanced Accessibility Design Guidelines and Technical Specifications, LEED Gold Certification, Rick Hansen Foundation Accessibility Certification and Richmond's Circular Economy Principles and Criteria.

A new park washroom will also be constructed to replace the existing washrooms servicing the splash park and Steveston Community Park Playground, which are currently part of the existing community centre building and are accessible from the Steveston Community Centre exterior.

Works Yard Replacement Project– Phase 1 (2023 & 2024)

Budget: \$100.0M

Expected Completion Date: Q4 2028

The Works Yard is crucial for providing essential services, operations, emergency response, and disaster recovery to the community. Throughout its completion at the current site, it will remain fully operational, serving the community during construction. Phase 1 includes building an administration facility, parkade, demolishing existing facilities, and relocating staff.

Bowling Green Community Activity Centre (2018)

Budget: \$5.3M

Expected Completion Date: Q3 2025

The new facility is currently under construction, with the installation of structural steel framing underway, marking a major milestone in the vertical construction phase. The single-storey replacement building will feature a spacious change room, a versatile multipurpose space for bigger events, a breezeway and an outdoor, covered viewing area with seating. These features will promote connectivity between the two lawn bowling greens, enhance natural ventilation throughout the space, and provide bowlers with a sheltered area to view the greens and gather during events.

Fire Hall No. 5 System Renewals (2023)

Budget: \$700K

Expected Completion Date: Q4 2025

Implementation of a new Heating, Ventilation, and Air Conditioning (HVAC) system will be completed to meet the higher energy efficiency standards and reduce greenhouse gas emissions. These works include the renewal and replacement of heat pumps, boilers, compressors, and water heaters.

Steveston and South Arm Outdoor Pool Renewals (2024)

Budget: \$4.3M

Expected Completion Date: Q2 2027

The Steveston Outdoor Pool renewals involve roof replacement and mechanical system upgrades, as well as installation of shade structures over the bleachers and guard stations to enhance visitor safety and comfort. The South Arm Outdoor Pool renewals involve roof replacement, mechanical system upgrades, pool liner resealing and installation of shade structures to enhance visitor comfort. Construction will be carried out in phases during the off seasons (Fall and Winter) to reduce service disruptions to the outdoor pools.

West Richmond Pavilion (2024)

Budget: \$19.9M

Expected Completion Date: Q4 2027

The West Richmond Pavilion project will be a new 10,830 sq. ft. community facility located in Hugh Boyd Community Park. It considers a new level of service in the park to support day-to-day sport groups with change rooms, public washrooms, as well as multipurpose spaces, offices, and a viewing deck to support the needs of our growing community. West Richmond Pavilion will target Rick Hansen Foundation Accessibility Certification and will be the first City of Richmond civic building designed to Passive House Standards.

Infrastructure Program**Roads**Active Transportation Improvement Program (2022)

Budget: \$1.5M

Expected Completion Date: Q4 2025

As part of the City's Active Transportation Program, upcoming upgrades include the installation of a special crosswalk and widening of the existing sidewalk along Francis Road between McCutcheon Place and Schaeffer Gate to improve the Midtown Neighbourhood Bike Route and improvements to the existing multi-use pathway on Garden City Road from Williams Road to Francis Road. As of Q1 2025, the multi-use pathway on Garden City Road, between Williams Road and Francis Road, has been completed. The pedestrian crossing enhancement on Francis Road, between McCutcheon Place and Schaeffer Gate, will begin construction in Q2 2025.

Annual Asphalt Re-Paving Program (2025)

Budget: \$6.3M

Expected Completion Date: Q4 2025

This program upgrades the City's Major Road Network and Non-Major Road Network as part of the City's Infrastructure Replacement Strategy and Pavement Management System. The 2025 work was awarded in Q1 2025 and will include the use of reclaimed asphalt pavement (RAP). Priority paving locations will be completed by the end of Q4 2025.

Steveston Highway Multi-Use Pathway - Phases 1 & 2: Shell Road to Mortfield Gate & Mortfield Gate to No. 2 Road (2019 & 2020)

Budget: \$11.5M

Expected Completion Date: Q2 2025

This project includes the provision of a new paved multi-use pathway along the south side of Steveston Highway between Shell Road to Mortfield Gate (Phase 1) and Mortfield Gate to No. 2 Road (Phase 2), along with the installation of new curbing, boulevard space, and street and path lighting upgrades. As of Q1 2025, construction is complete from Shell Road to Gilbert Road and this section of the multi-use pathway is open to the public. Ongoing construction works from Gilbert Road to No. 2 Road will continue into Q2 2025.

Steveston Highway Multi-Use Pathway Phase 3 – No. 2 Road to Railway Avenue (2023)

Budget: \$5.7M

Expected Completion Date: Q4 2025

This project includes the provision of a new paved multi-use pathway along the south side of Steveston Highway between No. 2 Road and Railway Avenue, including the installation of new curbing, boulevard space, and street and path lighting upgrades. Construction started in Q1 2025 and will be completed before the end of 2025.

Flood ProtectionBurkeville Utility Improvements (2025)

Budget: \$3.0M

Expected Completion Date: Q4 2025

This project consists of upgrading the drainage network, sanitary sewers, and watermain in the Burkeville area and will reduce local flood risks by increasing the City's storm system capacity. The phasing construction schedule, designed to prioritize servicing concerns and reduce impacts to the community, has entered its latest phase of construction in the Lancaster Crescent area as of Q1 2025.

Canal Stabilization and Drainage and Irrigation Upgrades (2023)

Budget: \$3.0M

Expected Completion Date: Q4 2025

The City's drainage infrastructure network routinely goes through condition assessments, where canals and ditches are identified as a priority location for bank stabilization. The City has identified priority locations, and the scope of work will include the design and construction of canal stabilization works for Sidaway Road, between Blundell Road and Westminster Highway, and No. 7 Road, from Cambie Road to 570 meters south, with construction currently underway on Sidaway Road as of Q1 2025 and construction at No. 7 Road will begin upon its completion.

Disaster Mitigation and Adaptation Fund Infrastructure Upgrades (2020-2024)

Budget: \$25.2M

Expected Completion Date: Q4 2027

The City secured \$13.8 million from the Federal Government through the Disaster Mitigation and Adaptation Fund Grant to contribute towards the Flood Protection Program. This project includes the upgrades of various drainage pump stations and diking upgrades, with the design of the North Dike Upgrades between No. 2 Road and Lynas Lane, and the No. 9 Road Drainage Pump Stations currently underway.

Invasive Species Management (2020, 2022-2025)

Budget: \$1.4M

Expected Completion Date: Ongoing

To reduce the spread of invasive species and mitigate impacts of the Richmond's flood protection system, the City has implemented an integrated management approach. Among the invasive and aggressive species targeted are parrot's feather, Chafer beetle, and various knotweed species, all of which are known to adversely affect local infrastructure and biodiversity.

Laneway Drainage Upgrades (2025)

Budget: \$1.8M

Expected Completion Date: Q3 2025

In order to resolve laneway drainage issues, the City has implemented a program to install drainage systems and upgrade road structures to laneways each year. As of Q1 2025, the drainage and paving improvements along the laneway east of Seagrave Road (Seacote Neighbourhood) are underway with expected completion in Q2 2025, after which construction will begin on the laneway west of Shell Road (Shelmont Neighbourhood).

Water

Watermain Replacement Upgrades Program (2023)

Budget: \$4.0M

Expected Completion Date: Q1 2026

This program replaces and upsizes ageing watermains at the end of their service life in line with the City's Ageing Infrastructure Renewal Strategy. Construction includes the installation of new watermains at various locations, and currently construction is underway for the Seacote Neighbourhood Watermain Replacement.

Parks Program

The Parks program includes the development and replacement of parks, trails, community gardens and natural areas in Richmond.

Brighthouse Park Baseball Diamond Infield Upgrade (2024)

Budget: \$520K

Expected Completion Date: Q2 2025

Construction to upgrade the baseball infield to synthetic turf with drainage system improvements continued to progress amidst slight inclement weather delays during this quarter. Remaining works include finishing touches on softscape, backstop/fencing, and miscellaneous paving in transitional areas.

Burkeville Neighbourhood Park Redevelopment (2024)

Budget: \$600K

Expected Completion Date: Q3 2026

Detailed design is currently underway to outline detailed work scope. Once ready, procurement for construction services will follow, with construction anticipated to commence between Q3 and Q4 2025.

Minoru Lakes Renewal: Phase 2 (2024)

Budget: \$2.5M

Expected Completion Date: Q4 2026

Water Sustainability Act (WSA) approval has been received, and detailed design is nearing completion, with various preliminary site preparation done during Q1 2025. A Request for Proposal (RFP) for construction services is tentatively scheduled for Q2 2025, with construction targeted to start in Q3 2025.

No. 3 Road Bark Park (2024)

Budget: \$385K

Expected Completion Date: Q2 2025

Based on Council's approval, safety upgrades at the No. 3 Road Bark Park has commenced since Q3 2024, which included the creation of a new multi-use pathway (MUP), fencing and gate installation, associated signage and landscaping improvements. After approval received from the Inspector of Dykes (IOD), the last section of gate and fencing has started at both ends of the park, with the new MUP temporarily opened for public use.

Steveston Community Park Playground Expansion (2023)

Budget: \$2.2M

Expected Completion Date: Q3 2025

Since Q3 2024, construction has continued with sitework, subsurface utilities, irrigation and rough grading, concrete foundations, concrete pathways and playground edging completed. Remaining works include asphalt paving, hillside stairs, park shelter, rubberized safety surfacing, installation of all playground equipment, and final landscaping.

South Dike Trail Enhancements (around Crown Packaging) (2025)

Budget: \$400K

Expected Completion Date: Ongoing

Following Council approval of the proposed enhancements to the trail in Q1 2025, detailed design is currently underway to outline detailed work scope, including further analysis of environmental and permitting requirements along with an Agricultural Land Commission (ALC) application. Pending all permits and ALC approval, procurement for construction services will immediately follow, and the estimated construction timeline will be established.

Land Program

Strategic Real Estate Acquisition (2021-2025)

Budget: \$103.4M

Expected Completion Date: Ongoing

Capital projects include amounts set aside for potential real estate acquisition as per the Council Approved Strategic Real Estate Investment Plan. Council approval is required for each real estate acquisition transaction.

Equipment Program

The Equipment Program includes machinery and vehicles for Richmond Fire Rescue, Public Works and other miscellaneous equipment.

Fire Vehicle Replacement Reserve Purchases (2021-2025)

Budget: \$11.0M

Expected Completion Date: Ongoing

The Fire Vehicle Replacement Reserve Purchases projects in Plan Year 2021 to 2025 include outstanding acquisition of four fire engines. The project team is finalizing fire engine specifications and preparing to move forward with the purchase plan.

Vehicle and Equipment Reserve Purchases (Public Works and Corporate Fleet) (2022-2025)

Budget: \$14.8M

Expected Completion Date: Ongoing

The 2022 to 2025 fleet vehicle and equipment projects involve the estimated acquisition of over 148 vehicles and equipment that have been identified for replacement. As of Q1 2025, 90 units have arrived, 18 units are on order, and 40 units are in different stages of the evaluation process.

Public Safety Mobile Command and Communication Centre Vehicle (2024)

Budget: \$1.8M

Expected Completion Date: Q4 2025

The project team is finalising the Request for Proposal (RFP), which will then be sent out to the market.

Information TechnologyDocument and Records Management System Modernization (2025)

Budget: \$3.4M

Expected Completion Date: Q4 2027

The City's Document and Records Management System has been in use for over 25 years and has remained relatively unchanged. With newer operating systems and the transition to cloud-based technologies, updates are underway to support a modern environment, enhance productivity, and staff satisfaction, with the Request for Proposal to select a product and implementation supplier under way.

Budget Planning & Monitoring Software Solution (2019 & 2023)

Budget: \$1.7M

Expected Completion Date: Q4 2025

The City is implementing a modern solution seamlessly integrated with the Financial and Payroll systems to enhance budget scenario planning and modelling, supporting the creation, submission, and approval of capital, operating and five-year budget requirements. This new system replaces a legacy application that served for over 25 years and is scheduled to be implemented for the 2026 budget process.

Permit Optimization Project (MyPermit) (2021 & 2024)

Budget: \$2.9M

Expected Completion Date: Q4 2027

MyPermit is a multi-phased initiative aimed at fully digitizing and enabling customer self-service for development and building permits. Phase 1 of the MyPermit project has streamlined the permitting process for simple permit types, including sprinklers, plumbing and gas trades permits, and servicing agreements through an online self-service portal option. Phase 2 includes tree and demolition permits, which are scheduled to go live on the My Permit Portal in June 2025.



City of Richmond

Report to Committee

To: Finance Committee

Date: May 16, 2025

From: John Irving, P.Eng., MPA
Deputy CAO
Chief Executive Officer, Lulu Island Energy
Company

File: 03-0950-01/2025-Vol 01

Jerry Chong, CPA, CA
General Manager, Finance and
Corporate Services
Chief Financial Officer, Lulu Island Energy
Company

Re: Lulu Island Energy Company – 2025 1st Quarter Financial Information

Staff Recommendation

That the Lulu Island Energy Company report titled “Lulu Island Energy Company – 2025 1st Quarter Financial Information”, dated April 21, 2025, from the Chief Executive Officer and Chief Financial Officer, be received for information.

John Irving, P.Eng., MPA
Deputy CAO
Chief Executive Officer,
Lulu Island Energy Company
(604-276-4140)

Jerry Chong, CPA, CA
General Manager, Finance
and Corporate Services
Chief Financial Officer,
Lulu Island Energy Company
(604-276-4064)

REPORT CONCURRENCE	
REVIEWED BY SMT	INITIALS: ACI
APPROVED BY CAO 	

Report

DATE: April 21, 2025

TO: Board of Directors

FROM: Jerry Chong, CPA, CA, Chief Financial Officer

Re: Lulu Island Energy Company – 2025 1st Quarter Financial Information

Staff Recommendation

That the 1st Quarter Financial Information as presented in the report titled “Lulu Island Energy Company – 2025 1st Quarter Financial Information”, dated April 21, 2025, be approved.

Background

Lulu Island Energy Company (LIEC), a corporation wholly-owned by the City of Richmond, was established to provide district energy services on behalf of the City. Information regarding LIEC’s district energy utility (DEU) operations can be found in Attachment 1. All capital and operating costs are recovered through revenues from user fees, ensuring the business is financially sustainable. City Council is the regulator and thus set customer rates.

This report provides pre-audited financial information to the Board of Directors and LIEC’s shareholder, represented by Richmond City Council.

Analysis

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). LIEC’s Q1 financial information (unaudited) consists of the interim statement of financial position as of March 31, 2025 (Attachment 2) and the interim income statement for the period ended March 31, 2025 (Attachment 3). Year-to-date budget-to-actual comparison is shown in Attachment 4.

Interim Statement of Financial Position

The interim statement of financial position provides a summary of assets, liabilities, and shareholder’s equity.

Current assets increased by \$422,105 from December 31, 2024, mainly due to cash generated from operations.

Accounts receivable primarily reflects accruals for the first quarter's meter billings, as well as GST receivable and amounts due from related parties. The decrease from December 31, 2024 is due to the collection of one outstanding developer's contribution, which is reflected in the increase in cash balance.

The total liabilities of \$45,744,853 include outstanding invoices, deferred developer contributions and City Centre District Energy Utility (CCDEU) Project Agreement liabilities. Deferred developer contributions and CCDEU Project Agreement liabilities comprise the majority of the liabilities as they were the primary source of funding for new infrastructure.

Shareholder's equity reflects the net worth of the company, calculated as total assets minus the total liabilities. As of March 31, 2025, LIEC's shareholder equity was \$40,505,106, representing a 2% increase from December 31, 2024.

Interim Income Statement and Budget Variance

Revenues

The metered billings reflect energy sales of the ADEU and CCDEU service areas¹. The year-to-date metered billing revenue was \$738,883 from ADEU, and \$1,992,607 from CCDEU. Overall, 2025 year-to-date metered billing revenue grew by 15% to \$2,731,490 (Q1 2024 - \$2,365,568). This increase was due to new building connections, additional energy use from buildings that were not fully occupied in the prior year, and the approved 2025 customer rates. The revenue was slightly higher than the budget.

Cost of Sales

The cost of sales are the accumulated total expenses attributable to the metered billing revenue, which includes contract services, utilities (electricity and natural gas), and depreciation expenses. Contract expenses increased by \$174,030 to \$674,383 (Q1 2024 – \$500,353) due to additional operations and maintenance requirements as a result of additional on-site low carbon energy plants (LCEP). The air-source heat pumps used by LCEPs reduce carbon emission compared to natural gas boilers, but the equipment is more complex and requires more frequent maintenance. Additionally, on-site energy plants have higher staffing requirements than centralized interim energy centres. Contract expenses were 11% below budget due to fewer unplanned maintenance than anticipated.

Compared to Q1 2024, utility costs increased by \$209,147 to \$840,217 (Q1 2024 – \$631,070), primarily due to the additional energy usage as a result of greater heating demand due to weather conditions, a new building connection, and higher demand from connection that were not fully occupied in the prior year. Utility costs were 5% below the budget, reflecting normal variability in winter conditions and customer demand. Depreciation expense increased compared to Q1

¹ Note that OVDEU was now combined under the CCDEU service area.

2024 due to the addition of new capital assets placed in service. However, depreciation remained below budget as a result of timing differences in the in-service dates of certain assets.

The gross margin decreased 8% from prior year due to the overall growth of the on-site LCEPs. On-site LCEPs are used as interim strategy to secure connections to off-site centralized district energy infrastructure in future while delivering low carbon energy to customers from the day one. LCEPs use air-source heat pumps, equipment that is more complex and requires more frequent maintenance. Additionally, on-site energy plants have higher staffing requirements than centralized interim energy centres. As additional LCEPs come online, a continued downward trend in gross margin is anticipated; however, the goal is to replace on-site LCEP's equipment with connection to off-site centralized district energy infrastructure when available. This should reverse the downward trend of the gross margin. Despite this, the gross margin exceeded budget by 36% due to the lower-than-budgeted contract costs, utility costs and depreciation expense.

General and Administration Expenses

General and administration (G&A) expenses represent costs incurred by LIEC to support ongoing operations, including salaries and benefits, administration expenses, insurance, and professional fees. In the first quarter of 2025, general and administrative expenses increased by 13% compared to the same quarter in 2024. This reflects the company's overall growth, which is consistent with the business's growth trajectory. The G&A expenses as percentage of revenue remained consistent at 18%.

- Salaries and benefits were in line with the budget and 14% higher than Q1 2024. This increase was driven by the addition of three new employees, approved by the board, to support the additional efforts needed to deliver new infrastructure and operate existing systems necessary to service LIEC customers.
- The administration expenses increased by 6% compared to Q1 2024 due to general inflation and company growth and were 5% below the budget.
- Insurance expense increased by 8% from Q1 2024 due to general insurance rate increases and additional assets being insured under the CCDEU Project Agreement.
- Professional fees were in line with budget. The year-over-year increase was primarily attributable to higher audit fees related to Corix's special purpose entity and the audit of LIEC financial statements, driven by the continued growth and complexity of the business.

Contributions, Other Income and Financing Expenses

The contributions, other income and financing expenses section represents other sources of income and costs for the business. The recognized developer contributions revenue was higher than Q1 2024 due to additional on-site assets being placed into service.

LIEC continued to invest available cash in secured term deposits, with higher average cash balances resulting in improved investment returns compared to Q1 2024. Financing costs related to the CCDEU Project Agreement liabilities were higher than the prior year, reflecting ongoing investment in capital infrastructure to service new customers. However, due to the careful timing of capital investments by staff and slowdown in the development market, these costs remained below budget.

LIEC's earnings before interest, tax, depreciation and amortization (EBITDA) and net income were lower than prior year, by 1% and 10%, respectively. This decline is primarily due to a lower gross margin, primarily driven by the overall growth of on-site LCEPs, which have a higher operation, maintenance and utility cost when compared to natural gas boiler-based interim energy centres (see more details above in section related to gross margin). Despite this, EBITDA exceeded the budget by 30%, while net income exceeded the budget. Consistent with the company's financial plan objectives, any net income will be retained in LIEC's equity to fund future capital projects and infrastructure replacements.

Financial Impact

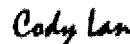
None.

Conclusion

The pre-audited financial information shows that LIEC's financial position was positive. This report will be presented to Council for information.



Helen Zhao
Controller
(604-204-8699)



Cody Lan
Assistant Controller
(604-247-4698)

- Att. 1: District Energy in Richmond
2. Interim Statement of Financial Position as of March 31, 2025 (unaudited)
 3. Interim Income Statement for the period ending March 31, 2025 (unaudited)
 4. Year-To-Date Budget vs. Actual Comparison (unaudited)

District Energy in Richmond

Richmond's 2041 Official Community Plan (OCP) establishes a target to reduce greenhouse gas (GHG) emissions 50 percent below 2007 levels by 2030 and 100 percent by 2050. The City identified district energy utilities (DEUs) as a leading strategy to achieve the City's GHG reduction goals and incorporated Lulu Island Energy Company Ltd. (LIEC) in 2013 for the purpose of carrying out the City's district energy initiatives based on the following guiding principles:

1. The DEU will provide end users with energy costs that were competitive with conventional energy costs, based on the same level of service.
2. Council will retain the authority to set customer rates, fees and charges for DEU services.
3. The DEU will provide a flexible platform for adopting low carbon energy technologies.

The City established three DEU service areas: ADEU, OVDEU, and CCDEU. Table 1 below provides a summary of the developments connected under the DEU service areas to date.

Table 1 – DEU Bylaw Service Areas - Current and Projected Connected Space

	Buildings To-Date	Residential Units To-Date	Floor Area	
			To-Date	Build-out
Alexandra DEU	13	2,200	2.4M ft ²	4.4M ft ²
Oval Village DEU	14	3,174	3.7M ft ²	6.4M ft ²
City Centre DEU	4	1,549	1.7M ft ²	41.6M ft ²
Total	31	6,923	7.8M ft²	52.4M ft²

The ADEU provides heating and cooling services to ten residential buildings, the large commercial development at "Central at Garden City", the Richmond Jamatkhana Temple, and Fire Hall No. 3, comprising 2,200 residential units and over 2.4 million square feet of floor area. While some electricity was consumed for pumping and equipment operations, most of this energy was currently produced locally from the geo-exchange fields in the greenway corridor and West Cambie Park, and highly efficient air source heat pumps.

The OVDEU services 14 buildings, containing 3,174 residential units. Energy is currently supplied from the three interim energy centres with natural gas boilers, which provide 16 MW of heating capacity. LIEC received a \$6.2 million grant from the CleanBC Communities Fund for the design and construction of the sewer heat recovery technology and a permanent energy centre for the area. This project is in the detailed design stage and is expected to be completed in 2028. Once completed, the system will be able to produce up to 80% of low-carbon energy from the Gilbert Trunk sanitary force main sewer.

The CCDEU currently services four buildings, comprised of 1,549 residential units and approximately 1.7 million square feet of floor area. While offsite energy centres progress through development, CCDEU utilizes on-site low carbon energy plants as a source of energy production. At full build-out, 176 developments, 28,000 residential units and approximately 48 million square feet of floor space will be serviced by 5 permanent energy centres with over 130 MW of heating and 115 MW of cooling capacity. The built-out system was estimated to reduce over one million tonnes of GHG emissions compared to conventional service.

Interim Statement of Financial Position (Unaudited)

	As of March 31 2025	As of December 31 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 8,595,292	\$ 7,576,940
Accounts receivable (Note 1)	3,618,631	4,385,448
Other investments	13,898,382	13,727,812
	26,112,305	25,690,200
Non-current assets:		
Plant and equipment	60,137,654	58,128,103
	\$ 86,249,959	\$ 83,818,303

Liabilities and Shareholder's Equity

Current and non-current liabilities:		
Accounts payable and accrued liabilities	\$ 1,281,996	\$ 1,377,195
Deferred developer contributions	22,556,785	22,788,278
Government grants	514,464	514,462
Project Agreement liability	21,391,608	19,283,096
	45,744,853	43,963,031
Shareholder's equity:		
Share capital and contributed surplus	27,397,115	27,397,115
Retained earnings	13,107,991	12,458,157
	40,505,106	39,855,272
	\$ 86,249,959	\$ 83,818,303

Note 1:

	March 31, 2025			
Aging	Gross book balance	Bad debt provision	Proportion of provision	Credit- impaired
Current (not past due)	\$ 2,731,490	\$ -	-	No
1 to 30 days past due	-	-	-	-
31 to 60 days past due	17,906	-	-	No
61 to 90 days past due	-	-	-	-
91 days to 1 year past due	-	-	-	-
	\$ 2,749,396	\$ -	-	-

*Trade receivable aging table excludes GST receivable, and due from related parties.

Interim Income Statement (Unaudited)

	March 31 2025	March 31 2024	\$ Changes	% Change
Revenues				
Metered billings (Quarterly)	\$ 2,731,490	\$ 2,365,568	\$ 365,922	15%
Service fee	245,372	245,372	-	0%
	2,976,862	2,610,940	365,922	14%
Cost of Sales				
Contracts ²	674,383	500,353	174,030	35%
Utilities	840,217	631,070	209,147	33%
Depreciation	501,311	440,495	60,816	14%
	2,015,911	1,571,918	443,993	28%
Gross margin	960,951	1,039,022	(78,071)	(8%)
General and Administration Expenses				
Salaries and benefits	313,631	274,430	39,201	14%
Administration expenses	97,026	91,224	5,802	6%
Insurance	94,585	87,538	7,047	8%
Professional fees ²	40,673	30,445	10,228	34%
	545,915	483,637	62,278	13%
Net income before other items	415,036	555,385	(140,349)	(25%)
Contributions and Financing Expense				
Developer contributions	231,493	167,033	64,460	39%
Other income	8,026	5,864	2,162	37%
Financing income	232,678	195,654	37,024	19%
Financing cost	(237,398)	(204,425)	(32,973)	16%
	234,799	164,126	70,673	43%
Net Income	\$ 649,835	\$ 719,511	\$ (69,676)	(10%)
Earnings before interest, taxes, depreciation and amortization (EBITDA)				
Net income per above	\$ 649,835	\$ 719,511	\$ (69,676)	(10%)
Net financing cost	4,720	8,771	(4,051)	(46%)
Depreciation expense	501,311	440,495	60,816	14%
EBITDA	\$ 1,155,866	\$ 1,168,777	\$ (12,911)	(1%)

² 2024 amount is adjusted from Q1 2024 unaudited financial statement for comparison purpose, due to cost reclassification between professional expense and contracts expense. Net income is not impacted.

Notes:

	Ending March 31 2025	Ending March 31 2024
Percentage of Revenue		
Gross margin	32%	40%
General and administration	18%	19%
Net income	22%	28%
EBITDA	39%	45%

Year-To-Date Budget vs. Actual Comparison (Unaudited)

	2025 Q1 Budget	2025 Q1 Actual	\$ Variance	%Variance
Revenues				
Metered Billings (Quarterly)	\$ 2,637,331	\$ 2,731,490	\$ 94,159	4%
Service fee	245,372	245,372	-	0%
	2,882,703	2,976,862	94,159	3%
Cost of Sales				
Contracts	759,811	674,383	(85,428)	(11%)
Utilities	884,236	840,217	(44,019)	(5%)
Depreciation	533,447	501,311	(32,136)	(6%)
	2,177,494	2,015,911	(161,583)	(7%)
Gross margin	705,209	960,951	255,742	36%
General and Administration Expenses				
Salaries and benefits	314,140	313,631	(509)	0%
Administration expenses	102,106	97,026	(5,080)	(5%)
Insurance	113,621	94,585	(19,036)	(17%)
Professional Fees	39,640	40,673	1,033	3%
	569,507	545,915	(23,592)	(4%)
Net income before other items	135,702	415,036	279,334	-
Contributions and Financing Expense				
Developer contributions	213,450	231,493	18,043	8%
Other income	6,000	8,026	2,026	34%
Financing income	227,400	232,678	5,278	2%
Financing cost	(284,850)	(237,398)	47,452	(17%)
	162,000	234,799	72,799	45%
Net Income	\$ 297,702	\$ 649,835	\$ 352,133	-
Earnings before interest, taxes, depreciation and amortization (EBITDA)				
Net income per above	\$ 297,702	\$ 649,835	\$ 352,133	-
Net Financing cost	57,450	4,720	(52,730)	(92%)
Depreciation expense	533,447	501,311	(32,136)	(6%)
EBITDA	\$ 888,599	\$ 1,155,866	\$ 267,267	30%



City of Richmond

Report to Committee

To: Finance Committee

Date: May 21, 2025

From: Jerry Chong, CPA, CA
General Manager, Finance & Corporate Services

File: 03-1200-09/2025-Vol
01

Re: **Richmond Olympic Oval Corporation – 1st Quarter 2025 Financial Information**

Staff Recommendation

That the Richmond Olympic Oval Corporation – 1st Quarter 2025 Financial Information report from the Director, Finance, Innovation & Technology, Richmond Olympic Oval Corporation be received for information.

Jerry Chong, CPA, CA
General Manager
Finance & Corporate Services
(604-276-4064)

REPORT CONCURRENCE

APPROVED BY CAO

DATE: May 22, 2025

TO: Serena Lusk
Chief Administrative Officer, City of Richmond

Jerry Chong
General Manager, Finance & Corporate Services, City of Richmond

FROM: Rick Dusanj, CPA, CA
Director of Finance, Innovation & Technology, Richmond Olympic Oval Corporation

Re: **Richmond Olympic Oval Corporation – 1st Quarter 2025 Financial information**

Origin

This staff report addresses the first quarter financial results for the 3 months ended March 31, 2025 ("Q1") which was endorsed by the Corporation's Board of Directors. Below are some of the highlights of the activities undertaken during Q1.

Q1 Highlights

Some of the notable highlights from Q1 2025 include:

- The Oval's versatility to host a multitude of different events and competitions was highlighted in Q1 with a total of 24 taking place. Organizations represented included Wheelchair Basketball, Sitting Volleyball, Wheelchair Rugby, Wrestling, Cheer, Climbing, Athletics, Judo, Basketball, Speed Skating, Irish Dance, Rhythmic Gymnastics, and Taekwondo. Events ranged from local to national level.
- High Performance continued to deliver programs and services, training camps and clinics to local, provincial and national team athletes and groups. Operational highlights included hosting the RBC Training Ground event, Rugby 7s Teams (New Zealand, Trinidad and Tobago and Canada) training at the Oval prior to the HSBC Rugby 7s competition, Oval Speed Skating Athletes reaching the podium at the BC Long Track Championships and the Western Elite Circuit competition and Oval climbing athletes claiming 20 out of 36 possible podium spots at the Sport Climbing BC Speed Provincial Championships.
- The Oval maintained strong engagement with its active membership base in Q1 2025. Member scans averaged 34,000 per month, indicating consistent and frequent visitation patterns. The membership base continues to show strong local roots, with 73% of members residing in Richmond.

Governance

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

Financial

The results for the 3 months ended March 31, 2025 show income of \$730,000 after amortization compared to a budgeted surplus of \$348,000, indicating a favorable variance of \$382,000 (please see page 4 for the Corporation's balance sheet as of March 31, 2025 and page 5 for the statement of operations). In Q1, \$978,000 was allocated to the reserves/equity.

Comments on the Financial Results for Q1

Revenues

The Q1 portion of the estimated 2025 Games Operating Trust Fund ("GOT") distribution of \$800,000 was recognized as revenue. Memberships, admissions and programs revenue was \$3,204,000 in Q1 and other revenue of \$668,000 primarily pertained to space leasing, parking, and interest revenue. Overall, revenue was \$154,000 favorable to budget.

Expenses

Memberships, admissions and program services costs for Q1 2025 were \$2,216,000, facility operations costs were \$1,375,000, and administration and finance expenses were \$790,000. Overall, expenditures were \$228,000 favorable to budget.



Rick Dusanj, CPA, CA

Director of Finance, Innovation & Technology, Richmond Olympic Oval Corporation

RICHMOND OLYMPIC OVAL CORPORATION**Balance sheet****As at Mar 31, 2025****Unaudited, prepared by management**

		Mar 31 2025
ASSETS		
Financial Assets		
Cash	\$	1,779,665
Investments		18,533,379
Inventory		182,451
GOT receivable		800,000
Accounts receivable		1,015,805
		<u>22,311,301</u>
Financial Liabilities		
Accounts payable and accrued liabilities		1,708,762
Post-employment benefits		769,850
Deferred revenue		10,521,580
Rental deposits		11,781
		<u>13,011,973</u>
Net financial assets		9,299,328
Non-Financial Assets		
Tangible capital assets		13,787,328
Prepaid expenses and other deposits		268,651
		<u>14,055,979</u>
Accumulated Surplus (Note 1)	\$	23,355,307

Note 1 - Breakdown of accumulated surplus account is as follows:	
Investment in capital assets	8,105,563
Reserves/Provisions	14,436,679
Common Shares	1
Surplus	813,063
	<u>23,355,307</u>

The Accumulated Surplus shown above represents the Corporation's Shareholder's Equity. The investment in capital assets represents funding that has already been spent on existing capital assets currently being depreciated. The reserves/provisions balance primarily includes committed funding for approved capital projects as well as funding required for future minor capital expenditures. In addition, at the end of each year, the majority of the surplus balance is transferred to the capital reserves to primarily fund the Oval's future minor capital program, which has averaged \$1.81M annually over the past 5 years. The amount transferred each quarter varies and the final amount is determined by the Capital Works Committee in accordance with the operating agreement.

Numbers may be off due to rounding.

RICHMOND OLYMPIC OVAL CORPORATION

Statement of Operations
For the quarter ended March 31, 2025
Unaudited, prepared by management

	QTR 1 2025				QTR 1 2024				2025 BUDGET
	BUDGET	ACTUAL	\$ Variance Fav(Unfav)	% Variance Fav(Unfav)	BUDGET	ACTUAL	\$ Variance Fav(Unfav)	% Variance Fav(Unfav)	
REVENUES									
2010 Games Operating Trust Fund	800,000	800,000	-	0%	800,000	800,000	-	0%	3,200,000
Contribution from City of Richmond	893,375	893,375	-	0%	1,000,325	1,000,325	-	0%	3,573,500
Memberships, admissions and programs	3,103,080	3,204,146	101,066	3%	2,813,907	2,919,375	105,468	4%	11,846,547
Other	615,631	668,495	52,864	9%	568,482	660,476	91,994	16%	2,300,205
	5,412,086	5,566,016	153,930	3%	5,182,714	5,380,176	197,462	4%	20,920,252
EXPENSES									
Memberships, admissions and program services	2,252,112	2,215,540	36,572	2%	2,115,673	2,166,137	(50,464)	-2%	9,078,026
Facility Operations	1,404,717	1,375,069	29,648	2%	1,316,061	1,281,188	34,873	3%	5,618,853
Admin/Finance	847,641	790,305	57,336	7%	1,035,644	1,016,089	19,555	2%	3,765,733
Amortization	559,488	455,222	104,266	19%	564,864	453,623	111,241	20%	2,500,000
	5,063,958	4,836,136	227,822	4%	5,032,242	4,917,037	115,205	2%	20,962,612
Net Income/(Loss) (Note 1)	348,128	729,880	381,752	110%	150,472	463,139	312,667	208%	(42,360)

Note 1 - In Q1, \$0.98M was transferred into reserves/equity mainly for future minor capital programs. The total transfers vary from quarter to quarter and will be finalized by the Capital Works Committee in accordance with the operating agreement. The Oval Corporation's minor capital program, which is primarily funded from the Capital Reserves, has averaged \$1.81M annually over the past 5 years.

Numbers may be off due to rounding.