



Finance Committee

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

**Monday, June 4, 2012
4:00 p.m.**

Pg. # ITEM

MINUTES

FIN-5 *Motion to adopt the minutes of the meeting of the Finance Committee held on Monday, May 7, 2012.*



BUSINESS AND FINANCIAL SERVICES DEPARTMENT

1. **RICHMOND OLYMPIC OVAL CORPORATION – 2011 AUDITED FINANCIAL STATEMENTS**
(File Ref. No. 01-0060-20-ROVA1/2012-Vol 01) (REDMS No. 3526713)

FIN-7 See Page **FIN-7** for full report

Designated Speakers: Andrew Nazareth & John Mills

STAFF RECOMMENDATION

That the report on the 2011 Audited Financial Statements for the Richmond Olympic Oval Corporation from the Controller of the Richmond Olympic Oval Corporation be received for information.



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ITEM

2. **2011 ANNUAL REPORT AND 2011 ANNUAL REPORT – HIGHLIGHTS**

(File Ref. No.:) (REDMS No. 3521666)

FIN-29

See Page **FIN-29** for full report

Designated Speakers: Jerry Chong & Ted Townsend

STAFF RECOMMENDATION

That the attached City of Richmond 2011 Annual Report and the 2011 Annual Report – Highlights be approved.

☐

3. **2011 ANNUAL DEVELOPMENT COST CHARGES**

(File Ref. No. 03-0900-01/2012-Vol 01) (REDMS No. 3516552)

FIN-109

See Page **FIN-109** for full report

Designated Speaker: Jerry Chong

STAFF RECOMMENDATION

That the staff report titled 2011 Annual Development Cost Charges (dated April 27, 2012 from the Director, Finance) be received for information.

☐

4. **REVENUE ANTICIPATION BORROWING (2012) BYLAW NO. 8896**

(File Ref. No.: 03-0900-01/2011-Vol 01) (REDMS No. 3515105)

FIN-123

See Page **FIN-123** for full report

Designated Speaker: Jerry Chong

STAFF RECOMMENDATION

That Revenue Anticipation Borrowing (2012) Bylaw No. 8896 be introduced and given first, second, and third readings.

☐

Finance Committee Agenda – Monday, June 4, 2012

Pg. # ITEM

5. **2011 SURPLUS APPROPRIATION**

(File Ref. No.:) (REDMS No. 3518825)

FIN-127

See Page **FIN-127** for full report

Designated Speaker: Jerry Chong

STAFF RECOMMENDATION

That the December 31, 2011 surplus of \$4.556 million be appropriated as outlined in the staff report titled 2011 Surplus Appropriation (dated April 26, 2012 from the General Manager, Business and Financial Services).

☐

ADJOURNMENT

☐



Finance Committee

Date: Monday, May 7, 2012

Place: Anderson Room
Richmond City Hall

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

Absent: Councillor Linda Barnes

Call to Order: The Chair called the meeting to order at 4:59 p.m.

MINUTES

It was moved and seconded

That the minutes of the meeting of the Finance Committee held on Monday, April 2, 2012, be adopted as circulated.

CARRIED

DELEGATION

1. Nancy Adie-MacKay, Partner, and Becky Hui, Senior Manager, KPMG reviewed the 2011 Auditor's report on the City's financial statements.

Finance Committee
Monday, May 7, 2012

BUSINESS AND FINANCIAL SERVICES DEPARTMENT

2. 2011 CONSOLIDATED FINANCIAL STATEMENTS
(File Ref. No.:) (REDMS No.3514791)

It was moved and seconded

That the City's audited consolidated financial statements for the year ended December 31, 2011 be approved.

CARRIED

Councillor Chak Au left the meeting (5:02 p.m.).

3. FINANCIAL INFORMATION – 1ST QUARTER 2012
(File Ref. No.:) (REDMS No. 3512161)

It was moved and seconded

That the staff report titled Financial Information for the 1st Quarter ended March 31, 2012 from the Director, Finance, be received for information.

CARRIED

Councillor Chak Au re-entered the meeting (5:03 p.m.).

ADJOURNMENT

It was moved and seconded

That the meeting adjourn (5:04 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 7, 2012.

Mayor Malcolm D. Brodie
Chair

Shanan Dhaliwal
Executive Assistant
City Clerk's Office



City of Richmond

Report to Committee

To: Finance Committee
From: George Duncan
Chief Administrative Officer
& President and CEO,
Richmond Olympic Oval

Date: May 9, 2012
File: 01-0060-20-
ROVA1/2012-Vol 01

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

Re: Richmond Olympic Oval Corporation-2011 Audited Financial Statements

Staff Recommendation

That the report on the 2011 Audited Financial Statements for the Richmond Olympic Oval Corporation from the Controller of the Richmond Olympic Oval Corporation be received for information.

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

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

REVIEWED BY TAG

YES



NO





DATE: May 16, 2012

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

Andrew Nazareth
Chief Financial Officer, Richmond Olympic Oval Corporation

John Mills
General Manager, Richmond Olympic Oval Corporation

FROM: Rick Dusanj, CA
Controllér, Richmond Olympic Oval Corporation

Re: Richmond Olympic Oval Corporation 2011 audited financial statements

Origin

Section 7.3 of the Operating Agreement between the City of Richmond (the "City") and the Richmond Olympic Oval Corporation (the "Corporation") requires reporting with respect to business plans, budgets, audited financial statements, and quarterly comparisons of actual results to budget along with projections to fiscal year end. This staff report deals with the 2011 audited financial statements of the Corporation.

Analysis

Please see the attachment for the audited financial statements of the Corporation for the year ended December 31, 2011. The Corporation's financial statements are prepared in accordance with Public Sector Accounting Standards.

During the period commencing December 1, 2009 through to March 31, 2010 Vanoc had exclusive use of the Oval for the Olympic and Paralympic Winter Games (the "Games"). In addition, after the Games, the legacy conversion construction project commenced. During these time periods, revenue earning operations ceased.

Statement of Operations and Retained Earnings

The 2011 final audited financial statements have an annual surplus of \$2,214k with revenues of \$10,860k and expenses of \$8,646k.

Revenues

There was \$2,739k of revenue from the Games Operating Trust ("GOT"). The City applies for and receives funding from the GOT. This amount represents the amount received in 2011. The Oval also received \$3,023k from a contribution from the City. With respect to memberships, admissions and programs the Oval earned \$4,067k of revenue in 2011.

Other revenue of \$1,031k was recognized in 2011 which included mainly parking, space leasing, and sponsorship revenue and sport hosting revenue. Effective July 1, 2011, the sport hosting function from the City was transferred over to the Corporation along with separate funding that is attached to that function through the hotel tax. The funding is recognized as deferred revenue until it is spent at which time the revenue and expense are both recognized.

Expenses

Total salaries and benefits for 2011 was \$5,346k. There were 43 full-time and 157 part-time employees on the payroll as at December 31, 2011.

Other costs included the following: utilities costs of \$819k relating to the heat, light and power for the Oval, \$527k of amortization costs, \$443k of supply and equipment costs associated with supplies for operating the facilities, including general building maintenance costs, \$327k of costs for property and liability insurance, \$489k of administration costs related to accounting, information technology, office supplies, \$290k of costs related to marketing which included advertising, promotion, printing and sponsor services costs for the Oval's programs, camps, membership sales, \$276k of costs pertaining to running sport and fitness programs as well as the sport hosting function out of the Oval and \$128k of professional fees relating to legal, consulting and audit fees.

Statement of Financial Position

Financial Assets

The Corporation has a cash balance of \$1,431k at year end. The accounts receivable aggregating \$447k resulted primarily from sponsorship fees, leases, sales of memberships, admissions, programs, rentals, special events and HST receivable. The investment balance of \$2,250k represents the Oval's investments invested through the City of Richmond.

Financial Liabilities

Accounts payable and accrued liabilities of \$851k include primarily payroll accruals and trade payables for heat, light, power, legal and audit fees and HST payable. The Oval has capital lease obligations for equipment with remaining terms to April 2013. The balance as at December 31, 2011 was \$206k. Deferred revenue of \$1,879k includes unspent funding pertaining to the Sport Hosting function, sponsorship fees, and the pro rata portion of fees received in 2011 for membership and programs to be delivered in 2012. The amount due to the City of \$140k arose in the normal course of business. A rental deposit of \$6k is held as of the end of the year.

Non-Financial Assets

As at December 31, 2011, the Oval had \$662k of tangible capital assets which includes assets under capital lease, athletic equipment, computer software and equipment, facility equipment, etc. Deferred lease costs of \$124k are direct costs incurred in connection with leases and are deferred and amortized over the terms of the lease. Prepaid expenses of \$444k consist of unamortized portions of the premiums on the Oval's insurance policies together with prepaid information technology licences, and equipment maintenance.

Accumulated Surplus

The accumulated surplus as at December 31, 2011 is \$2,278k. Of this amount, \$1,700k has been transferred to the Capital Reserve in 2011 in accordance with the Richmond Oval Agreement between the City and the Oval, \$456k is invested in tangible capital assets and \$122k is the operating surplus balance.

Summary

The annual surplus for 2011 was \$2,214k compared to a deficit of \$1,192k in 2010. The total accumulated surplus as of December 31, 2011 is \$2,278k. Of this amount the Corporation has transferred \$1,700k in 2011 to the Capital Reserve in accordance with the Richmond Oval Agreement.



Rick Dusanj, CA
Controller, Richmond Olympic Oval Corporation

cc: Shana Turner
Director, Administration & Corporate Services, Richmond Olympic Oval Corporation

Financial Statements of

**RICHMOND OLYMPIC OVAL
CORPORATION**

Years ended December 31, 2011 and 2010



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

Telephone (604) 527-3600
Fax (604) 527-3638
Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Shareholder of Richmond Olympic Oval Corporation

We have audited the accompanying financial statements of Richmond Olympic Oval Corporation, which comprise the statements of financial position as at December 31, 2011, December 31, 2010 and January 1, 2010, the statements of operations, changes in net financial assets (debt) and cash flows for the years ended December 31, 2011 and December 31, 2010, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

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

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

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

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



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Richmond Olympic Oval Corporation as at December 31, 2011, December 31, 2010 and January 1, 2010 and its results of operations, its changes in net financial assets (debt) and its cash flows for the years ended December 31, 2011 and December 31, 2010 in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Accountants

April 27, 2012
Burnaby, Canada

RICHMOND OLYMPIC OVAL CORPORATION

Statements of Financial Position

December 31, 2011, December 31, 2010 and January 1, 2010

	December 31, 2011	December 31, 2010	January 1, 2010
Financial Assets			
Cash	\$ 1,430,735	\$ 390,901	\$ 1,021,195
Investments (note 4)	2,250,000	-	-
Accounts receivable	447,401	317,468	88,918
	4,128,136	708,369	1,110,113
Financial Liabilities			
Accounts payable and accrued liabilities	851,087	720,965	571,982
Obligations under capital leases (note 7)	205,663	437,553	711,232
Deferred revenue (note 8)	1,879,250	535,525	78,023
Due to City of Richmond (note 9)	139,798	214,775	103,205
Rental deposits	5,513	26,761	-
	3,081,311	1,935,579	1,464,442
Net financial assets (debt)	1,046,825	(1,227,210)	(364,329)
Non-Financial Assets			
Tangible capital assets (note 10)	661,555	823,975	1,178,978
Deferred lease costs (note 11)	123,809	133,319	-
Inventories of supplies	1,885	2,614	2,046
Prepaid expenses and other deposits	444,327	331,213	431,265
	1,231,556	1,291,121	1,610,289
Accumulated surplus (note 12)	\$ 2,278,381	\$ 63,911	\$ 1,255,960

Economic dependence (note 15)

See accompanying notes to financial statements.

Approved on behalf of the Board:

 Director

 Director

RICHMOND OLYMPIC OVAL CORPORATION

Statements of Operations

For the years ended December 31, 2011 and 2010

	2011 Budget (unaudited - note3(g))	2011	2010
Revenue:			
2010 Games Operating Trust Fund (note 6)	\$ 2,500,000	\$ 2,739,398	\$ 2,304,796
Contribution from City of Richmond (note 13)	3,022,500	3,022,500	1,500,000
Memberships, admissions and programs	4,132,921	4,067,266	1,437,025
Other	856,889	1,031,052	180,136
	10,512,310	10,860,216	5,421,957
Expenses:			
Salaries and benefits	5,701,084	5,346,416	3,646,871
Utilities	1,107,750	818,959	821,064
Amortization	498,195	526,964	485,324
Supplies and equipment	673,311	442,954	398,497
Insurance	334,750	326,631	324,342
General and administration	899,342	489,134	406,240
Marketing and sponsorship	406,438	290,330	293,260
Program services	189,657	276,471	101,588
Professional fees	100,820	127,887	136,820
	9,911,347	8,645,746	6,614,006
Annual surplus (deficit)	600,963	2,214,470	(1,192,049)
Accumulated surplus, beginning of year	63,911	63,911	1,255,960
Accumulated surplus, end of year	\$ 664,874	\$ 2,278,381	\$ 63,911

See accompanying notes to financial statements.

RICHMOND OLYMPIC OVAL CORPORATION

Statements of Changes in Net Financial Assets (Debt)

For the years ended December 31, 2011 and 2010

	2011 Budget	2011	2010
	(unaudited - note 3(g))		
Annual surplus (deficit) for the year	\$ 600,963	\$ 2,214,470	\$ (1,192,049)
Acquisition of tangible capital assets	(344,500)	(364,544)	(132,322)
Amortization of tangible capital assets	498,195	526,964	485,324
	153,695	162,420	353,002
Amortization of deferred lease costs	-	17,002	2,195
Acquisition of inventory of supplies	-	(1,487)	(2,227)
Acquisition of prepaid expense	-	(679,609)	(485,662)
Consumption of inventories of supplies	-	2,236	1,659
Use of prepaid expenses and other deposits	-	566,495	585,715
Additions of deferred leasing costs	-	(7,492)	(135,514)
Change in net financial assets (debt)	754,658	2,274,035	(872,881)
Net debt, beginning of year	(1,227,210)	(1,227,210)	(354,329)
Net financial assets (debt), end of year	\$ (472,552)	\$ 1,046,825	\$ (1,227,210)

See accompanying notes to financial statements.

RICHMOND OLYMPIC OVAL CORPORATION

Statements of Cash Flows

For the year ended December 31, 2011 and 2010

	2011	2010
Cash provided by (used in):		
Operations:		
Annual surplus (deficit)	\$ 2,214,470	\$ (1,192,049)
Items not involving cash:		
Amortization of tangible capital assets	526,964	485,324
Amortization of deferred lease costs	17,002	2,195
Changes in non-cash operating working capital:		
Accounts receivable	(129,933)	(228,550)
Deferred lease costs	(7,492)	(135,514)
Inventories of supplies	749	(568)
Prepaid expenses and other deposits	(113,114)	100,052
Accounts payable and accrued liabilities	130,122	148,983
Deferred revenue	1,343,725	457,502
Due to the City of Richmond	(74,977)	111,570
	3,907,516	(251,055)
Capital activities:		
Cash used to acquire tangible capital assets	(364,544)	(170,839)
Investing activities		
Purchase of investments	(2,250,000)	-
Financing activities:		
Repayment of obligations under capital leases	(231,890)	(235,161)
Decrease (increase) in rental deposits	(21,248)	26,761
	(253,138)	(208,400)
Increase (decrease) in cash	1,039,834	(630,294)
Cash, beginning of year	390,901	1,021,195
Cash, end of year	\$ 1,430,735	\$ 390,901
Supplementary information:		
Non-cash transaction:		
Provincial sales tax adjustment to assets under capital leases	\$ -	\$ 38,518

See accompanying notes to financial statements.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements

For the years ended December 31, 2011 and 2010

1. Incorporation and nature of business:

The Richmond Olympic Oval Corporation (the "Corporation") was incorporated on June 16, 2008 under the Business Corporations Act of British Columbia as a municipal corporation wholly-owned by the City of Richmond (the "City"). On August 10, 2010, the Corporation changed its name from 0827805 B.C. Ltd. to Richmond Olympic Oval Corporation. The business of the Corporation is to use the Richmond Olympic Oval facility (the "Oval") to provide a venue for a wide range of sports, business and community activities, including, but not limited to, being the long-track speed skating venue for the 2010 Olympic and Paralympic Winter Games (the "Games").

During the four-month period from December 1, 2009 to March 31, 2010, the Vancouver Organizing Committee for the Games ("VANOC") acquired exclusive use of the Oval for the speed skating events of the Games. The VANOC exclusive use period was immediately followed by the legacy conversion of the Oval into a multi-sport and recreation facility. The conversion was substantially completed by August 31, 2010 and the costs were paid by the City. During these two periods, substantially all Oval revenue-earning operations from membership, admission and programs ceased but certain operating expenses continued to be incurred.

2. Adoption of Public Sector Accounting Standards:

On January 1, 2011, the Company adopted Canadian Public Sector Accounting standards ("PSAS"). These financial statements are the first financial statements prepared in accordance with PSAS.

There were no adjustments to accumulated surplus as at January 1, 2010 or annual surplus for the year ended December 31, 2010 as a result of the retrospective application of PSAS.

3. Significant accounting policies:

(a) Basis of presentation:

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) as prescribed by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements (continued)

For the years ended December 31, 2011 and 2010

3. Significant accounting policies (continued):

(b) Revenue recognition:

Memberships, admissions and programs fees are recorded as revenue in the period that the services are rendered, with any unearned portion recorded as deferred revenue. Annual distributable amounts and trust income amounts are recognized as revenue when the amounts are approved by 2010 Games Operating Trust (note 6) and when the related operating expenses and capital maintenance costs of the Oval are incurred.

Sponsorship revenues are deferred and amortized to revenue over the term of sponsorship agreements.

(c) Non-financial assets

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

(i) Tangible capital assets:

Tangible capital assets are recorded at cost. Amortization is provided on a straight-line basis at rates that reflect estimates of the economic lives of the assets over the following periods:

Assets	Rate
Athletic equipment	5 years
Building improvements	5 years
Automobile	5 years
Facility equipment	3 years
Computer software and equipment	3 years
Uniforms, ice skates and helmets	3 years
Signage	3 years

Tenant improvements are amortized over the term of the lease.

(ii) Impairment of tangible capital assets:

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

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements (continued)

For the years ended December 31, 2011 and 2010

3. Significant accounting policies (continued):

(c) Non-financial assets (continued) :

(iii) Assets held under capital lease:

Assets held under capital lease are stated at historical cost, being the lesser of the present value of the future minimum lease payments and fair value at the date of acquisition, and are amortized on a straight-line basis over their estimated useful lives.

(iv) Deferred lease costs:

The initial direct costs incurred in connection with leases of rental properties in the Oval are deferred and amortized over the initial term of the leases. Such costs include agent commissions, legal fees, and costs of negotiating the leases.

(d) Pension plan:

The Corporation and its employees make contributions to the Municipal Pension Plan (the "Plan"). As the Plan is a multi-employer contributory defined benefit pension plan, these contributions are expensed as incurred.

(e) Income taxes:

The Corporation is not subject to income taxes as it is a municipal corporation wholly-owned by the City of Richmond.

(f) Functional and object reporting:

The operations of the Oval are comprised of a single function, operations related to sport, fitness and recreation. As a result, the expenses of the Oval are presented by object in the statement of operations.

(g) Budget data:

The unaudited budget data presented in these financial statements is based upon the 2011 budget approved by the Board of Directors on February 8, 2011.

(h) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that could affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of valuation of accounts receivable, useful lives of tangible capital assets for amortization, and deferred lease costs. Actual results could differ from those estimates. The estimates are reviewed periodically and as adjustments become necessary, they are recorded in earnings in the year in which they become known.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements (continued)

For the years ended December 31, 2011 and 2010

4. Investments:

Investments represent term deposits purchased on March 21, 2011 with a maturity date of March 20, 2012.

5. Richmond Oval Agreement:

The Corporation is party to the Richmond Oval Agreement (the "Agreement") with the City, which had an effective date of July 1, 2008. The Agreement established the terms and conditions of the relationship between the City and the Corporation.

6. 2010 Games Operating Trust Fund:

On November 14, 2002, under the terms of the Multiparty Agreement for the Games, the Government of Canada and the Province of British Columbia agreed to establish the Legacy Endowment Fund (the "Fund") and to each contribute \$55 million. On March 31, 2004, under the terms of the 2010 Games Operating Trust Agreement, an irrevocable trust was created known as GOT and the 2010 Games Operating Trust Society (the "Society") became the trustee of the Fund. The purpose of the Fund is to fund operating expenses and capital maintenance costs of certain facilities created for the Games, specifically the Oval and the Whistler Sliding Centre and Nordic Centre, and to assist with the continued development of amateur sport in Canada. Subsequent to the formation of the Trust, the City, as owner of the Oval, became a beneficiary of the Trust and became responsible for complying with obligations set by the Trust and GOT in order to receive funding.

Effective December 31, 2007:

- (a) the Fund was divided into three funds: the Speed Skating Oval Fund; the Whistler Sliding Centre and Nordic Centre Fund, and the Contingency Fund; and
- (b) the capital and any accumulated but undistributed income of the Fund was divided as follows: Speed Skating Oval Fund (40%), Whistler Sliding Centre and Nordic Centre Fund (40%), and the Contingency Fund (20%).

Effective April 21, 2009, the City entered into an agreement with VANOC. The agreement details the terms and conditions to which the City is required to adhere in order to receive funding from GOT. When VANOC ceases to exist after the Games, the agreement will be assigned to GOT or, with the consent of the City, to another party. As of the reporting date, VANOC has not dissolved and the agreement has not yet been assigned to GOT.

Funds from GOT are paid to the City, the funds are then paid to the Corporation.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements (continued)

For the years ended December 31, 2011 and 2010

6. 2010 Games Operating Trust Fund (continued):

Revenue from GOT is comprised of:

	2011	2010
2009 annual distributable amount approved and received in 2010	\$ -	\$ 2,304,796
2010 annual distributable amount approved and received in 2011	2,739,398	-
	<u>\$ 2,739,398</u>	<u>\$ 2,304,796</u>

7. Obligations under capital leases:

The capital leases have an estimated cost of borrowing ranging from 0.21% to 0.35% per month. The principal and interest payments as at December 31, 2011, December 31, 2010 and January 1, 2010 are as follows:

	December 31, 2011	December 31, 2010	January 1, 2010
Total minimum lease payments	\$ 208,445	\$ 449,720	\$ 739,365
Imputed interest	(2,782)	(12,167)	(28,133)
Obligations under capital leases	<u>\$ 205,663</u>	<u>\$ 437,553</u>	<u>\$ 711,232</u>

As at December 31, 2011, the Corporation was committed to payments under capital leases as follows:

2012	\$ 199,928
2013	8,517
	<u>\$ 208,445</u>

8. Deferred revenue:

	2011	2010
Balance, beginning of year	\$ 535,525	\$ 78,023
Add: additions	6,442,043	2,074,663
Less: revenue recognized	(5,098,318)	(1,617,161)
Balance, end of year	<u>\$ 1,879,250</u>	<u>\$ 535,525</u>

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements (continued)

For the years ended December 31, 2011 and 2010

8. Deferred revenue (continued):

Deferred revenue comprises of:

	December 31, 2011	December 31, 2010	January 1, 2010
Memberships and programs to be serviced in next fiscal year	\$ 537,041	\$ 267,752	\$ 78,023
Sponsorship fees	408,333	246,525	-
Rental deposit	-	21,248	-
Sport Hosting funding (note 13)	933,876	-	-
	<u>\$ 1,879,250</u>	<u>\$ 535,525</u>	<u>\$ 78,023</u>

9. Due to the City of Richmond:

The amount due to the City of Richmond arises in the normal course of business and is non-interest bearing with no stated repayment terms.

10. Tangible capital assets:

Cost	Balance at January 1, 2011	Additions	Balance at December 31, 2011
Assets under capital lease	\$ 905,888	\$ -	\$ 905,888
Athletic equipment	480,332	212,603	692,935
Computer software and equipment	152,672	23,711	176,383
Uniforms, ice skates, and helmets	96,211	30,627	126,838
Building improvements	-	26,727	26,727
Facility equipment	-	63,343	63,343
Signage	36,351	7,533	43,884
Automobile	23,158	-	23,158
Tenant improvements	16,979	-	16,979
	<u>\$ 1,711,591</u>	<u>\$ 364,544</u>	<u>\$ 2,076,135</u>

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements (continued)

For the years ended December 31, 2011 and 2010

10. Tangible capital assets (continued):

Accumulated amortization	Balance at January 1, 2011	Amortization expense	Balance at December 31, 2011
Assets under capital lease	\$ 584,524	\$ 289,317	\$ 873,841
Athletic equipment	155,813	117,172	272,985
Computer software and equipment	54,882	55,041	109,923
Uniforms, ice skates, and helmets	60,239	36,521	96,760
Building improvements	-	4,847	4,847
Facility equipment	-	6,599	6,599
Signage	14,273	12,535	26,808
Automobile	1,930	4,632	6,562
Tenant improvements	15,955	300	16,255
	\$ 887,616	\$ 526,964	\$ 1,414,580

Cost	Balance at January 1, 2010	Net additions	Balance at December 31, 2010
Assets under capital lease	\$ 944,406	\$ (38,518)	\$ 905,888
Athletic equipment	406,564	73,768	480,332
Computer software and equipment	87,575	65,097	152,672
Uniforms, ice skates, and helmets	89,922	6,289	96,211
Signage	33,824	2,527	36,351
Automobile	-	23,158	23,158
Tenant improvements	16,979	-	16,979
	\$ 1,579,270	\$ 132,321	\$ 1,711,591

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements (continued)

For the years ended December 31, 2011 and 2010

10. Tangible capital assets (continued):

Accumulated amortization	Balance at January 1, 2010	Amortization expense	Balance at December 31, 2010
Assets under capital lease	\$ 280,342	\$ 304,182	\$ 584,524
Athletic equipment	65,471	90,342	155,813
Computer software and equipment	17,421	37,461	54,882
Uniforms, ice skates, and helmets	28,167	32,072	60,239
Signage	2,819	11,454	14,273
Automobile	-	1,930	1,930
Tenant improvements	8,072	7,883	15,955
	\$ 402,292	\$ 485,324	\$ 887,616
	Net book value January 1, 2010	Net book value December 31, 2010	Net book value December 31, 2011
Assets under capital lease	\$ 664,064	\$ 321,364	\$ 32,047
Athletic equipment	341,093	324,519	419,950
Computer software and equipment	70,154	97,790	66,460
Uniforms, ice skates, and helmets	61,755	35,972	30,078
Building improvements	-	-	21,880
Facility equipment	-	-	56,744
Signage	31,005	22,078	17,076
Automobile	-	21,228	16,596
Tenant improvements	8,907	1,024	724
	\$ 1,176,978	\$ 823,975	\$ 661,555

The Oval land and building complex and its major equipment components are the property of the City and are not recorded in these financial statements.

Assets under capital lease include audio and visual equipment, printers, drivers, computer hardware and other information technology equipment. The lease agreements are between the City and the Municipal Finance Authority of the Province of British Columbia. The equipment is used solely by the Corporation and, accordingly, the leased assets are capitalized and the related obligation recorded in the accounts of the Corporation. The lease payments made by the City are charged at cost to the Corporation.

There was no write down of tangible capital assets during the year (2010 - nil).

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements (continued)

For the years ended December 31, 2011 and 2010

11. Deferred lease costs:

	2011	2010
Balance, beginning of year	\$ 133,319	\$ -
Add: additions	7,492	135,514
Less: amortization	(17,002)	(2,195)
Balance, end of year	\$ 123,809	\$ 133,319

12. Accumulated surplus:

	December 31, 2011	December 31, 2010	January 1, 2010
Share capital (a)	\$ 1	\$ 1	\$ 1
Capital reserve (b)	1,700,000	-	-
Operating surplus (deficit)	122,488	(322,512)	790,213
Invested in tangible capital assets	455,892	386,422	465,746
	\$ 2,278,381	\$ 63,911	\$ 1,255,960

(a) Share capital:

Authorized:

Unlimited number of common shares without par value

Issued:

One common share for cash of \$1

(b) In accordance with the Agreement, the City has allocated \$1.7 million as a capital reserve.

Subsequent to 2011, the amount of the allocation to the capital reserve will be determined by the Capital Works Committee.

13. Related party transactions:

The Corporation leases the Oval from the City for \$1 annually (note 5).

Included in general and administration expenses is a management fee of \$60,000 to the City for the provision of city staff time in fiscal year 2011 (2010 - \$30,000).

In 2011, \$84,288 of salaries and benefits expenses were charged to the City relating to the costs of the Corporation's staff time for services performed. In 2010, included in salaries and benefits expense was a charge of \$42,515 relating to the costs of City staff time charged to the Corporation for services performed.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements (continued)

For the years ended December 31, 2011 and 2010

13. Related party transactions (continued):

Included as a reduction to other revenue is \$39,919 pertaining to management fees paid to the City for services performed pertaining to the parking revenue in 2011.

In accordance with the Agreement, the City will provide, for the first fifteen years of the term, financial support as agreed between the City and the Corporation from time to time; for the years 2010, 2011 and 2012 the annual financial support shall not be less than \$1.5 million per year indexed at the City of Vancouver's Consumer Price Index. After fifteen years, any financial assistance from the City will be determined by the City in its sole discretion. During 2011, the Corporation received a contribution from the City of \$3,022,500 (2010 - \$1,500,000).

Effective July 1, 2011, the Sport Hosting function of the City was transferred to the Corporation. This function is fully funded by the hotel tax. In 2011, \$1,091,565 was transferred from the City to the Corporation as funding for the operations of that department. As at December 31, 2011, \$933,876 was included in deferred revenue (note 8) and \$157,689 was recognized in other revenue on the statement of operations.

14. Pension plan:

The Corporation and its employees contribute to the Municipal Pension Plan, a jointly trustee pension plan. The Plan's Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including the investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The Plan has about 173,000 active members and approximately 63,000 retired members. Active members include approximately 35,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of Plan funding. The most recent valuation as at December 31, 2009 indicated an unfunded liability of \$1,024 million for basic pension benefits. The next actuarial valuation will be performed as at December 31, 2012 with results available in 2013.

During the current fiscal year, the Corporation paid \$192,337 (2010 - \$140,257) as employer contributions to the Pension Plan.

15. Economic dependence:

The Corporation is economically dependent on receiving funding from GOT and the City.



City of Richmond

Report to Committee

To: Finance Committee
From: Andrew Nazareth
General Manager, Business and Financial
Services
Re: 2011 Annual Report and 2011 Annual Report - Highlights
Date: May 1, 2012
File:

Staff Recommendation

That the attached City of Richmond 2011 Annual Report and the 2011 Annual Report – Highlights be approved.

Andrew Nazareth
General Manager, Business and Financial Services Department
(4095)

Att.

REPORT CONCURRENCE	
CONCURRENCE OF GENERAL MANAGER 	
REVIEWED BY TAG SUBCOMMITTEE	INITIALS:
REVIEWED BY CAO (<i>Deputy</i>)	INITIALS:

Staff Report

Origin

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

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

Analysis

The format of the City of Richmond's 2011 Annual Report follows the formats which were successfully adopted the previous years as two versions have been prepared.

The first version is the comprehensive annual report (Annual Report) which meets all legislative requirements. This version will be made publicly available through the City's website and printed only on an exception basis. The 2011 Annual Report includes the City's audited consolidated financial statements, a statement of the City's corporate objectives and success indicators, as well as a listing of permissive exemptions as required under the Community Charter for British Columbia's local governments. In addition to the statutorily required information, the 2011 Annual Report provides information concerning events that occurred during the year, a summary of the City's awards and achievements, as well as relevant statistical data.

The second version is the popular financial report, titled 2011 Annual Report – Highlights. It has been prepared for the purpose of informing the public about the City of Richmond, its services, highlights from 2011 and its financial condition. Copies of this simplified version will be mailed out and made available for the general public in hard copy at Richmond City Hall, Front of House and on our website. A version of this report will also be adapted as a four-page newspaper wrap to be published in the local newspaper in order to reach a broader audience and further enhance the City's accountability and transparency.

Both reports were prepared entirely in-house by the City of Richmond's Finance Division and Communication Section with design, production and printing by the Production Centre.

Financial Impact

None.

Conclusion

That the City of Richmond 2011 Annual Report and the 2011 Annual Report – Highlights be approved.


Jerry Chong
Director, Finance
(4064)


Ted Townsend
Senior Manager, Corporate Communications
(4399)



City of
Richmond
British Columbia, Canada

2011 Annual Report

For the year ended December 31, 2011

Canadian Award for Financial Reporting

Presented to

City of Richmond
British Columbia

For its Annual
Financial Report
for the Year Ended

December 31, 2010

A Canadian Award for Financial Reporting
is presented by the Government Finance Officers
Association of the United States and Canada
to government units whose annual financial reports
achieve the highest program standards for Canadian
Government accounting and financial reporting.



Linda C. Dandson
President

Jeffrey L. Esser
Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting to the City of Richmond for its annual financial report for the fiscal year ended December 31, 2010. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

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

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



City of Richmond

British Columbia, Canada

2011 Annual Report

For the year ended December 31, 2011

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

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Cover photo: Tall Ships returned to historic Steveston Village in Richmond for the popular Ships To Shore Steveston 2011 event.

This report was prepared by the City of Richmond Business and Financial Services Department and Corporate Communications Office. Design, layout and production was done by the City of Richmond Production Centre. ©2012 City of Richmond

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

Message from the Mayor



2011 will be remembered as a year of significant growth for the City of Richmond. With our population approaching the 200,000 level during 2011, your Council paid significant attention to managing this new growth, while ensuring we provided for the needs of our expanding city.

Much of the new growth in our city continues to be focused in the City Centre. Fuelled by the arrival of the Canada Line, construction of the Richmond Olympic Oval and our innovative City Centre Area Plan, we are on the cusp of an extraordinary new wave of development. Thus, a key focus in 2011 was the continued work to update our Official Community Plan (OCP). The new OCP Update, designed to guide growth through 2041, is expected to be completed in 2012.

Combined with the previously-adopted City Centre Area Plan, the OCP Update will ensure Richmond continues to enjoy well-planned beneficial growth that supports local and regional objectives for sustainability. We are directing new growth primarily into a higher density City Centre which is supported by rapid transit. This allows us to protect our farmland, natural spaces and existing single family neighbourhoods. The OCP Update also provides a framework that ensures Richmond will have adequate land areas designated for continued commercial and industrial growth so we can maintain the robust and balanced economy that is our hallmark.

The City also continued a major push to update our civic infrastructure to meet the needs of our growing community. Major milestones during 2011 included:

- opening the Richmond Community Safety building, the new home for the Richmond RCMP;
- officially opening a \$5 million expansion of Hamilton Community Centre;
- opening the new Nelson Road interchange on Highway 91, providing much-needed expanded traffic access to Richmond's port lands;
- completing the award-winning No. 4 Road pump station, part of an ongoing major upgrade of Richmond's critical drainage and flood protection network; and
- opening of the new Steveston Fire Hall, the third of five new halls being built in our ambitious community safety infrastructure renewal program.

The end of 2011 also marked the beginning of a new Council term. I look forward to working together with all members of Council over the next three years as we continue to strive to make Richmond an even better place to work, live, visit and do business.

I hope you enjoy reading this Annual Report. As always, I welcome the opportunity at any time to talk to you directly about our City, our vision, our values and the services we provide.



Malcolm Brodie
Mayor, City of Richmond

Richmond City Council



To December 4, 2011

Front row, left to right:

Councillor Evelina Halsey-Brandt, Councillor Bill McNulty, Mayor Malcolm Brodie, Councillor Sue Halsey-Brandt, Councillor Derek Dang

Back row, left to right:

Captain Dave Cullen, Richmond Fire-Rescue (retired), Councillor Harold Steves, Councillor Greg Halsey-Brandt, Councillor Linda Barnes, Councillor Ken Johnston, Corporal J. J. Stephan Peters, Richmond RCMP



As of December 5, 2011

Front row, left to right:

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

Back row, left to right:

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

City of Richmond organizational chart

Chief Administrative Office George Duncan, CAO			
Corporate Services Mike Kirk, Deputy CAO			
Business and Financial Services Andrew Nazareth, GM	Community Services Cathy Volkering Carlile, GM	Engineering and Public Works Robert Gonzalez, GM	Law and Community Safety Phyllis Carlyle, GM
Parks and Recreation Dave Semple, GM	Planning and Development Joe Erceg, GM	Project Development and Facility Services Jeff Day, GM	

Civic officials as at December 31, 2011

Chief Administrative Officer	George Duncan
Deputy Chief Administrative Officer	Mike Kirk
General Manager, Business and Financial Services	Andrew Nazareth
General Manager, Community Services	Cathy Volkering Carlile
General Manager, Engineering and Public Works	Robert Gonzalez
General Manager, Law and Community Safety	Phyllis Carlyle
General Manager, Parks and Recreation	Dave Semple
General Manager, Planning and Development	Joe Erceg
General Manager, Project Development and Facility Services	Jeff Day
Director, City Clerk's Office	David Weber
City Solicitor	Doug Long
Chief, Richmond Fire-Rescue	John McGowan
Officer in Charge, Royal Canadian Mounted Police	Rendall Nasset
General Manager, Richmond Olympic Oval	John Mills
Chief Librarian, Richmond Public Library	Greg Buss

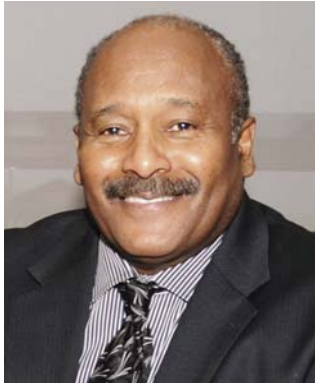
Banker

Scotiabank

Auditors

KPMG

Message from the Chief Administrative Officer



I am pleased to present the City of Richmond's 2011 Annual Report. This past year, the City made many important strides toward fulfilling our corporate vision, while keeping Richmond at the forefront of outstanding and innovative municipal governance and service delivery.

Our commitment to sustainability is a major guiding factor in everything we do. In 2011, we launched construction of the first phase of the Alexandra District Energy Utility (ADEU) in West Cambie. The City's first district energy system, the ADEU will use thermal energy to ultimately provide heating and cooling for almost four million square feet of residential and commercial buildings, all free of reliance on fossil fuels. The utility will provide an economical alternative energy source for its users and will eventually generate net revenues for the City. The City has created a District Energy Office and is actively pursuing other opportunities to develop district energy utilities within Richmond.

Preserving the long-term financial health of the City is also critical. Richmond continues to enjoy some of the lowest property tax rates in the region, while offering its citizens a spectrum of civic services and amenities that are second to none. Our reserves are healthy and our small amount of outstanding debt will be retired within two years. In order to protect our strong financial standing, we introduced a freeze on discretionary spending and the filling of vacant staff positions in late 2011. We also brought renewed rigour and commitment to our spending approval process and business case analysis. These steps ensured the City ended the year with a healthy surplus and is in good financial position to meet any future challenges.

2011 also marked the first full year of operations for the Richmond Olympic Oval. As President and Chief Executive Officer for the Richmond Olympic Oval Corporation, I am pleased to report that all of our financial targets and program goals were met or exceeded. We successfully continued the post-Games retrofit of the Oval, allowing us to further broaden the incredible array of programs and services it offers. And while the Oval continues to fulfil its objectives as an international centre of excellence for sport, recreation and culture, we were pleased that more than 80 per cent of the venue's use was by Richmond residents.

Our commitment to continuous improvement prevails throughout our organization from our Council through staff to our partners and citizens. Richmond is always seeking new and better ways to manage our existing business and exploring new opportunities to raise the level of service provided to our community. As we begin a new Council term, we look forward to providing continued success backed up by sound management practises.

A handwritten signature in black ink, appearing to read 'George Duncan', with a long, sweeping horizontal line extending to the right.

George Duncan
Chief Administrative Officer



2011 awards and recognitions

The City of Richmond always strives for excellence as proven by the numerous civic awards recently received. They include:

- The Public Works Association of BC Project of the Year Award for the No. 4 Road Drainage Pump Station. This initiative increased the City's flood protection capacity.
- The BC Government's Child Care Award of Excellence for progressive child care initiatives.
- Recognition as an "International Eco-Safety Demonstrative City" at the First World Eco-Safety Assembly (WESA), organized by a United Nations affiliate.
- The Outstanding Regional Partnership Award presented by the Canadian Diabetes Association to our Library.
- Two awards from the Government Financial Officers Association for our annual report.
- Richmond ranking amongst the Top 10 Small Cities for Infrastructure in North America by Foreign Direct Investment magazine.
- Two highly prestigious architectural awards for the Richmond Olympic Oval, presented by the International Association for Sports and Leisure Facilities (IAKS) in partnership with the International Olympic Committee (IOC) and the International Paralympic Committee (IPC). The awards honour exemplary design and function for sports facilities and accessibility. The Oval was the only one of 135 entries in this worldwide competition to have won both a Gold Medal and an Award of Distinction.



Corporate Plan: Objectives and success indicators 2011 to 2013

The City of Richmond's vision is to be the most appealing, livable and well-managed community in Canada. This ambitious goal is being achieved through Richmond's mission of:

- Visionary leadership and responsible decision making
- Accountable and sustainable fiscal practice
- The development of a unique and beautiful city
- Product and service excellence and efficiency
- Community consultation

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

2011–2013 Success Indicators

1. Organizational Transformation

Be exceptional, no exceptions.

Embrace and respect a powerful set of values. Continue to be a vision-driven organization with a values-based, results-oriented culture that makes us leaders in municipal service and administration.

2. Serving the Customer

Providing excellence, value and choice.

Enable all citizens, businesses and organizations to access excellent information and services in a timely and user-friendly manner. Evaluate and make necessary changes and adjustments using appropriate processes and resources to optimize services to internal and external customers.

3. Our People

For success, developing our team is paramount.

Recognize individual strengths, talents, experiences and needs to make our team stronger. For the organization to thrive, our people must thrive.

4. Financial Management

Financial stewardship for today and the future.

Continue to manage financial assets in a manner that is responsive to the needs of today, while ensuring vitality, opportunity and sustainability beyond. Through conscientious planning and leadership, Richmond enjoys excellent services and service levels, and a robust economy.

5. Placemaking

Small city, big destination.

Combine a diverse set of places, activities and amenities that are interconnected, safe and convenient to access. Integrate rural and urban areas by demonstrating a respectful relationship between people, activities, nature and the built environment.

6. Sustainability

Our tomorrow depends on sustainable actions today.

Align and integrate work programs with a corporate sustainability agenda that is integral to achieving the City's vision. Achieve goals in ways that are earth-friendly, economically prudent and community responsive.

7. Olympic Legacies

Our Olympic journey: The start of something great.

Continue to build upon our Olympic successes to create significant benefits in economic development, sports tourism and tourism.

8. Safe Community

Working together for a safe community.

Continue community education, engagement and service strategies for the City to be recognized as a safe, desirable community in which to live, visit and conduct business.

2011 key accomplishments

- The new, post-disaster rated Richmond Community Safety Building was opened to serve as home for our RCMP detachment. By purchasing and retrofitting an existing building, Council was able to save millions of dollars over the cost of constructing a new building.
- The new Steveston Fire Hall, built to Leadership in Energy and Environmental Design (LEED) Gold standards, was officially opened.
- Community safety was further enhanced through \$2.93 million in Strategic Community Investment Funds and Traffic Fine Revenue Sharing Program funding from the Ministry of Community, Sport and Cultural Development. These funds were used to support RCMP Integrated Teams, additional RCMP members for the local detachment and the Restorative Justice Program, provided by Touchstone Family Services.
- Construction of the first phase of the Alexandra District Energy Utility (ADEU) in West Cambie was launched. The City's first district energy system will provide an economical alternative energy source for a broad number of users and will eventually generate net revenues for the City.
- The Highway 91-Nelson Road Interchange was opened. This will spur further development of Port Metro Vancouver's industrial lands, help create hundreds of new jobs and strengthen our role as a gateway to the Asia-Pacific.
- The City acquired the last remaining privately-held remnant of Richmond's Northeast Bog Forest to create almost 50-acres of parkland forest. Additional parkland acquisitions included securing 12-acres of the former Fantasy Gardens site.
- The Hamilton Community Centre's dramatic expansion was completed to produce a sustainable structure built to LEED Gold standards. The South Arm Community Centre also underwent extensive renovations.
- The Richmond Cultural Centre was enhanced with the opening of the new Media Lab, which is designed to increase technology, literacy and creativity, particularly for youth. The Rooftop Garden, an outdoor venue for arts programs and events, was also opened.



Report from the General Manager, Business and Financial Services

I am pleased to submit the City of Richmond's consolidated financial statements for the year ended December 31, 2011. The financial statements reflect a consolidation of the financial position and operation results for the City of Richmond, Richmond Public Library and the Richmond Olympic Oval Corporation.

The external auditors, KPMG LLP, conducted an independent examination and have expressed their opinion that the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City of Richmond as at December 31, 2011 in accordance with Canadian public sector accounting standards.

The City's net worth improved by \$110.8 million to \$2.2 billion in 2011. Net financial assets increased to \$415.7 million, while net debt outstanding was reduced to \$5.8 million. Statutory reserves increased by \$28.2 million to \$275.4 million. The City's consolidated revenues were \$424.0 million and consolidated expenses totalled \$313.2 million.

Despite a slow recovering economy, Richmond's housing and construction growth continued at a steady pace with 1,480 building permits issued in 2011 (2010: 1,547). Business growth was also evident with 12,988 business licenses issued in 2011 (2010: 12,832). With the growing population and wide array of high quality services provided, the City continued to experience significant demand for recreation programs, libraries, policing, fire-rescue, public works, sports field usage, arenas and pools.

In terms of property taxes, once again, the City had one of the lowest tax rate increases in Metro Vancouver without reducing the level of service. As well, to ensure fairness, the City successfully negotiated with the Province of BC to obtain unique, temporary tax exemptions for qualifying properties in the City Centre. These properties encountered extraordinary increases in property assessments due to transitioning land use. In 2011, Council passed the City Centre Transitional Tax Exemption Bylaw. This will give 37 Brighthouse area properties with 248 businesses partial Municipal and School tax relief in 2012. The City has been given authority from the Province to continue to offer these exemptions over the next four years, allowing the City to protect jobs during the transformation of the City Centre.

Looking ahead, the City of Richmond is well positioned to carry out and meet service commitments in a flexible and sustainable manner with an extremely low level of vulnerability from a financial perspective.



Andrew Nazareth, BEc, CGA
General Manager, Business and Financial Services

City of Richmond audited financial statements

Year ended December 31, 2011



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

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

INDEPENDENT AUDITORS' REPORT

To the Mayor and Council

We have audited the accompanying consolidated financial statements of the City of Richmond, which comprise the consolidated statement of financial position as at December 31, 2011 and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City of Richmond as at December 31, 2011, and its consolidated results of operations, its changes in net consolidated financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants

May 14, 2012

Burnaby, Canada

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

CITY OF RICHMOND

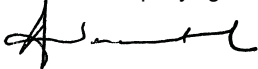
Consolidated Statement of Financial Position
(Expressed in thousands of dollars)

December 31, 2011, with comparative figures for 2010

	2011	2010 (recast - note 3)
Financial Assets		
Cash and cash equivalents	\$ 11,766	\$ 19,058
Investments (note 4)	563,162	502,375
Accrued interest receivable	2,710	3,418
Accounts receivable (note 5)	22,095	29,651
Taxes receivable	6,716	7,708
Development fees receivable	16,826	21,189
Debt reserve fund - deposits (note 6)	386	449
	623,661	583,848
Financial Liabilities		
Accounts payable and accrued liabilities (note 7)	77,698	73,963
Deposits and holdbacks (note 8)	36,753	45,447
Deferred revenue (note 9)	34,801	43,946
Development cost charges (note 10)	52,379	42,211
Obligations under capital leases (note 11)	499	1,168
Debt, net of MFA sinking fund deposits (note 12)	5,808	9,274
	207,938	216,009
Net financial assets	415,723	367,839
Non-Financial Assets		
Tangible capital assets (note 13)	1,801,630	1,739,019
Inventory of materials and supplies	1,934	1,745
Prepaid expenses	1,847	1,734
	1,805,411	1,742,498
Accumulated surplus (note 14)	\$ 2,221,134	\$ 2,110,337

Commitments and contingencies (note 18)

See accompanying notes to consolidated financial statements.



General Manager, Business and Financial Services

CITY OF RICHMOND

Consolidated Statement of Operations
(Expressed in thousands of dollars)

Year ended December 31, 2011, with comparative figures for 2010

	Budget 2011 (unaudited - notes 2(m) and 23)	Actual 2011	Actual 2010 (recast - note 3)
Revenue:			
Taxation and levies	\$ 161,335	\$ 161,821	\$ 156,071
User fees	70,035	69,359	68,365
Sales of services	37,053	41,518	37,403
Development cost charges	13,813	14,321	17,804
Payments-in-lieu of taxes	11,770	13,726	13,203
Provincial and federal grants	6,215	8,066	6,353
Other capital funding sources	6,054	50,063	53,217
Other revenues:			
Investment income	16,830	20,328	16,864
Gaming revenue	11,113	13,728	12,563
Licenses and permits	7,060	7,524	7,328
Other (note 21)	7,581	23,588	10,335
	348,859	424,042	399,506
Expenses:			
Law and Community safety	79,109	74,548	70,838
Engineering, public works and project development	57,585	52,338	56,365
General government	42,950	39,728	35,130
Parks, recreation and community services	45,959	45,957	43,647
Utilities:			
Water supply and distribution	33,434	33,437	30,277
Sewerage collection and disposal	24,724	23,422	23,772
Sanitation and recycling services	10,627	9,829	9,163
Planning and development	12,150	11,560	11,427
Library services	9,393	8,615	8,221
Richmond Olympic Oval	9,911	8,647	6,614
Interest and finance charges	5,745	5,164	6,002
	331,587	313,245	301,456
Annual surplus	17,272	110,797	98,050
Accumulated surplus, beginning of year	2,110,337	2,110,337	2,012,287
Accumulated surplus, end of year	\$ 2,127,609	\$ 2,221,134	\$ 2,110,337

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, 2011, with comparative figures for 2010

	2011 budget (unaudited - notes 2(m) and 23)	2011	2010 (recast - note 3)
Surplus for the year	\$ 17,272	\$ 110,797	\$ 98,050
Acquisition of tangible capital assets in cash and financed by capital leases	(17,272)	(76,026)	(149,088)
Acquired tangible capital assets from developers	-	(35,740)	(31,454)
Amortization of tangible capital assets	-	47,696	47,725
Gain on disposal of tangible capital assets	-	(10,347)	(3,897)
Proceeds on sale of tangible capital assets	-	11,806	5,424
	-	48,186	(33,240)
Acquisition of inventories of supplies	-	(1,934)	(1,745)
Acquisition of prepaid expenses	-	(1,847)	(1,734)
Consumption of inventories of supplies	-	1,745	2,253
Use of prepaid expenses	-	1,734	1,594
Change in net financial assets	-	47,884	(32,872)
Net financial assets, beginning of year	367,839	367,839	400,711
Net financial assets, end of year	\$ 367,839	\$ 415,723	\$ 367,839

See accompanying notes to consolidated financial statements.

CITY OF RICHMOND

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

Year ended December 31, 2011, with comparative figures for 2010

	2011	2010
		(recast - note 3)
Cash provided by (used in):		
Operations:		
Annual surplus	\$ 110,797	\$ 98,050
Items not involving cash:		
Amortization	47,696	47,725
Gain on disposal of tangible capital assets	(10,347)	(3,897)
Developer contributions of tangible capital assets	(35,740)	(31,454)
Change in non-cash operating working capital:		
Decrease in accrued interest receivable	708	963
Decrease (increase) in accounts receivable	7,556	(2,362)
Decrease (increase) in taxes receivable	992	(552)
Decrease (increase) in development fees receivable	4,363	(16,249)
Decrease in debt reserve fund	63	-
Increase in prepaid expenses	(113)	(140)
(Increase) decrease in inventories of supplies	(189)	508
Increase in accounts payable and accrued liabilities	3,735	6,287
(Decrease) increase in deposits and holdbacks	(8,694)	22,015
Increase in deferred revenue	2,585	3,834
Increase in development cost charges	10,168	9,003
Net change in cash from operating activities	133,580	133,731
Capital activities:		
Cash used to acquire tangible capital assets	(75,954)	(148,414)
Proceeds on disposal of tangible capital assets	76	5,424
Net change in cash from capital activities	(75,878)	(142,990)
Financing activities:		
Principal payments on debt	(3,466)	(2,534)
Principal payments on obligations under capital leases	(741)	(821)
Net change in cash from financing activities	(4,207)	(3,355)
Investing activities:		
Change in investments	(60,787)	23,928
Net change in cash and cash equivalents	(7,292)	11,314
Cash and cash equivalents, beginning of year	19,058	7,744
Cash and cash equivalents, end of year	\$ 11,766	\$ 19,058
Supplementary Information:		
Non-cash transactions:		
Tangible capital assets financed by capital leases	\$ 72	\$ 674
Sale of property in exchange for leasehold interest in another property	11,730	-

See accompanying notes to consolidated financial statements.

CITY OF RICHMOND

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

Year ended December 31, 2011

1. Operations:

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

2. Significant accounting policies:

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

(a) Basis of consolidation:

The consolidated financial statements reflect a combination of the City's General Revenue, General Capital and Loan, Waterworks and Sewerworks, and Reserve Funds consolidated with the Richmond Public Library (the "Library") and the Richmond Olympic Oval. The Library is consolidated as the Library Board is appointed by the City. The Richmond Olympic Oval is consolidated as it is a wholly owned municipal corporation of the City and operates as another government organization. Interfund transactions, fund balances and activities have been eliminated on consolidation.

(i) General Revenue Fund:

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

(ii) General Capital and Loan Fund:

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

(iii) Waterworks and Sewerworks Funds:

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

(iv) Reserve Funds:

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

(b) Basis of accounting:

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

CITY OF RICHMOND

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

Year ended December 31, 2011

2. Significant accounting policies (continued):

(c) Government transfers:

Restricted transfers from governments are deferred and recognized as revenue in the year in which the related expenditures are incurred. Unrestricted transfers are recognized as revenue when received.

(d) Cash and cash equivalents:

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

(e) Investments:

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

(f) Accounts receivable:

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

(g) Development cost charges:

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

(h) Post-employment benefits:

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

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

(i) Non-financial assets:

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

CITY OF RICHMOND

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

Year ended December 31, 2011

2. Significant accounting policies (continued):

(i) Non-financial assets (continued):

(i) Tangible capital assets:

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

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

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

(ii) Contributions of tangible capital assets:

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

(iii) Natural resources:

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

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

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

(v) Interest capitalization:

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

(vi) 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.

CITY OF RICHMOND

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

Year ended December 31, 2011

2. Significant accounting policies (continued):

(i) Non-financial assets (continued):

(vii) Inventory of materials and supplies:

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

(j) Deferred revenue:

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

(k) Deposits:

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

(l) Debt:

Debt is recorded net of related sinking fund balances.

(m) Budget information:

Unaudited budget information, presented on a basis consistent with that used for actual results, was included in the City of Richmond's Five Year Financial Plan and was adopted through Bylaw #8707 on March 14, 2011.

(n) Use of accounting estimates:

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

CITY OF RICHMOND

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

Year ended December 31, 2011

2. Significant accounting policies (continued):

(o) Segment disclosures:

A segment is defined as a distinguishable activity of group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the standard. The City of Richmond has provided definitions of segments used by the City as well as presented financial information in segment format (note 22).

3. Recast of comparative figures:

During the year, the City determined that certain developer contributed land was omitted and should be added to the 2010 and 2009 tangible capital asset register.

The 2010 comparative figures have been recast for this item. The effects of the recast on the 2010 comparative figures have been applied retroactively and are summarized below:

Accumulated surplus at January 1, 2010

Accumulated surplus, as previously reported	\$ 2,005,249
Add: Net book value of tangible capital asset	7,038
Accumulated surplus, as recast	<u>\$ 2,012,287</u>

Annual surplus for 2010

Annual surplus, as previously reported	\$ 77,247
Add: Developer contribution of tangible capital assets	20,803
Annual surplus, as recast	<u>\$ 98,050</u>

Tangible capital assets, December 31, 2010

Tangible capital assets, as previously reported	\$ 1,711,178
Add: Net book value of tangible capital asset	27,841
Tangible capital assets, as recast	<u>\$ 1,739,019</u>

CITY OF RICHMOND

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

Year ended December 31, 2011

4. Investments:

	2011		2010	
	Cost	Market value	Cost	Market value
Short-term notes and deposits	\$ 99,424	\$ 99,457	\$ 136,309	\$ 136,309
Government and government guaranteed bonds	402,293	410,633	305,113	315,332
Municipal Finance Authority Pooled Investment	21,289	21,289	20,723	20,723
Other Bonds	40,156	42,162	40,230	42,283
	\$ 563,162	\$ 573,541	\$ 502,375	\$ 514,647

5. Accounts receivable:

	2011	2010
Water and sewer utilities	\$ 6,880	\$ 6,467
Casino revenues	3,186	3,146
Capital grant	2,934	12,980
Other trade receivables	9,095	7,058
	\$ 22,095	\$ 29,651

6. Debt reserve fund deposits and contingent demand notes:

The City issues its debt instruments through the Municipal Finance Authority (the "MFA"). As a condition of these borrowings, a portion of the debenture proceeds is withheld by the MFA as a Debt Reserve Fund. The City also executes demand notes in connection with each debenture whereby the City may be required to loan certain amounts to the MFA. These demand notes are contingent in nature and are not reflected in the accounts. The details of the cash deposits and contingent demand notes at December 31, 2011 are as follows:

	Cash deposits	Contingent demand notes
General Revenue Fund	\$ 376	\$ 1,706
Sewerworks Revenue Fund	10	48
Total	\$ 386	\$ 1,754

CITY OF RICHMOND

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

Year ended December 31, 2011

7. Accounts payable and accrued liabilities:

	2011	2010
Trade and other liabilities	\$ 50,808	\$ 48,892
Post-employment benefits (note 16)	26,890	25,071
	\$ 77,698	\$ 73,963

8. Deposits and holdbacks:

	Balance December 31, 2010	Deposit contributions	Refund expenditures	Balance December 31, 2011
Security deposits	\$ 33,059	\$ 6,175	\$ 14,094	\$ 25,140
Contract holdbacks	2,075	3,640	4,509	1,206
Developer contribution	5,197	340	-	5,537
Transit Oriented Development Fund	1,523	-	-	1,523
Other	3,593	3,124	3,370	3,347
	\$ 45,447	\$ 13,279	\$ 21,973	\$ 36,753

9. Deferred revenue:

Deferred revenue represents revenues that 1) are collected but not earned as of December 31, 2011. These revenues will be recognized in future periods as they are earned. 2) Funds received from external parties for specified purposes. These revenues are recognized in the period in which the related expenses are incurred.

	2011	2010
Prepaid taxes	\$ 12,652	\$ 11,737
Capital grants	4,919	6,151
Business license revenues	2,433	1,882
Firm price billing revenues	2,723	3,375
Other	9,671	6,078
Parking easement and leased land revenues	2,403	14,723
Balance, end of year	\$ 34,801	\$ 43,946

CITY OF RICHMOND

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

Year ended December 31, 2011

10. Development cost charges:

	2011	2010
Balance, beginning of year	\$ 42,211	\$ 33,208
Contributions	23,518	26,101
Interest	971	706
Revenue recognized	(14,321)	(17,804)
Balance, end of year	\$ 52,379	\$ 42,211

11. Obligations under capital leases:

The City has entered into capital lease agreements to finance certain equipment at an estimated cost of borrowing ranging from 1.25% to 5% per year.

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

Year ending December 31:		
2012	\$	337
2013		80
2014		59
2015		26
2016 and thereafter		6
Total future minimum lease payments		508
Less amount representing interest		(9)
Present value of capital lease payments	\$	499

CITY OF RICHMOND

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

Year ended December 31, 2011

12. Debt, net of MFA sinking fund deposits:

The rates of interest on the principal amount of the MFA debentures vary between 3.15% and 8.50% per annum. The average rate of interest for the year ended December 31, 2011 approximates 5.85%.

The City issues debt instruments through the MFA pursuant to security issuing bylaws under authority of the Community Charter to finance certain capital expenditures. Sinking fund balances managed by the MFA are netted against related debt.

Gross amount for the debt and the amount for the sinking funds assets available to retire the debt are as follows:

	Gross debt	Sinking fund asset	Net debt 2011	Net debt 2010
General Fund	\$ 39,546	\$ 33,887	\$ 5,659	\$ 9,055
Sewerworks Fund	1,109	960	149	219
	\$ 40,655	\$ 34,847	\$ 5,808	\$ 9,274

Principal payments and sinking fund instalments on net outstanding debenture debt over the next three years are as follows:

	General	Sewerworks	Total
2012	\$ 2,248	\$ 73	\$ 2,321
2013	2,355	76	2,431
2014	1,056	-	1,056
	\$ 5,659	\$ 149	\$ 5,808

CITY OF RICHMOND

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

Year ended December 31, 2011

13. Tangible capital assets:

Cost	Balance at December 31, 2010 (recast - note 3)	Additions and transfers	Disposals	Balance at December 31, 2011
Land	\$ 570,939	\$ 37,582	\$ 10	\$ 608,511
Buildings and building improvements	313,067	27,705	600	340,172
Infrastructure	1,455,639	47,349	3,394	1,499,594
Vehicles, machinery and equipment	81,498	4,864	1,099	85,263
Library's collections, furniture and equipment	8,203	2,788	1,329	9,662
Assets under construction	34,379	(8,522)	-	25,857
	\$ 2,463,725	\$ 111,766	\$ 6,432	\$ 2,569,059

Accumulated amortization	Balance at December 31, 2010 (recast - note 3)	Disposals	Amortization expense	Balance at December 31, 2011
Buildings and building improvements	\$ 80,489	\$ 508	\$ 10,950	\$ 90,931
Infrastructure	591,261	2,069	29,868	619,060
Vehicles, machinery and equipment	47,819	1,067	5,514	52,266
Library's collections, furniture and equipment	5,137	1,329	1,364	5,172
	\$ 724,706	\$ 4,973	\$ 47,696	\$ 767,429

CITY OF RICHMOND

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

Year ended December 31, 2011

13. Tangible capital assets (continued):

	Net book value December 31, 2010 (recast - note 3)	Net book value December 31, 2011
Land	\$ 570,939	\$ 608,511
Buildings and building improvements	232,578	249,241
Infrastructure	864,378	880,534
Vehicles, machinery and equipment	33,679	32,997
Library's collection, furniture and equipment	3,066	4,490
Assets under construction	34,379	25,857
Balance, end of year	\$ 1,739,019	\$ 1,801,630

(a) Assets under construction:

Assets under construction having a value of approximately \$25,857,000 (2010 - \$34,379,000) have not been amortized. Amortization of these assets will commence when the asset is put into service.

(b) Contributed tangible capital assets:

Contributed capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is approximately \$35,740,000 (2010 - \$31,454,000) comprised of infrastructure in the amount of approximately \$11,978,000 (2010 - \$10,061,000), land in the amount of approximately \$22,483,000 (2010 - \$21,393,000) and library collections in the amount of approximately \$1,279,000 (2010 - nil)

(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 writedowns of tangible capital assets during the year (2010-\$nil).

CITY OF RICHMOND

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

Year ended December 31, 2011

14. Accumulated surplus:

	General Fund	Water Utility Fund	Sanitary Sewer Utility Fund	Capital and Loan Fund	Reserves Fund	Library Services	Richmond Oval	2011 Total	2010 Total (recast - note 3)
Investment in tangible capital assets	\$ -	\$ -	\$ -	\$ 1,790,377	\$ -	\$ 4,490	\$ 456	\$ 1,795,323	\$ 1,728,577
Reserves (note 15)	-	-	-	-	273,653	-	1,700	275,353	247,123
Appropriated Surplus	105,134	11,561	5,442	1,790	-	16	-	123,943	111,895
Obligations to be funded	-	-	-	-	-	(50)	-	(50)	(101)
Surplus	1,516	15,218	9,219	(1,927)	-	483	122	24,631	21,098
Other equity	1,934	-	-	-	-	-	-	1,934	1,745
Balance, end of year	\$ 108,584	\$ 26,779	\$ 14,661	\$ 1,790,240	\$ 273,653	\$ 4,939	\$ 2,278	\$ 2,221,134	\$ 2,110,337

CITY OF RICHMOND

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

Year ended December 31, 2011

15. Reserves:

	2010	Change during year	2011
Reserve funds:			
Affordable housing	\$ 10,728	\$ 616	\$ 11,344
Capital building and infrastructure	26,238	1,408	27,646
Capital reserve	76,229	5,591	81,820
Child care development	1,789	357	2,146
Community legacy and land replacement	5,718	11,379	17,097
Drainage improvement	18,213	5,182	23,395
Equipment replacement	14,912	1,832	16,744
Leisure facilities	2,522	99	2,621
Local improvements	6,117	213	6,330
Neighborhood improvement	5,649	408	6,057
Public art program	1,278	307	1,585
Sanitary sewer	27,661	2,593	30,254
Steveston off-street parking	266	11	277
Steveston road ends	2,930	(207)	2,723
Waterfront improvement	496	(317)	179
Watermain replacement	46,377	(2,942)	43,435
Oval	-	1,700	1,700
	\$ 247,123	\$ 28,230	\$ 275,353

16. Post-employment future benefits:

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

	2011	2010
Balance, beginning of year	\$ 25,071	\$ 23,263
Current service cost	1,843	1,696
Interest cost	1,207	1,320
Amortization of actuarial loss	424	545
Benefits paid	(1,655)	(1,753)
Balance, end of year	\$ 26,890	\$ 25,071

An actuarial valuation for these benefits was performed to determine the City's accrued benefit obligation as at December 31, 2009 and the results are extrapolated to December 31, 2011. The difference between the actuarially determined accrued benefit obligation of approximately \$28,471,000 and the liability of approximately \$26,890,000 as at December 31, 2011 is an unamortized actuarial loss of \$1,581,000. This actuarial loss is being amortized over a period equal to the employees' average remaining service life of 10 years.

CITY OF RICHMOND

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

Year ended December 31, 2011

16. Post-employment future benefits (continued):

	2011	2010
Actuarial benefit obligation:		
Liability, end of year	\$ 26,890	\$ 25,071
Unamortized actuarial loss	1,581	1,642
Balance, end of year	\$ 28,471	\$ 26,713

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

	2011	2010
Discount rate	3.50%	4.50%
Expected future inflation rate	2.50%	2.50%
Expected wage and salary range increases	3.50%	3.50%

17. Pension plan:

The City and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trusteesd pension plan. The Plan's Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including the investment of the assets and administration of benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The Plan has about 173,000 active members and approximately 63,000 retired members. Active members include approximately 35,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of plan funding. The most recent valuation as at December 31, 2009 indicated an unfunded liability of \$1,024 million for basic pension benefits. The next actuarial valuation will be performed as at December 31, 2012 with results available in 2013. The actuary does not attribute portions of the unfunded liability to individual employers. The City paid \$9,291,000 (2010 - \$8,832,000) for employer contributions to the Plan in fiscal 2011. Employees paid \$7,624,000 (2010 - \$7,170,000) for employee contributions to the Plan in fiscal 2011.

18. Commitments and contingencies:

(a) Joint and several liabilities:

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

CITY OF RICHMOND

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

Year ended December 31, 2011

18. Commitments and contingencies (continued):

(b) Lease payments:

In addition to the obligations under capital leases, at December 31, 2011, the City was committed to operating lease payments for premises and equipment in the following approximate amounts:

2012	\$ 4,338
2013	4,172
2014	4,123
2015	4,091
2016 and thereafter	28,449

(c) Litigation:

As at December 31, 2011, there were a number of legal claims in various stages of litigation. The City has made no specific provision for those where the outcome is presently not determinable.

(d) Municipal Insurance Association of British Columbia:

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

(e) Contractual obligation:

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

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

The City is a shareholder of the Emergency Communications for Southwest British Columbia Incorporated (E-Comm) whose services provided include: regional 9-1-1 call centre for the Greater Vancouver Regional District; Wide Area Radio network; dispatch operations; and records management. The City has 2 Class A shares and 1 Class B share (of a total of 26 Class A and 23 Class B shares issued and outstanding as at December 31, 2011). As a Class A shareholder, the City shares in both funding the future operations and capital obligations of E-Comm (in accordance with a cost sharing formula), including any lease obligations committed to by E-Comm up to the shareholder's withdrawal date.

CITY OF RICHMOND

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

Year ended December 31, 2011

18. Commitments and contingencies (continued):

(g) Community Associations:

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

(h) Contingent liabilities:

The City has a contract with the federal government whereby the federal government provides Royal Canadian Mounted Police (RCMP) policing services. RCMP members and the federal government are currently in legal proceedings regarding pay raises for 2009 and 2010 that were retracted for RCMP members. As the final outcome of the legal action and the potential financial impact to the City is not determinable, the City has not recorded any provision for this matter in the financial statements as at December 31, 2011.

19. Trust funds:

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

	2011	2010
Richmond Community Associations	\$ 1,015	\$ 994

20. Collections for other governments:

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

	2011	2010
Province of British Columbia - Schools	\$ 122,465	\$ 118,391
Greater Vancouver Regional District and others	37,655	35,715
	\$ 160,120	\$ 154,106

CITY OF RICHMOND

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

Year ended December 31, 2011

21. Non-monetary transaction:

During the year, the City sold a portion of land to a third party developer valued at an agreed amount of \$6 million. In a separate but related transaction, the City acquired and discharged the developer from its use of a leasehold interest for the equivalent amount. The transactions occurred at fair value and no cash was exchanged.

The sale of land resulted in a gain on disposition in the amount of \$6 million. The discharge of the leasehold interest and discharge of an easement for parking resulted in an accounting gain on settlement of \$6 million. The total resulting gain of \$12 million has been included in Other Revenues – Other on the statement of operations.

22. Segmented reporting:

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

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

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

Parks, Recreation and Community Services comprises of Parks, Recreation and Community 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 economic, arts, culture, and community issues that the City encounters.

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

CITY OF RICHMOND

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

Year ended December 31, 2011

22. Segmented reporting (continued):

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

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

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

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

CITY OF RICHMOND

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

Year ended December 31, 2011

22. Segmented reporting (continued):

	2011									2010
	Law and Community Safety	Engineering, Public Works and Project Development	Parks, Recreation and Community Services	General Government	Utilities	Planning and Development	Library Services	Richmond Olympic Oval	Consolidated	(recast - note 3) Consolidated
Revenues:										
Taxation and levies	\$ -	\$ -	\$ -	161,821	\$ -	\$ -	\$ -	\$ -	161,821	\$ 156,071
User Fees	-	7,109	-	-	62,250	-	-	-	69,359	68,365
Sales of Services	4,857	2,095	8,806	7,862	12,782	768	278	4,070	41,518	37,403
Development Cost Charges	-	2,514	4,580	6,483	744	-	-	-	14,321	17,804
Provincial and Federal Grants	91	2,014	210	2,385	189	8	430	2,739	8,066	6,353
Other Capital Funding Sources	190	14,889	2,609	22,981	8,115	-	1,279	-	50,063	53,217
Payments-in-Lieu of taxes	-	-	-	13,726	-	-	-	-	13,726	13,203
Other revenue from own sources:										
Investment Income	-	-	-	19,702	626	-	-	-	20,328	16,864
Gaming Revenue	567	1,400	-	11,761	-	-	-	-	13,728	12,563
Licenses and permits	190	66	-	3,153	-	4,115	-	-	7,524	7,328
Other	1,445	292	305	19,565	713	13	224	1,031	23,588	10,335
	7,340	30,379	16,510	269,439	85,419	4,904	2,211	7,840	424,042	399,506
Expenditures:										
Wages and Salaries	34,669	19,501	25,460	18,439	9,717	8,942	6,286	5,347	128,361	121,244
PW Maintenance	18	11,518	2,227	23	4,600	54	4	-	18,444	16,346
Contract Services	35,548	866	1,603	2,486	4,780	199	77	128	45,687	46,582
Supplies and Materials	2,756	(3,162)	11,146	7,997	40,238	1,261	884	2,645	63,765	78,972
Interest and Finance	15	(1)	-	2,405	2,742	-	3	-	5,164	6,002
Transfer from (to) capital for										
tangible capital assets	67	2,035	547	(128)	225	9	-	-	2,755	(11,518)
Amortization of tangible capital assets	1,423	20,745	4,966	10,893	6,683	1,095	1,364	527	47,696	47,725
Loss (gain) on disposal of capital assets	67	835	8	18	445	-	-	-	1,373	(3,897)
	74,563	52,337	45,957	42,133	69,430	11,560	8,618	8,647	313,245	301,456
Annual surplus (deficit)	\$ (67,223)	\$ (21,958)	\$ (29,447)	\$ 227,306	\$ 15,989	\$ (6,656)	\$ (6,407)	\$ (807)	\$ 110,797	\$ 98,050

CITY OF RICHMOND

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

Year ended December 31, 2011

23. Budget data:

The unaudited budget data presented in these consolidated financial statements is based on the 2011 operating and capital budgets approved by Council on March 14, 2011 and the approved budget for Richmond Olympic Oval. Below is the reconciliation of the approved budget to the budget amount reported in these financial statements.

	Budget Amount
Revenues:	
Approved operating budget	\$ 369,267
Approved capital budget	216,081
Approved Oval budget	10,520
Less:	
Transfer from other funds	64,386
Intercity recoveries	36,211
Intercompany recoveries	3,030
Carried forward capital expenditures	143,382
Total revenue	348,859
Expenses:	
Approved operating budget	369,267
Approved capital budget	216,081
Approved Oval budget	9,911
Less:	
Transfer to other funds	7,019
Intercity payments	36,211
Intercompany payments	3,030
Capital expenditures	72,699
Debt principal payments	1,331
Carried forward capital expenditures	143,382
Total expenses	331,587
Annual surplus per statement of operations	\$ 17,272

2011 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 2011. Permissive tax exemptions are those exemptions granted by bylaw in accordance with Section 224 of the Community Charter.

Property / Organization	Address	2011 Municipal tax exempted
Churches and religious properties		
BC Muslim Association	12300 Blundell Road	\$ 6,419.97
Bakerview Gospel Chapel	8991 Francis Road	2,132.99
Beth Tikvah Congregation	9711 Geal Road	6,616.93
Bethany Baptist Church	22680 Westminster Highway	15,027.48
Brighthouse United Church	8151 Bennett Road	4,919.87
Broadmoor Baptist Church	8140 Saunders Road	6,438.38
Canadian Martyrs Parish	5771 Granville Avenue	8,410.49
Christian and Missionary Alliance	3360 Sexsmith Road	2,733.15
Christian Reformed Church	9280 No. 2 Road	6,618.23
Church of God	10011 No. 5 Road	3,946.36
Church of Latter Day Saints	8440 Williams Road	9,442.89
Cornerstone Evangelical Baptist Church	12011 Blundell Road	1,877.83
Dharma Drum Mountain Buddhist Temple	8240 No. 5 Road	6,513.35
Emmanuel Christian Community	10351 No. 1 Road	4,041.93
Faith Evangelical Church	11960 Montego Street	3,086.21
Fraserview Mennonite Brethren Church	11295 Mellis Drive	8,290.88
Fujian Evangelical Church	12200 Blundell Road	5,583.71
Gilmore Park United Church	8060 No. 1 Road	10,034.89
I Kuan Tao (Fay Chungder) Association	8866 Odlin Crescent	2,791.79
Immanuel Christian Reformed Church	7600 No. 4 Road	3,644.87
India Cultural Centre	8600 No. 5 Road	9,070.04
International Buddhist Society	9120 Steveston Highway	3,900.80
Ismaili Jamatkama and Centre	7900 Alderbridge Way	27,059.53
Johrei Fellowship Inc	10380 Odlin Road	3,871.69
Lansdowne Congregation Jehovah's Witnesses	11014 Westminster Highway	2,575.38
Larch St. Gospel Meeting Room	8020 No. 5 Road	2,095.37
Ling Yen Mountain Temple	10060 No. 5 Road	4,918.33
Nanaksar Gurdwara Gursikh Temple	18691 Westminster Highway	2,157.96
North Richmond Alliance Church	9140 Granville Avenue	1,991.63
Our Savior Lutheran Church	6340 No. 4 Road	4,514.33
Parish of St. Alban's	7260 St. Albans Road	7,260.00

Churches and religious properties continued . . .

Patterson Road Assembly	9291 Walford Street	\$ 662.51
Peace Evangelical Church	8280 No. 5 Road	5,505.82
Peace Mennonite Church	11571 Daniels Road	9,306.96
Richmond Alliance Church	11371 No. 3 Road	4,054.53
Richmond Baptist Church	6560 Blundell Road	1,200.57
Richmond Baptist Church	6640 Blundell Road	4,237.41
Richmond Bethel Mennonite Church	10160 No. 5 Road	13,158.64
Richmond Chinese Alliance Church	10100 No. 1 Road	5,934.70
Richmond Chinese Evangelical Free Church	8040 No. 5 Road	2,616.37
Richmond Gospel Society	9160 Dixon Avenue	7,159.23
Richmond Pentecostal Church	9300 Westminster Highway	7,900.69
Richmond Pentecostal Church	9260 Westminster Highway	612.73
Richmond Presbyterian Church	7111 No. 2 Road	3,923.38
Richmond Sea Island United Church	8711 Cambie Road	7,326.00
Salvation Army Church	8280 Gilbert Road	2,982.94
Science of Spirituality SKRM Inc	11011 Shell Road	1,104.87
Shia Muslim Community	8580 No. 5 Road	5,432.23
South Arm United Church	11051 No. 3 Road	2,616.88
St. Anne's Anglican Church	4071 Francis Road	3,687.16
St. Edward's Anglican Church	10111 Bird Road	3,525.11
St. Gregory Armenian Apostolic Church	13780 Westminster Highway	785.25
St. Joseph the Worker Roman Catholic Church	4451 Williams Road	8,578.29
St. Monica's Roman Catholic Church	12011 Woodhead Road	5,633.32
St. Paul's Roman Catholic Parish	8251 St. Albans Road	19,370.96
Steveston Buddhist Temple	4360 Garry Street	8,521.49
Steveston Congregation Jehovah's Witnesses	4260 Williams Road	4,134.53
Steveston United Church	3720 Broadway Street	2,807.39
Subramaniya Swamy Temple	8840 No. 5 Road	753.30
Thrangu Monastery Association	8140 No. 5 Road	4,566.65
Thrangu Monastery Association	8160 No. 5 Road	155.05
Towers Baptist Church	10311 Albion Road	6,879.14
Trinity Lutheran Church	7100 Granville Avenue	8,746.24
Ukrainian Catholic Church	8700 Railway Avenue	1,983.06
Vancouver Airport Chaplaincy	3211 Grant McConachie Way	468.36
Vancouver International Buddhist Progress Society	6690 - 8181 Cambie Road	8,149.21
Vancouver International Buddhist Progress Society	8271 Cambie Road	2,897.06
Vedic Cultural Society of BC	8200 No. 5 Road	1,453.08
West Richmond Gospel Hall	5651 Francis Road	2,545.85

Recreation, child care, and community service properties

Cook Road Children's Centre	8300 Cook Road	\$ 1,825.78
Girl Guides of Canada	4780 Blundell Road	2,346.83
Kinsmen Club of Richmond	11851 Westminster Highway	428.76
Navy League of Canada	7411 River Road	10,046.76
Richmond Caring Place	7000 Minoru Boulevard	169,277.82
Richmond Family Place	8660 Ash Street	8,471.76
Richmond Lawn Bowling Club	6131 Bowling Green Road	7,526.08
Richmond Public Library	11580 Cambie Road	3,240.95
Richmond Public Library	11688 Steveston Highway	6,145.38
Richmond Rod and Gun Club	7760 River Road	15,794.59
Richmond Tennis Club	6820 Gilbert Road	13,706.98
Richmond Winter Club	5540 Hollybridge Way	114,193.29
Riverside Children's Centre	5862 Dover Crescent	997.76
Scotch Pond Heritage	2220 Chatham Street	7,836.59
Terra Nova Children's Centre	6011 Blanchard Drive	1,774.15
Treehouse Learning Centre	100 - 5500 Andrews Road	1,315.14
Richmond Ice Centre	14140 Triangle Road	138,898.32
Richmond Watermania	14300 Entertainment Boulevard	207,971.91

Private educational properties

BC Muslim Association	12300 Blundell Road	\$ 2,095.59
Choice Learning Centre	20411 Westminster Highway	783.15
Choice Learning Centre	20451 Westminster Highway	4,541.14
Cornerstone Christian Academy School	12011 Blundell Road	1,493.42
Richmond Christian School	10260 No. 5 Road	11,979.87
Richmond Christian School Association	5240 Woodward's Road	28,930.88
Richmond Jewish Day School	8760 No. 5 Road	15,466.40
St. Joseph the Worker Roman Catholic Church	4451 Williams Road	21,224.49

Senior citizen housing

Richmond Kiwanis Senior Citizens Housing	6251 Minoru Boulevard	\$ 45,529.88
Richmond Legion Senior Citizen Society	7251 Langton Road	23,404.41

Community care facilities

Canadian Mental Health Association	8911 Westminster Highway	\$ 5,837.90
Development Disabilities Association	6531 Azure Road	1,655.99
Development Disabilities Association	8400 Robinson Road	1,974.64
Greater Vancouver Community Service	4811 Williams Road	2,094.45
Pinegrove Place, Mennonite Care Home Society	11331 Mellis Drive	15,910.92
Richmond Society for Community Living	303 - 7560 Moffatt Road	728.54
Richmond Society for Community Living	4433 Francis Road	1,669.85
Richmond Society for Community Living	5635 Steveston Highway	6,123.15
Richmond Society for Community Living	9 - 11020 No. 1 Road	915.75
Richmond Society for Community Living	9580 Pendleton Road	6,531.08
Rosewood Manor, Richmond Intermediate Care Society	6260 Blundell Road	34,880.20

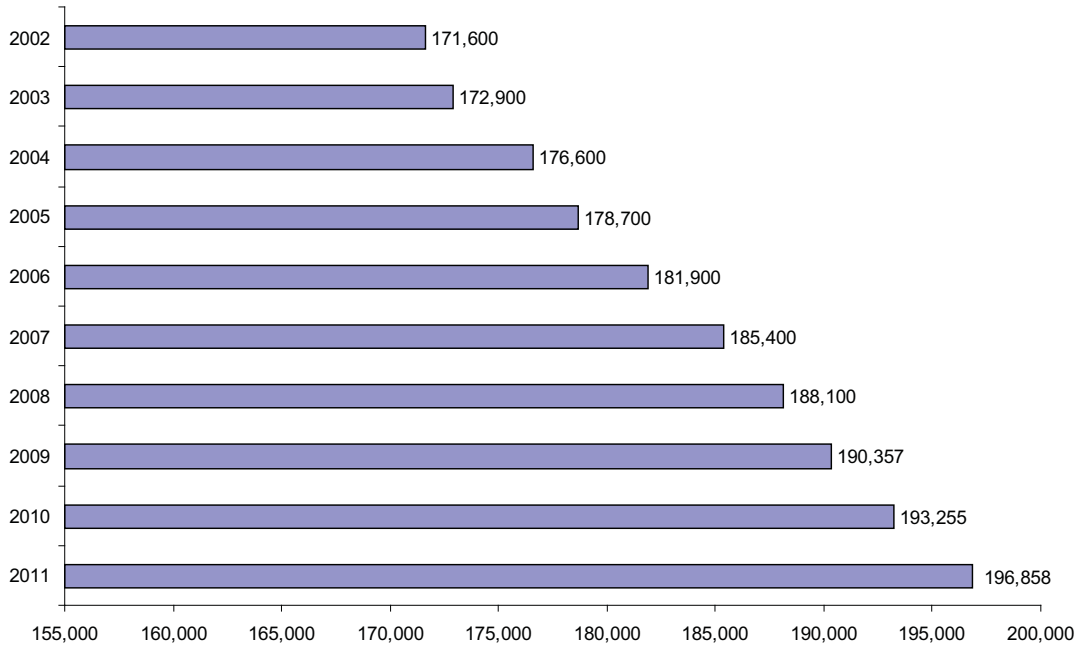
Municipal use

0815024 BC Ltd	5440 Hollybridge Way	\$ 34,594.23
Richmond Olympic Oval	6111 River Road	2,064,041.27

City of Richmond statistical data

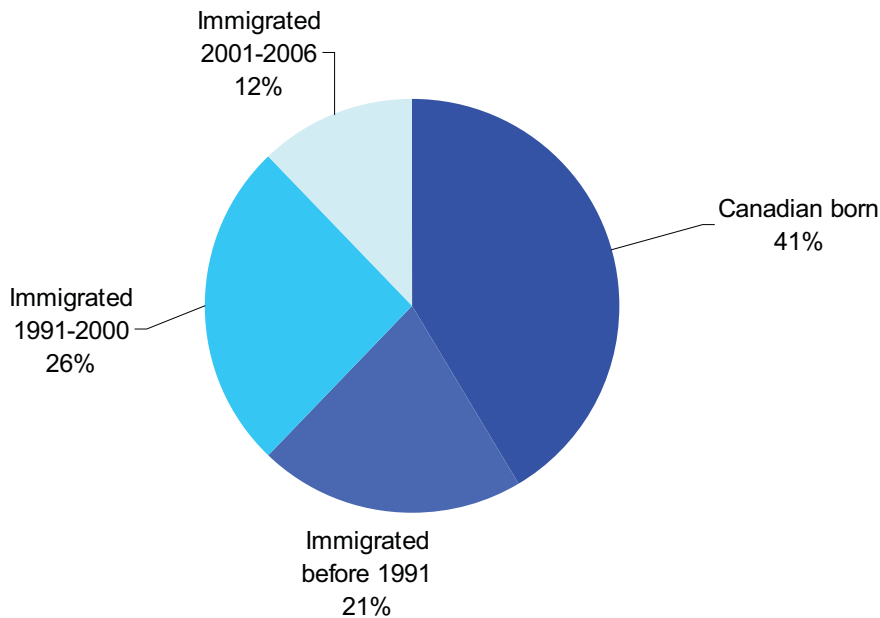
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City of Richmond population 2002–2011



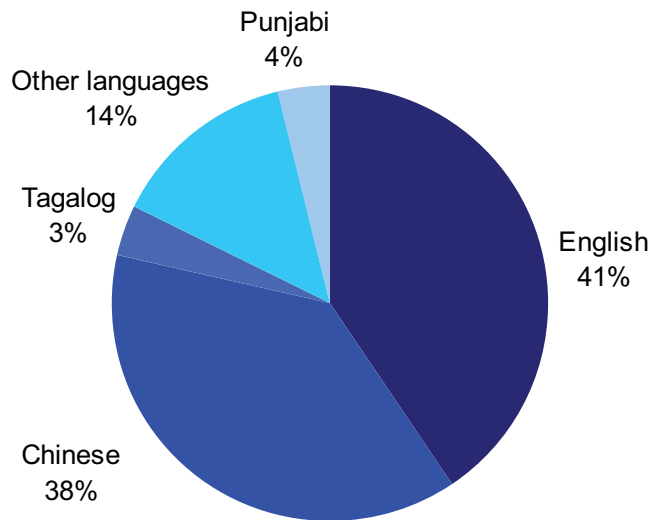
Source: City of Richmond Policy Planning Division

Immigrant status of Richmond residents by period of immigration



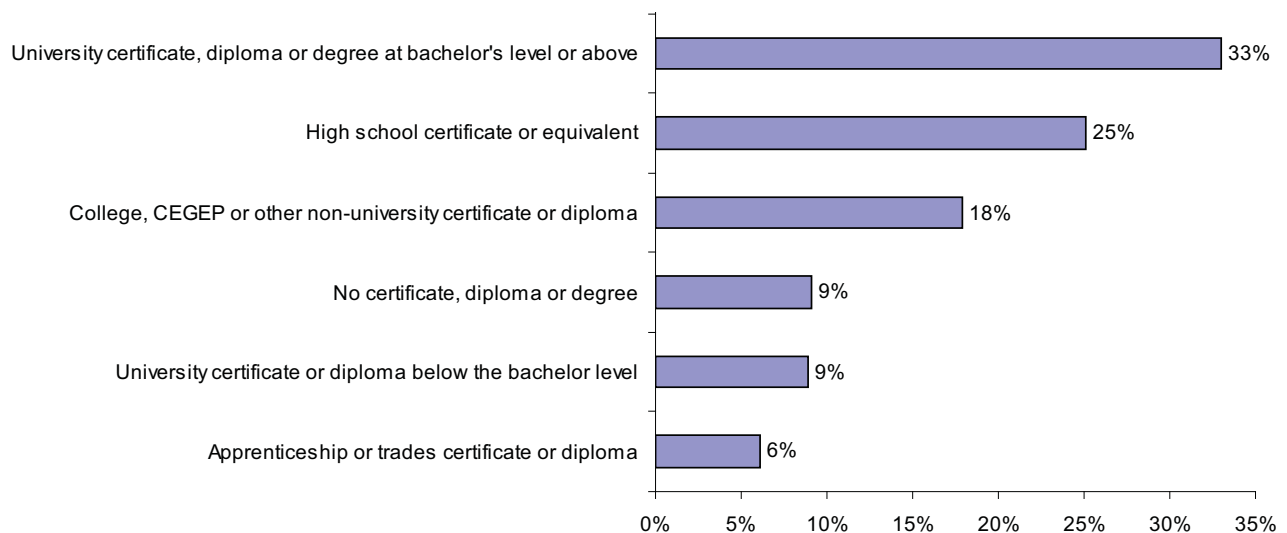
Source: Statistics Canada 2006 Census of Population

Richmond's population by mother tongue



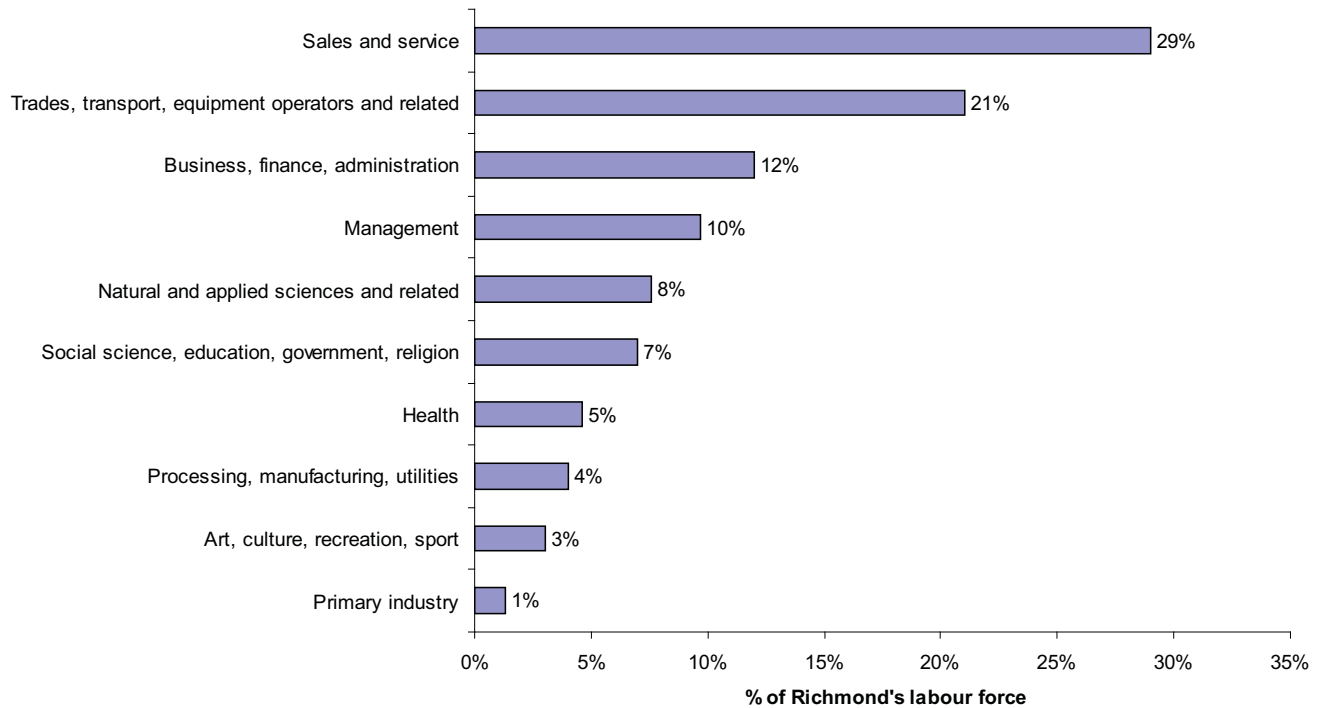
Source: Statistics Canada 2006 Census of Population

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



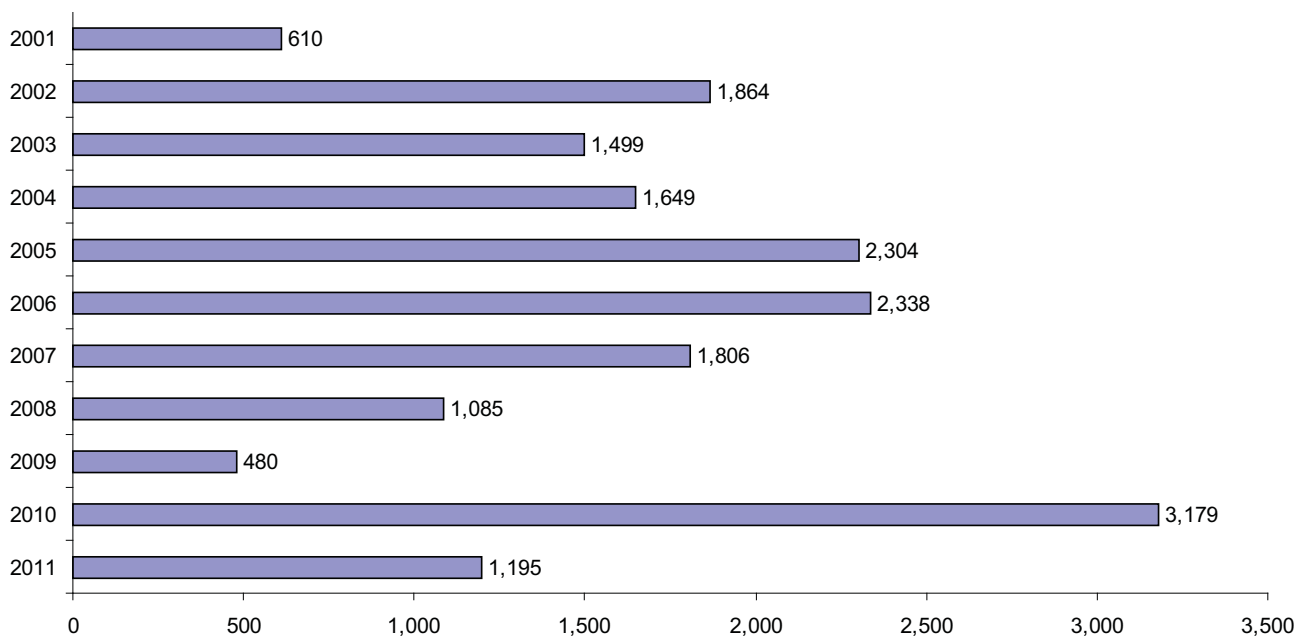
Source: Statistics Canada 2006 Census of Population

Occupations of Richmond residents



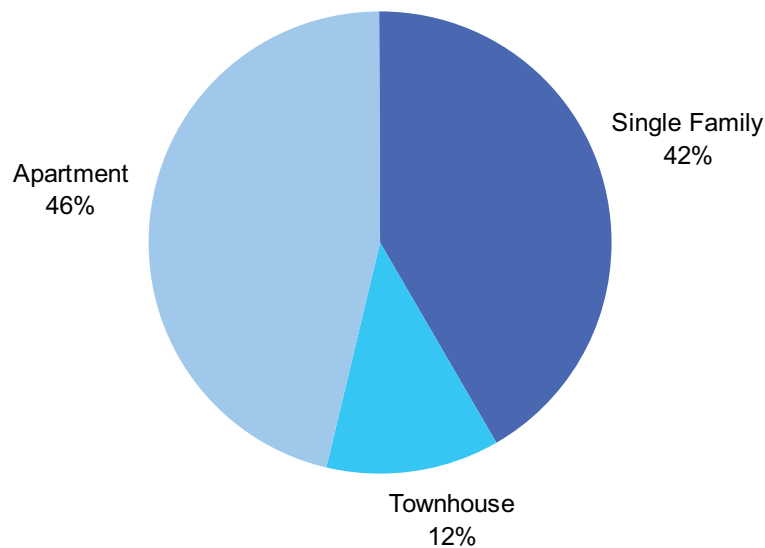
Source: Statistics Canada 2006 Census of Population

Housing starts in Richmond 2001–2011



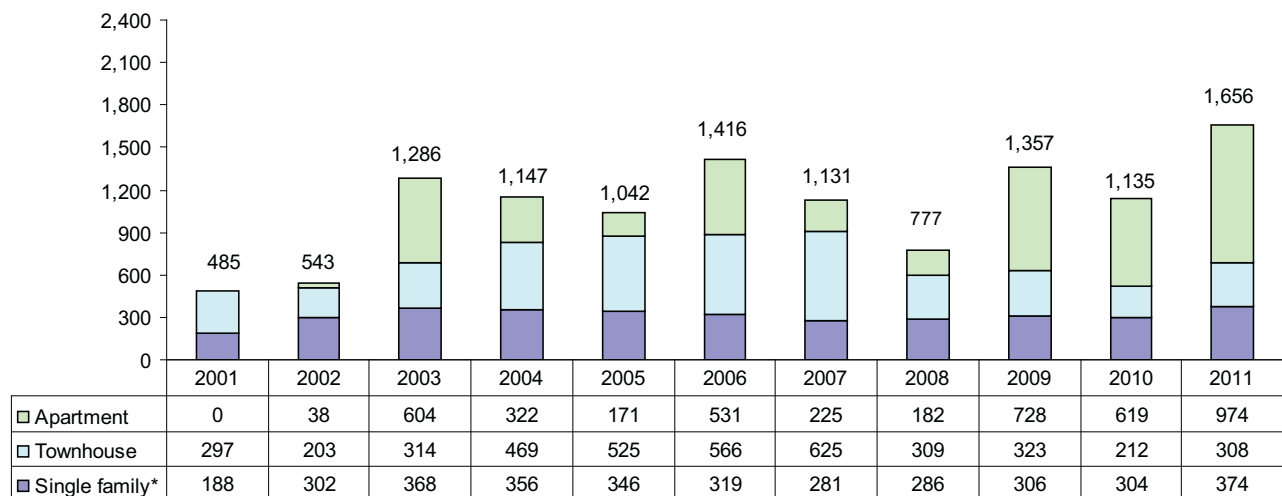
Source: City of Richmond building permit data

Richmond housing starts by type of units 2011



Source: City of Richmond building permit data

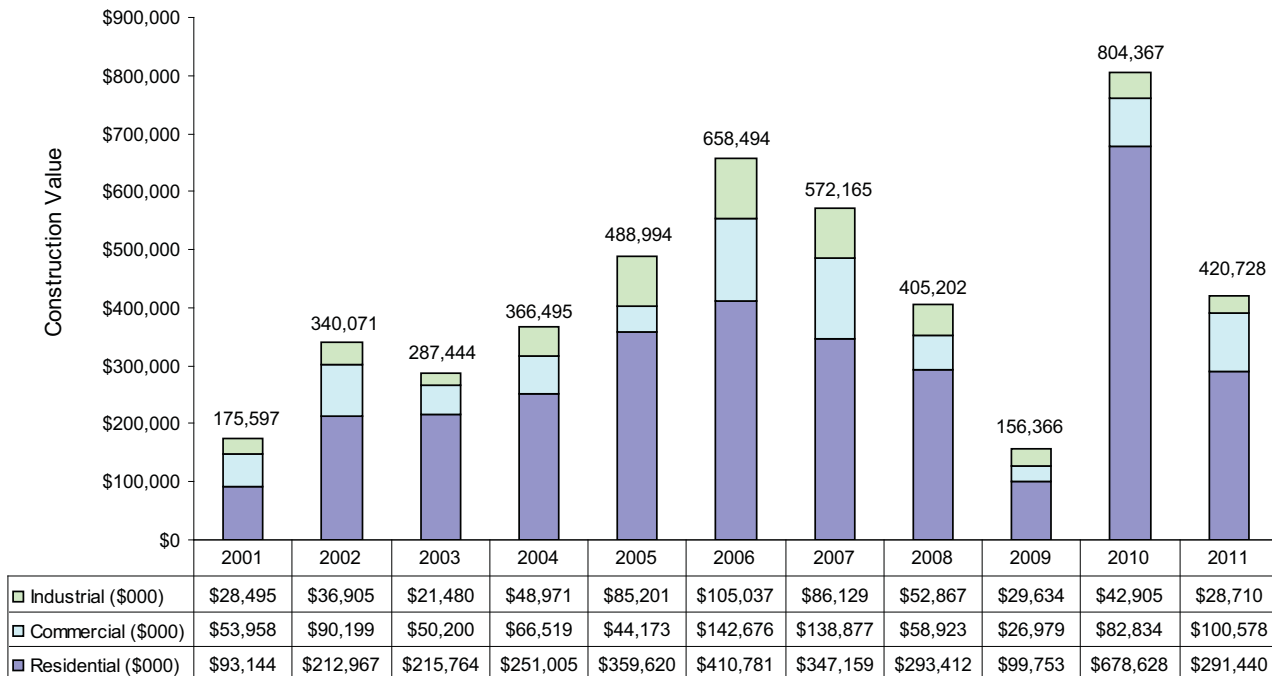
New dwelling units constructed 2001–2011



*Includes one family and two family dwellings

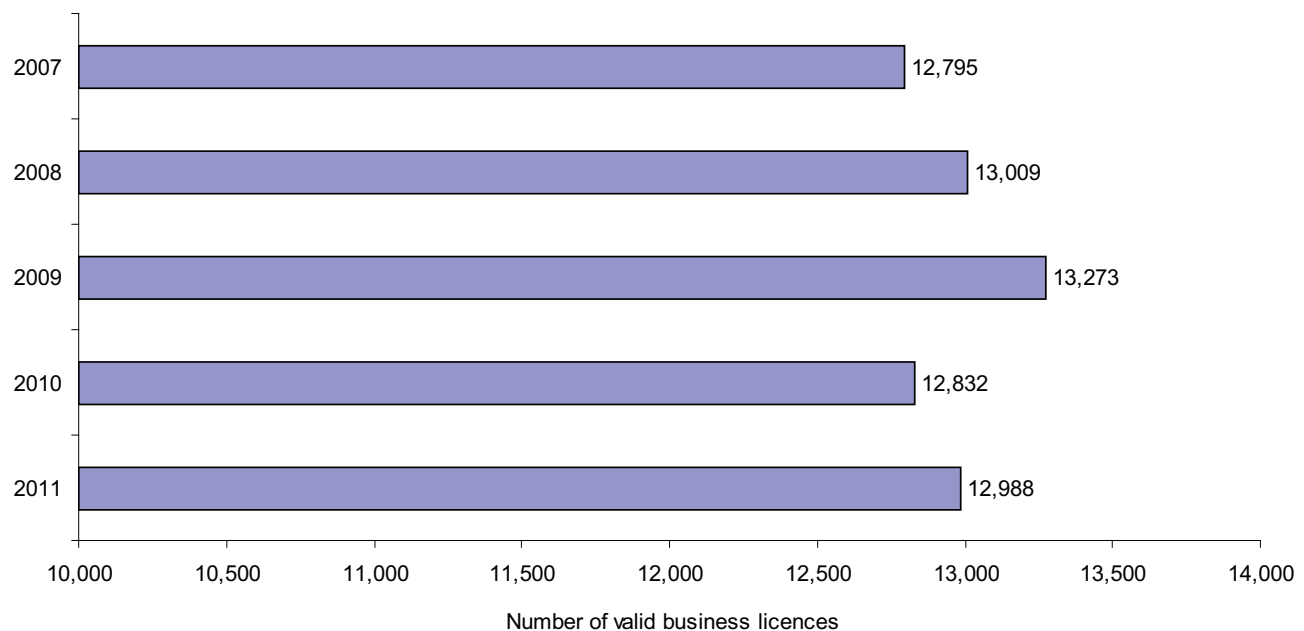
Source: City of Richmond building permit records. Includes only projects for new residential construction receiving final building permit in given year

Construction value of building permits issued 2001–2011 (in \$000s)



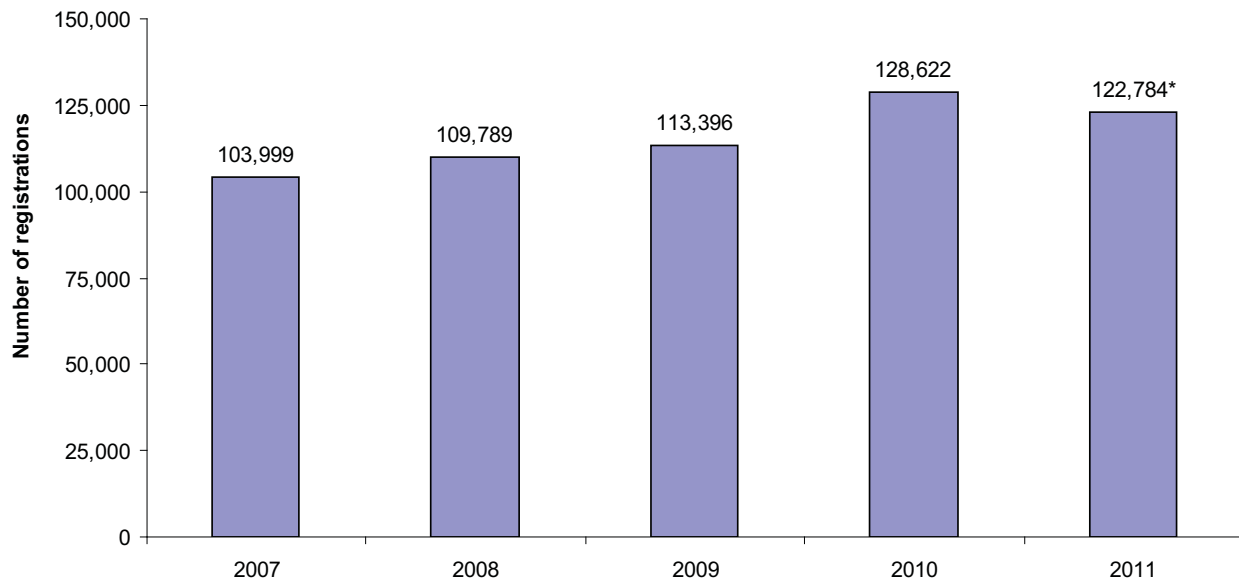
Source: Permits and Licence System, custom report

Richmond business licences 2007–2011



Source: City of Richmond Business Licence System

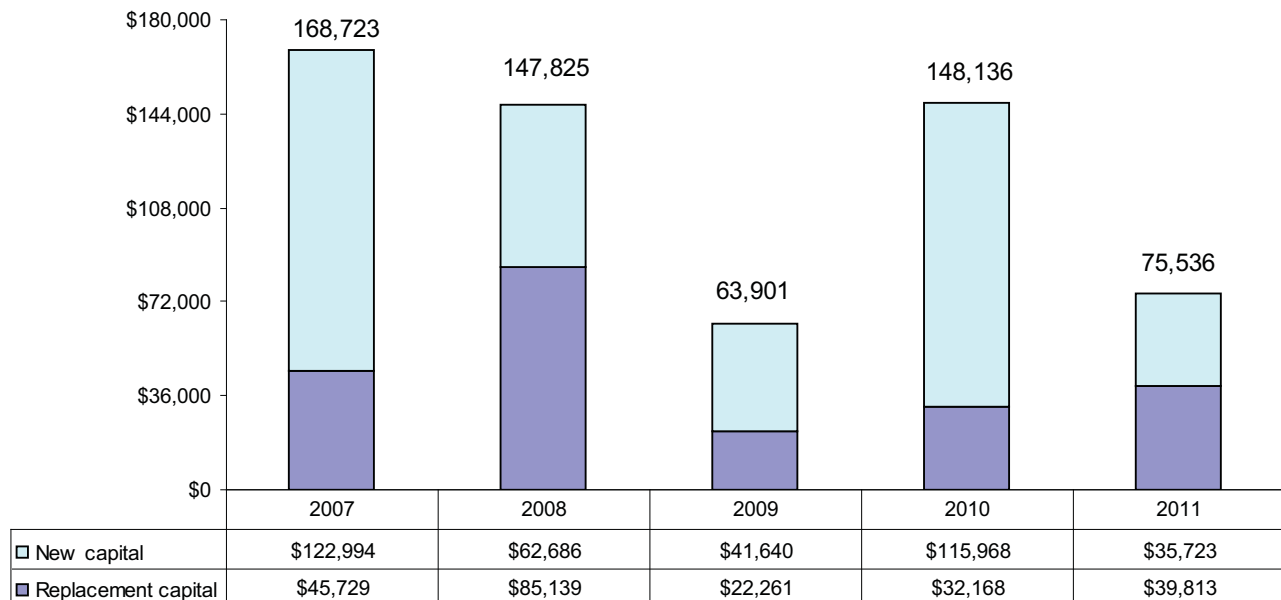
Registration in Richmond Recreation and Cultural Services programs 2007–2011



Source: City of Richmond Parks, Recreation and Cultural Services Registration System

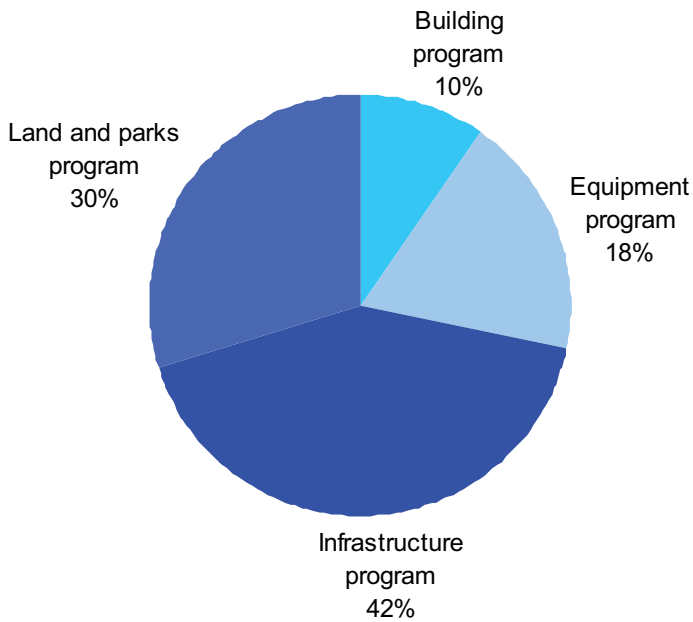
*Change in registration system

City of Richmond budgeted capital construction costs 2007–2011 (in \$000s)



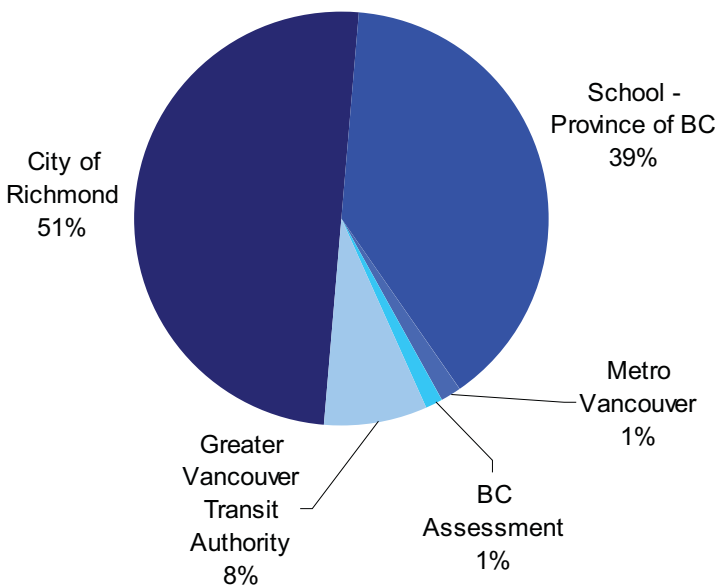
Source: City of Richmond Business and Financial Services Department

Capital program by type 2011



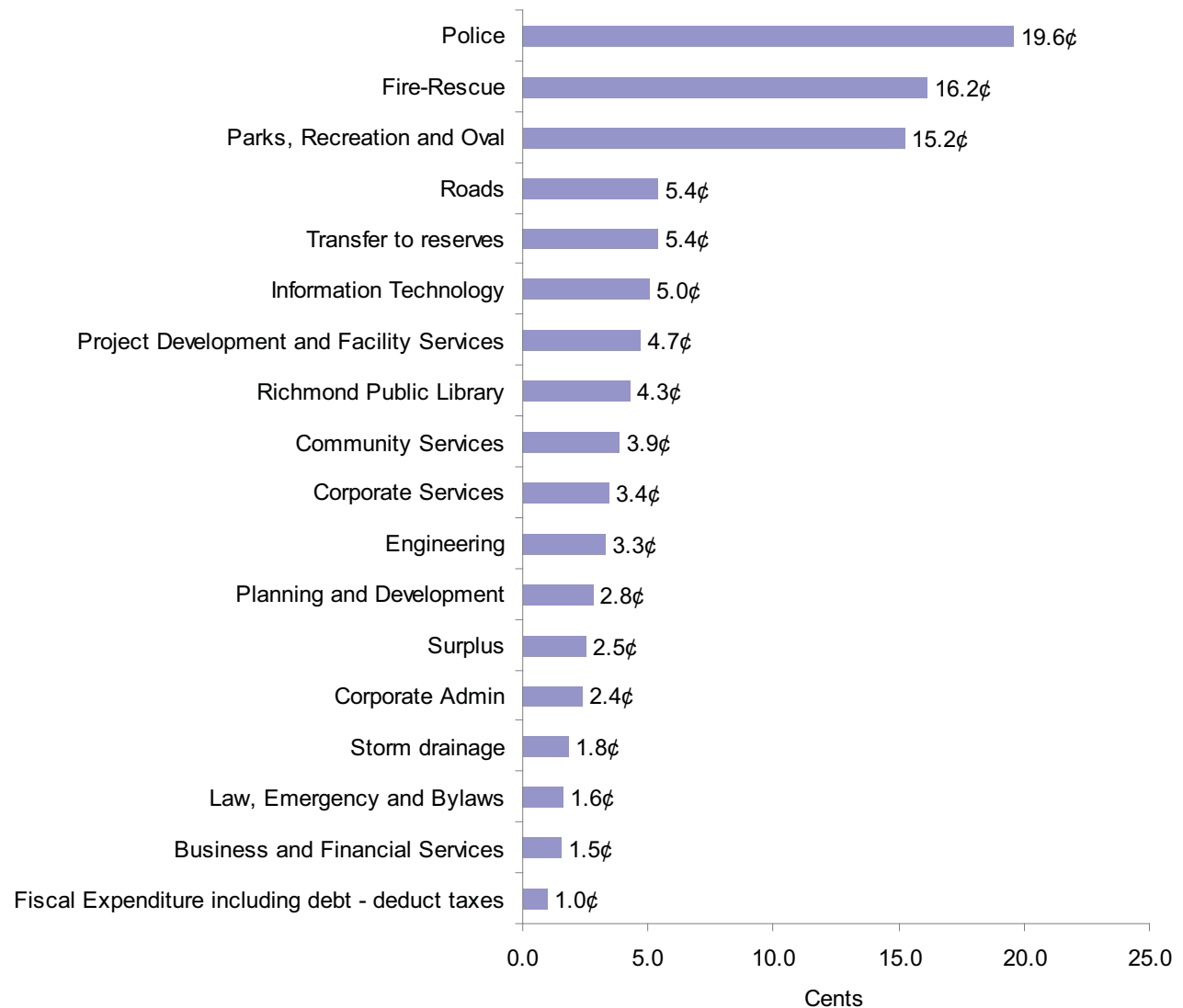
Source: City of Richmond Business and Financial Services Department

Breakdown of residential tax bill 2011



Source: City of Richmond Business and Financial Services Department

Breakdown of municipal tax dollar 2011



Source: City of Richmond Business and Financial Services Department

2011 tax rates

	City of Richmond	School - Province of BC	Metro Vancouver	BC Assessment	Municipal Finance Authority	TransLink
Residential	2.16085	1.67470	0.06235	0.06210	0.00020	0.35000
Business	8.03836	6.60000	0.15274	0.18960	0.00050	1.60860
Light industrial	9.05396	2.64000	0.21197	0.18960	0.00070	1.96260
Seasonal / Recreational	1.83670	3.40000	0.06234	0.06210	0.00020	0.30590
Major industrial	12.96510	2.64000	0.21197	0.51140	0.00070	2.26920
Farm	11.88468	3.40000	0.06234	0.06210	0.00020	0.35430
Utilities	37.16662	14.10000	0.21820	0.51140	0.00070	2.70720

Source: City of Richmond Business and Financial Services Department

2011 general revenue fund assessment and taxation by property class (in \$000s)

	Assessment	% of assessment by class	Taxation	% of taxation by class
Residential	\$38,773,463	80.32%	\$83,784	51.65%
Business	7,753,426	16.06%	62,325	38.42%
Light industrial	1,480,246	3.07%	13,402	8.27%
Seasonal / Recreational	113,149	0.23%	208	0.13%
Major industrial	107,536	0.22%	1,394	0.86%
Farm	26,699	0.06%	317	0.20%
Utilities	21,094	0.04%	784	0.47%
Total	\$48,275,613	100.00%	\$162,214	100.00%

Source: City of Richmond Business and Financial Services Department

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

	2007	2008	2009	2010	2011
City of Richmond	\$131,292	\$141,531	\$148,563	\$156,071	\$161,821
School Board	112,484	117,124	115,122	118,391	122,465
Metro Vancouver	3,177	3,302	3,329	3,632	3,957
BC Assessment	3,474	3,655	3,791	4,013	4,258
TransLink	27,320	25,725	27,209	28,058	29,427
Other	9	8	11	11	13
Total taxes	\$277,756	\$291,345	\$298,025	\$310,176	\$321,941

Source: City of Richmond Business and Financial Services Department

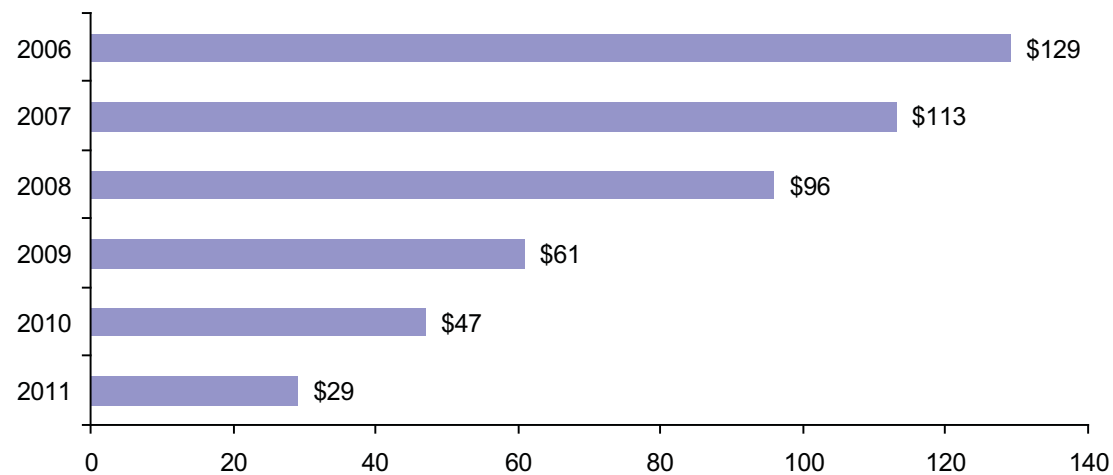
Long term debt repayments relative to expenditures 2007–2011 (in \$000s)

General revenue fund	2007	2008	2009	2010	2011
Long term debt repayments	\$ 4,735	\$ 4,735	\$ 8,235	\$ 3,554	\$ 3,413
General expenditures	\$ 171,586	\$ 186,923	\$ 191,976	\$ 249,446	\$ 257,155
Repayments as % of expenditures	2.8%	2.5%	4.3%	1.4%	1.3%
Waterworks revenue fund					
Long term debt repayments	\$ -	\$ -	\$ -	\$ -	\$ -
Water expenditures	\$ 21,498	\$ 24,874	\$ 26,835	\$ 31,064	\$ 33,434
Repayments as % of expenditures	0.0%	0.0%	0.0%	0.0%	0.0%
Sewerworks revenue fund					
Long term debt repayments	\$ 115	\$ 115	\$ 115	\$ 115	\$ 115
Sewer expenditures	\$ 17,490	\$ 20,880	\$ 23,269	\$ 23,291	\$ 24,724
Repayments as % of expenditures	0.7%	0.6%	0.5%	0.5%	0.5%

Note: Expenditures do not include capital and infrastructure investments.

Source: City of Richmond Business and Financial Services Department

City of Richmond debt per capita 2006–2011



Source: City of Richmond Business and Financial Services Department

Revenue by source 2007–2011 (in \$000s)

	2007	2008	2009	2010	2011
Taxation and levies	\$135,393	\$139,475	\$148,503	\$156,071	\$161,821
User fees	50,736	57,027	63,150	68,365	69,359
Sales of services	29,649	31,714	33,528	37,403	41,518
Licences and permits	8,413	7,833	5,844	7,328	7,524
Investment income	19,396	25,011	22,147	16,864	20,328
Grants including casino revenue	29,177	29,482	31,272	32,119	35,520
Development cost charges	34,403	9,506	22,932	17,804	14,321
Other capital funding sources	27,586	45,036	26,878	53,217	50,063
Other	141,579	15,995	14,673	10,335	23,588
Total	\$476,332	\$361,079	\$368,927	\$399,506	\$424,042

Source: City of Richmond Business and Financial Services Department

Expenses by object 2010–2011 (in \$000s)

	2010	2011
Wages, salaries and benefits	\$121,244	\$128,361
Public Works maintenance	16,346	18,444
Contract services	46,582	45,687
Supplies, materials	78,972	63,765
Interest and finance	6,002	5,164
Transfer from (to) capital for tangible capital assets	(11,518)	2,755
Amortization of tangible capital assets	47,725	47,696
Loss/(gain) on disposal of tangible capital assets	(3,897)	1,373
Total	\$301,456	\$313,245

Source: City of Richmond Business and Financial Services Department

Expenses by function 2010–2011 (in \$000s)

	2010	2011
Community Safety	\$ 70,838	\$ 74,548
Engineering and Public Works	56,365	52,338
Parks, Recreation and Cultural Services	43,647	45,957
General government	35,130	39,728
Utilities	69,214	71,852
Planning and Development	11,427	11,560
Library services	8,221	8,615
Richmond Olympic Oval	6,614	8,647
Total expenditures	\$ 301,456	\$ 313,245

Source: City of Richmond Business and Financial Services Department

Accumulated surplus 2010–2011 (in \$000s)

	2010	2011
Annual surplus	\$ 98,050	\$ 110,797
Accumulated surplus, beginning of year	2,012,287	2,110,337
Accumulated surplus, end of year	\$ 2,110,337	\$ 2,221,134

Source: City of Richmond Business and Financial Services Department

Changes in net financial assets 2010–2011 (in \$000s)

	2010	2011
Change in net financial assets	\$ (32,872)	\$ 47,844

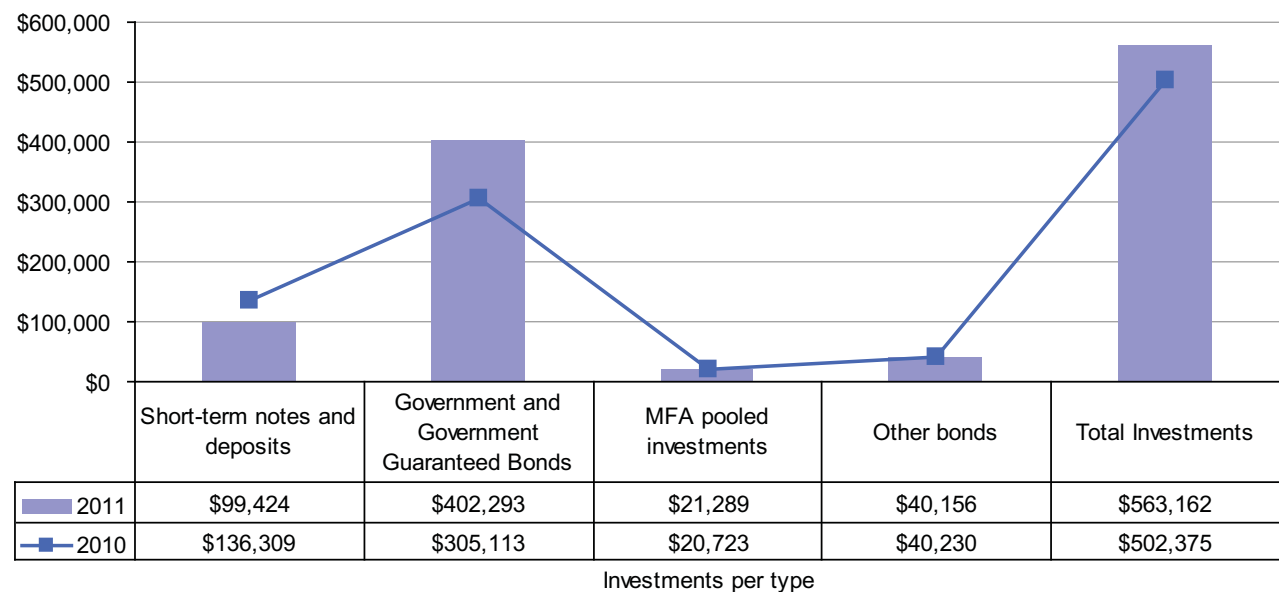
Source: City of Richmond Business and Financial Services Department

Reserves 2007–2011 (in \$000s)

	2007	2008	2009	2010	2011
Affordable housing	\$9,429	\$10,121	\$10,537	\$10,728	\$11,344
Capital building and infrastructure	16,206	18,519	22,655	26,238	27,646
Capital reserve	68,507	68,171	70,799	76,229	81,820
Child care development	431	541	854	1,789	2,146
Community legacy and land replacement	88,094	68,962	57,298	5,718	17,097
Drainage improvement	9,051	11,269	13,493	18,213	23,395
Equipment replacement	11,530	12,667	13,823	14,912	16,744
Leisure facilities	1,229	2,114	2,319	2,522	2,621
Local improvements	4,834	5,433	5,750	6,117	6,330
Neighbourhood improvement	5,169	5,939	6,276	5,649	6,057
Public art program	459	1,088	1,105	1,278	1,585
Sanitary sewer	18,677	21,647	24,332	27,661	30,254
Steveston off-street parking	187	248	256	266	277
Steveston road ends	296	293	204	2,930	2,723
Waterfront improvement	2,276	3,051	1,344	496	179
Watermain replacement	39,070	43,276	42,619	46,377	43,435
Oval	-	-	-	-	1,700
Total reserves	\$275,445	\$273,339	\$273,664	\$247,123	\$275,353

Source: City of Richmond Business and Financial Services Department

Investment portfolio per type 2010–2011 (\$'000's)



Ratio analysis indicators of financial condition

	2010	2011
Sustainability ratios		
Assets to liabilities (times)	11.5	11.2
Financial assets to liabilities (times)	3.0	2.8
Net debt to total revenues	2.6%	1.8%
Net debt to total assessment	0.0%	0.0%
Expenses to total assessment	0.7%	0.6%
Flexibility ratios		
Public debt charges to revenues	1.5%	1.2%
Net book value of capital assets to cost	70.4%	70.4%
Own source revenue to assessment	0.8%	0.8%
Vulnerability ratios		
Government transfers to total revenues	1.6%	1.9%

Note: Based on average balance sheet amounts

City of Richmond services and contact information

The City of Richmond's services are organized into the Chief Administrator's Office and eight departments, as well as three separate City services. The departments are: Office of the Chief Administrative Officer, Business and Financial Services, Corporate Services, Community Services, Engineering and Public Works, Law and Community Safety, Parks and Recreation, Planning and Development, and Project Development and Facility Services. The other City services are: Gateway Theatre, Richmond Olympic Oval and Richmond Public Library.

Mailing Address

City of Richmond
6911 No. 3 Road
Richmond, British Columbia
V6Y 2C1 Canada

Information Centre

Tel: 604-276-4000
Fax: 604-276-4029
Email: infocentre@richmond.ca

Telecommunication Device for the Deaf (TDD)

Tel: 604-276-4311

Mayor and Councillors

Mayor: 604-276-4123
Councillors: 604-276-4134
Email: MayorandCouncillors@richmond.ca

Website

www.richmond.ca

Community Bylaws

Dog Licences: 604-247-4633
Animal Control: 604-247-4630
Bylaw and Parking Ticket Enquiries: 604-276-4284
Automated Parking and Bylaw Enquiries:
604-276-4345

Fire Department (Richmond Fire-Rescue)

Administration (non-emergency calls only):
Tel: 604-278-5131
911 (emergency calls only)

Police Department (Richmond RCMP)

Administration (non-emergency calls only):
Tel: 604-278-1212
911 (emergency calls only)

Garbage and Recycling

Information Line: 604-276-4010

Gateway Theatre

6500 Gilbert Road

Information Line: 604-270-6500

Box Office: 604-270-1812

Box Office Hours: Monday to Friday, noon to
6:00 p.m.; Saturday, 2:00 to 6:00 p.m.

Website: www.gatewaytheatre.com

Human Resources

Reception: 604-276-4105

Library

For hours: 604-231-6401

Website: www.yourlibrary.ca

Parks Department

Reception: 604-244-1208

Permit Centre

Business Licences: 604-276-4328
Building Permits: 604-276-4285
Inspection Enquiries: 604-276-4118
Inspection Request Line: 604-276-4111

Public Works

Public Works Service Centre: 604-244-1262
24 Hour Emergency Calls: 604-270-8721

Recreation and Cultural Services

Information and Registration Line: 604-276-4300

Richmond Olympic Oval

6111 River Road
Information Line: 778-296-1400
Website: www.richmondoval.ca

Taxes–Property and Utility

General Enquiries: 604-276-4145

Transportation and Traffic

Parking Tickets: 604-276-4345
Transportation and Traffic Enquiries:
604-276-4388
Traffic Signals: 604-247-4616

Zoning Information

Zoning and Signs: 604-276-4017



City of Richmond

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

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CITY OF RICHMOND 2011 Annual Report Highlights

For the year ended December 31, 2011

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Award for Outstanding Achievement in Popular Annual Financial Reporting

PRESENTED TO

**City of Richmond
British Columbia**

for the Fiscal Year Ended

December 31, 2010



Linda C. Dawson
President

Jeffrey L. Evers
Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Richmond for its Popular Annual Financial Report for the fiscal year ended December 31, 2010. The Award for Outstanding Achievement in Popular Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

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

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

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This report features highlights from Richmond's 2011 Annual Report. For the detailed 2011 Annual Report that meets legislated requirements, please visit www.richmond.ca (City Hall > Finance, Taxes & Budgets > Budgets & Financial Reporting > Annual Reports).

The 2011 Annual Report Highlights are distributed by mail upon request. It is also available for the general public in hardcopy at Richmond City Hall or electronically on the City of Richmond's website.

Cover photo: Tall Ships returned to historic Steveston Village in Richmond for the popular Ships To Shore Steveston 2011 event.

This report was prepared by the City of Richmond Business and Financial Services Department and Corporate Communications Office. Design, layout and production was done by the City of Richmond Production Centre. ©2012 City of Richmond

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Richmond City Council



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To December 4, 2011

Front row, left to right:

Councillor Evelina Halsey-Brandt, Councillor Bill McNulty, Mayor Malcolm Brodie,
Councillor Sue Halsey-Brandt, Councillor Derek Dang

Back row, left to right:

Captain Dave Cullen, Richmond Fire-Rescue (retired), Councillor Harold Steves,
Councillor Greg Halsey-Brandt, Councillor Linda Barnes, Councillor Ken
Johnston, Corporal J. J. Stephan Peters, Richmond RCMP



As of December 5, 2011

Front row, left to right:

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

Back row, left to right:

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

Message from the Mayor



2011 will be remembered as a year of significant growth for the City of Richmond. With our population approaching the 200,000 level during 2011, your Council paid significant attention to managing this new growth, while ensuring we provided for the needs of our expanding city.

Much of the new growth in our city continues to be focused in the City Centre. Fuelled by the arrival of the Canada Line, construction of the Richmond Olympic Oval and our innovative City Centre Area Plan, we are on the cusp of an extraordinary new wave of development. Thus, a key focus in 2011 was the continued work to update our Official Community Plan (OCP). The new OCP Update, designed to guide growth through 2041, is expected to be completed in 2012.

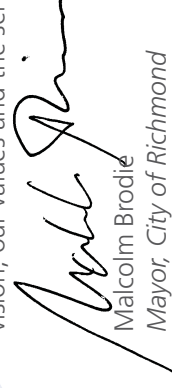
Combined with the previously-adopted City Centre Area Plan, the OCP Update will ensure Richmond continues to enjoy well-planned beneficial growth that supports local and regional objectives for sustainability. We are directing new growth primarily into a higher density City Centre which is supported by rapid transit. This allows us to protect our farmland, natural spaces and existing single family neighbourhoods. The OCP Update also provides a framework that ensures Richmond will have adequate land areas designated for continued commercial and industrial growth so we can maintain the robust and balanced economy that is our hallmark.

The City also continued a major push to update our civic infrastructure to meet the needs of our growing community. Major milestones during 2011 included:

- opening the Richmond Community Safety Building, the new home for the Richmond RCMP;
- officially opening a \$5 million expansion of Hamilton Community Centre;
- opening the new Nelson Road interchange on Highway 91, providing much-needed expanded traffic access to Richmond's port lands;
- completing the award-winning No. 4 Road pump station, part of an ongoing major upgrade of Richmond's critical drainage and flood protection network; and
- opening the new Steveston Fire Hall, the third of five new halls being built in our ambitious community safety infrastructure renewal program.

The end of 2011 also marked the beginning of a new Council term. I look forward to working together with all members of Council over the next three years as we continue to strive to make Richmond an even better place to work, live, visit and do business.

I hope you enjoy reading these Annual Report Highlights. As always, I welcome the opportunity at any time to talk to you directly about our City, our vision, our values and the services we provide.


Malcolm Brodie
Mayor, City of Richmond



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Message from the Chief Administrative Officer



I am pleased to present the City of Richmond's 2011 Annual Report Highlights. This past year, the City made many important strides toward fulfilling our corporate vision, while keeping Richmond at the forefront of outstanding and innovative municipal governance and service delivery.

Our commitment to sustainability is a major guiding factor in everything we do. In 2011, we launched construction of the first phase of the Alexandra District Energy Utility (ADEU) in West Cambie. The City's first district energy system, the ADEU will use thermal energy to ultimately provide heating and cooling for almost four million square feet of residential and commercial buildings, all free of reliance on fossil fuels. The utility will provide an economical alternative energy source for its users and will eventually generate net revenues for the City. The City has created a District Energy Office and is actively pursuing other opportunities to develop district energy utilities within Richmond.

Preserving the long-term financial health of the City is also critical. Richmond continues to enjoy some of the lowest property tax rates in the region, while offering its citizens a spectrum of civic services and amenities that are second to none. Our reserves are healthy and our small amount of outstanding debt will be retired within two years. In order to protect our strong financial standing, we introduced a freeze on discretionary spending and the filling of vacant staff positions in late 2011. We also brought renewed rigour and commitment to our spending

approval process and business case analysis. These steps ensured the City ended the year with a healthy surplus and is in good financial position to meet any future challenges.

2011 also marked the first full year of operations for the Richmond Olympic Oval. As President and Chief Executive Officer for the Richmond Olympic Oval Corporation, I am pleased to report that all of our financial targets and program goals were met or exceeded. We successfully continued the post-Games retrofit of the Oval, allowing us to further broaden the incredible array of programs and services it offers. And while the Oval continues to fulfil its objectives as an international centre of excellence for sport, recreation and culture, we were pleased that more than 80 per cent of the venue's use was by Richmond residents.

Our commitment to continuous improvement prevails throughout our organization from our Council through staff to our partners and citizens. Richmond is always seeking new and better ways to manage our existing business and exploring new opportunities to raise the level of service provided to our community. As we begin a new Council term, we look forward to providing continued success backed up by sound management practices.

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

George Duncan

Chief Administrative Officer

2011 highlights



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2011 was a milestone year for the City of Richmond as our estimated population approached the 200,000 mark. As our city continues to grow, a major focus in 2011 was building and renewing our civic infrastructure to meet community needs, along with long-term planning for our future.

- The new, post-disaster rated Richmond Community Safety Building was opened to serve as home for our RCMP detachment. Most of our policing services are now based in this Leadership in Energy and Environmental Design (LEED) Gold-rated facility. By purchasing and retrofitting an existing building, Council was able to save millions of dollars over the cost of constructing a new building.
- The new Steveston Fire Hall, also built to LEED Gold standards, was opened. It is the third new



fire hall built in recent years, with two additional new halls planned for the near future.

- Construction of the first phase of the Alexandra District Energy Utility (ADEU) in West Cambie was initiated. The City's first district energy system was launched and will provide an economical alternative energy source for a broad number of users and will eventually generate net revenues for the City. The City has created a District Energy Office and is actively pursuing other opportunities to develop district energy utilities within Richmond.
- The Highway 91-Nelson Road Interchange was opened. This will spur further development of Port Metro Vancouver's industrial lands, help create hundreds of new jobs and strengthen our role as a gateway to the Asia-Pacific. It has



already reduced speeds and improved safety for local residents as well as farm vehicles on Westminster Highway.

- The City acquired the last remaining privately-held remnant of Richmond's Northeast Bog Forest to create almost 50-acres of parkland forest. The Lesser Lulu Bog is unique to Richmond and thus its preservation is important for environmental, historical and recreational reasons. Additional parkland acquisitions included securing 12-acres of the former Fantasy Gardens site. The botanical gardens on this site will be restored and become the centrepiece of a major new civic park.
- The Hamilton Community Centre's dramatic expansion was completed to produce a sustainable structure built to LEED Gold standards. The South Arm Community Centre also underwent extensive renovations.



- The Richmond Cultural Centre was enhanced with the opening of the new Media Lab, which is designed to increase technology, literacy and creativity, particularly for youth. The Rooftop Garden, an outdoor venue for arts programs and events, was also opened.
- A further phase of the Thompson Youth Park was completed with the addition of a multi-use plaza near the Community Centre.
- Ships to Shore 2011 saw four tall ships visit Steveston, drawing more than 40,000 people in early June. The Richmond Maritime Festival was expanded with new programming and other improvements, with attendance doubling over previous years. An outdoor theatrical production, Salmon Row, was mounted at Britannia Heritage

- Shipyard. Depicting 150 years of West Coast fishing industry history, the show enjoyed a sold out run.
- The City persuaded the provincial government to allow Richmond to give tax relief for certain Brighthouse area commercial properties, which had experienced extraordinary increases in property assessments. This unique legislation provides well-needed interim protection for some of the businesses in the area.
- The new Richmond Sport Hosting Office, a joint venture with Tourism Richmond, helped secure more than 20,000 hotel stays in 2011. Event highlights include hosting the 2011 World Senior Badminton Championship.

- The Richmond Film Office saw a 20 per cent increase in filming activity with a number of major productions including the hit TV shows "Once Upon A Time," "The Killing" and the "Secret Circle" booking multiple shooting days in Richmond.
- The ongoing post-Games retrofit of the Richmond Olympic Oval continued in 2011. The new LifeMark Sports Medicine Clinic opened, offering a wide array of new services to the community. The Oval continued to expand its array of both community and high performance sport, recreation and health programs, including the opening of the new Performance Training Centre. The Oval also hosted a wide variety of sport, community, corporate and other special events.

2011 awards and recognitions



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The City of Richmond always strives for excellence as proven by the numerous civic awards recently received. They include:

- The Public Works Association of BC Project of the Year Award for the No. 4 Road Drainage Pump Station. This initiative increased the City's flood protection capacity.
- The BC Government's Child Care Award of Excellence for progressive child care initiatives.



- Recognition as an "International Eco-Safety Demonstrative City" at the First World Eco-Safety Assembly (WESA), organized by a United Nations affiliate.
- The Outstanding Regional Partnership Award presented by the Canadian Diabetes Association to our Library.
- Two awards from the Government Financial Officers Association for our annual report.
- Richmond ranking amongst the Top 10 Small Cities for Infrastructure in North America by Foreign Direct Investment Magazine.



- Two highly prestigious architectural awards for the Richmond Olympic Oval, presented by the International Association for Sports and Leisure Facilities (IAKS) in partnership with the International Olympic Committee (IOC) and the International Paralympic Committee (IPC). The awards honour exemplary design and function for sports facilities and accessibility. The Oval was the only one of 135 entries in this worldwide competition to have won both a Gold Medal and an Award of Distinction.

Report from the General Manager, Business and Financial Services



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City continued to experience significant demand for recreation programs, libraries, policing, fire-rescue, public works, sports field usage, arenas and pools.

In terms of property taxes, once again, the City had one of the lowest tax rate increases in Metro Vancouver without reducing the level of service. As well, to ensure fairness, the City successfully negotiated with the Province of BC to obtain unique, temporary tax exemptions for qualifying properties in the City Centre. These properties encountered extraordinary increases in property assessments due to transitioning land use. In 2011, Council passed the City Centre Transitional Tax Exemption Bylaw. This will give 37 Brighthouse area properties with 248 businesses partial Municipal and School tax relief in 2012. The City has been given authority from the Province to continue to offer these exemptions over the next four years, allowing the City to protect jobs during the transformation of the City Centre.

Looking ahead, the City of Richmond is well positioned to carry out and meet service commitments in a flexible and sustainable manner with an extremely low level of vulnerability from a financial perspective.

Andrew Nazareth, BEc, CGA
General Manager, Business and Financial Services

The City's net worth improved by \$110.8 million to \$2.2 billion in 2011. Net financial assets increased to \$415.7 million, while net debt outstanding was reduced to \$5.8 million. Statutory reserves increased by \$28.2 million to \$275.4 million. The City's consolidated revenues were \$424.0 million and consolidated expenses totalled \$313.2 million.

Despite a slow recovering economy, Richmond's housing and construction growth continued at a steady pace with 1,480 building permits issued in 2011 (2010: 1,547). Business growth was also evident with 12,988 business licenses issued in 2011 (2010: 12,832). With the growing population and wide array of high quality services provided, the

I am pleased to submit the City of Richmond's consolidated financial statements for the year ended December 31, 2011. The financial statements reflect a consolidation of the financial position and operation results for the City of Richmond, Richmond Public Library and the Richmond Olympic Oval Corporation.

The external auditors, KPMG LLP, conducted an independent examination and have expressed their opinion that the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City of Richmond as at December 31, 2011 in accordance with Canadian public sector accounting standards.

City of Richmond financial information

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

December 31, 2011, with comparative figures for 2010

2011

2010
(restated)

Financial assets¹

Cash and cash equivalents	\$	11,766	\$	19,058
Investments		563,162		502,375
Accrued interest receivable		2,710		3,418
Accounts receivable		22,095		29,651
Taxes receivable		6,716		7,708
Development fees receivable		16,826		21,189
Debt reserve fund - deposits		386		449
		623,661		583,848

FIN 402 Financial liabilities

Accounts payable and accrued liabilities	77,698	73,963
Deposits and holdbacks	36,753	45,447
Deferred revenue	34,801	43,946
Development cost charges	52,379	42,211
Obligation under capital leases	499	1,168
Long-term debt, net of MFA sinking fund deposits	5,808	9,274
	207,938	216,009

Net financial assets²

367,839

Non-financial assets³

Tangible capital assets	1,801,630	1,739,019
Inventory of materials and supplies	1,934	1,745
Prepaid expenses	1,847	1,734
	1,805,411	1,742,498

Accumulated surplus⁴

\$ 2,221,134 \$ 2,110,337

¹ Financial assets: cash resources.

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

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

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

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

Year ended December 31, 2011, with comparative figures for 2010

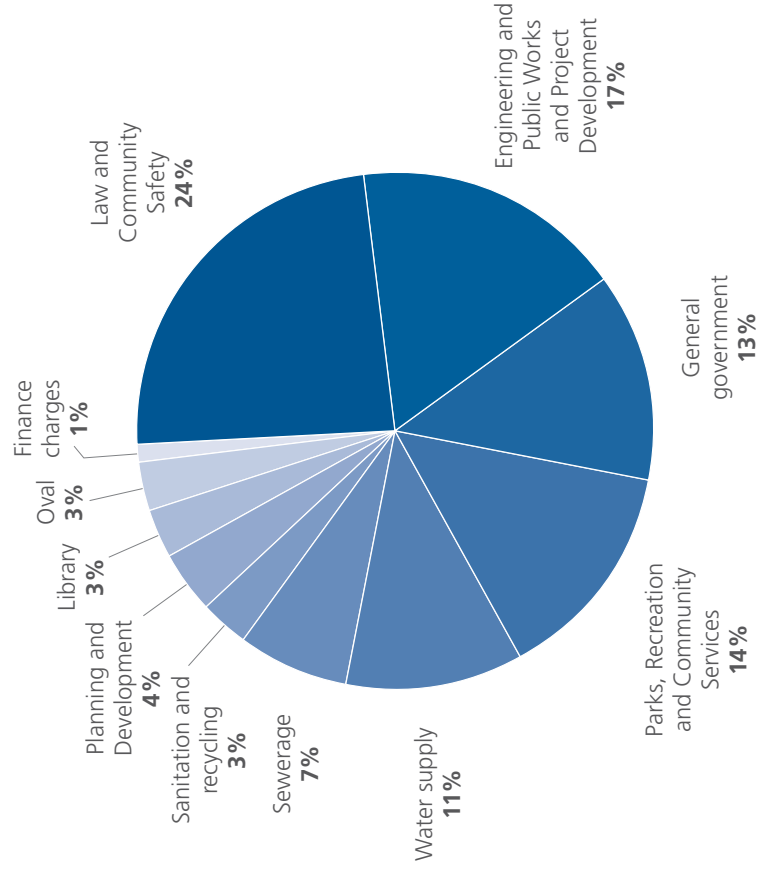
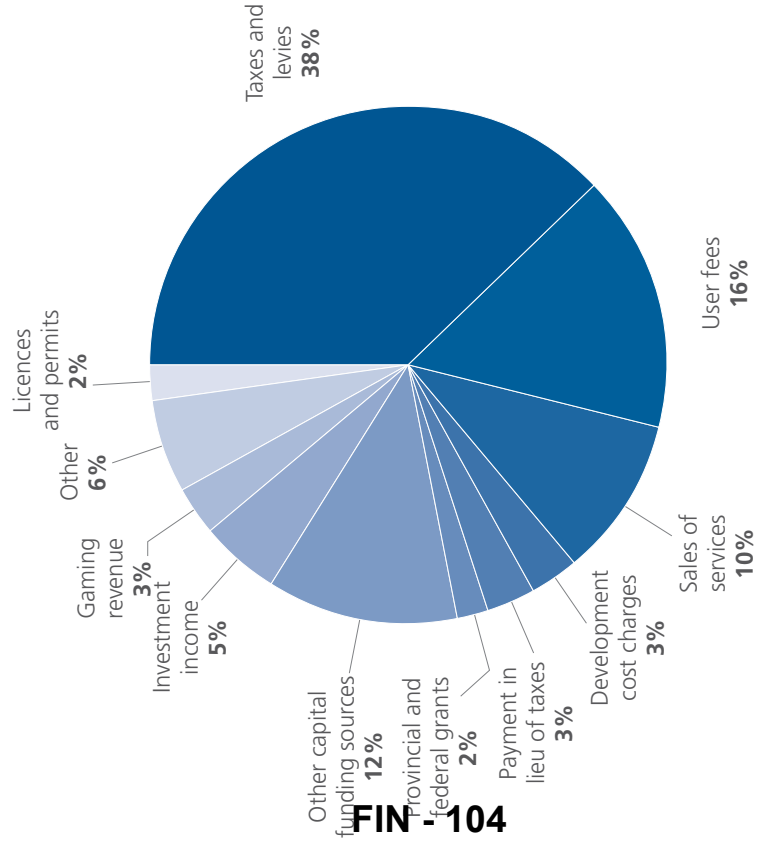
	Budget 2011	Actual 2011	Actual 2010 (restated)
Revenues			
Taxation and levies	\$ 161,335	\$ 161,821	\$ 156,071
User fees	70,035	69,359	68,365
Sales of services	37,053	41,518	37,403
Development cost charges	13,813	14,321	17,804
Payments-in-lieu of taxes	11,770	13,726	13,203
Provincial and federal grants	6,215	8,066	6,353
Other capital funding sources	6,054	50,063	53,217
Other revenues:			
Investment income	16,830	20,328	16,864
Gaming revenue	11,113	13,728	12,563
Licenses and permits	7,060	7,524	7,328
Other	7,581	23,588	10,335
	348,859	424,042	399,506
Expenses			
Law and Community Safety	79,109	74,548	70,838
Engineering, Public Works and Project Development	57,585	52,338	56,365
General government	42,950	39,728	35,130
Parks, Recreation and Community Services	45,959	45,957	43,647
Utilities:			
Water supply and distribution	33,434	33,437	30,277
Sewerage collection and disposal	24,724	23,422	23,772
Sanitation and recycling services	10,627	9,829	9,163
Planning and Development	12,150	11,560	11,427
Library services	9,393	8,615	8,221
Richmond Olympic Oval	9,911	8,647	6,614
Interest and finance charges	5,745	5,164	6,002
	331,587	313,245	301,456
Annual surplus	17,272	110,797	98,050
Accumulated surplus, beginning of year	2,110,337	2,110,337	2,012,287
Accumulated surplus, end of year	\$ 2,127,609	\$ 2,221,134	\$ 2,110,337

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

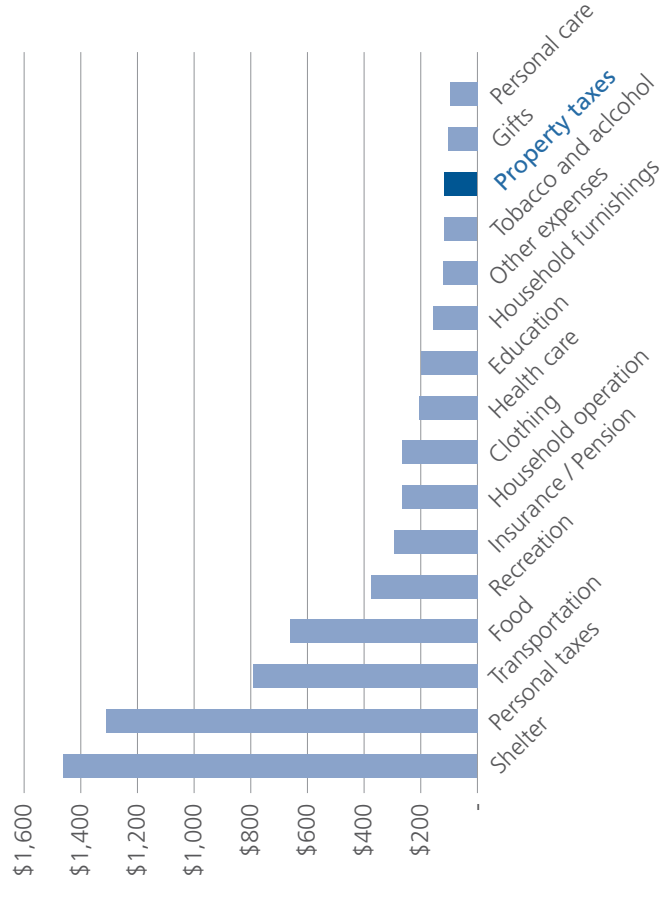
City of Richmond financial information continued ...

2011 actual revenue

2011 actual expenditure

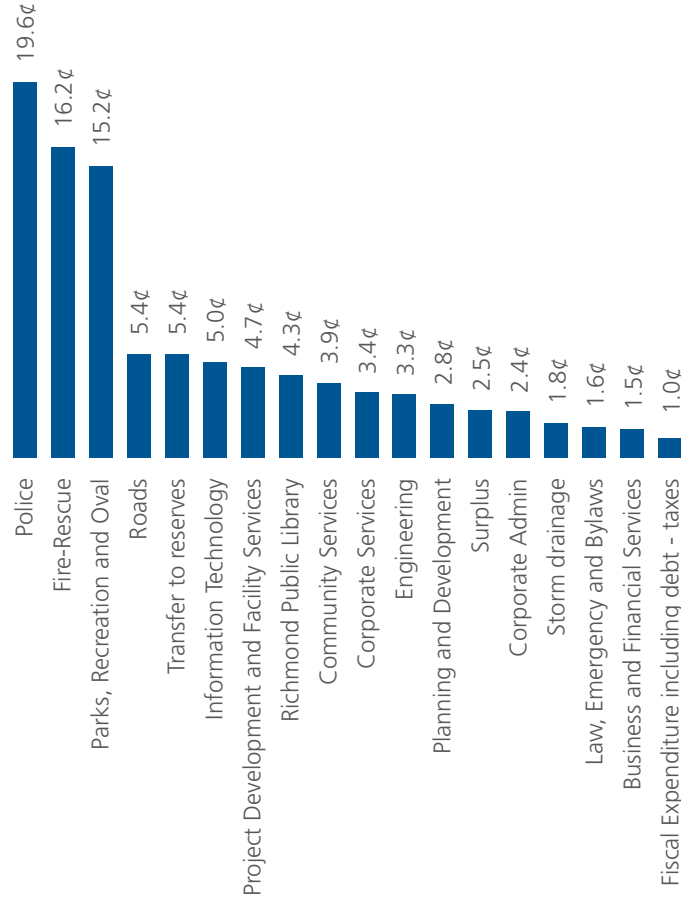


Monthly average household costs in Vancouver



Source: BC Stats, Survey of Household Spending in 2009 (latest version)

2011 actual breakdown of \$1 municipal taxes



Source: City of Richmond Business and Financial Services Department

City of Richmond services and contact information

The City of Richmond's services are organized into the Chief Administrator's Office and eight departments, as well as three separate City services. The departments are: Office of the Chief Administrative Officer, Business and Financial Services, Corporate Services, Community Services, Engineering and Public Works, Law and Community Safety, Parks and Recreation, Planning and Development, and Project Development and Facility Services. The other City services are: Gateway Theatre, Richmond Olympic Oval and Richmond Public Library.

FIN 106 Mailing Address

City of Richmond
6111 No. 3 Road
Richmond, British Columbia
V6Y 2C1 Canada

Information Centre

Tel: 604-276-4000
Fax: 604-276-4029
Email: infocentre@richmond.ca

Telecommunication Device for the Deaf (TDD)

Tel: 604-276-4311

Mayor and Councillors

Mayor: 604-276-4123
Councillors: 604-276-4134
Email: MayorandCouncillors@richmond.ca

Website

www.richmond.ca

The following is a list of main numbers for City Departments and services.

Community Bylaws

Dog Licences: 604-247-4633
Animal Control: 604-247-4630
(For emergencies, call Richmond Animal Protection Society at 604-275-2036 on Monday to Friday between 10:00 a.m. to 6:00 p.m., or Saturday and Sunday, between 9:00 a.m. and 5:00 p.m. After hours call Community Bylaws animal control at 604-340-4650).

Bylaw and Parking Ticket Enquiries: 604-276-4284
Automated Parking and Bylaw Enquiries: 604-276-4345

Fire (Richmond Fire-Rescue)

Administration (non-emergency calls only):
Tel: 604-278-5131
911 (emergency calls only)

Police (Richmond RCMP)

Administration (non-emergency calls only):
Tel: 604-278-1212
911 (emergency calls only)

Garbage and Recycling

Information Line: 604-276-4010

Gateway Theatre

6500 Gilbert Road
Information Line: 604-270-6500
Box Office: 604-270-1812
Box Office Hours: Monday to Friday, noon to 6:00 p.m.; Saturday, 2:00 to 6:00 p.m.
Website: www.gatewaytheatre.com

Human Resources

Reception: 604-276-4105

Library

For hours: 604-231-6401
Website: www.yourlibrary.ca

Parks Department

Reception: 604-244-1208

Permit Centre

Business Licences: 604-276-4328
Building Permits: 604-276-4285
Inspection Enquiries: 604-276-4118
Inspection Request Line: 604-276-4111

Public Works

Public Works Service Centre: 604-244-1262
24 Hour Emergency Calls: 604-270-8721

Recreation and Cultural Services

Information and Registration Line: 604-276-4300

Richmond Olympic Oval

6111 River Road
Information Line: 778-296-1400
Website: www.richmondoval.ca

Taxes - Property and Utility

General Enquiries: 604-276-4145

Transportation and Traffic

Parking Tickets: 604-276-4345
Transportation and Traffic Enquiries: 604-276-4388
Traffic Signals: 604-247-4616

Zoning Information

Zoning and Signs: 604-276-4017

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



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

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City of Richmond

Report to Committee

To: Finance Committee

Date: April 27, 2012

From: Jerry Chong
Director, Finance

File: 03-0900-01/2012-Vol
01

Re: 2011 Annual Development Cost Charges

Staff Recommendation

That the staff report titled 2011 Annual Development Cost Charges (dated April 27, 2012 from the Director, Finance) be received for information.

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

REPORT CONCURRENCE			
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER	
Budgets	<input checked="" type="checkbox"/>		
Engineering	<input checked="" type="checkbox"/>		
Parks Planning, Design & Construction	<input checked="" type="checkbox"/>		
Development Applications	<input checked="" type="checkbox"/>		
Transportation	<input checked="" type="checkbox"/>		
REVIEWED BY TAG SUBCOMMITTEE	INITIALS: 	REVIEWED BY CAO (Deputy)	INITIALS:

Staff Report

Origin

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

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

Findings of Fact

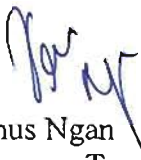
The legislative requirements of the annual report are limited to presenting selected financial data and activity of DCC reserves. The City, however, in presenting the 2011 Annual DCC Report, is adopting a more comprehensive approach as suggested by the Development Finance Review Committee.

The City's Annual DCC Report covers the following six broad categories: (i) Description and principles of the City of Richmond's DCC program, (ii) 2011 DCC reserve fund balances, (iii) 2011 to 2012 DCC programs, (iv) DCC waivers and reductions, (v) Municipal assist factor, and (vi) Inter-fund transfers between DCC reserve funds.

A copy of the 2011 Annual Development Cost Charges Report, which will be available for public viewing on the City's website on June 30, 2012, is attached for information.

Conclusion

The attached 2011 Annual Development Cost Charges Report is in compliance with the annual reporting requirements as prescribed under section 937.01 of the *Local Government Act*.



Venus Ngan
Manager, Treasury Services
604-276-4217

2011 ANNUAL DEVELOPMENT COST CHARGES REPORT

For the year ended December 31, 2011

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



City of Richmond
British Columbia, Canada

CITY OF RICHMOND

2011 ANNUAL DEVELOPMENT COST CHARGES REPORT

This 2011 Annual Development Cost Charges (DCC) Report is prepared by the City of Richmond pursuant to Section 937.01 of the *Local Government Act*. This report contains information pertaining to the following reporting requirements:

- I. Description and Principles of the City of Richmond's DCC Program
- II. 2011 DCC Reserve Fund Balances
- III. 2011 to 2012 DCC Programs
- IV. DCC Waivers and Reductions
- V. Municipal Assist Factor
- VI. Inter-Fund Transfers between DCC Reserve Funds

I. DEVELOPMENT COST CHARGES

What are DCC's?

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

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

What is the purpose of the DCC Program?

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

CITY OF RICHMOND

2011 ANNUAL DEVELOPMENT COST CHARGES REPORT

What are the guiding principles in developing the DCC program?

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

- Local Government Act
- Development Cost Charges Best Practices Guide
- Liveable Region Strategic Plan, 1999 (Greater Vancouver Regional District)
- Official Community Plan Bylaw
- Richmond Urban Development Forecast
- Parks, Recreation and Cultural Services Master Plan 2005 - 2015
- Parks Land Acquisition and Development 2006 DCC Program
- 2010 Richmond Trails Strategy
- City Center Transportation Plan
- City Center Area Plan (CCAP)

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

How are DCC rates derived?

The City begins the DCC process by determining the amount of growth that is projected to occur over a specified future period of time. The most recent growth projections for the various types of residential development (e.g. single family, duplex, townhouse, apartment), as well as commercial, industrial, and institutional growth, growth areas, and major servicing needs can be found in the CCAP and the 2009 Richmond DCC Review Report.

Once growth has been projected, the City determines the specific infrastructure works that will be required to accommodate the growth. The estimated infrastructure costs are determined and formed the basis of the DCC Program.

DCC's collected in 2011 were based on rates established in Development Cost Charges Bylaw No. 8024, Amendment Bylaw No. 8396 that was adopted on September 14, 2009.

CITY OF RICHMOND

2011 ANNUAL DEVELOPMENT COST CHARGES REPORT

How are DCC's used?

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

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

How are costs allocated to growth and existing users?

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

II. 2011 DCC RESERVE FUND BALANCES

The City records and maintains separate accounts for each DCC reserve fund. The follow table provides a continuity schedule of each DCC reserve fund (by service) for the 2011 fiscal year:

	<i>(amounts expressed in thousands of dollars)</i>					
	January 1 Balance	Transfers In	DCC Credits	Interest Earned	Transfers Out	December 31 Balance
Basic:						
Roads	\$ 12,078	\$ 6,044	\$ 352	\$ 252	\$ 4,259	\$ 13,763
Drainage	8,610	2,213	5	207	345	10,680
Water	2,730	737	-	47	390	3,124
Sewer	5,337	2,099	-	118	293	7,261
Parks Acquisition	5,813	6,899	415	131	7,697	4,731
Parks Development	6,149	3,712	-	154	1,337	8,678
Total Basic	\$ 40,717	\$ 21,704	\$ 772	\$ 909	\$ 14,321	\$ 48,237
Local Area - West Cambie:						
Roads	\$ 535	\$ 1,096	\$ -	\$ 28	\$ -	\$ 1,659
Drainage	387	74	-	11	-	472
Water	57	24	-	2	-	83
Sewer	127	52	-	4	-	183
Parks Acquisition	-	1,190	-	9	-	1,199
Parks Development	388	150	-	8	-	546
Total Local Area	\$ 1,494	\$ 2,586	\$ -	\$ 62	\$ -	\$ 4,142
Total DCC Reserve	\$ 42,211	\$ 24,290	\$ 772	\$ 971	\$ 14,321	\$ 52,379

CITY OF RICHMOND
2011 ANNUAL DEVELOPMENT COST CHARGES REPORT

III. 2011 to 2012 DCC PROGRAMS

Roads

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

A summary of the projects funded by the Roads DCC's in year 2011 and the projects set to begin in year 2012 is contained in Appendix A.

Drainage

The projects in the Drainage DCC Program include storm sewers, box culverts, pump station upgrades, new pump stations, and open channel improvements.

A summary of the projects funded by the Drainage DCC's in year 2011 and the projects set to begin in year 2012 is contained in Appendix B.

Water

The projects in the Water DCC Program include distribution and grid mains throughout the City.

A summary of the projects funded by the Water DCC's in year 2011 is contained in Appendix C. There are no projects set to begin in year 2012 that will be funded by the Water DCC.

Sewer

The projects in the Sewer DCC Program include pump stations, force mains, and gravity mains.

A summary of the projects funded by the Sewer DCC's in year 2011 and the projects set to begin in year 2012 is contained in Appendix D.

Parks Acquisition and Parks Development

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

A summary of the projects funded by the Parks Acquisition and Parks Development DCC's in year 2011 and the projects set to begin in year 2012 is contained in Appendix E.

CITY OF RICHMOND
2011 ANNUAL DEVELOPMENT COST CHARGES REPORT

IV. WAIVER AND REDUCTIONS

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

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

Currently, the City has a Richmond Affordable Housing Strategy which provides Council with the discretion to provide DCC exemptions in order to create incentives to encourage the construction of not-for-profit rental housing, including supportive living housing (e.g. affordable subsidized rental housing and affordable low end market rental housing that is rented on a not for profit basis).

For year 2011, no waivers or reductions were granted.

V. MUNICIPAL ASSIST FACTOR

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

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

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

VI. INTER-FUND TRANSFER

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

There were no DCC inter-fund transfers in year 2011.

ROADS - 2011 PROJECTS

This table summarizes all projects funded by the Roads DCC's in year 2011:

Location	Type of Infrastructure / Description
City-wide	Arterial Road Crosswalk
City-wide	Cycling Network Expansion
City-wide	Enhanced Accessible Traffic Signal and Crosswalk Program
City-wide	Functional and Preliminary Design of Transportation Capital Projects
Lansdowne Road	Lansdowne Road Extension Repayment
City-wide	Miscellaneous Cycling Safety Enhancements
City-wide	Miscellaneous Intersection Improvements
City-wide	Neighbourhood Traffic Safety
Nelson Road	Nelson Road Widening (Westminster Highway to Blundell Road)
No. 2 Road Bridge	No. 2 Road Bridge Repayment
No. 6 Road	No. 6 Road Widening (Wireless Way to Commerce Parkway)
City-wide	Public Works Infrastructure Advanced Design
River Road/ North Loop	River Rd / North Loop Repayment
No. 1 Road and Moncton Street	Signalization and Improvements
City-wide	Traffic Signal Installation and Major Upgrade Program
City-wide	Transit Plan Infrastructure Improvement
Westminster Highway	Westminster Hwy Widening (Nelson Road to McMillan Way)

ROADS - 2012 PROJECTS

This table summarizes all projects funded by the Roads DCC's that are set to begin in 2012:

Location	Type of Infrastructure / Description
City-wide	Arterial Road Crosswalk
City-wide	Cycling Network Expansion
City-wide	Enhanced Accessible Traffic Signal and Crosswalk Program
City-wide	Functional and Preliminary Design of Transportation Capital Projects
Lansdowne Road	Interim Lansdowne Road Extension (Alderbridge Way to Minoru Boulevard)
Lansdowne Road	Lansdowne Road Extension Repayment
City-wide	Miscellaneous Cycling Safety Enhancements
City-wide	Miscellaneous Intersection Improvements
City-wide	Neighbourhood Traffic Safety
Nelson Road	Nelson Road Widening (Westminster Highway to Blundell Road)
No. 2 Road Bridge	No. 2 Road Bridge Repayment
No. 6 Road	No. 6 Road Widening (Wireless Way to Commerce Parkway)
City-wide	Public Works Infrastructure Advanced Design
River Road/ North Loop	River Rd / North Loop Repayment
City-wide	Sidewalk Expansion / Enhancement Program
City-wide	Traffic Detection Video Systems
City-wide	Traffic Signal Installation
City-wide	Transit Related Infrastructure Improvements
Westminster Highway	Westminster Hwy Widening (Nelson Road to McMillan Way)

DRAINAGE - 2011 PROJECTS

This table summarizes all projects funded by the Drainage DCC's in year 2011:

Location	Type of Infrastructure / Description
City-wide	Development Coordinated Works
Gilbert North	Drainage Area Replacement and Upgrade
Peace Arch	Drainage Area Replacement and Upgrade
Steveston	Drainage Area Replacement and Upgrade
Woodward's Slough	Drainage Area Replacement and Upgrade

DRAINAGE - 2012 PROJECTS

This table summarizes all projects funded by the Drainage DCC's that are set to begin in 2012:

Location	Type of Infrastructure / Description
No. 1 Road / River Road	No. 1 Road North Pump Station Upgrade

WATER - 2011 PROJECTS

This table summarizes all projects funded by the Water DCC's in year 2011:

Location	Type of Infrastructure / Description
City-wide	Development Coordinated Works
Lulu West	Replacement and Upgrade Works

WATER - 2012 PROJECTS

There are no projects that will be funded by the Water DCC's in year 2012

SEWER - 2011 PROJECTS

This table summarizes all projects funded by the Sewer DCC's in year 2011:

Location	Type of Infrastructure / Description
City-wide	Development Coordinated Works
City Centre	Gravity Sewer and Forcemain Upgrades
Hamilton	Hamilton Pump Station Repayment
Montrose	Montrose Pump Station Replacement
Bennett Road Pump Station	Pump Station Upgrades
East Richmond	Sewer Upgrades
Terra Nova	Sewer Upgrades

SEWER - 2012 PROJECTS

This table summarizes all projects funded by the Sewer DCC's that are set to begin in 2012:

Location	Type of Infrastructure / Description
Brown Road / Leslie Road	Gravity Sanitary Sewer Upgrade (Bridgeport Sanitary Sewer)
Alderbridge Way / Cedarbridge Way	Minoru Pump Station Upgrade

PARKS - 2011 PROJECTS

This table summarizes all projects funded by the Parks DCC's in year 2011:

Location	Type of Infrastructure / Description
City-wide	Advanced Planning and Design
City-wide	Characterization of Neighbourhood Parks
McLennan North	McLennan North Community Park Development
City-wide	Park Improvements
Terra Nova Rural Park	Park Improvements
City-wide	Parkland Acquisition
Thompson	Thompson Integrated Youth Park
City Centre Middle Arm Park	Trail Construction and Park Construction
City-wide	Trail Construction and Tree Planting

PARKS - 2012 PROJECTS

This table summarizes all projects funded by the Parks DCC's that are set to begin in 2012:

Location	Type of Infrastructure / Description
City-wide	Advance Planning and Design
Blundell Park	Blundell Park Sportsfield Upgrade
City-wide	Characterization of Neighbourhood Parks
West of Olympic Oval	Oval West Waterfront Park
No. 2 Road / Dyke Road	Parkland Acquisition
City-wide	Parkland Acquisition for Various Addresses
West Cambie	Parkland Acquisition West Cambie Repayment
Terra Nova	Terra Nova Play Environment
No. 5 Road / Steveston Highway	The Gardens Agricultural Park - Phase 1
City-wide	Trail Construction and Parks Development
West Cambie	West Cambie Greenway and Neighbourhood Park



City of Richmond

Report to Committee

To: Finance Committee

Date: April 18, 2012

From: Jerry Chong
Director, Finance

File: 03-0900-01/2011-Vol
01

Re: Revenue Anticipation Borrowing (2012) Bylaw No. 8896

Staff Recommendation

That Revenue Anticipation Borrowing (2012) Bylaw No. 8896 be introduced and given first, second, and third readings.

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

REPORT CONCURRENCE			
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER	
Budgets	<input checked="" type="checkbox"/>		
City Clerk	<input checked="" type="checkbox"/>		
Law	<input checked="" type="checkbox"/>		
REVIEWED BY TAG SUBCOMMITTEE	INITIALS: 	REVIEWED BY CAO (Deputy)	INITIALS:

Staff Report

Origin

The City has an existing credit facility agreement with its bank and is seeking Council's annual authorization through adoption of Revenue Anticipation Borrowing (2012) Bylaw No. 8896 (attached). The credit facility will be available in the form of up to \$3,000,000 in standby letters of credit, demand promissory notes or bank overdraft, and up to \$4,500,000 in leasing lines of credit.

Analysis

The \$7,500,000 credit facility arrangement aforementioned meets the definition of revenue anticipation borrowing as per Section 177 of the *Community Charter*. Under that section, Council may, by bylaw, provide the authority to borrow money that may be necessary to meet current lawful expenditures and to pay amounts required to meet the City's taxing obligations in relation to other local governments or public bodies. If money is borrowed pursuant to a revenue anticipation borrowing bylaw, any money to be collected from property taxes must be used to repay the money borrowed.

The maximum amount of borrowing allowed for revenue anticipation borrowing is the sum of the unpaid taxes for the current year and the money remaining due from other governments (e.g. payment in lieu of taxes and grants etc.). Therefore, the bylaw amount of \$7,500,000 is well below the limit imposed under Section 177 of the *Community Charter*.

The purpose of obtaining the \$3,000,000 operating lines of credit is to ensure that the City has a secondary source of credit in place to protect its bank accounts from the unlikely event of going into an overdraft position. Staff regularly monitors the City's cashflow position to prevent the possibility of having to draw down on the credit facility. The purpose of obtaining the \$4,500,000 leasing lines of credit is to ensure that a leasing facility is available in the event it is required.

Financial Impact

Both types of credit facilities, if they remain unused, will be free of charge for the City to maintain.

In the event the operating lines of credit will be drawn upon, the interest rate will be at the bank's prime lending rate minus 0.50% with interest payable monthly.

In the event the leasing line will be drawn upon, the interest rate will be either floating at the bank's leasing prime rate or at a fixed rate of the bank's leasing base rate plus 0.60%, with periodic payments payable monthly.

Should any of these credit facilities be drawn down in the future for a consecutive period of more than 2 weeks, staff will prepare a report to Council to inform Council of such financial activity.

Conclusion

That the Revenue Anticipation Borrowing (2012) Bylaw No. 8896 be approved in order for funds to be made available to the City in the event that the City is required to draw upon the existing credit facilities arrangement with its bank.

A handwritten signature in blue ink, appearing to read 'Venus Ngan', is positioned above the printed name.

Venus Ngan, CA
Manager, Treasury Services
(604-276-4217)



City of Richmond

Bylaw 8896

REVENUE ANTICIPATION BORROWING (2012) BYLAW NO. 8896

The Council of the City of Richmond enacts as follows:

1. Council shall be and is hereby empowered and authorized to borrow upon the credit of the City, from a financial institution, a sum not exceeding \$7,500,000 at such times as may be required.
2. The form of obligation to be given as acknowledgement of the liability shall be \$3,000,000 in the form of standby letters of credit, demand promissory notes or bank overdraft, and \$4,500,000 in the form of leasing lines of credit, bearing the corporate seal and signed by the authorized signing officers for the City, pursuant to Council's banking resolution.
3. All unpaid taxes and the taxes of the current year (2012) when levied or so much thereof as may be necessary shall, when collected, be used to repay the money so borrowed.
4. Revenue Anticipation Borrowing Bylaw No. 8755 is hereby repealed.
5. This Bylaw is cited as "**Revenue Anticipation Borrowing (2012) Bylaw No. 8896**".

FIRST READING

SECOND READING

THIRD READING

ADOPTED

CITY OF RICHMOND
APPROVED for content by originating dept.

APPROVED for legality by Solicitor


MAYOR

CORPORATE OFFICER



City of Richmond

Report to Committee

To: Finance Committee
From: Andrew Nazareth
General Manager, Business and Financial
Services
Re: 2011 Surplus Appropriation

Date: April 26, 2012

File:

Staff Recommendation

That the December 31, 2011 surplus of \$4.556 million be appropriated as outlined in the attached report.

Andrew Nazareth
General Manager Business and Financial Services Department
(4046)

FOR ORIGINATING DIVISION USE ONLY		
CONCURRENCE OF GENERAL MANAGER 		
REVIEWED BY TAG	YES CVC <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
REVIEWED BY CAO (Deputy)	YES <input checked="" type="checkbox"/> JE	NO <input type="checkbox"/>

Staff Report

Origin

For the year ended December 31, 2011, the City of Richmond had an operating surplus of \$4.556 million. This amount, which excludes the operations of the Library and the Oval, is due primarily to the following:

- Higher than budgeted building permit revenues and servicing agreement fees in Planning and Development.
- Increased revenues in Roads and Storm and Engineering.
- Lower than budgeted costs in both the RCMP and Fire Rescue due to unfilled positions and lower than expected contract and operational costs.
- Lower than budgeted costs in other Departments due to vacant positions and cost savings due to the CAO's cost containment initiative that took place since September 2011 in freezing all of the City's discretionary expenses.

Pursuant to the Community Charter (the Charter), the City prepares on an annual basis, a balanced operating budget (budget). In addition the Charter expressly prohibits the City from making an expenditure unless it is included for that year in its financial plan. Therefore conservatism is encouraged in preparing the budget and the City might realise a surplus due to favourable revenues and costs at the end of each fiscal year.

Analysis

For 2011 there are 18 one time expenditure requests totalling \$6.7M. The Corporate Directors Group prioritized the submissions and TAG provided the final review, recommendations and ranking for Council's consideration.

If any appropriations are approved by Council, the respective expenditure will be included in the upcoming amendment to the City's 5 Year Financial Plan. There is no tax impact to the approval of any of the proposed expenditures provided they are funded from the 2011 surplus.

The following provides a brief description of all one-time expenditure requests from departments with recommendations provided by TAG. Council may change any of the recommendations or may choose to address other one-time funding needs, which are not contained in this section.

2011 One Time Expenditure Requests				
Ref	Requested By	Description	Total Amt Req'd \$	TAG recommendation \$
1	Law Community Safety/RCMP	2012 Retroactive Pay Increase The anticipated 2012 retroactive pay increase was removed from the 2012 budget to assist in achieving the over-all tax increase. This may leave the City with a need to find between \$0.712M to \$1.29m, depending on the final results of the court case and the anticipated RCMP wage settlement.	1,289,053	1,289,053
2	Project Development & Facility Unit Admin	Hollybridge Lease - City Hall North Funding request for 9 month lease (Jan1-Sep30, 2012). Currently on month to month arrangement on an overhold basis. \$8,854.17 + \$1,062.50 HST = \$9,917.67 per month.	89,259	89,259
3	Fire Administration	The Fire-Rescue Equipment and Vehicle Reserve These funds will ensure funding for future vehicle and equipment replacement. The Fire-Rescue Equipment and Vehicle Reserve requires additional funding to ensure sustainable vehicle and equipment replacement. Based upon the current replacement plan the reserve would be depleted in 2016.	800,000	400,000
4	Library Technical Service	Chinese Language Library Donation In summer 2011 the library received a very substantial donation of books from Dr. and Mrs. Lee, long time supporters of the library. The donation consists of approximately 46,000 Chinese language books valued at just under \$1.2 million. Subject matters include Chinese art; a wide selection of Chinese classics, literature, economics, philosophy, psychology, law and religion; and classics of world literature which have been translated into Chinese. The evaluator described it as "one of the most important Canadian cultural and literary legacies that I am aware of, and with respect to Chinese culture it ranks among the finest." Funding is for inventorying and preparation of materials for integration into the library's regular collection. The inventory will also be the basis for engaging the community in a major fundraising effort to ensure ongoing support for the collection. This collection will help establish Richmond as a cultural destination.	203,320	100,000
5	Finance	New Mandatory Regulations -Contaminated Sites The Public Sector Accounting Board (PSAB) has recently required all local governments to report a liability associated with the remediation of contaminated sites starting from 2014. The funding request is to hire a consultant for the implementation of the report requirement by assessing the contaminated sites with the environmental specialists, performing risk analysis and documenting the remediation estimates.	250,000	250,000
6	Project Development & Facility Unit Admin	Funding for Infrastructure In the June 30, 2011 report to Public Works and Transportation Committee staff recommended an increase in funding to address replacement of failing infrastructure. The funding gap of 4.0M annually was to be closed over the next seven years and the \$750K was to be the first step in closing the gap. The status of the 2012 program this year is as follows. As of May 31 (41% into the year), 76% of the \$1.925M infrastructure replacement budget has been spent leaving \$460,933 for the rest of the year. The additional \$750k of funding for 2012 will provide additional funding required for the balance of the year.	750,000	275,000

2011 One Time Expenditure Requests				
Ref	Requested By	Description	Total Amt Req'd \$	TAG recommendation \$
7	Recreation Services	Processes & Controls- Community Associations Funding is requested to cover the one-time cost to engage a consultant to; i) update the Community Association's cash handling procedures and processes, ii) develop specific cash handling procedures related to CLASS, iii) develop ongoing monitoring and reconciliation processes to ensure that appropriate financial checks and balances are in place, and iv) create and deliver a training program to implement and roll-out these new procedures to front-line staff and supervisors.	100,000	100,000
8	Recreation and Community Services	Consultant - Youth Strategy The recently endorsed 2011-2014 Council Term Goals identified the "development of an updated youth strategy to address the needs and to build on the assets of youth in the community." Funding is being requested to engage a consultant to review and update the 2008 - 2012 "Where Youth Thrive" Youth Strategy. Preparation of the updated Strategy would be a joint initiative of the Parks and Recreation and Community Services Departments.	30,000	30,000
9	Arts, Culture & Heritage	Lansdowne Greenway Art Project Lansdowne Road has been designated in the CCAP as a major east/west street connecting the Olympic Oval to the Garden City Lands. It will be a wide, safe and well lit "street of art", a ceremonial/parade route incorporating a 10 metre wide linear park and a 10 acre linear park. To date, there is no overall plan and functional design for the street, building face to building face, including the street and sidewalk designs, park and street planting plans, street furniture and art installation opportunities. As development is occurring at an unanticipated rate interim designs per property are being developed however major opportunities are going to be lost and the risk of a very mediocre piecemeal product likely if there is not an ultimate design in place to guide these development projects. This project will fast track the creation of proper coordinated designs, details and implementation plans as well as a transition plan that contributes to the ultimate completed street. This will enable the City to get significantly more done, at lesser cost, more quickly, and provide a superior product.	150,000	150,000
10	Sustainability	Consultant Fees for Pre-Design Assessments In order to ensure that potential energy management projects are well developed and designed, which allows for a thorough assessment of the cost/benefit to the City and for the opportunity to take advantage of external funding, pre-design assessments are needed to be completed over a year in advance of project implementation. This request is to fund between five and eight pre-design assessments for energy management projects; to be completed by May 2013. Once pre-design work is completed, the projects with the strongest business case (i.e. best payback performance) or the projects with a high demonstration value for the community will be submitted for capital consideration in 2013. If submitted projects are successful in receiving capital funding, the pre-design work will be capitalized in the capital budget. Currently the Energy Management Program does not have a consistent source of funding to support this needed work.	85,000	85,000

2011 One Time Expenditure Requests				
Ref	Requested By	Description	Total Amt Req'd \$	TAG recommendation \$
11	Social Planning	Child Care Non-Capital Grants On April 10, 2012, Council resolved to introduce and give first, second and third reading to a Child Care Operating Reserve Fund Establishment Bylaw. One of the purposes of the fund is to provide grants to non-profit societies to support child care professional and program development within the City, as recommended by the Child Care Development Advisory Committee. As the Bylaw has not yet been adopted, and it will take time for developer contributions to accumulate in the Fund, a one-time funding source is needed to offer non-capital child care grants in 2012.	20,000	20,000
12	TAG	2013 Capital Program In order to accommodate various capital requests that do not have specific funding available, staff propose that the current general program be increased for 2013. Council will review and approve the projects as part of the 2013 capital budget. This step provides additional funding towards the 2013 capital program.	2,000,000	1,767,688
13	Arts, Culture & Heritage	Major Events Provision Fund Request for \$250,000 to replenish the Major Events Provision Fund for monies expended for Hockey Day in Canada, Ships to Shore 2012 and Maritime Festival 2012. Council Term Goals envision a city that is "vibrant and cultural". While the City has become well known for a variety of City-produced festivals and events, without a dedicated funding source there is a lack of ability to engage in long-term planning for Council-approved festivals and events.	250,000	-
14	Budgets	City's Budget System Providing reliable, accurate and quality financial reporting is a key requirement for the City. The City requires a new module in order to reduce staff time and to ensure the continual support and operational ability of the budgeting system. The new system will increase the capacity, enhance the interface in PeopleSoft and improve the security of the system as the City's operating budget is growing. The system will streamline the budget process and require less data manipulation. The funding request is for the first phase of the system acquisition.	250,000	-
15	Fire Administration	Mobile Community Safety Education Unit The educational program provided by RFR to children and adults on how to remain safe during kitchen fires, structural fires, evacuations and dealing with life threatening situations like floods, earthquakes etc. The current Fire Safety House Public Education Unit has reached the end of it useful life and technological advances in a new unit would enhance the level of education previously provided. Potential sponsorship is currently being investigated. If achieved funds would be returned to surplus.	135,000	-
16	Sustainability	Consultant Fees for Policy Development The Council adopted energy and climate change targets include a 33% community-wide GHG emission reduction from 2007 levels by 2020 and a 10% community-wide energy use reduction from 2007 levels by 2020. Consultant services are required for staff to engage the public and evaluate, develop and implement energy management policies such as home energy retrofits financed through property taxes; Pay-As-You-Save (energy) programs; and new construction specific energy performance requirements to name a few.	50,000	-

2011 One Time Expenditure Requests				
Ref	Requested By	Description	Total Amt Req'd \$	TAG recommendation \$
17	Parks Operations	Funding- Re-Design and Re-Development of Designated Landscapes Many of the landscape elements throughout the City have become labor intensive to maintain, as a result of the new "no pesticide" bylaw, that they are no longer sustainable. Without the use of pesticides, maintaining the landscape elements to the current standard is no longer economically feasible. In order to reflect the need for more sustainable landscapes which continue to show color and beautify the City, but are resistant to disease and require less intensive maintenance, we need to re-design and replace many of these displays. Funding is requested for the re-design and re-development of designated landscapes to more sustainable and easily maintained elements.	100,000	-
18	Arts, Culture & Heritage	Salmon Row 2013 This site-specific play was commissioned to tell the story of the development of the Steveston waterfront and the stories of the diverse labor force from the mid 1800's to the forced internment of the Japanese community beginning in 1941. The play ran to sold out audiences over a 9 night run at Britannia Heritage Shipyard site and employed many actors, musicians, dancers and production technicians, many of whom were Richmond residents. An estimated \$200,000 is required to mount a 10 day run in 2013 with two weeks of rehearsal. Any sponsorship funding would go to reducing the amount requested.	200,000	-
TOTAL			6,751,632	4,556,000

Financial Impact

For the year ended December 31, 2011, the City of Richmond had an operating surplus of \$4.556 million and staff recommend that this surplus be appropriated to meet some of the one time expenditure requests. Any resulting ongoing budget impacts will be identified as part of the 2013 budget process.

Conclusion

Staff recommend that the 2011 surplus of \$4.556 million be appropriated towards one-time expenditure requests for items (1) to (12).



Jerry Chong
Director of Finance
(4064)