



City of  
Richmond  
British Columbia, Canada

# 2019 Annual Report

For the year ended December 31, 2019







# City of Richmond

British Columbia, Canada

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For the year ended December 31, 2019

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

## Contents

### Introductory section

Message from the Mayor .....	2
Richmond City Council.....	3
City of Richmond Organizational Chart.....	4
Message from the Chief Administrative Officer .....	5
Council Strategic Plan: 2018 to 2022.....	6
Richmond: safe, sustainable, culturally diverse.....	8
2019 Awards.....	10
Report from the General Manager, Finance and Corporate Services.....	12

### Financial section

City of Richmond audited financial statements.....	15
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### Statistical section

City of Richmond statistical data .....	47
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### Tax exemption section

2019 permissive property tax exemptions.....	63
Major services provided by the City of Richmond .....	67
City of Richmond contacts .....	68

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

Cover photos: Minoru Chapel, West Dyke Trail and “Together” public art work in front of Minoru Centre for Active Living - three of the winning submissions in the City’s annual Street Banner Contest.

This report was prepared by the City of Richmond Finance and Corporate Communications and Marketing Departments. Design, layout and production by the City of Richmond Production Centre. ©2020 City of Richmond

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# Message from the Mayor



The City of Richmond's 2019 Annual Report reflects another year of innovation and success as we move towards achieving our vision of being Canada's most livable and well-managed community.

Council entered 2019 with a four-year strategy to guide us through the challenges and opportunities that lie ahead. To make that plan a reality, we identified eight strategic initiatives that focus on the areas essential to our growth, security and prosperity.

The City of Richmond has always provided a high quality of life and worked hard to preserve this standard far into the future. 2019 was no exception.

We know safety and security is a priority so by building a strong foundation of first responders and other programs, Richmond can continue to boast one of the lowest rates of violence and property crime in the Lower Mainland.

Recognizing the impact of climate change, Richmond joined many others in declaring a climate emergency. While not a substitute for action, it reinforced the importance of the extensive environmental programs that we have undertaken for decades. As a local government leader in climate action, we are committed to implementing practices to build a sustainable and environmentally-conscious city for our 212,000 residents.

Richmond was also among the first to propose bylaws banning single-use plastics—a step that could keep around 650 tonnes of non-recyclable plastic from the waste system. At the same time, our Community Energy and Emissions Plan guides us in reducing greenhouse gas emissions by up to 50% over the next decade despite growth in density and population.

In terms of growth, City staff issued building permits for over \$980 million in construction in 2019. We are constantly working with developers and stakeholders to find new and innovative partnerships so we can create strong, connected communities that build a sense of pride, family and belonging.

The City of Richmond is one community. It is a place of resiliency, identity and belonging. Our diversity makes Richmond truly unique and the impacts are visible throughout the city. Differences in cultural heritage strengthen our sense of neighborhood and community, and our Cultural Harmony Plan—the first such municipal plan in Canada—demonstrates our leadership in building on social inclusion practices. Our City's first painted rainbow crosswalk is a lasting reminder that Richmond is a place of inclusion, respect and support.

Our success is a credit to those who contribute to making Richmond a better place, including our staff, volunteers, business, and community and government partners. This Annual Report contains examples of our goals and achievements and, as always, I invite your comments and questions through my office.

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

Malcolm Brodie  
*Mayor, City of Richmond*

# Richmond City Council



## Front row, left to right:

Councillor Michael Wolfe, Councillor Bill McNulty, Mayor Malcolm Brodie, Councillor Linda McPhail, Councillor Kelly Greene

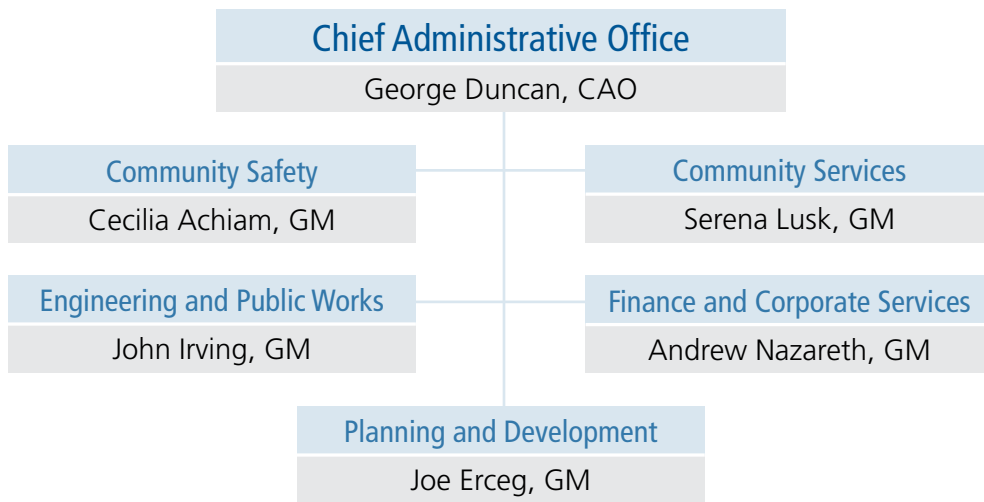
## Back row, left to right:

Deputy Fire Chief Kevin Gray, Richmond Fire-Rescue, Councillor Harold Steves, Councillor Carol Day, Councillor Chak Au, Councillor Alexa Loo, Constable Leah Riske, Richmond RCMP

## Connect with Richmond City Council

To contact Council, email [mayorandcouncillors@richmond.ca](mailto:mayorandcouncillors@richmond.ca) or call 604-276-4000.  
For Council Meetings agendas and minutes, visit [www.richmond.ca/cityhall/council/agendas](http://www.richmond.ca/cityhall/council/agendas).  
To watch Council meetings on live streaming or view videos of past meetings, visit [www.richmond.ca/watchonline](http://www.richmond.ca/watchonline).

# City of Richmond Senior Management Team 2019



Chief Administrative Officer .....	George Duncan
General Manager, Community Safety.....	Cecilia Achiam
General Manager, Community Services .....	Serena Lusk
General Manager, Engineering and Public Works (effective October, 2019) .....	John Irving
General Manager, Finance and Corporate Services .....	Andrew Nazareth
General Manager, Planning and Development.....	Joe Erceg
Deputy Chief Administrative Officer (until September*).....	Robert Gonzalez

## Public safety agencies

Chief, Richmond Fire-Rescue .....	Tim Wilkinson
Officer in Charge, Royal Canadian Mounted Police .....	Will Ng

## Banker

Scotiabank

## Auditors

KPMG

\* Mr. Gonzalez held the positions of Deputy Chief Administrative Officer and General Manager, Engineering and Public Works before passing away in September 2019

# Message from the Chief Administrative Officer



I am pleased to present the City of Richmond’s Annual Report for 2019. It details our strong financial position, and outlines many of the initiatives we are undertaking to achieve our vision of making Richmond Canada’s best managed city.

During this past year, our administration made significant progress in implementing Council’s new strategic plan, which is comprised of eight initiatives. Many of those achievements are highlighted throughout this report.

Our city has long been recognized as a leader in environmental action and sustainability, while supporting development and building strong and connected communities. Our award-winning District Energy Utility continued to expand, as did our commitment to encourage clean energy transportation through further implementation of electric vehicle charging stations.

As Richmond continued to grow, so did the need for services to support our community which is rich in both cultural and economic diversity. While Richmond was one of the few Metro Vancouver cities to exceed its annual net new home housing target in 2019, we also acted to ensure a variety of housing options were maintained. The City worked with the development community to create more affordable rental housing, securing agreements for 179 new units for low and moderate income Richmond households. We also secured over \$2.4 million cash-in-lieu contributions to be applied towards future affordable housing options.

Providing support for young families remained a focus, with our award-winning five-year child care strategy continuing to be recognized as a municipal leader in fostering conditions for a comprehensive child care system.

One of the foundations for any successful organization is its ability to demonstrate strong financial stewardship. Our City’s long term financial strategy remained a hallmark of our administration and enabled us to continue to limit property tax increases, while still making significant investments in infrastructure and programs. Richmond’s property taxes were again among the lowest in the region and our sound fiscal management positioned us well to address future challenges and opportunities.

The City of Richmond is committed to strengthening our community and encouraging growth within a framework of diversity, sustainability and value for our taxpayers.

A handwritten signature in black ink, appearing to read 'George Duncan', written over a thin horizontal line.

George Duncan  
Chief Administrative Officer

# Council Strategic Plan: 2018 to 2022

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

The City of Richmond's objectives and success indicators are expressed through the [Council Strategic Plan](#). Soon after the new Council began its four-year term in October 2018, it undertook a strategic planning process to help it fulfill its governance role and achieve a successful term of office. Through that process, Council adopted a revised set of eight Strategic Focus areas, which provided the framework for the City's programs and services through 2019.

## 1. A Safe and Resilient Community

Enhance and protect the safety and well-being of Richmond.

### 2019 Achievement

As part of our Safe Community Priority Program, 19 new RCMP officers and 12 firefighters were added to strengthen our existing first responder resources. More recruits for each are expected over the next two years.



In 2019, 19 new RCMP officers and 12 firefighters were added to strengthen existing first responder resources.



The Richmond World Festival brings everyone together to celebrate the city's significant cultural diversity.

## 2. A Sustainable and Environmentally Conscious City

Environmentally conscious decision-making that demonstrates leadership in implementing innovative, sustainable practices and supports the City's unique biodiversity and island ecology.

### 2019 Achievement

Council developed [bylaws banning single-use plastics](#) such as straws, shopping bags and foam containers, potentially removing as many as 35 million items weighing 650 tonnes from the waste stream annually.

## 3. One Community Together

Vibrant and diverse arts and cultural activities and opportunities for community engagement and connection.

### 2019 Achievement

Richmond became the first community in Canada to develop a municipal [Cultural Harmony Plan](#). The Plan demonstrates the City's leadership in building on its social inclusion practices and recognizes our unique cultural diversity.



## 4. An Active and Thriving Richmond

An active and thriving community characterized by diverse social and wellness programs, services and spaces that foster health and well-being for all.

### 2019 Achievement

Our first emergency shelter, temporary modular housing and a unique partnership with Richmond RCMP and Vancouver Coastal Health on a mental health car reinforced our commitment to support those in need.

## 5. Sound Financial Management

Accountable, transparent, and responsible financial management that supports the needs of the community into the future.

### 2019 Achievement

The acquisition of the Richmond Ice Centre, a 155,000 square foot multi-rink facility situated on over 3.0 strategically-located hectares in the Riverport area, turned a highly-used leased facility into a City-owned asset and another major investment in civic infrastructure for recreation.

## 6. Strategic and Well-Planned Growth

Leadership in effective and sustainable growth that supports Richmond's physical and social needs.

### 2019 Achievement

Through a unique partnership, the City forwarded \$28.1 million of developer funds to TransLink for construction of a new Canada Line transit station. This will support the rapidly-growing Capstan Village community and reflects the increasing ridership of the Canada Line.



The City acquired the Richmond Ice Centre, turning a highly-used leased facility into a City-owned asset.

## 7. A Supported Economic Sector

Facilitate diversified economic growth through innovative and sustainable policies, practices and partnerships.

### 2019 Achievement

Richmond's strong business sector boasts one of the highest job-to-worker ratios in the region, reflecting its important location as a gateway for people and goods movement such as transportation, warehousing and logistics, manufacturing, wholesale and tourism.

## 8. An Engaged and Informed Community

Ensure that the citizenry of Richmond is well-informed and engaged about City business and decision-making.

### 2019 Achievement

The City's [LetsTalkRichmond.ca](https://lets-talk-richmond.ca) platform continues to connect and engage residents of all backgrounds from across our community on a diverse range of topics ranging from single-use plastics and sustainability, to cultural harmony and our Farming First strategy.

# Richmond: safe, sustainable, culturally diverse

As this city grows, our commitment to its citizens grows with it.

In 2019, the City secured agreements for 179 new affordable housing units for low and moderate income Richmond households, and over \$2.4 million cash-in-lieu contributions for future affordable housing options. The opening of a 36-bed emergency shelter in Ironwood, as well as a 40-unit temporary supportive housing facility on Alderbridge Way, offered support to some of the city's most vulnerable as part of our first [Homelessness Strategy](#) approved by Council in late 2019.

As an established local government leader in climate action, Richmond is committed to implementing practices to build a sustainable and environmentally-conscious city that will benefit current and future generations. From bylaws to ban single-use plastics—removing 650 tonnes from the waste stream annually—to electric vehicles and circular economy principles, our actions are the importance of the extensive environmental programs that Richmond has undertaken for decades.



The new emergency shelter provides safe and secure shelter spaces in a supportive environment for up to 36 people—more than triple the number that existed previously.



The City engaged with the community to inform the public about the proposed bylaw to ban single-use plastics.



Richmond’s Cultural Harmony Plan demonstrates the City’s leadership in building on its social inclusion practices. It also signifies the City’s role in responding to the evolving needs of Richmond’s increasingly diverse population.



The diversity among our 212,000 residents is truly unique and makes us stronger as a community. We strengthened our sense of neighbourhood and community through Canada’s first municipal Cultural Harmony Plan, which reinforces our leadership in building on our social inclusion practices. 2019 also saw the installation of our city’s first painted rainbow crosswalk on Minoru Boulevard, a lasting reminder that Richmond is a city of inclusion, respect and support.



Richmond’s first rainbow crosswalk on Minoru Boulevard.

Our many achievements during 2019 and expectations for the future will continue to improve the lives and affairs of our residents and businesses. The City of Richmond has always been a leader with bold, innovative programs and strategies that reflect our character and reputation as a safe, sustainable and culturally diverse city – the most appealing, livable and well-managed community in Canada.

# 2019 Awards

A measurement of the City's success in achieving its goals are the honours and recognition we received from our peers and others. In 2019, Richmond again received numerous international, national and provincial awards recognizing our commitment to excellence and innovation.

## Climate Action

The City of Richmond's first-of-its-kind Electric Vehicle (EV) infrastructure requirement was recognized with a Climate and Energy Action Award from the Community Energy Association. Richmond was the first municipality to enact a policy requiring that 100 per cent of new residential parking spaces be equipped with Level 2 electric vehicle charging capacity. The Climate and Energy Action Award recognizes climate leadership of BC local governments.



Promoting low carbon personal vehicles and setting requirements for electric vehicle infrastructure helps the City reduce community energy use and greenhouse gas emissions.

## Technological Innovation

Richmond is the first municipality in the Lower Mainland to regulate the quality of non-storm discharge water into its sewer system and watercourses using primarily field-measurable parameters, an innovation recognized by the BC Environmental Managers Association with the 2019 Technological Innovation Award. The implementation of a simplified non-storm water discharge management program safeguards the City's sewers and strengthens environmental protections.



The Alexandra District Energy Utility distribution pumps disburse thermal energy through the underground pipe network.

## District Energy

The recipient of over a dozen awards in the past decade, Richmond's District Energy Program continues to collect accolades for its innovation, efficiency and green sustainability. Among its honours in 2019 was an Association of Energy Engineers, Canada Region – Project of the Year Award for an innovative renewable energy project and a Canadian Association of Municipal Administrators Award of Excellence – Environment Award for the commitment of a municipality to environmentally sustainable governance, to protecting the environment and to combating climate change.



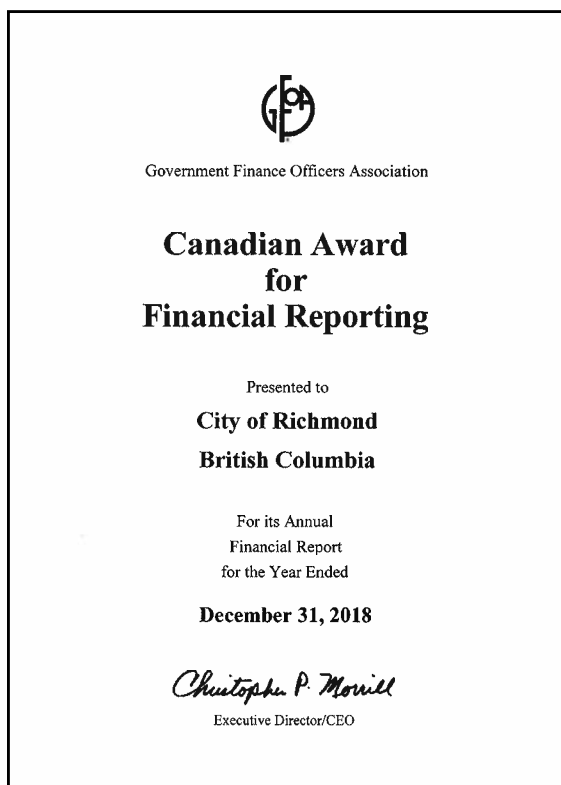
Field monitoring instruments are used to confirm water quality prior to discharge to the City's storm sewer system.

## Child care

The City received the Union of British Columbia Municipalities Community Excellence Award in Governance which recognized the City's [2017–2022 Richmond Child Care Needs Assessment](#) and Strategy. Richmond's investment in a municipal child care strategy began in 1991. The vision for this five year strategy is for the City to build on those three decades of work to continue to be a municipal leader in fostering conditions for a comprehensive child care system.

## Financial Reporting

Once again, the Government Finance Officers Association of the US and Canada presented Richmond with the Canadian Award for Financial Reporting for the 17th year in a row and the Popular Financial Reporting Award for the 10th successive year for our 2018 Annual Report.



The Canadian Award for Excellence in Financial Reporting Program encourages and assists Canadian local governments to go beyond the minimum requirements of generally accepted accounting principles.



Britannia Heritage Shipyards National Historic Site

## Flood Protection

The City was given the Award of Merit by the Association of Consulting Engineering Companies BC for the Britannia Heritage Shipyard Flood Protection Improvements Project, which upgraded flood prevention infrastructure for a national historic site that is located outside of Richmond's diking network.

## Storeys Housing Project

The Storeys affordable housing project, a unique mixed-use community housing partnership between five non-profit agencies and the City of Richmond, received an Ovation Award from the Homebuilders Association of Vancouver for the Best Multi-Family High-rise Development.

# Report from the General Manager, Finance and Corporate Services

Mayor Malcolm Brodie and members of Richmond City Council,

I am pleased to submit the Consolidated Financial Statements and Auditors' Report for the fiscal year ended December 31, 2019 for the City of Richmond, pursuant to Section 98 and 167 of the Community Charter. The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards as prescribed by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

KPMG LLP was appointed by City Council to independently audit the City's consolidated financial statements. They have expressed an opinion that the City's consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City of Richmond as at December 31, 2019 and its consolidated results of operations, its changes in net consolidated financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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

## Consolidated statement of financial position (in \$000s)

	2019 Actual	2018 Actual	Change
Financial assets	\$1,320,747	\$1,231,060	\$89,687
Liabilities	514,878	467,939	46,939
<b>Net financial assets</b>	<b>805,869</b>	<b>763,121</b>	<b>42,748</b>
Non-financial assets	2,433,473	2,377,969	55,504
<b>Accumulated surplus</b>	<b>\$3,239,342</b>	<b>\$3,141,090</b>	<b>\$98,252</b>

The City's overall financial position improved by \$98.3 million, with accumulated surplus totalling \$3.2 billion. A significant part of this increase is due to growth in financial assets, as well as additions to capital and statutory reserves. This is partially offset by an increase in liabilities, especially deferred revenue related to the collection of Development Cost Charges (DCCs).

The City's cash and investments have grown to \$1.2 billion while long-term debt continues to decline with an outstanding balance at the end of 2019 of \$27.9 million. Meanwhile, the City's tangible capital assets increased by \$56.1 million, which includes \$28.9 million of in-kind contributions from development as conditions of re-zoning.

## Statutory reserves (in \$000s)

	2015	2016	2017	2018	2019
Total reserves	\$461,178	\$471,846	\$484,883	\$540,153	\$557,576

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

The increase in the balance to \$557.6 million is mainly attributable to the timing of these capital expenditures and contributions. Each year, funds are largely transferred to the reserves through Council's Long Term Financial Management Strategy, with an additional focus towards infrastructure construction and renewal.

## Consolidated statement of operations (in \$000s)

	2019 Budget	2019 Actual	2018 Actual
Revenue	\$541,121	\$581,942	\$599,417
Expenses	463,338	483,690	414,456
<b>Annual surplus</b>	<b>\$77,783</b>	<b>\$98,252</b>	<b>\$184,961</b>

The City's consolidated revenue for the year totaled \$581.9 million, a decrease of \$17.5 million from 2018 mainly due to significant development-related contributions received during 2018.

Expenses increased by \$69.2 million from prior year. 2019 expenses included an extraordinary contribution towards the Canada Line Capstan station of \$28.1 million.

The annual surplus for 2019 was \$98.3 million and represents the change in investment in tangible capital assets, reserves and other accumulated surplus.

### Budget variance

Consolidated revenue of \$581.9M was greater than budgeted revenue by \$40.8M mainly due to:

- \$27.4M in developer cash contributions, \$18.2M in gain on sale of land and \$9.8M related to the fuel facility contribution that was not budgeted and was included under other revenue.
- \$24.2M lower than budgeted capital funding mainly due to developer contributed assets.
- \$9.1M higher than budgeted investment income mainly due to higher returns and the timing of capital expenditures.
- \$9.0M lower than budgeted DCC revenue due to the timing of capital expenditures. Revenue is recognized when the amounts are spent while the budget represents the 2019 allocation of DCCs towards capital projects that can be spent over multiple years.
- \$5.7M higher than budget for utility fees mainly due to construction related flat rate utility prepayments.

Consolidated expenses of \$483.7M were higher than budgeted by \$20.4M. The main variances include:

- \$28.1M contribution for the Canada Line Capstan station recorded under planning and development.
- \$8.9M lower than budgeted general government costs due to vacancies and timing of programs.
- \$6.4M higher than budgeted engineering and public works costs mainly due to rehabilitation and maintenance expenses funded by the capital program.
- \$6.3M favourable budget variance for community safety due to RCMP policing contract and salary vacancies.

The City's consolidated annual surplus of \$98.3 million exceeded the budgeted annual surplus of \$77.8 million by \$20.5 million, prior to transfers to reserves and other accumulated surplus.

## Year over year change

Consolidated revenue of \$581.9M decreased by \$17.5M from 2018 mainly due to:

- a decrease of \$56.8M in capital funding due to the timing of developer contributed assets, which included \$28.9M in 2019 and \$88.0M in 2018.
- an increase of \$14.1M in other revenue mainly from gain on sale of land.
- an increase of \$13.3M in property taxes due to the approved rate increase and growth related to new development.
- an increase of \$8.6M in utility fees, including rate and volume increases.

Consolidated expenses of \$483.7M increased by \$69.2M over 2018 mainly due to:

- \$28.1M contribution for the Canada Line Capstan station.
- \$15.1M increase in contractual wage and other fringe costs.
- \$10.8M increase in rehabilitation and maintenance expenses funded by the capital program.
- \$5.6M increase in contract costs including policing costs and contract costs for E-Comm.

## Financial sustainability

City Council's Long Term Financial Management Strategy has ensured prudent fiscal practices while maintaining the City's high service standards through balancing current and long term financial needs. The impact of this policy can be seen in the current financial health of the organization, which has placed the City in a strong position to mitigate some of the financial impacts of the COVID-19 pandemic.

Respectfully submitted,



Andrew Nazareth, BEc, CPA, CGA  
*General Manager, Finance and Corporate Services*  
May 11, 2020



# City of Richmond audited financial statements

Year ended December 31, 2019



KPMG LLP  
PO Box 10426 777 Dunsmuir Street  
Vancouver BC V7Y 1K3  
Canada  
Telephone (604) 691-3000  
Fax (604) 691-3031

## INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of the City of Richmond

### ***Opinion***

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

- the consolidated statement of financial position as at December 31, 2019;
- the consolidated statement of operations for the year then ended;
- the consolidated statement of changes in net financial assets for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- notes to the consolidated financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the City as at December 31, 2019, and its consolidated results of operations, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### ***Basis for Opinion***

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

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

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



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

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

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

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

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

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

We also:

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

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

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



City of Richmond  
Page 3

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

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that tapers at both ends.

Chartered Professional Accountants

Vancouver, Canada  
May 11, 2020

# CITY OF RICHMOND

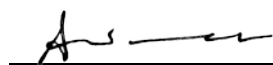
Consolidated Statement of Financial Position  
(Expressed in thousands of dollars)

December 31, 2019, with comparative information for 2018

	2019	2018
<b>Financial Assets</b>		
Cash	\$ 389,564	\$ 121,861
Investments (note 3)	830,896	1,004,928
Investment in Lulu Island Energy Company ("LIEC") (note 4)	31,414	29,780
Accrued interest receivable	7,781	7,443
Accounts receivable (note 5)	28,407	29,151
Taxes receivable	11,033	11,844
Development fees receivable	21,144	25,545
Debt reserve fund - deposits (note 6)	508	508
	<u>1,320,747</u>	<u>1,231,060</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (note 7)	107,590	95,231
Development cost charges (note 8)	197,671	158,882
Deposits and holdbacks (note 9)	117,364	113,620
Deferred revenue (note 10)	64,362	67,364
Debt, net of MFA sinking fund deposits (note 11)	27,891	32,842
	<u>514,878</u>	<u>467,939</u>
Net financial assets	805,869	763,121
<b>Non-Financial Assets</b>		
Tangible capital assets (note 12)	2,427,798	2,371,694
Inventory of materials and supplies	2,961	3,602
Prepaid expenses	2,714	2,673
	<u>2,433,473</u>	<u>2,377,969</u>
Accumulated surplus (note 13)	<u>\$ 3,239,342</u>	<u>\$ 3,141,090</u>

Contingent demand notes (note 6)  
Commitments and contingencies (note 18)  
Subsequent event (note 26)

See accompanying notes to consolidated financial statements.



General Manager, Finance and Corporate Services

# CITY OF RICHMOND

Consolidated Statement of Operations  
(Expressed in thousands of dollars)

Year ended December 31, 2019, with comparative information for 2018

	2019 Budget (notes 2(p) and 24)	2019	2018
<b>Revenue:</b>			
Taxation and levies (note 20)	\$ 229,903	\$ 230,198	\$ 216,908
Utility fees	105,805	111,472	102,915
Sales of services	41,977	42,747	39,111
Payments-in-lieu of taxes	14,200	16,277	15,489
Provincial and federal grants	8,362	10,687	10,355
Development cost charges (note 8)	22,764	13,802	17,432
Other capital funding sources	63,197	39,028	95,859
<b>Other revenue:</b>			
Investment income	16,062	25,142	20,705
Gaming revenue	16,500	15,140	16,837
Licenses and permits	11,107	13,030	13,637
Other (note 21)	11,244	62,785	48,678
Equity income in government business enterprise ("GBE") (note 4)	-	1,634	1,491
	<b>541,121</b>	<b>581,942</b>	<b>599,417</b>
<b>Expenses:</b>			
Community safety	112,526	106,209	98,500
Utilities: water, sewer and sanitation	95,067	98,653	89,959
Engineering, public works and project development	74,568	80,940	68,793
Community services	68,627	67,522	61,174
General government	64,603	55,689	52,549
Planning and development	20,273	48,104	18,076
Richmond Olympic Oval	16,595	15,972	15,424
Richmond Public Library	11,079	10,601	9,981
	<b>463,338</b>	<b>483,690</b>	<b>414,456</b>
Annual surplus	77,783	98,252	184,961
Accumulated surplus, beginning of year	3,141,090	3,141,090	2,956,129
<b>Accumulated surplus, end of year</b>	<b>\$ 3,218,873</b>	<b>\$ 3,239,342</b>	<b>\$ 3,141,090</b>

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, 2019, with comparative information for 2018

	2019 Budget (notes 2(p) and 24)	2019	2018
Annual surplus for the year	\$ 77,783	\$ 98,252	\$ 184,961
Acquisition of tangible capital assets	(118,551)	(93,154)	(92,851)
Contributed tangible capital assets	(50,350)	(28,867)	(88,021)
Amortization of tangible capital assets	61,513	64,228	60,542
Net loss (gain) on disposal of tangible capital assets	-	(17,637)	324
Proceeds on sale of tangible capital assets	-	19,326	213
	(29,605)	42,148	65,168
Acquisition of inventory of materials and supplies	-	(2,961)	(3,602)
Acquisition of prepaid expenses	-	(2,714)	(2,673)
Consumption of inventory of materials and supplies	-	3,602	3,762
Use of prepaid expenses	-	2,673	2,376
Change in net financial assets	(29,605)	42,748	65,031
Net financial assets, beginning of year	763,121	763,121	698,090
Net financial assets, end of year	\$ 733,516	\$ 805,869	\$ 763,121

See accompanying notes to consolidated financial statements.

# CITY OF RICHMOND

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

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 98,252	\$ 184,961
Items not involving cash:		
Amortization	64,228	60,542
Loss (gain) on disposal of tangible capital assets	(17,637)	324
Contributions of tangible capital assets	(28,867)	(88,021)
Equity income in GBE	(1,634)	(1,491)
Change in non-cash operating working capital:		
Accrued interest receivable	(338)	(792)
Accounts receivable	744	(2,115)
Taxes receivable	811	(2,868)
Development fees receivable	4,401	(3,169)
Inventory of materials and supplies	641	160
Prepaid expenses	(41)	(297)
Accounts payable and accrued liabilities	12,359	(3,805)
Development cost charges	38,789	28,198
Deposits and holdbacks	3,744	30,834
Deferred revenue	(3,002)	1,077
Net change in cash from operating activities	172,450	203,538
Capital activities:		
Cash used to acquire tangible capital assets	(93,154)	(92,851)
Proceeds on disposal of tangible capital assets	19,326	213
Net change in cash from capital activities	(73,828)	(92,638)
Financing activities:		
Repayments of debt	(4,951)	(4,761)
Investing activities:		
Net sale (purchase) of investments	174,032	(32,145)
Net change in cash	267,703	73,994
Cash, beginning of year	121,861	47,867
Cash, end of year	\$ 389,564	\$ 121,861

See accompanying notes to consolidated financial statements.



# CITY OF RICHMOND

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

Year ended December 31, 2019

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## 1. Operations:

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

## 2. Significant accounting policies:

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

### (a) Basis of consolidation:

The consolidated financial statements reflect a combination of the City's General Revenue, General Capital and Loan, Waterworks and Sewerworks, and Reserve Funds consolidated with the Richmond Public Library (the "Library") and the Richmond Olympic Oval (the "Oval"). The Library is consolidated as the Library Board is appointed by the City. The Oval is consolidated as they are a wholly owned municipal corporation of the City. Interfund transactions, fund balances and activities have been eliminated on consolidation. The City's investment in Lulu Island Energy Company ("LIEC"), a wholly owned government business enterprise ("GBE"), is accounted for using the modified equity method.

#### (i) General Revenue Fund:

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

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

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

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

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

#### (iv) Reserve Funds:

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

# CITY OF RICHMOND

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

Year ended December 31, 2019

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## 2. Significant accounting policies (continued):

### (b) Basis of accounting:

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

### (c) Government transfers:

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

### (d) Cash and cash equivalents:

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

### (e) Investments:

Investments are recorded at cost, adjusted for amortization of premiums or discounts. Provisions for losses are recorded when they are considered to be other than temporary.

### (f) Investment in government business enterprises:

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

### (g) Accounts receivable:

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

### (h) Development cost charges:

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

# CITY OF RICHMOND

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

Year ended December 31, 2019

## 2. Significant accounting policies (continued):

### (i) Post-employment benefits:

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

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

### (j) Non-financial assets:

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

#### (i) Tangible capital assets:

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

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

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

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

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

#### (iii) Natural resources, works of art, and cultural and historic assets:

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

# CITY OF RICHMOND

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

Year ended December 31, 2019

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## 2. Significant accounting policies (continued):

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

#### (iv) Interest capitalization:

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

#### (v) Labour capitalization:

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

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

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

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

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

#### (viii) Inventory of materials and supplies:

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

### (k) Revenue recognition:

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

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

### (l) Property taxes:

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

# CITY OF RICHMOND

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

Year ended December 31, 2019

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## 2. Significant accounting policies (continued):

### (m) Deferred revenue:

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

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

### (n) Deposits:

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

### (o) Debt:

Debt is recorded net of related sinking fund balances.

### (p) Budget information:

Budget information, presented on a basis consistent with that used for actual results, was included in the City's Consolidated 5 Year Financial Plan (2019-2023) ("Consolidated Financial Plan") and was adopted through Bylaw No. 9979 on March 11, 2019.

### (q) Contaminated sites:

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

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

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

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

# CITY OF RICHMOND

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

Year ended December 31, 2019

## 2. Significant accounting policies (continued):

### (r) Use of accounting estimates:

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

### (s) Segment disclosures:

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

## 3. Investments:

	2019		2018	
	Cost	Market value	Cost	Market value
Short-term notes and deposits	\$ 409,759	\$ 409,874	\$ 577,416	\$ 577,060
Government and government guaranteed bonds	192,314	194,229	164,943	165,401
Municipal Finance Authority pooled investment fund	47,306	46,123	46,150	44,716
Other bonds	181,517	182,039	216,419	213,577
	\$ 830,896	\$ 832,265	\$ 1,004,928	\$ 1,000,754

# CITY OF RICHMOND

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

Year ended December 31, 2019

## 4. Investment in Lulu Island Energy Company Ltd:

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

Summarized financial information relating to LIEC is as follows:

	2019	2018
Cash, cash equivalents, and investments	\$ 11,826	\$ 8,596
Accounts receivable	1,303	2,242
Tangible capital assets	33,412	32,361
<b>Total assets</b>	<b>46,541</b>	<b>43,199</b>
Accounts payable and accrued liabilities	778	414
Deferred contributions	6,183	5,375
Concession liability	8,166	7,630
<b>Total liabilities</b>	<b>15,127</b>	<b>13,419</b>
<b>Shareholder's equity</b>	<b>\$ 31,414</b>	<b>\$ 29,780</b>
Total revenue	\$ 5,295	\$ 4,888
Total expenses	3,661	3,397
<b>Net income</b>	<b>\$ 1,634</b>	<b>\$ 1,491</b>

Included in accounts payable and accrued liabilities in the City's consolidated statement of financial position are payables to LIEC in the amount of \$136,168 (2018 - \$1,375,799).

On October 30, 2014, LIEC and the Oval Village district energy utility developer ("the Concessionaire") entered into a 30-year Concession Agreement, which is a public-private partnership project ("P3"), where the Concessionaire will design, construct, finance, operate, and maintain the infrastructure for the district energy utility at the Oval Village community. As part of the Agreement, the infrastructure will be owned by LIEC.

On October 30, 2014, the Concessionaire and the City entered into a Limited Guarantee Agreement. The City is the Guarantor and guarantees the performance of some of LIEC's obligations under the Concession Agreement to a maximum of \$18.2 million (2018 - \$18.2 million).

# CITY OF RICHMOND

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

Year ended December 31, 2019

## 5. Accounts receivable:

	2019	2018
Water and sewer utilities	\$ 13,671	\$ 11,999
Casino revenue	3,903	4,010
Capital grants	1,291	5,003
Other trade receivables	9,542	8,139
	<u>\$ 28,407</u>	<u>\$ 29,151</u>

## 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 in a Debt Reserve Fund. The City also executes demand notes in connection with each debenture whereby the City may be required to loan certain amounts to the MFA. These demand notes are contingent in nature and are not reflected in the City's accounts. The details of the cash deposits and contingent demand notes at December 31, 2018 and 2019 are as follows:

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

## 7. Accounts payable and accrued liabilities:

	2019	2018
Trade and other liabilities	\$ 73,403	\$ 64,917
Post-employment benefits (note 15)	34,187	30,314
	<u>\$ 107,590</u>	<u>\$ 95,231</u>



# CITY OF RICHMOND

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

Year ended December 31, 2019

## 8. Development cost charges:

	2019	2018
Balance, beginning of year	\$ 158,882	\$ 130,684
Contributions	48,740	42,792
Interest	3,851	2,838
Revenue recognized	(13,802)	(17,432)
Balance, end of year	\$ 197,671	\$ 158,882

## 9. Deposits and holdbacks:

	Balance December 31, 2018	Deposit contributions/ interest earned	Refund/ expenditures	Balance December 31, 2019
Security deposits	\$ 89,557	\$ 25,949	\$ (21,342)	\$ 94,164
Developer contributions	7,313	222	-	7,535
Contract holdbacks	6,650	2,658	(3,891)	5,417
Other	10,100	6,184	(6,036)	10,248
	\$ 113,620	\$ 35,013	\$ (31,269)	\$ 117,364

## 10. Deferred revenue:

	Balance December 31, 2018	Externally restricted inflows	Revenue earned	Balance December 31, 2019
Taxes and utilities	\$ 20,450	\$ 22,836	\$ (20,450)	\$ 22,836
Building permits/development	15,598	9,454	(5,207)	19,845
Oval	1,876	10,625	(11,067)	1,434
Capital grants	19,558	2,728	(11,434)	10,852
Business licenses	2,523	2,251	(2,123)	2,651
Parking easement/leased land	2,430	58	(47)	2,441
Other	4,929	5,920	(6,546)	4,303
	\$ 67,364	\$ 53,872	\$ (56,874)	\$ 64,362

# CITY OF RICHMOND

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

Year ended December 31, 2019

## 11. Debt, net of MFA sinking fund deposits:

The interest rate for the year ended December 31, 2019 on the principal amount of the MFA debenture was 3.30% (2018 - 3.30%) per annum. Interest expense incurred for the year on the long-term debt was \$1,676,895 (2018 - \$1,676,895). The maturity date of the MFA debt is April 7, 2024.

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

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

	Gross amount borrowed	Repayments and actuarial adjustments	Net debt 2019	Net debt 2018
General Fund	\$ 50,815	\$ 22,924	\$ 27,891	\$ 32,842

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

2020	\$ 5,149
2021	5,355
2022	5,570
2023	5,792
2024	6,025
	\$ 27,891

# CITY OF RICHMOND

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

Year ended December 31, 2019

## 12. Tangible capital assets:

<b>Cost</b>	Balance December 31, 2018	Additions and transfers	Disposals	Balance December 31, 2019
Land	\$ 984,001	\$ 34,517	\$ (955)	\$ 1,017,563
Building and building improvements	442,181	45,398	(338)	487,241
Infrastructure	1,741,680	66,647	(7,436)	1,800,891
Vehicles, machinery and equipment	142,793	10,255	(3,163)	149,885
Library's collections, furniture and equipment	9,445	1,068	(575)	9,938
Assets under construction	151,296	(35,864)	-	115,432
	<b>\$ 3,471,396</b>	<b>\$ 122,021</b>	<b>\$ (12,467)</b>	<b>\$ 3,580,950</b>

<b>Accumulated amortization</b>	Balance December 31, 2018	Disposals	Amortization expense	Balance December 31, 2019
Building and building improvements	\$ 186,279	\$ (302)	\$ 16,332	\$ 202,309
Infrastructure	820,387	(6,919)	36,524	849,992
Vehicles, machinery and equipment	86,826	(2,982)	10,244	94,088
Library's collections, furniture and equipment	6,210	(575)	1,128	6,763
	<b>\$ 1,099,702</b>	<b>\$ (10,778)</b>	<b>\$ 64,228</b>	<b>\$ 1,153,152</b>

<b>Net book value</b>	December 31, 2019	December 31, 2018
Land	\$ 1,017,563	\$ 984,001
Buildings and building improvements	284,932	255,902
Infrastructure	950,899	921,293
Vehicles, machinery and equipment	55,797	55,967
Library's collection, furniture and equipment	3,175	3,235
Assets under construction	115,432	151,296
<b>Balance, end of year</b>	<b>\$ 2,427,798</b>	<b>\$ 2,371,694</b>

# CITY OF RICHMOND

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

Year ended December 31, 2019

## 12. Tangible capital assets (continued):

### (a) Assets under construction:

Assets under construction having a value of \$115,432,086 (2018 - \$151,295,702) have not been amortized. Amortization of these assets will commence when the asset is put into service.

### (b) Contributed tangible capital assets:

Contributed tangible capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$28,866,769 (2018 - \$88,020,879) comprised of land in the amount of \$14,665,393 (2018 - \$69,654,386), infrastructure in the amount of \$14,191,349 (2018 - \$13,666,004), buildings had no contributed tangible capital assets in 2019 (2018 - \$4,700,489), and library collections in the amount of \$10,027 (2018 - 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:

Tangible capital assets were written down by \$1,754,513 (2018 - nil) related to estimated repair costs associated with one of the lap pools at the Minoru Center for Active Living. The costs to repair the deficiencies will be recovered through insurance.

## 13. Accumulated surplus:

	General and Reserve Funds	Waterworks Utility Fund	Sewerworks Utility Fund	Richmond Olympic Oval	Library	2019 Total	2018 Total
Investment in tangible capital assets	\$ 2,385,747	\$ -	\$ -	\$ 8,553	\$ 3,176	\$ 2,397,476	\$ 2,336,489
Reserves (note 14)	548,720	-	-	8,856	-	557,576	540,153
Appropriated surplus	193,455	18,316	10,420	1,471	390	224,052	207,173
Investment in LIEC	31,414	-	-	-	-	31,414	29,780
Surplus	17,717	446	6,276	604	951	25,994	24,029
Other equity	2,830	-	-	-	-	2,830	3,466
<b>Balance, end of year</b>	<b>\$ 3,179,883</b>	<b>\$ 18,762</b>	<b>\$ 16,696</b>	<b>\$ 19,484</b>	<b>\$ 4,517</b>	<b>\$ 3,239,342</b>	<b>\$ 3,141,090</b>

# CITY OF RICHMOND

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

Year ended December 31, 2019

## 14. Reserves:

	Balance, December 31, 2018	Change during year	Balance, December 31, 2019
Affordable housing	\$ 10,836	\$ 869	\$ 11,705
Arts, culture and heritage	4,003	(277)	3,726
Capital building and infrastructure	81,763	18,923	100,686
Capital reserve	176,142	(4,166)	171,976
Capstan station	32,332	(14)	32,318
Child care development	6,806	2,116	8,922
Community legacy and land replacement	8,852	(7,542)	1,310
Drainage improvement	56,132	(487)	55,645
Equipment replacement	19,600	603	20,203
Hamilton area plan community amenity	752	968	1,720
Leisure facilities	18,765	(1,089)	17,676
Local improvements	7,155	172	7,327
Neighborhood improvement	7,520	340	7,860
Oval	6,324	2,532	8,856
Public art program	4,860	(2)	4,858
Sanitary sewer	44,107	3,624	47,731
Steveston off-street parking	317	8	325
Steveston road ends	155	(5)	150
Waterfront improvement	317	(115)	202
Watermain replacement	53,415	965	54,380
	<b>\$ 540,153</b>	<b>\$ 17,423</b>	<b>\$ 557,576</b>

## 15. Post-employment benefits:

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

	2019	2018
Accrued benefit obligation, beginning of year	\$ 28,423	\$ 29,892
Current service cost	1,881	1,947
Interest cost	954	879
Past service cost (credit)	3,155	(397)
Benefits paid	(1,953)	(2,508)
Actuarial loss (gain)	2,724	(1,390)
Accrued benefit obligation, end of year	<b>\$ 35,184</b>	<b>\$ 28,423</b>

# CITY OF RICHMOND

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

Year ended December 31, 2019

## 15. Post-employment benefits (continued):

An actuarial valuation for these benefits was performed to determine the City's accrued benefit obligation as at December 31, 2019. This actuarial loss is being amortized over a period equal to the employees' average remaining service lifetime of 10 years (2018 - 10 years).

	2019	2018
Post-employment benefit liability:		
Post-employment benefit liability, end of year	\$ 35,184	\$ 28,423
Unamortized net actuarial (loss) gain	(997)	1,891
<b>Balance, end of year</b>	<b>\$ 34,187</b>	<b>\$ 30,314</b>

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

	2019	2018
Discount rate	2.40%	3.30%
Expected future inflation rate	2.00%	2.00%
Expected wage and salary range increases	2.50% to 3.00%	2.50% to 3.00%

## 16. Pension plan:

The City and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2018, the plan has about 205,000 active members and approximately 101,000 retired members. Active members include approximately 40,000 contributors from local governments.

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

# CITY OF RICHMOND

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

Year ended December 31, 2019

## 16. Pension plan (continued):

The most recent valuation for the Municipal Pension Plan as at December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The City paid \$13,251,994 (2018 - \$12,759,865) for employer contributions while employees contributed \$11,120,458 (2018 - \$10,615,884) to the plan in fiscal 2019.

The next valuation will be as at December 31, 2021, with results available in 2022.

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

## 17. Contingent assets and contractual rights:

### (a) Contingent assets:

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

The City has legal claims, service agreements, and land dedications that may qualify as contingent assets. Amounts cannot be estimated as of December 31, 2019. Contingent assets are not recorded in the consolidated financial statements.

In 2019, the City had requested payment from the Office of the Minister of Public Services and Procurement Canada, for outstanding payments-in-lieu of taxes in the amount of \$11,139,593. As of December 31, 2019, collectability of the requested amount is not determinable and has not been accrued for in the City's consolidated financial statements.

### (b) Contractual rights:

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

2020	\$ 15,157
2021	11,574
2022	4,887
2023	3,437
2024	2,011
Thereafter	9,768

# CITY OF RICHMOND

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

Year ended December 31, 2019

## 17. Contingent assets and contractual rights (continued):

### (b) Contractual rights (continued):

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

## 18. Commitments and contingencies:

### (a) Joint and several liabilities:

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

### (b) Lease payments:

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

2020	\$ 3,368
2021	3,311
2022	2,583
2023	2,569
2024	2,369
Thereafter	7,748

### (c) Litigation:

As at December 31, 2019, there were a number of claims or risk exposures in various stages of resolution. The City has made no specific provision for those where the outcome is presently not determinable.

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

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

### (e) Contractual obligation:

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



# CITY OF RICHMOND

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

Year ended December 31, 2019

## 18. Commitments and contingencies (continued):

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

The City is a shareholder of the E-Comm whose services provided include: regional 9-1-1 call centre for the Greater Vancouver Regional District; Wide Area Radio network; dispatch operations; and records management. The City has 2 Class A shares and 1 Class B share (of a total of 34 Class A and 20 Class B shares issued and outstanding as at December 31, 2019). As a Class A shareholder, the City shares in both funding the future operations and capital obligations of E-Comm (in accordance with a cost sharing formula), including any lease obligations committed to by E-Comm up to the shareholder's withdrawal date.

- (g) Community associations:

The City has agreements with the various community associations which operate the community centers throughout the City. The City generally provides the buildings and grounds, pays the operating costs of the facilities, and provides certain staff and other services such as information technology. Typically the community associations are responsible for providing programming and services to the community. The community associations retain all revenue which they receive.

## 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 consolidated financial statements.

	2019	2018
Richmond Community Associations	\$ 1,877	\$ 1,837

# CITY OF RICHMOND

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

Year ended December 31, 2019

## 20. Taxation and levies:

	2019	2018
Taxes collected:		
Property taxes	\$ 463,679	\$ 433,319
Payment-in-lieu of taxes and grants	27,597	26,369
Local improvement levies	88	265
	491,364	459,953
Less transfers to other authorities:		
Province of British Columbia – School taxes	(190,650)	(177,521)
TransLink	(40,800)	(37,813)
Metro Vancouver	(7,224)	(6,178)
BC Assessment Authority	(6,185)	(6,016)
Other	(30)	(28)
	(244,889)	(227,556)
Less payment-in-lieu of taxes retained by the City	(16,277)	(15,489)
	\$ 230,198	\$ 216,908

## 21. Other revenue:

	2019	2018
Developer contributions	\$ 27,394	\$ 33,672
Tangible capital assets gain on sale of land	18,205	-
Penalties and fines	4,303	3,784
Parking program	2,091	2,054
Other	10,792	9,168
	\$ 62,785	\$ 48,678

# CITY OF RICHMOND

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

Year ended December 31, 2019

## 22. Government transfers:

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

	2019	2018
<b>Operating</b>		
Province of British Columbia	\$ 20,602	\$ 21,899
TransLink	3,666	3,593
Government of Canada	1,560	1,700
<b>Capital</b>		
Province of British Columbia	3,968	5,685
TransLink	1,010	1,666
Government of Canada	4,056	50
	<b>\$ 34,862</b>	<b>\$ 34,593</b>

## 23. Segmented reporting:

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

- (a) **Community Safety** brings together the City's public safety providers such as Police (RCMP), Fire-Rescue, Emergency Programs, and Community Bylaws. It is responsible for ensuring safe communities by providing protection services with a focus on law enforcement, crime prevention, emergency response, and protection of life and properties.
- (b) **Utilities** provide such services as planning, designing, constructing, operating, and maintaining the City's infrastructure of water and sewer networks and sanitation and recycling.
- (c) **Engineering, Public Works and Project Development** comprises of General Public Works, Roads and Construction, Storm Drainage, Fleet Operations, Engineering, Project Development, and Facility Management. The services provided are construction and maintenance of the City's infrastructure and all City owned buildings, maintenance of the City's road networks, managing and operating a mixed fleet of vehicles, heavy equipment and an assortment of specialized work units for the City operations, development of current and long-range engineering planning and construction of major projects.

# CITY OF RICHMOND

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

Year ended December 31, 2019

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## 23. Segmented reporting (continued):

- (d) **Community Services** comprises of Parks, Recreation, Arts, and Culture and Heritage Services. These departments ensure recreation opportunities in Richmond by maintaining a variety of facilities such as arenas, community centres, pools, etc. It designs, constructs and maintains parks and sports fields to ensure there is adequate open green space and sports fields available for Richmond residents. It also addresses the economic, arts, culture, and community issues that the City encounters.
- (e) **General Government** comprises of Mayor and Council, Corporate Administration, and Finance and Corporate Services. It is responsible for adopting bylaws, effectively administering city operations, levying taxes, legal services, providing sound management of human resources, information technology, City finance, and ensuring high quality services to Richmond residents.
- (f) **Planning and Development** is responsible for land use plans, developing bylaws and policies for sustainable development in the City including the City's transportation systems, and community social development.
- (g) **Richmond Olympic Oval Corporation** is formed as a wholly owned subsidiary of the City. The City uses the Richmond Olympic Oval facility as a venue for a wide range of sports, business and community activities.
- (h) **Richmond Public Library** provides public access to information by maintaining 5 branches throughout the City.

# CITY OF RICHMOND

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

Year ended December 31, 2019

## 23. Segmented reporting (continued):

	Community safety	Utilities	Engineering, public works and project development	Community services	General government	Planning and development	Total City subtotal
<b>Revenue:</b>							
Taxation and levies	\$ -	\$ -	\$ -	\$ -	\$ 230,198	\$ -	\$ 230,198
User fees	-	99,426	12,046	-	-	-	111,472
Sales of services	6,732	4,235	2,476	9,917	7,786	2,284	33,430
Payments-in-lieu of taxes	-	-	-	-	16,277	-	16,277
Provincial and federal grants	99	-	3,707	37	3,545	40	7,428
Development cost charges	-	668	2,412	2,988	2,203	5,531	13,802
Other capital funding sources	-	3,432	11,448	3,783	14,666	5,689	39,018
Other revenue:							
Investment income	-	542	-	-	24,580	-	25,122
Gaming revenue	706	-	-	-	14,434	-	15,140
Licenses and permits	4,588	42	1,009	-	15	7,376	13,030
Other	2,652	3,608	1,202	1,173	51,453	153	60,241
Equity income	-	-	-	-	1,634	-	1,634
	14,777	111,953	34,300	17,898	366,791	21,073	566,792
<b>Expenses:</b>							
Wages and salaries	45,582	13,962	25,595	33,372	29,366	12,425	160,302
Public works maintenance	22	7,465	7,060	1,894	(1,481)	337	15,297
Contract services	55,027	8,944	4,978	4,446	3,673	1,585	78,653
Supplies and materials	2,719	33,219	1,397	13,056	10,748	1,035	62,174
Interest and finance	78	22,918	-	72	3,017	-	26,085
Transfer from (to) capital for tangible capital assets	(27)	3,140	12,829	5,695	275	30,621	52,533
Amortization of tangible capital assets	2,765	8,778	28,888	8,930	10,088	2,023	61,472
Loss (gain) on disposal of tangible capital assets	43	227	193	57	3	78	601
	106,209	98,653	80,940	67,522	55,689	48,104	457,117
<b>Annual surplus (deficit)</b>	<b>\$ (91,432)</b>	<b>\$ 13,300</b>	<b>\$ (46,640)</b>	<b>\$ (49,624)</b>	<b>\$ 311,102</b>	<b>\$ (27,031)</b>	<b>\$ 109,675</b>

# CITY OF RICHMOND

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

Year ended December 31, 2019

## 23. Segmented reporting (continued):

	Total City subtotal	Richmond Olympic Oval	Richmond Public Library	2019 Consolidated	2018 Consolidated
<b>Revenue:</b>					
Taxation and levies	\$ 230,198	\$ -	\$ -	\$ 230,198	\$ 216,908
User fees	111,472	-	-	111,472	102,915
Sales of services	33,430	9,228	89	42,747	39,111
Payments-in-lieu of taxes	16,277	-	-	16,277	15,489
Provincial and federal grants	7,428	2,883	376	10,687	10,355
Development cost charges	13,802	-	-	13,802	17,432
Other capital funding sources	39,018	-	10	39,028	95,859
Other revenue:					
Investment income	25,122	-	20	25,142	20,705
Gaming revenue	15,140	-	-	15,140	16,837
Licenses and permits	13,030	-	-	13,030	13,637
Other	60,241	2,289	255	62,785	48,678
Equity income	1,634	-	-	1,634	1,491
	566,792	14,400	750	581,942	599,417
<b>Expenses:</b>					
Wages and salaries	160,302	9,298	7,763	177,363	162,331
Public works maintenance	15,297	-	2	15,299	13,405
Contract services	78,653	-	445	79,098	73,479
Supplies and materials	62,174	5,042	1,585	68,801	67,919
Interest and finance	26,085	-	4	26,089	23,149
Transfer from (to) capital for tangible capital assets	52,533	-	(289)	52,244	13,307
Amortization of tangible capital assets	61,472	1,628	1,128	64,228	60,542
Loss (gain) on disposal of tangible capital assets	601	4	(37)	568	324
	457,117	15,972	10,601	483,690	414,456
<b>Annual surplus (deficit)</b>	<b>\$ 109,675</b>	<b>\$ (1,572)</b>	<b>\$ (9,851)</b>	<b>\$ 98,252</b>	<b>\$ 184,961</b>

# CITY OF RICHMOND

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

Year ended December 31, 2019

## 24. Budget data:

The budget data presented in these consolidated financial statements is based on the Consolidated Financial Plan adopted by Council on March 11, 2019. The table below reconciles the adopted Consolidated Financial Plan to the budget amounts reported in these consolidated financial statements.

	Financial plan Bylaw No. 9979	Financial statement budget
Consolidated financial plan:		
Revenue	\$ 541,121	\$ 541,121
Expenses	463,338	463,338
Annual surplus	77,783	77,783
Less:		
Acquisition of tangible capital assets	(399,171)	-
Contributed tangible capital assets	(50,350)	-
Transfer to reserves	(69,403)	-
Debt principal	(4,951)	-
Add:		
Capital funding	417,161	-
Transfer from surplus	28,931	-
Annual surplus	\$ -	\$ 77,783

## 25. Comparative information:

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

## 26. Subsequent event:

Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This situation presents uncertainty over the City's future cash flows, and may have a significant impact on the City's future operations. In response to the outbreak, the City has temporarily closed some of its facilities. Potential impacts on the City's business could include future decreases in revenue and delays in completing capital project work. As the situation is dynamic and the ultimate duration and magnitude of the impact on the economy are not known, an estimate of the financial effect on the City is not practicable at this time.



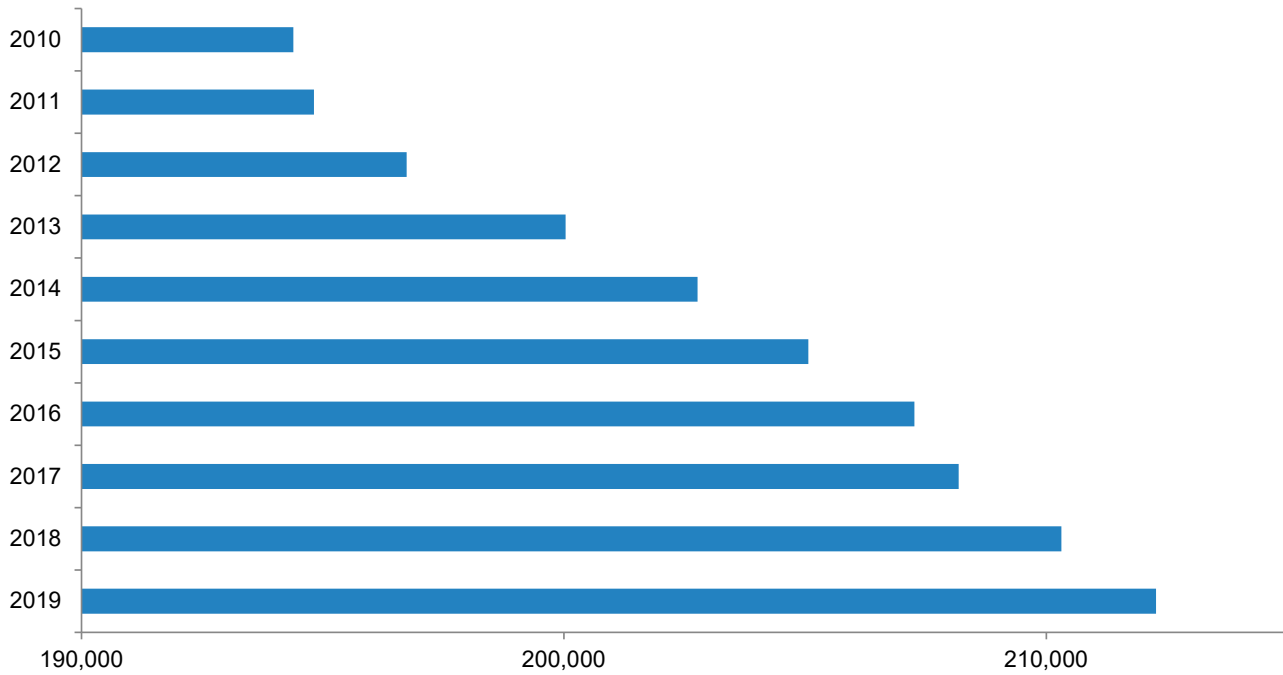
Sustainability has always been an important City initiative. The current City Hall, which was officially opened in May 2000, was ahead of its time with its advanced technology and energy efficient and environmentally-sensitive design.



# City of Richmond statistical data

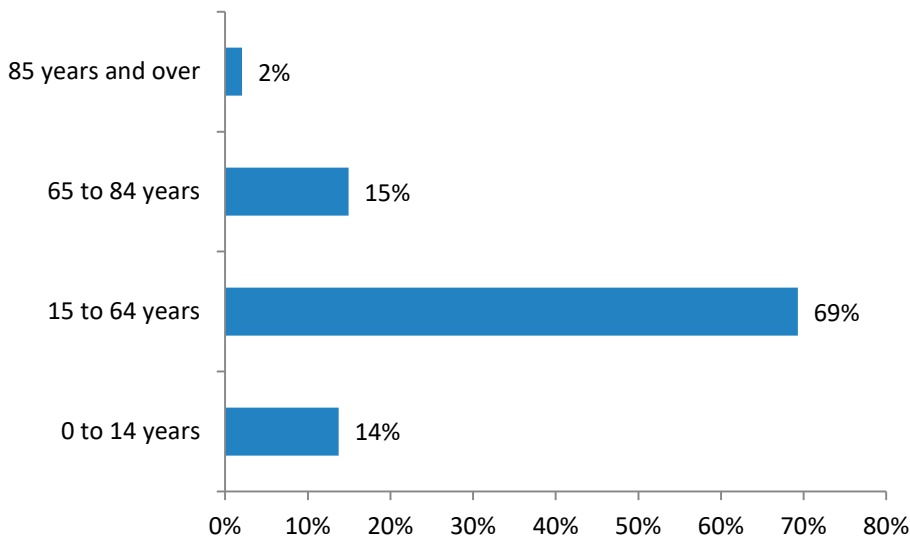
City of Richmond population 2010–2019.....	48
Total population by age groups .....	48
Immigrant status of Richmond residents by period of immigration .....	49
Language spoken most often at home .....	49
Highest level of education attainment for the population aged 25 to 64 .....	50
Occupations of Richmond residents .....	50
Top 10 largest employers in Richmond .....	51
Housing starts in Richmond 2010–2019.....	51
Richmond housing starts by type of units 2019.....	52
New dwelling units constructed 2010–2019 .....	52
Construction value of building permits issued 2010–2019 (in \$000s) .....	53
Richmond business licences 2015–2019.....	53
City of Richmond budgeted capital costs 2015–2019 (in \$000s).....	54
Capital program by type 2019 .....	54
Breakdown of residential tax bill 2019 .....	55
Registration in Richmond Recreation and Cultural Services programs 2015–2019.....	55
2019 tax rates.....	56
2019 general revenue fund assessment and taxation by property class (in \$000s).....	56
Taxes levied on behalf of taxing authorities (in \$000s) .....	56
2015–2019 general assessment by property class (in \$000s) .....	57
Top 10 corporate taxpayers in Richmond.....	57
Debt servicing costs compared to general taxation revenue 2015–2019 (in \$000s).....	58
Liability servicing limit 2015–2019 (in \$000s) .....	58
City of Richmond debt per capita 2015–2019 .....	58
Net debt 2015–2019 (in \$000s) .....	58
Expenses by function 2015–2019 (in \$000s) .....	59
Expenses by object 2015–2019 (in \$000s).....	59
Revenue by source 2015–2019 (in \$000s) .....	60
Accumulated surplus 2015–2019 (in \$000s).....	60
Changes in net financial assets 2015–2019 (in \$000s).....	60
Reserves 2015–2019 (in \$000s).....	61
Investment portfolio per type 2018–2019 (in \$000s) .....	62
Ratio analysis indicators of financial condition .....	62

## City of Richmond population 2010–2019



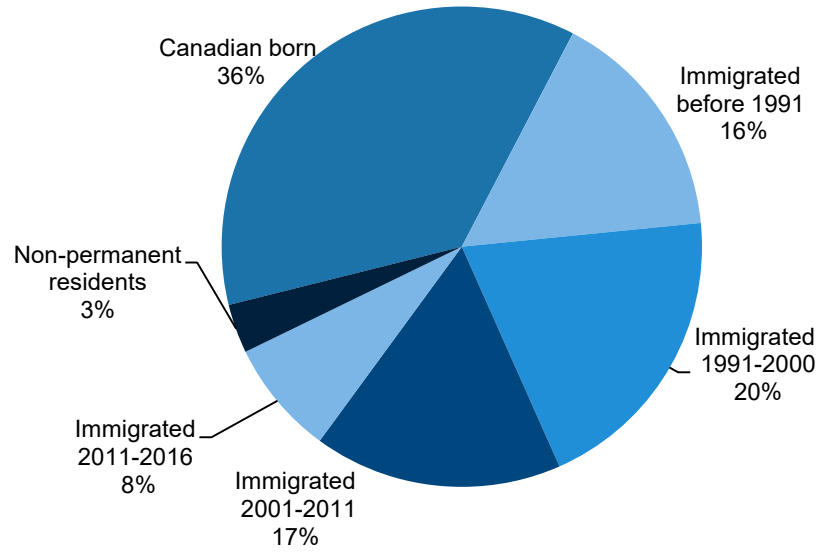
Source: BC Stats

## Total population by age groups



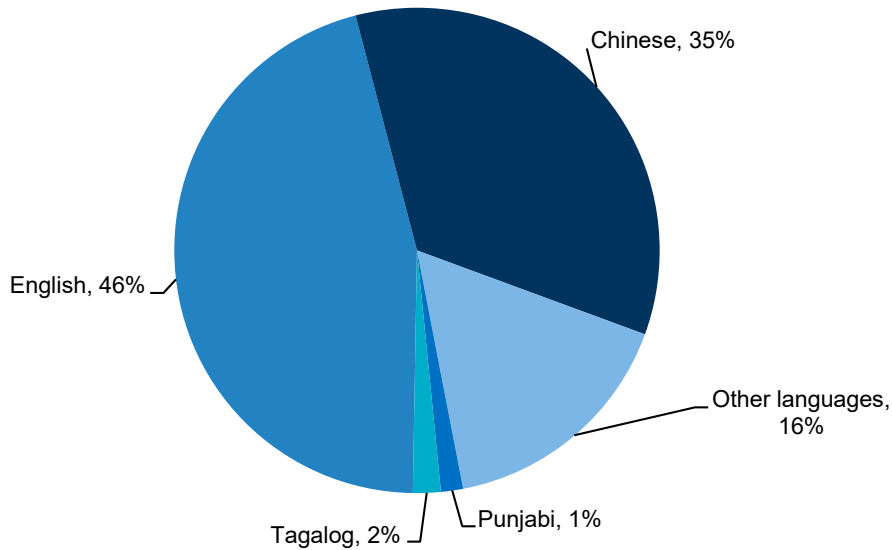
Source: Statistics Canada, 2016 Census of Population

## Immigrant status of Richmond residents by period of immigration



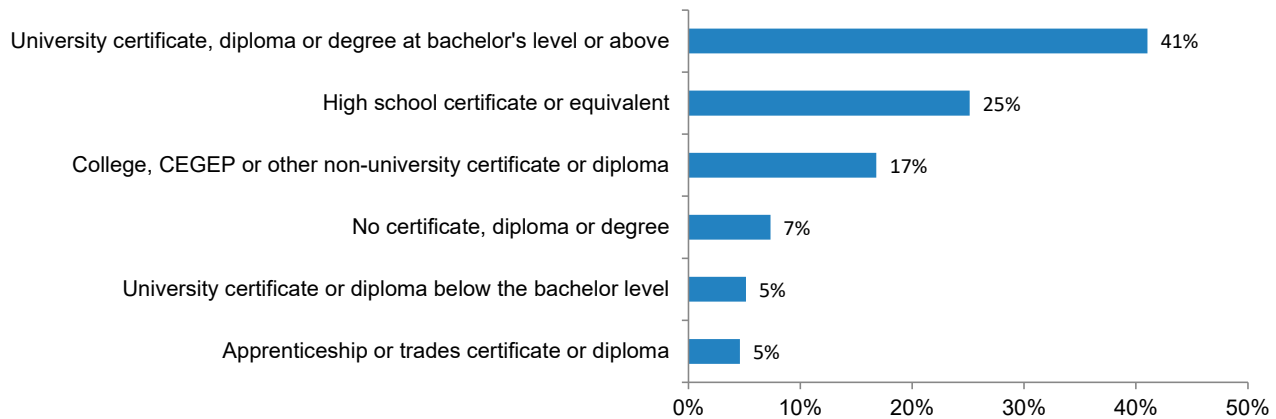
Source: Statistics Canada, 2016 Census of Population

## Language spoken most often at home



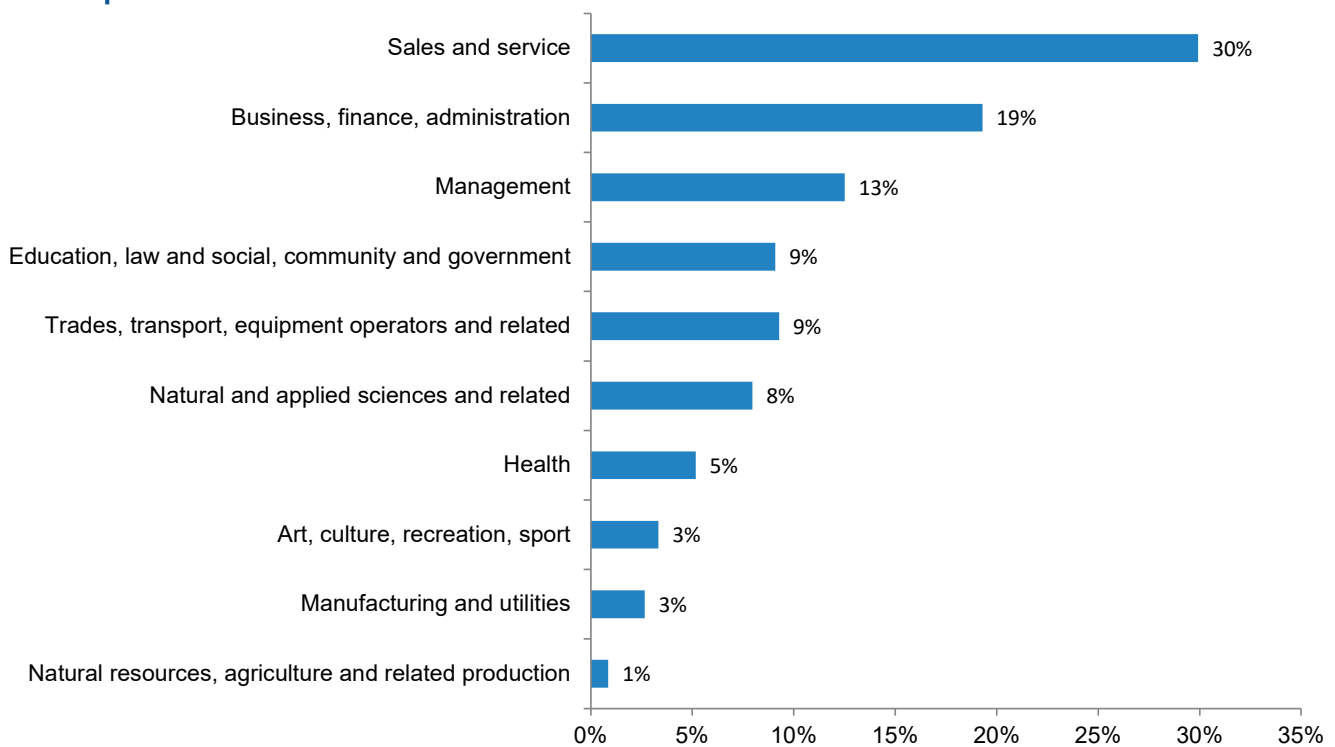
Source: Statistics Canada, 2016 Census of Population

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



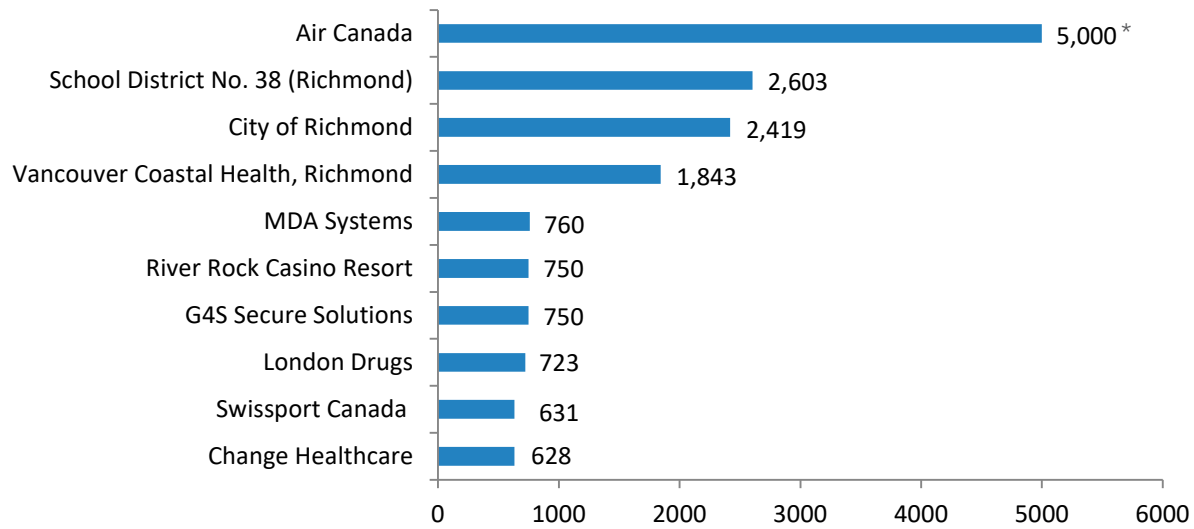
Source: Statistics Canada, 2016 Census of Population

## Occupations of Richmond residents



Source: Statistics Canada, 2016 Census of Population

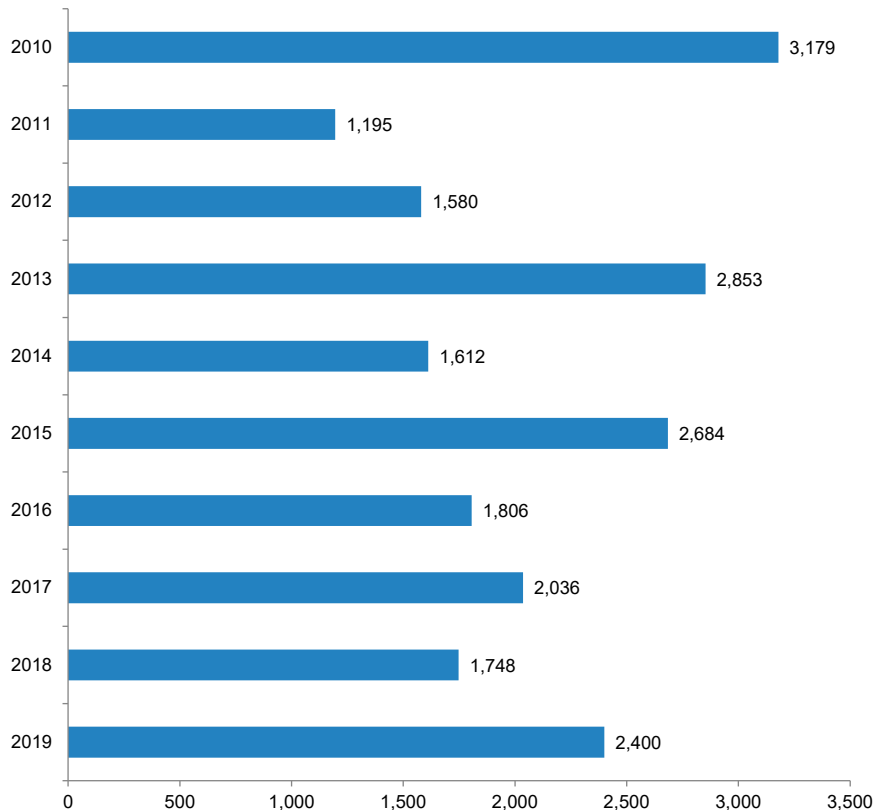
## Top 10 Largest employers in Richmond



Source: 2019 City of Richmond Business Licences

\* Approximate

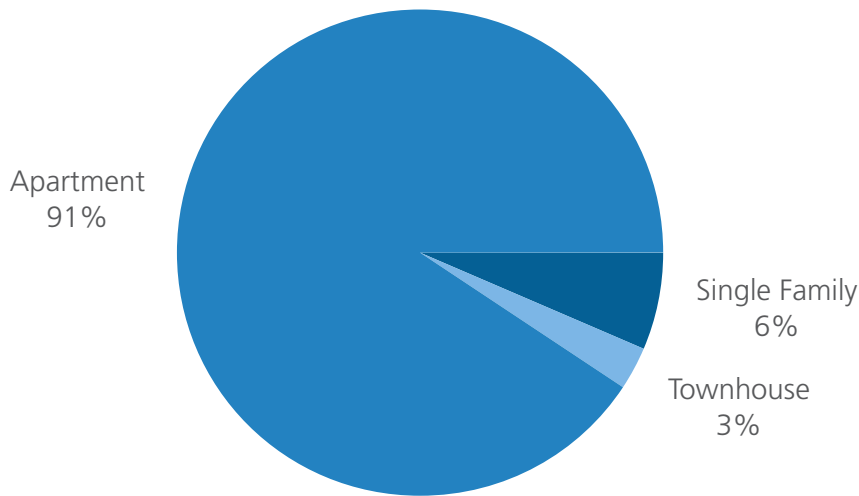
## Housing starts in Richmond 2010–2019



Source: City of Richmond building permit records

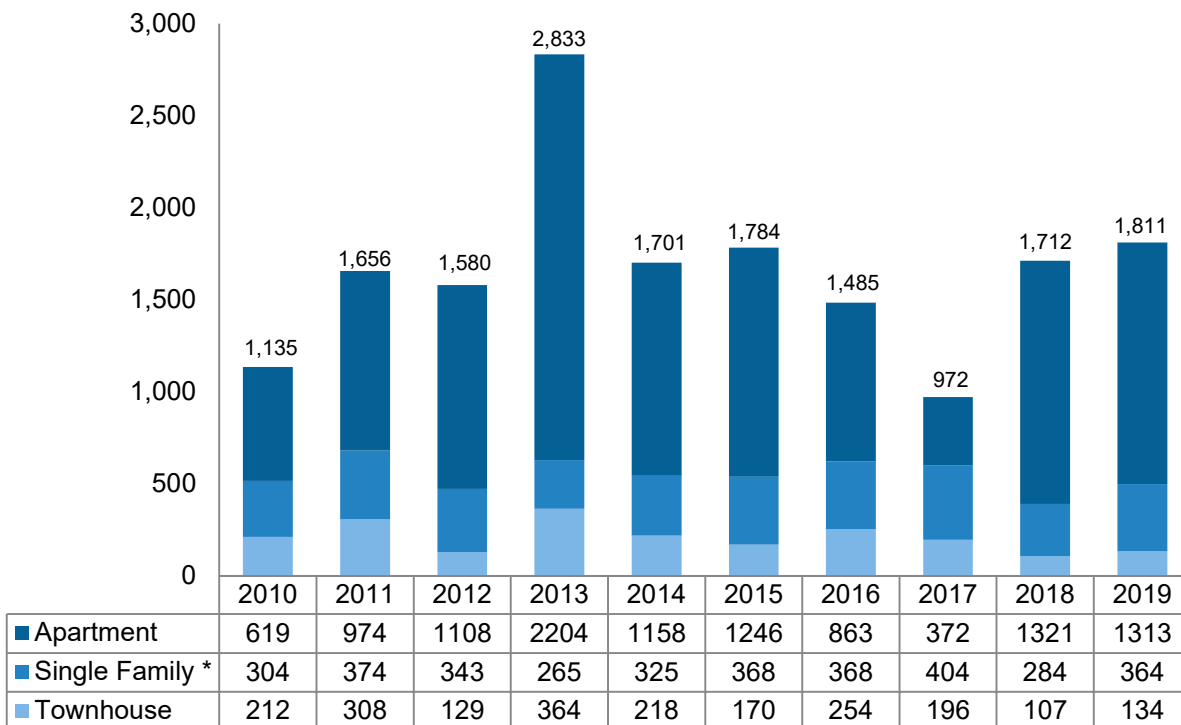
Includes only projects for new residential construction receiving final building permit in given year.

## Richmond housing starts by type of units 2019



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

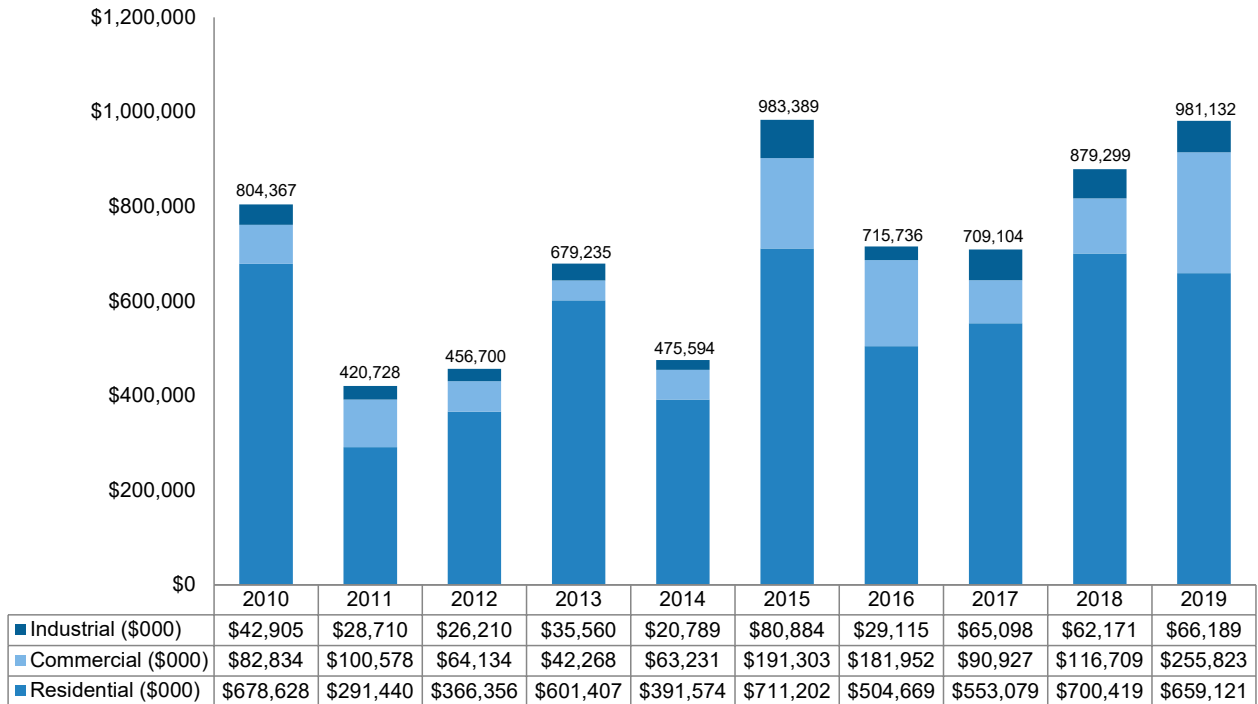
## New dwelling units constructed 2010–2019



\* Includes one family and two family dwellings

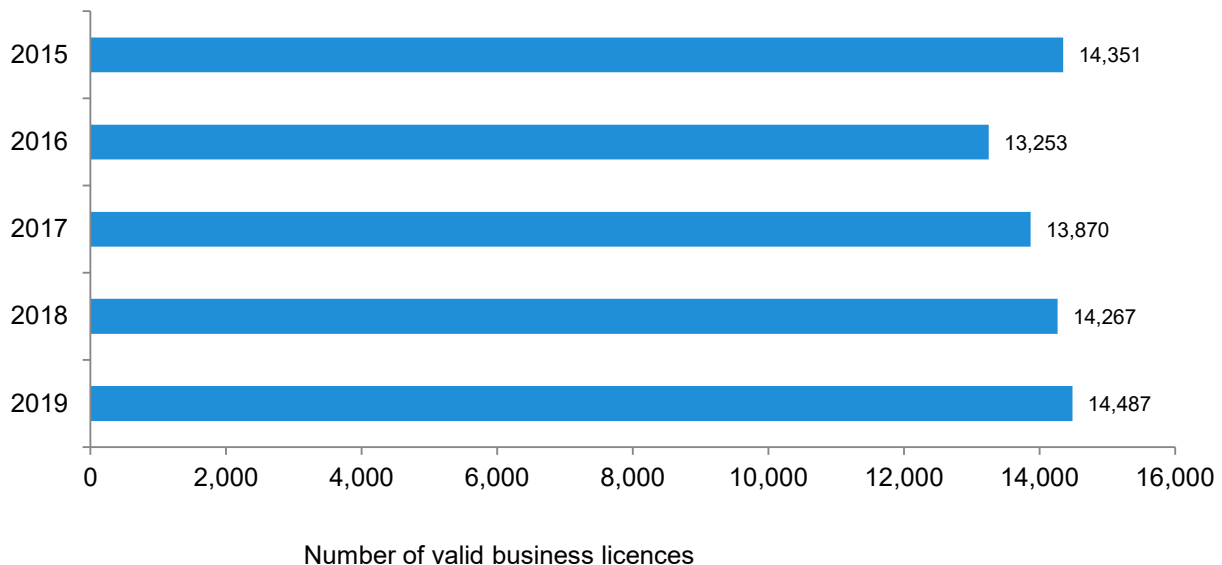
Source: City of Richmond building permit records  
Includes only projects for new residential construction receiving final building permit in given year.

## Construction value of building permits issued 2010–2019 (in \$000s)



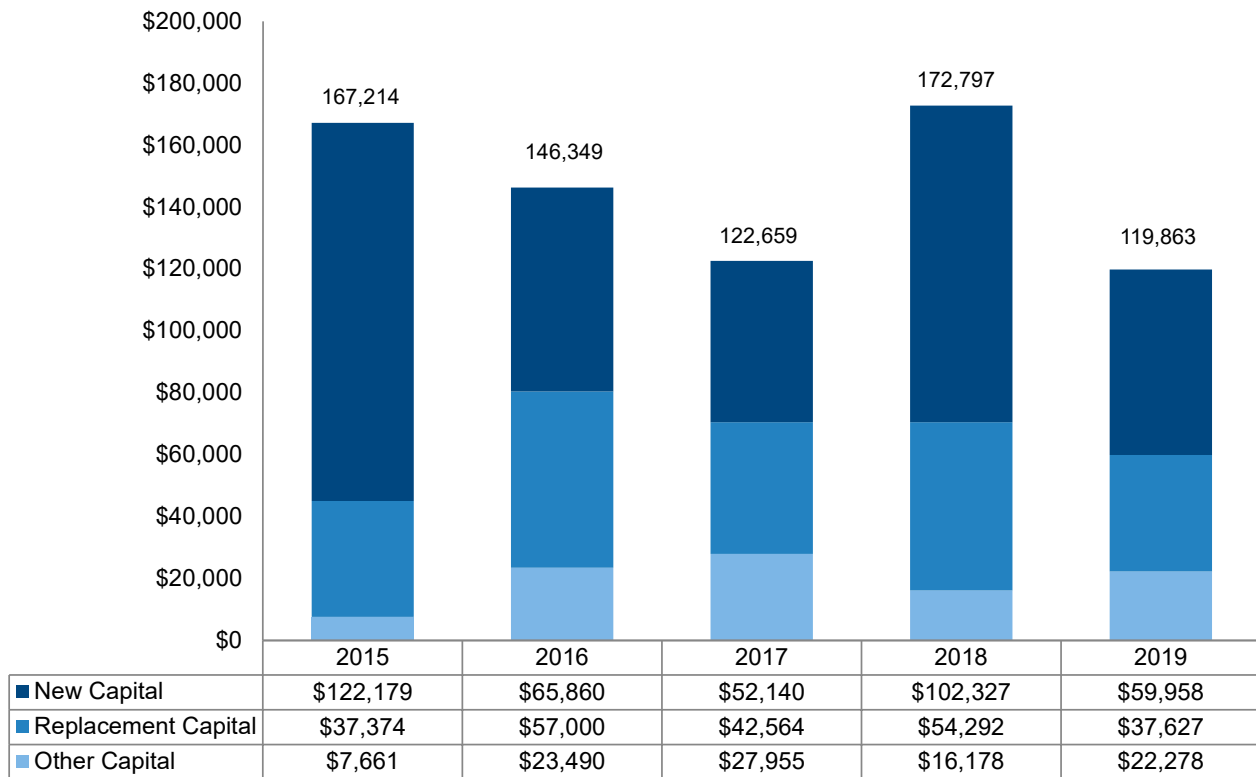
Source: City of Richmond building permit records

## Richmond business licences 2015–2019



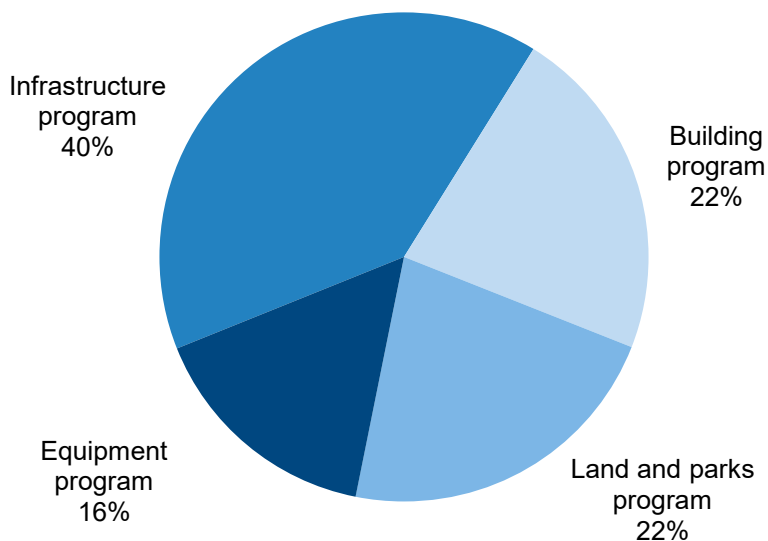
Source: 2019 City of Richmond Business Licences

## City of Richmond budgeted capital costs 2015–2019 (in \$000s)



Source: City of Richmond Finance and Corporate Services

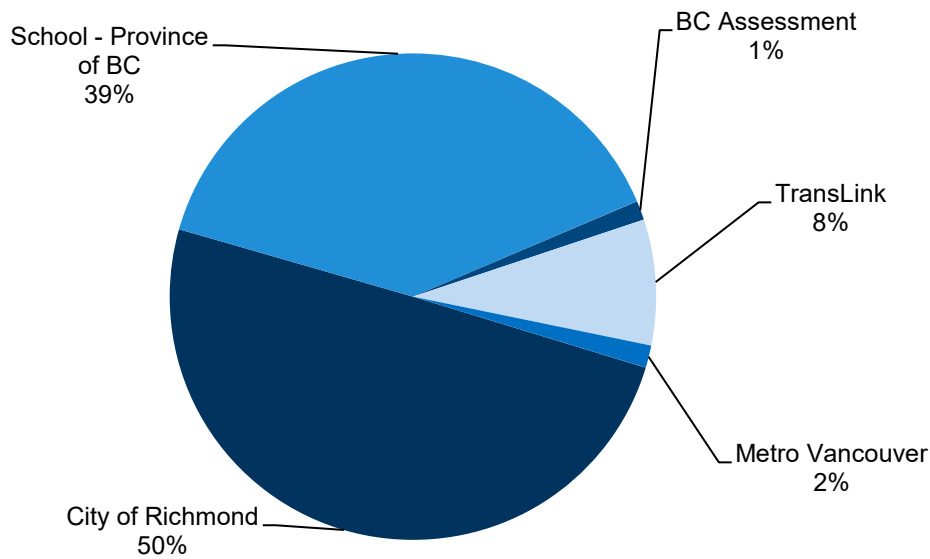
## Capital program by type 2019



Source: City of Richmond Finance and Corporate Services

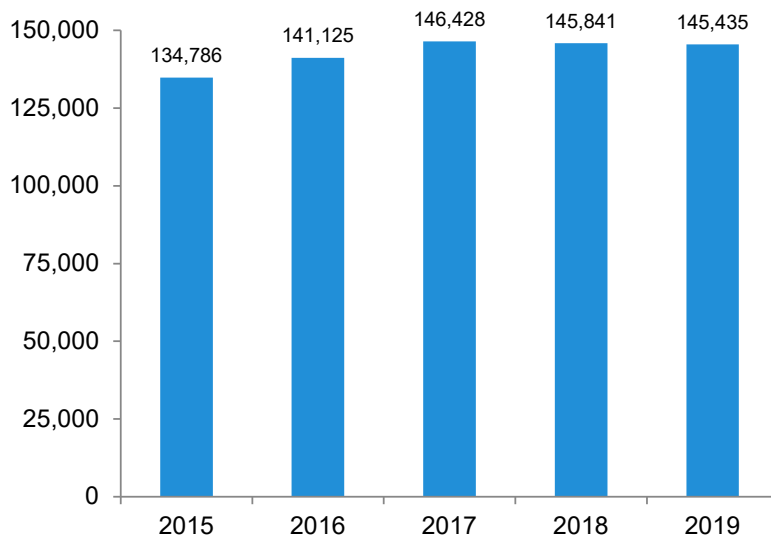


## Breakdown of residential tax bill 2019



Source: City of Richmond Finance and Corporate Services

## Registration in Richmond Recreation and Cultural Services programs 2015–2019



Source: City of Richmond Finance and Corporate Services

## 2019 tax rates

	City of Richmond	School - Province of BC	Metro Vancouver	BC Assessment	Municipal Finance Authority	TransLink
Residential	1.54934	1.05480	0.04130	0.03890	0.00020	0.22160
Business	4.27024	3.70000	0.10118	0.10820	0.00050	0.83900
Light industrial	4.27024	3.70000	0.14042	0.10820	0.00070	1.02480
Seasonal / Recreational	1.42729	2.30000	0.04130	0.38900	0.00020	0.17340
Major industrial	9.88478	1.48000	0.14042	0.48300	0.00070	1.56130
Farm	13.90198	3.55000	0.04130	0.38900	0.00020	0.35100
Utilities	29.49075	13.20000	0.14455	0.48300	0.00070	2.30930

Source: City of Richmond Finance and Corporate Services

## 2019 general revenue fund assessment and taxation by property class (in \$000s)

	Assessment	% of assessment by class	Taxation	% of taxation by class
Residential	\$84,391,147	78.56%	\$130,751	56.58%
Business	18,964,170	17.65%	80,982	35.04%
Light industrial	3,528,011	3.28%	15,065	6.52%
Seasonal / Recreational	221,291	0.21%	316	0.14%
Major industrial	259,457	0.24%	2,565	1.11%
Farm	26,166	0.02%	364	0.16%
Utilities	35,869	0.03%	1,058	0.46%
<b>Total</b>	<b>\$107,426,111</b>	<b>100.00%</b>	<b>\$231,101</b>	<b>100.00%</b>

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

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

	2015	2016	2017	2018	2019
City of Richmond	\$190,074	\$199,744	\$207,802	\$216,908	\$231,100
School Board	147,087	150,420	162,120	169,005	181,863
Metro Vancouver	4,499	4,859	5,216	5,915	6,922
BC Assessment	4,973	5,087	5,517	5,737	5,894
TransLink	32,644	32,623	34,380	35,991	38,863
Other	16	18	23	26	29
<b>Total Taxes</b>	<b>\$379,293</b>	<b>\$392,751</b>	<b>\$415,058</b>	<b>\$433,582</b>	<b>\$464,671</b>

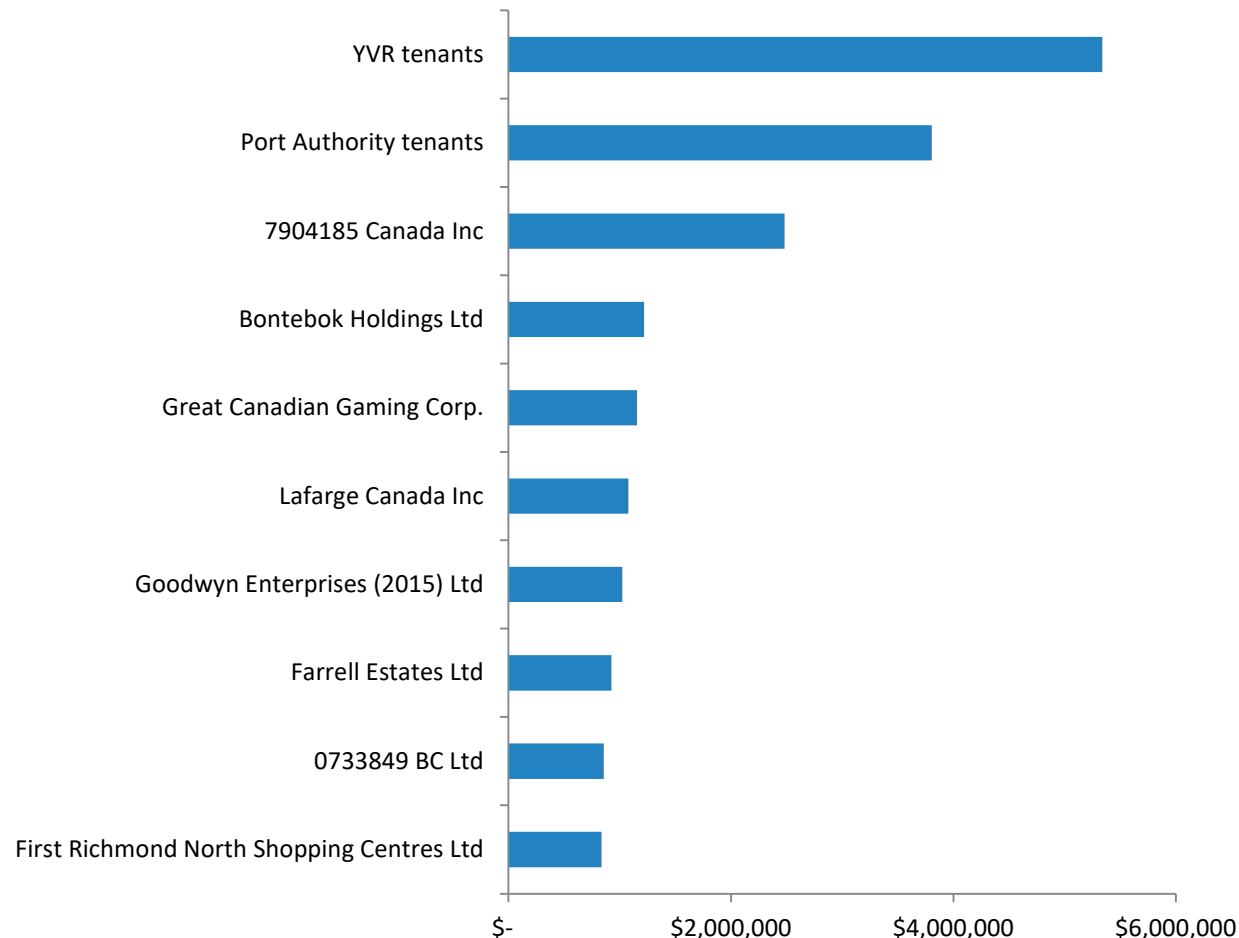
Source: City of Richmond Finance and Corporate Services  
Amounts are less supplementary adjustments.

## 2015–2019 general assessment by property class (in \$000s)

	2015	2016	2017	2018	2019
Residential	\$47,402,471	\$53,427,310	\$73,414,252	\$80,530,838	\$84,391,147
Business	9,770,812	10,669,183	13,093,222	15,848,533	18,964,170
Light industrial	2,208,027	2,338,871	2,624,855	2,998,757	3,528,011
Seasonal / Recreational	144,622	126,430	183,360	200,893	221,291
Major industrial	137,265	139,616	215,246	204,542	259,457
Farm	26,364	26,650	26,566	26,297	26,166
Utilities	21,195	22,181	26,541	29,250	35,869
<b>Total</b>	<b>\$59,710,756</b>	<b>\$66,750,241</b>	<b>\$89,584,042</b>	<b>\$99,839,110</b>	<b>\$107,426,111</b>

Source: City of Richmond Finance and Corporate Services

## Top 10 corporate taxpayers in Richmond



Source: City of Richmond Finance and Corporate Services

## Debt servicing costs compared to general taxation revenue 2015–2019 (in \$000s)

	2015	2016	2017	2018	2019
Debt servicing costs	5,931	5,916	5,909	5,909	6,628
General taxation revenue	\$189,136	\$198,612	\$206,901	\$216,908	\$230,198
Debt servicing costs as a % of general taxation revenue	3.14%	2.98%	2.86%	2.72%	2.88%

Source: City of Richmond Finance and Corporate Services

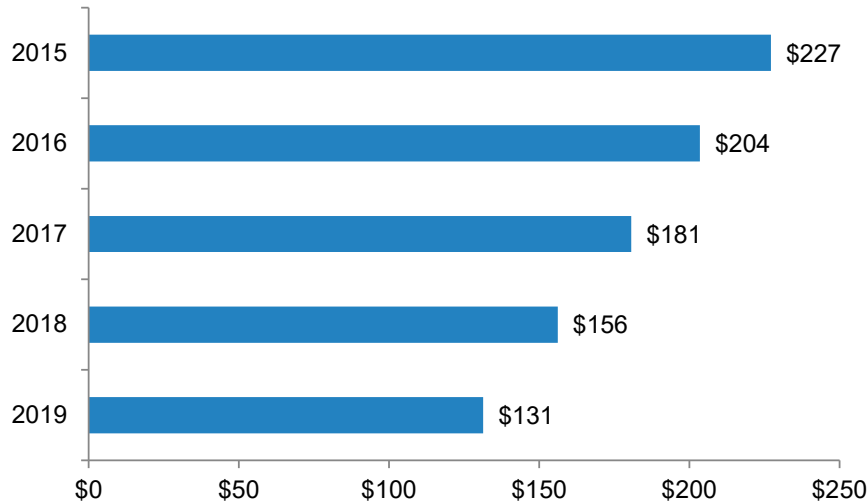
## Liability servicing limit 2015–2019 (in \$000s)

	2015	2016	2017	2018	2019
Liability servicing limit	102,323	103,514	107,316	112,425	117,239

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

Source: City of Richmond Finance and Corporate Services

## City of Richmond debt per capita 2015–2019



Source: City of Richmond Finance and Corporate Services

## Net debt 2015–2019 (in \$000s)

	2015	2016	2017	2018	2019
Net debt	46,583	42,181	37,603	32,842	27,891

Source: City of Richmond Finance and Corporate Services

## Expenses by function 2015–2019 (in \$000s)

	2015	2016*	2017	2018	2019
Community Safety	\$85,386	\$88,702	\$89,933	\$98,500	\$106,209
Engineering and Public Works	56,294	61,243	66,120	68,793	80,940
Community Services	68,246**	59,618	77,387**	63,882	67,522
General government	43,438	45,634	51,720	52,549	55,689
Utilities	83,650	84,183	87,757	89,959	98,653
Planning and Development	13,211	14,233	15,417	15,368	48,104***
Library services	9,463	9,788	9,619	9,981	10,601
Richmond Olympic Oval	13,395	15,120	15,331	15,424	15,972
Lulu Island Energy Company	491	943	-	-	-
<b>Total expenses</b>	<b>\$373,574</b>	<b>\$379,464</b>	<b>\$413,284</b>	<b>\$414,456</b>	<b>\$483,690</b>

\* Amounts have been restated.

\*\* Includes one-time affordable housing contributions.

\*\*\* Includes one-time TransLink contribution for Capstan Station.

Source: City of Richmond Finance and Corporate Services

## Expenses by object 2015–2019 (in \$000s)

	2015	2016*	2017	2018	2019
Wages, salaries and benefits	\$147,996	\$152,286	\$159,576	\$162,331	\$177,363
Public works maintenance	15,294	14,368	14,973	13,405	15,299
Contract services	59,073	63,583	64,912	73,479	79,098
Supplies and materials	55,750	60,227	65,959	67,919	68,801
Interest and finance	21,391	22,602	23,216	23,149	26,089
Transfer from (to) capital for tangible capital assets	19,349	9,417	25,712	13,307	52,244
Amortization of tangible capital assets	53,966	55,960	58,012	60,542	64,228
Loss/(gain) on disposal of tangible capital assets	755	1,021	924	324	568
<b>Total expenses</b>	<b>\$373,574</b>	<b>\$379,464</b>	<b>\$413,284</b>	<b>\$414,456</b>	<b>\$483,690</b>

\* Amounts have been restated.

Source: City of Richmond Finance and Corporate Services

## Revenue by source 2015–2019 (in \$000s)

	2015	2016*	2017	2018	2019
Taxation and levies	\$189,136	\$198,612	\$206,901	\$216,908	\$230,198
User fees	94,290	97,819	99,493	102,915	111,472
Sales of services	34,186	38,231	39,430	39,111	42,747
Licences and permits	10,747	12,422	13,011	13,637	13,030
Investment income	16,303	17,614	17,832	20,705	25,142
Grants including casino revenue	43,318	41,430	40,676	42,681	42,104
Development cost charges	17,818	16,632	15,710	17,432	13,802
Capital funding	72,575	34,283	57,570	95,859	39,028
Other	48,755	35,543	32,544	50,169	64,419
<b>Total revenue</b>	<b>\$527,128</b>	<b>\$492,586</b>	<b>\$523,167</b>	<b>\$599,417</b>	<b>\$581,942</b>

\* Amounts have been restated.

Source: City of Richmond Finance and Corporate Services

## Accumulated surplus 2015–2019 (in \$000s)

	2015	2016*	2017**	2018	2019
Accumulated surplus, beginning of year	\$2,577,640	\$2,735,306	\$2,846,246	\$2,956,129	\$3,141,090
Annual surplus	153,554	113,122	109,883	184,961	98,252
Accumulated surplus, end of year	\$2,731,194	\$2,848,428	\$2,956,129	\$3,141,090	\$3,239,342

\* Amounts have been restated.

\*\* Opening adjustment for change in accounting treatment for a government business enterprise.

Source: City of Richmond Finance and Corporate Services

## Changes in net financial assets 2015–2019 (in \$000s)

	2015	2016*	2017	2018	2019
Change in net financial assets	\$61,390	(\$1,271)	\$35,351	\$65,031	\$42,748
Net financial assets, end of year	\$664,010	\$662,739	\$698,090	\$763,121	\$805,869

\* Amounts have been restated.

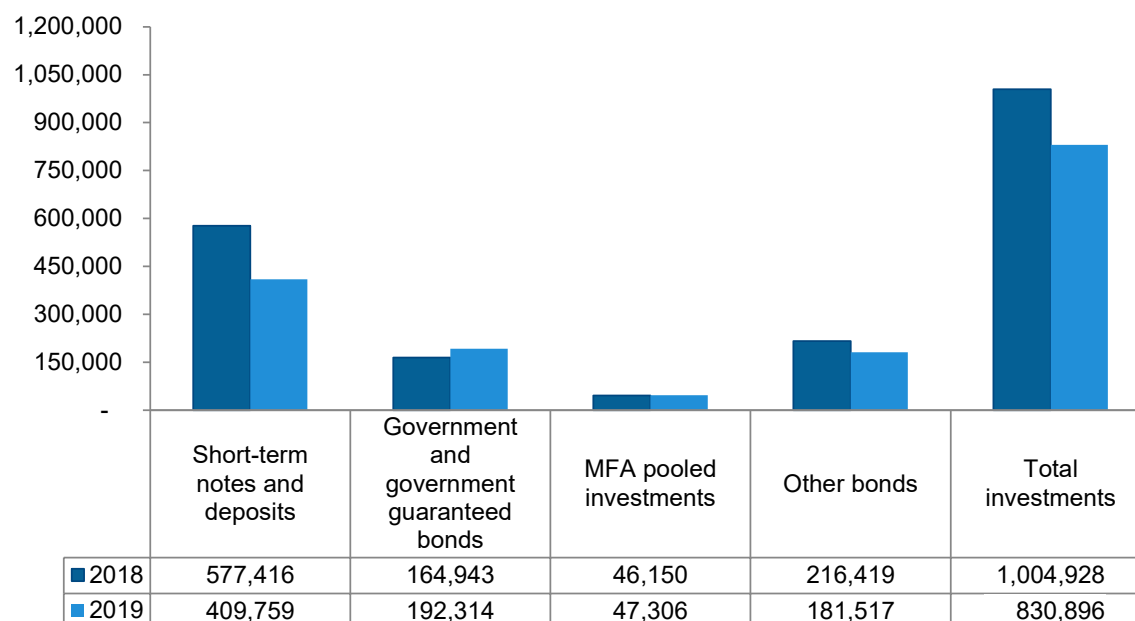
Source: City of Richmond Finance and Corporate Services

## Reserves 2015–2019 (in \$000s)

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Affordable housing	\$24,934	\$23,726	\$10,168	\$10,836	\$11,705
Arts, culture and heritage	4,449	4,538	4,183	4,003	3,726
Capital building and infrastructure	60,412	63,476	69,731	81,763	100,686
Capital reserve	157,778	155,672	163,599	176,142	171,976
Capstan Station	9,508	14,957	19,725	32,332	32,318
Child care development	2,335	3,789	3,006	6,806	8,922
Community legacy and land replacement	16,994	8,413	8,623	8,852	1,310
Drainage improvement	52,922	55,903	56,956	56,132	55,645
Equipment replacement	16,882	18,571	22,168	19,600	20,203
Hamilton area plan community amenity	-	-	735	752	1,720
Leisure facilities	5,275	5,568	6,765	18,765	17,676
Local improvements	6,767	6,222	6,047	7,155	7,327
Neighbourhood improvement	6,975	6,933	7,100	7,520	7,860
Richmond Olympic Oval	3,191	4,261	4,749	6,324	8,856
Public art program	3,056	3,108	3,861	4,860	4,858
Sanitary sewer	41,687	44,527	42,909	44,107	47,731
Steveston off-street parking	299	305	310	317	325
Steveston road ends	458	407	211	155	150
Waterfront improvement	642	615	344	317	202
Watermain replacement	46,614	50,855	53,693	53,415	54,380
<b>Total reserves</b>	<b>\$461,178</b>	<b>\$471,846</b>	<b>\$484,883</b>	<b>\$540,153</b>	<b>\$557,576</b>

Source: City of Richmond Finance and Corporate Services

## Investment portfolio per type 2018–2019 (in \$000s)



Source: City of Richmond Finance and Corporate Services

## Ratio analysis indicators of financial condition

	2019	2018
<b>Sustainability ratios</b>		
Assets to liabilities (times)	7.3	7.7
Financial assets to liabilities (times)	2.6	2.6
Net debt to total revenues	4.8%	5.5%
Net debt to the total assessment	0.03%	0.03%
Expenses to the total assessment	0.5%	0.4%
<b>Flexibility ratios</b>		
Public debt charges to revenues	0.3%	0.3%
Net book value of capital assets to its cost	67.8%	68.3%
Own source revenue to the assessment	0.5%	0.5%
<b>Vulnerability ratios</b>		
Government transfers to total revenues	4.4%	4.5%

Source: City of Richmond Finance and Corporate Services



## 2019 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 2019. Permissive tax exemptions are those exemptions granted by bylaw in accordance with Section 224 of the Community Charter.

Property / Organization	Address	2019 Municipal tax exempted
<b>Churches and religious properties</b>		
Aga Khan Foundation Canada	4000 May Drive	\$ 20,729
BC Muslim Association	12300 Blundell Road	1,953
Bakerview Gospel Chapel	8991 Francis Road	3,452
Beth Tikvah Congregation	9711 Geal Road	20,951
Bethany Baptist Church	22680 Westminster Highway	11,552
Brighthouse United Church	8151 Bennett Road	18,310
Broadmoor Baptist Church	8140 Saunders Road	12,074
Canadian Martyrs Parish	5771 Granville Avenue	28,211
Christian and Missionary Alliance	3360 Sexsmith Road	7,966
Christian Reformed Church	9280 No. 2 Road	25,059
Church in Richmond	4460 Brown Road	2,895
Church of Latter Day Saints	8440 Williams Road	23,859
Cornerstone Evangelical Baptist Church	12011 Blundell Road	646
Dharma Drum Mountain Buddhist Temple	8240 No. 5 Road	1,050
Emmanuel Christian Community	10351 No. 1 Road	11,491
Faith Evangelical Church	11960 Montego Street	4,760
Fraserview Mennonite Brethren Church	11295 Mellis Drive	7,561
Fujian Evangelical Church	12200 Blundell Road	2,702
Gilmore Park United Church	8060 No. 1 Road	3,721
I Kuan Tao (Fayi Chungder) Association	8866 Odlin Crescent	5,197
Immanuel Christian Reformed Church	7600 No. 4 Road	3,072
India Cultural Centre	8600 No. 5 Road	2,655
International Buddhist Society	9160 Steveston Highway	4,327
Johrei Fellowship Inc.	10380 Odlin Road	6,170
Lansdowne Congregation Jehovah's Witnesses	11014 Westminster Highway	2,656
Larch St. Gospel Meeting Room	8020 No. 5 Road	2,240
Ling Yen Mountain Temple	10060 No. 5 Road	4,576
Nanaksar Gurdwara Gursikh Temple	18691 Westminster Highway	2,465
North Richmond Alliance Church	9140 Granville Avenue	6,435
Our Saviour Lutheran Church	6340 No. 4 Road	2,942
Parish of St. Alban's	7260 St. Albans Road	18,617

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

Patterson Road Assembly	9291 Walford Street	\$ 1,068
Peace Evangelical Church	8280 No. 5 Road	1,058
Peace Mennonite Church	11571 Daniels Road	16,768
Richmond Alliance Church	11371 No. 3 Road	2,042
Richmond Baptist Church	6560 Blundell Road	4,460
Richmond Baptist Church	6640 Blundell Road	14,813
Richmond Bethel Mennonite Church	10160 No. 5 Road	3,638
Richmond Chinese Alliance Church	10100 No. 1 Road	18,485
Richmond Chinese Evangelical Free Church	8040 No. 5 Road	2,175
Richmond Emmanuel Church	7451 Elmbridge Way	8,618
Richmond Pentecostal Church	9300 Westminster Highway	3,744
Richmond Pentecostal Church	9260 Westminster Highway	2,229
Richmond Presbyterian Church	7111 No. 2 Road	14,613
Richmond Sea Island United Church	8711 Cambie Road	25,375
Salvation Army Church	8280 Gilbert Road	4,633
Science of Spirituality SKRM Inc.	11011 Shell Road	1,119
Shia Muslim Community	8580 No. 5 Road	1,666
South Arm United Church	11051 No. 3 Road	1,023
St. Anne's Anglican Church	4071 Francis Road	7,748
St. Gregory Armenian Apostolic Church	13780 Westminster Highway	976
St. Joseph the Worker Roman Catholic Church	4451 Williams Road	5,640
St. Monica's Roman Catholic Church	12011 Woodhead Road	10,190
St. Paul's Roman Catholic Parish	8251 St. Albans Road	20,633
Steveston Buddhist Temple	4360 Garry Street	30,535
Steveston Congregation Jehovah's Witnesses	4260 Williams Road	13,029
Steveston United Church	3720 Broadway Street	5,419
Subramaniya Swamy Temple	8840 No. 5 Road	1,350
Thrangu Monastery Association	8140 No. 5 Road	3,184
Thrangu Monastery Association	8160 No. 5 Road	1,381
Towers Baptist Church	10311 Albion Road	11,898
Trinity Lutheran Church	7100 Granville Avenue	20,195
Trinity Pacific Church	10011 No. 5 Road	9,134
Ukrainian Catholic Church	8700 Railway Avenue	6,885
Vancouver Airport Chaplaincy	3211 Grant McConachie Way	578
Vancouver International Buddhist Progress Society	6690 - 8181 Cambie Road	7,728
Vancouver International Buddhist Progress Society	8271 Cambie Road	9,554
Vedic Cultural Society of BC	8200 No. 5 Road	3,167
West Richmond Gospel Hall	5651 Francis Road	8,869

**Recreation, child care and community service properties**

Atira Women's Resource Society	650 - 5688 Hollybridge Way	\$ 5,062
Canadian Sport Institute Pacific Society	2005 - 6111 River Road	4,371
Cook Road Children's Centre	8300 Cook Road	2,048
Cranberry Children's Centre	23591 Westminster Highway	3,580
Gardens Children's Centre	10640 No. 5 Road	3,909
Girl Guides of Canada	4780 Blundell Road	6,907
Girl Guides of Canada	11551 Dyke Road	18,982
Navy League of Canada	7411 River Road	8,274
Richmond Animal Protection Society	12071 No. 5 Road	11,628
Richmond Caring Place	7000 Minoru Boulevard	122,893
Richmond Centre for Disability	100 - 5671 No. 3 Road	26,976
Richmond Family Place	8660 Ash Street	9,029
Richmond Ice Centre	14140 Triangle Road	236,975
Richmond Lawn Bowling Club	6131 Bowling Green Road	47,107
Richmond Gymnastics Association	140 - 7400 River Road	10,192
Richmond Olympic Oval	6111 River Road	1,214,408
Richmond Public Library	11580 Cambie Road	2,700
Richmond Public Library	11688 Steveston Highway	11,983
Richmond Rod and Gun Club	7760 River Road	26,562
Richmond Rod and Gun Club	140 - 7400 River Road	5,096
Richmond Tennis Club	6820 Gilbert Road	55,318
Richmond Winter Club	5540 Hollybridge Way	250,541
Riverside Children's Centre	5862 Dover Crescent	1,052
Scotch Pond Heritage	2220 Chatham Street	5,762
Seasong Child Care Centre	10380 No. 2 Road	16,130
Terra Nova Children's Centre	6011 Blanchard Drive	2,001
Treehouse Learning Centre	100 - 5500 Andrews Road	1,960
Watermania	14300 Entertainment Boulevard	195,975
West Cambie Child Care Centre	4033 Stolberg Street	3,488

**Senior citizen housing**

Richmond Legion Senior Citizen Society	7251 Langton Road	\$ 23,890
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**Community care facilities**

Canadian Mental Health Association	8911 Westminster Highway	\$ 11,668
Developmental Disabilities Association	6531 Azure Road	2,443
Developmental Disabilities Association	8400 Robinson Road	3,140
Developmental Disabilities Association	7611 Langton Road	2,758
Greater Vancouver Community Service	4811 Williams Road	3,415
Pinegrove Place, Mennonite Care Home Society	11331 Mellis Drive	14,816
Richmond Lions Manor	9020 Bridgeport Road	19,863
Richmond Society for Community Living	5728 Woodwards Road	2,463
Richmond Society for Community Living	303 - 7560 Moffatt Road	910
Richmond Society for Community Living	4433 Francis Road	2,449
Richmond Society for Community Living	9 - 11020 No. 1 Road	1,110
Richmond Society for Community Living	9580 Pendleton Road	2,983
Rosewood Manor, Richmond Intermediate Care Society	6260 Blundell Road	40,127
Western Recovery Foundation	10411 Odlin Road	2,416

# Major services provided by the City of Richmond

## Administration

Includes the office of the Chief Administrative Officer who oversees the overall administration of the City's operations. Also includes the Deputy Chief Administrative Officers, Human Resources, Intergovernmental Relations and Protocol, Corporate Communications and Marketing, Corporate Planning and Organizational Development and the Corporate Programs Management Group.

## Community Safety

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

## Community Services

Coordinates, supports and develops Richmond's community services including Parks Services, Recreation and Sport Services and Arts, Culture and Heritage Services.

## Engineering and Public Works

The Engineering and Public Works Departments deliver public works services and utilities and engineering planning, design, construction and maintenance services for all utility and City building infrastructure.

## Finance and Corporate Services

Includes Customer Service, Information Technology, Finance, Economic Development, Real Estate Services and Corporate Business Service Solutions.

## Planning and Development

Includes the Policy Planning, Transportation, Development Applications, Building Approvals and Community Social Development Departments. This division provides policy directions that guide growth and change in Richmond with emphasis on land use planning, development regulations, environmental protection, heritage and livability.

## Legal and Legislative Services

Includes the Law Department and the City Clerk's Office.

## Other City entities

### Gateway Theatre

Operates the City's performing arts theatre.

### Lulu Island Energy Company

Operates the City's district energy utilities.

### Richmond Olympic Oval Corporation

Operates the Richmond Olympic Oval and the Richmond Sport Hosting program.

### Richmond Public Library

Operates Richmond's public library, including four branches.

# City of Richmond contacts

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

## City of Richmond

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

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 /CityofRichmondBC

## Gateway Theatre

6500 Gilbert Road  
Richmond, BC V7C 3V4  
Phone: 604-270-6500  
Box Office: 604-270-1812  
[www.gatewaytheatre.com](http://www.gatewaytheatre.com)

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## Lulu Island Energy Company

6911 No. 3 Road  
Richmond, BC V6Y 2C1  
Phone: 604-276-4011  
Email: [info@luluslandenergy.ca](mailto:info@luluslandenergy.ca)  
[www.luluslandenergy.ca](http://www.luluslandenergy.ca)

## Richmond Public Library

100-7700 Minoru Gate (Brighthouse Branch)  
Richmond, BC V6Y 1R8  
Hours: 604-231-6401  
[www.YourLibrary.ca](http://www.YourLibrary.ca)

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 @RPLBC

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 Account: RPLYourlibrary1

## Richmond Olympic Oval

6111 River Road  
Richmond, BC V7C 0A2  
Phone: 778-296-1400  
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[www.richmondoval.ca](http://www.richmondoval.ca)

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