



**City of
Richmond**
British Columbia, Canada

2022 Annual Report

For the year ended December 31, 2022





City of Richmond

British Columbia, Canada

2022 Annual Report

For the year ended December 31, 2022

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

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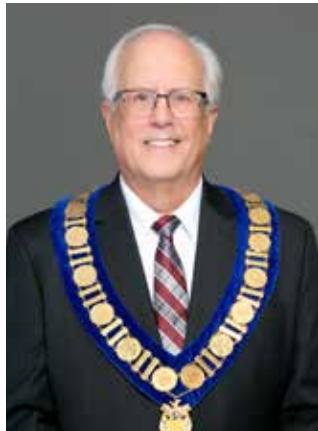
For an online copy of this report, please visit <https://richmond.ca/city-hall/finance/reporting/reports.htm>



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

COVER PHOTO: SPRING TIME AT RICHMOND CITY HALL

Message from the Mayor



The City of Richmond has always been a civic leader, and our City Council is known for its bold, innovative, sustainable programs and strategies that benefit residents and businesses.

Those programs and strategies were key to our City's continuing emergence from the pandemic and supported the community through the economic challenges and increasingly forceful impacts of climate change. Throughout 2022, Council worked tirelessly to support our 225,000 residents and almost 14,000 businesses to ensure Richmond continued to be a safe, strong, active and resilient city.

Investment and growth supported by implementation of the City's Resilient Economy Strategy resulted in sustained job creation, with Richmond businesses now providing around 130,000 local jobs. With one of the strongest job-to-worker ratios in the region, Richmond continues to be an important employment centre and almost 20 per cent more new business licenses were issued in 2022 compared to the previous year. That meant new jobs, new opportunities and renewed economic energy.

Council supported building permits for over \$926 million in construction value, not only leading to economic growth but more housing options for our community. In 2022, several significant projects were opened or announced. The award-winning Keltic Paramount development at No. 3 and Cook Roads is one example. Beyond its stunning First Nations-themed façade and artwork are 530 residential units, including 27 affordable housing units, as well as a large City-owned child care hub that has drawn accolades and awards.

Approval was given to another development in the emerging Hamilton Village Centre at the corner of Westminster Highway and Gilley Road, which will feature 223 residential units—including much-needed affordable housing—and around 25,000 square feet of commercial space.

Ground was broken on the long-awaited replacement Steveston Community Centre and Library. This \$95 million, three-storey, 60,000 square foot facility will include a double gymnasium, fitness centre and active studio, as well as an extensive library to showcase enhanced collections with child and youth spaces and educational program rooms.

Maintaining strong infrastructure to keep our city safe from extreme weather was another priority. Council approved several initiatives including the raising of an additional 1.5 kilometres of dikes as well as new drainage pump stations at No. 3 and Gilbert Roads. Upgrades were made to over 1,270 feet of water mains, 2,200 feet of sanitary mains and 1,400 feet of drainage in the Burkeville neighbourhood alone.

Over the past year, Council took sustainable action and invested for future generations through the support and approval of several environmentally-focused initiatives such as the Circular City Strategy to guide the transition to a fully circular economy in Richmond by 2050. Coupled with our ground-breaking single-use plastics bylaw, expansion of electric vehicle use and active transportation alternatives, as well as increased investment in our award-winning Lulu Island District Energy program, the City of Richmond continued to be a leader in sustainability and environmental stewardship.

This past year also saw a number of significant changes in governance and administration. Long-standing Councillors Harold Steves and Linda McPhail retired after years of dedicated community leadership, choosing not to seek re-election. In their place, Council welcomed Laura Gillanders and Kash Heed as newly-elected members. The City also welcomed long-serving staff member Serena Lusk to a new role as Chief Administrative Officer following the retirement of George Duncan, as well as Jim Wishlove as the new Chief of Richmond Fire-Rescue. Chief Superintendent Dave Chauhan was also appointed as the new Officer in Charge of the Richmond RCMP detachment.

While the past year may have seen changes, through wise investments, sound management and innovative action, our staff, volunteers and businesses—as well as our community and government partners—continued to work together to make Richmond a better place for all. This 2022 Annual Report contains examples of just some of our goals and achievements. As always, I invite your comments and questions through my office.



Malcolm Brodie
Mayor, City of Richmond

Richmond City Council

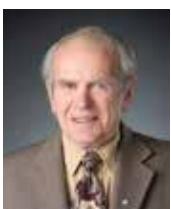


Back row, left to right:

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

Front row, left to right:

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



Left: Councillor Harold Steves

Right: Councillor Linda McPhail
(did not seek re-election in October 2022)

*elected to Council October 2022

Connect with Richmond City Council

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

For Council Meetings agendas and minutes, visit <https://citycouncil.richmond.ca/agendas.htm>.

To live stream Council meetings or view videos of past meetings, visit
<https://citycouncil.richmond.ca/meetings/watch-video.htm>.

City of Richmond Senior Management Team 2022



Chief Administrative Officer Serena Lusk (as of July 1, 2022*)
General Manager, Community Services Elizabeth Ayers
General Manager, Community Safety Cecilia Achiam
General Manager, Engineering and Public Works John Irving
General Manager, Finance and Corporate Services Jerry Chong
General Manager, Planning and Development Joe Erceg
General Manager, Law and Legislative Services Tony Capuccinello Iraci

Public safety agencies

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

Banker

Scotiabank

Auditors

KPMG

* replaced George Duncan who retired June 30, 2022

Message from the Chief Administrative Officer



I am pleased to present the City of Richmond's 2022 Annual Report. It details our strong financial position and outlines many of the important initiatives we are undertaking to serve our community.

This past year, the City continued its restoration of programs and services as we emerged from the isolation and restrictions of the pandemic. Richmond City Hall, which had provided services remotely since closing in March 2020, reopened its doors to the public once again. Many of our recreation and fitness programs and activities also fully returned and were quickly embraced by the community. Recreation and day camp registration jumped 50 per cent as over 20,000 youth and children signed up.

Physical activity and healthy lifestyles are important to our community and Richmond was named BC's Most Active Community in the 2022 ParticipACTION Community Better Challenge. This nation-wide initiative recognized our community's activity levels along with the creative ways we engaged people to become more physically active.

Many popular festivals and events became in-person again, with over 40,000 visitors attending the Richmond Maritime Festival. Thousands also enjoyed the 75th Steveston Salmon Festival and Canada Day celebration. While the Cherry Blossom Festival remained online, it attracted over 66,000 social media visits and 7,400 video views, paving the way for an in-person return in 2023.

The City's Remembrance Day ceremony also returned to City Hall in-person for the first time since 2019, with the community, veterans and military representatives attending to show their respects.

Promoting diversity and inclusiveness is essential in a city as uniquely multicultural as Richmond. Over 80 per cent of our population is a visible minority, the highest proportion of any British Columbia municipality, so accessibility and acceptance is important as we build strong, healthy communities in Richmond. Our Newcomers Video Series is one example of how we welcome immigrants to our city, with the online videos captioned in Chinese, Punjabi, Ukrainian, Arabic and Farsi.

The City and Richmond Multicultural Community Services began working together to encourage diversity and promote multiculturalism through an anti-racism arts project. The Aspire | Build | Celebrate (ABC) project was funded by a grant from the Department of Canadian Heritage Community Support, Multiculturalism and Anti-Racism Initiatives program and is another example of our commitment to diversity and inclusion.

Richmond also commemorated National Indigenous History Month (June) and National Indigenous Peoples Day (June 21) with a number of in-person and virtual events to recognize the heritage and strength of Indigenous Peoples. Canada's National Day for Truth and Reconciliation (September 30) was another opportunity to learn, commemorate and reflect on the historical and ongoing impacts of residential schools.

Building a sense of community is important, and several new parks were opened to provide more outdoor options for people to gather and connect. Alexandra Park in the east Cambie neighbourhood, phase two of Aberdeen Neighbourhood Park in the Capstan area and Tait Riverfront Community Park in Bridgeport were all unveiled.

However, the year was not without challenges. Housing affordability continued to drive exploration of new and innovative ways to meet the growing housing needs of existing and incoming residents. Rezoning applications for around 2,500 units received initial approval in 2022, of which over 40 per cent will be rental units at market, below-market or Low End Market Rental rates.

Child care remained important to support young families and make Richmond an active, engaged and family-oriented community. The City and its partners provide almost 600 licensed childcare spaces throughout Richmond including Sprouts at Capstan Village and Seedlings in Brighouse Village, which both opened in 2022.

The overall foundation for success of our city is sound financial stewardship, and the long-term financial management strategy is a hallmark of our administration. It enabled us to continue to maintain effective and responsive service levels so Richmond remains a strong community that is committed to continued growth and success within a framework of diversity, sustainability and value for our taxpayers.

Since my appointment as Chief Administrative Officer in July 2022, I have been continually proud of the commitment of our staff and volunteers to improving the well-being of the community and thank everyone for their efforts and support of me in my new leadership role.

A handwritten signature in cursive script, appearing to read "Serena".

Serena Lusk
Chief Administrative Officer

Council Strategic Plan: 2018 to 2022

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

The City of Richmond's objectives and success indicators are expressed through the Council Strategic Plan. Soon after Council began its four-year term in October 2018, it undertook a strategic planning process to help fulfill its governance role and achieve a successful term of office. Through that process, Council adopted a revised set of eight Strategic Focus areas, which provided the framework for the City's programs and services during 2022. With a new Council term commencing in October 2022, it is anticipated that these strategies will be reviewed and modified if required for the 2022-2026 Council term.

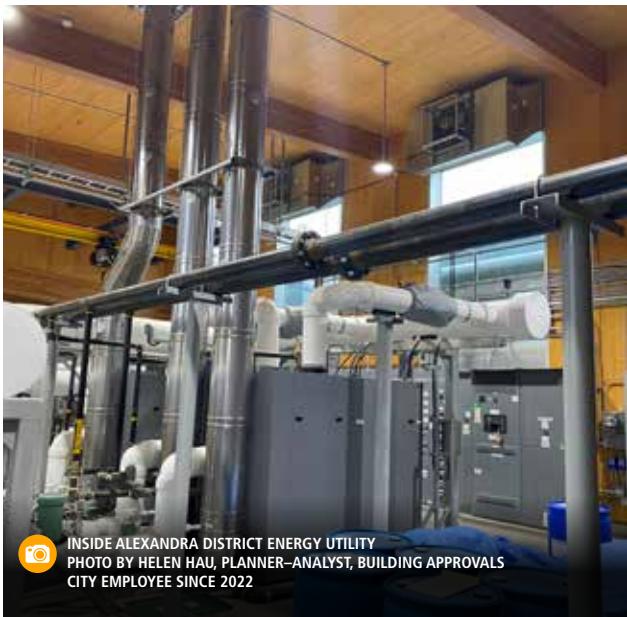


1. A Safe and Resilient Community

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

2022 Achievement

The deployment of 16 additional police resources, delayed due to the pandemic, completed Council's Safe Community Program strategy and supported significant enhancements to the Richmond RCMP's organizational structure and operational response capability. Residential break and enter offences decreased 13 per cent, theft from automobiles dropped 10 per cent, and the number of hate-related events was down 24 per cent from the previous year. Through communications in multiple languages, RCMP investigators were better able to target complex cyber fraud, reducing the number of cases by almost 10 per cent in 2022. Almost half of Richmond's detachment members are non-Caucasians, with 56 per cent of them speaking at least one of 40 languages and dialects spoken in the city as a second language. Richmond Fire-Rescue (RFR) also welcomed new firefighters to strengthen the local complement. Over 10 per cent are women and many self-identify as First Nations, Asian and Middle Eastern, making Richmond among the most diverse departments in the province. RFR continued development of a Fire Risk Prediction Model, using fire incident, inspection and property data to develop predictive models of structure fire risks in the city. Safety also extended to the roads, as City snow and ice response crews pretreated or de-iced over 65,000 kilometres of roadways during winter, the equivalent of driving from Richmond to New York City and back seven times. Through the use of brine, the City has now reduced the amount of salt spread onto our roads by over 6,400 tonnes over the past three years.



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.

2022 Achievement

Richmond continued as a leader in sustainable practices and innovation. The City secured \$175 million in long-term funding from the Canada Infrastructure Bank for the expansion of its award-winning Lulu Island District Energy project. Once implemented to capacity, the project is expected to reduce greenhouse gas emissions by over one million tonnes. Richmond was also the first municipality in Canada to receive an E3 Platinum Rating Certification in the national E3 Fleet program for excellence in fleet management and environmental performance. The City's commitment to water conservation through its water meter and water demand management programs continued to reduce waste, with total water consumption decreasing by 3.5 per cent in 2022 despite a 1.5 per cent population increase. Overall, the City has realized savings of \$10 million in water purchase costs over the past decade.

3. One Community Together

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

2022 Achievement

Easing of pandemic restrictions meant the return of many in-person festivals and events. The Steveston Salmon Festival saw thousands walk the streets to enjoy the festivities as it marked its 75th anniversary in July, while over 40,000 residents and visitors attended the Richmond Maritime Festival in August. The popular Culture Days celebration returned in the fall with an array of free, artist-led activities to promote arts, culture and creativity. Richmond is consistently recognized as among Canada's top 10 most engaged cultural cities in the country. Richmond's natural beauty and excellent location makes it attractive to the film industry with many popular series and movies filmed in and around the city over the years. Emerging from the shutdown, approximately 75 film production permits were issued in 2022, yielding over \$250,000 in service and location fees alone.

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.

2022 Achievement

Richmond's rich maritime heritage, the culinary delights of its many restaurants and the beauty of its trails and dikes makes it one of Canada's most culturally unique and diverse populations who provide a welcoming environment to all. Several new community parks opened in 2022 to provide recreational options, including Alexandra Park in east Cambie, phase two of Aberdeen Neighbourhood Park in the Capstan area and Tait Riverfront Community Park in Bridgeport. The upgraded Bark Park off-leash dog park in south Richmond offered a new outdoor space for four-legged users and their

human friends. Recognizing its commitment to promoting the benefits of physical health and well-being, Richmond was named BC's Most Active Community in the 2022 ParticipACTION Community Better Challenge, while the recently-opened Minoru Centre for Active Living received the Recreation Facilities Association of British Columbia's Outstanding Facility Award for its innovation, design and community-focused services. The City, in partnership with BC Housing and the Provincial Attorney General and Ministry Responsible for Housing, officially opened Aster Place in September, a 40-unit supportive housing building to provide housing and a stable home for residents experiencing or at risk of homelessness.

5. Sound Financial Management

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

2022 Achievement

Council again supported a budget that enabled several key infrastructure projects to proceed while ensuring operating resources for key operations continued. Over \$1.7 million in one-time grants were approved to support immediate social and community operational and infrastructure needs, while \$107.8 million was approved and allocated to key capital projects ranging from continued disaster and flood mitigation, to improving traffic intersection safety and transit accessibility. Council maintained a 1 per cent commitment to investment for future capital needs and, due to ongoing financial resiliency and strategic management, kept the overall impact to residential property owners to a tax change of around 19 cents per day.



6. Strategic and Well-Planned Growth

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

2022 Achievement

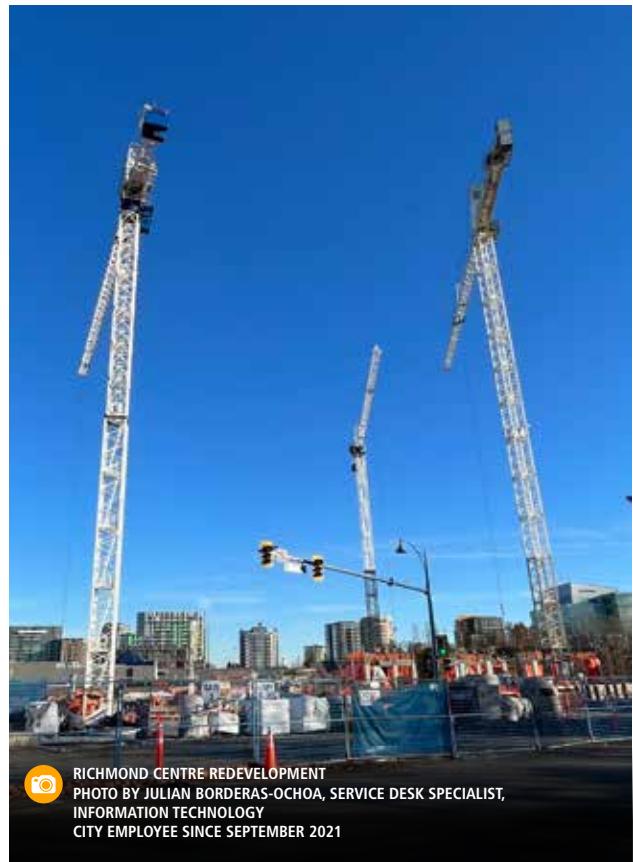
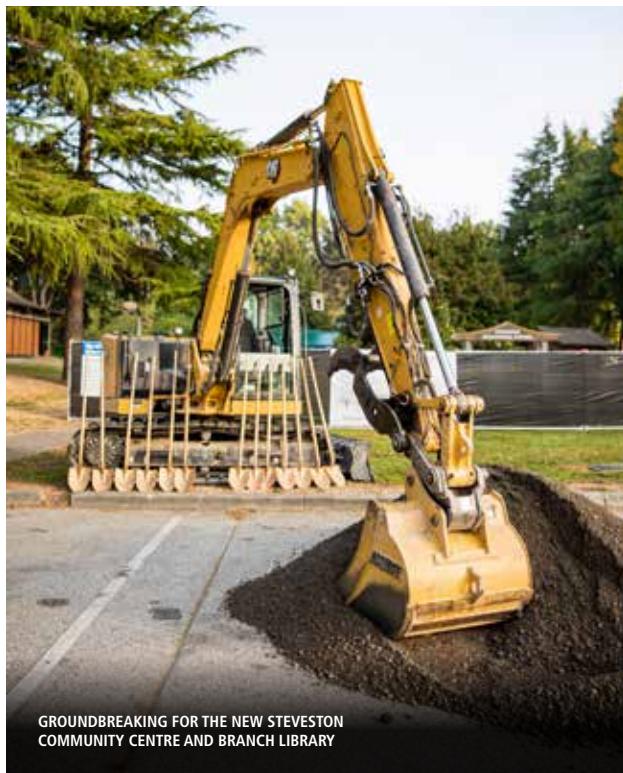
Development interest in Richmond continued to grow, reinforcing its importance as one of the most desirable business and residential locations in the region. Building permits for over \$926 million in construction value were issued in 2022, an increase of over 25 per cent from the previous year and higher than the City's 10-year average. Rezoning applications for approximately 2,500 multi-family units received initial approval by Council during 2022. Of these, over 40 per cent are rental units at market, below market and Low End Market Rental rates. Over \$30 million in development cost charges were also collected to help finance future infrastructure and amenities such as parks, utilities, roads and dikes. During the past year, Council officially opened the new animal shelter on No. 5 Road, a purpose-built facility that will enhance access for stray and abandoned animals in a safe, supportive environment, as well as breaking ground on the 60,000 square foot, \$95 million replacement Steveston Community Centre and Library, which is expected to be completed in 2026.

7. A Supported Economic Sector

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

2022 Achievement

The City's Resilient Economy Strategy continued to support business investment and growth post-pandemic, resulting in sustained job creation and one of the strongest job-to-worker ratios in the region. The number of new business licences rose almost 20 per cent in 2022, and the City implemented its MyBusiness online portal to enable new and existing business owners the ability to conveniently apply for, update and renew their licences 24/7. In the first few weeks, over 20 per cent of businesses registered for the service. While Richmond has one of the largest industrial land inventories in the region with more than 45 million square feet of built industrial space, Council provided further support to the sector by approving a rezoning application for an additional 180,000 square feet of phased industrial space in East Richmond.



8. An Engaged and Informed Community

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

2022 Achievement

Richmond is proud to be one of the most culturally diverse and unique populations in Canada. In November, the City launched a Newcomers Video Series as a resource for newly-arrived residents. The videos, available online, highlight different ways newcomers can experience our city and are captioned in Chinese, Punjabi, Ukrainian, Arabic and Farsi. Work began on redesigning the City's website to provide a more efficient and user-focused experience for the 3.4 million visits annually, while almost 25,000 users participated in 27 engagement initiatives on the City's LetsTalkRichmond.ca platform.

Richmond: vibrant, confident and connected



TAIT RIVERFRONT COMMUNITY PARK

As communities across the country began to emerge from the challenges of the COVID-19 pandemic, the City of Richmond continued to move forward with confidence thanks to a strong history of sound infrastructure investment, planning and leadership.

As 2022 went on, the City was able to safely move away from many of the public health restrictions and return to in-person events and services that strengthened our already vibrant community.

The year began with the re-opening of the City's fitness centres in January, enabling people of all ages to return to the activities and social interactions they had missed since early-2020. A number of new City parks opened – Alexandra Park (June); Aberdeen Neighbourhood Park (July); Tait Riverfront Community Park (August); and the Bark Park off-leash dog park (September). Work also began on the renewal of the popular Minoru Park lakes district in April, with an extensive revitalization expected by mid-2023. The Richmond Curling Club officially re-opened in September, while the Minoru Centre for Active Living received more accolades including the 2022 Outstanding Facility Award from the Recreation Facilities Association of BC.

Several festivals and events returned as in-person gatherings including the 75th annual Steveston Salmon Festival, Richmond Maritime Festival, Garlic Festival at Terra Nova and Culture Days.

With its long-standing commitment to creating accessible and engaging outdoor and indoor spaces, it was no surprise when Richmond was named British Columbia's Most Active Community in the national ParticipACTION Community Better Challenge. Richmond boasts among the highest life expectancy in the world, and a 2022 BC Centre for Disease Control survey found Richmond residents actually used the pandemic to make positive changes to their health and well-being. It said 35 per cent of Richmond respondents were walking, running or cycling more than before the pandemic, while 28 per cent were eating more fruits and vegetables compared to 2020.

The City also supported residents to emerge from the pandemic in other ways. Active transportation remained a priority to support Council's Community Energy and Emissions Plan (CEEP) 2050 – adopted in February 2022 – to set Richmond on a path to achieving a 50 per cent reduction in community greenhouse gas emissions by 2030, and reaching net zero emissions by 2050.

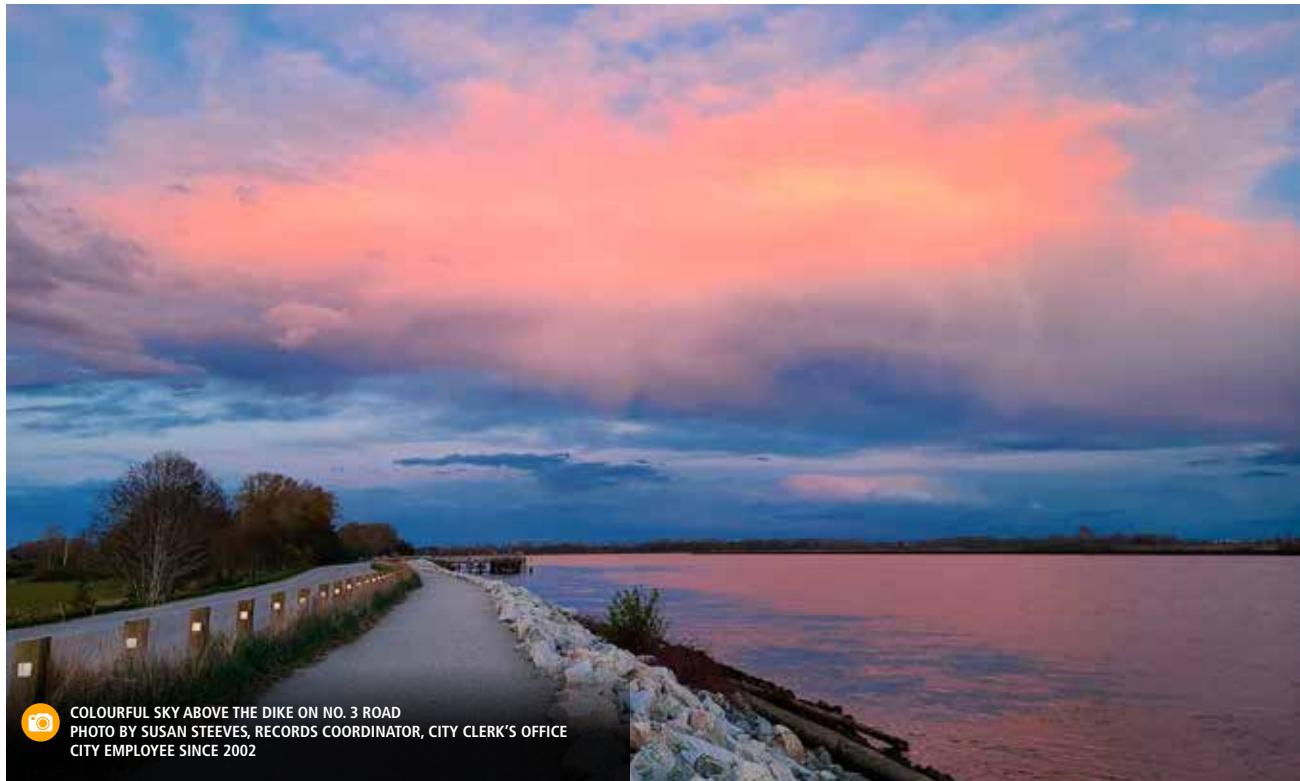
Richmond became the first Metro Vancouver community to offer a shared e-scooter and e-bike service, with around 20,000 users making over 45,000 trips on the electric machines in the first few months. The popular Island City by Bike Tour returned in June, with hundreds of cyclists of all ages coming out to enjoy a free seven or 22 kilometre ride through Richmond. The City also became the first municipality in Canada to receive an E3 Platinum Rating Certification from the national E3 Fleet program for excellence in fleet management and environmental performance, further demonstrating its leadership in the use of green technologies.

While encouraging activity and connectedness was important to reinforce Richmond's sense of community, so too was the need to support businesses as they re-established themselves post-pandemic. City Hall reopened to in-person service in March, and the new online business licencing portal, MyBusiness, was launched in July to enable new and existing business owners to conveniently apply for, update and renew their licences 24/7. In partnership with Tourism

Richmond, the free Richmond Discovery Shuttle and Bike Valet Service returned to Steveston Village to assist residents and visitors to enjoy this popular tourist destination and its many shopping, dining and sightseeing locations.

The year also saw a number of governance and leadership changes. The municipal election in October saw two new members elected to Council after the retirement of two long-serving members. Serena Lusk moved from within to the role of Chief Administrative Officer following the retirement of her predecessor, while Richmond Fire-Rescue welcomed a new Chief, and the RCMP detachment a new Officer in Charge.

The City of Richmond has always been a leader through its development and implementation of bold, innovative programs and strategies that recognize and reflect our character, heritage and reputation as a safe, sustainable and culturally diverse community. The many accomplishments and achievements of the past year demonstrate why Richmond remains one of the most appealing, livable and well-managed communities in Canada.



2022 Awards

A measurement of the City's success in achieving its goals are the honours and recognition from our peers and others. In 2022, Richmond again received numerous international, national and provincial awards recognizing our commitment to excellence and innovation.

Protecting our environment

The City received national recognition for its city-wide Pollinator Program from the Canadian Association of Municipal Administrators (CAMA). Presented with the 2022 CAMA Environmental Leadership and Sustainability Award in the 100,000+ population category, the award was given for excellence in conserving pollinators and developing and protecting their habitat. CAMA said Richmond exemplified how a land manager can be a leader through conscientious community programming and meaningful community engagement, and that "there is much that other municipalities can learn" from the City.

Healthy lives, healthy communities

Health and well-being is essential to creating healthy communities, and Richmond has long been recognized for its commitment to physical activity and programs aimed to engage and create a sense of community. The National ParticipACTION Community Better Challenge named Richmond British Columbia's Most Active Community in 2022. The award recognized the city's activity levels and the creative ways staff and community partners in Richmond motivated the community to get physically active throughout the national challenge.



FLOWERS AND SHRUBS ADORN THE WEST DIKE
PHOTO BY REENA CLARKSON, COMMUNICATIONS PROJECT SUPPORT, CORPORATE COMMUNICATIONS AND MARKETING CITY EMPLOYEE SINCE 2004

Going green

Richmond's commitment to green energy was again recognized by being named as the only municipal recipient of a Platinum Rating by the national E3 Fleet, a program that assists trucking, utility, urban delivery, courier, government and other fleets to improve their fuel efficiency, reduce emissions, manage expenses and incorporate new technologies. Richmond was the only municipality in Canada to receive the Platinum rating with a performance score of 98 points out of 100. It was the second time the City has received coveted Platinum status.

Leading edge design and functionality

The Minoru Centre for Active Living, the City of Richmond's state-of-the-art fitness and aquatic facility, continues to be recognized for its design, functionality and innovation. It received the Outstanding Facility Award from the Recreation Facilities Association of British Columbia for its innovative design, energy management, operations, revenue generation and service delivery. The facility was also recognized by Athletic Business as one of its 10 Facilities of Merit for 2022. It was selected for setting a new standard for wellness-oriented facilities that balances the needs of traditional aquatic uses while integrating a wide variety of other amenities that encourage healthy lifestyles, especially for an older-adult population.

Financial reporting

Once again, the Government Finance Officers Association of the US and Canada presented Richmond with the Canadian Award for Financial Reporting (the 20th year in a row) and the Outstanding Achievement in Popular Financial Reporting Award (the 13th successive year) for its 2021 Annual Reports. Richmond also received an 'A' grade—the highest amongst 32 major Canadian cities—in C.D. Howe's annual Report Card on municipal budgeting, financial reporting and fiscal transparency for 2021.

Sustainability

The International City Management Association, a US-based group that advances professional local government through leadership, management, innovation and ethics, awarded Richmond its 2022 Community Sustainability Award (Population 50,000 and Greater) for its Recycled Asphalt Pavement Project. In partnership with Lafarge Canada and the National Zero Waste Council, the City pioneered the use of 40 per cent recycled asphalt in paving a major Richmond thoroughfare. The project received the award for setting new standards and demonstrating innovation, excellence and success in balancing the community's economic, environmental and social needs.



Government Finance Officers Association

Canadian Award for Financial Reporting

Presented to

**City of Richmond
British Columbia**

For its Annual
Financial Report
for the Year Ended

December 31, 2021

Christopher P. Morill

Executive Director/CEO



THE RECYCLED ASPHALT PAVING PROJECT

Report from the General Manager, Finance and Corporate Services

Mayor Malcom 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, 2022 for the City of Richmond, pursuant to Section 98 and 167 of the Community Charter. The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards as prescribed by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Preparation of the financial statements is management's responsibility.

KPMG LLP was appointed by City Council to independently audit the City's consolidated financial statements. They have expressed an opinion that the City's consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City of Richmond as at December 31, 2022 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)

| | 2022 Actual | 2021 Actual | Change |
|-----------------------------|---------------------|---------------------|-------------------|
| Financial Assets | \$ 1,721,772 | \$ 1,468,241 | \$ 253,531 |
| Liabilities | 696,047 | 528,238 | 167,809 |
| Net Financial Assets | 1,025,725 | 940,003 | 85,722 |
| Non-Financial Assets | 2,603,444 | 2,547,884 | 55,560 |
| Accumulated Surplus | \$ 3,629,169 | \$ 3,487,887 | \$ 141,282 |

The City's overall financial position improved by \$141.3 million, with accumulated surplus (similar to net worth of a corporation) totaling \$3.6 billion. A significant part of this increase is due to additions to capital assets and transfers to the statutory reserves for future capital improvements.

The City's cash and investments are \$1.6 billion while long-term debt increased by \$96.0 million with the addition of a new loan for the construction of Steveston Community Centre and Library in order to lock in favourable rates. Meanwhile, the City's tangible capital assets increased by \$54.9 million, which includes \$41.3 million of in-kind contributions from development as conditions of re-zoning.

Statutory Reserves (in \$000s)

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|----------------|-----------|-----------|-----------|-----------|-----------|
| Total Reserves | \$540,153 | \$557,576 | \$609,533 | \$647,209 | \$703,184 |

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

The increase in the balance to \$703.2 million is mainly attributable to the timing of these capital expenditures, contributions and increased investment income earned on the balances. There are annual transfers through the City's utility and operating budget as well as through other respective entities annual budget. Council's Long Term Financial Management Strategy also states that increases in transfers through the City's operating budget be done annually.

Consolidated Statement of Operations (in \$000s)

| | 2022 Budget | 2022 Actual | 2021 Actual |
|-----------------------|-----------------|------------------|------------------|
| Revenue | \$604,730 | \$644,348 | \$575,444 |
| Expenses | 522,614 | 503,066 | 471,763 |
| Annual Surplus | \$82,116 | \$141,282 | \$103,681 |

The City's consolidated revenue for the year totaled \$644.3 million, an increase of \$68.9 million from 2021 mainly due to increased investment income, property tax and utility fee rates and the continued easing of the impacts from the COVID-19 closures.

Expenses increased by \$31.3 million from prior year mainly due to additional firefighters authorized in 2021 working their first full year in 2022, increased Greater Vancouver Sewerage and Drainage District costs and the increased operational levels of service due to the easing of the impact of the pandemic.

The annual surplus for 2022 was \$141.3 million and represents the change in investment in tangible capital assets, reserves and other accumulated surplus.

Budget Variance

Consolidated revenue of \$644.3M was greater than budgeted revenue by \$39.6M mainly due to:

- \$17.1M in investment income due to higher investment rates.
- \$15.0M in developer cash contributions that are not budgeted included in other revenue.
- \$6.7M higher than budgeted payments-in-lieu of taxes primarily due to a one-time receipt for properties previously under dispute.
- \$19.9M lower than budgeted other capital funding revenue due to contributed assets received through development and the timing of externally funded capital expenditures.

Consolidated expenses of \$503.1M were lower than budgeted by \$19.5M. The main variances include:

- \$8.3M lower than budgeted community safety costs mainly due to lower policing contract costs.
- \$6.6M lower than budgeted community services costs mainly due to savings in salaries and contract expenses as operations have not fully returned to pre-pandemic levels.
- \$6.6M lower than budgeted general government costs mainly due to vacant positions.

The City's consolidated annual surplus of \$141.3 million exceeded the budgeted annual surplus of \$82.1 million by \$59.2 million, prior to transfers to reserves and other accumulated surplus.

Year over year change

Consolidated revenue of \$644.3M increased by \$68.9M from 2021 mainly due to:

- an increase of \$23.6M in property taxes and utility fees mainly due to the approved rate increases and growth related to new development.
- an increase of \$15.3M in investment income due to the elevated interest rate environment.
- an increase of \$13.3M in other revenue mainly due to increases in developer cash contributions of \$8.4M.
- an increase of \$8.9M in sales of service mainly due to higher recreational program revenue.
- an increase of \$6.5M in payments-in-lieu of taxes primarily due to a one-time receipt for properties previously under dispute.

Consolidated expenses of \$503.1M increased by \$31.3M over 2021 mainly due to:

- \$9.0M increase in engineering, public works and project development mainly due to costs related to implementing capital projects, increased amortization expense and increased road maintenance and snow response costs.
- \$6.5M increase in general government costs mainly due to higher labour and fringe expenses as operations return towards pre-pandemic levels.
- \$5.1M increase in community services mainly due to expanded operations towards the pre-pandemic levels.
- \$4.5M increase in community safety mainly due to additional firefighters authorized in 2021 working their first full year in 2022.

Financial Sustainability

The City's consolidated financial position improved in 2022 as operations and programs recover from pandemic levels in prior years. The guiding principles of Council's Long Term Financial Management Strategy was the main factor in supporting the City through the pandemic, while positioning the City in achieving long-term goals and maintaining ongoing financial sustainability to deliver on Council priorities.

Respectfully submitted,



Jerry Chong, CPA, CA
General Manager, Finance and Corporate Services

May 8, 2023

City of Richmond audited financial statements

Year ended December 31, 2022



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

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of the City of Richmond

Opinion

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

- the consolidated statement of financial position as at December 31, 2022
- 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, 2022, and its consolidated results of operations, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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



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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

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



*City of Richmond
Page 3*

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

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
May 8, 2023

CITY OF RICHMOND

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

December 31, 2022, with comparative information for 2021

| | 2022 | 2021 |
|--|--------------|--------------|
| Financial Assets | | |
| Cash and cash equivalents | \$ 654,651 | \$ 672,031 |
| Investments (note 3) | 921,493 | 696,886 |
| Investment in Lulu Island Energy Company ("LIEC") (note 4) | 35,028 | 33,647 |
| Accrued interest receivable | 14,676 | 8,932 |
| Accounts receivable (note 5) | 35,446 | 29,655 |
| Taxes receivable | 15,791 | 14,157 |
| Development fees receivable | 43,219 | 12,425 |
| Debt reserve fund - deposits (note 6) | 1,468 | 508 |
| | 1,721,772 | 1,468,241 |
| Liabilities | | |
| Accounts payable and accrued liabilities | 104,482 | 86,575 |
| Post-employment benefits (note 7) | 37,628 | 37,395 |
| Development cost charges (note 8) | 237,051 | 224,655 |
| Deposits and holdbacks (note 9) | 150,007 | 106,041 |
| Deferred revenue (note 10) | 59,063 | 56,186 |
| Debt, net of sinking fund deposits (note 11) | 107,816 | 17,386 |
| | 696,047 | 528,238 |
| Net financial assets | 1,025,725 | 940,003 |
| Non-Financial Assets | | |
| Tangible capital assets (note 12) | 2,594,212 | 2,539,267 |
| Inventory of materials and supplies | 5,405 | 4,696 |
| Prepaid expenses | 3,827 | 3,921 |
| | 2,603,444 | 2,547,884 |
| Accumulated surplus (note 13) | \$ 3,629,169 | \$ 3,487,887 |

Contingent demand notes (note 6)
Commitments and contingencies (note 17)

See accompanying notes to consolidated financial statements.

Approved on behalf of Council:

General Manager, Finance and Corporate Services

CITY OF RICHMOND

Consolidated Statement of Operations (Expressed in thousands of dollars)

Year ended December 31, 2022, with comparative information for 2021

| | 2022 Budget | 2022 | 2021 |
|---|------------------------|---------------------|---------------------|
| | (notes 2(p) and 23) | | |
| Revenue: | | | |
| Taxation and levies (note 19) | \$ 268,044 | \$ 269,582 | \$ 255,837 |
| Utility fees | 124,190 | 127,965 | 118,144 |
| Sales of services | 44,600 | 44,494 | 35,601 |
| Payments-in-lieu of taxes | 14,650 | 21,314 | 14,789 |
| Provincial and federal contributions | 10,683 | 12,893 | 12,704 |
| Development cost charges (note 8) | 17,749 | 22,434 | 16,223 |
| Other capital funding sources | 71,162 | 51,220 | 64,695 |
| Other revenue: | | | |
| Investment income | 13,165 | 30,250 | 14,968 |
| Gaming revenue | 14,500 | 12,562 | 5,700 |
| Licenses and permits | 11,358 | 15,047 | 13,995 |
| Other (note 20) | 13,683 | 35,206 | 21,877 |
| Equity income in LIEC (note 4) | 946 | 1,381 | 911 |
| | 604,730 | 644,348 | 575,444 |
| Expenses: | | | |
| Community safety | 135,999 | 127,727 | 123,232 |
| Utilities: | | | |
| Water, sewer and sanitation | 114,406 | 110,490 | 106,519 |
| Engineering, public works and project development | 81,335 | 89,103 | 80,083 |
| Community services | 71,522 | 64,955 | 59,873 |
| General government | 66,058 | 59,492 | 52,995 |
| Planning and development | 25,874 | 23,890 | 25,166 |
| Richmond Olympic Oval | 16,290 | 16,844 | 14,079 |
| Richmond Public Library | 11,130 | 10,565 | 9,816 |
| | 522,614 | 503,066 | 471,763 |
| Annual surplus | 82,116 | 141,282 | 103,681 |
| Accumulated surplus, beginning of year | 3,487,887 | 3,487,887 | 3,384,206 |
| Accumulated surplus, end of year | \$ 3,570,003 | \$ 3,629,169 | \$ 3,487,887 |

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, 2022, with comparative information for 2021

| | 2022 Budget | 2022 | 2021 |
|--|------------------------|---------------------|-------------------|
| | (notes 2(p) and 23) | | |
| Annual surplus for the year | \$ 82,116 | \$ 141,282 | \$ 103,681 |
| Acquisition of tangible capital assets | (113,051) | (87,100) | (61,150) |
| Contributed tangible capital assets | (54,782) | (41,332) | (61,004) |
| Amortization of tangible capital assets | 68,561 | 72,722 | 68,519 |
| Net loss on disposal of tangible capital assets | - | 222 | 1,714 |
| Proceeds on sale of tangible capital assets | - | 543 | 793 |
| | <u>(17,156)</u> | <u>86,337</u> | <u>52,553</u> |
| Acquisition of inventory of materials and supplies | - | (5,405) | (4,696) |
| Acquisition of prepaid expenses | - | (3,827) | (3,921) |
| Consumption of inventory of materials and supplies | - | 4,696 | 4,285 |
| Use of prepaid expenses | - | 3,921 | 2,797 |
| | <u>(17,156)</u> | <u>85,722</u> | <u>51,018</u> |
| Change in net financial assets | | | |
| Net financial assets, beginning of year | 940,003 | 940,003 | 888,985 |
| Net financial assets, end of year | <u>\$ 922,847</u> | <u>\$ 1,025,725</u> | <u>\$ 940,003</u> |

See accompanying notes to consolidated financial statements.

CITY OF RICHMOND

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

Year ended December 31, 2022, with comparative information for 2021

| | 2022 | 2021 |
|--|-------------------|-------------------|
| Cash provided by (used in): | | |
| Operating activities: | | |
| Annual surplus | \$ 141,282 | \$ 103,681 |
| Items not involving cash: | | |
| Amortization of tangible capital assets | 72,722 | 68,519 |
| Net loss on disposal of tangible capital assets | 222 | 1,714 |
| Contributions of tangible capital assets | (41,332) | (61,004) |
| Equity income in LIEC | (1,381) | (911) |
| Changes in non-cash operating working capital: | | |
| Accrued interest receivable | (5,744) | 765 |
| Accounts receivable | (5,791) | (8,134) |
| Taxes receivable | (1,634) | 262 |
| Development fees receivable | (30,794) | 16,092 |
| Debt reserve fund | (960) | - |
| Inventory of materials and supplies | (709) | (411) |
| Prepaid expenses | 94 | (1,124) |
| Accounts payable and accrued liabilities | 17,907 | (70,400) |
| Post-employment benefits | 233 | 2,274 |
| Development cost charges | 12,396 | 3,504 |
| Deposits and holdbacks | 43,966 | 8,596 |
| Deferred revenue | 2,877 | 7,162 |
| Net change in cash from operating activities | 203,354 | 70,585 |
| Capital activities: | | |
| Cash used to acquire tangible capital assets | (87,100) | (61,150) |
| Proceeds on disposal of tangible capital assets | 543 | 793 |
| Net change in cash from capital activities | (86,557) | (60,357) |
| Financing activities: | | |
| Proceeds from issuance of debt | 96,000 | - |
| Repayments of debt | (5,570) | (5,355) |
| Net change in cash from financing activities | 90,430 | (5,355) |
| Investing activities: | | |
| Net sale (purchase) of investments | (224,607) | 137,124 |
| Increase (decrease) in cash and cash equivalents | (17,380) | 141,997 |
| Cash and cash equivalents, beginning of year | 672,031 | 530,034 |
| Cash and cash equivalents, end of year | \$ 654,651 | \$ 672,031 |

See accompanying notes to consolidated financial statements.

CITY OF RICHMOND

Notes to Consolidated Financial Statements
(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2022

1. Operations:

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

2. Significant accounting policies:

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

(a) Basis of consolidation:

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

(i) General Revenue Fund:

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

(ii) General Capital and Loan Fund:

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

(iii) Waterworks and Sewerworks Funds:

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

(iv) Reserve Funds:

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

CITY OF RICHMOND

Notes to Consolidated Financial Statements

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

Year ended December 31, 2022

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.

(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.

CITY OF RICHMOND

Notes to Consolidated Financial Statements
 (Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2022

2. Significant accounting policies (continued):

(i) Post-employment benefits (continued):

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

(j) Non-financial assets:

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

(i) Tangible capital assets:

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

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

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

(ii) Contributions of tangible capital assets:

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

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

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

(iv) Interest capitalization:

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

CITY OF RICHMOND

Notes to Consolidated Financial Statements

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

Year ended December 31, 2022

2. Significant accounting policies (continued):

(j) Non-financial assets (continued):

(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.

(l) Taxes:

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

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

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

CITY OF RICHMOND

Notes to Consolidated Financial Statements
(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2022

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 (2022-2026) ("Consolidated Financial Plan") and was adopted through Bylaw No. 10327 on January 24, 2022.

(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 or 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

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

Year ended December 31, 2022

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. Areas requiring the use of management estimates relate to performing the actuarial valuation of employee future benefits, the value of contributed tangible capital assets, value of developer contributions, useful lives for amortization, determination of provisions for accrued liabilities, performing the 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:

| | 2022 | | 2021 | |
|--|-------------------|-------------------|-------------------|-------------------|
| | Cost | Market value | Cost | Market value |
| Short-term notes and deposits | \$ 379,378 | \$ 379,378 | \$ 257,701 | \$ 257,701 |
| Government and government guaranteed bonds | 361,297 | 350,352 | 280,063 | 280,802 |
| Other bonds | 180,818 | 175,405 | 159,122 | 159,283 |
| | \$ 921,493 | \$ 905,135 | \$ 696,886 | \$ 697,786 |

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.

CITY OF RICHMOND

Notes to Consolidated Financial Statements
 (Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2022

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

Summarized financial information relating to LIEC is as follows:

| | 2022 | 2021 |
|--|---------------|---------------|
| Cash, cash equivalents, and investments | \$ 15,516 | \$ 15,755 |
| Accounts receivable | 2,241 | 1,676 |
| Tangible capital assets | 45,745 | 38,905 |
| Total assets | 63,502 | 56,336 |
| Accounts payable and accrued liabilities | 3,853 | 2,671 |
| Government grants | 241 | - |
| Deferred contributions | 13,018 | 7,754 |
| Project agreement/concession liability | 11,362 | 12,264 |
| Total liabilities | 28,474 | 22,689 |
| Shareholder's equity | \$ 35,028 | \$ 33,647 |
| Total revenue | \$ 7,608 | \$ 6,431 |
| Total expenses | 6,227 | 5,520 |
| Net income | \$ 1,381 | \$ 911 |

Included in accounts payable and accrued liabilities in the City's consolidated statement of financial position are payables to LIEC in the amount of \$152,937 (2021 - \$151,454).

On October 30, 2014, LIEC and Corix Utilities Inc. ("Corix") entered into a 30-year Concession agreement (the "Concession Agreement"), where Corix will design, construct, finance, operate and maintain the infrastructure for the district energy utility at the Oval Village community (the "OVDEU project"). On September 22, 2022, the LIEC terminated the Concession Agreement after the Company entered into a new project agreement (the "Project Agreement") with Project Contractor, a wholly-owned subsidiary of Corix to design, build, finance, operate and maintain City Centre District Energy Utility infrastructure providing heating and cooling services to new residential and mixed use commercial developments within the City Centre area (the "CCDEU project"). The existing OVDEU project has been transferred into the CCDEU project, and the OVDEU plant and equipment, financing and operations are now executed by the Project Contractor under the Project Agreement.

CITY OF RICHMOND

Notes to Consolidated Financial Statements

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

Year ended December 31, 2022

5. Accounts receivable:

| | 2022 | 2021 |
|---------------------------|------------------------|------------------------|
| Water and sewer utilities | \$ 14,760 | \$ 13,243 |
| Casino revenue | 3,363 | 2,701 |
| Capital grants | 9,536 | 6,873 |
| Other trade receivables | 7,787 | 6,838 |
| | <hr/> \$ 35,446 | <hr/> \$ 29,655 |

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, 2022 are as follows:

| | Cash deposits | Contingent demand notes |
|----------------------|------------------|----------------------------|
| General Revenue Fund | \$ 1,468 | \$ 5,147 |

7. Post-employment benefits:

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

| | 2022 | 2021 |
|---|------------------------|------------------------|
| Accrued benefit obligation, beginning of year | \$ 35,324 | \$ 35,414 |
| Current service cost | 2,698 | 2,644 |
| Interest cost | 872 | 728 |
| Past service cost | 21 | 992 |
| Benefits paid | (2,923) | (2,035) |
| Actuarial gain | (3,255) | (2,419) |
| Accrued benefit obligation, end of year | <hr/> \$ 32,737 | <hr/> \$ 35,324 |

An actuarial valuation for these benefits was performed to determine the City's accrued benefit obligation as at December 31, 2022. This actuarial gain is being amortized over a period equal to the employees' expected average remaining service lifetime of 11-years.

CITY OF RICHMOND

Notes to Consolidated Financial Statements
(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2022

7. Post-employment benefits (continued):

| | 2022 | 2021 |
|---|------------------|------------------|
| Accrued benefit obligation, end of year | \$ 32,737 | \$ 35,324 |
| Unamortized net actuarial gain | 4,891 | 2,071 |
| Accrued benefit liability, end of year | \$ 37,628 | \$ 37,395 |

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

| | 2022 | 2021 |
|--|----------------|----------------|
| Discount rate | 4.40% | 2.40% |
| Expected future inflation rate | 2.50% | 2.00% |
| Expected wage and salary range increases | 2.50% to 3.00% | 2.50% to 3.00% |

8. Development cost charges:

| | 2022 | 2021 |
|-----------------------------|-------------------|-------------------|
| Balance, beginning of year | \$ 224,655 | \$ 221,151 |
| Contributions | 30,053 | 16,873 |
| Interest | 4,777 | 2,854 |
| Revenue recognized | (22,434) | (16,223) |
| Balance, end of year | \$ 237,051 | \$ 224,655 |

9. Deposits and holdbacks:

| | Balance December 31, 2021 | Deposit contributions / interest earned | Refund/ expenditures | Balance December 31, 2022 |
|-------------------------|---------------------------------|---|-------------------------|---------------------------------|
| Security deposits | \$ 84,096 | \$ 47,514 | \$ (5,329) | \$ 126,281 |
| Developer contributions | 7,912 | 17 | (10) | 7,919 |
| Damage deposits | 5,793 | 3,533 | (2,183) | 7,143 |
| Contract holdbacks | 3,860 | 4,778 | (3,849) | 4,789 |
| Other | 4,380 | 677 | (1,182) | 3,875 |
| | \$ 106,041 | \$ 56,519 | \$ (12,553) | \$ 150,007 |

CITY OF RICHMOND

Notes to Consolidated Financial Statements

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

Year ended December 31, 2022

10. Deferred revenue:

| | Balance December 31, 2021 | Externally restricted inflows | Revenue earned | Balance December 31, 2022 |
|------------------------------|---------------------------------|-------------------------------------|-------------------|---------------------------------|
| Taxes and utilities | \$ 25,116 | \$ 26,231 | \$ (25,116) | \$ 26,231 |
| Building permits/development | 14,265 | 10,052 | (7,198) | 17,119 |
| Oval | 1,551 | 2,048 | (478) | 3,121 |
| Capital grants | 6,074 | 6,824 | (9,887) | 3,011 |
| Business licenses | 2,637 | 2,300 | (2,256) | 2,681 |
| Parking easement/leased land | 2,418 | 60 | (50) | 2,428 |
| Other | 4,125 | 4,587 | (4,240) | 4,472 |
| | \$ 56,186 | \$ 52,102 | \$ (49,225) | \$ 59,063 |

11. Debt, net of MFA sinking fund deposits:

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

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

| MFA issue | Loan authorization bylaw | Gross amount borrowed | Repayments and actuarial adjustments | Net debt 2022 | Net debt 2021 |
|--------------|--------------------------------|-----------------------------|--|------------------|------------------|
| 127 | 9075 | \$ 50,815 | \$ 38,999 | \$ 11,816 | \$ 17,386 |
| 158 | 10334 | 96,000 | - | 96,000 | - |
| | | \$ 146,815 | \$ 38,999 | \$ 107,816 | \$ 17,386 |

Current borrowing includes:

| MFA issue | Issue date | Term (yrs.) | Maturity date | Interest rate | Refinancing date |
|--------------|--------------------|----------------|--------------------|------------------|---------------------|
| 127 | April 7, 2014 | 10 | April 7, 2024 | 3.30% | - |
| 158 | September 23, 2022 | 20 | September 23, 2042 | 4.09% | September 23, 2032 |

CITY OF RICHMOND

Notes to Consolidated Financial Statements
(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2022

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

Interest expense incurred for the year on the long-term debt was \$2,750,689 (2021 - \$1,676,895). Repayments on net outstanding debt over the next five years and thereafter are as follows:

| | |
|------------|------------|
| 2023 | \$ 9,187 |
| 2024 | 9,538 |
| 2025 | 3,636 |
| 2026 | 3,764 |
| 2027 | 3,895 |
| Thereafter | 77,796 |
| | <hr/> |
| | \$ 107,816 |

12. Tangible capital assets:

| Cost | Balance December 31, 2021 | Additions and transfers | Disposals | Balance December 31, 2022 |
|--|---------------------------|-------------------------|------------|---------------------------|
| Land | \$ 1,077,254 | \$ 44,227 | \$ - | \$ 1,121,481 |
| Building and building improvements | 576,752 | 22,907 | (4,048) | 595,611 |
| Infrastructure | 1,912,378 | 45,169 | (6,370) | 1,951,177 |
| Vehicles, machinery and equipment | 166,131 | 12,419 | (1,602) | 176,948 |
| Library's collections, furniture and equipment | 10,710 | 1,029 | (613) | 11,126 |
| Assets under construction | 60,690 | 2,681 | - | 63,371 |
| | <hr/> | \$ 3,803,915 | \$ 128,432 | \$ (12,633) \$ 3,919,714 |

| Accumulated amortization | Balance December 31, 2021 | Disposals | Amortization expense | Balance December 31, 2022 |
|--|---------------------------|--------------|----------------------|---------------------------|
| Building and building improvements | \$ 229,433 | \$ (3,548) | \$ 20,340 | \$ 246,225 |
| Infrastructure | 916,345 | (6,233) | 41,043 | 951,155 |
| Vehicles, machinery and equipment | 111,216 | (1,474) | 10,408 | 120,150 |
| Library's collections, furniture and equipment | 7,654 | (613) | 931 | 7,972 |
| | <hr/> | \$ 1,264,648 | \$ (11,868) | \$ 72,722 \$ 1,325,502 |

CITY OF RICHMOND

Notes to Consolidated Financial Statements

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

Year ended December 31, 2022

12. Tangible capital assets (continued):

| Net book value | December 31, 2022 | December 31, 2021 |
|---|------------------------------|------------------------------|
| Land | \$ 1,121,481 | \$ 1,077,254 |
| Buildings and building improvements | 349,386 | 347,319 |
| Infrastructure | 1,000,022 | 996,033 |
| Vehicles, machinery and equipment | 56,798 | 54,915 |
| Library's collection, furniture and equipment | 3,154 | 3,056 |
| Assets under construction | 63,371 | 60,690 |
| Balance, end of year | \$ 2,594,212 | \$ 2,539,267 |

(a) Assets under construction:

Assets under construction having a value of \$63,371,507 (2021 - \$60,690,017) 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 and recorded in other capital funding revenue on the statement of operations. The value of contributed assets received during the year is \$41,331,921 (2021 - \$61,004,232) comprised of land in the amount of \$30,863,846 (2021 - \$17,281,008), infrastructure in the amount of \$5,123,075 (2021 - \$20,810,489), buildings in the amount of \$5,345,000 (2021 - \$22,682,598). There were no machinery and equipment contributed in 2022 (2021 - \$230,137).

(c) Tangible capital assets disclosed at nominal values:

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

(d) Works of art and historical treasures:

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

(e) Write-down of tangible capital assets:

There were no write-down of tangible capital assets in 2022 (2021 - nil).

CITY OF RICHMOND

Notes to Consolidated Financial Statements
(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2022

13. Accumulated surplus:

| | General and Reserve Fund | Waterworks Utility Fund | Sewerworks Utility Fund | Richmond Olympic Oval | Library | 2022 Total | 2021 Total |
|---------------------------------------|--------------------------------|-------------------------------|-------------------------------|-----------------------------|----------|---------------|---------------|
| Investment in tangible capital assets | \$ 2,570,222 | \$ - | \$ - | \$ 7,872 | \$ 3,155 | \$ 2,581,249 | \$ 2,521,629 |
| Reserves (note 14) | 693,338 | - | - | 9,846 | - | 703,184 | 647,209 |
| Appropriated surplus | 245,113 | 19,157 | 11,775 | 1,166 | 3,351 | 280,562 | 256,020 |
| Investment in LIEC | 35,028 | - | - | - | - | 35,028 | 33,647 |
| Surplus | 14,954 | 885 | 6,621 | 610 | 830 | 23,900 | 24,826 |
| Other equity | 5,246 | - | - | - | - | 5,246 | 4,556 |
| Balance, end of year | \$ 3,563,901 | \$ 20,042 | \$ 18,396 | \$ 19,494 | \$ 7,336 | \$ 3,629,169 | \$ 3,487,887 |

14. Reserves:

| | Balance, December 31, 2021 | Change during year | Balance, December 31, 2022 |
|---------------------------------------|----------------------------------|-----------------------|----------------------------------|
| Affordable housing | \$ 14,293 | \$ 1,134 | \$ 15,427 |
| Arts, culture and heritage | 3,526 | 47 | 3,573 |
| Capital building and infrastructure | 122,720 | 6,905 | 129,625 |
| Capital reserve | 244,445 | 19,380 | 263,825 |
| Capstan station | 11,149 | 3,433 | 14,582 |
| Child care development | 10,078 | 91 | 10,169 |
| Community legacy and land replacement | 1,458 | 87 | 1,545 |
| Drainage improvement | 57,159 | 2,581 | 59,740 |
| Equipment replacement | 25,206 | 1,682 | 26,888 |
| Hamilton area plan community amenity | 3,007 | 598 | 3,605 |
| Leisure facilities | 18,970 | 8,798 | 27,768 |
| Local improvements | 7,571 | 189 | 7,760 |
| Neighborhood improvement | 8,037 | 551 | 8,588 |
| Oval | 8,100 | 1,746 | 9,846 |
| Public art program | 4,405 | 423 | 4,828 |
| Sanitary sewer | 49,611 | 3,907 | 53,518 |
| Steveston off-street parking | 336 | 3 | 339 |
| Steveston road ends | 155 | (8) | 147 |
| Waterfront improvement | 187 | (6) | 181 |
| Watermain replacement | 56,796 | 4,434 | 61,230 |
| | \$ 647,209 | \$ 55,975 | \$ 703,184 |

CITY OF RICHMOND

Notes to Consolidated Financial Statements

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

Year ended December 31, 2022

15. 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, 2021, the plan has about 227,000 active members and approximately 118,000 retired members. Active members include approximately 42,000 contributors from local governments.

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

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

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

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

The City paid \$13,914,367 (2021 - \$14,125,356) for employer contributions while employees contributed \$12,078,813 (2021 - \$11,777,413) to the plan in fiscal 2022.

16. 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, 2022. Contingent assets are not recorded in the consolidated financial statements.

CITY OF RICHMOND

Notes to Consolidated Financial Statements
 (Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2022

16. Contingent assets and contractual rights (continued):

(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:

| | |
|------------|-----------|
| 2023 | \$ 37,876 |
| 2024 | 13,377 |
| 2025 | 2,947 |
| 2026 | 1,707 |
| 2027 | 1,729 |
| Thereafter | 5,778 |

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.

17. Commitments and contingencies:

(a) Joint and several liabilities:

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

(b) Lease payments:

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

| | |
|---------------------|----------|
| 2023 | \$ 3,839 |
| 2024 | 3,545 |
| 2026 | 2,305 |
| 2026 | 2,173 |
| 2027 and thereafter | 4,012 |

CITY OF RICHMOND

Notes to Consolidated Financial Statements

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

Year ended December 31, 2022

17. Commitments and contingencies (continued):

(c) Litigation:

As at December 31, 2022, there were a number of claims or risk exposures in various stages of resolution. The City has made no specific provision for those where the outcome is presently not determinable.

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

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

(e) Contractual obligation:

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

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

The City is a shareholder of the E-Comm whose services provided include: regional 9-1-1 call centre for the Greater Vancouver Regional District; Wide Area Radio network; dispatch operations; and records management. The City has 2 Class A shares and 1 Class B share (of a total of 37 Class A and 18 Class B shares issued and outstanding as at December 31, 2022). As a Class A shareholder, the City shares in both funding the future operations and capital obligations of E-Comm (in accordance with a cost sharing formula), including any lease obligations committed to by E-Comm up to the shareholder's withdrawal date.

(g) Community associations:

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

CITY OF RICHMOND

Notes to Consolidated Financial Statements
(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2022

18. Trust funds:

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

| | 2022 | 2021 |
|---------------------------------|--------|----------|
| Richmond Community Associations | \$ 696 | \$ 1,928 |

19. Taxation and levies:

| | 2022 | 2021 |
|--|-------------------|-------------------|
| Taxes collected: | | |
| Property taxes | \$ 524,934 | \$ 496,172 |
| Payment-in-lieu of taxes and grants | 37,860 | 24,326 |
| Local improvement levies | 84 | 84 |
| | <u>562,878</u> | <u>520,582</u> |
| Less transfers to other authorities: | | |
| Province of British Columbia - School taxes | (210,071) | (192,631) |
| TransLink | (45,904) | (42,926) |
| Metro Vancouver | (9,116) | (8,029) |
| BC Assessment Authority | (6,741) | (6,297) |
| Sewer debt collect via payment in lieu of taxes | (114) | (43) |
| Other | (36) | (30) |
| | <u>(271,982)</u> | <u>(249,956)</u> |
| Less payment-in-lieu of taxes retained by the City | (21,314) | (14,789) |
| | <u>\$ 269,582</u> | <u>\$ 255,837</u> |

20. Other revenue:

| | 2022 | 2021 |
|--|------------------|------------------|
| Developer contributions | \$ 14,957 | \$ 6,580 |
| Tangible capital assets gain on sale of land | 260 | 722 |
| Penalties and fines | 6,382 | 4,210 |
| Parking program | 1,781 | 1,343 |
| Recycle BC | 3,083 | 2,884 |
| Other | 8,743 | 6,138 |
| | <u>\$ 35,206</u> | <u>\$ 21,877</u> |

CITY OF RICHMOND

Notes to Consolidated Financial Statements

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

Year ended December 31, 2022

21. Government transfers:

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

| | 2022 | 2021 |
|------------------------------|-----------------|-----------------|
| Operating | | |
| Province of British Columbia | \$ 19,273 | \$ 12,590 |
| TransLink | 3,891 | 3,815 |
| Government of Canada | 2,291 | 1,999 |
| Capital | | |
| Province of British Columbia | 8,619 | 6,069 |
| TransLink | 885 | 2,947 |
| Government of Canada | 1,410 | 567 |
| | <hr/> \$ 36,369 | <hr/> \$ 27,987 |

22. 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, sewer, drainage and diking 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, Sustainability 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
(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2022

22. 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, 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.

| | Community safety | Utilities | Engineering public works and project development | Community services | General government | Planning and development | Total city subtotal |
|--|------------------|-----------|--|--------------------|--------------------|--------------------------|---------------------|
| Revenue: | | | | | | | |
| Taxation and levies | \$ - | \$ - | \$ - | \$ - | \$ 269,582 | \$ - | \$ 269,582 |
| User fees | | 113,417 | 14,548 | | | | 127,965 |
| Sales of services | 9,062 | 2,269 | 2,439 | 10,996 | 10,280 | 1,778 | 36,824 |
| Payments-in-lieu of taxes | - | - | - | - | 21,314 | - | 21,314 |
| Provincial and federal grants | 219 | 15 | 4,061 | 220 | 3,724 | 65 | 8,304 |
| Development cost charges | - | 415 | 2,392 | 12,527 | 2,202 | 4,898 | 22,434 |
| Other capital funding sources | 350 | 1,275 | 10,086 | 501 | 30,864 | 8,144 | 51,220 |
| Other revenue: | | | | | | | |
| Investment income | - | 272 | - | - | 29,959 | - | 30,231 |
| Gaming revenue | 753 | - | - | - | 11,809 | - | 12,562 |
| Licenses and permits | 4,681 | 41 | 295 | - | 15 | 10,015 | 15,047 |
| Other | 2,037 | 4,092 | 1,137 | 673 | 11,268 | 240 | 19,447 |
| Equity income | - | - | - | - | 1,381 | - | 1,381 |
| | 17,102 | 121,796 | 34,958 | 24,917 | 392,398 | 25,140 | 616,311 |
| Expenses: | | | | | | | |
| Wages and salaries | 53,029 | 15,694 | 28,210 | 34,955 | 31,909 | 13,634 | 177,431 |
| Public works maintenance | 21 | 6,793 | 6,230 | 2,324 | (1,483) | 479 | 14,364 |
| Contract services | 68,317 | 10,010 | 5,367 | 2,971 | 4,331 | 2,058 | 93,054 |
| Supplies and materials | 2,965 | 37,634 | 1,686 | 11,644 | 12,548 | 933 | 67,410 |
| Interest and finance | 103 | 28,707 | 9 | 146 | 2,370 | 1 | 31,336 |
| Transfer from (to) capital for tangible capital assets | (68) | 2,654 | 12,910 | 2,364 | 483 | 3,207 | 21,550 |
| Amortization of tangible capital assets | 3,294 | 8,947 | 34,792 | 10,318 | 9,100 | 3,558 | 70,009 |
| Loss (gain) on disposal of tangible capital assets | 66 | 51 | (101) | 233 | 234 | 20 | 503 |
| | 127,727 | 110,490 | 89,103 | 64,955 | 59,492 | 23,890 | 475,657 |
| Annual surplus (deficit) | \$ (110,625) | \$ 11,306 | \$ (54,145) | \$ (40,038) | \$ 332,906 | \$ 1,250 | \$ 140,654 |

CITY OF RICHMOND

Notes to Consolidated Financial Statements

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

Year ended December 31, 2022

22. Segmented reporting (continued):

| | Total City subtotal | Richmond Public Library | Richmond Olympic Oval | 2022 Consolidated | 2021 Consolidated |
|--|---------------------------|-------------------------------|-----------------------------|----------------------|----------------------|
| Revenue: | | | | | |
| Taxation and levies | \$ 269,582 | \$ - | \$ - | \$ 269,582 | \$ 255,837 |
| User fees | 127,965 | - | - | 127,965 | 118,144 |
| Sales of services | 36,824 | 57 | 7,613 | 44,494 | 35,601 |
| Payments-in-lieu of taxes | 21,314 | - | - | 21,314 | 14,789 |
| Provincial and federal grants | 8,304 | 377 | 4,212 | 12,893 | 12,704 |
| Development cost charges | 22,434 | - | - | 22,434 | 16,223 |
| Other capital funding sources | 51,220 | - | - | 51,220 | 64,695 |
| Other revenue: | | | | | |
| Investment income | 30,231 | 19 | - | 30,250 | 14,968 |
| Gaming revenue | 12,562 | - | - | 12,562 | 5,700 |
| Licenses and permits | 15,047 | - | - | 15,047 | 13,995 |
| Other | 19,447 | 10,448 | 5,311 | 35,206 | 21,877 |
| Equity income | 1,381 | - | - | 1,381 | 911 |
| | 616,311 | 10,901 | 17,136 | 644,348 | 575,444 |
| Expenses: | | | | | |
| Wages and salaries | 177,431 | 7,789 | 10,396 | 195,616 | 179,260 |
| Public works maintenance | 14,364 | 26 | - | 14,390 | 13,011 |
| Contract services | 93,054 | 409 | - | 93,463 | 89,086 |
| Supplies and materials | 67,410 | 1,771 | 4,666 | 73,847 | 68,056 |
| Interest and finance | 31,336 | 4 | - | 31,340 | 30,301 |
| Transfer from (to) capital for tangible capital assets | 21,550 | (344) | - | 21,206 | 21,094 |
| Amortization of tangible capital assets | 70,009 | 931 | 1,782 | 72,722 | 68,519 |
| Loss (gain) on disposal of tangible capital assets | 503 | (21) | - | 482 | 2,436 |
| | 475,657 | 10,565 | 16,844 | 503,066 | 471,763 |
| Annual surplus (deficit) | \$ 140,654 | \$ 336 | \$ 292 | \$ 141,282 | \$ 103,681 |

23. Budget data:

The budget data presented in these consolidated financial statements is based on the Consolidated 5 Year Financial Plan adopted by Council on January 24, 2022. The table below reconciles the adopted Consolidated Financial Plan to the budget amounts reported in these consolidated financial statements.

| | Financial plan Bylaw No. 10327 | Financial statement budget |
|--|--------------------------------------|----------------------------------|
| Consolidated financial plan: | | |
| Revenue | \$ 604,730 | \$ 604,730 |
| Expenses | 522,614 | 522,614 |
| Annual surplus | 82,116 | 82,116 |
| Less: | | |
| Acquisition of tangible capital assets | (255,375) | - |
| Contributed tangible capital assets | (54,782) | - |
| Transfer to reserves | (78,319) | - |
| Debt principal | (5,570) | - |
| Add: | | |
| Capital funding | 303,542 | - |
| Transfer from surplus | 8,388 | - |
| Annual surplus | \$ - | \$ 82,116 |

CITY OF RICHMOND

Notes to Consolidated Financial Statements
(Tabular amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended December 31, 2022

24. Comparative information:

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

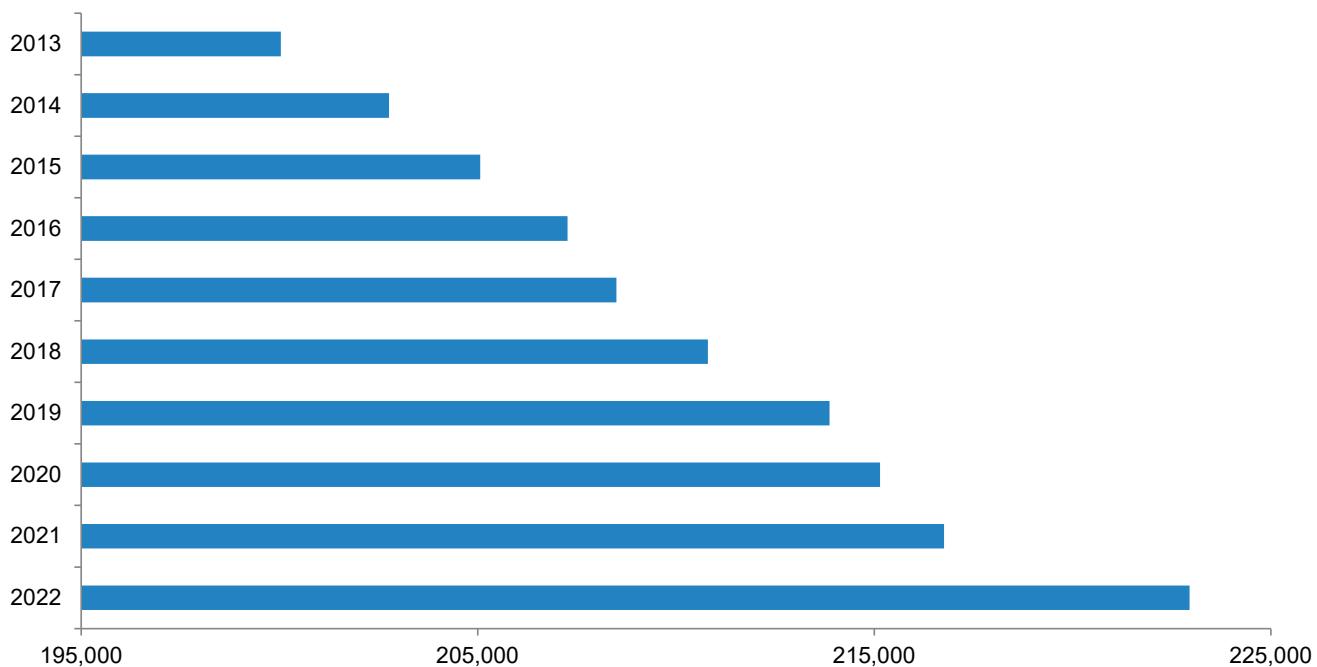
25. Subsequent events:

In March 2023, the City received \$20,354,000 from the Province of B.C. relating to the Growing Communities Fund grant. The Growing Communities Fund grant is a one-time grant that can be used to address the City's infrastructure and amenity needs. This amount will be recognized as revenue in 2023.

City of Richmond statistical data

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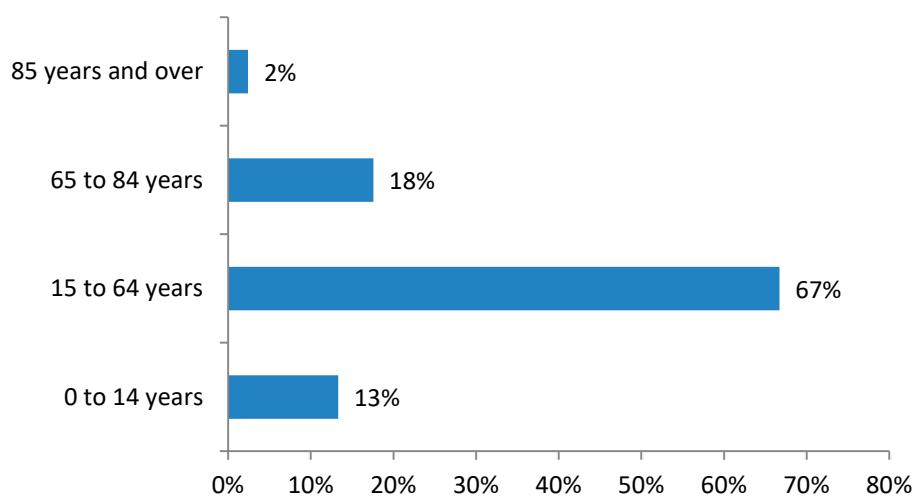
City of Richmond population 2013–2022



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

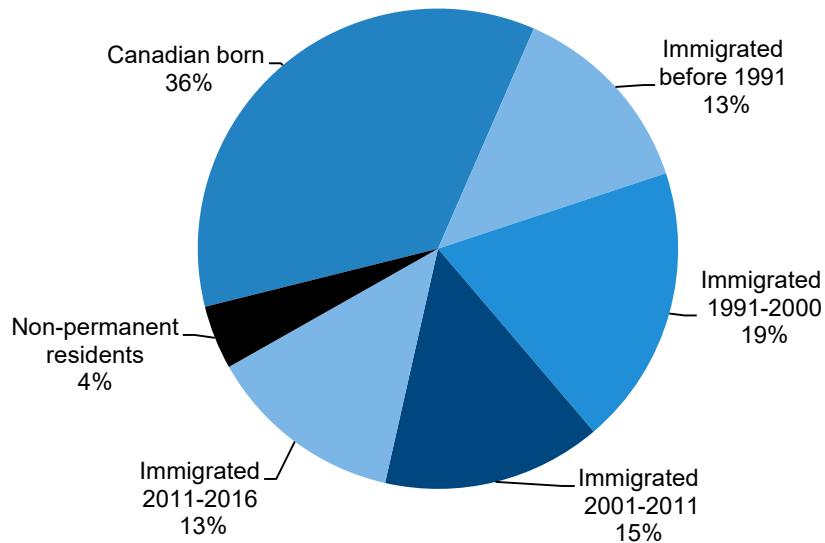
Source: BC Stats population figures

Total population by age groups



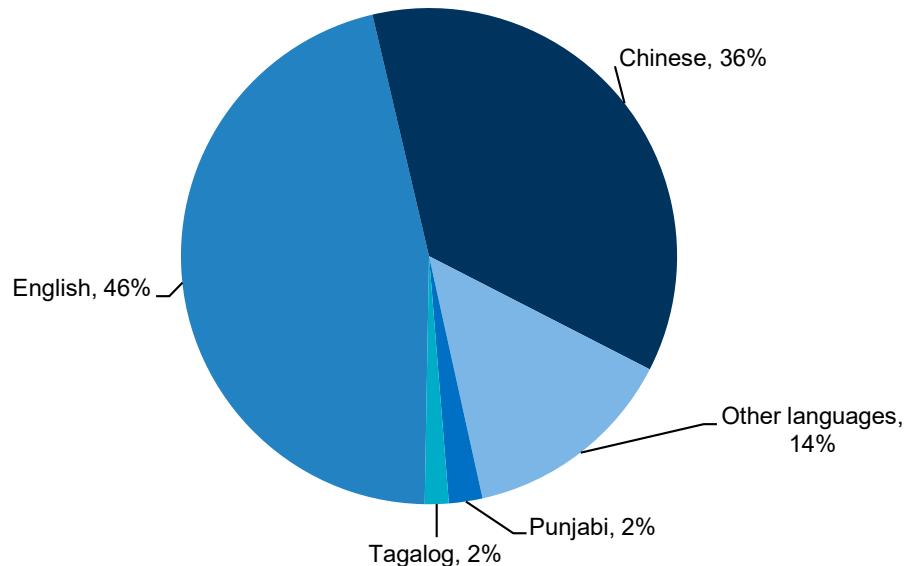
Source: Statistics Canada, 2021 Census of Population

Immigrant status of Richmond residents by period of immigration



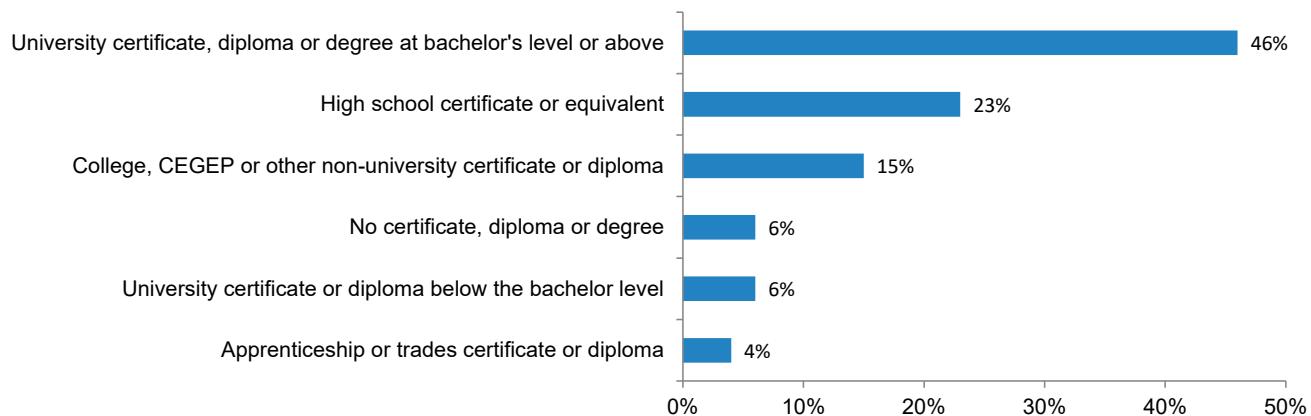
Source: Statistics Canada, 2021 Census of Population

Language spoken most often at home



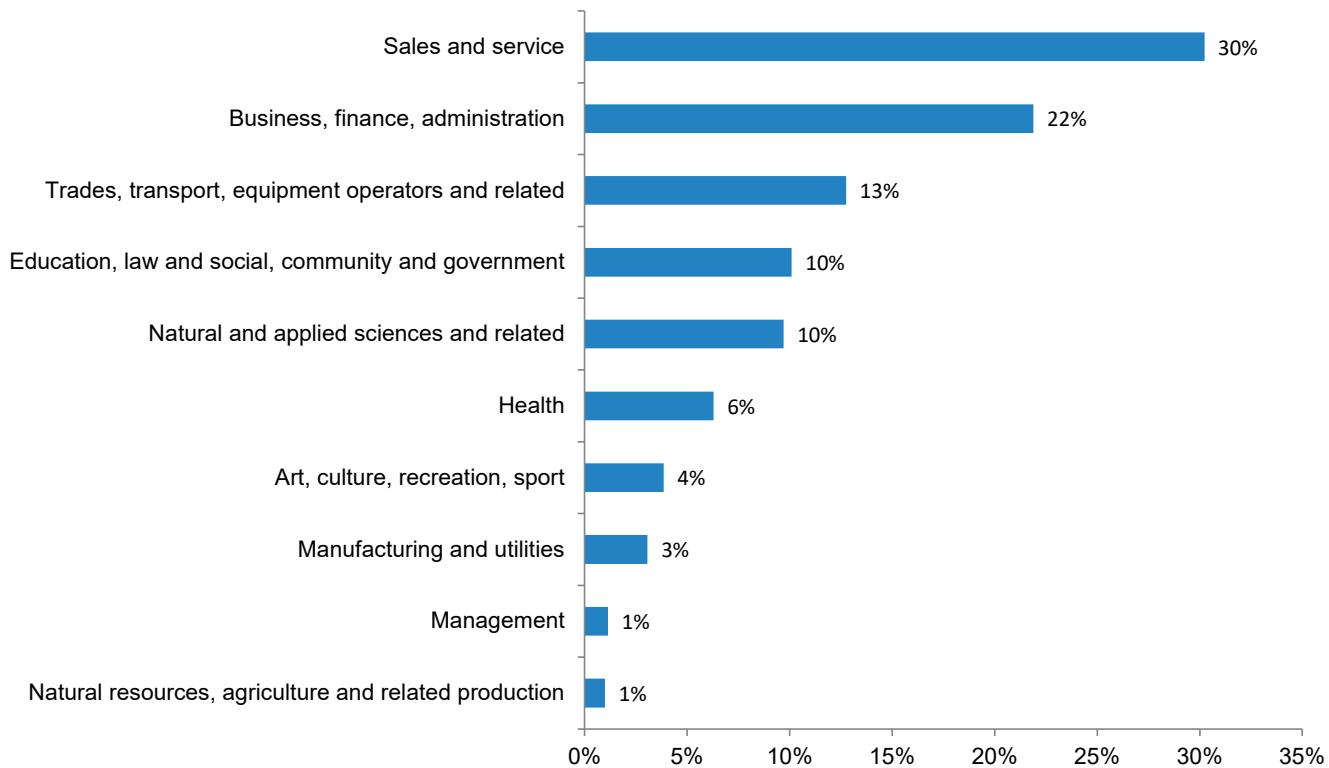
Source: Statistics Canada, 2021 Census of Population

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



Source: Statistics Canada, 2021 Census of Population

Occupations of Richmond residents

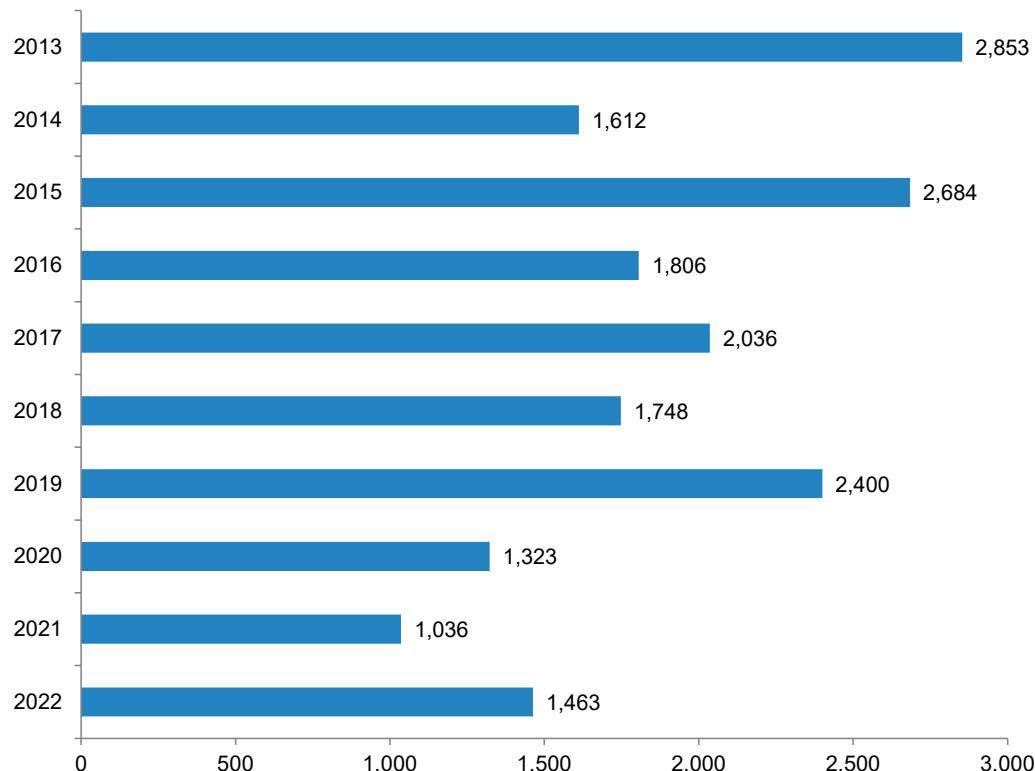


Source: Statistics Canada, 2021 Census of Population

Major employers in Richmond (in alphabetical order)

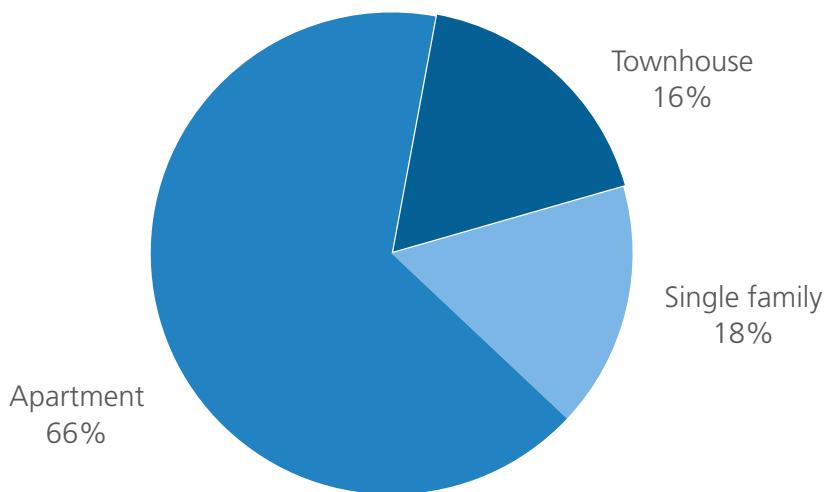
- Air Canada
- Allied Universal Security Services of Canada
- Amazon Canada
- Change Healthcare Canada
- City of Richmond
- Crown Packaging Ltd.
- Gate Gourmet Canada Inc.
- London Drugs Ltd.
- MDA Systems Ltd.
- Richmond Plywood Corporation Ltd.
- River Rock Casino Resort
- School District No.38
- T&T Supermarket
- The Real Canadian Superstore
- Vancouver Coastal Health, Richmond
- WorkSafeBC

Housing starts in Richmond 2013–2022



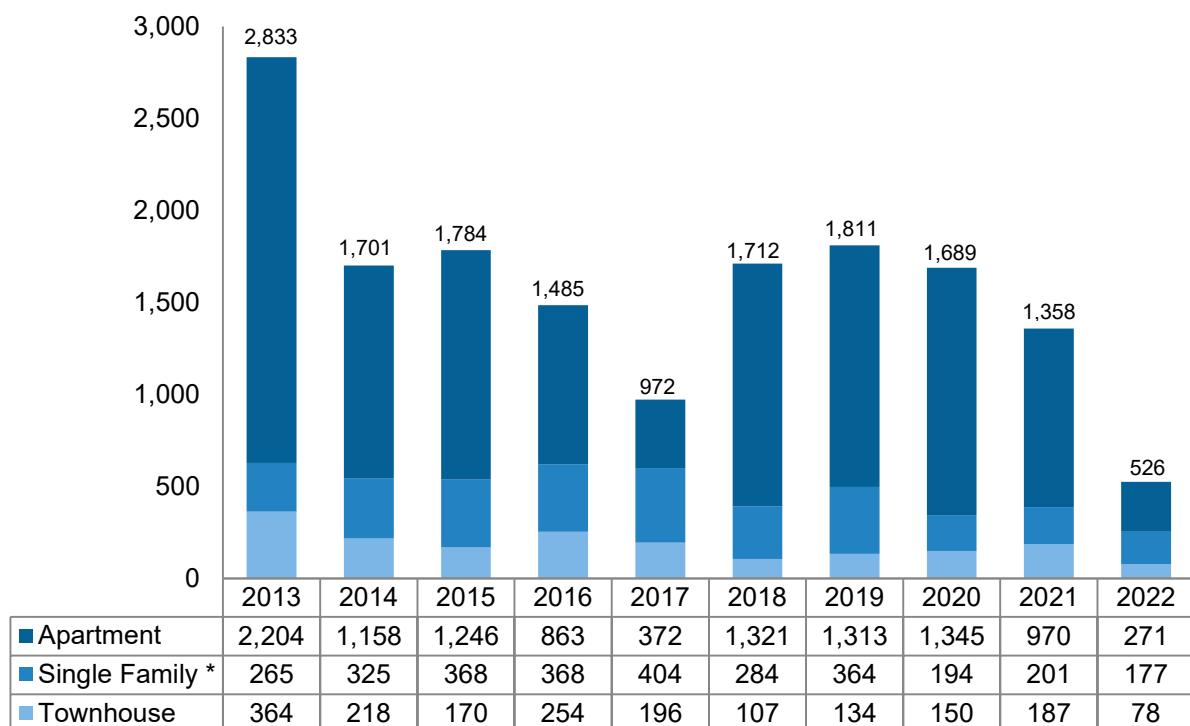
*Includes only projects for new residential construction receiving final building permit in given year.
Source: City of Richmond building permit records*

Richmond housing starts by type of units 2022



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

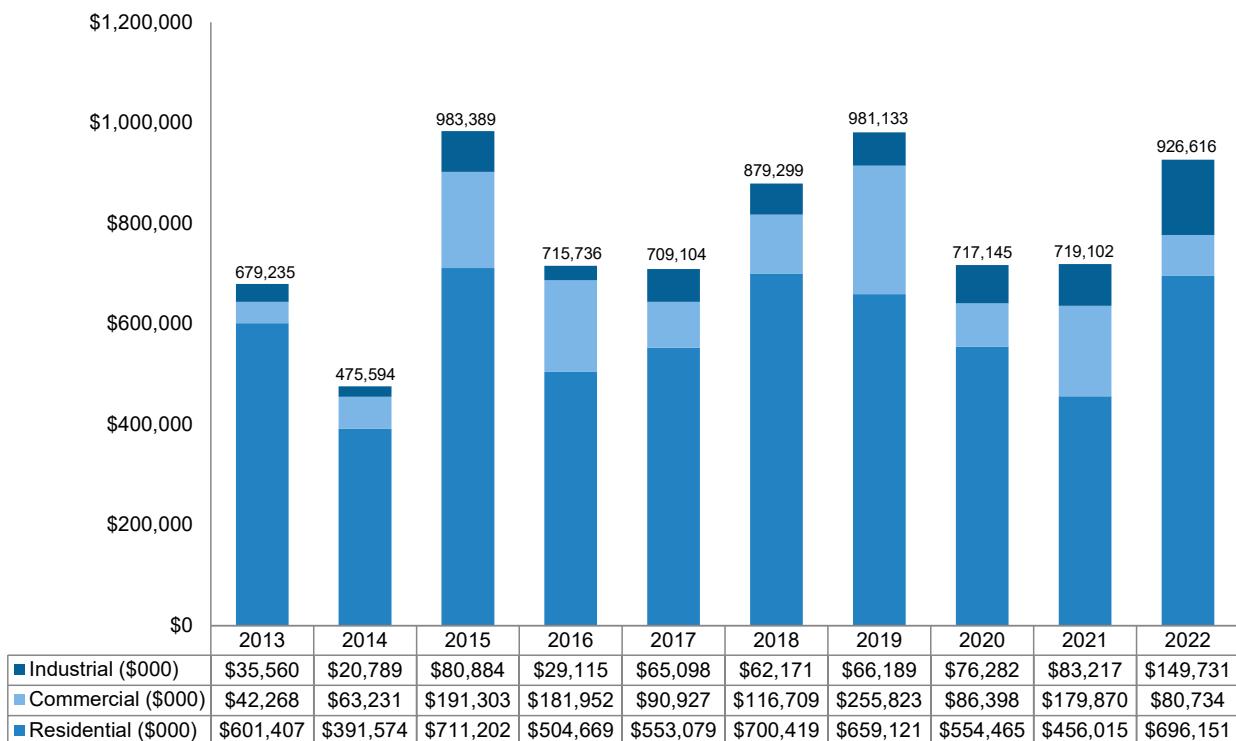
New dwelling units constructed 2013–2022



* Includes one family and two family dwellings.

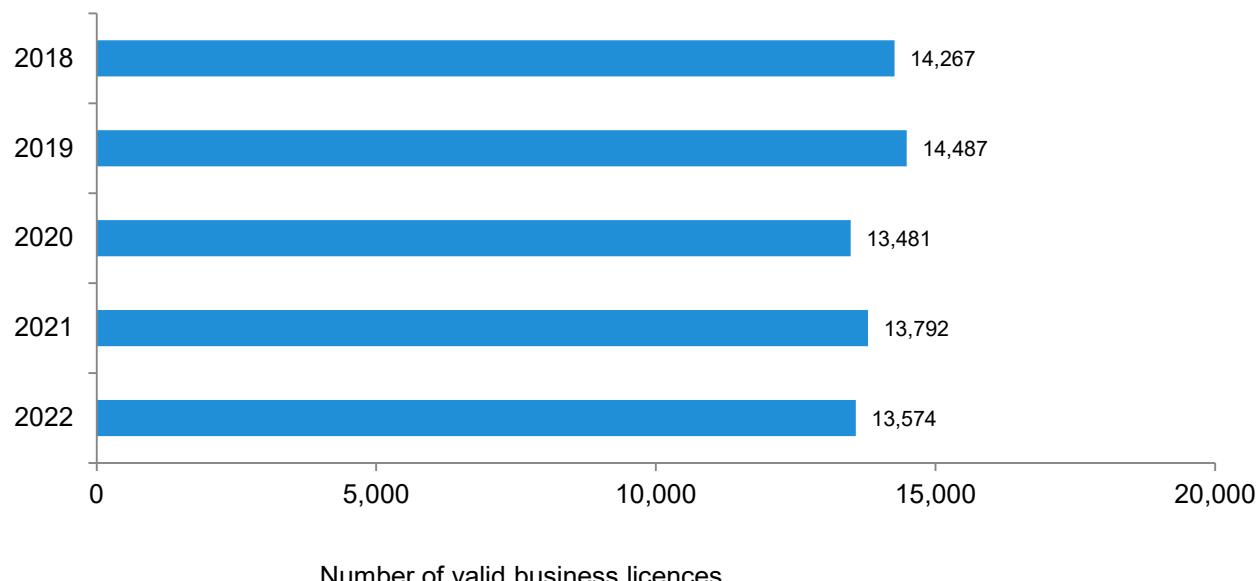
*Includes only projects for new residential construction receiving final building permit in given year.
Source: City of Richmond building permit records*

Construction value of building permits issued 2013–2022 (in \$000s)



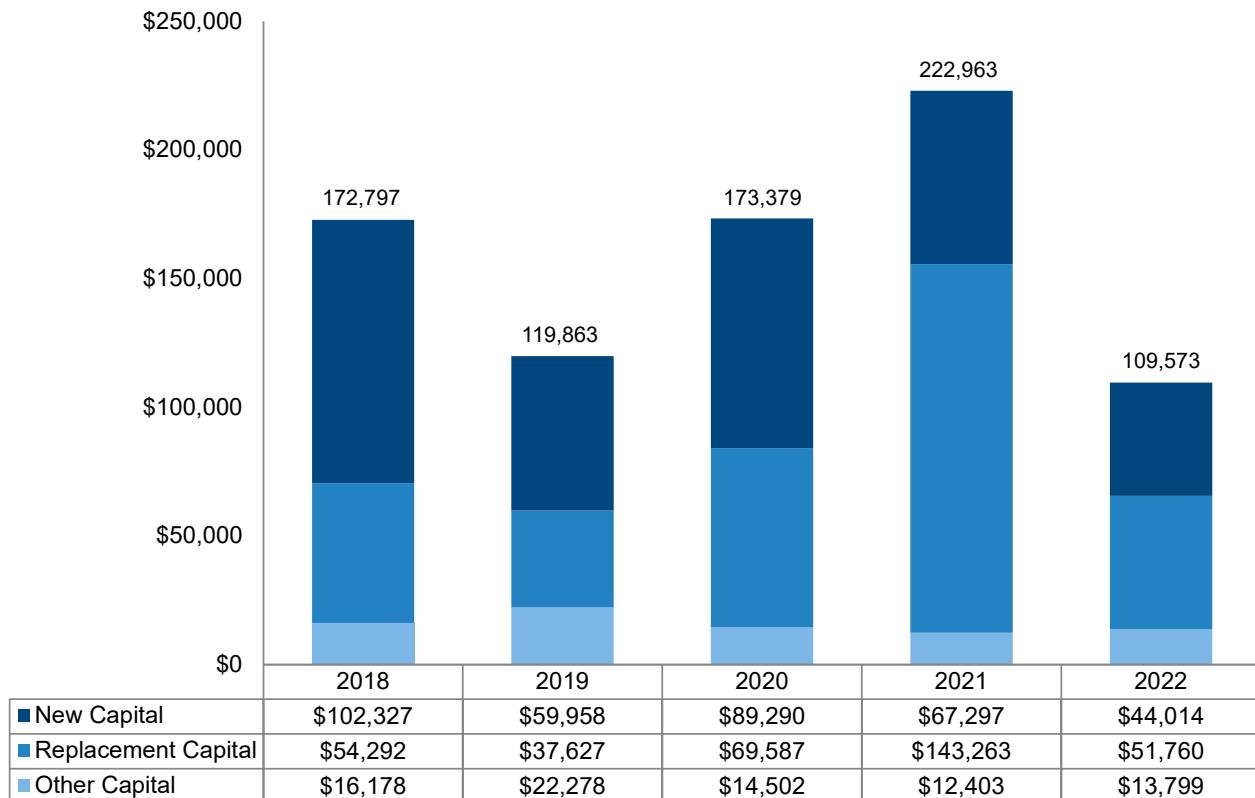
Source: City of Richmond building permit records

Richmond business licences 2018–2022



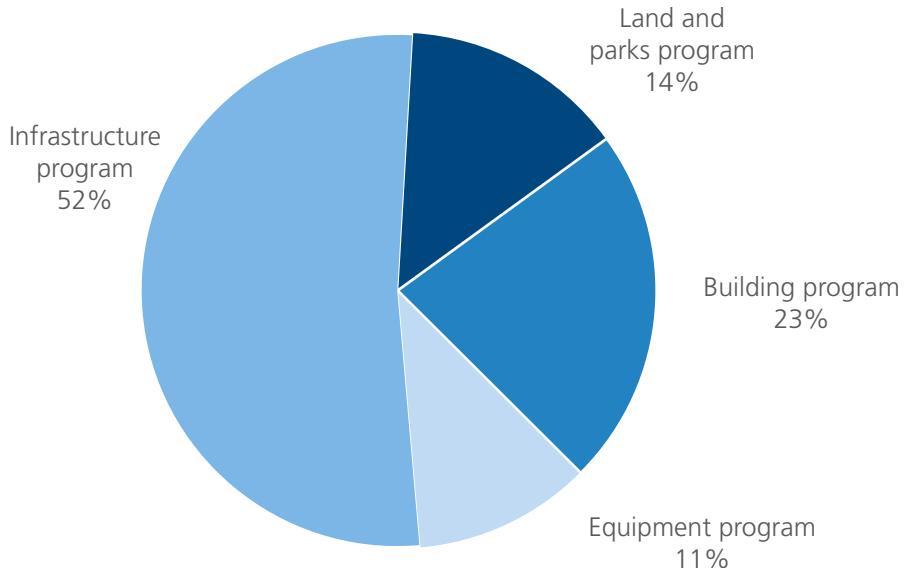
Source: 2022 City of Richmond business licences

City of Richmond budgeted capital costs 2018–2022 (in \$000s)



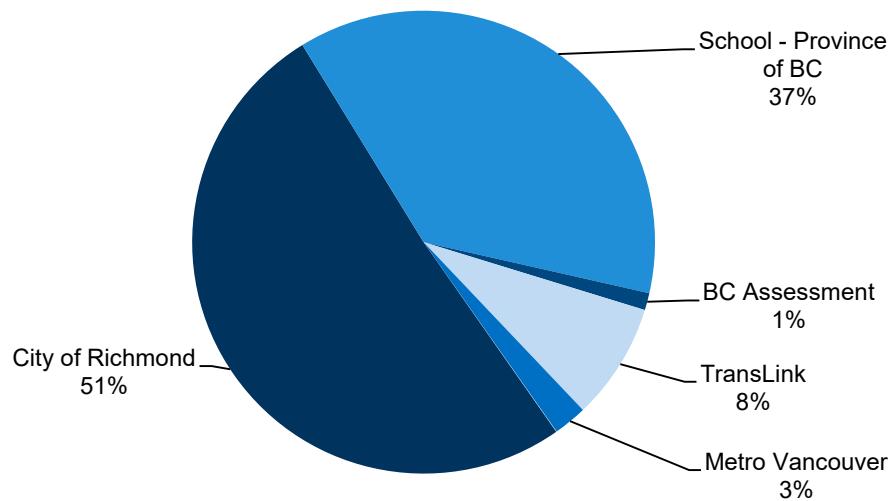
Source: City of Richmond Finance and Corporate Services

Capital program by type 2022



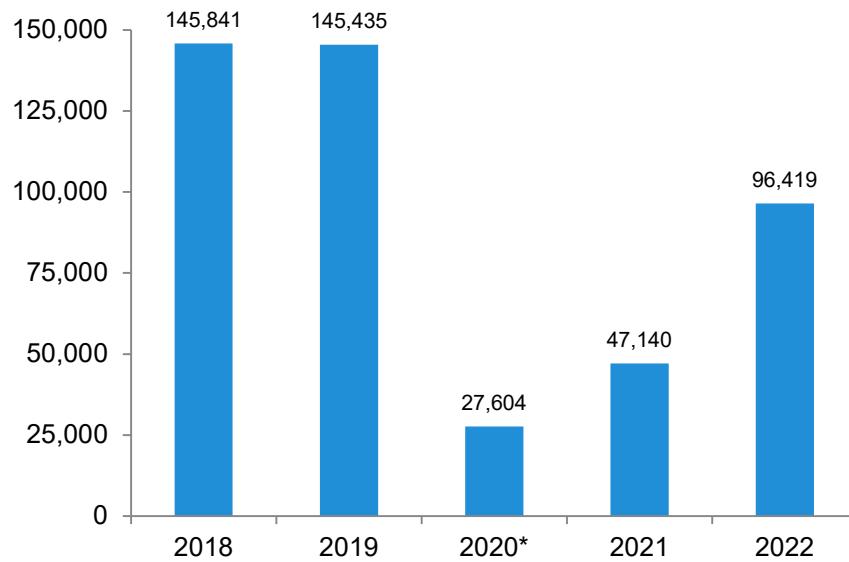
Source: City of Richmond Finance and Corporate Services

Breakdown of residential tax bill 2022



Source: *City of Richmond Finance and Corporate Services*

Registration in Richmond Recreation and Cultural Services programs 2018–2022



*2020 figure has been restated.

Source: *City of Richmond Finance and Corporate Services*

2022 tax rates

| | City of Richmond | School - Province of BC | Metro Vancouver | BC Assessment | Municipal Finance Authority | TransLink |
|-------------------------|------------------|-------------------------|-----------------|---------------|-----------------------------|-----------|
| Residential | 1.65745 | 0.99580 | 0.05127 | 0.03490 | 0.00020 | 0.22590 |
| Business | 4.00065 | 3.52000 | 0.12562 | 0.10360 | 0.00050 | 0.77870 |
| Light industrial | 4.00065 | 3.52000 | 0.17433 | 0.10360 | 0.00070 | 0.78220 |
| Seasonal / Recreational | 1.35615 | 2.03000 | 0.05127 | 0.03490 | 0.00020 | 0.15640 |
| Major industrial | 7.51512 | 1.40800 | 0.17433 | 0.46620 | 0.00070 | 1.40220 |
| Farm | 15.63913 | 3.49000 | 0.05127 | 0.03490 | 0.00020 | 0.32390 |
| Utilities | 38.53459 | 12.72000 | 0.17946 | 0.46620 | 0.00070 | 2.23700 |

Source: City of Richmond Finance and Corporate Services

2022 general revenue fund assessment and taxation by property class (in \$000s)

| | Assessment | % of assessment by class | Taxation | % of taxation by class |
|-------------------------|----------------------|--------------------------|------------------|------------------------|
| Residential | \$92,961,083 | 76.60% | \$154,079 | 57.09% |
| Business | 22,213,156 | 18.31% | 88,867 | 32.93% |
| Light industrial | 5,368,958 | 4.42% | 21,479 | 7.96% |
| Seasonal / Recreational | 353,571 | 0.29% | 480 | 0.18% |
| Major industrial | 389,851 | 0.32% | 2,930 | 1.09% |
| Farm | 26,496 | 0.02% | 414 | 0.15% |
| Utilities | 43,033 | 0.04% | 1,658 | 0.60% |
| Total | \$121,356,148 | 100.00% | \$269,907 | 100.00% |

Amounts are based on billing.

Source: City of Richmond Finance and Corporate Services

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

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|--------------------|------------------|------------------|------------------|------------------|------------------|
| City of Richmond | \$216,908 | \$231,100 | \$241,739 | \$257,088 | \$269,907 |
| School Board | 169,005 | 181,863 | 121,559 | 186,528 | 197,657 |
| Metro Vancouver | 5,915 | 6,922 | 9,145 | 11,146 | 12,410 |
| BC Assessment | 5,737 | 5,894 | 6,008 | 6,088 | 6,344 |
| TransLink | 35,991 | 38,863 | 40,189 | 41,576 | 43,301 |
| Other | 26 | 29 | 116 | 112 | 117 |
| Total Taxes | \$433,582 | \$464,671 | \$418,756 | \$502,538 | \$529,736 |

Amounts are less supplementary adjustments.

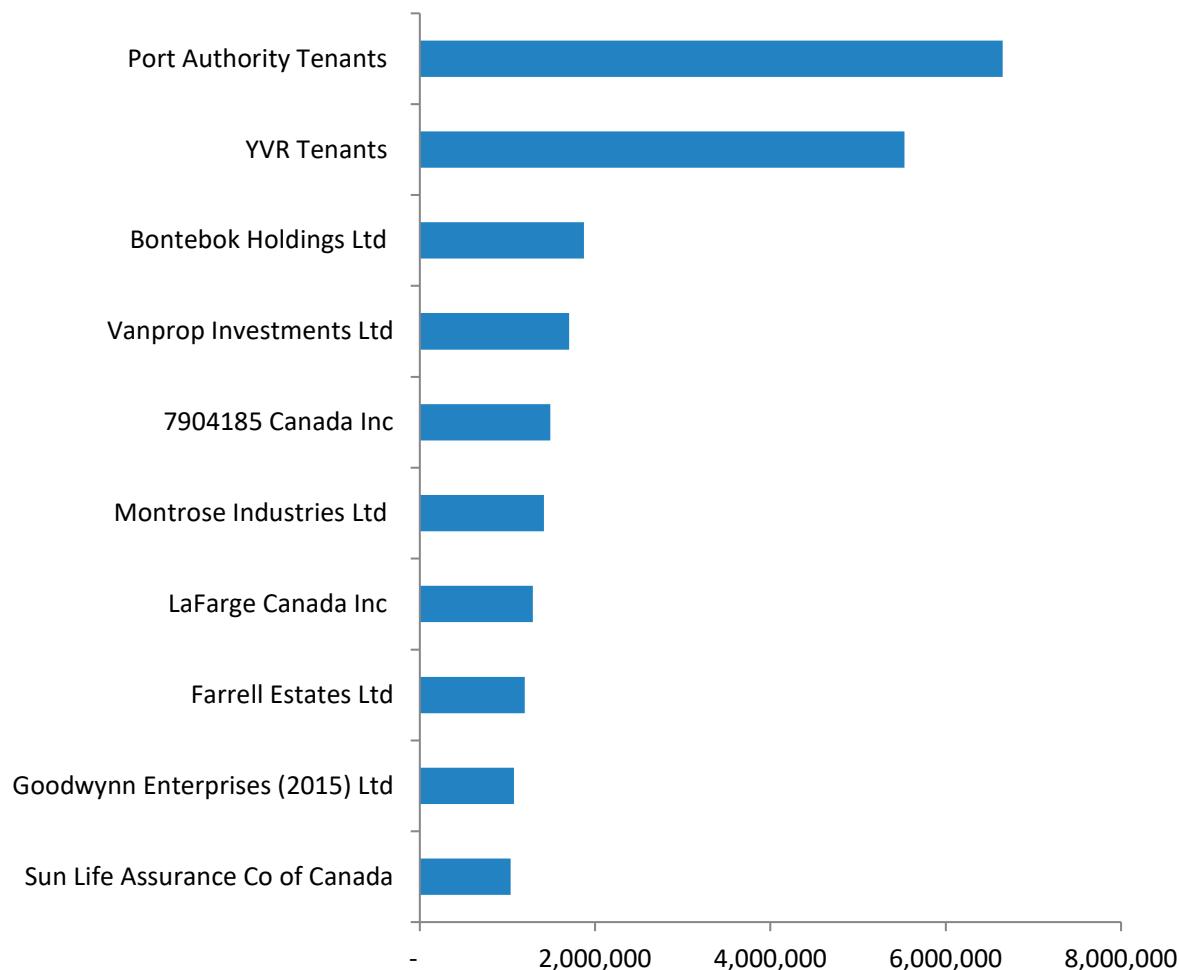
Source: City of Richmond Finance and Corporate Services

2018–2022 general assessment by property class (in \$000s)

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|-------------------------|---------------------|----------------------|---------------------|----------------------|----------------------|
| Residential | \$80,530,838 | \$84,391,147 | \$75,895,923 | \$78,838,953 | \$92,961,083 |
| Business | 15,848,533 | 18,964,170 | 19,613,458 | 18,856,561 | 22,213,156 |
| Light industrial | 2,998,757 | 3,528,011 | 3,850,127 | 4,286,605 | 5,368,958 |
| Seasonal / recreational | 200,893 | 221,291 | 211,659 | 213,776 | 353,571 |
| Major industrial | 204,542 | 259,457 | 289,800 | 336,999 | 389,851 |
| Farm | 26,297 | 26,166 | 26,103 | 26,044 | 26,496 |
| Utilities | 29,250 | 35,869 | 55,674 | 41,633 | 43,033 |
| Total | \$99,839,110 | \$107,426,111 | \$99,942,744 | \$102,600,571 | \$121,356,148 |

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 2018–2022 (in \$000s)

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|-----------|-----------|-----------|-----------|-----------|
| Debt servicing costs | 5,909 | 6,628 | 6,826 | 7,032 | 8,320 |
| General taxation revenue | \$216,908 | \$230,198 | \$239,991 | \$255,837 | \$269,582 |
| Debt servicing costs as a % of general taxation revenue | 2.72% | 2.88% | 2.84% | 2.75% | 3.09% |

Source: City of Richmond Finance and Corporate Services

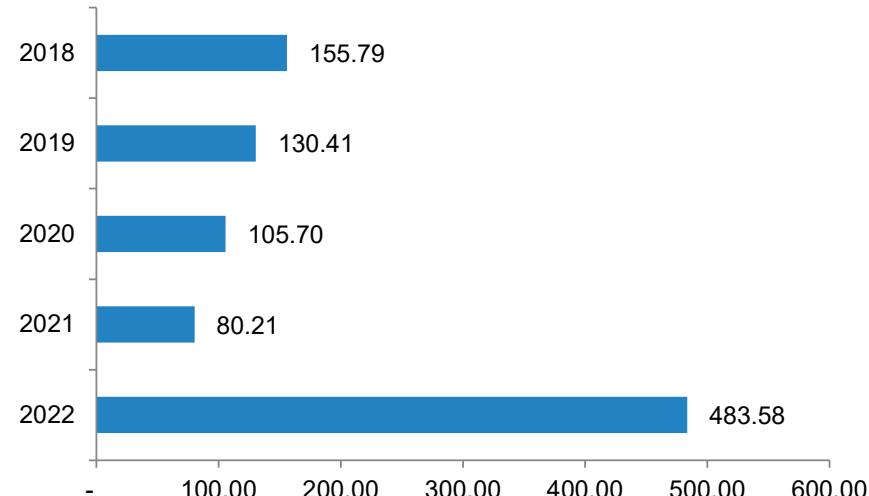
Liability servicing limit 2018–2022 (in \$000s)

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|---------------------------|-----------|-----------|-----------|-----------|-----------|
| Liability servicing limit | \$114,285 | \$117,239 | \$113,768 | \$113,663 | \$127,512 |

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 2018–2022



Source: City of Richmond Finance and Corporate Services

Net debt 2018–2022 (in \$000s)

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|----------|----------|----------|----------|----------|-----------|
| Net debt | \$32,842 | \$27,891 | \$22,741 | \$17,386 | \$107,816 |

Source: City of Richmond Finance and Corporate Services

Expenses by function 2018–2022 (in \$000s)

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|------------------------------|------------------|------------------|------------------|------------------|------------------|
| Community safety | \$98,500 | \$106,209 | \$112,895 | \$123,232 | \$127,727 |
| Engineering and public works | 68,793 | 80,940 | 75,314 | 80,083 | 89,103 |
| Community services | 63,882 | 67,522 | 50,833 | 59,873 | 64,955 |
| General government | 52,549 | 55,689 | 51,495 | 52,995 | 59,492 |
| Utilities | 89,959 | 98,653 | 102,824 | 106,519 | 110,490 |
| Planning and development | 15,368 | 48,104* | 19,201 | 25,166 | 23,890 |
| Library services | 9,981 | 10,601 | 9,040 | 9,816 | 10,565 |
| Richmond Olympic Oval | 15,424 | 15,972 | 12,586 | 14,079 | 16,844 |
| Total expenses | \$414,456 | \$483,690 | \$434,188 | \$471,763 | \$503,066 |

* Includes one-time TransLink contribution for Capstan Station.

Source: City of Richmond Finance and Corporate Services

Expenses by object 2018–2022 (in \$000s)

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|------------------|------------------|------------------|------------------|------------------|
| Wages, salaries and benefits | \$162,331 | \$177,363 | \$164,788 | \$179,260 | \$195,616 |
| Public works maintenance | 13,405 | 15,299 | 13,343 | 13,011 | 14,390 |
| Contract services | 73,479 | 79,098 | 81,642 | 89,086 | 93,463 |
| Supplies, materials | 67,919 | 68,801 | 64,437 | 68,056 | 73,847 |
| Interest and finance | 23,149 | 26,089 | 29,779 | 30,301 | 31,340 |
| Transfer from (to) capital for tangible capital assets | 13,307 | 52,244 | 13,568 | 21,094 | 21,206 |
| Amortization of tangible capital assets | 60,542 | 64,228 | 66,254 | 68,519 | 72,722 |
| Loss/(gain) on disposal of tangible capital assets | 324 | 568 | 377 | 2,436 | 482 |
| Total expenses | \$414,456 | \$483,690 | \$434,188 | \$471,763 | \$503,066 |

Source: City of Richmond Finance and Corporate Services

Revenue by source 2018–2022 (in \$000s)

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|---------------------------------|------------------|------------------|------------------|------------------|------------------|
| Taxation and levies | \$216,908 | \$230,198 | \$239,991 | \$255,837 | \$269,582 |
| User fees | 102,915 | 111,472 | 114,335 | 118,144 | 127,965 |
| Sales of services | 39,111 | 42,747 | 29,090 | 35,601 | 44,494 |
| Licences and permits | 13,637 | 13,030 | 19,407 | 13,995 | 15,047 |
| Investment income | 20,705 | 25,142 | 20,175 | 14,968 | 30,250 |
| Grants including casino revenue | 42,681 | 42,104 | 16,953 | 18,404 | 25,455 |
| Development cost charges | 17,432 | 13,802 | 16,737 | 15,223 | 22,434 |
| Capital funding | 95,859 | 39,028 | 71,051 | 64,695 | 51,220 |
| Other | 50,169 | 64,419 | 51,313 | 38,577 | 57,901 |
| Total revenue | \$599,417 | \$581,942 | \$579,052 | \$575,444 | \$644,348 |

Source: City of Richmond Finance and Corporate Services

Accumulated surplus 2018–2022 (in \$000s)

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|-------------|-------------|-------------|-------------|-------------|
| Accumulated surplus, beginning of year | \$2,956,129 | \$3,141,090 | \$3,239,342 | \$3,384,206 | \$3,487,887 |
| Annual surplus | 184,961 | 98,252 | 144,864 | 103,681 | 141,282 |
| Accumulated surplus, end of year | \$3,141,090 | \$3,239,342 | \$3,384,206 | \$3,487,887 | \$3,629,169 |

Source: City of Richmond Finance and Corporate Services

Changes in net financial assets 2018–2022 (in \$000s)

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|
| Change in net financial assets | \$65,031 | \$42,748 | \$83,116 | \$51,018 | \$85,722 |
| Net financial assets, end of year | \$763,121 | \$805,869 | \$888,985 | \$940,003 | \$1,025,725 |

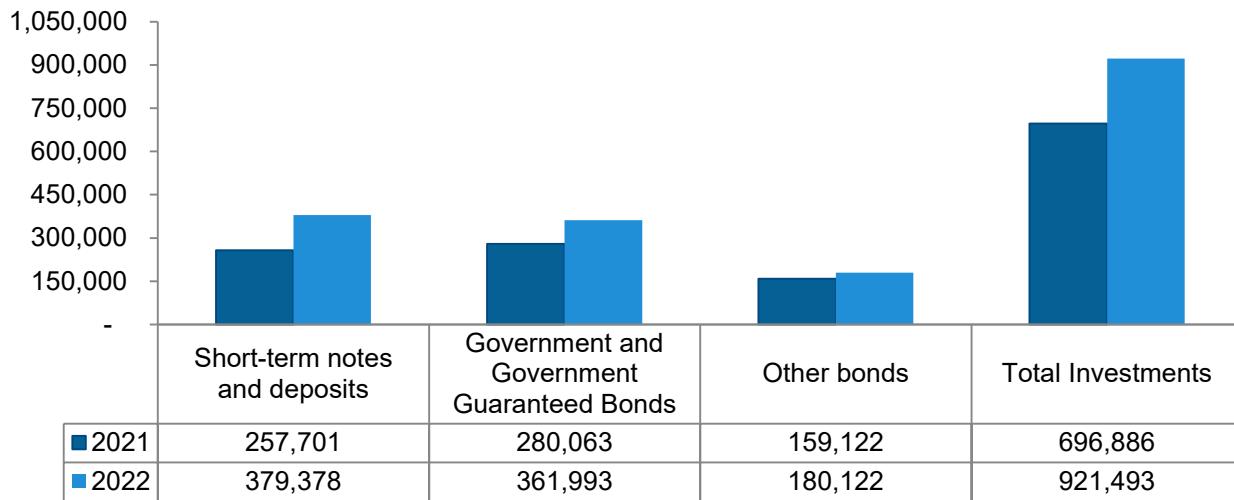
Source: City of Richmond Finance and Corporate Services

Reserves 2018–2022 (in \$000s)

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|---------------------------------------|------------------|------------------|------------------|------------------|------------------|
| Affordable housing | \$10,836 | \$11,705 | \$12,250 | \$14,293 | \$15,427 |
| Arts, culture and heritage | 4,003 | 3,726 | 3,721 | 3,526 | 3,573 |
| Capital building and infrastructure | 81,763 | 100,686 | 111,528 | 122,720 | 129,625 |
| Capital reserve | 176,142 | 171,976 | 222,778 | 244,445 | 263,825 |
| Capstan Station | 32,332 | 32,318 | 11,477 | 11,149 | 14,582 |
| Child care development | 6,806 | 8,922 | 10,055 | 10,078 | 10,169 |
| Community legacy and land replacement | 8,852 | 1,310 | 1,387 | 1,458 | 1,545 |
| Drainage improvement | 56,132 | 55,645 | 60,597 | 57,159 | 59,740 |
| Equipment replacement | 19,600 | 20,203 | 22,577 | 25,206 | 26,888 |
| Hamilton area plan community amenity | 752 | 1,720 | 2,762 | 3,007 | 3,605 |
| Leisure facilities | 18,765 | 17,676 | 18,097 | 18,970 | 27,768 |
| Local improvements | 7,155 | 7,327 | 7,459 | 7,571 | 7,760 |
| Neighbourhood improvement | 7,520 | 7,860 | 7,919 | 8,037 | 8,588 |
| Richmond Olympic Oval | 6,324 | 8,856 | 7,810 | 8,100 | 9,846 |
| Public art program | 4,860 | 4,858 | 4,582 | 4,405 | 4,828 |
| Sanitary sewer | 44,107 | 47,731 | 48,903 | 49,611 | 53,518 |
| Steveston off-street parking | 317 | 325 | 331 | 336 | 339 |
| Steveston road ends | 155 | 150 | 153 | 155 | 147 |
| Waterfront improvement | 317 | 202 | 195 | 187 | 181 |
| Watermain replacement | 53,415 | 54,380 | 54,952 | 56,796 | 61,230 |
| Total reserves | \$540,153 | \$557,576 | \$609,533 | \$647,209 | \$703,184 |

Source: City of Richmond Finance and Corporate Services

Investment portfolio per type 2021–2022 (in \$000s)



Source: City of Richmond Finance and Corporate Services

Ratio analysis indicators of financial condition

| | 2022 | 2021 | 2020 |
|--|-------|-------|-------|
| Sustainability ratios | | | |
| Assets to liabilities (times) | 6.2 | 7.6 | 6.8 |
| Financial assets to liabilities (times) | 2.5 | 2.8 | 2.5 |
| Net debt to total revenues | 16.7% | 3.0% | 3.9% |
| Net debt to the total assessment | 0.09% | 0.02% | 0.02% |
| Expenses to the total assessment | 0.4% | 0.5% | 0.6% |
| Flexibility ratios | | | |
| Public debt charges to revenues | 0.4% | 0.3% | 0.3% |
| Net book value of capital assets to its cost | 66.2% | 66.8% | 67.3% |
| Own source revenue to the assessment | 0.5% | 0.5% | 0.5% |
| Vulnerability ratios | | | |
| Government transfers to total revenues | 4.0% | 3.2% | 3.4% |

Source: City of Richmond Finance and Corporate Services

2022 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 2022. Permissive tax exemptions are those exemptions granted by bylaw in accordance with Section 224 of the Community Charter.

| Property / Organization | Address | 2022 Municipal tax exempted |
|---|---------------------------|-----------------------------|
| Churches and religious properties | | |
| Aga Khan Foundation Canada | 4000 May Drive | \$ 13,662 |
| BC Muslim Association | 12300 Blundell Road | 2,308 |
| Bakerview Gospel Chapel | 8991 Francis Road | 3,051 |
| Beth Tikvah Congregation | 9711 Geal Road | 18,413 |
| Bethany Baptist Church | 22680 Westminster Highway | 8,711 |
| Brighouse United Church | 8151 Bennett Road | 17,231 |
| Broadmoor Baptist Church | 8140 Saunders Road | 4,569 |
| Canadian Martyrs Parish | 5771 Granville Avenue | 24,806 |
| Christian and Missionary Alliance | 3360 Sexsmith Road | 13,342 |
| Christian Reformed Church | 9280 No. 2 Road | 22,021 |
| Church in Richmond | 4460 Brown Road | 2,686 |
| Church of Latter Day Saints | 8440 Williams Road | 20,967 |
| Conference of the United Mennonite Churches of BC | 11571 Daniels Road | 14,736 |
| Cornerstone Evangelical Baptist Church | 12011 Blundell Road | 739 |
| Dharma Drum Mountain Buddhist Temple | 8240 No. 5 Road | 1,243 |
| Emmanuel Christian Community | 10351 No. 1 Road | 10,097 |
| Fraserview Mennonite Brethren Church | 11295 Mellis Drive | 6,644 |
| Fujian Evangelical Church | 12200 Blundell Road | 3,196 |
| Gilmore Park United Church | 8060 No. 1 Road | 3,420 |
| I Kuan Tao (Fayi Chungder) Association | 8866 Odlin Crescent | 3,384 |
| Immanuel Christian Reformed Church | 7600 No. 4 Road | 3,570 |
| India Cultural Centre | 8600 No. 5 Road | 3,121 |
| International Buddhist Society | 9160 Steveston Highway | 4,683 |
| Johrei Fellowship Inc. | 10380 Odlin Road | 7,084 |
| Lansdowne Congregation Jehovah's Witnesses | 11014 Westminster Highway | 3,332 |
| Ling Yen Mountain Temple | 10060 No. 5 Road | 5,286 |
| Meeting Room | 8020 No. 5 Road | 2,653 |
| Nanaksar Gurdwara Gursikh Temple | 18691 Westminster Highway | 2,203 |
| North Richmond Alliance Church | 9140 Granville Avenue | 5,656 |
| Our Savior Lutheran Church | 6340 No. 4 Road | 3,485 |

Churches and religious properties conitnued . . .

| | | |
|---|---------------------------|-----------|
| Parish of St. Alban's | 7260 St. Albans Road | \$ 16,399 |
| Peace Evangelical Church | 8280 No. 5 Road | 1,249 |
| Richmond Alliance Church | 11371 No. 3 Road | 2,538 |
| Richmond Baptist Church | 6560 Blundell Road | 3,920 |
| Richmond Baptist Church | 6640 Blundell Road | 13,017 |
| Richmond Bethel Mennonite Church | 10160 No. 5 Road | 4,267 |
| Richmond Chinese Alliance Church | 10100 No. 1 Road | 16,248 |
| Richmond Chinese Evangelical Free Church | 8040 No. 5 Road | 2,567 |
| Richmond Emmanuel Church | 7451 Elmbridge Way | 7,241 |
| Richmond Faith Fellowship | 11960 Montego Street | 4,183 |
| Richmond Gospel Hall | 5651 Francis Road | 5,002 |
| Richmond Pentecostal Church | 9300 Westminster Highway | 3,320 |
| Richmond Pentecostal Church | 9260 Westminster Highway | 1,959 |
| Richmond Presbyterian Church | 7111 No. 2 Road | 12,841 |
| Richmond Sea Island United Church | 8711 Cambie Road | 22,298 |
| Salvation Army Church | 8280 Gilbert Road | 4,071 |
| Science of Spirituality SKRM Inc. | 11011 Shell Road | 1,176 |
| Shia Muslim Community | 8580 No. 5 Road | 1,974 |
| South Arm United Church | 11051 No. 3 Road | 1,277 |
| St. Anne's Anglican Church | 4071 Francis Road | 6,808 |
| St. Gregory Armenian Apostolic Church | 13780 Westminster Highway | 1,242 |
| St. Joseph the Worker Roman Catholic Church | 4451 Williams Road | 46,480 |
| St. Monica's Roman Catholic Church | 12011 Woodhead Road | 4,145 |
| St. Paul's Roman Catholic Parish | 8251 St. Albans Road | 17,181 |
| Steveston Buddhist Temple | 4360 Garry Street | 19,225 |
| Steveston Congregation Jehovah's Witnesses | 4260 Williams Road | 11,450 |
| Steveston United Church | 3720 Broadway Street | 4,762 |
| Subramaniya Swamy Temple | 8840 No. 5 Road | 1,598 |
| Thrangu Monastery Association | 8140 No. 5 Road | 3,454 |
| Thrangu Monastery Association | 8160 No. 5 Road | 1,710 |
| Towers Baptist Church | 10311 Albion Road | 11,440 |
| Trinity Lutheran Church | 7100 Granville Avenue | 17,743 |
| Trinity Pacific Church | 10011 No. 5 Road | 8,027 |
| Ukrainian Catholic Church | 8700 Railway Avenue | 4,001 |
| Vancouver International Buddhist Progress Society | 6690 - 8181 Cambie Road | 9,752 |
| Vancouver International Buddhist Progress Society | 8271 Cambie Road | 10,469 |
| Vedic Cultural Society of BC | 8200 No. 5 Road | 3,751 |
| Walford Road Gospel Church | 9291 Walford Street | 1,227 |

Recreation, child care and community service properties

| | | |
|--|-------------------------------|---------|
| Atira Women's Resource Society | 650 - 5688 Hollybridge Way | \$6,745 |
| Cook Road Children's Centre | 8300 Cook Road | 2,008 |
| Cranberry Children's Centre | 23591 Westminster Highway | 6,357 |
| Gardens Children's Centre | 10640 No. 5 Road | 4,915 |
| Girl Guides of Canada | 11551 Dyke Road | 33,139 |
| Girl Guides of Canada | 4780 Blundell Road | 6,802 |
| Navy League of Canada | 7411 River Road | 7,519 |
| Phileo Development Ltd. | 5900 Minoru Boulevard | 89,563 |
| Richmond Caring Place | 7000 Minoru Boulevard | 106,409 |
| Richmond Family Place | 8660 Ash Street | 7,081 |
| Richmond Gymnastics Association | 140 - 7400 River Road | 15,965 |
| Richmond Lawn Bowling Club | 6131 Bowling Green Road | 39,589 |
| Richmond Public Library | 11580 Cambie Road | 3,484 |
| Richmond Public Library | 11688 Steveston Highway | 3,893 |
| Richmond Rod and Gun Club | 140 - 7400 River Road | 7,982 |
| Richmond Rod and Gun Club | 7760 River Road | 28,274 |
| Richmond Tennis Club | 6820 Gilbert Road | 45,666 |
| Richmond Winter Club | 5540 Hollybridge Way | 204,624 |
| River Run Early Care and Learning Centre | 10277 River Drive | 7,888 |
| Riverside Children's Centre | 5862 Dover Crescent | 1,012 |
| Scotch Pond Heritage | 2220 Chatham Street | 2,613 |
| Seasong Child Care Centre | 10380 No. 2 Road | 16,183 |
| Sharing Farm | 2900 River Road | 18,526 |
| Terra Nova Children's Centre | 6011 Blanshard Drive | 2,189 |
| Treehouse Learning Centre | 100 - 5500 Andrews Road | 1,924 |
| Watermania | 14300 Entertainment Boulevard | 145,128 |
| West Cambie Children's Centre | 4033 Stolberg Street | 3,477 |
| YMCA of Greater Vancouver | 3368 Carscallen Road | 9,872 |

Senior citizen housing

| | | |
|--|-------------------|-----------|
| Richmond Legion Senior Citizen Society | 7251 Langton Road | \$ 29,581 |
|--|-------------------|-----------|

Community care facilities

| | | |
|---|-------------------------|----------|
| Developmental Disabilities Association | 6531 Azure Road | \$ 2,911 |
| Developmental Disabilities Association | 8400 Robinson Road | 3,188 |
| Developmental Disabilities Association | 7611 Langton Road | 3,182 |
| Greater Vancouver Community Service | 4811 Williams Road | 3,364 |
| Pinegrove Place, Mennonite Care Home Society | 11331 Mellis Drive | 12,471 |
| Richmond Lions Manor | 9020 Bridgeport Road | 25,423 |
| Richmond Society for Community Living | 5728 Woodwards Road | 2,837 |
| Richmond Society for Community Living | 303 - 7560 Moffatt Road | 1,012 |
| Richmond Society for Community Living | 4433 Francis Road | 2,482 |
| Richmond Society for Community Living | 9580 Pendleton Road | 3,474 |
| Richmond Society for Community Living | 431 Catalina Crescent | 2,165 |
| Rosewood Manor, Richmond Intermediate Care Society | 6260 Blundell Road | 39,594 |
| Turning Point Recovery Society | 10411 Odlin Road | 3,098 |

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 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 RCMP, 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, engineering planning, design, construction and maintenance services for all utility and City building infrastructure, as well as sustainability and environmental programs.

Finance and Corporate Services

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

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.

Law 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 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
www.richmond.ca

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-  @Richmond_BC
-  @CityofRichmondBC
-  /CityofRichmondBC

Gateway Theatre

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

-  @GatewayThtr
-  @GatewayThtr
-  @GatewayThtr

Lulu Island Energy Company

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

Richmond Public Library

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

-  @YourLibraryRichmond
-  @RPLBC
-  @RPLBC
-  /YourLibraryRichmond
-  Account: RPLYourlibrary1

Richmond Olympic Oval

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

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