



**City of
Richmond**
British Columbia, Canada

2020 Annual Report

For the year ended December 31, 2020





City of Richmond

British Columbia, Canada

2020 Annual Report

For the year ended December 31, 2020

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

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Cover photo: Richmond City Hall highlights the #RichmondHasHeart campaign.

This report was prepared by the City of Richmond Finance and Corporate Communications and Marketing Departments. Design, layout and production by the City of Richmond Production Centre. ©2021 City of Richmond

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Message from the Mayor



The City of Richmond has always provided a high quality of life and worked hard to preserve this standard into the future.

The past year saw challenges far beyond anything anticipated. This 2020 Annual Report highlights examples of our innovation and success as we continued our journey to make Richmond Canada's most livable and well-managed community.

It was not an easy journey due to the pandemic, but public safety and security remained paramount. Recognizing the long-term impact of COVID-19 on our residents and businesses, Council quickly declared a state of emergency enabling us to transition key programs and services online to reduce the risks of community transmission.

COVID-19 safety plans were developed for all City-operated facilities. Richmond was a leader in making masks mandatory in all its buildings. Reducing property taxes and delaying payment deadlines offered support to residents during a period of uncertainty. Council also recognized the growing strain the local business community was facing and implemented initiatives such as traffic flow and access changes in Steveston Village, one of the region's most popular destinations, to enhance safety while enabling businesses to remain open.

Many long-running, popular events and festivals were cancelled in 2020 in order to maintain public safety. That did not mean we could not celebrate and show our community spirit in other ways. The popular Doors Open Richmond event went online, attracting over 22,000 visits to 37 virtual locations. The annual Maritime Festival was reimagined and drew almost 50,000 people to its online site.

Throughout the pandemic, our #RichmondHasHeart social media campaign helped bring the community together to share their images and stories as a way to show support for the frontline workers and City staff working to keep people safe while essential services were in place.

In May 2020, Council endorsed a statement against racism and violence related to the COVID-19 pandemic. In August, the City and Richmond RCMP partnered on an anti-hate campaign urging individuals to reach out to police if they experienced or witnessed hateful behaviour.

Of course not all civic services provided by the City could be offered in a virtual manner. The South Dike Upgrade between Gilbert Road and No. 3 Road was widened and raised almost two metres, offering further protection for climate change-induced sea level rise. Over 12 kilometres of watermains, sanitary sewers and storm sewers were constructed in 2020, helping to ensure adequate capacity to support future growth.

Richmond's success, despite the challenges of COVID-19, is a credit to those who contribute to making our city a better place, including our staff, volunteers, businesses, and community and government partners. This Annual Report contains examples 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



Front row, left to right:

Councillor Michael Wolfe, Councillor Bill McNulty, Mayor Malcolm Brodie,
Councillor Linda McPhail, Councillor Kelly Greene (resigned November 2020)

Back row, left to right:

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

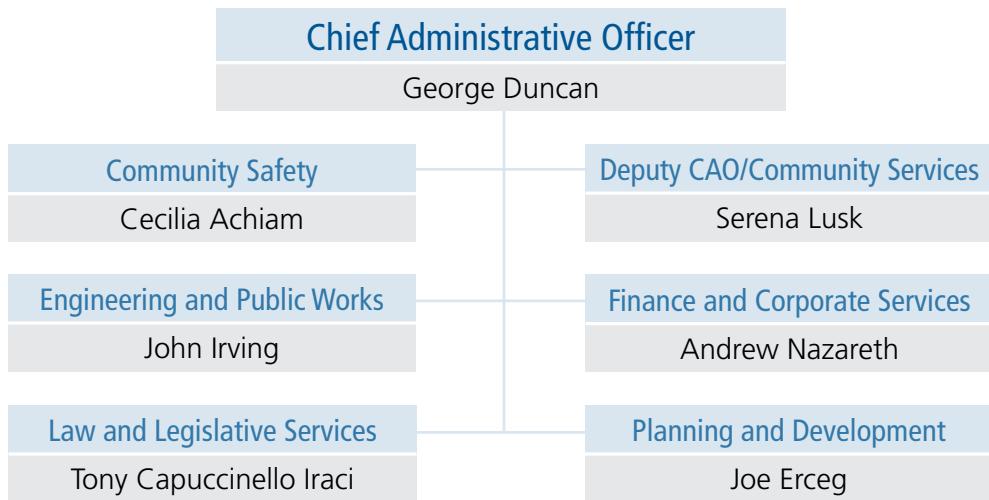
Connect with Richmond City Council

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

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

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

City of Richmond Senior Management Team 2020



Chief Administrative Officer	George Duncan
Deputy Chief Administrative Officer/General Manager, Community Services.....	Serena Lusk
General Manager, Community Safety.....	Cecilia Achiam
General Manager, Engineering and Public Works	John Irving
General Manager, Finance and Corporate Services	Andrew Nazareth
General Manager, Finance and Corporate Services (Acting, Sep. 5–Dec. 31, 2020)	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.....	Tim Wilkinson
Officer in Charge, Royal Canadian Mounted Police	Will Ng

Banker

Scotiabank

Auditors

KPMG

Message from the Chief Administrative Officer



I am pleased to present the City of Richmond's Annual Report for 2020. It details our strong financial position, and outlines many of the initiatives we are undertaking to achieve our vision of making Richmond Canada's best managed city.

During this past year, our administration made significant progress in implementing Council's new strategic plan, despite the many challenges presented by the COVID-19 pandemic. Many of those achievements are highlighted throughout this report.

Keeping essential programs and services operating during a period of uncertainty was crucial, as was protecting our staff, residents and businesses. Shifts to online service were quickly implemented and safety improvements were made at City Hall and various Community Centres, Fire Halls, Police Offices, Libraries and Aquatic amenities to enable safer use by all.

A Community Ambassador outreach program was launched mid-summer, redeploying staff from across the City to assist with the patrolling of parks, outdoor facilities and businesses. The Ambassadors helped to emphasize common sense approaches to safety such as the need for physical distancing and to provide accurate information on Provincial Health Orders. It was an example of why Richmond had among the lowest COVID-19 case numbers in the region.

One of the foundations for any successful organization is its ability to demonstrate strong financial stewardship. A Financial Resiliency Plan was established as a multi-level effort to reduce the pressure facing residents and businesses during the pandemic, and all discretionary spending ceased. The City's long term financial strategy remained a hallmark of our administration and enabled us to continue to maintain effective and responsive service levels with a reduced property tax rate and deferred payment deadline.

Building in Richmond reached a construction value of \$717 million in 2020, excluding the value of approvals and anticipated permits which exceeded \$900 million. By administering the Building Regulation Bylaw and working closely with industry, the City ensured that construction was safe and met all applicable codes, standards, regulations, and planning objectives. Construction of the Hamilton Sanitary Pump Station and new sanitary utility in the area also commenced in 2020.

The City also continued to recognize the need to protect our most vulnerable residents with the establishment of the Emergency Response Centre in Minoru as a safe, temporary shelter and connection to important support services.

Richmond has long been recognized as a leader in environmental action and sustainability, while supporting development and building strong and connected communities. Our Recycling Depot was redesigned to enable more efficient access to recycling, while the City continued to shift its fleet vehicles toward electric and other fuel alternatives in order to further reduce greenhouse gas emissions. The City also planted hundreds of new trees in our parks through the Urban Forest initiative, using funding from developers as a "two for one" replacement for authorized tree removals necessary for building.

The City of Richmond is a strong, culturally proud community and remains committed to continued growth and success within a framework of diversity, sustainability and value for our taxpayers.

George Duncan
Chief Administrative Officer

Council Strategic Plan: 2018 to 2022

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

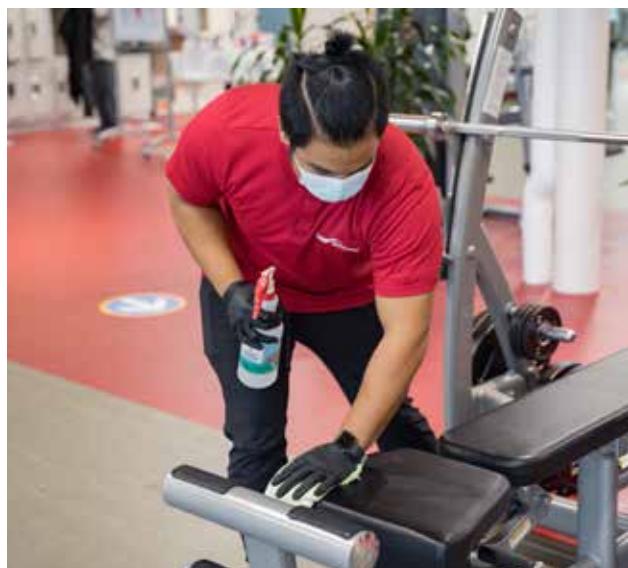
The City of Richmond's objectives and success indicators are expressed through the Council Strategic Plan. Soon after Council began its four-year term in October 2018, it undertook a strategic planning process to help fulfill its governance role and achieve a successful term of office. Through that process, Council adopted a revised set of eight Strategic Focus areas, which provided the framework for the City's programs and services through 2020.

1. A Safe and Resilient Community

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

2020 Achievement

Richmond was the first municipality in the region to implement a mandatory mask policy, further protecting residents from COVID-19. Ongoing commitments to community safety saw residential break and enter crimes drop 21 per cent, while theft from vehicles decreased 18 per cent.



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.

2020 Achievement

Upgrades to the City's Recycling Depot improved access and efficiency, leading to over 4,500 tonnes of materials received. Council also supported a pilot partnership with FoodMesh which resulted in 644,800 meals served to those in need and 414,555 kg of unwanted food items diverted from waste streams.

3. One Community Together

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

2020 Achievement

Council was among the first in Canada to adopt and endorse a statement against racism and violence related to the pandemic. The City also opened its first Emergency Response Centre, a multi-stakeholder partnership to provide safe spaces for vulnerable residents and those experiencing homelessness due to COVID-19.



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.

2020 Achievement

Despite access limitations due to the pandemic, the City fully opened the state-of-the-art Minoru Centre for Active Living. Conveniently located in Richmond's city centre, the facility features a 780 m² (8,400 sq. ft.) fitness centre, a 177 m² (1,900 sq. ft.) fitness studio, 650 m² (7,000 sq. ft.) leisure pool, two 25 metre pools and an errant rain cloud shower public art piece.

5. Sound Financial Management

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

2020 Achievement

Council took the unprecedented step of reducing property taxes by 2.01 per cent and delayed the payment due date by several months to support residents and businesses as they faced the challenge of COVID-19. Through a variety of initiatives, the City maintained a position of financial resiliency and service throughout the pandemic.

6. Strategic and Well-Planned Growth

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

2020 Achievement

Over \$900 million in combined construction approvals and anticipated building permits occurred in 2020 and almost \$50 million in development cost charges was collected or anticipated. A further \$6 million in Community Amenity Contributions was also secured through the City Centre Area Plan.

7. A Supported Economic Sector

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

2020 Achievement

The City launched a Business Support Centre as a one-stop resource for accurate and timely information for local businesses to access programs and resources from all levels of government and other agencies during the pandemic. It included job opportunities for displaced workers and a guide to Richmond-made PPE and other safety supplies.

8. An Engaged and Informed Community

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

2020 Achievement

The creation of a dedicated COVID-19 section on the City's website enabled residents to access the latest impact of the pandemic on programs, services and amenities, with around 130,000 visits to the site in the first six months. A Community Safety app, developed in partnership with the RCMP, was also unveiled as an added information channel.

Richmond: safe, sustainable, strong

2020 was a year like no other.

It began with a strong sense of optimism for the coming year. Richmond's business sector was active, support for residents was strong and the City's financial position was solid with cash and investment balances over \$1.2 billion and an accumulated surplus that reached \$3.2 billion.

Then came the pandemic, and the City quickly pivoted to enhance and protect the safety of its residents and put processes in place to support local businesses as they faced some of their toughest challenges due to government-directed lockdowns and closures.

Council declared a State of Emergency on March 19 which gave it the authority to quickly and effectively address emerging issues as a result of the COVID-19 pandemic and make decisions in the best interests of Richmond. Property taxes were decreased 2.01 per cent and the payment deadline shifted to enable residents and businesses to adjust to the changing landscape.

A Community Ambassador program was launched to support community outreach regarding the safe use of public amenities and business operations. City staff were redeployed from all areas to assist Community Bylaw Officers with the patrolling of parks, outdoor facilities and businesses, and to provide information on Provincial Health Orders and to educate the



public on physical distancing guidelines. It was an outstanding success and another strategy that led to Richmond maintaining some of the lowest COVID-19 case numbers in the region.

Richmond also became the first Metro Vancouver city to make masks mandatory in all its facilities, and developed initiatives such as an expedited patio program so restaurants, pubs and cafes could quickly convert sidewalks and roadways into added business space if desired as a means of added support.

The uncertainty of the pandemic was worrying to many, but also frustrating to some. Council tackled the emerging issue of COVID-19 racism head-on in May with a public statement condemning racism and violence related to the situation. It said, in part, that *"Richmond does*

TIMELINE OF KEY COVID-19 MILESTONES IN THE CITY

JAN 28	MAR 11	MAR 16	MAR 19	MAR 20	MAR 30	APR 2	APR 15	APR 20
BC confirms province's first COVID-19 case	World Health Organization declares global pandemic	City closes public buildings, arenas, community centres	Council declares State of Emergency to maximize response to growing pandemic	Council meetings shift online	Utility payment deadline extended to June 30	Bylaws introduces increased fines for businesses non-compliant with public health orders	#Richmond HasHeart campaign unveiled	City launches COVID-19 Business Support Centre for local businesses

not—and never will—condone or tolerate racist behaviour in any form...COVID-19 should not be blamed on any single culture or country and it is certainly not the fault of anyone in our community.”

While the pandemic dominated many aspects of 2020, our achievements and expectations for the future will continue to improve the lives and affairs of our residents and businesses. The City of Richmond has always been a leader with bold, innovative programs and strategies that reflect our character and reputation as a safe, sustainable and culturally diverse city – the most appealing, livable and well-managed community in Canada.



On May 25, Richmond City Council adopted and endorsed the following statement against Racism and Violence related to the COVID-19 pandemic:

“In Richmond, we are a community that celebrates a rich history of culture, diversity and heritage linked to the arrival and influence of immigrants that began over a century ago. The City of Richmond does not—and never will—condone or tolerate racist behaviour in any form. Such attitudes and actions do not reflect our community’s cultural diversity or the spirit of inclusion that we are all proud of. Events of the past few months have created uncertainty, frustration and fear for some. But that is no excuse to cast blame on others. COVID-19 should not be blamed on any single culture or country and it is certainly not the fault of anyone in our community. Now, more than ever, we must stand together and be true to our shared values of diversity, inclusion and respect. Racial and discriminatory responses and actions have no place in Richmond. They have no place in our society.”

► APR 21	► MAY 18	► JUN 9	► JUL 13	► AUG 17	► AUG 28	► SEP 10	► NOV 1
Council reduces property tax by 2.01%; delays payment deadline to September 30	Community Ambassadors introduced	Richmond Business Resilience Program launches	Day camps, spray parks, outdoor pools, Richmond Art Gallery and others begin to reopen	Indoor fitness centres begin to reopen	Internationally-renowned Richmond Maritime Festival presented online	Minoru Centre for Active Living state-of-the-art aquatic centre opens for the first time	Masks mandatory in all City-owned facilities as Richmond leads the way in public safety

2020 Awards



A measurement of the City's success in achieving its goals are the honours and recognition from our peers and others. In 2020, Richmond again received numerous international, national and provincial awards recognizing our commitment to excellence and innovation.

Road Safety

Richmond was the recipient of the Institute of Transportation Engineers Award for Greater Vancouver's Road Safety Project of the Year for its Network Screening Study that identified the City's top 20 collision prone intersections and measures to make them safer. This annual award celebrates technical excellence in the field of road safety.

District Energy

Recipient of over a dozen awards in the past decade, Richmond's District Energy Program continues to collect accolades for its innovation, efficiency and green sustainability. Among its honours in 2020 was an International District Energy Association Innovation Award, and a Canadian Energy Globe Foundation Award. This continued international recognition from peers in the District Energy industry is a result of the City and Lulu Island Energy Company's dedication to excellence, innovation and commitment to reducing greenhouse gas emissions through the use of district energy systems.

Flood Protection

The Gilbert Road to No. 3 Road South Dike Upgrade project was announced as the 2020 recipient of the Public Works Association of BC Project of the Year Award. The prestigious honour is presented annually to an organization that constructs a major and complex public works or utilities project which deserves special merit because of its unique features or complexity relative to the resources of the community.



Preserving our Heritage

The Edwardian Cottage at Terra Nova Rural Park was named by the BC Recreation and Parks Association as the recipient of its provincial Facility Excellence Award for projects with a capital cost less than \$1 million. The annual award recognizes outstanding facility design that reflects community culture and spaces that are accessible, engage the public in design consultation, and ultimately improve the well-being of the community.



Financial Reporting

Once again, the Government Finance Officers Association of the US and Canada presented Richmond with the Canadian Award for Financial Reporting (the 18th year in a row) and the Outstanding Achievement in Popular Financial Reporting Award (the 11th successive year) for its 2019 Annual Reports.



Sustainability

The City of Richmond's fleet received a Certificate of Achievement through the Government Fleet Magazine and American Public Works Association Leading Fleets award. The award recognizes operations that are performing at a high level in fleet innovation and leadership.

Building for the Future

Richmond received the Canadian Association of Municipal Administration Professional Development Award for the City's Engineer-in-Training program. This award recognizes a community that has developed a unique and innovative program for staff that can be replicated in other communities.



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, 2019

Christopher P. Morrell

Executive Director/CEO

Report from the General Manager, Finance and Corporate Services

Mayor Malcolm Brodie and members of Richmond City Council,

I am pleased to submit the Consolidated Financial Statements and Auditors' Report for the fiscal year ended December 31, 2020 for the City of Richmond, pursuant to Section 98 and 167 of the Community Charter. The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards as prescribed by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. 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, 2020 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)

	2020 Actual	2019 Actual	Change
Financial assets	\$1,471,442	\$1,320,747	\$150,695
Liabilities	582,457	514,878	67,579
Net financial assets	888,985	805,869	83,116
Non-financial assets	2,495,221	2,433,473	61,748
Accumulated surplus	\$3,384,206	\$3,239,342	\$144,864

The City's overall financial position improved by \$144.9 million, with accumulated surplus totaling \$3.4 billion. A significant part of this increase is due to growth in financial assets, as well as additions to capital and statutory reserves. This is partially offset by an increase in liabilities, especially accounts payable relating to postponed remittances to other governments relating to COVID-19 and deferred revenue related to the collection of Development Cost Charges (DCCs).

The City's cash and investments are \$1.4 billion while long-term debt continues to decline with an outstanding balance at the end of 2020 of \$22.7 million. Meanwhile, the City's tangible capital assets increased by \$60.3 million, which includes \$58.2 million of in-kind contributions from development as conditions of re-zoning.

Statutory reserves (in \$000s)

	2016	2017	2018	2019	2020
Total reserves	\$471,846	\$484,883	\$540,153	\$557,576	\$609,533

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

The increase in the balance to \$609.5 million is mainly attributable to the timing of these capital expenditures and contributions. 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)

	2020 Budget	2020 Actual	2019 Actual
Revenues	\$577,229	\$579,052	\$581,942
Expenses	489,865	434,188	483,690
Annual surplus	\$87,364	\$144,864	\$98,252

The City's consolidated revenue for the year totaled \$579.1 million, a decrease of \$2.9 million from 2019 mainly due to decreases related to COVID-19.

Expenses decreased by \$49.5 million from prior year mainly due to cost mitigations relating to COVID-19 as well as a contribution in 2019 towards the Canada Line Capstan station of \$28.1 million that did not occur in 2020.

The annual surplus for 2020 was \$144.9 million and represents the change in investment in tangible capital assets, reserves and other accumulated surplus.

Budget variance

Consolidated revenue of \$579.1M was greater than budgeted revenue by \$1.8M mainly due to:

- \$9.0M in developer cash contributions, \$6.5M in gain on sale of land and \$9.3M related to the Safe Restart Grant from the Province of BC relating to COVID-19.
- \$14.8M lower than budgeted sales of services mainly due to facility closures due to COVID-19.
- \$11.8M lower than budgeted gaming revenue mainly due to the closure of River Rock Casino due to COVID-19.
- \$12.4M lower than budgeted DCC revenue due to the timing of capital expenditures. Revenue is recognized when the amounts are spent while the budget represents the 2020 allocation of DCCs towards capital projects that can be spent over multiple years.

Consolidated expenses of \$434.2M were lower than budgeted by \$55.7M. The main variances include:

- \$21.1M lower than budgeted community services costs mainly due to facility closures due to COVID-19.
- \$12.3M lower than budgeted general government costs due to vacancies and staff redeployment for the temporary Community Ambassador Program due to COVID-19.
- \$5.3M lower than budgeted community safety costs mainly due to the RCMP police contract savings from lower officer complement and salary savings relating to filling new fire fighter positions approved in 2020.

The City's consolidated annual surplus of \$144.9 million exceeded the budgeted annual surplus of \$87.4 million by \$57.5 million, prior to transfers to reserves and other accumulated surplus.

Year over year change

Consolidated revenue of \$579.1M decreased by \$2.9M from 2019 mainly due to:

- a decrease of \$32.3M in other revenue mainly due to reductions in developer cash contributions of \$18.4M and gain on sale of land of \$11.7M.
- an increase of \$32.0M in other capital funding mainly due to developer contributed assets, which included \$58.2M in 2020 and \$28.9M in 2019.
- a decrease of \$13.7M in sales of service revenue mainly due to the facility closures relating to COVID-19.
- a decrease of \$12.4M in gaming revenue due to the closure of River Rock Casino relating to COVID-19.
- an increase of \$9.8M in property taxes due to the approved rate increase and growth related to new development.
- an increase of \$6.4M licences and permits mainly due to building permits revenue.

Consolidated expenses of \$434.2M decreased by \$49.5M over 2019 mainly due to:

- \$28.1M contribution for the Canada Line Capstan station that occurred in 2019 and did not recur in 2020.
- \$16.7M decrease in community services costs mainly due to facility closure due to COVID-19.

Financial sustainability

2020 saw new challenges with the COVID-19 pandemic including reductions in revenues, as well as increased cleaning and other costs incurred to prevent the spread of the coronavirus. Wherever possible, these impacts were mitigated through reduced expenditures such as implementing a tactical hiring freeze, staff redeployments, reduced seasonal staff, cancellation of special events and projects, and general operating costs reductions.

Respectfully submitted,



Jerry Chong, CPA, CA
Acting General Manager, Finance and Corporate Services
May 10, 2021

City of Richmond audited financial statements

Year ended December 31, 2020



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Fax (604) 691-3031

INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of the City of Richmond

Opinion

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

- the consolidated statement of financial position as at December 31, 2020;
- 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, 2020, and its consolidated results of operations, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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



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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

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



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

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
May 10, 2021

CITY OF RICHMOND

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

December 31, 2020, with comparative information for 2019

	2020	2019
Financial Assets		
Cash and cash equivalents	\$ 530,034	\$ 389,564
Investments (note 3)	834,010	830,896
Investment in Lulu Island Energy Company ("LIEC") (note 4)	32,736	31,414
Accrued interest receivable	9,697	7,781
Accounts receivable (note 5)	21,521	28,407
Taxes receivable	14,419	11,033
Development fees receivable	28,517	21,144
Debt reserve fund - deposits (note 6)	508	508
	1,471,442	1,320,747
Liabilities		
Accounts payable and accrued liabilities (note 7)	192,096	107,590
Development cost charges (note 8)	221,151	197,671
Deposits and holdbacks (note 9)	97,445	117,364
Deferred revenue (note 10)	49,024	64,362
Debt, net of MFA sinking fund deposits (note 11)	22,741	27,891
	582,457	514,878
Net financial assets	888,985	805,869
Non-Financial Assets		
Tangible capital assets (note 12)	2,488,139	2,427,798
Inventory of materials and supplies	4,285	2,961
Prepaid expenses	2,797	2,714
	2,495,221	2,433,473
Accumulated surplus (note 13)	\$ 3,384,206	\$ 3,239,342

Contingent demand notes (note 6)
Commitments and contingencies (note 18)

See accompanying notes to consolidated financial statements.



Acting for A. Nazareth
General Manager, Finance and Corporate Services

CITY OF RICHMOND

Consolidated Statement of Operations (Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

	2020 Budget	2020	2019
	(notes 2(p) and 24)		
Revenue:			
Taxation and levies (note 20)	\$ 239,357	\$ 239,991	\$ 230,198
Utility fees	115,210	114,335	111,472
Sales of services	43,876	29,090	42,747
Payments-in-lieu of taxes	14,841	16,820	16,277
Provincial and federal grants	9,988	16,953	10,687
Development cost charges (note 8)	29,111	16,737	13,802
Other capital funding sources	66,274	71,051	39,028
Other revenue:			
Investment income	18,562	20,175	25,142
Gaming revenue	14,500	2,705	15,140
Licenses and permits	11,435	19,407	13,030
Other (note 21)	12,764	30,466	62,785
Equity income in LIEC (note 4)	1,311	1,322	1,634
	577,229	579,052	581,942
Expenses:			
Community safety	118,205	112,895	106,209
Utilities: water, sewer and sanitation	104,763	102,824	98,653
Engineering, public works and project development	78,618	75,314	80,940
Community services	71,936	50,833	67,522
General government	63,786	51,495	55,689
Planning and development	24,342	19,201	48,104
Richmond Olympic Oval	17,120	12,586	15,972
Richmond Public Library	11,095	9,040	10,601
	489,865	434,188	483,690
Annual surplus	87,364	144,864	98,252
Accumulated surplus, beginning of year	3,239,342	3,239,342	3,141,090
Accumulated surplus, end of year	\$ 3,326,706	\$ 3,384,206	\$ 3,239,342

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, 2020, with comparative information for 2019

	2020 Budget	2020	2019
	(notes 2(p) and 24)		
Annual surplus for the year	\$ 87,364	\$ 144,864	\$ 98,252
Acquisition of tangible capital assets	(169,105)	(70,726)	(93,154)
Contributed tangible capital assets	(50,000)	(58,240)	(28,867)
Amortization of tangible capital assets	63,236	66,254	64,228
Net gain on disposal of tangible capital assets	-	(6,136)	(17,637)
Proceeds on sale of tangible capital assets	-	8,507	19,326
	<u>(68,505)</u>	<u>84,523</u>	<u>42,148</u>
Acquisition of inventory of materials and supplies	-	(4,285)	(2,961)
Acquisition of prepaid expenses	-	(2,797)	(2,714)
Consumption of inventory of materials and supplies	-	2,961	3,602
Use of prepaid expenses	-	2,714	2,673
Change in net financial assets	<u>(68,505)</u>	<u>83,116</u>	<u>42,748</u>
Net financial assets, beginning of year	805,869	805,869	763,121
Net financial assets, end of year	<u>\$ 737,364</u>	<u>\$ 888,985</u>	<u>\$ 805,869</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, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 144,864	\$ 98,252
Items not involving cash:		
Amortization of tangible capital assets	66,254	64,228
Net gain on disposal of tangible capital assets	(6,136)	(17,637)
Contributions of tangible capital assets	(58,240)	(28,867)
Equity income in LIEC	(1,322)	(1,634)
Changes in non-cash operating working capital:		
Accrued interest receivable	(1,916)	(338)
Accounts receivable	6,886	744
Taxes receivable	(3,386)	811
Development fees receivable	(7,373)	4,401
Inventory of materials and supplies	(1,324)	641
Prepaid expenses	(83)	(41)
Accounts payable and accrued liabilities	84,506	12,359
Development cost charges	23,480	38,789
Deposits and holdbacks	(19,919)	3,744
Deferred revenue	(15,338)	(3,002)
Net change in cash from operating activities	210,953	172,450
Capital activities:		
Cash used to acquire tangible capital assets	(70,726)	(93,154)
Proceeds on disposal of tangible capital assets	8,507	19,326
Net change in cash from capital activities	(62,219)	(73,828)
Financing activities:		
Repayments of debt	(5,150)	(4,951)
Investing activities:		
Net sale (purchase) of investments	(3,114)	174,032
Net change in cash	140,470	267,703
Cash and cash equivalents, beginning of year	389,564	121,861
Cash and cash equivalents, end of year	\$ 530,034	\$ 389,564

See accompanying notes to consolidated financial statements.

CITY OF RICHMOND

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

Year ended December 31, 2020

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.

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This resulted in governments worldwide, including the Canadian federal and provincial governments enacting emergency measures to combat the spread of the virus. The economic conditions and the City's response to the pandemic had a material impact on the City's operating results and financial position in 2020. The City temporarily closed civic facilities, including recreation and community centres, managed workforce challenges, including the implementation of systems and processes to facilitate remote work, and workforce adjustments, such as delayed hiring, reallocation of staff resources and temporary layoffs. This affected both revenues and expenses for the City and included mitigation measures to reduce the overall financial impact. The primary impact was on parks, recreation and facilities as well as corporate services, bylaw enforcement and fire/rescue. The situation is still dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the City is not known at this time.

2. Significant accounting policies:

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

(a) Basis of consolidation:

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

(i) General Revenue Fund:

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

(ii) General Capital and Loan Fund:

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

CITY OF RICHMOND

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

Year ended December 31, 2020

2. Significant accounting policies (continued):

(a) Basis of consolidation (continued):

(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.

(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.

CITY OF RICHMOND

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

Year ended December 31, 2020

2. Significant accounting policies (continued):

(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.

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.

CITY OF RICHMOND

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

Year ended December 31, 2020

2. Significant accounting policies (continued):

(j) Non-financial assets (continued):

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

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

(iv) Interest capitalization:

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

(v) Labour capitalization:

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

(vi) Leased tangible capital assets:

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

(vii) Impairment of tangible capital assets:

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

(viii) Inventory of materials and supplies:

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

(k) Revenue recognition:

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

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

CITY OF RICHMOND

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

Year ended December 31, 2020

2. Significant accounting policies (continued):

(l) Property taxes:

The City establishes property tax rates based on assessed market values provided by the British Columbia Assessment Authority (BCA). Market values are determined as of July 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.

(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 (2020-2024) ("Consolidated Financial Plan") and was adopted through Bylaw No. 10183 on May 11, 2020.

(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;

CITY OF RICHMOND

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

Year ended December 31, 2020

2. Significant accounting policies (continued):

(q) Contaminated sites (continued):

- (iv) It is expected that future economic benefits will be given up; and
- (v) A reasonable estimate of the amount can be made.

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

(r) Use of accounting estimates:

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenue and expenditures during the reporting period. Areas requiring the use of management estimates relate to performing the actuarial valuation of employee future benefits, the value of contributed tangible capital assets, 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:

	2020		2019	
	Cost	Market value	Cost	Market value
Short-term notes and deposits	\$ 339,607	\$ 339,695	\$ 409,759	\$ 409,874
Government and government guaranteed bonds	326,838	334,579	192,314	194,229
Municipal Finance Authority pooled investment fund	-	-	47,306	46,123
Other bonds	167,565	171,729	181,517	182,039
	\$ 834,010	\$ 846,003	\$ 830,896	\$ 832,265

CITY OF RICHMOND

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

Year ended December 31, 2020

4. Investment in Lulu Island Energy Company Ltd:

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

Summarized financial information relating to LIEC is as follows:

	2020	2019
Cash, cash equivalents, and investments	\$ 12,619	\$ 11,826
Accounts receivable	3,034	1,303
Tangible capital assets	37,360	33,412
Total assets	53,013	46,541
Accounts payable and accrued liabilities	1,792	778
Deferred contributions	7,352	6,183
Concession liability	11,133	8,166
Total liabilities	20,277	15,127
Shareholder's equity	\$ 32,736	\$ 31,414
Total revenue	\$ 5,591	\$ 5,295
Total expenses	4,269	3,661
Net income	\$ 1,322	\$ 1,634

Included in accounts payable and accrued liabilities in the City's consolidated statement of financial position are payables to LIEC in the amount of \$323,020 (2019 - \$136,168).

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

On October 30, 2014, the Concessionaire and the City entered into a Limited Guarantee Agreement. The City is the Guarantor and guarantees the performance of some of LIEC's obligations under the Concession Agreement to a maximum of \$18.2 million (2019 - \$18.2 million).

CITY OF RICHMOND

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

Year ended December 31, 2020

5. Accounts receivable:

	2020	2019
Water and sewer utilities	\$ 11,760	\$ 13,671
Casino revenue	-	3,903
Capital grants	4,278	1,291
Other trade receivables	5,483	9,542
	<hr/> \$ 21,521	<hr/> \$ 28,407

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, 2020 are as follows:

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

7. Accounts payable and accrued liabilities:

	2020	2019
Trade and other liabilities	\$ 156,975	\$ 73,403
Post-employment benefits (note 15)	35,121	34,187
	<hr/> \$ 192,096	<hr/> \$ 107,590

CITY OF RICHMOND

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

Year ended December 31, 2020

8. Development cost charges:

	2020	2019
Balance, beginning of year	\$ 197,671	\$ 158,882
Contributions	36,800	48,740
Interest	3,417	3,851
Revenue recognized	(16,737)	(13,802)
 Balance, end of year	 <u>\$ 221,151</u>	 <u>\$ 197,671</u>

9. Deposits and holdbacks:

	Balance December 31, 2019	Deposit contributions/ interest earned	Refund/ expenditures	Balance December 31, 2020
Security deposits	\$ 94,164	\$ 16,981	\$ (36,168)	\$ 74,977
Developer contributions	7,535	262	-	7,797
Contract holdbacks	5,417	2,525	(2,675)	5,267
Other	10,248	5,049	(5,893)	9,404
 	 \$ 117,364	 \$ 24,817	 \$ (44,736)	 \$ 97,445

10. Deferred revenue:

	Balance December 31, 2019	Externally restricted inflows	Revenue earned	Balance December 31, 2020
Taxes and utilities	\$ 22,836	\$ 23,221	\$ (22,836)	\$ 23,221
Building permits/development	19,845	6,879	(12,607)	14,117
Oval	1,434	4,868	(5,086)	1,216
Capital grants	10,852	4,489	(13,122)	2,219
Business licenses	2,651	2,211	(2,259)	2,603
Parking easement/leased land	2,441	43	(53)	2,431
Other	4,303	2,267	(3,353)	3,217
 	 \$ 64,362	 \$ 43,978	 \$ (59,316)	 \$ 49,024

CITY OF RICHMOND

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

Year ended December 31, 2020

11. Debt, net of MFA sinking fund deposits:

The interest rate for the year ended December 31, 2020 on the principal amount of the MFA debenture was 3.30% (2019 - 3.30%) per annum. Interest expense incurred for the year on the long-term debt was \$1,676,895 (2019 - \$1,676,895). The maturity date of the MFA debt is April 7, 2024.

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

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

	Gross amount borrowed	Repayments and actuarial adjustments	Net debt 2020	Net debt 2019
General Fund	\$ 50,815	\$ 28,074	\$ 22,741	\$ 27,891

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

2021	\$ 5,355
2022	5,570
2023	5,792
2024	6,024
	\$ 22,741

CITY OF RICHMOND

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

Year ended December 31, 2020

12. Tangible capital assets:

Cost	Balance December 31, 2019	Additions and transfers	Disposals	Balance December 31, 2020
Land	\$ 1,017,563	\$ 44,263	\$ (1,646)	\$ 1,060,180
Building and building improvements	487,241	68,925	(3,542)	552,624
Infrastructure	1,800,891	36,128	(2,531)	1,834,488
Vehicles, machinery and equipment	149,885	10,742	(2,463)	158,164
Library's collections, furniture and equipment	9,938	748	(741)	9,945
Assets under construction	115,432	(31,840)	-	83,592
	\$ 3,580,950	\$ 128,966	\$ (10,923)	\$ 3,698,993

Accumulated amortization	Balance December 31, 2019	Disposals	Amortization expense	Balance December 31, 2020
Building and building improvements	\$ 202,309	\$ (3,039)	\$ 18,072	\$ 217,342
Infrastructure	849,992	(2,417)	36,694	884,269
Vehicles, machinery and equipment	94,088	(2,355)	10,426	102,159
Library's collections, furniture and equipment	6,763	(741)	1,062	7,084
	\$ 1,153,152	\$ (8,552)	\$ 66,254	\$ 1,210,854

Net book value	December 31, 2020	December 31, 2019
Land	\$ 1,060,180	\$ 1,017,563
Buildings and building improvements	335,282	284,932
Infrastructure	950,219	950,899
Vehicles, machinery and equipment	56,005	55,797
Library's collection, furniture and equipment	2,861	3,175
Assets under construction	83,592	115,432
Balance, end of year	\$ 2,488,139	\$ 2,427,798

CITY OF RICHMOND

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

Year ended December 31, 2020

12. Tangible capital assets (continued):

(a) Assets under construction:

Assets under construction having a value of \$83,592,534 (2019 - \$115,432,086) have not been amortized. Amortization of these assets will commence when the asset is put into service.

(b) Contributed tangible capital assets:

Contributed tangible capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$58,239,544 (2019 - \$28,866,769) comprised of land in the amount of \$38,682,057 (2019 - \$14,665,393), infrastructure in the amount of \$16,979,272 (2019 - \$14,191,349), buildings in the amount of \$2,578,215 (2019 - nil), and no library collections in 2020 (2019 - \$10,027).

(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 2020 (2019 - \$1,754,513).

13. Accumulated surplus:

	General and Reserve Funds	Waterworks Utility Fund	Sewerworks Utility Fund	Richmond Olympic Oval	Library	2020 Total	2019 Total
Investment in tangible capital assets	\$ 2,450,559	\$ -	\$ -	\$ 8,621	\$ 2,862	\$ 2,462,042	\$ 2,397,476
Reserves (note 14)	601,723	-	-	7,810	-	609,533	557,576
Appropriated surplus	222,156	18,800	10,182	1,617	1,035	253,790	224,052
Investment in LIEC	32,736	-	-	-	-	32,736	31,414
Surplus	12,529	407	6,293	605	2,140	21,974	25,994
Other equity	4,131	-	-	-	-	4,131	2,830
 Balance, end of year	 \$ 3,323,834	 \$19,207	 \$16,475	 \$ 18,653	 \$ 6,037	 \$ 3,384,206	 \$ 3,239,342

CITY OF RICHMOND

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

Year ended December 31, 2020

14. Reserves:

	Balance, December 31, 2019	Change during year	Balance, December 31, 2020
Affordable housing	\$ 11,705	\$ 545	\$ 12,250
Arts, culture and heritage	3,726	(5)	3,721
Capital building and infrastructure	100,686	10,842	111,528
Capital reserve	171,976	50,802	222,778
Capstan station	32,318	(20,841)	11,477
Child care development	8,922	1,133	10,055
Community legacy and land replacement	1,310	77	1,387
Drainage improvement	55,645	4,952	60,597
Equipment replacement	20,203	2,374	22,577
Hamilton area plan community amenity	1,720	1,042	2,762
Leisure facilities	17,676	421	18,097
Local improvements	7,327	132	7,459
Neighborhood improvement	7,860	59	7,919
Oval	8,856	(1,046)	7,810
Public art program	4,858	(276)	4,582
Sanitary sewer	47,731	1,172	48,903
Steveston off-street parking	325	6	331
Steveston road ends	150	3	153
Waterfront improvement	202	(7)	195
Watermain replacement	54,380	572	54,952
	<hr/>	<hr/>	<hr/>
	\$ 557,576	\$ 51,957	\$ 609,533

15. Post-employment benefits:

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

	2020	2019
Accrued benefit obligation, beginning of year	\$ 35,184	\$ 28,423
Current service cost	2,446	1,881
Interest cost	853	954
Past service cost	-	3,155
Benefits paid	(2,262)	(1,953)
Actuarial loss (gain)	(807)	2,724
	<hr/>	<hr/>
Accrued benefit obligation, end of year	\$ 35,414	\$ 35,184

CITY OF RICHMOND

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

Year ended December 31, 2020

15. Post-employment benefits (continued):

An actuarial valuation for these benefits was performed to determine the City's accrued benefit obligation as at December 31, 2019 and has been extrapolated by the actuary to December 31, 2020. This actuarial loss is being amortized over a period equal to the employees' expected average remaining service lifetime of 10 years.

	2020	2019
Accrued benefit obligation, end of year	\$ 35,414	\$ 35,184
Unamortized net actuarial loss	(293)	(997)
Accrued benefit liability, end of year	\$ 35,121	\$ 34,187

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

	2020	2019
Discount rate	2.00%	2.40%
Expected future inflation rate	2.00%	2.00%
Expected wage and salary range increases	2.50% to 3.00%	2.50% to 3.00%

16. Pension plan:

The City and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2019, the plan has about 213,000 active members and approximately 106,000 retired members. Active members include approximately 41,000 contributors from local governments.

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

CITY OF RICHMOND

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

Year ended December 31, 2020

16. Pension plan (continued):

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

The City paid \$13,343,310 (2019 - \$13,251,994) for employer contributions while employees contributed \$11,199,779 (2019 - \$11,120,458) to the plan in fiscal 2020.

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

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

17. Contingent assets and contractual rights:

(a) Contingent assets:

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

The City has legal claims, service agreements, and land dedications that may qualify as contingent assets. Amounts cannot be estimated as of December 31, 2020. Contingent assets are not recorded in the consolidated financial statements.

In 2019, the City had requested payment from the Office of the Minister of Public Services and Procurement Canada, for outstanding payments-in-lieu of taxes in the amount of \$11,139,593. As of December 31, 2020 and 2019, collectability of the requested amount is not determinable and has not been accrued for in the City's consolidated financial statements.

(b) Contractual rights:

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

2021	\$ 16,229
2022	12,957
2023	4,613
2024	3,639
2025	2,335
Thereafter	8,325

CITY OF RICHMOND

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

Year ended December 31, 2020

17. Contingent assets and contractual rights (continued):

(b) Contractual rights (continued):

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

18. Commitments and contingencies:

(a) Joint and several liabilities:

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

(b) Lease payments:

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

2021	\$ 2,736
2022	2,587
2023	2,574
2024	2,389
2025	2,084
Thereafter	3,385

(c) Litigation:

As at December 31, 2020, there were a number of claims or risk exposures in various stages of resolution. The City has made no specific provision for those where the outcome is presently not determinable.

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

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

(e) Contractual obligation:

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

CITY OF RICHMOND

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

Year ended December 31, 2020

18. Commitments and contingencies (continued):

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

The City is a shareholder of the E-Comm whose services provided include: regional 9-1-1 call centre for the Greater Vancouver Regional District; Wide Area Radio network; dispatch operations; and records management. The City has 2 Class A shares and 1 Class B share (of a total of 35 Class A and 20 Class B shares issued and outstanding as at December 31, 2020). As a Class A shareholder, the City shares in both funding the future operations and capital obligations of E-Comm (in accordance with a cost sharing formula), including any lease obligations committed to by E-Comm up to the shareholder's withdrawal date.

- (g) Community associations:

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

19. Trust funds:

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

	2020	2019
Richmond Community Associations	\$ 1,909	\$ 1,877

CITY OF RICHMOND

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

Year ended December 31, 2020

20. Taxation and levies:

	2020	2019
Taxes collected:		
Property taxes	\$ 413,302	\$ 463,679
Payment-in-lieu of taxes and grants	22,375	27,597
Local improvement levies	88	88
	435,765	491,364
Less transfers to other authorities:		
Province of British Columbia – School taxes	(123,333)	(190,650)
TransLink	(41,992)	(40,800)
Metro Vancouver	(7,267)	(7,224)
BC Assessment Authority	(6,286)	(6,185)
Other	(29)	(30)
	(178,907)	(244,889)
Less payment-in-lieu of taxes retained by the City	(16,867)	(16,277)
	\$ 239,991	\$ 230,198

21. Other revenue:

	2020	2019
Developer contributions	\$ 9,044	\$ 27,394
Tangible capital assets gain on sale of land	6,513	18,205
Penalties and fines	3,180	4,303
Parking program	1,204	2,091
Other	10,525	10,792
	\$ 30,466	\$ 62,785

CITY OF RICHMOND

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

Year ended December 31, 2020

22. Government transfers:

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

	2020	2019
Operating		
Province of British Columbia	\$ 17,534	\$ 20,602
TransLink	546	3,666
Government of Canada	1,579	1,560
Capital		
Province of British Columbia	9,965	3,968
TransLink	2,125	1,010
Government of Canada	-	4,056
	\$ 31,749	\$ 34,862

23. Segmented reporting:

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

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

CITY OF RICHMOND

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

Year ended December 31, 2020

23. Segmented reporting (continued):

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

CITY OF RICHMOND

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

Year ended December 31, 2020

23. Segmented reporting (continued):

	Community safety	Utilities	Engineering, public works and project development	Community services	General government	Planning and development	Total City subtotal
Revenue:							
Taxation and levies	\$ -	\$ -	\$ -	\$ -	\$ 239,991	\$ -	\$ 239,991
User fees	-	101,246	13,089	-	-	-	114,335
Sales of services	6,255	1,956	2,718	4,113	8,032	2,280	25,354
Payments-in-lieu of taxes	-	-	-	-	16,820	-	16,820
Provincial and federal grants	125	-	546	100	12,717	131	13,619
Development cost charges	-	1,657	1,932	3,346	2,202	7,600	16,737
Other capital funding sources	11	3,510	22,973	162	38,682	5,713	71,051
Other revenue:							
Investment income	-	427	-	-	19,727	-	20,154
Gaming revenue	-	-	-	-	2,705	-	2,705
Licenses and permits	4,539	30	566	-	15	14,257	19,407
Other	1,812	3,555	774	488	22,114	165	28,908
Equity income	-	-	-	-	1,322	-	1,322
	12,742	112,381	42,598	8,209	364,327	30,146	570,403
Expenses:							
Wages and salaries	47,927	12,928	26,114	25,612	26,471	11,963	151,015
Public works maintenance	34	6,585	5,571	1,984	(1,453)	618	13,339
Contract services	58,771	9,658	5,086	2,339	3,798	1,619	81,271
Supplies and materials	2,943	35,076	1,096	9,827	9,665	886	59,493
Interest and finance	73	26,894	4	74	2,729	2	29,776
Transfer from (to) capital for tangible capital assets	(46)	2,612	6,990	1,864	459	1,883	13,762
Amortization of tangible capital assets	3,190	9,061	30,327	8,987	9,761	2,197	63,523
Loss (gain) on disposal of tangible capital assets	3	10	126	146	65	33	383
	112,895	102,824	75,314	50,833	51,495	19,201	412,562
Annual surplus (deficit)	\$ (100,153)	\$ 9,557	\$ (32,716)	\$ (42,624)	\$ 312,832	\$ 10,945	\$ 157,841

CITY OF RICHMOND

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

Year ended December 31, 2020

23. Segmented reporting (continued):

	Total City subtotal	Richmond Olympic Oval	Richmond Public Library	2020 Consolidated	2019 Consolidated
Revenue:					
Taxation and levies	\$ 239,991	\$ -	\$ -	\$ 239,991	\$ 230,198
User fees	114,335	-	-	114,335	111,472
Sales of services	25,354	3,724	12	29,090	42,747
Payments-in-lieu of taxes	16,820	-	-	16,820	16,277
Provincial and federal grants	13,619	2,957	377	16,953	10,687
Development cost charges	16,737	-	-	16,737	13,802
Other capital funding sources	71,051	-	-	71,051	39,028
Other revenue:					
Investment income	20,154	-	21	20,175	25,142
Gaming revenue	2,705	-	-	2,705	15,140
Licenses and permits	19,407	-	-	19,407	13,030
Other	28,908	1,475	83	30,466	62,785
Equity income	1,322	-	-	1,322	1,634
	570,403	8,156	493	579,052	581,942
Expenses:					
Wages and salaries	151,015	7,430	6,343	164,788	177,363
Public works maintenance	13,339	-	4	13,343	15,299
Contract services	81,271	-	371	81,642	79,098
Supplies and materials	59,493	3,487	1,457	64,437	68,801
Interest and finance	29,776	-	3	29,779	26,089
Transfer from (to) capital for tangible capital assets	13,762	-	(194)	13,568	52,244
Amortization of tangible capital assets	63,523	1,669	1,062	66,254	64,228
Loss (gain) on disposal of tangible capital assets	383	-	(6)	377	568
	412,562	12,586	9,040	434,188	483,690
Annual surplus (deficit)	\$ 157,841	\$ (4,430)	\$ (8,547)	\$ 144,864	\$ 98,252

CITY OF RICHMOND

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

Year ended December 31, 2020

24. Budget data:

The budget data presented in these consolidated financial statements is based on the Consolidated Financial Plan adopted by Council on May 11, 2020. The table below reconciles the adopted Consolidated Financial Plan to the budget amounts reported in these consolidated financial statements.

	Financial plan Bylaw No. 10183	Financial statement budget
Consolidated financial plan:		
Revenue	\$ 577,229	\$ 577,229
Expenses	489,865	489,865
	87,364	87,364
Annual surplus	-	-
Less:		
Acquisition of tangible capital assets	(477,714)	-
Contributed tangible capital assets	(50,000)	-
Transfer to reserves	(74,424)	-
Debt principal	(5,149)	-
Add:		
Capital funding	499,513	-
Transfer from surplus	20,410	-
Annual surplus	\$ -	\$ 87,364

CITY OF RICHMOND

Unaudited Statement of Safe Restart Grant
(Tabular amounts expressed in thousands of dollars)

Year ended December 31, 2020

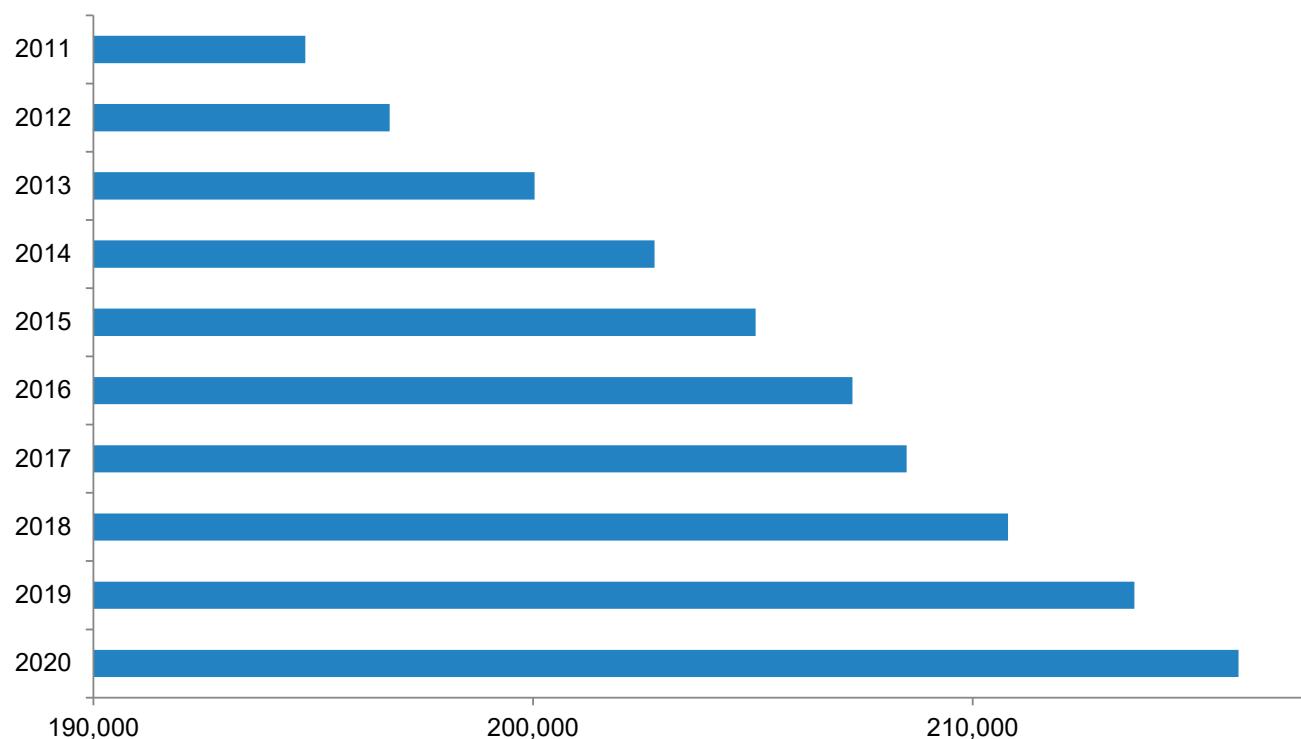
The Safe Restart Grant was received November 2020 from the Province of British Columbia. A requirement of the Safe Restart Grant is to include a schedule to the financial statements presenting the amount of funding received, use of funds and year end balance of unused funds. A schedule will continue to be reported annually until funds are fully drawn down.

	2020
Safe Restart Grant received	\$ 9,331
Total eligible costs incurred	-
Balance December 31, 2020	<u>\$ 9,331</u>

City of Richmond statistical data

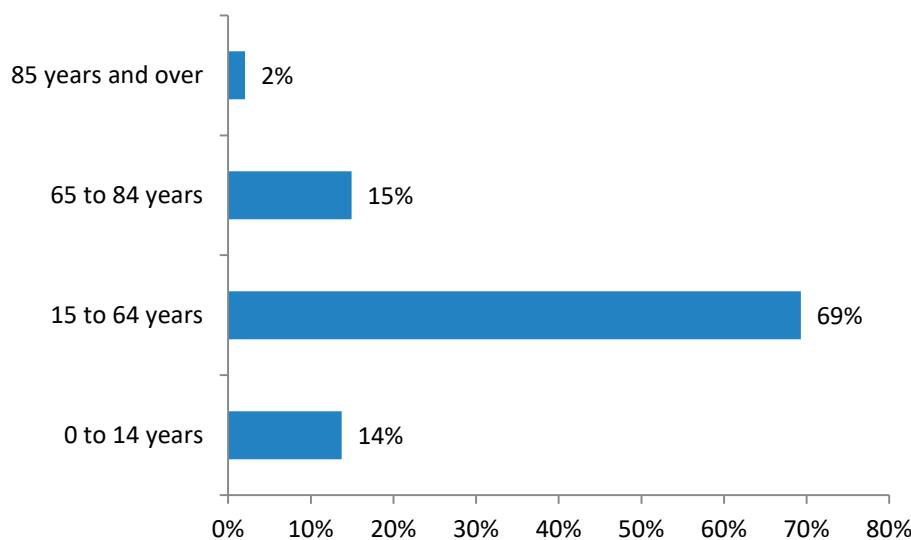
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City of Richmond population 2011–2020



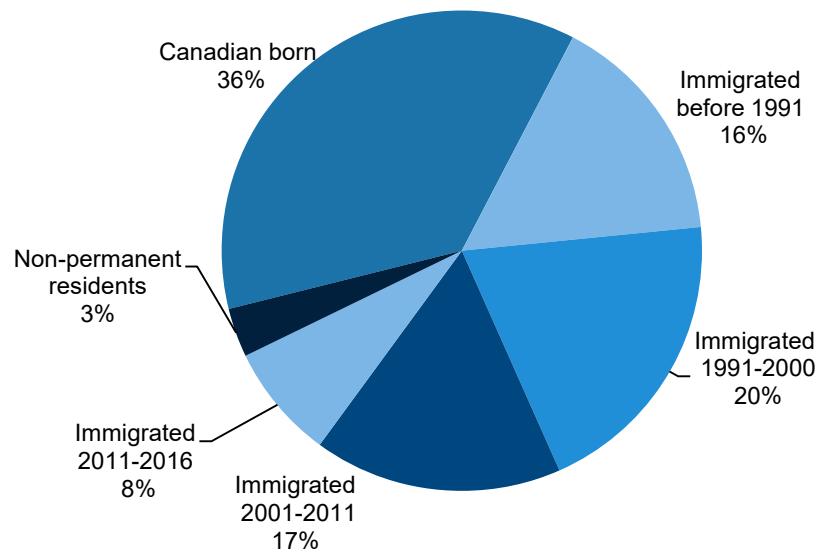
Source: BC Stats

Total population by age groups



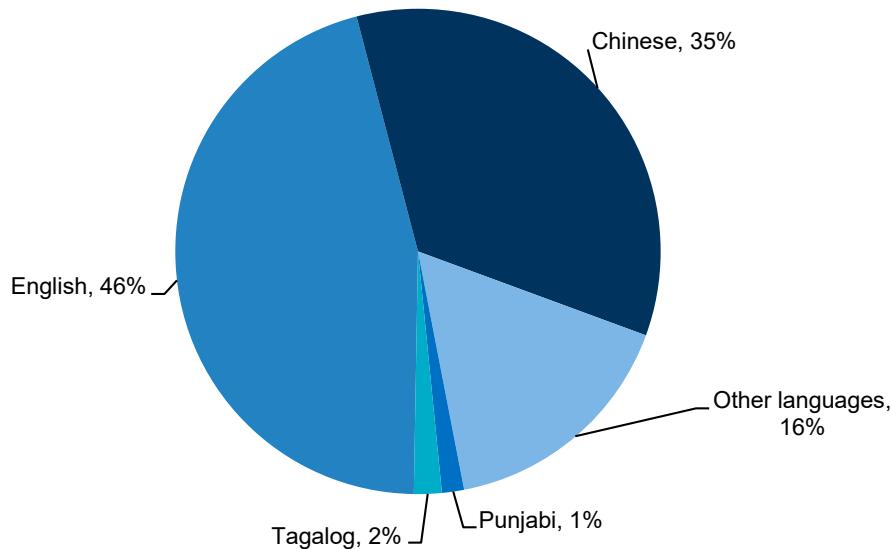
Source: Statistics Canada, 2016 Census of Population

Immigrant status of Richmond residents by period of immigration



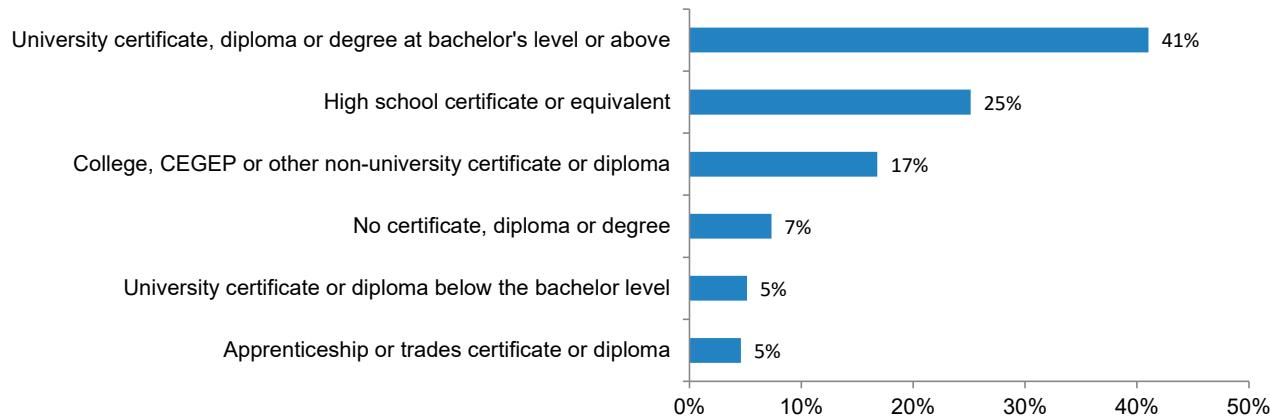
Source: Statistics Canada, 2016 Census of Population

Language spoken most often at home



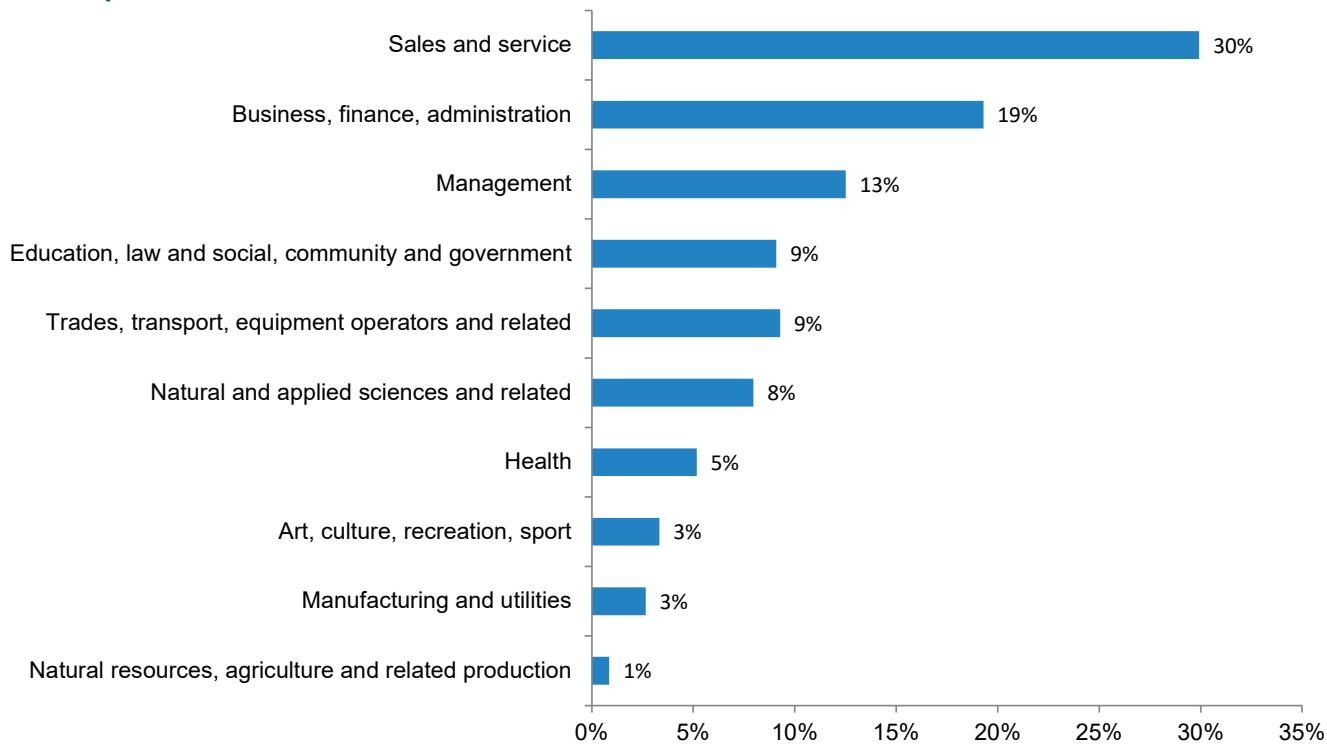
Source: Statistics Canada, 2016 Census of Population

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



Source: Statistics Canada, 2016 Census of Population

Occupations of Richmond residents

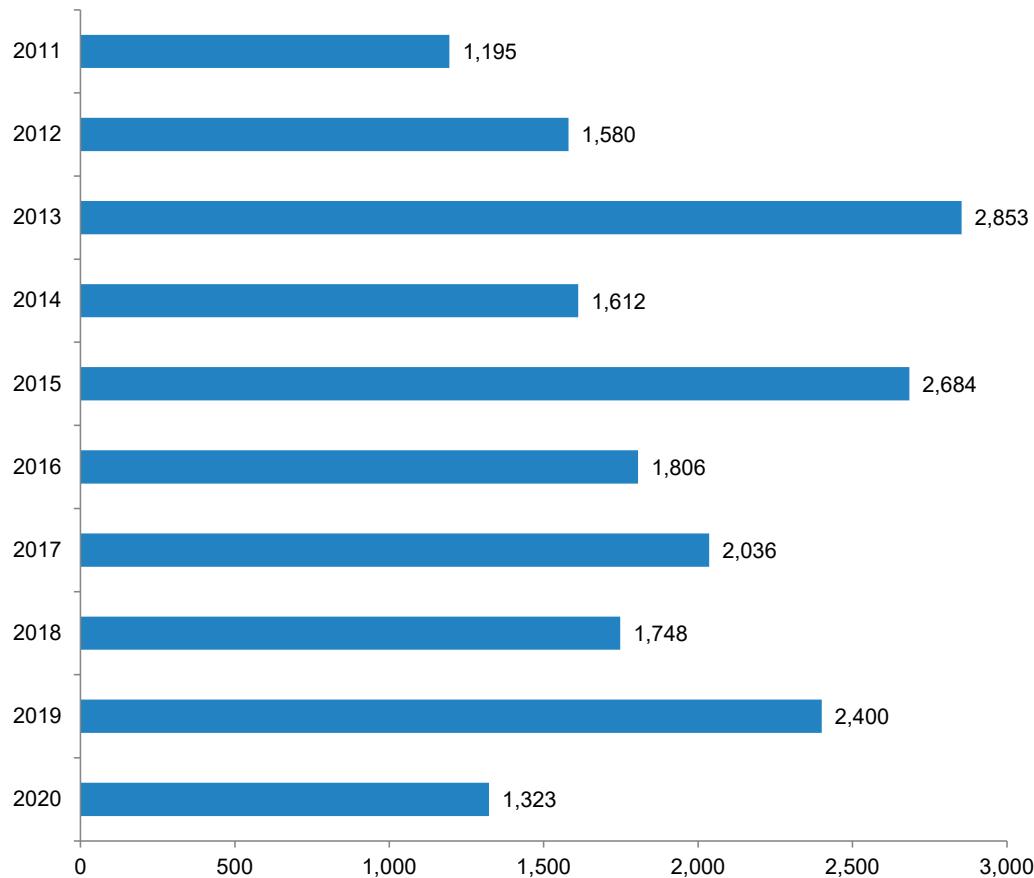


Source: Statistics Canada, 2016 Census of Population

Top 10 largest employers in Richmond (in alphabetical order)

- Air Canada
- Change Healthcare
- City of Richmond
- Ebcō Industries
- G4S Secure Solutions
- London Drugs
- MDA Systems
- River Rock Casino Resort
- School District No. 38 (Richmond)
- Vancouver Coastal Health, Richmond

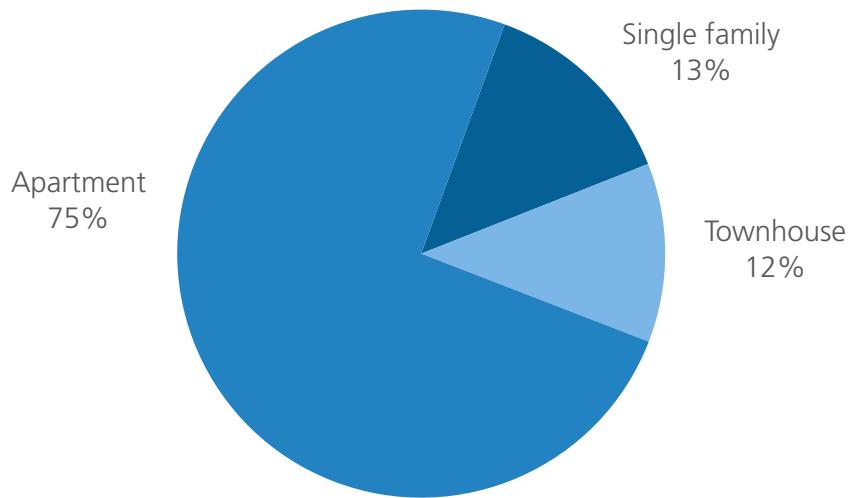
Housing starts in Richmond 2011–2020



Source: City of Richmond building permit records

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

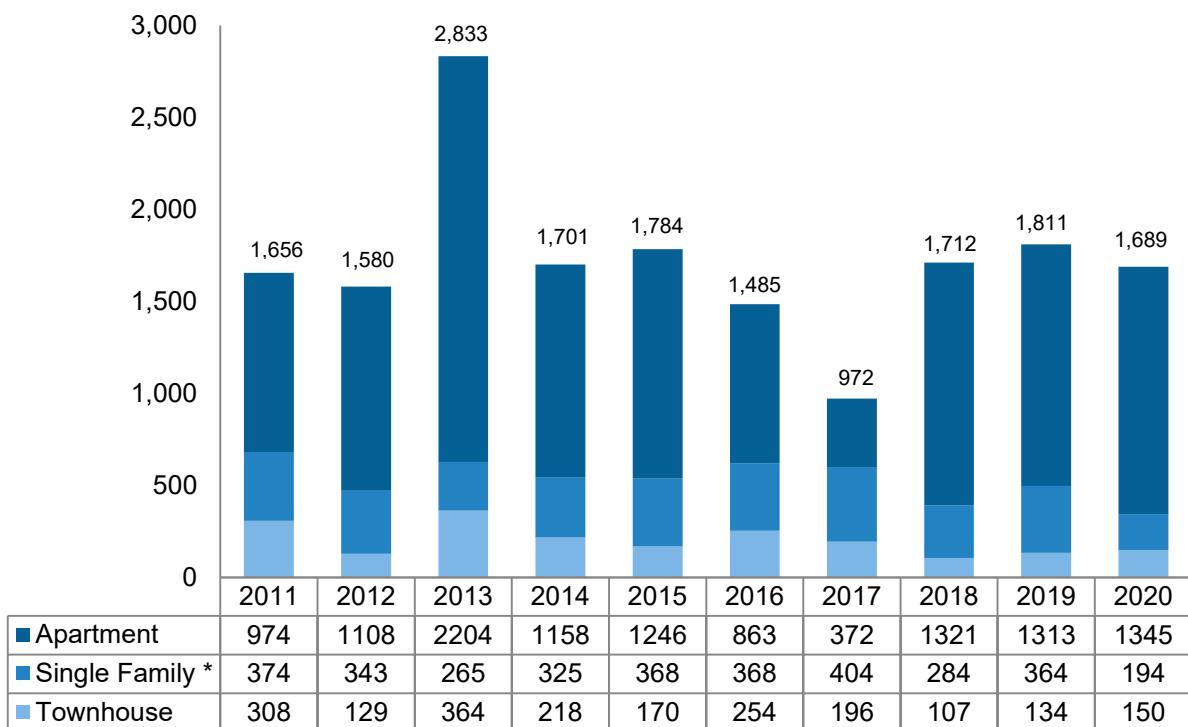
Richmond housing starts by type of units 2020



Source: City of Richmond building permit records

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

New dwelling units constructed 2011–2020

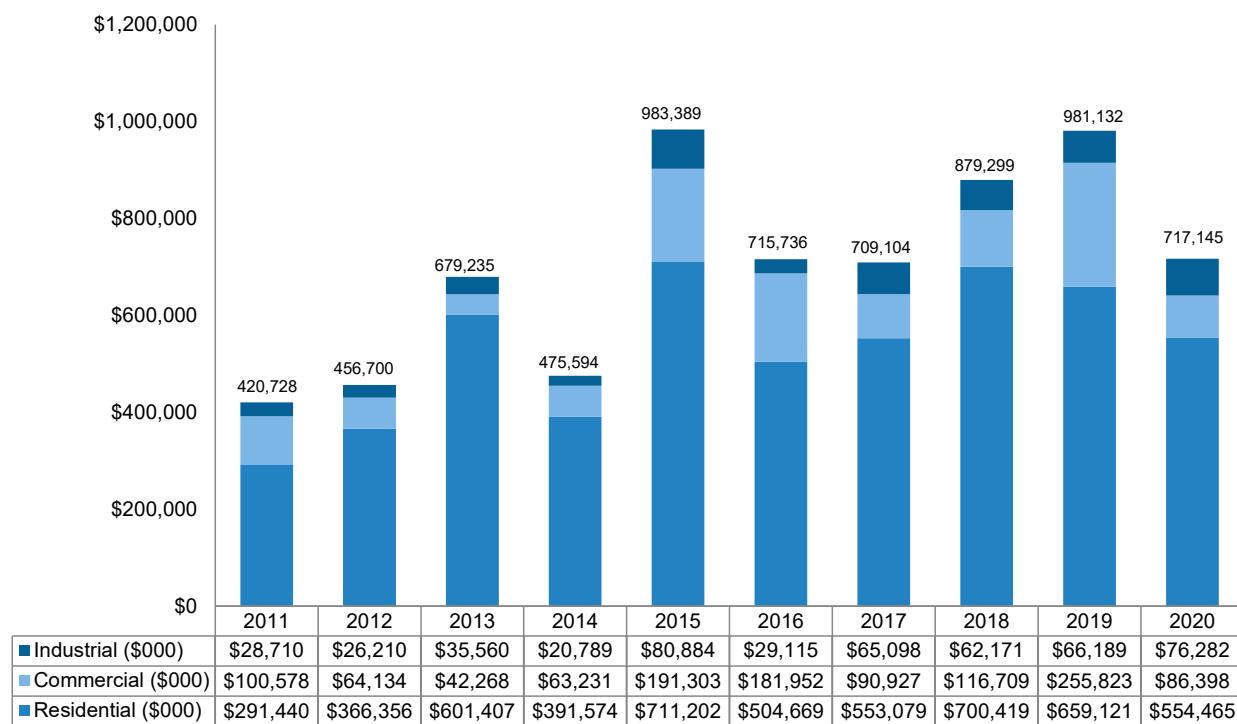


* Includes one family and two family dwellings.

Source: City of Richmond building permit records

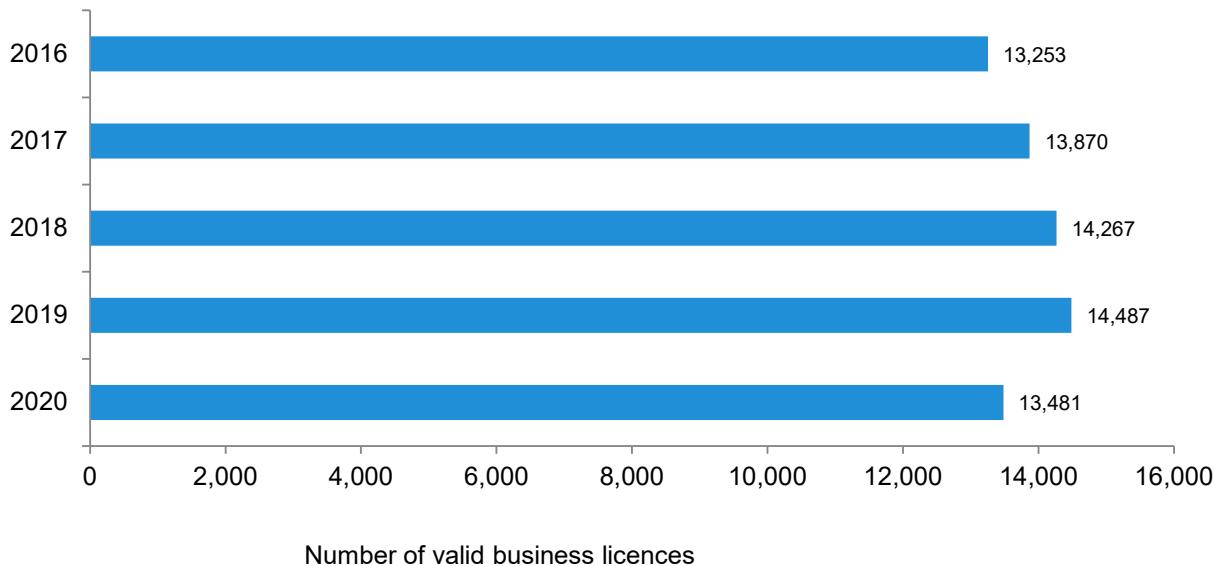
Includes only projects for new residential construction receiving final building permit in given year.

Construction value of building permits issued 2011–2020 (in \$000s)



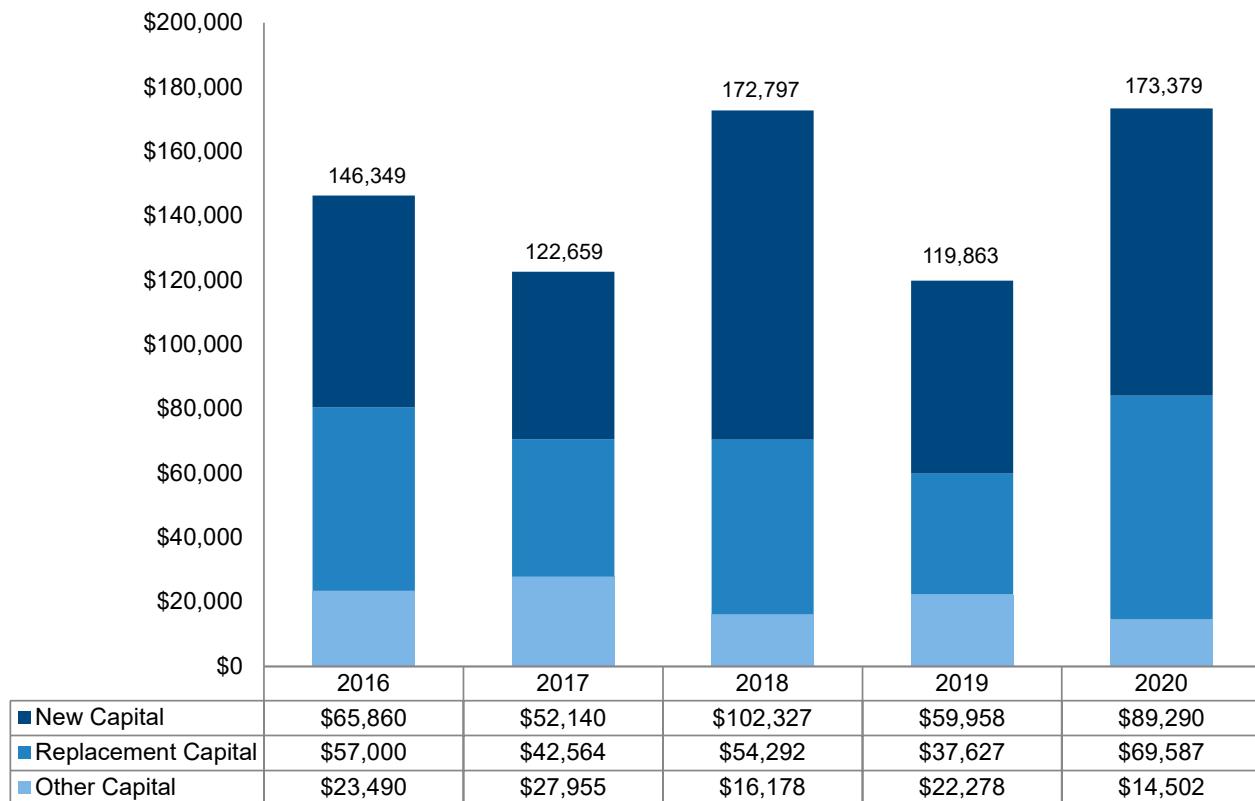
Source: City of Richmond building permit records

Richmond business licences 2016–2020



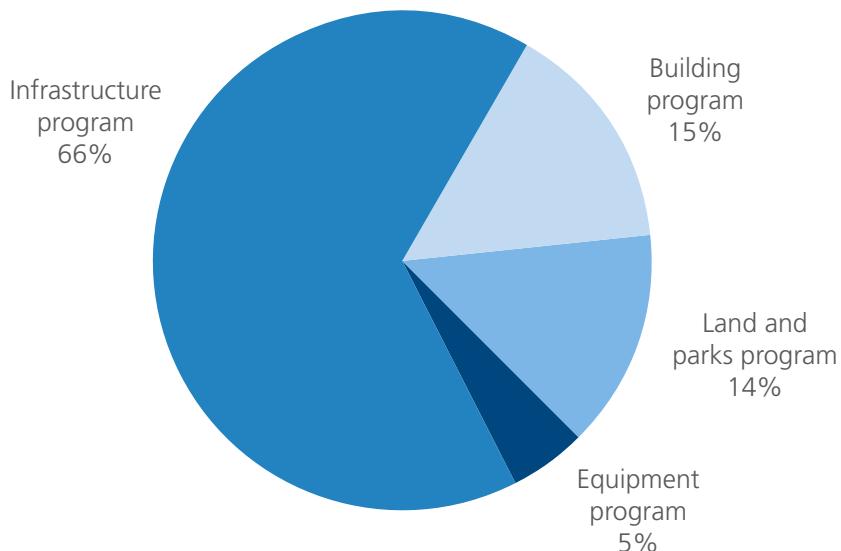
Source: 2020 City of Richmond business licences

City of Richmond budgeted capital costs 2016–2020 (in \$000s)



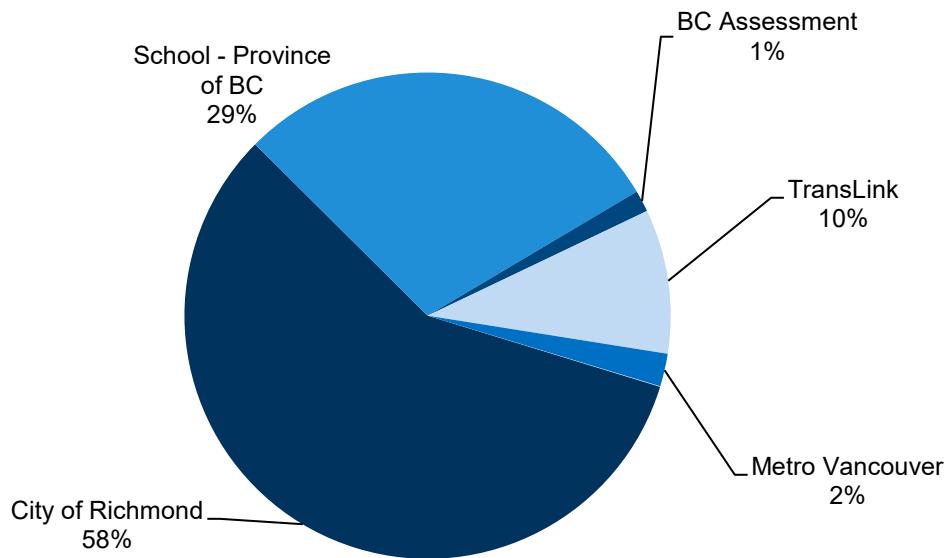
Source: City of Richmond Finance and Corporate Services

Capital program by type 2020



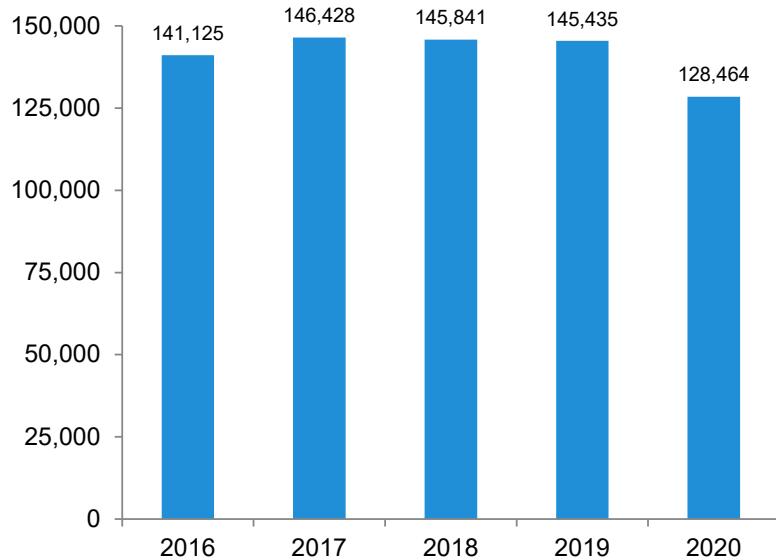
Source: City of Richmond Finance and Corporate Services

Breakdown of residential tax bill 2020



Source: *City of Richmond Finance and Corporate Services*

Registration in Richmond Recreation and Cultural Services programs 2016–2020



Source: *City of Richmond Finance and Corporate Services*

2020 tax rates

	City of Richmond	School - Province of BC	Metro Vancouver	BC Assessment	Municipal Finance Authority	TransLink
Residential	1.80065	1.17250	0.05002	0.04260	0.00020	0.25170
Business	4.26880	1.10700	0.12256	0.10990	0.00050	0.85180
Light industrial	4.26880	1.05610	0.17008	0.10990	0.00070	0.95850
Seasonal / Recreational	1.51128	0.78440	0.05002	0.04260	0.00020	0.18190
Major industrial	9.12623	0.00004	0.17008	0.47880	0.00070	1.50160
Farm	14.13224	3.52500	0.05002	0.04260	0.00020	0.34940
Utilities	28.40884	13.03000	0.17509	0.47880	0.00070	2.33850

Source: City of Richmond Finance and Corporate Services

2020 general revenue fund assessment and taxation by property class (in \$000s)

	Assessment	% of assessment by class	Taxation	% of taxation by class
Residential	\$75,895,923	75.94%	\$136,662	56.53%
Business	19,613,458	19.62%	83,726	34.63%
Light industrial	3,850,127	3.85%	16,435	6.80%
Seasonal / Recreational	211,659	0.21%	320	0.13%
Major industrial	289,800	0.29%	2,645	1.09%
Farm	26,103	0.03%	369	0.15%
Utilities	55,674	0.06%	1,582	0.66%
Total	\$99,942,744	100.00%	\$241,739	100.00%

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

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

	2016	2017	2018	2019	2020
City of Richmond	\$199,744	\$207,802	\$216,908	\$231,100	\$241,739
School Board	150,420	162,120	169,005	181,863	121,559
Metro Vancouver	4,859	5,216	5,915	6,922	9,145
BC Assessment	5,087	5,517	5,737	5,894	6,008
TransLink	32,623	34,380	35,991	38,863	40,189
Other	18	23	26	29	116
Total Taxes	\$392,751	\$415,058	\$433,582	\$464,671	\$418,756

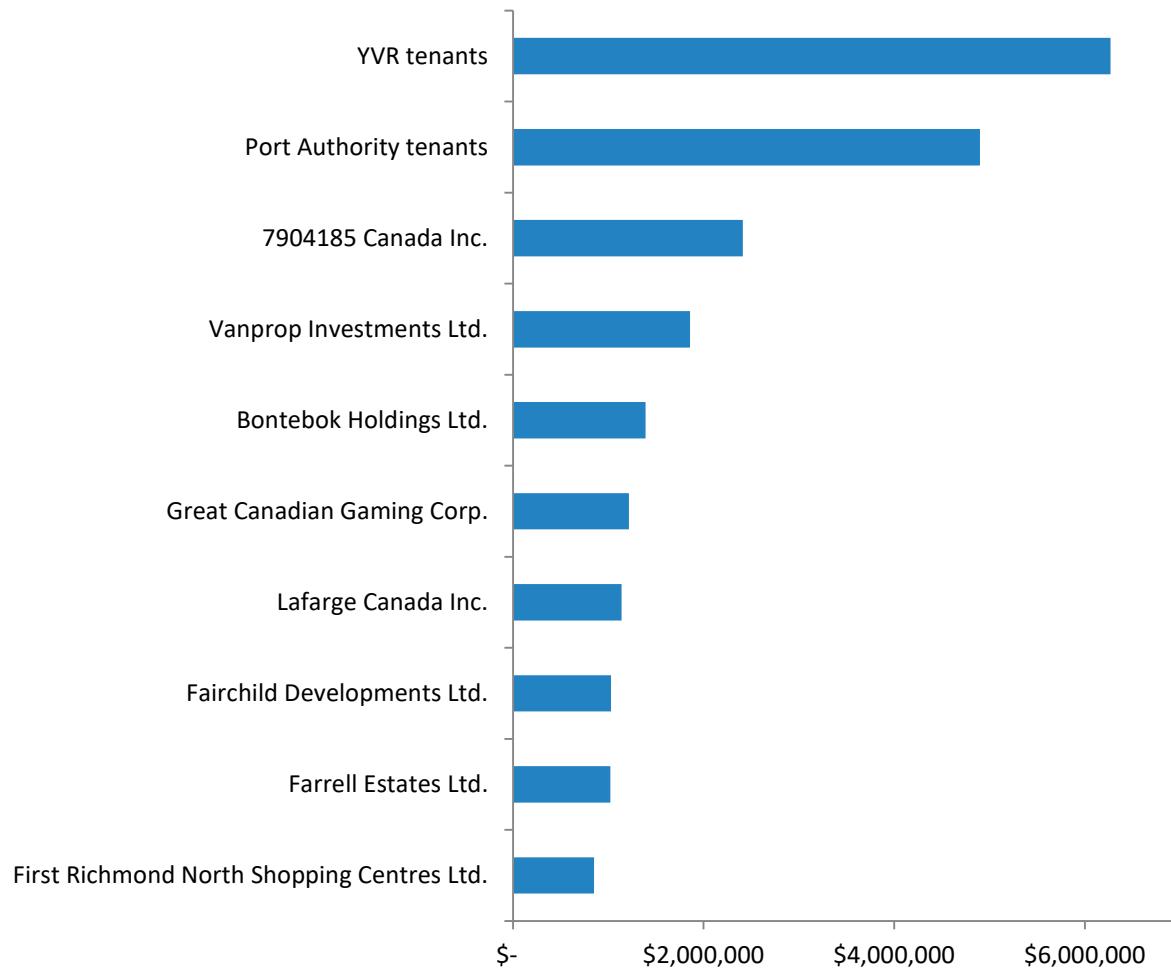
Source: City of Richmond Finance and Corporate Services
Amounts are less supplementary adjustments.

2016–2020 general assessment by property class (in \$000s)

	2016	2017	2018	2019	2020
Residential	\$53,427,310	\$73,414,252	\$80,530,838	\$84,391,147	\$75,895,923
Business	10,669,183	13,093,222	15,848,533	18,964,170	19,613,458
Light industrial	2,338,871	2,624,855	2,998,757	3,528,011	3,850,127
Seasonal / Recreational	126,430	183,360	200,893	221,291	211,659
Major industrial	139,616	215,246	204,542	259,457	289,800
Farm	26,650	26,566	26,297	26,166	26,103
Utilities	22,181	26,541	29,250	35,869	55,674
Total	\$66,750,241	\$89,584,042	\$99,839,110	\$107,426,111	\$99,942,744

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 2016–2020 (in \$000s)

	2016	2017	2018	2019	2020
Debt servicing costs	5,916	5,909	5,909	6,628	6,826
General taxation revenue	\$198,612	\$206,901	\$216,908	\$230,198	\$239,991
Debt servicing costs as a % of general taxation revenue	2.98%	2.86%	2.72%	2.88%	2.84%

Source: City of Richmond Finance and Corporate Services

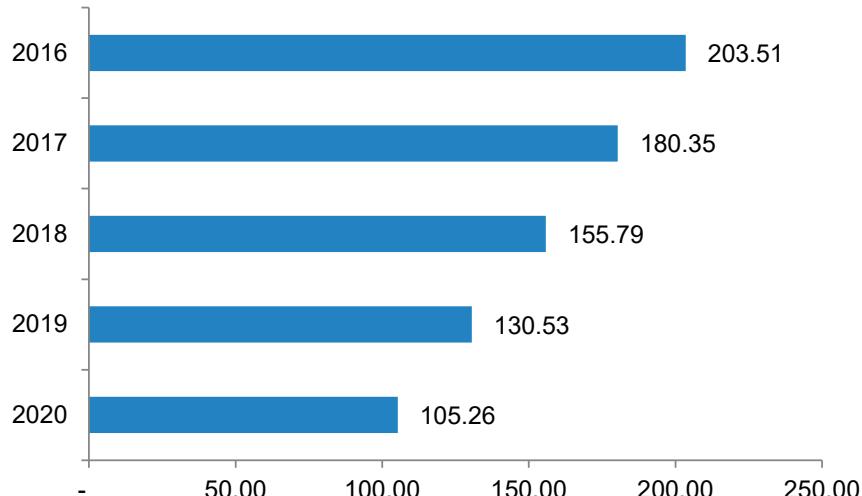
Liability servicing limit 2016–2020 (in \$000s)

	2016	2017	2018	2019	2020
Liability servicing limit	\$103,514	\$107,316	\$114,285	\$117,239	\$113,768

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 2016–2020



Source: City of Richmond Finance and Corporate Services

Net debt 2016–2020 (in \$000s)

	2016	2017	2018	2019	2020
Net debt	\$42,181	\$37,603	\$32,842	\$27,891	\$22,741

Source: City of Richmond Finance and Corporate Services

Expenses by function 2016–2020 (in \$000s)

	2016*	2017	2018	2019	2020
Community Safety	\$88,702	\$89,933	\$98,500	\$106,209	\$112,895
Engineering and Public Works	61,243	66,120	68,793	80,940	75,314
Community Services	59,618	77,387**	63,882	67,522	50,833
General government	45,634	51,720	52,549	55,689	51,495
Utilities	84,183	87,757	89,959	98,653	102,824
Planning and Development	14,233	15,417	15,368	48,104***	19,201
Library services	9,788	9,619	9,981	10,601	9,040
Richmond Olympic Oval	15,120	15,331	15,424	15,972	12,586
Lulu Island Energy Company	943	-	-	-	-
Total expenses	\$379,464	\$413,284	\$414,456	\$483,690	\$434,188

* Amounts have been restated.

** Includes one-time affordable housing contributions.

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

Source: City of Richmond Finance and Corporate Services

Expenses by object 2016–2020 (in \$000s)

	2016*	2017	2018	2019	2020
Wages, salaries and benefits	\$152,286	\$159,576	\$162,331	\$177,363	\$164,788
Public works maintenance	14,368	14,973	13,405	15,299	13,343
Contract services	63,583	64,912	73,479	79,098	81,642
Supplies, materials	60,227	65,959	67,919	68,801	64,437
Interest and finance	22,602	23,216	23,149	26,089	29,779
Transfer from (to) capital for tangible capital assets	9,417	25,712	13,307	52,244	13,568
Amortization of tangible capital assets	55,960	58,012	60,542	64,228	66,254
Loss/(gain) on disposal of tangible capital assets	1,021	924	324	568	377
Total expenses	\$379,464	\$413,284	\$414,456	\$483,690	\$434,188

* Amounts have been restated.

Source: City of Richmond Finance and Corporate Services

Revenue by source 2016–2020 (in \$000s)

	2016*	2017	2018	2019	2020
Taxation and levies	\$198,612	\$206,901	\$216,908	230,198	\$239,991
User fees	97,819	99,493	102,915	111,472	114,335
Sales of services	38,231	39,430	39,111	42,747	29,090
Licences and permits	12,422	13,011	13,637	13,030	19,407
Investment income	17,614	17,832	20,705	25,142	20,175
Grants including casino revenue	41,430	40,676	42,681	42,104	16,953
Development cost charges	16,632	15,710	17,432	13,802	16,737
Capital funding	34,283	57,570	95,859	39,028	71,051
Other	35,543	32,544	50,169	64,419	51,313
Total revenue	\$492,586	\$523,167	\$599,417	\$581,942	\$579,052

* Amounts have been restated.

Source: City of Richmond Finance and Corporate Services

Accumulated surplus 2016–2020 (in \$000s)

	2016*	2017**	2018	2019	2020
Accumulated surplus, beginning of year	\$2,735,306	\$2,846,246	\$2,956,129	\$3,141,090	\$3,239,342
Annual surplus	113,122	109,883	184,961	98,252	144,864
Accumulated surplus, end of year	\$2,848,428	\$2,956,129	\$3,141,090	\$3,239,342	\$3,384,206

* Amounts have been restated.

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

Source: City of Richmond Finance and Corporate Services

Changes in net financial assets 2016–2020 (in \$000s)

	2016*	2017	2018	2019	2020
Change in net financial assets	-\$1,271	\$35,351	\$65,031	\$42,748	\$83,116
Net financial assets, end of year	\$662,739	\$698,090	\$763,121	\$805,869	\$888,985

* Amounts have been restated.

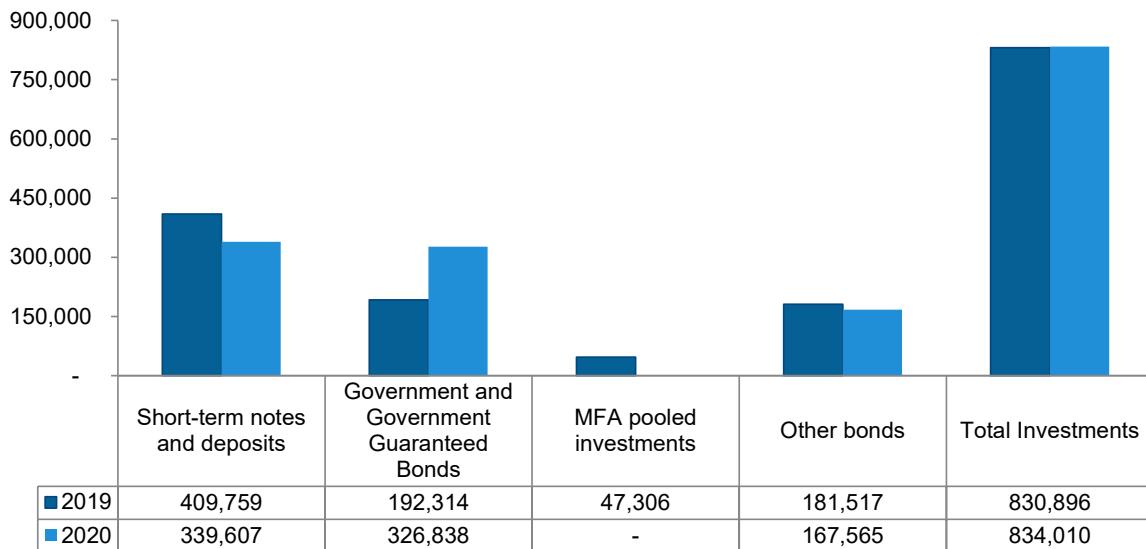
Source: City of Richmond Finance and Corporate Services

Reserves 2016–2020 (in \$000s)

	2016	2017	2018	2019	2020
Affordable housing	\$23,726	\$10,168	\$10,836	\$11,705	\$12,250
Arts, culture and heritage	4,538	4,183	4,003	3,726	3,721
Capital building and infrastructure	63,476	69,731	81,763	100,686	111,528
Capital reserve	155,672	163,599	176,142	171,976	222,778
Capstan Station	14,957	19,725	32,332	32,318	11,477
Child care development	3,789	3,006	6,806	8,922	10,055
Community legacy and land replacement	8,413	8,623	8,852	1,310	1,387
Drainage improvement	55,903	56,956	56,132	55,645	60,597
Equipment replacement	18,571	22,168	19,600	20,203	22,577
Hamilton area plan community amenity	-	735	752	1,720	2,762
Leisure facilities	5,568	6,765	18,765	17,676	18,097
Local improvements	6,222	6,047	7,155	7,327	7,459
Neighbourhood improvement	6,933	7,100	7,520	7,860	7,919
Richmond Olympic Oval	4,261	4,749	6,324	8,856	7,810
Public art program	3,108	3,861	4,860	4,858	4,582
Sanitary sewer	44,527	42,909	44,107	47,731	48,903
Steveston off-street parking	305	310	317	325	331
Steveston road ends	407	211	155	150	153
Waterfront improvement	615	344	317	202	195
Watermain replacement	50,855	53,693	53,415	54,380	54,952
Total reserves	\$471,846	\$484,883	\$540,153	\$557,576	\$609,533

Source: City of Richmond Finance and Corporate Services

Investment portfolio per type 2019–2020 (in \$000s)



Source: City of Richmond Finance and Corporate Services

Ratio analysis indicators of financial condition

	2020	2019
Sustainability ratios		
Assets to liabilities (times)	6.8	7.3
Financial assets to liabilities (times)	2.5	2.6
Net debt to total revenues	3.9%	4.8%
Net debt to the total assessment	0.02%	0.03%
Expenses to the total assessment	0.6%	0.5%
Flexibility ratios		
Public debt charges to revenues	0.3%	0.3%
Net book value of capital assets to its cost	67.3%	67.8%
Own source revenue to the assessment	0.5%	0.5%
Vulnerability ratios		
Government transfers to total revenues	3.4%	4.4%

Source: City of Richmond Finance and Corporate Services

2020 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 2020. Permissive tax exemptions are those exemptions granted by bylaw in accordance with Section 224 of the Community Charter.

Property / Organization	Address	2020 Municipal tax exempted
Churches and religious properties		
Aga Khan Foundation Canada	4000 May Drive	\$ 17,753
BC Muslim Association	12300 Blundell Road	2,044
Bakerview Gospel Chapel	8991 Francis Road	2,979
Beth Tikvah Congregation	9711 Geal Road	17,948
Bethany Baptist Church	22680 Westminster Highway	9,924
Brighouse United Church	8151 Bennett Road	15,749
Broadmoor Baptist Church	8140 Saunders Road	10,390
Canadian Martyrs Parish	5771 Granville Avenue	24,183
Christian and Missionary Alliance	3360 Sexsmith Road	12,707
Christian Reformed Church	9280 No. 2 Road	21,463
Church in Richmond	4460 Brown Road	2,549
Church of Latter Day Saints	8440 Williams Road	20,435
Cornerstone Evangelical Baptist Church	12011 Blundell Road	639
Dharma Drum Mountain Buddhist Temple	8240 No. 5 Road	1,098
Emmanuel Christian Community	10351 No. 1 Road	9,840
Faith Evangelical Church	11960 Montego Street	4,077
Fraserview Mennonite Brethren Church	11295 Mellis Drive	6,476
Fujian Evangelical Church	12200 Blundell Road	2,826
Gilmore Park United Church	8060 No. 1 Road	3,533
I Kuan Tao (Fayi Chungder) Association	8866 Odlin Crescent	3,640
Immanuel Christian Reformed Church	7600 No. 4 Road	3,205
India Cultural Centre	8600 No. 5 Road	2,782
International Buddhist Society	9160 Steveston Highway	4,497
Johrei Fellowship Inc.	10380 Odlin Road	6,031
Lansdowne Congregation Jehovah's Witnesses	11014 Westminster Highway	2,779
Larch St. Gospel Meeting Room	8020 No. 5 Road	2,343
Ling Yen Mountain Temple	10060 No. 5 Road	5,055
Nanaksar Gurdwara Gursikh Temple	18691 Westminster Highway	2,310
North Richmond Alliance Church	9140 Granville Avenue	5,513
Our Savior Lutheran Church	6340 No. 4 Road	3,077
Parish of St. Alban's	7260 St. Albans Road	15,997

Churches and religious properties continued . . .

Patterson Road Assembly	9291 Walford Street	\$ 1,044
Peace Evangelical Church	8280 No. 5 Road	1,109
Peace Mennonite Church	11571 Daniels Road	14,361
Richmond Alliance Church	11371 No. 3 Road	2,247
Richmond Baptist Church	6560 Blundell Road	3,820
Richmond Baptist Church	6640 Blundell Road	12,687
Richmond Bethel Mennonite Church	10160 No. 5 Road	3,806
Richmond Chinese Alliance Church	10100 No. 1 Road	15,837
Richmond Chinese Evangelical Free Church	8040 No. 5 Road	2,276
Richmond Emmanuel Church	7451 Elmbridge Way	6,653
Richmond Pentecostal Church	9260 Westminster Highway	1,909
Richmond Pentecostal Church	9300 Westminster Highway	3,239
Richmond Presbyterian Church	7111 No. 2 Road	12,516
Richmond Sea Island United Church	8711 Cambie Road	21,733
Salvation Army Church	8280 Gilbert Road	3,968
Science of Spirituality SKRM Inc.	11011 Shell Road	1,195
Shia Muslim Community	8580 No. 5 Road	1,744
South Arm United Church	11051 No. 3 Road	1,073
St. Anne's Anglican Church	4071 Francis Road	6,636
St. Gregory Armenian Apostolic Church	13780 Westminster Highway	1,022
St. Joseph the Worker Roman Catholic Church	4451 Williams Road	45,392
St. Monica's Roman Catholic Church	12011 Woodhead Road	8,734
St. Paul's Roman Catholic Parish	8251 St. Albans Road	17,012
Steveston Buddhist Temple	4360 Garry Street	18,738
Steveston Congregation Jehovah's Witnesses	4260 Williams Road	11,159
Steveston United Church	3720 Broadway Street	4,641
Subramaniya Swamy Temple	8840 No. 5 Road	1,412
Thrangu Monastery Association	8140 No. 5 Road	3,371
Thrangu Monastery Association	8160 No. 5 Road	1,444
Towers Baptist Church	10311 Albion Road	11,154
Trinity Lutheran Church	7100 Granville Avenue	17,302
Trinity Pacific Church	10011 No. 5 Road	7,822
Ukrainian Catholic Church	8700 Railway Avenue	3,877
Vancouver International Buddhist Progress Society	6690 - 8181 Cambie Road	9,660
Vancouver International Buddhist Progress Society	8271 Cambie Road	12,932
Vedic Cultural Society of BC	8200 No. 5 Road	3,313
West Richmond Gospel Hall	5651 Francis Road	4,877

Recreation, child care and community service properties

Atira Women's Resource Society	650 - 5688 Hollybridge Way	\$ 6,405
Canadian Sport Institute Pacific Society	2005 - 6111 River Road	5,199
Cook Road Children's Centre	8300 Cook Road	1,998
Cranberry Children's Centre	23591 Westminster Highway	4,770
Gardens Children's Centre	10640 No. 5 Road	4,507
Girl Guides of Canada	4780 Blundell Road	6,481
Girl Guides of Canada	11551 Dyke Road	24,169
Navy League of Canada	7411 River Road	8,214
Richmond Animal Protection Society	12071 No. 5 Road	13,819
Richmond Caring Place	7000 Minoru Boulevard	101,725
Richmond Family Place	8660 Ash Street	4,987
Richmond Lawn Bowling Club	6131 Bowling Green Road	36,378
Richmond Gymnastics Association	140 - 7400 River Road	11,724
Richmond Olympic Oval	6111 River Road	1,349,114
Richmond Public Library	11580 Cambie Road	2,565
Richmond Public Library	11688 Steveston Highway	4,596
Richmond Rod and Gun Club	7760 River Road	33,637
Richmond Rod and Gun Club	140 - 7400 River Road	5,862
Richmond Tennis Club	6820 Gilbert Road	41,114
Richmond Winter Club	5540 Hollybridge Way	181,368
Riverside Children's Centre	5862 Dover Crescent	1,054
Scotch Pond Heritage	2220 Chatham Street	9,202
Seasong Child Care Centre	10380 No. 2 Road	15,611
Terra Nova Children's Centre	6011 Blanchard Drive	1,953
Treehouse Learning Centre	100 - 5500 Andrews Road	1,916
Watermania	14300 Entertainment Boulevard	183,723
West Cambie Child Care Centre	4033 Stolberg Street	3,658

Senior citizen housing

Richmond Legion Senior Citizen Society	7251 Langton Road	\$ 28,083
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Community care facilities

Developmental Disabilities Association	6531 Azure Road	\$ 2,374
Developmental Disabilities Association	8400 Robinson Road	3,062
Developmental Disabilities Association	7611 Langton Road	2,886
Greater Vancouver Community Service	4811 Williams Road	3,205
Pinegrove Place, Mennonite Care Home Society	11331 Mellis Drive	18,140
Richmond Lions Manor	9020 Bridgeport Road	27,608
Richmond Society for Community Living	5728 Woodwards Road	2,455
Richmond Society for Community Living	303 - 7560 Moffatt Road	982
Richmond Society for Community Living	4433 Francis Road	2,300
Richmond Society for Community Living	9 - 11020 No. 1 Road	1,193
Richmond Society for Community Living	9580 Pendleton Road	3,018
Rosewood Manor, Richmond Intermediate Care Society	6260 Blundell Road	38,488
Western Recovery Foundation	10411 Odlin Road	2,610

Major services provided by the City of Richmond

Administration

Includes the office of the Chief Administrative Officer who oversees the overall administration of the City's operations. Also includes the Deputy Chief Administrative Officer, 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 and engineering planning, design, construction and maintenance services for all utility and City building infrastructure.

Finance and Corporate Services

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

Planning and Development

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

Legal and Legislative Services

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

Other City entities

Gateway Theatre

Operates the City's performing arts theatre.

Lulu Island Energy Company

Operates the City's district energy utilities.

Richmond Olympic Oval Corporation

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

Richmond Public Library

Operates Richmond's public library, including four branches.

City of Richmond contacts

The City of Richmond offers many civic services to the community. Additional services 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
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