

From: ["Mochrie, Paul" <Paul.Mochrie@vancouver.ca>](mailto:Paul.Mochrie@vancouver.ca)
To: ["Direct to Mayor and Council - DL"](#)
CC: ["City Manager's Correspondence Group - DL"](#)
Date: 3/24/2021 7:21:40 AM
Subject: Upcoming IB: SOFI Report

Dear Mayor and Council,

I am writing to inform you that the City will be issuing an Information Bulletin later today regarding the public posting of the City's Statement of Financial Information (SOFI report).

The report contains the City's audited year-end financial statements, along with details of salaries and expenses over \$75k and supplier contracts paid over \$25k. As a reminder, the consolidated financial statements include all funds and entities, prepared in accordance with Public Sector Accounting Standards, and differ from the annual operating and capital budget views.

You may find the following key messages helpful when responding to questions from residents or media.

SOFI Report: Key Messages

- The impacts to the City's operations, costs and revenues in 2020 from the COVID-19 pandemic were significant. Operating revenues at year-end were \$89 million below budget and there was also a \$16 million increase in operating costs due to the City's response to the pandemic including services for our most vulnerable community members (increased facilities cleaning, support for single-room occupancy buildings and general sanitation, etc.).
- Measures taken by the City to reduce operating costs included delays to some capital projects, reduced discretionary spending, and compensation adjustments including staff furloughs, deferred merit increases and delays in hiring. There were also reductions in salary and benefits costs related to temporary layoffs for those working in areas where public-facing services had been suspended.
- Council may receive questions regarding the surpluses reflected on the consolidated statements:
 - The annual surpluses of \$229 million exceeded budgeted annual surpluses of \$168.7 million, and reflects investments in tangible capital assets and other funds to be spent in following years including unbudgeted Empty Homes Tax (to be allocated to new affordable housing initiatives), and contributions from development for future City assets and amenities. These surpluses have specific obligations or are limited to use for a specific purpose and cannot be used to offset property taxes or fee-funded operating expenses in the operating budget.

- The accumulated surplus of \$8.1 billion is comprised mainly of tangible capital assets such as land, buildings and infrastructure assets.
- While the City completed 2020 with a positive balance sheet, we expect financial challenges in our operating and capital budgets from the pandemic to continue in 2021. We will continue to carefully manage our finances and expect to use the general revenue stabilization reserves on a one-time basis to balance the 2021 operating budget.

Best,
Paul

Paul Mochrie (he/him)
Acting City Manager
City of Vancouver
paul.mochrie@vancouver.ca



The City of Vancouver acknowledges that it is situated on the unceded traditional territories of the xʷməŋəm (Musqueam), ləwə́w mesh (Squamish), and səlilwətəł (Tsleil-Waututh) Nations.