

From: "Johnston, Sadhu" <Sadhu.Johnston@vancouver.ca>

To: "Direct to Mayor and Council - DL"

CC: "City Manager's Correspondence Group - DL"

"Impey, Patrice" <Patrice.Impey@vancouver.ca>

"Kerr, Melanie" <Melanie.Kerr@vancouver.ca>

Date: 10/25/2018 11:45:24 AM

Subject: Memo - New Related Party Disclosure Requirements

Attachments: Memo to Mayor and Council - New Related Party Disclosure Requirements -pdf

Greetings Mayor and Council,

Please see the attached memo from Patrice Impey. We have been requested by our auditors to make you aware of a new disclosure requirement on related party transactions that is required as part of our annual financial audit. Please review the attached memo which includes explanations of Fair Value and related parties for this purpose.

Mayor and Council is asked to consider the following question:

To the best of your knowledge, are you aware of any transactions with the City of Vancouver between yourself, a close family member or any entities controlled by your or your family that occurred at a value different than fair value?

If the answer to the above question is no further information is required.

If the answer to the above question is "yes", please contact Patrice Impey, CFO at 604-873-7610 or Melanie Kerr, Director of Financial Services, at 604-871-6281 or melanie.kerr@vancouver.ca.

Best,
Sadhu

Sadhu Aufochs Johnston | City Manager
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MEMORANDUM

October 24, 2018

TO: Mayor and Council

CC: Sadhu Johnston, City Manager
Paul Mochrie, Deputy City Manager
Katrina Leckovic, City Clerk
Lynda Graves, Administration Services Manager, City Manager's Office
Rena Kendall-Craden, Communications Director
Kevin Quinlan, Chief of Staff, Mayor's Office
Naveen Girn, Community Relations Director, Mayor's Office
Melanie Kerr, Director of Financial Services

FROM: Patrice Impey
General Manager, Finance, Risk & Supply Chain Management

SUBJECT: New Related Party Disclosure Requirements

Dear Mayor and Council,

As part of our annual financial audit, the City is required to comply with Canadian generally accepted accounting principles for local governments. The purpose of this memo is to request that Mayor and Council assist us in complying with new financial statement disclosure requirements on related parties. To comply, the City must disclose material transactions between related parties that occur at a value other than fair value. Fair value is defined as "the amount of consideration that is agreed upon in an arm's length transaction between willing parties under no compulsion to act".

A related party for the purposes of this disclosure includes council, key management and their close family members. It includes all entities included in the City of Vancouver annual financial statements including: Hastings Institute Inc, Harbour Park Development Inc, Parking Corporation of Vancouver, Vancouver Economic Commission, Vancouver Civic Development Corporation, City of Vancouver Public Housing Corporation, Pacific National Exhibition and Vancouver Affordable Housing Agency.

To provide appropriate audit evidence to support the information required for disclosure, please consider the following question for the fiscal year ended **December 31, 2018**.

To the best of your knowledge, are you aware of any transactions with the City of Vancouver between yourself, a close family member or any entities controlled by you or your family that occurred at a value different than fair value?

If the answer to the above question is “no”, no further information is required.

If the answer to the above question is “yes”, please contact me or Melanie Kerr, Director of Financial Services, at 604-871-6281 or melanie.kerr@vancouver.ca.

Regards,

A handwritten signature in black ink, appearing to read 'Patrice Impey', written in a cursive style.

Patrice Impey
General Manager, Finance, Risk & Supply Chain Management
604.873.7610 | patrice.impey@vancouver.ca