

CITY OF VANCOUVER

BRITISH COLUMBIA

ANNUAL FINANCIAL REPORT

2019

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Vancouver City Council 2018 – 2022

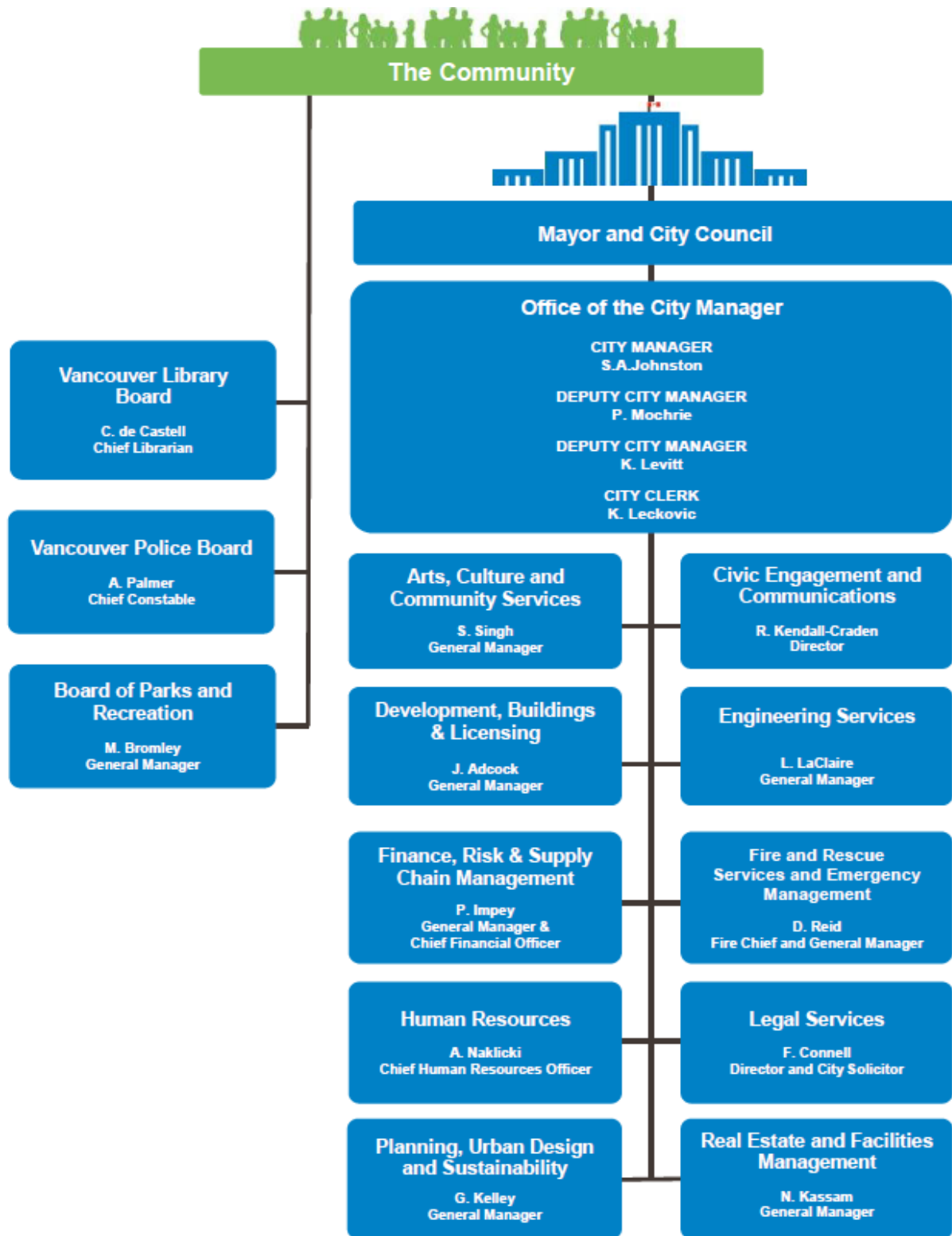
City Council is made up of the Mayor and ten councillors who are elected at large for a four-year term.



Councillor Rebecca Bligh	Councillor Christine Boyle	Councillor Colleen Hardwick	Councillor Pete Fry	Councillor Adriane Carr	Mayor Kennedy Stewart	Councillor Melissa De Genova	Councillor Jean Swanson	Councillor Michael Wiebe	Councillor Lisa Dominato	Councillor Sarah Kirby-Yung
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CITY OF VANCOUVER ORGANIZATIONAL CHART

The City of Vancouver's organizational structure supports the community.



February 28, 2020

Mayor K. Stewart and Members of Council

It is our pleasure to submit the Consolidated Financial Statements for the City of Vancouver for the year ended December 31, 2019. These financial statements include the financial position and results of operations of the City including its Boards and City controlled corporations. The preparation of the Consolidated Financial Statements is the responsibility of management and they have been prepared in accordance with Canadian Generally Accepted Accounting Principles as prescribed by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

To assist in meeting its responsibility, management maintains accounting, budget and other internal controls to provide reasonable assurance that transactions are appropriately authorized and accurately recorded, and that assets are properly accounted for and safeguarded.

The City's financial statements consist of:

- Consolidated Statement of Financial Position – summary of financial and non-financial assets, liabilities and accumulated surplus at year end.
- Consolidated Statement of Operations – summary of revenues, expenses and annual surplus for the year.
- Consolidated Statement of Change in Net Financial Assets – summary of changes in financial assets and liabilities.
- Consolidated Statement of Cash Flows – summary of the sources and uses of cash in the year.

The Consolidated Financial Statements have been audited by the independent firm of KPMG LLP and their report precedes the financial statements.

Consolidated Financial Position

(\$Millions)	2019	2018	Change
Financial assets	\$ 2,915.3	\$ 2,670.0	\$ 245.3
Liabilities	2,265.5	2,173.1	92.4
Net financial assets	649.8	496.9	152.9
Non-financial assets	7,259.1	7,111.2	147.9
Accumulated Surplus	\$ 7,908.9	\$ 7,608.1	\$ 300.8

The City's overall financial position improved by \$300.8 million in 2019 with accumulated surplus totaling \$7.9 billion (2018 - \$7.6 billion). Accumulated surplus is comprised of investment in tangible capital assets of \$6.2 billion (2018 - \$6.0 billion), reserve balances set aside for specific purposes less obligations to be funded from future revenues of \$1.6 billion (2018 - \$1.5 billion) and fund balance of \$147.6 million (2018 - \$109.3 million).

The City's net financial position, calculated as financial assets less liabilities can result in either a net financial asset or a net financial liability. A net financial asset position is an indicator of the funds available for future expenditures and a net financial liability position is an indicator of future revenues required to pay for past transactions and events. The City's net financial position improved by \$152.9 million resulting in a net financial asset position of \$649.8 million due to the City's annual consolidated surplus (revenues exceeding expenses) of \$300.8 million less changes non-financial assets of \$147.9 million.

The City's non-financial assets increased in 2019 by \$147.9 million, bringing the total to \$7.3 billion. The increase is the net result of capital additions of physical assets in the year offset by disposals and amortization expense.

REPORT OF THE DIRECTOR OF FINANCE

Consolidated Results of Operations

(\$ Millions)	2019 Budget	2019	2018
Revenues	\$ 1,843.8	\$ 1,966.9	\$ 1,978.9
Expenses	1,730.3	1,666.1	1,587.2
Annual surplus	\$ 113.5	\$ 300.8	\$ 391.7

Year over Year Change

Consolidated revenues of \$2.0 billion decreased by \$12.0 million over 2018 mainly due to:

- a decrease of \$124.1 million in developer contributions, offset by:
- an increase of \$40.1 million in property taxes
- an increase of \$22.3 million in utility fees
- an increase of \$19.7 million in cost recoveries, grants, and donations
- and a remaining net increase of \$30.0 million in investments income, rental, lease and other.

Consolidated expenses of \$1.7 billion increased by \$78.9 million over 2018 mainly due to:

- an increase of \$59.5 million in contractual wage and other fringe costs and includes \$15 million for Employer Health Tax, to be partially offset by discontinuance of MSP in 2020 and years onwards
- an increase of \$20.4 million in utility services due to landfill closure activity and higher Metro sewer and water rates and higher consumption volumes
- offset by a net decrease of \$1.0 million in other expenses.

The City's consolidated revenues exceeded expenses resulting in an annual surplus of \$300.8 million (2018 - \$391.7 million).

Budget Variance

As disclosed in Note 14 to the consolidated financial statements, funding based budgets for all the City's funds and controlled entities were adjusted for capital expenditures and amortization to align to the PSAB standard for financial reporting. The results relative to the adjusted PSAB budget are:

Consolidated revenues of \$2.0 billion were greater than budgeted revenues by \$123.1 million primarily due to:

- \$39.4 million higher for vacancy tax which was not budgeted
- \$74.0 million higher than budgeted for cost recoveries, grants and donations due to \$25.5 million from Metro Vancouver for landfill closure and non-closure costs, \$11.0 million of Provincial childcare capital facility funding, \$10.7 million of utility connection fees and \$20.3 million in operating cost recoveries including \$7.1 million from police special event services and Vancouver Police Foundation grant.
- \$21.3 million higher than budgeted investment income due to higher rates and cash balances
- offset by \$38.0 million lower than budgeted developer contributions for affordable housing.

Consolidated expenses of \$1.7 billion were \$64.1 million lower than budget expenses primarily due to:

- \$65.3 million lower than budgeted community and cultural services due to \$36.5 million in capital grants and community planning activity and \$28.5 million in affordable housing
- \$35.9 million lower than budgeted for general government due to \$11.0 million transferred to reserve for future capital and workspace costs deferred to 2020, \$8.9 million of favourable settlements related to outstanding claims and \$6.6 million of costs budgeted in general government with expenditure in other categories
- offset by a net increase over budget of \$25.9 million in utilities due to \$16.0 million in landfill closure costs and \$9.9 million in other utility capital maintenance
- \$8.2 million increase over budget for police protection.

In total the City's annual consolidated surplus of \$300.8 million exceeded the budgeted annual surplus of \$113.5 million by \$187.3 million. The annual consolidated surplus was utilized for transfers to sinking fund and other reserves and capital asset expenditures.

REPORT OF THE DIRECTOR OF FINANCE

Tangible Capital Assets

Consolidated capital additions totalled \$348.4 million in 2019 and are comprised of the following:

(\$Millions)	2019
Land and improvements	\$61.7
Buildings and leasehold improvements	70.4
Vehicles and other equipment	34.8
Computer systems	24.9
Infrastructure	
Streets and structures	66.1
Water system	30.1
Sewer system	45.7
Assets under construction	14.7
	<u>\$348.4</u>

Land additions primarily include \$15.2 million for park expansion, \$3.4 million for social housing, and developer contributions of \$31.1 million for roads. Vehicle and other equipment purchases were primarily engineering heavy equipment and police light vehicles. Building additions primarily include \$21.5 million for Fire Hall #5, child care facilities of \$10.7 million, and artist studios of \$7.2 million.

Debt

In October 2019, the City issued an additional \$100.0 million from its 2012 sinking fund 3.70% debenture due in 2052 resulting in a \$24.1 million premium and an effective rate of 2.60%. During the year, the City repaid \$126.4 million of debt resulting in a total outstanding debt of \$1,081.1 million including \$23.6 million in unamortized debt premium. At the end of 2019, the City has sinking fund debt reserves of \$476.4 million for future repayments.

(\$Millions)	2019	2018	Change
Long term debt	\$ 1,081.1	\$ 1,083.2	\$ (2.1)
Less: Sinking fund reserves	(476.4)	(494.2)	17.8
Net long term debt	<u>\$ 604.7</u>	<u>\$ 589.0</u>	<u>\$ 15.7</u>

As part of the 2019-2022 Capital Plan, the City had approved borrowing of up to \$495.0 million; \$300.0 million for the maintenance and replacement of existing and construction of new streets, parks and facilities infrastructure and \$195.0 million for sewer and neighborhood energy capital expenditures. The overall outstanding borrowing authority at the end of 2019 was \$170.5 million.

REPORT OF THE DIRECTOR OF FINANCE

Reserves

Under legislative or Council authority, the City has established a number of specific purpose reserves in addition to the sinking fund debt repayment reserve. At the end of 2019, these specific purpose reserves totalled \$1,284.6 million, up by a net amount \$107.1 million over 2018.

The City reserves are grouped into five main categories reflecting the purpose of the reserve, and highlights of the major changes in the year are as follows:

Financial Stabilization – provides for mitigation of risks to the City's financial stability and a buffer for impacts of unplanned events, unforeseen emergencies and short term relief from revenue fluctuations.

- The General Revenue Stabilization Reserve provides for operating contingency funds for events such as inclement weather, catastrophic events, environmental hazards, extraordinary public safety situations, economic downturns and unforeseen changes in revenues. The balance of the reserve is \$146.3 million.
- The Solid Waste Capital Reserve is being accumulated to fund closure and post-closure costs at the City's landfill. The present liability is calculated based on the ratio of utilization to the total capacity of the landfill site and the discounted value of future estimated cash flows associated with closure and post-closure activities. At year end, the liability amounted to \$63.0 million, with the remaining capacity of 4.8 million tonnes (18.5% of total capacity) to be utilized by 2036. During the year the reserve increased by \$5.8 million to \$70.7 million as a result of operating surplus, interest revenue and recoveries from Metro Vancouver of \$24.2 million offset by expenditures of \$18.4 million.

Asset Management – provides for renewal, replacement and major maintenance of tangible capital assets.

- The Plant and Equipment Reserves which fund the long term equipment replacement plan decreased by \$3.8 million to \$50.2 million. The reserves are primarily funded by internal equipment charges provided in the Operating and Capital Budgets and proceeds from equipment disposals in 2019 which amounted to \$23.8 million. Expenditures in 2019 were \$27.6 million of which \$18.9 million related to purchase of fleet and equipment and \$1.8 million related to the replacement of fleet management software, and \$6 million related to funding of the North East False Creek project.

Future Capital – provides for new capital asset additions to address City growth.

- Community Amenity contributions from developers and interest totaled \$60.9 million (2018 - \$102.7 million). Transfers and expenditures of \$40.6 million (2018 - \$29.8 million) for capital projects brought the year end Community Amenities Reserve balance to \$435.6 million. The Affordable Housing Reserve increased by a net amount of \$39.1 million to \$162.9 million.
- Capital Facilities and Infrastructure Reserve hold funds for future streets and transit infrastructure and building projects. The reserve balance of \$87.9 million increased by \$12.6 million mainly due to total receipts of \$19.2 million, comprised primarily of planned Revenue fund transfers of \$15.0 million and Gas Tax receipts of \$3.9 million less expenditures comprised mainly of a \$6.6 million transfer out for funding the 2019 Capital Budget.
- The Parking Sites Reserve holds the net parking revenues from the City's parkades and parking lots, managed and operated by Easy Park. Net parking revenues of \$12.6 million were offset by capital expenditures of \$9.8 million, which included construction of a new parkade for \$4.4 million, parking site expenditures of \$3.1 million, funding for public bike share program of \$0.3 million, and a \$2.0 million dividend to the revenue fund, resulting in an increase of \$2.8 million bringing the balance of reserve to \$44.8 million.

Special Revenue and Programs – holds funds received from external sources or designated for specific purposes.

- The Insurance reserve provides for payment of claims against the City. In 2019, transfers to the reserve net of payments were \$3.0 million leaving a balance of \$28.4 million.

Future Debt Repayment – for future debt repayments

- A net transfer of \$10.0 million to cover the Sinking Fund deficit left the Future Debt Repayment Reserve with a balance of \$22.2 million.

Climate-Related Financial Disclosures

The City is continuing its commitment to support the voluntary recommendations of the Task Force for Climate-Related Financial Disclosures (TCFD) by including climate-related financial disclosures in its annual financial report. This disclosure describes the City's governance, strategy, risk, management and metrics and targets related to climate adaptation and will evolve as both the field of climate-risk disclosure and the City's climate change planning and response matures. The disclosure can be found immediately following the audited financial statements.

Summary

The City's financial position continued to improve in 2019.

The City's 2019 financial position remains strong and is reflected in recent credit ratings updates. In February 2020, S&P Global Ratings and in November 2019 Moody's Investors Service reaffirmed the City's credit rating of AAA and Aaa with stable outlooks, respectively. Both AAA and Aaa credit ratings reflects the agencies' assessments of the City's solid governance and experienced financial management team, consistent positive fiscal outcomes, high levels of liquidity, strong economy and budgetary performance, and strong debt affordability. Strong credit ratings provide the City with the opportunity to borrow at more favourable interest rates.

Respectfully submitted,



Patrice Impey, B.Sc. MBA
General Manager, Finance, Risk & Supply Chain Management
Chief Financial Officer
Director of Finance



Gregory Krueger
Associate Director of Financial Services

INDEPENDENT AUDITORS' REPORT

To the Mayor and Councilors of the City of Vancouver

Report on the Audit of Financial Statements

Opinion

We have audited the consolidated financial statements of the City of Vancouver (the “City”), which comprise:

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

(hereinafter referred to as the “financial statements”).

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

Basis for Opinion

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

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

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

Other Information

Management is responsible for the other information. Other information comprises the information, other than the financial statements and the auditors’ report thereon, included in the 2019 Annual Financial Report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditors’ report thereon, included in the 2019 Annual Financial Report as at the date of this auditors’ report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

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.

Report on Other Legal and Regulatory Requirements

As required by the Vancouver Charter, we report that, in our opinion, the accounting policies applied in preparing and presenting financial statements in accordance with Canadian public sector accounting standards have been applied on a basis consistent with that of the preceding period.



Chartered Professional Accountants

Vancouver, Canada

February 28, 2020

CITY OF VANCOUVER
Consolidated Statement of Financial Position
As at December 31
(\$000s)

	2019	2018
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 385,645	\$ 320,400
Temporary investments (Note 2)	2,262,090	2,060,045
Accounts receivables (Note 3)	265,411	281,310
Lease agreement receivable (Note 4)	2,161	8,293
	<u>2,915,307</u>	<u>2,670,048</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	424,001	378,175
Deferred liabilities (Note 6)	164,979	164,272
Mortgages and loan agreement (Note 7)	15,229	21,625
Debt (Note 8)	1,081,103	1,083,202
Deferred revenue (Note 9)	580,228	525,820
	<u>2,265,540</u>	<u>2,173,094</u>
NET FINANCIAL ASSETS	<u>649,767</u>	<u>496,954</u>
NON-FINANCIAL ASSETS		
Inventory and prepaids	24,306	24,539
Tangible capital assets (Note 10)	7,234,799	7,086,656
	<u>7,259,105</u>	<u>7,111,195</u>
ACCUMULATED SURPLUS (Note 11)	<u>\$ 7,908,872</u>	<u>\$ 7,608,149</u>

Contractual rights, contingencies and commitments (Note 12)
See accompanying Notes to Consolidated Financial Statements

CITY OF VANCOUVER
Consolidated Statement of Operations
Years ended December 31
(\$000s)

	2019 Budget	2019	2018
	(Note 14)		
REVENUES			
Property taxes, penalties and interest (Note 12 (e) and (g))	\$ 831,522	\$ 873,498	\$ 833,414
Utility fees	302,042	299,411	277,143
Program fees	114,781	127,059	123,888
License and development fees	90,097	95,910	94,828
Parking	106,067	102,906	98,063
Cost recoveries, grants and donations	98,219	172,233	152,553
Revenue sharing	19,150	20,970	22,489
Investment income	27,743	49,070	37,681
Rental, lease and other	62,677	77,989	66,813
Bylaw fines	20,837	22,152	22,352
Developer contributions	170,652	132,695	256,763
Loss on sale of tangible capital assets	-	(7,057)	(7,094)
	<u>1,843,787</u>	<u>1,966,836</u>	<u>1,978,893</u>
EXPENSES			
Utilities	294,990	320,907	300,504
General government	213,966	178,088	175,712
Police protection	332,566	340,780	324,602
Fire protection	138,743	140,368	136,046
Engineering	226,587	226,529	212,454
Planning and development	71,277	67,614	59,805
Parks and recreation	215,762	222,470	206,028
Community and cultural services	176,214	110,860	116,947
Library	60,145	58,497	55,105
	<u>1,730,250</u>	<u>1,666,113</u>	<u>1,587,203</u>
ANNUAL SURPLUS	<u>113,537</u>	<u>300,723</u>	<u>391,690</u>
ACCUMULATED SURPLUS (Note 11)			
Beginning of year	<u>7,608,149</u>	<u>7,608,149</u>	<u>7,216,459</u>
End of year	<u>\$ 7,721,686</u>	<u>\$ 7,908,872</u>	<u>\$ 7,608,149</u>

See accompanying Notes to Consolidated Financial Statements

CITY OF VANCOUVER
Consolidated Statement of Change in Net Financial Assets
Years ended December 31
(\$000s)

	2019 Budget	2019	2018
	(Note 14)		
Annual Surplus	\$ 113,537	\$ 300,723	\$ 391,690
Acquisition of tangible capital assets	(414,234)	(300,774)	(234,412)
Contributed tangible capital assets	-	(47,602)	(111,658)
Amortization of tangible capital assets	191,394	193,176	187,634
Loss on sale of tangible capital assets	-	7,057	7,094
Proceeds on sale of tangible capital assets	-	-	523
	(222,840)	(148,143)	(150,819)
Change in inventory and prepaids	-	233	4,174
CHANGE IN NET FINANCIAL ASSETS	(109,303)	152,813	245,045
NET FINANCIAL ASSETS			
Beginning of year	496,954	496,954	251,909
End of year	\$ 387,651	\$ 649,767	\$ 496,954

See accompanying Notes to Consolidated Financial Statements

CITY OF VANCOUVER
Consolidated Statement of Cash Flows
Years ended December 31
(\$000s)

	2019	2018
CASH PROVIDED BY (USED IN):		
Operating Transactions		
Annual surplus	\$ 300,723	\$ 391,690
Items not involving cash		
Amortization	193,176	187,634
Amortization of debt premium	(217)	-
Contributed tangible capital assets	(47,602)	(111,658)
Loss on sale of tangible capital assets	7,057	7,094
Recognition of deferred revenue	(88,092)	(65,068)
Change in non-cash items		
Other financial assets and liabilities	67,857	(76,298)
Change in deferred liabilities	707	(4,552)
Increase in inventory and prepaids	233	4,174
	<u>433,842</u>	<u>333,016</u>
Financing Transactions		
Debt issued	100,000	90,000
Debt Premium	23,861	-
Debt, mortgages and loan agreement repayments	(132,139)	(9,021)
Deferred revenue receipts	142,500	114,839
	<u>134,222</u>	<u>195,818</u>
Capital Transactions		
Acquisition of tangible capital assets	(300,774)	(234,412)
Proceeds of sale of tangible capital assets	-	523
	<u>(300,774)</u>	<u>(233,889)</u>
Investing Transactions		
Net purchase of temporary investments	(202,045)	(159,239)
	<u>(202,045)</u>	<u>(159,239)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	65,245	135,706
CASH AND CASH EQUIVALENTS		
Beginning of year	320,400	184,694
End of year	<u>\$ 385,645</u>	<u>\$ 320,400</u>

See accompanying Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Tabular amounts in \$000s)
Year Ended December 31, 2019

The City of Vancouver (the "City") was incorporated in 1886 and is governed by the Vancouver Charter, a private bill consented to by the Legislative Assembly of the Province of British Columbia.

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

The consolidated financial statements of the City have been prepared in accordance with Canadian public sector accounting standards.

(b) Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all the organizations controlled by the City. Inter-fund and inter-corporate balances and transactions have been eliminated. The entities included are as follows:

Hastings Institute Inc.	Vancouver Civic Development Corporation
Harbour Park Development Ltd.	City of Vancouver Public Housing Corporation
Parking Corporation of Vancouver (EasyPark)	Pacific National Exhibition (PNE)
Vancouver Economic Commission	Vancouver Affordable Housing Agency

The resources and operations of the City are accounted for in the following funds:

- Capital Fund - Accounts for capital expenditures supporting civic infrastructure and holds all properties required for civic use and the related debt.
- Revenue Fund - Accounts for revenue and expenditures for the general operations of the City including sewer, solid waste, and water and neighbourhood energy utilities.
- Property Endowment Fund – Accounts for parkades and properties which are leased to third parties, being developed or held for resale or lease.
- Sinking Fund - Accounts for the accumulation of instalments generated from tax levies in accordance with the actuarial requirements for the retirement of sinking fund debt at maturity.
- Capital Financing Fund - Accounts for funds designated for the financing of capital works, for the acquisition of the City's debentures and for funds set aside for the City's solid waste disposal program.

(c) Revenues

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues.

1. SIGNIFICANT ACCOUNTING POLICIES – Continued

(d) Deferred Revenue

(i) Development cost levies (DCL's):

The City collects development cost levies in accordance with Council approved by-laws to finance growth-related projects including parks, childcare facilities, replacement housing and engineering infrastructure. DCL's must be spent on projects within defined area boundaries and are recognized as revenue as Council approved expenditures are incurred.

(ii) Prepaid leases

The City has land leases with terms ranging from 18 to 99 years, some of which have been prepaid. These amounts are recognized in revenue on a straight-line basis over the lease term.

(iii) Capital Contributions and other

Contributions for capital and other are recognized as the expenditures are incurred.

(e) Cash, Cash Equivalents and Temporary Investments

Cash and cash equivalents includes short-term investments with maturity dates within 90 days of acquisition. Temporary investments are comprised of money market instruments, term deposits, banker acceptances and corporate, federal and provincial bonds with maturity dates greater than 90 days after acquisition. Temporary investments are recorded at cost, adjusted for amortization of premiums or discounts.

(f) Non-financial Assets

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

(i) Tangible capital assets

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

	Years
Landfill and land improvements	15 to 60
Buildings and building improvements	25 to 100
Leasehold improvements	5 to 20
Vehicles, equipment and furniture	3 to 25
Computer systems	5-10
Library books and materials	10
Infrastructure	
Streets and structures	25 to 80
Water system	20 to 100
Sewer system	40 to 100

Annual amortization is charged commencing when the asset is acquired or available for use. Assets under construction are not amortized until the asset is available for productive use. The City does not capitalize interest associated with the acquisition or construction of a tangible capital asset.

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

Works of art, artifacts, cultural and historic assets are not recorded as assets in the consolidated financial statements.

(ii) Inventory and prepaids

Inventory and prepaid expenses held for consumption are recorded at the lower of cost and replacement cost.

1. SIGNIFICANT ACCOUNTING POLICIES – Continued

(g) Pension Plan and Deferred Payroll Liabilities

The City and its employees participate in the Municipal Pension Plan. The Municipal Pension Plan is a multi-employer contributory defined benefit pension plan. Payments in the year are expensed.

Employees are entitled to earned benefits related to non-vesting accumulating sick leave, sick leave gratuity and full vacation entitlement at retirement. Employees may also defer current vacation entitlements. The cost of post-employment benefits is actuarially determined based on service provided, a best estimate of retirement ages and expected future salary and wage increases. The liability under these benefit plans is accrued based on projected benefits as the employees render service necessary to earn the future benefits.

Certain employees are entitled to income continuation benefits under long term disability plans. The City recognizes a liability and expense for these post-employment benefits in the period when the event occurs that obligates the City to provide the benefit.

(h) Landfill Closure and Post Closure Costs

The Ministry of Environment establishes certain requirements in order for the City to obtain an Operating Certificate for its landfill site. Those obligations include closure and post-closure activities. The present value of the City's estimated future liability for these expenditures is recognized as the landfill site's capacity is used. This liability and annual expense is calculated based on the ratio of utilization to total capacity of the site.

(i) Liabilities for Contaminated Sites

The City recognizes a liability for remediation of a contaminated site when the site is no longer in productive use or an unexpected event resulting in contamination has occurred and the following criteria are satisfied: contamination exceeds an environmental standard, the City is either directly responsible or has accepted responsibility for remediation, it is expected future economic benefits will be given up and a reasonable estimate of the amount can be made. Future economic benefits are expected to be given up if the City has an external obligation to remediate a site or has commenced remediation on its own accord.

(j) Use of Estimates

Preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported consolidated amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Significant estimates include assumptions used in estimating provisions for accrued liabilities, legal claims, assessment appeals, landfill liability and contaminated sites liabilities and in performing actuarial valuations of employee future benefits. The amounts recorded for tangible capital assets are based on management's estimates of historical cost, useful lives and valuation for contributed assets.

Actual results could differ from the estimates and adjustments, if any, will be reflected in the period of settlement or upon a change in the estimate.

(k) Comparative Figures

Certain comparative figures have been reclassified to conform with the presentation adopted in the current year.

2. TEMPORARY INVESTMENTS

The market value of temporary investments as at December 31, 2019 are \$2,266,139 (2018 - \$2,058,902).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Tabular amounts in \$000s)
Year Ended December 31, 2019

3. ACCOUNTS RECEIVABLES

	2019	2018
Accrued interest	\$ 15,054	\$ 17,792
Employee advances	1,015	1,159
Local improvement receivables	2,243	2,532
Property taxes receivables	55,192	42,546
Rental and lease receivables	3,245	2,912
Trade and other receivables	154,601	182,537
Utility receivables	34,061	31,832
	<u>\$ 265,411</u>	<u>\$ 281,310</u>

4. LEASE AGREEMENT RECEIVABLE

The City has executed a 25-year lease of the Library Square office building to the Federal Government which commenced April 30, 1995. Annual lease receipts partially offsets the mortgage principal and interest payments as described in note 7(a).

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2019	2018
Payroll liabilities	\$ 75,409	\$ 62,277
Property tax advance deposits and receipts	121,328	105,788
Other advance deposits and receipts	62,025	57,797
Trade and other liabilities	165,239	152,313
	<u>\$ 424,001</u>	<u>\$ 378,175</u>

6. DEFERRED LIABILITIES

	2019	2018
Deferred payroll costs (a)	\$ 91,747	\$ 90,577
Landfill closure and post-closure costs (b)	63,018	63,665
Contaminated sites	4,735	4,811
Accrued interest on long term debt	5,479	5,219
	<u>\$ 164,979</u>	<u>\$ 164,272</u>

(a) Deferred Payroll Costs

The City has accumulated \$55.0 million (2018 - \$55.0 million) in a reserve for the funding of deferred payroll liabilities (note 11(a)). An actuarial valuation was completed as at December 31, 2019 using the following valuation assumptions:

	2019	2018
Discount rate	3.36%	3.58%
Inflation rate	2%	2%
Rate of compensation increase	2.58% to 4.63%	2.58% to 4.63%
Amortization period of actuarial gain in years	11	11

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Tabular amounts in \$000s)
Year Ended December 31, 2019

6. DEFERRED LIABILITIES - Continued

(a) Deferred Payroll Costs - Continued

	2019	2018
Sick leave gratuity	\$ 28,755	\$ 27,494
Deferred vacation	10,144	10,074
Non-vested accumulating sick leave	19,095	18,330
Long term disability	17,695	16,621
Other post-employment benefits	21,159	20,383
	96,848	92,902
Unamortized actuarial gain	(5,101)	(2,325)
	<u>\$ 91,747</u>	<u>\$ 90,577</u>

The continuity of the City's deferred payroll costs is as follows:

	2019	2018
Beginning of the year	\$ 90,577	\$ 93,060
Current service cost	8,199	4,435
Interest cost	3,511	3,457
Amortization of actuarial gain	(733)	(972)
Actual benefits paid	(9,807)	(9,403)
End of the year	<u>\$ 91,747</u>	<u>\$ 90,577</u>

(b) Landfill Closure and Post-Closure Costs

The City has accumulated \$70.7 million (2018 - \$64.9 million) in a Solid Waste Capital reserve for the funding of landfill liabilities (note 11(a)).

The landfill liabilities reported are based on the following assumptions:

	2019	2018
Closure date	2036	2036
Years of post-closure maintenance	30	30
Total capacity (million tonnes)	25.9	25.7
Future costs (million)	\$209.4	\$218.7
Present value of future costs (million)	\$114.7	\$116.5
Deposited to date (million tonnes)	21.1	20.5
Utilization of total capacity to date	81.5%	79.8%
City's share of liability	67.2%	68.5%
Discount rate	3.36%	3.58%
Inflation rate	2.00%	2.00%

In accordance with an agreement between the City and the Greater Vancouver Sewerage and Drainage District, the City is responsible for its share of the overall liability for closure and post-closure costs based on tonnage deposited by parties to the agreement.

7. MORTGAGES AND LOAN AGREEMENT

(a) Outstanding mortgages include:

- \$6.5 million (2018 - \$12.3 million) on the Library Square Project is due on January 14, 2021. Interest at 9.677% per annum is compounded semi-annually with monthly repayments of principal and interest. The mortgage is secured by a first charge on the land and any proceeds from the sale of the land on which the office building is situated, the office building and any improvements to it including machinery, plant and equipment, and any proceeds on the lease of the office building. The interest paid in 2019 on the Library Square mortgage amounted to \$0.9 million (2018 - \$1.5 million).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Tabular amounts in \$000s)
Year Ended December 31, 2019

7. MORTGAGES AND LOAN AGREEMENT - Continued

- \$2.9 million (2018 - \$3.3 million) in mortgages payable to Canada Mortgage and Housing Corporation for 2 non-market housing projects. Interest rates range from 2.1% to 3.4% with maturity dates from October 1, 2020 to June 1, 2023. The interest paid in 2019 was \$0.1 million (2018 - \$0.1 million).
- (b) The loan agreement is the revolving facility for the PNE with a Canadian chartered bank providing for borrowing of up to \$24.9 million. The facility bears interest at the bank prime rate minus 0.25% and is due on demand. As at December 31, 2019, \$5.8 million (2018 - \$6.0 million) has been drawn on this facility.

Principal payments on mortgages and loan agreement over the next 5 years and thereafter, assuming the loan agreement is not called, are as follows:

2020	\$	6,735
2021		611
2022		369
2023		377
2024		385
Thereafter		931
		<u>9,408</u>
Loan agreement		5,821
Total	\$	<u>15,229</u>

8. DEBT

Debenture debt is shown at its face amount.

Maturing in	Total
2020	\$ 125,747
2021	140,751
2022	755
2023	110,760
2024	105,764
Thereafter	573,682
Subtotal Debt Issue	<u>1,057,459</u>
Unamortized Premium	23,644
Total	<u>\$ 1,081,103</u>

Interest rates payable on the principal amount of the debentures range from 1.71% to 4.50% per annum. The weighted average interest rate on total external debt to maturity is 3.43%. Total interest paid in 2019 on externally held debt amounted to \$38.7 million (2018 - \$35.9 million). Reserve for debt retirement at December 31, 2019 amounted to \$476.4 million (2018 - \$494.2 million) (note 11) resulting in a net external debt of \$581.0 million (2018 - \$589.0 million).

9. DEFERRED REVENUE

Deferred revenue is comprised of the following:

	2018	Contributions and Interest	Recognized as Revenue	2019
Development cost levies				
City-wide	\$ 246,395	\$ 97,119	\$ (65,516)	\$ 277,998
Area-specific	113,004	6,894	(2,191)	117,707
	<u>359,399</u>	<u>104,013</u>	<u>(67,707)</u>	<u>395,705</u>
Prepaid Leases	163,900	24,300	(5,718)	182,482
Other	2,521	14,187	(14,667)	2,041
	<u>\$ 525,820</u>	<u>\$ 142,500</u>	<u>\$ (88,092)</u>	<u>\$ 580,228</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Tabular amounts in \$000s)
Year Ended December 31, 2019

10. TANGIBLE CAPITAL ASSETS

	Balance beginning of year	Additions net of transfers	Disposals	Balance end of year
Cost				
Land	\$ 2,273,395	\$ 51,450	\$ -	\$ 2,324,845
Landfill and land improvements	312,183	10,301	-	322,484
Buildings and building improvements	1,662,449	57,432	(1,425)	1,718,456
Leasehold improvements	55,309	13,045	(33)	68,321
Vehicles, equipment and furniture	368,183	31,742	(5,962)	393,963
Computer systems	231,245	24,892	(195)	255,942
Library books and materials	38,280	3,069	(4,372)	36,977
Infrastructure				
Streets and structures	3,350,204	66,051	(1,242)	3,415,013
Water system	796,943	30,056	(3,380)	823,619
Sewer system	1,569,073	45,677	(1,972)	1,612,778
Assets under construction	69,120	14,661	-	83,781
Total Cost	10,726,384	348,376	(18,581)	11,056,179
Accumulated amortization				
Landfill and land improvements	179,346	9,724	-	189,070
Buildings and building improvements	515,329	37,627	(801)	552,155
Leasehold improvements	20,027	3,853	(33)	23,847
Vehicles, equipment and furniture	223,745	24,288	(4,875)	243,158
Computer systems	185,657	14,982	(191)	200,448
Library books and materials	25,839	2,179	(1,744)	26,274
Infrastructure				
Streets and structures	1,847,109	73,749	(897)	1,919,961
Water system	217,274	9,956	(1,942)	225,288
Sewer system	425,402	16,818	(1,041)	441,179
Accumulated amortization	3,639,728	193,176	(11,524)	3,821,380
Net book value				
Land *	2,273,395	51,450	-	2,324,845
Landfill and land improvements	132,837	577	-	133,414
Buildings and building improvements	1,147,120	19,805	(624)	1,166,301
Leasehold improvements	35,282	9,192	-	44,474
Vehicles, equipment and furniture	144,438	7,454	(1,087)	150,805
Computer systems	45,588	9,910	(4)	55,494
Library books and materials	12,441	890	(2,628)	10,703
Infrastructure				
Streets and structures	1,503,095	(7,698)	(345)	1,495,052
Water system	579,669	20,100	(1,438)	598,331
Sewer system	1,143,671	28,859	(931)	1,171,599
Assets under construction	69,120	14,661	-	83,781
Net Book Value	\$ 7,086,656	\$ 155,200	\$ (7,057)	\$ 7,234,799
Net Book Value (2018)	\$ 6,935,837	\$ 158,436	\$ (7,617)	\$ 7,086,656

*The Assessed Value of land is \$27,920,081 (2018 - \$27,010,992)

Additions include contributed tangible capital assets - land \$31.1M, buildings \$10.8M, streets and structures \$2.2M, sewer systems \$2.4M and water systems \$1.1M.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Tabular amounts in \$000s)
Year Ended December 31, 2019

11. ACCUMULATED SURPLUS

	2019	2018
Investment in tangible capital assets	\$ 6,165,300	\$ 5,991,417
Reserve for Sinking Fund debt retirement - statutory	406,122	435,456
Reserve for Sinking Fund debt retirement - non-statutory	70,297	58,726
Reserves (a)	1,284,566	1,177,437
Fund balances (b)	147,566	109,385
Obligations to be funded from future revenues (Note 6)	(164,979)	(164,272)
	<u>\$ 7,908,872</u>	<u>\$ 7,608,149</u>

(a) The following reserve amounts are set aside for specific purposes:

	2018	Transfer To	Transfer From	Change During Year	2019
Financial Stabilization					
Deferred Payroll Obligation	\$ 54,974	\$ -	\$ -	-	\$ 54,974
General Revenue Stabilization	121,754	31,539	(7,040)	24,499	146,253
Solid Waste Capital	64,863	24,241	(18,415)	5,826	70,689
Utility Rate Stabilization	17,578	2,894	-	2,894	20,472
	<u>259,169</u>	<u>58,674</u>	<u>(25,455)</u>	<u>33,219</u>	<u>292,388</u>
Asset Management					
Golf Course and Artificial Turf	5,148	299	(1,131)	(832)	4,316
Plant and Equipment	53,936	23,830	(27,589)	(3,759)	50,177
Streets Capital Maintenance	16,526	3,107	(586)	2,521	19,047
	<u>75,610</u>	<u>27,236</u>	<u>(29,306)</u>	<u>(2,070)</u>	<u>73,540</u>
Future Capital					
Affordable Housing	123,733	47,423	(8,285)	39,138	162,871
Capital Facilities and Infrastructure	75,283	19,169	(6,582)	12,587	87,870
Community Amenities	415,252	60,908	(40,574)	20,334	435,586
Parking Sites	41,971	12,639	(9,792)	2,847	44,818
Pedestrian and Cycling	6,619	1,127	(930)	197	6,816
	<u>662,858</u>	<u>141,266</u>	<u>(66,163)</u>	<u>75,103</u>	<u>737,961</u>
Special Revenue and Programs					
Childcare Endowment	19,034	531	(977)	(446)	18,588
Community Amenity Operations	7,630	328	(665)	(337)	7,293
Donations	14,055	2,141	(1,365)	776	14,831
Emerging Neighbourhood	10,000	-	-	-	10,000
Insurance	25,401	11,130	(8,150)	2,980	28,381
Outstanding Commitments	22,078	12,445	(8,000)	4,445	26,523
Public Art	14,693	2,086	(673)	1,413	16,106
Social and Cultural	24,756	2,877	(2,003)	874	25,630
Other	9,976	5,207	(4,073)	1,134	11,110
	<u>147,623</u>	<u>36,745</u>	<u>(25,906)</u>	<u>10,839</u>	<u>158,462</u>
Future Debt Repayment	<u>32,177</u>	<u>870</u>	<u>(10,832)</u>	<u>(9,962)</u>	<u>22,215</u>
	<u>\$ 1,177,437</u>	<u>\$ 264,791</u>	<u>\$ (157,662)</u>	<u>\$ 107,129</u>	<u>\$ 1,284,566</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Tabular amounts in \$000s)
Year Ended December 31, 2019

11. ACCUMULATED SURPLUS - Continued

(b) Fund balances are comprised of:

	2018	Change During Year	2019
Revenue Fund	\$ 26,239	\$ -	\$ 26,239
Capital Fund	(155,315)	13,053	(142,262)
Capital Financing Fund	297,353	7,818	305,171
Sinking Fund	-	-	-
Property Endowment Fund	(79,851)	16,491	(63,360)
Harbour Park Development Ltd.	(5)	(2)	(7)
Vancouver Civic Development Corp.	11,681	195	11,876
Hastings Institute Inc.	247	6	253
Pacific National Exhibition	(3,173)	(1,058)	(4,231)
City of Vancouver Public Housing Corporation	(412)	161	(251)
Vancouver Economic Commission	805	(11)	794
Parking Corporation of Vancouver	216	126	342
	97,785	36,779	134,564
Eliminations on consolidation	11,600	1,402	13,002
	<u>\$ 109,385</u>	<u>\$ 38,181</u>	<u>\$ 147,566</u>

12. CONTRACTUAL RIGHTS, CONTINGENCIES AND COMMITMENTS

(a) Contractual Rights

The City's contractual rights arise from rights to receive payments under shared cost agreements and leases.

As of the date of these financial statements the City has entered into cost sharing agreements with senior government and other agencies related to four City infrastructure priority areas in the amount of \$119.9 million. Revenue of \$54.3 million has been recognized based on eligible expenditures made under the agreements leaving \$65.6 million of contractual rights expected to be realized as the remaining expenditures are incurred, approximately over the next four years as part of the City's capital plan activity.

Infrastructure Priority Area	Shared Cost Revenue
Affordable Housing	\$ 30,035
Green Infrastructure & Climate Change	2,215
Rapid Transit & Transportation Infrastructure	32,151
Social & Community Infrastructure	1,189
Total	<u>\$ 65,590</u>

The City leases real estate property to commercial, affordable housing and non-profit organizations with terms ranging from 1 to 117 years. The City has contractual rights to receive the following amounts of lease revenue in the next 5 years.

Year	Lease Revenue
2020	\$ 23,046
2021	18,183
2022	15,795
2023	13,536
2024	10,969
	<u>\$ 81,529</u>

12. CONTRACTUAL RIGHTS, CONTINGENCIES AND COMMITMENTS – Continued

(b) Contingent Liability and Commitment

The City is contingently liable in respect of debentures of the Greater Vancouver Water District, the Greater Vancouver Sewerage and Drainage District and the Greater Vancouver Regional District.

The City is a shareholder and member of E-Comm Emergency Communications for British Columbia Incorporated (E-Comm), whose services include: regional 911 call centre for the Greater Vancouver Regional District, Area Wide Radio emergency communications network, dispatch operations and records management. The City holds 2 Class A shares and 1 Class B share (of a total 34 Class A and 20 Class B shares issued and outstanding at December 31, 2019). As a Class A shareholder, the City is committed to paying levies for services received under a cost-sharing formula to fund operating and capital costs of the E-Comm operations. In addition, the City is contingently liable to cover its proportionate share of such costs should any member be unable to fulfill its funding obligations. Annual levy amounts fluctuate based on various factors under the cost-sharing formula, and amounted to \$20.9 million during the year (2018 - \$20.3 million).

(c) Municipal Pension Plan

The City and its employees contribute to the Municipal Pension Plan (a jointly trusted 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 had about 205,000 active members and approximately 101,000 retired members. Active members include approximately 40,000 contributors from local governments.

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

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 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.

The City paid \$78.7 million (2018 - \$76.2 million) for employer contributions while employees contributed \$63.3 million (2018 - \$60.3 million) to the plan in fiscal 2019.

(d) Contingent Legal Liabilities

As at December 31, 2019, there were various legal claims pending against the City arising in the ordinary course of its operations. The City has recorded a liability for certain uninsured claims, but has made no specific provision for those where the outcome is presently indeterminable. The City also has an insurance reserve of \$28.4 million (2018 - \$25.4 million) for potential claims (note 11(a)).

12. CONTRACTUAL RIGHTS, CONTINGENCIES AND COMMITMENTS – Continued

(e) Property Assessment Appeals

As at December 31, 2019, there were various assessment appeals pending with respect to properties. The outcome of those appeals may result in adjustments to property taxes receivable for the current and prior years. The City has estimated a liability for certain appeals and makes an annual provision against property taxes receivable for the impact of appeals.

(f) Loan Guarantees

The City has entered into 60 year prepaid leases and operating agreements with respect to two affordable rental housing complexes in Southeast False Creek. Under the agreements, the City has guaranteed the operators' loan obligations with respect to their mortgages to finance the pre-paid rent. The outstanding balances of the mortgages as reported in their most recent audited financial statements are:

First Avenue Athletes Village Housing Co-operative as at September 30, 2019	\$18,081
S.U.C.C.E.S.S. Affordable Housing Society as at March 31, 2019	\$20,867

(g) Collection of Taxes on Behalf of Other Taxing Authorities

	2019	2018
Taxes collected by the City:		
Property and business taxes	\$ 1,766,925	\$ 1,607,873
Payment in lieu of taxes	28,380	28,183
Local improvement levies	773	943
	<u>1,796,078</u>	<u>1,636,999</u>
Less taxes remitted to:		
Province of British Columbia - School Taxes	730,958	618,758
Greater Vancouver Transportation Authority	147,027	140,390
B.C. Assessment Authority	22,552	22,838
Greater Vancouver Regional District	21,934	21,493
Municipal Finance Authority	109	106
	<u>922,580</u>	<u>803,585</u>
Net Taxes for Municipal Purposes	<u>\$ 873,498</u>	<u>\$ 833,414</u>

13. 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 funds and assets are excluded from the City's consolidated financial statements:

	2019	2018
Vancouver Agreement	\$ 2,175	\$ 2,590
Cemetery Perpetual Care	7,676	7,102
General	457	462
	<u>\$ 10,308</u>	<u>\$ 10,154</u>

The Vancouver Agreement is an urban development agreement between the Federal and Provincial Governments and the City to facilitate sustainable economic, social and community development in the City.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Tabular amounts in \$000s)
Year Ended December 31, 2019

14. BUDGET

The Budget information presented in these consolidated financial statements is based upon the 2019 operating, capital and property endowment budgets as approved by Council on December 11, 2018 and adjusted to comply with Canadian public sector accounting standards for inclusion in the Consolidated Statement of Operations and Consolidated Statement of Change in Net Financial Assets.

	2019
Revenues	
Approved Budgeted Revenues	
Operating Budget	\$ 1,513,474
Capital Budget	207,043
Property Endowment Operating Budget	61,519
Other City of Vancouver funds	18,172
Vancouver Public Housing Corporation	2,551
Pacific National Exhibition	53,933
Other City of Vancouver Reporting Entities	185
	1,856,877
PSAB Revenue Adjustments	
Interfund revenue eliminated	(13,090)
Budgeted Revenues as presented in financial statements	\$ 1,843,787
Expenses	
Approved Budgeted Expenditures	
Operating Budget	\$ 1,513,474
Capital Budget	207,043
Property Endowment Operating Budget	61,519
Other City of Vancouver funds	18,172
Vancouver Public Housing Corporation	2,551
Pacific National Exhibition	52,971
Other City of Vancouver Reporting Entities	185
	1,855,915
PSAB Expenses Adjustments	
Operating Budget PSAB expense adjustments (1)	110,265
Capital asset expenditures	(414,234)
Amortization of tangible capital assets	191,394
Interfund expense eliminated	(13,090)
	(125,665)
Budgeted Expenses as presented in financial statements	\$ 1,730,250
Annual Surplus	\$ 113,537

Note:

(1) Debt issue receipts, debt principal payments and transfers

15. SEGMENTED INFORMATION AND EXPENSES BY OBJECT

City services are provided by departments and their activities are reported in the City's Funds as described in Note 1(b). The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.

Revenues not directly attributable to a specific segment are shown in General Government.

Amounts shown for wages, contract services, supplies and debt charges are the gross amounts incurred by departments for all segmented activity. Allocated costs include services performed by departments for other segments or for work related to capital construction activity.

The segments include:

- **General Government** which provides internal support services to Council and other departments who provide direct services to its citizens. These internal departments include the City Manager's Office, City Clerk, Financial Services, Real Estate and Facilities Management, Legal and Human Resources.
- **Police Protection** which provides operational and investigation services to maintain public order, uphold the rule of law and prevent crime.
- **Fire Protection** which provides emergency and prevention services related to firefighting and medical services.
- **Engineering** which provides planning, design, construction and maintenance of the City's streets, street lighting, traffic control, parking enforcement, transportation planning and utility and communication corridors.
- **Utilities** which are managed by the Engineering department and provide planning, design, construction and maintenance related to the water distribution, sewerage collection, drainage, neighbourhood energy utilities and refuse removal services.
- **Planning and Development** which creates plans, programs and policies required for city-wide and community planning, zoning and subdivision, building by-law administration and inspection, various licensing and animal control services.
- **Parks and Recreation** which provides recreation services through its parks, community centres, swimming pools and ice rinks.
- **Community and Cultural Services** which includes the civic theatres and the Britannia Community Centre and other programs to create sustainable, creative and inclusive communities for living and working.
- **Library** which provides access to reading and information needs, and a free place for everyone to discover, create, and share ideas.

NOTE 15 CONTINUED – SEGMENTED INFORMATION AND EXPENSES BY OBJECT (Tabular amounts in \$000s)
Year Ended December 31, 2019

	General Government	Police Protection	Fire Protection	Engineering	Utilities	Planning & Development	Parks & Recreation	Community & Cultural Services	Library	2019 Consolidated	2018 Consolidated
Revenues											
Property taxes, penalties and interest	\$ 873,498	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 873,498	\$ 833,414
Utility fees	5	-	-	-	299,392	-	-	14	-	299,411	277,143
Program fees	687	2,531	949	189	210	-	102,486	18,675	1,332	127,059	123,888
License and development fees	95,861	-	-	4	44	-	-	1	-	95,910	94,828
Parking	60,939	211	-	28,152	-	-	12,519	1,085	-	102,906	98,063
Cost recoveries, grants and donations	28,903	27,839	11,721	20,388	60,417	4,158	5,185	9,766	3,856	172,233	152,553
Revenue sharing	20,970	-	-	-	-	-	-	-	-	20,970	22,489
Investment income	48,772	-	-	132	-	-	-	166	-	49,070	37,681
Rental, lease and other	51,765	218	140	8,343	1,651	2	8,133	6,372	1,365	77,989	66,813
Bylaw fines	22,074	24	-	-	-	-	54	-	-	22,152	22,352
Developer contributions	16,332	-	(1,963)	54,868	8,876	-	24,130	30,452	-	132,695	256,763
Loss on disposal of tangible capital assets	(874)	-	-	(346)	(2,369)	-	(255)	(568)	(2,645)	(7,057)	(7,094)
	1,218,932	30,823	10,847	111,730	368,221	4,160	152,252	65,963	3,908	1,966,836	1,978,893
Operating Expenses											
Wages, salaries and benefits	107,639	278,732	120,213	94,352	56,419	58,229	118,611	39,493	41,663	915,351	855,882
Contract services	20,042	23,214	5,344	18,967	24,768	3,913	13,154	2,155	2,142	113,699	113,724
Supplies, material and equipment	25,433	26,406	7,596	23,439	190,696	5,470	60,602	56,121	8,052	403,815	391,401
Debt charges	950	1,686	1,041	8,500	16,988	-	6,462	4,132	313	40,072	38,562
	154,064	330,038	134,194	145,258	288,871	67,612	198,829	101,901	52,170	1,472,937	1,399,569
Amortization	24,024	10,741	6,174	81,270	32,036	2	23,641	8,960	6,328	193,176	187,634
	178,088	340,779	140,368	226,528	320,907	67,614	222,470	110,861	58,498	1,666,113	1,587,203
Annual Surplus (Deficit)	\$ 1,040,844	\$ (309,956)	\$ (129,521)	\$ (114,798)	\$ 47,314	\$ (63,454)	\$ (70,218)	\$ (44,898)	\$ (54,590)	\$ 300,723	\$ 391,690

**TASK FORCE
FOR CLIMATE-RELATED
FINANCIAL DISCLOSURES (TCFD)**

UNAUDITED

Climate-Related Risk and the City of Vancouver

Introduction

The City of Vancouver is committed to taking action to mitigate and adapt to the emerging and anticipated impacts of climate change. This commitment began with the adoption of our Greenest City Action Plan in 2011 and continued with the Climate Emergency Response in 2019. Our actions also include advocating, supporting and collaborating with other governments and stakeholders to respond together on this global issue.

We believe cities will be at the forefront of developing policy, and planning and implementing climate mitigation and adaptation measures, and increasingly there are global initiatives to support immediate action. Notwithstanding, the powers of municipalities and their revenue sources are limited. Globally, cities and large institutional investors are calling on national and subnational government to send clear signals by stepping up their commitments, centering cities in their climate, housing and economic policy frameworks, and aligning funding and action accordingly.

One such initiative is the Task Force for Climate-Related Financial Disclosures (TCFD), which in June 2017 released their Recommendations for voluntary climate-related financial disclosures that are consistent, comparable, reliable, clear, and efficient, and provide decision-useful information to lenders, insurers, and investors.

In 2017, the CFO of the City of Vancouver signed a letter from the Accounting for Sustainability (A4S) initiative, supporting climate-related financial disclosure. The letter specifically commits the City to “affirm our commitment to support the voluntary recommendations” of TCFD. Starting in 2018, the City included unaudited climate-related financial disclosures in its annual financial report. This disclosure is intended to align with TCFD recommendations (see Table 1), and will continue to improve over time as the City responds to climate change, and as the field of climate-risk disclosure evolves. Commentary on climate change impacts to the City’s service delivery are also included in various City documents, notably the annual *Budget* and the *2019-2022 Capital Plan*. Where appropriate, these have also been listed in Table 1.

In 2019, we furthered our commitment through Council motions to ramp up our response to the Climate Emergency, and to support initiatives to raise awareness and encourage the Province of British Columbia to include TCFD recommendations in their annual financial report.

"Costs for maintaining existing services are rising faster than inflation in a number of areas. Risks to the five-year financial plan include:

- Costs for unforeseen events, such as public emergencies and issues related to climate change, or unusual weather events.
- Costs for higher water consumption during periods of low rainfall, costs for flooding and wind damage, and higher costs for snow and ice removal in periods of high winter storm activity."

- City of Vancouver 2020 Budget and Five-Year Financial Plan, p97

"As well, the City will continue to proactively prepare for the threats posed by climate change and major events (e.g., seismic). Flooding and severe storms witnessed in recent years in Canada and other parts of the world demonstrate the importance to be prepared to respond to such events as they happen and to quickly resume business across the city. Storm intensities have already increased in Vancouver. Learning from these events, both locally and nationally, helps inform our infrastructure investments and our focus on preparedness. Resources have been dedicated to commence research, policy and strategy work in partnership with regional and senior governments to address emerging priorities such as climate change adaptation, shoreline flood protection, seismic risk and resilience. This work will inform future Capital Plans."

- City of Vancouver 2019-2022 Capital Plan, p4

Table 1 – TCFD Recommended Disclosures

TCFD Recommended Disclosures		City of Vancouver Disclosure
Governance		
Disclose the organization's governance around climate-related risks and opportunities.	a) Describe the board's oversight of climate-related risks and opportunities.	Vancouver's Climate Strategies and Governance
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	Vancouver's Climate Strategies and Governance

Table 1 – TCFD Recommended Disclosures - Continued

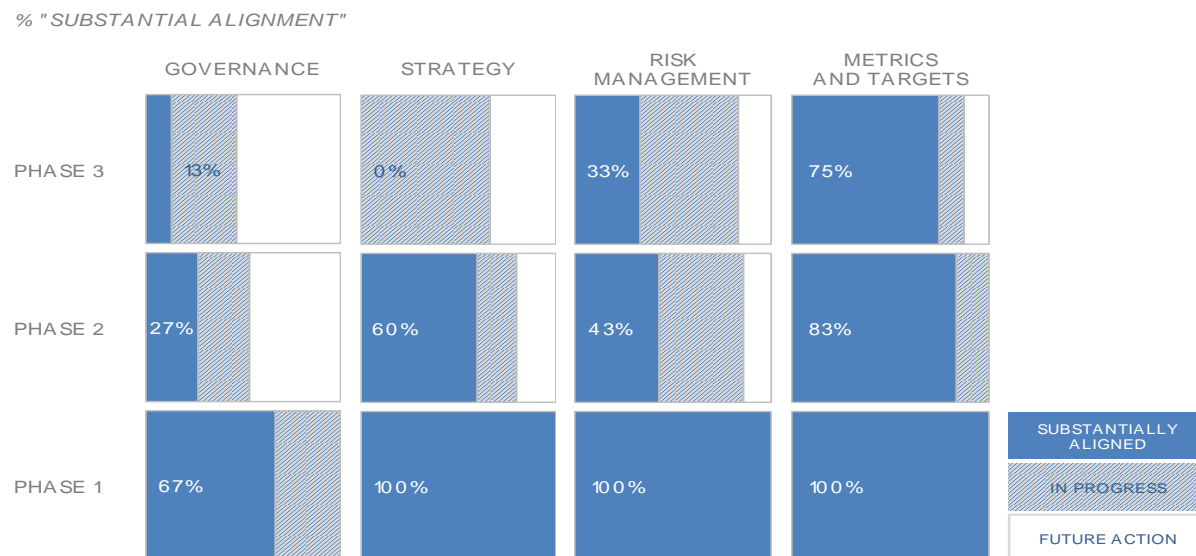
TCFD Recommended Disclosures		City of Vancouver Disclosure
Strategy		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Climate Risk in Vancouver; 2019-2022 Capital Plan, p4, 7, 15
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Climate Adaptation in Vancouver; 2018 Budget and Five-Year Financial Plan, p58, 104
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Climate Risk in Vancouver
Risk Management		
Disclose how the organization identifies, assesses, and manages climate-related risks.	a) Describe the organization's processes for identifying and assessing climate-related risks.	Climate Adaptation in Vancouver; 2019-2022 Capital Plan, p4, 7, 15
	b) Describe the organization's processes for managing climate-related risks.	Climate Risk in Vancouver
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Climate Adaptation in Vancouver
Metrics and Targets		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Vancouver's Climate Metrics and Targets
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Vancouver's Climate Metrics and Targets
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Vancouver's Climate Metrics and Targets

Developments in TCFD Reporting

In early 2020, CPA Canada published [Enhancing Climate-related Disclosure by Cities](#), an overview of how cities can benefit from alignment with the TCFD recommendations, and a guide for implementation. Vancouver provided input and direction as part of a working group of Canadian cities and supporting organizations. The *CPA TCFD Guide* can be scaled more broadly across the Canadian municipal landscape and potentially serve as a resource to other cities globally.

Contained in the *CPA TCFD Guide* is a Maturity Assessment Framework to help cities self-assess their alignment with the TCFD recommendations. The framework is divided into three phases with characteristics that typify progress. Vancouver self-assessed its 2019 disclosure using a qualitative checklist approach: either aligned with a characteristic, making progress towards alignment, or will take future action towards alignment. Figure 1 below shows where Vancouver is substantially aligned. Overall, Vancouver considers itself largely aligned with a Phase 1 reporting city, with progress made towards Phases 2 and 3.

Figure 1 – Maturity Assessment of Vancouver's 2019 TCFD Disclosure



Vancouver's Climate Strategies and Governance

Risk Governance

The City of Vancouver considers risk management to be fundamental to good management practice and a significant aspect of governance, and climate change is a top risk to the city. The Chief Risk Officer leads the Enterprise Risk Management (ERM) program under direction of the Risk Management Committee. This committee oversees risk governance and the general risk framework.

The Chief Risk Officer is responsible for ensuring that the ERM process, tools and reporting meets the needs of the Risk Management Committee, and that the program provides sufficient processes and reporting to adequately manage the risks of the City. Department General Managers (GMs) are responsible for ensuring that appropriate risk management practices are in place and operating effectively for their area of responsibility. The GMs retain the ultimate responsibility for the effective management of risks in their departments, which includes identifying, treating, and reporting risks in their areas of responsibility following the ERM process and timeline. The Risk Management Committee sets limits within which risk should be managed.

Improving Climate-Risk Management and Disclosure

Several Enabling Actions within the *Climate Change Adaptation Strategy (2018)* focus on mainstreaming climate-related disclosure and risk considerations into City processes (see *Climate Adaptation in Vancouver* section):

E.1 Begin incorporating climate-related financial disclosure in City financial planning in 2019. Work with partners like the City of Toronto and CPA Canada in their TCFD Guidance for Cities project.

E.2 After several years of climate-related financial disclosure, explore adding a specific climate assessment to large capital plan projects.

E.3 Incorporate a scan of major projects against hazard and risk mapping to identify where staff risk experts should be involved early in the project.

E.4 Add climate change considerations to the Sustainability addendum of the Engineering Asset Management framework.

E.5 Support application of the Envision climate-risk section to the two Envision pilot projects, and propose any improvements to the scope/deployment of Envision.

E.6 Add climate projections and information to multi-hazards risk assessment in the new Engineering Asset Management framework.

The City's ERM Group identified climate change as a top risk to the community and the organization. The inclusion of climate change in our enterprise risk process provides a basis for further discussing and identifying the impacts of climate risk on our operations and services provided to the public. Potential climate-related risks and hazards present our city with threats to health and safety, to assets and infrastructure, and to the economy that must be addressed. The City's Sustainability Group works with City Corporate functions and departments to develop, coordinate and maintain the *Climate Change Adaptation Strategy* (2018), our enterprise strategy addressing climate, including a set of priorities, supporting actions and several focus areas.

Integration into Overall Risk Management

The City of Vancouver also has a Chief Resilience Officer responsible for implementation of the City's *Resilient Vancouver Strategy*. An objective within the strategy is to strengthen organizational capacity to manage risk and recover from shocks and stresses. An effort is underway to develop governance that brings together shocks and stresses related to climate, earthquakes and other natural hazards.

Integration into Financial Planning

The City's current capital planning framework includes sustainability and resilience as core elements to guide capital investments and assist with prioritization. The work to create and integrate overarching frameworks with respect to resilience, sustainability and capital planning and asset management is well underway and will continue over several years. While these frameworks have brought greater awareness in this round of capital planning, it is anticipated that they will help inform and prioritize the next round of capital planning in 2022 in a more holistic and meaningful way.

Climate Action Strategies

Climate action at the City of Vancouver falls into two broad categories.

- Climate change mitigation relates to the reduction of greenhouse gas (GHG) emissions. The 2018 Intergovernmental Panel on Climate Change (IPCC) *Special Report* reaffirmed that global GHG emissions must be cut by 45% by 2030 if we are to avoid global warming above 1.5°C, which would have widespread and unforeseeable impacts.
- Climate change adaptation relates to preparing City operations and the community to the impacts of climate change. Due to GHGs already emitted into the atmosphere from human activity, some level of climate impact is already locked-in, and temperature changes have already been observed.

City Council-approved climate strategies and implementation plans for Vancouver are listed in Table 2. Implementation updates are given regularly to senior management through steering committees. Departments across the City are responsible for implementation of actions. Progress against targets and/or plan implementation is reported out annually or at stated intervals.

Table 2 – City Strategy-Level Governance

Strategy	Governance
<p><u>Climate Change Adaptation Strategy (2018)</u></p> <p>One of the first of its kind in Canada, the <i>Climate Change Adaptation Strategy</i> contains core actions in five core areas, and enabling actions to help integrate an adaptation lens as standard practice into all City work.</p>	<p>The <i>Climate Change Adaptation Strategy</i> was approved by Council in July 2012 and updated in December 2018.</p> <p>The Adaptation/Sea Level Rise Steering Committee provides oversight to implementation. This committee comprises senior managers, many of whom are also in the Corporate Leadership Team.</p> <p>Progress is tracked by the Sustainability Department and reported to Council through the annual GCAP Update process. Executive reports are also prepared as required. The Adaptation Strategy is updated and re-approved by Council every five years, which includes updating climate information, reviewing the status of adaptation actions, and identifying new or revised actions.</p>
<p><u>Climate Emergency Response</u></p> <p>In January 2019, City Council unanimously approved a motion recognizing the climate emergency facing the planet and asked staff for action recommendations in line with efforts to limit global warming to 1.5°C.</p> <p>The <i>Climate Emergency Response</i> effectively supersedes the previous Renewable City Action Plan (2017), adopting the same goals of deriving 100% of energy used in Vancouver from renewable sources before 2050. It expands the 2050 target, by committing to achieving carbon neutrality in our community-wide greenhouse gas emissions before 2050. The <i>Climate Emergency Response</i> will also extend the carbon-mitigation actions contained with the Climate and Renewables goal area of the <i>Greenest City Action Plan</i>.</p>	<p>The <i>Climate Emergency Response</i> was approved by Council in April 2019. The CER brought forward six big moves and 53 accelerated actions. Public engagement is underway on the major action areas with reporting back to Council scheduled for October 2020.</p> <p>The Climate Emergency Directors Forum provides oversight at a working level. Because the <i>Climate Emergency Response</i> is considered an “action while planning” within the ongoing Vancouver Plan process, the Vancouver Plan Steering Committee provides oversight at a programmatic level.</p> <p>Progress is tracked by the Sustainability Department and will be reported to Council on a regular basis to be determined. Executive reports are also prepared as required.</p>
<p><u>Greenest City Action Plan</u></p> <p>The <i>Greenest City Action Plan</i> is the City’s main urban environmental sustainability strategy, outlining 10 goal areas and associated targets focussed on achieving zero carbon, zero waste, and maintaining healthy ecosystems.</p>	<p>The <i>Greenest City Action Plan</i> was approved by Council in 2011.</p> <p>The Greenest City Action Plan Steering Committee provides oversight for implementation. This committee comprises department and division-level managers.</p> <p>The goals and targets are managed by various departments in the City. Progress on the actions is tracked by the Sustainability Department and reported to Council through an annual Update process. Executive reports are also prepared as required.</p>
<p><u>Resilient Vancouver Strategy</u></p> <p>The <i>Resilient Vancouver Strategy</i> builds City capacity to understand and proactively address current and future shocks and stresses, with a focus on earthquakes. It leverages global and local knowledge to build the resilience of organizational, community, and infrastructure systems, and works in unison with the <i>Climate Change Adaptation Strategy</i> to build resilience to priority shocks and stresses in Vancouver.</p>	<p>The City’s Chief Resilience Officer manages the Resilient Vancouver Strategy, approved in 2019. This position reports to the Deputy City Manager and the Resilient Vancouver Steering Committee.</p>

Climate Risk in Vancouver

Vancouver's Climate Risk Assessment

Through two separate rounds of climate adaptation planning in 2011 and 2018, staff from across the organization were engaged in prioritizing climate-related hazards and impacts for action, by identifying where systems and service-delivery areas were the most vulnerable, and where the greatest risk (likelihood of impact and magnitude of consequences) lay. Table 3 below summarizes the city's impacted areas in a future of more extreme events generally: hotter, drier summers; warmer, wetter winters; and sea level rise. *Climate Change Adaptation Strategy* priorities include addressing rainfall-related flooding and sea level rise flooding and inundation, and heat-related impacts to health, buildings and natural assets.

Climate-related hazards will be considered further through a hazard, risk and vulnerability assessment (HRVA) completed during 2020. The HRVA will consider current and future risks of climate-related, human-caused, and other natural hazards.

In July 2019, the Province published the [Preliminary Strategic Climate Risk Assessment for B.C.](#) Vancouver's climate change risk assessment mirrors the process recommended in the Provincial methodology. The Provincial assessment lists water supply shortages, health related impacts from heat and wildfires among the top risks.

Coastal Flood Risk Assessment

As an example of the risk assessment approach taken, a Coastal Flood Risk Assessment (CFRA) was completed in three phases between 2012 and 2018. This assessment took a fulsome, rigorous look at current and future flood risk given sea level rise around the coastline. Five scenarios were used varying in timeline, amount of sea level rise and severity of storm. This information highlighted the importance of planning now for sea level rise and of prioritizing our efforts, such that critical infrastructure and vulnerable populations are protected first.

CFRA Phase I confirmed that Vancouver is most vulnerable to flooding caused by the combined effect of a coastal storm surge and a king tide (exceptionally high tides that typically occur in December and January) rather than river-related flooding caused by spring run-off. In addition to mapping the areas vulnerable to flooding, Phase I also identified the community assets, infrastructure and buildings at risk to flooding over time.

With one metre of sea level rise and a major storm surge event (0.2% Annual Exceedance Probability storm surge event), approximately 13 sq. km of land and buildings valued at \$7B (2013 land value assessment) are vulnerable to flooding in Vancouver. Included in this is City infrastructure such as waterfront parks and seawalls, as well as a number of the City's facilities currently located in low-lying areas. These are at risk of flooding (e.g., City service yards located in by the Fraser River and in the False Creek Flats). To protect vulnerable areas it is estimated that approximately \$1 billion of flood management infrastructure will be needed in Vancouver by 2100.

Table 3 – Examples of Projected Climate Impacts to Vancouver

Impacted Area	Impacts	Timeframe	Impacted assets/services
Human Systems (Community)	Increased health and safety risks for frontline communities including those in lower quality housing, homeless population and seniors	Short- to medium-term	Public health; emergency management
	Increases in private property sewer back-ups in combined sewer areas due to high rainfall volume in sewer system and increased costs for response actions and clean-up after heavy rain events	Short-term	Residential, commercial, industrial, institutional premises; water supply and sanitation; public health

Table 3 – Examples of Projected Climate Impacts to Vancouver - Continued

Impacted Area	Impacts	Timeframe	Impacted assets/services
Human Systems (Community) – continued	Water supply shortages felt in late summer due to a decreased spring snow pack and higher summer temps could result in increased costs for water and imperative conservation measures	Medium-term	Water supply and sanitation; public health
Natural Systems	Increase in impacts to urban forests, green spaces and trees from temperature extremes and wind storms resulting in increased maintenance and replacement costs and changes to aesthetics and use	Medium-term	Public health, urban forest and biodiversity
Built Environment (Buildings and Infrastructure)	New and existing buildings may be maladapted as the climate changes in terms of thermal comfort, water ingress, wind durability, rain and snow loads and require additional investment or early retirement	Short- to medium-term	Residential, commercial, institutional premises; public health; emergency management; transportation
	Increase in landslide risk affecting public infrastructure and private property	Medium-term	Emergency management; residential, commercial, industrial, institutional premises; transport
	Increased volume of third-party liability claims against the city from major rain events	Medium-term	Public and private assets; water supply and sanitation; public health

Scenario Analysis

Inputs to the processes were climate projections for the 2050s and 2080s from downscaled Global Climate Models (GCM). The most recent process relied on 2016 climate data from an ensemble of 12 GCMs using the IPCC RCP8.5 scenario. On the recommendation of climate scientists at the University of Victoria, the RCP8.5 scenario was employed to ensure the City was considering the scenario that best tracks current action globally on reducing emissions. The RCP8.5 scenario for the 2050s is similar to the RCP4.5 scenario for the 2070s, helping us cover planning for several scenarios. In planning for climate change, using this scenario means that, at worst, the City will be prepared ahead of time. Scenario analysis was also employed more specifically in the Coastal Flood Risk Assessment. A technical advisory team of academics, practitioners in the field and stakeholders advised on five scenarios to use for flood hazard mapping. The scenarios differ in terms of the year flooding is mapped for, the severity of storm and the amount of sea level rise. Having five scenarios helps understand the varying levels of risk possible.

Extreme Rainfall Events

One identified impact of warmer, wetter winters in Vancouver is increased surface water flooding, caused by ponding of rainfall in low-lying areas or by heavy rainfall overcoming the capacity of drainage systems.

An extreme rainfall event, combined with high tide conditions and design/operational factors, resulted in a flooding event at the False Creek Energy Centre on October 28, 2018. This neighbourhood energy system provides heat and hot water to over 5.7M square feet of residential, commercial, and institutional floor area in the Southeast False Creek area. This led to a prolonged outage of the low-carbon sewage heat recovery system for repair. Immediate mitigations to prevent another flooding event have been made, design upgrades of the facility are being implemented, and a study assessing flooding risk and additional resiliency measures is currently underway.

A rainfall event on September 9, 2019 was a reminder of the unpredictability of rainfall events with climate change. A very intense, localized storm flooded sections of Gastown. The rainfall event registered as a 1:100 year event and coincided with high tide. This event is projected to become more common with climate change, becoming a 1:50 year event by 2050 and a 1:25 year event by the end of the century.

Climate Adaptation in Vancouver

Climate Change Adaptation Strategy

The *Climate Change Adaptation Strategy (2018)* contains two types of actions, on a five to ten year timeframe. Senior managers reviewed outcomes of the planning exercises and supported finalization of the Strategy.

Core Actions

84 actions address the impacts prioritized through the vulnerability and risk assessment, seeking to achieve the functions laid out in the inner ring of the diagram at right. Actions have been prioritized.

Enabling Actions

17 actions support integrating a climate lens into City processes, achieving the functions in the outer ring of the diagram. The enabling actions facilitate creating and integration of overarching risk management frameworks with respect to resilience, sustainability, capital planning, and asset management.



Core actions are grouped into five action areas, summarized in Table 4 below.

Table 4 – Adaptation Core Actions and Focus

Action Area	Focus
Climate Robust Infrastructure	<ul style="list-style-type: none"> Improve understanding and integrate management of water flow in the city (Rain City Strategy and Integrated Utility Management Planning) Increase use of green infrastructure where appropriate “Fit for purpose” approach to water end use Consider interconnected and cascading impacts to critical infrastructure
Climate Resilient Buildings	<ul style="list-style-type: none"> “Future-proofing” the building stock New: Building requirements and design options to improve climate resilience Existing: Deep Retrofit Strategy (in development) supports co-benefits to enhance resilience Thermal comfort in hotter summers
Connected and Prepared Communities	<ul style="list-style-type: none"> Health and safety during heat waves in non-market housing and surrounding neighbourhoods Address wildfire smoke events Support continuation and scaling- up of community resilience-building programs
Coastal Preparedness	<ul style="list-style-type: none"> Floodplain development regulations and guidelines Engagement and design competition Conceptual design for adaptation approaches for the Fraser River Study of Climate change impacts to waterfront parks and open spaces
Healthy and Vigorous Natural Assets	<ul style="list-style-type: none"> Support implementation of the Urban Forest Strategy actions for climate change Move urban forest maintenance from a reactive to a proactive standard of excellence Soil preservation Water quality

**TASK FORCE FOR CLIMATE-RELATED FINANCIAL DISCLOSURES
(TCFD) UNAUDITED**

Table 5 shows the progress made towards implementing the Climate Adaptation actions. For more detail, see the *Climate Change Adaptation Strategy (2018)*.

Table 5 – Adaptation Core Actions and Focus

	Action Status			
	Completed	In Progress	Future Action	Total Actions
Core Actions				
Climate Robust Infrastructure	1	12	5	18
Climate Resilient Buildings	3	7	8	18
Connected and Prepared Communities	4	10	4	18
Coastal Preparedness	1	10	6	17
Healthy and Vigorous Natural Assets	0	7	6	13
	9	46	29	84
Enabling Actions				
	4	6	7	17
Total	13	52	36	101
% Actions Completed	13%	51%	36%	100%

City Budget 2020

In the *Vancouver Budget 2020 and Five-Year Financial Plan*, the City outlined its investments for accelerating action on climate change, one of four priorities adopted by Council to assist staff in making decisions about which projects, initiatives and service improvements will most advance our work to address our city's key issues. City Budget 2020 climate change investments (Table 6) include existing and ongoing activities, new operational activities and capital infrastructure.

Table 6 – City Budget 2020 climate change investments

Climate Change Investments	Investments \$M
Operational Activities	
Existing	\$ 42.0
New	6.0
	48.0
Capital Activities	
Policy and Analysis	6.5
Electric Vehicle Infrastructure	8.0
Parks Infrastructure	9.1
Transportation Infrastructure	23.0
Grants and Programs	4.3
	50.9
Total	\$ 98.9

Vancouver's Climate Metrics and Targets

Vancouver was one of the first cities in the world to recognize the significance of climate change. In 1990, the ground-breaking Clouds of Change Task Force recommended that Vancouver begin to reduce its greenhouse gas emissions. The 2018 Intergovernmental Panel on Climate Change (IPCC) *Special Report* reaffirmed that global carbon emissions must be cut dramatically by 45% by 2030 if we are to avoid global warming above 1.5°C, which would have widespread and unforeseeable impacts. Thus, mitigating climate change through emissions reductions plays a vital role in keeping risk levels within predictable scales, therefore managing the amount we potentially have to adapt.

Preparing for future summers

Long-term planning is underway for the new summer normals in Vancouver. The City has partnered with BC Housing and BC Non-Profit Housing Association to develop webinars on preparing for heat. Urban heat island mapping and mitigation is underway to inform tree planting and green infrastructure initiatives. The Vancouver Emergency Management Agency is revising personal preparedness messaging to include climate-related hazards such as extreme heat. Clean air shelters were ready to open for summer 2019 and will continue in future summers to come.

TASK FORCE FOR CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) UNAUDITED

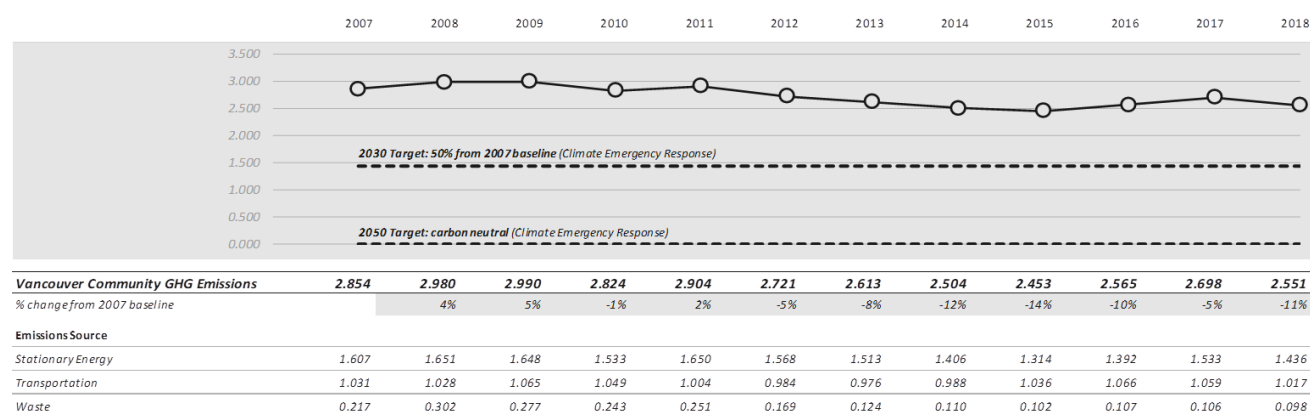
Actions Progress and Monitoring

Progress monitoring of the *Climate Change Adaptation Strategy (2018)* is underway with regular updates to the Adaptation Steering Committee. All the actions have timelines for completion: of those due for completion by December 31, 2020, 75% are currently underway or completed (per Table 5 above).

Community GHG Emissions

The City compiles annual inventories of community GHG emissions. Below are Vancouver's emissions as measured according to the *Global Protocol for Community-Scale Greenhouse Gas Emission Inventories (GPC)*, a globally recognized GHG accounting and reporting standard that ensures consistent and transparent measurement and reporting of GHG emissions between cities¹. As of 2018 (the latest year data are available), Vancouver's greenhouse gas emissions have decreased 11 percent from 2007 levels, while population has grown 10 percent and the number of jobs has increased 13 percent.

VANCOUVER COMMUNITY GREENHOUSE GAS EMISSIONS million tonnes CO₂e



GHG emissions inventory compiled according to the Global Protocol for Community-Scale Greenhouse Gas Emission Inventories (GPC), "BASIC"

Adaptation-Specific Metrics and Indicators

While the City's climate change mitigation efforts have a robust measurement and reporting framework², measurement of adaptation work is a nascent discipline still under development. Complications arise due to the long time-horizons involved in adaptation outcomes; the prioritization and selection of process, outcome, and contextual indicators; and appropriate methods for quantifying counterfactual indicators (i.e., avoided climate impacts due to adaptation interventions).

One action within the *Climate Change Adaptation Strategy (2018)* is to finalize measurement indicators, pending completion of related City of Vancouver plans and strategies under development at this time (e.g., Vancouver Plan, Rain City Strategy). Also included within the *Adaptation Strategy* are Enabling Action indicators looking at the mainstreaming of climate change considerations in to City operations, decisions, and investments, as well as explanatory metrics that monitor the rate of climate change and its impacts on Vancouver (see Table 7). Regular reporting against these metrics is in development. For the preliminary Measurement Indicators and for more information, see the full *Climate Change Adaptation Strategy (2018)*.

Table 7 – Recent Heat Warnings and Air Quality Advisories

	# of Heat Warnings	Days Under Air Quality Advisory ¹
2014	0	1
2015	0	8
2016	0	0
2017	1	18
2018	4	22
Source	Environment Canada	Metro Vancouver

¹ Note the GHG emission figures reported here do not align with figures published in the annual Greenest City Implementation Update, which are compiled to the *International Local Government Greenhouse Gas Emissions Analysis Protocol* (community section) published by ICLEI in 2009. This protocol has since been superseded by the GPC, but the City will continue to report on both inventories until at least 2021.

² Current and past Greenest City Implementation Updates contain additional mitigation metrics, and are available at <https://vancouver.ca/green-vancouver/greenest-city-action-plan-development.aspx>.

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**SUPPLEMENTARY
FINANCIAL
INFORMATION

UNAUDITED**

FIVE YEAR - CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Tabular amounts in \$000s)
Years Ended December 31

	2019	2018	2017	2016	2015
FINANCIAL ASSETS					
Cash and cash equivalents	\$ 385,645	\$ 320,400	\$ 184,694	\$ 246,126	\$ 212,140
Temporary investments	2,262,090	2,060,045	1,900,806	1,778,553	1,644,172
Accounts receivables	265,411	281,310	209,907	113,053	115,720
South East False Creek development receivable	-	-	-	-	5,337
Lease agreement receivable	2,161	8,293	13,861	18,917	23,509
	<u>2,915,307</u>	<u>2,670,048</u>	<u>2,309,268</u>	<u>2,156,649</u>	<u>2,000,878</u>
LIABILITIES					
Accounts payable and accrued liabilities	424,001	378,175	388,638	355,310	304,840
Deferred liabilities	164,979	164,272	168,824	173,334	166,933
Mortgages and loan agreement	15,229	21,625	30,408	39,599	44,486
Debt	1,081,103	1,083,202	993,440	1,033,674	943,905
Deferred revenue	580,228	525,820	476,049	475,728	467,454
	<u>2,265,540</u>	<u>2,173,094</u>	<u>2,057,359</u>	<u>2,077,645</u>	<u>1,927,618</u>
NET FINANCIAL ASSETS	<u>649,767</u>	<u>496,954</u>	<u>251,909</u>	<u>79,004</u>	<u>73,260</u>
NON-FINANCIAL ASSETS					
Inventory and prepaids	24,306	24,539	28,713	26,549	21,794
Tangible capital assets	7,234,799	7,086,656	6,935,837	6,758,888	6,453,934
	<u>7,259,105</u>	<u>7,111,195</u>	<u>6,964,550</u>	<u>6,785,437</u>	<u>6,475,728</u>
ACCUMULATED SURPLUS	<u>\$ 7,908,872</u>	<u>\$ 7,608,149</u>	<u>\$ 7,216,459</u>	<u>\$ 6,864,441</u>	<u>\$ 6,548,988</u>

FIVE YEAR - CONSOLIDATED STATEMENT OF OPERATIONS (Tabular amounts in \$000s)
Years Ended December 31

	2019	2018	2017	2016	2015
REVENUES					
Property taxes, penalties and interest	\$ 873,498	\$ 833,414	\$ 753,152	\$ 720,850	\$ 699,838
Utility fees	299,411	277,143	260,786	242,778	231,211
Program fees	127,059	123,888	116,664	111,256	107,378
License and development fees	95,910	94,828	74,458	73,710	65,490
Parking	102,906	98,063	93,010	86,802	83,981
Cost recoveries, grants and donations	172,233	152,553	123,441	94,324	103,549
Revenue sharing	20,970	22,489	21,918	22,873	23,798
Investment income	49,070	37,681	28,497	28,422	28,795
Rental, lease and other	77,989	66,813	69,567	62,853	72,945
Bylaw fines	22,152	22,352	20,490	20,374	17,109
Developer contributions	132,695	256,763	331,587	231,043	124,331
Gain (loss) on sale of tangible capital assets	(7,057)	(7,094)	(6,973)	54,119	25,105
Gain on sale of Southeast False Creek assets	-	-	-	5,610	-
	<u>1,966,836</u>	<u>1,978,893</u>	<u>1,886,597</u>	<u>1,755,014</u>	<u>1,583,530</u>
EXPENSES					
Utilities	320,907	300,504	277,607	264,002	254,867
General Government	178,088	175,712	175,071	172,881	148,746
Police Protection	340,780	324,602	314,348	297,778	286,134
Fire Protection	140,368	136,046	131,425	119,530	113,357
Engineering	226,529	212,454	222,415	197,484	185,863
Planning and development	67,614	59,805	55,089	47,521	35,151
Parks and recreation	222,470	206,028	198,810	187,424	185,110
Community and cultural services	110,860	116,947	106,051	101,539	103,020
Library	58,497	55,105	53,763	51,402	51,029
	<u>1,666,113</u>	<u>1,587,203</u>	<u>1,534,579</u>	<u>1,439,561</u>	<u>1,363,277</u>
ANNUAL SURPLUS	<u>\$ 300,723</u>	<u>\$ 391,690</u>	<u>\$ 352,018</u>	<u>\$ 315,453</u>	<u>\$ 220,253</u>

FIVE YEAR – RESERVES (Tabular amounts in \$000s)
Years Ended December 31

	2019	2018	2017	2016	2015
Financial Stabilization					
Deferred Payroll Obligation	\$ 54,974	\$ 54,974	\$ 54,974	\$ 54,974	\$ 54,974
General Revenue Stabilization	146,253	121,754	84,443	79,593	76,233
Solid Waste Capital	70,689	64,863	76,576	89,261	85,279
Utility Rate Stabilization	20,472	17,578	17,270	8,306	6,601
	<u>292,388</u>	<u>259,169</u>	<u>233,263</u>	<u>232,134</u>	<u>223,087</u>
Asset Management					
Golf Course and Artificial Turf	4,316	5,148	5,045	4,914	5,803
Plant and Equipment	50,177	53,936	50,542	46,644	76,010
Streets Capital Maintenance	19,047	16,526	15,855	17,778	16,792
	<u>73,540</u>	<u>75,610</u>	<u>71,442</u>	<u>69,336</u>	<u>98,605</u>
Future Capital					
Affordable Housing	162,871	123,733	73,109	59,916	40,226
Capital Facilities and Infrastructure	87,870	75,283	54,147	41,761	58,847
Community Amenities	435,586	415,252	342,390	210,650	185,820
Parking Sites	44,818	41,971	36,848	39,196	33,797
Pedestrian and Cycling	6,816	6,619	6,544	9,202	10,307
	<u>737,961</u>	<u>662,858</u>	<u>513,038</u>	<u>360,725</u>	<u>328,997</u>
Special Revenue and Programs					
Childcare Endowment	18,588	19,034	19,476	19,787	19,311
Community Amenity Operations	7,293	7,630	7,602	7,658	7,625
Donations	14,831	14,055	13,273	12,719	12,021
Emerging Neighbourhood	10,000	10,000	10,000	10,000	10,000
Insurance	28,381	25,401	28,069	29,072	30,616
Outstanding Commitments	26,523	22,078	19,842	26,713	19,053
Public Art	16,106	14,693	13,329	10,588	9,544
Social and Cultural	25,630	24,756	22,417	21,621	21,107
Other	11,110	9,976	13,980	4,579	4,576
	<u>158,462</u>	<u>147,623</u>	<u>147,988</u>	<u>142,737</u>	<u>133,853</u>
Future Debt Repayment	\$ 22,215	\$ 32,177	29,530	39,449	40,299
	<u>\$ 1,284,566</u>	<u>\$ 1,177,437</u>	<u>\$ 995,261</u>	<u>\$ 844,381</u>	<u>\$ 824,841</u>

REVENUE FUND – SCHEDULE OF FINANCIAL ACTIVITIES (Tabular amounts in \$000s)
Year Ended December 31, 2019

	2019 Budget	2019	2018
REVENUES			
Property taxes, penalties and interest	\$ 831,522	\$ 873,498	\$ 833,414
Utility fees	302,042	299,624	276,804
Programs fees	62,583	68,203	69,808
License and development fees	90,097	95,897	94,828
Parking	74,727	73,577	69,583
Cost recoveries, grants and donations	59,800	82,279	78,322
Revenue sharing	19,150	20,970	22,489
Investment income	12,825	22,765	16,973
Rental, lease and other	39,299	45,722	40,240
Bylaw fines	21,429	22,152	22,351
	<u>1,513,474</u>	<u>1,604,687</u>	<u>1,524,812</u>
EXPENDITURES			
Utilities	256,391	255,978	242,141
General government	153,249	121,374	122,551
Police protection	322,106	330,135	314,331
Fire protection	131,270	134,337	128,360
Engineering	101,578	110,295	101,852
Planning and development	67,997	66,046	58,420
Parks and recreation	130,255	135,625	127,681
Community and cultural services	91,449	97,030	92,490
Library	54,329	51,277	48,509
	<u>1,308,624</u>	<u>1,302,097</u>	<u>1,236,335</u>
ANNUAL SURPLUS	<u>204,850</u>	<u>302,590</u>	<u>288,477</u>
DEBT, TRANSFERS AND OTHER			
Debt principal repayments	(907)	(1,404)	(1,066)
Transfers			
Net transfers to other funds	(222,906)	(243,054)	(205,239)
Net transfers to reserves	18,963	(58,915)	(76,387)
Change in obligations to be funded from			
Future revenue	-	783	(5,785)
	<u>(204,850)</u>	<u>(302,590)</u>	<u>(288,477)</u>
CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE			
Beginning of year	26,239	26,239	26,239
Change in year	-	-	-
End of year	<u>\$ 26,239</u>	<u>\$ 26,239</u>	<u>\$ 26,239</u>

REVENUE FUND – FEES AND RECOVERIES (Tabular amounts in \$000s)
Year Ended December 31, 2019

	2019 Budget	2019	2018
Program fees			
Parks and recreation	\$ 40,412	\$ 43,344	\$ 45,224
Community and cultural services	17,884	18,965	18,537
Library	1,246	1,332	1,335
Police	1,854	2,531	2,926
Fire	735	949	838
Other	452	1,082	948
	<u>\$ 62,583</u>	<u>\$ 68,203</u>	<u>\$ 69,808</u>
License and development fees			
License fees	\$ 20,740	\$ 20,405	\$ 21,115
Engineering fees	11,414	11,809	12,700
Trade permits	13,823	17,862	17,314
Development and building permits	37,028	38,862	36,707
Rezoning fees	5,592	5,432	4,492
Other fees	1,500	1,527	2,500
	<u>\$ 90,097</u>	<u>\$ 95,897</u>	<u>\$ 94,828</u>
Parking			
On street parking	\$ 64,412	\$ 58,890	\$ 55,741
Parks	8,231	10,279	9,784
Civic Theatre	952	1,055	901
Other	1,132	3,353	3,157
	<u>\$ 74,727</u>	<u>\$ 73,577</u>	<u>\$ 69,583</u>
Cost recoveries, grants & donations			
Police	\$ 20,706	\$ 28,194	\$ 26,433
Fire	8,654	11,421	9,817
General government	8,328	11,431	10,819
Parks and recreation	5,176	5,576	5,391
Community and cultural services	4,883	7,098	5,709
Engineering services	6,849	7,070	9,430
Library	2,488	3,856	5,879
Planning and development	1,920	4,158	3,726
Utilities	796	3,475	1,118
	<u>\$ 59,800</u>	<u>\$ 82,279</u>	<u>\$ 78,322</u>
Rental, lease and other			
Property rentals and leases	25,054	26,805	25,506
Street use	1,315	1,316	1,732
False alarm reduction program	1,000	1,023	1,034
Other	11,930	16,578	11,968
	<u>\$ 39,299</u>	<u>\$ 45,722</u>	<u>\$ 40,240</u>

PROPERTY ENDOWMENT FUND – STATEMENT OF OPERATIONS (Tabular amounts in \$000s)
Year Ended December 31, 2019

	2019	2018
OPERATIONS		
Rental and leases		
Revenue	\$ 29,249	\$ 29,687
Expenses	15,025	14,767
	<u>14,224</u>	<u>14,920</u>
Parking		
Revenue	27,146	26,262
Expenses	21,387	21,781
	<u>5,759</u>	<u>4,481</u>
Water moorage		
Revenue	1,512	1,448
Expenses	916	697
	<u>596</u>	<u>751</u>
NET REVENUES FROM OPERATIONS	20,579	20,152
Other Revenue		
Other income	4,771	761
Investment Income	2,310	1,715
Gain in sale of tangible capital assets	2,392	5,797
	<u>9,473</u>	<u>8,273</u>
Administration and operating	6,237	6,456
NET REVENUES	<u><u>\$ 23,815</u></u>	<u><u>\$ 21,969</u></u>

FIVE YEAR STATISTICAL REVIEW - TAXATION (Tabular amounts in \$000s)
Years Ended December 31

	2019	2018	2017	2016	2015
Property Assessment (\$000s)					
Rateable property general purposes	\$ 478,299,759	\$ 466,900,439	\$ 428,738,649	\$ 328,408,856	\$ 278,828,308
Tax Rates – Rate per \$1,000 of Assessment					
Residential - Class 1					
Municipal purposes	1.33572	1.24393	1.26093	1.56168	1.77001
Education	0.91773	0.92146	0.98007	1.20852	1.33008
Other taxing authorities	0.30771	0.30287	0.31389	0.39547	0.43526
Total Residential	2.56116	2.46826	2.55489	3.16567	3.53535
Business/Other - Class 6					
Municipal purposes	4.27116	5.03019	5.79744	6.61254	7.34590
Education	3.94555	4.56143	5.21946	5.65811	5.98206
Other taxing authorities	1.11260	1.26257	1.42795	1.59241	1.71739
Total Business/Other	9.32931	10.85419	12.44485	13.86306	15.04535
Major Industrial - Class 4					
Municipal purposes	30.39510	34.25325	34.51349	33.90142	33.68465
Education	3.70000	4.20000	4.80000	5.40000	5.80000
Other taxing authorities	2.18658	2.35169	2.51911	2.59751	2.69096
Total Major Industrial	36.28168	40.80494	41.83260	41.89893	42.17561
Light Industrial - Class 5					
Municipal purposes	4.27116	5.03019	5.79744	6.61254	7.34590
Education	4.74286	5.29083	6.16093	5.80074	6.22412
Other taxing authorities	1.59483	1.76900	2.04973	1.97773	2.10140
Total Light Industrial	10.60885	12.09002	14.00810	14.39101	15.67142
Total Utilities - Class 2	40.36626	43.00812	44.93083	47.63946	50.51010
Total Supportive Housing - Class 3	0.14184	0.14373	0.14276	0.15132	0.15480
Total Recreational/Non-Profit - Class 8	3.86290	3.97858	4.21729	4.99627	5.45629
Total Farm – All Purposes - Class 9	8.84050	8.63580	8.55989	8.90097	9.13079
Property Tax Revenue by Property Class (%)					
Residential - Class 1	55.7	54.5	54.1	53.7	54.0
Business - Class 6	41.1	42.3	42.8	43.2	42.9
Major industrial - Class 4	1.0	1.0	1.0	1.0	1.0
Light industrial - Class 5	1.1	1.1	1.0	1.0	1.0
Other Utilities, Rec/Non-profit and Farm	1.1	1.1	1.1	1.1	1.1
Total	100.0	100.0	100.0	100.0	100.0

FIVE-YEAR STATISTICAL REVIEW - DEBT (Tabular amounts in \$000s)
Years Ended December 31

	2019	2018	2017	2016	2015
Population *	685,885	672,963	656,164	653,046	646,937
Long Term Debt (\$000s)					
Debenture debt outstanding	\$ 1,083,368	\$ 1,086,101	\$ 997,109	\$ 1,038,303	\$ 949,455
Less: Internally held debt	(2,265)	(2,899)	(3,669)	(4,629)	(5,550)
Externally held debt	1,081,103	1,083,202	993,440	1,033,674	943,905
Less: Sinking Fund reserves	476,419	494,182	395,407	417,878	326,427
Net externally held debt	<u>\$ 604,684</u>	<u>\$ 589,020</u>	<u>\$ 598,033</u>	<u>\$ 615,796</u>	<u>\$ 617,478</u>
Gross Debt per capita (externally held)	\$ 1,576	\$ 1,610	\$ 1,514	\$ 1,583	\$ 1,459
Net Debt per capita (externally held)	\$ 882	\$ 875	\$ 911	\$ 943	\$ 954

* Source: Population Section, B.C. Stats
Ministry of Labour Citizens' Services, Government of British Columbia

Long Term Debt Continuity

	Externally Held	Internally Held	Total
Balance, beginning of year	\$ 1,083,202	\$ 2,899	\$ 1,086,101
Add: Debentures issued	100,000	-	100,000
Local improvements	-	26	26
	<u>1,183,202</u>	<u>2,925</u>	<u>1,186,127</u>
Add: Unamortized Premium	<u>23,644</u>	<u>-</u>	<u>23,644</u>
Less: Maturities			
General and water	125,743	-	125,743
Local improvements	-	660	660
	<u>125,743</u>	<u>660</u>	<u>126,403</u>
Balance, end of year	<u>\$ 1,081,103</u>	<u>\$ 2,265</u>	<u>\$ 1,083,368</u>

OUTSTANDING BORROWING AUTHORITY AND SCHEDULE OF GENERAL DEBT (Tabular amounts in \$000s)
Year Ended December 31, 2019

	Capital Plan Borrowing Authority*	Council-approved Debenture Funding**	Debentures Issued to end of 2019	Outstanding Borrowing Authority
General				
2015-2018	\$ 235,000	\$ 231,428	\$ 199,400	\$ 32,028
2019-2022	300,000	68,705	-	68,705
	<u>535,000</u>	<u>300,133</u>	<u>199,400</u>	<u>100,733</u>
Sewer, Water and NEU				
2015-2018	147,500	144,850	144,850	-
2019-2022	195,000	69,809	-	69,809
	<u>342,500</u>	<u>214,659</u>	<u>144,850</u>	<u>69,809</u>
Total General, Sewer, Water and NEU				
2015-2018	382,500	376,278	344,250	32,028
2019-2022	495,000	138,514	-	138,514
	<u>\$ 877,500</u>	<u>\$ 514,792</u>	<u>\$ 344,250</u>	<u>\$ 170,542</u>

* Borrowing authorities are established as part of the Capital Plan. General borrowing authorities for each Capital Plan are approved by the electors. Sewer, Water and NEU borrowing authorities are approved by Council.

** Debenture funding is approved by Council as part of Annual Budget.

SCHEDULE OF GENERAL DEBT

Bylaw	Maturity Date & Purpose	Rate %	Term (Years)	Debenture Outstanding	Sinking Fund Reserve Balance
10015	June 01, 2020	4.50%	10	\$ 125,000	\$ 110,033
10117	September 30, 2020 - 2030	1.71%	20	2,959	-
10393	December 02, 2021	3.45%	10	140,000	106,710
10565	October 18, 2052	3.70%	40	120,000	8,170
10797	October 24, 2023	3.75%	10	110,000	60,040
11080	October 16, 2024	3.05%	10	105,000	46,608
11362	November 20, 2025	2.90%	10	90,000	31,014
11673	December 15, 2026	2.70%	10	90,000	22,607
11941	November 03, 2027	2.85%	10	85,000	13,964
12203	September 21, 2028	3.10%	10	85,000	6,851
12307	November 20, 2020 - 2028	4.07%	10	4,500	-
12561	October 18, 2052	3.70%	33	100,000	-
				1,057,459	405,997
				Unamortized Premium	23,644
				Other Sinking Fund statutory reserves	-
					125
			Total	\$ 1,081,103	\$ 406,122

FUTURE PRINCIPAL AND INTEREST PAYMENTS ON DEBT (Tabular amounts in \$000s)
Year Ended December 31, 2019

	General			Waterworks			Local Improvements Property Owners' Share			Total General, Waterworks and Local Improvements		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2020	104,147	30,307	134,454	21,600	3,128	24,728	559	136	695	126,306	33,571	159,877
2021	118,751	27,955	146,706	22,000	2,641	24,641	439	101	540	141,190	30,697	171,887
2022	755	23,861	24,616	-	1,883	1,883	406	76	482	1,161	25,820	26,981
2023	97,760	23,836	121,596	13,000	1,883	14,883	292	52	344	111,052	25,771	136,823
2024	97,764	20,174	117,938	8,000	1,395	9,395	249	34	283	106,013	21,603	127,616
2025 - 2029	336,424	61,873	398,297	16,966	4,379	21,345	285	42	327	353,675	66,294	419,969
Thereafter	202,292	171,906	374,198	18,000	15,318	33,318	35	4	39	220,327	187,228	407,555
	\$ 957,893	\$ 359,912	\$ 1,317,805	\$ 99,566	\$ 30,627	\$ 130,193	\$ 2,265	\$ 445	\$ 2,710	\$ 1,059,724	\$ 390,984	\$ 1,450,708

External Debt Only

	General			Waterworks			Total General & Waterworks		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2020	104,147	30,307	134,454	21,600	3,128	24,728	125,747	33,435	159,182
2021	118,751	27,955	146,706	22,000	2,641	24,641	140,751	30,596	171,347
2022	755	23,861	24,616	-	1,883	1,883	755	25,744	26,499
2023	97,760	23,836	121,596	13,000	1,883	14,883	110,760	25,719	136,479
2024	97,764	20,174	117,938	8,000	1,395	9,395	105,764	21,569	127,333
2025 - 2028	336,424	61,873	398,297	16,966	4,379	21,345	353,390	66,252	419,642
Thereafter	202,292	171,906	374,198	18,000	15,318	33,318	220,292	187,224	407,516
	\$ 957,893	\$ 359,912	\$ 1,317,805	\$ 99,566	\$ 30,627	\$ 130,193	\$ 1,057,459	\$ 390,539	\$ 1,447,998