

CITY OF VANCOUVER

BRITISH COLUMBIA

ANNUAL FINANCIAL REPORT

2020

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Vancouver City Council 2018 – 2022

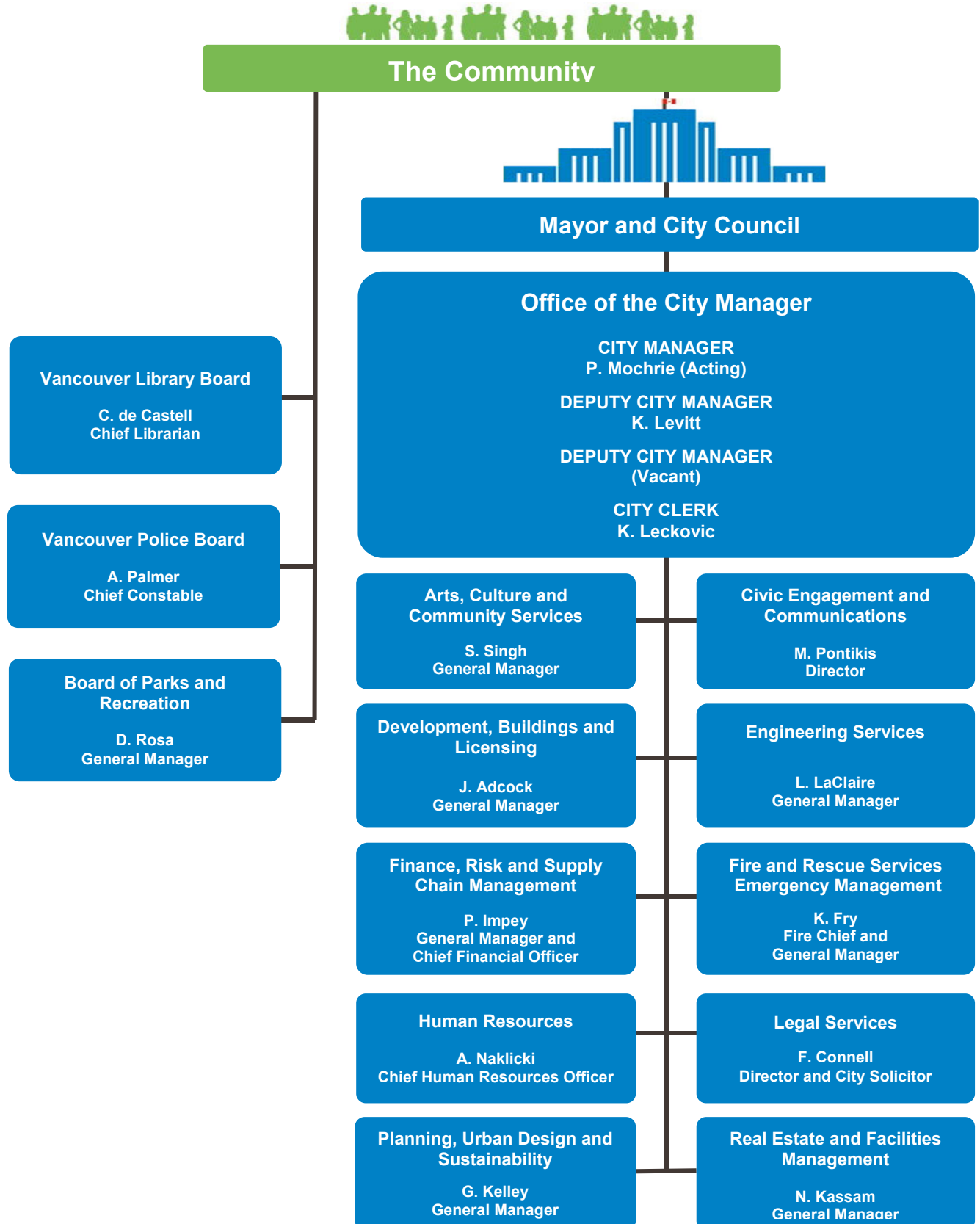
City Council is made up of the Mayor and ten councillors who are elected at large for a four-year term.



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 Dominated	Councillor Sarah Kirby-Yung
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CITY OF VANCOUVER ORGANIZATIONAL CHART

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



March 4, 2021

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, 2020. These financial statements include the financial position and results of operations of the City including its Boards and City-controlled entities. 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.

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This resulted in governments worldwide, including the Canadian federal and provincial governments enacting emergency measures to combat the spread of the virus. The economic conditions and the City's response to the pandemic have had a material impact on operating results and financial position in 2020. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the City is not known at this time.

Consolidated Financial Position

(\$Millions)	2020	2019	Change
Financial assets	\$ 3,477.3	\$ 2,915.3	\$ 562.0
Liabilities	2,739.3	2,265.5	473.8
Net financial assets	738.0	649.8	88.2
Non-financial assets	7,399.9	7,259.1	140.8
Accumulated Surplus	\$ 8,137.9	\$ 7,908.9	\$ 229.0

The City's net financial assets position, calculated as financial assets less liabilities, improved by \$88.2 million resulting in a net financial asset position of \$738.0 million (2019 - \$649.8 million) due to a reduction of planned capital expenditures, Empty Homes Tax revenue which will be allocated to new affordable housing initiatives and proceeds from City owned property sales. A net financial asset position is an indicator of the funds available for future expenditures.

The City's non-financial assets increased in 2020 by \$140.8 million, bringing the total to \$7.4 billion. The increase is the net result of capital additions of physical assets in the year less disposals and amortization expense.

The City's overall financial position, represented by accumulated surplus, improved by \$229.0 million in 2020 resulting in an ending balance of \$8.1 billion (2019 - \$7.9 billion). Accumulated surplus is comprised of investment in tangible capital assets of \$6.3 billion (2019 - \$6.2 billion), reserve balances set aside for specific purposes less obligations to be funded from future revenues of \$1.6 billion (2019 - \$1.6 billion) and fund balance of \$168.3 million (2019 - \$147.6 million).

REPORT OF THE DIRECTOR OF FINANCE

Consolidated Results of Operations

(\$ Millions)	2020 Budget	2020	2019
Revenues	\$ 1,961.4	\$ 1,858.2	\$ 1,966.9
Expenses	1,792.7	1,629.2	1,666.1
Annual surplus	\$ 168.7	\$ 229.0	\$ 300.8

Introduction

As stated previously, the economic conditions and the City's response to the pandemic had a material impact on its 2020 consolidated operating results compared to the prior year and budget. The City's Operating Budget program, parking and other revenues decreased by \$89.0 million. This reduction in revenue was substantially offset by \$86.0 million in reduced expenses from facility closures and salary mitigation actions taken by the City.

The City received Safe Restart funding of \$16.4 million to partially offset the \$89.0 million reduction in revenues impacted by COVID-19. The City also received other senior government funding of \$6.8 million to partially offset a \$16.0 million increase in operating costs due to COVID-19 related to facilities cleaning, single room occupancy support, sanitation and other response activities.

Year over Year Change

Consolidated revenues of \$1.9 billion decreased by \$108.7 million over 2019 due primarily to the impact of COVID-19 facilities closures. Significant year over year changes in revenues include the following:

- \$81.6 million decrease in program fees due to closure of recreational facilities, civic theatres and a significant reduction in PNE programming
- \$38.8 million decrease in cost recoveries, grants and donations including a reduction in landfill capital cost recoveries offset by increased COVID-19 cost recoveries and grants
- \$35.5 million decrease in parking revenues due to reduced demand resulting from COVID-19 restrictions
- \$22.1 million decrease in license and development fees collected due to economic slowdown
- \$62.0 million increase in property taxes
- \$21.5 million increase in utility fees and Metro Vancouver recoveries

Consolidated expenses of \$1.6 billion decreased by \$36.9 million over 2019 due primarily to the impact of COVID-19 facilities closures and actions taken to mitigate revenue losses. Significant year over year changes in expenses include the following:

- \$21.1 million decrease in wages, salaries and benefits due to COVID-19 layoffs, staff furloughs, delays in hires and deferred merit increases, offset by personnel increases for police and fire departments
- \$13.5 million decrease in supplies, material and equipment due to facilities closures, offset by increases to support vulnerable populations during the COVID-19 pandemic

The City's consolidated revenues exceeded expenses resulting in an annual surplus of \$229.0 million (2019 - \$300.8 million).

Budget Variance

The Budget information presented in these consolidated financial statements is based upon the 2020 operating, capital and property endowment budgets as approved by Council on December 10, 2019 and adjusted to comply with Canadian public sector accounting standards for inclusion in the Consolidated Statement of Operations.

Consolidated revenues of \$1.9 billion were lower than budgeted revenues by \$103.3 million due primarily to the impact of COVID-19 facilities closures. Significant budget to actual variances include the following:

- \$85.9 million lower than budgeted developer contributions due to delay in developer funded capital expenditures
- \$38.5 million lower than budgeted parking revenues due to reduced demand resulting from COVID-19 restrictions
- \$30.2 million lower than budgeted program fees due to closure of recreational facilities and civic theatres
- \$21.6 million lower than budgeted license and development fees collected due to economic slowdown
- \$44.9 million higher property tax revenues due to unbudgeted Empty Homes Tax

REPORT OF THE DIRECTOR OF FINANCE

Consolidated expenses of \$1.6 billion were \$163.5 million lower than budgeted expenses due primarily to the impact of COVID-19 facilities closures and actions taken to mitigate revenue losses. Significant budget to actual variances include the following:

- \$37.3 million lower than budgeted general government due to reduced salary expenses as a result of delays in hiring, deferral of merit increases and furloughs
- \$36.1 million lower than budgeted parks and recreation due to facilities closures
- \$30.4 million lower than budgeted community and cultural services due to affordable housing and other capital grants delayed as a result of COVID-19
- \$21.4 million lower than budgeted utilities due to lower landfill closure costs, salary expense mitigation and lower water consumption
- \$20.3 million lower than budgeted planning and development costs due to delayed building retrofit, heritage and other capital projects and salary expense mitigation as a result of COVID-19

In total the City's annual consolidated surplus of \$229.0 million exceeded the budgeted annual surplus of \$168.7 million by \$60.2 million. The annual consolidated surplus was utilized for investments in tangible capital assets and transfers to sinking fund and other reserves.

Tangible Capital Assets

Consolidated capital additions totalled \$355.0 million in 2020 and are comprised of the following:

(\$Millions)	2020
Land and improvements	\$ 70.3
Buildings and leasehold improvements	19.0
Vehicles and other equipment	36.8
Computer systems	17.8
Infrastructure	
Streets and structures	76.6
Water system	20.6
Sewer system	51.7
Assets under construction	62.2
	<u>\$ 355.0</u>

Infrastructure replacement and improvements of \$148.9 million were added in 2020. Land and improvements additions include \$24.3 million in road dedications, \$19.2 million in properties acquired for social housing and \$14.9 million in park improvements. Vehicle and other equipment additions consisted primarily of engineering heavy equipment. PNE rides and site improvements of \$4.4 million were also included in the equipment category. Building additions were primarily for capital maintenance of civic buildings and office renovations. Computer systems includes replacement and additions of hardware of \$14.9 million and software applications of \$2.9 million.

Debt

In November 2020, the City issued \$100.0 million of City of Vancouver debentures from borrowing authorities approved in the 2015-2018 Capital Plan (\$30.0 million) and 2019-2022 Capital Plan (\$70.0 million), maturing in 2030, with a coupon rate of 1.40%. During the year, the City repaid \$125.7 million of debt and amortized \$0.7 million of debt premium resulting in a total outstanding debt of \$1,054.6 million. At the end of 2020, the City has sinking fund debt reserves of \$458.8 million for future repayments.

(\$Millions)	2020	2019	Change
Long term debt	\$ 1,054.6	\$ 1,081.1	\$ (26.5)
Less: Sinking fund reserves	(458.8)	(476.4)	17.6
Net long term debt	<u>\$ 595.8</u>	<u>\$ 604.7</u>	<u>\$ (8.9)</u>

As part of the 2019-2022 Capital Plan, the City of Vancouver electorate 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 2020 was \$172.9 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 2020, these specific purpose reserves totalled \$1,342.4 million, a net increase of \$57.9 million over 2019.

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 catastrophic events, environmental hazards, extraordinary public safety situations, economic downturns and unforeseen changes in revenues. The balance of the reserve is \$146.7 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 \$58.2 million, with the remaining capacity of 6.2 million tonnes (22.1% of total capacity) to be utilized by 2036. During the year the reserve decreased by \$5.8 million to \$64.9 million as a result of operating surplus, interest revenue and recoveries from Metro Vancouver of \$27.7 million offset by closure and operating capital expenditures of \$33.5 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 increased by \$3.8 million to \$55.7 million. The reserves are primarily funded by internal equipment charges provided in the Operating and Capital Budgets and proceeds from equipment disposals, which amounted to \$25.5 million in 2020. Expenditures in 2020 were \$21.7 million of which \$17.1 million related to fleet and equipment purchases, \$2.1 million related to funding of the North East False Creek project, and \$2.0 million related to parking meter purchases.

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

- The Affordable Housing Reserves increased by a net amount of \$35.5 million to \$198.4 million, due primarily to Empty Homes Tax revenues.
- Community Amenity contributions from developers and interest totaled \$20.8 million (2019 - \$60.9 million). Transfers and expenditures of \$27.0 million (2019 - \$40.6 million) for capital projects brought the year end Community Amenities Reserve balance to \$429.4 million.
- Capital Facilities and Infrastructure Reserves hold funds for future streets and transit infrastructure and building projects. The Capital Facilities and Infrastructure Reserves increased by \$8.9 million to \$92.5 million, due primarily to a transfer of \$9.0 million from Revenue Fund annual surplus.

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

- Other reserves increased by \$12.7 million primarily due to establishment of a Snow & Storm Response reserve

Future Debt Repayment – for future debt repayments

- A net transfer of \$2.0 million to cover the Sinking Fund deficit and a net transfer of \$0.3 million to redeem the Library Square mortgage left the Future Debt Repayment Reserves with a balance of \$19.9 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.

REPORT OF THE DIRECTOR OF FINANCE

Summary

Despite the global pervasive effects of the pandemic on many entities, the City's financial position demonstrated resiliency from continued prudent management and financial discipline.

The City's 2020 financial position remains healthy and is reflected in recent credit ratings updates. In February 2021, S&P Global Ratings, and in November 2020, 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.

The pandemic is expected to be temporary but given the dynamic situation, uncertainty of the duration, and magnitude of impact on the economy and the City's finances, the City will continue to exercise fiscal responsibility to manage budgetary pressures.

Respectfully submitted,



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General Manager, Finance, Risk & Supply Chain Management
Chief Financial Officer
Director of Finance



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Director, Financial Services
Deputy Director of Finance



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

Basis for Opinion

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

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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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
March 4, 2021

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

	<u>2020</u>	<u>2019</u>
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 1,141,886	\$ 385,645
Temporary investments (Note 2)	2,066,044	2,262,090
Accounts receivables (Note 3)	267,271	265,411
Lease agreement receivable (Note 4)	2,083	2,161
	<u>3,477,284</u>	<u>2,915,307</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	838,239	424,001
Deferred liabilities (Note 6)	165,034	164,979
Mortgages and loan agreement (Note 7)	16,204	15,229
Debt (Note 8)	1,054,635	1,081,103
Deferred revenue (Note 9)	665,217	580,228
	<u>2,739,329</u>	<u>2,265,540</u>
NET FINANCIAL ASSETS	<u>737,955</u>	<u>649,767</u>
NON-FINANCIAL ASSETS		
Inventory and prepaids	25,376	24,306
Tangible capital assets (Note 10)	7,374,518	7,234,799
	<u>7,399,894</u>	<u>7,259,105</u>
ACCUMULATED SURPLUS (Note 11)	<u>\$ 8,137,849</u>	<u>\$ 7,908,872</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)

	2020 Budget	2020	2019
	(Note 14)		
REVENUES			
Property taxes, penalties and interest (Notes 12(e) and (g))	\$ 890,627	\$ 935,538	\$ 873,498
Utility fees	329,699	320,914	299,411
Program fees	75,604	45,426	127,059
License and development fees	95,439	73,791	95,910
Parking	105,846	67,391	102,906
Cost recoveries, grants and donations	117,795	133,465	172,233
Revenue sharing	19,150	16,187	20,970
Investment income	31,246	40,471	49,070
Rental, lease and other	62,563	70,062	77,989
Bylaw fines	21,714	16,156	22,152
Developer contributions	211,759	125,829	132,695
Gain (loss) on sale of tangible capital assets		12,957	(7,057)
	<u>1,961,442</u>	<u>1,858,187</u>	<u>1,966,836</u>
EXPENSES			
Utilities	347,235	325,828	320,907
General government	221,322	184,018	178,088
Police protection	349,334	350,064	340,780
Fire protection	145,761	145,955	140,368
Engineering	222,188	213,130	226,529
Planning and development	91,091	70,816	67,614
Parks and recreation	199,699	163,625	222,470
Community and cultural services	154,613	124,165	110,860
Library	61,452	51,609	58,497
	<u>1,792,695</u>	<u>1,629,210</u>	<u>1,666,113</u>
ANNUAL SURPLUS	<u>168,747</u>	<u>228,977</u>	<u>300,723</u>
ACCUMULATED SURPLUS (Note 11)			
Beginning of year	<u>7,908,872</u>	<u>7,908,872</u>	<u>7,608,149</u>
End of year	<u>\$ 8,077,619</u>	<u>\$ 8,137,849</u>	<u>\$ 7,908,872</u>

See accompanying Notes to Consolidated Financial Statements

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

	2020 Budget	2020	2019
	(Note 14)		
Annual surplus	\$ 168,747	\$ 228,977	\$ 300,723
Acquisition of tangible capital assets	(547,376)	(328,078)	(300,774)
Contributed tangible capital assets	-	(26,899)	(47,602)
Amortization of tangible capital assets	202,121	197,786	193,176
Loss (gain) on sale of tangible capital assets	-	(12,957)	7,057
Proceeds on sale of tangible capital assets	-	30,429	-
	<u>(345,255)</u>	<u>(139,719)</u>	<u>(148,143)</u>
Change in inventory and prepaids	<u>-</u>	<u>(1,070)</u>	<u>233</u>
CHANGE IN NET FINANCIAL ASSETS	(176,508)	88,188	152,813
NET FINANCIAL ASSETS			
Beginning of year	649,767	649,767	496,954
End of year	<u>\$ 473,259</u>	<u>\$ 737,955</u>	<u>\$ 649,767</u>

See accompanying Notes to Consolidated Financial Statements

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

	<u>2020</u>	<u>2019</u>
CASH PROVIDED BY (USED IN):		
Operating Transactions		
Annual surplus	\$ 228,977	\$ 300,723
Items not involving cash		
Amortization	197,786	193,176
Amortization of debt premium	(721)	(217)
Contributed tangible capital assets	(26,899)	(47,602)
Loss (gain) on sale of tangible capital assets	(12,957)	7,057
Recognition of deferred revenue	(95,654)	(88,092)
Change in non-cash items		
Other financial assets and liabilities	412,456	67,857
Change in deferred liabilities	55	707
Change in inventory and prepaids	(1,070)	233
	<u>701,973</u>	<u>433,842</u>
Financing Transactions		
Debt, mortgage and loan issues	107,959	100,000
Debt premium	-	23,861
Debt, mortgage and loan repayments	(132,731)	(132,139)
Deferred revenue receipts	180,643	142,500
	<u>155,871</u>	<u>134,222</u>
Capital Transactions		
Acquisition of tangible capital assets	(328,078)	(300,774)
Proceeds of sale of tangible capital assets	30,429	-
	<u>(297,649)</u>	<u>(300,774)</u>
Investing Transactions		
Net sale (purchase) of temporary investments	196,046	(202,045)
	<u>196,046</u>	<u>(202,045)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	756,241	65,245
CASH AND CASH EQUIVALENTS		
Beginning of year	385,645	320,400
End of year	<u>\$ 1,141,886</u>	<u>\$ 385,645</u>

See accompanying Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Tabular amounts in \$000s)
Year Ended December 31, 2020

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. On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This resulted in governments worldwide, including the Canadian federal and provincial governments enacting emergency measures to combat the spread of the virus. The economic conditions and the City's response to the pandemic had a material impact on the City's operating results and financial position in 2020. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the City is not known at this time.

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.

(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. Government transfers are recognized as revenue once stipulations are met.

1. SIGNIFICANT ACCOUNTING POLICIES – Continued

(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 assets. The cost, less residual value of the tangible capital assets 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 to 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, 2020 are \$2,093,131 (2019 - \$2,266,139).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Tabular amounts in \$000s)
Year Ended December 31, 2020

3. ACCOUNTS RECEIVABLES

	2020	2019
Accrued interest	\$ 9,769	\$ 15,054
Employee advances	1,044	1,015
Local improvement receivables	1,644	2,243
Property taxes receivables	95,844	55,192
Rental and lease receivables	5,889	3,245
Trade and other receivables	116,351	154,601
Utility receivables	36,730	34,061
	<u>\$ 267,271</u>	<u>\$ 265,411</u>

4. LEASE AGREEMENT RECEIVABLE

In 2013, the City provided a 10-year interest-free loan of \$1.95 million to S.U.C.C.E.S.S. Affordable Housing Society, in support of an affordable rental housing project. The loan, secured by a mortgage agreement, is due on December 1, 2023.

The Federal Government's 25-year lease of the Library Square office building ended on April 29, 2020. At the end of the lease, the Federal Government exercised its option to purchase the building and the City paid off the remaining mortgage on the building as described in note 7(a).

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2020	2019
Payroll liabilities	\$ 76,285	\$ 75,409
Property tax advance deposits and receipts	105,702	121,328
Other advance deposits and receipts	66,670	62,025
Trade and other liabilities	589,582	165,239
	<u>\$ 838,239</u>	<u>\$ 424,001</u>

6. DEFERRED LIABILITIES

	2020	2019
Deferred payroll costs (a)	\$ 95,343	\$ 91,747
Landfill closure and post-closure costs (b)	58,155	63,018
Contaminated sites	6,326	4,735
Accrued interest on long term debt	5,210	5,479
	<u>\$ 165,034</u>	<u>\$ 164,979</u>

(a) Deferred Payroll Costs

The City has accumulated \$58.6 million (2019 - \$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, 2020 using the following valuation assumptions:

	2020	2019
Discount rate	3.03%	3.36%
Inflation rate	2%	2%
Rate of compensation increase (including inflation)	2.58% to 4.63%	2.58% to 4.63%
Amortization period of actuarial loss in years	12	11

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Tabular amounts in \$000s)
Year Ended December 31, 2020

6. DEFERRED LIABILITIES - Continued

(a) Deferred Payroll Costs - Continued

	2020	2019
Sick leave gratuity	\$ 33,091	\$ 28,755
Deferred vacation	13,853	10,144
Non-vested accumulating sick leave	25,275	19,095
Long term disability	19,643	17,695
Other post-employment benefits	23,131	21,159
	114,993	96,848
Unamortized actuarial loss	(19,650)	(5,101)
	<u>\$ 95,343</u>	<u>\$ 91,747</u>

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

	2020	2019
Beginning of the year	\$ 91,747	\$ 90,577
Current service cost	9,666	8,199
Interest cost	3,375	3,511
Amortization of actuarial loss	355	(733)
Actual benefits paid	(9,800)	(9,807)
End of the year	<u>\$ 95,343</u>	<u>\$ 91,747</u>

(b) Landfill Closure and Post-Closure Costs

The City has accumulated \$64.9 million (2019 - \$70.7 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:

	2020	2019
Closure date	2036	2036
Years of post-closure maintenance	30	30
Total capacity (million tonnes)	28.0	25.9
Future costs (million)	\$203.8	\$209.4
Present value of future costs (million)	\$113.6	\$114.7
Deposited to date (million tonnes)	21.8	21.1
Utilization of total capacity to date	77.9%	81.5%
City's share of liability	65.7%	67.2%
Discount rate	3.03%	3.36%
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:

- The Library Square mortgage was repaid on June 29, 2020. Principal and interest payments in 2020 were \$6.5 million and \$0.4 million respectively (2019 - \$5.8 million and \$0.9 million).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Tabular amounts in \$000s)
Year Ended December 31, 2020

7. MORTGAGES AND LOAN AGREEMENT - Continued

- \$2.4 million (2019 - \$2.8 million) mortgage payable to Canada Mortgage and Housing Corporation for a non-market housing project, with interest payable at 2.1%, maturing on June 1, 2023. The interest paid in 2020 was \$0.1 million (2019 - \$0.1 million). One non-market housing mortgage was repaid on October 1, 2020.
- (b) The loan agreement is the revolving facility for the PNE with a Canadian chartered bank providing for borrowing of up to \$34.9 million (2019 - \$24.9 million). The facility bears interest at the bank prime rate minus 0.25% and is due on demand. As at December 31, 2020, \$13.8 million (2019 - \$5.8 million) has been drawn on this facility.

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

2021	\$	362
2022		369
2023		377
2024		385
2025		392
Thereafter		539
		<u>2,424</u>
Loan agreement		13,780
Total	\$	<u>16,204</u>

8. DEBT

Debenture debt is shown at its face amount.

Maturing in	Total
2021	\$ 140,751
2022	755
2023	110,760
2024	105,764
2025	90,769
Thereafter	<u>582,913</u>
Subtotal Debt Issue	1,031,712
Unamortized Premium	<u>22,923</u>
Total	<u>\$ 1,054,635</u>

Interest rates payable on the principal amount of the debentures range from 1.40% to 4.07% per annum. The weighted average interest rate on total external debt to maturity is 3.10%. Total interest paid in 2020 on externally held debt amounted to \$33.4 million (2019 - \$38.7 million). Reserve for debt retirement at December 31, 2020 amounted to \$458.8 million (2019 - \$476.4 million) (note 11) resulting in a net external debt of \$595.8 million (2019 - \$604.7 million).

9. DEFERRED REVENUE

Deferred revenue is comprised of the following:

	2019	Contributions and Interest	Recognized as Revenue	2020
Development cost levies				
City-wide	\$ 282,617	\$ 119,051	\$ (76,748)	\$ 324,920
Area-specific	113,088	2,851	(5,987)	109,952
	<u>395,705</u>	<u>121,902</u>	<u>(82,735)</u>	<u>434,872</u>
Prepaid leases	182,482	95	(5,373)	177,204
Other	2,041	58,646	(7,546)	53,141
	<u>\$ 580,228</u>	<u>\$ 180,643</u>	<u>\$ (95,654)</u>	<u>\$ 665,217</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Tabular amounts in \$000s)
Year Ended December 31, 2020

10. TANGIBLE CAPITAL ASSETS

	Balance beginning of year	Additions net of transfers	Disposals	Balance end of year
Cost				
Land	\$ 2,324,845	\$ 49,475	\$ (14,561)	\$ 2,359,759
Landfill and land improvements	322,484	20,814	-	343,298
Buildings and building improvements	1,718,456	16,538	(1,546)	1,733,448
Leasehold improvements	68,321	2,508	-	70,829
Vehicles, equipment and furniture	393,963	34,589	(5,334)	423,218
Computer systems	255,942	17,831	(690)	273,083
Library books and materials	36,977	2,218	-	39,195
Infrastructure				
Streets and structures	3,415,013	76,590	(562)	3,491,041
Water system	823,619	20,551	(3,420)	840,750
Sewer system	1,612,778	51,654	(1,187)	1,663,245
Assets under construction	83,781	62,209	-	145,990
Total Cost	11,056,179	354,977	(27,300)	11,383,856
Accumulated amortization				
Landfill and land improvements	189,070	10,275	-	199,345
Buildings and building improvements	552,155	37,791	(627)	589,319
Leasehold improvements	23,847	6,001	-	29,848
Vehicles, equipment and furniture	243,158	24,941	(4,601)	263,498
Computer systems	200,448	17,350	(690)	217,108
Library books and materials	26,274	2,125	(860)	27,539
Infrastructure				
Streets and structures	1,919,961	73,528	(321)	1,993,168
Water system	225,288	7,891	(2,060)	231,119
Sewer system	441,179	17,884	(669)	458,394
Accumulated amortization	3,821,380	197,786	(9,828)	4,009,338
Net book value				
Land *	2,324,845	49,475	(14,561)	2,359,759
Landfill and land improvements	133,414	10,539	-	143,953
Buildings and building improvements	1,166,301	(21,253)	(919)	1,144,129
Leasehold improvements	44,474	(3,493)	-	40,981
Vehicles, equipment and furniture	150,805	9,648	(733)	159,720
Computer systems	55,494	481	-	55,975
Library books and materials	10,703	93	860	11,656
Infrastructure				
Streets and structures	1,495,052	3,062	(241)	1,497,873
Water system	598,331	12,660	(1,360)	609,631
Sewer system	1,171,599	33,770	(518)	1,204,851
Assets under construction	83,781	62,209	-	145,990
Net Book Value	\$ 7,234,799	\$ 157,191	\$ (17,472)	\$ 7,374,518
Net Book Value (2019)	\$ 7,086,656	\$ 155,200	\$ (7,057)	\$ 7,234,799

*The Assessed Value of land is \$24,928,228 (2019 - \$27,920,081)

Additions include contributed tangible capital assets - land \$25.3M, streets and structures \$1.4M and sewer systems \$0.2M.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Tabular amounts in \$000s)
Year Ended December 31, 2020

11. ACCUMULATED SURPLUS

	2020	2019
Investment in tangible capital assets	\$ 6,333,388	\$ 6,165,300
Reserve for Sinking Fund debt retirement - statutory	369,542	406,122
Reserve for Sinking Fund debt retirement - non-statutory	89,212	70,297
Reserves (a)	1,342,419	1,284,566
Fund balances (b)	168,322	147,566
Obligations to be funded from future revenues (Note 6)	(165,034)	(164,979)
	<u>\$ 8,137,849</u>	<u>\$ 7,908,872</u>

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

	2019	Transfer To	Transfer From	Change During Year	2020
Financial Stabilization					
Deferred Payroll Obligation	\$ 54,974	\$ 3,596	\$ -	\$ 3,596	\$ 58,570
General Revenue Stabilization	134,956	49,777	(38,019)	11,758	146,714
Solid Waste Capital	70,689	27,728	(33,482)	(5,754)	64,935
Utility Rate Stabilization	24,830	2,846	(796)	2,050	26,880
Other	6,939	200	-	200	7,139
	<u>292,388</u>	<u>84,147</u>	<u>(72,297)</u>	<u>11,850</u>	<u>304,238</u>
Asset Management					
Golf Course and Artificial Turf	4,316	299	(960)	(661)	3,655
Plant and Equipment	51,922	25,506	(21,688)	3,818	55,740
Streets Capital Maintenance	19,047	922	(506)	416	19,463
	<u>75,285</u>	<u>26,727</u>	<u>(23,154)</u>	<u>3,573</u>	<u>78,858</u>
Future Capital					
Affordable Housing	162,871	41,847	(6,331)	35,516	198,387
Capital Facilities and Infrastructure	83,645	11,381	(2,507)	8,874	92,519
Community Amenities	435,586	20,788	(26,972)	(6,184)	429,402
Parking Sites	44,818	2,951	(3,933)	(982)	43,836
Pedestrian and Cycling	6,816	187	(288)	(101)	6,715
	<u>733,736</u>	<u>77,154</u>	<u>(40,031)</u>	<u>37,123</u>	<u>770,859</u>
Special Revenue and Programs					
Childcare Endowment	18,588	293	(795)	(502)	18,086
Community Amenity Operations	11,518	357	(322)	35	11,553
Donations	14,831	1,999	(564)	1,435	16,266
Emerging Neighbourhood	10,000	-	-	-	10,000
Insurance	28,381	4,448	(5,007)	(559)	27,822
Outstanding Commitments	26,523	2,475	(11,217)	(8,742)	17,781
Public Art	16,106	1,970	(685)	1,285	17,391
Social and Cultural	25,630	2,078	(100)	1,978	27,608
Other	9,365	15,306	(2,617)	12,689	22,054
	<u>160,942</u>	<u>28,926</u>	<u>(21,307)</u>	<u>7,619</u>	<u>168,561</u>
Future Debt Repayment	<u>22,215</u>	<u>406</u>	<u>(2,718)</u>	<u>(2,312)</u>	<u>19,903</u>
	<u>\$ 1,284,566</u>	<u>\$ 217,360</u>	<u>\$ (159,507)</u>	<u>\$ 57,853</u>	<u>\$ 1,342,419</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Tabular amounts in \$000s)
Year Ended December 31, 2020

11. ACCUMULATED SURPLUS - Continued

(b) Fund balances are comprised of:

	2019	Change During Year	2020
Revenue Fund	\$ 26,239	\$ -	\$ 26,239
Capital Fund	(142,262)	(4,607)	(146,869)
Capital Financing Fund	305,171	6,006	311,177
Sinking Fund	-	-	-
Property Endowment Fund	(63,360)	22,509	(40,851)
Harbour Park Development Ltd.	(7)	-	(7)
Vancouver Civic Development Corp.	11,876	64	11,940
Hastings Institute Inc.	253	5	258
Pacific National Exhibition	(4,231)	(6,672)	(10,903)
City of Vancouver Public Housing Corporation	(251)	(291)	(542)
Vancouver Economic Commission	794	316	1,110
Parking Corporation of Vancouver	342	-	342
	<u>134,564</u>	<u>17,330</u>	<u>151,894</u>
Eliminations on consolidation	<u>13,002</u>	<u>3,426</u>	<u>16,428</u>
	<u>\$ 147,566</u>	<u>\$ 20,756</u>	<u>\$ 168,322</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.

The City has entered into cost sharing agreements with senior governments and other agencies for projects in four priority areas, totalling \$141.3 million. Cumulative revenues of \$40.6 million have been recognized from the time that the agreements were entered, leaving \$100.7 million in contractual rights. Revenues under these contractual rights are expected to be recognized over the next four years as part of the City's capital plan activity.

Infrastructure Priority Area	Shared Cost Revenue
Affordable Housing	\$ 10,558
Green Infrastructure & Climate Change	18,010
Rapid Transit & Transportation Infrastructure	42,809
Social & Community Infrastructure	29,350
Total	<u>\$ 100,727</u>

The City leases real 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
2021	\$ 21,381
2022	17,214
2023	15,596
2024	13,067
2025	10,803
	<u>\$ 78,061</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 35 Class A and 20 Class B shares issued and outstanding at December 31, 2020). 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 \$21.5 million during the year (2019 - \$20.9 million).

(c) Municipal Pension Plan

The City and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2020, the plan had about 213,000 active members and approximately 106,000 retired members. Active members include approximately 41,000 contributors from local governments.

Since the plan has not been redesigned in the last 50 years, the plan partners have proposed a redesign of the plan for active members and the creation of a new health benefit trust to support funding post-retirement group benefits for retired members. The proposed changes would:

- a) apply on future service from January 1, 2022, except where stated otherwise; and
- b) be adopted as a package.

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 \$80.5 million (2019 - \$78.7 million) for employer contributions while employees contributed \$64.8 million (2019 - \$63.3 million) to the plan in fiscal 2020.

(d) Contingent Legal Liabilities

As at December 31, 2020, 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 \$27.8 million (2019 - \$28.4 million) for potential claims (note 11(a)).

12. CONTRACTUAL RIGHTS, CONTINGENCIES AND COMMITMENTS – Continued

(e) Property Assessment Appeals

As at December 31, 2020, 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, 2020	\$17,630
S.U.C.C.E.S.S. Affordable Housing Society as at March 31, 2020	\$20,431

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

	2020	2019
Taxes collected by the City:		
Property and business taxes	\$ 1,576,899	\$ 1,766,925
Payment in lieu of taxes	29,186	28,380
Local improvement levies	620	773
	<u>1,606,705</u>	<u>1,796,078</u>
Less taxes remitted to:		
Province of British Columbia - School Taxes	476,004	730,958
Greater Vancouver Transportation Authority	147,826	147,027
B.C. Assessment Authority	22,322	22,552
Greater Vancouver Regional District	24,913	21,934
Municipal Finance Authority	102	109
	<u>671,167</u>	<u>922,580</u>
Net Taxes for Municipal Purposes	<u>\$ 935,538</u>	<u>\$ 873,498</u>

13. TRUST FUNDS

TRUST FUNDS

	2020	2019
Vancouver Agreement	\$ 1,846	\$ 2,175
Cemetery Perpetual Care	8,201	7,676
General	462	457
	<u>\$ 10,509</u>	<u>\$ 10,308</u>

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:

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, 2020

14. BUDGET

The Budget information presented in these consolidated financial statements is based upon the 2020 operating, capital and property endowment budgets as approved by Council on December 10, 2019 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.

	2020
Revenues	
Approved Budgeted Revenues	
Operating Budget	\$ 1,615,279
Capital Budget	267,151
Property Endowment Operating Budget	60,736
Other City of Vancouver funds	18,894
Vancouver Public Housing Corporation	2,606
Pacific National Exhibition (1)	9,910
Other City of Vancouver Reporting Entities	185
	<u>1,974,761</u>
PSAB Revenue Adjustments	
Interfund revenue eliminated	(13,319)
Budgeted Revenues as presented in financial statements	<u>\$ 1,961,442</u>
Expenses	
Approved Budgeted Expenditures	
Operating Budget	\$ 1,615,279
Capital Budget	267,151
Property Endowment Operating Budget	60,736
Other City of Vancouver funds	18,894
Vancouver Public Housing Corporation	2,606
Pacific National Exhibition (1)	21,741
Other City of Vancouver Reporting Entities	185
	<u>1,986,592</u>
PSAB Expenses Adjustments	
Operating Budget PSAB expense adjustments (2)	164,677
Capital asset expenditures	(547,376)
Amortization of tangible capital assets	202,121
Interfund expense eliminated	(13,319)
	<u>(193,897)</u>
Budgeted Expenses as presented in financial statements	<u>\$ 1,792,695</u>
Annual Surplus	<u>\$ 168,747</u>

Note:

(1) Revised from Vancouver Budget 2020 amounts to align PNE's budget with the City's reporting period ending December 31, 2020. The PNE board approved budget information required for alignment was not available at the time of the City budget preparation.

(2) 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, 2020

	General Government	Police Protection	Fire Protection	Engineering	Utilities	Planning & Development	Parks & Recreation	Community & Cultural Services	Library	2020 Consolidated	2019 Consolidated
Revenues											
Property taxes, penalties and interest	\$ 935,538	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 935,538	\$ 873,498
Utility fees	101	-	-	-	320,806	-	-	7	-	320,914	299,411
Program fees	763	1,866	718	31	195	-	34,216	7,115	522	45,426	127,059
License and development fees	73,707	-	-	-	85	-	-	(1)	-	73,791	95,910
Parking	42,185	52	-	18,961	-	-	5,784	409	-	67,391	102,906
Cost recoveries, grants and donations	26,230	25,021	11,767	23,245	24,717	3,700	1,649	14,136	3,000	133,465	172,233
Revenue sharing	16,187	-	-	-	-	-	-	-	-	16,187	20,970
Investment income	40,344	-	-	-	-	-	-	127	-	40,471	49,070
Rental, lease and other	42,316	205	148	9,936	1,023	1	6,491	9,067	875	70,062	77,989
Bylaw fines	16,355	19	-	-	-	-	(213)	(5)	-	16,156	22,152
Developer contributions	16,459	-	2,244	52,653	15,506	-	19,300	19,667	-	125,829	132,695
Gain (loss) on sale of tangible capital assets	13,787	-	-	516	(1,878)	-	(318)	(10)	860	12,957	(7,057)
	1,223,972	27,163	14,877	105,342	360,454	3,701	66,909	50,512	5,257	1,858,187	1,966,836
Operating Expenses											
Wages, salaries and benefits	104,565	288,995	126,319	90,312	57,826	62,068	89,370	39,793	35,050	894,298	915,351
Contract services	21,067	23,930	5,255	13,136	28,385	4,948	7,540	6,393	1,968	112,622	113,699
Supplies, material and equipment	29,831	24,936	7,530	21,654	193,840	3,799	35,845	64,992	7,921	390,348	403,815
Debt charges	1,911	905	877	5,992	14,621	-	5,902	3,938	10	34,156	40,072
	157,374	338,766	139,981	131,094	294,672	70,815	138,657	115,116	44,949	1,431,424	1,472,937
Amortization	26,644	11,298	5,974	82,036	31,156	1	24,968	9,049	6,660	197,786	193,176
	184,018	350,064	145,955	213,130	325,828	70,816	163,625	124,165	51,609	1,629,210	1,666,113
Annual Surplus (Deficit)	\$ 1,039,954	\$ (322,901)	\$ (131,078)	\$ (107,788)	\$ 34,626	\$ (67,115)	\$ (96,716)	\$ (73,653)	\$ (46,352)	\$ 228,977	\$ 300,723

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

UNAUDITED

City of Vancouver Climate-Related Financial Disclosure

Introduction

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 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 continues with the *Climate Emergency Action Plan* in 2020.

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, our CFO signed an Accounting for Sustainability (A4S) statement, supporting climate-related financial disclosure and committing the City to “affirm our commitment to support the voluntary recommendations” of TCFD. Starting in 2018, the City began including unaudited climate-related financial disclosures in its annual financial report. This disclosure is intended to align with TCFD recommendations, and will continue to improve over time as the City responds to climate change, and as climate-risk disclosure guidance and best-practices evolve.

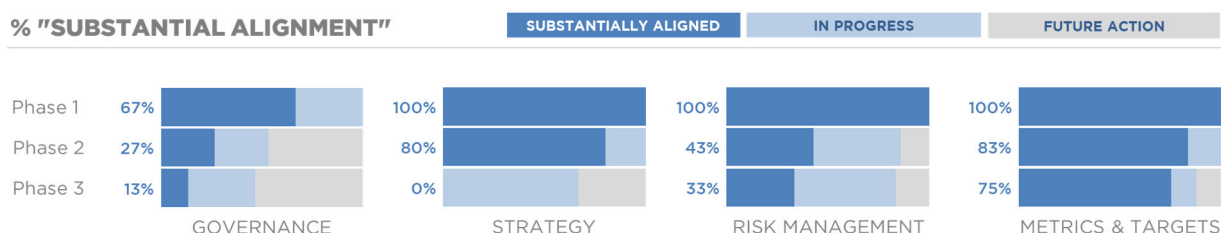
In 2020, we furthered our commitment through City Council adoption of the *Climate Emergency Action Plan*, and continued to work with other Canadian cities to develop and harmonize municipal climate-related risk disclosure standards.

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 contains three phases with characteristics that typify progress. Vancouver self-assessed its 2020 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 2020 TCFD Disclosure



Vancouver's Governance and Climate Strategies

Governance	
Disclose the organization's governance around climate-related risks and opportunities.	a) Describe the board's oversight of climate-related risks and opportunities.
	b) Describe management's role in assessing and managing climate-related risks and opportunities.

Governance

The City Council approves climate strategies and implementation plans, and prioritizes climate initiatives through budget funding approval. 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.

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 Risk Management Committee oversees risk governance and the general risk framework. The Risk Management Committee sets limits within which risks should be managed.

The **Chief Risk Officer** and the Risk Management Team lead the **Enterprise Risk Management (ERM)** program, under direction of the Risk Management Committee. They are responsible for monitoring and facilitating the implementation through operational management of ERM processes, tools and reporting to achieve effective risk treatment. The Risk team also sits on key steering committees related to climate risk.

Department General Managers (GMs) are responsible for ensuring appropriate risk management practices are in place and operating effectively for their area of responsibility. GMs retain the ultimate responsibility for effective risk management in their departments, which includes identifying, treating, and reporting risks following the ERM process and timeline, assisted by the Risk team

Climate Action Governance

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. Mitigating climate change through emissions reductions plays a vital role managing the amount we potentially have to adapt, by keeping risk levels within predictable scales.
- Climate change adaptation relates to preparing City operations and the community for 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.

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.

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Regarding the latter, 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 and prepared for. These are captured in two related strategies at the City of Vancouver.

- The *Climate Change Adaptation Strategy (2018)* is our enterprise strategy addressing climate-related risks and hazards, and includes a set of priorities, supporting actions and several focus areas (see *Climate Adaptation in Vancouver* section). The Sustainability Group within the Planning, Urban Design and Sustainability department works with City Corporate functions and departments to develop, coordinate and maintain this strategy and its implementation.
- The Resilient Vancouver Strategy focuses on resilience to shocks and stresses in Vancouver, including those related to climate change. Objectives aligned with the "Proactive and Collaborative City" priority include strengthening organizational capacity to manage risk and recover from shocks and stresses and advancing collaborative disaster risk reduction and recovery planning. An associated action taking shape currently is to bring various City governance structures that deal with risk together into one disaster-risk reduction group. The group would oversee risk posed by various shocks and stresses, whether climate related or not.

Table 1 further details the management-level oversight for all relevant City Council-approved climate strategies and implementation plans. Departments across the City are responsible for implementation of actions.

Table 1 – City Strategy-Level Governance

Strategy	Governance
<p><u>Climate Change Adaptation Strategy (2018)</u> Among 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>City Council originally approved the <i>Adaptation Strategy</i> in July 2012. The <i>Adaptation Strategy</i> was updated in December 2018.</p> <p>The Adaptation Steering Committee provides oversight to implementation. This committee comprises senior managers, many of whom are also in the Corporate Leadership Team.</p> <p>The Sustainability Group tracks progress and reports to Council annually. Executive reports are also prepared as required. The <i>Adaptation Strategy</i> 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 Action Plan (CEAP)</u> <u>Full report / Summary</u> The <i>Climate Emergency Action Plan</i> is mitigation-focused, and contains action recommendations (organized into six "Big Moves") in line with efforts to limit global warming to 1.5°C. CEAP sets a target of 50% reduction in community-wide greenhouse gas emissions reduction by 2030. CEAP adopts an existing goal 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. CEAP supersedes the previous Renewable City Action Plan (2017), and the greenhouse-gas related goals in the Greenest City Action Plan (2011),</p>	<p>City Council approved <i>CEAP</i> in November 2020.</p> <p>The Climate Emergency Directors Forum provides oversight at a working level. The Vancouver Plan Steering Committee provides oversight at a programmatic level, as <i>CEAP</i> is considered an "action while planning" within the ongoing <i>Vancouver Plan</i> process (see below).</p> <p>The Sustainability Group tracks progress and reports to Council annually. Executive reports are also prepared as required. CEAP will be updated and re-approved by Council at the halfway mark of implementation (2025).</p>

Table 1 – City Strategy-Level Governance - Continued

Strategy	Governance
<p><u>Resilient Vancouver Strategy (RVS)</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>Staff in the Vancouver Emergency Management Agency (VEMA), and staff working on seismic policy in other departments, manage RVS implementation. Underway in 2021, <i>Vancouver Plan</i> (see below) has a core focus on resilience and will draw from the RVS.</p>
<p><u>Vancouver Plan (under development)</u></p> <p><i>Vancouver Plan</i> will be a strategic, long-range plan guiding Vancouver to 2050 and beyond, with the aims of creating a more sustainable, inclusive, and affordable city. The plan will address issues such as long-term land use and transportation directions, housing affordability, environmental and social health, and the need to better leverage long-term public investments.</p>	<p>City Council approved the scope and framework for developing <i>Vancouver Plan</i> in July 2019. The City's Chief Planner is responsible for delivering the plan. The City Manager chairs the Vancouver Plan Steering Committee. Resilience is one of three core tenets of the Vancouver Plan, including resilience to shocks and stresses both natural and man-made. The Vancouver Plan will also set policy directions that will inform the City's next environmental sustainability plan (the successor to the <i>Greenest City Action Plan</i>).</p>
<p><u>Greenest City Action Plan (GCAP, ended in 2020)</u></p> <p>The <i>Greenest City Action Plan</i> was the City's main urban environmental sustainability and climate mitigation strategy, outlining 10 goal areas and associated targets to achieve zero carbon, zero waste, and maintaining healthy ecosystems. Work continues under the CEAP until the development of the City's next environmental sustainability plan, within the Vancouver Plan process.</p>	<p>City Council approved GCAP in 2011. GCAP was updated in October 2015.</p> <p>The Greenest City Action Plan Steering Committee provided oversight for implementation. This committee is comprised of department and division-level managers.</p> <p>Various City departments managed the goals and targets. The Sustainability Department tracked progress and reports to Council annually. Executive reports were also prepared as required.</p>

Climate Risk in Vancouver

Strategy
<p>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.</p>
<p>a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.</p>
<p>b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.</p>
<p>c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>

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 2 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. 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) underway in 2021. The HRVA will consider current and future risks of climate-related, human-caused, and other natural hazards. The HRVA will also focus on vulnerable conditions that influence the adaptive capacity of individuals and predispose them to adverse impacts

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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.

Table 2 – 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
	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

On the recommendation of climate scientists at the University of Victoria, the City employs the IPCC RCP8.5 scenario to ensure we are considering outcomes that best track current global action on reducing emissions. The RCP8.5 scenario for the 2050s is similar to the RCP4.5 scenario for the 2070s. In planning for climate change, using this scenario covers several scenarios planning to position the City to be prepared ahead of time.

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Climate projections for the 2050s and 2080s, from downscaled Global Climate Models (GCM), form the inputs to the City's climate adaptation planning processes. The most recent process relied on 2016 climate data from an ensemble of 12 GCMs using the RCP8.5 scenario.

Coastal Flood Risk Assessment

As an example of the risk assessment approach taken, a Coastal Flood Risk Assessment (CFRA) was conducted 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.

The CFRA employed specific scenario analysis. A technical advisory team of academics, practitioners in the field and stakeholders advised on five scenarios to use for flood hazard mapping, with the following ranges to help understand the varying levels of risk possible:

- year flooding is mapped for (base case 2013 out to 2200)
- severity/frequency of storm events (1:200 to 1:500 (0.2% Annual Exceedance Probability or AEP) storm surge)
- amount of sea level rise (0 to 2.0 meters).

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 (1:500 (0.2% AEP) storm surge event), approximately 13 sq. km of land and buildings valued at CAD \$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 (e.g., City service yards located by the Fraser River and in the False Creek Flats). To protect vulnerable areas, an estimated \$1 billion of flood management infrastructure will be needed in Vancouver by 2100.

Climate Adaptation in Vancouver

Risk Management

Disclose how the organization identifies, assesses, and manages climate-related risks.

- Describe the organization's processes for identifying and assessing climate-related risks.
- Describe the organization's processes for managing climate-related risks.
- Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

Climate Change Adaptation Strategy

The *Adaptation Strategy* 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.

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Core actions are grouped into five action areas, summarized in Table 3 below. For more detail, see the *Adaptation Strategy*.

Table 3 – Adaptation Core Actions and Focus

Core actions are grouped into five action areas, summarized in Table 3 below. For more detail, see the *Adaptation Strategy*.

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

Integration into Overall Risk Management

The Vancouver Emergency Management Agency is 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.

Multi-Hazard Preparedness

The COVID-19 pandemic taught the City many lessons about compounding hazards, and both being prepared and nimble enough to adapt response plans quickly.

The City of Vancouver has a heat response plan and initial response guideline for extreme heat events. In the spring, and when the temperature reaches a certain threshold throughout the summer, certain actions are triggered. These include opening cooling centres, installing temporary misting and water stations, cooled common rooms in social housing with increased tenant checks, etc.

As summer months approached amid COVID-19, no public cooling centre buildings were open or staffed. Common rooms often did not allow any capacity with physical distancing measures, and many temporary fountains had been refurbished as hand washing stations. Meanwhile, health messaging included a push to be outside over cramped indoor spaces. Responding to poor air quality with closed windows and doors was counter to some of the existing COVID-19 recommendations, leading to many broader conversations with the health authority.

As a result, heat response in the city pivoted to a focus on providing shade and water in outdoor locations frequented by people for other services, providing fans to tenants of social housing and funding an external organization to open a cooling centre. Temporary staff and facility opening plans were prepared for a heat event, with significant work on COVID-19 safety protocols. While there were no heat events in summer 2020, a week of poor air quality in September triggered the opening of clean air shelters using many of the hot weather protocols developed.

Integration into Financial Planning

The City of Vancouver has been investing in climate change mitigation for many years and along with reduced carbon pollution, we have seen significant social benefits in the form of improved transportation infrastructure, less pollution and lower energy costs. We have also seen strong economic growth in Vancouver in part due to our green reputation.

In the *Vancouver Budget 2021 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. 2021 Budget climate change investments include existing and ongoing activities (\$44.1M), new operational activities (\$2.5M) and capital investments (\$55.0M) to support transportation improvements, biodiversity, green buildings and adaptation.

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 Emergency Action Plan Financial Framework

In the Climate Emergency Action Plan (CEAP), the City set a target of 50% reduction in community-wide greenhouse gas emissions reduction by 2030. The CEAP outlines six "Big Moves" to support this target, identifying an estimated \$500M (Table 4) investment required over the next five years to meet the 2030 climate goal. The CEAP investment is a financial strategy roadmap, comprising on-going initiatives (e.g., improving our walking and cycling infrastructure, expanding electric vehicle charging) and new initiatives (e.g., Metro Core transport-pricing system, Zero Emission Building Retrofit Strategy). There is currently a funding gap (\$230M) to be addressed through various considerations, and is subject to change.

Table 4 – CEAP Five-Year Capital Investments Plan

Six Big Moves		\$M
1.	90% of people live within easy walk/roll of their daily needs	70.0
2.	Two thirds of all trips in Vancouver will be made by foot, bike or transit	288.4
3.	50% of the kilometres driven on Vancouver's roads will be zero emissions vehicles	77.9
4.	Carbon pollution from buildings in Vancouver will be reduced by 50% below 2007 levels	56.6
5.	Embodied emissions from new buildings will be reduced by 40% compared to 2018 baseline	3.2
6.	Develop "negative emissions" targets that can be achieved by restoring forest and coastal ecosystems.	<i>not yet identified</i>
Total		\$ 496.1

Vancouver's Climate Metrics and Targets

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.

b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

Adaptation Metrics and Indicators

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).

The *Adaptation Strategy* contains an action to finalize measurement indicators. Some of these derive from existing City of Vancouver and Park Board plans and strategy implementation (see Canopy Cover below). Others are pending completion of related 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. Explanatory metrics monitor the rate of climate change and its impacts on Vancouver (see Table 5). Regular reporting against these metrics is in development. For the preliminary Measurement Indicators and for more information, see the full *Adaptation Strategy*.

Table 5 – Selected Explanatory Metrics

	# of Heat Warnings	Days Under Air Quality Advisory ¹
2014	0	1
2015	0	8
2016	0	0
2017	1	18
2018	4	22
2019	0*	0
2020	0*	12
Source	Environment Canada	Metro Vancouver

Actions Progress and Monitoring

Adaptation Strategy actions implementation is underway with regular updates to the Adaptation Steering Committee on progress (see Table 6). All actions have timelines for completion; two years into a five-year implementation, over 70% are currently underway or completed. In 2020, several actions became redundant (for instance, the *Vancouver Plan* process will now address the creation of a Living Systems Strategy).

Table 6 – Adaptation Core Actions and Focus

	Completed	In Progress	Future	Total
Core Actions	17	42	22	81
Climate Robust Infrastructure	5	10	3	18
Climate Resilient Buildings	3	9	5	17
Connected and Prepared Communities	6	10	1	17
Coastal Preparedness	3	7	7	17
Healthy and Vigorous Natural Assets	0	6	6	12
Enabling Actions	4	7	6	17
Total	21	49	28	98
% Actions	21%	50%	29%	100%

Preparing For Future Summers: Heat Mapping

Long-term planning is underway for the new summer normals in Vancouver. The Vancouver Emergency Management Agency is revising personal preparedness messaging to include climate-related hazards such as extreme heat. In 2020, the City conducted research on thermal comfort in buildings, set up temporary water fountains, and opened clean air shelters for the first time amid the COVID pandemic. Knowing where interventions like these are needed most requires an understanding of urban heat distribution. Heat mapping is also important for longer-term planning related to tree planting, green infrastructure and cooling capacity of new buildings.

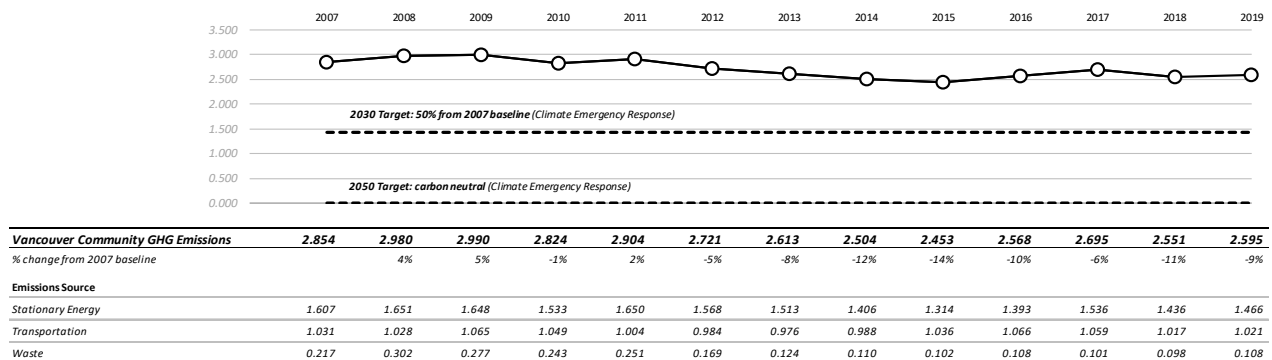
In August 2020, a City-led citizen science campaign recruited volunteers to ride their bikes along designated routes throughout the city. Bike-mounted sensors collected data to generate high-resolution descriptions of urban heat across the ambient environment at various times of day. Performed in collaboration with CAPA Strategies and the University of British Columbia, the result incorporates technological and methodological advancements for more accurate heat mapping to replace the last mapping completed in 2014.

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

Community GHG Emissions

The City compiles annual inventories of community GHG emissions, as part of the *CEAP* climate-mitigation measurement and reporting framework¹. 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 cities². As of 2019 (the latest year data are available), Vancouver's greenhouse gas emissions have decreased 9 percent from 2007 levels, while population has grown 11 percent and the number of jobs has increased 14 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"

Canopy Cover

Vancouver's urban forest provides a multitude of benefits for the community, especially for climate resilience. The urban forest attenuates stormwater, helps keep ambient and building temperature down during hot summers, aids in cleaning the air and provides health and wellness benefits. Neighbourhood heat mapping illustrates that areas with greater canopy cover tend to be much cooler on hot days.

Since 2013, Vancouver has measured urban forest canopy cover to understand the impacts of tree planting efforts and other factors influencing canopy extent. Canopy cover is defined as the measured physical extent, when measured from above, of a tree's branches and leaves. The percent of a city's canopy cover (i.e., the area of the city covered by trees) provides the baseline measurement necessary to understand the extent of a city's urban forest. In late 2020, Vancouver Park Board reported canopy cover in 2018 at 23%, up 2% from 2013.

With many municipalities are establishing ambitious canopy cover targets (example targets in other North American cities with similar levels of urbanization: Toronto 40%; Portland 33%; Seattle 30%), the Park Board also re-established a more ambitious canopy cover target of 30% canopy cover by 2050. Achieving this target will require efforts beyond planting trees in parks. It will require ongoing stewardship of existing trees to ensure robust and healthy canopy growth, continuing advocacy and expansion of the urban forest in canopy-deficient areas. See the Park Board's [Urban Forest Strategy Update](#) report for more information.

¹ See Appendix M of the *Climate Emergency Action Plan* for the Indicators Framework (<https://vancouver.ca/climateemergency>). 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>.

² 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.

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**SUPPLEMENTARY
FINANCIAL
INFORMATION

UNAUDITED**

COVID-19 SAFE RESTART GRANT UNAUDITED (Tabular amounts in \$000s)
Year Ended December 31, 2020

The City of Vancouver received a grant of \$16,371,000 under the COVID-19 Safe Restart Grant for Local Governments in November, 2020. The grant was fully drawn in 2020 as shown in the schedule below:

	<u>2020</u>
COVID-19 Safe Restart Grant received	\$ 16,371
Revenue shortfalls	(16,371)
Balance, end of year	<u>\$ -</u>

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

	2020	2019	2018	2017	2016
FINANCIAL ASSETS					
Cash and cash equivalents	\$ 1,141,886	\$ 385,645	\$ 320,400	\$ 184,694	\$ 246,126
Temporary investments	2,066,044	2,262,090	2,060,045	1,900,806	1,778,553
Accounts receivables	267,271	265,411	281,310	209,907	113,053
Lease agreement receivable	2,083	2,161	8,290	13,861	18,917
	<u>3,477,284</u>	<u>2,915,307</u>	<u>2,670,045</u>	<u>2,309,268</u>	<u>2,156,649</u>
LIABILITIES					
Accounts payable and accrued liabilities	838,239	424,001	378,175	388,638	355,310
Deferred liabilities	165,034	164,979	164,272	168,824	173,334
Mortgages and loan agreement	16,204	15,229	21,625	30,408	39,599
Debt	1,054,635	1,081,103	1,083,202	993,440	1,033,674
Deferred revenue	665,217	580,228	525,820	476,049	475,728
	<u>2,739,329</u>	<u>2,265,540</u>	<u>2,173,094</u>	<u>2,057,359</u>	<u>2,077,645</u>
NET FINANCIAL ASSETS	<u>737,955</u>	<u>649,767</u>	<u>496,951</u>	<u>251,909</u>	<u>79,004</u>
NON-FINANCIAL ASSETS					
Inventory and prepaids	25,376	24,306	24,539	28,713	26,549
Tangible capital assets	7,374,518	7,234,799	7,086,656	6,935,837	6,758,888
	<u>7,399,894</u>	<u>7,259,105</u>	<u>7,111,195</u>	<u>6,964,550</u>	<u>6,785,437</u>
ACCUMULATED SURPLUS	<u>\$ 8,137,849</u>	<u>\$ 7,908,872</u>	<u>\$ 7,608,146</u>	<u>\$ 7,216,459</u>	<u>\$ 6,864,441</u>

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

	2020	2019	2018	2017	2016
REVENUES					
Property taxes, penalties and interest	\$ 935,538	\$ 873,498	\$ 833,414	\$ 753,152	\$ 720,850
Utility fees	320,914	299,411	277,143	260,786	242,778
Program fees	45,426	127,059	123,888	116,664	111,256
License and development fees	73,791	95,910	94,828	74,458	73,710
Parking	67,391	102,906	98,063	93,010	86,802
Cost recoveries, grants and donations	133,465	172,233	152,553	123,441	94,324
Revenue sharing	16,187	20,970	22,489	21,918	22,873
Investment income	40,471	49,070	37,681	28,497	28,422
Rental, lease and other	70,062	77,989	66,813	69,567	62,853
Bylaw fines	16,156	22,152	22,352	20,490	20,374
Developer contributions	125,829	132,695	256,763	331,587	231,043
Gain (loss) on sale of tangible capital assets	12,957	(7,057)	(7,094)	(6,973)	54,119
Gain on sale of Southeast False Creek assets	-	-	-	-	5,610
	<u>1,858,187</u>	<u>1,966,836</u>	<u>1,978,893</u>	<u>1,886,597</u>	<u>1,755,014</u>
EXPENSES					
Utilities	325,828	320,907	300,504	277,607	264,002
General Government	184,018	178,088	175,712	175,071	172,881
Police Protection	350,064	340,780	324,602	314,348	297,778
Fire Protection	145,955	140,368	136,046	131,425	119,530
Engineering	213,130	226,529	212,454	222,415	197,484
Planning and development	70,816	67,614	59,805	55,089	47,521
Parks and recreation	163,625	222,470	206,028	198,810	187,424
Community and cultural services	124,165	110,860	116,947	106,051	101,539
Library	51,609	58,497	55,105	53,763	51,402
	<u>1,629,210</u>	<u>1,666,113</u>	<u>1,587,203</u>	<u>1,534,579</u>	<u>1,439,561</u>
ANNUAL SURPLUS	<u>\$ 228,977</u>	<u>\$ 300,723</u>	<u>\$ 391,690</u>	<u>\$ 352,018</u>	<u>\$ 315,453</u>

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

	2020	2019	2018	2017	2016
Financial Stabilization					
Deferred Payroll Obligation	\$ 58,570	\$ 54,974	\$ 54,974	\$ 54,974	\$ 54,974
General Revenue Stabilization	146,714	134,956	121,754	84,443	79,593
Solid Waste Capital	64,935	70,689	64,863	76,576	89,261
Utility Rate Stabilization	26,880	24,830	17,578	17,270	8,306
Other	7,139	6,939			
	304,238	292,388	259,169	233,263	232,134
Asset Management					
Golf Course and Artificial Turf	3,655	4,316	5,148	5,045	4,914
Plant and Equipment	55,740	51,922	53,936	50,542	46,644
Streets Capital Maintenance	19,463	19,047	16,526	15,855	17,778
	78,858	75,285	75,610	71,442	69,336
Future Capital					
Affordable Housing	198,387	162,871	123,733	73,109	59,916
Capital Facilities and Infrastructure	92,519	83,645	75,283	54,147	41,761
Community Amenities	429,402	435,586	415,252	342,390	210,650
Parking Sites	43,836	44,818	41,971	36,848	39,196
Pedestrian and Cycling	6,715	6,816	6,619	6,544	9,202
	770,859	733,736	662,858	513,038	360,725
Special Revenue and Programs					
Childcare Endowment	18,086	18,588	19,034	19,476	19,787
Community Amenity Operations	11,553	11,518	7,630	7,602	7,658
Donations	16,266	14,831	14,055	13,273	12,719
Emerging Neighbourhood	10,000	10,000	10,000	10,000	10,000
Insurance	27,822	28,381	25,401	28,069	29,072
Outstanding Commitments	17,781	26,523	22,078	19,842	26,713
Public Art	17,391	16,106	14,693	13,329	10,588
Social and Cultural	27,608	25,630	24,756	22,417	21,621
Other	22,054	9,365	9,976	13,980	4,579
	168,561	160,942	147,623	147,988	142,737
Future Debt Repayment	19,903	22,215	32,177	29,530	39,449
	\$ 1,342,419	\$ 1,284,566	\$ 1,177,437	\$ 995,261	\$ 844,381

REVENUE FUND – SCHEDULE OF FINANCIAL ACTIVITIES UNAUDITED (Tabular amounts in \$000s)
Year Ended December 31, 2020

	2020 Budget	2020	2019
REVENUES			
Property taxes, penalties and interest	\$ 890,627	\$ 935,532	\$ 873,498
Utility fees	329,699	321,052	299,624
Programs fees	65,814	31,098	68,203
License and development fees	95,729	73,831	95,897
Parking	76,761	49,033	73,577
Cost recoveries, grants and donations	61,036	92,264	82,279
Revenue sharing	19,150	16,187	20,970
Investment income	15,200	18,795	22,765
Rental, lease and other	39,549	40,442	45,722
Bylaw fines	21,714	16,156	22,152
	<u>1,615,279</u>	<u>1,594,390</u>	<u>1,604,687</u>
EXPENDITURES			
Utilities	273,255	277,607	255,978
General government	163,549	104,911	121,374
Police protection	338,639	338,853	330,135
Fire protection	137,462	138,216	134,337
Engineering	104,543	101,320	110,295
Planning and development	76,144	69,183	66,046
Parks and recreation	136,123	110,220	135,625
Community and cultural services	101,227	105,438	97,030
Library	55,448	43,985	51,277
	<u>1,386,390</u>	<u>1,289,733</u>	<u>1,302,097</u>
ANNUAL SURPLUS	<u>228,889</u>	<u>304,657</u>	<u>302,590</u>
DEBT, TRANSFERS AND OTHER			
Debt principal repayments	(815)	(1,318)	(1,404)
Transfers			
Net transfers to other funds	(231,656)	(244,881)	(243,054)
Net transfers to reserves	3,582	(56,922)	(58,915)
Change in obligations to be funded from			
Future revenue	-	(1,536)	783
	<u>(228,889)</u>	<u>(304,657)</u>	<u>(302,590)</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 UNAUDITED (Tabular amounts in \$000s)
Year Ended December 31, 2020

	2020 Budget	2020	2019
Program fees			
Parks and recreation	\$ 41,887	\$ 19,614	\$ 43,344
Community and cultural services	19,144	7,394	18,965
Library	1,246	522	1,332
Police	2,081	1,865	2,531
Fire	736	723	949
Other	720	980	1,082
	<u>\$ 65,814</u>	<u>\$ 31,098</u>	<u>\$ 68,203</u>
License and development fees			
License fees	\$ 21,890	\$ 21,290	\$ 20,405
Engineering fees	11,948	10,391	11,809
Trade permits	18,663	14,011	17,862
Development and building permits	32,944	21,826	38,862
Rezoning fees	9,185	4,928	5,432
Other fees	1,099	1,385	1,527
	<u>\$ 95,729</u>	<u>\$ 73,831</u>	<u>\$ 95,897</u>
Parking			
On street parking	\$ 66,182	\$ 40,903	\$ 58,890
Parks	8,317	5,285	10,279
Civic Theatre	971	376	1,055
Other	1,291	2,469	3,353
	<u>\$ 76,761</u>	<u>\$ 49,033</u>	<u>\$ 73,577</u>
Cost recoveries, grants & donations			
Police	\$ 22,720	\$ 25,180	\$ 28,194
Fire	8,656	10,812	11,421
General government	8,339	21,172	11,431
Parks and recreation	5,344	2,952	5,576
Community and cultural services	4,790	16,238	7,098
Engineering services	5,604	7,929	7,070
Library	2,488	3,001	3,856
Planning and development	2,093	3,700	4,158
Utilities	1,002	1,280	3,475
	<u>\$ 61,036</u>	<u>\$ 92,264</u>	<u>\$ 82,279</u>
Rental, lease and other			
Property rentals and leases	23,777	19,303	26,805
Street use	1,420	1,234	1,316
False alarm reduction program	1,000	929	1,023
Other	13,352	18,976	16,578
	<u>\$ 39,549</u>	<u>\$ 40,442</u>	<u>\$ 45,722</u>

PROPERTY ENDOWMENT FUND – STATEMENT OF OPERATIONS UNAUDITED (Tabular amounts in \$000s)
Year Ended December 31, 2020

	2020	2019
OPERATIONS		
Rental and leases		
Revenue	\$ 27,190	\$ 29,249
Expenses	14,239	15,025
	<u>12,951</u>	<u>14,224</u>
Parking		
Revenue	18,026	27,146
Expenses	19,372	21,387
	<u>(1,346)</u>	<u>5,759</u>
Water moorage		
Revenue	1,532	1,512
Expenses	770	916
	<u>762</u>	<u>596</u>
NET REVENUES FROM OPERATIONS	12,367	20,579
Other Revenue		
Other income	978	4,771
Investment Income	1,910	2,310
Gain in sale of tangible capital assets	18,022	2,392
	<u>20,910</u>	<u>9,473</u>
Administration and operating	6,533	6,237
NET REVENUES	<u>\$ 26,744</u>	<u>\$ 23,815</u>

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

FIVE YEAR STATISTICAL REVIEW - TAXATION (Tabular amounts in \$000s)

	2020	2019	2018	2017	2016
Property Assessment (\$000s)					
Rateable property general purposes	\$ 439,911,668	\$ 478,299,759	\$ 466,900,439	\$ 428,738,649	\$ 328,408,856
Tax Rates – Rate per \$1,000 of Assessment					
Residential - class 1					
Municipal purposes	1.58076	1.33572	1.24393	1.26093	1.56168
Education	0.99877	0.91773	0.92146	0.98007	1.20852
Other taxing authorities	0.34615	0.30771	0.30287	0.31389	0.39547
Total Residential	2.92568	2.56116	2.46826	2.55489	3.16567
Business/other - class 6					
Municipal purposes	4.47887	4.27116	5.03019	5.79744	6.61254
Education	1.13968	3.94555	4.56143	5.21946	5.65811
Other taxing authorities	1.11228	1.11260	1.26257	1.42795	1.59241
Total Business/Other	6.73083	9.32931	10.85419	12.44485	13.86306
Major industrial - class 4					
Municipal purposes	30.98898	30.39510	34.25325	34.51349	33.90142
Education	0.00010	3.70000	4.20000	4.80000	5.40000
Other taxing authorities	2.15009	2.18658	2.35169	2.51911	2.59751
Total Major Industrial	33.13917	36.28168	40.80494	41.83260	41.89893
Light industrial - class 5					
Municipal purposes	4.47887	4.27116	5.03019	5.79744	6.61254
Education	1.21966	4.74286	5.29083	6.16093	5.80074
Other taxing authorities	1.40367	1.59483	1.76900	2.04973	1.97773
Total Light Industrial	7.10220	10.60885	12.09002	14.00810	14.39101
Total Utilities - Class 2	42.43394	40.36626	43.00812	44.93083	47.63946
Total Supportive Housing - Class 3	0.14990	0.14184	0.14373	0.14276	0.15132
Total Recreational/Non-Profit - Class 8	2.62917	3.86290	3.97858	4.21729	4.99627
Total Farm – All Purposes - Class 9	9.06227	8.84050	8.63580	8.55989	8.90097
Property Tax Revenue by Property Class (%)					
Residential - class 1	56.6	55.7	54.5	54.1	53.7
Business - class 6	40.3	41.1	42.3	42.8	43.2
Major industrial - class 4	1.0	1.0	1.0	1.0	1.0
Light industrial - class 5	1.0	1.1	1.1	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 UNAUDITED (Tabular amounts in \$000s)
Years Ended December 31

FIVE YEAR STATISTICAL REVIEW – DEBT (\$000s)

	2020	2019	2018	2017	2016
Population *	697,266	685,885	672,963	656,164	653,046
Long Term Debt (\$000s)					
Debenture debt outstanding	\$ 1,056,454	\$ 1,083,368	\$ 1,086,101	\$ 997,109	\$ 1,038,303
Less: Internally held debt	(1,819)	(2,265)	(2,899)	(3,669)	(4,629)
Externally held debt	1,054,635	1,081,103	1,083,202	993,440	1,033,674
Less: Sinking Fund reserves	458,755	476,419	494,182	395,407	417,878
Net externally held debt	<u>\$ 595,880</u>	<u>\$ 604,684</u>	<u>\$ 589,020</u>	<u>\$ 598,033</u>	<u>\$ 615,796</u>
Gross debt per capita (externally held)	\$ 1,513	\$ 1,576	\$ 1,610	\$ 1,514	\$ 1,583
Net debt per capita (externally held)	\$ 855	\$ 882	\$ 875	\$ 911	\$ 943

* 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	\$ 1,081,103	\$ 2,265	\$ 1,083,368
Add: Debentures issued	100,000	-	100,000
Local improvements	-	126	126
	<u>1,181,103</u>	<u>2,391</u>	<u>1,183,494</u>
Less: Premium amortization	<u>(721)</u>	<u>-</u>	<u>(721)</u>
Less: Maturities			
General and water	125,747	-	125,747
Local improvements	-	572	572
	<u>125,747</u>	<u>572</u>	<u>126,319</u>
Balance, end of year	<u>\$ 1,054,635</u>	<u>\$ 1,819</u>	<u>\$ 1,056,454</u>

OUTSTANDING BORROWING AUTHORITY AND SCHEDULE OF GENERAL DEBT UNAUDITED
(Tabular amounts in \$000s)
Year Ended December 31, 2020

	Capital Plan Borrowing Authority*	Council-approved Debenture Funding**	Debentures Issued to end of 2020	Outstanding Borrowing Authority
General				
2015-2018	\$ 235,000	\$ 231,428	\$ 229,428	\$ 2,000
2019-2022	300,000	132,428	31,472	100,956
	<u>535,000</u>	<u>363,856</u>	<u>260,900</u>	<u>102,956</u>

Sewer, Water and NEU

2015-2018	147,500	144,850	144,850	-
2019-2022	195,000	108,479	38,500	69,979
	<u>342,500</u>	<u>253,329</u>	<u>183,350</u>	<u>69,979</u>

Total General, Sewer, Water and NEU

2015-2018	382,500	376,278	444,250	2,000
2019-2022	495,000	240,907	69,972	170,935
	<u>\$ 877,500</u>	<u>\$ 617,185</u>	<u>\$ 514,222</u>	<u>\$ 172,935</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.

Bylaw	Maturity Date & Purpose	Rate %	Term (Years)	Debenture Outstanding	Sinking Fund Reserve Balance
10117	September 30, 2021 - 2030	1.71%	20	\$ 2,712	\$ -
10393	December 02, 2021	3.45%	10	140,000	123,218
10565	October 18, 2052	3.70%	40	120,000	9,582
10797	October 24, 2023	3.75%	10	110,000	71,867
11080	October 16, 2024	3.05%	10	105,000	57,372
11362	November 20, 2025	2.90%	10	90,000	39,760
11673	December 15, 2026	2.70%	10	90,000	30,908
11941	November 03, 2027	2.85%	10	85,000	21,474
12203	September 21, 2028	3.10%	10	85,000	14,045
12307	November 20, 2021 - 2028	4.07%	10	4,000	-
12561	October 18, 2052	3.70%	33	100,000	1,262
12814	November 06, 2030	1.40%	10	100,000	-
				1,031,712	369,488
				Unamortized Premium	-
				22,923	-
				Other Sinking Fund statutory reserves	54
				-	54
			Total	\$ 1,054,635	\$ 369,542

FUTURE PRINCIPAL AND INTEREST PAYMENTS ON DEBT UNAUDITED (Tabular amounts in \$000s)
Year Ended December 31, 2020

	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
2021	118,751	29,356	148,107	22,000	2,642	24,642	444	109	553	141,195	32,107	173,302
2022	755	25,261	26,016	-	1,883	1,883	411	83	494	1,166	27,227	28,393
2023	97,760	25,236	122,996	13,000	1,883	14,883	298	58	356	111,058	27,177	138,235
2024	97,764	21,574	119,338	8,000	1,395	9,395	256	40	296	106,020	23,009	129,029
2025	84,769	18,590	103,359	6,000	1,151	7,151	162	25	187	90,931	19,766	110,697
2026 - 2030	351,947	59,160	411,107	10,966	3,894	14,860	184	45	229	363,097	63,099	426,196
Thereafter	202,000	164,428	366,428	18,000	14,652	32,652	64	9	73	220,064	179,089	399,153
	\$ 953,746	\$ 343,605	\$ 1,297,351	\$ 77,966	\$ 27,500	\$ 105,466	\$ 1,819	\$ 369	\$ 2,188	\$ 1,033,531	\$ 371,474	\$ 1,405,005

External Debt Only

	General			Waterworks			Total General & Waterworks		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2021	118,751	29,356	148,107	22,000	2,642	24,642	140,751	31,998	172,749
2022	755	25,261	26,016	-	1,883	1,883	755	27,144	27,899
2023	97,760	25,236	122,996	13,000	1,883	14,883	110,760	27,119	137,879
2024	97,764	21,574	119,338	8,000	1,395	9,395	105,764	22,969	128,733
2025	84,769	18,590	103,359	6,000	1,151	7,151	90,769	19,741	110,510
2026 - 2029	351,947	59,160	411,107	10,966	3,894	14,860	362,913	63,054	425,967
Thereafter	202,000	164,428	366,428	18,000	14,652	32,652	220,000	179,080	399,080
	\$ 953,746	\$ 343,605	\$ 1,297,351	\$ 77,966	\$ 27,500	\$ 105,466	\$ 1,031,712	\$ 371,105	\$ 1,402,817