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To: ["Direct to Mayor and Council - DL"](#)
Date: 3/23/2022 11:18:35 AM
Subject: [Information bulletin: City releases 2021 Statement of Financial Information - SOFI \(March 23, 2022\)](#)

Dear Mayor and Council,

I am writing to confirm that the City will be issuing an Information Bulletin today, March 23, regarding the public posting of the City's Statement of Financial Information (SOFI report).

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

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

- The City's financial position and outlook improved throughout 2021 as provincial restrictions eased and facilities and programs reopened.
- Last year, **revenue increased** from our program fees, licence and development fees, and developer contributions, which are key sources of revenue for the City, in addition to property taxes.
- **Expenses also increased** in 2021 due to increased service and staffing levels as facilities reopened, and the lifting of COVID-19 response measures that were implemented in 2020.
- The consolidated financial statements report an annual surplus for 2021. **This accumulated surplus consists largely of capital assets such as land, buildings, infrastructure, and equipment. The remainder of the surplus is held mostly in reserves** that are set aside for specific purposes where commitments and statutory requirements are in place, such as community amenity contributions.
- The 2021 annual consolidated surplus is greater than the previous year due to an increase in childcare and housing assets that were constructed by developers and transferred to the City as community amenity contributions, and senior government grants for affordable housing capital investments.

Best,
Paul

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The City of Vancouver acknowledges that it is situated on the unceded traditional territories of the xʷməθkʷəy̓əm (Musqueam), Sṇwxw̓ú7mesh (Squamish), and səliłwətał (Tsleil-Waututh) Nations.

City of Vancouver
Information bulletin
March 23, 2022

City releases 2021 Statement of Financial Information

In accordance with the Financial Information Act, the City of Vancouver has prepared its annual [Statement of Financial Information \(SOFI\) Report \[LINK TO BE ADDED\]](#).

The SOFI report contains:

- Consolidated financial statements
- Schedules of debts and guarantee and indemnity agreements
- Remuneration and expenses for:
 - Mayor and Councillors
 - Vancouver Board of Parks and Recreation Commissioners
 - Vancouver Police Board Members
 - Employees (earning above \$75,000)
- Payments to suppliers of goods and services (including grants and contributions)

The consolidated financial statements have been prepared in accordance with the public sector accounting standards and audited by the independent firm KPMG LLP.

Financial recovery from COVID-19

The City's financial position and outlook improved throughout 2021 as provincial restrictions eased and facilities and programs reopened. Program fees, licence and development fees, and developer contributions are key sources of revenue for the City, in addition to property taxes, and revenue from these streams increased last year. Expenses also increased in 2021 due to increased service and staffing levels as facilities reopened, and the lifting of mitigation measures that were implemented in 2020 in response to the pandemic.

The City's annual operating budget, which funds the day-to-day operations of running the city, must be balanced as required by the [Vancouver Charter](#). In 2021, the City had budgeted to draw on reserve funds to offset financial pressures from the pandemic. However the actual draw on reserves to cover the operating budget deficit was lower than anticipated due to the gradual economic improvements.

Understanding the consolidated financial statements

The consolidated financial statements comprise all City funds, not only the revenue fund which reflects the operating budget. Other funds, such as the capital fund, include contributions from developers and senior government funding reserved for investing in capital assets such as community amenities, affordable housing, and roads.

The consolidated financial statements report an annual surplus for 2021. This accumulated surplus consists largely of capital assets such as land, buildings, infrastructure, and equipment. The remainder of the surplus is held mostly in reserves that are set aside for specific purposes where commitments and statutory requirements are in place, such as [community amenity contributions](#).

The 2021 annual consolidated surplus is greater than the previous year due to an increase in childcare and housing assets that were constructed by developers and transferred to the City as community amenity contributions, and senior government grants for affordable housing capital investments.

Financial position is healthy

The City's financial position remains healthy and is reflected in its credit ratings. In February 2021, S&P Global Ratings reaffirmed the City's credit rating of AAA with a stable outlook, and in November 2021 Moody's Investors Service reiterated the City's credit rating of Aaa also with a stable outlook. The City will continue to exercise fiscal responsibility to manage budgetary pressures.

The City of Vancouver makes all of its [financial reports available to the public](#), including quarterly financial reports, City Council salaries and expenses, annual financial reports, and statements of financial information.

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