

CITY OF VANCOUVER

BRITISH COLUMBIA

ANNUAL FINANCIAL REPORT

2018

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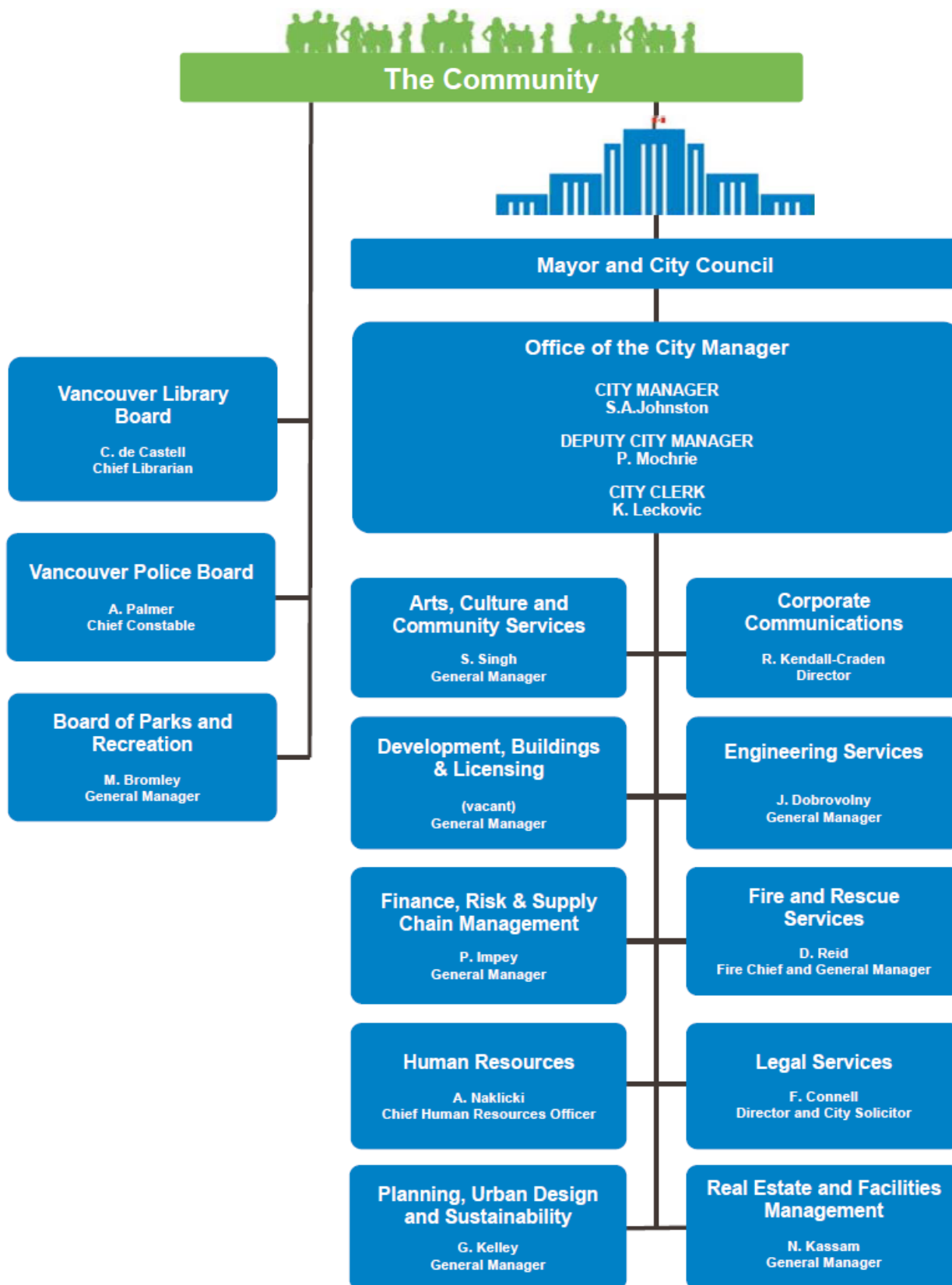
Vancouver City Council 2018 – 2022

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



Councillor Rebecca Bligh	Councillor Christine Boyle	Councillor Colleen Hardwick	Councillor Pete Fry	Councillor Adriane Carr	Mayor Kennedy Stewart	Councillor Melissa De Genova	Councillor Jean Swanson	Councillor Michael Wiebe	Councillor Lisa Dominato	Councillor Sarah Kirby-Yung
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The City of Vancouver's organizational structure supports the community.



March 22, 2019

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, 2018. These financial statements include the financial position and results of operations of the City including its Boards and City controlled corporations. The preparation of the Consolidated Financial Statements is the responsibility of management and they have been prepared in accordance with Canadian Generally Accepted Accounting Principles as prescribed by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

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

The City's financial statements consist of:

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

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

Consolidated Financial Position

(\$Millions)	2018	2017	Change
Financial assets	\$ 2,670.0	\$ 2,309.3	\$ 360.7
Liabilities	2,173.1	2,057.4	115.7
Net financial assets	496.9	251.9	245.0
Non-financial assets	7,111.2	6,964.5	146.7
Accumulated Surplus	\$ 7,608.1	\$ 7,216.4	\$ 391.7

The City's overall financial position improved by \$391.7 million in 2018 with accumulated surplus totaling \$7.6 billion (2017 - \$7.2 billion). Accumulated surplus is comprised of investment in tangible capital assets \$6.0 billion (2017 - \$5.9 billion), reserve balances set aside for specific purposes less obligations to be funded from future revenues of \$1.5 billion (2017 - \$1.2 billion) and fund balance of \$109.3 million (2017 - \$63.6 million).

The City's net financial position, calculated as financial assets less liabilities can result in either a net financial asset or a net financial liability. A net financial asset position is an indicator of the funds available for future expenditures and a net financial liability position is an indicator of future revenues required to pay for past transactions and events. The City's net financial position improved by \$245.0 million resulting in a net financial asset position of \$496.9 million due to the City's annual consolidated surplus (revenues exceeding expenses) of \$391.7 million less changes non-financial assets of \$146.7 million.

The City's non-financial assets increased in 2018 by \$146.7 million, bringing the total to \$7.1 billion. The increase is the net result of capital additions of physical assets in the year offset by disposals and amortization expense.

REPORT OF THE DIRECTOR OF FINANCE

Consolidated Results of Operations

(\$Millions)	2018 Budget	2018	2017
Revenues	\$ 1,671.6	\$ 1,978.9	\$ 1,886.6
Expenses	1,595.6	1,587.2	1,534.6
Annual surplus	\$ 76.0	\$ 391.7	\$ 352.0

Year over Year Change

Consolidated revenues of \$2.0 billion increased by \$92.3 million over 2017 mainly due to:

- an increase of \$80.3 million in property taxes
- an increase of \$16.4 million in utility fees, including water and sewer rate and volume increases
- an increase of \$20.4 million in license and development fees
- an increase of \$29.1 million in cost recoveries, grants, and donations
- a decrease of \$74.8 million in developer contributions
- and a remaining net increase of \$20.9 million in parking, program fees and other revenues.

Consolidated expenses of \$1.6 billion increased by \$52.6 million over 2017 mainly due to:

- an increase of \$28.3 million in contractual wage and other fringe costs
- an increase of \$22.9 million in utility services due to landfill closure activity and higher Metro sewer and water rates and higher consumption volumes
- and a remaining net increase of \$1.4 million in other expenses.

The City's consolidated revenues exceeded expenses resulting in an annual surplus of \$391.7 million (2017 - \$352.0 million).

Budget Variance

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

Consolidated revenues of \$2.0 billion were greater than budgeted revenues by \$307.3 million mainly due to:

- \$129.7 million higher than budgeted in the developer contributions
- \$71.7 million higher than budgeted cost recoveries, grants and donations
- \$38.1 million higher for vacancy tax which was not budgeted
- \$19.7 million higher than budgeted license and development fees due to greater fees and permits related to construction activity
- and \$48.1 million higher than budgeted for investment income, programs fees, and other revenues.

Consolidated expenses of \$1.6 billion were lower than budgeted expenses by \$8.4 million. The main variances included:

- \$21.1 million lower than budgeted general government costs for fringe expense and risk, workspace and other program costs with savings transferred to reserves
- \$11.3 million higher than budgeted costs for police investigation activity and fire services related to capital maintenance, equipment and fleet costs
- \$1.4 million higher than budgeted costs in other services.

REPORT OF THE DIRECTOR OF FINANCE

The City's annual consolidated surplus of \$391.7 million exceeded the budgeted annual surplus of \$76.0 million by \$315.7 million prior to transfers to reserves. The surplus exceeded budget primarily due to developer contributions for cash of \$20.6 million that are budgeted conservatively and in-kind community amenities of \$109.1 million that are not budgeted.

Tangible Capital Assets

Consolidated capital additions totalled \$346.1 million in 2018 and are comprised of the following:

(\$Millions)	2018
Land and improvements	\$86.0
Buildings and leasehold improvements	110.1
Vehicles and other equipment	29.0
Computer systems	15.0
Infrastructure	
Streets and structures	70.0
Water system	20.0
Sewer system	46.0
Assets under construction	(30.0)
	<u>\$346.1</u>

Land additions include \$5.1 million for park expansion, developer contributions of \$11.6 million for affordable housing and \$39.8 million for roads. Vehicle and other equipment purchases were primarily for fire and engineering heavy equipment. Building additions include \$22.1 million for affordable housing, library square renovations of \$8.4 million, Collingwood neighborhood house of \$6.6M and child care facilities of \$9.4M.

Debt

In September 2018, the City issued a 10 year \$85.0 million sinking fund debenture at a rate of 3.10% and in November 2018, the City issued at 10 year \$5.0 million debenture at a rate of 4.07% to the Federation of Canadian Municipalities. At the end of 2018, the City has sinking fund debt reserves of \$494.2 million for future repayments.

(\$Millions)	2018	2017	Change
Long term debt	\$ 1,083.2	\$ 993.4	\$ 89.8
Less: Sinking fund reserves	(494.2)	(395.4)	(98.8)
Net long term debt	<u>\$ 589.0</u>	<u>\$ 598.0</u>	<u>\$ (9.0)</u>

As part of the 2015-2018 Capital Plan, the City had approved borrowing of up to \$382.5 million; \$235.0 million for the maintenance and replacement of existing and construction of new streets, parks and facilities infrastructure and \$147.5 million for sewer, water, and neighborhood energy capital expenditures. The overall outstanding borrowing authority at the end of 2018 was \$132.0 million.

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 2018, these specific purpose reserves totalled \$1,177.4 million, up by a net amount \$182.2 million over 2017.

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

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

- The General Revenue Stabilization Reserve provides for operating contingency funds for events such as inclement weather, catastrophic events, environmental hazards, extraordinary public safety situations, economic downturns and unforeseen changes in revenues. The balance of the reserve is \$121.8 million.
- The Solid Waste Capital Reserve is being accumulated to fund closure and post-closure costs at the City's landfill. The present liability is calculated based on the ratio of utilization to the total capacity of the landfill site and the discounted value of future estimated cash flows associated with closure and post-closure activities. At year end, the liability amounted to \$63.7 million, with the remaining capacity of 5.2 million tonnes (20.2% of total capacity) to be utilized by 2036. During the year the reserve decreased by \$11.7 million to \$64.9 million as a result of operating surplus, interest revenue and recoveries from Metro Vancouver of \$8.5 million offset by expenditures of \$20.2 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 \$3.4 million to \$53.9 million. The reserves are primarily funded by internal equipment charges provided in the Operating and Capital Budgets and proceeds from equipment disposals in 2018 which amounted to \$25.3 million. Equipment acquisition expenditures in 2018 were \$21.4 million of which \$14.8 million related to purchase of fleet and equipment and \$2.0 million related to the replacement of fleet management software, \$2.3M related to the replacement and installation of parking meters and \$2.3M related to computer equipment upgrades.

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

- Community Amenity contributions from developers and interest totaled \$102.7 million of which \$16.5 million was directed by Council to the Affordable Housing Reserve. Transfers and expenditures of \$29.8 million for capital projects brought the yearend Community Amenities Reserve balance to \$415.3 million. The Affordable Housing Reserve increased by a net amount of \$50.6 million to \$123.7 million.
- Capital Facilities and Infrastructure Reserve hold funds for future streets, transit and facilities infrastructure. The reserve balance of \$75.3 million increased by \$21.1 million mainly due to total receipts of \$28.0 million, comprised of planned Revenue fund transfers of \$25.6 million and Gas Tax receipts of \$2.0 million less expenditures comprised mainly of a \$6.8 million transfer out for funding the 2018 Capital Budget.
- The Parking Sites Reserve holds the net parking revenues from the City's parkades and parking lots, managed and operated by EasyPark. Net parking revenues of \$11.5 million were offset by capital expenditures of \$6.4 million, which included parking sites expenditures of \$2.3 million, funding for public bike share program of \$0.5 million, and a \$2.0 million dividend to the revenue fund, resulting in an increase of \$5.1 million bringing the balance of reserve to \$42.0 million.

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

- The Insurance reserve provides for payment of claims against the City. In 2018, transfers to the reserve net of payments were \$2.6 million leaving a balance of \$25.4 million.

Future Debt Repayment – for future debt repayments

- Net transfers to the reserve totaling \$2.6 million for future debt repayments left the Future Debt Repayment Reserve with a balance of \$32.2 million.

REPORT OF THE DIRECTOR OF FINANCE

Climate-Related Financial Disclosures

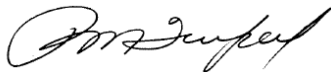
In 2017, the CFO of the City of Vancouver signed a letter from the “Accounting for Sustainability (A4S)” initiative, supporting climate-related financial disclosure. The letter specifically commits the City to “affirm our commitment to support the voluntary recommendations” of Task Force for Climate-Related Financial Disclosures (TCFD). Starting this year, the City is including climate-related financial disclosures in its annual financial report based on TCFD disclosure recommendations four core areas of governance, strategy, risk management and metrics and targets. This disclosure will evolve as both the field of climate-risk disclosure and the City climate change planning and response matures. The disclosure can be found immediately following the audited financial statements.

Summary

The City’s financial position continued to improve in 2018.

The City’s 2018 financial position remains strong and is reflected in recent credit ratings updates. In February 2019, S&P Global Ratings and in January 2019 Moody’s Investors Service reaffirmed the City’s credit rating of AAA and Aaa with stable outlooks, respectively. Both AAA and Aaa credit ratings reflects the agencies’ assessments of the City’s solid governance and experienced financial management team, consistent positive fiscal outcomes, high levels of liquidity, strong economy and budgetary performance, and strong debt affordability. Strong credit ratings provide the City with the opportunity to borrow at more favourable interest rates.

Respectfully submitted,



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



Melanie Kerr, CPA, CA
Director of Financial Services
Deputy Director of Finance

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, 2018
- 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, 2018, and its consolidated results of operations, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

Other Information

Management is responsible for the other information. Other information comprises the information, other than the financial statements and the auditors' report thereon, included in the 2018 Annual Financial Report.

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

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

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We obtained the information, other than the financial statements and the auditors' report thereon, included in the 2018 Annual Financial Report as at the date of this auditors' report.

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

We have nothing to report in this regard.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on 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 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 City 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 22, 2019

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

	2018	2017
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 320,400	\$ 184,694
Temporary investments (Note 2)	2,060,045	1,900,806
Accounts receivables (Note 3)	281,310	209,907
Lease agreement receivable (Note 4)	8,293	13,861
	<u>2,670,048</u>	<u>2,309,268</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	378,175	388,638
Deferred liabilities (Note 6)	164,272	168,824
Mortgages and loan agreement (Note 7)	21,625	30,408
Debt (Note 8)	1,083,202	993,440
Deferred revenue (Note 9)	525,820	476,049
	<u>2,173,094</u>	<u>2,057,359</u>
NET FINANCIAL ASSETS	<u>496,954</u>	<u>251,909</u>
NON-FINANCIAL ASSETS		
Inventory and prepaids	24,539	28,713
Tangible capital assets (Note 10)	7,086,656	6,935,837
	<u>7,111,195</u>	<u>6,964,550</u>
ACCUMULATED SURPLUS (Note 11)	<u>\$ 7,608,149</u>	<u>\$ 7,216,459</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)

	2018 Budget	2018	2017
	(Note 14)		
REVENUES			
Property taxes, penalties and interest (Note 12 (e) and (g))	\$ 789,894	\$ 833,414	\$ 753,152
Utility fees	274,384	277,143	260,786
Program fees	111,609	123,888	116,664
License and development fees	75,117	94,828	74,458
Parking	94,556	98,063	93,010
Cost recoveries, grants and donations	80,816	152,553	123,441
Revenue sharing	19,150	22,489	21,918
Investment income	21,757	37,681	28,497
Rental, lease and other	55,403	66,813	69,567
Bylaw fines	21,918	22,352	20,490
Developer contributions	127,020	256,763	331,587
Loss on sale of tangible capital assets	-	(7,094)	(6,973)
	<u>1,671,624</u>	<u>1,978,893</u>	<u>1,886,597</u>
EXPENSES			
Utilities	304,214	300,504	277,607
General government	196,826	175,712	175,071
Police protection	316,476	324,602	314,348
Fire protection	129,400	136,046	131,425
Engineering	207,807	212,454	222,415
Planning and development	61,181	59,805	55,089
Parks and recreation	205,133	206,028	198,810
Community and cultural services	115,475	116,947	106,051
Library	59,055	55,105	53,763
	<u>1,595,567</u>	<u>1,587,203</u>	<u>1,534,579</u>
ANNUAL SURPLUS	<u>76,057</u>	<u>391,690</u>	<u>352,018</u>
ACCUMULATED SURPLUS (Note 11)			
Beginning of year	<u>7,216,459</u>	<u>7,216,459</u>	<u>6,864,441</u>
End of year	<u>\$ 7,292,516</u>	<u>\$ 7,608,149</u>	<u>\$ 7,216,459</u>

See accompanying Notes to Consolidated Financial Statements

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

	2018 Budget	2018	2017
	(Note 14)		
Annual Surplus	\$ 76,057	\$ 391,690	\$ 352,018
Acquisition of tangible capital assets	(322,364)	(234,412)	(309,787)
Contributed tangible capital assets	-	(111,658)	(68,469)
Amortization of tangible capital assets	189,971	187,634	191,723
Loss on sale of tangible capital assets	-	7,094	6,973
Proceeds on sale of tangible capital assets	-	523	2,611
	(132,393)	(150,819)	(176,949)
Change in inventory and prepaids	-	4,174	(2,164)
CHANGE IN NET FINANCIAL ASSETS	(56,336)	245,045	172,905
NET FINANCIAL ASSETS			
Beginning of year	251,909	251,909	79,004
End of year	\$ 195,573	\$ 496,954	\$ 251,909

See accompanying Notes to Consolidated Financial Statements

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

	<u>2018</u>	<u>2017</u>
CASH PROVIDED BY (USED IN):		
Operating Transactions		
Annual surplus	\$ 391,690	\$ 352,018
Items not involving cash		
Amortization	187,634	191,723
Contributed tangible capital assets	(111,658)	(68,469)
Loss on sale of tangible capital assets	7,094	6,973
Recognition of deferred revenue	(65,068)	(113,610)
Change in non-cash items		
Other financial assets and liabilities	(76,298)	(58,470)
Change in deferred liabilities	(4,552)	(4,510)
Increase (decrease) in inventory and prepaids	4,174	(2,164)
	<u>333,016</u>	<u>303,491</u>
Financing Transactions		
Debt issued	90,000	85,000
Debt, mortgages and loan agreement repayments	(9,021)	(134,425)
Deferred revenue receipts	114,839	113,931
	<u>195,818</u>	<u>64,506</u>
Capital Transactions		
Acquisition of tangible capital assets	(234,412)	(309,787)
Proceeds of sale of tangible capital assets	523	2,611
	<u>(233,889)</u>	<u>(307,176)</u>
Investing Transactions		
Net purchase of temporary investments	(159,239)	(122,253)
	<u>(159,239)</u>	<u>(122,253)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	135,706	(61,432)
CASH AND CASH EQUIVALENTS		
Beginning of year	184,694	246,126
End of year	<u>\$ 320,400</u>	<u>\$ 184,694</u>

See accompanying Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Tabular amounts in \$000s)
Year Ended December 31, 2018

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

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

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

(b) Reporting Entity

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

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

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

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

Also included in these consolidated financial statements are certain assets owned by the City that are managed by the following organizations:

Vancouver Art Gallery Society	H.R. MacMillan Space Centre
Vancouver Museum	Vancouver Maritime Museum

(c) Revenues

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

1. SIGNIFICANT ACCOUNTING POLICIES – Continued

(d) Deferred Revenue

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

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

(ii) Prepaid leases

The City has land leases with terms ranging from 40 to 99 years, some of which have been prepaid. These amounts are recognized in revenue on a straight-line basis over the lease term.

(iii) Capital Contributions and other

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

(e) Cash, Cash Equivalents and Temporary Investments

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

(f) Non-financial Assets

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

(i) Tangible capital assets

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

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

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

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

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

(ii) Inventory and prepaids

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

1. SIGNIFICANT ACCOUNTING POLICIES – Continued

(g) Pension Plan and Deferred Payroll Liabilities

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

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

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

(h) Landfill Closure and Post Closure Costs

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

(i) Liabilities for Contaminated Sites

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

(j) Use of Estimates

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

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

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

(k) Comparative Figures

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

2. TEMPORARY INVESTMENTS

The market value of temporary investments as at December 31, 2018 are \$2,058,902 (2017 - \$1,907,560).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Tabular amounts in \$000s)
Year Ended December 31, 2018

3. ACCOUNTS RECEIVABLES

	2018	2017
Accrued interest	\$ 17,792	\$ 14,499
Employee advances	1,159	1,197
Local improvement receivables	2,532	3,158
Property taxes receivables	42,546	23,090
Rental and lease receivables	2,912	1,834
Trade and other receivables	182,537	137,037
Utility receivables	31,832	29,092
	<u>\$ 281,310</u>	<u>\$ 209,907</u>

4. LEASE AGREEMENT RECEIVABLE

The City has executed a 25-year lease of the Library Square office building to the Federal Government which commenced April 30, 1995. Annual lease receipts of \$6.7 million will offset mortgage principal and interest payments as described in note 7 (a).

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2018	2017
Payroll liabilities	\$ 62,277	\$ 59,564
Property tax advance deposits and receipts	105,788	112,628
Other advance deposits and receipts	57,797	54,257
Trade and other liabilities	152,313	162,189
	<u>\$ 378,175</u>	<u>\$ 388,638</u>

6. DEFERRED LIABILITIES

	2018	2017
Deferred payroll costs (a)	\$ 90,577	\$ 93,060
Landfill closure and post-closure costs (b)	63,665	67,717
Contaminated sites	4,811	3,579
Accrued interest on long term debt	5,219	4,468
	<u>\$ 164,272</u>	<u>\$ 168,824</u>

(a) Deferred Payroll Costs

The City has accumulated \$55.0 million (2017 - \$55.0 million) in a reserve for the funding of deferred payroll liabilities (note 11). An actuarial valuation was completed as at December 31, 2018 using the following valuation assumptions:

	2018	2017
Discount rate	3.58%	3.62%
Inflation rate	2%	2%
Rate of compensation increase	2.58% to 4.63%	2.5% to 4.63%
Amortization period of actuarial gain in years	11	11

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Tabular amounts in \$000s)
Year Ended December 31, 2018

6. DEFERRED LIABILITIES - Continued

(a) Deferred Payroll Costs - Continued

	2018	2017
Sick leave gratuity	\$ 27,494	\$ 26,801
Deferred vacation	10,074	10,175
Non-vested accumulating sick leave	18,330	17,868
Long term disability	16,621	18,598
Other post-employment benefits	20,383	19,879
	<u>92,902</u>	<u>93,321</u>
Unamortized actuarial gain	(2,325)	(261)
	<u>\$ 90,577</u>	<u>\$ 93,060</u>

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

	2018	2017
Beginning of the year	\$ 93,060	\$ 91,235
Current service cost	4,435	8,428
Interest cost	3,457	3,579
Amortization of actuarial gain	(972)	(601)
Actual benefits paid	(9,403)	(9,581)
End of the year	<u>\$ 90,577</u>	<u>\$ 93,060</u>

(b) Landfill Closure and Post-Closure Costs

The City has accumulated \$64.9 million (2017 - \$76.6 million) in a Solid Waste Capital reserve for the funding of landfill liabilities (note 11).

The landfill liabilities reported are based on the following assumptions:

	2018	2017
Closure date	2036	2036
Years of post-closure maintenance	30	30
Total capacity (million tonnes)	25.7	26.0
Future costs (million)	\$218.7	\$213.7
Present value of future costs (million)	\$116.5	\$127.1
Deposited to date (million tonnes)	20.5	19.8
Utilization of total capacity to date	79.8%	76.3%
City's share of liability	68.5%	69.8%
Discount rate	3.58%	3.62%
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:

- \$12.3 million (2017 - \$17.5 million) on the Library Square Project due on January 14, 2021. Interest at 9.677% per annum is compounded semi-annually with monthly repayments of principal and interest. The mortgage is secured by a first charge on the land and any proceeds from the sale of the land on which the office building is situated, the office building and any improvements to it including machinery, plant and equipment, and any proceeds on the lease of the office building. The interest paid in 2018 on the Library Square mortgage amounted to \$1.5 million (2017 - \$2.0 million).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Tabular amounts in \$000s)
Year Ended December 31, 2018

7. MORTGAGES AND LOAN AGREEMENT - Continued

- \$3.3 million (2017 - \$5.2 million) in mortgages payable to Canada Mortgage and Housing Corporation for 2 non-market housing projects. Interest rates range from 2.1% to 3.4% with maturity dates from October 1, 2020 to December 1, 2027. The interest paid in 2018 was \$0.1 million (2017 - \$0.2 million).

(b) The loan agreement is the revolving facility for the PNE with a Canadian chartered bank providing for borrowing of up to \$24.9 million. The facility bears interest at the bank prime rate minus 0.25% and is due on demand. As at December 31, 2018, \$6.0 million (2017 - \$7.7 million) has been drawn on this facility.

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

2019	\$	6,161
2020		6,735
2021		611
2022		369
2023		377
Thereafter		1,315
		<u>15,568</u>
Loan agreement		6,057
Total	\$	<u>21,625</u>

8. DEBT

Debenture debt is shown at its face amount.

Maturing in	Total
2019	\$ 125,743
2020	125,747
2021	140,751
2022	755
2023	110,760
Thereafter	579,446
Total	<u>\$ 1,083,202</u>

Interest rates payable on the principal amount of the debentures range from 1.71% to 4.90% per annum. The weighted average interest rate on total external debt to maturity is 3.57%. Total interest paid in 2018 on externally held debt amounted to \$35.9 million (2017 - \$39.3 million). Reserve for debt retirement at December 31, 2018 amounted to \$494.2 million (2017 - \$395.4 million) (note 11) resulting in a net external debt of \$589.0 million (2017 - \$598.0 million).

9. DEFERRED REVENUE

Deferred revenue is comprised of the following:

	2017	Contributions and Interest	Recognized as Revenue	2018
Development cost levies				
City-wide	\$ 193,268	\$ 93,019	\$ (39,892)	\$ 246,395
Area-specific	111,388	4,261	(2,645)	113,004
	<u>304,656</u>	<u>97,280</u>	<u>(42,537)</u>	<u>359,399</u>
Prepaid Leases	168,574	284	(4,958)	163,900
Other	2,819	17,275	(17,573)	2,521
	<u>\$ 476,049</u>	<u>\$ 114,839</u>	<u>\$ (65,068)</u>	<u>\$ 525,820</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Tabular amounts in \$000s)
Year Ended December 31, 2018

10. TANGIBLE CAPITAL ASSETS

	Balance beginning of year	Additions net of transfers	Disposals	Balance end of year
Cost				
Land	\$ 2,198,822	\$ 74,586	\$ (13)	\$ 2,273,395
Landfill and land improvements	300,864	11,319	-	312,183
Buildings and building improvements	1,557,648	107,868	(3,067)	1,662,449
Leasehold improvements	53,055	2,254	-	55,309
Vehicles, equipment and furniture	358,529	25,740	(16,086)	368,183
Computer systems	216,591	15,447	(793)	231,245
Library books and materials	38,011	3,428	(3,159)	38,280
Infrastructure				
Streets and structures	3,280,994	69,789	(579)	3,350,204
Water system	781,517	19,864	(4,438)	796,943
Sewer system	1,527,143	45,519	(3,589)	1,569,073
Assets under construction	98,864	(29,744)	-	69,120
Total Cost	10,412,038	346,070	(31,724)	10,726,384
Accumulated amortization				
Landfill and land improvements	170,014	9,332	-	179,346
Buildings and building improvements	480,968	37,305	(2,944)	515,329
Leasehold improvements	16,662	3,365	-	20,027
Vehicles, equipment and furniture	213,938	23,437	(13,630)	223,745
Computer systems	173,298	13,151	(792)	185,657
Library books and materials	25,637	2,179	(1,977)	25,839
Infrastructure				
Streets and structures	1,775,285	72,232	(408)	1,847,109
Water system	209,908	9,836	(2,470)	217,274
Sewer system	410,491	16,797	(1,886)	425,402
Accumulated amortization	3,476,201	187,634	(24,107)	3,639,728
Net book value				
Land *	2,198,822	74,586	(13)	2,273,395
Landfill and land improvements	130,850	1,987	-	132,837
Buildings and building improvements	1,076,680	70,563	(123)	1,147,120
Leasehold improvements	36,393	(1,111)	-	35,282
Vehicles, equipment and furniture	144,591	2,303	(2,456)	144,438
Computer systems	43,293	2,296	(1)	45,588
Library books and materials	12,374	1,249	(1,182)	12,441
Infrastructure				
Streets and structures	1,505,709	(2,443)	(171)	1,503,095
Water system	571,609	10,028	(1,968)	579,669
Sewer system	1,116,652	28,722	(1,703)	1,143,671
Assets under construction	98,864	(29,744)	-	69,120
Net Book Value	\$ 6,935,837	\$ 158,436	\$ (7,617)	\$ 7,086,656
Net Book Value (2017)	\$ 6,758,888	\$ 186,533	\$ (9,584)	\$ 6,935,837

*The Assessed Value of land is \$27,010,992 (2017 - \$24,836,905)

Additions include contributed tangible capital assets - land \$66.2M, buildings \$42.3M, streets and structures \$2.2M, sewer systems \$0.5M and water systems \$0.4M.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Tabular amounts in \$000s)
Year Ended December 31, 2018

11. ACCUMULATED SURPLUS

	2018	2017
Investment in tangible capital assets	\$ 5,991,417	\$ 5,930,968
Reserve for Sinking Fund debt retirement - statutory	435,456	347,700
Reserve for Sinking Fund debt retirement - non-statutory	58,726	47,707
Reserves	1,177,437	995,261
Fund balances	109,385	63,647
Obligations to be funded from future revenues (Note 6)	(164,272)	(168,824)
	<u>\$ 7,608,149</u>	<u>\$ 7,216,459</u>

The following reserve amounts are set aside for specific purposes:

	2017	Transfer To	Transfer From	Change During Year	2018
Financial Stabilization					
Deferred Payroll Obligation	\$ 54,974	\$ -	\$ -	-	\$ 54,974
General Revenue Stabilization	84,443	48,378	(11,067)	37,311	121,754
Solid Waste Capital	76,576	8,455	(20,168)	(11,713)	64,863
Utility Rate Stabilization	17,270	4,615	(4,307)	308	17,578
	<u>233,263</u>	<u>61,448</u>	<u>(35,542)</u>	<u>25,906</u>	<u>259,169</u>
Asset Management					
Golf Course and Artificial Turf	5,045	299	(196)	103	5,148
Plant and Equipment	50,542	25,317	(21,923)	3,394	53,936
Streets Capital Maintenance	15,855	2,467	(1,796)	671	16,526
	<u>71,442</u>	<u>28,083</u>	<u>(23,915)</u>	<u>4,168</u>	<u>75,610</u>
Future Capital					
Affordable Housing	73,109	51,681	(1,057)	50,624	123,733
Capital Facilities and Infrastructure	54,147	27,985	(6,849)	21,136	75,283
Community Amenities	342,390	102,671	(29,809)	72,862	415,252
Parking Sites	36,848	11,520	(6,397)	5,123	41,971
Pedestrian and Cycling	6,544	1,169	(1,094)	75	6,619
	<u>513,038</u>	<u>195,026</u>	<u>(45,206)</u>	<u>149,820</u>	<u>662,858</u>
Special Revenue and Programs					
Childcare Endowment	19,476	405	(847)	(442)	19,034
Community Amenity Operations	7,602	393	(365)	28	7,630
Donations	13,273	1,948	(1,166)	782	14,055
Emerging Neighbourhood	10,000	-	-	-	10,000
Insurance	28,069	2,978	(5,646)	(2,668)	25,401
Outstanding Commitments	19,842	10,996	(8,760)	2,236	22,078
Public Art	13,329	2,264	(900)	1,364	14,693
Social and Cultural	22,417	2,955	(616)	2,339	24,756
Other	13,980	4,077	(8,081)	(4,004)	9,976
	<u>147,988</u>	<u>26,016</u>	<u>(26,381)</u>	<u>(365)</u>	<u>147,623</u>
Future Debt Repayment	29,530	3,539	(892)	2,647	32,177
	<u>\$ 995,261</u>	<u>\$ 314,112</u>	<u>\$ (131,936)</u>	<u>\$ 182,176</u>	<u>\$ 1,177,437</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Tabular amounts in \$000s)
Year Ended December 31, 2018

11. ACCUMULATED SURPLUS - Continued

Fund balances are comprised of:

	2017	Change During Year	2018
Revenue Fund	\$ 26,239	\$ -	\$ 26,239
Capital Fund	(176,799)	21,484	(155,315)
Capital Financing Fund	290,148	7,205	297,353
Sinking Fund	-	-	-
Property Endowment Fund	(94,475)	14,624	(79,851)
Harbour Park Development Ltd.	2	(7)	(5)
Vancouver Civic Development Corp.	11,514	167	11,681
Hastings Institute Inc.	242	5	247
Pacific National Exhibition	(3,681)	508	(3,173)
City of Vancouver Public Housing Corporation	(491)	79	(412)
Vancouver Economic Commission	799	6	805
Parking Corporation of Vancouver	232	(16)	216
	53,730	44,055	97,785
Eliminations on consolidation	9,917	1,683	11,600
	<u>\$ 63,647</u>	<u>\$ 45,738</u>	<u>\$ 109,385</u>

12. CONTRACTUAL RIGHTS, CONTINGENCIES AND COMMITMENTS

(a) Contractual Rights

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

As of the date of these financial statements the City has entered into cost sharing agreements with senior government and other agencies related to four City infrastructure priority areas in the amount of \$74.0 million. Revenue of \$21.1 million has been recognized based on eligible expenditures made under the agreements leaving \$52.9 million of contractual rights expected to be realized as the remaining expenditures are incurred, approximately over the next four years as part of the City's capital plan activity.

Infrastructure Priority Area	Shared Cost Revenue
Affordable Housing	\$ 6,350
Green Infrastructure & Climate Change	8,714
Rapid Transit & Transportation Infrastructure	31,640
Social & Community Infrastructure	6,160
	<u>\$ 52,864</u>

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

Year	Lease Revenue
2019	\$ 27,784
2020	18,782
2021	15,380
2022	12,992
2023	10,633
	<u>\$ 85,571</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 28 Class A and 23 Class B shares issued and outstanding at December 31, 2018). As a Class A shareholder, the City is committed to paying levies for services received under a cost-sharing formula to fund operating and capital costs of the E-Comm operations. In addition, the City is contingently liable to cover its proportionate share of such costs should any member be unable to fulfill its funding obligations. Annual levy amounts fluctuate based on various factors under the cost-sharing formula, and amounted to \$20.3 million during the year (2017 - \$19.9 million).

(c) Municipal Pension Plan

The City and its employees contribute to the Municipal Pension Plan (a jointly trustees 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, 2018, the plan had about 197,000 active members and approximately 95,000 retired members. Active members include approximately 39,000 contributors from local governments.

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

The most recent valuation for the Municipal Pension Plan as at December 31, 2015, indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2018, with results available in 2019.

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 \$76.2 million (2017 - \$73.0 million) for employer contributions while employees contributed \$60.3 million (2017 - \$57.5 million) to the plan in fiscal 2018.

(d) Contingent Legal Liabilities

As at December 31, 2018, 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 \$25.4 million (2017 - \$28.1 million) for potential claims (note 11).

12. CONTRACTUAL RIGHTS, CONTINGENCIES AND COMMITMENTS – Continued

(e) Property Assessment Appeals

As at December 31, 2018, 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, 2018	\$18,513
S.U.C.C.E.S.S. Affordable Housing Society as at March 31, 2018	\$21,290

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

	2018	2017
Taxes collected by the City:		
Property and business taxes	\$ 1,607,873	\$ 1,506,035
Payment in lieu of taxes	28,183	25,022
Local improvement levies	943	1,165
	<u>1,636,999</u>	<u>1,532,222</u>
Less taxes remitted to:		
Province of British Columbia - School Taxes	618,758	602,147
Greater Vancouver Transportation Authority	140,390	135,567
B.C. Assessment Authority	22,838	22,330
Greater Vancouver Regional District	21,493	18,931
Municipal Finance Authority	106	95
	<u>803,585</u>	<u>779,070</u>
Net Taxes for Municipal Purposes	<u>\$ 833,414</u>	<u>\$ 753,152</u>

13. TRUST FUNDS

Certain assets have been conveyed or assigned to the City to be administered as directed by agreement or statute. The City holds the assets for the benefit of, and stands in fiduciary relationship to, the beneficiary. The following trust funds and assets are excluded from the City's consolidated financial statements:

TRUST FUNDS

	2018	2017
Vancouver Agreement	\$ 2,590	\$ 3,492
Cemetery Perpetual Care	7,102	6,454
General	462	455
	<u>\$ 10,154</u>	<u>\$ 10,401</u>

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Tabular amounts in \$000s)
Year Ended December 31, 2018

14. BUDGET

The Budget information presented in these consolidated financial statements is based upon the 2018 operating, capital and property endowment budgets as approved by Council on December 6, 2017 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.

	2018
Revenues	
Approved Budgeted Revenues	
Operating Budget	\$ 1,407,087
Capital Budget	156,026
Property Endowment Operating Budget	51,337
Other City of Vancouver funds	10,193
Vancouver Public Housing Corporation	2,620
Pacific National Exhibition	50,872
Other City of Vancouver Reporting Entities	4,630
	<u>1,682,765</u>
PSAB Revenue Adjustments	
Interfund revenue eliminated	(11,141)
Budgeted Revenues as presented in financial statements	<u>\$ 1,671,624</u>
Expenses	
Approved Budgeted Expenditures	
Operating Budget	\$ 1,407,087
Capital Budget	156,026
Property Endowment Operating Budget	51,337
Other City of Vancouver funds	10,193
Vancouver Public Housing Corporation	2,620
Pacific National Exhibition	49,965
Other City of Vancouver Reporting Entities	4,630
	<u>1,681,858</u>
PSAB Expenses Adjustments	
Operating Budget PSAB expense adjustments (1)	57,243
Capital asset expenditures	(322,364)
Amortization of tangible capital assets	189,971
Interfund expense eliminated	(11,141)
	<u>(86,291)</u>
Budgeted Expenses as presented in financial statements	<u>\$ 1,595,567</u>
Annual Surplus	<u>\$ 76,057</u>

Note:

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

15. SEGMENTED INFORMATION AND EXPENSES BY OBJECT

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

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

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

The segments include:

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

NOTE 15 CONTINUED – SEGMENTED INFORMATION AND EXPENSES BY OBJECT (Tabular amounts in \$000s)
Year Ended December 31, 2018

	General Government	Police Protection	Fire Protection	Engineering	Utilities	Planning & Development	Parks & Recreation	Community & Cultural Services	Library	2018 Consolidated	2017 Consolidated
Revenues											
Property taxes, penalties and interest	\$ 833,414	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ 833,414	\$ 753,152
Utility fees	11	-	-	-	277,127	-	-	5	-	277,143	260,786
Program fees	479	2,926	838	121	348	-	99,400	18,441	1,335	123,888	116,664
License and development fees	94,813	-	-	15	-	-	-	-	-	94,828	74,458
Parking	57,193	240	-	27,875	-	-	11,836	919	-	98,063	93,010
Cost recoveries, grants and donations	13,960	25,846	9,817	43,563	34,604	3,726	4,597	10,241	6,199	152,553	123,441
Revenue sharing	22,489	-	-	-	-	-	-	-	-	22,489	21,918
Investment income	37,681	-	-	-	-	-	-	-	-	37,681	28,497
Rental, lease and other	45,513	421	145	8,089	1,203	2	4,781	5,311	1,348	66,813	69,567
Bylaw fines	22,041	18	-	-	-	-	286	7	-	22,352	20,490
Developer contributions	101,598	-	508	56,143	2,412	-	30,050	66,052	-	256,763	331,587
Loss on disposal of tangible capital assets	(2,198)	-	(112)	268	(3,672)	-	(186)	-	(1,194)	(7,094)	(6,973)
	1,226,994	29,451	11,196	136,074	312,022	3,728	150,764	100,976	7,688	1,978,893	1,886,597
Operating Expenses											
Wages, salaries and benefits	98,586	267,244	112,474	86,754	52,165	51,232	111,212	36,996	39,219	855,882	827,585
Contract services	20,917	24,820	6,199	14,602	24,685	4,051	11,419	5,119	1,912	113,724	115,895
Supplies, material and equipment	32,270	20,513	10,146	23,689	176,054	4,520	54,433	61,991	7,785	391,401	357,605
Debt charges	1,670	1,749	728	8,127	16,113	-	6,259	3,601	315	38,562	41,770
	153,443	314,326	129,547	133,172	269,017	59,803	183,323	107,707	49,231	1,399,569	1,342,855
Amortization	22,269	10,276	6,499	79,282	31,487	2	22,705	9,240	5,874	187,634	191,723
	175,712	324,602	136,046	212,454	300,504	59,805	206,028	116,947	55,105	1,587,203	1,534,578
Annual Surplus (Deficit)	\$ 1,051,282	\$ (295,151)	\$ (124,850)	\$ (76,380)	\$ 11,518	\$ (56,077)	\$ (55,264)	\$ (15,971)	\$ (47,417)	\$ 391,690	\$ 352,019

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

UNAUDITED

Climate-Related Risk and the City of Vancouver

The City of Vancouver has a long history of environmental stewardship. Musqueam, Squamish and Tsleil-Waututh's environmental stewardship of this land is in their living culture with a history dating back millennia. Today, the City of Vancouver is considered a sustainability leader on the global stage. This leadership has played a role in Vancouver being consistently rated one of the world's most livable cities. In early 2019, Vancouver City Council recognized that we are in a global state of climate emergency that constitutes a crisis for Vancouver including costs related to more extreme weather events, air quality deterioration and sea level rise.

Over half of the world's population lives in urban areas. This is projected to rise to two-thirds by 2050¹. 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. One such initiative is the Task Force for Climate-Related Financial Disclosures (TCFD), which in June 2017 released their recommendations for voluntary climate-related financial disclosures that are consistent, comparable, reliable, clear, and efficient, and provide decision-useful information to lenders, insurers, and investors.

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

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

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

- City of Vancouver 2018 Budget and Five-Year Financial Plan

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

- City of Vancouver 2019-2022 Capital Plan

Table 1 – TCFD Recommended Disclosures

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

¹ 2018 Revision of World Urbanization Prospects, Population Division of the UN Department of Economic and Social Affairs (UN DESA), 2018

Table 1 – TCFD Recommended Disclosures - Continued

TCFC Recommended Disclosures

City of Vancouver Disclosure

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

Vancouver's Climate Strategies and Governance

Risk Governance

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

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

Climate-specific and seismic-specific risks report to specific oversight committees at the GM level. The City is exploring best practices to merge risk oversight across hazards.

Integration into Financial Planning

The City's current capital planning framework includes sustainability and resilience as core elements to guide capital investments and assist with prioritization. The work to create and integrate overarching frameworks with respect to resilience, sustainability and capital planning and asset management is well underway and will continue over the next couple of 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 much more holistic and meaningful way.

Climate Action Strategies

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

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

The City's climate strategies and implementation plans (see Table 2) have been approved by City Council, and implementation updates are reported 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.

Improving Climate-Risk Management and Disclosure

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

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.

Table 2 – City Strategy-Level Governance

Strategy	Governance
<p><u>Greenest City Action Plan (GCAP)</u></p> <p>The Greenest City Action Plan is the City's main urban environmental sustainability strategy, outlining 10 goal areas and associated targets focussed on achieving zero carbon, zero waste, and maintaining healthy ecosystems.</p>	<p>The Greenest City Action Plan was approved by Council in 2011.</p> <p>The Greenest City Action Plan Steering Committee provides oversight for implementation. This committee comprises department and division-level managers.</p> <p>The goals and targets are managed by various departments in the City. Progress on the actions is tracked by the Sustainability Department and reported to Council through an annual update process. Executive reports are also prepared as required.</p>
<p><u>Renewable City Action Plan (RCAP)</u></p> <p>The Renewable City Action Plan's main goals are to successfully derive 100% of energy used in Vancouver from renewable sources before 2050, and to achieve an 80% reduction in community-wide greenhouse gas emissions before 2050. This action plan extends the mitigation actions contained within the Climate and Renewables goal area of the Greenest City Action Plan.</p>	<p>The Renewable City Action Plan was approved by Council in 2017.</p> <p>Due to the overlap in implementation with Greenest City, the GCAP Steering Committee provides oversight at the programmatic level.</p> <p>Progress is tracked by the Sustainability Department and reported to Council through the annual GCAP Update process. Executive reports are also prepared as required.</p>
<p><u>Climate Change Adaptation Strategy 2018 (CCAS)</u></p> <p>One of the first of its kind in Canada, the Strategy contains core actions in five core areas, and enabling actions to help integrate an adaptation lens as standard practice into all City work.</p>	<p>The Climate Change Adaptation Strategy was approved by Council in July 2012 and updated in December 2018.</p> <p>The Adaptation/Sea Level Rise Steering Committee provides oversight to implementation. This committee comprises senior managers, many of whom are also in the Corporate Leadership Team.</p> <p>Progress is tracked by the Sustainability Department and reported to Council through the annual GCAP Update process. Executive reports are also prepared as required. The Adaptation Strategy is updated and re-approved by Council every five years, which includes updating climate information, reviewing the status of adaptation actions, and identifying new or revised actions.</p>
<p><u>Resilient Vancouver Strategy (under development)</u></p> <p>The Resilient Vancouver Strategy builds City capacity to understand and proactively address current and future trends and hazards, including climate change. It leverages global and local knowledge to build the resilience of organizational, community, and infrastructure systems, and works in unison with the CCAS to build resilience to priority shocks and stresses in Vancouver.</p>	<p>The City's Chief Resilience Officer manages the Resilient Vancouver Strategy. This position reports to the Deputy City Manager and the Resilient Vancouver Steering Committee.</p>

Climate Risk in Vancouver

The City of Vancouver's Enterprise Risk Management Framework identified climate change as a top risk to the city. 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.

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 to the City for action, by identifying where systems and service-delivery areas were the most vulnerable, and where the greatest risk (likelihood of impact and magnitude of consequences) lay. Table 3 below summarizes the City's impacted areas in a future of hotter, drier summers; warmer, wetter winters; and sea level rise. Priorities within the Climate Change Adaptation Strategy include addressing rainfall-related flooding and sea level rise flooding and inundation, and heat-related impacts to health, buildings and natural assets.

Coastal Flood Risk Assessment

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

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

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

Table 3 – Examples of Projected Climate Impacts to Vancouver

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

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

Impacted Area	Impacts	Timeframe	Impacted assets/services
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 and flood events	Medium-term	Public and private assets; water supply and sanitation; public health

Scenario Analysis

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

Climate Adaptation in Vancouver

The Climate Change 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

Eighty-four 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.

Enabling Actions

Seventeen 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.



For more detail, see the Climate Change Adaptation Strategy (2018). Core actions are grouped into five action areas, summarized below.

Table 4 – Adaptation Core Actions and Focus

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

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

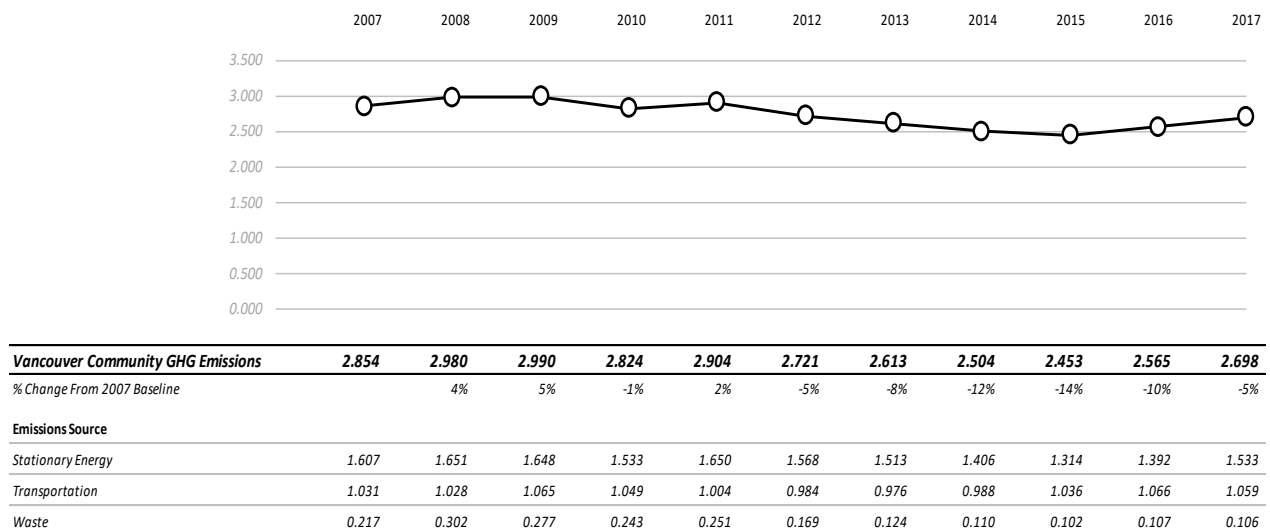
Vancouver's Climate Metrics and Targets

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

The City compiles community GHG emissions inventories annually, according to various protocols depending on the reporting framework². 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 cities.

As of 2017 (the latest year data are available), Vancouver's greenhouse gas emissions have decreased 5 percent from 2007 levels, while population has grown 9 percent and the number of jobs has increased 11 percent.

VANCOUVER COMMUNITY GHG EMISSIONS *million tonnes CO₂e*



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

While the City's climate change mitigation efforts have a robust measurement and reporting framework via annual Greenest City Action Plan public updates³, measurement of adaptation work is a nascent discipline and still being developed. Complications arise due to the long time-horizons involved in adaptation outcomes; the prioritization and selection of process, outcome, and contextual indicators; and appropriate methods for quantifying *counterfactual* indicators (i.e., *avoided* climate impacts due to adaptation interventions).

One action within the Climate Change Adaptation Strategy is to finalize the following table of Plan Measurement indicators, pending completion of related City of Vancouver plans and strategies (e.g., City Plan, Rain City Strategy, Greenest City 2050), which are under development at this time. Also included are Enabling Action indicators looking at the mainstreaming of climate change considerations in to City operations, decisions, and investments, as well as explanatory metrics that monitor the rate of climate change and its impacts on Vancouver. For the preliminary Measurement Indicators and for more information, see the full Climate Change Adaptation Strategy.

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 2020.

³ Current and past Greenest City Implementation Updates contain additional mitigation metrics, and are available at <https://vancouver.ca/green-vancouver/greenest-city-action-plan-development.aspx>.

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**SUPPLEMENTARY
FINANCIAL
INFORMATION

UNAUDITED**

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

	2018	2017	2016	2015	2014
FINANCIAL ASSETS					
Cash and cash equivalents	\$ 320,400	\$ 184,694	\$ 246,126	\$ 212,140	\$ 150,671
Temporary investments	2,060,045	1,900,806	1,778,553	1,644,172	1,438,601
Accounts receivables	281,310	209,907	113,053	115,720	119,919
South East False Creek development receivable	-	-	-	5,337	5,337
Lease agreement receivable	8,293	13,861	18,917	23,509	27,679
	<u>2,670,048</u>	<u>2,309,268</u>	<u>2,156,649</u>	<u>2,000,878</u>	<u>1,742,207</u>
LIABILITIES					
Accounts payable and accrued liabilities	378,175	388,638	355,310	304,840	313,296
Deferred liabilities	164,272	168,824	173,334	166,933	154,381
Mortgages and loan agreement	21,625	30,408	39,599	44,486	47,084
Debt	1,083,202	993,440	1,033,674	943,905	868,357
Deferred revenue	525,820	476,049	475,728	467,454	422,919
	<u>2,173,094</u>	<u>2,057,359</u>	<u>2,077,645</u>	<u>1,927,618</u>	<u>1,806,037</u>
NET FINANCIAL ASSETS (LIABILITIES)	<u>496,954</u>	<u>251,909</u>	<u>79,004</u>	<u>73,260</u>	<u>(63,830)</u>
NON-FINANCIAL ASSETS					
Inventory and prepaids	24,539	28,713	26,549	21,794	19,983
Tangible capital assets	7,086,656	6,935,837	6,758,888	6,453,934	6,373,932
	<u>7,111,195</u>	<u>6,964,550</u>	<u>6,785,437</u>	<u>6,475,728</u>	<u>6,393,915</u>
ACCUMULATED SURPLUS	<u>\$ 7,608,149</u>	<u>\$ 7,216,459</u>	<u>\$ 6,864,441</u>	<u>\$ 6,548,988</u>	<u>\$ 6,330,085</u>

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

ANNUAL FINANCIAL REPORT 2018

	2018	2017	2016	2015	2014
REVENUES					
Property taxes, penalties and interest	\$ 833,414	\$ 753,152	\$ 720,850	\$ 699,838	\$ 671,543
Utility fees	277,143	260,786	242,778	231,211	221,605
Program fees	123,888	116,664	111,256	107,378	104,342
License and development fees	94,828	74,458	73,710	65,490	65,090
Parking	98,063	93,010	86,802	83,981	77,517
Cost recoveries, grants and donations	152,553	123,441	94,324	103,549	123,831
Revenue sharing	22,489	21,918	22,873	23,798	17,924
Investment income	37,681	28,497	28,422	28,795	27,892
Rental, lease and other	66,813	69,567	62,853	72,945	68,878
Bylaw fines	22,352	20,490	20,374	17,109	15,832
Developer contributions	256,763	331,587	231,043	124,331	137,372
Gain (loss) on sale of tangible capital assets	(7,094)	(6,973)	54,119	25,105	11,691
Gain on sale of Southeast False Creek assets	-	-	5,610	-	16,610
	1,978,893	1,886,597	1,755,014	1,583,530	1,560,127
EXPENSES					
Utilities	300,504	277,607	264,002	254,867	244,853
General Government	175,712	175,071	172,881	148,746	187,441
Police Protection	324,602	314,348	297,778	286,134	263,537
Fire Protection	136,046	131,425	119,530	113,357	108,089
Engineering	212,454	222,415	197,484	185,863	183,258
Planning and development	59,805	55,089	47,521	35,151	25,583
Parks and recreation	206,028	198,810	187,424	185,110	180,246
Community and cultural services	116,947	106,051	101,539	103,020	103,341
Library	55,105	53,763	51,402	51,029	48,865
	1,587,203	1,534,579	1,439,561	1,363,277	1,345,213
ANNUAL SURPLUS	<u>\$ 391,690</u>	<u>\$ 352,018</u>	<u>\$ 315,453</u>	<u>\$ 220,253</u>	<u>\$ 214,914</u>

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

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CITY OF VANCOUVER

	2018	2017	2016	2015	2014
Financial Stabilization					
Deferred Payroll Obligation	\$ 54,974	\$ 54,974	\$ 54,974	\$ 54,974	\$ 54,974
General Revenue Stabilization	121,754	84,443	79,593	76,233	60,099
Solid Waste Capital	64,863	76,576	89,261	85,279	71,910
Utility Rate Stabilization	17,578	17,270	8,306	6,601	9,508
	<u>259,169</u>	<u>233,263</u>	<u>232,134</u>	<u>223,087</u>	<u>196,491</u>
Asset Management					
Golf Course and Artificial Turf	5,148	5,045	4,914	5,803	5,253
Plant and Equipment	53,936	50,542	46,644	76,010	84,319
Streets Capital Maintenance	16,526	15,855	17,778	16,792	14,695
	<u>75,610</u>	<u>71,442</u>	<u>69,336</u>	<u>98,605</u>	<u>104,267</u>
Future Capital					
Affordable Housing	123,733	73,109	59,916	40,226	29,763
Capital Facilities and Infrastructure	75,283	54,147	41,761	58,847	27,547
Community Amenities	415,252	342,390	210,650	185,820	171,550
Parking Sites	41,971	36,848	39,196	33,797	43,672
Pedestrian and Cycling	6,619	6,544	9,202	10,307	11,427
	<u>662,858</u>	<u>513,038</u>	<u>360,725</u>	<u>328,997</u>	<u>283,959</u>
Special Revenue and Programs					
Childcare Endowment	19,034	19,476	19,787	19,311	18,996
Community Amenity Operations	7,630	7,602	7,658	7,625	7,765
Donations	14,055	13,273	12,719	12,021	11,397
Emerging Neighbourhood	10,000	10,000	10,000	10,000	10,000
Insurance	25,401	28,069	29,072	30,616	31,726
Outstanding Commitments	22,078	19,842	26,713	19,053	18,864
Public Art	14,693	13,329	10,588	9,544	8,743
Social and Cultural	24,756	22,417	21,621	21,107	17,589
Other	9,976	13,980	4,579	4,576	4,538
	<u>147,623</u>	<u>147,988</u>	<u>142,737</u>	<u>133,853</u>	<u>129,618</u>
Future Debt Repayment	32,177	\$ 29,530	39,449	40,299	46,419
	<u>\$ 1,177,437</u>	<u>\$ 995,261</u>	<u>\$ 844,381</u>	<u>\$ 824,841</u>	<u>\$ 760,754</u>

REVENUE FUND – SCHEDULE OF FINANCIAL ACTIVITIES (Tabular amounts in \$000s)
Year Ended December 31, 2018

	2018 Budget	2018	2017
REVENUES			
Property taxes, penalties and interest	\$ 789,894	\$ 833,414	\$ 753,152
Utility fees	274,149	276,804	261,157
Programs fees	62,361	69,808	65,253
License and development fees	75,117	94,828	74,458
Parking	66,922	69,583	64,709
Cost recoveries, grants and donations	56,502	78,322	76,004
Revenue sharing	19,150	22,489	21,918
Investment income	11,066	16,973	12,929
Rental, lease and other	31,202	40,240	41,415
Bylaw fines	20,929	22,351	20,490
	<u>1,407,292</u>	<u>1,524,812</u>	<u>1,391,485</u>
EXPENDITURES			
Utilities	243,915	242,141	225,051
General government	139,790	122,551	122,913
Police protection	305,951	314,331	305,161
Fire protection	125,605	128,360	125,219
Engineering	98,154	101,852	97,823
Planning and development	61,541	58,420	51,477
Parks and recreation	123,391	127,681	124,850
Community and cultural services	85,818	92,490	88,348
Library	52,352	48,509	47,749
	<u>1,236,517</u>	<u>1,236,335</u>	<u>1,188,591</u>
ANNUAL SURPLUS	<u>170,775</u>	<u>288,477</u>	<u>202,894</u>
DEBT, TRANSFERS AND OTHER			
Debt principal repayments	(1,076)	(1,066)	(1,247)
Transfers			
Net transfers to other funds	(160,273)	(205,239)	(184,547)
Net transfers to reserves	(9,426)	(76,387)	(13,141)
Change in obligations to be funded from			
Future revenue	-	(5,785)	(3,959)
	<u>(170,775)</u>	<u>(288,477)</u>	<u>(202,894)</u>
CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE			
Beginning of year	26,239	26,239	26,239
Change in year	-	-	-
End of year	<u>\$ 26,239</u>	<u>\$ 26,239</u>	<u>\$ 26,239</u>

REVENUE FUND – FEES AND RECOVERIES (Tabular amounts in \$000s)
Year Ended December 31, 2018

	2018 Budget	2018	2017
Program fees			
Parks and recreation	\$ 42,418	\$ 45,224	\$ 42,821
Community and cultural services	16,229	18,537	16,846
Library	1,246	1,335	1,301
Police	1,604	2,926	2,463
Fire	584	838	648
Other	280	948	1,174
	<u>\$ 62,361</u>	<u>\$ 69,808</u>	<u>\$ 65,253</u>
License and development fees			
Licenses			
Business	\$ 17,647	\$ 19,453	\$ 17,328
Inspection fees	15,728	16,726	12,834
Dog	1,010	978	966
Other	10,282	21,238	13,833
Trade permits	16,767	20,124	14,480
Development permits	13,683	16,309	15,017
	<u>\$ 75,117</u>	<u>\$ 94,828</u>	<u>\$ 74,458</u>
Parking			
On street parking	\$ 56,412	\$ 55,741	\$ 53,202
Parks	7,733	9,784	8,121
Civic Theatre	971	901	818
Other	1,806	3,157	2,568
	<u>\$ 66,922</u>	<u>\$ 69,583</u>	<u>\$ 64,709</u>
Cost recoveries, grants & donations			
Police	\$ 21,027	\$ 26,433	\$ 26,467
Fire	8,451	9,817	11,283
General government	7,649	10,819	13,673
Parks and recreation	5,392	5,391	5,075
Community and cultural services	4,472	5,709	5,178
Engineering services	5,065	9,430	4,486
Library	2,488	5,879	5,404
Planning and development	1,418	3,726	3,602
Utilities	540	1,118	837
	<u>\$ 56,502</u>	<u>\$ 78,322</u>	<u>\$ 76,004</u>
Rental, lease and other			
Property rentals and leases	21,179	25,506	23,633
Street use	1,368	1,732	1,403
False alarm reduction program	1,000	1,034	1,044
Other	7,655	11,968	15,336
	<u>\$ 31,202</u>	<u>\$ 40,240</u>	<u>\$ 41,415</u>

PROPERTY ENDOWMENT FUND – STATEMENT OF OPERATIONS (Tabular amounts in \$000s)
Year Ended December 31, 2018

	2018	2017
OPERATIONS		
Rental and leases		
Revenue	\$ 29,687	\$ 27,983
Expenses	14,767	14,885
	<u>14,920</u>	<u>13,098</u>
Parking		
Revenue	26,262	25,342
Expenses	21,781	20,514
	<u>4,481</u>	<u>4,828</u>
Water moorage		
Revenue	1,448	1,326
Expenses	697	843
	<u>751</u>	<u>483</u>
NET REVENUES FROM OPERATIONS	20,152	18,409
Other Revenue		
Other income	761	1,434
Investment Income	1,715	1,176
Gain in sale of tangible capital assets	5,797	7,493
	<u>8,273</u>	<u>10,103</u>
Administration and operating	6,456	6,608
NET REVENUES	<u>\$ 21,969</u>	<u>\$ 21,904</u>

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

	2018	2017	2016	2015	2014
Property Assessment (\$000s)					
Rateable property general purposes	\$ 466,900,439	\$ 428,738,649	\$ 328,408,856	\$ 278,828,308	\$ 254,102,538
Tax Rates – Rate per \$1,000 of Assessment					
Residential - Class 1					
Municipal purposes	1.24393	1.26093	1.56168	1.77001	1.84728
Education	0.92146	0.98007	1.20852	1.33008	1.37943
Other taxing authorities	0.30287	0.31389	0.39547	0.43526	0.45123
Total Residential	2.46826	2.55489	3.16567	3.53535	3.67794
Business/Other - Class 6					
Municipal purposes	5.03019	5.79744	6.61254	7.34590	7.88427
Education	4.56143	5.21946	5.65811	5.98206	6.20492
Other taxing authorities	1.26257	1.42795	1.59241	1.71739	1.82263
Total Business/Other	10.85419	12.44485	13.86306	15.04535	15.91182
Major Industrial - Class 4					
Municipal purposes	34.25325	34.51349	33.90142	33.68465	33.77460
Education	4.20000	4.80000	5.40000	5.80000	6.00000
Other taxing authorities	2.35169	2.51911	2.59751	2.69096	2.81984
Total Major Industrial	40.80494	41.83260	41.89893	42.17561	42.59444
Light Industrial - Class 5					
Municipal purposes	5.03019	5.79744	6.61254	7.34590	7.88427
Education	5.29083	6.16093	5.80074	6.22412	6.70388
Other taxing authorities	1.76900	2.04973	1.97773	2.10140	2.29172
Total Light Industrial	12.09002	14.00810	14.39101	15.67142	16.87987
Total Utilities - Class 2	43.00812	44.93083	47.63946	50.51010	52.26809
Total Supportive Housing - Class 3	0.14373	0.14276	0.15132	0.15480	1.68065
Total Recreational/Non-Profit - Class 8	3.97858	4.21729	4.99627	5.45629	5.68183
Total Farm – All Purposes - Class 9	8.63580	8.55989	8.90097	9.13079	9.23133
Property Tax Revenue by Property Class (%)					
Residential - Class 1	54.5	54.1	53.7	54.0	53.6
Business - Class 6	42.3	42.8	43.2	42.9	43.1
Major industrial - Class 4	1.0	1.0	1.0	1.0	0.6
Light industrial - Class 5	1.1	1.0	1.0	1.0	1.1
Other Utilities, Rec/Non-profit and Farm	1.1	1.1	1.1	1.1	1.6
Total	100.0	100.0	100.0	100.0	100.0

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

	2018	2017	2016	2015	2014
Population *	672,963	656,164	653,046	646,937	640,502
Long Term Debt (\$000s)					
Debenture debt outstanding	\$ 1,086,101	\$ 997,109	\$ 1,038,303	\$ 949,455	\$ 874,986
Less: Internally held debt	(2,899)	(3,669)	(4,629)	(5,550)	(6,629)
Externally held debt	1,083,202	993,440	1,033,674	943,905	868,357
Less: Sinking Fund reserves	494,182	395,407	417,878	326,427	246,301
Net externally held debt	<u>\$ 589,020</u>	<u>\$ 598,033</u>	<u>\$ 615,796</u>	<u>\$ 617,478</u>	<u>\$ 622,056</u>
Gross Debt per capita (externally held)	\$ 1,610	\$ 1,514	\$ 1,583	\$ 1,459	\$ 1,356
Net Debt per capita (externally held)	\$ 875	\$ 911	\$ 943	\$ 954	\$ 971

* 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	\$ 993,440	\$ 3,668	\$ 997,108
Add: Debentures issued	90,000	\$ -	\$ 90,000
Local improvements	-	58	58
	<u>1,083,440</u>	<u>3,726</u>	<u>1,087,166</u>
Less: Maturities			
General and water	238	-	238
Local improvements	-	827	827
	<u>238</u>	<u>827</u>	<u>1,065</u>
Balance, end of year	<u>\$ 1,083,202</u>	<u>\$ 2,899</u>	<u>\$ 1,086,101</u>

OUTSTANDING BORROWING AUTHORITY AND SCHEDULE OF GENERAL DEBT (Tabular amounts in \$000s)
Year Ended December 31, 2018

	Capital Plan Borrowing Authority*	Council-approved Debenture Funding**	Debentures Issued to end of 2018	Outstanding Borrowing Authority
General				
2015 - 2018	\$ 235,000	\$ 231,353	\$ 124,352	\$ 107,000
2019 - 2022	300,000	-	-	-
	<u>535,000</u>	<u>231,353</u>	<u>124,352</u>	<u>107,000</u>
Sewer, Water and NEU				
2015 - 2018	147,500	144,850	119,898	24,952
2019 - 2022	195,000	-	-	-
	<u>342,500</u>	<u>144,850</u>	<u>119,898</u>	<u>24,952</u>
Total General, Sewer, Water and NEU				
2015 - 2018	382,500	376,203	244,250	131,953
2019 - 2022	495,000	-	-	-
	<u>\$ 877,500</u>	<u>\$ 376,203</u>	<u>\$ 244,250</u>	<u>\$ 131,953</u>

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

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

SCHEDULE OF GENERAL DEBT

Bylaw	Maturity Date & Purpose	Rate %	Term (Years)	Debenture Outstanding	Sinking Fund Reserve Balance
9897	December 02, 2019	4.90%	10	125,000	110,018
10015	June 01, 2020	4.50%	10	125,000	95,290
10017	September 30, 2030	1.71%	20	3,202	-
10393	December 02, 2021	3.45%	10	140,000	90,986
10565	October 18, 2052	3.70%	40	120,000	6,825
10797	October 24, 2023	3.75%	10	110,000	48,775
11080	October 16, 2024	3.05%	10	105,000	36,355
11362	November 20, 2025	2.90%	10	90,000	22,684
11673	December 15, 2026	2.70%	10	90,000	14,701
11941	November 03, 2027	2.85%	10	85,000	6,811
12203	September 21, 2028	3.10%	10	85,000	-
12307	November 20, 2028	4.07%	10	5,000	-
				<u>1,083,202</u>	<u>432,445</u>
Other Sinking Fund statutory reserves					<u>3,011</u>
Total				1,083,202	435,456

FUTURE PRINCIPAL AND INTEREST PAYMENTS ON DEBT (Tabular amounts in \$000s)
Year Ended December 31, 2018

ANNUAL FINANCIAL REPORT 2018

	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
2019	113,843	34,538	148,381	11,900	4,160	16,060	658	173	831	126,401	38,871	165,272
2020	104,147	26,646	130,793	21,600	3,090	24,690	559	134	693	126,306	29,870	156,176
2021	118,751	24,294	143,045	22,000	2,605	24,605	437	101	538	141,188	27,000	168,188
2022	755	20,198	20,953	-	1,846	1,846	404	75	479	1,159	22,119	23,278
2023	97,760	20,174	117,934	13,000	1,846	14,846	290	50	340	111,050	22,070	133,120
2024 - 2027	433,900	56,253	490,153	24,966	4,923	29,889	513	68	581	459,379	61,244	520,623
Thereafter	103,580	91,476	195,056	17,000	15,096	32,096	38	6	44	120,618	106,578	227,196
	<u>\$ 972,736</u>	<u>\$ 273,579</u>	<u>\$ 1,246,315</u>	<u>\$ 110,466</u>	<u>\$ 33,566</u>	<u>\$ 144,032</u>	<u>\$ 2,899</u>	<u>\$ 607</u>	<u>\$ 3,506</u>	<u>\$ 1,086,101</u>	<u>\$ 307,752</u>	<u>\$ 1,393,853</u>

External Debt Only

	General			Waterworks			Total General & Waterworks		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2019	113,843	34,538	148,381	11,900	4,160	16,060	125,743	38,698	164,441
2020	104,147	26,646	130,793	21,600	3,090	24,690	125,747	29,736	155,483
2021	118,751	24,294	143,045	22,000	2,605	24,605	140,751	26,899	167,650
2022	755	20,198	20,953	-	1,846	1,846	755	22,044	22,799
2023	97,760	20,174	117,934	13,000	1,846	14,846	110,760	22,020	132,780
2024 - 2027	433,900	56,253	490,153	24,966	4,923	29,889	458,866	61,176	520,042
Thereafter	103,580	91,476	195,056	17,000	15,096	32,096	120,580	106,572	227,152
	<u>\$ 972,736</u>	<u>\$ 273,579</u>	<u>\$ 1,246,315</u>	<u>\$ 110,466</u>	<u>\$ 33,566</u>	<u>\$ 144,032</u>	<u>\$ 1,083,202</u>	<u>\$ 307,145</u>	<u>\$ 1,390,347</u>