



CITY OF RICHMOND
2012 Annual Report
Highlights

For the year ended December 31, 2012

Award for Outstanding Achievement in Popular Annual Financial Reporting

PRESENTED TO

**City of Richmond
British Columbia**

for the Fiscal Year Ended

December 31, 2011



Christopher P. Morill
President

Jeffrey L. Essex
Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Richmond for its Popular Annual Financial Report for the fiscal year ended December 31, 2011. The Award for Outstanding Achievement in Popular Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to achieve an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirement, and we are submitting it to the GFOA.

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This report features highlights from Richmond’s 2012 Annual Report. For the detailed 2012 Annual Report that meets legislated requirements, please visit www.richmond.ca (City Hall > Finance, Taxes & Budgets > Budgets & Financial Reporting > Annual Reports).

The 2012 Annual Report Highlights are available by mail upon request. It is also available for the general public in hard copy at Richmond City Hall or electronically on the City of Richmond’s website.

Cover photo: The City of Richmond won the prestigious Innovation Award from the World Leisure Organization in 2012 for its development of Terra Nova Rural Park. It’s the sixth major award the City has received since 2007 for Terra Nova Rural Park, including provincial, national and international honours.

This report was prepared by the City of Richmond Finance and Corporate Services Department and Corporate Communications Office. Design, layout and production was done by the City of Richmond Production Centre. ©2013 City of Richmond

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Richmond City Council



Front row, left to right:

Councillor Linda Barnes, Councillor Bill McNulty, Mayor Malcolm Brodie, Councillor Linda McPhail, Councillor Harold Steves

Back row, left to right:

Captain Dave Cullen, Richmond Fire-Rescue (retired), Councillor Chak Au, Councillor Derek Dang, Councillor Evelina Halsey-Brandt, Councillor Ken Johnston, Constable Melissa Lui, Richmond RCMP

Message from the Mayor



2012 was another year of milestones for the City of Richmond. We continued to innovatively meet the needs of our community today, while laying the groundwork for a sustainable future.

A major achievement was Council's adoption of our new Official Community Plan (OCP). Three years in the making and titled *Moving Towards Sustainability*, it is our most comprehensive OCP yet. It sets the vision for future growth and land use decisions as well as providing strategies to address economic, social, cultural and environmental challenges.

Transportation is a major focus of the new OCP. As our City grows we will need rapid transit to play an even greater role in supporting community mobility. In 2012, we executed an agreement with TransLink to eventually build an additional Canada Line station at Capstan Way. This agreement will see new development in the area funding the costs of the station construction and is expected to be a model for future station development across the region.

Another critical need for our growing population is new park and recreational space. Over the past few years, Council has invested about \$80 million to support our community's emerging needs for such land. In 2012, in partnership with Ducks Unlimited, the City acquired the 51-hectare (127-acre) Grauer lands along our western foreshore. This important habitat will ultimately become a natural reserve and

park. Council also approved a process for planning the future of the Garden City Lands, a critical 55-hectare (136-acre) parcel of land on the edge of our City Centre.

As a gateway to the Asia Pacific and one of Canada's most culturally diverse cities, Richmond is uniquely positioned to benefit from the economic emergence of this area of the world. This past year, Richmond took an important step in our economic and cultural development by formally becoming a Sister City of Xiamen, China.

Another highlight from 2012 was Richmond being awarded the prestigious World Leisure Organization Innovation Award for development of Terra Nova Rural Park, the sixth major award won for this extraordinary project.

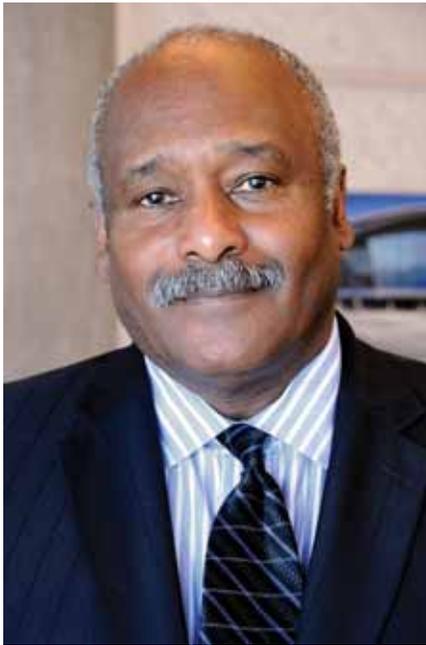
As always, our accomplishments and our planning involved hard work by a committed team, including City Council and staff and our many partners. I thank everyone who has supported our efforts to preserve and build upon Richmond's reputation as one of Canada's most livable cities.

Please feel free to contact the Mayor's Office at any time to discuss or comment on any of the information contained in this Annual Report.

Malcolm Brodie
Mayor, City of Richmond



Message from the Chief Administrative Officer



I am pleased to present the City of Richmond's 2012 Annual Report. This past year, the City Administration undertook a number of key initiatives in support of fulfilling Council's Term Goals and Objectives and our corporate vision.

The City of Richmond is entering a period of sustained growth, which will see our community grow from just over 200,000 at present to 285,000 by the year 2041. A major focus for the City is planning and managing for this growth, so that meeting the needs of new residents and businesses will not negatively impact those who already reside in Richmond, and thus ensure that the outstanding quality of life in the City is sustainable.

In 2012, this focus was reflected in Council's adoption of an updated Official Community Plan (OCP). The most comprehensive OCP ever adopted by Richmond, it provides a framework for the future of development of our community, covering everything from land use and transportation policy to development of our arts and cultural and heritage sectors. The OCP is supported by a number of other major strategies from our Sustainability Framework to our innovative City Centre Area Plan, both which will ensure we are prepared for the future.

A key Council goal is the further development of Richmond as a tourist destination. In 2012, the City, Tourism Richmond, local hotel operators and the Province of BC reached a five-year agreement to renew the Richmond 2 per cent hotel room tax and extend the role of Tourism Richmond as the City's choice for a tourism service provider. As part of this agreement, some of the revenue generated through the 2 per cent hotel tax will be utilized to support both the Richmond Olympic Experience project and the

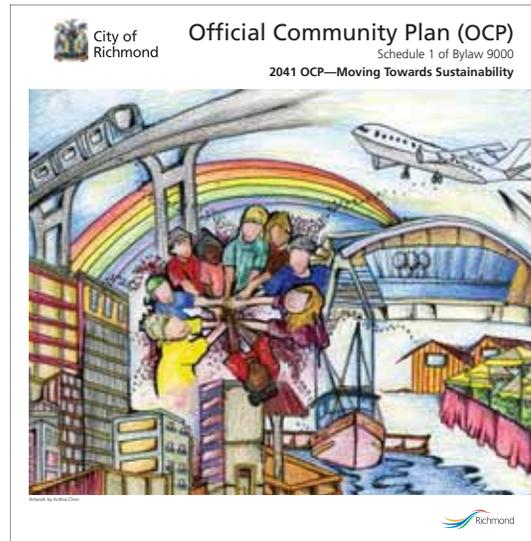
City's Sport Hosting function. The Richmond Olympic Experience is an exciting new tourist attraction that will open at the Richmond Olympic Oval in the fall of 2014. The Richmond Olympic Experience will provide both economic and social benefits to our community.

During 2012, a number of internal organizational changes were completed to help us meet current and emerging needs and priorities. These organizational transitions are designed to keep Richmond at the forefront of innovative municipal administrative and operational management and service delivery to the community, while ensuring we consistently and reliably provide outstanding value for taxpayers. The reorganization will also ensure that all of our actions and initiatives will provide the necessary support for Council to successfully achieve their Term Goals and Objectives. A major focus included reorganizing key City departments to better reflect current operational needs and to streamline our organizational structure. Steps were also taken to reduce the size, revitalize the roles and redefine the responsibilities of the Senior Management Team to provide increased oversight in critical focus areas, while supporting more efficient review and approval processes.

These measures outline the ongoing commitment to continuous improvement, reflected in everything we do as a Local Government Administration. We are very proud that Richmond continues to operate at one of the lowest per cent annual property tax rate increases while, at the same time, continually providing one of the highest levels of community services of the municipalities situated in the Lower Mainland.


George Duncan
Chief Administrative Officer

2012 key accomplishments



In 2012, the City completed a number of key milestones in support of the 2011–2014 Council Term Goals and Objectives. Highlights include:

- The updated Official Community Plan 2041: *Moving Towards Sustainability* (OCP) received final approval from Council. Three years in the making, the OCP charts the City's future course. Richmond's most comprehensive OCP ever, it examines land use and the City's vision to address economic, social, cultural and environmental challenges.
- The City, in partnership with Ducks Unlimited, acquired the 51-hectare (127-acre) Grauer lands outside the dike along our western foreshore. This important habitat will ultimately become a natural reserve and park.

- The City's first district energy utility began service. The Alexandra District Energy Utility uses geothermal energy to heat and cool buildings in the West Cambie area. At full build out, the utility will help Richmond avoid the local production of 200 to 600 tonnes annually of greenhouse gas emissions.
- The City executed an agreement with TransLink to construct a future Canada Line station at Capstan Way. As part of development within the Capstan Village area, new owners will pay a levy dedicated to station construction. Once sufficient fees are raised, which is expected to take several years, TransLink will construct the new station.

- The City also began consultation on a new Dike Master Plan to meet Richmond's current and future flood protection needs including addressing global warming and new seismic standards. The City also received \$3.57 million in federal and provincial funding for upgrades to the No. 1 Road North Drainage Pump Station and the Williams Road Drainage Pump Station.
- The new Rooftop Garden was opened at the Richmond Cultural Centre. It is being used for community programming promoting sustainable practises, urban agriculture and healthy lifestyles.



- The new City Centre Community Policing Office was opened. In addition to providing support for RCMP policing activities within Richmond's core, the office is home to many of the City's crime prevention programs.
- The City completed a five-year agreement to renew the Richmond hotel room tax. These tax funds support Richmond tourism marketing and will help fund completion of the Richmond Olympic Experience. This new tourist attraction will be the first official North American member of the Olympic Museum Network.



- Richmond took an important step in our economic and cultural development by formally becoming a Sister City of Xiamen, China. This relationship has already provided significant benefits for Richmond in strengthening ties with China.
- The City's website added online viewing of traffic cameras showing activity at five major intersections, assisting motorists in planning their trips around Richmond. The City made a number of improvements to services offered online, including upgrades to the City website, and the introduction of online business license renewals.



- The City supported the first Richmond Earth Day Youth (REaDY) conference organized by local youth to coincide with Earth Day. This brought together hundreds interested in learning about environmental conservation and stewardship. Due to its success, a second REaDY conference was held in 2013.

2012 awards



Richmond is proud to be seen as a leader among governments. This is reflected in the awards received for excellence in service delivery, management, innovation and leadership. The awards received by the City in 2012 include:

- The prestigious World Leisure Organization Innovation Award for development of Terra Nova Rural Park, the sixth major award won for this work plan.
- 2012 National Urban Design Award from Architecture Canada for the Garden City Park's design that encourages children's physical and explorative activity.

- A Regional Honour Award from the Canadian Society of Landscape Architects for the new Middle Arm Waterfront Greenway.
- The Alexandra District Energy Utility was honoured by the Union of B.C. Municipalities in their Leadership and Innovation category among the 2012 Community Excellence Awards.
- A Leadership Excellence Award in BC Hydro's annual Power Smart Awards.

- The Project of the Year Award from the Public Works Association of BC for the unique design and construction of the new No. 4 Road Pump Station.
- Two awards for financial reporting from the Government Finance Officers Association—this marks the tenth consecutive year Richmond has been recognized by this association.

Report from the General Manager, Finance and Corporate Services



I am pleased to submit the City of Richmond's consolidated financial statements for the year ended December 31, 2012. The financial statements reflect a consolidation of the financial position and results of operation for the City of Richmond, Richmond Public Library and the Richmond Olympic Oval Corporation.

The purpose of this Annual Report is to publish the consolidated financial statements and Auditors' Report for the City of Richmond pursuant to Sections 98 and 167 of the Community Charter. The external auditors, KPMG LLP, conducted an

independent examination and have expressed their opinion that the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City of Richmond as at December 31, 2012 in accordance with Canadian public sector accounting standards.

Richmond's remarkable growth as a city reached another significant milestone in 2012 as the population surpassed the 200,000 mark. This growth trend is evident in a number of economic indicators. Business licenses issued climbed to 13,336 (2011: 12,988), development activity remained strong with housing starts increasing by 29.5 per cent year over year and the construction value of building permits issued was \$457.2M (2011: \$424.4M).

The City continued to strengthen its financial condition and position in 2012; the City's net worth reached \$2.3B (2011: \$2.2B) and cash and investments increased to \$640.6M (2011: \$574.9M). Net financial assets increased to \$469.2M (2011: \$415.7M), while net debt outstanding was reduced to \$3.5M (2011: \$5.8M). Statutory reserves increased to \$295.0M (2011: \$275.4M).

The City's 2012 revenues were \$400.3M as compared to \$424.0M in 2011. This change was attributable to a decrease in developer contributed assets. Meanwhile, the expenses increased to \$317.4M from \$313.2M in 2011.

A corporate reorganization in 2012 combined all financial and business-related services, along with several key corporate services within the Finance and Corporate Services Department, including the Finance Division, Real Estate Services, Information Technology, City Clerk's Office, Economic Development and Business Liaison, Customer Service, Business Licences, Sponsorships/Partnerships and Business Advisory Services. In addition, a new Administration and Compliance Division was formed to help measure work unit performance and ensure strict adherence to Council policies and directions. These organizational changes will continue to ensure that the appropriate rigour and due diligence is applied to business practices in order to safeguard the City's assets without impacting efficiency or constraining progress. This balanced approach will help keep the City well positioned to continue to carry out and meet Council's goals and service commitments, while providing good value for taxpayers.

Andrew Nazareth, BEc, CGA
General Manager, Finance and Corporate Services

City of Richmond financial information

City of Richmond consolidated statement of financial position (expressed in thousands of dollars)

December 31, 2012, with comparative figures for 2011

	2012	2011
Financial assets¹		
Cash and cash equivalents	\$ 49,632	\$ 11,766
Investments	590,961	563,162
Accrued interest receivable	3,122	2,710
Accounts receivable	22,682	22,095
Taxes receivable	8,895	6,716
Development fees receivable	12,923	16,826
Debt reserve fund—deposits	386	386
	688,601	623,661
Financial liabilities		
Accounts payable and accrued liabilities	75,325	77,698
Deposits and holdbacks	40,669	36,753
Deferred revenue	37,307	34,801
Development cost charges	62,547	52,379
Obligations under capital leases	106	499
Debt	3,488	5,808
	219,442	207,938
Net financial assets ²	469,159	415,723
Non-financial assets³		
Tangible capital assets	1,830,619	1,801,630
Inventory of materials and supplies	2,276	1,934
Prepaid expenses	1,954	1,847
	1,834,849	1,805,411
Accumulated surplus ⁴	\$ 2,304,008	\$ 2,221,134

1 Financial assets: cash resources.

2 Net financial assets: the net financial position, calculated as the difference between financial assets and liabilities.

3 Non-financial assets: the non-financial assets that are owned which will be utilized for future services, including tangible capital assets, inventories and prepaid expenses.

4 Accumulated surplus: This is an indicator of the City's overall financial health. It is the difference between the combined financial assets and non-financial assets as compared to its liabilities and includes the investments in tangible capital assets (capital equity), total reserves (restricted funds), appropriated surplus (internally appropriated funds/provisions) and general or unrestricted surplus.

The Financial Statements are presented in conformity with generally accepted accounting practices (GAAP)

City of Richmond consolidated statement of operations¹ (expressed in thousands of dollars)

Year ended December 31, 2012, with comparative figures for 2011

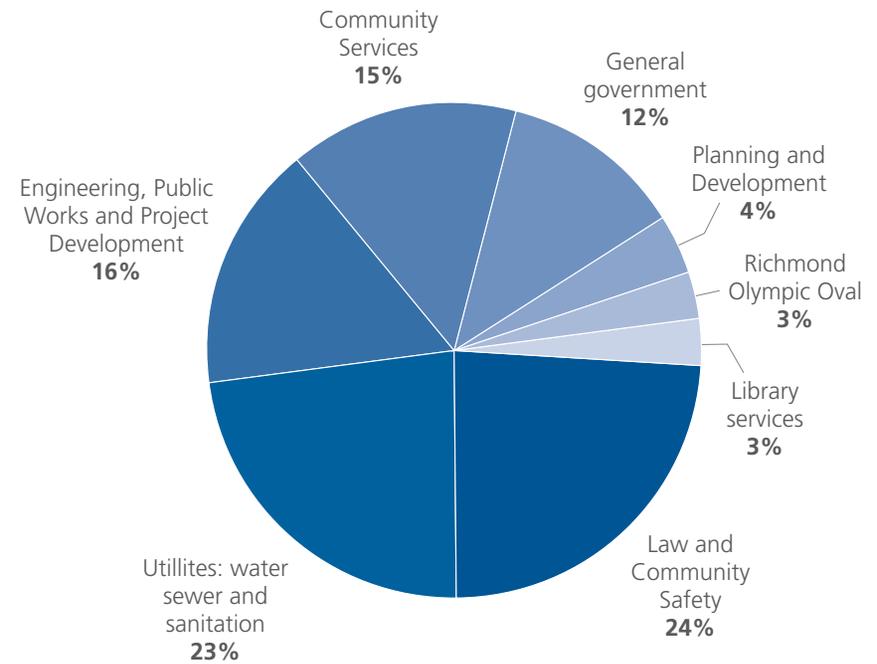
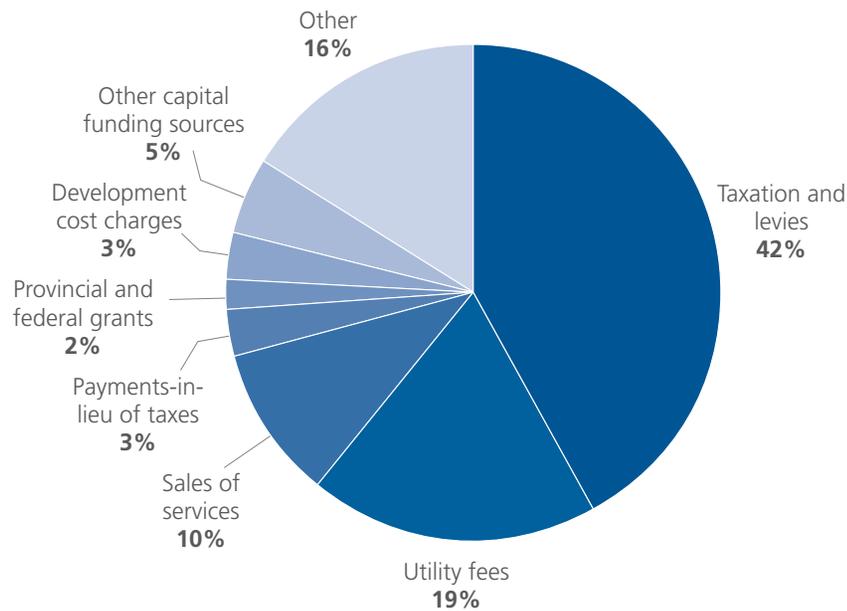
	Budget 2012	Actual 2012	Actual 2011
Revenues			
Taxation and levies	\$ 168,205	\$ 167,529	\$ 161,821
Utility fees	72,193	74,222	69,359
Sales of services	38,219	41,449	41,518
Payments-in-lieu of taxes	13,199	13,189	13,726
Provincial and federal grants	6,612	9,487	8,066
Development cost charges	2,028	10,480	14,321
Other capital funding sources	73,144	19,306	50,063
Other revenues:			
Investment income	16,777	17,144	20,328
Gaming revenue	11,148	15,585	13,728
Licences and permits	7,412	8,734	7,524
Other (note 20)	7,319	23,186	23,588
	416,256	400,311	424,042
Expenses			
Law and Community safety	81,642	75,193	74,563
Utilities: water, sewerage and sanitation	72,920	72,682	69,430
Engineering, public works and project development	56,774	53,164	52,727
Community services	47,766	46,796	45,345
General government	46,645	38,570	42,358
Planning and development	12,470	11,961	11,560
Richmond Olympic Oval	10,541	9,826	8,646
Library services	9,323	9,245	8,616
	338,081	317,437	313,245
Annual surplus	78,175	82,874	110,797
Accumulated surplus, beginning of year	2,221,134	2,221,134	2,110,337
Accumulated surplus, end of year	\$ 2,299,309	\$ 2,304,008	\$ 2,221,134

¹ The statement of operations shows the sources of revenues and expenses, the annual surplus or deficit and the change in the accumulated surplus.

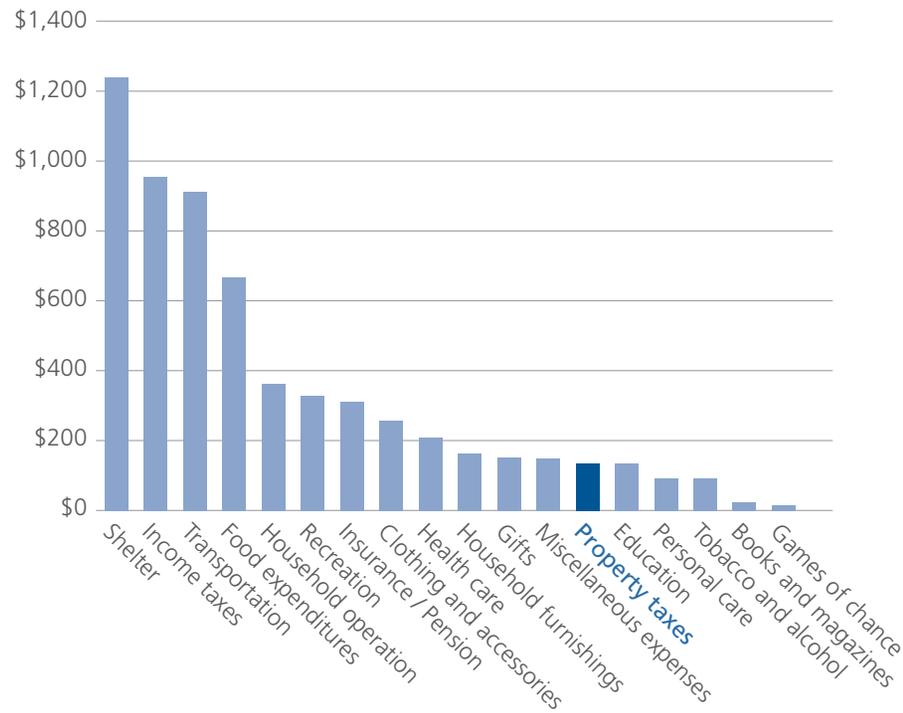
City of Richmond financial information continued ...

2012 actual revenue

2012 actual expense

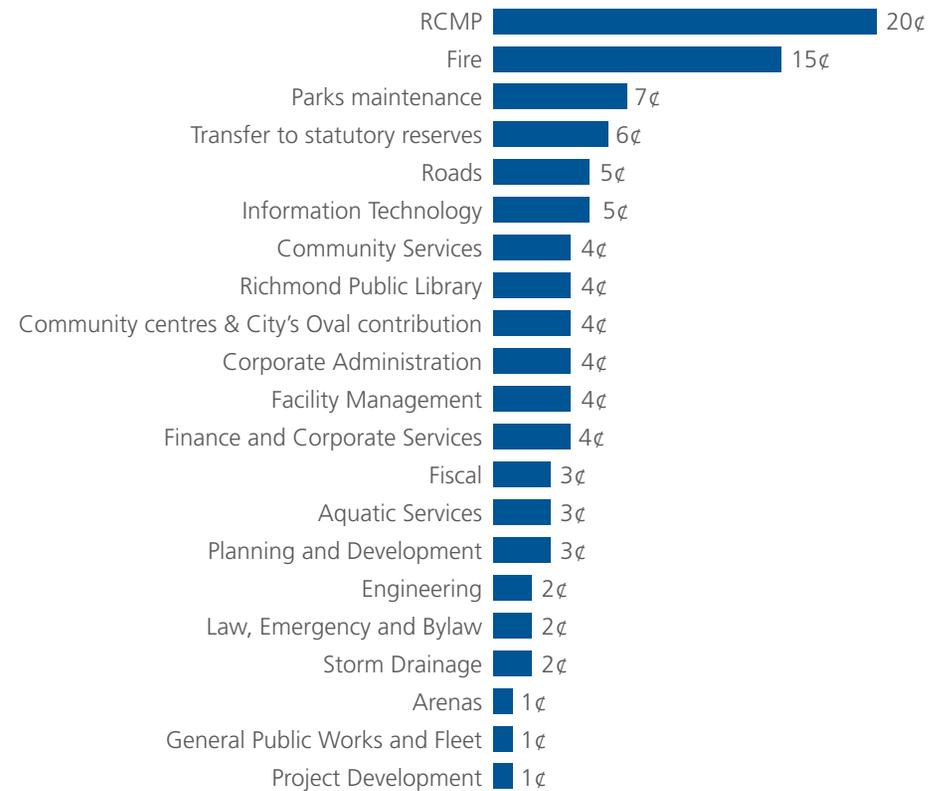


Monthly average household costs in British Columbia



Source: Statistics Canada—Survey of household spending in 2011

2012 actual breakdown of \$1 municipal taxes



Source: City of Richmond Finance and Corporate Services

City of Richmond contacts

The City of Richmond offers a diverse array of civic services to the community. Additional services to the community are provided through the Richmond Olympic Oval, Richmond Public Library and Gateway Theatre. For more information on City services contact:

City of Richmond

6911 No. 3 Road
Richmond, British Columbia
V6Y 2C1 Canada
Phone: 604-276-4000
24 Hour Emergency Calls: 604-270-8721
Telecommunication Device
for the Deaf (TDD): 604-276-4311
Email: infocentre@richmond.ca
Website: www.richmond.ca



Gateway Theatre

6500 Gilbert Road
Information Line: 604-276-6500
Box Office: 604-270-1812
Website: www.gatewaytheatre.com



Richmond Public Library

For hours: 604-231-6401
Website: www.yourlibrary.ca



Richmond Olympic Oval

6111 River Road
Information Line: 778-296-1400
Website: www.richmondoval.ca



City of Richmond's Vision:
To be the most appealing, livable and
well-managed community in Canada



City of Richmond

6911 No. 3 Road, Richmond, BC V6Y 2C1

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www.richmond.ca

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