



ADMINISTRATIVE REPORT

Report Date: April 10, 2012  
Contact: Esther Lee  
Contact No.: 604.873.7080  
RTS No.: 09506  
VanRIMS No.: 08-2000-20  
Meeting Date: April 17, 2012

TO: Standing Committee on City Finance and Services  
FROM: Director of Finance  
SUBJECT: 2011 Annual Financial Report

***RECOMMENDATION***

THAT Council receive for information the City of Vancouver Financial Statements for the year ended December 31, 2011.

***REPORT SUMMARY***

The Director of Finance is required under Section 211 of the Vancouver Charter to advise Council on the financial position of the City.

Section 231 requires the City's external auditors to report on the financial statements to Council by April 30 of the following year.

The accompanying 2011 Consolidated Financial Statements reflect the financial position of the City, including organizations owned and controlled by the City, as of December 31, 2011. These statements are based on Generally Accepted Accounting Principles as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants, and have been audited by KPMG.

***CITY MANAGER'S/GENERAL MANAGER'S COMMENTS***

The City continued to grow in 2011 and improved its financial position, increasing non-financial assets by \$52.9 million to \$6.20 billion, and increasing accumulated surplus by \$107.4 million to \$5.78 billion. The City's consolidated revenues were \$1.402 billion, an increase of \$47.2 million over 2010, while consolidated expenses totalled \$1.294 billion, an increase of \$58.0 million. The Revenue Fund (Operating budget) generated a surplus of \$2.2M following transfers to reserves.

The 2011 financial statements include a significant change in accounting policy related to prepaid leases. This change was applied retroactively, reduced the City's accumulated surplus and increased deferred revenue (details provided below and in Note 2 of the financial statements).

The Southeast False Creek Development continued to be a major focus. In 2011, the project progressed to a stable state as the receiver (appointed in November 2010) continued to diligently manage the Olympic Village renaming it "The Village on False Creek". Sales of market condominiums are on target with proceeds coming to the City to reduce the amount financed through the commercial paper program. As part of the loan settlement agreement signed in January 2011, the City obtained 32 properties from the guarantors of the SEFC Ltd's loan. The City is managing these transferred assets and has initiated a strategic plan to sell the properties. At the 2011 yearend, the investment in the Southeast False Creek Development represents the fair value of the remaining assets including the transferred assets. We will continue to monitor closely and manage vigorously to optimize results to the City.

## *REPORT*

### *Background/Context*

#### 2011 Consolidated Financial Position

(\$000s)	2011	2010	Change
		Restated	
Financial assets	\$ 1,421.0	\$ 1,345.7	\$ 75.3
Liabilities	1,840.3	1,819.5	20.8
Net debt	(419.3)	(473.8)	54.5
Non-financial assets	6,203.3	6,150.4	52.9
Accumulated Surplus	<u>\$ 5,784.0</u>	<u>\$ 5,676.6</u>	<u>\$ 107.4</u>

The City's financial position improved by \$107.4 million in 2011 with accumulated surplus totaling \$5.784 billion (2010 - \$5.677 billion).

Financial Assets increased by \$75.3 million while Liabilities increased by \$20.8 million. The 2010 amount for Liabilities has been recasted by an increase of \$125.0 million as a result of a change in accounting treatment to record prepaid leases as deferred revenue. In prior years, the full amount of the prepaid lease payments was recognized as revenue in the year collected. The prepaid leases will now be amortized over the term of the lease; the change has been applied retroactively and prior periods have been adjusted.

Net Debt, calculated as Financial Assets less Liabilities is an indicator of the amount of future revenues required to pay for past transactions and events. The City's Net Debt decreased by \$54.5 million to a total of \$419.3 million.

The City's non-financial assets increased by \$52.9 million in 2011, bringing the total to \$6.203 billion. This reflects the increase in the City's physical assets including buildings, equipment, street and utility infrastructure and parks.

#### Consolidated Results of Operations

The City's consolidated revenues were \$1.402 billion (2010 - \$1.355 billion) and include property taxes, utilities and user charges, government transfers and capital contributions. Consolidated expenses totaled \$1.294 billion (2010 - \$1.236 billion) resulting in an annual surplus of \$107.4 million.

### *Revenue Fund*

Included in the City's consolidated results of operations, is the City's Revenue Fund which accounts for the general operations for the City. Spending authority and control for the fund are provided by Council through the annual Operating Budget.

Revenues for the year totaled \$1.115 billion and expenditures totaled \$957.6 million resulting in a net revenue amount of \$157.6 million. After debt charges and transfers to reserves and other funds, the net change in the Revenue fund balance was \$2.2 million. The total fund balance of the Revenue Fund currently stands at \$17.4 million, compared to \$15.2 million in 2010. The following highlights the major changes in revenues and expenditures.

Total operating revenues increased by \$38.3 million (3.6%) from 2010 mainly due to:

- \$14.3 million increase in net taxation revenue mainly due to the 2.2% tax increase approved by City Council
- \$412.9 million increase in utility user fees ( water, sewer and solid waste) due to a combination of Council approved rate increases to reflect rising regional water costs as well as changes in user consumption
- \$16.5 million increase in other fees, rates and cost recoveries including \$3.2 million in special event external recoveries by the Vancouver Police Department, \$4.7 million in building permits and fees due to increased construction activity, \$4.8 million increase in on-street parking and by-law enforcement revenues, \$1.4 million in recoveries for Vancouver's 125th birthday celebration.
- \$13.2 million increase in provincial revenue sharing grants and contributions primarily from provincial traffic fine revenue.
- \$2.5 million increase in investment income due to higher interest rates.
- The above increases were offset by a \$22.0 million decrease related to one-time revenues and recoveries associated with 2010 Olympic and Paralympic Games.

Total operating expenditures amounted to \$957.6 million, an increase of \$1.0 million (0.1%) mainly due to:

- \$30.0 million of contractual wage and fringe benefit increases.
- \$6.6 million increase in Metro Vancouver Water charges for water, sewer levy and debt.
- \$5.4 million for Vancouver's 125<sup>th</sup> birthday celebrations and the civic election.
- \$7.0 million for increased facilities costs due to Vancouver Police space at Graveley Street and a full year of operations for the Hillcrest Centre.
- \$2.0 million in policing and other public safety costs due to the Stanley Cup Fan Zones and riot.
- The above costs were offset by \$30.5 million in lower expenditures that were one-time costs incurred in 2010 for the Olympic and Paralympic Games
- \$15.0 million decrease in solid waste expenditures mainly due to lower post closure costs.

### *Tangible Capital Assets*

The City's tangible capital assets are held in two funds: \$5.094 billion of civic use assets in the Capital Fund and \$1.069 billion of non-market housing, residential and commercial rental properties and parking garages in the Property Endowment Fund. Tangible Capital Assets are carried on the Financial Statements at amortized historical cost.

During the year the City added approximately \$325 million of new assets and disposed of \$25 million of assets. After accounting for accumulated amortization, the City's net book value of assets increased by \$144 million.

Capital additions totalled \$247.3 million with the following major projects:

	<u>\$ Million</u>
• Streets, traffic and safety Traffic calming plans, streetlights, signals, sidewalks, City impound and Granville Bridge	37.6
• Sewer main construction	47.5
• Water works distribution system	24.6
• Solid Waste utility	4.1
• Vehicle and equipment purchases	5.6
• Parks, community centres, playing fields, ice rinks Hillcrest Curling Centre Conversion, Trout Lake Community Centre, Van Dusen Visitor Centre	48.2
• Construction and capital maintenance of City buildings and systems VPD Forensic storage, Firehall #15, Hasting Park Day Care	55.5
• Technology infrastructure Hardware upgrades, Infrastructure Management	13.2
• Neighbourhood Energy Utility infrastructure	2.9
• Books, equipment and furniture	8.1

The Property Endowment Fund holds \$1.069 billion of assets at the end of 2011. Capital additions totalled \$15.0 million with expenditures for final construction of the VPD precinct, purchase of land for affordable housing, as well as parking structures and building improvements.

### *Long Term Debt*

Debt outstanding at year end was \$620.1 million (2010 - \$594.9 million). During the year, \$80 million sinking fund debentures and \$36.2 million serial debentures matured. In December 2011, the City issued a 10 year \$140 million sinking fund debenture at rate of 3.45%. The City has sinking fund debt reserves of \$ \$76.7 million for the future repayments.

### **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 2011, these reserves totalled \$509.2 million, up \$37.8 million over 2010.

### *Southeast False Creek Development*

At the end of 2010, the financial statement value of the loan receivable from the developer, Southeast False Creek Properties Ltd. ("SEFC Ltd"), formerly Millennium Southeast False Creek Properties Ltd., had been adjusted to reflect estimated net realizable value of underlying assets (\$524.0 million). These assets include:

- market condominiums, market rental housing and commercial space buildings located in the Olympic Village site now known as The Village on False Creek
- residential and commercial properties (Guarantee Properties) owned directly or indirectly by the guarantors of the loan and
- residual value of the shares in SEFC Ltd.

In January 2011, SEFC Ltd and the City entered into a loan settlement agreement which resulted in the transfer of the guarantee properties to the City. The City completed assessments of the properties and has commenced phased sales of the properties.

The receiver for the Market Project, appointed in November 2010, continued to manage the project and by the end of the year, 177 units were sold leaving a balance of 297 unsold units. The net proceeds from the sale of the condominiums, with court approval, were transmitted to the City and used to reduce the related external financing.

At December 31, 2011, the City has reflected the Southeast False Creek development as an investment in the amount of \$462.1 million.

## ***CONCLUSION***

### **2011 Consolidated Accumulated Surplus**

(\$000s)	2011	2010	Change
		Recasted	
Investment in tangible capital assets	\$ 5,554.0	\$ 5,519.9	\$ 34.1
Reserve for debt retirement	76.7	117.9	(41.2)
Reserves	509.2	471.4	37.8
Fund balances	(196.8)	(277.7)	80.9
Obligations to be funded from future revenues	(159.0)	(154.8)	(4.2)
Accumulated Surplus	<u>\$ 5,784.1</u>	<u>\$ 5,676.7</u>	<u>\$ 107.4</u>

The City's consolidated operations for the year 2011 resulted in a surplus of \$107.4 million. Net investment in tangible capital assets was \$34.1 million as engineering infrastructure, parks and recreation facilities, libraries and cultural facilities were improved and expanded to provide better services to a growing population. This was partially offset by increase in long-term debt issued to finance the capital expenditures.

The City's 2011 financial position remains strong and is reflected in the credit agency ratings. The Public Sector Accounting Board has approved new standards for the accounting of Government Transfers and Tax Revenue effective the 2013 fiscal year. New standards for the liability of contaminated sites have also been approved and will be effective the 2014 fiscal year. In 2012, the City will be preparing for those changes and continuing to implement projects that facilitate the ongoing improvement of financial management and reporting.

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*BRITISH COLUMBIA*

**CONSOLIDATED  
FINANCIAL STATEMENTS**

**2011**

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## VANCOUVER CITY COUNCIL 2011 - 2014

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Mayor Gregor Robertson

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### VANCOUVER'S CITY COUNCILLORS



Councillor  
George Affleck



Councillor  
Elizabeth Ball



Councillor  
Adriane Carr



Councillor  
Heather Deal



Councillor  
Kerry Jang



Councillor  
Raymond Louie



Councillor  
Geoff Meggs



Councillor  
Andrea Reimer



Councillor  
Tim Stevenson



Councillor  
Tony Tang



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**OFFICIALS**

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**Corporate Management Team**

City Manager	P. Ballem, MD, FRCP
Deputy City Manager	S A. Johnston, LEED AP
Deputy City Manager	D. McLellan, B.E.S, M.C.I.P.
Chief Constable	J. Chu, B.B.A, M.B.A.
Director of Legal Services	F. Connell, LL.B.
Chief Librarian	S. Singh, B.A., MLIS
General Manager of Business Planning and Services	K.B. Bayne, B.A., M.Sc. (Bus.)
Acting General Manager of Community Services	B. Proskan, BSW, MPA
Director of Corporate Communications	M. Welman
General Manager of Engineering Services	P. Judd, P. Eng.
General Manager of Fire and Rescue Services	J. McKearney, M.A.
General Manager of Financial Services	P. Impey, B. Sc., M.B.A.
General Manager of Human Resource Services	P. Mochrie
General Manager of Parks and Recreation	M. Bromley

**Financial Services**

General Manager of Financial Services Group	P. Impey, B. Sc., M.B.A.
Director of Financial Services	E. Lee, B. Comm., C.A.
Associate Director of Financial Services	G. Krueger, B. Comm., C.A.

**City Clerk**

M. Coulson

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## BOARDS

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### **Vancouver Public Library Board**

C. Evans – Chair  
C. Brooks – Vice-Chair  
E. Kazemi – Vice-Chair  
M. Lombardi - School Board Trustee  
C. Barnes – Park Board Commissioner  
Councillor H. Deal – City Council Representative  
M.L. Baum                      D. Millward  
A. Chan                              J. Swift  
D. Chariandy                      A. Twigg  
K. Epstein  
Chief Librarian – S. Singh

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### **Vancouver Police Board**

Mayor G. Robertson – Chair  
M. Collins                      P. Marfleet  
W. Grant                        S. Williamson  
J. McLean                      G. Wong  
Chief Constable – J.Chu

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### **Board of Parks and Recreation**

C. Barnes – Chair  
A. Jasper – Vice-Chair  
S. Blyth                        T. Loke  
J. Coupar                      N. Sharma  
M. De Genova  
General Manager – M. Bromley

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### **Vancouver Civic Theatres Board**

R. Haynes – Chair  
K. Sutherland – Vice-Chair  
Councillor E. Ball – Council Liaison  
C. Arrata                      K. Wilson  
M. Noon                        I. Woo  
D. Secunda  
Director – R. Ackerman

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**Mayor G. Robertson 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, 2011. These financial statements include the financial position and results of operations of the City including its boards and City controlled corporations.

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 Debt – summary of changes in financial assets and liabilities.
- Consolidated Statement of Cash Flow – summary of the sources and uses of cash in the year.

**2011 Consolidated Financial Position**

(\$000s)	2011	2010 Recasted	Change
Financial assets	\$ 1,421.0	\$ 1,345.7	\$ 75.3
Liabilities	1,840.3	1,819.5	20.8
Net debt	(419.3)	(473.8)	54.5
Non-financial assets	6,203.3	6,150.4	52.9
Accumulated surplus	\$ 5,784.0	\$ 5,676.6	\$ 107.4

The City's financial position improved by \$107.4 million in 2011 with accumulated surplus totaling \$5.784 billion (2010 - \$5.677 billion).

Financial Assets and Liabilities increased by \$75.3 million and \$20.8 million respectively. The 2010 amount for Liabilities has been recasted by an increase of \$125.0 million as a result of a change in accounting treatment to record prepaid leases as deferred revenue. In prior years, the full amount of the prepaid lease payments was recognized as revenue in the year collected. The prepaid leases will now be amortized over the term of the lease; the change has been applied retroactively and prior periods have been recasted.

Net Debt, calculated as Financial Assets less Liabilities is an indicator of the amount of future revenues required to pay for past transactions and events. The City's Net Debt decreased by \$54.5 million to a total of \$419.3 million.

The City's non-financial assets increased in 2011 by \$52.9 million, bringing the total to \$6.203 billion. This reflects the increase in the City's physical assets including buildings, equipment, street and utility infrastructure and parks.

**Consolidated Results of Operations**

The City's consolidated revenues were \$1.402 billion (2010 - \$1.355 billion) and include property taxes, utilities and user charges, government transfers and capital contributions. Consolidated expenses totaled \$1.294 billion (2010 - \$1.236 billion) resulting in an annual surplus of \$107.4 million.

### **Revenue Fund**

The Revenue Fund accounts for the general operations of the City. Spending authority and control for the fund are provided by Council through the annual Operating Budget.

Revenues for the year totaled \$1.115 billion and expenditures totaled \$957.6 million resulting in a net revenue amount of \$157.6 million. After debt charges and transfers to reserves and other funds, the net change in the Revenue fund balance was \$2.2 million. The total fund balance of the Revenue Fund currently stands at \$17.4 million, compared to \$15.2 million in 2010. The following highlights the major changes in revenues and expenditures.

Total operating revenues increased by \$38.3 million (3.6%) from 2010 mainly due to:

- An increase in net taxation revenue of \$14.3 million or 2.4% from \$605.6 million to \$619.9 million. City Council approved a 2.2% increase in the property tax levy in 2011 that generated \$12.5 million in tax revenues (including \$2.5 million from new construction).
- An increase in water utility user fees of \$7.5 million (8.8%) due to a Council approved rate increase of 12.0% to reflect rising regional water costs and debt charges.
- An increase in solid waste utility revenue of \$4.3 million (8.7%) due to Council approved rate changes and increased demolition tonnages deposited at the Landfill.
- An increase in sewer utility revenue of \$1.1 million (2.2%) due to a Council approved rate increase of 9.2%.
- A decrease in other fees, rates and cost recoveries of \$4.6 million (1.9%) due to a combination of the following:
  - A decrease related to one-time revenues and recoveries associated with 2010 Olympic and Paralympic Games related activities (\$22.0 million).
  - Increased revenue of \$4.7 million from building permits and related fees due to rate increases and increased levels of construction activity presently being undertaken within the City.
  - \$3.2 million increase in recoveries from external agencies and the Provincial Government for the Vancouver Police Department related to various special events held in the City and for the Integrated Riot Investigation Team.
  - \$3.2 million increase in on-street parking revenues due to Council approved increases in rates and expansion of meter zones.
  - \$1.6 million increase in parking by-law enforcement revenue due to implementation of the Bylaw Adjudication program which improves collections on parking fines.
  - \$2.3 million in Federal and corporate cost recoveries for Vancouver's 125th birthday celebration.
  - \$1.1 million increase in sales revenue from Mountain View Cemetery arising from the availability of new burial spaces.
  - \$1.3 million increase in Hillcrest facility revenues due to a full year of operations in 2011.
- An increase in provincial revenue sharing grants and contributions of \$13.2 million (104.3%) primarily from higher allocations of provincial traffic fine revenue.
- An increase in investment income of \$2.5 million (21.7%) due to higher interest rates compared with 2010.

Total operating expenditures amounted to \$957.6 million, an increase of \$1.0 million (0.1%) over 2010 mainly due to:

- \$30.0 million increase in contractual wage and fringe benefit adjustments.
- \$5.4 million increase in the cost of water charged by the Greater Vancouver Water District.
- \$2.0 million for the civic election in November 2011.
- \$1.2 million increase in the Sewer Utility expenditures due to an increase in the Greater Vancouver Sewerage & Drainage District levy and increased debt charges related to increased capital works.
- \$15.0 million decrease in solid waste expenditures mainly due lower post closure costs.
- Decrease of \$30.5 million in 2010 Olympic and Paralympic Games related operational expenditures.
- \$3.3 million in lower expenditures for the Great Beginnings project and from the completed Emergency Management CCTV and ICBC projects.
- One-time costs of \$3.4 million for Vancouver's 125th Anniversary celebrations in 2011.
- \$2.0 million in policing and other costs related to the Stanley Cup Fan Zones and the riot.
- \$5.3 million increase in facilities expenditures for the Vancouver Police premises at Graveley Street and \$1.7 million for Parks and Recreation for the Hillcrest Centre due to a full year of operations in 2011.

## REPORT OF THE DIRECTOR OF FINANCE

### Tangible Capital Assets

The City's tangible capital assets are held in two funds:

- Capital Fund accounts for tangible capital assets required for civic use and the related long term debt.
- Property Endowment Fund (PEF) accounts for real estate properties including non-market housing sites, other residential and commercial properties and parking garages. A number of these properties are managed on a commercial basis generating income to benefit current and future citizens.

The Capital Fund holds \$5.094 billion of assets at the end of 2011. Capital additions totalled \$247.3 million with the following major projects:

	<u>\$ Million</u>
• Streets, traffic and safety	37.6
• Traffic calming plans, streetlights, signals, sidewalks, City impound and Granville Bridge	
• Sewer main construction	47.5
• Water works distribution system	24.6
• Solid Waste utility	4.1
• Vehicle and equipment purchases	5.6
• Parks, community centres, playing fields, ice rinks Hillcrest Curling Centre Conversion, Trout Lake Community Centre, Van Dusen Visitor Centre	48.2
• Construction and capital maintenance of City buildings and systems VPD Forensic storage, Firehall #15, Hasting Park Day Care	55.5
• Technology infrastructure Hardware upgrades and Infrastructure management	13.2
• Neighbourhood Energy Utility infrastructure	2.9
• Books, equipment and furniture	8.1

The Property Endowment Fund holds \$1.069 billion of assets at the end of 2011. Capital additions totalled \$15.0 million with expenditures for final renovations at the Vancouver Police premises at Graveley Street, purchase of land for affordable housing, as well as parking structures and building improvements.

### Long Term Debt

Debt outstanding at year end was \$620.1 million (2010 - \$594.9 million). During the year, \$80.0 million sinking fund debentures and \$36.2 million serial debentures matured. In December 2011, the City issued a 10-year \$140.0 million sinking fund debenture at rate of 3.45%. At the end of 2011, the City has sinking fund debt reserves of \$76.7 million for the future repayments.

(000s)	2011	2010	Change
Debenture debt outstanding	\$ 630,343	\$ 605,863	\$ 24,480
Less: Internally held debt	(10,197)	(11,001)	804
Externally held debt	<u>\$ 620,146</u>	<u>\$ 594,862</u>	<u>\$ 25,284</u>

As part of 2009-2011 Capital Plan, the City has electorate approval for total borrowing up to \$382.6 million; \$222.0 million for the maintenance and replacement of existing and construction of new streets, parks and facilities infrastructure and \$160.6 million for sewer, water, and neighborhood energy capital expenditures. Through the 2009-2011 capital budget processes, Council has established borrowing authorities for \$339.6 million. Along with \$1.0 million remaining authority from the 2006-2008 Capital Plan, overall outstanding borrowing authority at the end of 2011 was \$154.6 million.

## REPORT OF THE DIRECTOR OF FINANCE

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### **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 2011, these reserves totalled \$509.2 million, up \$37.8 million over 2010. The most significant reserve balances and changes were:

- Affordable Housing Reserves increased by \$1.1 million to \$7.1 million mainly due to amounts set aside as part of the operating agreement with a non-profit organization for one of the affordable housing sites in the Southeast False Creek Olympic Village.
- Future Revenue Fund Budgets Reserve increased by \$15.1 million to a balance of \$76.0 million. The increase included the transfer of \$7.0 million to fund future payroll obligations, \$1.5 million for Vancouver Police Department special investigations, and \$3.0 million rent and maintenance subsidies (for City-owned properties leased to non-profit organizations) and \$4.4 million traffic fine revenue sharing received in advance.
- Funding for future debt charges of \$2.8 million was transferred into the Future Debt Repayment Reserve bringing the balance of that reserve to \$37.9 million.
- The Olympic Legacy Facilities Reserve has a balance of \$1.1 million remaining to complete the Hillcrest Complex conversion.
- The Parking Sites Reserve holds the net parking revenues from the City's parkades and parking lots, managed and operated by Vancouver Parking Corporation (EasyPark). The balance of the reserve at year end was \$28.9 million, an increase of \$4.5 million.
- The Plant and Equipment Reserve which funds the long term equipment replacement plan increased by \$11.8 million to \$72.9 million. The reserve is funded by internal equipment charges provided in the Operating and Capital Budgets and in 2011 this amounted to \$18.7 million. Actual expenditures continue to be low in 2011 at \$6.9 million, pending a review of a 10-year strategic plan for the fleet replacement program which will include greening of the fleet.
- 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 \$71.2 million, with the remaining capacity of 6.8 million tonnes (28.7% of total capacity) to be utilized by 2036. During the year the reserve increased by \$8.5 million to \$77.5 million as a result of landfill expenditures of \$2.8 million offset by surplus and interest of \$8.7 million and \$2.8 million received from Metro Vancouver for Phase 1 closure costs.
- Water and Sewer Utility Rate Stabilization Reserves decreased by \$1.0 million to a total of \$20.4 million as a result of lower user consumption revenues than anticipated.
- The Southeast False Creek Construction Reserve which has been established to satisfy construction claims expired in 2011 and the funds returned to the Capital Financing fund balance.

### **Southeast False Creek Development**

At the end of 2010, the financial statement value of the loan receivable from the developer, Southeast False Creek Properties Ltd ("SEFC Ltd"), formerly Millennium Southeast False Creek Properties Ltd., had been adjusted to reflect estimated net realizable value of underlying assets (\$524.0 million). These assets include:

- market condominiums, market rental housing and commercial space buildings located in the Olympic Village site now known as The Village on False Creek ("Market Project"),
- residential and commercial properties (Guarantee Properties) owned directly or indirectly by the guarantors of the loan and
- residual value of SEFC Ltd shares.

In January 2011, SEFC Ltd and the City entered into a loan settlement agreement which resulted in the transfer of the guarantee properties to the City. The City completed assessments of the properties and has commenced phased sales of the properties.

The receiver for the Market Project, appointed in November 2010, continued to manage and market the project and by the end of the year, 177 units were sold leaving a balance of 297 unsold units. Net proceeds from the sale of the condominiums were, with court approval, paid to the City and used to reduce external financing.

At December 31, 2011, the City has reflected the Southeast False Creek development as an investment in the amount of \$462.1 million.

## REPORT OF THE DIRECTOR OF FINANCE

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### Summary

(\$000s)	2011	2010	Change
		Recasted	
Investment in tangible capital assets	\$ 5,554.0	\$ 5,519.9	\$ 34.1
Reserve for debt retirement	76.7	117.9	(41.2)
Reserves	509.2	471.4	37.8
Fund balances	(196.8)	(277.7)	80.9
Obligations to be funded from future revenues	(159.0)	(154.8)	(4.2)
Accumulated surplus	<u>\$ 5,784.1</u>	<u>\$ 5,676.7</u>	<u>\$ 107.4</u>

The City's consolidated operations for the year 2011 resulted in a surplus of \$107.4 million. Net investment in tangible capital assets was \$34.1 million as engineering infrastructure, parks and recreation facilities, libraries and cultural facilities were improved and expanded to provide better services to a growing population. This was partially offset by increase in long-term debt issued to finance the capital expenditures.

The City's 2011 financial position remains strong and is reflected in the credit agency ratings. The Public Sector Accounting Board has approved new standards for the accounting of Government Transfers and Tax Revenue effective for the 2013 fiscal year. New standards for the liability of contaminated sites have also been approved and will be effective for the 2014 fiscal year. In 2012, the City will be preparing for these changes and continuing to implement improvements to financial management and reporting.

Respectfully submitted,



Patrice Impey, B.Sc. MBA  
General Manager of Financial Services /CFO  
Director of Finance



Esther Lee, CA  
Director of Financial Services  
Deputy Director of Finance



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## INDEPENDENT AUDITORS' REPORT

To the Mayor and Councilors of the City of Vancouver

We have audited the accompanying consolidated financial statements of the City of Vancouver, which comprise the consolidated statement of financial position as at December 31, 2011 and the consolidated statement of operations, consolidated statement of changes in net financial assets and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### *Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City of Vancouver as at December 31, 2011, and its consolidated results of operations, its net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Report on Other Legal and Regulatory Requirements*

As required by the Vancouver Charter, we report that, in our opinion, these principles have been applied on a basis consistent with the prior year, after giving effect to the prior year adjustments disclosed in note 2.

Chartered Accountants

April 10, 2012

Burnaby, Canada

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative. KPMG Canada provides services to KPMG LLP.



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

	<b>2011</b>	<b>2010</b>
<b>FINANCIAL ASSETS</b>		(Recasted Note 2)
Cash (Note 3)	\$ 59,014	\$ 123,309
Temporary investments (Note 3)	729,001	494,108
Accounts receivable and accrued interest (Note 4)	98,918	127,480
Local improvement receivable	9,794	10,912
Property taxes receivable	24,018	25,185
Southeast False Creek development (Note 9(i))	462,180	523,927
Long term lease agreement receivable (Note 9(f)(i))	38,027	40,863
	1,420,952	1,345,784
 <b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 4)	268,420	261,989
Deferred payroll, landfill and interest liabilities (Note 8)	159,012	154,872
Mortgage and loan agreements (Note 9(f))	51,044	60,098
Southeast False Creek financing (Note 9(i))	460,381	515,000
Long term debt (Note 5)	620,146	594,862
Deferred revenue (Note 11)	281,247	232,726
	1,840,250	1,819,547
 <b>NET DEBT</b>	(419,298)	(473,763)
 <b>NON-FINANCIAL ASSETS</b>		
Inventory and prepaids	18,218	18,251
Tangible capital assets (Note 6)	6,185,127	6,132,164
	6,203,345	6,150,415
 <b>ACCUMULATED SURPLUS (Note 7)</b>	\$ 5,784,047	\$ 5,676,652

Contingencies and commitments (Note 9)  
See accompanying Notes to Consolidated Financial Statements

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

	<u>2011</u>	<u>2010</u>
<b>REVENUES</b>		(Recasted Note 2)
Property taxes, penalties and interest	\$ 619,885	\$ 605,602
Water fees	92,979	85,452
Solid waste fees	53,467	49,181
Sewer fees	48,672	47,608
Other fees, rates and cost recoveries	460,975	474,685
Grants and contributions	39,193	20,841
Investment income	17,540	38,093
Rental and lease income	50,322	45,421
Loss on sale of tangible capital assets	(925)	(11,467)
Gain on sale of Southeast False Creek assets	19,572	-
	<u>1,401,680</u>	<u>1,355,416</u>
<b>EXPENSES</b>		
General government	161,725	162,010
Police protection	234,554	233,022
Fire protection	97,284	94,815
Engineering	175,908	175,058
Water utility	86,431	80,698
Solid waste	64,104	65,489
Sewer utility	77,440	74,763
Planning and Development	70,614	68,931
Recreation and Parks	176,075	173,563
Community and Cultural Services	97,651	93,513
Southeast False Creek development (Note 9(i))	52,499	14,401
	<u>1,294,285</u>	<u>1,236,263</u>
<b>ANNUAL SURPLUS</b>	<u>107,395</u>	<u>119,153</u>
<b>ACCUMULATED SURPLUS (Note 7)</b>		
Beginning of year	5,676,652	5,557,499
Ending Balance	<u>\$ 5,784,047</u>	<u>\$ 5,676,652</u>

See accompanying Notes to Consolidated Financial Statements

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

	<u>2011</u>	<u>2010</u>
		(Recasted Note 2)
Annual Surplus	\$ 107,395	\$ 119,153
Acquisition of tangible capital assets	(240,947)	(276,381)
Contributed tangible capital assets	(24,576)	(48,839)
Amortization of tangible capital assets	172,424	167,494
Loss (gain) on sale of tangible capital assets	925	(36,533)
Writeoff of capital costs	12,324	-
Proceeds on sale of tangible capital assets	6,085	49,954
Other transfers	20,802	-
	<u>(52,963)</u>	<u>(144,305)</u>
Change in inventory and prepaids	<u>33</u>	<u>(1,626)</u>
<b>CHANGE IN NET DEBT</b>	<b>54,465</b>	<b>(26,778)</b>
<b>NET DEBT</b>		
Beginning of year	(473,763)	(446,985)
End of year	<u>\$ (419,298)</u>	<u>\$ (473,763)</u>

See accompanying Notes to Consolidated Financial Statements.

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

	<u>2011</u>	<u>2010</u>
		(Recasted Note 2)
<b>CASH PROVIDED BY (USED IN):</b>		
Operating Transactions		
Annual surplus	\$ 107,395	\$ 119,153
Items not involving cash		
Amortization	172,424	167,494
Contributed tangible capital assets	(24,576)	(48,839)
Gain on sale of Southeast False Creek assets	(19,572)	-
Loss (gain) on sale of tangible capital assets	925	(36,533)
Writeoff of capital costs	12,324	-
Loss on Southeast False Creek financing	-	48,000
Recognition of deferred revenue	(41,182)	
Change in non-cash items		
Other financial assets and liabilities	40,116	(10,740)
Change in obligations to be funded from future revenues	4,140	25,735
Increase in inventories and prepaids	33	(1,626)
	<u>252,027</u>	<u>262,644</u>
Financing Transactions		
Debt issued	140,420	130,000
Debt repayments	(124,190)	(34,794)
Deferred revenue receipts	89,703	5,962
Southeast False Creek credit facility program	(91,256)	(115,000)
	<u>14,677</u>	<u>(13,832)</u>
Capital Transactions		
Acquisition of tangible capital assets	(240,947)	(276,381)
Proceeds of sale of tangible capital assets	6,085	3,356
	<u>(234,862)</u>	<u>(273,025)</u>
Investing Transactions		
Southeast False Creek financing	138,756	140,244
Net purchase of temporary investments	(234,893)	(79,892)
	<u>(96,137)</u>	<u>60,352</u>
<b>NET (DECREASE) INCREASE IN CASH</b>	(64,295)	36,139
<b>CASH</b>		
Beginning of year	123,309	87,170
End of year	<u>\$ 59,014</u>	<u>\$ 123,309</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (000's)**  
**Year Ended December 31, 2011**

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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 generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA).

**(b) Reporting Entity**

The consolidated financial statements reflect the assets, liabilities, revenue 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	Pacific National Exhibition

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

- Capital - Accounts for capital expenditures supporting civic infrastructure and holds all properties required for civic use and the related long term debt.
- Revenue - Accounts for revenue and expenditures for the general operations of the City including sewer, solid waste and water utilities.
- Property Endowment – Accounts for properties which are leased to third parties, being developed or held resale or lease.
- Sinking - 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 - 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 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) Basis of Accounting**

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

**(d) Deferred Revenue**

Deferred revenue consists of the following:

(i) Development cost levies:

The City collects development cost levies in accordance with Council approved by-laws to finance growth-related projects. These amounts will be recognized as revenues in the year in which the 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.

**1. SIGNIFICANT ACCOUNTING POLICIES - Continued**

**(e) Cash and Temporary Investments**

Cash 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 federal and provincial bonds with maturity dates greater than 90 days after acquisition. 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 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 50
Leasehold improvements	5 to 20
Vehicles, equipment and furniture	3 to 20
Computer systems	5
Library Collection	10
Infrastructure	
Streets, sidewalks, bridges	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 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 financial statements.

**(ii) Inventories and prepaid expenses**

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

**(g) Pension Plan and Deferred Payroll Liabilities**

The City and its employees participate in a 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-vested 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

As well, 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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (000's) CONTINUED**  
**Year Ended December 31, 2011**

**1. SIGNIFICANT ACCOUNTING POLICIES – Continued**

**(h) Landfill Closure and Post Closure Costs**

The Ministry of Environment Lands and Parks 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 expenditure is calculated based on the ratio of utilization to total capacity of the site.

**(i) Budget Information**

The City currently does not prepare annual budgets on a consolidated basis. The unaudited budget for the Revenue Fund is presented in the supplementary information section.

**(j) Estimates**

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

Significant estimates include assumptions used in estimating provisions for accrued liabilities, legal claims, landfill liability 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 for the year ended December 31, 2010 have been reclassified to conform with the presentation adopted in the current year.

**2. PRIOR PERIOD ADJUSTMENTS**

The City has changed its accounting policy for prepaid leases. Previously these prepaid leases were recognized in revenue in the year the leases were executed and the amounts received. Prepaid lease revenue is now deferred and amortized on a straight-line basis over the term of the lease. The change in accounting policy has been applied retroactively and prior periods have been recasted as follows:

	2011	2010
Accumulated surplus, January 1		
As previously reported	\$ 5,801,653	\$ 5,682,248
Adjustment for prepaid leases	(125,001)	(124,749)
Recasted	<u>\$ 5,676,652</u>	<u>\$ 5,557,499</u>
Annual surplus for 2010		
Annual surplus, as previously reported		\$ 119,405
Adjustment for amortization of prepaid leases		(252)
Recasted		<u>\$ 119,153</u>
Deferred revenue, December 31, 2010		
As previously reported		\$ 107,725
Adjustment for prepaid leases		125,001
Recasted		<u>\$ 232,726</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (000's) CONTINUED**  
**Year Ended December 31, 2011**

**3. CASH AND TEMPORARY INVESTMENTS**

	2011	2010
Cash	\$ 59,014	\$ 123,309
Temporary investments	729,001	494,108
Total cash and temporary investments	<u>\$ 788,015</u>	<u>\$ 617,417</u>
Market Value of total cash and investments	<u>\$ 809,832</u>	<u>\$ 635,620</u>

**4. ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE**

	2011	2010
Accounts receivable and accrued interest		
Accrued interest	\$ 16,564	\$ 11,762
Utility receivables	30,134	26,653
Employee advances	2,115	2,220
Rental and lease receivables	870	1,455
Trade and other receivables	60,215	91,416
	<u>109,898</u>	<u>133,506</u>
Allowance for doubtful accounts	(10,980)	(6,026)
	<u>\$ 98,918</u>	<u>\$ 127,480</u>
Accounts payable and accrued liabilities		
Payroll liabilities	\$ 62,678	\$ 55,380
Advance deposits and receipts	101,945	98,402
Trade and other liabilities	103,797	108,207
	<u>\$ 268,420</u>	<u>\$ 261,989</u>

**5. LONG TERM DEBT AND SOUTHEAST FALSE CREEK FINANCING**

(a) Debenture debt is recorded at its face amount. The City does not carry debt issued by other organizations.

Maturing In	Total	Internally Held	External
2012	\$ 37,939	\$ 1,564	\$ 36,375
2013	26,073	1,387	24,686
2014	26,930	1,202	25,728
2015	15,492	1,039	14,453
2016	1,143	913	230
Thereafter	522,766	4,092	518,674
Total	<u>\$ 630,343</u>	<u>\$ 10,197</u>	<u>\$ 620,146</u>

The rates of interest payable on the principal amount of the debentures range from 1.71% to 7.00% per annum. The weighted average interest rate on total debt to maturity is 4.36%. Total interest paid in 2011 on externally held debt amounted to \$30.5 million (2010 - \$27.5 million). Reserve for debt retirement at December 31, 2011 amounted to \$76.7 million (2010 - \$117.9 million).

(b) To provide the financing for the Southeast False Creek development (see Note 9(i)), The City issued a \$150.0 million, 5 year debenture (at 3.3%) in 2009. As well, the balance of the financing was raised through a commercial paper program backed by a credit facility arranged through a consortium of financial institutions. At December 31, 2011, the amount of commercial paper outstanding was \$284.0 million (2010 - \$365.0 million) with an average interest rate of 1.85%. The rate will vary with the change in Canadian short term interest rates over the term of the loan agreement.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (000's) CONTINUED**  
**Year Ended December 31, 2011**

**6. TANGIBLE CAPITAL ASSETS**

2011	Balance beginning of year	Additions, net of transfers	Disposals	Balance end of year
<b>Cost</b>				
Land	\$ 1,712,268	\$ 10,943	\$ (20,986)	\$ 1,702,225
Landfill and land improvements	242,348	18,738	-	261,086
Buildings and building improvements	1,164,862	163,134	(448)	1,327,548
Leasehold improvements	19,021	4,311	-	23,332
Vehicles, equipment and furniture	273,456	10,786	(4,863)	279,379
Computer systems	120,658	10,626	(545)	130,739
Books	48,879	4,191	(6,966)	46,104
Infrastructure				
Streets and structures	2,955,500	87,327	(12,786)	3,030,041
Water system	653,850	29,952	(3,188)	680,614
Sewer system	1,217,837	68,051	(3,443)	1,282,445
Assets under construction	159,098	(142,536)	-	16,562
<b>Total Cost</b>	<u>8,567,777</u>	<u>265,523</u>	<u>(53,225)</u>	<u>8,780,075</u>
<b>Accumulated amortization</b>				
Land	-	-	-	-
Landfill and land improvements	105,570	9,181	-	114,751
Buildings and building improvements	287,604	25,527	(448)	312,683
Leasehold improvements	8,534	910	-	9,444
Vehicles, equipment and furniture	154,077	21,324	(3,768)	171,633
Computer systems	61,662	22,538	(506)	83,694
Books	31,048	2,848	(4,717)	29,179
Infrastructure				
Streets and structures	1,305,100	67,497	(297)	1,372,300
Water system	161,112	8,819	(1,236)	168,695
Sewer system	320,906	13,780	(2,117)	332,569
Assets under construction	-	-	-	-
<b>Accumulated amortization</b>	<u>2,435,613</u>	<u>172,424</u>	<u>(13,089)</u>	<u>2,594,948</u>
<b>Net book value</b>				
Land *	1,712,268	10,943	(20,986)	1,702,225
Landfill and land improvements	136,778	9,557	-	146,335
Buildings and building improvements	877,258	137,607	-	1,014,865
Leasehold improvements	10,487	3,401	-	13,888
Vehicles, equipment and furniture	119,379	(10,538)	(1,095)	107,746
Computer systems	58,996	(11,912)	(39)	47,045
Books	17,831	1,343	(2,249)	16,925
Infrastructure				
Streets and structures	1,650,400	19,830	(12,489)	1,657,741
Water system	492,738	21,133	(1,952)	511,919
Sewer system	896,931	54,271	(1,326)	949,876
Assets under construction	159,098	(142,536)	-	16,562
<b>Net Book Value</b>	<u>\$ 6,132,164</u>	<u>\$ 93,099</u>	<u>\$ (40,136)</u>	<u>\$ 6,185,127</u>

\*The assessed value of land is \$11,565,351

Additions include contributed tangible capital assets - land \$4.7 million and buildings \$19.9 million

Additions include transfers from assets under construction of \$153.0 million

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (000's) CONTINUED**  
**Year Ended December 31, 2011**

**6. TANGIBLE CAPITAL ASSETS - Continued**

2010	Balance beginning of year	Additions net of transfers	Disposals	Balance end of year
<b>Cost</b>				
Land	\$ 1,680,394	\$ 39,907	\$ (8,033)	\$ 1,712,268
Landfill and land improvements	205,194	37,253	(99)	242,348
Buildings and building improvements	773,050	394,575	(2,763)	1,164,862
Leasehold improvements	17,050	1,971	-	19,021
Vehicles, equipment and furniture	263,529	18,828	(8,901)	273,456
Computer systems	107,957	12,739	(38)	120,658
Books	50,522	4,302	(5,945)	48,879
Infrastructure				
Streets and structures	2,874,151	81,349	-	2,955,500
Water system	634,209	19,641	-	653,850
Sewer system	1,183,154	34,683	-	1,217,837
Assets under construction	479,126	(320,028)	-	159,098
<b>Total Cost</b>	<u>8,268,336</u>	<u>325,220</u>	<u>(25,779)</u>	<u>8,567,777</u>
<b>Accumulated amortization</b>				
Land	-	-	-	-
Landfill and land improvements	96,989	8,676	(95)	105,570
Buildings and building improvements	265,989	22,831	(1,216)	287,604
Leasehold improvements	6,951	1,583	-	8,534
Vehicles, equipment and furniture	138,527	22,295	(6,745)	154,077
Computer systems	40,429	21,268	(35)	61,662
Books	32,243	3,072	(4,267)	31,048
Infrastructure	-			
Streets and structures	1,238,683	66,417	-	1,305,100
Water system	152,565	8,547	-	161,112
Sewer system	308,101	12,805	-	320,906
Assets under construction	-	-	-	-
<b>Accumulated amortization</b>	<u>2,280,477</u>	<u>167,494</u>	<u>(12,358)</u>	<u>2,435,613</u>
<b>Net book value</b>				
Land *	1,680,394	39,907	(8,033)	1,712,268
Landfill and land improvements	108,205	28,577	(4)	136,778
Buildings and building improvements	507,061	371,744	(1,547)	877,258
Leasehold improvements	10,099	388	-	10,487
Vehicles, equipment and furniture	125,002	(3,467)	(2,156)	119,379
Computer systems	67,528	(8,529)	(3)	58,996
Books	18,279	1,230	(1,678)	17,831
Infrastructure	-			
Streets and structures	1,635,468	14,932	-	1,650,400
Water system	481,644	11,094	-	492,738
Sewer system	875,053	21,878	-	896,931
Assets under construction	479,126	(320,028)	-	159,098
<b>Net Book Value</b>	<u>\$ 5,987,859</u>	<u>\$ 157,726</u>	<u>\$ (13,421)</u>	<u>\$ 6,132,164</u>

\*The Assessed Value of land is \$10,505,244

Additions include contributed tangible capital assets of land \$1.8 million and buildings \$40.2 million

Additions include transfers from assets under construction of \$416.9 million

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (000's) CONTINUED**  
**Year Ended December 31, 2011**

**7. ACCUMULATED SURPLUS**

	2011	2010
		(Recasted Note 2)
Investment in tangible capital assets	\$ 5,553,997	\$ 5,519,913
Reserve for sinking fund debt retirement	76,731	117,935
Reserves	509,175	471,374
Fund balances	(196,844)	(277,698)
Obligations to be funded from future revenues	(159,012)	(154,872)
	<u>\$ 5,784,047</u>	<u>\$ 5,676,652</u>

The following reserve amounts are set aside for specific purposes:

	2010	Change During Year	2011
Affordable Housing	\$ 5,986	\$ 1,134	\$ 7,120
Art Gallery Operations	4,080	-	4,080
Capital Facilities	1,766	149	1,915
Childcare Endowment	8,854	235	9,089
Community Amenities	48,077	22,206	70,283
Cultural Precinct	5,861	(1,251)	4,610
Emerging Neighbourhood	6,601	116	6,717
Future Revenue Fund Budgets	60,943	15,094	76,037
Future Debt Repayment	35,158	2,786	37,944
Greenlinks (Pedestrian and cycling linkages)	3,459	-	3,459
Hastings Park	8,049	1,311	9,360
Library	5,438	(16)	5,422
Mortgage Debenture Retirement	5,996	(122)	5,874
Olympic Village Trust	2,054	54	2,108
Olympic Legacy	2,428	(1,514)	914
Community Legacy Facilities	4,394	(3,308)	1,086
Outstanding Commitments	11,001	(836)	10,165
Park Board	7,386	799	8,185
Parking Sites	24,413	4,501	28,914
Plant and Equipment	61,087	11,824	72,911
Public Art	7,256	(37)	7,219
Self-insurance	22,367	1,167	23,534
Southeast False Creek Construction	25,000	(25,000)	-
Solid Waste Capital	68,927	8,544	77,471
Water and Sewer Utility Rate Stabilization	21,455	(1,041)	20,414
Other	13,338	1,024	14,344
	<u>\$ 471,374</u>	<u>\$ 37,819</u>	<u>\$ 509,175</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (000's) CONTINUED**  
**Year Ended December 31, 2011**

**7. ACCUMULATED SURPLUS - Continued**

Fund balances are comprised of:

	2010 (Recasted Note 2)	Change During Year	2011
Revenue Fund	\$ 15,151	\$ 2,231	\$ 17,382
Capital Fund	(216,291)	19,295	(196,996)
Capital Financing Fund	200,439	59,815	260,254
Sinking Fund	-	-	-
Property Endowment Fund	(278,039)	3,654	(274,385)
Harbour Park Development Ltd.	15	(2)	13
Vancouver Civic Development Corp.	10,826	130	10,956
Hastings Institute Inc.	269	(40)	229
Pacific National Exhibition	1,067	(4,842)	(3,775)
City of Vancouver Public Housing Corporation	214	(219)	(5)
	<u>(266,349)</u>	<u>80,022</u>	<u>(186,327)</u>
Elimination for internally-held debt on consolidation	(11,349)	832	(10,517)
	<u>\$ (277,698)</u>	<u>\$ 80,854</u>	<u>\$ (196,844)</u>

**8. DEFERRED PAYROLL, LANDFILL AND INTEREST LIABILITIES**

The following amounts are included in Accounts payable and accrued liabilities:

	2011	2010
Deferred payroll costs (a)	\$ 84,883	\$ 84,827
Landfill closure and post-closure (b)	71,183	65,408
Accrued interest on long term debt	2,946	4,637
	<u>\$ 159,012</u>	<u>\$ 154,872</u>

**(a) Deferred Payroll Costs**

The liabilities reported in 2011 are based on an actuarial valuation as at December 31, 2011 using the following valuation assumptions:

	2011	2010
Discount rate	4.50%	5.00%
Inflation rate	3.00 %	3.00 %
Rate of compensation increase	1.45% to 4.00%	2.58% to 4.50%

Employee benefit liabilities are as follows:

	2011	2010
Sick leave gratuity	\$ 22,139	\$ 22,569
Deferred vacation	9,251	10,086
Non-vested accumulating sick leave	15,727	14,867
Long term disability	14,349	14,418
Other post-employment benefits	16,779	14,472
	<u>78,245</u>	<u>76,412</u>
Unamortized actuarial gain	6,638	8,415
	<u>\$ 84,883</u>	<u>\$ 84,827</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (000's) CONTINUED**  
**Year Ended December 31, 2011**

**8. DEFERRED PAYROLL, LANDFILL, AND INTEREST LIABILITIES - Continued**

**(a) Deferred Payroll Costs - Continued**

The continuity of the City's employee benefit liabilities are as follows:

	2011	2010
Beginning of the year	\$ 84,827	\$ 83,901
Current service cost	8,538	7,136
Interest cost	4,017	3,894
Amortization of actuarial loss	(846)	(781)
Plan Amendment	(2,264)	-
Actual benefits paid	(9,389)	(9,323)
End of the year	<u>\$ 84,883</u>	<u>\$ 84,827</u>

The City has provided \$43.6 million in a reserve for the funding for these liabilities.

**(b) Landfill Closure and Post-Closure Costs**

The landfill closure and post-closure liability as at December 31, 2011 is \$71.2 million (2010 - \$65.4 million) an increase of \$5.8 million.

The total capacity assumption has been reduced in 2011 to reflect a reduction in future deposits as a result of the goals and targets identified in the July 2010 Metro Vancouver Integrated Solid Waste and Resource Management Plan.

The years of post closure activity and maintenance has been increased in 2011 to 50 years to reflect anticipated changes in the City's legislated post closure obligation.

The landfill and liabilities reported in 2011 are based the utilization to date and following assumptions

	2011	2010
Closure date	2036	2036
Years of post closure maintenance	50	25
Total capacity (million tonnes)	23.6	26.9
Future costs	\$ 516.0 million	\$328.7 million
Present value of future costs	\$ 133.1 million	\$140.4 million
Deposited to date (million tonnes)	16.8	16.4
Utilization of total capacity to date	71.3%	60.8%
Discount rate	4.50%	5.00%
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.

**9. CONTINGENCIES AND COMMITMENTS**

**(a) 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 Emergency Communications for Southwest British Columbia Incorporated (E-Comm), whose services include: regional 911 call centre for the Greater Vancouver Regional District, Wide Area Radio emergency communications network, dispatch operations and records management. The City holds 2 Class A shares (of a total 23 Class A and 25 Class B shares issued and outstanding at December 31, 2011). 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 \$16.4 million during the year (2010 - \$17.4 million).

**(b) Collection of Taxes on Behalf of Other Taxing Authorities**

The City is obligated to collect and transmit the tax levies of the following bodies. Such levies are not included in the revenue of the City.

Provincial Government – Schools  
Greater Vancouver Regional District  
South Coast BC Transportation Authority

British Columbia Assessment Authority  
Municipal Finance Authority

**(c) Municipal Pension Plan**

The City and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory defined benefit pension plan with about 173,000 active members and approximately 63,000 retired members. Active members include approximately 35,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of plan funding. The most recent valuation as at December 31, 2009 indicated an unfunded liability of \$1,024.0 million for basic pension benefits. The next valuation will be as at December 31, 2012 with results available in 2013. The actuary does not attribute portions of the surplus to individual employers. The City paid \$53.9 million during 2011 (2010 - \$51.2 million) for employer contributions to the Plan. Employee contributions during 2011 amounted to \$42.1 million (2010 - \$38.7 million).

**(d) Contingent Legal Liabilities**

As at December 31, 2011, 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 a reserve of \$23.5 million (2010 - \$22.4 million) for potential claims.

**(e) Property Assessment Appeals**

As at December 31, 2011, 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 recorded a liability for certain appeals and makes an annual provision against property taxes receivable for the impact of appeals.

**(f) Long Term Lease, Mortgage and Loan Agreements**

(i) 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 payments of \$6.7 million will fully offset mortgage principal and interest payments. The lease provides options for the Federal Government to purchase the office building at the end of the 10th and 20th years and at the end of the lease term. The balance of the lease receivable is \$38.0 million (2010 - \$40.9 million).

**9. CONTINGENCIES AND COMMITMENTS - Continued**

**(f) Long Term Lease, Mortgage and Loan Agreements - Continued**

Principal payments on mortgages over the next 5 years and thereafter are as follows:

2012	\$	4,022
2013		8,931
2014		4,049
2015		4,352
2016		4,747
Thereafter		24,943
	\$	<u>51,044</u>

Outstanding mortgages include:

- \$8.0 million (2010 - \$8.4 million) in mortgages payable to Canada Mortgage and Housing Corporation for 3 non-market housing projects. Interest rates range from 3.16 % to 8.0% with maturity dates from June 1, 2013 to December 1, 2027.
- \$40.0 million (2010 - \$42.7 million) on the Library Square Project due on January 14, 2021. Interest at 9.875% 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.

**(g) Loan Guarantees**

The City has guaranteed a \$21.4 million line of credit for the Pacific National Exhibition.

The City has entered into an agreement with the First Avenue Athletes Village Housing Co-operative to operate an affordable rental housing complex in Southeast False Creek. Under the agreement the City has guaranteed the Co-operative's loan obligations with respect to their mortgage related to the housing complex. The outstanding balance of the mortgage is \$21.0 million.

**(h) Property Acquisition**

The City has entered into an agreement to purchase a property for \$38.0 million should the owner not be able to proceed with their intended development of the property. The agreement expires May 9, 2014.

**(i) Southeast False Creek and Olympic Village Development**

In 2006, the City entered into a ground lease, development, sublease and land/airspace parcel sales agreement (the "Agreement") with SEFC Properties Ltd. ("SEFC Ltd"), formerly named Millennium Southeast False Creek Properties Ltd, with respect to a portion of the City's properties in Southeast False Creek Area 2A. Under the Agreement, SEFC Ltd acquired rights to land upon which it constructed market condominiums, rental housing and commercial space buildings (the "Market Project"). In addition, SEFC Ltd was required to design and construct at the City's cost, non-market housing buildings and a civic centre on additional land/airspace parcels to be retained by the City. Pursuant to the Agreement, this project was used by the City and the Vancouver Organizing Committee for the 2010 Olympic and Paralympic Winter Games as the Vancouver Athletes' Village.

In February 2009, the City purchased and took assignment of the loan (including related security) for the Market Project construction financing from the lenders of SEFC Ltd, and later that year restructured the terms of that loan (the "Amended Loan Agreement").

In September 2010, SEFC Ltd defaulted on the first mandatory repayment required under the Amended Loan Agreement; therefore, the City exercised its rights with respect to the related security.

In November 2010, a receiver (the "Receiver") was appointed over the assets and properties of SEFC Ltd, which provided court supported management for the Market Project. The appointment benefited the creditors of SEFC Ltd, with the City being the principal secured lender.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (000's) CONTINUED**  
**Year Ended December 31, 2011**

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**9. CONTINGENCIES AND COMMITMENTS – Continued**

**(i) Southeast False Creek and Olympic Village Development - Continued**

At December 31, 2010, the City adjusted the receivable from SEFC Ltd by \$48.0 million to reflect net realizable value of \$523.9 million

In January 2011, a settlement agreement (the "Settlement") was entered into with the guarantors of the Amended Loan Agreement. Pursuant to the Settlement, the beneficial and legal rights over 32 properties (the "Transferred Properties") owned or controlled by these guarantors were transferred to the City. The City then commenced the phased sales of these properties. As at December 31, 2011, 10 of 32 properties have been sold to third parties and one property has been retained by the City for affordable housing.

During 2011, the Receiver continued to manage the Market Project, with surplus net proceeds from the sale of condominium units being paid to the City in accordance with court approval. Southeast False Creek development expenses include interest, repairs and maintenance, sales commissions, and professional fees.

As at December 31, 2011, the City's investment in Southeast False Creek in the amount of \$462.2 million is comprised of the following:

Assets for Sale		
Commercial, residential and rental properties	\$	388,280
Transferred properties		73,900
	\$	<u>462,180</u>

In addition to outstanding mortgages of \$26.4 million related to the Transferred Properties, the City has financing of \$434.0 million (see Note 5(b)).

The City's ongoing risk for the recovery of its investment in Southeast False Creek is primarily dependent on the value and timing of the proceeds from the sale of the balance of the Market Project, the net realizable value from the sale of the Transferred Properties and the ultimate residual value obtained by the City on the sale of the shares of SEFC Ltd. The recorded amount of the value of the investment in the Southeast False Creek Development at December 31, 2011 is based on management's best estimate and assumptions, made as indicated above. The amount ultimately realized may differ from this estimate.

**10. 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 financial statements:

	2011	2010
Vancouver Agreement	\$ 7,284	\$ 8,821
Cemetery Perpetual Care	3,221	3,185
General	612	607
	<u>\$ 11,117</u>	<u>\$ 12,613</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 (000's) CONTINUED**  
**Year Ended December 31, 2011**

**11. DEFERRED REVENUE**

Deferred revenue is comprised of the following:

	2010	Contributions and Interest	Recorded as Income	2011
Development cost levies				
City-wide	\$ 64,479	\$ 36,463	\$ (23,484)	\$ 77,458
Area-specific	42,083	18,930	(13,785)	47,228
	<u>106,562</u>	<u>55,393</u>	<u>(37,269)</u>	<u>124,686</u>
Prepaid Leases	125,001	34,166	(3,882)	155,285
Capital contributions	1,163	144	(31)	1,276
	<u>\$ 232,726</u>	<u>\$ 89,703</u>	<u>\$ (41,182)</u>	<u>\$ 281,247</u>

**12. SEGMENTED INFORMATION**

City services are provided by departments and their activities are reported in the City's Funds as described in note 1(b). Segmented financial information for certain departments is provided in Schedule 1. 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 Managers Office, City Clerk's department, Financial Services, Business Planning Services, 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 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.
- **Recreation and Parks** which provides recreation services through its parks, community centres, swimming pools and ice rinks.
- **Community and Cultural Services** which includes the City's libraries, civic theatres and the Britannia Community Centre and other programs to create sustainable, creative and inclusive communities for living and working.

**SCHEDULE I – SEGMENTED INFORMATION**  
**Year Ended December 31, 2011**

	Revenue & Capital Fund									2011	2010	
	General Government	Police Protection	Fire Protection	Engineering	Utilities	Planning & Development	Recreation & Parks	Community & Cultural	Other Funds & Entities	Eliminations	Consolidated	Consolidated
<b>Revenue</b>												
Property taxes, penalties and interest	\$ 619,885	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 619,885	\$ 605,602
Utility fees	-	-	-	-	196,537	-	-	-	-	-	196,537	83,411
Other fees, rates and cost recoveries	182,592	31,223	8,619	27,822	22,063	41,559	51,444	13,834	80,533	(133)	459,556	573,515
Revenue sharing, grants and contributions	26,112	-	-	-	-	-	13,081	-	-	-	39,193	20,841
Investment Income	14,248	-	-	-	-	-	-	-	3,934	(642)	17,540	38,093
Rental and lease income	20,004	-	-	-	-	-	-	-	35,716	(5,398)	50,322	45,421
Gain (loss) on disposal of tangible capital assets	(955)	-	-	(211)	(3,280)	-	-	(2,364)	25,457	-	18,647	(11,467)
	<u>861,886</u>	<u>31,223</u>	<u>8,619</u>	<u>27,611</u>	<u>215,320</u>	<u>41,559</u>	<u>64,525</u>	<u>11,470</u>	<u>145,640</u>	<u>(6,173)</u>	<u>1,401,680</u>	<u>1,355,416</u>
<b>Operating Expenditures</b>												
Wages, salaries and benefits	75,957	197,378	87,571	81,180	34,977	49,990	73,965	40,965	23,410	-	665,393	646,713
Contract services	30,926	2,651	577	6,836	19,361	4,341	5,722	1,101	11,813	-	83,328	74,878
Supplies, material and equipment	16,848	31,469	5,497	(13,844)	136,920	24,298	23,824	33,192	87,806	(5,531)	340,479	315,784
Debt charges	1	1,485	249	8,143	10,141	-	4,516	1,667	7,101	(642)	32,661	36,272
	<u>123,732</u>	<u>232,983</u>	<u>93,894</u>	<u>82,315</u>	<u>201,399</u>	<u>78,629</u>	<u>108,027</u>	<u>76,925</u>	<u>130,130</u>	<u>(6,173)</u>	<u>1,121,861</u>	<u>1,073,647</u>
<b>Amortization</b>	<u>19,270</u>	<u>5,511</u>	<u>3,527</u>	<u>75,332</u>	<u>28,122</u>	<u>2,036</u>	<u>19,493</u>	<u>7,377</u>	<u>11,756</u>		<u>172,424</u>	<u>162,616</u>
	<u>143,002</u>	<u>238,494</u>	<u>97,421</u>	<u>157,647</u>	<u>229,521</u>	<u>80,665</u>	<u>127,520</u>	<u>84,302</u>	<u>141,886</u>	<u>(6,173)</u>	<u>1,294,285</u>	<u>1,236,263</u>
<b>NET REVENUES (EXPENSES)</b>	<u>\$ 718,884</u>	<u>\$ (207,271)</u>	<u>\$ (88,802)</u>	<u>\$ (130,036)</u>	<u>\$ (14,201)</u>	<u>\$ (39,106)</u>	<u>\$ (62,995)</u>	<u>\$ (72,832)</u>	<u>\$ 3,754</u>	<u>\$ -</u>	<u>\$ 107,395</u>	<u>\$ 119,153</u>

**SUPPLEMENTARY  
FINANCIAL  
INFORMATION  
UNAUDITED**

**CITY OF VANCOUVER**  
**Revenue Fund**  
**Schedule of Financial Activities**  
**Years ended December 31**  
**(\$000s)**

	2011 Budget	2011	2010
<b>REVENUE</b>			
Property taxes, penalties and interest	\$ 616,032	\$ 619,885	\$ 605,602
Water fees	95,548	92,979	85,452
Solid waste fees	51,571	53,467	49,181
Sewer fees	50,454	48,672	47,608
Neighbourhood Energy Utility	1,649	1,419	1,170
Other fees, rates and cost recoveries	212,962	238,546	243,166
Revenue sharing, grants and contributions	21,652	25,916	12,688
Investment income	14,574	14,248	11,712
Rental and lease income	22,955	20,004	20,217
	<u>1,087,397</u>	<u>1,115,136</u>	<u>1,076,796</u>
<b>EXPENDITURES</b>			
General government	145,805	116,297	115,593
Police protection	221,046	232,984	226,227
Fire protection	91,943	93,625	91,136
Engineering	65,789	78,640	81,900
Water utility	81,953	76,675	70,989
Solid waste	41,386	47,033	62,111
Sewer utility	60,131	60,707	59,317
Neighbourhood Energy Utility	1,276	1,546	1,047
Planning and development	63,824	70,614	68,931
Recreation and parks	98,000	103,552	102,854
Community and cultural services	76,884	75,904	76,505
	<u>948,037</u>	<u>957,577</u>	<u>956,610</u>
<b>NET REVENUE</b>	<u>139,360</u>	<u>157,559</u>	<u>120,186</u>
<b>DEBT, TRANSFERS AND OTHER</b>			
Debt principal repayments	(37,953)	(36,472)	(34,848)
Transfers			
Net transfers to other funds	(71,908)	(92,900)	(79,664)
Net transfers to reserves	(29,499)	(30,067)	(29,342)
Change in obligations to be funded from future revenue	-	4,111	25,700
	<u>(139,360)</u>	<u>(155,328)</u>	<u>(118,154)</u>
<b>CHANGE IN FUND BALANCE</b>	-	2,232	2,032
<b>FUND BALANCE</b>			
Beginning of year	15,151	15,151	13,119
End of year	<u>\$ 15,151</u>	<u>\$ 17,383</u>	<u>\$ 15,151</u>

**REVENUE FUND – OTHER FEES, RATES AND RECOVERIES (\$000s)**  
**Years Ended December 31**

	<b>2011 Budget</b>	<b>2011</b>	<b>2010</b>
Permits and licences			
Business	\$ 13,892	\$ 14,646	\$ 14,285
Dog	865	895	854
False Alarm Reduction Program	1,144	1,121	1,095
Other	921	743	758
	<u>16,822</u>	<u>17,405</u>	<u>16,992</u>
Municipal by-law fines	<u>19,278</u>	<u>19,192</u>	<u>17,598</u>
Service and inspection fees			
Development permits	6,730	8,088	8,614
Building permits	6,000	9,403	6,224
Plumbing inspection	3,700	5,210	4,348
Electrical inspection	3,400	4,484	3,779
Other	8,543	9,945	10,226
	<u>28,373</u>	<u>37,130</u>	<u>33,191</u>
On street parking	<u>42,116</u>	<u>39,225</u>	<u>36,025</u>
Sundry fees and services			
Recovery - Greater Vancouver Transit Authority	3,765	3,832	3,741
Provincial school tax administration fee	400	431	406
Utility company access	211	240	239
Other	1,955	2,047	1,784
	<u>6,331</u>	<u>6,550</u>	<u>6,170</u>
Departmental revenues			
Parks and recreation - general operations	44,763	46,118	45,779
Britannia Community Services	992	836	919
Libraries	4,114	4,694	4,677
Civic theatres	8,515	8,076	7,750
General government	6,708	5,978	13,246
Fire	6,804	7,678	8,498
Police	12,876	20,326	29,024
Engineering	5,781	11,321	11,916
Community services	9,489	14,017	11,381
	<u>100,042</u>	<u>119,044</u>	<u>133,190</u>
<b>TOTAL</b>	<u><u>\$ 212,962</u></u>	<u><u>\$ 238,546</u></u>	<u><u>\$ 243,166</u></u>

**CITY OF VANCOUVER**  
**Property Endowment Fund**  
**Statement of Operations**  
**Years ended December 31**  
**(\$000s)**

	2011	2010
<b>OPERATIONS</b>		(Recasted)
Rental and leases		
Revenue	\$ 27,317	\$ 23,629
Expenses	14,002	13,293
	13,315	10,336
Parking		
Revenue	20,258	21,018
Expenses	17,358	16,563
	2,900	4,455
Water Moorage		
Revenue	1,089	1,142
Expenses	695	837
	394	305
<b>NET REVENUES FROM OPERATIONS</b>	16,609	15,096
Interest and other income	1,224	1,889
Gain on disposal of tangible capital assets	5,886	40,750
	23,719	57,735
Administration expenses	5,824	7,506
<b>NET REVENUES</b>	17,895	50,229

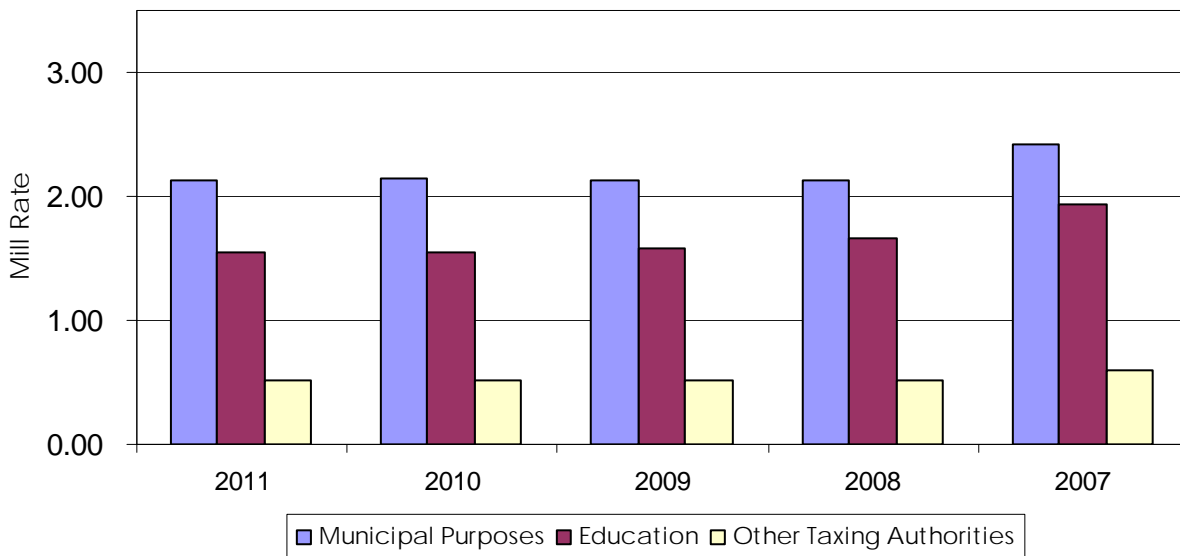
**CITY OF VANCOUVER**  
**Utilities**  
**Schedule of Financial Activities\***  
**Years ended December 31**  
**(\$000s)**

	2011	2010
<b>SOLID WASTE UTILITY</b>		
<b>REVENUE</b>		
Fees and service charges	\$ 53,467	\$ 49,181
<b>EXPENDITURES AND TRANSFERS</b>		
Garbage collection & disposal	10,705	8,768
Recycling	8,421	7,048
Composting	5,535	5,955
Commercial	16,316	15,081
Management & solid waste levy	281	582
Post closure costs	5,775	24,677
	47,033	62,111
Transfer to other funds	8,122	6,337
Transfer (from) reserves	(1,688)	(19,267)
	\$ 53,467	\$ 49,181
<b>WASTE UTILITY</b>		
<b>REVENUE</b>		
Fees and service charges	\$ 92,979	\$ 85,452
<b>EXPENDITURES AND TRANSFERS</b>		
Purchase of water	62,350	56,672
Water debt charges	4,330	4,965
Operations	9,995	9,352
	76,675	70,989
Debt principal repayments	8,736	8,337
Transfer to Sinking Fund	5,931	4,633
Transfer to reserves	1,637	1,493
	\$ 92,979	\$ 85,452
<b>SEWER UTILITY</b>		
<b>REVENUE</b>		
Fees and service charges	48,672	47,608
Contribution from property taxes	29,150	27,753
	\$ 77,822	\$ 75,361
<b>EXPENDITURES AND TRANSFERS</b>		
Contribution to Joint Sewerage Board	46,971	46,593
Sewers debt charges	5,726	6,319
Operations	8,010	6,405
	60,707	59,317
Debt principal repayments	10,031	9,582
Transfer to Sinking Fund	7,820	6,182
Transfer (from) to reserves	(736)	280
	\$ 77,822	\$ 75,361

**FIVE YEAR STATISTICAL REVIEW – TAXATION**  
**Years Ended December 31**

	2011	2010	2009	2008	2007
<b>Property Assessment (\$000s)</b>					
Rateable property general purposes	211,419,049	187,431,088	183,955,565	157,347,427	134,958,971
<b>Tax Rates – Rate per \$1,000 of Assessment</b>					
<b>Residential</b>					
Municipal purposes	2.12815	2.14861	2.13692	2.13092	2.42045
Education	1.54202	1.55095	1.57888	1.66466	1.93546
Other taxing authorities	0.50981	0.51421	0.50993	0.51583	0.59226
<b>Total Residential</b>	<b>4.17998</b>	<b>4.21377</b>	<b>4.22573</b>	<b>4.31141</b>	<b>4.94817</b>
<b>Business/Other</b>					
Municipal purposes	9.19882	9.78076	10.34798	10.81610	13.34754
Education	6.86945	6.80610	7.29402	7.75987	8.94972
Other taxing authorities	2.04321	2.04949	2.18056	2.31524	2.57445
<b>Total Business/Other</b>	<b>18.11148</b>	<b>18.63635</b>	<b>19.82256</b>	<b>20.89121</b>	<b>24.87171</b>
<b>Major Industrial</b>					
Municipal purposes	31.46583	30.64936	30.28937	28.28632	30.25422
Education	6.60000	6.80000	7.48227	9.30000	12.50000
Other taxing authorities	3.01831	3.03126	2.72814	3.06928	3.36844
<b>Total Major Industrial</b>	<b>41.08414</b>	<b>40.48062</b>	<b>40.49978</b>	<b>40.65560</b>	<b>46.12266</b>
<b>Light Industrial</b>					
Municipal purposes	9.19882	9.78076	10.34798	10.81610	13.34754
Education	6.95857	6.78545	7.48227	8.36739	8.86071
Other taxing authorities	2.50688	2.42127	2.72814	3.19158	3.44676
<b>Total Light Industrial</b>	<b>18.66427</b>	<b>18.98748</b>	<b>20.55839</b>	<b>22.37507</b>	<b>25.65501</b>
<b>Total Utilities</b>	<b>55.64063</b>	<b>57.73727</b>	<b>57.40031</b>	<b>52.21255</b>	<b>55.85287</b>
<b>Total Recreational/Non-Profit</b>	<b>5.83157</b>	<b>6.10040</b>	<b>6.23958</b>	<b>5.99796</b>	<b>6.50882</b>
<b>Total Farm – All Purposes</b>	<b>9.27997</b>	<b>9.44100</b>	<b>9.46778</b>	<b>9.19796</b>	<b>9.40882</b>

**Residential Tax Rate**

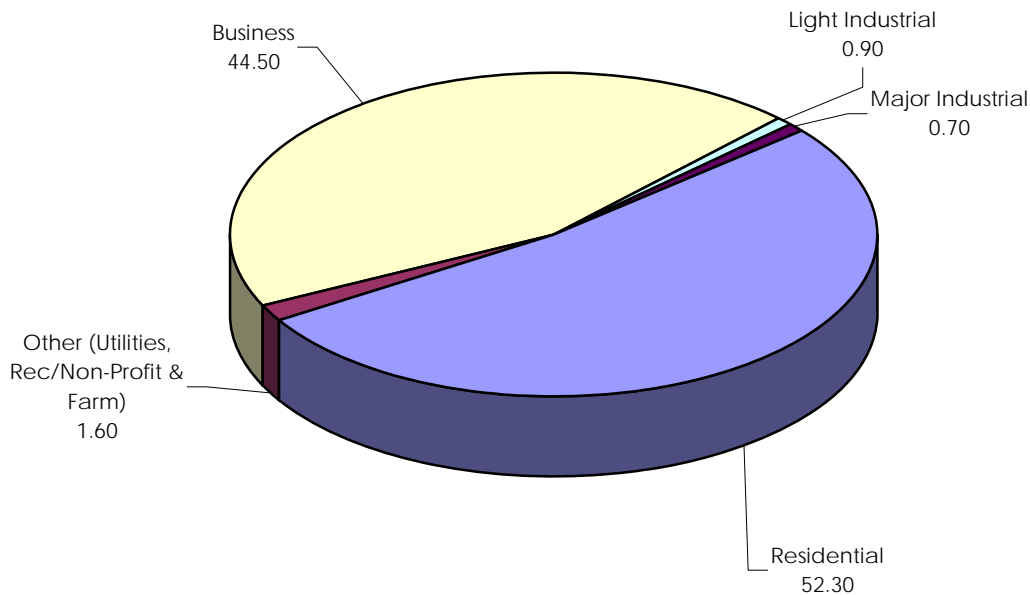




**FIVE YEAR STATISTICAL REVIEW – TAXATION**  
**Years Ended December 31**

	2011	2010	2009	2008	2007
<b>Property Tax Revenue by Property Class (%)</b>					
Residential - Class 1	52.3	51.7	50.6	48.4	47.2
Business - Class 6	44.5	45.0	46.1	48.4	49.5
Major industrial - Class 4	0.7	0.7	0.8	1.2	1.1
Light industrial - Class 5	0.9	0.9	0.9	0.8	0.9
Other (Utilities, Rec/Non-Profit and Farm)	1.6	1.7	1.6	1.2	1.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

**Property Tax by Class**

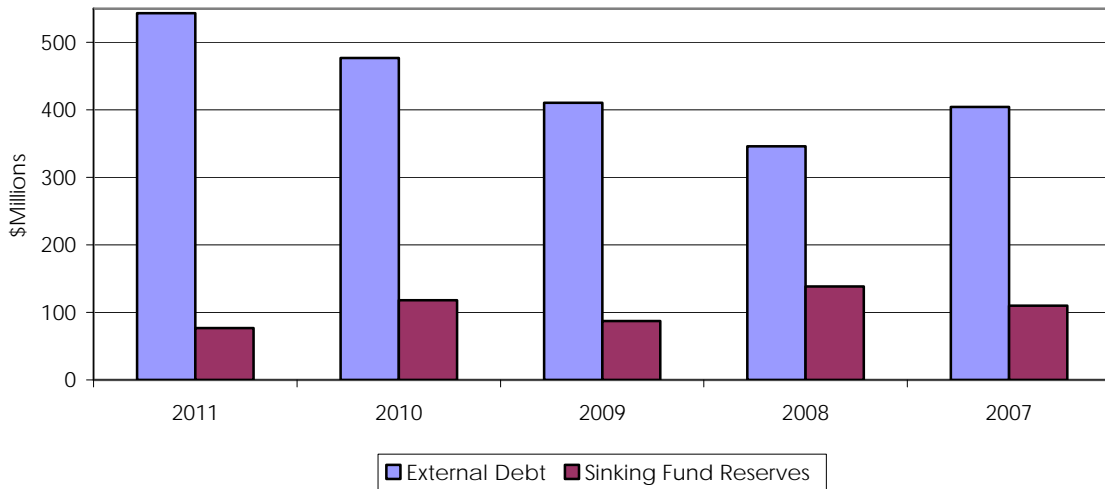


Property Taxation - Levy and Collections	2011	2010	2009	2008	2007
Total tax levy (all purposes) (\$000s)	1,237,268	1,183,828	1,152,139	1,094,882	1,050,887
Total tax arrears outstanding (\$000s)	24,018	25,185	25,929	24,273	24,059
% of current collections to current levy	98.88	98.75	98.66	98.68	98.61
% of total collections to current levy	100.22	100.20	99.91	100.09	99.91

**FIVE YEAR STATISTICAL REVIEW – DEBT AND OTHER (\$000s)**  
**Years Ended December 31**

(000s)	2011	2010	2009	2008	2007
<b>Population *</b>	651,000	642,800	628,600	615,500	611,900
<b>Internally restricted reserves</b>	\$ 509,175	\$ 471,374	\$ 436,709	\$ 424,404	\$ 399,893
<b>Long Term Debt (000s)</b>					
Debt due debt outstanding	\$ 630,343	\$ 605,863	\$ 510,628	\$ 558,538	\$ 590,375
Less: Internally held debt	(10,197)	(11,001)	(12,800)	(74,172)	(75,789)
Externally held debt	620,146	594,862	497,828	484,366	514,586
Sinking Fund reserves	76,731	117,935	87,198	138,415	110,135
Net externally held debt	\$ 543,415	\$ 476,927	\$ 410,630	\$ 345,951	\$ 404,451
Debt per capita (externally held)	\$ 952.61	\$ 925.42	\$ 791.96	\$ 786.95	\$ 840.96

**Long Term Debt - External**



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

**PROPERTY TAX INFORMATION (\$000s)**  
**Years Ended December 31**

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**NET TAXES AVAILABLE FOR MUNICIPAL PURPOSES**

The City is required to collect taxes on behalf of and transfer these amounts to the government agencies listed below:

	<u>2011</u>	<u>2010</u>
Taxes collected:		
Property and business taxes	\$ 1,151,717	\$ 1,105,653
Payment in lieu of taxes	32,228	32,251
Local improvement levies	2,350	2,493
	<u>1,186,295</u>	<u>1,140,397</u>
Less taxes collected on behalf of:		
Province of British Columbia - School Taxes	431,295	406,702
Greater Vancouver Transportation Authority	104,267	99,245
B.C. Assessment Authority	15,534	14,686
Greater Vancouver Regional District	15,269	14,121
Municipal Finance Authority	45	41
	<u>566,410</u>	<u>534,795</u>
<b>NET TAXES - MUNICIPAL PURPOSES</b>	<u>\$ 619,885</u>	<u>\$ 605,602</u>

**STATEMENT OF TAX RECEIPT AND PROPERTY TAXES RECEIVABLE**

	<u>2011</u>	<u>2010</u>
Analysis of Tax Receipts and Receivables		
Balance, before allowance for tax write-offs, beginning of year	\$ 25,185	\$ 25,929
Add: Interest and adjustments (net)	237	250
	<u>25,422</u>	<u>26,179</u>
Less: Receipts	(16,596)	(17,114)
Outstanding - prior years	<u>8,826</u>	<u>9,065</u>
Current tax levy including utility and other charges	1,237,268	1,183,828
Less : Receipts	<u>(1,223,396)</u>	<u>(1,169,038)</u>
Current arrears	13,872	14,790
Add: Penalties on current arrears	<u>1,320</u>	<u>1,330</u>
Outstanding - current year	<u>15,192</u>	<u>16,120</u>
Balance	<u>\$ 24,018</u>	<u>\$ 25,185</u>
Analysis of Property Taxes Receivable by Year		
Current year	\$ 15,192	\$ 16,120
Prior year	5,738	6,162
Prior 2 year	<u>3,088</u>	<u>2,903</u>
Balance	<u>\$ 24,018</u>	<u>\$ 25,185</u>

**CHANGES IN DEBENTURE DEBT OUTSTANDING (\$000s)**  
**Year Ended December 31, 2011**

	<b>Externally Held</b>	<b>Internally Held</b>	<b>Total</b>
Balance, beginning of year	\$ 594,862	\$ 11,001	\$ 605,863
Add: Debentures issued	140,000		140,000
Local improvements		952	952
	<u>734,862</u>	<u>11,953</u>	<u>746,815</u>
Less: Maturities			
General and water	114,716	-	114,716
Local improvements	-	1,756	1,756
	<u>114,716</u>	<u>1,756</u>	<u>116,472</u>
Balance, end of year	<u>\$ 620,146</u>	<u>\$ 10,197</u>	<u>\$ 630,343</u>

**OUTSTANDING BORROWING AUTHORITY**

General borrowing authorities for each Capital Plan are approved by the electors. Sewer, Water and NEU borrowing authorities are approved by Council.

	<b>Capital Plan Borrowing Limits</b>	<b>Council-approved Borrowing Authorities</b>	<b>Debentures Issued to Dec 31, 2011</b>	<b>Unused Borrowing Authorities</b>
<b>General (excluding Sewer, Water and NEU)</b>				
2006 - 2008	\$ 170,570	\$ 170,570	\$ 170,570	\$ -
2009 - 2011	222,000	154,245	124,855	69,623
	<u>\$ 392,570</u>	<u>\$ 324,815</u>	<u>\$ 295,425</u>	<u>\$ 69,623</u>
<b>Sewer, Water and NEU</b>				
2006 - 2008	\$ 150,300	\$ 145,157	\$ 144,157	\$ 1,000
2009 - 2011	160,572	145,106	61,143	83,963
	<u>\$ 310,872</u>	<u>\$ 290,263</u>	<u>\$ 205,300</u>	<u>\$ 84,963</u>
<b>Total General, Sewer, Water and NEU</b>				
2006 - 2008	\$ 320,870	\$ 315,727	\$ 314,727	\$ 1,000
2009 - 2011	382,572	339,584	185,998	153,586
	<u>\$ 703,442</u>	<u>\$ 655,311</u>	<u>\$ 500,725</u>	<u>\$ 154,586</u>

**SCHEDULE OF GENERAL DEBT (\$000s)**  
**Year Ended December 31, 2011**

<b>Bylaw</b>	<b>Maturity Date &amp; Purpose</b>	<b>Rate %</b>	<b>Term (Years)</b>	<b>Debenture Outstanding</b>	<b>Sinking Fund Reserve Balance</b>
8460	April 17, 2011 - 2012	6.125%	10		
	Local area improvement			754	-
	Parks			887	-
	Pedestrian/cycling facilities			507	-
	Public works/fire facilities			919	-
	Sewers			3,801	-
	Street lighting			140	-
	Street/bridge infrastructure			824	-
	Transit /safety improvements			1,039	-
	Waterworks			3,802	-
				<u>12,673</u>	<u>-</u>
8808	March 16, 2011 - 2014	4.150% - 4.650%	10		
	Civic facilities			170	-
	Local area improvement			2,084	-
	Parks			3,127	-
	Pedestrian/cycling facilities			1,959	-
	Public works/fire facilities			382	-
	Sewers			10,895	-
	Street lighting/communications			809	-
	Street/bridge infrastructure			1,421	-
	Transit /safety improvements			2,822	-
	Waterworks			10,312	-
				<u>33,981</u>	<u>-</u>
9115	October 06, 2011 - 2015	3.700% - 4.100%	10		
	Bridges/tunnels			1,209	-
	Community centre facilities			2,685	-
	Infrastructure			3,103	-
	Libraries			2,197	-
	Local area improvement			3,012	-
	Miscellaneous			111	-
	Multi-purpose centres			1,057	-
	Neighbourhood houses			1,047	-
	Parks			6,753	-
	Pedestrian/cycling facilities			2,850	-
	Public safety/Police			268	-
	Sewers			13,749	-
	Sports facilities			492	-
	Street lighting/communications			1,738	-
	Train stations			2,238	-
	Transit/safety improvements			1,734	-
	Waterworks			8,819	-
	Yards			642	-
				<u>53,704</u>	<u>-</u>
			Carried Forward	<u>\$100,358</u>	<u>-</u>

**SCHEDULE OF GENERAL DEBT (\$000s)**  
**Year Ended December 31, 2011**

<b>Bylaw</b>	<b>Maturity Date &amp; Purpose</b>	<b>Rate %</b>	<b>Term (Years)</b>	<b>Debenture Outstanding</b>	<b>Sinking Fund Reserve Balance</b>
			Carried Forward	\$100,358	-
9532	December 1, 2017	4.700%	10		
	Civic Facilities			2,166	745
	Community legacy projects			15,000	5,161
	Fire protection			600	206
	Libraries			2,000	688
	Local area improvement			4,548	1,565
	Overhead debenture costs			1,500	516
	Parks			7,175	2,469
	Pedestrian/cycling facilities			12,349	4,249
	Police			12,304	4,234
	Sewers			25,000	8,602
	Street/bridge infrastructure			17,557	6,041
	Transit /safety improvements			4,801	1,652
	Waterworks			20,000	6,882
				<u>125,000</u>	<u>43,010</u>
9897	December 2, 2019	4.900%	10		
	Civic facilities			10,600	1,735
	Community legacy projects			19,500	3,191
	Fire protection			4,000	655
	Libraries			500	82
	Local area improvement			4,700	769
	Parks			3,000	491
	Pedestrian/cycling facilities			7,800	1,276
	Police			16,000	2,618
	Sewers			27,800	4,549
	Street/bridge infrastructure			13,000	2,127
	Street lighting & Transit/safety improvements			1,700	278
	Transit & Safety Improvements			4,500	736
	Waterworks			11,900	1,947
				<u>125,000</u>	<u>20,454</u>
10015	June 1, 2011 - 2020	4.500%	10		
	Civic Facilities			16,000	1,277
	Community Legacy Projects			1,125	90
	Fire Protection			552	44
	Local Area Improvements			1,267	101
	Parks			25,000	1,996
	Pedestrian and Cycling Facilities			4,351	347
	Police			2,448	196
	Sewers			25,000	1,996
	Street/Bridge Infrastructure			18,657	1,489
	Street Lighting			300	24
	Street Lighting/Communications			3,700	295
	Transit & Safety Improvements			5,000	399
	Waterworks			21,600	1,725
				<u>125,000</u>	<u>9,979</u>
			Carried Forward	<u>\$475,358</u>	<u>\$73,443</u>

**SCHEDULE OF GENERAL DEBT (\$000s)**  
**Year Ended December 31, 2011**

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<b>Bylaw</b>	<b>Maturity Date &amp; Purpose</b>	<b>Rate %</b>	<b>Term (Years)</b>	<b>Debenture Outstanding</b>	<b>Sinking Fund Reserve Balance</b>
			Carried Forward	\$475,358	\$73,443
10017	September 30, 2010 - 2030 Neighbourhood Energy Utility	1.71%	20	4,788	-
10393	December 2, 2012 - 2021	3.450%	10		
	Civic Facilities			18,000	
	Library			2,000	
	Neighbourhood Energy Utility			15,000	
	Parks			25,000	
	Police			11,000	
	Sewers			32,000	
	Street/Bridge Infrastructure			5,000	
	Street Lighting/Communications			6,000	
	Transit & Safety Improvements			4,000	
	Waterworks			22,000	
				140,000	-
			Total	<u>\$620,146</u>	<u>\$73,443</u>

**SCHEDULE OF DEBT (\$000s)**  
**Year Ended December 31, 2011**

**LOCAL IMPROVEMENT - Property Owners' Share**

<u>Bylaw</u>	<u>Maturity Dates</u>	<u>Purpose</u>	<u>Rate</u>	<u>Term (Yr)</u>	<u>Debt Balance</u>
7758	June 25 2012	Lane paving, speed ramps, sidewalks & curbs	7.000	15	232
7759	June 25 2012 2012	Beautification	7.000	15	17
7912	June 24 2012 - 2013	Beautification	6.000	15	41
7915	June 24 2012 - 2013	Lane paving, speed ramps, sidewalks & curbs	6.000	15	434
8037	June 23 2012 - 2014	Lane paving, speed ramps, sidewalks & curbs	6.000	15	631
8204	June 21 2012 - 2015	Lane paving, speed ramps, sidewalks & curbs	7.000	15	585
8207	June 21 2012 - 2015	Beautification	7.000	15	43
8209	June 21 2012 - 2015	Beautification	7.000	15	10
8501	June 26 2012 - 2017	Lane paving, speed ramps, sidewalks & curbs	6.000	15	998
8501	June 26 2012 - 2017	Trees	6.000	15	1
8503	June 26 2012	Street lighting	6.000	10	1
8504	June 26 2012 - 2017	Beautification	6.000	15	114
8506	June 26 2012 - 2017	Underground wiring	6.000	15	105
8693	June 25 2012 - 2018	Lane paving, speed ramps, sidewalks & curbs	6.000	15	1,192
8695	June 25 2012 - 2013	Street lighting	6.000	15	1
8696	June 25 2012 - 2013	Beautification	6.000	15	14
8871	June 23 2012 - 2019	Lane paving, speed ramps, sidewalks & curbs	5.750	15	872
9063	June 29 2012 - 2020	Lane paving, speed ramps, sidewalks & curbs	5.750	5	1,054
9301	June 14 2012 - 2021	Lane paving, speed ramps, sidewalks & curbs	6.000	15	392
9303	June 14 2012 - 2021	Beautification	6.000	15	35
9513	June 27 2012	Traffic circle	6.000	5	1
9514	June 27 2012 - 2022	Lane paving, speed ramps, sidewalks & curbs	6.000	5	666
9515	June 27 2012	Lane lighting	6.000	5	4
9671	June 25 2012	Lane lighting	6.000	5	1
9672	June 25 2012 - 2022	Lane paving, speed ramps, sidewalks & curbs	6.000	15	425
9885	June 17 2012 - 2023	Lane paving, speed ramps, sidewalks & curbs	6.000	15	499
9886	June 17 2012	Lane lighting	6.000	5	3
9887	June 17 2012 - 2022	Street lighting	6.000	10	3
10071	June 23 2012 - 2014	Lane Lighting	6.000	5	2
10072	June 23 2012 - 2024	Lane paving, speed ramps, sidewalks & curbs	6.000	15	962
10300	June 29 2012 - 2025	Lane paving, speed ramps, sidewalks & curbs	6.000	15	857
10301	June 29 2012 - 2025	Lane Lighting	6.000	5	2
					\$10,197

Held Internally



**DEBT INTEREST RATES (\$000s)**  
**Year Ended December 31, 2011**

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<u>Interest Rate</u>	<u>General (including Waterworks)</u>	<u>Local Improvement</u>	<u>Total</u>
7.000	-	887	887
6.125	12,671	-	12,671
6.000	-	7,384	7,384
5.750	-	1,926	1,926
4.900	125,000	-	125,000
4.700	125,000	-	125,000
4.650	11,827	-	11,827
4.500	136,314	-	136,314
4.350	10,842	-	10,842
4.100	14,226	-	14,226
4.050	13,678	-	13,678
3.950	13,153	-	13,153
3.850	12,647	-	12,647
3.450	140,000	-	140,000
1.710	4,788	-	4,788
	<u>620,146</u>	<u>10,197</u>	<u>630,343</u>

**FUTURE PRINCIPAL AND INTEREST PAYMENTS ON DEBT (\$000s)**  
**Year Ended December 31, 2011**

Total Debt (Internal and External)

	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
2012	\$ 27,207	\$ 22,247	\$ 49,454	\$ 9,167	\$ 4,116	\$ 13,283	\$ 1,563	\$ 616	\$ 2,179	\$ 37,937	\$ 26,979	\$ 64,916
2013	19,093	21,223	40,316	5,593	3,770	9,363	1,387	519	1,906	26,073	25,512	51,585
2014	19,893	20,416	40,309	5,835	3,524	9,359	1,202	434	1,636	26,930	24,374	51,304
2015	12,116	19,758	31,874	2,337	3,350	5,687	1,039	361	1,400	15,492	23,469	38,961
2016	230	19,267	19,497	-	3,254	3,254	913	297	1,210	1,143	22,818	23,961
2017 - 2021	440,713	58,470	499,183	75,500	9,886	85,386	3,242	747	3,989	519,455	69,103	588,558
Thereafter	2,462	205	2,667	-	-	-	851	103	954	3,313	308	3,621
	<u>\$ 521,714</u>	<u>\$ 161,586</u>	<u>\$ 683,300</u>	<u>\$ 98,432</u>	<u>\$ 27,900</u>	<u>\$ 126,332</u>	<u>\$ 10,197</u>	<u>\$ 3,077</u>	<u>\$ 13,274</u>	<u>\$ 630,343</u>	<u>\$ 192,563</u>	<u>\$ 822,906</u>

External Debt Only

	General			Waterworks			Total General & Waterworks		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2012	\$ 27,207	\$ 22,247	\$ 49,454	\$ 9,167	\$ 4,116	\$ 13,283	\$ 36,374	\$ 26,363	\$ 62,737
2013	19,093	21,223	40,316	5,593	3,770	9,363	24,686	24,993	49,679
2014	19,893	20,416	40,309	5,835	3,524	9,359	25,728	23,940	49,668
2015	12,116	19,758	31,874	2,337	3,350	5,687	14,453	23,108	37,561
2016	230	19,267	19,497	-	3,254	3,254	230	22,521	22,751
Thereafter	443,175	58,675	501,850	75,500	9,886	85,386	518,675	68,561	587,236
	<u>\$ 521,714</u>	<u>\$ 161,586</u>	<u>\$ 683,300</u>	<u>\$ 98,432</u>	<u>\$ 27,900</u>	<u>\$ 126,332</u>	<u>\$ 620,146</u>	<u>\$ 189,486</u>	<u>\$ 809,632</u>

**GENERAL STATISTICS**  
**Year Ended December 31, 2011**

	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
<b>Land Area (hectares)</b>	11,396	11,396	11,396	11,396	11,396
<b>Waterworks</b>					
Consumption ( million cubic metres)	111	115	119	117	121
Number of services - metered	13,672	13,663	13,630	13,531	13,315
- flat rate	81,510	81,355	81,278	80,995	80,969
Total number of services	95,182	95,018	94,908	94,526	94,284
<b>Value of Building Permits (\$000s)</b>	1,682,498	1,539,890	1,312,314	1,597,591	2,592,818
<b>Street Infrastructure (kilometres)</b>					
Streets (Driveable Network)	1,435	1,434	1,434	1,434	1,434
Lanes	684	684	684	684	683
Sidewalks (Permanent Surfaces)	2,146	2,146	2,131	2,130	2,128