

City of Vancouver 2011 Consolidated Annual Financial Statements



April 17, 2012

Consolidated Statements include:

- City's 5 funds
 - Revenue (Operating) Fund
 - Capital Fund
 - Property Endowment Fund
 - Capital Financing Fund
 - Sinking Fund
- Vancouver Public Housing Corporation
- Vancouver Parking Corporation (Easypark)
- PNE, Hastings Institute Inc
- Vancouver Civic Development Corp.
- Harbour Park Development

City of Vancouver 2011 Annual Financial Statements

Highlights

- Consolidated Surplus \$107.4 million
- Revenue Fund “Surplus” \$2.2 million
- SEFC Olympic Village
- Deferred Payroll Liabilities
- Landfill Closure & Post Closure
- Long term land leases

2011 Consolidated Statement of Financial Position

	<u>2011</u>	<u>2010</u> (Recasted)	<u>Change</u>
FINANCIAL ASSETS			
Cash	\$ 59,014	\$ 123,309	\$ (64,295)
Temporary investments	729,001	494,108	234,893
Accounts receivable and accrued interest	98,918	127,480	(28,562)
Local improvement receivable	9,794	10,912	(1,118)
Property taxes receivable	24,018	25,185	(1,167)
Southeast False Creek development	462,180	523,927	(61,747)
Long term lease agreement receivable	38,027	40,863	(2,836)
	<u>1,420,952</u>	<u>1,345,784</u>	<u>75,168</u>
LIABILITIES			
Accounts payable and accrued liabilities	268,420	261,989	6,431
Deferred payroll, landfill and interest liabilities	159,012	154,872	4,140
Mortgage and loan agreements	51,044	60,098	(9,054)
Southeast False Creek Financing	460,381	515,000	(54,619)
Long term debt	620,146	594,862	25,284
Deferred revenue	281,247	232,726	48,521
	<u>1,840,250</u>	<u>1,819,547</u>	<u>20,703</u>
NET DEBT	<u>(419,298)</u>	<u>(473,763)</u>	<u>54,465</u>
NON-FINANCIAL ASSETS			
Inventory and prepaids	18,218	18,251	(33)
Tangible capital assets	6,185,127	6,132,164	52,963
	<u>6,203,345</u>	<u>6,150,415</u>	<u>52,930</u>
ACCUMULATED SURPLUS	<u>\$ 5,784,047</u>	<u>\$ 5,676,652</u>	<u>\$ 107,395</u>

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SEFC Olympic Village At the end of 2010

- Loan Receivable from SEFC Ltd.
\$523.9 million based on net realizable value of
 - Market condominiums (474 units)
 - Residential rental properties (119 units)
 - Commercial space
 - Guarantor properties net of mortgages
 - Residual value of SEFC Ltd. Shares
- City Financing \$515 million
 - \$150 million debenture debt
 - \$365 million commercial paper

SEFC Olympic Village During the year 2011

- February - settlement of the loan guarantee/security
City obtained beneficial and legal rights to properties
- Receiver continued to manage, market and sell the
market condominiums
- Transferred properties - phased liquidation
(interim external property manager)
- Change in the nature of balance sheet item:
from loan receivable to assets for sale/investment

SEFC Olympic Village At the end of 2011

- Investment in SEFC Development
\$462.2 million
 - Market condominiums (297 remaining - 177 units sold in 2011)
 - Transferred properties - 10 out 32 sold, 1 retained by COV
- City Financing \$434 million
 - \$150 million debenture debt
 - \$284 million commercial paper (reduction of \$81 million)
- \$26.4 million mortgages related to transferred properties

SEFC Financial Statement Presentation

Change from Loan Receivable to Assets for Sale

(\$Million)					
Receivable/ Land	2010	Assets for Sale	2010	Change	2011
SEFC Loan	523.9	Market Condos, Rental & Commercial properties	496.5	(108.2)	388.3
Land Cost	20.8	Transferred Properties	79.3	(5.4)	73.9
		Davie & Bidwell mortgage	5.0	(5.0)	0.0
		Receiver advance	0.5	(0.5)	0.0
			581.3	(119.1)	462.2
		Mortgages	(36.6)	10.2	(26.4)
	<u>544.7</u>		<u>544.7</u>	<u>(108.9)</u>	<u>435.8</u>

2011 Consolidated Statement of Financial Position

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2011

Deferred Payroll, Landfill costs

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

City of Vancouver Landfill Closure and Post Closure Costs

	2011	2010
Closure date	2036	2036
Years of Post Closure	50	25
Total capacity (MM tonnes)	23.6	26.9
Deposited to date (MM tonnes)	16.8	16.4
Utilization of capacity	71.3%	60.8%
Future costs (\$ millions)	\$516.0	\$328.7
Present Value of Future costs (\$ millions)	\$133.1	\$140.4
Discount Rate	4.5%	5.0%
Inflation Rate	2.0%	2.0%

The Property Endowment Fund 2011 Financial Position

	\$ Millions
FINANCIAL ASSETS	
Cash and receivables	<u>\$ 4</u>
LIABILITIES	
Accounts payable and Mortgages	3
Due to from Funds	46
Deferred Long term leases	155
	<u>204</u>
NET DEBT	(200)
PHYSICAL ASSETS	<u>1,069</u>
ACCUMULATED SURPLUS	<u><u>\$ 869</u></u>

2011 Consolidated Statement of Accumulated Surplus

	<u>2011</u>	<u>2010</u> (Recasted)	<u>Change</u>
Investment in capital assets	\$ 5,553,997	\$ 5,519,913	\$ 34,084
Reserve for sinking fund debt retirement	76,731	117,935	(41,204)
Reserves	509,175	471,374	37,801
Fund balances	(196,844)	(277,698)	80,854
Obligations to be funded from future revenues	(159,012)	(154,872)	(4,140)
	<u>\$ 5,784,047</u>	<u>\$ 5,676,652</u>	<u>\$107,395</u>

2011 Reserves

	<u>2010</u>	<u>Change</u>	<u>2011</u>
Affordable Housing	5,986	1,134	7,120
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
Hastings Park	8,049	1,311	9,360
Library	5,438	(16)	5,422
Mortgage Debenture Retirement	5,996	(122)	5,874
Outstanding Commitments	11,001	(836)	10,165
Park Board	7,386	799	8,185
Parking Sites	24,418	4,501	28,919
Plant and Equipment	61,087	11,824	72,911
Public Art	7,256	(37)	7,219
Self Insurance	22,367	1,167	23,534
SE False Creek Construction	25,000	(25,000)	0
Solid Waste Capital	68,927	8,544	77,471
Water and Sewer Utility Rate Stabilization	21,455	(1,041)	20,414
Other	31,514	(3,613)	27,901
	<u>471,374</u>	<u>37,801</u>	<u>509,175</u>

2011 Reserves

Reserves have increased by \$37.8M to \$509.2M.

- Future Revenue Fund Budgets - increased by \$15.1M - total of \$76.0 million including \$43.6M for deferred payroll liabilities
- Future Debt Repayment - increased by \$2.8M to \$37.9M
- Parking Sites Reserve - increased by \$4.5M to \$28.9M
- Truck and Equipment - increase of \$11.8 to \$72.9M
- Community Amenity Contributions - increased \$22.2M to \$70.3M

2011 Consolidated Statement of Operations

	<u>2011</u>	<u>2010</u> (Recasted)	<u>Change</u>
REVENUES			
Property taxes, penalties and interest	\$ 619,885	\$ 605,602	\$ 14,283
Water fees	92,979	85,452	7,527
Solid waste fees	53,467	49,181	4,286
Sewer fees	48,672	47,608	1,064
Other fees, rates and cost recoveries	460,975	474,685	(13,710)
Revenue sharing, grants and contributions	39,193	20,841	18,352
Investment income	17,540	38,093	(20,553)
Rental and lease income	50,322	45,421	4,901
Gain (loss) on disposal of tangible capital assets	(925)	0	(925)
Gain on sale of SEFC assets	19,572	(11,467)	31,039
	<u>1,401,680</u>	<u>1,355,416</u>	<u>46,264</u>
EXPENSES			
General government	161,725	162,010	(285)
Police protection	234,554	233,022	1,532
Fire protection	97,285	94,815	2,470
Engineering	175,908	175,058	850
Water utility	86,431	80,698	5,733
Solid waste	64,104	65,489	(1,385)
Sewer utility	77,440	74,763	2,677
Planning and development	70,614	68,931	1,683
Recreation and parks	176,075	173,563	2,512
Community and cultural services	97,651	93,513	4,138
SEFC development	52,499	14,401	38,098
	<u>1,294,286</u>	<u>1,236,263</u>	<u>58,023</u>
ANNUAL SURPLUS	<u>107,394</u>	<u>119,153</u>	<u>(11,759)</u>