

Summary of 2020 Consolidated Financial Statements

For 2020, the City had consolidated operating revenues of \$1.023 billion, along with consolidated operating expenses of \$856.4 million, resulting in a net surplus of \$166.4 million. Overall, the City has strengthened its accumulated surplus from \$4.5 billion to \$4.6 billion, an increase of 3.73% over 2019 figures.

Revenues

1. Taxation Revenues increased by 5% from \$269.4 million to \$282.7 million, due to the City Council approved 2020 property tax increase of 3.7%, along with a growth in the number of properties captured in the City's property tax role, or other status changes throughout the year.
2. User Charges decreased by 8.3% from \$453.2 million to \$415.7 million, due to decreased usage for some services due to COVID-19. User Charges were 12.7% lower than the original budget of \$476.4 million dollars, mostly due to the effect of COVID-19 on the usage of City services.
3. Investment Income decreased by 22.5% from \$16.8 million to \$13.0 million, due to considerably lower interest rates received on investments. However, the amount was higher than budgeted by \$0.80 million.

Expenses

1. Expenses of \$856.4 million for 2020 saw an increase of 4.4% over 2019 figures but were under budget by 2.5%.

Assets

1. Cash and Cash Equivalents decreased by 59.2% from \$74.6 million to \$30.5 million, due to the purchase of investments and acquisition of capital assets.
2. When looking at the City's overall level of liquidity, the Finance Department looks at the City's Total Financial Assets, which is a combination of Cash, Receivables, Land Inventory for Resale, and Other Assets and Investments. When comparing these totals between 2019 and 2020, the City strengthened its Total Financial Assets by 4.0% from \$659.1 million to \$685.3 million.

Liabilities

1. Term Debt decreased by 7.4% from \$331.4 million to \$307.0 million, due to debt payments throughout 2020.
2. Similar to Assets, the City's overall level of financial liabilities is a combination of Accounts Payable and Accrued Liabilities, Deferred Revenue, Term Debt, Accrued Pension Liability and Employee Benefits Payable. When comparing these totals between 2019 and 2020, the City decreased its Total Financial Liabilities by 3.7% from \$621.6 million to \$598.4 million.

Reserves

Overall reserves decreased by 10.0% from \$232.1 million to \$208.7 million. While the City saw some significant changes between 2019 and 2020, including the appropriate increases to numerous reserves throughout the year, there were some reserves significantly utilized for items such as the major snow event in November 2020.

Significant Event Note

The same as last year, the financial statements will include a Significant Event Note directly related to the COVID-19 pandemic. The note advises readers it is not possible to estimate the impact, length and severity that COVID-19 will have on the financial results and operations of the City in the future.