



2015
ANNUAL
REPORT



VANCOUVER
ECONOMIC COMMISSION

The Vancouver Economic Commission (VEC) works to position Vancouver as a globally recognised city for innovative, creative and sustainable business.

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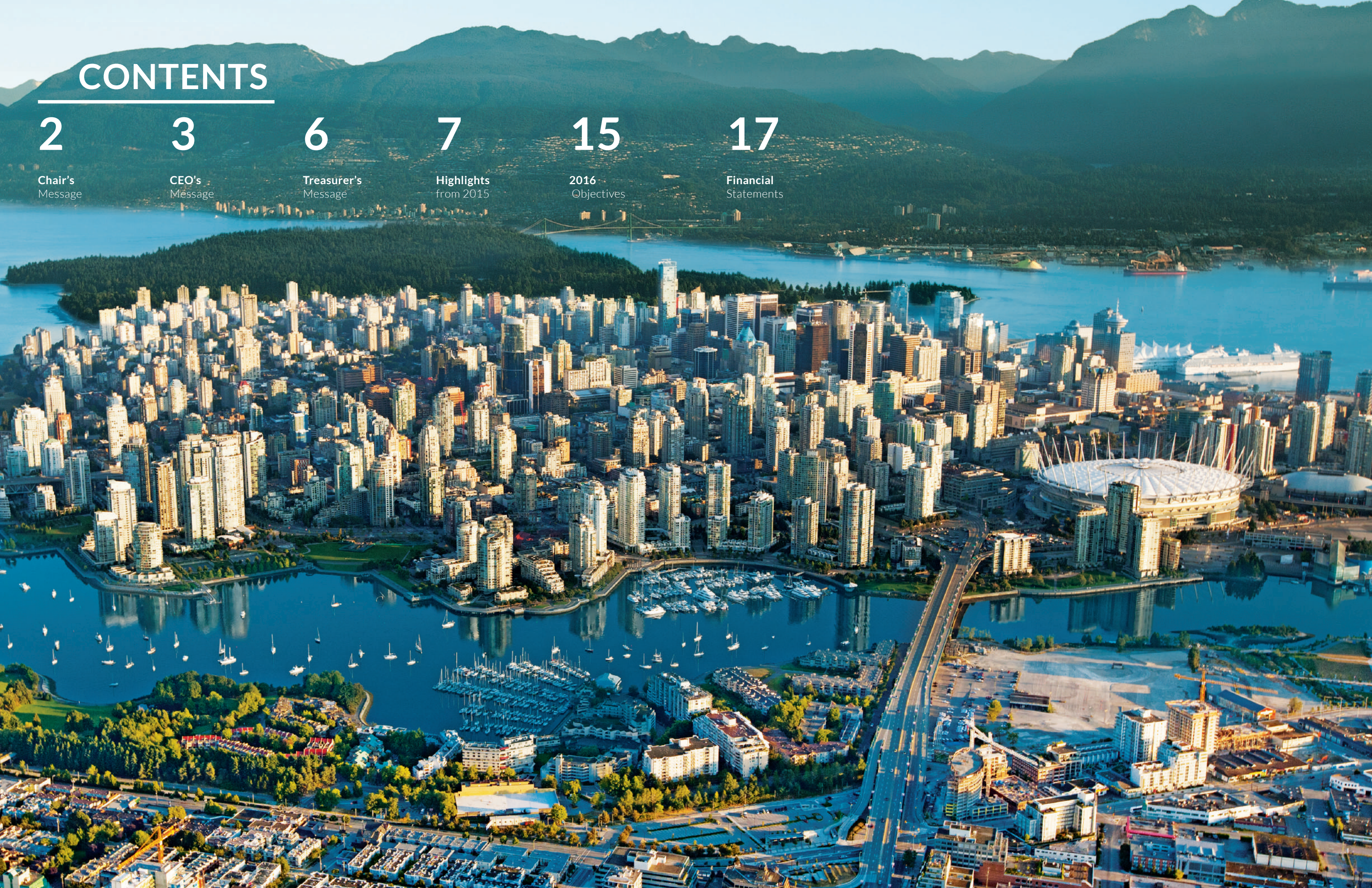
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LETTER FROM THE CHAIR

Mayor Gregor Robertson

Vancouver is once again leading the country in economic growth, with projections indicating we will have the fastest growing economy of any Canadian city through 2019.

There's no question that Vancouver's exceptional economic growth is strengthened by the work of the Vancouver Economic Commission, and the spectrum of opportunities they create for Vancouver businesses at all stages of growth, on top of drawing new ventures to our city.

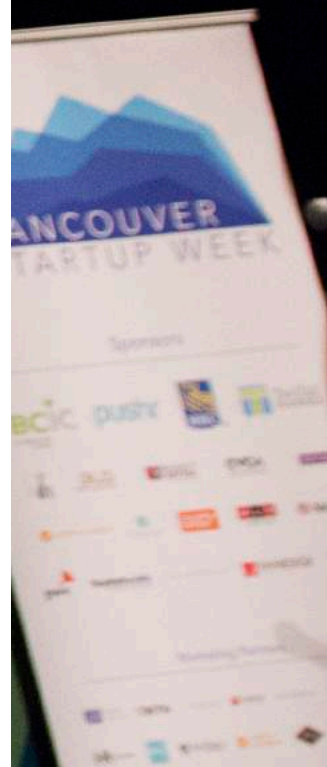
At the City of Vancouver, we're proud to foster jobs in high-growth sectors such as Tech, Digital Entertainment & Interactive, and the Green Economy. These are the areas that are driving our fast growing economy – the greenest and most resilient in Canada – and building the diversified, low-carbon, and knowledge-based economy of the 21st century. The VEC's work underpins this modern economy, increasing the flow of capital from target markets, boosting the availability of top talent, connecting Vancouver businesses to domestic and international markets, promoting Vancouver as a premier destination for business and career opportunities, and developing new models of economic development, like the False Creek flats.

As the sole organization with the talent and scope to represent the diversity of Vancouver's economy, connect critical stakeholders in the community, and advise business leaders using real data, the VEC is a key player in Vancouver's economy and their work is critical to our continued success.

Thank you to the VEC for your work to build our city.

Mayor Gregor Robertson

A handwritten signature in black ink that reads 'Gregor Robertson'.



CEO STATEMENT

Ian G. McKay

2015 was a year to put our team's exceptional research skills and entrepreneurial knowledge to work.

As the global economy continues to shift from traditional industries to knowledge-based ones, and talent continues to flock to the urban centres where they are based, we couldn't be more excited about the prospects for Vancouver's economy.

In the last year, the Vancouver Economic Commission has continued to lay the foundation for Vancouver to leverage these global changes – and the city's unique strengths. Vancouver is fortunate to be consistently ranked as one of the most liveable cities in the world, yet close to, and enjoying strong ties with, power centres like Silicon Valley and the Asia Pacific. We're extremely fortunate to have a deep history with key knowledge-based sectors, a city government that's leading the world on environmental action, and an innovative entrepreneurial community.

These global changes and local assets have provided our organization with the opportunity to do things differently in the field of economic development. Economic development used to mean cities wooing individual new companies with financial incentives. However, companies in the knowledge-based sectors increasingly rely on top talent to win, and this talent increasingly considers nonmonetary factors, such as where they want to live and how an area reflects their personal values, in making their decisions.

That means talent and companies look at the entire "ecosystem", and so we're focusing our efforts on the knowledge-based sectors that have the highest potential to grow – Tech, Digital Entertainment and Interactive and the Green Economy. In creating a new Asia Pacific Centre last year, we also focused on the geographical region with the highest potential to grow them.

As you will see in the following pages, 2015 was a year to put our team's exceptional research skills and entrepreneurial knowledge to work, learning and testing how we could best support these sectors to raise capital, fill their talent gap, and connect with new markets in the years to come. We also looked at how we could leverage the perceptions of our city, and its environmental initiatives, to amplify their efforts.

We know that we can't transform our economy overnight, but from our learnings, we're excited about the potential and success we've seen so far. Since we started, our focus sectors have already become some of the fastest growing in the city, and Vancouver's economy has become **the** fastest growing in Canada. Vancouver has also become globally recognised for the green initiatives most valued by talent in today's knowledge-based sectors.

We believe that our approach – of building an urban ecosystem that smart companies and talent want to join – will not only make our economy among the most resilient in the world, it will fuel the long-term growth of the companies and talent who chose to base themselves here.

Ian G. McKay





LETTER FROM THE TREASURER

Bruce Flexman, FCPA, FCA

Presenting the 2015 Financial Statements

Dear Members of Board of Directors of Vancouver Economic Commission, It is my pleasure to submit the audited Financial Statements of Vancouver Economic Commission (VEC) for the year ended December 31, 2015. The preparation and presentation of the Financial Statements and related information for the 2015 fiscal year is the responsibility of VEC management. These statements have been prepared in accordance with Canadian Public Sector Accounting Standards.

The Financial Statements have been audited by KPMG LLP, Chartered Professional Accountants, who have expressed an unqualified audit opinion on the fairness of the financial information being presented.

The VEC maintains a system of internal controls designed to provide reasonable assurance for the safeguarding of assets and the reliability of financial records. This system is routinely evaluated and revised to ensure effective controls are operating as intended.

The Statement of Financial Position shows net financial assets of \$1.45 million, a decrease of \$0.16 million over 2014. This decrease is primarily attributable to the growth of VEC in order to lead and sponsor additional activities in 2015 to promote economic development for the City of Vancouver. The Statement of Operations reports a deficiency of revenue over expenses of \$159 thousand, VCAI fund and General fund combined. This deficit is consistent with the approved 2015 budget in anticipating increased level of business activities.

In conclusion, I would like to acknowledge members of the Board of Directors, the Finance Committee of the Board, all VEC staff and in particular the staff of the Finance Division for their due diligence in governing and managing the financial affairs of the VEC.

OBJECTIVES



1 CAPITAL

INCREASE the flow of investment capital from target markets



2 TALENT

BOOST the availability of top talent



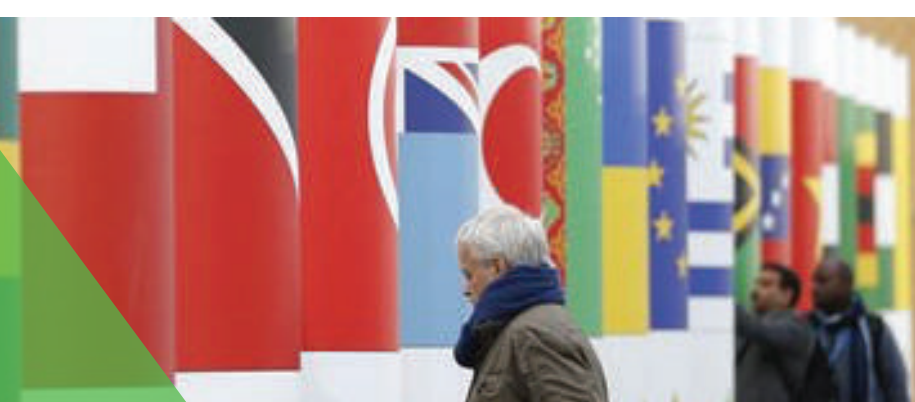
3 MARKETS

CONNECT Vancouver businesses to domestic and international markets



4 REPUTATION

PROMOTE Vancouver as a premier destination for business



5 INNOVATION

CREATE a new model of economic development



1 CAPITAL

Increase the flow of investment capital from target markets

Key Strategy

Increase understanding of the challenges facing entrepreneurs and investors

Actions

- Educate our companies, entrepreneurs & investors on smart capital trends
- Promote Vancouver's investment opportunities nationally & internationally
- Promote new channels for investment capital
- Create long-term relationships with overseas investors

Key Initiative

Researched challenges and developed recommendations for building Vancouver's capital attraction ecosystem

Other Initiatives



Partnered with Garibaldi Capital for **Vancouver Startup City** to connect prominent VC's with local opportunities



Addressed the audience at the **National Angel Capital Association (NACO)** summit and launched the **Canada-China Trade Mission**



Partnered with **National Crowdfunding Association** to promote equity crowdfunding



Facilitated arrival of **China Canada Clean Tech Innovation Centre**

2 TALENT

Boost the availability of top talent

Key Strategy

Better understand the issues and challenges facing Tech companies and talent

Actions

- Promote Vancouver as a place to build your career
- Educate schools & students on emerging industries
- Advocate for policy changes nationally
- Provide assistance for companies on immigration

Key Initiative

Partnered with province on the Labour Market Partnership (LMP) study

www.vancouvereconomic.com/lmp

Other Initiatives



Sponsored and participated in career fairs, such as the annual **TechVibes TechFest** and created an innovative campaign featuring the **Break Something Video**.



Raised awareness of emerging industries through **studio tours** of digital entertainment & interactive companies for educators and students.



Worked with governments in **Vancouver, Victoria** and **Ottawa** and hosted roundtable for the **Federal Minister of Citizenship, Refugee and Immigration**.



Assisted 35 companies with their immigration cases including /// // // //

3 MARKETS

Connect Vancouver businesses to domestic & international markets

Key Strategy

Evaluate the use of key city assets to accelerate business commercialization

Actions

- Showcase our businesses locally
- Showcase our businesses in China
- Showcase our businesses in Europe
- Educate our businesses on new markets

Key Initiative

Pilot the Green and Digital Demonstration Programme (GDDP)

www.vancouvereconomic.com/gddp

Other Initiatives



Showcased local businesses in **Vancouver Startup City**. We also hosted a pitch event with investors from the **Teochew Society**.



Lead the 4th annual **Vancouver-China Trade Mission** & connected local tech businesses to overseas investors. We hosted a pitch event with investors



Conducted business mission to **Annecy, France** to gain exposure for Vancouver's animation sector at their annual festival.



Advised and supported the **Vancouver International Film Festival's VIFF Industry Exchange**, Canada's first market for online content.

4 REPUTATION

Promote Vancouver as a premier destination for business

Key Strategy

Research global perceptions of Vancouver to leverage in promotion

Actions

- Organise events to highlight our businesses locally
- Sponsor events to highlight our businesses internationally
- Create engaging platforms with educational content
- Showcase Vancouver globally through media outreach

Key Initiative

Build new website and other marketing tools showcasing our key sectors, the many growing businesses in those sectors and the role we play in helping them grow

www.vancouvereconomic.com

Other Initiatives



Created and operated **Vancouver Startup City**



Promoted Vancouver as a Tech hub at the world-renowned **Web Summit** in Europe and then again in the UK and France.



Our new **website showed a 43 percent increase in traffic** over the old one and we experienced a **35 - 55 percent increase in social media traffic**



Completed **35 interviews** and had **4 op-eds published** on major news platforms

5 INNOVATION

Create a new model of economic development

Key Strategy

Identify the value of sustainability in urban industrial land development

Actions

- Deliver on the Green Economy Goals in the Greenest City Action Plan
- Create a model green industrial corridor in the False Creek Flats
- Showcase the value of a low carbon economy locally & with our peers
- Collaborate with other cities on new ways of economic development

Key Initiative

Research the value in the False Creek Flats, and build the foundation for developing it into an engine of sustainability, innovation and economic prosperity.

www.vancouvereconomic.com/flats

Other Initiatives



Double the number of **green jobs** and double the number of businesses engaged in **greening their operations**



Continued to develop the False Creek Flats into a **Green Enterprise Zone** and the Greenest Place in the World to Work.



Launched the **Vancouver Climate Pledge** that engaged 200+ businesses & addressed hundreds of economic developers on the benefits of **transitioning to a low-carbon economy**



Partnered with and presented our **Green Economy initiatives** to important city networks like **C40** and **USDN**, and partner to create "**green growth metrics**"



2016 OBJECTIVES

1 CAPITAL

OBJECTIVE: Increase the flow of investment capital from target markets

STRATEGY: Implement recommendations from 2015 capital attraction research

2 TALENT

OBJECTIVE: Boost the availability of top talent

STRATEGY: Engage stakeholders to create workforce development strategy that overcomes challenges identified in 2015

3 MARKETS

OBJECTIVE: Connect Vancouver businesses to domestic and international markets

STRATEGY: Expand the use of Vancouver's key assets to accelerate business commercialization

4 REPUTATION

OBJECTIVE: Promote Vancouver as a premier destination for business

STRATEGY: Leverage global channels to educate international audiences

5 INNOVATION

OBJECTIVE: Develop a new model for economic development

STRATEGY: Showcase Vancouver's green economic development on the global stage

FINANCIAL STATEMENTS



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Vancouver Economic Commission
(formerly Vancouver Economic Development Society)

**Chartered Professional
Accountants**

May, 2016
Burnaby, Canada

Report on the Financial Statements

We have audited the accompanying financial statements of Vancouver Economic Commission (formerly Vancouver Economic Development Society), which comprise the statement of financial position as at December 31, 2015, the statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising 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 generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 our 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, we consider internal control relevant to the entity's preparation and fair presentation of the 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 financial statements present fairly, in all material respects, the financial position of Vancouver Economic Commission (formerly Vancouver Economic Development Society) as at December 31, 2015, and its results of operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Report on the other legal and Regulatory Requirements

As required by the Society Act (British Columbia), we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian Public Sector Accounting Standards have been applied, after giving retroactive effect to the change in the method of accounting for contributions as explained in note 3, on basis consistent with that of the preceding period.

STATEMENT OF FINANCIAL POSITION

December 31, 2015
with comparative information for 2014

	VCAI Restricted Fund	General Fund	2015 Total	2014 Total
Assets				
Current assets:				
Cash and cash equivalents	\$ 154,136	\$ 1,399,935	\$ 1,554,071	\$ 1,771,954
Accounts receivable	-	96,474	96,474	126,179
Deposits and prepaid expenses	-	1,100	1,100	10,776
	154,136	1,497,509	1,651,645	1,908,909
Property and equipment (note 4)	-	43,451	43,451	67,702
	\$ 154,136	\$ 1,540,960	\$ 1,695,096	\$ 1,976,611
Liabilities and Net Assets				
Current liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ 246,068	\$ 246,068	\$ 317,177
Deferred contributions (note 5)	-	-	-	51,450
	-	246,068	246,068	368,627
Net assets:				
Lease reserve (note 12)	-	1,000,000	1,000,000	-
Unrestricted	154,136	294,892	449,028	1,607,984
	154,136	1,294,892	1,449,028	1,607,984
Commitments (note 8)				
Economic dependence (note 10)				
Subsequent event (note 12)				
	\$ 154,136	\$ 1,540,960	\$ 1,695,096	\$ 1,976,611

See accompanying notes to financial statements.

STATEMENT OF OPERATIONS

December 31, 2015
with comparative information for 2014

	VCAI Restricted Fund	General Fund	2015 Total	2014 Total
Revenue				
City of Vancouver (note 6)	\$ 300,000	\$ 3,023,626	\$ 3,323,626	\$ 2,989,046
Special projects (note 7)	-	199,210	199,210	168,646
Interest income	-	45,577	45,577	28,202
	300,000	3,268,413	3,568,413	3,185,894
Expenses				
Salaries and benefits	-	1,908,642	1,908,642	1,809,471
Contracted services	58,767	627,153	685,920	750,022
Sponsorships	30,500	191,922	222,422	180,087
Business travel	29,919	177,374	207,293	152,046
General and administrative (schedule)	245	163,372	163,617	178,500
Business meetings	13,315	142,390	155,705	197,386
Rent	-	153,918	153,918	151,751
Subscriptions and memberships	-	66,172	66,172	51,011
Communication and media	12,423	34,505	46,928	15,350
Registrations	695	39,003	39,698	48,389
Amortization	-	39,505	39,505	53,352
Professional fees	-	37,549	37,549	26,306
	145,864	3,581,505	3,727,369	3,613,671
Excess (deficiency) of revenue over expenses	\$ 154,136	\$ (313,092)	\$ (158,956)	\$ (427,777)

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN NET ASSETS

December 31, 2015
with comparative information for 2014

	VCAI Restricted	General Fund		2015	2014
	Fund	Lease Reserve	Unrestricted	Total	Total
Net assets, beginning of year	\$ -	\$ -	\$ 1,607,984	\$ 1,607,984	\$ 2,035,761
Excess (deficiency) of revenue over expenses	154,316		(313,092)	(158,956)	(427,777)
Interfund transfers (note 12)	-	1,000,000	(1,000,000)	-	-
Net assets, end of year	\$ 154,136	\$ 1,000,000	\$ 294,892	\$ 1,449,028	\$ 1,607,984

See accompanying notes to financial statements.

STATEMENT OF CASH FLOWS

December 31, 2015
with comparative information for 2014

	2015	2014
Cash provided by (used in):		
Operating		
Excess (deficiency) of revenue over expenses	\$ (158,956)	(\$ 427,777)
Items not involving cash:		
Amortization	39,505	53,352
	(119,451)	(374,425)
Change in non-cash working capital:		
Accounts receivable	29,705	(40,566)
Deposits and prepaid expenses	9,676	8,403
Accounts payable and accrued liabilities	(71,109)	182,718
Deferred contributions	(51,450)	(116,513)
	(202,629)	(340,383)
Investments:		
Purchase of property and equipment	(15,254)	(67,003)
Decrease in cash	(217,883)	(407,386)
Cash and cash equivalents, beginning of year	1,771,954	2,179,340
Cash and cash equivalents, end of year	\$ 1,554,071	\$ 1,771,954

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2015
(formerly Vancouver Economic Development Society)

1. Operations:

The Vancouver Economic Commission (formerly Vancouver Economic Development Society) (the "Society") was created by the Council of the City of Vancouver. The Society is the economic development agency of the City of Vancouver and works to strengthen the City of Vancouver's economic future by helping existing businesses, attracting new businesses, researching business issues and making policy recommendations. On December 9, 2015, the Vancouver Economic Development Society changed its legal name to Vancouver Economic Commission.

The Society is incorporated under the Society Act of British Columbia and is classified as a tax exempt not-for-profit organization for purposes of the Income Tax Act (Canada) and, accordingly, is not subject to income taxes.

2. Significant accounting policies:

(a) Basis of presentation:

The financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards including the 4200 standards for government not-for-profit organizations.

(b) Fund accounting:

The resources and operations of the Society have been segregated for accounting purposes into the following funds:

(i) The Vancouver Capital Attraction Initiative ("VCAI") Fund accounts for revenue and expenses related to the operation of the VCAI including its program delivery and other expenses.

(ii) The General Fund accounts for revenue and expenses related to the operation of the Society including its program delivery and other operating expenses.

(c) Revenue recognition:

The Society follows the restricted fund method of accounting for contributions relating to the VCAI fund.

Restricted contributions relating to the VCAI fund are recognized as revenue when received or receivable. Other restricted contributions are initially deferred and subsequently recognized as revenue in the General Fund in the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue in the General Fund when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

The Society also receives investment interest income which is recorded on an accrual basis.

(d) Cash and cash equivalents:

Cash and cash equivalents include cash and financial instruments with maturity dates within 90 days of acquisition.

(e) Property and equipment:

Property and equipment are recorded at cost less accumulated amortization. Amortization is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Asset	Useful Life
Furniture and computer equipment	2-3 years
Software	3 years
Leasehold improvements	Over the term of the lease term

(f) Contributed material and services:

Contributions of materials and services are not recognized in these financial statements as such values are not readily determined.

(g) Employee future benefits:

The Society and its employees make contributions to the Municipal Pension Plan (the "Plan") which is a multi-employer joint trustees plan. This plan is a defined benefit plan, providing a pension on retirement based on the member's age at retirement, length of service and highest earnings averaged over five years. Inflation adjustments are contingent upon available funding. As the assets and liabilities of the plan are not segregated by entity, the plan is accounted for as a defined contribution plan and contributions by the Society to the plan are expensed as incurred.

(h) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Derivative instruments and equity instruments that are quoted in an active market are reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value.

Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair values are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the effective interest rate method.

Financial assets carried at cost or amortized cost are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and any previously recorded unrealized gain or loss is adjusted through the Statement of remeasurement gains and losses.

When the asset is sold, the unrealized gains and losses previously recognized in the statement of remeasurement gains and losses are reversed and recognized in the statement of operations.

The Standards require an organization to classify fair value measurements using a fair value hierarchy, which includes three levels of information that may be used to measure fair value:

- Level 1 – Unadjusted quoted market prices in active markets for identical assets or liabilities
- Level 2 – Observable or corroborate inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 – unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

There are no financial instruments carried at fair value as at year end and as a result, the statement of remeasurement gains and losses has not been prepared.

(i) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and related disclosures. Significant areas requiring the use of management estimates include the determination of useful lives of property and equipment for purposes of amortization, valuation of accounts receivable and provision of contingencies. Actual results could differ from those estimates.

3. Change in accounting policy:

During the year, the Society changed its accounting policy on the accounting for contributions from the deferral method to the restricted fund method. This change was only with respect to contributions restricted for VCAI.

The change in accounting policy has been accounted for retrospectively and did not result in any adjustments to the previously reported financial statements as no VCAI funds had in prior years.

4. Property and equipment:

	2015		2014	
	Cost	Accumulated amortization	Net book value	Net book value
Furniture and computer equipment	\$ 121,305	\$ 79,811	\$ 41,494	\$ 66,613
Software	1,406	234	1,172	-
Leasehold improvements	1,342	557	785	1,089
	\$ 124,053	\$ 80,602	\$ 43,451	\$ 67,702

5. Deferred contributions:

	Balance, beginning of year	Amounts received	Amounts recognized as revenue	Amounts transferred	Balance, end of year
CityStudio	\$ 30,300	\$ 97,000	\$ 56,151	\$ 71,149	\$ -
C3	4,150	-	-	4,150	-
Other	17,000	-	17,000	-	-
	\$ 51,450	\$ 97,000	\$ 73,151	\$ 75,299	\$ -

During the year, the Society transferred certain deferred contributions, and the administration of those programs, to third parties.

6. City of Vancouver:

The City of Vancouver provides funding to the Society. Contributions received from the City of Vancouver consist of the following:

	2015	2014
Core funding	\$ 2,900,000	\$ 2,900,000
VCAI funding	300,000	-
Other project funding	67,475	7,500
Recognition of deferred contributions	56,151	81,546
	\$ 3,323,626	\$ 2,989,046

Transactions between the Society and the City of Vancouver are recorded at the exchange amounts established and agreed upon between the parties.

7. Special projects:

Special projects revenue consists of the following:

	2015	2014
Federal Reimbursement of Program expenses	\$ 40,210	\$ 108,500
Provincial Reimbursement of Program expenses	69,700	-
Contributions from private organizations	49,800	-
Recognition of other deferred contributions	17,000	53,186
Other contributions	22,500	6,960
	\$ 199,210	\$ 168,646

8. Commitments:

The Society is committed to future minimum lease payments for office space and equipment as follows:

(a) The Society occupies office space under a long-term lease ending on August 31, 2018.

(b) The Society is committed to lease a photocopier until October 20, 2019 with monthly rental payments of \$448 per month.

8. Commitments (continued):

Total estimated lease payments up to the end of the lease terms are as follows:

2016	\$ 162,950
2017	162,950
2018	110,425
2019	4,480
	\$ 440,805

As described in note 12, subsequent to year end the Society entered into a new lease agreement to sublease the premises noted in (a) above.

9. Municipal Pension Plan:

The Society 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 administering the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2014, The Plan has about 182,000 active members and approximately 80,000 retired members. Active members include approximately 37,000 contributors from local governments.

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

The most recent actuarial valuation for the Plan as at December 31, 2012 indicated a \$1,370 million funding deficit for basic pension benefits on a going concern basis.

The Society paid \$149,019 (2014 - \$123,120) for employer contributions to the Plan in fiscal 2015 which represents 65 per cent of the total plan contributions. Employees contributed \$81,802 (2014 - \$125,910). The Society expects to pay \$170,384 for employer contributions in the next fiscal year.

The next valuation will be as at December 31, 2015 with results available in 2016.

Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the Plan.

10. Economic dependence:

The Society's ongoing operations depend on the funding from the City of Vancouver.

11. Financial risks and concentration or risks:

(a) Credit risk:

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Society is exposed to credit risk with respect to its accounts receivable. The Society assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts.

(b) Liquidity risk:

Liquidity risk is the risk that the Society encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Society will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at an amount below market value; or may be unable to settle or recover a financial asset. It is management's opinion that the Society is not exposed to significant liquidity risk.

(c) Concentration of risk:

The City of Vancouver funds approximately 92% (2014 - 94%) of the Society's revenues.

12. Subsequent event:

The Society entered into a new long-term lease agreement for office space on May 9, 2016, ending on November 30, 2021. The current office space under a long-term lease ending on August 31, 2018 was subleased to a third party.

Total estimated lease payments up to the end of the lease term for the new lease are as follows:

2016	\$ 28,333
2017	340,000
2018	340,000
2019	341,133
2020	353,600
2021	324,134
	\$ 1,727,200

The Commission, in accordance with Board approval, has designated \$1,000,000 of the Commission's net assets to be used towards lease payments. This amount represents the internally restricted lease reserve as December 31, 2015.

SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES

Year ended December 31, 2015
with comparative information for 2014

	2015	2014
Computer technology services	\$ 59,478	\$ 38,511
Telecommunications	51,513	39,729
Office	28,364	63,462
Professional development and training	17,577	31,362
Office maintenance	2,795	878
Bank charges and interest	2,890	3,315
Insurance	1,000	1,243
	\$ 163,617	\$ 178,500



VANCOUVER
ECONOMIC COMMISSION

