

ITEM 1  
MANAGER'S REPORT NO. 28  
COUNCIL MEETING 85/04/15

RE: 1984 FINANCIAL STATEMENTS

ACTING MUNICIPAL MANAGER'S RECOMMENDATION:

1. THAT the recommendation of the Director Finance be adopted.

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TO: MUNICIPAL MANAGER

FROM: DIRECTOR FINANCE

RE: 1984 FINANCIAL STATEMENTS

RECOMMENDATION

1. THAT this report be received for information purposes.

SUMMARY

This report presents the audited financial statements for the year 1984. It reports that the surplus for 1984 was \$3,234,260 which includes \$63,586 of surplus from the operation of the Burnaby Public Library Board. The surplus of \$3,234,260 compares to \$1,232,347 shown as operating contingency in the recast budget. The report also explains the major variances from budget which have occurred since the recast budget was presented to Council last Fall.

REPORT

FINANCIAL STATEMENTS

Attached for the information of Council are the audited financial statements for the year ended 1984 December 31. At this time, copies of the report are only available for Council (a copy is available in the Municipal Clerk's office for anyone who may be interested in reading the content). A formal printed copy of the statements, together with additional statistical tables, will be available to the general public at a later date.

1985 April 09  
File File: F20  
Xref: '85 Budg.

MAJOR VARIANCES

1984 ended with an operating surplus of \$3,234,260. The surplus is \$2,001,913 more than was anticipated when the 1984 recast budget was prepared last Fall. While many accounts within each area of responsibility have variances that offset each other in total, the most significant budget variances are:

	Revenue Increase Over Budget	Expenditure Decrease From Budget
	<u>\$</u>	<u>\$</u>
Building inspection fees - increased volume in latter part of year	124,940	
Firefighter services - recast budget overstated regarding 1983 retroactive salary		257,105
Planimetric series of maps - work deferred to 1985 pending outcome of disposal of the mapping computer		128,050
Investment income - combination of cash flow and interest rate variation	295,611	
R.C.M.P. contract - adjustment of per member cost, notification received after recast budget		167,511
Traffic - primarily due to signs and barricades and railway crossing expenditure savings		63,136
Roads and drainage - primarily due to pavement maintenance, brushing and ditching and unsightly premises expenditure savings		54,857
Plant maintenance - primarily due to insurance, heat and light and expenditure savings at various locations		44,700
Income facilities - cumulative expenditure savings at all facilities		86,980
Library - operating surplus for the year	44,211	63,586
Housing and building rentals - increased revenue		
Assessment Appeal Board decisions applicable to prior years - assessment reductions for general purposes were not as great as anticipated		40,000
Teleglobe Canada - grant in lieu of taxes not budgeted	<u>43,464</u>	
	508,226	905,925
		<u>508,226</u>
All other variances combined - all under \$50,000 and primarily attributable to reductions in budgeted expenditures		1,414,151
		<u>587,762</u>
Increase in surplus over recast budget		2,001,913
Recast budget operating contingency		<u>1,232,347</u>
Operating surplus for 1984		3,234,260
This surplus is broken down as follows:		
General municipal operation	\$3,170,674	
Library Board		<u>63,586</u>
		3,234,260

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The Municipal Manager and the Management Committee have reviewed the 1984 operating surplus and are recommending certain specific uses of that surplus, which will be reflected in the 1985 annual operating budget. These are:

Surplus brought forward to be used as general revenue - same as provided in the provisional budget	\$1,000,000
Internal debt reduction - this repayment has the effect of reducing principal and interest repayment costs on the \$1 million for 10 years. The reduction in carrying costs in 1985 is \$221,000	1,000,000
Renovations and furniture - these funds are to be used to create a reserve to meet anticipated costs for renovations and furniture in implementing the Management Information System - a separate report on this subject will be presented to Council	350,000
Planimetric series of maps - funds totalling \$130,000 were provided in the 1984 budget to do this work but the work was not completed	150,000
Storm sewers - Byrne Creek - to supplement funds already earmarked to do the work	150,000
Burnaby Public Library Board - 1984 surplus to be taken into 1985 general revenue - \$60,000 was allowed for in the 1985 provisional budget	<u>63,586</u>
Retained in operating surplus to be used as general working capital	2,713,586
	<u>520,674</u>
	\$3,234,260
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#### WATERWORKS UTILITY

The waterworks utility ended the year with a surplus of \$605,729 compared to a recast budget surplus of \$508,592. The added surplus is due to savings in transmission, distribution and pumping costs and additional metered rate revenue.

This surplus remains with the waterworks utility and is available to be utilized in future years as needed.

#### SANITARY SEWER SYSTEM

The sanitary sewer system surplus for the year was \$717,330 compared to a recast budget surplus of \$601,203. The increase is primarily due to additional revenue from metered accounts and a reduction in sewer maintenance costs.

This surplus remains with the sanitary sewer system and is available to be utilized in future years as needed.



Howard Karpas  
DIRECTOR FINANCE

