

ITEM 1
MANAGER'S REPORT NO. 24
COUNCIL MEETING 86/04/07

RE: 1985 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: 1985 FINANCIAL STATEMENTS

1986 April 01
File: F20
Xref: 86 Budg.

RECOMMENDATION

1. THAT this report be received for information purposes.

SUMMARY

This report presents the audited financial statements for the year 1985. The statements show that there was a surplus of \$1,882,020, which compares to an expected surplus of \$271,455 shown as operating contingency in the recast budget. The Burnaby Public Library Board's share of the surplus is \$70,467.

The report explains the major variances which have occurred since the 1985 recast budget and comments on the operating results of the waterworks utility and sanitary sewer system.

REPORT

FINANCIAL STATEMENTS

The audited financial statements for the year ended 1985 December 31 are attached for Council's information. At this time, copies of the report are only available for Council; a copy is available in the Municipal Clerk's office for anyone interested in reading the content. A formal printed copy of the statements, including additional statistical tables, will be available to the general public at a later date.

MAJOR VARIANCES

The 1985 operating surplus of \$1,882,020 is \$1,610,565 greater than the surplus anticipated when the 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 \$ |
|---|---|---|
| Administrative and Community Services | | |
| Firefighters salaries and benefits - cost savings due to sickness | | 152,542 |
| R.C.M.P. contract - recognition of a reduction in per capita charge applicable to last half of year | | 139,593 |
| Engineering | | |
| Administration cost savings primarily due to retirement and extended sickness of senior staff | 53,975 | 84,449 |
| Overhead cost recovery - volume of work greater than anticipated | | |
| Street lighting maintenance and operation - more Provincial Government and private funds received than anticipated | 59,716 | |
| Garage and paint shop - cost savings due to reduced user demand | | 84,366 |
| Roads and drainage - brushing and ditching, general drainage and storm sewer maintenance cost savings due to inclement weather in first and last months of year | | 136,052 |
| Recreation and Cultural Services | | |
| Library - expenditure savings | | 70,467 |
| Fiscal items | | |
| Investment income - combination of cash flow and interest rate variations | 99,569 | |
| Assessment Appeal Board decisions applicable to previous years - decisions were not finalized by year end | | 225,000 |
| Property taxes general - budgeted reductions which did not materialize | <u>85,361</u> | |
| | 298,621 | 892,469 |
| | | <u>298,621</u> |
| | | 1,191,090 |
| All other variances combined - all under \$50,000 and primarily attributable to reductions in budgeted expenditures | | <u>419,475</u> |
| Increase in surplus over recast budget | | 1,610,565 |
| Recast budget operating contingency | | <u>271,455</u> |
| Operating surplus for 1985 | | 1,882,020 |
| | | ===== |
| This surplus is broken down as follows: | | |
| General municipal operation | | 1,811,553 |
| Library Board | | <u>70,467</u> |
| | | 1,882,020 |
| | | ===== |

The Municipal Manager and the Management Committee have reviewed the 1985 operating surplus and are recommending certain specific uses of that surplus, which will be reflected in the 1986 annual operating budget. These are:

Surplus brought forward to be used as general revenue - same as provided in the provisional budget \$1,000,000

Outstanding assessment appeals budgeted but not finalized in 1985 and not included in the 1986 provisional budget 225,000

Burnaby Public Library Board 1985 surplus to be taken into 1986 general revenue - \$60,000 allowed in 1986 provisional budget 70,467

Retained in operating surplus to be used as general working capital 1,295,467

586,553
 \$1,882,020
 =====

WATERWORKS UTILITY


The waterworks utility ended the year with a surplus of \$221,586 compared to a recast budget surplus of \$176,159. The added surplus results from flat and metered rate revenue being more than budgeted.

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 \$341,484 compared to a recast budget surplus of \$330,037. The increase is primarily due to revenue from metered accounts being more than budgeted.

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


 Howard Karris
 DIRECTOR FINANCE

Attach.

cc: All Directors

