

ITEM 5
MANAGER'S REPORT NO. 27
COUNCIL MEETING 89/04/10

RE: 1988 FINANCIAL STATEMENTS

ACTING MUNICIPAL MANAGER'S RECOMMENDATION:

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

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TO: MUNICIPAL MANAGER

1989 APRIL 04

FROM: DIRECTOR FINANCE

RE: 1988 FINANCIAL STATEMENTS

PURPOSE: TO PRESENT THE 1988 FINANCIAL STATEMENTS

RECOMMENDATION

1. THAT this report be received for information purposes.

SUMMARY

This report presents the audited financial statements for the year 1988. The statements show that the surplus for the year was \$2,168,577, which compares to \$1,782,005 shown as operating contingency in the recast budget. \$1,250,000 of that operating contingency was specified for wage and salary increases which were not reflected in the departmental budgets at recast time, due to the late settlement of the Union contracts. The Burnaby Public Library Board's share of the surplus is \$63,499.

The major variances which have occurred since the 1988 recast budget are explained in the report.

REPORT

FINANCIAL STATEMENTS

The audited financial statements for the year ended 1988 December 31 are enclosed in the envelopes containing Council's agenda. At this time, copies of the report are only available for Council; a copy is available in the Municipal Clerk's office for anyone else 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 total 1988 operating surplus of \$2,168,577 is \$1,636,572 greater than the surplus anticipated when the recast budget was prepared last Fall. The most significant variances from the budget are:

Effect on Surplus	114
(Unfavourable)	<u>Favourable</u>
\$	\$

<u>Administrative & Community Services</u>	
Personnel expenditures	60,000
- lower legal fees and administrative expenses	
Police	
- support services costs higher due to increased activity, and lower parking fine revenues	(100,000)
- R.C.M.P. contract costs lower	80,000
Information Services	
- lower computer maintenance costs and consulting fees	68,000
<u>Engineering</u>	
Service Centre	
- garage and shops - lower stores charges and higher recovery on shop work orders	75,000
Solid waste	
- lower operating costs for Stride Avenue operations, lower equipment expenditures and G.V.S. & D.D. disposal costs	273,000
Planning & Building Inspection	
Lower building inspection revenue	(103,000)
All Services	
Allowance for salary and wage increases included in the recast budget, which was not allocated to departments, and which in finality was not needed	1,250,000
<u>Fiscal Items</u>	
Debt reserve recovery	64,000
Higher investment income	88,000
Assessment appeals	(81,000)
All other variances (net) (unfavourable)	<u>(37,428)</u>
all under \$50,000 items	
Sub-totals	<u>1,958,000</u>
Increase in surplus over recast budget	1,636,572
Recast budget unspecified operating contingency	<u>532,005</u>
Total operating surplus for 1988	<u>2,168,577</u>
This surplus is broken down as follows:	
General municipal operation	<u>2,105,078</u>
Library Board	<u>63,499</u>
	<u>2,168,577</u>

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The Municipal Manager and the Management Committee have reviewed the 1988 operating surplus and are recommending certain specific uses of that surplus which will be reflected in the 1989 annual operating budget. These are:

\$1,072,404 to be taken into 1989 revenue as surplus brought forward as follows:

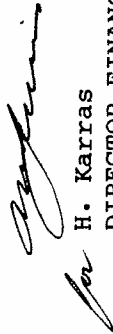
General purposes	\$1,000,000
Library	63,499
Museum	8,905

\$ 800,000 contribution to reserve to fund the potential loss in tax revenue from outstanding assessment appeals.

\$ 296,173 to increase working capital and thereby decrease annual borrowing needs pending collection of taxes.

\$2,168,577

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H. Karras
DIRECTOR FINANCE

HK:jh

