

AUDIT COMMITTEE OF COUNCIL

*HIS WORSHIP, THE MAYOR
AND COUNCILLORS*

SUBJECT: 2011 FINANCIAL REPORT

RECOMMENDATIONS:

1. THAT Council receive the City of Burnaby 2011 Financial Report and audited financial statements for the year ended December 31, 2011.
2. THAT Council authorize the 2011 General Municipal Surplus in the amount of \$2,342,390 be transferred to the Stabilization Fund.

REPORT

The Audit Committee of Council, at its meeting held on 2012 May 08, received and adopted the attached report presenting the 2011 Financial Statements.

Respectfully submitted,

Councillor D. Johnston
Chair

Councillor C. Jordan
Vice Chair

His Worship, Mayor D. Corrigan
Member

Councillor P. McDonell
Member

Copied to:	City Manager Deputy City Managers (2) Director Finance Director Planning & Building Director Human Resources Director Parks, Recr. & Cult. Services Director Engineering
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TO: AUDIT COMMITTEE **DATE:** 2012 May 03
FROM: DIRECTOR FINANCE **FILE:** 7600 - 20
SUBJECT: 2011 FINANCIAL REPORT
PURPOSE: To present the 2011 Financial Statements.

RECOMMENDATION:

1. **THAT** the Audit Committee recommend that Council receive the City of Burnaby 2011 Financial Report and audited financial statements for the year ended December 31, 2011.
2. **THAT** the Audit Committee recommend that Council authorize the 2011 General Municipal Surplus in the amount of \$2,342,390 be transferred to the Stabilization Fund.

REPORT

The purpose of the City of Burnaby's 2011 Annual Financial Report is to present to readers the financial results for the year ended December 31, 2011. This report includes the City's 2011 audited Consolidated Financial Statements that reflect the accounts of all funds of the City on a consolidated basis. The presentation emphasizes the City's ability to meet its current commitments and finance its future liabilities as reflected in Net Financial Assets (page 35 of 2011 Annual Financial Report). Net Financial Assets reflects City's reserve balances.

Net Financial Assets for 2011 increased by over \$23.5 million which attests to the continued strong financial health of the City. This increase arose mainly from new development fees, investment income on reserve funds, gaming fund receipts and an increase in land sales.

Council's strong support of prudent financial practices has produced a debt-free City with strong reserves to support the replacement of the City's capital infrastructure. These reserves afford Council the ongoing ability to maintain taxation stability and to provide capital funding for city projects without incurring debt on the external markets.

The City budgets on a fund basis. The following summarizes the net fund surpluses from operations for 2011.

Fund Surplus

General Municipal	\$ 2,342,390
Unfunded Actuarial Benefits Adjustments	198,828
Library	408,312
Waterworks Utility	124,038
Sanitary Sewer	Nil

General Municipal Surplus of \$2,342,390 is comprised of the following major items:

General Municipal Surplus: Major Items

Planning & Building revenue (increased construction activities)	\$2,092,725
RCMP Contract and Integrated Teams	(1,952,472)
Investment income	879,721
Other departmental savings	1,322,416
Total General Municipal Surplus	\$2,342,390

The Library Act requires the Library surplus of \$408,312 be carried forward to the credit of the Library Board in 2011. The Waterworks Utility surplus is required to be retained in the Waterworks Utility Fund.

The General Municipal Surplus in the amount of \$2,342,390 will be transferred to Stabilization Fund. The following 2012 expenditures as shown below are budgeted to be funded from this surplus and are included in the 2012 Annual Financial Plan.

<u>General Municipal Surplus</u>	\$ 2,342,390
Archives Assistant	62,910
Election Wrap-Up Costs	96,670
Sustainability Project(s)	35,000
Burnaby Village Museum - No Charge Admission	300,000
Prior Year Assessment Appeal Board Decision	300,000
"Planning for Performance" Training Program	25,500
Contract negotiation services	50,000
Intergovernmental Relations	100,000
Environmental Sustainability Steering Committee	100,000
BC Seniors Games	80,000
Transportation Plan Renewal	50,000
Sub-Total Committed Items	1,200,080
Remaining Available Surplus	\$ 1,142,310

To: Audit Committee
From: Director Finance
Re: 2011 Financial Report
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Recommendation

It is recommended that the 2011 General Municipal Surplus in the amount of \$2,342,390 be transferred to the Stabilization Fund.

Denise Jorgenson
DIRECTOR FINANCE

DJ:RT /ml

Copied to: City Manager
Deputy City Managers (2)
Director Planning and Building
Director Human Resources
Director Parks, Recreation and Cultural Services
Director Engineering