



Meeting 2016 April 25
COUNCIL REPORT

AUDIT COMMITTEE

HIS WORSHIP, THE MAYOR
AND COUNCILLORS

SUBJECT: 2015 ANNUAL FINANCIAL REPORT

RECOMMENDATION:

1. THAT Council receive the City of Burnaby 2015 Annual Financial Report and audited Consolidated Financial Statements for the year ended 2015 December 31.

REPORT

The Audit Committee, at its meeting held on 2016 April 05, received and adopted the attached 2015 Annual Financial Report which includes the audited Consolidated Financial Statements (*provided under separate cover*).

Respectfully submitted,

Councillor D. Johnston
Chair

Councillor C. Jordan
Vice Chair

His Worship, Mayor D. Corrigan
Member

Councillor P. McDonnell
Member

Copied to:	City Manager Deputy City Manager Director Finance Director Planning & Building Director Engineering Director Parks, Recr. & Cult. Services OIC, RCMP Fire Chief Chief Librarian Chief Information Officer City Solicitor
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Meeting 2016 April 05

COMMITTEE REPORT

TO: CHAIR AND MEMBERS
AUDIT COMMITTEE OF COUNCIL

DATE: 2016 April 05

FROM: DIRECTOR FINANCE

FILE: 7620-20

SUBJECT: 2015 ANNUAL FINANCIAL REPORT

PURPOSE: To present the 2015 Annual Financial Report which includes the audited Consolidated Financial Statements.

RECOMMENDATION:

1. **THAT** the Audit Committee recommend Council receive the City of Burnaby 2015 Annual Financial Report and audited Consolidated Financial Statements for the year ended 2015 December 31.

REPORT

The purpose of the City of Burnaby's 2015 Annual Financial Report is to present to readers the financial results for the year ended 2015 December 31. This report includes the City's audited Consolidated Financial Statements that reflect the accounts of all funds of the City on a consolidated basis. This presentation emphasizes the City's ability to meet its current commitments and finance its future liabilities.

The City's financial position continued to be very strong throughout 2015 with an increase in annual surplus of \$128.2 million (2014 – \$158.2 million), bringing the Accumulated Surplus to \$3.6 billion.

The consolidated annual budget projected a surplus of \$119.9 million. The realized consolidated surplus of \$128.2 million resulted from a favourable net budget variance of \$8.6 million across all City programs. The majority of the budget variance relates to expenditure savings of \$9.8 million and a small revenue short fall of \$1.2 million. Major savings are explained as follows:

- \$6.7 million in compensation savings realized across all service programs as a result of staff vacancies, and the challenges associated with replacing an aging workforce
- \$1.7 million RCMP contract savings due to recruitment challenges
- \$1.4 million reduction in Metro Van disposal fee costs due to the successful diversion of waste and other savings across programs.

To: Audit Committee of Council
From: Director Finance
Re: 2015 ANNUAL FINANCIAL REPORT
2016 April 05..... Page 2

The increase in Accumulated Surplus of \$128.2 million is a reflection of the City’s strong financial position and long term financial sustainability developed through Council’s continued support of prudent financial practices. The following contributed to the change in Accumulated Surplus for 2015:

- \$46 million capital contributions received by the City from Community Benefit Funds including interest earnings on the fund
- \$35 million increase in capital reserves from interest income, land sales and general revenue contributions for replacement
- \$10 million increase in the utility reserves for maintenance and capital replacement of water and sewer infrastructure
- \$ 9 million received in Provincial Gaming fund revenue for one time capital projects that improve the environment and support public safety, arts and culture
- \$35 million increase in capital tangible assets and land held for resale
- (\$ 7) million general revenue funds from prior year surplus, stabilization and designated funds used to fund one-time operating expenditures to reduce the impact on property taxes

Capital reserves provide funding for City capital projects without incurring debt in the external markets. Capital funds are used to renew and replace City assets, for capital investments in new capital infrastructure and to provide special amenities from the City’s Community Benefit Funds to meet the needs of our growing City.

RECOMMENDATION

It is recommended that Council receive the City of Burnaby 2015 Annual Financial Report and audited Consolidated Financial Statements for the year ended 2015 December 31.



Denise Jorgenson
DIRECTOR FINANCE

DJ:NK /ml

Copied to: City Manager and Members of Management Committee
Clerks