

**AUDIT COMMITTEE**

HIS WORSHIP, THE MAYOR  
AND COUNCILLORS

**SUBJECT: 2018 ANNUAL MUNICIPAL REPORT**

**RECOMMENDATION:**

1. **THAT** Council receive the City of Burnaby 2018 Annual Municipal Report and audited Consolidated Financial Statements for the year ended December 31.

**REPORT**

The Audit Committee, at its meeting held on 2019 April 09, received and adopted the *attached* 2018 Annual Municipal Report which includes the audited Consolidated Financial Statements (*provided under separate cover*).

Respectfully submitted,

Mayor M. Hurley  
Chair

Councillor S. Dhaliwal  
Vice Chair

Copied to:	City Manager Director Corporate Services Director Finance Director Engineering Director Parks, Rec. & Cult. Services Director Planning and Building Director Public Safety & Com. Services Chief Librarian Chief Information Officer Fire Chief OIC, RCMP
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**TO:** CHAIR AND MEMBERS  
AUDIT COMMITTEE

**DATE:** 2019 April 04

**FROM:** DIRECTOR FINANCE

**FILE:** 7620-20

**SUBJECT:** 2018 ANNUAL MUNICIPAL REPORT

**PURPOSE:** To present the 2018 Annual Municipal Report which includes the audited Consolidated Financial Statements.

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**RECOMMENDATION:**

1. **THAT** the Audit Committee recommend Council receive the City of Burnaby 2018 Annual Municipal Report and audited Consolidated Financial Statements for the year ended December 31.

**REPORT**

The purpose of the City of Burnaby's 2018 Annual Municipal Report is to present to readers the financial results for the City for the year ended 2018 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.

The City's financial position continued to be very strong throughout 2018 with an increase in annual surplus of \$367.2 million (2017 – \$257.4 million), bringing the Accumulated Surplus to \$4.4 billion (2017 – \$4.0 billion).

***Annual Surplus (Net Revenues in excess of Expenses)***

The 2018 annual surplus of \$367.2 million has exceeded the budgeted surplus of \$177.3 million by \$189.9 million. This higher than expected surplus consists of a net operating surplus of \$9.6 million (\$4.7 million in Utilities and \$4.9 million in General Operations) which is primarily driven by strong development permits and fees revenue. The remaining surplus of \$180.3 million is mainly due to an increase in the Community Benefit Bonus revenues, Contributed Asset revenues and Grants & Private Contributions which are all difficult to estimate due to the timing of development activity.

**Accumulated Surplus (Equity)**

The increase in Accumulated Surplus of \$367.2 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.

Net Financial Assets increased by \$298.9 million in the following reserve funds and reserves:

- \$230.1 million capital contributions received by the City from Community Benefit Bonus Program including interest earnings on the reserve;
- \$26.1 million increase in statutory capital reserve funds from interest income, land sales, development cost charges and general revenue contributions for replacement;
- \$25.6 million increase in the utility reserves for capital replacement of water and sewer infrastructure;
- \$15.4 million increase in operating reserves including general revenue, utilities, stabilization and other designated operating reserves used to fund one-time operating expenditures to reduce the impact on property taxes;
- \$3.7 million increase in non-statutory capital reserves from capital contribution including interest earnings on the reserve, and
- (\$2.1) million decrease in gaming reserves utilized for projects in 2018 that improved the environment and support public safety, arts and culture.

Non-Financial Assets increased by \$68.3 million due to additions is tangible capital assets, inventories and prepaid expenses.

**RECOMMENDATION**

It is recommended that Council receive the City of Burnaby 2018 Annual Municipal Report and audited Consolidated Financial Statements for the year ended 2018 December 31.



Noreen Kassam, CPA, CGA  
DIRECTOR FINANCE

NK:RG /ml

Attachment: 2018 Annual Municipal Report

Copied to: City Manager