



# 2011

## ANNUAL FINANCIAL REPORT





2011

ANNUAL  
FINANCIAL REPORT  
FOR THE  
CITY OF BURNABY

Produced by the Finance Department at the City of Burnaby, in cooperation with all civic departments, offices and agencies.  
Design: Carolyn Pang & Sean Yee

City of Burnaby, British Columbia, Canada

# CONTENTS

## INTRODUCTORY SECTION

- 4 Message from the Mayor
- 7 City Council
- 8 Organization and Structure
- 9 City Officials
- 10 Committees, Commissions and Task Force

## SERVICE HIGHLIGHTS

- 13 Engineering
- 15 Fire
- 16 Police
- 18 Parks, Recreation and Cultural Services
- 22 Library
- 24 Social Sustainability Strategy
- 26 Environmental Sustainability Strategy

## FINANCIAL SECTION

- 29 Audit Committee
- 30 Treasurer's Report
- 34 Auditor's Report
- Consolidated Statements
- 36 A Consolidated Statement of Financial Position
- 37 B Consolidated Statement of Operations and Accumulated Surplus
- 38 C Consolidated Statement of Changes in Net Financial Assets
- 39 D Consolidated Statement of Cash Flows
- 40 Notes to the Consolidated Financial Statements

## PERMISSIVE EXEMPTIONS

- 55 Tables

## STATISTICAL SECTION

- Tables
- 58 1 Tax Collections - General Taxes
- 59 2 Miscellaneous Statistics

## BURNABY PUBLIC LIBRARY BOARD

- 61 Auditor's Report
- Financial Statements
- 63 1 Statements of Financial Position
- 64 2 Statement of Operations
- 65 3 Statement of Endowment Funds
- 66 4 Statement of Cash Flows
- 67 Notes to Financial Statements

## MESSAGE FROM THE MAYOR

In 2011, the City of Burnaby launched dozens of innovative new initiatives and completed significant programs that, together, will ensure Burnaby continues to be recognized as one of the world's best cities. Working in partnership with citizens, the Burnaby Board of Trade, Tourism Burnaby, hundreds of volunteers and our leading-edge business community, our exemplary staff who create, design, build and deliver our services achieved key milestones. I would like to congratulate our City Manager, Bob Moncur, Deputy City Managers, Chad Turpin and Rick Earle, and all City employees for continuing to ensure excellent delivery of public service to all Burnaby citizens. I would also like to thank our citizens, Board of Trade, Tourism Burnaby, our business community and our tireless volunteers for their participation in City initiatives and their continued support.

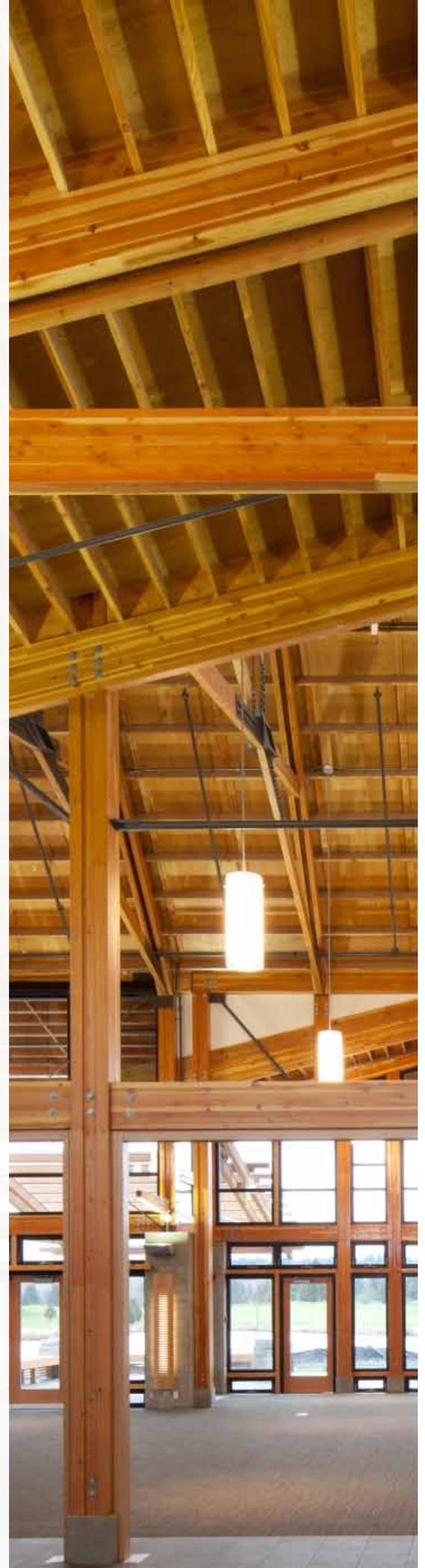
One of our greatest achievements of 2011 was the completion of the Social Sustainability Strategy. The Strategy, which builds on Burnaby's legacy of social achievements, complements our economic development strategy, and is one of the first of its kind in Canada in that it focuses on improving social well-being through an integrated lens of sustainability. The strategy's development was collaborative, with significant community and public involvement building on the energy, creativity and innovation of hundreds of Burnaby citizens and business people, including a 25-member, blue-ribbon steering committee and approximately 700 other Burnaby residents.

The Strategy is bold, visionary and inspiring and will guide the City's plans and resource allocations in the social realm over the next ten or so years. It articulates three broad social goals and seven major theme areas and includes 127 actions to keep Burnaby inclusive, livable and resilient. I could not be more proud of our community for adopting the strategy and vision.

We are now beginning development of an Environmental Sustainability Strategy that will complete our Sustainable City framework.

In March 2011, the City completed the long-awaited rejuvenation project for Burnaby Lake. A total of 215,000 cubic meters of sediment were removed from the lake bottom, much of which was contaminated with elevated levels of metals and hydrocarbon. During the dredging operations, tons of debris and waste, including tires, plastic bags, bottles, pop cans and metal objects were removed. The dredging provides multiple benefits to the ecosystem of the lake and future on-lake recreational opportunities, including our upcoming Seniors Games that will provide tremendous financial benefits for the City. We are very proud that this project received the 2011 Environmental Award from the Association of Professional Engineers and Geoscientists of B.C. and also received the 2012 Award of Merit in the Municipal Engineering category from the Consulting Engineers of British Columbia.

Construction of an impressive new 11,500 square foot clubhouse at the Riverway Golf Course was also completed this year.



The City's four town centres continued to be focal points for development. Lively and diverse streetscapes and public places are taking shape, providing new business and residential spaces, civic facilities - including libraries and recreation facilities -and welcoming outdoor gathering places. The new Edmonds Aquatic and Community Centre is taking shape. It will contain a six-lane, 25-metre lap pool, a leisure pool, two gyms, a fitness centre, a seniors' centre, daycare, a youth centre and multi-purpose meeting rooms.

In North Burnaby, the new Confederation Park Outdoor Track opened in October with a rubberized track and night-lighting. In central Burnaby, the Bill Copeland Sports Centre received a new removable wood floor, which we think will establish Burnaby as the premier location for lacrosse tournaments.

In 2011, the City acquired land for Bell Park, Ernie Winch Park and the Highland Park Line. In addition, eight park areas totaling 28 hectares were included in the 2011 Park Dedication Bylaw.

Another key achievement is our new website. Created based on input from citizens, City staff and businesses, the website makes finding information easy, intuitive, and quick. We have also enhanced our social media presence - and this is just a start. As more citizens are seeking information at their fingertips - online and on their mobile devices -we are moving forward with these new channels of communication.

Many tax office processes have been moved to electronic format, reducing waste and streamlining transactions. We launched a new Garbage Collection and Recycling Information app. And our focus on technology extends well beyond City Hall and personal mobile devices. In 2011, the City received an award from Intelligent Transportation Systems Canada for our Emergency Vehicle Traffic Signal Pre-Emption System. Every one of Burnaby's 230 traffic signals and more than 100 police and fire vehicles are now equipped with the GPS-based system. When responding to an emergency, transponder equipment allows the vehicles to request a priority green light, enhancing safety and reducing unnecessary delays in response times.

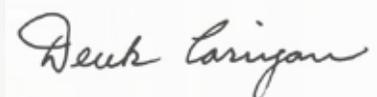
We have continued to effectively manage the City's cash flows and investment portfolio in order to maximize the return on the City's investments. Our diversified investment approach, which uses longer-term investments to provide income and yield stability, and our prudent financial practices in managing our funds, provided a 5.05% return in 2011. This correlated to \$34.3 million in revenue generated by our investments.

Burnaby's 2012 financial outlook remains strong, attracting new business and development to our community. As a result of sound fiscal management and long term planning, the City continues to prosper and achieve the goal of financial sustainability. City staff continues to deliver an enormous range of programs and services while demonstrating financial prudence.

Our Civic Investment Fund allows us to remain debt free and to reduce taxes while continuing to provide a high level of quality service to our citizens and businesses. Burnaby has focused on ensuring that our investment fund maximizes our returns on invested cash.

In 2011, the Civic Investment Fund contributed \$7.6 million in revenue to the operating revenue.

I am honoured to be the Mayor of the City of Burnaby and I am proud of our many achievements. I am most proud, however, of our City's partnerships with citizens, businesses and volunteers. It is these partnerships that make our City great and allow us to anticipate an exceptional future for our City. On behalf of Council, thank you for your role throughout the year in making Burnaby a great place to live, work, learn and play.



# INTRODUCTORY SECTION



## CITY COUNCIL

The Mayor and Council are elected by the residents of Burnaby and are responsible for providing municipal government services. The Mayor is the head and Chief Executive Officer of the City, and is responsible for seeing that City resources are used for the benefit and protection of its citizens.



**MAYOR**  
Derek Corrigan



**COUNCILLOR**  
Pietro Calendino



**COUNCILLOR**  
Colleen Jordan



**COUNCILLOR**  
Richard Chang



**COUNCILLOR**  
Anne Kang



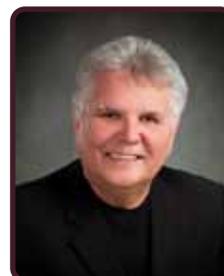
**COUNCILLOR**  
Sav Dhaliwal



**COUNCILLOR**  
Paul McDonell

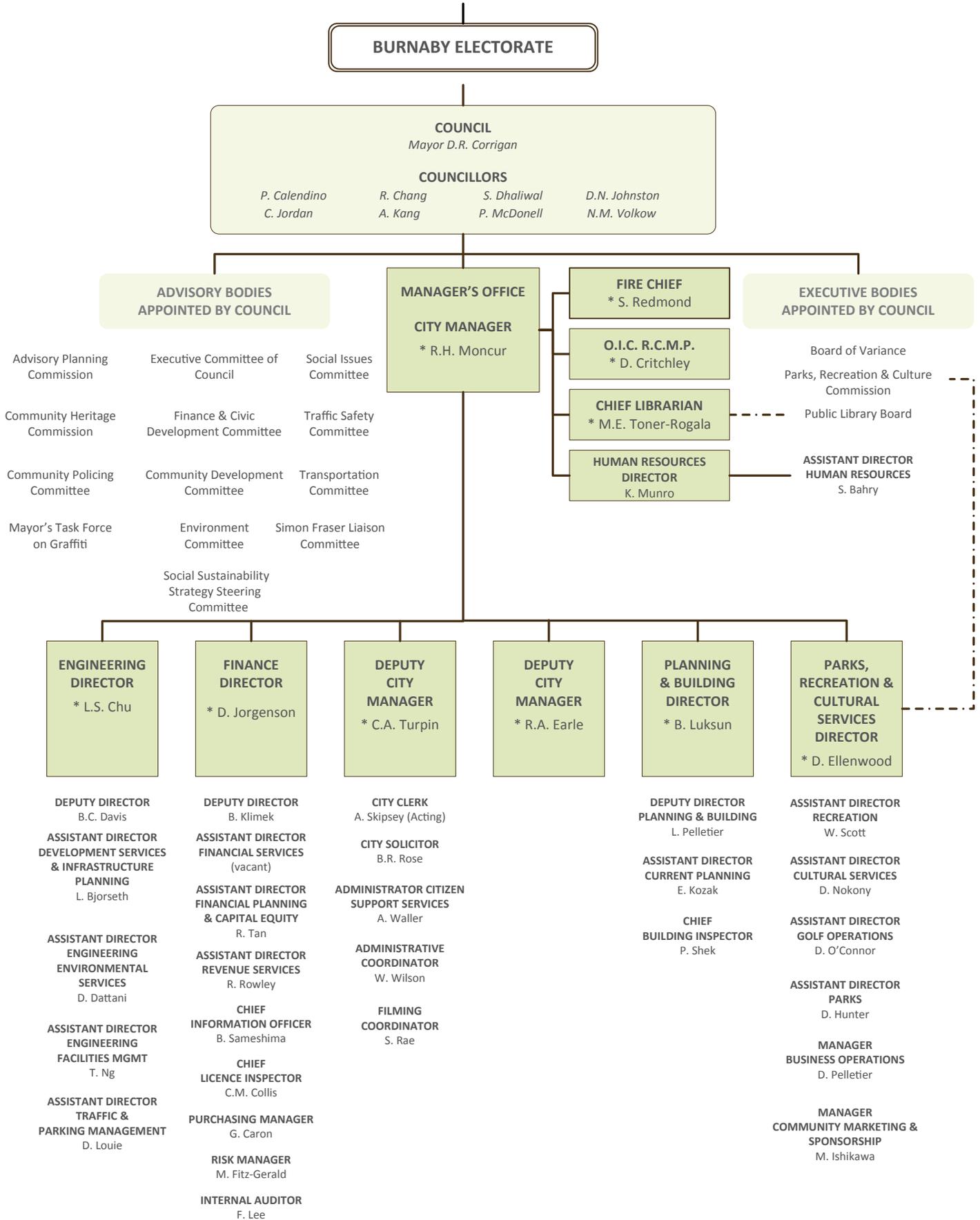


**COUNCILLOR**  
Dan Johnston



**COUNCILLOR**  
Nick Volkow

**THE CITIZENS OF BURNABY**



\* Members of the Management Committee.  
This organization chart shows reporting relationships only and does not necessarily reflect levels of responsibility

**CITY MANAGER**

R.H. Moncur

**DEPUTY CITY MANAGER**

C. Turpin

**DEPUTY CITY MANAGER**

R. Earle

**DIRECTOR ENGINEERING**

L.S. Chu

**DIRECTOR PARKS, RECREATION & CULTURAL SERVICES**

D. Ellenwood

**DIRECTOR FINANCE**

D. Jorgenson

**DIRECTOR PLANNING & BUILDING**

B. Luk Sun

**BOARD OF VARIANCE**

D. MacKinnon (Chair)

P. Ferronato

J. Toth

M. Castro

B. Bharaj

**PARKS, RECREATION & CULTURE COMMISSION**

Councillor S. Dhaliwal (Chair)

Councillor P. Calendino

K. Alkins-Jang (Deputy Chair)

B. Di Spirito

M. Foley

B. Nasu

C. O'Neill

W. Peppard

K. Purdy

**PUBLIC LIBRARY BOARD**

Councillor A. Kang

M. Redman (Chair)

D. Ali

R. Fasciana

S. Johal

S. Freeman

L. Loftus

E. Maitland (Vice Chair)

S. Pierce

**CITY OFFICIALS**

As the Chief Administrative Officer, the City Manager makes recommendations to Council on a Broad range of policy and administrative issues. The City Manager's Office directs the operations of the City and is responsible for implementing City policies.

**BOARD OF VARIANCE**

Accountable for approving requests for minor variances to the Burnaby Zoning Bylaw regarding the sizing, size and dimensions of buildings.

**PARKS, RECREATION & CULTURE COMMISSION**

Accountable for development, maintenance and operations of all parks and parks property and organizes recreation programs in Burnaby.

**PUBLIC LIBRARY BOARD**

Accountable for the operations of all libraries in Burnaby.

Advisory bodies and the members of each Board, Committee and Commission are included on the following two pages.

**AUDITORS****BANKERS**

## COMMITTEES, COMMISSIONS AND TASK FORCE

### ADVISORY PLANNING COMMISSION ■■

R. Dhatt (Chair)  
J. Tseng (Vice Chair)  
Commissioner K. Alkins-Jang  
Commissioner M. Foley (alternate)  
P. Dhaliwal  
J. Fulton  
V. Ivancic  
L. Matricardi  
L. Myers  
S. Nemeth

### ■■ COMMUNITY POLICING COMMITTEE

Councillor P. Calendino (Chair)  
Councillor P. McDonell (Vice Chair)  
Councillor R. Chang  
Trustee T. Coccia  
M. Ciric  
D. Gillis  
E. Mah  
C. McCulloch  
D. Moore  
T. Wong  
D. Zurowski  
S. McLean  
M. Gates

### AUDIT COMMITTEE ■■

Councillor D. Johnston (Chair)  
Councillor C. Jordan (Vice Chair)  
Mayor D. Corrigan  
Councillor P. McDonell

### ■■ ENVIRONMENT COMMITTEE

Councillor D. Johnston (Chair)  
Councillor S. Dhaliwal (Vice Chair)  
Councillor A. Kang  
P. Cipywnyk  
S. Jung  
M. Lumby  
G. Porter

### COMMUNITY DEVELOPMENT COMMITTEE ■■

Councillor C. Jordan (Chair)  
Councillor D. Johnston (Vice Chair)  
Councillor P. Calendino

### ■■ EXECUTIVE COMMITTEE OF COUNCIL

Councillor N. Volkow (Chair)  
Councillor P. Calendino (Vice Chair)  
Councillor P. McDonell

### COMMUNITY HERITAGE COMMISSION ■■

Councillor C. Jordan (Chair)  
Councillor A. Kang (Vice Chair)  
Councillor R. Chang  
Commissioner C. O'Neil  
Commissioner B. Nasu (alternate)  
M. Bell  
B. Elder  
R. Johnson  
L. Lowe  
H. Pride  
Z. Towle  
P. Finlayson

### ■■ FINANCE & CIVIC DEVELOPMENT COMMITTEE

Councillor D. Johnston (Chair)  
Councillor N. Volkow (Vice Chair)  
Councillor C. Jordan

**MAYOR'S TASK FORCE ON GRAFFITI ■■**

Councillor C. Jordan (Chair)  
 Councillor S. Dhaliwal (Vice Chair)  
 Councillor P. McDonell  
 D. Gillis  
 C. Hildred  
 D. Moore  
 D. Mumford  
 K. Ryan  
 D. Switzer  
 D. Zurowski  
 T. Wong  
 C. Orazitti  
 B. Longland  
 C. Bennett

**SIMON FRASER LIAISON COMMITTEE ■■**

Councillor P. Calendino (Chair)  
 Councillor R. Chang (Vice Chair)  
 Councillor S. Dhaliwal

**SOCIAL ISSUES COMMITTEE ■■**

Councillor P. McDonell (Chair)  
 Councillor A. Kang (Vice Chair)  
 Councillor P. Calendino  
 Trustee L. Hayes  
 T. Ali  
 H. Bhaloo  
 A. Brophy  
 C. Langston  
 B. Larkin  
 M. Plata  
 L. de los Reyes  
 M. Santiago  
 P. Woodruff

**■■ SOCIAL SUSTAINABILITY STRATEGY****STEERING COMMITTEE  
 (COMPLETED IN 2011)**

Mayor D. Corrigan (Chair)  
 Councillor N. Volkow (Vice Chair)  
 Councillor P. Calendino  
 Councillor A. Kang  
 Councillor P. McDonell  
 A. Beck  
 A. Brophy  
 M. Burrows  
 K. Chen  
 M. Coyne  
 S. D'Souza  
 C. Hildred  
 W. Hurd  
 G. Lee  
 B. Naidoo  
 B. Narang  
 R. Nosella  
 R. Pandher  
 T. Polich  
 P. Pratt  
 B. Sanghera  
 A. Wilson

**■■ TRAFFIC SAFETY COMMITTEE**

Councillor S. Dhaliwal (Chair)  
 Councillor C. Jordan (Vice Chair)  
 Councillor P. McDonell  
 J. Whittemore  
 D. Kuzik (alternate)  
 B. Heslop  
 A. Dhanani  
 D. Berardine  
 G. Couling  
 K. Esmaeipour  
 R. Owsanski  
 J. Rioux

**■■ TRANSPORTATION COMMITTEE**

Councillor N. Volkow (Chair)  
 Councillor S. Dhaliwal (Vice Chair)  
 Councillor R. Chang  
 J. Artuso  
 P. Cech  
 E. Laity  
 R. Tan

# SERVICE HIGHLIGHTS



## INTELLIGENT TRANSPORTATION SYSTEM

In 2011, the City received an award from Intelligent Transportation Systems Canada for the City's Emergency Vehicle Traffic Signal Pre-Emption System. Every one of Burnaby's 230 traffic signals and more than 100 police and fire vehicles are now equipped with the GPS-based system.

When responding to an emergency, transponder equipment mounted on police and fire vehicles allows the vehicles to request a priority green light at an upcoming signal at the appropriate time. This capability enhances safety and can reduce unnecessary delays in response times. A key component of the system is the Central Management Software, which allows remote monitoring of and adjustment to signal timings and settings to accommodate special traffic conditions.



## BURNABY LAKE REJUVENATION

In March 2011, the City completed the rejuvenating project for Burnaby Lake. A total of 215,000 cubic meters of sediments were removed from the lake bottom. A large percentage of the lake bed sediments removed was contaminated with elevated level of metals and hydrocarbons.

During the dredging operations, tons of debris and waste including car/truck tires, plastic bags/sheets, bottles, pop cans and metal objects were found and they were removed from the lake bottom. The dredging provides multiple benefits to the ecosystem of the lake and future on-lake recreational opportunities, and creates a healthier and cleaner environment for all. This project received the 2011 Environmental Award from the Association of Professional Engineers and Geoscientists of BC.



## ENHANCED LIGHTING GRIFFITHS PEDESTRIAN OVERPASS

Griffiths Drive is one of the City's main arterials connecting Kingsway to Marine Way and New Westminster. In 2008, a pedestrian overpass was constructed at 14th Avenue that provides safe passage for pedestrians and cyclists crossing Griffiths and connects the trail network in the Southpoint/Taylor Park neighbourhood to the walkways leading to Byrne Creek Secondary School. The overpass has a modern and striking design and received a "Project of the Year" award from the BC Public Works Association.

The bridge lighting, originally designed primarily for safety purposes, comprised of white spotlights at the base of the structure. In 2011 the existing lighting scheme was enhanced with the installation of 24 additional metal halide lights to highlight the bridge arch and the main span. Supplementary blue LED fixtures lighting the underside of the span provide a stunning contrast to the white light above. This contrast creates the visual effect of a white iconic arch floating on a blue base. The combined use of metal halide and LED lights offer higher energy efficiency and longer service life than conventional light fixtures. The completed project highlights this distinctive bridge as a special landmark in the City and creates a more visually pleasing environment for those who travel, cycle and work in the area.



## INTERSECTION MARINE WAY & NORTH FRASER WAY

With the development of two new vibrant shopping centers and an expanding light industrial base in the Big Bend area, Marine Way is now carrying more than 30,000 vehicles per day in each direction. To provide improved access to and from the new businesses, the City needed to improve the traffic operation and the capacity of the Marine Way and North Fraser Way intersection. At the same time the City wished to enhance the area and provide better amenities to the community.

All of this was achieved by providing additional through and turning lanes for vehicles, improving the traffic signals, adding cycling lanes and an urban trail, installing a noise abatement fence from wood products made in BC instead of concrete to reduce carbon dioxide emissions, providing decorative lighting in the median, and constructing a storm water quality enhancement pond to improve the quality of storm run-off from the road, before it enters Jerry Rogers Creek.

The result of this multi-faceted project is not only the improved traffic operation but also generated benefits to the environment, added facilities for pedestrians and cyclists and created a quieter surrounding for the adjacent residents.



## FIRE PRE-INCIDENT PLANNING & TECHNOLOGICAL IMPROVEMENTS

The Fire Department is in the process upgrading its computer systems and software so that we can respond to emergency incidents more quickly and safely. These upgrades will provide our emergency responders with timely critical information. This will allow for better informed decision making and a more efficient approach to protecting the well-being and property of our citizens.

Towards the end of the year we began live trials of the I-mobile computer software for our emergency vehicles. Once the software is installed on all fire apparatus computer terminals it will provide GPS capability, detailed satellite imagery, locations of hazards, and additional fire protection and safety information.

The department continues the process of updating pre-incident plans for buildings that are considered to have a significant life-safety component. These pre-incident plans contain site-specific information regarding construction, protection systems and building contents. Knowledge of this important information is an essential step in our overall response process and will allow us to better protect the people who live, work or visit the city. Some two hundred or more of these plans were completed before year-end and will be added to our computer database in the near future. These and other technological improvements are a part of our on-going commitment to providing the best services possible to the citizens of Burnaby.



As part of our effort to provide effective public education we acquired a Bullex digital fire extinguishing training system. This technology allows trainees to learn how to effectively use a fire extinguisher without the cost and clean-up associated with using dry-chemical or CO2 extinguishers. This new tool will allow us to provide instruction in this important skill to a larger base of community, corporate and school groups.

We have expanded our training in the areas of Structural Collapse and Search and Rescue to include use of search dogs, sensitive electronic listening devices and remote cameras. We further increased our skills and abilities in these areas through participation in multi-agency training exercises. This training has significantly enhanced our major disaster response knowledge and capabilities. This will enable the Fire Department to provide initial stabilization to collapsed structures, and extricate victims trapped in confined spaces.

In 2011, the Fire Department responded to 13,117 incidents. The types of incidents by classification were:

Fire (building)	519
Fire (other)	717
Fire (vehicle)	79
Accidental alarm	1,546
False alarm	173
Public service	990
Motor vehicle accident	1,329
Medical emergency	7,764



## POLICE

The Burnaby RCMP Detachment continued to provide a high level of service to the citizens of Burnaby in 2011. The Crime Reduction Strategy was embraced by all employees as a way of doing business. Bi-weekly COMPSTAT (Comparative Statistics) meetings provided supervisors and employees from various operational and operational support business lines the opportunity to review crime trends, causation factors and prolific offenders. Commitments were made at each meeting and a number of initiatives were carried out which included patrols of the areas affected by crime (hot spot patrols), street checks of suspicious individuals, curfew checks of individuals on conditions, establishment of projects and utilization of community groups and volunteers to assist.

As a result of the efforts of Detachment personnel and community engagement, the majority of crimes trended downwards from the previous year.

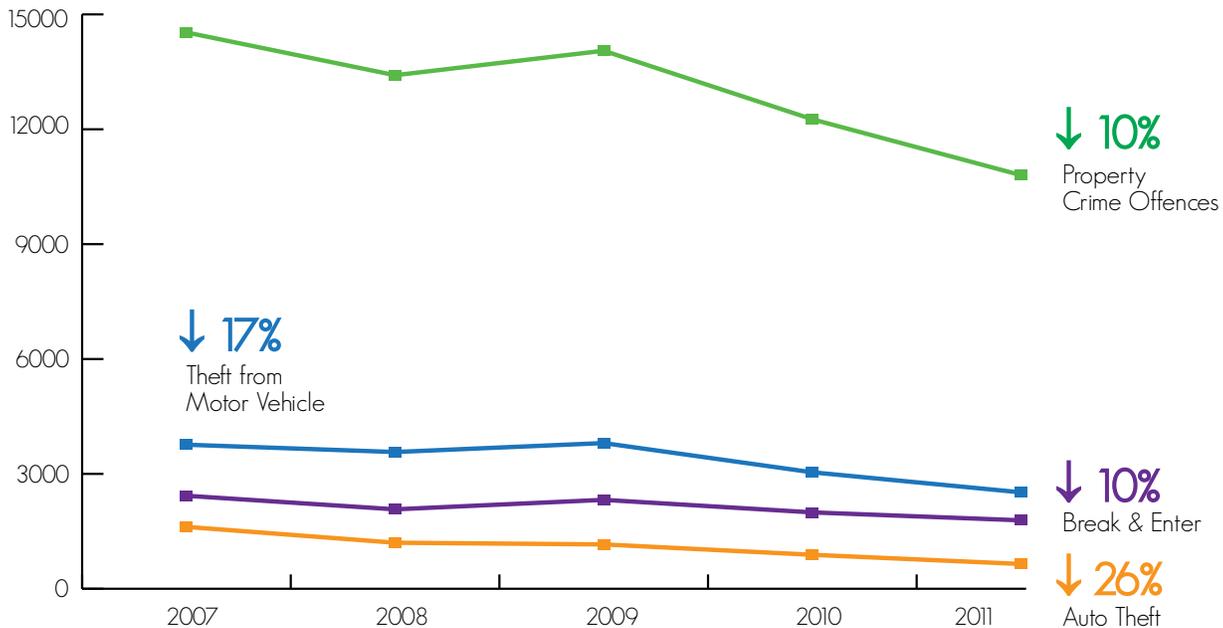
Criminal Code Offences decrease 8%  
(14,161 compared to 15,368 in 2010)

Number of calls for service decrease 4%  
(57,135 compared to 59,389 in 2010)

The Detachment Annual Performance Plan established four policing priorities for the year. The priorities were established after extensive internal and external consultation. The priorities were,

1. Contribute to the safety of youth
2. Contribute to the safety of our community, with a focus on drug enforcement and awareness, break and enters and stolen property
3. Contribute to safe roads
4. Reduce the impact and perception of violent crime in our community

These priorities all had a number of initiatives and measures and all have been met.





Throughout the year the Detachment continuously responded to the changing environment in order to review and improve their service delivery model to the citizens of Burnaby. This process is continuing. There have already been several areas identified and changes made, including:

- Renaming the Neighbourhood Liaison Unit (NLU) to Community Response Team (CRT) to reflect the enhanced ownership of policing issues within the various districts. Repeat calls for service on issues such as sex trade workers, problem properties and substance abuse can be dealt with by the CRT's with proactive strategies to reduce or eliminate the calls.
- Establishing a Burnaby Gang Enforcement Team to ensure the collection of intelligence and enforcement action on gang members or associates. Other initiatives supporting our Gang Enforcement Strategy are the education of the public, especially youth, and the creation of a local Bar Watch, allowing for the eviction of gang members from bars and restaurants to increase public safety.
- Enhancing focus on domestic violence files through dedicated resources and strengthened partnerships with various community groups and agencies.

The volunteer contribution to policing within the City of Burnaby continues to be outstanding. There are currently 75 Auxiliary Constables who contributed 16,157 hours. They were involved in numerous activities throughout the community. Other volunteers within the Detachment and at the Community Policing Offices carried out services including Victim Services, Restorative Justice, Citizens Crime Watch, Block Watch and Speed Watch. These volunteers provided 8,512 hours of time providing direct benefit to the community.

As the Detachment moves into 2012 we as Burnaby's Police Service, will continually strive to provide the best possible service delivery model as a partner for a safe community.



## PARK PLANNING, DESIGN, DEVELOPMENT & OPERATIONS

The International Association for Sports and Leisure Facilities (IAKS), the International Olympic Committee (IOC) and the International Paralympic Committee (IPC) presented Burnaby's Metro Skate Park with an IOC/IAKS Bronze Award. Metro Skate Park is located within Bonsor Park in the heart of Burnaby's Metrotown Area. An extensive public consultation process resulted in the design of a unique multi-level and multi-skill family skate park, which provides access to skateboarders of all ages from beginner to the advanced. The City also pioneered the use of an environmentally friendly concrete for skateparks.

Confederation Park Outdoor Track re-opened in October, 2011. The new rubberized track is illuminated and will require less maintenance than the gravel track it is replacing, especially in the wet winter months.

Implementation of the first phase of the enhancement of the Trail of Hope, a major trail loop within Central Park was successfully completed.

The goal to complete a longer trail loop around the Burnaby Mountain Conservation Area focused on the upgrade of a challenging trail connection on the northeast quadrant of the Mountain, Burnaby's equivalent of the Grouse Grind.

In 2011, 0.82 Acres (0.33 hectares) of parkland was acquired by the City for Bell Park, Ernie Winch Park and the Highland Park Line.

The George McLean Park development plan, prepared in consultation with the community, was approved and its implementation commenced with the phase one installation of the natural play area, swing set and benches, paving of pathways, and landscaping.

As part of the 2011 Civic Election, Community opinion was sought on the inclusion of a number of park properties in a 2011 Park Dedication Bylaw. The electorate supported Dedications for eight park areas totaling 69.15 acres (27.98 hectares). As a result approximately 62% of the land comprising the Burnaby Park System has now been protected through the park dedication bylaw process.



## GOLF SERVICES, FACILITIES & PROGRAMS

The new Riverway Clubhouse was officially opened on April 28, 2011. This impressive new 11,500 sq ft clubhouse, inclusive of restaurant/grill area, banquet facilities, snack bar and patio operations, complements the existing Riverway Golf Course facility. This enables the City to host tournaments, banquets and special functions.

The addition of 10,000 sq. ft. of green surface, which includes a chipping area for instruction for the use of our loyal customers, was completed at the Burnaby Mountain Golf Course in spring 2011.

### **FACTS & FIGURES**

Total Visits	400,000+
Rounds of Golf Played	192,362
Buckets of Ball - Driving Ranges	210,000
School Programs	3,200
Lessons	1,600

## ARTS & CULTURAL FACILITIES, PROGRAMS & EVENTS

2011 marked the 40th anniversary of the Burnaby Village Museum and Council approved free admission for the year in celebration. 2011 attendance at the Museum from May to September was 105,983, an increase of 447% over a year earlier.

At Civic Square Metrotown, Summer Sunday events from June to September featured 27 performers with a focus on children and families.

The new Festivals Burnaby grant program provided over \$100,000 to dozens of community and mid-sized presenters to assist in hosting festivals and special events in Burnaby in 2011.

The Burnaby Art Gallery experienced a 300% increase in school program participation, and a 25% increase in community exhibition offerings since 2007. Exhibition visitors have increased 5% in the period.

### **FACTS & FIGURES - EVENT ATTENDANCE**

Festivals in Deer Lake Park	22,690
VSO Symphony in the Park	10,000
Burnaby Blues & Roots Festival	8,190
Discovery Day Festival	2,500
Rhododendron Festival	2,000
Concerts in Deer Lake Park	27,000
Canada Day	13,000
Burnaby Village Museum	11,000
Ron McLean Park	2,000
Giro di Burnaby	5,000

## ADMINISTRATIVE, BUSINESS OPERATIONS, FOOD SERVICES, MARKETING & COMMUNICATIONS

Parks, Recreation and Cultural Services initiated its social media presence through establishing a Twitter page, Facebook page and e-newsletter. This coincides with the launch of the City's new website. More of our community is seeking information at their fingertips, online and on their mobile devices. PRCS is moving forward with these new channels of communications to deliver to residents current information in a timely fashion.

Expanded catering services include the Alan Emmott Centre and Burnaby Lake Pavilion facilities. Implementation of the new menu increased the revenue by 20%.

The Riverway Clubhouse opened in May 2011, winning multiple awards including diner's choice, #1 A List in Burnaby for best brunch and best patio.

Food services switched to all organic fair trade coffee.

2011 saw a successful concert season with new food service options and increased beverage sales.

Expanded the number of units, customer service capabilities, and reporting capacity with the 45 Point of Sale units at City of Burnaby Recreation Centres, and City Hall. This included the roll out of the Licence Department POS unit which aids in the collection of rental payments.



## RECREATION SERVICES, FACILITIES & PROGRAMS

Swangard Stadium saw an increase in cultural events hosted by community groups representing many countries and regions. Overall, Swangard hosted 70 events in 2011 ranging from track & field, soccer matches & practices, cultural events and fundraising runs/walks. This is noteworthy as the Whitecaps moved from Swangard Stadium to Empire Field for the 2011 season.

The Youth in South Burnaby were excited to receive a new building for the South Central Youth Centre at Bonsor Park. The Grand Opening was held on May 7th to wrap up Youth Week 2011 in conjunction with a block party celebration that had over 500 youth, community members and agencies in attendance.

The new removable wood floor at Bill Copeland Sports Centre was officially opened on April 9, 2011. It is anticipated that the removable wood and subfloors covering the ice sheet will establish Burnaby as the premier location for lacrosse tournaments and accommodate other potential events during the fall/winter season.

Eastburn Community Centre operations moved to the former Kingsway Library building while the new pool and community centre is being built. The inclusion of a weight and cardio room at this interim location has proved to be very popular, as there was an immediate increase in participation and revenue (+300%).

After a hiatus of two years, the Giro di Burnaby returned to the Heights on July 14, 2011. The race was so close it required a photo finish review to determine a winner.

Westminster Savings Free Family Swim, a free family swim sponsored by Westminster Savings was implemented at Bonsor in the fall of 2011 with an average attendance of 130 participants. Both Bonsor and Eileen Dailly Pools now offer a free monthly swim and the funding from Westminster Savings is expected to continue in 2012.

From January to October 2011, 170,358 participants and 64,898 spectators attended various sporting events at the Burnaby Lake Sports Complex-West facilities. We continue to see new organizations coming to Burnaby for their annual tournaments and our own Burnaby-based groups entering bids to have provincial and national level tournaments come to Burnaby.

Burnaby Mountain presented a challenging environment for the 1,300 participants of three adventure races in 2011. The Mind Over Mountain Adventure Race (MOMAR) brought their exciting event to the Burnaby Mountain Conservation Area for the first time on May 28th. Approximately 600 participants kayaked, ran and biked from the Burrard Inlet Foreshore at Barnet Marine Park to the top of Burnaby Mountain and back in this "extreme" race.

### **FACTS & FIGURES - NUMBERS OF VISITS**

Pool Visits (excluding Bonsor Pool)	1,017,451
Ice Arenas Visits	404,551
Recreation Centre Visits (includes Bonsor Pool)	1,314,440
Seniors Centre Visits (Edmonds & Confederation)	233,279
Access, Community and Youth Services Visits	203,355
Swangard Stadium & Outdoor Facility Visits	6,583,150
Drop-in Playground Visits	33,880
Recreation Credit Participants	8,840

## USE OF THE LIBRARY & PARTICIPATION IN LIBRARY PROGRAMS REMAINS STRONG

Community awareness and use of the Library's resources, services and programs continue to be top priorities for the Library Board and in 2011 there were nearly 3.5 million visits to the Library when in person and virtual use are combined. Nearly 4 million items were borrowed. Nearly 7,000 adults participated in 325+ programs while over 35,000 children participated in 920+ programs held at the library. An additional 6,000 children attended outreach programs at locations in the community. The Summer Reading Club continued to be one of the Library's most successful programs with over 6,000 children registering. Over 2,000 achieved their reading goal and earned Summer Reading Club medals - a completion rate on par with previous years.



## CELEBRATING SIGNIFICANT MILESTONES

2011 marked the 20th anniversary of the opening of the Bob Prittie Metrotown Branch, BPL's central branch and the 10th anniversary of the opening of the new McGill Branch serving northwest Burnaby. A number of community groups participated in these celebrations, including Tai Chi and Chinese dance groups, the Tempos Youth Choir, and the Italian Folk Chorus, giving the events a distinctly Burnaby flavour. Over 6,000 people attended the anniversary celebrations.

## EMBRACING DIVERSITY

Finding new ways to better serve Burnaby's diverse community is another of the Library Board's key priorities and in 2011 the library launched "Embracing Diversity: Sharing Our Songs and Rhymes", a web-based public education project that encourages learning about cultural diversity and promotes inclusiveness. The project languages are Arabic, Cantonese, Dari, English, Farsi, Filipino, French, Hindi, Korean, Mandarin, Punjabi, Russian, Spanish, Vietnamese and Urdu and the resources are designed for use by community workers who serve children and families, by families themselves, and by all who endeavour to create welcoming and inclusive communities.



All project resources are available online and include:

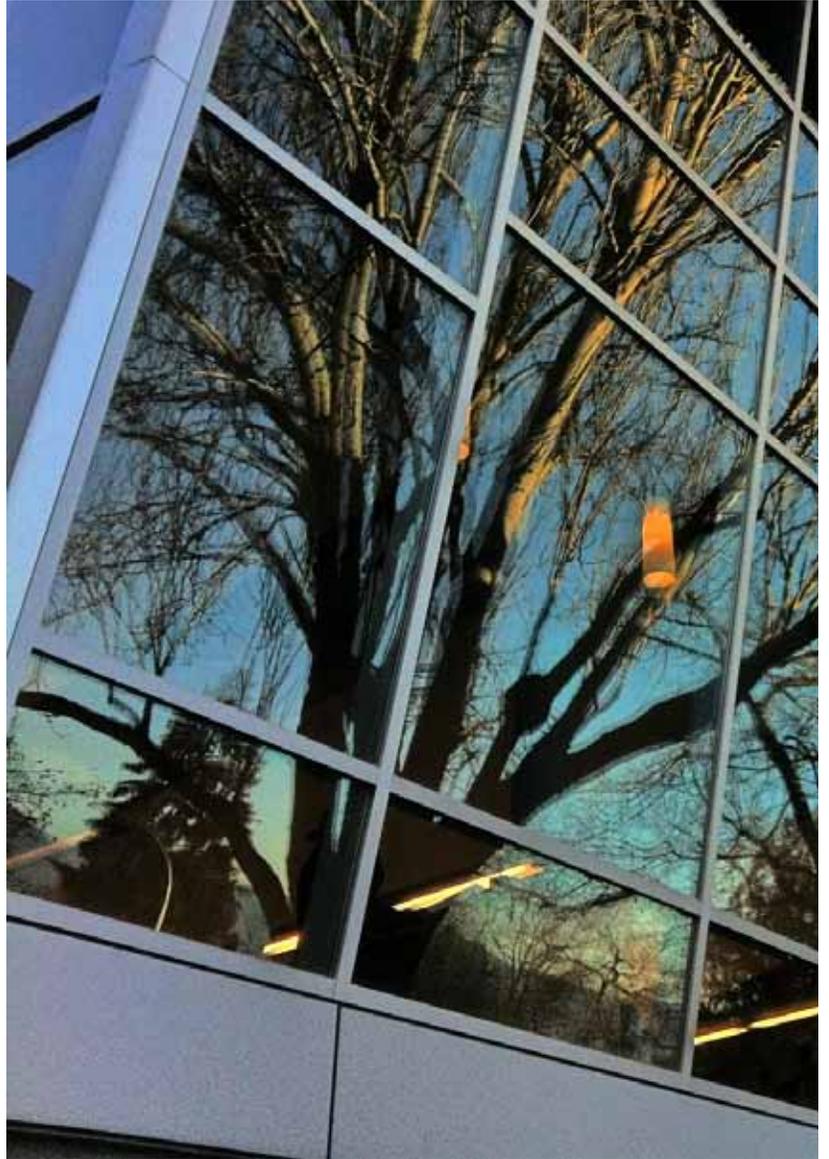
- Videos of children's songs or rhymes in the 15 languages, performed by native speakers and intercut with personal commentary;
- Subtitled versions of these videos, with transcripts and translations of the lyrics or words;
- Lists of books and other library materials with cultural stories or information about countries where these languages are spoken;
- Thematic ideas for programs that feature the songs and rhymes;
- Videos of five welcoming phrases in each of the 15 languages; and
- Lists of books and other library materials about cross-cultural understanding, raising bilingual children and the importance of maintaining first languages.

This project invites the community to explore their diversity and share across cultures through children's songs and rhymes. It was created to help build neighbourhoods where everyone, regardless of where they are from, is better understood and respected and has a greater sense of belonging.

## SOCIAL SUSTAINABILITY STRATEGY

The Social Sustainability Strategy was adopted by Burnaby City Council in July 2011. The Strategy is a bold and inspiring milestone in the advancement of Burnaby's social well-being. It will guide the City of Burnaby's decisions and resource allocations in the social realm over the next 10 years, and establish Burnaby as a local government leader in social sustainability. Together with the Economic Development Strategy, updated in 2007, and the Environmental Sustainability Strategy, expected to be completed in 2014, the Social Sustainability Strategy provides a foundation for the continued strengthening of Burnaby's overall well-being.

The Social Sustainability Strategy builds on Burnaby's existing social assets and attributes, and was developed with significant involvement from Burnaby citizens. A 25 member Steering Committee, composed of community leaders, and chaired by Mayor Corrigan completed a 15 month strategy development process, and helped elicit broad community interest and involvement in the process. The City further tapped the collective experience and insight of the community by inviting an additional 50 Burnaby citizens to work with Steering Committee members in Working Groups. Together they developed a social sustainability vision, three long-term goals, and identified over one hundred actions to be included in the strategy, and created a draft Strategy for public comment.





The public consultation on the draft Social Sustainability Strategy took place during March and April 2011. The consultation process attracted comments and suggestions from approximately 700 Burnaby citizens. The final Strategy incorporates many of their ideas. Development of the Strategy was a truly ground-up exercise, with the vision, goals, strategic priorities, and actions reflecting the concerns, opinions and hopes of Burnaby citizens.

The adopted Strategy contains 127 actions which will require the City and others, acting within their respective mandates or in collaboration, to move Burnaby towards its social sustainability vision and goals. The Strategy itself outlines key implementation steps.

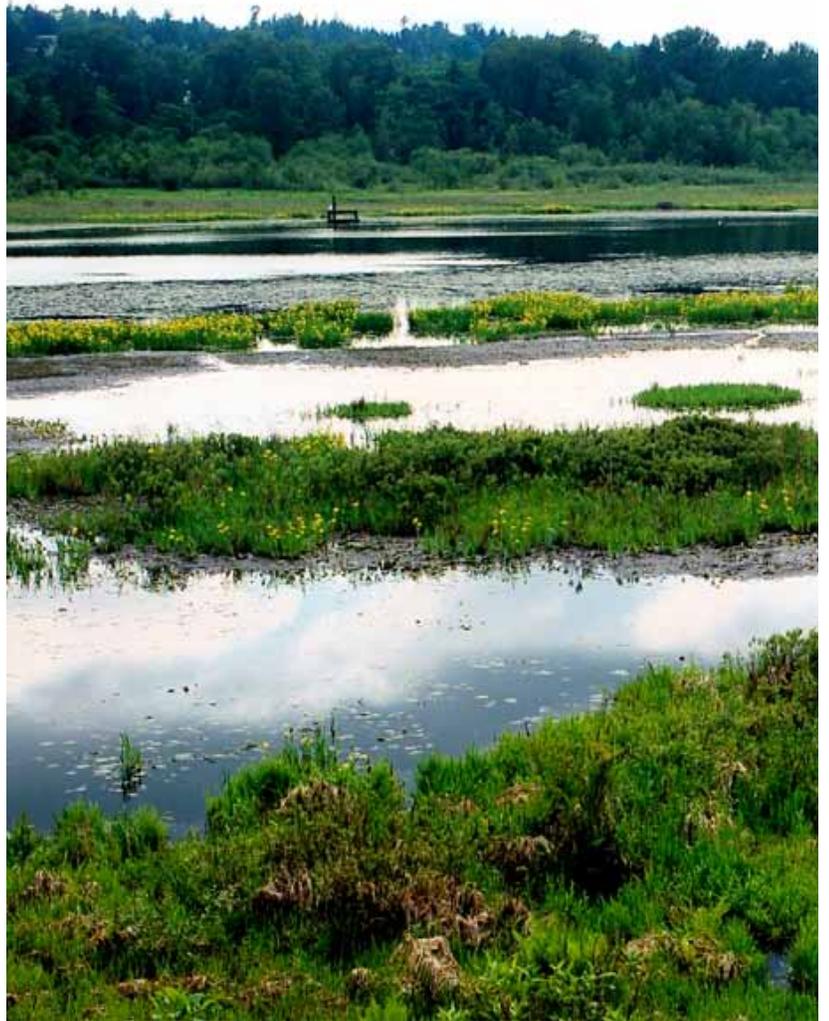
In line with the Strategy, City staff are assessing the 127 actions in the Strategy in order to recommend a set of actions for implementation in Phase One. Consultation with possible external partners regarding their priorities and capacity to participate is a critical element of this priority-setting process. The set of prioritized actions will be considered by Council in spring 2012.

As implementation of the Social Sustainability Strategy proceeds, it will help to build a foundation for enhancing Burnaby's status as a liveable, vibrant and sustainable community - a place that facilitates an engaged and active citizenry, a healthy economy and a strong respect for and stewardship of the natural environment.

## ENVIRONMENTAL SUSTAINABILITY STRATEGY

Burnaby is recognized as an environmental leader. To further enhance the City's environmental commitment, Council on 2011 November 07 approved a new Environmental Strategy process which will bring together hundreds of Burnaby citizens to sharpen and refine our environmental focus in a way that reflects the needs and expectations of Burnaby citizens. The Strategy will articulate a vision, goals and achievable actions that recognize current challenges and opportunities, while providing the flexibility to adapt to changing needs and opportunities.

The Strategy will be developed over two years and will include opportunities for participation and input from a broad range of community members, including, for example, stewardship groups, environmental leaders, non-profits and businesses in an open and inclusive community based process. All of these community members will work with a blue ribbon steering committee, to be chaired by Mayor Derek Corrigan, to develop the strategy. The committee is expected to be appointed by Council in spring 2012.





The development of the Environmental Sustainability Strategy will be complemented by two other related studies, a Community Energy and Emissions Plan and a Metrotown District Energy (Pre-Feasibility) Study. The Community Energy and Emissions Plan will develop a framework to help reduce energy use and greenhouse gas emissions within the city. The Metrotown District Energy (Pre-Feasibility) Study will look at the possibilities in this town centre area for district energy systems that would improve efficiency and reduce emissions from heating and cooling systems. These studies will be funded in part by BC Hydro through a partnership agreement.

The Environmental Sustainability Strategy, along with the two energy initiatives, will complement and support the Social Sustainability and Economic Development strategies, and complete the Mayor's vision for three inter-related strategies to guide the City's approach to sustainability going forward.

# FINANCIAL SECTION



## AUDIT COMMITTEE



Mayor  
Derek Corrigan



Councillor  
Dan Johnston  
(Chair)



Councillor  
Colleen Jordan  
(Vice Chair)



Councillor  
Paul McDonell

In 2012, Council appointed an Audit Committee. The function of the Audit Committee is to assist the City Council in fulfilling its oversight responsibilities, and as representatives of Burnaby residents, to enhance accountability of City staff. The Audit Committee's oversight responsibilities include reviewing the audited financial statements and other financial information, the audit process and compliance of financial internal controls.

# TREASURER'S REPORT

MAY 8, 2012

Mr. R. Moncur  
City Manager

In accordance with Sections 98 and 167 of the Community Charter, I am pleased to submit to you the 2011 Financial Report for the City of Burnaby. Included in this report are the audited consolidated financial statements for the fiscal year ended December 31, 2011.

The City maintains a system of internal accounting controls designed to provide reasonable assurances for the safeguarding of assets and the reliability of financial records. These include a five-year financial plan prepared annually to project operating and capital expenditures, financial systems to expend funds in accordance with Council approved budgets, investment policies and guidelines to provide optimal returns while fully protecting the City's cash assets, purchasing policies to provide sound guidance and appropriate levels of expenditure approval for the purchase of goods and services, and reserve policies developed to help support stable taxation and the sustainment of City assets. Management recognizes the limits that are inherent in all systems of internal accounting control; however, management believes that the City has an effective and responsive system which is subjected to routine review and revision.

The purpose of this annual report is to provide readers with the financial results for the 2011 fiscal year. The preparation and presentation of the financial statements and related information in the annual report is the responsibility of the City of Burnaby.

The consolidated financial statements have been prepared in accordance with Public Sector Accounting Board principles established by the Canadian Institute of Chartered Accountants and the requirements of the Province of BC, Ministry of Community and Rural Development. The City adopted Public Sector Accounting Board (PSAB) sections 1200 Financial Statement Presentation and 3150 Tangible Capital Assets for the disclosure of government financial statement information for the 2009 reporting year. Fiscal year 2011 marks the third year the City has reported tangible capital assets in accordance with these PSAB reporting standards.

In October, 2011 Burnaby City Council appointed KPMG LLP as the City's external auditors for a five year term (2011-2015). The City's external auditors are responsible for examining the City's consolidated financial statements in accordance with generally accepted auditing standards and expressing their opinion on whether the consolidated financial statements are presented fairly in all material respects. KPMG LLP report their audit results to Council through the City's Audit Committee. The auditors' opinion is expressed in the Auditor's Report which forms part of this financial report.

## 2011 RESULTS

The City's financial statements refer to the following statements that provide aggregated information for the purpose of accounting for the financial position and results of operations of the City. Notes and schedules to these statements help to clarify and provided additional relevant information to the reader of the statements.

- Consolidated Statement of Financial Position
- Consolidated Statement of Operations
- Consolidated Statement of Changes in Net Financial Assets
- Consolidated Statement of Cash Flows

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The Consolidated Statement of Financial Position provides a measure of financial strength. The City's financial position continued to be strong throughout 2011 with an increase in accumulated surplus of \$80.8 million (\$119.9 million - 2010).

	2011	2010	Change over 2010
Financial assets	\$ 706,954,890	\$ 670,143,263	\$ 36,811,627
Liabilities	172,604,773	159,331,601	13,273,172
<b>Net Financial Assets (City Reserves)</b>	<b>534,350,117</b>	<b>510,811,662</b>	<b>23,538,455</b>
Tangible capital assets	2,393,310,317	2,341,703,285	51,607,032
Land inventory held for resale	98,239,989	92,695,080	5,544,909
Inventory and prepaid expenses	2,716,542	2,617,547	98,995
<b>Non-Financial Assets (see Statement C)</b>	<b>2,494,266,848</b>	<b>2,437,015,912</b>	<b>57,250,936</b>
<b>Accumulated Surplus (see note 7)</b>	<b>\$ 3,028,616,965</b>	<b>\$ 2,947,827,574</b>	<b>\$ 80,789,391</b>

The accumulated surplus of \$3 billion is a key indicator of the City's overall financial strength. The accumulated surplus does not represent a pool of surplus cash but rather net worth, the amount by which all assets exceed liabilities. The accumulated surplus is comprised of two major components: net financial assets and non-financial assets. Net financial assets (city reserves) represent the City's ability to meet its future obligations. Non-financial assets are normally deployed in delivering government services in the course of operations. The City's land inventory held for resale is an exception. Land from this inventory is intended to be sold and when sold will result in an increase in net financial assets.

The positive change of \$80,789,391 to the City's accumulated surplus reflects the result of City operations as provided in the Consolidated Statement of Operations.

## CONSOLIDATED STATEMENT OF OPERATIONS

The Consolidated Statement of Operations reports changes in economic resources and accumulated surplus from the prior year.

During 2011 the City recorded consolidated revenues of \$407 million compared to \$430 million in 2010, while recording total consolidated expense of \$326 million (2010 - \$311 million). The excess of revenues over expenses (\$407 million - \$326 million) resulted in an increase in accumulated surplus of \$81 million bringing the City's total accumulated surplus to \$3 billion.

## CONSOLIDATED STATEMENT OF OPERATIONS

(In thousands of dollars)	<b>2011 Actual</b>	<b>2010 Actual</b>	<b>Change over 2010</b>
<b>Revenue</b>			
Taxation and grants in lieu of taxes	\$ 204,695	\$ 195,810	\$ 8,885
Waterworks and sanitary sewer revenue	72,885	67,674	5,211
Sale of goods, services and other revenue	66,601	63,545	3,056
Investment income	31,246	30,283	963
Grants & transfer from other governments	28,811	18,595	10,216
Transfer from restricted funds and development cost charges	2,824	1,523	1,301
Adjustment to tangible capital asset balance	-	52,962	(52,962)
<b>Total Revenue</b>	<b>407,062</b>	<b>430,392</b>	<b>(23,330)</b>
<b>Expenses</b>			
General government services	44,693	41,990	2,703
Protective services	89,553	85,255	4,298
Transportation services	45,312	46,759	(1,447)
Environmental health services	70,247	65,486	4,761
Environmental development services	4,637	4,502	135
Recreation and cultural services	71,831	66,524	5,307
<b>Total Expenses</b>	<b>326,273</b>	<b>310,516</b>	<b>15,757</b>
<b>Annual surplus</b>	<b>\$ 80,789</b>	<b>\$ 119,876</b>	<b>\$ (39,087)</b>

*Revenue*

A one-time non-cash adjustment of \$53 million in 2010 has caused a year-over-year decrease in total revenue. This non-cash adjustment was reflected in non-financial assets in the 2010 Consolidated Statement of Financial Position.

The increase in sale of goods, services and other revenue as compared to last year includes Burnaby's development revenues which increased \$1.3 million or 11.8%, revenue from new services such as the opening of Riverway Clubhouse and increased citizen participation at other City recreational facilities.

The City's investment portfolio totalled \$529 million at December 31, 2011 (2010 - \$518 million). During the year the investment portfolio generated a return of \$34.3 million at an average annual yield of 5.05% (2010 - \$33.0 million at an average annual yield of 5.10%); \$31.2 million is attributed to operations and City reserves and the remainder is related to development cost charges and restricted funds which are not included in the Consolidated Statement of Operations. The City continues to hold and invest in longer-term government and bank bonds to help reduce the impact of short-term interest rate fluctuations throughout the year.

Government transfers increased \$10.2 million due primarily to one-time cost sharing agreements and fluctuating payments of traffic fine revenue sharing over the term of the agreement.

Transfer from restricted funds and development cost charges, which is based on actual eligible spending, also increased by \$1.3 million over 2010.

*Expenses*

The 2011 expense increases over 2010 include the following.

Protective services which include fire services, police services and flood control increased by \$4.3 million. Solid and liquid waste disposal and the cost of water accounted for an increase of \$2.5 million in 2011. The opening of Riverway Clubhouse mid-year

contributed to a \$1.0 million increase in expenses which were offset by sales revenues.

Amortization expense in 2011 totalled \$50.1 million, coupled with the loss on disposition or decommissioning of tangible capital assets, represented an increase of \$2.3 million over the previous year.

The remainder of cost increases are primarily the result of higher compensation and staffing related costs to honour previously negotiated contracts and statutory benefits increases.

#### CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

The Statement of Changes in Net Financial Assets restates the annual surplus to the change in net financial assets by eliminating non-cash tangible capital asset transactions and adding cash relevant non-financial asset transactions.

The City spent in excess of \$101 million on the acquisition and construction of tangible capital assets. Projects included completion of the Burnaby Lake rejuvenation which removed contaminated sediments from the lake bottom, completion of the Riverway Clubhouse and construction on the Edmonds Community Centre which will be completed in late 2012. In addition, local improvement, watermain renewal and combined sewer separation programs continued across the City; replacement of aging vehicles and equipment, and parkland acquisition and development programs were all part of the 2011 capital program.

Net Financial Assets for 2011 increased by over \$23.5 million and are primarily earmarked in City reserves and funds for asset replacements, capital acquisition and construction, and working capital. Council's pay as you go strategy has provided the City with much needed long-term sustainable funding for capital infrastructure replacement and capital expansion. Sufficient reserves afford Council the ongoing ability to maintain taxation stability. This practice strengthens the City's financial position and has kept the City debt free for over a decade.

#### CONSOLIDATED STATEMENT OF CASH FLOWS

The Consolidated Statement of Cash Flows restates the annual surplus to reflect the change in cash and cash equivalents by eliminating non-cash tangible capital asset transactions. Cash relevant non-financial asset transactions, changes in non-cash working capital and cash used in investment activities are also included in the statement. The City's net cash and cash equivalents position at the end of 2011 increased by \$2.8 million compared to 2010. The City's cash liquidity is strong with cash and investments totalling over \$529 million.

In closing, the 2011 Annual Financial Report is the result of the effort and dedication of many individuals who strive to ensure that this report fairly presents the financial position, results of operations and cash flows of our City. I extend my sincere appreciation to all those who contributed to this document.

Respectfully submitted,



Denise Jorgenson, CGA  
DIRECTOR FINANCE

## AUDITOR'S REPORT



**KPMG LLP**  
**Chartered Accountants**  
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Suite 2400 - 4720 Kingsway  
Burnaby BC V5H 4N2  
Canada

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Internet [www.kpmg.ca](http://www.kpmg.ca)

**INDEPENDENT AUDITORS' REPORT**

To the Mayor and Council

We have audited the accompanying consolidated financial statements of the City of Burnaby, which comprise the consolidated statement of financial position as at December 31, 2011 and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

*Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



### *Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City of Burnaby as at December 31, 2011, and its consolidated results of operations, its changes in net consolidated financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Comparative Information*

Without modifying our opinion, we draw attention to Note 2 to the consolidated financial statements, which indicates that the comparative information presented as at and for the year ended December 31, 2010 has been restated.

The consolidated financial statements of City of Burnaby as at and for the year ended December 31, 2010 excluding the restatement described in Note 2 to the consolidated financial statements were audited by another auditor who expressed an unmodified opinion on those financial statements on May 11, 2011.

As part of our audit of the consolidated financial statements as at and for the year ended December 31, 2011, we audited the restatement described in Note 2 to the consolidated financial statements that was applied to restate the comparative information as at and for the year ended December 31, 2010. In our opinion, the restatement is appropriate and has been properly applied.

### *Other Matter*

We draw attention to the fact that the supplementary information included in permissive exemptions and statistical sections do not form part of the audited consolidated financial statements. We have not audited this supplementary information, and accordingly, we do not express an opinion on this supplementary information.

A handwritten signature in black ink that reads 'KPMG LLP' in a cursive, slightly slanted font. A horizontal line is drawn underneath the signature.

Chartered Accountants

May 14, 2012

Burnaby, Canada

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED DECEMBER 31, 2011

	2011	2010 <i>(Restated - Note 2)</i>
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	\$ 27,592,834	\$ 24,795,274
Investments (Note 3)	501,728,869	492,865,759
Receivables		
Accrued interest	151,917,013	126,827,494
Taxes	5,882,897	5,689,043
Local improvement frontage tax	3,423,276	3,240,347
Other receivables (Note 4)	16,410,001	16,725,346
	<u>177,633,187</u>	<u>152,482,230</u>
	<b>706,954,890</b>	<b>670,143,263</b>
<b>FINANCIAL LIABILITIES</b>		
Payables		
Due to other governments	13,507,736	13,749,139
Accounts payable	33,844,008	28,599,490
Accrued liabilities	18,118,605	17,417,102
	<u>65,470,349</u>	<u>59,765,731</u>
Deposits - damage, servicing and other	19,316,088	17,572,918
Deferred revenue (Note 5)	24,595,205	23,663,749
Development cost charges and restricted funds	63,223,131	58,329,203
	<u>172,604,773</u>	<u>159,331,601</u>
<b>NET FINANCIAL ASSETS</b>	<b>534,350,117</b>	<b>510,811,662</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible Capital assets (Note 6 and Schedule 1)	2,393,310,317	2,341,703,285
Land inventory held for resale	98,239,989	92,695,080
Inventory and prepaid expenses	2,716,542	2,617,547
	<u>2,494,266,848</u>	<u>2,437,015,912</u>
<b>ACCUMULATED SURPLUS (Note 7)</b>	<b>\$ 3,028,616,965</b>	<b>\$ 2,947,827,574</b>

Contingencies and commitments (Note 9)  
See accompanying notes to consolidated financial statements

Approved by:  \_\_\_\_\_

# CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2011

	<b>2011 Budget (Unaudited) (Note 1(e))</b>	<b>2011 Actual</b>	<b>2010 Actual  (Restated - Note 2)</b>
<b>REVENUES</b>			
Taxes	\$ 253,860,805	\$ 255,312,837	\$ 241,379,576
Grants in lieu of taxes	4,598,385	4,401,106	4,386,451
Sales of services	41,733,448	41,856,127	40,135,257
Return on investments	28,730,810	31,245,699	30,283,082
Other revenue from own sources	32,329,973	42,610,633	41,127,533
Transfers from federal government and agencies	100,260	1,050,863	130,950
Transfers from provincial government and agencies	12,860,938	19,918,991	13,509,962
Transfers from regional and local governments	5,371,813	7,841,031	4,954,517
Transfer from restricted funds and development cost charges	3,000,000	2,824,654	1,523,256
Adjustment to tangible capital asset balance	-	-	52,961,897
	<b>382,586,432</b>	<b>407,061,941</b>	<b>430,392,481</b>
<b>EXPENSES</b>			
General government services	53,540,866	44,693,236	41,990,250
Protective services	88,028,945	89,553,255	85,255,015
Transportation services	43,017,014	45,311,592	46,758,445
Environmental health services	69,829,958	70,247,020	65,486,333
Environmental development services	5,275,067	4,637,120	4,501,589
Recreation and cultural services	72,716,211	71,830,327	66,524,372
	<b>332,408,061</b>	<b>326,272,550</b>	<b>310,516,004</b>
<b>ANNUAL SURPLUS</b>	<b>50,178,371</b>	<b>80,789,391</b>	<b>119,876,477</b>
ACCUMULATED SURPLUS, BEGINNING OF YEAR	2,947,827,574	2,947,827,574	2,827,951,097
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ 2,998,005,945</b>	<b>\$ 3,028,616,965</b>	<b>\$ 2,947,827,574</b>

See accompanying notes to consolidated financial statements

# CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2011

	<b>2011 Budget (Unaudited) (Note 1(e))</b>	<b>2011 Actual</b>	<b>2010 Actual  (Restated - Note 2)</b>
Annual surplus	\$ 50,178,371	\$ 80,789,391	\$ 119,876,477
Tangible capital assets			
Acquisition of tangible capital assets	(154,237,645)	(98,847,278)	(91,976,724)
Contributed tangible capital assets	-	(5,187,679)	(11,698,961)
Amortization of tangible capital assets	53,025,180	50,061,313	48,638,276
Gain on sale of tangible capital assets	-	(4,038,417)	(649,769)
Proceeds on sale of tangible capital assets	-	2,523,387	2,607,066
Proceeds from land exchange	-	3,881,874	-
Transfer from land inventory for resale	-	(232)	(112,667)
Adjustment to tangible capital asset balance	-	-	(52,965,766)
Land inventory held for resale			
Acquisition of land inventory held for resale	(5,000,000)	(6,260,287)	(4,526,250)
Gain on sale of land inventory held for resale	(1,000,000)	(1,847,037)	-
resale	2,000,000	2,562,183	-
Transfer to tangible capital assets	-	232	112,667
Adjustment to tangible capital asset balance	-	-	3,869
	(105,212,465)	(57,151,941)	(110,568,259)
Changes in inventory of supplies	-	(46,105)	(29,485)
Changes in prepaid expenses	-	(52,890)	78,457
	-	(98,995)	48,972
(Decrease)/increase in net financial assets	(55,034,094)	23,538,455	9,357,190
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	510,811,662	510,811,662	501,454,472
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<b>\$ 455,777,568</b>	<b>\$ 534,350,117</b>	<b>\$ 510,811,662</b>

See accompanying notes to consolidated financial statements

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2011

	2011	2010 <i>(Restated - Note 2)</i>
<b>Operating transactions</b>		
Annual surplus	\$ 80,789,391	\$ 119,876,477
Non-cash items		
Amortization of tangible capital assets	50,061,313	48,638,276
Contributed tangible capital assets revenue	(5,187,679)	(11,698,961)
Gain on sale of tangible capital assets and land inventory held for resale	(5,885,454)	(649,769)
Adjustment to tangible capital asset balance	-	(52,961,897)
	<u>38,988,180</u>	<u>(16,672,351)</u>
Changes in non-cash working capital		
Receivables	(25,150,957)	(20,477,406)
Payables	5,704,618	4,760,521
Deposits - damage, servicing and other	1,743,170	449,290
Deferred revenue	931,456	535,912
Development cost charges and restricted funds	4,893,928	8,822,476
Inventory and prepaid expenses	(98,995)	48,972
	<u>(11,976,780)</u>	<u>(5,860,235)</u>
<b>Capital transactions</b>		
Tangible capital assets acquisitions	(98,847,278)	(91,976,724)
Land inventory held for resale acquisitions	(6,260,287)	(4,526,250)
Proceeds on sale of tangible capital assets and land inventory held for resale	8,967,444	2,607,066
	<u>(96,140,121)</u>	<u>(93,895,908)</u>
<b>Investing transactions</b>		
Investments	(8,863,110)	20,470,240
	<u>(8,863,110)</u>	<u>20,470,240</u>
Increase in cash and cash equivalents	2,797,560	23,918,223
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>24,795,274</b>	<b>877,051</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 27,592,834</b>	<b>\$ 24,795,274</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>		
Represented by:		
Cash	\$ 3,092,835	\$ 796,129
Cash equivalents	24,499,999	23,999,145
	<u>\$ 27,592,834</u>	<u>\$ 24,795,274</u>

See accompanying notes to consolidated financial statements

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Burnaby was incorporated in 1892 as a district municipality and one hundred years after incorporation, became the City of Burnaby. The City's principal activities include the provision of local government services to residents of the incorporated area. These include general government, administrative, protective, public works, environmental, planning, building, recreational, waterworks and sanitary sewer operations.

### 1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the City of Burnaby (the "City") have been prepared by management in accordance with Canadian generally accepted accounting principles as prescribed by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA). The significant accounting policies are as follows:

#### (a) Consolidation

The consolidated financial statements include the accounts of all funds of the City. All inter-fund balances and transactions have been eliminated. The assets, liabilities, revenues and expenses of the Burnaby Public Library Board are included in these financial statements as the Library Board is appointed by the City.

#### (b) Funds

- *OPERATING FUNDS*: These include the General, Waterworks Utility and Sewer and Drainage Utility. They are used to record the operating costs of services provided by the City.
- *CAPITAL FUNDS*: These funds include the General, Waterworks Utility and Sewer and Drainage Utility Funds. They are used to record the acquisition costs of capital assets.
- *RESERVE FUNDS*: Under the Community Charter, the City Council may by bylaw establish special purpose funds. Money in a reserve fund and interest earned on it must be used only for the purpose for which the fund was established.
- *TRUST FUNDS*: These funds account for assets which must be administered by agreement or statute. In accordance with PSAB recommendations, trust funds are not included in the City's consolidated financial statements. Trust funds administered by the City are presented in note 9.

#### (c) Accounting

The City follows the accrual method of accounting. Revenue is recognized in the year in which it is earned and measurable. Expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and/or the creation of a legal obligation to pay.

#### (d) Government Transfers

Government transfers are transfer of assets from a government which are not the result of an exchange transaction and which are not expected to be repaid in the future. Revenue is recognized in the financial period in which events giving rise to the transfers occur providing they are authorized and any eligibility criteria have been met.

#### (e) Budget

Unaudited budget information reported in the consolidated financial statements represent the 2011 component of the Burnaby's 2011-2015 Financial Plan, Bylaw No. 12943, adopted by City Council on May 9, 2011.

#### (f) Cash and Cash Equivalents

Cash and cash equivalents includes cash and short-term investments with maturities of three months or less at the date of acquisition, are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

### (g) Investments

Portfolio investments are recorded at cost less any provision for impairment where there is a permanent decline in value. Short term investments are those that mature within one year. Long term investments are those that mature in more than one year.

### (h) Deferred Revenue

Deferred revenues represent the receipt of funds for which the provision of services occurs in the future, including development cost levies which have been collected in accordance to Council approved by-laws to finance growth-related projects, other government transfers and amounts received from third parties pursuant to legislation, regulation or agreement. These revenues may only be used in the conduct of certain services, in the completion of specific work, or for the purchase of tangible capital assets. These amounts will be recognized as revenues in the year in which the expenditures are incurred.

### (i) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services.

Non-financial assets, except for land held for resale, are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

- *TANGIBLE CAPITAL ASSETS:* Tangible capital assets are recorded at cost which includes amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Assets under construction are not depreciated until the asset is available for productive use. The City does not capitalize interest associated with the acquisition or construction of a tangible capital asset. Contributions of tangible capital assets are reported at fair market value at the time of receipt and are also recorded as revenue.

The cost, less residual value, of tangible capital assets is amortized on a straight-line basis over their estimated useful lives, commencing the month and year the asset is put into service. Estimated useful lives are as follows:

Land	Is not depreciated
Land Improvements	10 to 75 years
Buildings	10 to 50 years
Infrastructure Water	15 to 60 years
Infrastructure Sewers	15 to 70 years
Infrastructure Drainage	15 to 100 years
Infrastructure Roads	10 to 50 years
Vehicles & Mobile Equipment	5 to 40 years
Technology and Telephony	3 to 20 years
Furniture, Fixtures, and General Equipment	2 to 25 years
Leasehold Improvements	Term of Lease

Land is recorded at cost. Works of art, artifacts, cultural and historic assets are not recorded as assets in the financial statements. The City controls various works of art and historical treasures including artifacts, paintings and sculptures located at City sites and public display areas.

- *INVENTORIES:* Inventories held for consumption are recorded at the lower of cost and net realizable value.
- *LAND INVENTORY HELD FOR RESALE:* Land inventory held for resale is recorded at the lower of cost and net realizable value. Cost includes amounts for land acquisition and improvements to prepare the land for sale on servicing.

### (j) Basis of Estimates

Preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Significant estimates include assumptions used in estimating provisions for the recoverability of receivables, accrued liabilities, contributed capital assets and in performing actuarial calculations of employee future benefits at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

### (k) Employee Future Benefits

The City and its employees make contribution to the Municipal Pension Plan (Plan). The Municipal Pension Plan is a multi-employer contributory defined benefit pension plan. These contributions are expensed as incurred.

Sick leave and post employment benefits are available to City's employees. The costs of these benefits are actuarially determined based on service and best estimate of retirement ages and expected future salary and wage increases. The liabilities under these benefit plans are accrued based on projected benefits as the employees render services necessary to earn the future benefits (see note 11).

### (l) Comparative Figures

Certain 2010 comparative figures have been reclassified to conform with the current year's financial statement presentation.

### (m) Segment Disclosure

The City provides a wide range of services to its own citizens. For management reporting and budget control purposes, the government's operations and activities are organized and reported by City departments. These departments are grouped together for the segment report to give an operational view of the way the City works on a day-to-day basis. This additional reporting is intended to enable users to better understand the government reporting entity and the major activities of the City (Note 12).

## 2. PRIOR PERIOD ADJUSTMENTS

The City made retroactive adjustments to the comparative 2010 financial statements as follows:

### (a) Employee Future Benefits

The City provides post-employment benefits for employees. Historically, the City recorded a liability for the post-employment benefits in the financial statements as determined by management. In the current year, the accrued liability has been actuarially determined based on years of services, retirement ages and expected future compensation levels.

### (b) Accounts Payable

The City adjusted the overstatement of workers compensation liability as at December 31, 2010 by \$565,606.

The above adjustments have been applied retrospectively and prior periods have been restated. The impact of these adjustments is as follows:

Accumulated Surplus as at January 1, 2010	
Accumulated surplus, as previously reported	\$ 2,833,116,120
Employee future benefits not previously recorded	(5,165,023)
<b>Accumulated surplus, as restated</b>	<b>2,827,951,097</b>
Annual surplus for 2010	
Annual surplus, as previously reported	119,183,037
Employee future benefits not previously recorded	127,834
Overstatement of workers compensation expense	565,606
<b>Annual surplus, as restated</b>	<b>119,876,477</b>
Accounts Payable as at December 31, 2010	
Accounts payable, as previously reported	29,493,197
Overstatement of workers compensation liability	(565,606)
Reclassified to other receivables	(328,101)
<b>Accounts payable, as restated</b>	<b>28,599,490</b>
Accrued Liabilities as at December 31, 2010	
Accrued liabilities, as previously reported	12,379,913
Employee future benefits not previously recorded	5,037,189
<b>Accrued liabilities, as restated</b>	<b>\$ 17,417,102</b>

### 3. INVESTMENTS

	2011		2010	
	Cost	Market Value	Cost	Market Value
Short term investments	\$ 63,577,241	\$ 64,647,328	\$ 75,627,615	\$ 75,014,952
Long-term investments	438,151,628	686,165,390	417,238,144	606,558,904
	<b>\$ 501,728,869</b>	<b>\$ 750,812,718</b>	<b>\$ 492,865,759</b>	<b>\$ 681,573,856</b>

## 4. OTHER RECEIVABLES

	2011	2010
Accounts receivable	12,205,704	11,825,297
Federal and provincial governments	2,643,024	3,348,101
Property sales agreements	-	6,975
Employee receivables	98,151	77,717
Development Cost Charge levy receivable – City (Note 9(c))	1,294,607	1,126,578
Development Cost Charge receivable – Greater Vancouver Sewer and Drainage District	168,515	340,678
	<b>16,410,001</b>	<b>16,725,346</b>

## 5. DEFERRED REVENUE

	2011	2010
Taxes and utilities	12,564,413	11,738,442
Parks and recreation fees	3,026,810	3,673,228
Future capital works	5,053,387	4,133,830
Other deferred revenue	3,950,595	4,118,249
	<b>24,595,205</b>	<b>23,663,749</b>

## 6. TANGIBLE CAPITAL ASSETS

## ASSETS

See Schedule 1 for details.

## CONTRIBUTED ASSETS

Infrastructure contributed to the City totalled \$4,123,062 in 2011 (2010 - \$9,142,352) and were capitalized at their fair value at the time of receipt; and, Land contributed to the City totalled \$1,064,617 in 2011 (2010 - \$2,556,609).

## ASSET UNDER CONSTRUCTION

Asset under construction having a value of approximately \$55,131,000 (2010 - \$62,486,000) have not been amortized. Amortization of these assets will commence when the asset is put into service.

## WORKS OF ART AND HISTORICAL TREASURES

The City manages and controls various works of art and non-operational historical cultural assets including building, artifacts, paintings, and sculptures located at City sites and public display areas. The assets are not recorded as tangible capital assets and are not amortized.

## WRITE-DOWN OF TANGIBLE CAPITAL ASSETS

There were no write-downs of tangible capital assets during the year (2010-\$nil)

## 7. ACCUMULATED SURPLUS

	2011	2010 (Restated)
<b>Accumulated surplus</b>		
<b>Accumulated surplus in tangible capital assets, beginning of year</b>	\$ 2,341,703,285	\$ 2,235,544,740
Add		
Adjustment to tangible capital asset balance	-	52,965,766
Capital acquisitions	94,965,404	91,976,724
Contributed tangible capital assets	5,187,679	11,698,961
Transfer from land inventory held for resale	232	112,667
Less		
Disposals	1,515,030	(1,957,297)
Amortization	(50,061,313)	(48,638,276)
<b>Accumulated surplus in tangible capital assets</b>	<b>2,393,310,317</b>	<b>2,341,703,285</b>
<b>Accumulated surplus in land inventory held for resale, beginning of year</b>	<b>92,695,080</b>	<b>88,285,366</b>
Add		
Adjustment to accumulated surplus	-	(3,869)
Capital acquisitions	6,260,287	4,526,250
Transfer to tangible capital assets	(232)	(112,667)
Less		
Disposals	(715,146)	-
<b>Accumulated surplus in land inventory held for resale</b>	<b>98,239,989</b>	<b>92,695,080</b>
Accumulated surplus in inventory and prepaid expenses	2,716,542	2,617,547
<b>Accumulated surplus in non-financial assets</b>	<b>2,494,266,848</b>	<b>2,437,015,912</b>
Fund balances		
Library endowment funds	778,133	733,096
Other reserve and funds	533,571,984	510,078,566
	<b>534,350,117</b>	<b>510,811,662</b>
	<b>\$ 3,028,616,965</b>	<b>\$ 2,947,827,574</b>

## 8. COLLECTION FOR OTHER GOVERNMENTS AND BUSINESS IMPROVEMENT AREAS

On behalf of other governments and local business improvement areas, the City is required to collect and remit taxes and grants-in-lieu of taxes. The following remittances were made which are not reflected in the City's revenues or expenses:

	<b>2011</b>	<b>2010</b>
Province of BC	128,397,606	125,043,592
Greater Vancouver Regional District	4,036,130	4,027,539
Greater Vancouver Transportation Authority	29,693,210	28,906,718
BC Assessment Authority	4,359,468	4,208,364
Municipal Finance Authority	12,865	11,671
Hastings Street Business Improvement Area	230,773	220,726
North Road Business Improvement Area	148,784	148,786
	<b>166,878,836</b>	<b>162,567,396</b>

## 9. CONTINGENCIES AND COMMITMENTS

(a) At December 31, 2011 the balance of outstanding contracts for capital and other expenditures is estimated at \$29.3 million (2010 - \$26.9 million). These amounts are not accrued in the financial statements:

	\$ Millions
2012	27.3
2013	1.9
2014	<u>0.1</u>
	29.3

(b) In the ordinary course of business, claims are asserted or made against the City, and the City is currently involved in various legal actions. The outcome of these actions cannot be determined at this time. A provision has been made in the accounts for any possible unfavourable outcome of these actions. The amount of any loss in excess of the provision and insurance coverage will be recorded when determinable.

(c) Development cost charges are monies collected from developers for designated purposes, such as future park land acquisition and construction of public amenities. These are comprised of cash and investments of \$61,928,524 (2010 - \$57,202,625) and restricted accounts receivable of \$1,294,607 (2010 - \$1,126,578).

(d) The City holds irrevocable letters of credit in the aggregate amount of \$67.2 million (2010 - \$62.0 million) received from depositors to ensure their performance of works to be undertaken within the City. These amounts are not reflected in the consolidated financial statements.

(e) The City of Burnaby as a member of Metro Vancouver is directly, jointly and severally liable with the other member municipalities for the net capital liabilities of those authorities.

## 10. MUNICIPAL PENSION PLAN

The municipality and its employees contribute to the Municipal Pension Plan (Plan), a jointly trustee pension plan. The board of trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The Plan has about 173,000 active members and approximately 63,000 retired members. Active members include approximately 35,000 contributors from local governments.

Every 3 years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of Plan funding. The most recent valuation as at December 31, 2009, indicated an unfunded liability of \$1,024 million for basic pension benefits. The next valuation will be as at December 31, 2012, with results available in 2013. The actuary does not attribute portions of the unfunded liability to individual employers. The City of Burnaby paid \$100 million for employer contributions to the plan in fiscal 2011 (2010 - \$9.2 million).

## 11. EMPLOYEE FUTURE BENEFIT

The City provides certain employment benefits to its employees. These benefits include accumulated vacation deferral, supplementary vacation and retirement gratuity benefits. The liability associated with these benefits is calculated based on the present value of expected future payments pro-rated for services, and is included in accrued liabilities.

<b>Accrued Benefit Liability</b>	<b>2011</b>	<b>2010 (Restated)</b>
Balance at Beginning of Year	9,896,000	9,680,000
Current Service Cost	684,000	664,000
Interest Cost	455,000	445,000
Benefits Paid	(919,000)	(893,000)
<b>Accrued Benefit Liability End of Year</b>	<b>10,116,000</b>	<b>9,896,000</b>

An actuarial estimate for these benefits was performed to estimate the City's accrued benefit obligation as at December 31, 2011. The difference between the actuarially determined accrued benefit obligation estimate of \$10.8 million and the accrued benefit liability of \$10.1 million as at December 31, 2011 is an unamortized actuarial loss of \$746,000. The actuarial loss is amortized over the period equal to the employee's average remaining service lifetime of 10 years. This loss is the result of a correction to discount rates.

<b>Accrued Benefit Obligation</b>	<b>2011</b>	<b>2010 (Restated)</b>
Liability - End of Year	10,116,000	9,896,000
Unamortized Actuarial Loss	746,000	-
<b>Accrued Benefit Obligation - End of year</b>	<b>10,862,000</b>	<b>9,896,000</b>

Actuarial assumptions used to estimate the City's accrued benefit obligation are as follows:

	<b>2011</b>	<b>2010</b>
Discount rate	3.50%	4.50%
Expected wage and salary inflation	2.50%	2.50%

## 12. SEGMENTED INFORMATION (IN THOUSANDS OF DOLLARS)

The following summarizes the City's segments by functional expenses and revenue categories.

2011	General Gov't & Legislative Services	Protective Services	Public Works & Others	Solid Waste	Water-Works	Sanitary Sewer	Planning & Building Services	Parks, Recreation, Cultural & Library	Other Funds	Total Financial Activities
<b>REVENUES</b>										
Taxation and grants in lieu of taxes	(204,695)	-	-	-	(28,065)	(26,954)	-	-	-	(259,714)
Sale of goods & services	(201)	(425)	(1,394)	(2,156)	(12,672)	(5,195)	(50)	(19,763)	-	(41,856)
Investment income	(7,580)	-	-	-	-	-	-	-	(23,666)	(31,246)
Grants	(213)	(3,953)	(5,445)	-	(4)	(24)	(2)	(582)	(18,588)	(28,811)
Other Revenue	(19,166)	(165)	(1,475)	(1,402)	-	-	(10,168)	(1,677)	(8,558)	(42,611)
Transfer from restricted funds and development cost charges	-	-	-	-	-	-	-	-	(2,824)	(2,824)
	<b>(231,855)</b>	<b>(4,543)</b>	<b>(8,314)</b>	<b>(3,558)</b>	<b>(40,741)</b>	<b>(32,172)</b>	<b>(10,221)</b>	<b>(22,022)</b>	<b>(53,636)</b>	<b>(407,062)</b>
<b>EXPENSES</b>										
Compensation	21,963	39,543	17,183	6,126	2,939	2,628	9,641	49,152	13	149,188
Policing contract	-	39,062	-	-	-	-	-	-	-	39,063
General services	9,224	627	3,683	1,740	1,305	2,024	192	3,944	(402)	22,338
Materials & supplies	1,421	470	1,906	243	393	164	67	3,727	3	8,394
Equipment & related operating costs	2,932	1,174	134	1,724	496	523	213	1,564	1	8,760
Gas & electricity	50	214	1,516	19	102	53	-	1,853	-	3,806
Greater Vancouver refuse disposal	-	-	-	3,590	-	-	-	26	-	3,616
GVS& DD Levy	-	-	1,415	-	-	16,039	-	-	-	17,454
GVWD - cost of water	-	-	-	-	21,512	-	-	-	-	21,512
Depreciation/loss on disposals	6,574	1,852	26,375	-	4,979	2,386	2	9,975	-	52,143
	<b>42,163</b>	<b>82,941</b>	<b>52,211</b>	<b>13,442</b>	<b>31,726</b>	<b>23,817</b>	<b>10,115</b>	<b>70,240</b>	<b>(385)</b>	<b>326,273</b>
	<b>(189,692)</b>	<b>78,399</b>	<b>43,898</b>	<b>9,884</b>	<b>(9,014)</b>	<b>(8,355)</b>	<b>(106)</b>	<b>48,218</b>	<b>(54,021)</b>	<b>(80,789)</b>

2010 (Restated)	General Gov't & Legislative Services	Protective Services	Public Works & Others	Solid Waste	Water-Works	Sanitary Sewer	Planning & Building Services	Parks, Recreation, Cultural & Library	Other Funds	Total Financial Activities
<b>REVENUES</b>										
Taxation and grants in lieu of taxes	(195,810)	-	-	-	(25,097)	(24,858)	-	-	-	(245,766)
Sale of goods & services	(203)	(436)	(1,362)	(1,975)	(11,876)	(5,842)	(63)	(18,379)	-	(40,135)
Investment income	(7,298)	-	-	-	-	-	-	-	(22,985)	(30,283)
Grants	(76)	(2,789)	(4,396)	-	-	-	(196)	(570)	(10,568)	(18,595)
Other Revenue	(18,315)	(169)	(1,238)	(889)	(1)	-	(8,882)	(1,550)	(10,084)	(41,128)
Transfer from restricted funds and development cost charges	-	-	-	-	-	-	-	-	(1,523)	(1,523)
Adjustment to tangible capital asset balance	-	-	-	-	-	-	-	-	(52,962)	(52,962)
	<b>(221,701)</b>	<b>(3,394)</b>	<b>(6,996)</b>	<b>(2,864)</b>	<b>(36,975)</b>	<b>(30,700)</b>	<b>(9,142)</b>	<b>(20,498)</b>	<b>(98,122)</b>	<b>(430,392)</b>
<b>EXPENSES</b>										
Compensation	20,553	39,284	16,365	5,884	2,795	2,249	9,133	46,821	-	143,085
Policing contract	-	35,525	-	-	-	-	-	9	-	35,534
General services	8,950	642	2,519	1,638	1,397	1,910	422	4,429	52	21,958
Materials & supplies	1,446	538	1,826	208	354	193	83	3,597	-	8,243
Equipment & related operating costs	2,928	1,147	(516)	1,917	486	477	198	1,443	-	8,080
Gas & electricity	21	202	1,499	21	87	57	-	1,801	-	3,687
Greater Vancouver refuse disposal	-	-	-	3,116	-	-	-	19	-	3,136
GVS& DD Levy	-	-	1,030	-	-	15,659	-	-	-	16,690
GVWD - cost of water	-	-	-	-	20,225	-	-	-	-	20,225
Depreciation/loss on disposals	5,488	1,694	28,123	-	3,696	2,385	2	8,490	-	49,877
	<b>39,385</b>	<b>79,033</b>	<b>50,845</b>	<b>12,784</b>	<b>29,039</b>	<b>22,931</b>	<b>9,838</b>	<b>66,608</b>	<b>52</b>	<b>310,516</b>
	<b>(182,316)</b>	<b>75,638</b>	<b>43,849</b>	<b>9,920</b>	<b>(7,936)</b>	<b>(7,769)</b>	<b>697</b>	<b>46,110</b>	<b>(98,070)</b>	<b>(119,876)</b>

The City's segments are defined as follows:

#### SEGMENT DEFINITION

##### GENERAL GOVERNMENT & LEGISLATIVE SERVICES

This represents activities that provide for the overall administrative and strategic support of local government operations and capital acquisitions relating to general government functions. This includes general administration of the City Manager's Office and finance operations (accounting, payroll, purchasing, treasury services, internal audit and technology), human resource management, and management of City rental properties and the legislative operations of the Council, Clerk's and Legal departments.

##### PROTECTIVE SERVICES

Protective Services is comprised of the City's Police and Fire Services. The mandate of the Police Department is to provide for the safety of the lives and property of Burnaby citizens, preserving the peace through law enforcement and working with citizens to prevent crime and maintain order. Support is provided through integrated regional units for homicide and forensic identification. Fire Services provide fire suppression services, fire prevention programs, training and education related to prevention, detection or extinguishment of fires, provide pre-hospital emergency paramedical care and the handling of hazardous materials incidents. Both Police and Fire Services supply emergency coordination and response operations and support the mitigation of calamitous incidents including the evacuation of people when necessary.

##### ENGINEERING SERVICES

The City's Engineering Department is a diverse and complex organization that provides many services to the citizens of Burnaby. These include:

###### *Public Works & Other Services*

Maintenance and management of the transportation infrastructure and related services which encompasses administration, the maintenance of roads, sidewalks, street drainage, street lighting and signage, snow removal, and municipal parking facilities. Other services include the Environmental Services program that protects and educates Burnaby citizens about their environment. This program monitors community drinking water quality and surface water for bacteriological and chemical quality; provides response and expertise when chemical related spills occur; performs inspection and audits to support permit applications when fill or sediment control measures are required. Maintenance services for civic buildings and vehicles & equipment are provided to all City departments.

###### *Solid Waste Collection & Mitigation*

The waste collection program is comprised of garbage collection, recycling, composting, street sweeping, and litter pickup. In 2009 a new "toter" program for residential pick up of garbage and yard waste was implemented (commercial and multi-family programs are already in place).

###### *Waterworks*

The City receives treated water from three of Metro Vancouver's reservoirs: Capilano, Seymour, and Coquitlam and distributes it through a network of pipes to its consumers. The provision of potable water and the maintenance and repair of infrastructure related to its delivery and disposal are provided by the City's Engineering Department. Crews respond to emergency calls for broken water mains or leaky services and undertake regular maintenance of the valves, hydrants, pump stations and reservoirs that make up our water system components. The Department is also responsible for the capital replacement of aging water infrastructure.

### *Sanitary Sewer*

The Engineering Department is responsible for operating and maintaining the City's sanitary and combined sewer mains and 20 pump stations. Typical maintenance activities involve cleaning sewers by using sewer flush trucks, inspecting and repairing manholes, and excavating and repairing broken sewer mains and services. The department manages the capital improvement program for the design and construction of the sewer system. This program has made significant improvements toward the elimination of combined sewers that are located within some of the older neighbourhoods of Burnaby.

### PLANNING & BUILDING SERVICES

The Planning Department develops the Official Community Plan for Burnaby which provides the future vision and lays the foundation for land use in the City including housing, the environment, transportation, economic development and social policy. Current projects are considered in light of this long term direction as the department manages development plan areas, rezonings, subdivisions, preliminary plan approvals, urban design, urban trails, and bicycle routes. The City's Building Department supports the development process by ensuring compliance with the established BC Building Code and enforcement of the City's construction related bylaws. In addition the Building Department provides Project Management services for civic development projects.

### PARKS, RECREATION, CULTURAL AND LIBRARY SERVICES

This segment includes programs that provide citizens an opportunity to participate in library, cultural, athletic and other events. Programs also include the operations, maintenance and provision of parks and recreation, museum and library facilities that enable the delivery of services. Working with schools, community and business to form partnerships for neighborhood development supportive of a healthy, active and literate environment, programs contribute to the well being of Burnaby's citizens. The Parks, Recreation and Cultural Services Department manages 5,400 acres of protected beauty. Some parks have manicured lawns and formal gardens, others have lakes, and many are forested, with deep ravines with streams. Community recreation facilities, arenas and outdoor playgrounds, tennis courts, swimming pools, golf courses and other venues provide the citizens of Burnaby with many choices to enjoy their leisure time. Cultural centres deliver arts programs, festivals and entertainment for all ages. The Burnaby Public Library provides books, newspapers CDs, DVDs, graphic novels, online databases and downloadable books offering programs for children and adults alike that encourage learning and information sharing in a community setting.

### OTHER FUNDS

This segment represents the City's reserves.



## CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

AS AT DECEMBER 31, 2011 (IN THOUSANDS OF DOLLARS)

<b>Class</b>	<b>Cost Beginning of Year</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfer</b>
Land Under Roads	1,072,070	4,923	(246)	-
Land Civic Use	406,930	4,238	-	(52)
Land Improvements	100,787	9,288	-	17,976
Buildings	185,857	2,998	(404)	9,036
Infrastructure - Drainage	175,321	4,340	(839)	612
Infrastructure - Roads	651,759	16,356	(1,582)	4,644
Infrastructure - Sewers	111,610	3,515	(1,059)	1,376
Infrastructure - Water	194,974	10,063	(3,890)	2,849
Vehicles & Mobile Equipment	52,979	2,783	(3,146)	1,166
Technology & Telephony	58,810	5,862	-	5,231
Furniture, Fixtures & Equipment	10,153	2,216	(50)	1,964
Leasehold Improvements	492	5	-	-
	<b>3,021,742</b>	<b>66,587</b>	<b>(11,216)</b>	<b>44,802</b>
Asset Under Construction	62,485	37,448	-	(44,802)
<b>TOTAL</b>	<b>3,084,227</b>	<b>104,035</b>	<b>(11,216)</b>	<b>-</b>
<b>Land Inventory Held for Resale</b>	<b>92,695</b>	<b>6,260</b>	<b>(715)</b>	<b>-</b>

## CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

AS AT DECEMBER 31, 2010 (IN THOUSANDS OF DOLLARS)

<b>Class</b>	<b>Cost Beginning of Year</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfer</b>
Land Under Roads	1,070,244	2,036	(198)	(12)
Land Civic Use	404,363	2,690	(352)	229
Land Improvements	95,276	6,805	(4,243)	2,949
Buildings	180,820	4,139	(810)	1,708
Infrastructure - Drainage	169,614	5,233	(335)	809
Infrastructure - Roads	635,714	15,026	(256)	1,275
Infrastructure - Sewers	108,586	3,573	(596)	47
Infrastructure - Water	183,623	12,121	(770)	-
Vehicles & Mobile Equipment	51,342	5,343	(4,052)	346
Technology & Telephony	46,885	6,104	(886)	6,707
Furniture, Fixtures & Equipment	12,695	962	(4,219)	715
Leasehold Improvements	492	-	-	-
	<b>2,959,654</b>	<b>64,032</b>	<b>(16,717)</b>	<b>14,773</b>
Assets Under Construction	33,823	43,322	-	(14,660)
<b>TOTAL</b>	<b>2,993,477</b>	<b>107,354</b>	<b>(16,717)</b>	<b>113</b>
<b>Land Inventory Held for Resale</b>	<b>88,282</b>	<b>4,526</b>	<b>-</b>	<b>(113)</b>

Cost End of Year	Depreciation Beginning of Year	Disposals	Depreciation	Accumulated Depreciation End of Year	Net Book Value End of Year
1,076,747	-	-	-	-	1,076,747
411,116	-	-	-	-	411,116
128,051	(46,174)	-	(4,238)	(50,412)	77,639
197,487	(86,489)	404	(4,857)	(90,942)	106,545
179,434	(68,160)	388	(2,912)	(70,684)	108,750
671,177	(379,661)	1,489	(19,654)	(397,826)	273,351
115,442	(55,914)	844	(1,960)	(57,030)	58,412
203,996	(57,783)	2,570	(3,667)	(58,880)	145,116
53,782	(25,632)	3,104	(4,349)	(26,877)	26,905
69,903	(17,893)	-	(6,392)	(24,285)	45,618
14,283	(4,543)	50	(2,008)	(6,501)	7,782
497	(275)	-	(24)	(299)	198
3,121,915	(742,524)	8,849	(50,061)	(783,736)	2,338,179
55,131	-	-	-	-	55,131
<b>3,177,046</b>	<b>(742,524)</b>	<b>8,849</b>	<b>(50,061)</b>	<b>(783,736)</b>	<b>2,393,310</b>
<b>98,240</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>98,240</b>

Cost End of Year	Depreciation Beginning of Year	Disposals	Depreciation	Accumulated Depreciation End of Year	Net Book Value End of Year
1,072,070	-	-	-	-	1,072,070
406,930	-	-	-	-	406,930
100,787	(47,025)	4,235	(3,384)	(46,174)	54,613
185,857	(82,707)	669	(4,451)	(86,489)	99,368
175,321	(65,481)	206	(2,885)	(68,160)	107,161
651,759	(358,250)	192	(21,603)	(379,661)	272,098
111,610	(54,330)	315	(1,899)	(55,914)	55,696
194,974	(54,857)	465	(3,391)	(57,783)	137,191
52,979	(25,000)	3,594	(4,226)	(25,632)	27,347
58,810	(13,686)	863	(5,070)	(17,893)	40,917
10,153	(7,057)	4,219	(1,705)	(4,543)	5,610
492	(251)	-	(24)	(275)	217
3,021,742	(708,644)	14,758	(48,638)	(742,524)	2,279,218
62,485	-	-	-	-	62,485
<b>3,084,227</b>	<b>(708,644)</b>	<b>14,758</b>	<b>(48,638)</b>	<b>(742,524)</b>	<b>2,341,703</b>
<b>92,695</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>92,695</b>

# PERMISSIVE EXEMPTION



## PERMISSIVE EXEMPTIONS

<b>Civic Address</b>	<b>Exemption</b>	<b>General Tax</b>	<b>School &amp; Others</b>	<b>Total Tax</b>
7355 Canada Way	Edmonds N. Wing Resource Centre			
	St. Matthews Day Care Society	1,933	1,745	3,678
	Deaf Children's Society of BC	3,698	3,153	6,851
	Burnaby School Board-Adult Learning Centre	2,415	2,059	4,475
	Canadian Mental Health Association	2,427	2,070	4,497
	Burnaby Family Life Institute	1,148	1,036	2,184
	Canadian Red Cross Fraser Region Burnaby Branch	2,416	2,060	4,477
	Immigrant Services Society of BC	1,882	1,604	3,486
	Afghan Women's Support Society	1,387	1,183	2,570
2101 Holdom Ave.	Holdom Community Resource Centre			
	Burnaby Family Life Institute	491	418	909
	Burnaby Family Life Institute	581	495	1,076
	Burnaby Family Life Institute	514	438	951
	Burnaby Family Life Institute	172	146	318
	Burnaby Seniors Outreach Services Society	230	196	426
	Burnaby Seniors Outreach Services Society	394	336	730
	Burnaby Seniors Outreach Services Society	144	123	268
	Marguerite Dixon Transition Society	627	534	1,161
	Burnaby Community Connections	326	278	604
	Burnaby Volunteer Centre Society	629	536	1,165
	Burnaby Volunteer Centre Society	723	617	1,340
	Burnaby Community Connections	723	617	1,340
	Burnaby Community Connections	637	543	1,180
Burnaby Community Connections	626	534	1,160	
4397 Buchanan St.	Lower Mainland Purpose Society Youth & Families	6,199	5,599	11,798
6650 Southoaks Cres.	Community Centered College for the Retired	19,439	16,573	36,013
6140 McKercher Ave.	Burnaby Family Life Institute	2,294	2,072	4,365
5655 Sperling Ave.	The Land Conservancy of BC (Partial)	1,191	1,076	2,267
7500 Hanna Court	Burnaby Children's Centers Society	3,858	3,484	7,342
7521 Hanna Court	Burnaby Children's Centers Society	3,556	3,211	6,768
5945 14th Ave.	Burnaby & Region Allotment Gardens Association	6,249	5,644	11,893
6069 14th Ave.	Burnaby & Region Allotment Gardens Association	6,791	6,133	12,924
7450 Meadow Ave.	Burnaby & Region Allotment Gardens Association	5,135	4,637	9,771
7528 Meadow Ave.	Burnaby & Region Allotment Gardens Association	5,655	5,107	10,762
9048 Stormont Ave.	Pacific Assistance Dogs Society (50%)	4,307	3,672	7,979
6990 Aubrey St.	Lochdale Elementary School Site	47,816	40,766	88,583
4600 Parker St.	Alpha Secondary School Site	257,719	219,721	477,440
7872 Hilda St.	Twelfth Avenue Elementary School Fields	979	884	1,864
7615 Hedge Ave.	Twelfth Avenue Elementary School Fields	1,006	908	1,914
7625 Hedge Ave.	Twelfth Avenue Elementary School Fields	1,006	908	1,914
7635 Hedge Ave.	Twelfth Avenue Elementary School Fields	1,006	908	1,914

<b>Civic Address</b>	<b>Exemption</b>	<b>General Tax</b>	<b>School &amp; Others</b>	<b>Total Tax</b>
7645 Hedge Ave.	Twelfth Avenue Elementary School Fields	1,006	908	1,914
7655 Hedge Ave.	Twelfth Avenue Elementary School Fields	1,006	908	1,914
7665 Hedge Ave.	Twelfth Avenue Elementary School Fields	1,006	908	1,914
7675 Hedge Ave.	Twelfth Avenue Elementary School Fields	1,198	1,082	2,280
7855 Meadow Ave.	The Kenneth Gordon School	24,214	20,644	44,858
8059 Texaco Dr.	The Lotus Sailing Club	5,096	4,344	9,440
7564 Barnet Rd.	BC Volleyball Association	67,767	57,776	125,543
4990 Canada Way	Burnaby Winter Club (Partial Exemption)	33,468	28,534	62,002
9080 Avalon Ave.	Burnaby Horsemen's Association	10,852	24,721	35,573
3890 Kensington Ave.	Burnaby Tennis Club	783	1,296	2,079
5024 Rumble St.	Burnaby Host Lions Activities Society	5,016	4,277	9,293
518 S. Howard Ave.	Boys' & Girls' Clubs of Greater Vancouver	12,167	10,373	22,541
	Confederation Park	4,618	11,530	16,148
	Burnaby Heights Park	5,965	12,470	18,435
	Forest Grove Park	19,227	43,638	62,865
7085 Burford St.	Burnaby Beautification Committee	781	1,950	2,731
7086 Burford St.	Burnaby Beautification Committee	299	747	1,046
7051 Halligan St.	Burnaby Beautification Committee	167	418	585
7061 Halligan St.	Burnaby Beautification Committee	235	586	821
6617 Salisbury Ave.	Burnaby Beautification Committee	164	410	574
6637 Salisbury St.	Burnaby Beautification Committee	247	617	864
6647 Salisbury St.	Burnaby Beautification Committee	270	674	944
6667 Salisbury St.	Burnaby Beautification Committee	373	931	1,304
6687 Salisbury St.	Burnaby Beautification Committee	407	1,015	1,422
	Richard Bolton Park	21,701	19,597	41,298
	Highland Park Lane	22,155	55,319	77,475
4354 Hastings St.	Royal Canadian Legion #148	2,078	5,189	7,268
4050 Graveley St	TB Vets Charitable Association (50%)	9,168	7,816	16,984
204-3993 Henning Dr.	St. Leonard's Youth & Family Services Society	7,884	6,722	14,606
2702 Norland Ave.	Burnaby Association for Community Inclusion	26,080	22,235	48,315
4543 Canada Way	United Way of the Lower Mainland	52,952	45,145	98,097
7181 Arcola Way	St. Leonard's Youth & Family Services Society	8,626	7,355	15,981
6688 Southoaks Cres.	National Nikkei Heritage Centre Society Inc (Partial)	5,261	6,819	12,080
3755 Banff Ave.	Burnaby Association for Community Inclusion (Partial)	2,584	2,333	4,917
3400 Lake City Way	The Canadian Red Cross Society (50%)	10,783	9,193	19,976
		<b>763,934</b>	<b>760,506</b>	<b>1,524,440</b>

# STATISTICAL SECTION



## TAX COLLECTIONS - GENERAL TAXES - 5 YEAR COMPARISON

AS AT DECEMBER 31, 2011 (IN THOUSANDS OF DOLLARS)

	2011	2010	2009	2008	2007
Population (000)*	229.5	227.4	222.8	218.2	215.0
Tax levy	\$254,550	\$240,549	\$224,222	\$207,142	\$193,266
Tax levy per capita	\$1,109	\$1,058	\$1,006	\$949	\$894
Current taxes collected	\$251,234	\$237,237	\$221,125	\$204,384	\$190,978
Percentage of current taxes collected to tax levy	98.70 %	98.62 %	98.62 %	98.67 %	98.82 %
Total taxes collected	\$251,969	\$238,051	\$221,846	\$204,934	\$191,497
Percentage of total taxes collected to current tax levy	98.99 %	98.96 %	98.94 %	98.93 %	99.08 %
Total taxes outstanding as at December 31	\$3,316	\$3,312	\$3,097	\$2,758	\$2,288
<b>Total taxes outstanding per capita</b>	<b>\$14.45</b>	<b>\$14.56</b>	<b>\$13.90</b>	<b>\$12.64</b>	<b>\$10.64</b>

\* Source: British Columbia Municipal Population Estimates 2007 - 2011 per the January 2012 release.

## MISCELLANEOUS STATISTICS - 5 YEAR COMPARISON

AS AT DECEMBER 31, 2011 (IN THOUSANDS OF DOLLARS)

	2011	2010	2009	2008	2007
<b>POPULATION (000)*</b>	229.5	227.4	222.8	218.2	215.0
<b>BUILDING PERMITS</b>					
Number	1,710	1,710	1,301	1,662	1,612
Value (\$ Thousands)	615,529	\$ 539,730	\$ 421,970	\$ 792,458	\$ 613,779
<b>INFRASTRUCTURE (Kilometres)</b>					
Water Mains	718 <sup>1</sup>	721 <sup>1</sup>	713 <sup>1</sup>	710 <sup>1</sup>	703
Storm Sewers	632	612	600	588	587
Sanitary Sewers	683	678	675	671	668
Roads	743 <sup>2</sup>	743 <sup>2</sup>	743 <sup>2</sup>	743 <sup>2</sup>	742
<b>PARKS AND PLAYFIELDS</b>					
Number	158	156	156	155	155
Area (hectares)	2,217.0	2,211.0	2,209.0	2,207.0	2,196.0
<b>NUMBER</b>					
Water Services	36,564	36,025	36,552	36,567	36,500
Hydrants	3,353	3,325	3,262	3,240	3,178

<b>AREA (Hectares)</b>	
Land	9,860
Water	814
<b>Total</b>	<b>10,674</b>

\* Source: British Columbia Municipal Population Estimates 2007 - 2011  
2005-2007 figures restated for population estimate change.

<sup>1</sup> Starting in 2007 - measurement excludes abandoned and out of service watermains.

<sup>2</sup> Starting in 2007 - standard of measurement is centre line kilometers. Prior years are stated in lane kilometers.

# BURNABY PUBLIC LIBRARY



## AUDITOR'S REPORT



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 Fax (604) 527-3636  
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### INDEPENDENT AUDITORS' REPORT

To the Chairperson and Trustees of Burnaby Public Library Board

We have audited the accompanying financial statements of Burnaby Public Library, which comprise the statement of financial position as at December 31, 2011, the statements of operations, changes in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Burnaby Public Library as at December 31, 2011 and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Comparative Information*

Without modifying our opinion, we draw attention to Note 3 to the financial statements which describes that Burnaby Public Library adopted Canadian public sector accounting standards on January 1, 2011 with a transition date of January 1, 2010. These standards were applied retroactively by management to the comparative information in these financial statements, including the statement of financial position as at December 31, 2010 and January 1, 2010, and the statements of operations, changes in net financial assets, and cash flows for the year ended December 31, 2010 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Accountants

May 17, 2012

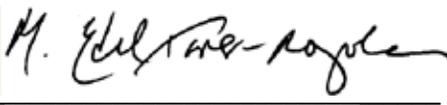
Burnaby, Canada

## STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2011

	<b>Dec. 31 2011</b>	<b>Dec. 31 2010</b> <i>(Unaudited)</i> <i>Note 3</i>	<b>Jan. 1 2010</b> <i>(Unaudited)</i> <i>Note 3</i>
<b>FINANCIAL ASSETS</b>			
Cash	\$ 2,411	\$ 2,821	\$ 2,821
Accounts receivable	7,803	6,324	12,204
Unexpended funds held by the City of Burnaby	1,986,825	1,936,513	1,821,368
	<u>1,997,039</u>	<u>1,945,658</u>	<u>1,836,393</u>
<b>FINANCIAL LIABILITIES</b>			
Accounts payable and accrued liabilities	672,009	694,699	656,655
Deferred revenue	138,585	95,669	67,292
	<u>810,594</u>	<u>790,368</u>	<u>723,947</u>
<b>NET FINANCIAL ASSETS</b>	<b>1,186,445</b>	<b>1,155,290</b>	<b>1,112,446</b>
<b>NON-FINANCIAL ASSETS</b>			
Tangible capital assets (Note 4)	3,334,792	3,361,803	3,300,408
<b>ACCUMULATED SURPLUS (Note 5)</b>	<b>\$ 4,521,237</b>	<b>\$ 4,517,093</b>	<b>\$ 4,412,854</b>

See accompanying notes to financial statements.

Approved by: 

Approved by: 

## STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2011

	<b>2011 Budget</b> <i>(Unaudited)</i> <i>Note 2 (b)</i>	<b>2011 Actual</b>	<b>2010 Actual</b> <i>(Unaudited)</i> <i>Note 3</i>
<b>REVENUES</b>			
Municipal contribution	\$ 9,579,081	\$ 9,455,513	\$ 9,155,824
Fines and fees	411,600	409,440	411,671
InterLINK compensation for non-resident use	210,228	210,228	189,674
Provincial grants	520,638	521,145	496,067
Federal grants	19,860	19,859	20,610
Endowment funds interest income	-	43,895	42,373
Endowment funds donations	-	7,117	9,810
Other	55,960	76,141	85,670
	<b>10,797,367</b>	<b>10,743,338</b>	<b>10,411,699</b>
<b>EXPENSES</b>			
Cameron branch library	943,663	918,563	806,730
McGill branch library	1,820,016	1,756,192	1,710,769
Metrotown library	3,929,497	3,747,798	3,621,276
Tommy Douglas library	1,465,374	1,411,091	1,319,421
Acquisitions	379,407	378,926	362,484
Administration	1,297,468	1,235,535	1,279,265
Public service automation	51,139	36,138	55,678
Automated circulation control system	413,920	397,793	360,052
Cataloguing	622,313	607,119	570,975
Home library service	257,511	250,039	220,810
	<b>11,180,308</b>	<b>10,739,194</b>	<b>10,307,460</b>
Annual surplus/(deficit)	(382,941)	4,144	104,239
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>4,517,093</b>	<b>4,517,093</b>	<b>4,412,854</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ 4,134,152</b>	<b>\$ 4,521,237</b>	<b>\$ 4,517,093</b>

See accompanying notes to financial statements.

## STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2011

	<b>2011 Budget</b> <i>(Unaudited)</i> <i>Note 2 (b)</i>	<b>2011 Actual</b>	<b>2010 Actual</b> <i>(Unaudited)</i> <i>Note 3</i>
Annual surplus/(deficit)	\$ (382,941)	\$ 4,144	\$ 104,239
Acquisition of tangible capital assets	(1,439,595)	(1,363,081)	(1,368,368)
Amortization of tangible capital assets	1,390,092	1,390,092	1,306,973
	(49,503)	27,011	(61,395)
Change in net financial assets	(432,444)	31,155	42,844
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<b>1,155,290</b>	<b>1,155,290</b>	<b>1,112,446</b>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<b>\$ 722,846</b>	<b>\$ 1,186,445</b>	<b>\$ 1,155,290</b>

See accompanying notes to financial statements.

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2011

	2011	2010 <i>(Unaudited)</i> <i>Note 3</i>
Cash provided by (used in):		
Operations:		
Annual surplus	\$ 4,144	\$ 104,239
Non-cash items		
Amortization of tangible capital assets	1,390,092	1,306,973
Changes in non-cash working capital		
Accounts Receivable	(1,479)	5,880
Unexpended funds held by the City of Burnaby	(50,312)	(115,145)
Accounts payable and accrued liabilities	(22,690)	38,044
Deferred revenue	42,916	28,377
	(31,565)	(42,844)
Net change in cash from operating activities	1,362,671	1,368,368
Capital activities:		
Cash used to acquire tangible capital assets	(1,363,081)	(1,368,368)
<b>Net change in cash</b>	(410)	-
<b>CASH, BEGINNING OF YEAR</b>	2,821	2,821
<b>CASH, END OF YEAR</b>	<b>\$ 2,411</b>	<b>\$ 2,821</b>

See accompanying notes to financial statements.

## NOTES TO FINANCIAL STATEMENTS

### 1. OPERATING MANDATE

The Burnaby Public Library ("the Library") was established by bylaw by the City of Burnaby ("City"). The Library Board is responsible for the administration of public libraries in the City. Funding for the provision of these services is primarily through an annual contribution from the City and from provincial government grants. In addition, revenue is received from library fines and fees, donations and other miscellaneous sources. Unexpended funds held by the City represent cash held by the City on the Library's behalf.

The Library is a registered charity under provisions of the Canadian Income Tax Act. The Library operates in facilities provided free of charge by the City.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles as prescribed by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants, and include the following specific policies:

#### (a) Revenue Recognition

Endowment Funds have been established by the library for specific purposes. The principal amount of all endowment donations are maintained in perpetuity. The donations are recorded as revenue when received. As the endowment interest income is not externally restricted, it is recognized as revenue when earned and added to the endowment fund balances reported as part of accumulated surplus.

Unrestricted revenues are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

The Library records the receipts of restricted revenues and contributions as deferred revenue. These are recognized as revenue in the year in which related expenses are incurred.

#### (b) Budget Information

Unaudited budget information reported in the Library's financial statements represent the 2011 component of the City of Burnaby's 2011-2015 Financial Plan, Bylaw No. 12943, which was adopted by City Council on May 9, 2011.

#### (c) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

## TANGIBLE CAPITAL ASSETS

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Assets under construction are not depreciated until the asset is available for productive use. Contributions of tangible capital assets are reported at fair market value at the time of receipt and are also recorded as revenue.

The cost, less residual value, of tangible capital assets is amortized on a straight-line basis over their estimated useful lives, commencing the month and year the asset is put into service. Estimated useful lives are as follows:

Vehicles & Mobile Equipment	5 to 40 years
Technology & Telephony	3 to 20 years
Furniture, Equipment & General	2 to 25 years

### (d) Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of financial statements, and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of accrued employee future benefits and useful lives of tangible capital assets. Actual results could differ from the estimates.

### (e) Employee Future Benefits

The Library and its employees make contribution to the Municipal Pension Plan (Plan). The Municipal Pension Plan is a multi-employer contributory defined benefit pension plan. These contributions are expensed as incurred.

Sick leave and post employment benefits are available to Library's employees. The costs of these benefits are actuarially determined based on service and best estimate of retirement ages and expected future salary and wage increases. The liabilities under these benefit plans are accrued based on projected benefits as the employees render services necessary to earn the future benefits (see note 8).

### (f) Segment

A segment is defined as a department or a collection of departments. The Library is only one segment and hence, no additional disclosure is required.

### (g) Government Transfers

Government transfers are transfer of assets from a government which are not the result of an exchange transaction and which are not expected to be repaid in the future. Revenue is recognized in the financial period in which events giving rise to the transfers occur providing they are authorized and any eligibility criteria have been met.

### 3. ADOPTION OF PUBLIC SECTOR ACCOUNTING STANDARDS

Commencing with the 2011 fiscal year, the Library adopted Canadian public sector accounting standards ("PSAB") as issued by the Public Sector Accounting Board. These financial statements are the first financial statements for which the Library applied PSAB.

Adjustments to accumulated surplus as at January 1, 2010, the date of transition, and annual surplus for the year ended December 31, 2010 as a result of the retrospective application of PSAB are disclosed as follows:

#### (a) Tangible Capital Assets

In prior years, tangible capital asset additions were recorded as expenses in the year of acquisition. PSAB Section 3150 Tangible Capital Assets requires tangible capital assets to be recorded and amortized in the financial statements. The financial information recorded is based on historical cost of the tangible capital assets.

#### (b) Employee Future Benefits

The Library provides post-employment benefits for employees. Historically, the Library has recorded a liability for the post-employment benefits in the financial statements as determined by management. In the current year, the accrued liability has been actuarially determined based on years of services, retirement ages and expected future compensation levels.

#### (c) Endowment Funds Donations

Under Canadian generally accepted accounting principles for not-for-profit organizations, the Library followed the deferral method of accounting for and presentation of endowment funds donations. Historically, the Library recorded receipts of endowment funds donations and interest income as a direct increase to net assets. Under PSAB Section 3100 Restricted Assets and Revenues require endowment contributions and income earned on the principal to be recorded as revenues and flow into accumulated surplus through the statement of operations.

The above changes have been applied retrospectively and prior periods have been restated. The impact of these changes on accumulated surplus is as follows:

	<b>Jan. 1 2010</b> <i>(Unaudited)</i>
<b>Accumulated surplus</b>	
Surplus and net asset, as previously reported	\$ 1,112,446
Net adjustment for tangible capital assets	3,300,408
Employee future benefits not previously recorded	(160,265)
Municipal contribution not previously recorded	160,265
<b>Accumulated surplus, as restated</b>	<b>\$ 4,412,854</b>

### Annual surplus for 2010

Annual surplus, as previously reported	\$ 14,561
Amortization expense not previously recorded	(1,306,973)
Acquisition of assets through Municipal contribution	1,368,368
Employee future benefits not previously recorded	32,138
Municipal contribution not previously recorded	(32,138)
Transfer from endowment funds previously recorded	(23,900)
Endowment funds donations not previously recorded	9,810
Interest income not previously recorded	42,373
<b>Annual surplus, as restated</b>	<b>\$ 104,239</b>

	<b>Dec. 31 2010</b> <i>(Unaudited)</i>	<b>Jan. 1 2010</b> <i>(Unaudited)</i>
<b>Accounts payable and accrued liabilities</b>		
Accounts payable and accrued liabilities, as previously reported	\$ 566,572	\$ 496,390
Employee future benefits not previously recorded	128,127	160,265
<b>Accounts payable and accrued liabilities, as restated</b>	<b>\$ 694,699</b>	<b>\$ 656,655</b>

### Unexpended funds held by the City of Burnaby

Unexpended funds held by the City of Burnaby, as previously reported	\$ 1,808,386	\$ 1,661,103
Municipal contribution not previously recorded	128,127	160,265
<b>Unexpended funds held by the City of Burnaby, as restated</b>	<b>\$ 1,936,513</b>	<b>\$ 1,821,368</b>

## 4. TANGIBLE CAPITAL ASSETS (IN THOUSANDS OF DOLLARS)

2011

Class	Cost Beginning of Year	Acquisitions, net of transfers	Disposals	Cost End of Year	Accumulated Amortization Beginning of Year	Disposals	Amortization	Accumulated Amortization End of Year	Net Book Value End of Year
Vehicles & Mobile Equipment	86	-	-	86	(86)	-	-	(86)	-
Technology & Telephony	213	7	-	220	(155)	-	(35)	(190)	30
Furniture, Equipment & General	4,638	2,706	-	7,344	(2,684)	-	(1,355)	(4,039)	3,305
Asset under Construction	1,350	(1,350)	-	-	-	-	-	-	-
	<b>6,287</b>	<b>1,363</b>	<b>-</b>	<b>7,650</b>	<b>(2,925)</b>	<b>-</b>	<b>(1,390)</b>	<b>(4,315)</b>	<b>3,335</b>

2010 (Unaudited)

Class	Cost Beginning of Year	Acquisitions, net of transfers	Disposals	Cost End of Year	Accumulated Amortization Beginning of Year	Disposals	Amortization	Accumulated Amortization End of Year	Net Book Value End of Year	Net Book Value Beginning of Year
Vehicles & Mobile Equipment	86	-	-	86	(86)	-	-	(86)	-	-
Technology & Telephony	212	1	-	213	(118)	-	(37)	(155)	58	93
Furniture, Equipment & General	7,108	24	(2,494)	4,638	(3,908)	2,494	(1,270)	(2,684)	1,954	3,200
Asset under Construction	7	1,343	-	1,350	-	-	-	-	1,350	7
	<b>7,413</b>	<b>1,368</b>	<b>(2,494)</b>	<b>6,287</b>	<b>(4,112)</b>	<b>2,494</b>	<b>(1,307)</b>	<b>(2,925)</b>	<b>3,362</b>	<b>3,300</b>

## 5. ACCUMULATED SURPLUS

	Dec. 31 2011	Dec. 31 2010 <i>(Unaudited)</i>	Jan. 1 2010 <i>(Unaudited)</i>
Operating Surplus	\$ 408,312	\$ 422,194	\$ 407,633
Endowment funds (note 6)	778,133	733,096	704,813
Equity in tangible capital assets	3,334,792	3,361,803	3,300,408
	<b>\$ 4,521,237</b>	<b>\$ 4,517,093</b>	<b>\$ 4,412,854</b>

## 6. ENDOWMENT FUNDS

2011	Principal Beginning of Year	Donations	Principal End of Year	Accumulated Interest Beginning of Year	Interest income	Expenditures	Accumulated Interest Beginning of Year	Total
Picard Trust	\$ 25,563	\$ -	\$ 25,563	\$ 52,960	\$ 4,676	\$ 750	\$ 56,886	\$ 82,449
Cox Trust	163,538	-	163,538	171,160	19,952	-	191,112	354,650
Simnett Trust	13,720	500	14,220	16,047	1,778	-	17,825	32,045
Perrot Trust	85,346	5,669	91,015	22,662	6,601	5,225	24,038	115,053
Sundry	125,339	948	126,287	56,761	10,888	-	67,649	193,936
	<b>\$ 413,506</b>	<b>\$ 7,117</b>	<b>\$ 420,623</b>	<b>\$ 319,590</b>	<b>\$ 43,895</b>	<b>\$ 5,975</b>	<b>\$ 357,510</b>	<b>\$ 778,133</b>

2010 (unaudited)	Principal Beginning of Year	Donations	Principal End of Year	Accumulated Interest Beginning of Year	Interest income	Expenditures	Accumulated Interest Beginning of Year	Total	Beginning of Year Total
Picard Trust	\$ 25,563	\$ -	\$ 25,563	\$ 50,202	\$ 4,508	\$ 1,750	\$ 52,960	\$ 78,523	\$ 75,765
Cox Trust	163,538	-	163,538	159,219	19,241	7,300	171,160	334,698	322,757
Simnett Trust	13,720	-	13,720	14,844	1,703	500	16,047	29,767	28,564
Perrot Trust	78,936	6,410	85,346	24,594	6,418	8,350	22,662	108,008	103,530
Sundry	121,939	3,400	125,339	52,258	10,503	6,000	56,761	182,100	174,197
	<b>\$ 403,696</b>	<b>\$ 9,810</b>	<b>\$ 413,506</b>	<b>\$ 301,117</b>	<b>\$ 42,373</b>	<b>\$ 23,900</b>	<b>\$ 319,590</b>	<b>\$ 733,096</b>	<b>\$ 704,813</b>

## 7. PENSION PLAN

The Library and its employees contribute to the Municipal Pension Plan (Plan), a jointly trustee pension plan. The board of trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The Plan has about 173,000 active members and approximately 63,000 retired members. Active members include approximately 35,000 contributors from local governments.

Every 3 years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of Plan funding. The most recent valuation as at December 31, 2009, indicated an unfunded liability of \$1,024 million for basic pension benefits. The next valuation will be as at December 31, 2012, with results available in 2013. The actuary does not attribute portions of the unfunded liability to individual employers. The Library paid \$544,060 for employer contributions to the Plan in fiscal 2011 (2010 - \$466,406). Employees paid \$442,335 for employee contributions to the Plan in fiscal 2011 (2010 \$369,847).

## 8. EMPLOYEE FUTURE BENEFIT

The Library provides certain post-employment benefits to its employees. These benefits include accumulated vacation deferral, supplementary vacation and retirement gratuity benefits. The liability associated with these benefits is calculated based on the present value of expected future payments pro-rated for services, and is included in accounts payable and accrued liabilities on the Statement of Financial Position.

### Accrued Benefit Liability

	2011	2010 <i>(Unaudited)</i>
Balance at beginning of year	\$ 302,000	\$ 319,000
Current service cost	18,000	18,000
Interest cost	13,000	14,000
Benefits paid	(50,000)	(49,000)
<b>Accrued Benefit Liability - End of year</b>	<b>\$ 283,000</b>	<b>\$ 302,000</b>

An actuarial estimate for these benefits was performed to estimate the Library's accrued benefit obligation as at December 31, 2011. The difference between the actuarially determined accrued benefit obligation estimate of \$300,000 and the accrued benefit liability of \$283,000 as at December 31, 2011 is an unamortized actuarial loss of \$17,000. The actuarial loss is amortized over the period equal to the employee's average remaining service lifetime of 10 years. This loss is the result of a correction to discount rates.

### Accrued Benefit Obligation

	Dec. 31 2011	Dec. 31 2010 <i>(Unaudited)</i>	Jan. 1 2010 <i>(Unaudited)</i>
Liability - End of Year	\$ 283,000	\$ 302,000	\$ 319,000
Unamortized Actuarial Loss	17,000	-	-
<b>Accrued Benefit Obligation - End of year</b>	<b>\$ 300,000</b>	<b>\$ 302,000</b>	<b>\$ 319,000</b>

Actuarial assumptions used to estimate the Library's accrued benefit obligation are as follows:

	2011	2010
Discount rate	3.50%	4.50%
Expected wage and salary inflation	2.50%	2.50%

## 9. STATEMENT OF OPERATIONS BY OBJECT

In accordance with PSAB, the Library's Statement of Operations by object presents the major types of revenue and expenses incurred by the library:

	<b>2011 Actual</b>	<b>2010 Actual (Unaudited)</b>
<b>Expenses</b>		
Compensation	\$ 8,311,034	\$ 7,949,946
General services	431,139	522,473
Materials & supplies	268,807	285,423
Equipment & related operating costs	182,736	95,456
Gas & electricity	155,386	147,189
Amortization	1,390,092	1,306,973
<b>Total expenses</b>	<b>\$ 10,739,194</b>	<b>\$ 10,307,460</b>

## 10. COMPARATIVE FIGURES

Certain 2010 comparative figures have been reclassified to conform with the current year's financial statement presentation.

## 11. BUDGET DATA

The Community Charter requires Council to adopt a financial plan for each fiscal period. The financial plan is prepared on a revenue and expenditure basis which is not the same as PSAB accounting requirements. The following is a reconciliation of the approved financial plan to the figures included in the financial statement budget:

	<b>Budget Amount</b>
Revenue per financial plan bylaw	\$ 11,541,523
Transfer from prior year's surplus	(422,194)
Municipal contribution - asset acquisitions	1,429,345
Municipal contribution - amortization	(1,751,307)
Revenue per statement of operations	10,797,367
Expenditures per financial plan bylaw	11,541,523
Municipal contribution - amortization	(1,751,307)
Budget amortization per statement of operations	1,390,092
Expenses per statement of operations	11,180,308
<b>Annual deficit per statement of operations</b>	<b>\$ (382,941)</b>

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