



**2012
ANNUAL
FINANCIAL
REPORT**



2012

ANNUAL FINANCIAL REPORT 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 and Sean Yee

City of Burnaby, British Columbia, Canada

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1 MESSAGE FROM THE MAYOR

The City of Burnaby is determined to remain a shining example of local government at its best. We look forward to working with all Burnaby citizens and stakeholders.



Committed to economic,
social & environmental
sustainability.



With the enthusiastic involvement of our citizens, the Burnaby Board of Trade, Tourism Burnaby, hundreds of volunteers and our leading-edge business community, 2012 was another tremendous year for Burnaby. Thank you to all of these partners and to our exemplary staff who create, design, build and deliver our services. All City employees continue to ensure excellent delivery of public services to all Burnaby citizens.

In Burnaby, community engagement is not an initiative. It's how we do business. Our many successes this year stem from the fact that we work closely with the community to set and achieve all of our goals.

I am very proud this year that Burnaby received an award that recognized the success of our community engagement culture – the 2012 Planning Excellence Award, presented by the Canadian Institute of Planners, for the Social Sustainability Strategy. The Strategy is a visionary plan. It proposes 127 initiatives that are the result of a collaborative process that built on the energy, creativity and innovation of Burnaby citizens and businesses. It provides a model for future initiatives, including our Environmental Sustainability Strategy now being developed.

Burnaby's planning policies are shaped by the community. They have created a sustainable urban structure that features livable and dense urban centres and preserves green space, providing a strong foundation for sustainable land use. A key indicator of success this year was the return of Chum salmon to Burnaby's waterways in record numbers. Still Creek and Buckingham Creek, which have not been home to salmon for over 40 years, have become new spawning areas for the species. The new Environmental Sustainability Strategy will further sharpen and refine our environmental focus.

Just as we welcome opportunities to partner with community organizations to improve the environment, Burnaby also values its ongoing community consultation and collaboration on a wide-range of social planning issues. Council and staff participate in community-based initiatives through many groups. In the past year, Burnaby joined the Canadian Coalition of Municipalities Against Racism and Discrimination.

Burnaby has also excelled in engaging with social services sectors that provide essential programs to citizens – and this year was awarded the BC Child Care Award of Excellence in the Local Government category by the BC Ministry of Children and Family Development.

Other awards Burnaby received this year, recognizing community initiatives include: Burnaby Public Library's receipt of a 2012 Representative's Award of Excellence: Cultural Heritage and Diversity for the Library's Embracing Diversity Project; and presentation to City Archives of an Award of Honour from Heritage B.C. for the Burnaby Oral History Digitization project that enabled approximately 40 interviews of long-time Burnaby residents to now be heard online.

As we all know, these days a valuable tool for communication and engagement is social media. Since the City launched its new website last year, engagement in the City's social media sites has grown exponentially. On average, we receive 120,000 site visits per month. Enabling access to online citizen services and eBusiness is a continuing priority.

An ever-increasing number of vendors are communicating electronically with the City. Nearly one third of our purchase orders are now electronically generated, making the process quicker and more efficient for all. And we recently introduced technology that enables public viewing of City Council meetings on compatible mobile devices.

Because of Burnaby's diversified economic development, the city has seen sustained growth – moving us toward our vision of a strong, sustainable and prosperous community – despite regional, provincial, federal and global economic challenges.

In 2012, Building Permit numbers remained high, with permit numbers reaching 1,803 in 2012 up from 1,729 in 2011. We saw growth in multi-family developments and in new dwellings in our single-family neighbourhoods. Several major projects also advanced in the public, commercial, and industrial sectors. The total permit values at the end of 2012 were an impressive \$514.67 million, with an expectation that we will again achieve a similar result this year.

Burnaby's vibrant town centres and urban villages continue to attract major investment and the City is supporting its town centres with investments that will benefit all members of the community – investments such as the Edmonds Community Centre which is nearing completion. The facility will feature a leisure pool, swim tank and fitness area as well as a dedicated youth lounge and seniors' lounge, two gyms, an indoor playground, and multi-purpose areas to provide services for all ages.

The gold-winning Women's Eight team trained on Burnaby Lake

Also on the recreation front, partnership between Vancouver Canucks, Rona, and the City resulted in an \$80,000 refurbishment of Kensington Arena Lobby. The arenas have been busy with many tournaments this year, including April's Canadian National Ringette tournament.

And notably this year, Burnaby played host in August to the most successful BC Seniors Games ever, when almost 4,000 participants came to our City to compete in close to 30 events that were enjoyed by thousands of participants and spectators. Almost 2,000 Burnaby volunteers made the games happen.

Our well-used parks and recreation facilities also saw improvements this year, including completion of the Deer Lake boardwalk.

The estimated value of our assets is \$2.5 Billion. One of our key objectives is to protect the City's investment in that infrastructure. New projects include our innovative Alternate Street Design demonstration project, located in the 4700 block of Watling Street – one of a series of green engineering initiatives designed to improve the environment. We also implemented the "enviroWORKS" Energy Conservation project, which included building-envelope and lighting improvements at recreation centres, pools, fire halls, and libraries at 18 City sites, and resulted in approximately 575,000 KWh of electrical savings and 41 tonnes of CO₂ reduction annually.

In May, the Tommy Douglas Library achieved LEED Canada Gold certification from the Canada Green Building Council (CaGBC).

In addition to previous awards from both the Association of Professional Engineers and Geoscientists of British Columbia, and the Consulting Engineers of British Columbia, the Burnaby Lake Rejuvenation project received another award in October. The Association of Consulting Engineering Companies-Canada, presented an Award of Excellence to the project.

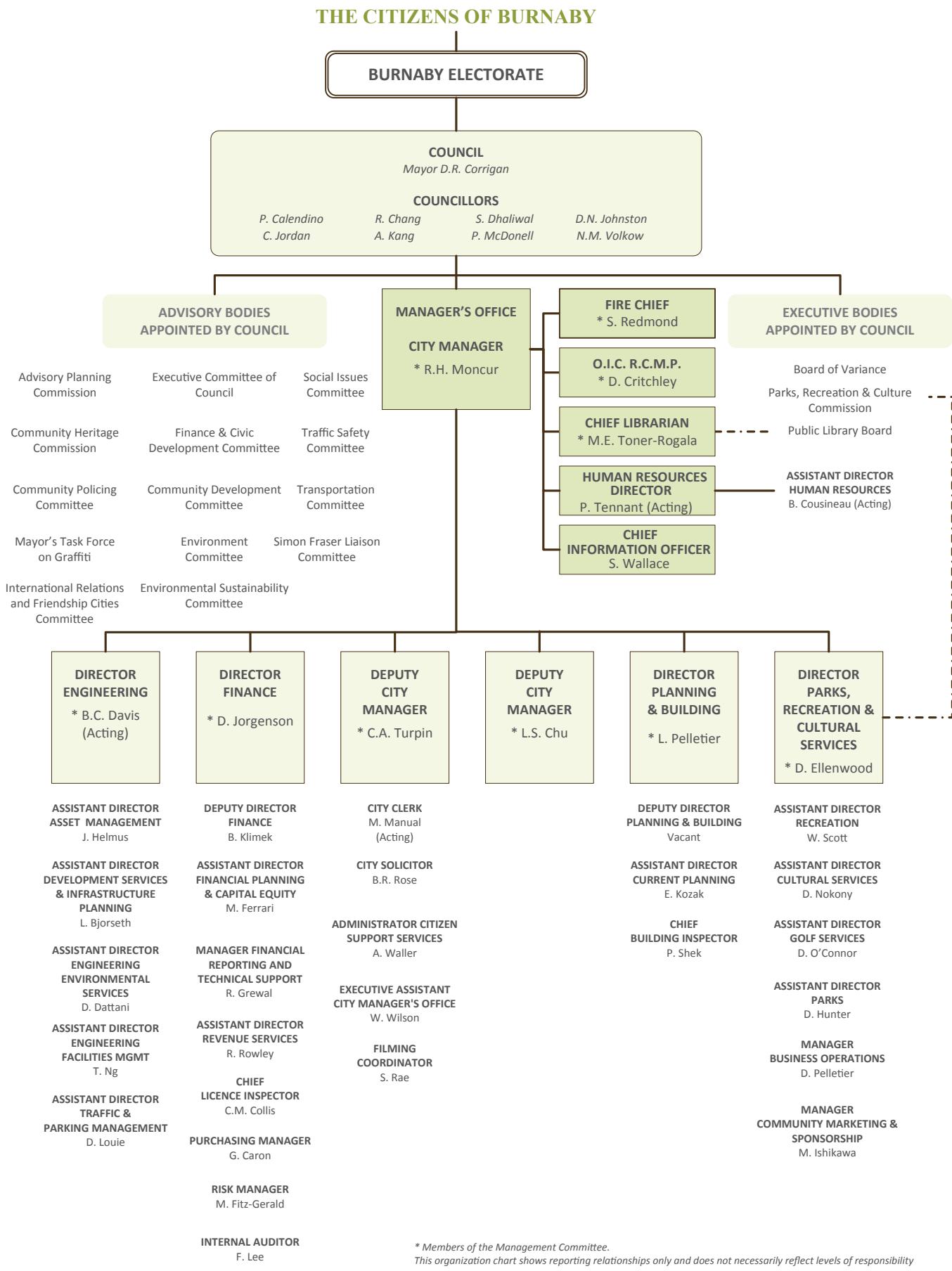
The newly rejuvenated lake continues to attract high-calibre athletes. The Canadian Men's Rowing Teams, including the Men's Eight that captured a medal, trained there in July, in preparation for the 2012 Olympic Games in London, as did members of the gold-winning Women's Eight team.

And while all of these improvements and City initiatives cost money, we focus on efficiency and partnerships and our fiscal position remains strong with our investment portfolio returning an annual yield of 5% and income of \$37.7 million for 2012. Sound investment practices have provided the City with steady income over the last decade, ensuring liquidity when needed and growth to help offset increases in our operating budget and providing funding for capital projects. For 2013, the City is projecting a slightly lower annual return at 4.75%, as challenging global economic conditions and constraints have not yet abated.

As we reflect on the many achievements of 2012, it is clear that Burnaby has a great base on which to build our promising future. Thank you to all of our citizens and partners – and to our city staff across all of our diverse departments – for their outstanding commitment to our city.



Mayor Derek Corrigan

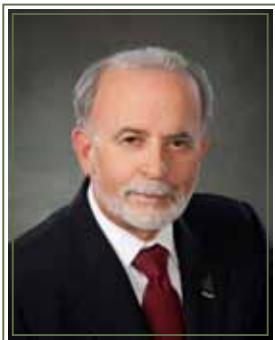


City Council

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.



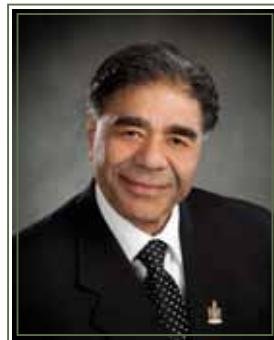
MAYOR
Derek Corrigan



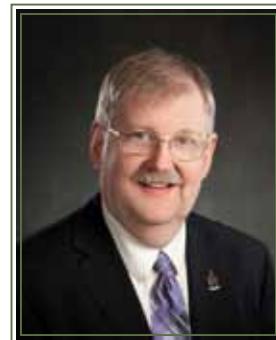
COUNCILLOR
Pietro Calendino



COUNCILLOR
Richard Chang



COUNCILLOR
Sav Dhaliwal



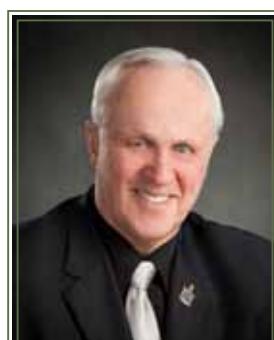
COUNCILLOR
Dan Johnston



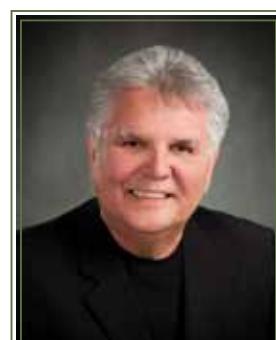
COUNCILLOR
Colleen Jordan



COUNCILLOR
Anne Kang



COUNCILLOR
Paul McDonell



COUNCILLOR
Nick Volkow

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.

CITY MANAGER

R. H. Moncur

DEPUTY CITY MANAGER

C. Turpin

DEPUTY CITY MANAGER

L. S. Chu

ACTING DIRECTOR ENGINEERING

B. C. Davis

DIRECTOR PARKS, RECREATION & CULTURAL SERVICES

D. Ellenwood

DIRECTOR FINANCE

D. Jorgenson

DIRECTOR PLANNING & BUILDING

L. Pelletier

AUDITORS



BANKERS



BOARD OF EDUCATION

Accountable for the operations of all schools in SD 41.

*School Trustee L. Hayes (Chair)
School Trustee B. Narang (Vice Chair)
School Trustee R. Burton
School Trustee M. Chia
School Trustee H. Pandher
School Trustee J. Wang
School Trustee G. Wong*

BOARD OF VARIANCE

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

*D. MacKinnon (Chair)
P. Ferronato
C. Richter
M. Castro
B. Bharaj*

PARKS, RECREATION & CULTURE COMMISSION

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

*Councillor S. Dhaliwal (Chair)
Councillor P. Calendino
K. Alkins-Jang (Deputy Chair)
B. Di Spirito
M. Foley
B. Nasu
L. Loftus
W. Peppard
K. Purdy*

PUBLIC LIBRARY BOARD

Accountable for the operations of all libraries in Burnaby.

*Councillor A. Kang
K. Sainty
D. Ali
R. Fasciana
S. Johal
S. Freeman (Chair)
B. Larkin
E. Maitland (Vice Chair)
S. Pierce*

Committees, Commissions & 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

AUDIT COMMITTEE

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

COMMUNITY DEVELOPMENT COMMITTEE

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

COMMUNITY HERITAGE COMMISSION

Councillor C. Jordan (Chair)
 Councillor N. Volkow (Vice Chair)
 Councillor R. Chang
 Commissioner L. Loftus
 Commissioner B. Nasu (alternate)
 M. Bell
 C. O'Neill
 R. Johnson
 L. Lowe
 H. Pride
 Z. Towle
 P. Finlayson

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

ENVIRONMENT COMMITTEE

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

EXECUTIVE COMMITTEE OF COUNCIL

Councillor P. Calendino (Chair)
 Councillor P. McDonell (Vice Chair)
 Councillor D. Johnston

FINANCE & CIVIC DEVELOPMENT COMMITTEE

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

INTERNATIONAL RELATIONS & FRIENDSHIP CITIES COMMITTEE

Councillor R. Chang (Chair)
 Councillor P. McDonell (Vice Chair)
 Councillor P. Calendino

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 N. Volkow (Chair)
 Councillor R. Chang (Vice Chair)
 Councillor S. Dhaliwal

SOCIAL ISSUES COMMITTEE

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

TRAFFIC SAFETY COMMITTEE

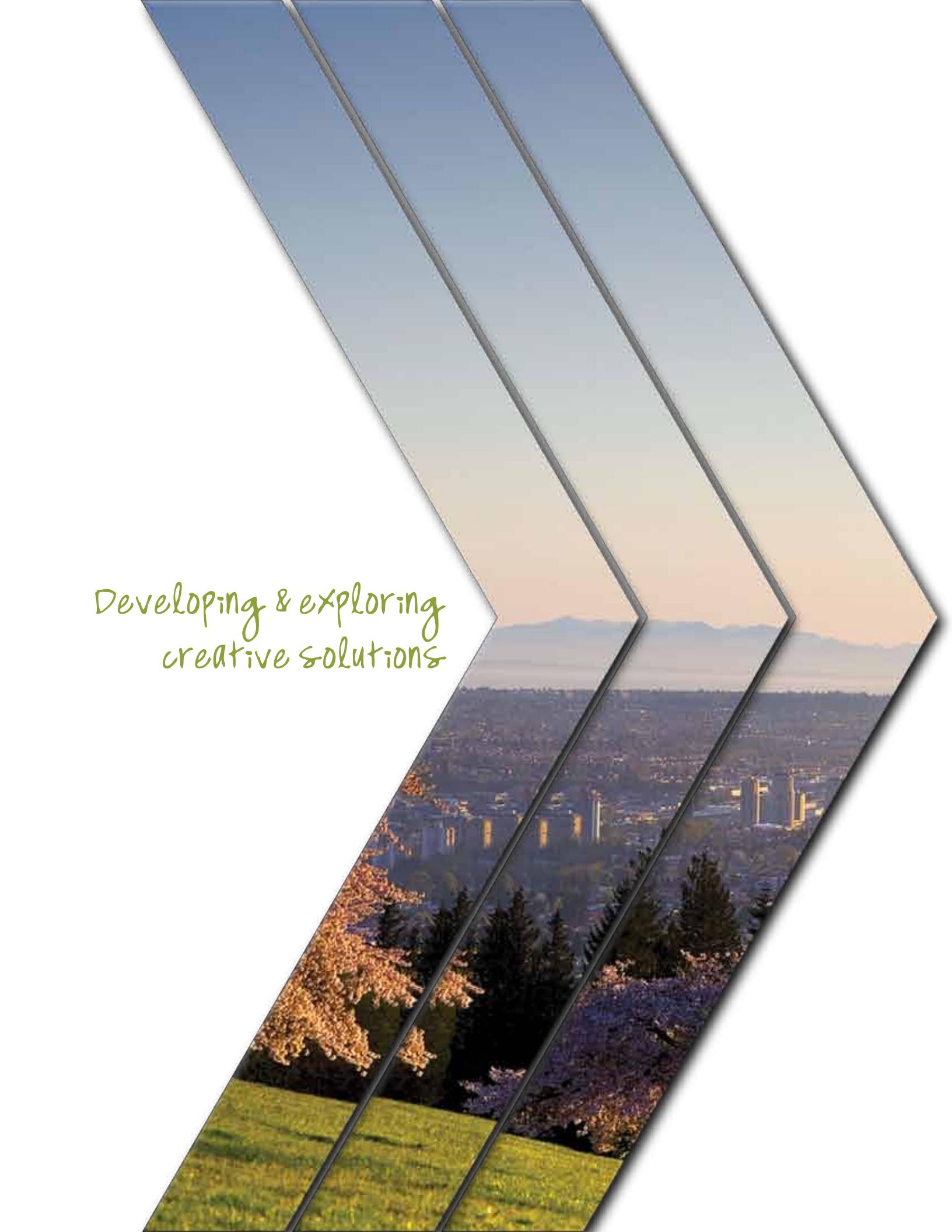
Councillor S. Dhaliwal (Chair)
 Councillor C. Jordan (Vice Chair)
 Councillor P. McDonell
 J. Whittemore
 D. Kuzik (alternate)
 B. Heslop
 A. Dhanani
 D. Berardine
 G. Couling
 K. Esmaeilpour
 R. Owsanski
 J. Rioux

TRANSPORTATION COMMITTEE

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

2 SERVICE HIGHLIGHTS

New initiatives, emerging technology, and enhanced programs keep Burnaby at the forefront of innovation, modernization, and creative problem solving.



Developing & exploring
creative solutions

Engineering



TRANSIT SHELTERS

In 2012, approximately 80 new transit shelters were installed to replace aging shelters that were at the end of their useful life. The new shelters feature advertising panels that are lit by energy efficient light emitting diode (LED) lights and bench parts made from recycled material. Many have glass wall panels etched with a picture depicting a loon amongst reeds in the foreground and the Metrotown skyline in the background. The new shelters contribute to the revitalization of the streetscape and neighbourhood they are located in and will encourage more use of transit.

WATLING STREET ALTERNATE STREET DESIGN

In December 2012, the City completed the Watling Alternate Street Design pilot project which contained design concepts offering local and watershed scale environmental benefits in the Byrne Creek watershed. This project replaced a traditional design approach with bioswales and porous asphalt to manage rainwater and add aesthetic value to the neighbourhood. Watling is the first public roadway in the Lower Mainland to be completed with an entirely porous pavement structure.

During a rainfall event the majority of rainwater percolates through the road structure to the reservoir layer before infiltrating into the native soil and recharging the groundwater. The remainder of the rainwater is received by the bioswales adjacent to the road surface. The project provides multiple benefits to the ecosystem including a decrease in peak runoff rates and an improvement in water quality. This initiative, in partnership with the local stewardship group and area residents, demonstrates Burnaby's leadership and commitment in sustainable urban development practices.





INFRASTRUCTURE RENEWAL

Burnaby residents and businesses rely on receiving consistent water and sewer services, which is ensured through proactive rehabilitation or replacement of aging infrastructure. In 2012, the City of Burnaby separated 2.2 km of combined sewer, upgraded 4.7 km of aging sanitary sewer, and replaced 12.6 km of historic watermain. Residents near Brentwood Mall may also notice the new Gilmore Sanitary Pump Station, upgraded to meet neighbourhood growth. Students and residents of Burnaby Mountain will benefit from the replaced Curtis-Duthie water pump station, designed to provide additional water to Burnaby Mountain through a secondary watermain. Community engagement and understanding of infrastructure has been increased through interpretive displays, a sculpture made of historic water construction materials, and educational artwork on water supply and conservation.

ENERGY SAVINGS STREETLIGHTS & CITY BUILDINGS

In 2012, as part of the City of Burnaby's continuing efforts toward energy conservation and minimizing the City's environmental footprint, the "enviroWORKS" energy services and building improvement program was implemented. A comprehensive review of current building energy consumption was conducted, followed by the upgrading of existing lighting and heating systems to significantly increase the overall energy efficiency of the City. This resulted in reducing operating costs and green house gas emissions.

To enhance the safety and comfort of road users along Lougheed Highway, light emitting diode (LED) street lights were installed along the north side of Lougheed Highway between Douglas and Sperling. Instead of the usual high pressure sodium (HPS) lights, LED lights were installed as a trial to save energy and lower maintenance costs. Public response to the lights have been positive. A successful trial may eventually lead to the use of LED lights for all street lighting throughout Burnaby.



Information Technology

POINT OF SALES - RIVERWAY

An installation of touch screen server stations at Riverway Clubhouse was completed that provides restaurant style food ordering and payment at the restaurant and bistro. The upgraded systems improve service to customers by offering quick payments and ensuring a more convenient hospitality experience.

Similar systems are planned for other City Food Services locations such as the Ice Cream Parlour in Burnaby Village Museum and Encores at Shadbolt.



WIRELESS IN THE CITY

The first phase of a multi-year project introducing free public wireless access in City facilities was completed. This project provides citizens with wireless access in over 20 buildings and public parks including City Hall, Bonsor Recreation Center, Shadbolt Center and the Water Stage outdoor area, Confederation Seniors Centre and Confederation Park, CG Brown, Kensington Arena, and other locations. The project installed over 190 wireless access points for high speed access to the Internet across the locations. The long term goal is to provide free Internet access to citizens in the majority of public buildings and spaces in the City.

The venues for the BC Seniors' Games were well covered, allowing for quick posting of event results in the many locations, indoor and outdoor.

BURNABY COUNCIL MEETINGS GO MOBILE

Citizens can now watch live Open Council Meetings conveniently at home or on the go. The City's video encoder system was upgraded to enable the convenience of Open Council Meeting viewing on compatible mobile devices – smartphones, tablets, Blackberry, iOS, Android or Windows devices. Council meetings are also broadcast live on Shaw TV, and can be accessed anytime from the City's webcast archives, found under archived Council Meetings on the City's website.



Planning & Building

RELOCATION & RESTORATION OF MATHERS ESTATE GATE & WALL

The project to relocate and restore the unique heritage gate and wall related to the heritage designated W.J. Mathers Estate “Altnadene” was substantially completed in 2012. Funding for this project was approved from the City Gaming Fund with a contribution from the Port Mann/Highway #1 Project.

The completed project highlights this historic gate and wall as an important and special landmark in the City, and creates a visually pleasing environment for those who travel past and visit the area, whether as pedestrians, cyclists or in vehicles.



DEVELOPMENT APPROVALS

In 2012 Council granted approval for several large projects, all of which are currently under construction. These major development projects contributed significant public benefits, ranging from provision of infrastructure and community amenities to helping create livable transit-connected neighbourhoods through place-making, solid urban design and identifiable architecture. Examples in the Metrotown and Brentwood Town Centres include the following:

The Station Square development, approved by Council in July 2012 is a large multi-phased redevelopment of an existing shopping centre, and is a corner-stone in the Metrotown area. The project is an example of Burnaby's commitment to pedestrian-oriented and mixed-used development. Station Square, in its new form, will host a lively mix of restaurants, cafes, public gathering spaces, commercial space and residential living spread within and between five phased towers, and will fundamentally re-shape the Metrotown area.



The Solo District Development, located at the southwest corner of Lougheed Highway and Willingdon Avenue, and approved by Council in July 2012 will showcase elegant and sleek design with great public spaces for mixing and gathering. A significant multi-phased development consists of four residential towers and nearly 450,000 sq. ft. of commercial floorspace with a large office component. The Solo District Development contributes to the Brentwood area through its open, street-oriented form of development that celebrates a genuinely urban experience with several public spaces. It contributes to the re-envisioning of Lougheed from a 'highway' to a roadway that, while still moving vehicles efficiently, will have street-frontages on a human-scale that include double rows of street trees, benches, rain gardens, and accessible options for pedestrians and cyclists. This kind of frontage is an excellent example of how social and environmental sustainability can be combined as the new streetscape enhances pedestrian and cyclist linkages with opportunities for small group gathering and improved wastewater management, and reveals just how Burnaby is leading the way in demonstrating 'real life' sustainability.



CRIME REDUCTION STRATEGY

The Burnaby RCMP continued to provide a very high level of service to the citizens of Burnaby in 2012 using a flexible and rapid deployment model to meet the demands for service and new crime trends. The Crime Reduction Strategy has been fully integrated in the RCMP Detachment through the bi-monthly CompStat (Comparative Statistics) meeting where personnel from various units meet to review updated crime statistics, identify crime trends, crime "hot spots" and review prolific offenders. Plans to address crime trends are developed in a consultative process and commitments are made to address these. Detachment personnel are held accountable to the commitments and the results of the commitments are reviewed at the subsequent CompStat meeting. All Detachment personnel are engaged in the CompStat commitments including Auxiliary Constables, volunteers and groups such as Block and Business Watch.

The strong efforts from all RCMP Detachment personnel, volunteers and community stakeholders resulted in the reduction of the following crimes over the past 5 years:

Property Crime Offences: - 15%

Break & Enter: - 15%

Auto Theft: - 56%

Theft from Auto: - 16%

Total Criminal Code Offences: - 20%



After extensive consultation with key stakeholders and police personnel, the Detachment Annual Performance Plan established five policing priorities for 2012: Reduction in Property Crime, Reduction in Violent Crime, Interaction with the Youth in our Community, Reduction in Drug Related Crime and Increase in Road Safety and Enforcement.

The RCMP Detachment continually assesses crime trends and explores options on how to improve the police service delivery model to the citizens of Burnaby. The following are examples of recent innovative responses to address crime trends and calls for service:

- » Creation of a Break & Enter Task Force to address a recent spike in residential Break & Enters using a three pronged strategy: Education, Investigation and Intelligence/Information Gathering
- » Creation of a Mental Health Intervention Coordinator which works in partnership with the Fraser Health Authority to reduce undue burden on emergency resources
- » Creation of a pilot Metrotown Enforcement Team (MET) that works with Metrotown Centre Security to enhance their coordinated efforts within the mall and surrounding area



The Burnaby RCMP Detachment appreciates the assistance of its many volunteers. With 62 Auxiliaries, the Auxiliary Constable Program collectively contributed over 11,800 hours in 2012. There are currently over 130 volunteers assisting with programs as Citizen Crime Watch, Block Watch, Business Watch and Victim Services. These volunteers have contributed over 7,000 hours in 2012. These volunteers go out of their way to actively make a difference to the citizens and community of Burnaby and their efforts and assistance are greatly appreciated.

As the Detachment moves into 2013, the Burnaby Detachment will continue to seek ways to improve the delivery of policing services and ensure Burnaby remains a safe community.

Emergency Program Office

EMERGENCY SUPPORT SERVICES

Emergency Support Services (ESS) is a provincially-led, community-based program managed by the City of Burnaby to preserve the well-being of people affected by an emergency or disaster. ESS provides short-term assistance to British Columbians who are forced to leave their homes because of fire, flood, earthquake or other emergencies. This assistance includes food, lodging, clothing, emotional support and family reunification.

Seven dedicated City staff are at the ready 24 hours a day, 7 days a week, 365 days a year to help Burnaby residents in their time of need. In 2012, Burnaby ESS personnel responded to a natural gas line breach, 11 residential fires, and a water main flood. Assistance was provided to 383 Burnaby residents.



FIRE SUPPRESSION

The Fire Department provides highly trained firefighters to ensure the safety and well being of Burnaby's citizens and visitors. Our firefighters take great pride in serving the community, and they are dedicated to delivering the highest level of emergency and non-emergency services at all times. In 2012 the types of incidents our firefighters responded to are:

Accidental Alarm	1,366
Building Fire	472
False Alarm	276
Medical Emergencies	7,373
Motor Vehicle Incidents	1,312
Other Fire (Rubbish, Bush, Grass, etc.)	936
Public Service	977
Vehicle Fire	79



FIRE PREVENTION

The Fire Prevention Division continues to deliver services related to fire safety and fire prevention. Our inspectors are now connected to the office wirelessly using hand held electronic devices. This has led to increased efficiencies in the areas related to Property Inspection and Fire Bylaw compliance. This has created improved customer service and has assisted in streamlining our Fire Inspection processes.

A redesigned fire extinguisher training program featuring fire simulator equipment continues to be quite popular, with many workplaces and groups in Burnaby having taken advantage of this valuable training. The Bullex Simulator system uses simulated LED flames and laser training extinguishers to teach trainees how to effectively use a fire extinguisher. The result has created an increased awareness in fire prevention, safety, and education.

Our Fire Prevention Division conducts inspections on a regular basis, along with a multitude of other duties including building consultations with architects, checking new building plans to ensure fire and building codes are followed and working with various City departments in joint inspections.

Assembly	73	Institutional	14
Assist Inspection	37	Lock Box	208
Building Progress	151	Mercantile	119
Business Licence	908	Miscellaneous	513
Business & Personal Services	599	Request Inspection/Survey	244
Commercial & Industrial	209	Residential	268
Complaints/Fire Hazards	93	Re-Inspections	1,296
Final Occupancy Inspection	183	Sprinklers	379
Fire Company Referrals	257		

BURNABY FIREFIGHTERS CHARITABLE SOCIETY

Our firefighters, through The Burnaby Firefighters Charitable Society, continue with their dedicated and committed volunteer support of over 40 different charities in the community. Additionally, we volunteer in support of numerous civic events, instruct CPR (Cardio Pulmonary Resuscitation) programs for secondary school students, and we remain instrumental in the ongoing financial and logistical support of the nutritional snack programs we initially established to benefit undernourished elementary and secondary school students.

NEW ACQUISITIONS

The library has expanded the World Languages collection, spending 10% of its total collections budget on materials in languages other than English. This allowed for the growth of the My First Language kit initiative and Chinese and French collections. As well, it allowed the Library to begin to acquire and catalogue books in Persian (for adults and children), Korean (for adults), and Spanish (for adults).

Additionally, Burnaby Public Library was the recipient of a donation of 1,000 books in Chinese from the Ministry of Culture, Henan Province, China in appreciation for the 38,866 used English books collected, donated and delivered by the Cross-the-Taiwan-Straits Henan Association of Canada, and the Burnaby Edmonds Lions Club of Canada to the Henan Provincial Library of China, Zhengzhou, Henan Province, China between 2006 and 2008.

The library launched its “Speed Reads” collection in late June. The “Speed Reads” collection is different from “Quick Reads” in other systems in that it reflects primarily what Burnaby users are most interested in as determined by the library’s high demand/heavy request queues. In just six months, with a combined 1,171 items at all four branches, the total circulation for “Speed Reads” was 13,850.

The library continues to develop content-rich electronic collections. Zinio was made available to the public on October 3, delivering many popular magazines in the same visual layout as the print edition but in a digital format.

SERVICE ENHANCEMENTS

In early summer 2012, the library rolled out mobile apps for both iPhone and Android smartphones. To illustrate the success of this new service, there were over 3,500 mobile app sessions in November, a 46% increase compared to July.

The library has changed vendors for enhanced content in the catalogue (cover images, publisher summaries, table of contents). The BC Libraries Cooperative negotiated on behalf of individual libraries and the resulting consortium packages offered better value than what we had previously. Our users now see better coverage of cover images for AV material, as well as content that we’d never had before, such as publisher summaries, table of contents, and excerpts.

Thanks to a generous donation from the producers of the television series, Smallville, the library was able to build a small group study space on the second floor at the Bob Prittie Metrotown Branch. Response from library users has been very positive and the room is now seeing in the range of 135 uses per month.



PROGRAM UPDATES

The Library's Reading Buddies pilot at the McGill Branch in July and the first week of August was a great success with attendance at each of the five sessions at 40 kids and teens. Teen buddies were given a short training session regarding reading before they were paired with their reading buddy and in addition, an ESL teacher was approached for tips on better engaging ESL students with their buddies. It was wonderful to see children develop relationships with teen mentors and get to know the Library more.

Burnaby Public Library is one of 10 libraries within the InterLINK Federation to be participating in the Urban Libraries Settlement Partnership (ULSP). The goal of the ULSP is to look at ways of meeting newcomer immigrants' needs, complementing existing settlement and integration services already at work on our communities and enhancing Library services. The ULSP is funded and facilitated by the Libraries and Literacy Branch of the Ministry of Education and the Immigrant Integration Branch of the Ministry of Jobs, Tourism and Innovation.

Burnaby Public Library was awarded a 2012 Representative's Award of Excellence: Cultural Heritage and Diversity by BC's Representative for Children and Youth, Mary Ellen Turpel-Lafond for the Embracing Diversity project. The award "acknowledges an individual or organization that recognizes, supports and builds on a unique sense of place, culture, language and community while preparing a better path for children. This individual or organization focuses on leadership, services and outcomes that support children to embrace the present while preparing for their futures."

City Green Team



Once again, the City's Green Team focused its efforts at City facilities with its "One Ream Less" paper campaign, achieving a 2.67% reduction over the prior year's numbers of 5.619 million sheets of copy paper. Since the start of the campaign back in 2010, the City has seen a reduction of more than 22% in its total copy paper usage.

Leveraging its best practices of hosting green meetings, the City and its stakeholders have seen a proliferation in the use of electronic collaboration rooms, discussion forums and webinars as alternative methods to host meetings. New in 2012, much of this information was made available to our citizens via the City's website.

In 2012, the oldest vehicles in the City hall fleet were replaced with those having a smaller ecological footprint, lower emissions, and reduced fuel consumption. The sharing of assigned vehicles in our operating units yielded good results, allowing the City to maintain its target of a net zero growth in the City Hall fleet numbers, having effectively reduced our overall numbers by two vehicles.

Office of the City Clerk

Burnaby celebrated its 120th birthday in 2012 with numerous events, including a heritage themed annual Paver Ceremony and a “Happy Birthday Burnaby” event held at Civic Square.

The Heritage Burnaby website continued to garner recognition for the resources it has made available to the community. In 2012, the City received an Award of Honour from Heritage BC for the Archives’ latest online project – the Burnaby Oral History Digitization program. These awards, presented annually, acknowledge important contributions and exceptional efforts to increase awareness of, and support for, heritage resources. Approximately 40 interviews of long-time Burnaby residents were digitized and can now be heard online. In addition, new interviews have been collected and more Burnaby stories are being captured and preserved for the benefit of all our citizens – current and future.

The Archives initiated a number of public outreach activities this year, including the creation of a City of Burnaby channel on the Google-affiliated social media site, Historypin. Within weeks of the channel being launched, thousands of people from around the world had logged on to see the photographs and tours of Burnaby that had been created using the archival records in the City’s collection.



Parks, Recreation & Cultural Services

PARK PLANNING, DESIGN, DEVELOPMENT & OPERATIONS

The second phase of planned upgrades to Edmonds Park included removal of the lacrosse box, re-grading of the central portion of the park and base preparation for walking circuits and a playground structure.

In Central Park, the Trail of Hope through the central forest was re-graded and widened. Staff and volunteers removed invasive plant species throughout the forest. In addition, parks services staff coordinated work with the Ministry of Environment to remove the invasive snakehead fish from the Central Park ponds.

The goal to complete a longer trail loop around Burnaby Mountain focused on the routing and construction of a new trail connection on the southwest quadrant of the mountain commencing at the top of Gagliardi Way. Other trail improvements on the mountain included drainage works on the Pandora Trail, the addition of boardwalk along Jim's Jungle, and the design, manufacture and installation of a 12 panel interpretive signage system to existing trails.

Trail development at Deer Lake Park continued in 2012 with the installation of 550 lineal feet of boardwalk along the northwest shoreline of the lake, and construction of a new community connection from the lake to Strawson Street and Brandford Avenue, involving three sets of stairs and one footbridge. An engineering review of the bio-filtration pond in the Deer Lake Meadows was undertaken.

The playgrounds at David Gray Park, Simon Fraser Hills Park, and the Burnaby Mountain Conservation Area Centennial Pavilion precinct were replaced in 2012, with some play elements relocated to more prominent locations within these parks to improve accessibility and visibility for families with children.



GOLF SERVICES, FACILITIES & PROGRAMS

At Burnaby's golf courses, in 2012, Burnaby Mountain Golf Course saw the completion and upgrading of all sandtraps and bunkers and about 50% of the sandtraps and bunkers at Riverway Golf Course were complete.

In addition, across the City's food services division, there was a 20% increase in food and beverage sales largely due to a full year operation of Riverway Clubhouse.

Facts & Figures - Golf Services

Total Visits	450,000 +
Rounds of Golf Played	189,948
Buckets of Ball - Driving Ranges	281,524
School Programs	3,412
Lessons	1,881

RECREATION

The key highlight in 2012 was hosting the 2012 BC Seniors Games that brought over 3,700 participants and 2,000 volunteers to “being active” in our community. Athletes ranging in age from 55 to 95 years competed in 26 different events in 28 venues throughout Burnaby and New Westminster including sports fields and recreation facilities, golf courses, school gyms, velodrome, bowling lanes and more. In addition to these competitive events – Burnaby hospitality was displayed through hosting the accreditation, the opening and closing ceremonies, special games participant’s event at the Burnaby Village Museum, and a dinner and dance.

The 2012 sports field renovation program included drainage, base remediation, surface upgrades and fencing improvements to various sand and soil based fields at Kensington Park, Burnaby Lake Sports Complex-East and Riverway Sports Complex.

Construction of the new Edmonds Community Centre continued with the opening scheduled for 2013. The new centre will provide the community with a wide range of recreational, arts, and community participation opportunities.

CG Brown Memorial Pool celebrated its 50th Birthday in September 2012. The event was well attended by the community and staff alumni who enjoyed the activities and demonstrations in the pool and displays outside the facility.

City received the BCRPA Program Excellence Award for the Circus Program at Windsor and Maywood Elementary Schools. This award recognizes innovative programs that serve as models for other agencies to enhance service delivery. The Circus Program utilized volunteer mentors that introduced children to core circus skills and developed their physical and social skills in a very cultural diverse community.

Facts & Figures - Number of Visits

Pool Visits (excluding Bonsor Pool)	942,419
Ice Arenas Visits	458,933
Recreation Centre Visits (includes Bonsor Pool)	1,472,547
Seniors Centre Visits (Edmonds & Confederation)	235,559
Access, Community and Youth Services Visits	239,307
Swangard Stadium & Outdoor Facility Visits	3,456,948
Drop-in Playground Visits	44,222
Recreation Credit Participants	8,521

ARTS & CULTURAL FACILITIES, PROGRAMS & EVENTS

At the Burnaby Village Museum, 2012 marked the 100th anniversary of the C.W. Parker Carousel and the B.C. Electric Interurban Tram 1223 with special celebrations during the regular season. The Village also came alive during the holiday season with the introduction of Illuminations at Heritage Christmas with over 24,000 lights creating a spectacular holiday display featuring Burnaby's signature Eco-Sculptures in the Meadow Gallery.

Burnaby Art Gallery continues to foster new audiences and expand its reach to new communities and constituencies. Holly Schmidt's Moveable Feast brought insight into the complexities of food production and sustainability through a participatory exhibition. Also showcased was Lyndl Hall's On Fixing Position and The Gaze of History: Portraits from the Collection with drawing installation by Elizabeth MacKenzie. Rounding off the year was Micah Lexier's Working as a Drawing and Terrance Houle's National Indian Leg Wrestling League of North America—two exhibitions which brought national attention to the Burnaby Art Gallery.

At Civic Square Metrotown, a lively program of family-oriented events and activities animated Civic Square during July and August. Cultural performances, music, movies, storytelling and visual arts projects were all part of the programming at this unique space.

Facts & Figures - Event Attendance

Burnaby Blues & Roots Festival	4,500
Canada Day - Burnaby Village Museum	7,000
Canada Day - Ron McLean Park	2,000
City Fair and Edmonds Classic Car Show	2,000
Concerts in Deer Lake Park	31,000
Giro di Burnaby	5,000
Healthy Kids Preschool Fair	450 +
Illuminations at Heritage Christmas	46,800
Multicultural Festival at Bonsor	2,500
Rhododendron Festival	2,000
VSO Symphony in the Park	6,000

3 FINANCIAL SECTION

Sound financial practices and prudent oversight, ensures essential resources for today and a sustainable financial foundation for the future.



*Protecting & sustaining
city assets*

Audit Committee



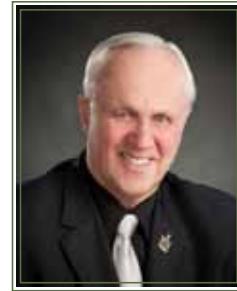
MAYOR
Derek Corrigan



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

March 27, 2013

Mr. R.H. Moncur
City Manager

In accordance with Sections 98 and 167 of the Community Charter, I am pleased to submit to you the 2012 Financial Report for the City of Burnaby. Included in this report are the audited consolidated financial statements for the fiscal year ended December 31, 2012.

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 2012 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.

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.

2012 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 provide 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 2012 with an increase in accumulated surplus of \$99.5 million (\$80.8 million – 2011).

	2012	2011	Change Over 2011
Financial Assets	\$ 812,251,587	\$ 706,954,890	\$ 105,296,697
Liabilities	226,983,562	172,604,773	54,378,789
Net Financial Assets (City Reserves)	585,268,025	534,350,117	50,917,908
Tangible Capital Assets	2,449,553,068	2,393,310,317	56,242,751
Land inventory held for resale	90,272,566	98,239,989	(7,967,423)
Inventory and prepaid expenses	3,042,303	2,716,542	325,761
Non-financial Assets (see Statement C)	2,542,867,937	2,494,266,848	48,601,089
Accumulated Surplus (see Note 6)	\$ 3,128,135,962	\$ 3,028,616,965	\$ 99,518,997

The accumulated surplus of \$3.1 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 deployed in delivering City services during 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 City's land inventory held for resale decreased by \$8.0 million in 2012 and resulted in an increase in Net Financial Assets of \$10.3 million.

The positive change of \$99,518,997 to the City's accumulated surplus is 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.

	2012	2011	Change Over 2011
Revenue			
Taxation and grants in lieu of taxes	\$ 214,768	\$ 204,695	\$ 10,073
Waterworks and sanitary sewer revenue	76,829	72,885	3,944
Sale of goods, services and other revenue	90,625	66,601	24,024
Investment income	33,239	31,246	1,993
Grants & transfers from other governments	25,859	28,811	(2,952)
Transfer from restricted funds & development cost charges	1,520	2,824	(1,304)
Total Revenue	442,840	407,062	35,778
Expenses			
General government services	48,324	44,693	3,631
Protective services	94,008	89,553	4,455
Transportation services	46,901	45,312	1,589
Environmental health services	74,693	70,247	4,446
Environmental development services	4,845	4,637	208
Recreation & cultural services	74,550	71,831	2,719
Total Expenses	343,321	326,273	17,048
Annual Surplus	\$ 99,519	\$ 80,789	\$ 18,730

in thousands of dollars

Revenue

The largest increase in revenue in 2012 compared to 2011 came from the sale of goods, services and other revenue. This category was up \$24.0 million in comparison to 2011. Included are realized gains upon disposition of City assets - \$12.4 million, revenue recognized as a result of infrastructure assets contributed by developers - \$6.3 million, contributions from cost sharing agreements for capital development projects - \$3.2 million, increased sales of goods and services at City recreational facilities of \$1.1 million, and increased property revenue of \$.9 million.

The City's investment portfolio totalled \$610 million at December 31, 2012 (2011 - \$529 million). 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. During the year the investment portfolio performed well generating a sizable return of \$37.7 million at an average annual yield of 5.00% (2011 - \$34.3 million at an average annual yield of 5.05%). Seven million dollars of these funds were used in operations to reduce the need for increased taxation and \$25.6 million was allocated to fund the City's capital works programs. The remainder was allocated to development cost charges and restricted funds which appear on the Consolidated Statement of Financial Position and will be used in the future to fund specific programs.

Government transfers decreased primarily to the completion of one-time cost sharing agreements for capital projects in 2011. Transfers from restricted funds and development cost charges, were down \$1.3 million over 2011 due to the nature of capital works undertaken in 2012.

Expenses

The 2012 expense increase of \$17 million included the following.

Protective services which include fire services, police services and flood control increased by \$4.5 million due primarily to retroactive union contract settlements. Solid and liquid waste disposal and the cost of water accounted for an increase of \$3.9 million in 2012.

Amortization expense in 2012 totalled \$53.8 million an increase of \$3.8 million over 2011. This is indicative of the strategic investments in infrastructure and the need to reflect the cost of replacing the assets at the end of their useful life. The remainder of cost increases are primarily the result of higher compensation costs related to negotiated contracts and statutory benefits increases.

Consolidated Statement of Changes in Net Financial Assets

The Consolidated 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 \$93 million on the acquisition and construction of tangible capital assets. Projects included continued construction of the Edmonds Community Centre which is scheduled for completion in 2013, and initiation of the construction of the Still Creek Recycling/Green Waste Depot and Works Yard. In addition, pavement rehabilitation, local improvement initiatives, 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 City's 2012 capital expenditure program.

Net financial assets for 2012 increased by nearly \$51 million and are primarily earmarked in City reserves and funds for asset replacement, capital acquisition and new construction, and working capital.

Council's pay as you go strategy has provided the City with 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 2012 increased by \$10.8 million compared to 2011. The City's cash liquidity is strong with cash and investments totalling \$610 million.

In closing, the 2012 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



Station Square Metrotown

Kingsway and McKay Ave. | www.beediegroup.ca/properties/station-square-metrotown

Redevelopment of 11.8 acre site, including commercial space, offices and five residential towers.

Auditor's Report



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

Telephone (604) 527-3600
Fax (604) 527-3636
Internet 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, 2012 and the consolidated statements of operations and accumulated surplus, 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.

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.

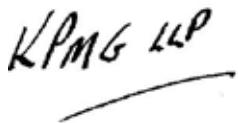


Opinion

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, 2012, 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.

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" above a diagonal line.

Chartered Accountants

April 22, 2013

Burnaby, Canada

CITY OF BURNABY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Year ended December 31, 2012, with comparative figures for 2011

STATEMENT A

	2012 Actual	2011 Actual
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 38,348,557	\$ 27,592,834
Investments - (Note 2)	571,668,159	501,728,869
Receivables		
Accrued interest	172,648,527	151,917,013
Taxes	6,252,206	5,882,897
Local improvement frontage tax	3,697,145	3,423,276
Other receivables - (Note 3)	19,636,993	16,410,001
	202,234,871	177,633,187
	812,251,587	706,954,890
FINANCIAL LIABILITIES		
Payables		
Due to other governments	3,198,507	13,507,736
Accounts payable	43,490,531	33,844,008
Accrued liabilities	21,657,217	18,118,605
	68,346,255	65,470,349
Deposits - damage, servicing and other	23,418,094	19,316,088
Deferred revenue (Note 4)	27,723,745	24,595,205
Development cost charges and restricted funds	107,495,468	63,223,131
	226,983,562	172,604,773
NET FINANCIAL ASSETS	585,268,025	534,350,117
NON-FINANCIAL ASSETS		
Tangible capital assets - (Note 5 and Schedule 1)	2,449,553,068	2,393,310,317
Land inventory held for resale	90,272,566	98,239,989
Inventory and prepaid expenses	3,042,303	2,716,542
	2,542,867,937	2,494,266,848
ACCUMULATED SURPLUS (NOTE 6)	\$ 3,128,135,962	\$ 3,028,616,965

Contingencies and commitments (Note 8)
See accompanying notes to financial statements.

Approved by:



CITY OF BURNABY

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

Year ended December 31, 2012, with comparative figures for 2011

STATEMENT B

	<i>(Unaudited) Note 1(e)</i> 2012 Budget	2012 Actual	2011 Actual
REVENUES			
Taxes	\$ 267,961,765	\$ 268,739,922	\$ 255,312,837
Grants in lieu of taxes	4,422,605	4,835,147	4,401,106
Sales of services	41,554,829	43,412,657	41,856,127
Return on investments	29,872,627	33,238,763	31,245,699
Other revenue from own sources	36,242,470	65,233,876	42,611,133
Transfers from federal government and agencies	100,260	762,958	1,050,863
Transfers from provincial government and agencies	14,272,750	13,832,278	19,918,991
Transfers from regional and local governments	5,097,188	11,264,239	7,841,031
Transfer from restricted funds and development cost charges	8,215,000	1,519,840	2,824,154
	407,739,494	442,839,680	407,061,941
EXPENSES			
General government services	53,392,095	48,324,325	44,693,236
Protective services	95,229,430	94,007,824	89,553,255
Transportation services	46,657,085	46,900,592	45,311,592
Environmental health services	74,509,758	74,692,500	70,247,020
Environmental development services	5,355,877	4,845,449	4,637,120
Recreation and cultural services	75,228,528	74,549,993	71,830,327
	350,372,773	343,320,683	326,272,550
Annual surplus	57,366,721	99,518,997	80,789,391
ACCUMULATED SURPLUS, BEGINNING OF YEAR	3,028,616,965	3,028,616,965	2,947,827,574
ACCUMULATED SURPLUS, END OF YEAR	\$ 3,085,983,686	\$ 3,128,135,962	\$ 3,028,616,965

See accompanying notes to consolidated financial statements.

CITY OF BURNABY

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

Year ended December 31, 2012, with comparative figures for 2011

STATEMENT C

	<i>(Unaudited) Note 1(e)</i>	2012 Budget	2012 Actual	2011 Actual
Annual surplus	\$ 57,366,721	\$ 99,518,997	\$ 80,789,391	
Tangible capital assets				
Acquisition of tangible capital assets	(148,559,490)	(87,760,587)	(94,965,404)	
Contributed tangible capital assets	-	(11,481,089)	(5,187,679)	
Acquisition from land exchange	-	(5,080,824)	(3,881,874)	
Amortization of tangible capital assets	55,155,470	53,830,744	50,061,313	
Gain on sale of tangible capital assets	-	(9,906,466)	(4,038,417)	
Proceeds on sale of tangible capital assets	-	11,296,756	6,405,261	
Transfer from land for resale	-	(7,141,285)	(232)	
Land held for resale				
Acquisition of land held for resale	(5,000,000)	(4,805,439)	(6,260,287)	
Gain on sale of land held for resale	(1,000,000)	(9,473,978)	(1,847,037)	
Proceeds on sale of land held for resale	5,000,000	15,105,555	2,562,183	
Transfer to tangible capital assets	-	7,141,285	232	
	(94,404,020)	(48,275,328)	(57,151,941)	
Changes in inventory of supplies	-	27,089	(46,105)	
Changes in prepaid expenses	-	(352,850)	(52,890)	
	-	(325,761)	(98,995)	
Increase in net financial assets	(37,037,299)	50,917,908	23,538,455	
NET FINANCIAL ASSETS, BEGINNING OF YEAR	534,350,117	534,350,117	510,811,662	
NET FINANCIAL ASSETS, END OF YEAR	\$ 497,312,818	\$ 585,268,025	\$ 534,350,117	

See accompanying notes to financial statements.

CITY OF BURNABY

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended December 31, 2012, with comparative figures for 2011

STATEMENT D

	2012 Actual	2011 Actual
OPERATING TRANSACTIONS		
Annual surplus	\$ 99,518,997	\$ 80,789,391
Non-cash items		
Amortization of tangible capital assets	53,830,744	50,061,313
Contributed tangible capital assets	(11,481,089)	(5,187,679)
Gain on sale of tangible capital assets	(19,380,444)	(5,885,454)
	22,969,211	38,988,180
Changes in non-cash working capital		
Receivables	(24,601,684)	(25,150,957)
Payables	2,875,906	5,704,618
Deposits - damage, servicing and other	4,102,006	1,743,170
Deferred revenue	3,128,540	931,456
Development cost charges and restricted funds	44,272,337	4,893,928
Inventory and prepaid expenses	(325,761)	(98,995)
	29,451,344	(11,976,780)
CAPITAL TRANSACTIONS		
Tangible capital assets acquisitions	(87,760,587)	(94,965,404)
Acquisition of land held for resale	(4,805,439)	(6,260,287)
Proceeds on sale of tangible capital assets	21,321,487	5,085,570
	(71,244,539)	(96,140,121)
INVESTING TRANSACTIONS		
Investments	(69,939,290)	(8,863,110)
	(69,939,290)	(8,863,110)
Increase in cash and cash equivalents	10,755,723	2,797,560
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	27,592,834	24,795,274
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 38,348,557	\$ 27,592,834
CASH AND CASH EQUIVALENTS, END OF YEAR		
Represented by:		
Cash	\$ 2,254,915	\$ 3,092,835
Cash equivalents	36,093,642	24,499,999
	\$ 38,348,557	\$ 27,592,834
NON-CASH TRANSACTION		
Acquisition from land exchange	\$ 5,080,824	\$ 3,881,874

See accompanying notes to financial statements.

NOTES TO 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.

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 2012 component of the Burnaby's 2012-2016 Financial Plan, Bylaw No. 13094, adopted by City Council on May 14, 2012.

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 and Mobile Equipment	5 to 40 years
Technology and Telephont	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 contributions 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 10).

I. 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 11).

2. INVESTMENTS

	2012		2011	
	Cost	Market Value	Cost	Market Value
Short Term Investments	\$ 84,818,650	\$ 91,432,586	\$ 63,577,241	\$ 64,647,328
Long Term Investments	486,849,509	707,401,091	438,151,628	686,165,390
	\$ 571,668,159	\$ 798,833,677	\$ 501,728,869	\$ 750,812,718

3. OTHER RECEIVABLES

	2012		2011	
	Cost	Market Value	Cost	Market Value
Accounts receivable	\$ 13,181,072	\$ 12,205,704		
Federal and provincial governments	3,426,558	2,643,024		
Employee receivables	129,353	98,151		
Development Cost Charge levy receivable	2,551,805	1,294,607		
Development Cost Charge receiveable - Greater Vancouver Sewer and Drainage District	348,205	168,515		
	\$ 19,636,993	\$ 16,410,001		

4. DEFERRED REVENUE

	2012	2011
Taxes and utilities	\$ 13,458,483	\$ 12,564,413
Parks and recreation fees	2,544,935	2,450,728
Future capital works	5,599,614	5,053,387
Other deferred revenue	6,120,713	4,526,677
	\$ 27,723,745	\$ 24,595,205

5. TANGIBLE CAPITAL ASSETS

ASSETS

See Schedule 1 for details.

CONTRIBUTED ASSETS

Infrastructure contributed to the City totalled \$4,129,969 in 2012 (2011 - \$4,123,062) and was capitalized at fair value at the time of receipt; and, Land contributed to the City totalled \$7,351,120 in 2012 (2011 - \$1,064,617).

ASSET UNDER CONSTRUCTION

Asset under construction having a value of approximately \$64,464,000 (2011 - \$55,131,000) 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 (2011-\$nil).

6. ACCUMULATED SURPLUS

	2012	2011
Accumulated surplus		
Accumulated surplus in tangible capital assets, beginning of year	\$ 2,393,310,317	\$ 2,341,703,285
Add		
Acquisition from land exchange	5,080,824	3,881,874
Capital acquisitions	87,760,587	94,965,404
Contributed tangible capital assets	11,481,089	5,187,679
Transfer from land inventory held for resale	7,141,285	232
Less		
Disposals	(1,390,290)	(2,366,844)
Amortization	(53,830,744)	(50,061,313)
Accumulated surplus in tangible capital assets	2,449,553,068	2,393,310,317
Accumulated surplus in land inventory, held for resale, beginning of year	98,239,989	92,695,080
Add		
Adjustment to accumulated surplus	-	-
Capital acquisitions	4,805,439	6,260,287
Less		
Disposals	(5,631,577)	(715,146)
Transfer to tangible capital assets	(7,141,285)	(232)
Accumulated surplus in land inventory held for resale	90,272,566	98,239,989
Accumulated surplus in inventory and prepaid expenses	3,042,303	2,716,542
Accumulated surplus in non-financial assets	2,542,867,937	2,494,266,848
Fund balances		
Library endowment funds	834,187	778,133
Other reserve and funds	584,433,838	533,571,984
	585,268,025	534,350,117
	\$ 3,128,135,962	\$ 3,028,616,965

7. 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:

	2012	2011
Province of BC	\$ 132,693,503	\$ 128,397,606
Greater Vancouver Regional District	4,061,341	4,036,130
Greater Vancouver Transportation Authority	30,292,237	29,693,210
BC Assessment Authority	4,570,748	4,359,468
Municipal Finance Authority	14,017	12,865
Hastings Street Business Improvement Area	241,312	230,773
North Road Business Improvement Area	148,784	148,784
	\$ 172,021,942	\$ 166,878,836

8. CONTINGENCIES AND COMMITMENTS

- a. At December 31, 2012 the balance of outstanding contracts for capital and other expenditures is estimated at \$36.6 million (2011 - \$29.3 million). These amounts are not accrued in the financial statements:

	\$ Millions
2013	28.4
2014	7.8
2015	0.2
2016	0.1
2017	0.1
	36.6

- 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 \$104,943,663 (2011 - \$61,928,524) and restricted accounts receivable of \$2,551,805 (2011 - \$1,294,607).
- d. The City holds irrevocable letters of credit in the aggregate amount of \$86.5 million (2011 - \$67.2 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.
- f. The City has a contract with the Federal Government whereby the Federal Government provides RCMP policing services. RCMP members and the Federal Government are currently in legal proceedings regarding pay raises for 2009 and 2010 that were retracted for RCMP members. As the final outcome of the legal action and the potential financial impact to the City is not determinable, the City has not recorded any provision for this matter in the financial statements as at December 21, 2012.

9. 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 based on a formula. The Plan has about 176,000 active members and approximately 67,000 retired members. Active members include approximately 35,000 contributors from local governments.

The most recent actuarial valuation as at December 31, 2009 indicated a \$1,024 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2012 with results available in 2013. Defined contribution plan accounting is applied to the Plan as the Plan exposes the participating entities to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, Plan assets and cost to individual entities participating in the Plan.

The City of Burnaby paid \$11 million (2011 - \$10.6) for employer contributions while employees contributed \$9.3 (2011 - \$8.8) to the plan in fiscal 2012.

10. EMPLOYEE FUTURE BENEFIT

The City 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 accrued liabilities.

Accrued Benefit Liability	2012	2011
Balance at Beginning of Year	\$ 10,116,000	\$ 9,896,000
Current Service Cost	765,000	684,000
Interest Cost	400,000	455,000
Benefits Paid	(691,000)	(919,000)
Amortization of Net Actuarial Loss/(Gain)	112,000	-
	\$ 10,702,000	\$ 10,116,000

An actuarial estimate for these benefits was performed to estimate the City's accrued benefit obligation as at December 31, 2012. The difference between the actuarially determined accrued benefit obligation estimate of \$10.7 million and the accrued benefit liability of \$10.0 million as at December 31, 2012 is an unamortized actuarial gain of \$737,000. The actuarial gain is amortized over the period equal to the employee's average remaining service lifetime of 10 years.

Accrued Benefit Obligation	2012	2011
Liability - End of Year	\$ 10,702,000	\$ 10,116,000
Unamortized Actuarial Loss/(Gain)	(737,000)	746,000
Accrued Benefit Obligation - End of Year	\$ 9,965,000	\$ 10,862,000

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

	2012	2011
Discount Rate	3.50%	3.50%
Expected Wage and Salary Inflation	2.50%	2.50%

11. SEGMENTED INFORMATION (IN THOUSANDS OF DOLLARS)

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

2012	General Gov't & Legislative Services	Protective Services	Public Works & Others	Solid Waste	Waterworks	Sanitary Sewer	Planning & Building Services	Parks, Recreation, Cultural & Library	Other Funds	Total Financial Activities
REVENUES										
Taxation and grants in lieu of taxes	(214,768)	-	-	-	(30,005)	(28,801)	-	-	-	(273,574)
Sale of goods & services	(170)	(462)	(1,441)	(2,328)	(12,855)	(5,123)	(61)	(20,973)	-	(43,413)
Investment income	(7,055)	-	-	-	-	-	-	-	(26,184)	(33,239)
Grants	(203)	(3,955)	(3,807)	-	-	-	(6)	(760)	(17,129)	(25,860)
Other revenue	(26,543)	(164)	(1,368)	(963)	-	-	(10,118)	(1,910)	(24,168)	(65,234)
Transfer from restricted funds and development cost charges	-	-	-	-	-	-	-	-	(1,520)	(1,520)
	(248,739)	(4,581)	(6,616)	(3,291)	(42,860)	(33,924)	(10,185)	(23,643)	(69,001)	(442,840)
EXPENSES										
Compensation	24,265	43,252	17,413	5,879	3,016	2,437	10,041	50,647	-	156,950
Policing contract	-	39,660	-	-	-	-	-	-	-	39,660
General services	8,680	498	3,229	1,903	1,439	2,343	237	4,562	82	22,973
Materials & supplies	1,430	415	2,128	137	414	178	74	3,953	3	8,732
Equipment & related operating costs	3,339	1,177	579	1,700	568	608	165	1,571	-	9,707
Gas & electricity	47	217	1,686	15	116	54	-	1,911	-	4,046
Greater Vancouver refuse disposal	-	-	1	4,020	-	-	-	26	-	4,047
GVS & DD Levy	-	-	1,122	-	-	17,251	-	-	-	18,373
GVWD - cost of water	-	-	-	-	24,088	-	-	-	-	24,088
Transfer to own funds	-	-	-	-	-	-	-	-	85	85
Depreciation/loss on disposals	7,679	1,879	28,130	-	4,358	2,406	2	10,206	-	54,660
	45,440	87,098	54,288	13,654	33,999	25,277	10,519	72,876	170	343,321
	(203,299)	82,517	47,672	10,363	(8,861)	(8,647)	334	49,233	(68,831)	(99,519)
2011	General Gov't & Legislative Services	Protective Services	Public Works & Others	Solid Waste	Waterworks	Sanitary Sewer	Planning & Building Services	Parks, Recreation, Cultural & Library	Other Funds	Total Financial Activities
REVENUES										
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)
	(231,855)	(4,543)	(8,314)	(3,558)	(40,741)	(32,172)	(10,221)	(22,022)	(53,636)	(407,062)
EXPENSES										
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
	42,163	82,941	52,211	13,442	31,726	23,817	10,115	70,240	(385)	326,273
	(189,692)	78,399	43,898	9,884	(9,014)	(8,355)	(106)	48,218	(54,021)	(80,789)

The City's segments are defined as follows:

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.

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.

12. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

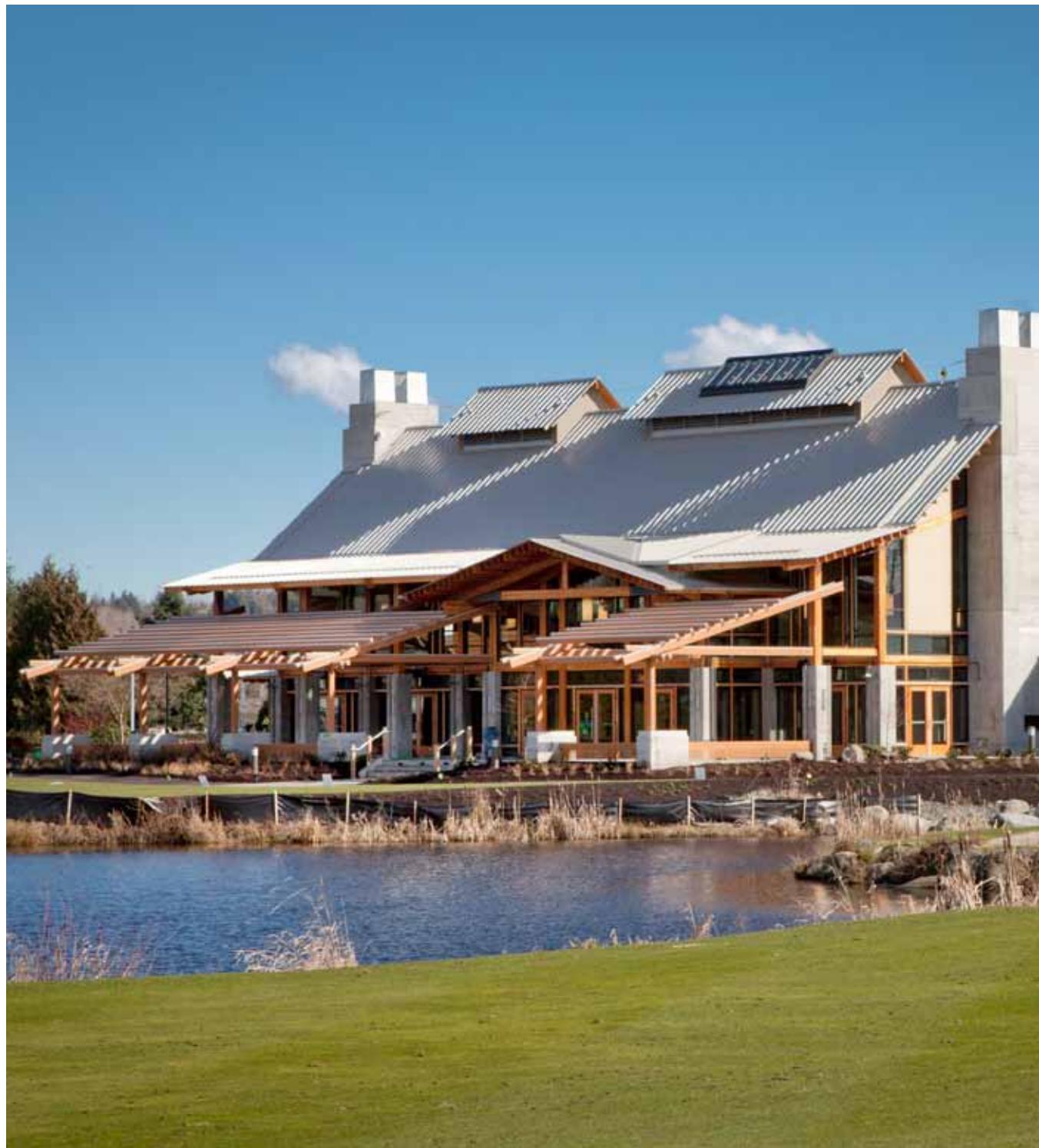
As at December 31, 2012 (In Thousands of Dollars)

2012	Class	Cost Beginning of Year	Additions	Disposals	Transfer	Cost End of Year	Accumulated Depreciation Beginning of Year	Disposals	Depreciation	Accumulated Depreciation End of Year	Net Book Value End of Year
Land Under Roads		1,076,747	10,356	(184)	-	1,086,919	-	-	-	-	1,086,919
Land Civic Use		411,116	1,837	(350)	7,162	419,765	-	-	-	-	419,765
Land Improvements		128,051	5,023	(1,713)	1,068	132,429	(50,412)	1,551	(3,953)	(52,814)	79,615
Buildings		197,487	6,453	(5)	2,042	205,977	(90,942)	5	(5,489)	(96,426)	109,551
Infrastructure - Drainage		179,434	2,005	(164)	2,563	183,838	(70,684)	99	(2,883)	(73,468)	110,370
Infrastructure - Roads		671,177	14,399	(647)	13,846	698,775	(397,826)	543	(21,375)	(418,658)	280,117
Infrastructure - Sewers		115,442	7,284	(442)	2,518	124,802	(57,030)	355	(2,104)	(58,779)	66,023
Infrastructure - Water		203,996	11,270	(1,492)	5,672	219,446	(58,880)	1,142	(4,007)	(61,745)	157,701
Vehicles & Mobile Equipment		53,782	1,137	(2,125)	407	53,201	(26,877)	2,036	(4,326)	(29,167)	24,034
Technology & Telephony		69,903	3,667	-	1,094	74,664	(24,285)	-	(7,234)	(31,519)	43,145
Furniture, Fixtures & Equipment		14,283	2,036	-	262	16,581	(6,501)	-	(2,436)	(8,937)	7,644
Leasehold Improvements		497	31	-	-	528	(299)	-	(24)	(323)	205
		3,121,915	65,498	(7,122)	36,634	3,216,925	(783,736)	5,731	(53,831)	(831,836)	2,385,089
Asset Under Construction		55,131	38,826	-	(29,493)	64,464	-	-	-	-	64,464
Total		3,177,046	104,324	(7,122)	7,141	3,281,389	(783,736)	5,731	(53,831)	(831,836)	2,449,553
Land Available for Resale		98,240	4,806	(5,632)	(7,141)	90,273	-	-	-	-	90,273

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

As at December 31, 2011 (In Thousands of Dollars)

2011	Class	Cost Beginning of Year	Additions	Disposals	Transfer	Cost End of Year	Accumulated Depreciation Beginning of Year	Disposals	Depreciation	Accumulated Depreciation End of Year	Net Book Value End of Year
Land Under Roads		1,072,070	4,923	(246)	-	1,076,747	-	-	-	-	1,076,747
Land Civic Use		406,930	4,238	-	(52)	411,116	-	-	-	-	411,116
Land Improvements		100,787	9,288	-	17,976	128,051	(46,174)	-	(4,238)	(50,412)	77,639
Buildings		185,857	2,998	(404)	9,036	197,487	(86,489)	404	(4,857)	(90,942)	106,545
Infrastructure - Drainage		175,321	4,340	(839)	612	179,434	(68,160)	388	(2,912)	(70,684)	108,750
Infrastructure - Roads		651,759	16,356	(1,582)	4,644	671,177	(379,661)	1,489	(19,654)	(397,826)	273,351
Infrastructure - Sewers		111,610	3,515	(1,059)	1,376	115,442	(55,914)	844	(1,960)	(57,030)	58,412
Infrastructure - Water		194,974	10,063	(3,890)	2,849	203,996	(57,783)	2,570	(3,667)	(58,880)	145,116
Vehicles & Mobile Equipment		52,979	2,783	(3,146)	1,166	53,782	(25,632)	3,104	(4,349)	(26,877)	26,905
Technology & Telephony		58,810	5,862	-	5,231	69,903	(17,893)	-	(6,392)	(24,285)	45,618
Furniture, Fixtures & Equipment		10,153	2,216	(50)	1,964	14,283	(4,543)	50	(2,008)	(6,501)	7,782
Leasehold Improvements		492	5	-	-	497	(275)	-	(24)	(299)	198
		3,021,742	66,587	(11,216)	44,802	3,121,915	(742,524)	8,849	(50,061)	(783,736)	2,338,179
Asset Under Construction		62,485	37,448	-	(44,802)	55,131	-	-	-	-	55,131
Total		3,084,227	104,035	(11,216)	-	3,177,046	(742,524)	8,849	(50,061)	(783,736)	2,393,310
Land Available for Resale		92,695	6,260	(715)	-	98,240	-	-	-	-	98,240



Riverway Golf Course & Clubhouse

9001 Bill Fox Way | 604-280-4653 | golf@burnaby.ca

A warm, inviting clubhouse overlooking a classic 18-hole championship golf course.

4 PERMISSIVE EXEMPTIONS

Important and worthwhile community organizations creating opportunities for youth, seniors and those with special needs are supported by the City to create an inclusive, vibrant, and compassionate community.



*Organizations providing
essential services*

PERMISSIVE EXEMPTIONS

In accordance with Section 227 of the Community Charter, the following properties have been exempted from property taxes (partial or full exemption) for 2011 and 2012. These exemptions are approved by the adoption of the annual taxation exemption laws.

Civic Address	Exemption	General Tax	School & Others	Total Tax
7355 Canada Way	Edmonds N. Wing Resource Centre St. Matthews Day Care Society Deaf Children's Society of BC Burnaby School Board-Adult Learning Centre Canadian Mental Health Association Burnaby Family Life Institute Canadian Red Cross Fraser Region Burnaby Branch Immigrant Services Society of BC Afghan Women's Support Society	\$1,918 \$3,905 \$2,556 \$2,568 \$1,133 \$2,557 \$1,991 \$1,474	\$1,746 \$3,199 \$2,094 \$2,104 \$1,031 \$2,095 \$1,631 \$1,207	\$3,663 \$7,104 \$4,651 \$4,673 \$2,164 \$4,652 \$3,622 \$2,681
2101 Holdom Ave	Holdom Community Resource Centre Burnaby Family Life Institute Burnaby Family Life Institute Burnaby Family Life Institute Burnaby Family Life Institute Burnaby Seniors Outreach Services Society Burnaby Seniors Outreach Services Society Burnaby Seniors Outreach Services Society Marguerite Dixon Transition Society Burnaby Community Connections Burnaby Volunteer Centre Society Burnaby Volunteer Centre Society Burnaby Community Connections Burnaby Community Connections Burnaby Community Connections	\$520 \$615 \$544 \$181 \$244 \$418 \$153 \$665 \$345 \$666 \$767 \$767 \$675 \$663	\$426 \$504 \$446 \$148 \$200 \$343 \$125 \$544 \$283 \$545 \$628 \$628 \$553 \$543	\$946 \$1,119 \$990 \$329 \$445 \$761 \$277 \$1,209 \$628 \$1,211 \$1,395 \$1,395 \$1,227 \$1,205
4397 Buchanan St.	Lower Mainland Purpose Society for Youth & Families	\$5,894	\$5,365	\$11,259
6650 Southoaks Cres.	Community Centred College for the Retired	\$20,225	\$16,569	\$36,795
6140 McKercher Ave.	Burnaby Family Life Institute	\$2,409	\$2,193	\$4,602
5655 Sperling Ave.	The Land Conservancy of British Columbia (Partial Exemption)	\$1,237	\$1,126	\$2,364
7500 Hanna Court	Burnaby Children's Centres Society	\$4,010	\$3,650	\$7,660
7521 Hanna Court	Burnaby Children's Centres Society	\$3,869	\$3,522	\$7,391
5945 14th Ave	Burnaby & Region Allotment Gardens Association	\$6,457	\$5,877	\$12,334
6069 14th Ave.	Burnaby & Region Allotment Gardens Association	\$7,017	\$6,387	\$13,404
7450 Meadow Ave.	Burnaby & Region Allotment Gardens Association	\$5,305	\$4,829	\$10,133
7528 Meadow Ave.	Burnaby & Region Allotment Gardens Association	\$5,843	\$5,318	\$11,161
9048 Stormont Ave.	Pacific Assistance Dogs Society (50%)	\$4,486	\$3,675	\$8,162
6990 Aubrey St	Lochdale Elementary School Site	\$67,306	\$55,141	\$122,447
4600 Parker St	Alpha Secondary School Site	\$321,453	\$263,349	\$584,802
7872 Hilda St	Twelfth Avenue Elementary School Fields	\$1,054	\$959	\$2,013
7615 Hedge Ave	Twelfth Avenue Elementary School Fields	\$1,081	\$984	\$2,064
7625 Hedge Ave	Twelfth Avenue Elementary School Fields	\$1,081	\$984	\$2,064
7635 Hedge Ave	Twelfth Avenue Elementary School Fields	\$1,081	\$984	\$2,064
7645 Hedge Ave	Twelfth Avenue Elementary School Fields	\$1,081	\$984	\$2,064
7655 Hedge Ave	Twelfth Avenue Elementary School Fields	\$1,081	\$984	\$2,064

Civic Address	Exemption	General Tax	School & Others	Total Tax
7665 Hedge Ave	Twelfth Avenue Elementary School Fields	\$1,081	\$984	\$2,064
7675 Hedge Ave	Twelfth Avenue Elementary School Fields	\$1,288	\$1,173	\$2,461
7855 Meadow Ave.	The Kenneth Gordon School	\$30,694	\$25,146	\$55,840
8059 Texaco Dr.	The Lotus Sailing Club	\$5,246	\$4,298	\$9,544
7564 Barnet Rd.	BC Volleyball Association	\$67,731	\$55,488	\$123,219
4990 Canada Way	Burnaby Winter Club (Partial Exemption)	\$33,680	\$27,593	\$61,273
9080 Avalon Ave.	Burnaby Horsemen's Association	\$11,340	\$25,819	\$37,159
3890 Kensington Ave.	Burnaby Tennis Club	\$791	\$1,321	\$2,112
5024 Rumble St.	Burnaby Host Lions Activities Society	\$6,033	\$4,942	\$10,975
518 S. Howard Ave.	Boys' & Girls' Clubs of Greater Vancouver	\$12,090	\$9,904	\$21,994
	Confederation Park	\$4,894	\$12,124	\$17,018
	Burnaby Heights Park	\$6,113	\$12,851	\$18,964
	Forest Grove Park	\$20,060	\$45,548	\$65,608
7085 Burford St	Burnaby Beautification Committee	\$974	\$2,413	\$3,386
7086 Burford St	Burnaby Beautification Committee	\$375	\$928	\$1,303
7051 Halligan St	Burnaby Beautification Committee	\$211	\$522	\$732
7061 Halligan St	Burnaby Beautification Committee	\$294	\$729	\$1,023
6617 Salisbury Ave	Burnaby Beautification Committee	\$206	\$510	\$716
6637 Salisbury St	Burnaby Beautification Committee	\$310	\$767	\$1,077
6647 Salisbury St	Burnaby Beautification Committee	\$339	\$840	\$1,179
6667 Salisbury St	Burnaby Beautification Committee	\$466	\$1,155	\$1,620
6687 Salisbury St	Burnaby Beautification Committee	\$509	\$1,262	\$1,771
	Richard Bolton Park	\$21,165	\$19,265	\$40,430
	Highland Park Lane	\$23,474	\$58,159	\$81,633
4354 Hastings St.	Royal Canadian Legion #148	\$2,184	\$5,410	\$7,594
4050 Graveley St	TB Vets Charitable Association	\$ -	\$ -	\$ -
204-3993 Henning Dr.	St. Leonard's Youth & Family Services Society	\$8,363	\$6,851	\$15,214
2702 Norland Ave.	Burnaby Association for Community Inclusion	\$26,260	\$21,513	\$47,773
3755 Banff Ave.	Burnaby Association for Community Inclusion (Partial Exemption)	\$2,545	\$2,317	\$4,862
4543 Canada Way	United Way of the Lower Mainland	\$55,227	\$45,244	\$100,471
7181 Arcola Way	St. Leonard's Youth & Family Services Society	\$8,696	\$7,124	\$15,820
6688 Southoaks Cres.	National Nikkei Heritage Centre Society Inc (Partial Exemption)	\$5,472	\$6,991	\$12,463
3400 Lake City Way	The Canadian Red Cross Society (50%)	\$22,382	\$18,336	\$40,718
		\$867,781	\$831,430	\$1,699,211

5 STATISTICAL SECTION

Selected measures and statistics indicate the trends and infrastructure requirements to support a growing population.



Key indicators of sustained growth

CITY OF BURNABY

TAX COLLECTIONS - GENERAL TAXES - FIVE YEAR COMPARISON For the year ended December 31, 2012 (\$ thousands)

TABLE 1

	2012	2011**	2010	2009	2008
Population (000)*	231.8	229.6	227.4	222.8	218.2
Tax Levy	\$ 268,051	\$ 254,550	\$ 240,549	\$ 224,222	\$ 207,142
Tax Levy per capita	\$ 1,156	\$ 1,109	\$ 1,058	\$ 1,006	\$ 949
Current taxes collected	\$ 264,370	\$ 251,234	\$ 237,237	\$ 221,125	\$ 204,384
Percentage of current taxes collected to tax levy	98.63%	98.70%	98.62%	98.62%	98.67%
Total taxes collected	\$ 265,102	\$ 251,969	\$ 238,051	\$ 221,846	\$ 204,934
Percentage of total taxes collected to current tax levy	98.90%	98.99%	98.96%	98.94%	98.93%
Total taxes outstanding as at December 31	\$ 3,681	\$ 3,316	\$ 3,312	\$ 3,097	\$ 2,758
Total taxes outstanding per capita	\$ 15.88	\$ 14.44	\$ 14.56	\$ 13.90	\$ 12.64

*Source: British Columbia Municipal Population Estimates 2008 - 2012 per the Dec 2012 release

**Figures restated for population estimate change

CITY OF BURNABY

MISCELLANEOUS STATISTICS - 5 YEAR COMPARISON

For the year ended December 31, 2012 (\$ thousands)

TABLE 2

	2012	2011**	2010	2009	2008
Population (000)	231.8	229.6	227.4	222.8	218.2
BUILDING PERMITS					
Number	1,803	1,729	1,710	1,301	1,662
Value (\$ thousands)	514,669	615,529	539,730	421,970	792,458
INFRASTRUCTURE (KILOMETRES)					
Water Mains	716	718	721	713	710
Storm Sewers	630	632	612	600	588
Sanitary Sewers	683	683	678	675	671
Roads	743	743	743	743	743
PARKS AND PLAYFIELDS					
Number	161	158	156	156	155
Area (hectares)	2,218	2,217	2,211	2,209	2,207
NUMBER					
Water Services	36,497	36,564	36,025	36,552	36,567
Hydrants	3,382	3,353	3,325	3,262	3,240

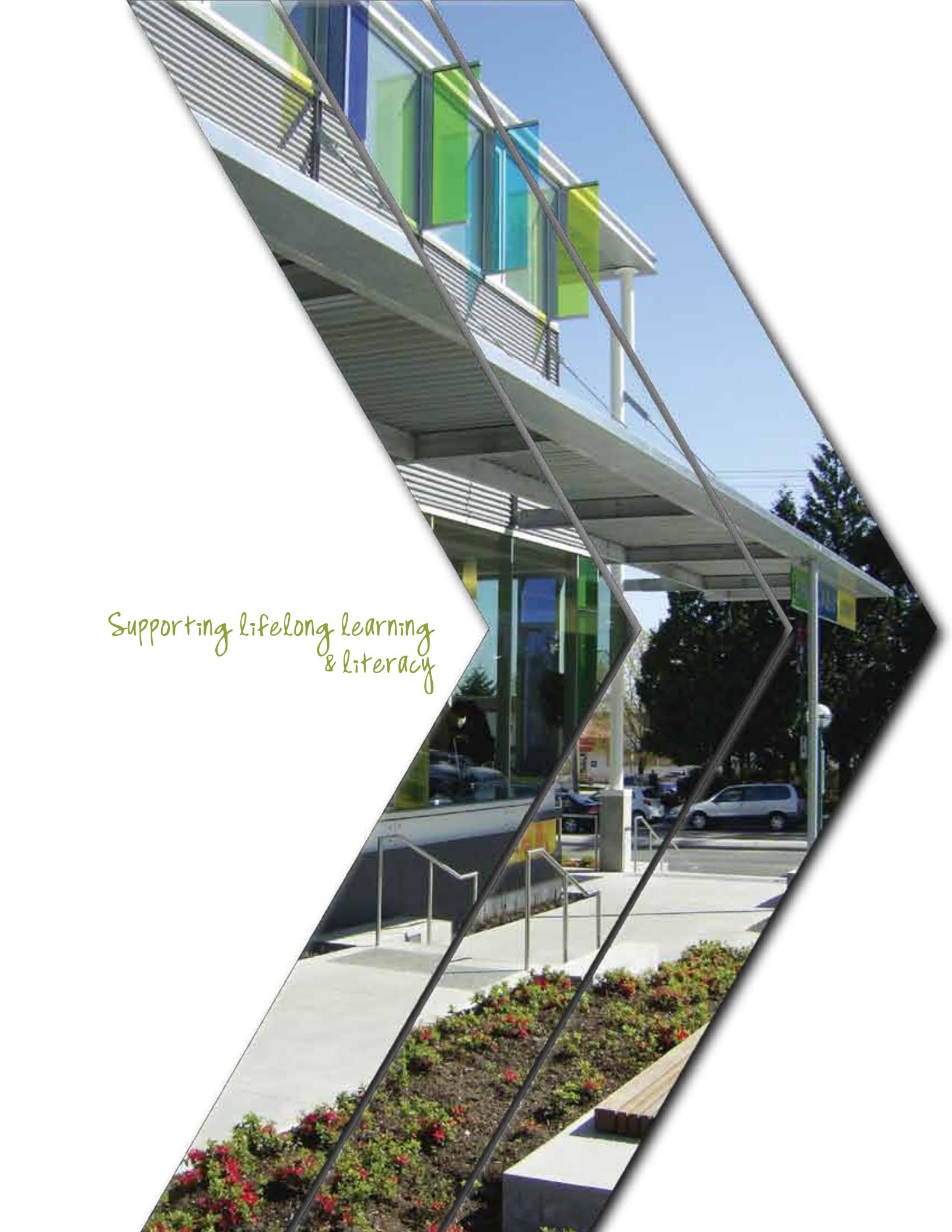
Area (hectares)	
Land	9,860
Water	814
Total	10,674

*Source: British Columbia Municipal Population Estimates 2008 - 2012 per the Dec 2012 release

**Figures restated for population estimate change

6 BURNABY PUBLIC LIBRARY

Burnaby Public Library provides access to a rich array of the world's stories, ideas, and information.



*Supporting lifelong learning
& literacy*



Barnet Marine Park

Barnet Highway | www.burnaby.ca/Things-To-Do/Explore-Outdoors

Enjoy a 1.3 km easy walk along the shoreline.

Auditor's Report



KPMG LLP
Chartered Accountants
Metrotower II
Suite 2400 - 4720 Kingsway
Burnaby BC V5H 4N2

Telephone (604) 527-3600
Fax (604) 527-3636
Internet www.kpmg.ca

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, 2012, 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 the 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, 2012 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.

KPMG LLP

Chartered Accountants

March 14, 2013

Burnaby, Canada

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.
KPMG Canada provides services to KPMG LLP.

BURNABY PUBLIC LIBRARY

STATEMENT OF FINANCIAL POSITION

As at December 31, 2012

STATEMENT 1

	2012	2011
FINANCIAL ASSETS		
Cash	\$ 2,411	\$ 2,411
Accounts receivable	180,365	7,803
Prepaid expenses	92,810	-
Unexpended funds held by the City of Burnaby	1,827,246	1,986,825
	2,102,832	1,997,039
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	730,545	672,009
Deferred revenue - general	31,518	138,585
	762,063	810,594
NET FINANCIAL ASSETS	1,340,769	1,186,445
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 3)	3,059,485	3,334,792
ACCUMULATED SURPLUS (Note 4)	\$ 4,400,254	\$ 4,521,237

See accompanying notes to financial statements.

Approved by:

Approved by:

BURNABY PUBLIC LIBRARY

STATEMENT OF OPERATIONS

As at December 31, 2012

STATEMENT 2

	<i>(Unaudited) Note 2(b)</i>	2012 Budget	2012 Actual	2011 Actual
REVENUES				
Municipal contribution	\$ 9,878,949	\$ 9,423,422	\$ 9,455,513	
Fines and fees	387,670	361,032	409,440	
InterLINK compensation for non-resident use	178,810	348,618	210,228	
Provincial grants	609,977	606,234	521,145	
Federal grants	19,860	19,859	19,859	
Endowment funds investment income	-	46,146	43,895	
Endowment funds donations	-	12,658	7,117	
Other	46,726	65,256	76,141	
	11,121,992	10,883,225	10,743,338	
EXPENSES				
Cameron branch library	946,257	910,054	918,563	
McGill branch library	1,908,452	1,830,375	1,756,192	
Metrotown library	4,058,575	3,829,883	3,747,798	
Tommy Douglas library	1,532,546	1,445,697	1,411,091	
Acquisitions	385,546	381,922	378,926	
Administration	1,314,610	1,268,634	1,235,535	
Public service automation	47,547	43,910	36,138	
Automated circulation control system	415,731	407,835	397,793	
Cataloguing	635,348	620,652	607,119	
Home library service	270,522	265,246	250,039	
	11,515,134	11,004,208	10,739,194	
Annual surplus/(deficit)	(393,142)	(120,983)	4,144	
ACCUMULATED SURPLUS, BEGINNING OF YEAR	4,521,237	4,521,237	4,517,093	
ACCUMULATED SURPLUS, END OF YEAR	\$ 4,128,095	\$ 4,400,254	\$ 4,521,237	

See accompanying notes to financial statements.

BURNABY PUBLIC LIBRARY

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

As at December 31, 2012

STATEMENT 3

	<i>(Unaudited) Note 2(b)</i> 2012 Budget	2012 Actual	2011 Actual
Annual surplus/(deficit)	\$ (393,142)	\$ (120,983)	\$ 4,144
Acquisition of tangible capital assets	(1,614,865)	(1,298,641)	(1,363,081)
Amortization of tangible capital assets	1,573,945	1,573,948	1,390,092
	(40,920)	275,307	27,011
Change in net financial assets	(434,062)	154,324	31,155
NET FINANCIAL ASSETS, BEGINNING OF YEAR	1,186,445	1,186,445	1,155,290
NET FINANCIAL ASSETS, END OF YEAR	\$ 752,383	\$ 1,340,769	\$ 1,186,445

See accompanying notes to financial statements.

BURNABY PUBLIC LIBRARY

STATEMENT OF CASH FLOWS

As at December 31, 2012

STATEMENT 4

	2012 Actual	2011 Actual
Cash provided by (used in):		
Operations:		
Annual surplus/(deficit)	\$ (120,983)	\$ 4,144
Non-cash items		
Amortization of tangible capital assets	1,573,948	1,390,092
Changes in non-cash working capital		
Accounts receivable	(172,562)	(1,479)
Prepaid expenses	(92,810)	-
Unexpended funds held by the City of Burnaby	159,579	(50,312)
Accounts payable and accrued liabilities	58,536	(22,690)
Deferred revenue - general	(107,067)	42,916
	<hr/> (154,324)	<hr/> (31,565)
Capital activities:		
Cash used to acquire tangible capital assets	(1,298,641)	(1,363,081)
NET CHANGE IN CASH	-	(410)
CASH, BEGINNING OF YEAR	2,411	2,821
CASH, END OF YEAR	\$ 2,411	\$ 2,411

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 2012 component of the City of Burnaby's 2012-2016 Financial Plan, Bylaw No. 13094, which was adopted by City Council on May 14, 2012.

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 contributions 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 7).

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 transfers 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. TANGIBLE CAPITAL ASSETS

2012 TANGIBLE CAPITAL ASSETS (IN THOUSANDS OF DOLLARS)

Class	Cost Beginning of Year	Acquisitions		Cost End of Year	Accumulated Amortization Beginning of Year	Disposals	Amortization	Accumulated Amortization End of Year	Net Book Value End of Year
		Net of Transfers	Disposals						
Vehicles & Mobile Equipment	86	-	-	86	(86)	-	-	(86)	-
Technology & Telephony	220	-	-	220	(191)	-	(22)	(213)	7
Furniture & General Equipment	7,344	1,299	-	8,643	(4,039)	-	(1,552)	(5,591)	3,052
	7,650	1,299	-	8,949	(4,316)	-	(1,574)	(5,890)	3,059

2011 TANGIBLE CAPITAL ASSETS (IN THOUSANDS OF DOLLARS)

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

4. ACCUMULATED SURPLUS

	Dec. 31, 2012	Dec. 31, 2011
Operating Surplus	\$ 506,581	\$ 408,312
Endowment funds (note 6)	834,187	778,133
Equity in tangible capital assets	3,059,486	3,334,792
	\$ 4,400,254	\$ 4,521,237

5. ENDOWMENT FUNDS

2012			Accumulated					
	Principal Beginning of Year	Donations	Principal End of Year	Interest Beginning of Year	Interest Income	Expenditures	Interest End of Year	Total
Picard Trust	\$25,563	\$ -	\$25,563	\$56,886	\$4,854	\$750	\$60,990	\$86,553
Cox Trust	163,538	-	163,538	191,112	20,900	-	212,012	375,550
Simnett Trust	14,220	590	14,810	17,825	1,894	-	19,719	34,529
Perrot Trust	91,015	625	91,640	24,038	6,782	2,000	28,820	120,460
Mansour	-	10,000	10,000	-	255	-	255	10,255
Sundry	126,287	1,443	127,730	67,649	11,461	-	79,110	206,840
	\$420,623	\$12,658	\$433,281	\$357,510	\$46,146	\$2,750	\$400,906	\$834,187

2011			Accumulated					
	Principal Beginning of Year	Donations	Principal End of Year	Interest Beginning of Year	Interest Income	Expenditures	Interest End 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
	\$413,506	\$7,117	\$420,623	\$319,590	\$43,895	\$5,975	\$357,510	\$778,133

6. PENSION PLAN

The Library and its employees contribute to the Municipal Pension Plan (the 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 based on a formula. The Plan has about 176,000 active members and approximately 67,000 retired members. Active members include approximately 35,000 contributors from local governments.

The most recent actuarial valuation as at December 31, 2009 indicated a \$1,024 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2012 with results available in 2013. Defined contribution plan accounting is applied to the Plan as the Plan exposes the participating entities to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, Plan assets and cost to individual entities participating in the Plan. The Library paid \$539,524 (2011 - \$544,060) for employer contributions while employees contributed \$480,229 (2011 - \$442,335) to the plan in fiscal 2012.

7. 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	2012	2011
Balance at Beginning of Year	\$ 283,000	\$ 302,000
Current Service Cost	22,000	18,000
Interest Cost	12,000	13,000
Benefits Paid	(6,000)	(50,000)
Amortization of Net Actuarial Loss	7,000	
	\$ 318,000	\$ 283,000

An actuarial estimate for these benefits was performed to estimate the Library's accrued benefit obligation as at December 31, 2012. The difference between the actuarially determined accrued benefit obligation estimate of \$333,000 and the accrued benefit liability of \$318,000 as at December 31, 2012 is an unamortized actuarial loss of \$15,000. The actuarial loss is amortized over the period equal to the employee's average remaining service lifetime of 10 years. This loss is a result of methodology adjustments from the simplified estimates utilized in the determination of the prior year accrued benefit liability.

Accrued Benefit Liability	2012	2011
Liability - End of Year	\$ 318,000	\$ 283,000
Unamortized Actuarial Loss	15,000	17,000
	\$ 333,000	\$ 300,000

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

	2012 Actual	2011 Actual
Discount rate	3.50%	3.50%
Expected wage and salary inflation	2.50%	2.50%

8. 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:

Expenses	2012 Actual	2011 Actual
Compensation	\$ 8,476,091	\$ 8,311,034
General Services	401,065	431,139
Materials & Supplies	231,423	268,807
Equipment & Related Operating Costs	151,254	182,736
Gas & Electricity	170,427	155,386
Amortization	1,573,948	1,390,092
	\$ 11,004,208	\$ 10,739,194

9. 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:

	2012 Budget Amount
Revenue per financial plan bylaw	\$ 12,204,524
Transfer from prior year's surplus	(408,312)
Transfer from endowment funds	(25,750)
Municipal contribution - asset acquisitions	1,614,865
Municipal contribution - amortization	(2,263,335)
Revenue per statement of operations	11,121,992
Expenditures per financial plan bylaw	12,204,524
Municipal contribution - amortization	(2,263,335)
Budget amortization per statement of operations	1,573,945
Expenses per statement of operations	11,515,134
	\$ (393,142)