

# City of Burnaby

**FINANCIAL STATEMENTS AND NOTES**  
for the year ended 2014 December 31

# CITY OF BURNABY

## Consolidated Statement of Financial Position

As at December 31, 2014 with comparative figures for 2013

	2014 Actual (\$)	2013 Actual (\$)
		(restated – note 2)
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	46,591,645	36,933,626
Investments (Note 3)	779,532,676	641,799,106
Accounts Receivables (Note 4)	197,552,494	213,308,367
	<b>1,023,676,815</b>	<b>892,041,099</b>
<b>FINANCIAL LIABILITIES</b>		
Accounts payables and accrued liabilities (Note 5)	66,271,446	71,683,320
Deposits - damages, servicing and other	21,346,472	22,676,500
Deferred revenue (Note 6)	37,337,018	34,785,446
Development cost charges and restricted funds (Note 7)	64,964,118	54,944,899
	<b>189,919,054</b>	<b>184,090,165</b>
<b>NET FINANCIAL ASSETS</b>	<b>833,757,761</b>	<b>707,950,934</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 8 and Schedule 1)	2,537,433,156	2,507,614,594
Land inventory held for resale	98,964,797	96,570,242
Inventory and prepaid expenses	3,350,106	3,120,839
	<b>2,639,748,059</b>	<b>2,607,305,675</b>
<b>ACCUMULATED SURPLUS (Note 9)</b>	<b>3,473,505,820</b>	<b>3,315,256,609</b>

Contingencies and Commitments (Note 12)

See accompanying notes to consolidated financial statements.

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

Denise Jorgenson  
Director Finance  
City of Burnaby

# CITY OF BURNABY

## Consolidated Statement of Operations and Accumulated Surplus

For the year ended December 31, 2014 with comparative figures for 2013

	2014 Budget (\$) (note 1(b))	2014 Actual (\$)	2013 Actual (\$) (restated – note 2)
<b>REVENUES</b>			
Taxation revenue	248,600,118	249,091,332	239,103,027
Sales of goods and services	99,603,108	102,377,569	96,430,787
Return on investments	31,962,626	40,010,043	35,826,949
Other revenue from own sources	35,568,299	123,005,158	95,224,794
Transfer from other governments (Note 10)	17,430,685	19,131,913	19,498,329
Transfer from restricted funds and development cost charges	5,081,600	729,338	6,182,560
	<b>438,246,436</b>	<b>534,345,353</b>	<b>492,266,446</b>
<b>EXPENSES</b>			
General government services	60,457,673	56,611,060	52,126,431
Protective services	98,728,007	96,435,825	92,413,647
Transportation services	48,863,786	53,355,471	48,789,402
Environmental services	80,182,713	78,527,949	78,393,548
Development services	5,830,902	5,361,884	5,397,798
Parks, recreation and cultural services	87,011,984	85,803,953	81,765,033
	<b>381,075,065</b>	<b>376,096,142</b>	<b>358,885,859</b>
<b>Annual Surplus</b>	<b>57,171,371</b>	<b>158,249,211</b>	<b>133,380,587</b>
<b>Accumulated surplus, beginning of year</b>	<b>3,315,256,609</b>	<b>3,315,256,609</b>	<b>3,181,876,022</b>
<b>Accumulated surplus, end of year</b>	<b>3,372,427,980</b>	<b>3,473,505,820</b>	<b>3,315,256,609</b>

See accompanying notes to consolidated financial statements.

# CITY OF BURNABY

## Consolidated Statement of Changes in Net Financial Assets

As at December 31, 2014 with comparative figures for 2013

	2014 Budget (\$) (note 1(b))	2014 Actual (\$)	2013 Actual (\$) (restated – note 2)
<b>ANNUAL SURPLUS</b>	57,171,371	158,249,211	133,380,587
Tangible capital assets			
Acquisition of tangible capital assets	(129,245,300)	(64,825,291)	(95,764,914)
Contributed tangible capital assets	-	(25,712,812)	(17,358,384)
Acquisition from land exchange	-	(1,488,421)	(3,996,461)
Amortization of tangible capital assets	60,431,997	59,097,765	55,925,856
Gain on sale of tangible capital assets	-	(3,364,003)	(5,537,009)
Proceeds on sale of tangible capital assets	-	6,170,730	8,466,238
Transfer to land for resale	-	303,472	203,148
Land held for resale			
Acquisition of land held for resale	(5,000,000)	(3,377,344)	(6,724,741)
Gain on sale of land held for resale	(1,000,000)	(1,475,457)	(2,046,121)
Proceeds on sale of land held for resale	5,000,000	2,761,716	2,676,334
Transfer from tangible capital assets	-	(303,472)	(203,148)
	(69,813,303)	(32,213,117)	(64,359,202)
Changes in inventory of supplies	-	67,614	(127,496)
Changes in prepaid expenses	-	(296,881)	48,960
	-	(229,267)	(78,536)
Increase (decrease) in net financial assets	(12,641,932)	125,806,827	68,942,849
<b>Net financial assets, beginning of year</b>	<b>707,950,934</b>	<b>707,950,934</b>	<b>639,008,085</b>
<b>Net financial assets, end of year</b>	<b>695,309,002</b>	<b>833,757,761</b>	<b>707,950,934</b>

See accompanying notes to consolidated financial statements.

# CITY OF BURNABY

## Consolidated Statement of Cash Flows

For the year ended December 31, 2014 with comparative figures for 2013

	2014 Actual (\$)	2013 Actual (\$) (restated – note 2)
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	158,249,211	133,380,587
Non-cash items		
Amortization of tangible capital assets	59,097,765	55,925,856
Contributed tangible capital assets	(25,712,812)	(17,358,384)
Gain on sale of tangible capital assets and land inventory held for resale	(4,839,460)	(7,583,130)
	<b>186,794,704</b>	<b>164,364,929</b>
Changes in non-cash working capital		
Accounts receivables	15,755,873	(11,073,496)
Accounts payables and accrued liabilities	(5,411,874)	3,337,065
Deposits – damage, servicing and other	(1,330,028)	497,496
Deferred revenue	2,551,572	5,822,611
Development cost charges and restricted funds	10,019,219	1,189,491
Inventory and prepaid expenses	(229,267)	(78,536)
	<b>208,150,199</b>	<b>164,059,560</b>
<b>CAPITAL TRANSACTIONS</b>		
Tangible capital assets acquisitions	(64,825,291)	(95,764,914)
Acquisition of land held for resale	(3,377,344)	(6,724,741)
Proceeds on sale of tangible capital assets and land inventory held for resale	7,444,025	7,146,111
	<b>(60,758,610)</b>	<b>(95,343,544)</b>
<b>INVESTING TRANSACTIONS</b>		
Investments	(137,733,570)	(70,130,947)
	<b>(137,733,570)</b>	<b>(70,130,947)</b>
Increase (decrease) in cash and cash equivalents	9,658,019	(1,414,931)
<b>Cash and cash equivalents, beginning of year</b>	<b>36,933,626</b>	<b>38,348,557</b>
<b>Cash and cash equivalents, end of year</b>	<b>46,591,645</b>	<b>36,933,626</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>		
Represented by:		
Cash	7,040,892	4,365,336
Cash equivalents	39,550,753	32,568,290
	<b>46,591,645</b>	<b>36,933,626</b>
<b>NON-CASH TRANSACTION</b>		
Acquisition from land exchange	1,488,421	3,996,461

See accompanying notes to consolidated financial statements.

# City of Burnaby

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Burnaby was incorporated in 1892 as a district municipality and one hundred years after incorporation, became the City of Burnaby (the “City”). The City is legislated under the Local Government Act of British Columbia and its principal activities include the provision of local government services to residents of the incorporated area. These include administrative, protective, infrastructure, environmental, planning, building, recreational, waterworks and sanitary sewer services.

### 1. Significant Accounting Policies

The consolidated financial statements of 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 Chartered Professional Accountants of Canada.

#### (a) Basis of Consolidation

The consolidated financial statements are comprised of the City’s Operating, Capital and Reserve Funds as well as the Burnaby Public Library (the “Library”). The Library is consolidated as it is considered to be controlled by the City, by virtue of their Board being appointed by the City. Inter-fund balances and transactions have been eliminated on consolidation.

##### (i) Operating Funds

These funds include the General, Waterworks and Sanitary Sewer Operating Funds as well as the Burnaby Public Library. They are used to record the operating costs of services provided by the City.

##### (ii) Capital Funds

These funds include the General, Waterworks and Sanitary Sewer Capital Funds and Burnaby Public Library Capital. They are used to record the acquisition costs of tangible capital assets. All the Capital Funds are combined on the financial statements.

##### (iii) Reserve Funds

Under the Community Charter of British Columbia, City Council may, by bylaw, establish reserve funds for specified purposes. Money in a reserve fund and interest earned thereon must be expended only for the purpose for which the fund was established. If the amount in a reserve fund is greater than required for the purposes for which it was established, City Council may transfer all or part of the amount to another reserve fund.

#### (b) Budget

Budget information reported in the consolidated financial statements represents the 2014 component of the City of Burnaby 2014-2018 Consolidated Financial Plan and was adopted through Bylaw No. 13337 on May 12, 2014 by City Council.

### **(c) Revenue Recognition**

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impractical.

The City is required to act as the agent for the collection of certain taxes and fees imposed by other authorities. Collections for other authorities are excluded from the City's taxation revenues.

Revenue recognition on sale of properties occurs when the City has transferred the significant risks and rewards of ownership. Property lease revenue includes all amounts earned from tenants including property tax and operating cost recoveries. Lease revenues are recognized on a straight-line basis over the term of the lease.

Restricted transfers from governments are deferred and recognized as revenue in the year in which the related expenditures are incurred. Unrestricted transfers are recognized as revenue when received.

### **(d) 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 bylaws 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.

### **(e) Expenses**

Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay. Interest expense is accrued as the obligation is incurred.

### **(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**

Investments are recorded at cost, adjusted for amortization of premiums or discounts over the term of the investments on a straight line basis. Provisions for losses are recorded when they are considered to be other than temporary. Short term investments are those that mature within one year. Long term investments are those that mature in more than one year.

### **(h) Employee Future Benefits**

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

Sick leave and post-employment benefits accrue to the City's employees. The liability relating to these benefits is actuarially determined based on length of service, best estimates of retirement ages and expected future salary and wage increases. The liabilities under these benefit plans are accrued based on projected benefits pro-rated as employees render services necessary to earn the future benefits (Note 14).

Actuarial gains or losses are amortized over the expected average remaining service life of the related employee group.

The liability for event driven benefits, such as disability benefits, is calculated after the event occurs. The expense is recognized in the year the event occurs.

**(i) 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.

**(j) 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.

**(i) Tangible Capital Assets**

Tangible capital assets are recorded at cost, which includes all 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, excluding land, are 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:

<b>Asset</b>	<b>Useful Life - years</b>
Land (Under Roads/Civic Use)	Is not depreciated
Land Improvements	10 to 75
Buildings	10 to 50
Infrastructure Water	15 to 60
Infrastructure Sewer	15 to 70
Infrastructure Drainage	15 to 100
Infrastructure Roads	10 to 50
Vehicles & Mobile Equipment	5 to 40
Technology and Telephony	3 to 20
Furniture, Fixtures, and General Equipment	2 to 25
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.

**(ii) Inventory**

Inventories held for consumption are recorded at the lower of cost and net realizable value.



(iii) Land inventory held for resale

Land inventory held for resale are real estate properties which are available to be sold in the future. They are valued at the lower of cost or expected net realizable value. Cost includes amounts for land acquisition and improvements to prepare the land for sale on servicing.

**(k) Use of Estimates**

The 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 associated reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

**(l) 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 15).

**2. Prior Period Adjustment**

During the year, the City determined that certain adjustments were required to be made to its comparative financial statements. Historically, the City has recorded funds received for community benefit bonus purposes, and interest earning on these funds, as financial liabilities within development cost charges. As the funds are not externally restricted, the contributions should be recorded as revenue when received.

The impact of the adjustment is as follows:

Development cost charges and restricted funds, as at December 31, 2013

Development cost charges and restricted funds, as previously reported	\$	142,038,500
Community benefit bonus adjustment		(87,093,601)
Development cost charges and restricted funds, as restated	\$	54,944,899

Return on Investments, as at December 31, 2013

Return on Investments, as previously reported	\$	32,894,309
Investment income earned on community benefit bonus adjustment		2,932,640
Return on Investments, as restated	\$	35,826,949

Other revenue from own sources, as at December 31, 2013

Other revenue from own sources, as previously reported	\$	64,656,988
Community benefit bonus adjustment		30,567,806
Other revenue from own sources, as restated	\$	95,224,794

Transfers from restricted funds and development cost charges, as at December 31, 2013

Transfers from restricted funds and DCCs, as previously reported	\$	6,329,465
Community benefit bonus adjustment		(146,905)
<b>Transfers from restricted funds and DCCs, as restated</b>	<b>\$</b>	<b>6,182,560</b>

Accumulated Surplus at December 31, 2012	\$	3,128,135,962
Annual Surplus for the year ended December 31, 2013		
Annual Surplus, as previously stated		100,027,046
Return on Investments, adjustment		2,932,640
Other revenue from own sources, adjustment		30,567,806
Transfer from restricted funds and development cost charges, adjustment		(146,905)
<b>Annual Surplus, restated for the year ended December 31, 2013</b>	<b>\$</b>	<b>133,380,587</b>
Opening Accumulated Surplus adjustment, as at January 1, 2013		53,740,060
<b>Accumulated Surplus, as restated</b>	<b>\$</b>	<b>3,315,256,609</b>

### 3. Investments

	<b>2014</b>		<b>2013</b>	
	Cost	Market Value	Cost	Market Value
Short-term Investments	\$ 216,448,332	\$ 216,323,130	\$ 83,305,038	\$ 106,587,853
Long-term Investments	563,084,344	820,155,204	558,494,068	785,329,400
<b>Total</b>	<b>\$ 779,532,676</b>	<b>\$1,036,478,334</b>	<b>\$ 641,799,106</b>	<b>\$ 891,917,253</b>

### 4. Accounts Receivables

	<b>2014</b>	<b>2013</b>
Accrued interest receivable	173,959,969	186,162,351
Taxes receivable	8,307,789	6,750,239
Local improvement charges receivable	3,362,461	3,487,966
Accounts receivable	7,657,371	12,520,137
Federal and provincial governments	1,758,995	2,030,773
Employee receivables	156,695	148,809
Development Cost Charge levy receivable	1,848,139	1,965,909
Development Cost Charge receivable	501,075	242,183
- Greater Vancouver Sewer and Drainage District		
<b>Total</b>	<b>197,552,494</b>	<b>213,308,367</b>

### 5. Accounts Payables and Accrued Liabilities

	<b>2014</b>	<b>2013</b>
Due to other governments	4,824,776	3,838,868
Accounts payable	42,702,230	49,791,505
Accrued Liabilities	18,744,440	18,052,947
<b>Total</b>	<b>66,271,446</b>	<b>71,683,320</b>

## 6. Deferred Revenue

	2013	Externally Restricted Inflows	Revenue Earned	2014
Taxes and utilities	14,992,895	14,980,201	(14,992,895)	14,980,201
Parks and recreation fees	2,918,701	5,713,820	(5,801,409)	2,831,112
Future capital works	9,165,015	2,901,312	(1,281,987)	10,784,340
Other deferred revenue	7,708,835	14,417,183	(13,384,653)	8,741,365
<b>Total</b>	<b>34,785,446</b>	<b>38,012,516</b>	<b>(35,460,944)</b>	<b>37,337,018</b>

## 7. Development Cost Charges and Restricted Funds

	2014	2013
Balance at beginning of year	54,944,899	53,755,408
Contributions	8,156,336	4,891,995
Interest	2,592,221	2,480,056
Revenue recognized	(729,338)	(6,182,560)
<b>Balance at end of year</b>	<b>64,964,118</b>	<b>54,944,899</b>

## 8. Tangible Capital Assets

### Assets

See Schedule 1 for details.

### Contributed Assets

Infrastructure contributed to the City totalled \$12,922,617 in 2014 (2013 - \$4,507,341) and was capitalized at fair value at the time of receipt; and, Land contributed to the City totalled \$12,790,195 in 2014 (2013 - \$12,851,043).

### Asset Under Construction

Asset under construction having a value of approximately \$26,729,000 (2013 - \$39,709,000) 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 (2013 - \$nil).

## 9. Accumulated Surplus

	2014	2013
<b>Accumulated surplus in tangible capital assets, beginning of year</b>	\$ 2,507,614,594	\$ 2,449,553,068
Add:		
Acquisition from land exchange	1,488,421	3,996,461
Capital acquisitions	64,825,291	95,764,914
Contributed tangible capital assets	25,712,812	17,358,384
Transfer to land inventory held for resale	(303,472)	(203,148)
Less:		
Disposals	(2,806,725)	(2,929,229)
Amortization	(59,097,765)	(55,925,856)
<b>Accumulated surplus in tangible capital assets</b>	<b>2,537,433,156</b>	<b>2,507,614,594</b>
<b>Accumulated surplus in land inventory held for resale, beginning of year</b>	96,570,242	90,272,566
Add:		
Capital acquisitions	3,377,344	6,724,741
Less:		
Disposals	(1,286,260)	(630,213)
Transfer from tangible capital assets	303,472	203,148
<b>Accumulated surplus in land inventory held for resale</b>	<b>98,964,798</b>	<b>96,570,242</b>
Accumulated surplus in inventory and prepaid expenses	3,350,106	3,120,839
<b>Accumulated surplus in non-financial assets</b>	<b>2,639,748,060</b>	<b>2,607,305,675</b>
Fund balances:		
Library endowment funds	865,255	857,759
Other reserve and funds	832,892,505	707,093,175
	<b>833,757,760</b>	<b>707,950,934</b>
	<b>\$ 3,473,505,820</b>	<b>\$ 3,315,256,609</b>

## 10. Transfer from Other Governments

	2014	2013
Transfers from federal government	574,566	1,628,551
Transfers from provincial government	13,180,874	12,380,246
Transfers from regional and local governments	5,376,473	5,489,532
	<b>19,131,913</b>	<b>19,498,329</b>

## 11. 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:

	2014	2013
Province of BC	146,565,097	142,036,326
Greater Vancouver Regional District	4,334,598	4,451,252
Greater Vancouver Transportation Authority	32,451,072	31,925,527
BC Assessment Authority	4,958,340	4,892,678
Municipal Finance Authority	15,214	14,954
Hastings Street Business Improvement Area	252,378	252,377
North Road Business Improvement Area	165,215	148,784
	<b>188,741,914</b>	<b>183,721,898</b>

## 12. Contingencies and Commitments

- (a) At December 31, 2014 the balance of outstanding contracts for capital and other expenditures is estimated at \$20.2 million (2013 - \$24.6 million). These amounts are not accrued in the financial statements:

	\$ millions
2014	17.2
2015	1.4
2016	0.8
2017	0.5
2018	0.3
	<b>20.2</b>

- (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 acquisitions. These are comprised of cash and investments of \$63,115,979 (2013 - \$52,978,990) and restricted accounts receivable of \$1,848,139 (2013 - \$1,965,909).
- (d) The City holds irrevocable letters of credit in the aggregate amount of \$94.8 million (2013 - \$88.5million) 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.

## 13. Municipal Pension Plan

The City and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trusteesd 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 182,000 active members

and approximately 75,000 retired members. Active members include approximately 36,000 contributors from local government of which approximately 2,371 contributors are from the City of Burnaby.

The most recent actuarial valuation as at December 31, 2012 indicated a \$1,370 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2015 with results available in 2016.

Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

The City of Burnaby paid \$12.3 Million (2013 - \$11.8 Million) for employer contributions while employees contributed \$10.3 Million (2013 - \$10.0 Million) to the plan in fiscal 2014. The 2014 City pension plan member count is 2,371 (2013 – 2,040).

#### 14. 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.

<b>Accrued Benefit Liability</b>	<b>2014</b>	<b>2013</b>
Balance at Beginning of Year	10,751,000	10,702,000
Current Service Cost	673,000	689,000
Interest Cost	378,000	348,000
Benefits Paid	(967,000)	(963,000)
Amortization of Net Actuarial Gain	(103,000)	(25,000)
<b>Accrued Benefit Liability End of Year</b>	<b>10,732,000</b>	<b>10,751,000</b>

An actuarial estimate for these benefits was performed to estimate the City's accrued benefit obligation as at December 31, 2014. The difference between the actuarially determined accrued benefit obligation estimate of \$10.7 million and the accrued benefit liability of \$11.6 million as at December 31, 2014 is an unamortized actuarial loss of \$839,000.

<b>Accrued Benefit Obligation</b>	<b>2014</b>	<b>2013</b>
Liability - End of Year	10,732,000	10,751,000
Unamortized Actuarial Loss/ (Gain)	839,000	(1,496,000)
<b>Accrued Benefit Obligation - End of year</b>	<b>11,571,000</b>	<b>9,255,000</b>

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

	<b>2014</b>	<b>2013</b>
Discount rate	3.10%	4.00%
Expected wage and salary inflation	2.50%	2.50%

## 15. Segmented Information (in thousands of dollars)

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

2014	General Gov't & Administrative Services	Protective Services	Public Works & Others	Solid Waste	Water- Works	Sanitary Sewer	Planning & Building Services	Parks, Recreation, Cultural & Library	Other Funds	Total Financial Activities
<b>REVENUES</b>										
Taxation and grants in lieu of taxes	(231,474)	-	-	-	-	(17,618)	-	-	-	(249,092)
Sale of goods & services	(251)	(499)	(1,731)	(4,802)	(48,598)	(20,974)	(55)	(25,467)	-	(102,377)
Investment income	(7,017)	-	-	-	-	-	-	-	(32,993)	(40,010)
Grants	(154)	(1,989)	(5,452)	-	-	-	(11)	(530)	(10,996)	(19,132)
Other Revenue	(36,870)	(360)	(1,979)	(1,788)	(4)	-	(13,002)	(1,835)	(67,167)	(123,005)
Transfer from restricted funds and development cost charges	(95)	-	-	-	-	-	-	-	(634)	(729)
	<b>(275,861)</b>	<b>(2,848)</b>	<b>(9,162)</b>	<b>(6,590)</b>	<b>(48,602)</b>	<b>(38,592)</b>	<b>(13,068)</b>	<b>(27,832)</b>	<b>(111,790)</b>	<b>(534,345)</b>
<b>EXPENSES</b>										
Compensation	27,284	42,121	18,962	6,121	3,205	2,407	11,053	57,183	-	168,336
Policing contract	-	39,790	-	-	-	-	-	1	-	39,791
General services	7,851	3,114	5,447	1,801	1,652	2,756	291	5,277	24	28,213
Materials & supplies	1,345	499	2,111	84	450	248	108	5,176	-	10,021
Equipment & related operating costs	8,886	1,331	(642)	3,254	615	505	208	1,908	-	16,065
Gas & electricity	105	223	1,867	11	132	99	-	2,594	-	5,031
Greater Vancouver refuse disposal	-	-	-	3,959	-	-	-	27	-	3,986
GVS& DD Levy	-	-	1,099	-	-	18,322	-	-	-	19,421
GVWD - cost of water	-	-	-	-	25,199	-	-	-	-	25,199
Depreciation/loss on disposals	8,140	1,808	31,120	-	4,538	2,508	7	11,851	61	60,033
	<b>53,611</b>	<b>88,886</b>	<b>59,964</b>	<b>15,230</b>	<b>35,791</b>	<b>26,845</b>	<b>11,667</b>	<b>84,017</b>	<b>85</b>	<b>376,096</b>
	<b>(222,250)</b>	<b>86,038</b>	<b>50,802</b>	<b>8,640</b>	<b>(12,811)</b>	<b>(11,747)</b>	<b>(1,401)</b>	<b>56,185</b>	<b>(111,705)</b>	<b>(158,249)</b>
2013	General Gov't & Administrative Services	Protective Services	Public Works & Others	Solid Waste	Water- Works	Sanitary Sewer	Planning & Building Services	Parks, Recreation, Cultural & Library	Other Funds	Total Financial Activities
<b>REVENUES</b>										
Taxation and grants in lieu of taxes	(222,437)	-	-	-	(32,204)	(30,840)	-	-	-	(285,481)
Sale of goods & services	(223)	(476)	(1,604)	(4,927)	(13,385)	(5,559)	(54)	(23,825)	-	(50,053)
Investment income	(7,219)	-	-	-	-	-	-	-	(28,607)	(35,826)
Grants	(195)	(1,981)	(4,180)	-	-	-	(10)	(555)	(12,578)	(19,499)
Other Revenue	(31,139)	(172)	(1,973)	(582)	9	-	(11,843)	(1,743)	(47,782)	(95,225)
Transfer from restricted funds and development cost charges	-	-	-	-	-	-	-	-	(6,182)	(6,182)
	<b>(261,213)</b>	<b>(2,629)</b>	<b>(7,757)</b>	<b>(5,509)</b>	<b>(45,580)</b>	<b>(36,399)</b>	<b>(11,907)</b>	<b>(26,123)</b>	<b>(95,149)</b>	<b>(492,266)</b>
<b>EXPENSES</b>										
Compensation	23,765	42,726	17,594	6,038	3,067	2,539	10,807	54,244	-	160,780
Policing contract	-	37,341	-	-	-	-	-	1	-	37,342
General services	9,793	1,240	3,440	1,521	1,475	2,613	318	5,478	27	25,905
Materials & supplies	1,442	494	2,032	138	412	243	109	5,026	3	9,899
Equipment & related operating costs	3,524	1,208	(780)	3,307	583	503	163	1,761	-	10,269
Gas & electricity	61	208	1,731	7	102	89	-	2,141	-	4,339
Greater Vancouver refuse disposal	-	-	-	3,945	-	-	-	31	-	3,976
GVS&DD Levy	-	-	1,083	-	-	17,678	-	-	-	18,761
GVWD - cost of water	-	-	-	-	25,821	-	-	-	-	25,821
Depreciation/loss on disposals	7,875	1,902	30,375	-	4,363	2,523	2	11,317	3,437	61,794
	<b>46,460</b>	<b>85,119</b>	<b>55,475</b>	<b>14,956</b>	<b>35,823</b>	<b>26,188</b>	<b>11,399</b>	<b>79,999</b>	<b>3,467</b>	<b>358,886</b>
	<b>(214,753)</b>	<b>82,490</b>	<b>47,718</b>	<b>9,447</b>	<b>(9,757)</b>	<b>(10,211)</b>	<b>(508)</b>	<b>53,876</b>	<b>(91,682)</b>	<b>(133,380)</b>

The City's segments are defined as follows:

(i) 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.

(ii) 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.

(iii) 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.

### (iv) 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.

### (v) 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.

### (vi) Other Funds

This segment represents the City's reserves.

## 16. 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:

	2014 Budget Amount
Revenue per financial plan bylaw	
Operating	(414,703,517)
Capital	(134,245,300)
Adjustments:	
Capital Reserves investment income	(24,962,625)
Gaming fund grant	(9,500,000)
Gain on sale of land	(1,000,000)
Transfer to/from other funds	146,165,006
Revenue per statement of operations	(438,246,436)
Expenditures per financial plan bylaw	
Operating	414,703,517
Capital	134,245,300
Adjustments:	
Transfer to/from other funds	(167,873,752)
Expenses per statement of operations	381,075,065
<b>Annual Surplus per statement of operations</b>	<b>(57,171,371)</b>

## 17. Comparative Figures

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

## Schedule 1

### CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

AS AT DECEMBER 31, 2014 (IN THOUSANDS OF DOLLARS)

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	1,104,656	4,664	(22)	(852)	1,108,446	-	-	-	-	1,108,446
Land Civic Use	424,325	14,303	(2,100)	1,269	437,797	-	-	-	-	437,797
Land Improvements	136,052	4,481	-	4,419	144,952	(57,027)	-	(4,431)	(61,458)	83,494
Buildings	251,771	7,761	-	15,213	274,745	(101,808)	-	(7,070)	(108,878)	165,867
Infrastructure - Drainage	191,778	1,558	(294)	3,835	196,877	(76,482)	92	(3,236)	(79,626)	117,251
Infrastructure - Roads	717,841	4,077	(509)	17,813	739,222	(438,134)	586	(23,805)	(461,353)	277,869
Infrastructure - Sewers	131,624	(3,733)	(405)	7,279	134,765	(60,741)	212	(2,203)	(62,732)	72,033
Infrastructure - Water	230,764	4,716	(425)	7,180	242,235	(65,545)	243	(4,386)	(69,688)	172,547
Vehicles & Mobile Equipment	55,635	2,524	(3,188)	417	55,388	(31,984)	3,004	(4,194)	(33,174)	22,214
Technology & Telephony	82,182	2,087	-	2,688	86,957	(38,844)	-	(7,173)	(46,017)	40,940
Furniture, Fixtures & Equipment	18,950	2,104	-	758	21,812	(11,281)	-	(2,365)	(13,646)	8,166
Leasehold Improvements	4,525	142	-	(1)	4,666	(351)	-	(235)	(586)	4,080
	3,350,103	44,684	(6,943)	60,018	3,447,862	(882,197)	4,137	(59,098)	(937,158)	2,510,704
Asset Under Construction	39,709	47,341	-	(60,321)	26,729	-	-	-	-	26,729
<b>Total</b>	<b>3,389,812</b>	<b>92,025</b>	<b>(6,943)</b>	<b>(303)</b>	<b>3,474,591</b>	<b>(882,197)</b>	<b>4,137</b>	<b>(59,098)</b>	<b>(937,158)</b>	<b>2,537,433</b>
Land Available for Resale	96,570	3,377	(1,286)	303	98,964	-	-	-	-	98,964

### CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

AS AT DECEMBER 31, 2013 (IN THOUSANDS OF DOLLARS)

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	1,086,919	18,161	(410)	(14)	1,104,656	-	-	-	-	1,104,656
Land Civic Use	419,765	4,621	(5)	(56)	424,325	-	-	-	-	424,325
Land Improvements	132,429	2,106	-	1,517	136,052	(52,814)	-	(4,213)	(57,027)	79,025
Buildings	205,977	11,557	(1,348)	35,585	251,771	(96,426)	938	(6,320)	(101,808)	149,963
Infrastructure - Drainage	183,838	6,936	(163)	1,167	191,778	(73,468)	43	(3,057)	(76,482)	115,296
Infrastructure - Roads	698,775	21,197	(3,882)	1,751	717,841	(418,658)	2,288	(21,764)	(438,134)	279,707
Infrastructure - Sewers	124,802	6,501	(423)	744	131,624	(58,779)	283	(2,245)	(60,741)	70,883
Infrastructure - Water	219,446	11,622	(591)	287	230,764	(61,745)	467	(4,267)	(65,545)	165,219
Vehicles & Mobile Equipment	53,201	3,487	(1,672)	619	55,635	(29,167)	1,546	(4,363)	(31,984)	23,651
Technology & Telephony	74,664	5,840	-	1,678	82,182	(31,519)	-	(7,325)	(38,844)	43,338
Furniture, Fixtures & Equipment	16,581	1,828	-	541	18,950	(8,937)	-	(2,344)	(11,281)	7,669
Leasehold Improvements	528	630	-	3,367	4,525	(323)	-	(28)	(351)	4,174
	3,216,925	94,486	(8,494)	47,186	3,350,103	(831,836)	5,565	(55,926)	(882,197)	2,467,906
Asset Under Construction	64,464	22,634	-	(47,389)	39,709	-	-	-	-	39,709
<b>Total</b>	<b>3,281,389</b>	<b>117,120</b>	<b>(8,494)</b>	<b>(203)</b>	<b>3,389,812</b>	<b>(831,836)</b>	<b>5,565</b>	<b>(55,926)</b>	<b>(882,197)</b>	<b>2,507,615</b>
Land Available for Resale	90,273	6,724	(630)	203	96,570	-	-	-	-	96,570