



## 2013 Financial Statements Governance & Priorities Committee- April 24, 2014



# Overview

- 2013 Financial Statement Highlights
- Auditors Report



# 2013 Financial Statements

- Section 167 of the Community Charter requires annual financial statements to be presented to Council for its acceptance
- The statements have been prepared in compliance with the Community Charter and in accordance with Canadian Public Sector accounting standards for local governments as recommended by the Public Sector.
- A system of internal controls are maintained to provide reasonable assurance that assets are safeguarded, transactions are authorized and recorded in compliance with legislation.



# 2013 Financial Statements

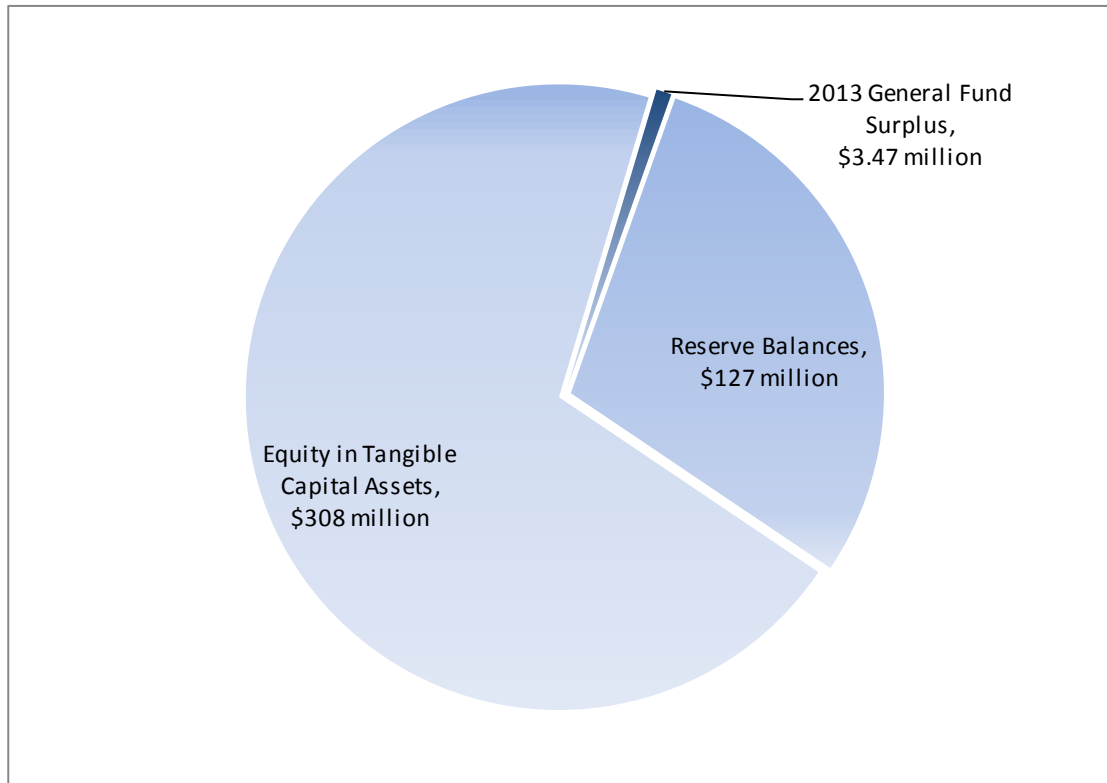
## **2013 Accumulated Surplus - \$436,208,269**

- Total 'economic resources' available to the City, as shown on Statement of Financial Position
- The accumulation of the City's annual increases in equity in capital assets and reserve balances since its inception - how much the City's assets exceeds liabilities
- Capital assets are the most significant portion of the accumulated surplus, followed by reserves, and operating surplus available for future funding



# 2013 Financial Statements

## 2013 Accumulated Surplus - \$436,208,269





# 2013 Financial Statements

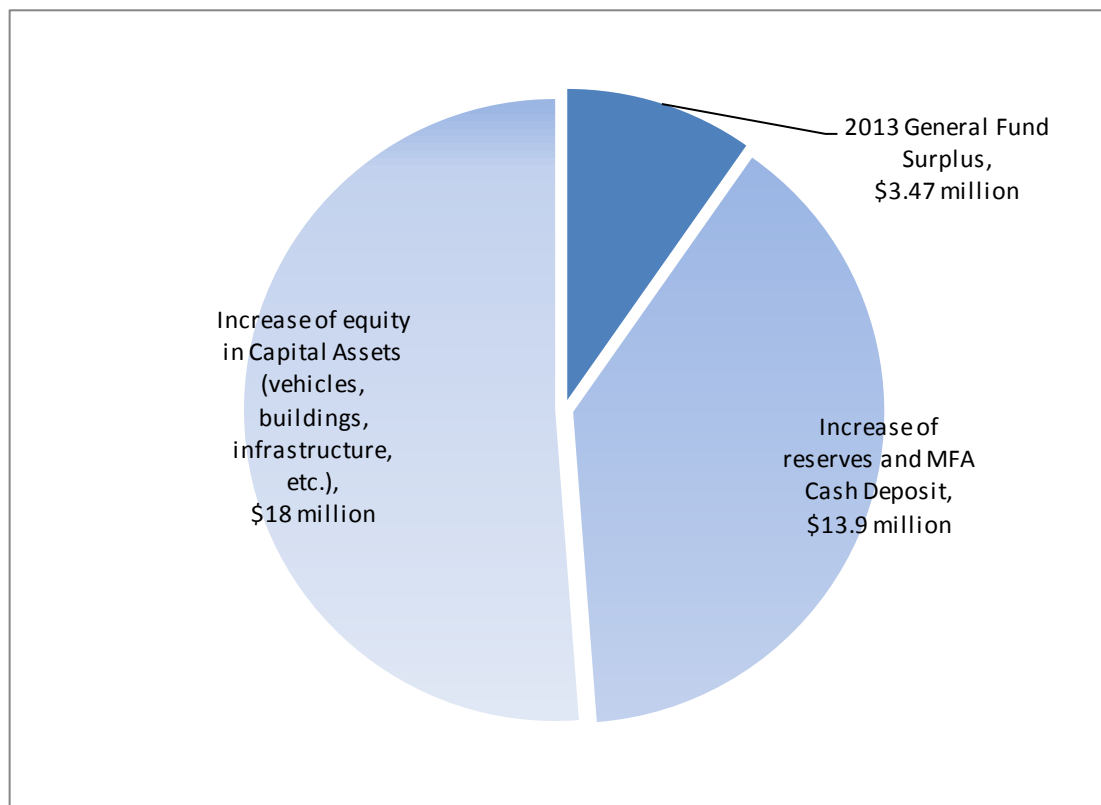
## **2013 Annual Surplus - \$35,614,534**

- ‘economic resources’ gained by the City during the year, as shown on Statement of Operations
- Primarily increased equity in Tangible Capital Assets and growth in Reserve balances
- \$3.474 million is the General fund surplus available for future spending
- Council decides annually on the use of the current year General fund surplus – incorporated into the following year’s budget



# 2013 Financial Statements

## 2013 Annual Surplus - \$35,614,539





# 2013 Financial Statements

## Reserves

- The City's reserves grew by \$13.9 million in 2013
- Transfers from reserves, to fund capital projects & programs, were \$8.6 million less than budget
  - funding is drawn down from reserves as capital projects are completed
  - fewer projects than planned were completed by Dec 31
  - some projects experienced schedule adjustments to begin at a later date





# 2013 Financial Statements

<b>Reserve Balances</b>	<b>Dec 31, 2012</b>	<b>Transfer To</b>	<b>Transfer From</b>	<b>Interest</b>	<b>Dec 31, 2013</b>
Financial Stability Reserves	3,227,324	100,000	(769,150)	40,341	2,598,515
Equipment & Infrastructure Replacement Fund	53,037,267	11,483,173	(12,518,372)	662,965	52,665,033
Gas Tax	5,137,696	2,146,764	(911,683)	64,221	6,436,998
Economic development	725,378	-	-	9,067	734,445
Debt Reduction	13,335,722	7,752,593	-	166,697	21,255,012
Self Insurance	3,687,282	-	-	46,091	3,733,373
Working Capital Fund	3,789,711	-	-	47,371	3,837,082
Tax Sale Lands Fund	10,326,723	111,481	(903,646)	129,084	9,663,642
Parks and Greenways Acquisition Fund	2,241,446	-	-	28,018	2,269,464
Local Amenities	100,784	-	-	1,260	102,044
Affordable Housing	2,051,341	250,000	(430,000)	25,643	1,896,984
Climate Action	253,415	124,367	-	3,168	380,950
Water Utility	1,844,385	3,033,533	-	23,055	4,900,973
Sewer Utility	13,434,671	2,801,083	-	167,933	16,403,687
Tree conservation	306,403	29,640	-	3,830	339,873
Art in public places	234,205	135,000	(70,569)	2,928	301,564
Downtown Core Area Public Realm Improvements	-	57,373	-	-	57,373
Heritage Building Seismic Upgrades	-	19,124	-	-	19,124
<b>TOTAL RESERVES</b>	<b>113,733,753</b>	<b>28,044,132</b>	<b>(15,603,420)</b>	<b>1,421,672</b>	<b>127,596,137</b>



# 2013 Financial Statements

<b>Development Cost Charges</b>	<b>Dec 31, 2012</b>	<b>Transfer To</b>	<b>Transfer From</b>	<b>Interest</b>	<b>Dec 31, 2013</b>
Water and Environment	890,418	-	-	11,130	901,547.71
Streets	19,508	-	-	244	19,751.56
Transportation	2,598,109	329,043	-	32,476	2,959,628.15
Water	248,914	37,057	-	3,111	289,081.57
Drainage	152,005	20,898	-	1,900	174,802.28
Sewage	851,617	165,222	-	10,645	1,027,484.01
Parkland Acquisition	1,429,198	215,269	-	17,865	1,662,332.48
Parkland Development	483,939	90,688	-	6,049	580,675.15
	6,673,707	858,176	-	83,420	7,615,303



# 2013 Financial Statements

## Capital Assets

- The City's inventory of capital assets increased by \$25.4 million
- Most significant increases resulted from:
  - \$8.9 million of roads infrastructure – construction of Johnson Street Bridge
  - \$8 million of water/sewer/storm drain infrastructure built
  - \$5.5 million of vehicle and equipment purchases
  - \$1.8 million of building infrastructure built – City Hall customer service/access improvement
- Net book value of capital assets is \$357,742,684 (historical cost less depreciation)



# 2013 Financial Statements

CAPITAL ASSETS (Historical Costs)	2013	2012
Land	\$136,693,575	\$135,784,270
Buildings	90,770,544	85,145,510
Furniture, Equip, Tech & Vehicles	58,088,624	50,884,754
Roads, Bridges and Highways	86,295,730	83,685,450
Water Infrastructure	53,077,355	51,259,470
Sewer Infrastructure	16,440,681	16,108,253
Drainage Infrastructure	12,436,445	12,078,440
Assets under Construction	34,846,843	28,301,636
Total Capital Assets	\$488,649,797	\$463,247,783
Accumulated Amortization	-130,907,113	-122,063,816
<b>TOTAL CAPITAL ASSETS (Net Book Value)</b>	<b>\$357,742,684</b>	<b>\$341,183,967</b>



# 2013 Financial Statements

## Debt

- The City's outstanding debt decreased by \$3.1 million
- No new debt issued in 2013
- Debt authorized but not issued: \$39 million
  - for Johnson Street Bridge construction



# 2013 Financial Statements

DEBT ISSUES (in millions)	EXPIRY DATE	2013
Issue 79, 80, 81 – Multipurpose Facility (Arena)	2033/34	24.42
Issue 85 – City Hall Seismic Upgrades	2019	1.32
Issue 95 – Upgrade Fire Halls	2020	0.68
Issue 102 – City Hall Upgrades & Burnside Gorge Community Centre	2022	3.01
Issue 105 – Crystal Gardens	2024	2.69
Issue 103/105/110 – Parkades Upgrades	2023 / 2023 / 2025	7.07
Issue 115 – Johnson Street Bridge	2023	9.5
<b>TOTAL DEBT</b>		<b>\$48.7 million</b>



# 2013 Financial Statements

## Investments

- Investment portfolio returned \$2.3 million
- Actual investment portfolio rate of return was 1.74%
  - 59% greater than the return of the MFA money market fund
  - 40% greater than the City's avg. bank account interest rate
- Portfolio governed by City's Investment Policy
  - Invest funds in a prudent manner
  - Highest returns within limits prescribed by Community Charter s.183



# 2013 Financial Statements

INVESTMENT PORTFOLIO	2013	2012
Investment Returns	\$2,313,072	\$2,218,046
Actual Rate of Return	1.74%	1.78%
MFA Money Market Return	1.09%	1.06%
Average Bank Interest Rate	1.25%	1.25%





# 2013 Financial Statements

- Revenues & expenses
  - Financial Statements presented in PSAB format
  - Budget comparison not effective in this format
  - Meaningful comparison of budget to actual provided in the following:
    - Appendix A – Operating Revenues & Expenses
    - Appendix B – Capital Expenditures



# 2013 Financial Statements

## **Recommendation:**

Council accept the 2013 Financial Statements.