

**Consolidated Financial Statements
of
CITY OF LANGLEY**

Year ended December 31, 2018

CITY OF LANGLEY

Consolidated Financial Statements

Year ended December 31, 2018

MANAGEMENT'S RESPONSIBILITY

The management of the City of Langley (the "City") is responsible for the preparation of the accompanying consolidated financial statements and the preparation and presentation of all information in the Financial Report. The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards and are considered by management to present fairly the financial position and operating results of the City. The City's accounting procedures and related systems of internal control are designed to provide reasonable assurance that its assets are safeguarded and its financial records are reliable.

City Council accepts the consolidated financial statements and meets with management to determine that management has fulfilled its obligation in the preparation of the consolidated financial statements.

The City's independent auditor, BDO Canada LLP, has examined the consolidated financial statements and their report outlines the scope of their examination and their opinion on the consolidated financial statements of the City of Langley.



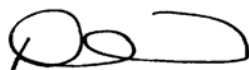
Darrin Leite, CPA, CA
Director of Corporate Services

CITY OF LANGLEY

Consolidated Statement of Financial Position at December 31, 2018 with comparative figures for 2017

	2018	2017
Financial Assets		
Cash & cash equivalents (Note 2)	\$ 22,159,086	\$ 26,018,285
Accounts receivable		
Taxes and utilities receivable	4,552,418	4,154,907
Receivables from other governments	2,168,321	5,463,690
Other receivables	2,090,225	1,499,807
Portfolio investments (Note 2)	42,098,460	27,098,165
	<u>73,068,510</u>	<u>64,234,854</u>
Liabilities		
Prepaid property taxes	4,323,597	4,251,021
Accounts payable and accrued liabilities	10,862,338	9,656,461
Employee future benefits (Note 3)	347,452	329,100
Deferred revenue	1,336,900	1,157,831
Deferred development cost charges (Note 4)	17,579,002	13,835,199
	<u>34,449,289</u>	<u>29,229,612</u>
Net Financial Assets	<u>38,619,221</u>	<u>35,005,242</u>
Non-Financial Assets		
Prepaid expenses	107,632	93,142
Supplies inventory	122,873	120,353
Tangible capital assets (Schedule 4)	257,942,522	250,317,972
	<u>258,173,027</u>	<u>250,531,467</u>
Accumulated Surplus (Note 5)	<u>\$ 296,792,248</u>	<u>\$ 285,536,709</u>

See accompanying notes to consolidated financial statements.



Darrin Leite, CPA, CA
Director of Corporate Services



Val van den Broek
Mayor

CITY OF LANGLEY

Consolidated Statement of Operations

Year ended December 31, 2018 with comparative figures for 2017

	2018 Financial Plan	2018	2017
	(Note 13)		
Revenues (Schedules 2 & 3)			
Property tax revenue (Note 6)	\$ 27,661,540	\$ 27,504,153	\$ 26,152,151
User fees and other revenue	11,756,070	15,772,694	12,601,039
Gaming proceeds	6,800,000	7,752,596	7,577,431
Government transfers (Note 7)	1,754,190	1,953,717	7,573,037
Investment earnings	607,350	1,186,465	783,277
Use of development cost charges (Note 4)	1,098,900	797,718	782,621
Gain (loss) on disposal of tangible capital assets	-	420,894	(84,421)
Contributed tangible capital assets	-	1,117,743	253,717
	49,678,050	56,505,980	55,638,852
Expenses (Schedules 2 & 3)			
General government services	5,215,095	5,126,883	4,684,312
Police service	12,343,840	12,004,352	11,112,031
Fire service	4,822,775	4,436,465	4,448,691
Other protective services	826,425	798,060	765,810
Engineering operations	6,293,735	5,820,568	5,852,316
Water utility	3,961,085	3,988,915	3,865,341
Sewer and drainage utility	3,535,945	3,710,405	3,348,534
Development services	1,461,295	1,159,947	1,161,110
Solid waste	657,410	655,515	631,752
Recreation services	4,877,935	4,784,063	4,765,358
Parks	2,540,965	2,765,268	2,288,464
	46,536,505	45,250,441	42,923,719
Annual Surplus	3,141,545	11,255,539	12,715,133
Accumulated Surplus - beginning of year	285,536,709	285,536,709	272,821,576
Accumulated Surplus - end of year (Note 5)	\$ 288,678,254	\$ 296,792,248	\$ 285,536,709

See accompanying notes to consolidated financial statements.

CITY OF LANGLEY

Consolidated Statement of Change in Net Financial Assets

Year ended December 31, 2018 with comparative figures for 2017

	2018 Financial Plan	2018	2017
	(Note 13)		
Annual Surplus	\$ 3,141,545	\$ 11,255,539	\$ 12,715,133
Change in Capital Assets			
Acquisition of tangible capital assets	(9,970,270)	(12,373,678)	(15,757,321)
Contributed tangible capital assets	-	(1,117,743)	(253,717)
Amortization	5,278,040	5,657,083	5,320,689
Proceeds from sale of tangible capital assets	-	630,682	51,800
(Gain) loss on disposal of tangible capital assets	-	(420,894)	84,421
	(4,692,230)	(7,624,550)	(10,554,128)
Change in Other Non Financial assets			
(Increase) decrease in prepaid expenses	-	(14,490)	24,233
(Increase) decrease in supplies inventory	-	(2,520)	(13,021)
	-	(17,010)	11,212
Increase (Decrease) in Financial Assets	(1,550,685)	3,613,979	2,172,217
Net Financial Assets - beginning of year	35,005,242	35,005,242	32,833,025
Net Financial Assets - end of year	\$ 33,454,557	\$ 38,619,221	\$ 35,005,242

See accompanying notes to consolidated financial statements.

CITY OF LANGLEY

Consolidated Statement of Cash Flows

Year ended December 31, 2018 with comparative figures for 2017

	2018	2017
Cash Provided By (Used For)		
Operating Transactions		
Annual surplus	\$ 11,255,539	\$ 12,715,133
Items not involving cash:		
Development cost charge revenue recognized	(797,718)	(782,621)
Amortization	5,657,083	5,320,689
Amortization of investment premiums and discounts	(1,648)	(1,835)
Contributed tangible capital assets	(1,117,743)	(253,717)
(Gain) loss on disposal of tangible capital assets	(420,894)	84,421
Changes in non-cash working capital:		
Accounts receivable	2,307,440	(2,348,697)
Prepaid property taxes	72,576	14,430
Accounts payable and accrued liabilities	1,224,229	334,376
Prepaid expenses	(14,490)	24,233
Supplies inventory	(2,520)	(13,021)
Deferred revenue	179,069	118,945
	<u>18,340,923</u>	<u>15,212,336</u>
Capital Transactions		
Cash used to acquire tangible capital assets	(12,373,678)	(15,757,321)
Proceeds from sale of tangible capital assets	630,682	51,800
	<u>(11,742,996)</u>	<u>(15,705,521)</u>
Financing Transactions		
Receipt of deferred development cost charges and interest earned	4,541,521	3,295,849
Investing Transactions		
Purchase of investments	(52,100,000)	(25,101,353)
Redemption of investments	37,101,353	23,141,397
	<u>(14,998,647)</u>	<u>(1,959,956)</u>
(Decrease) Increase in Cash and Cash Equivalents	<u>(3,859,199)</u>	<u>842,708</u>
Balance - beginning of year	26,018,285	25,175,577
Balance - end of year	<u>\$ 22,159,086</u>	<u>\$ 26,018,285</u>

See accompanying notes to consolidated financial statements.

CITY OF LANGLEY

Notes to the Consolidated Financial Statements

Year ended December 31, 2018 with comparative figures for 2017

1. Significant accounting policies:

The City of Langley (the "City") is a municipality in the province of British Columbia and operates under the provisions of the Community Charter. The City provides municipal services such as policing, fire protection, public works, planning, parks, recreation and other general government services.

(A) Reporting Entity and Basis of Consolidation:

These financial statements have been prepared in accordance with Canadian public sector accounting standards using guidelines developed by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. They consolidate the activities of all the funds of the City and the City's wholly-owned subsidiary Langley City Development Corporation.

(B) Basis of Accounting:

The City follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. 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.

(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.

(D) Tangible Capital Assets:

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation and installation costs, design and engineering fees, legal fees and site preparation costs. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset, commencing once the asset is put into use. Assets under construction are not amortized. Contributed tangible capital assets are recorded at fair value at the time of contribution and are also recorded as revenue.

Estimated useful lives of tangible capital assets are as follows:

Land Improvements	10 to 30 years
Buildings	10 to 50 years
Vehicles	10 to 20 years
Furniture & Equipment	3 to 20 years
Transportation Infrastructure	10 to 100 years
Sewer & Drainage Infrastructure	10 to 80 years
Water Infrastructure	20 to 80 years

(E) Revenue Recognition:

Property tax revenue

Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. Annual levies for non-optional municipal services and general administrative services are recorded as property tax revenue in the year they are levied. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts. Levies imposed by other taxing authorities are not included as property tax revenue.

Through the British Columbia Assessment's appeal process, taxes may be adjusted by way of supplementary roll adjustments. The effects of these adjustments on taxes are recognized at the time they are awarded.

User fees and other revenue

Charges for licences and permits, solid waste fees, and sewer and water usage are recorded as user fees and other revenue as services are utilized and revenue is earned.

CITY OF LANGLEY

Notes to the Consolidated Financial Statements

Year ended December 31, 2018 with comparative figures for 2017

Gaming proceeds

Gaming proceeds, a specific type of government transfer, are recognized in the period in which they are earned.

Government transfers

Government transfers, which include legislative grants, are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Investment earnings

Investment income is recorded on the accrual basis and recognized when earned.

Development cost charges

Developers are required to pay funds to offset the cost of required infrastructure development. The amounts are recognized as a liability and accrue interest until spent on the required infrastructure. When qualifying expenditures are incurred, Development cost charges are recognized as revenue as an offsetting funding source.

Contributed tangible capital assets

Developers are required to provide subdivision infrastructure such as streets, lighting, sidewalks, and drainage etc. Upon completion, these assets are turned over to the City and recognized at the estimated fair market value.

(F) Use of Estimates/Measurement Uncertainty:

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Significant areas requiring use of management estimates relate to the determination of employee future benefit liabilities, provisions for litigation and claims, collectibility of accounts receivable and the useful lives of tangible capital assets. Actual results could differ from those estimates.

(G) Basis of Segmentation (Schedule 2 & 3):

Municipal services have been segmented by grouping services that have similar objectives (by function). Revenues that are directly related to the costs of the function have been attributed to each segment.

(H) Contaminated Sites:

Governments are required to accrue a liability for the costs to remediate a contaminated site. Liabilities are recognized when an environmental standard exists, contamination exceeds the standard, the government has responsibility for remediation, future economic benefits will be given up and a reasonable estimate can be made.

Management has assessed its potential liabilities under the new standard, including sites that are no longer in productive use and sites for which the City accepts responsibility. There are no such sites that had contamination in excess of an environmental standard requiring remediation at this time. Therefore, no liability was recognized as at December 31, 2018 or December 31, 2017.

CITY OF LANGLEY

Notes to the Consolidated Financial Statements

Year ended December 31, 2018 with comparative figures for 2017

2. Cash, cash equivalents and portfolio investments:

	2018	2017
Deferred development cost charges	\$ 16,614,332	\$ 13,040,627
Statutory reserves	8,964,086	6,910,642
Non-statutory reserves	25,959,140	24,468,663
Operating funds	12,719,988	8,696,518
	<u>\$ 64,257,546</u>	<u>\$ 53,116,450</u>
Cash and cash equivalents	\$ 22,159,086	\$ 26,018,285
Portfolio investments	42,098,460	27,098,165
	<u>\$ 64,257,546</u>	<u>\$ 53,116,450</u>

Cash and cash equivalents includes funds held in bank accounts at TD Canada Trust earning interest of prime rate less 1.65% (2017 - prime rate less 1.65%).

Portfolio investments, which include banker's acceptances and term deposits, have effective interest rates between 1.80% and 3.20% (2017 - 1.40% and 3.08%) with varying maturity dates up to 72 months. The market value of the investments as at December 31, 2018 was \$42,108,376 (2017 - \$27,129,910). Portfolio investments are recorded at amortized cost. Investments are written down to net realizable value when there has been a decline other than a temporary one.

3. Employee future benefits:

The City provides employee future benefits in the form of non-vested sick leave to qualifying employees. These benefits are accrued as earned and paid when taken by employees.

Employee sick leave is credited annually at 18 days per full year of service. Unused days are banked to a maximum of 120 days. The City does not pay out the value of the cumulative sick plan bank at retirement or termination of employment; however, the City could experience usage of these banks in periods leading up to retirement, resulting in a non-vested liability.

An actuarial evaluation of these benefits was performed to determine the City's estimated liability and accrued benefit obligation as at December 31, 2015 and is projected to December 31, 2018. Actuarial losses are amortized over the estimated average remaining service life of employees. The next valuation will be as at December 31, 2018, with results available in 2019.

The employee future benefit liability at December 31, 2018 was \$347,452 (2017 - \$329,100), comprised as follows:

	2018	2017
Benefit liability - beginning of year	\$ 329,100	\$ 317,848
Current service cost	35,400	34,500
Interest cost	13,000	12,900
Benefits paid	(42,400)	(48,500)
Amortization of actuarial loss	12,352	12,352
Benefit liability - end of year	<u>\$ 347,452</u>	<u>\$ 329,100</u>
Accrued benefit obligation - end of year	\$ 426,500	\$ 420,500
Unamortized actuarial loss	(79,048)	(91,400)
Benefit liability - end of year	<u>\$ 347,452</u>	<u>\$ 329,100</u>

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

	2018	2017
Discount rate	3.00%	3.00%
Expected future inflation rate	2.50%	2.50%
Merit and inflationary earnings increases	2.58-4.63%	2.58-4.63%
Estimated average remaining service life	10.4	10.4

CITY OF LANGLEY

Notes to the Consolidated Financial Statements

Year ended December 31, 2018 with comparative figures for 2017

4. Deferred development cost charges:

	Balance at Dec. 31, 2017	Contributions Received	Interest Earned	Use of Development Cost Charges	Balance at Dec. 31, 2018
Drainage	\$ 2,950,163	\$ 514,059	\$ 69,117	\$ (123,750)	\$ 3,409,589
Public Open Spaces	4,616,002	188,125	98,486	(472,986)	4,429,627
Roads	2,770,621	1,692,391	77,874	(180,661)	4,360,225
Sewer	2,336,343	1,397,586	66,133	(20,321)	3,779,741
Water	1,162,070	408,142	29,608	-	1,599,820
	<u>\$13,835,199</u>	<u>\$ 4,200,303</u>	<u>\$ 341,218</u>	<u>\$ (797,718)</u>	<u>\$ 17,579,002</u>

5. Accumulated surplus:

Accumulated surplus is comprised of operating surpluses and equity in tangible capital assets held in the general, sewer and water funds as well as reserves. Accumulated surplus is distributed as follows:

	2018	2017
Operating surplus		
General	\$ 1,375,798	\$ 1,293,587
Sewer & Drainage	1,147,115	1,142,801
Water	1,403,587	1,403,044
	<u>3,926,500</u>	<u>3,839,432</u>
Equity in tangible capital assets		
General	204,063,676	199,182,592
Sewer & Drainage	30,846,489	28,438,803
Water	23,032,357	22,696,577
	<u>257,942,522</u>	<u>250,317,972</u>
Reserves (Schedule 1)		
Statutory reserves	8,964,086	6,910,642
Non-statutory reserves	25,959,140	24,468,663
	<u>34,923,226</u>	<u>31,379,305</u>
	<u>\$ 296,792,248</u>	<u>\$ 285,536,709</u>

6. Property tax revenue:

In addition to its own tax levies, the City is required to levy taxes on behalf of various other taxing authorities. These include the provincial government for local school taxes, and organizations providing regional services in which the Municipality has become a member. Total tax levies were comprised as follows:

	2018 Financial Plan	2018	2017
City tax levies	\$ 27,113,085	\$ 26,952,217	\$ 25,611,686
Grants in lieu of taxes	548,455	551,936	540,465
	<u>27,661,540</u>	<u>27,504,153</u>	<u>26,152,151</u>
Levies for other organizations			
School taxes		14,308,048	13,709,858
TransLink		2,872,013	2,699,413
British Columbia Assessment Authority		440,504	409,960
Metro Vancouver		473,148	371,313
Downtown Langley Merchants Assoc.		443,237	422,130
Municipal Finance Authority		1,991	1,684
Total collections for others		<u>18,538,941</u>	<u>17,614,358</u>
		<u>\$ 46,043,094</u>	<u>\$ 43,766,509</u>

CITY OF LANGLEY

Notes to the Consolidated Financial Statements

Year ended December 31, 2018 with comparative figures for 2017

7. Government transfers:

	2018 Financial Plan	2018	2017
Federal Government			
Community works fund	\$ 127,680	\$ 133,883	\$ 128,660
	127,680	133,883	128,660
Provincial Government			
Hotel tax revenue	165,000	171,404	163,646
Carbon tax revenue sharing	20,500	20,498	20,512
Traffic fine revenue sharing	475,000	452,388	472,123
Infrastructure funding	-	108,649	5,375,983
	660,500	752,939	6,032,264
Municipalities and Regional Authorities			
Police capital adjustment	33,880	40,227	33,881
Langley Youth & Family Services	358,635	356,090	329,677
Emergency preparedness	36,495	20,682	26,176
Major road network	537,000	641,000	537,000
Infrastructure funding	-	8,896	485,379
	966,010	1,066,895	1,412,113
	\$ 1,754,190	\$ 1,953,717	\$ 7,573,037

8. Trust funds:

The City has excluded the following trust funds and associated cash and accounts receivable from the Consolidated Statement of Financial Position and related interest earnings and transactions from the Consolidated Statement of Operations:

	2018	2017
Langley Christmas Bureau	\$ 280,265	\$ 261,471
Refundable deposits	14,278,015	8,937,161
Road bond reserve	41,350	41,350
GVS & DD development cost charges	100,265	64,920
	\$ 14,699,895	\$ 9,304,902

These funds were received from the public for specific purposes or are deposited by developers and held by the City until all aspects for the development permit have been fulfilled.

9. Expenditures and expenses by object (Schedules 2 & 3):

	2018			2017
	Operations	Capital	Total	Total
Salaries & benefits	\$ 13,294,321	\$ 272,527	\$ 13,566,848	\$ 13,580,592
Goods and services	26,299,037	12,101,151	38,400,188	39,779,759
Contributed tangible capital assets	-	1,117,743	1,117,743	253,717
Total expenditures	39,593,358	13,491,421	53,084,779	53,614,068
Amortization	5,657,083	-	5,657,083	5,320,689
Total expenditures & expenses	\$ 45,250,441	\$ 13,491,421	\$ 58,741,862	\$ 58,934,757

11. Municipal pension plan:

The employer and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2017, the plan has about 197,000 active members and approximately 95,000 retired members. Active members include approximately 39,000 contributors from local governments.

CITY OF LANGLEY

Notes to the Consolidated Financial Statements

Year ended December 31, 2018 with comparative figures for 2017

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent valuation for the Municipal Pension Plan as at December 31, 2015, indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1,927 million was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rates remained unchanged.

The City of Langley paid \$1,038,327 (2017 - \$1,037,870) for employer contributions while employees contributed \$846,894 (2017 - \$817,705) to the plan in fiscal 2018.

The next valuation will be as at December 31, 2018, with results available in 2019.

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, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

12. Contingent liabilities:

A number of legal claims have been initiated against the City in varying and unspecified amounts. The outcome of these claims cannot reasonably be determined at this time.

CITY OF LANGLEY

Notes to the Consolidated Financial Statements

Year ended December 31, 2018 with comparative figures for 2017

13. Financial plan:

The financial plan reported on the Consolidated Statement of Operations represents the Financial Plan and Capital Improvement Plan bylaw adopted by City Council on February 19, 2018 and does not reflect any amendments approved after the original adoption.

The following reconciles the balanced statutory financial plan and the financial plan surplus reported on the Consolidated Statement of Operations.

	Financial Plan
Surplus as per Financial Plan Bylaw No. 3051	\$ -
Capital asset additions	9,970,270
Transfer to non-statutory reserves	8,680,745
Transfer to statutory reserves	1,569,970
Amortization expense	(5,278,040)
Transfer from non-statutory reserves	(9,254,735)
Transfer from statutory reserves	(2,391,665)
Transfer from surplus	(155,000)
Financial Plan Surplus as per Consolidated Statement of Operations	<u><u>\$ 3,141,545</u></u>

CITY OF LANGLEY

Notes to the Consolidated Financial Statements

Year ended December 31, 2018 with comparative figures for 2017

14. Contractual rights:

(A) Developer contributions:

The City has entered into a number of public works development agreements which require the developers to contribute various infrastructure assets to the City, including roads and underground utilities. The timing and extent of these future contributions vary depending on development activity and fair value of the assets received at time of contribution, which cannot be determined with certainty at this time.

(B) Gaming proceeds:

The City has a Host Financial Assistance Agreement with the Province of BC where the Province has agreed that 10% of the net gaming income from the Cascades Casino will be paid the City of Langley, as financial assistance, for any purpose that would be of public benefit to the city. In 2018, the City recognized \$7,752,596 in revenues from the Province. Future revenues are anticipated to be approximately \$7.2 million per year but are dependant on the amount of gaming that occurs at the casino in any given year.

CITY OF LANGLEY

Schedule 1

Consolidated Schedule of Statutory and Non-statutory Reserves

Year ended December 31, 2018

Statutory Reserves	Balance at Dec. 31, 2017	Developer Contributions	Internal Transfer Additions	Interest	Internal Transfer Expenditures	Operational Expenditures	Capital Asset Additions	Balance at Dec. 31, 2018
Capital Works	\$ 3,937,766	\$ -	\$ 4,545,139	\$ 88,146	\$ (1,000,000)	\$ (517,530)	\$ (1,011,366)	\$ 6,042,155
Equipment Replacement-Fire Dept.	885,580	-	64,982	18,061	-	-	(272,626)	695,997
Lane Development	259,199	-	-	5,551	-	-	-	264,750
Machinery Replacement	1,334,303	-	467,243	30,119	-	-	(453,522)	1,378,143
Off-Street Parking	255,814	-	10,436	5,562	-	-	-	271,812
Office Equipment Replacement	14,714	-	46,500	654	-	(17,044)	(25,181)	19,643
Parks and Recreation	185,654	-	177,500	5,316	-	(83,936)	(31,366)	253,168
P&R Future Projects	37,612	-	-	806	-	-	-	38,418
Total	\$ 6,910,642	\$ -	\$ 5,311,800	\$ 154,215	\$ (1,000,000)	\$ (618,510)	\$ (1,794,061)	\$ 8,964,086

Non-statutory Reserves	Balance at Dec. 31, 2017	Developer Contributions	Internal Transfers Additions	Interest	Internal Transfer Expenditures	Operational Expenditures	Capital Asset Additions	Balance at Dec. 31, 2018
Community Works	\$ 5,742	\$ -	\$ 133,883	\$ 35	\$ -	\$ -	\$ (127,675)	\$ 11,985
Future Policing Costs	3,287,365	-	-	70,387	(99,663)	-	(143,815)	3,114,274
Gaming Proceeds	12,407,324	-	7,752,596	294,690	(675,040)	(452,686)	(7,066,580)	12,260,304
Major Road Network Rehab	1,077,100	-	399,818	23,090	-	-	-	1,500,008
Prosperity Fund	-	-	1,350,000	-	-	-	-	1,350,000
Sewer Future Capital	1,504,821	-	685,000	34,316	-	(166,449)	(1,149,114)	908,574
Sewer Insurance Claims	31,876	-	-	683	-	-	-	32,559
Special Bonds	4,546,921	436,800	-	98,309	-	-	(259,472)	4,822,558
Tax Stabilization	339,818	-	-	7,277	-	-	-	347,095
Water Future Capital	1,267,696	-	880,000	31,902	-	(92,586)	(475,229)	1,611,783
Total	\$ 24,468,663	\$ 436,800	\$ 11,201,297	\$ 560,689	\$ (774,703)	\$ (711,721)	\$ (9,221,885)	\$ 25,959,140

CITY OF LANGLEY

Schedule 2

Consolidated Report of Segmented Revenues and Expenses

Year ended December 31, 2018

	2018 Financial Plan	General government	Police service	Fire service	Other protective services	Engineering operations	Water utility	Sewer & drainage utility	Development services	Solid waste	Recreation services	Parks	2018
	Note 13												
Revenue													
Property tax revenue	\$ 27,661,540	\$ 27,504,153	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,504,153
User fees and other revenue	11,756,070	2,895,844	1,625	1,263	38,094	512,915	5,023,167	4,085,835	2,021,028	663,101	98,331	431,491	15,772,694
Gaming proceeds	6,800,000	7,314,631	-	-	-	-	-	-	-	-	357,965	80,000	7,752,596
Government transfers	1,754,190	123,883	492,615	2,600	376,772	745,945	20,000	-	191,902	-	-	-	1,953,717
Investment earnings	607,350	1,186,465	-	-	-	-	-	-	-	-	-	-	1,186,465
Use of development cost charges	1,098,900	-	-	-	-	180,661	-	144,071	-	-	-	472,986	797,718
Gain (loss) on disposal of capital assets	-	-	-	(31,418)	-	475,071	(12,954)	-	-	-	-	(9,805)	420,894
Contributed infrastructure	-	-	-	-	-	699,719	126,299	291,725	-	-	-	-	1,117,743
Total Revenue	49,678,050	39,024,976	494,240	(27,555)	414,866	2,614,311	5,156,512	4,521,631	2,212,930	663,101	456,296	974,672	56,505,980
Expenses													
Operating													
Salaries & benefits	14,338,370	2,865,098	6,650	3,567,145	108,548	1,605,381	526,454	380,121	804,824	15,712	2,244,948	1,169,440	13,294,321
Goods and services	26,920,095	1,654,606	11,914,980	575,173	689,512	2,015,757	3,026,641	2,724,758	326,534	639,803	1,736,979	994,294	26,299,037
	41,258,465	4,519,704	11,921,630	4,142,318	798,060	3,621,138	3,553,095	3,104,879	1,131,358	655,515	3,981,927	2,163,734	39,593,358
Amortization	5,278,040	607,179	82,722	294,147	-	2,199,430	435,820	605,526	28,589	-	802,136	601,534	5,657,083
Total Expenses	46,536,505	5,126,883	12,004,352	4,436,465	798,060	5,820,568	3,988,915	3,710,405	1,159,947	655,515	4,784,063	2,765,268	45,250,441
Excess (Deficiency) of Revenue Over Expenses	\$ 3,141,545	\$ 33,898,093	\$ (11,510,112)	\$ (4,464,020)	\$ (383,194)	\$ (3,206,257)	\$ 1,167,597	\$ 811,226	\$ 1,052,983	\$ 7,586	\$ (4,327,767)	\$ (1,790,596)	\$ 11,255,539

CITY OF LANGLEY

Schedule 3

Consolidated Report of Segmented Revenues and Expenses

Year ended December 31, 2017

	2017 Financial Plan	General government	Police service	Fire service	Other protective services	Engineering operations	Water utility	Sewer & drainage utility	Development services	Solid waste	Recreation services	Parks	2017
Revenue													
Property tax revenue	\$26,240,955	\$26,152,151	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$26,152,151
User fees and other revenue	11,116,135	1,139,049	3,875	2,440	71,159	336,079	4,684,300	3,804,983	1,674,151	627,210	115,007	142,786	12,601,039
Gaming proceeds	6,400,000	7,227,938	-	-	-	-	-	-	-	-	299,493	50,000	7,577,431
Government transfers	7,226,355	148,660	506,004	-	335,853	5,043,132	656,000	699,230	184,158	-	-	-	7,573,037
Investment earnings	338,500	783,277	-	-	-	-	-	-	-	-	-	-	783,277
Use of development cost charges	1,440,565	-	-	-	-	33,134	-	31,109	-	-	-	718,378	782,621
Gain (loss) on disposal of capital assets	-	(950)	-	-	-	(45,177)	(2,525)	(35,769)	-	-	-	-	(84,421)
Contributed infrastructure	-	-	-	-	-	161,756	52,174	39,787	-	-	-	-	253,717
Total Revenue	52,762,510	35,450,125	509,879	2,440	407,012	5,528,924	5,389,949	4,539,340	1,858,309	627,210	414,500	911,164	55,638,852
Expenses													
Operating													
Salaries & benefits	13,103,265	2,778,156	4,556	3,666,523	118,812	1,696,546	503,036	372,083	811,326	17,929	2,202,620	1,078,249	13,249,836
Goods and services	28,572,380	1,315,728	11,024,721	518,944	646,998	1,998,411	2,962,250	2,410,282	323,876	613,823	1,778,797	759,364	24,353,194
	41,675,645	4,093,884	11,029,277	4,185,467	765,810	3,694,957	3,465,286	2,782,365	1,135,202	631,752	3,981,417	1,837,613	37,603,030
Amortization	4,750,000	590,428	82,754	263,224	-	2,157,359	400,055	566,169	25,908	-	783,941	450,851	5,320,689
Total Expenses	46,425,645	4,684,312	11,112,031	4,448,691	765,810	5,852,316	3,865,341	3,348,534	1,161,110	631,752	4,765,358	2,288,464	42,923,719
Excess (Deficiency) of Revenue Over Expenses	\$ 6,336,865	\$ 30,765,813	\$(10,602,152)	\$ (4,446,251)	\$ (358,798)	\$ (323,392)	\$ 1,524,608	\$ 1,190,806	\$ 697,199	\$ (4,542)	\$ (4,350,858)	\$ (1,377,300)	\$ 12,715,133

CITY OF LANGLEY

Schedule 4

Schedule of Tangible Capital Assets

Year ended December 31, 2018 with comparative figures for 2017

2018	Land	Land Improvements	Buildings	Vehicles	Furniture & Equipment	Transportation Infrastructure	Sewer & Drainage Infrastructure	Water Infrastructure	Total
Historical cost¹									
Opening cost	\$ 66,541,381	\$ 10,755,320	\$ 40,705,836	\$ 7,803,792	\$ 7,901,085	\$ 134,896,478	\$ 45,668,335	\$ 32,596,925	\$ 346,869,152
Additions	217,879	2,150,191	767,204	813,802	142,422	5,613,980	3,009,258	776,685	13,491,421
Disposals	(4,511)			(589,132)		(371,093)	(48,896)	(51,773)	(1,065,405)
	66,754,749	12,905,511	41,473,040	8,028,462	8,043,507	140,139,365	48,628,697	33,321,837	359,295,168
Accumulated amortization									
Opening balance	-	4,019,405	15,214,968	4,321,770	5,217,002	40,648,155	17,229,532	9,900,348	96,551,180
Amortization expense		436,228	1,507,355	396,252	364,194	1,923,531	601,572	427,951	5,657,083
Disposals				(511,612)		(256,290)	(48,896)	(38,819)	(855,617)
	-	4,455,633	16,722,323	4,206,410	5,581,196	42,315,396	17,782,208	10,289,480	101,352,646
Net book value	\$ 66,754,749	\$ 8,449,878	\$ 24,750,717	\$ 3,822,052	\$ 2,462,311	\$ 97,823,969	\$ 30,846,489	\$ 23,032,357	\$ 257,942,522

2017	Land	Land Improvements	Buildings	Vehicles	Furniture & Equipment	Transportation Infrastructure	Sewer & Drainage Infrastructure	Water Infrastructure	Total
Historical cost¹									
Opening cost	\$ 66,462,265	\$ 8,433,155	\$ 40,259,086	\$ 6,829,316	\$ 7,644,294	\$ 126,614,889	\$ 44,121,639	\$ 30,980,622	\$ 331,345,266
Additions	79,116	2,322,165	446,750	1,378,568	256,791	8,281,589	1,624,704	1,621,355	16,011,038
Disposals	-	-	-	(404,092)	-	-	(78,008)	(5,052)	(487,152)
	66,541,381	10,755,320	40,705,836	7,803,792	7,901,085	134,896,478	45,668,335	32,596,925	346,869,152
Accumulated amortization									
Opening balance	-	3,702,569	13,724,532	4,305,101	4,894,186	38,734,789	16,709,503	9,510,742	91,581,422
Amortization expense	-	316,836	1,490,436	322,835	322,816	1,913,366	562,267	392,133	5,320,689
Disposals	-	-	-	(306,166)	-	-	(42,238)	(2,527)	(350,931)
	-	4,019,405	15,214,968	4,321,770	5,217,002	40,648,155	17,229,532	9,900,348	96,551,180
Net book value	\$ 66,541,381	\$ 6,735,915	\$ 25,490,868	\$ 3,482,022	\$ 2,684,083	\$ 94,248,323	\$ 28,438,803	\$ 22,696,577	\$ 250,317,972

¹Included in historical cost are assets under construction with a total cost of \$44,739,249 (2017 - \$42,424,090). No amortization has been recorded on these assets as they are in progress and not complete at year-end.