

**Consolidated Financial Statements
of
CITY OF LANGLEY**

Year ended December 31, 2019

CITY OF LANGLEY
Consolidated Financial Statements
Year ended December 31, 2019

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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, 2019 with comparative figures for 2018

	2019	2018
Financial Assets		
Cash & cash equivalents (Note 2)	\$ 42,873,431	\$ 22,159,086
Accounts receivable		
Taxes and utilities receivable	4,347,989	4,552,418
Receivables from other governments	2,439,712	2,168,321
Other receivables	2,157,382	2,090,225
Portfolio investments (Note 2)	32,101,800	42,098,460
	<u>83,920,314</u>	<u>73,068,510</u>
Liabilities		
Prepaid property taxes	4,664,303	4,323,597
Accounts payable and accrued liabilities	10,242,246	10,862,338
Employee future benefits (Note 3)	363,046	347,452
Deferred revenue	2,130,958	1,336,900
Deferred development cost charges (Note 4)	20,901,408	17,579,002
	<u>38,301,961</u>	<u>34,449,289</u>
Net Financial Assets	<u>45,618,353</u>	<u>38,619,221</u>
Non-Financial Assets		
Prepaid expenses	159,777	107,632
Supplies inventory	151,058	122,873
Tangible capital assets (Schedule 4)	260,169,178	257,942,522
	<u>260,480,013</u>	<u>258,173,027</u>
Accumulated Surplus (Note 5)	<u>\$ 306,098,366</u>	<u>\$ 296,792,248</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, 2019 with comparative figures for 2018

	2019 Financial Plan	2019	2018
	(Note 12)		
Revenues (Schedules 2 & 3)			
Property tax revenue (Note 6)	\$ 29,767,135	\$ 29,601,511	\$ 27,504,153
User fees and other revenue	13,343,245	13,410,968	15,772,694
Gaming proceeds	7,200,000	7,490,986	7,752,596
Government transfers (Note 7)	1,855,440	2,205,532	1,953,717
Investment earnings	714,500	1,596,503	1,186,465
Use of development cost charges (Note 4)	757,350	1,043,567	797,718
Gain (loss) on disposal of tangible capital assets	-	(31,860)	420,894
Contributed tangible capital assets	-	1,341,637	1,117,743
	<u>53,637,670</u>	<u>56,658,844</u>	<u>56,505,980</u>
Expenses (Schedules 2 & 3)			
General government services	6,067,635	5,509,973	5,126,883
Police service	13,036,380	12,107,298	12,004,352
Fire service	5,460,645	4,907,545	4,436,465
Other protective services	853,365	805,174	798,060
Engineering operations	6,885,930	6,135,382	5,820,568
Water utility	4,456,145	4,116,255	3,988,915
Sewer and drainage utility	3,876,170	3,645,034	3,710,405
Development services	1,506,890	1,579,381	1,159,947
Solid waste	689,770	683,060	655,515
Recreation services	5,087,600	5,056,626	4,784,063
Parks	2,793,900	2,806,998	2,765,268
	<u>50,714,430</u>	<u>47,352,726</u>	<u>45,250,441</u>
Annual Surplus	<u>2,923,240</u>	<u>9,306,118</u>	<u>11,255,539</u>
Accumulated Surplus - beginning of year	296,792,248	296,792,248	285,536,709
Accumulated Surplus - end of year (Note 5)	<u>\$ 299,715,488</u>	<u>\$ 306,098,366</u>	<u>\$ 296,792,248</u>

See accompanying notes to consolidated financial statements.

CITY OF LANGLEY

Consolidated Statement of Change in Net Financial Assets Year ended December 31, 2019 with comparative figures for 2018

	2019 Financial Plan	2019	2018
	(Note 12)		
Annual Surplus	\$ 2,923,240	\$ 9,306,118	\$ 11,255,539
Change in Capital Assets			
Acquisition of tangible capital assets	(7,470,250)	(6,883,395)	(12,373,678)
Contributed tangible capital assets	-	(1,341,637)	(1,117,743)
Amortization	5,541,940	5,959,166	5,657,083
Proceeds from sale of tangible capital assets	-	7,350	630,682
(Gain) loss on disposal of tangible capital assets	-	31,860	(420,894)
	<u>(1,928,310)</u>	<u>(2,226,656)</u>	<u>(7,624,550)</u>
Change in Other Non Financial assets			
(Increase) decrease in prepaid expenses	-	(52,145)	(14,490)
(Increase) decrease in supplies inventory	-	(28,185)	(2,520)
	<u>-</u>	<u>(80,330)</u>	<u>(17,010)</u>
Increase in Financial Assets	<u>994,930</u>	<u>6,999,132</u>	<u>3,613,979</u>
Net Financial Assets - beginning of year	38,619,221	38,619,221	35,005,242
Net Financial Assets - end of year	<u>\$ 39,614,151</u>	<u>\$ 45,618,353</u>	<u>\$ 38,619,221</u>

See accompanying notes to consolidated financial statements.

CITY OF LANGLEY

Consolidated Statement of Cash Flows

Year ended December 31, 2019 with comparative figures for 2018

	2019	2018
Cash Provided By (Used For)		
Operating Transactions		
Annual surplus	\$ 9,306,118	\$ 11,255,539
Items not involving cash:		
Development cost charge revenue recognized	(1,043,567)	(797,718)
Amortization	5,959,166	5,657,083
Amortization of investment premiums and discounts	(1,540)	(1,648)
Contributed tangible capital assets	(1,341,637)	(1,117,743)
(Gain) loss on disposal of tangible capital assets	31,860	(420,894)
Changes in non-cash working capital:		
Accounts receivable	(134,119)	2,307,440
Prepaid property taxes	340,706	72,576
Accounts payable and accrued liabilities	(604,498)	1,224,229
Prepaid expenses	(52,145)	(14,490)
Supplies inventory	(28,185)	(2,520)
Deferred revenue	794,058	179,069
	<u>13,226,217</u>	<u>18,340,923</u>
Capital Transactions		
Cash used to acquire tangible capital assets	(6,883,395)	(12,373,678)
Proceeds from sale of tangible capital assets	7,350	630,682
	<u>(6,876,045)</u>	<u>(11,742,996)</u>
Financing Transactions		
Receipt of deferred development cost charges and interest earned	4,365,973	4,541,521
Investing Transactions		
Purchase of investments	(32,101,800)	(52,100,000)
Redemption of investments	42,100,000	37,101,353
	<u>9,998,200</u>	<u>(14,998,647)</u>
Increase (Decrease) in Cash and Cash Equivalents	<u>20,714,345</u>	<u>(3,859,199)</u>
Balance - beginning of year	22,159,086	26,018,285
Balance - end of year	<u>\$ 42,873,431</u>	<u>\$ 22,159,086</u>

See accompanying notes to consolidated financial statements.

CITY OF LANGLEY

Notes to the Consolidated Financial Statements

Year ended December 31, 2019 with comparative figures for 2018

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 inactive 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 the estimated 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	5 to 30 years
Buildings	10 to 50 years
Vehicles	7 to 20 years
Furniture & Equipment	3 to 20 years
Transportation Infrastructure	10 to 100 years
Sewer & Drainage Infrastructure	10 to 80 years
Water Infrastructure	12 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, 2019 with comparative figures for 2018

(E) Revenue Recognition (Continued):

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, 2019 or December 31, 2018.

CITY OF LANGLEY

Notes to the Consolidated Financial Statements

Year ended December 31, 2019 with comparative figures for 2018

2. Cash, cash equivalents and portfolio investments:

	2019	2018
Cash and cash equivalents	\$ 42,873,431	\$ 22,159,086
Portfolio investments	32,101,800	42,098,460
	<u>\$ 74,975,231</u>	<u>\$ 64,257,546</u>
Deferred development cost charges	\$ 19,826,761	\$ 16,614,332
Statutory reserves	10,039,764	8,964,086
Non-statutory reserves	31,942,541	25,959,140
Operating funds	13,166,165	12,719,988
	<u>\$ 74,975,231</u>	<u>\$ 64,257,546</u>

Cash and cash equivalents includes funds held in bank accounts at TD Canada Trust earning interest of prime rate less 1.65% (2018 - prime rate less 1.65%).

Portfolio investments, which include banker's acceptances and term deposits, have effective interest rates between 1.80% and 3.10% (2018 - 1.80% and 3.20%) with varying maturity dates up to 12 months. The market value of the investments as at December 31, 2019 was \$32,101,800 (2018 - \$42,108,376). 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, 2019. The valuation resulted in an unamortized actuarial loss as of December 31, 2019 of \$94,454 (2018 - \$79,048). Actuarial losses are amortized over the estimated average remaining service life of employees. The next valuation will be as at December 31, 2023.

The employee future benefit liability at December 31, 2019 was \$363,046 (2018 - \$347,452), comprised as follows:

	2019	2018
Benefit liability - beginning of year	\$ 347,452	\$ 329,100
Current service cost	36,225	35,400
Interest cost	13,217	13,000
Benefits paid	(44,228)	(42,400)
Amortization of actuarial loss	10,380	12,352
Benefit liability - end of year	<u>\$ 363,046</u>	<u>\$ 347,452</u>
Accrued benefit obligation - end of year	\$ 457,500	\$ 426,500
Unamortized actuarial loss	(94,454)	(79,048)
Benefit liability - end of year	<u>\$ 363,046</u>	<u>\$ 347,452</u>

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

	2019	2018
Discount rate	2.70%	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	10.1	10.4

CITY OF LANGLEY

Notes to the Consolidated Financial Statements

Year ended December 31, 2019 with comparative figures for 2018

4. Deferred development cost charges:

	Balance at Dec. 31, 2018	Contributions Received	Interest Earned	Use of Development Cost Charges	Balance at Dec. 31, 2019
Drainage	\$ 3,409,589	\$ 439,544	\$ 93,869	\$ -	\$ 3,943,002
Public Open Spaces	4,429,627	231,363	112,374	(569,169)	4,204,195
Roads	4,360,225	1,547,001	133,104	(180,201)	5,860,129
Sewer	3,779,741	1,277,603	114,272	(91,132)	5,080,484
Water	1,599,820	373,028	43,815	(203,065)	1,813,598
	<u>\$17,579,002</u>	<u>\$ 3,868,539</u>	<u>\$ 497,434</u>	<u>\$ (1,043,567)</u>	<u>\$ 20,901,408</u>

5. Accumulated surplus:

Accumulated surplus is distributed as follows:

	2019	2018
Operating surplus		
General	\$ 1,384,614	\$ 1,375,798
Sewer & Drainage	1,151,222	1,147,115
Water	1,411,047	1,403,587
	<u>3,946,883</u>	<u>3,926,500</u>
Equity in tangible capital assets		
General	205,236,567	204,063,676
Sewer & Drainage	31,522,691	30,846,489
Water	23,409,920	23,032,357
	<u>260,169,178</u>	<u>257,942,522</u>
Reserves (Schedule 1)		
Statutory reserves	10,039,764	8,964,086
Non-statutory reserves	31,942,541	25,959,140
	<u>41,982,305</u>	<u>34,923,226</u>
	<u>\$ 306,098,366</u>	<u>\$ 296,792,248</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:

	2019 Financial Plan	2019	2018
City property taxes	\$ 29,191,145	\$ 29,026,233	\$ 26,952,217
Grants in lieu of taxes	575,990	575,278	551,936
	<u>29,767,135</u>	<u>29,601,511</u>	<u>27,504,153</u>
Levies for other organizations			
School taxes		15,264,836	14,308,048
TransLink		3,161,991	2,872,013
British Columbia Assessment Authority		467,974	440,504
Metro Vancouver		461,938	473,148
Downtown Langley Merchants Assoc.		465,398	443,237
Municipal Finance Authority		2,311	1,991
Total collections for others		<u>19,824,448</u>	<u>18,538,941</u>
		<u>\$ 49,425,959</u>	<u>\$ 46,043,094</u>

CITY OF LANGLEY

Notes to the Consolidated Financial Statements

Year ended December 31, 2019 with comparative figures for 2018

7. Government transfers:

	2019 Financial Plan	2019	2018
Federal Government			
Community works fund	\$ 133,880	\$ 266,475	\$ 133,883
	133,880	266,475	133,883
Provincial Government			
Hotel tax revenue	170,000	200,269	171,404
Carbon tax revenue sharing	20,500	22,809	20,498
Traffic fine revenue sharing	450,000	475,823	452,388
Infrastructure funding	-	-	108,649
	640,500	698,901	752,939
Municipalities and Regional Authorities			
Police capital adjustment	40,200	49,423	40,227
Langley Youth & Family Services	371,160	363,221	356,090
Emergency preparedness	36,700	16,512	20,682
Major road network	633,000	645,000	641,000
Infrastructure funding	-	166,000	8,896
	1,081,060	1,240,156	1,066,895
	<u>\$ 1,855,440</u>	<u>\$ 2,205,532</u>	<u>\$ 1,953,717</u>

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:

	2019	2018
Langley Christmas Bureau	\$ 214,826	\$ 280,265
Refundable deposits	11,662,955	14,278,015
Road bond reserve	41,350	41,350
GVS & DD development cost charges	206,607	100,265
	<u>\$ 12,125,738</u>	<u>\$ 14,699,895</u>

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):

	2019		2018	
	Operations	Capital	Total	Total
Salaries & benefits	\$ 14,350,873	\$ 300,709	\$ 14,651,582	\$ 13,566,848
Goods and services	27,042,687	6,582,686	33,625,373	38,400,188
Contributed tangible capital assets	-	1,341,637	1,341,637	1,117,743
Total expenditures	41,393,560	8,225,032	49,618,592	53,084,779
Amortization	5,959,166	-	5,959,166	5,657,083
Total expenditures & expenses	<u>\$ 47,352,726</u>	<u>\$ 8,225,032</u>	<u>\$ 55,577,758</u>	<u>\$ 58,741,862</u>

CITY OF LANGLEY

Notes to the Consolidated Financial Statements

Year ended December 31, 2019 with comparative figures for 2018

10. 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, 2018, the plan has about 205,000 active members and approximately 101,000 retired members. Active members include approximately 40,000 contributors from local governments.

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, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The City of Langley paid \$1,080,498 (2018 - \$1,038,327) for employer contributions while employees contributed \$898,597 (2018 - \$846,894) to the plan in fiscal 2019.

The next valuation will be as at December 31, 2021, with results available in 2022.

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.

11. Contingent liabilities:

A number of legal claims have been initiated against the City in varying and unspecified amounts. As none of the claims are likely to be successful and/or can not be reasonably estimated, no provisions have been recorded in the financial statements.

CITY OF LANGLEY

Notes to the Consolidated Financial Statements

Year ended December 31, 2019 with comparative figures for 2018

12. 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 March 11, 2019 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. 3099	\$ -
Capital asset additions	7,470,250
Transfer to non-statutory reserves	9,249,825
Transfer to statutory reserves	1,644,970
Amortization expense	(5,541,940)
Transfer from non-statutory reserves	(7,783,965)
Transfer from statutory reserves	(1,775,900)
Transfer from surplus	(340,000)
Financial Plan Surplus as per Consolidated Statement of Operations	<u>\$ 2,923,240</u>

13. 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 to the City of Langley, as financial assistance, for any purpose that would be of public benefit to the city. In 2019, the City recognized \$7,490,986 in revenues from the Province. Due to COVID-19 the casino has been temporarily closed so the 2020 revenues are expected to decline.

CITY OF LANGLEY

Notes to the Consolidated Financial Statements

Year ended December 31, 2019 with comparative figures for 2018

14. Subsequent events:

(A) COVID-19

Subsequent to year end, the impact of COVID-19 in Canada and on the global economy increased significantly. As the impacts of COVID-19 continue, there could be further impact on the City, its citizens, employees, suppliers and other third party business associates that could impact the timing and amounts realized on the City's assets and future ability to deliver services and projects. At this time, the full potential impact of COVID-19 on the City is not known. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of disruption and the related financial impact cannot be reasonably estimated at this time. The City's ability to continue delivering non-essential services and employ related staff, will depend on the legislative mandates from the various levels of government. The City will continue to focus on collecting receivables, managing expenditures, and leveraging existing reserves and available credit facilities to ensure it is able to continue providing essential services to its citizens.

(B) RCMP - Earned Retirement Benefits

On May 15, 2020, the Province of BC notified the City that they have agreed to pay the RCMP members' entitlement to accumulate severance pay for voluntary resignations and retirements as of March 31, 2012. This agreement creates an outstanding obligation of \$775,140 that must be paid by the City to the Province of BC by March 31, 2032. As the information was not known at year end and received subsequent to year end, no provision has been recorded in the consolidated financial statements.

CITY OF LANGLEY

Schedule 1

Consolidated Schedule of Statutory and Non-statutory Reserves

Year ended December 31, 2019

Statutory Reserves	Balance at Dec. 31, 2018	Developer Contributions	Internal Transfer Additions	Interest	Internal Transfer Expenditures	Operational Expenditures	Capital Asset Additions	Balance at Dec. 31, 2019
Capital Works	\$ 6,042,155	\$ -	\$ 1,424,450	\$ 165,975	\$ -	\$ (336,905)	\$ (514,693)	\$ 6,780,982
Equipment Replacement-Fire Dept.	695,997	-	55,000	18,548	-	-	(9,320)	760,225
Lane Development	264,750	-	-	6,829	-	-	-	271,579
Machinery Replacement	1,378,143	-	467,222	35,111	-	-	(292,620)	1,587,856
Off-Street Parking	271,812	-	12,785	7,131	-	-	-	291,728
Office Equipment Replacement	19,643	-	46,500	1,066	-	-	(45,358)	21,851
Parks and Recreation	253,168	-	177,500	7,915	-	(72,669)	(79,780)	286,134
P&R Future Projects	38,418	-	-	991	-	-	-	39,409
Total	\$ 8,964,086	\$ -	\$ 2,183,457	\$ 243,566	\$ -	\$ (409,574)	\$ (941,771)	\$ 10,039,764

Non-statutory Reserves	Balance at Dec. 31, 2018	Developer Contributions	Internal Transfers Additions	Interest	Internal Transfer Expenditures	Operational Expenditures	Capital Asset Additions	Balance at Dec. 31, 2019
Community Works	\$ 11,985	\$ -	\$ 266,474	\$ 2,272	\$ -	\$ -	\$ (133,800)	\$ 146,931
Future Policing Costs	3,114,274	-	382,370	80,270	-	-	(92,258)	3,484,656
Gaming Proceeds	12,260,304	-	7,490,986	358,728	(654,433)	(517,382)	(3,510,731)	15,427,472
Major Road Network Rehab	1,500,008	-	342,082	38,713	-	-	-	1,880,803
Prosperity Fund	1,350,000	-	525,000	34,820	-	-	-	1,909,820
Sewer Future Capital	908,574	-	500,000	29,136	-	(14,124)	(251,240)	1,172,346
Sewer Insurance Claims	32,559	-	-	840	-	-	-	33,399
Special Bonds	4,822,558	94,085	-	125,099	-	-	(55,711)	4,986,031
Tax Stabilization	347,095	-	1,000,000	8,952	-	-	-	1,356,047
Water Future Capital	1,611,783	-	740,000	44,383	-	(209,568)	(641,562)	1,545,036
Total	\$ 25,959,140	\$ 94,085	\$ 11,246,912	\$ 723,213	\$ (654,433)	\$ (741,074)	\$ (4,685,302)	\$ 31,942,541

CITY OF LANGLEY
Schedule 2
Consolidated Report of Segmented Revenues and Expenses
Year ended December 31, 2019

	2019 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	2019
Revenue													
Property tax revenue	\$ 29,767,135	\$ 29,601,511	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,601,511
User fees and other revenue	13,343,245	1,415,487	1,555	9,557	75,262	226,899	4,942,624	4,078,808	1,851,231	680,642	9,287	119,616	13,410,988
Gaming proceeds	7,200,000	7,490,986	-	-	-	-	-	-	-	-	-	-	7,490,986
Government transfers	1,855,440	266,475	525,246	-	379,734	811,000	-	-	223,077	-	-	-	2,205,532
Investment earnings	714,500	1,596,503	-	-	-	-	-	-	-	-	-	-	1,596,503
Use of development cost charges	757,350	-	-	-	-	180,201	203,065	91,132	-	-	-	-	1,043,567
Gain (loss) on disposal of capital assets	-	-	-	-	-	(2,277)	(18,676)	(9,060)	-	-	-	569,169	1,043,567
Contributed infrastructure	-	-	-	-	-	822,437	88,600	430,600	-	-	-	(1,847)	(31,860)
Total Revenue	53,637,670	40,370,962	526,801	9,557	454,996	2,038,260	5,215,613	4,591,480	2,074,308	680,642	9,287	686,938	56,658,844
Expenses													
Operating													
Salaries & benefits	15,861,065	3,054,104	10,007	3,895,057	101,022	1,841,276	568,719	398,280	983,876	19,999	2,280,109	1,198,424	14,350,873
Goods and services	29,311,425	1,854,195	12,017,963	715,021	704,152	1,834,641	3,114,332	2,643,220	565,866	663,061	1,975,266	954,970	27,042,687
	45,172,490	4,908,299	12,027,970	4,610,078	805,174	3,675,917	3,683,051	3,041,500	1,549,742	683,060	4,255,375	2,153,394	41,393,560
Amortization	5,541,940	601,674	79,328	297,467	-	2,459,465	433,204	603,534	29,639	-	801,251	653,604	5,959,166
Total Expenses	50,714,430	5,509,973	12,107,298	4,907,545	805,174	6,135,382	4,116,255	3,645,034	1,579,381	683,060	5,056,626	2,806,998	47,352,726
Annual Surplus (Deficit)	\$ 2,923,240	\$ 34,860,989	\$ (11,580,497)	\$ (4,897,988)	\$ (350,178)	\$ (4,097,122)	\$ 1,099,358	\$ 946,446	\$ 494,927	\$ (2,418)	\$ (5,047,339)	\$ (2,120,060)	\$ 9,306,118

Note 12

CITY OF LANGLEY
Schedule 3
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
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	15,772,894
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	-	-	-	-	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	889,512	2,015,757	3,026,641	2,724,758	326,534	639,803	1,736,979	994,294	28,299,037
	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
Annual Surplus (Deficit)	\$ 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 4

Schedule of Tangible Capital Assets

Year ended December 31, 2019 with comparative figures for 2018

	Land	Land Improvements	Buildings	Vehicles	Furniture & Equipment	Transportation Infrastructure	Sewer & Drainage Infrastructure	Water Infrastructure	Total
Historical cost¹									
Opening cost	\$ 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
Additions	-	1,263,281	423,972	301,940	584,606	3,544,817	1,284,945	821,471	8,225,032
Disposals	-	-	-	(73,847)	-	(155,991)	(21,241)	(24,618)	(275,697)
	66,754,749	14,168,792	41,897,012	8,256,555	8,628,113	143,528,191	49,892,401	34,118,690	367,244,503
Accumulated amortization									
Opening balance	-	4,455,633	16,722,323	4,206,410	5,581,196	42,315,396	17,782,208	10,289,480	101,352,646
Amortization expense	-	473,696	1,516,210	433,389	329,338	2,181,618	599,683	425,232	5,959,166
Disposals	-	-	-	(63,551)	-	(154,813)	(12,181)	(5,942)	(236,487)
	-	4,929,329	18,238,533	4,576,248	5,910,534	44,342,201	18,369,710	10,708,770	107,075,325
Net book value	\$ 66,754,749	\$ 9,239,463	\$ 23,658,479	\$ 3,680,307	\$ 2,717,579	\$ 99,185,990	\$ 31,522,691	\$ 23,409,920	\$ 260,169,178

	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

¹Included in historical cost are assets under construction with a total cost of \$38,165,118 (2018 - \$44,739,249). No amortization has been recorded on these assets as they are in progress and not complete at year-end.