

**Consolidated Financial Statements
of
CITY OF LANGLEY**

Year ended December 31, 2017

CITY OF LANGLEY
Consolidated Financial Statements
Year ended December 31, 2017

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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.



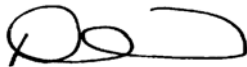
Darrin Leite, CPA, CA
Director of Corporate Services

CITY OF LANGLEY

Consolidated Statement of Financial Position at December 31, 2017 with comparative figures for 2016

	2017	2016
Financial Assets		
Cash & cash equivalents (Note 2)	\$ 26,018,285	\$ 25,175,577
Accounts receivable		
Taxes and utilities receivable	4,154,907	4,409,628
Receivables from other governments	5,463,690	3,383,695
Other receivables	1,499,807	976,384
Portfolio investments (Note 2)	27,098,165	25,136,374
	<u>64,234,854</u>	<u>59,081,658</u>
Liabilities		
Prepaid property taxes	4,251,021	4,236,591
Accounts payable and accrued liabilities	9,656,461	9,333,337
Employee future benefits (Note 3)	329,100	317,848
Deferred revenue	1,157,831	1,038,886
Deferred development cost charges (Note 4)	13,835,199	11,321,971
	<u>29,229,612</u>	<u>26,248,633</u>
Net Financial Assets	<u>35,005,242</u>	<u>32,833,025</u>
Non-Financial Assets		
Prepaid expenses	93,142	117,375
Supplies inventory	120,353	107,332
Tangible capital assets (Schedule 4)	250,317,972	239,763,844
	<u>250,531,467</u>	<u>239,988,551</u>
Accumulated Surplus (Note 5)	<u>\$ 285,536,709</u>	<u>\$ 272,821,576</u>

See accompanying notes to consolidated financial statements.



Darrin Leite, CPA, CA
Director of Corporate Services



Ted Schaffer
Mayor

CITY OF LANGLEY

Consolidated Statement of Operations

Year ended December 31, 2017 with comparative figures for 2016

	2017 Financial Plan	2017	2016
	Note 13		
Revenues (Schedules 2 & 3)			
Property tax revenue (Note 6)	\$ 26,240,955	\$ 26,152,151	\$ 25,209,207
User fees and other revenue	11,116,135	12,601,039	11,208,035
Gaming proceeds	6,400,000	7,577,431	6,824,902
Government transfers (Note 7)	7,226,355	7,573,037	3,542,142
Investment earnings	338,500	783,277	729,759
Use of development cost charges (Note 4)	1,440,565	782,621	1,456,558
Contributed tangible capital assets	-	253,717	2,879,922
	<u>52,762,510</u>	<u>55,723,273</u>	<u>51,850,525</u>
Expenses (Schedules 2 & 3)			
General government services	4,934,135	4,684,312	4,373,817
Police service	11,786,840	11,112,031	10,304,268
Fire service	4,539,645	4,448,691	4,569,225
Other protective services	814,245	765,810	723,473
Engineering operations	7,753,495	5,852,316	5,591,962
Water utility	4,322,605	3,865,341	3,796,349
Sewer and drainage utility	3,640,175	3,348,534	3,174,167
Development services	1,224,730	1,161,110	1,101,431
Solid waste	622,110	631,752	619,253
Recreation services	4,494,710	4,765,358	4,325,750
Parks	2,292,955	2,288,464	2,337,957
Loss on disposal of tangible capital assets	-	84,421	238,390
	<u>46,425,645</u>	<u>43,008,140</u>	<u>41,156,042</u>
Annual surplus	<u>6,336,865</u>	<u>12,715,133</u>	<u>10,694,483</u>
Accumulated surplus - beginning of year	272,821,576	272,821,576	262,127,093
Accumulated surplus - end of year (Note 5)	<u>\$ 279,158,441</u>	<u>\$ 285,536,709</u>	<u>\$ 272,821,576</u>

See accompanying notes to consolidated financial statements.

CITY OF LANGLEY

Consolidated Statement of Change in Net Financial Assets

Year ended December 31, 2017 with comparative figures for 2016

	2017 Financial Plan	2017	2016
	Note 13		
Annual Surplus	\$ 6,336,865	\$ 12,715,133	\$ 10,694,483
Change in capital assets			
Acquisition of tangible capital assets	(17,600,445)	(15,757,321)	(12,247,420)
Contributed tangible capital assets	-	(253,717)	(2,879,922)
Amortization	4,750,000	5,320,689	5,026,725
Proceeds from sale of tangible capital assets	-	51,800	352,400
Loss on disposal of tangible capital assets	-	84,421	238,390
	<u>(12,850,445)</u>	<u>(10,554,128)</u>	<u>(9,509,827)</u>
Change in other non-financial assets			
Decrease (increase) in prepaid expenses	-	24,233	(39,351)
Decrease (increase) in supplies inventory	-	(13,021)	(25,119)
	<u>-</u>	<u>11,212</u>	<u>(64,470)</u>
Increase (decrease) in financial assets	<u>(6,513,580)</u>	<u>2,172,217</u>	<u>1,120,186</u>
Net financial assets - beginning of year	32,833,025	32,833,025	31,712,839
Net financial assets - end of year	<u>\$ 26,319,445</u>	<u>\$ 35,005,242</u>	<u>\$ 32,833,025</u>

See accompanying notes to consolidated financial statements.

CITY OF LANGLEY

Consolidated Statement of Cash Flows

Year ended December 31, 2017 with comparative figures for 2016

	2017	2016
Cash Provided By (Used For)		
Operating Transactions		
Annual surplus	\$ 12,715,133	\$ 10,694,483
Items not involving cash:		
Use of development cost charges	(782,621)	(1,456,558)
Amortization	5,320,689	5,026,725
Amortization of investment premiums and discounts	(1,835)	33,301
Contributed tangible capital assets	(253,717)	(2,879,922)
Loss on disposal of tangible capital assets	84,421	238,390
Changes in non-cash working capital:		
Accounts receivable	(2,348,697)	(1,280,087)
Prepaid property taxes	14,430	(1,332)
Accounts payable and accrued liabilities	334,376	(1,259,061)
Prepaid expenses	24,233	(39,351)
Supplies inventory	(13,021)	(25,119)
Deferred revenue	118,945	(101,597)
	<u>15,212,336</u>	<u>8,949,872</u>
Capital Transactions		
Cash used to acquire tangible capital assets	(15,757,321)	(12,247,420)
Proceeds from sale of tangible capital assets	51,800	352,400
	<u>(15,705,521)</u>	<u>(11,895,020)</u>
Financing Transactions		
Receipt of deferred development cost charges and interest earned	3,295,849	1,409,192
Investing Transactions		
Purchase of investments	(25,101,353)	(23,100,000)
Redemption of investments	23,141,397	31,000,000
	<u>(1,959,956)</u>	<u>7,900,000</u>
Increase in cash and cash equivalents	<u>842,708</u>	<u>6,364,044</u>
Balance, beginning of year	25,175,577	18,811,533
Balance, end of year	<u>\$ 26,018,285</u>	<u>\$ 25,175,577</u>

See accompanying notes to consolidated financial statements.

CITY OF LANGLEY

Notes to the Consolidated Financial Statements

Year ended December 31, 2017 with comparative figures for 2016

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 utilized and revenue earned.

CITY OF LANGLEY

Notes to the Consolidated Financial Statements

Year ended December 31, 2017 with comparative figures for 2016

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. Interest is allocated to functions based on the purpose of specific borrowings.

(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, 2017 or December 31, 2016.

CITY OF LANGLEY

Notes to the Consolidated Financial Statements

Year ended December 31, 2017 with comparative figures for 2016

2. Cash, cash equivalents and portfolio investments:

	<u>2017</u>	<u>2016</u>
Deferred development cost charges	\$ 13,040,627	\$ 11,078,455
Statutory reserves	6,910,642	7,652,544
Non-statutory reserves	24,468,663	21,580,795
Operating funds	8,696,518	10,000,157
	<u>\$ 53,116,450</u>	<u>\$ 50,311,951</u>
Cash and cash equivalents	\$ 26,018,285	\$ 25,175,577
Portfolio investments	27,098,165	25,136,374
	<u>\$ 53,116,450</u>	<u>\$ 50,311,951</u>

Cash and cash equivalents includes funds held in bank accounts at TD Canada Trust earning interest of prime rate less 1.65% (2016 - prime rate less 1.65%).

Portfolio investments, which include banker's acceptances and term deposits, have effective interest rates between 1.40% and 3.08% (2016 - 1.35% and 5.76%) with varying maturity dates up to 96 months. The market value of the investments as at December 31, 2017 was \$27,129,910 (2016 - \$25,282,512). 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, 2017. 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, 2017 was \$329,100 (2016 - \$317,848), comprised as follows:

	<u>2017</u>	<u>2016</u>
Benefit liability - beginning of year	\$ 317,848	\$ 310,496
Current service cost	34,500	33,600
Interest cost	12,900	13,000
Benefits paid	(48,500)	(51,600)
Amortization of actuarial loss	12,352	12,352
Benefit liability - end of year	<u>329,100</u>	<u>317,848</u>
Unamortized actuarial loss	91,400	103,752
Accrued benefit obligation - end of year	<u>\$ 420,500</u>	<u>\$ 421,600</u>

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

	<u>2017</u>	<u>2016</u>
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, 2017 with comparative figures for 2016

4. Deferred development cost charges:

	Balance at Dec. 31, 2016	Contributions Received	Interest Earned	Use of development cost charges	Balance at Dec. 31, 2017
Drainage	\$ 2,530,844	\$ 376,774	\$ 42,545	\$ -	\$ 2,950,163
Public Open Spaces	5,093,842	160,614	79,924	(718,378)	4,616,002
Roads	1,532,587	1,240,318	30,850	(33,134)	2,770,621
Sewer	1,316,849	1,024,303	26,300	(31,109)	2,336,343
Water	847,849	299,092	15,129	-	1,162,070
	<u>\$11,321,971</u>	<u>\$ 3,101,101</u>	<u>\$ 194,748</u>	<u>\$ (782,621)</u>	<u>\$ 13,835,199</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:

	2017	2016
Operating surplus		
General	\$ 1,293,587	\$ 1,293,380
Sewer & Drainage	1,142,801	1,138,317
Water	1,403,044	1,392,696
	<u>3,839,432</u>	<u>3,824,393</u>
Equity in tangible capital assets		
General	199,182,592	190,881,828
Sewer & Drainage	28,438,803	27,412,136
Water	22,696,577	21,469,880
	<u>250,317,972</u>	<u>239,763,844</u>
Reserves (Schedule 1)		
Statutory reserves	6,910,642	7,652,544
Non-statutory reserves	24,468,663	21,580,795
	<u>31,379,305</u>	<u>29,233,339</u>
	<u>\$ 285,536,709</u>	<u>\$ 272,821,576</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:

	2017 Financial Plan	2017	2016
City tax levies	\$ 25,710,425	\$ 25,611,686	\$ 24,658,376
Grants in lieu of taxes	530,530	540,465	550,831
	<u>26,240,955</u>	<u>26,152,151</u>	<u>25,209,207</u>
Levies for other organizations			
School taxes		13,709,858	13,611,552
TransLink		2,699,413	2,725,645
British Columbia Assessment Authority		409,960	404,755
Metro Vancouver		371,313	377,040
Downtown Langley Merchants Assoc.		422,130	402,029
Municipal Finance Authority		1,684	1,395
Total collections for others		<u>17,614,358</u>	<u>17,522,416</u>
		<u>\$ 43,766,509</u>	<u>\$ 42,731,623</u>

CITY OF LANGLEY

Notes to the Consolidated Financial Statements

Year ended December 31, 2017 with comparative figures for 2016

7. Government transfers:

	2017 Financial		
	Plan	2017	2016
Federal Government			
Community works fund	\$ 127,680	\$ 128,660	\$ 127,680
	127,680	128,660	127,680
Provincial Government			
Hotel tax revenue	150,000	163,646	170,281
Carbon tax revenue sharing	20,175	20,512	20,229
Traffic fine revenue sharing	498,200	472,123	501,659
Infrastructure funding	5,413,870	5,375,983	1,547,070
	6,082,245	6,032,264	2,239,239
Municipalities and Regional Authorities			
Police capital adjustment	32,000	33,881	32,969
Langley Youth & Family Services	352,930	329,677	326,584
Emergency preparedness	33,500	26,176	17,170
Major road network	523,000	537,000	528,500
Infrastructure funding	75,000	485,379	270,000
	1,016,430	1,412,113	1,175,223
	\$ 7,226,355	\$ 7,573,037	\$ 3,542,142

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:

	2017	2016
Langley Christmas Bureau	\$ 261,471	\$ 238,184
Refundable deposits	8,937,161	6,661,064
Road bond reserve	41,350	41,350
GVS & DD development cost charges	64,920	28,421
	\$ 9,304,902	\$ 6,969,019

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):

	2017			2016
	Operations	Capital	Total	Total
Salaries & benefits	\$ 13,249,836	\$ 330,756	\$ 13,580,592	\$ 12,884,520
Goods and services	24,353,194	15,426,565	39,779,759	35,253,827
Contributed tangible capital assets	-	253,717	253,717	2,879,922
Total expenditures	37,603,030	16,011,038	53,614,068	51,018,269
Amortization	5,320,689	-	5,320,689	5,026,725
Loss on disposal of tangible capital assets	84,421	-	84,421	238,390
Total expenditures & expenses	\$ 43,008,140	\$ 16,011,038	\$ 59,019,178	\$ 56,283,384

CITY OF LANGLEY

Notes to the Consolidated Financial Statements

Year ended December 31, 2017 with comparative figures for 2016

10. Commitments:

- (A) The City of Langley has entered into a seven year solid waste management contract for January 1, 2015 to December 31, 2022. Annual payments under the agreement are approximately \$325,000.
- (B) The City of Langley provided Langley Community Services Society (formerly Langley Family Services) a 50 year lease for a City owned building at 5339 207 Street. The City of Langley provided a loan guarantee for the Langley Community Services Society to borrow not more than \$500,000 from Envision Credit Union to be applied to the cost of the construction of building.

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, 2016, the plan has about 193,000 active members and approximately 90,000 retired members. Active members include approximately 38,000 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, 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 \$1,037,870 (2016 - \$980,408) for employer contributions while employees contributed \$817,705 (2016 - \$775,444) to the plan in fiscal 2017.

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, 2017 with comparative figures for 2016

13. Financial plan:

The financial plan reported on the Consolidated Statement of Financial Activities represents the Financial Plan and Capital Improvement Plan bylaw adopted by City Council on February 20, 2017 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. 3011	\$ -
Capital asset additions	17,600,445
Transfer to non-statutory reserves	8,042,695
Transfer to statutory reserves	1,420,050
Amortization expense	(4,750,000)
Transfer from non-statutory reserves	(13,368,050)
Transfer from statutory reserves	(2,608,275)
Financial Plan Surplus as per Consolidated Statement of Operations	<u>\$ 6,336,865</u>

CITY OF LANGLEY

Schedule 1

Consolidated Schedule of Statutory and Non-statutory Reserves

Year ended December 31, 2017 with comparative figures for 2016

Statutory Reserves	Balance at Dec. 31, 2016	Developer Contributions	Internal Transfer Additions	Interest	Internal Transfer Expenditures	Operational Expenditures	Capital Asset Additions	Balance at Dec. 31, 2017
Capital Works	\$ 3,985,368	\$ -	\$ 1,503,450	\$ 67,367	\$ -	\$ (275,043)	\$ (1,343,376)	\$ 3,937,766
Equipment Replacement-Fire Dept.	1,440,990	-	55,000	21,036	-	(7,018)	(624,428)	885,580
Lane Development	255,098	-	-	4,101	-	-	-	259,199
Machinery Replacement	1,422,278	-	602,290	23,132	-	-	(713,397)	1,334,303
Off-Street Parking	239,984	-	11,900	3,930	-	-	-	255,814
Office Equipment Replacement	41,259	-	46,500	747	-	-	(73,792)	14,714
Parks and Recreation	230,550	-	177,500	4,757	-	(37,661)	(189,492)	185,654
P&R Future Projects	37,017	-	-	595	-	-	-	37,612
Total	\$ 7,652,544	\$ -	\$ 2,396,640	\$ 125,665	\$ -	\$ (319,722)	\$ (2,944,485)	\$ 6,910,642

Non-statutory Reserves	Balance at Dec. 31, 2016	Developer Contributions	Internal Transfers Additions	Interest	Internal Transfer Expenditures	Operational Expenditures	Capital Asset Additions	Balance at Dec. 31, 2017
Community Works	\$ 4,451	\$ -	\$ 128,660	\$ 311	\$ -	\$ -	\$ (127,680)	\$ 5,742
Future Policing Costs	3,161,224	-	104,573	50,821	-	-	(29,253)	3,287,365
Gaming Proceeds	10,256,768	-	7,577,431	194,903	(586,775)	(106,426)	(4,928,577)	12,407,324
Major Road Network Rehab	1,094,682	-	272,554	16,522	-	-	(306,658)	1,077,100
Sewer Future Capital	1,133,830	-	610,000	21,631	-	(89,249)	(171,391)	1,504,821
Sewer Insurance Claims	31,372	-	-	504	-	-	-	31,876
Special Bonds	4,229,260	299,100	-	69,297	-	-	(50,736)	4,546,921
Tax Stabilization	334,441	-	-	5,377	-	-	-	339,818
Water Future Capital	1,334,767	-	730,000	25,032	-	(129,247)	(692,856)	1,267,696
Total	\$ 21,580,795	\$ 299,100	\$ 9,423,218	\$ 384,398	\$ (586,775)	\$ (324,922)	\$ (6,307,151)	\$ 24,468,663

CITY OF LANGLEY

Schedule 2

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
	Note 13												
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
Contributed infrastructure	-	-	-	-	-	161,756	52,174	39,787	-	-	-	-	253,717
Total Revenue	52,762,510	35,451,075	509,879	2,440	407,012	5,574,101	5,392,474	4,575,109	1,858,309	627,210	414,500	911,164	55,723,273
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
Loss (gain) on disposal of capital assets	-	950	-	-	-	45,177	2,525	35,769	-	-	-	-	84,421
	41,675,645	4,094,834	11,029,277	4,185,467	765,810	3,740,134	3,467,811	2,818,134	1,135,202	631,752	3,981,417	1,837,613	37,687,451
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	4,685,262	11,112,031	4,448,691	765,810	5,897,493	3,867,866	3,384,303	1,161,110	631,752	4,765,358	2,288,464	43,008,140
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 3

Consolidated Report of Segmented Revenues and Expenses

Year ended December 31, 2016

	2016 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	2016
Revenue													
Property tax revenue	\$25,098,150	\$25,209,207	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$25,209,207
User fees and other revenue	10,480,705	1,399,655	5,050	1,560	77,408	386,510	4,210,074	3,261,344	1,073,907	623,792	14,364	154,371	11,208,035
Gaming proceeds	6,000,000	6,537,284	-	-	-	-	-	-	-	-	237,618	50,000	6,824,902
Government transfers	2,200,915	170,429	534,628	-	343,754	2,105,407	-	-	190,510	-	197,414	-	3,542,142
Investment earnings	338,500	729,759	-	-	-	-	-	-	-	-	-	-	729,759
Use of development cost charges	985,050	-	-	-	-	552,455	285,568	476,956	-	-	-	141,579	1,456,558
Contributed infrastructure	-	-	-	-	-	1,333,547	738,100	808,275	-	-	-	-	2,879,922
Total Revenue	45,103,320	34,046,334	539,678	1,560	421,162	4,377,919	5,233,742	4,546,575	1,264,417	623,792	449,396	345,950	51,850,525
Expenses													
Operating													
Salaries & benefits	12,362,400	2,324,273	3,859	3,738,639	96,228	1,618,046	491,657	345,505	743,768	16,627	2,168,836	1,133,762	12,681,200
Goods and services	24,772,385	1,465,514	10,236,007	531,764	627,245	1,928,493	2,902,366	2,268,106	331,183	602,626	1,506,484	809,939	23,209,727
Loss (gain) on disposal of capital assets	-	(164,883)	-	-	-	128,311	59,304	207,107	-	-	3,598	4,953	238,390
	37,134,785	3,624,904	10,239,866	4,270,403	723,473	3,674,850	3,453,327	2,820,718	1,074,951	619,253	3,678,918	1,948,654	36,129,317
Amortization	4,750,000	584,030	64,402	298,822	-	2,045,423	402,326	560,556	26,480	-	650,430	394,256	5,026,725
Total Expenses	41,884,785	4,208,934	10,304,268	4,569,225	723,473	5,720,273	3,855,653	3,381,274	1,101,431	619,253	4,329,348	2,342,910	41,156,042
Excess (Deficiency) of Revenue Over Expenses	\$ 3,218,535	\$29,837,400	\$ (9,764,590)	\$ (4,567,665)	\$ (302,311)	\$ (1,342,354)	\$ 1,378,089	\$ 1,165,301	\$ 162,986	\$ 4,539	\$ (3,879,952)	\$ (1,996,960)	\$10,694,483

CITY OF LANGLEY

Schedule 4

Schedule of Tangible Capital Assets

Year ended December 31, 2017 with comparative figures for 2016

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
2016									
	Land	Land Improvements	Buildings	Vehicles	Furniture & Equipment	Transportation Infrastructure	Sewer & Drainage Infrastructure	Water Infrastructure	Total
Historical cost¹									
Opening cost	\$ 66,277,337	\$ 7,641,879	\$ 38,477,047	\$ 6,556,864	\$ 6,450,591	\$ 120,124,515	\$ 42,851,328	\$ 29,179,590	\$ 317,559,151
Additions	370,045	791,276	1,782,039	369,145	1,240,232	6,919,565	1,640,875	2,014,165	15,127,342
Disposals	(185,117)	-	-	(96,693)	(46,529)	(429,191)	(370,564)	(213,133)	(1,341,227)
	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
Accumulated amortization									
Opening balance	-	3,425,748	12,357,223	4,060,232	4,656,159	37,219,299	16,316,306	9,270,167	87,305,134
Amortization expense	-	276,821	1,367,309	330,009	278,558	1,822,970	556,654	394,404	5,026,725
Disposals	-	-	-	(85,140)	(40,531)	(307,480)	(163,457)	(153,829)	(750,437)
	-	3,702,569	13,724,532	4,305,101	4,894,186	38,734,789	16,709,503	9,510,742	91,581,422
Net book value	\$ 66,462,265	\$ 4,730,586	\$ 26,534,554	\$ 2,524,215	\$ 2,750,108	\$ 87,880,100	\$ 27,412,136	\$ 21,469,880	\$ 239,763,844

¹Included in historical cost are assets under construction with a total cost of \$42,424,090 (2016 - \$33,092,230). No amortization has been recorded on these assets as they are in progress and not complete at year-end.