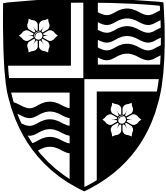
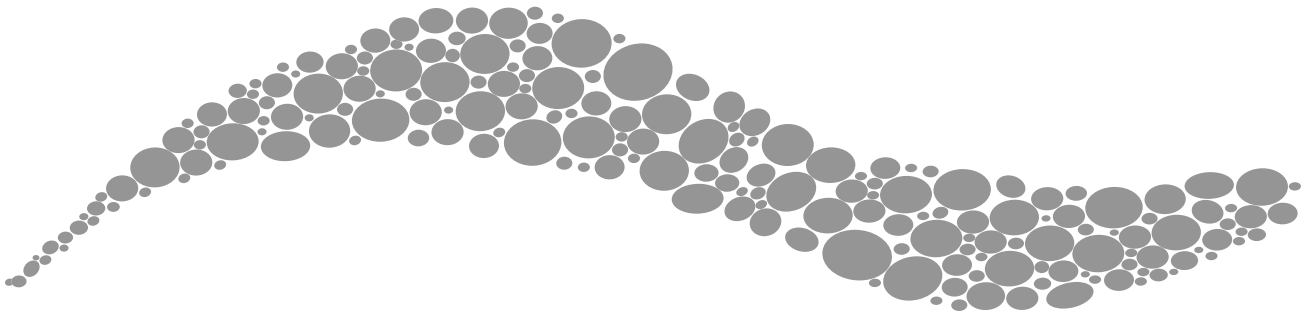


Township of
Langley



Est. 1873

Financial Section 2011



Financial Section

For the year 2011

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Report from the Director of Finance

To Mayor Jack Froese and Council;

I am pleased to present the 2011 Financial Statements and the audit report of our external auditors, KPMG LLP, Chartered Accountants. Pursuant to Section 167 of the Community Charter, these statements are prepared and presented to provide sufficient information for readers to understand the financial position and results of Township of Langley operations.

The 2011 Financial Statements are prepared by management in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Management is responsible for the accuracy, integrity and objectivity of these statements and for ensuring that the supporting information in Schedules 1 and 2 is consistent with information in the Financial Statements. Management is also responsible for implementing and maintaining a system of internal controls to safeguard the Township's assets and provide reasonable assurance that financial information is reliable. Township Council is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control.

The role of our external auditors, KPMG LLP, Chartered Accountants, is to conduct an independent examination, in accordance with the generally accepted auditing standards, and to express their opinion on the financial statements. Their examination includes a review and evaluation of the Township's system of internal control and appropriate tests and procedures to provide reasonable assurance the financial statements are presented fairly. The external auditors have full and free access to the Township Council and staff.

The decrease in Debt and Agreements Payable from \$57.4 million in 2010 to \$49.4 million represents repayment of short term debt agreements. Debt and Agreements Payable are repayable from a combination of Development Cost Charges, future land sales and respective utility operating revenues.

In compliance with the Tangible Capital Asset Accounting guidelines, the Statement of Operations now excludes capital expenditures and includes current year amortization expense. Capital additions are included in the Tangible Capital Asset balance on the Statement of Financial Position. Total Tangible Capital Assets for the Township, at historical cost, amount to \$1.16 billion net of accumulative amortization expense.

Some 2011 completed or in progress major capital projects are:

- Pedestrian Overpass on 200 Street at 68 Avenue
- Fraser Highway widening from Old Yale Road to 215 Street
- Bridge reconstruction on 0 Avenue at 252 Street
- Connecting Aldergrove to the Greater Vancouver Regional Sewer System
- Sewer system improvements on 200 Street from 56 to 58 Avenue
- Willoughby Community Park synthetic turf field
- Completion of minor capital projects at the Langley Events Centre

Accumulated Surplus balance of \$1.191 billion includes:

Operating Surplus (\$41 million)
Capital Surplus (\$31 million)
Statutory Reserve (\$7 million)
Investment in Tangible Capital Assets (\$1.112 billion)

The Annual Surplus is larger than in previous years due to adopting a new accounting policy to comply with the Tangible Capital Asset regulations. The current year annual surplus is comprised of regular operating surplus from operating funds and additional surplus from current investments in capital assets as follows:

- Surplus as a result of recognizing funds received for capital projects as income, net of amortization expense, without recognizing the related capital expenses, and
- Surplus as a result of recognizing the value of contributed tangible capital assets from developers as revenue in the year the assets are put into service.

During these challenging economic times, Council and staff are committed to finding ways to provide efficient and effective services for Township residents and businesses. Fiscal responsibility and financial sustainability is a challenging goal that remains at the forefront of our financial planning.



H. Tsikayi B.Sc., C.M.A.

Director of Finance

Independent Auditors' Report



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Chartered Accountants
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Canada

Telephone (604) 527-3600
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Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of the Corporation of the Township of Langley

We have audited the accompanying consolidated financial statements of the Corporation of the Township of Langley, which comprise the consolidated statement of financial position as at December 31, 2011, the consolidated statement of operations, changes in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditors' Report continued



Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation of the Township of Langley as at December 31, 2011, and its consolidated results of operations, its changes in consolidated net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matters

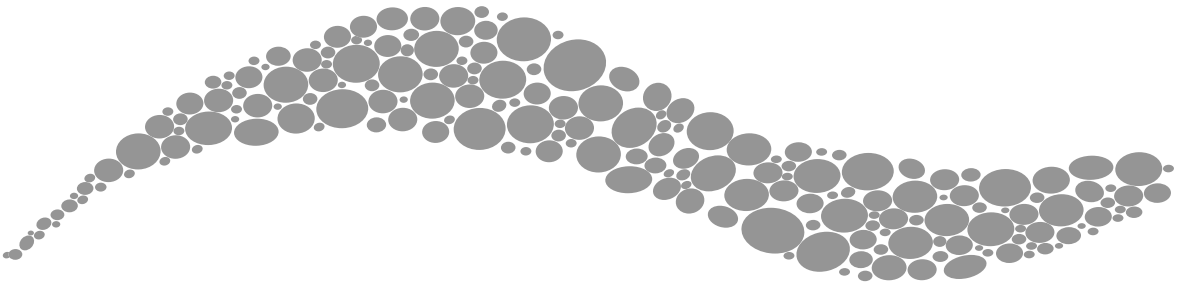
Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The current year's supplementary information included in Schedule 1 through 2 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Accountants

June 11, 2012

Burnaby, Canada



2011
Financial Statements

Consolidated Statement of Financial Position

As at December 31, 2011 *(in thousands of dollars)*

	<u>2011</u>	<u>2010</u>
FINANCIAL ASSETS		
Cash and cash equivalents (Note 3)	\$ 64,169	\$ 40,841
Investments (Note 3)	69,405	80,415
Accounts receivable (Note 4)	<u>35,020</u>	<u>39,043</u>
	<u>168,594</u>	<u>160,299</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 16)	31,345	34,911
Deposits and prepayments (Note 5)	22,290	22,127
Deferred revenue (Note 6)	12,570	11,684
Development cost charges (Note 7)	25,375	20,070
Debt and agreements payable (Note 8)	<u>49,441</u>	<u>57,417</u>
	<u>141,021</u>	<u>146,209</u>
NET FINANCIAL ASSETS	<u>27,573</u>	<u>14,090</u>
NON-FINANCIAL ASSETS		
Inventories of supplies	912	811
Prepaid expenses	1,221	1,116
Tangible capital assets (Note 9)	<u>1,161,570</u>	<u>1,162,539</u>
	<u>1,163,703</u>	<u>1,164,466</u>
ACCUMULATED SURPLUS (Note 10)	\$ <u><u>1,191,276</u></u>	\$ <u><u>1,178,556</u></u>

Contingencies and commitments (Note 13)
See accompanying Notes to the Consolidated Financial Statements

Hilary Tsikayi, B.Sc., CMA
Director of Finance

Jack Froese
Mayor, Township of Langley

Consolidated Statement of Operations

For the year ended December 31, 2011 (in thousands of dollars)

	2011 Budget (Unaudited) Note 2(a)	2011	2010
REVENUE			
Property taxes	\$ 92,314	\$ 92,103	\$ 87,389
Fees, rates and service charges	44,179	48,858	48,518
Grants and grants in lieu of taxes	11,643	8,152	9,497
Service cost recoveries	4,002	3,202	3,264
Gain on disposal of assets	1	1,545	930
Investment income	1,717	3,773	3,387
Local area service contributions	3,169	180	1,134
Contribution from development cost charges	31,119	5,495	6,782
Other developer contributions	10,000	12,638	24,976
Other income	23,930	2,161	6,812
	<u>222,074</u>	<u>178,107</u>	<u>192,689</u>
EXPENSES			
General government	18,703	23,687	18,944
Police protection	29,595	25,817	24,809
Fire protection	13,646	11,959	11,653
Community planning and development	8,001	6,948	6,470
Recreation and culture	25,092	24,137	26,623
Parks	6,882	8,979	8,420
Transportation	19,313	29,349	27,871
Stormwater	5,860	8,171	10,176
Water	11,717	11,921	11,307
Sewer	9,502	9,715	15,852
Solid waste	5,092	4,704	4,372
	<u>153,403</u>	<u>165,387</u>	<u>166,497</u>
ANNUAL SURPLUS	68,671	12,720	26,192
ACCUMULATED SURPLUS, beginning of year	<u>1,178,556</u>	<u>1,178,556</u>	<u>1,152,364</u>
ACCUMULATED SURPLUS, end of year	<u>\$ 1,247,227</u>	<u>\$ 1,191,276</u>	<u>\$ 1,178,556</u>

See accompanying Notes to the Consolidated Financial Statements

Consolidated Statement of Changes in Net Financial Assets

For the year ended December 31, 2011 *(in thousands of dollars)*

	2011 Budget (Unaudited) Note 2(a)	2011	2010
ANNUAL SURPLUS	\$ 68,671	\$ 12,720	\$ 26,192
Acquisition of tangible capital assets	143,336	(34,698)	(65,968)
Amortization of tangible capital assets	-	29,233	27,735
Gain on disposal of tangible capital assets	-	(1,545)	(930)
Proceeds on disposal of tangible capital assets	-	7,979	1,501
	<u>212,007</u>	<u>13,689</u>	<u>(11,470)</u>
Acquisition of inventories of supplies	(900)	(912)	(811)
Acquisition of prepaid expenses	(1,200)	(1,221)	(1,116)
Consumption of inventories of supplies	900	811	714
Use of prepaid expenses	1,200	1,116	1,184
	<u>-</u>	<u>(206)</u>	<u>(29)</u>
CHANGE IN NET FINANCIAL ASSETS	212,007	13,483	(11,499)
NET FINANCIAL ASSETS, beginning of year	<u>14,090</u>	<u>14,090</u>	<u>25,589</u>
NET FINANCIAL ASSETS, end of year	<u>\$ 226,097</u>	<u>\$ 27,573</u>	<u>\$ 14,090</u>

See accompanying Notes to the Consolidated Financial Statements

Consolidated Statement of Cash Flows

For the year ended December 31, 2011 (in thousands of dollars)

	<u>2011</u>	<u>2010</u>
CASH PROVIDED BY (USED IN)		
OPERATIONS		
Annual surplus	\$ 12,720	\$ 26,192
Items not involving cash:		
Amortization	29,233	27,735
Gain on disposal of tangible capital assets	(1,545)	(930)
Developer contributions of tangible capital assets	(12,638)	(24,976)
Change in non-cash operating working capital:		
Decrease (increase) in accounts receivable	4,023	(273)
Decrease (increase) in prepaid expenses	(105)	68
Increase in inventories of supplies	(101)	(97)
Decrease in accounts payable and accrued liabilities	(3,566)	(889)
Increase (decrease) in deposits and prepayments	163	(667)
Increase in deferred revenue	886	3,610
Increase in development cost charges	5,305	3,332
Net change in cash from operating activities	<u>34,375</u>	<u>33,105</u>
CAPITAL ACTIVITIES		
Cash used to acquire tangible capital assets	(22,060)	(40,992)
Proceeds on disposal of tangible capital assets	7,979	1,501
Net change in cash from capital activities	<u>(14,081)</u>	<u>(39,491)</u>
FINANCING ACTIVITIES		
Issuance of debt and agreements payable	37	19,821
Repayment of debt and agreements payable	(8,013)	(2,734)
Net change in cash from financing activities	<u>(7,976)</u>	<u>17,087</u>
INVESTING ACTIVITIES		
Change in investments	<u>11,010</u>	<u>(7,170)</u>
INCREASE IN CASH AND CASH EQUIVALENTS	23,328	3,531
CASH AND CASH EQUIVALENTS, beginning of year	<u>40,841</u>	<u>37,310</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 64,169</u>	<u>\$ 40,841</u>

See accompanying Notes to the Consolidated Financial Statements

Notes to the Financial Statements

For the year ended December 31, 2011 (*in thousands of dollars*)

The notes to the financial statements are an integral part of the statements and explain the significant accounting policies and principles underlying the statements. They also provide relevant supplementary information and explanations.

1. OPERATIONS

The Corporation of the Township of Langley's (the Township) principal activities include the provision of local government services to residents and businesses. These services include administrative, protective, transportation, recreational, parks, library, water, sewer, stormwater, solid waste disposal, and recycling. The general resources and operations of the Township are segregated into operating, capital, and reserve funds. The Community Charter of BC requires revenues and expenditures to be in accordance with the five-year financial plan adopted annually by Council. The budget for each year of the plan must be balanced so that annual expenditures do not exceed the total of revenue, transfers from reserves and surplus, and proceeds from debt.

2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Township of Langley are prepared in accordance with Canadian generally accepted accounting principles as prescribed by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

a) Basis of Consolidation

The consolidated financial statements are comprised of the Township of Langley's Operating, Capital and Reserve Funds consolidated with the Langley Facilities Society. The Langley Facilities Society, incorporated on March 12, 2009, was formed to operate the Langley Events Centre. Ten Feet Sports and Entertainment Ltd, an operating subsidiary of the Langley Facilities Society, operates the Langley Events Centre. Inter-fund and inter-entity transactions, fund balances, and activities have been eliminated on consolidation.

Budget Reporting

The unaudited budget information presented in the consolidated statement of operations reflects the 2011 budget component of the Township of Langley's 2011 - 2015 Five-Year Financial Plan adopted by Council Bylaw No. 4865 on May 9, 2011. The Langley Facilities Society and Ten Feet Sports and Entertainment Ltd's operating budgets are also reflected in the total budget figures for the year.

Operating Funds

These funds include the General, Parks, Transportation, Stormwater, Water, Sewer, and Solid Waste Operating Funds. They are used to record the operating costs of the services provided by the Township.

Capital Funds

These funds include the General, Parks, Transportation, Stormwater, Water, and Sewer Capital Funds. They are used to record the acquisition costs of capital assets.

Reserve Funds

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

Notes to the Financial Statements

For the year ended December 31, 2011 *(in thousands of dollars)*

Trust Funds

These funds account for assets which must be administered as directed by agreement or statute for certain beneficiaries. In accordance with PSAB recommendations on financial statement presentation for local governments, trust funds are not included in the Township's consolidated financial statements. Trust funds administered by the Township are presented in Note 18.

b) Basis of Accounting

The Township 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 and services and/or the creation of a legal obligation to pay.

c) Cash and Cash Equivalents

Cash and cash equivalents consist of cash, highly liquid money market investments, and short-term deposits with maturities of less than 90 days at acquisition.

d) Investments

Investments are carried at cost which approximates market value and are comprised of money market investments and bonds issued by Canadian chartered banks, credit unions, or government authorities. Most investments are held to maturity and temporary losses or gains in value are not recognized in the consolidated financial statements. Investments are written down if there is an 'other than temporary' permanent decline in value.

e) 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.

Asset	Useful Life (years)
Land improvements	20 - 100
Building and building improvements	10 - 60
Vehicles	8 - 25
Machinery and equipment	4 - 30
Roads infrastructure - Base	75 - 100
- Surface	20 - 40
Stormwater infrastructure	40 - 100
Water infrastructure	15 - 78
Sewer infrastructure	41 - 78

Notes to the Financial Statements

For the year ended December 31, 2011 (*in thousands of dollars*)

(i) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes amounts directly attributable to acquisition, construction, development, or betterment of the asset. The costs of tangible capital assets are amortized on a straight line basis over their estimated useful lives as follows: Gravel pits are treated as land and as such are not amortized.

Tangible capital assets are amortized in the year the asset is acquired or constructed and/or in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

(ii) Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt. The fair values of contributions are recorded as revenue in the year of receipt.

(iii) Natural resources

Natural resources that have not been purchased are not recognized as assets in these consolidated financial statements.

(iv) Works of art and cultural and historic assets

Works of art and cultural and historic assets are not recorded as assets in these consolidated financial statements.

(v) Interest capitalization

The Township does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

(vi) Inventories of supplies

Inventories of supplies held for consumption are recorded at the lower of cost and replacement cost.

f) Deferred Revenue

Deferred revenues represent licences, permits, and other fees collected, but the related services or inspections have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

g) Employee Future Benefits

The Township and its employees contribute to the Municipal Pension Plan. These contributions are expensed as incurred. Sick leave and post-employment benefits accrue to some Township's employees. The accrued liabilities related to these benefits are estimated based on actuarial calculations of years of service, retirement ages, and expected future salary and wage increases. The liabilities are accrued based on projected benefits as the employees render qualifying years of service.

h) Debt and Agreements Payable

Municipal Finance Authority (MFA) debt is recorded net of related sinking fund balances. Interest on debt is recorded on the accrual basis. Land acquisition agreement debt is valued using a present value calculation of total future payments using a discount percentage that approximates the cost of borrowing through the MFA.

i) Use of Estimates

The preparation of these financial statements requires management to make estimates and assumptions that affect amounts reported, including post-employment benefits, allowance for doubtful receivables, and future payments under land acquisition agreements. Revised estimates may be required, and adjustments will be made in the period that a change in estimate is made. Actual results could differ from estimates, and adjustments will be made in the year of final determination.

j) Segment Disclosure

As required under PSAB Section 2700 Segment Disclosures, these financial statements provide segmented information. A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the standard.

Notes to the Financial Statements

For the year ended December 31, 2011 (in thousands of dollars)

3. CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash and cash equivalents are recorded at a cost of \$64,169 (2010 cost of \$40,841) with market value approximating cost.

Investments maturing beyond three months are recorded at a cost of \$69,405 with a market value of \$71,289 (2010 cost of \$80,415 with a market value of \$82,242).

Investments maturing within one year have interest rates ranging from 1.65% to 5.17%; within one to three years have interest rates ranging from 1.75% to 5.26%; and within four to seven years have interest rates ranging from 2.00% to 4.96%.

The following amounts are exclusive of Cemetery Funds (Note 18).

	<u>2011</u>	<u>2010</u>
Cash and Cash Equivalents	\$ 64,169	\$ 40,841
Investments	<u>69,405</u>	<u>80,415</u>
	<u>\$ 133,574</u>	<u>\$ 121,256</u>

Cash, cash equivalents, and investments are composed of restricted and unrestricted amounts. Restricted amounts shown below earn interest and can only be expended for their intended purposes.

	<u>2011</u>	<u>2010</u>
Capital Funds	\$ 31,035	\$ 30,222
Capital Funds, Future Works Deposits	4,944	4,586
Development Cost Charges (Note 7)	17,269	12,940
Development Cost Charges - GVS & DD	427	111
Statutory Reserve Funds	20,251	18,291
Local Area Service Reserve Fund Receivable	<u>(4,734)</u>	<u>(4,817)</u>
Restricted	69,192	61,333
Unrestricted	<u>64,382</u>	<u>59,923</u>
	<u>\$ 133,574</u>	<u>\$ 121,256</u>

Notes to the Financial Statements

For the year ended December 31, 2011 (*in thousands of dollars*)

4. ACCOUNTS RECEIVABLE

	<u>2011</u>	<u>2010</u>
Taxes	\$ 6,434	\$ 5,628
Federal government	2,675	2,933
Provincial government	1,599	4,116
Municipal Finance Authority	351	598
Other local government	3,762	3,727
Other accounts	4,275	6,846
Accrued interest and others	1,851	2,300
Recoverable work in progress	1,233	948
Receivables secured letters of credit	8,106	7,130
Local Area Service levies receivable	4,734	4,817
	<u>\$ 35,020</u>	<u>\$ 39,043</u>

The receivables secured letters of credit balance represents non-interest bearing securities for Development Cost Charge (DCC) amounts due from developers within two years. Monies collected upon negotiation of the letters of credit are restricted and can only be expended for DCC purposes (Note 7).

The Local Area Service levies receivable balance represents amounts due from property owners for specific Local Area Service projects in their neighbourhood. Amounts realized upon collection of these receivables are restricted for use on local improvement projects.

5. DEPOSITS AND PREPAYMENTS

The Township holds cash deposits received from depositors as security to ensure the satisfactory completion of works and other obligations. The Township also encourages the prepayment of property taxes and pays interest at rates prescribed by the provincial government

	<u>2011</u>	<u>2010</u>
Cash deposits held as security	\$ 13,085	\$ 13,523
Prepaid property tax	9,205	8,604
	<u>\$ 22,290</u>	<u>\$ 22,127</u>

The Township also holds irrevocable letters of credit in the amount of \$42,441 (2010 - \$44,317) received from depositors as security to ensure the satisfactory completion of works within the Township. These letters of credit amounts are not reflected in the financial statements.

Notes to the Financial Statements

For the year ended December 31, 2011 (in thousands of dollars)

6. DEFERRED REVENUE

	<u>2011</u>	<u>2010</u>
Future works deposits	\$ 4,944	\$ 4,586
South Coast British Columbia Transportation Authority	1,989	1,789
Government grant	833	537
Other	4,804	4,772
	<u>\$ 12,570</u>	<u>\$ 11,684</u>

7. DEVELOPMENT COST CHARGES

DCC's are collected from developers to contribute to the capital costs associated with development. In accordance with the Community Charter, these funds must be deposited into a separate DCC Reserve Fund. DCC amounts collected are deferred and are recognized as revenue in the year that related capital costs are incurred.

	<u>2011</u>	<u>2010</u>
Roads DCC's	\$ 11,910	\$ 9,422
Drainage DCC's	2,979	2,563
Parkland/Development/Interest DCC's	4,477	2,464
Water DCC's	3,463	2,694
Sewer DCC's	2,546	2,927
	<u>\$ 25,375</u>	<u>\$ 20,070</u>
Deferred DCC's, beginning of year	\$ 20,070	\$ 16,738
DCC's spent in Operating Funds	(2,075)	(2,486)
DCC's spent in Capital Funds	(3,420)	(4,276)
DCC's collected (net)	10,491	9,792
Interest income	309	302
Deferred DCC's, end of year	<u>\$ 25,375</u>	<u>\$ 20,070</u>
Investments (Note 3)	\$ 17,269	\$ 12,940
DCC's receivable	8,106	7,130
	<u>\$ 25,375</u>	<u>\$ 20,070</u>

Notes to the Financial Statements

For the year ended December 31, 2011 (in thousands of dollars)

8. DEBT AND AGREEMENTS PAYABLE

	2011	2010
MFA long-term debt, net of sinking fund deposits (a)	\$ 25,828	\$ 24,575
Debt Agreements (b)	23,613	30,587
Temporary borrowings (c)	-	2,255
	<u>\$ 49,441</u>	<u>\$ 57,417</u>

Estimated long-term debt and land acquisition agreements payable for the next five years are:

	Principle	Interest	Total
2012	5,509	2,051	7,560
2013	2,233	2,029	4,262
2014	1,950	2,008	3,958
2015	1,977	1,986	3,963
2016	1,950	1,962	3,912
Thereafter	<u>35,822</u>		
	<u>\$ 49,441</u>		

(a) MFA Debt

The Township obtains debt instruments through the Municipal Finance Authority (MFA) pursuant to security issuing bylaws under authority of the Community Charter to finance certain capital expenditures. Sinking fund balances managed by MFA are netted against related long-term debt.

	Gross Debt Outstanding		Sinking Fund Balance		Net Debt	
					2011	2010
Stormwater, Bylaw No. 3420, due 2017	\$ 1,675	\$ 993	\$ 682	\$ 777		
Stormwater, Bylaw No. 4752, due 2030	1,800	60	1,740	1,800		
Stormwater, Bylaw No. 4829, due 2031	2,292	-	2,292	-		
Water, Bylaw No. 3950, due 2020	1,200	519	681	742		
General, Bylaw No. 4455, due 2027	3,250	463	2,787	2,909		
General, Bylaw No. 4556, due 2027	11,000	1,569	9,431	9,847		
Sewer, Bylaw No. 4750, due 2030	8,500	285	8,215	8,500		
	<u>\$ 29,717</u>	<u>\$ 3,889</u>	<u>\$ 25,828</u>	<u>\$ 24,575</u>		

(b) Debt Agreements

Due 2011	-	-	-	2,090
Due 2012	735	-	250	500
Due 2013	924	-	616	924
Due 2026 and thereafter	<u>27,928</u>	<u>-</u>	<u>22,747</u>	<u>27,073</u>
	<u>\$ 29,587</u>	<u>\$ -</u>	<u>\$ 23,613</u>	<u>\$ 30,587</u>

(c) Temporary Borrowings

In 2010, the Township secured temporary financing of \$2,255 from the MFA for various floodplain drainage acquisitions pending the issuance of long-term debenture securities. Stormwater Bylaw No.4829 was issued in the spring of 2011 to replace temporary borrowing, and will be repaid over 20 years.

Notes to the Financial Statements

For the year ended December 31, 2011 (in thousands of dollars)

9. TANGIBLE CAPITAL ASSETS

Cost	Balance at		Reduction in Assets under Construction	Balance at
	December 31, 2010	Net Additions		
Land and improvements	\$ 408,170	\$ 11,172	\$ -	\$ 419,342
Buildings and building improvements	142,361	1,353	-	143,714
Vehicles, machinery, and equipment	37,743	1,755	-	39,498
Parks infrastructure	58,524	1,914	-	60,438
Information technology	6,291	1,526	-	7,817
Engineering infrastructure				
Roads	375,596	11,863	-	387,459
Water	162,770	2,426	-	165,196
Sewer	94,682	18,842	-	113,524
Stormwater	202,711	2,580	-	205,291
Assets under construction, net of transfers	41,208	7,498	(33,915)	14,791
Total	\$ 1,530,056	\$ 60,929	\$ (33,915)	\$ 1,557,070

Accumulated amortization	Balance at		Amortization expense	Balance at
	December 31, 2010	Disposals		
Land and improvements	\$ 1,122	\$ -	\$ 96	\$ 1,218
Buildings and building improvements	36,883	(294)	5,638	42,227
Vehicles, machinery, and equipment	18,113	(170)	2,909	20,852
Parks infrastructure	26,151	(167)	2,421	28,405
Information technology	2,568	(42)	1,226	3,752
Engineering infrastructure				
Roads	158,530	(180)	9,502	167,852
Water	50,416	(172)	2,801	53,045
Sewer	22,922	(211)	1,472	24,183
Stormwater	50,812	(14)	3,168	53,966
Total	\$ 367,517	\$ (1,250)	\$ 29,233	\$ 395,500

	Net book value		Net book value
	December 31, 2010	December 31, 2011	
Land and improvements	\$ 407,048	\$ 418,124	
Buildings and building improvements	105,478	101,487	
Vehicles, machinery, and equipment	19,630	18,646	
Parks infrastructure	32,373	32,033	
Information technology	3,723	4,065	
Engineering infrastructure			
Roads	217,066	219,607	
Water	112,354	112,151	
Sewer	71,760	89,341	
Stormwater	151,899	151,325	
Assets under construction, net of transfers	41,208	14,791	
Total	\$ 1,162,539	\$ 1,161,570	

Notes to the Financial Statements

For the year ended December 31, 2011 (in thousands of dollars)

Assets under Construction

Assets under construction having a value of \$14,791 (2010 - \$41,208) have not been amortized. Amortization of these assets will commence when the asset is available for productive use.

a) Contributed Tangible Capital Assets

Contributed capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is as follows:

	2011	2010
Land and improvements	\$ 8,143	\$ 13,921
Road infrastructure	3,427	8,335
Stormwater infrastructure	434	1,817
Water infrastructure	333	518
Sewer infrastructure	301	385
Total	<u>\$ 12,638</u>	<u>\$ 24,976</u>

b) Works of Art and Historical Treasures

The Township manages and controls various works of art and non-operational historical cultural assets including buildings, artifacts, paintings, and sculptures located at Township sites and public display areas. These assets are not recorded as tangible capital assets and are not amortized.

c) Write-down of Tangible Capital Assets

There were no write-down of tangible capital assets during the year (2010 nil).

10. ACCUMULATED SURPLUS

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	Operating Funds	Capital Funds	Statutory Reserves	Invested in Tangible Capital Assets	Total
General Fund	\$ 22,921	\$ 2,111	\$ -	\$ 457,743	\$ 482,775
Parks Utility	5,857	1,793	-	70,004	77,654
Transportation Utility	3,939	7,053	-	235,879	246,871
Stormwater Utility	(1,653)	2,954	-	150,100	151,401
Water Utility	8,378	10,748	-	113,571	132,697
Sewer Utility Solid Waste	1,431	6,337	-	84,524	92,292
Statutory Reserves	536	-	-	-	536
- General Capital	-	-	1,356	-	1,356
- Stormwater Capital	-	-	582	-	582
- Sewer Capital	-	-	4,999	-	4,999
- Water Capital	-	-	3,521	-	3,521
- Fire Equipment Capital	-	-	1,509	-	1,509
- Land Reserve	-	-	(13,752)	-	(13,752)
- Tax Sale Land	-	-	220	-	220
- Local Area Service	-	-	8,405	-	8,405
- Debt Retirement	-	-	210	-	210
Total for 2011	<u>\$ 41,409</u>	<u>\$ 30,996</u>	<u>\$ 7,050</u>	<u>\$ 1,111,821</u>	<u>\$ 1,191,276</u>
Total for 2010	<u>\$ 38,630</u>	<u>\$ 32,005</u>	<u>\$ 3,544</u>	<u>\$ 1,104,377</u>	<u>\$ 1,178,556</u>

Notes to the Financial Statements

For the year ended December 31, 2011 (in thousands of dollars)

Investment in tangible capital assets is comprised of tangible capital assets of \$1,161,570 (2010 - \$1,162,539) less net proceeds from debt spent on tangible capital assets of \$49,749 (2010 - \$58,162).

11. STATUTORY RESERVE FUNDS

The statutory reserve funds are used for the replacement or improvement of capital assets. The Local Area Service Reserve Fund is used to fund the upfront costs of capital improvement projects initiated by property owners and is repayable with interest by the property owners.

	<u>2011</u>	<u>2010</u>
General Capital	\$ 1,356	\$ 2,261
Stormwater Capital	582	568
Sewer Capital	4,999	3,549
Water Capital	3,521	2,140
Fire Equipment Capital	1,509	1,457
Land Reserve - surplus (deficit)	(13,752)	(13,959)
Tax Sale Land	220	214
Local Area Service	8,405	7,109
Debt Retirement	210	205
	<u>\$ 7,050</u>	<u>\$ 3,544</u>
	<u>2011</u>	<u>2010</u>
Reserve funds, beginning of year	\$ 3,544	\$ 3,591
Contributions from operations	4,243	1,431
Other revenue	315	131
Interest	782	680
Used for capital and operating expenses	(1,834)	(2,289)
Reserve funds, end of year	\$ 7,050	\$ 3,544

Notes to the Financial Statements

For the year ended December 31, 2011 (*in thousands of dollars*)

12. INVESTMENT IN TANGIBLE CAPITAL ASSETS

Investment in tangible capital assets represents the recorded cost of capital assets less the outstanding amount of any related long-term debt.

	2011	2010
Balance, beginning of year	\$ 1,104,377	\$ 1,084,547
Asset additions	34,698	65,968
Proceeds on disposal	(7,979)	(1,501)
Gain on disposal of assets	1,545	930
Deferred revenue	400	(3,000)
Amortization expense	(29,233)	(27,735)
Long-term debt/agreements issued	-	(17,566)
Long-term debt/agreements retired	8,013	2,734
Balance, end of year	\$ <u>1,111,821</u>	\$ <u>1,104,377</u>

13. CONTINGENCIES AND COMMITMENTS

a) The loan agreements with the Greater Vancouver Regional District provide that if, at any time, the scheduled payments provided for in the agreements are not sufficient to meet the MFA's obligations in respect of such borrowing, the resulting deficiency becomes the joint and several liability of the Township and all other participants of the MFA.

b) Various lawsuits and claims are pending against the Township. Applicable insured claims have been referred to the Township's insurers. Management believes the resolution of the insured and non-insured claims will not materially affect the financial position of the Township.

c) The Township has significant future contractual commitments for capital acquisitions and completion of capital construction projects in progress. The Township records the capital costs incurred to the end of the year as tangible capital assets. To provide for the completion of the capital projects in progress, unexpended money is set aside as a capital appropriation.

d) The Township has entered into various agreements and contracts with other governments and businesses that extend beyond one year for the provision of operating services and supplies and facility rentals. The agreements and contracts may provide for annual increases or additional payments that may arise due to usage levels or other factors. The Township's five-year financial plan, updated and adopted annually by bylaw following public consultation, provides funding for these obligations. The services provided include policing, fire dispatch, emergency communications, library, animal protection and control, sewage disposal, solid waste and recycling, arena operations, planted area maintenance, tourism, economic development, airport management, photocopying, environmental, emergency preparedness and education, and Langley Facilities Society (Langley Events Centre) operations management.

e) The Township as a member of the Greater Vancouver Water District, the Greater Vancouver Sewerage and Drainage District, and the Greater Vancouver Regional District is directly, jointly, and severally liable with other member municipalities for the net capital liabilities of those authorities.

Notes to the Financial Statements

For the year ended December 31, 2011 (in thousands of dollars)

- f) The Township is a shareholder of the Emergency Communications for Southwest British Columbia Incorporated (E-Comm) and holds restricted Class B voting shares. The Township receives services for the regional 9-1-1 call centre for Metro Vancouver. The Township has three Class B shares (a total of 26 Class A shares and 23 Class B shares issued and outstanding as at December 31, 2011). Class B shares secures the Township's future access to the Wide Area Radio network from E-Comm. Class B shareholders are not required to cover E-Comm's financial obligations.
- g) The Township has a contract with the federal government which provides Royal Canadian Mounted Police (RCMP) policing services. RCMP members and the federal government are currently in legal proceedings regarding pay raises for 2009 and 2010 that were retracted for RCMP members. As the final outcome of the legal action and the potential financial impact is not determinable, the Township has not recorded any provision for this outstanding matter in the financial statements as at December 31, 2011.

14. COLLECTIONS FOR OTHER GOVERNMENTS

The Township collected and remitted the following amounts on behalf of other government organizations. These amounts are not included in the consolidated financial statements.

	2011	2010
Langley School District #35	\$ 54,875	\$ 55,391
Municipal Finance Authority	5	5
BC Assessment	1,776	1,793
Greater Vancouver Regional District	1,762	1,755
Greater Vancouver Transit Authority	12,175	12,407
	<u>\$ 70,593</u>	<u>\$ 71,351</u>

15. MUNICIPAL PENSION PLAN

The Township and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trusteed pension plan. The Board of Trustees, representing Plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The Plan has about 173,000 active members and approximately 63,000 retired members. Active members include approximately 35,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of plan funding. The most recent valuation as at December 31, 2009 indicated an unfunded liability of \$1,024,000 for basic pension benefits. The next valuation will be at December 31, 2012 with results available in 2013. The actuary does not attribute portions of the unfunded liability to individual employers.

The Township paid \$3,361 (2010 - \$2,994) for employer contributions to the Plan, while employees contributed \$2,942 (2010 - \$2,612) to the Plan in fiscal 2011.

Notes to the Financial Statements

For the year ended December 31, 2011 (in thousands of dollars)

16. EMPLOYEE FUTURE BENEFITS

The Township provides certain benefits to its employees upon retirement. Those eligible employees who retire from service with the Township at the age of 65 shall be paid all their sick leave credit to a maximum of 75 days multiplied by the daily rate of pay at retirement.

Employees who retire before the age of 60 shall have their benefit factored by the percentage of full pension awarded by the Municipal Superannuation Commission.

	<u>2011</u>	<u>2010</u>
Accrued benefit obligation, beginning of year	\$ 3,166	\$ 2,808
Current service cost	245	223
Interest cost	138	137
Long term disability expenses	25	95
Benefits paid	(260)	(336)
Actuarial loss (gain)	47	239
Accrued benefit obligation, end of year	<u>3,361</u>	<u>3,166</u>
Unamortized gain (loss)	<u>(180)</u>	<u>(154)</u>
	<u>\$ 3,181</u>	<u>\$ 3,012</u>

The actuarial loss will be amortized over a period of 13 years which is equal to the employee's average remaining service lifetime. The liability is recorded as part of accounts payable and accrued liabilities on the Statement of Financial Position.

The Township's accrued liability is supported by a report from an independent actuarial consulting firm. Their report is based on standard assumptions concerning salary scales, mortality rates, retirement age, and withdrawal rates at the following rates:

	<u>2011</u>	<u>2010</u>
Discount rate	3.50%	4.50%
Expected future inflation rate	2.50%	3.50%
Expected wage and salary inflation	3.25%	3.50%
Expected wage and salary increases	3.25% - 5.00%	3.50% - 5.00%

Notes to the Financial Statements

For the year ended December 31, 2011 (in thousands of dollars)

17. SIGNIFICANT TAXPAYERS

The Township has a diverse residential, commercial, industrial, and agricultural property tax base and is not significantly reliant upon the property tax revenue from any large taxpayers.

18. TRUST FUNDS

The Cemetery Care Trust Fund must be administered in accordance with the Cemetery and Funeral Services Act. In accordance with Public Sector Accounting Board recommendations, trust funds are not included in the Township's Financial Statements.

	<u>2011</u>	<u>2010</u>
Assets		
Cash and investments	\$ 1,313	\$ 1,216
Accrued interest receivable	4	4
	<u>\$ 1,317</u>	<u>\$ 1,220</u>
Equity		
Balance, beginning of year	\$ 1,220	\$ 1,161
Contributions	74	43
Interest revenue	23	16
Balance, end of year	<u>\$ 1,317</u>	<u>\$ 1,220</u>

19. COMPARATIVE FIGURES

Certain of the 2010 figures may have been reclassified to conform to the 2011 financial statement presentation.

Notes to the Financial Statements

For the year ended December 31, 2011 *(in thousands of dollars)*

20. BUDGET DATA

The unaudited budget data presented in these consolidated financial statements is based upon the 2011 operating and capital budgets approved by Township Council on May 9, 2011. Amortization was not contemplated on development of the budget and, as such, has not been included. The chart below reconciles the approved budget to the budget figures reported in these consolidated financial statements.

Revenues

Operating Budget Bylaw	\$	175,539
Capital Budget Bylaw		143,336
Less		
Transfer from other funds		(84,317)
Proceeds from new debt		(12,484)
Total Revenue	\$	222,074

Expenses

Operating Budget Bylaw	\$	175,539
Capital Budget Bylaw		143,336
Less		
Transfer to other funds		(17,701)
Capital expenditures		(133,894)
Non-TCA expenditures		(9,442)
Debt principal payments		(4,435)
Total Expenses	\$	153,403

Annual Surplus	\$	68,671
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Notes to the Financial Statements

For the year ended December 31, 2011 (*in thousands of dollars*)

21. SEGMENTED INFORMATION

The Township of Langley is a diversified municipal government that provides a wide range of services to its citizens, including:

- Protection Services
- Recreation, Culture, and Parks Services
- General Government Services
- Public Works Services
- Solid Waste Management Services
- Planning and Development Services
- Water, Sewer, and Drainage Services

For management reporting purposes, the government's operations and activities are organized and reported by service areas. Service areas were created for the purpose of recording specific activities to attain certain objectives in accordance with regulations, restrictions, or limitations.

Township services are provided by departments and their activities are reported in these service areas. Departments disclosed in the Segmented Information, along with the services they provide, are as follows:

General Government

General Government Services includes Corporate Administration, Legislative Services, Human Resources, and Finance. Corporate Administration is responsible for carrying out the direction, policies, and priorities set by Council and for providing recommendations to Council consistent with the needs of the community. Legislative Services department provides a secretariat for Council and its Committees. Human Resources provide assistance, advice, and guidance to both managers and employees in fulfilling roles and achieving and accomplishing their goals. The Finance Division manages the Township's financial resources and provides expert financial information, advice, and services while complying with the Community Charter and other legislated services.

Protective Services

Protective Services includes the RCMP and Fire Departments. The RCMP protects and serves the citizens of Langley through the prevention and reduction of crime in partnership with the community.

The Fire Department operates through seven fire halls located throughout the Township. Services are delivered through four main branches of the Fire Service. Professional expertise is provided in the area of fire prevention, emergency operations, fire safety, emergency planning, and bylaw enforcement.

Community Development

The Community Development Division provides Council, internal divisions, and the general public with professional advice on community planning and development issues.

Recreation, Culture, and Parks

Recreation, Culture, and Parks is responsible for the management and provision of leisure services within the Township.

The revenue and expenses of the Recreation and Culture section include the operations of the Langley Facilities Society and Ten Feet Sports and Entertainment Ltd. The Langley Facilities Society is a society controlled by the Township. It was formed to operate and provide strategic direction to Ten Feet Sports and Entertainment Ltd, the company who manages the operating the activities of the Langley Events Centre.

Engineering

The Engineering Division delivers municipal transportation, water, sewer, solid waste, and stormwater services. Transportation manages traffic and transportation systems to ensure safe, efficient mobility for pedestrians, cyclists, and vehicles. The Water, Sewer, and Drainage Utilities operate and distribute water and network sewer mains, storm sewers, and pump stations. Solid Waste includes waste management including recycling, collection, and disposal.

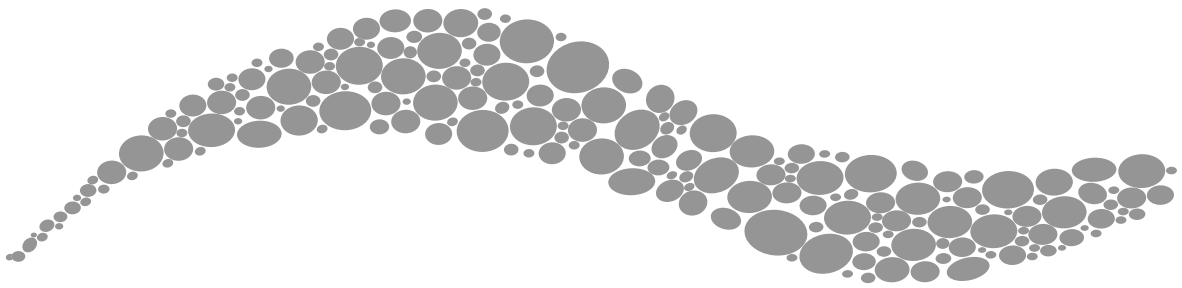
Financial Activities - Segmented

For the year ended December 31, 2011 (in thousands of dollars)

	Protective Services			Recreation, Culture, and Parks		
	General Government	Police	Fire	Community Development	Recreation & Culture	Parks
REVENUES						
Property Taxes	\$ 60,639	-	-	-	3,318	6,615
Fees, rates and service charges	2,629	159	416	5,595	5,511	2,513
Grants and grants in lieu of taxes	562	1,499	2	242	142	332
Service cost recoveries	173	2,055	128	-	52	52
Gain on sale of assets	2,430	-	-	-	-	(8)
Investment income	1,970	-	-	-	-	190
Local area service contributions	-	-	-	-	-	-
Contribution from developers	-	-	-	-	-	2,065
Other developer contributions	6,307	-	-	-	-	1,836
Other income	1,364	-	131	2	12	460
	<u>\$ 76,074</u>	<u>3,713</u>	<u>677</u>	<u>5,839</u>	<u>9,035</u>	<u>14,055</u>
EXPENSES						
Salaries, wages, and benefits	\$ 9,135	6,651	9,944	5,548	8,535	2,660
Service and maintenance contracts	1,266	604	829	102	6,281	1,623
RCMP contract	-	17,645	-	-	2	-
Consulting and professional services	722	13	1	569	102	259
Insurance	789	21	123	-	285	1
Materials, supplies, and equipment	849	285	389	130	827	982
Information systems maintenance	1,077	2	2	7	3	2
Aviation and vehicle fuel	745	333	133	-	1	1
Advertising publications	160	13	1	7	55	2
Utilities	20	95	130	-	1,101	273
Sundry	2,662	23	346	359	706	50
Telephone and communications	336	71	59	14	40	17
Regional District charges	-	-	-	-	3,330	-
Municipal grants	-	-	-	212	358	-
Debt interest payments	-	-	-	-	-	687
Fiscal and other debt charges	346	3	2	-	72	2
Internal cost recoveries	(238)	58	-	-	(283)	(4)
Amortization expense	5,818	-	-	-	2,722	2,424
Total Expenses	<u>\$ 23,687</u>	<u>25,817</u>	<u>11,959</u>	<u>6,948</u>	<u>24,137</u>	<u>8,979</u>
Annual surplus (deficit)	<u>\$ 52,387</u>	<u>(22,104)</u>	<u>(11,282)</u>	<u>(1,109)</u>	<u>(15,102)</u>	<u>5,076</u>

Engineering

	Transportation	Stormwater	Water	Sewer	Solid Waste	Reserve Funds	Consolidated Entries	2011 Consolidated	2010 Consolidated
\$	15,680	5,851	-	-	-	-	-	92,103	87,389
	472	214	14,194	10,417	5,189	38	1,511	48,858	48,518
	4,849	519	5	-	-	-	-	8,152	9,497
	741	-	-	1	-	-	-	3,202	3,264
	22	(9)	(334)	(550)	-	(6)	-	1,545	930
	271	57	494	228	12	811	(260)	3,773	3,387
	-	-	163	17	-	-	-	180	1,134
	1,637	664	275	854	-	-	-	5,495	6,782
	3,427	434	333	301	-	-	-	12,638	24,976
	70	94	-	12	-	-	16	2,161	6,812
\$	<u>27,169</u>	<u>7,824</u>	<u>15,130</u>	<u>11,280</u>	<u>5,201</u>	<u>843</u>	<u>1,267</u>	<u>178,107</u>	<u>192,689</u>
\$	6,233	1,975	2,451	1,289	249	-	-	54,670	52,020
	8,101	546	804	504	4,329	-	-	24,989	26,324
	-	-	-	-	-	-	-	17,647	16,705
	1,738	1,137	869	850	-	-	-	6,260	2,159
	330	-	14	14	-	-	-	1,577	1,192
	3,185	979	1,150	747	96	-	-	9,619	16,026
	20	6	17	11	-	-	-	1,147	1,032
	790	-	3	5	-	-	-	2,011	1,830
	16	2	4	-	12	-	-	272	309
	831	58	388	137	-	-	-	3,033	2,421
	373	69	104	64	17	-	-	4,773	6,126
	47	18	20	16	1	-	-	639	579
	-	-	3,224	4,203	-	-	-	10,757	12,779
	-	-	-	-	-	-	-	570	555
	-	238	38	383	-	-	-	1,346	1,644
	-	-	-	-	-	-	-	425	632
	(3,129)	(25)	20	20	-	-	-	(3,581)	(3,571)
	10,814	3,168	2,815	1,472	-	-	-	29,233	27,735
\$	<u>29,349</u>	<u>8,171</u>	<u>11,921</u>	<u>9,715</u>	<u>4,704</u>	<u>-</u>	<u>-</u>	<u>165,387</u>	<u>166,497</u>
\$	<u>(2,180)</u>	<u>(347)</u>	<u>3,209</u>	<u>1,565</u>	<u>497</u>	<u>843</u>	<u>1,267</u>	<u>12,720</u>	<u>26,192</u>



2011
Schedules

Schedule 1

Debt

As at December 31, 2011 (*in thousands of dollars*)

MFA DEBT

By-law	Date of Issue	Issued by	Purpose	Rate	Maturity	Gross Debt
DEBENTURE DEBT						
STORMWATER:						
3420	April 24, 1997	M.F.A.	Drainage	4.55%	April 24, 2017	\$ 1,675
4752	April 8, 2010	M.F.A.	Drainage	4.50%	April 8, 2030	1,800
4829					Temporary Borrowing	-
4829	April 4, 2011	M.F.A.	Drainage	4.20%	April 4, 2031	<u>2,292</u>
						5,767
WATER:						
3950	November 7, 2000	M.F.A.	Langley Water Utility	3.15%	December 1, 2020	<u>1,200</u>
						1,200
SEWER:						
4750	April 8, 2010	M.F.A.	Sewer	4.50%	April 8, 2030	<u>8,500</u>
						8,500
PARKS:						
4455	November 2, 2007	M.F.A.	Land Acquisition	5.00%	December 1, 2027	3,250
4556	November 2, 2007	M.F.A.	Land Acquisition	4.82%	December 1, 2027	<u>11,000</u>
						<u>14,250</u>
PROPERTY ACQUISITION AGREEMENTS						
GENERAL CAPITAL FUND:						
	November 21, 2006		Land Acquisition	6.00%	June 20, 2011	-
	* Langley Facilities Society		Recreation Centre	0.00%		<u>20,771</u>
						20,771
PARKS UTILITY FUND:						
**	January 3, 2006		Land Acquisition	see note	January 3, 2026	1,779
	February 28, 2008		Land Acquisition	0.00%	February 28, 2012	250
	July 20, 2010		Land Acquisition	0.00%	February 28, 2015	197
	August 24, 2010		Land Acquisition	0.00%	August 30, 2013	<u>616</u>
						<u>2,842</u>
						\$ <u>53,330</u>

The Township issues long-term debenture debt instruments through the Municipal Finance Authority (MFA) pursuant to security issuing bylaws. Sinking Fund Reserve balances are managed by the MFA and are used to retire the debt instruments. For reporting purposes, the Township nets Sinking Fund Reserve balances against the related gross debt.

The MFA Debt Reserve is composed of the Cash Reserves and Demand Note Reserves. The MFA retains these reserves in case any municipality defaults on their debt repayment obligations. Upon retirement of the debt and if no municipality has defaulted, the cash will be returned to the Municipality and the demand notes will be cancelled.

*The Langley Facilities Society holds a BMO bank loan pertaining to the construction of the Langley Events Centre. The bank loan has a fixed and floating (prime) rate structure. The fixed rate portion of the loan expires in 2012. The annual payment on the floating rate portion is recalculated each year based on the prime rate then in effect. For estimation purposes, future principal and interest payments assume constant 2010 rates in effect for the duration of the loan.

**Under this agreement, the vendors retained the right to operate the Redwoods Golf Course for 20 years (14 years remain). The vendors must contribute \$100,000 annually to maintain and improve the property. The Township must contribute \$50,000 annually. The Township is also required to pay the annual property taxes. Interest rates on related debt are approximately 4 to 6%.

Estimated Sinking Fund Reserve	Net Debt 2011	Net Sinking Fund Earnings 2011	Principal Repayments 2011	Interest Expense 2011	Net Debt 2010
\$ 993	\$ 682	\$ 44	\$ 51	\$ 76	777
60	1,740	-	60	81	1,800
-	-	-	2,255	-	2,255
-	2,292	-	-	48	-
1,053	4,714	44	2,366	205	4,832
519	681	21	40	38	742
519	681	21	40	38	742
285	8,215	-	285	383	8,500
285	8,215	-	285	383	8,500
463	2,787	13	109	157	2,909
1,569	9,431	47	369	530	9,847
2,032	12,218	60	478	687	12,756
-	-	-	2,090	-	2,090
-	20,771	-	4,132	593	24,903
-	20,771	-	6,222	593	26,993
-	1,779	5	144	-	1,928
-	250	-	250	-	500
-	197	-	45	9	242
-	616	-	308	-	924
-	2,842	5	747	9	3,594
\$ 3,889	\$ 49,441	\$ 130	\$ 10,138	\$ 1,915	\$ 57,417

Estimated principal and interest requirements for the next five years are as follows:

Year	Principal	Interest	Total
2012	\$ 5,509	\$ 2,051	\$ 7,560
2013	2,233	2,029	4,262
2014	1,950	2,008	3,958
2015	1,977	1,986	3,963
2016	1,950	1,962	3,912
Thereafter	35,822		
	\$ 49,441		

Schedule 2

Langley Centennial Museum

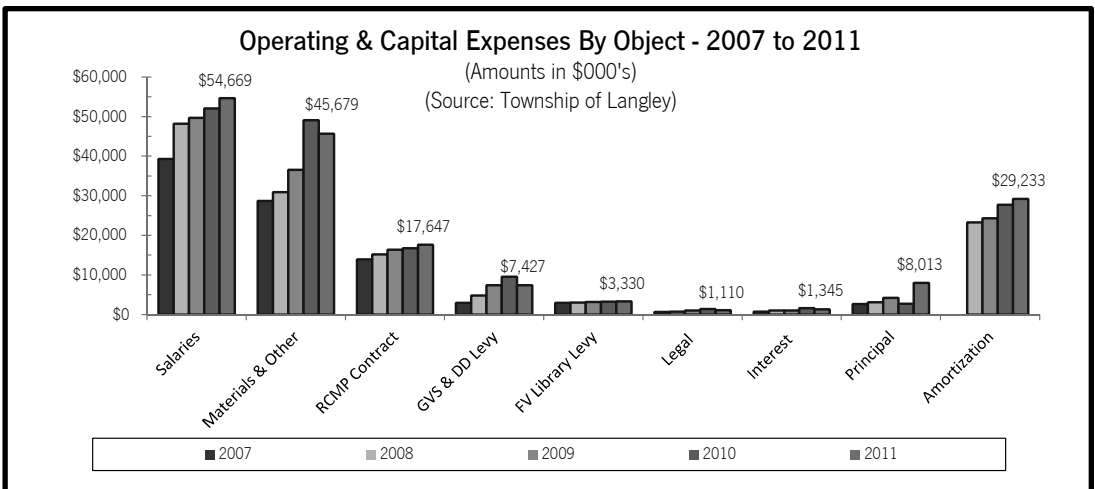
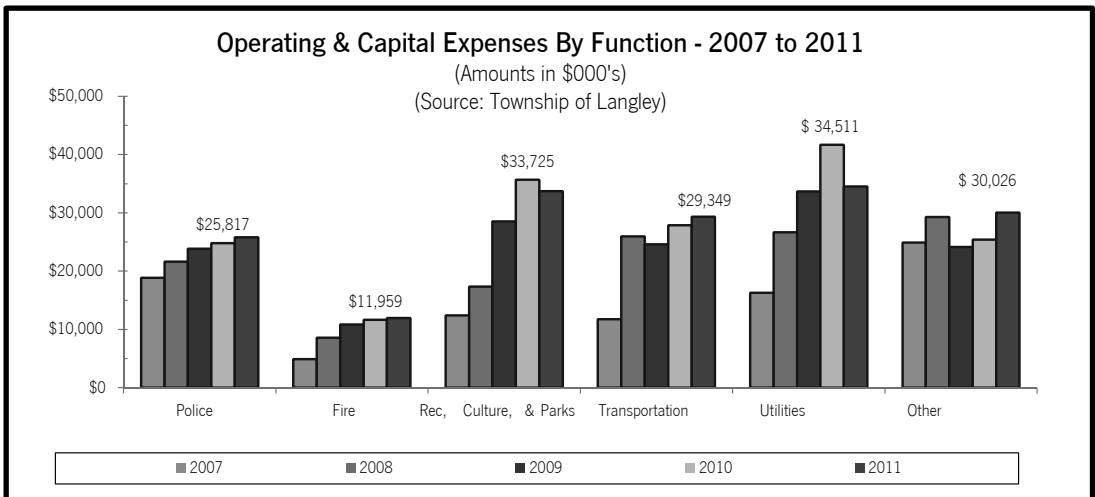
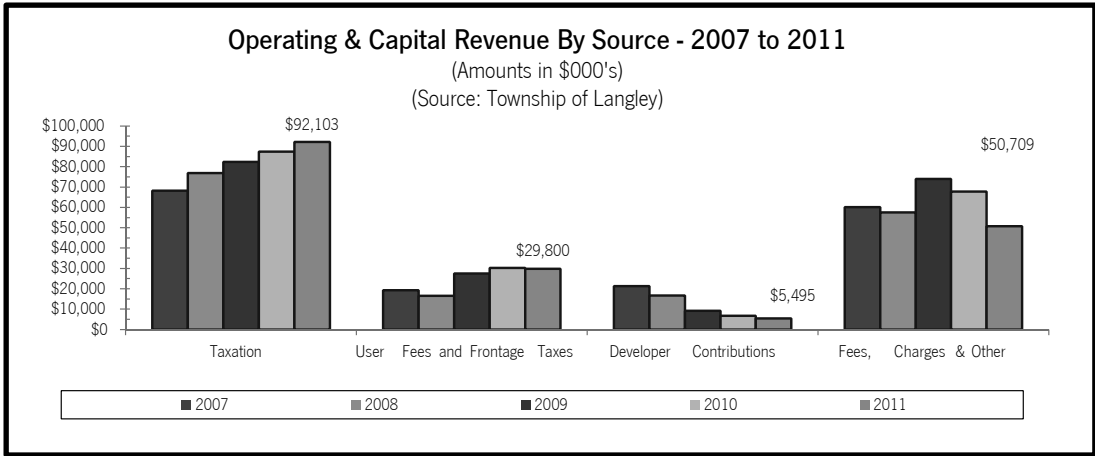
Statement of Financial Activities

For the year ended December 31, 2011 (in thousands of dollars)

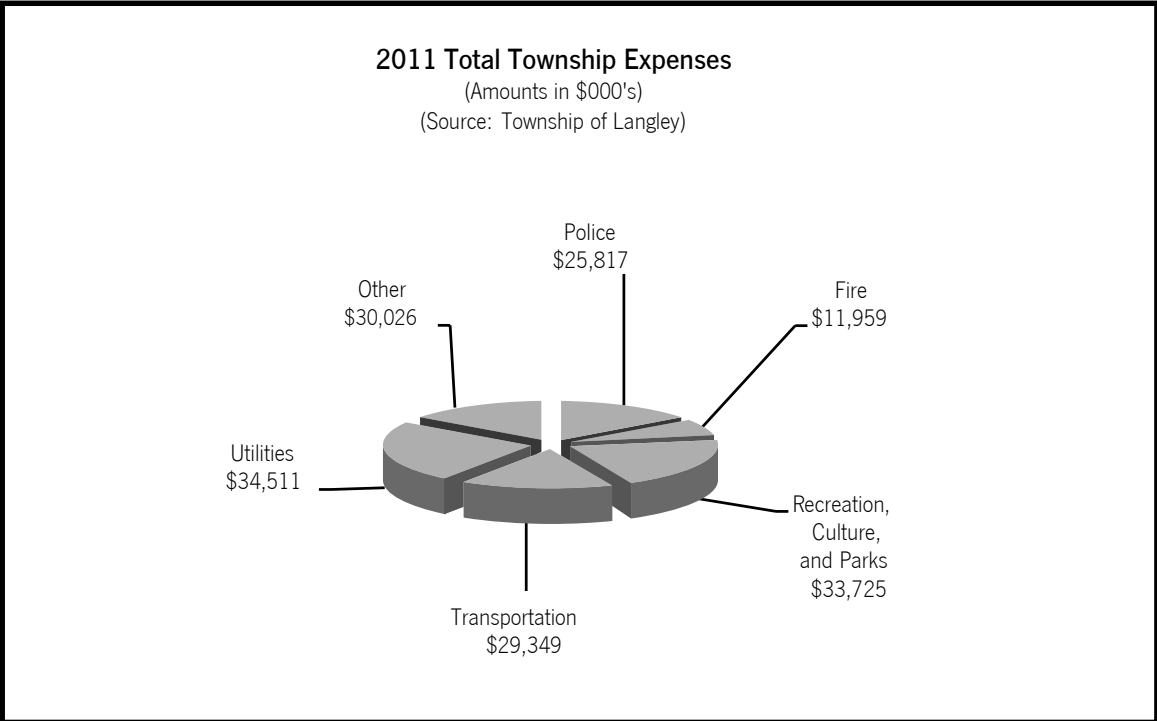
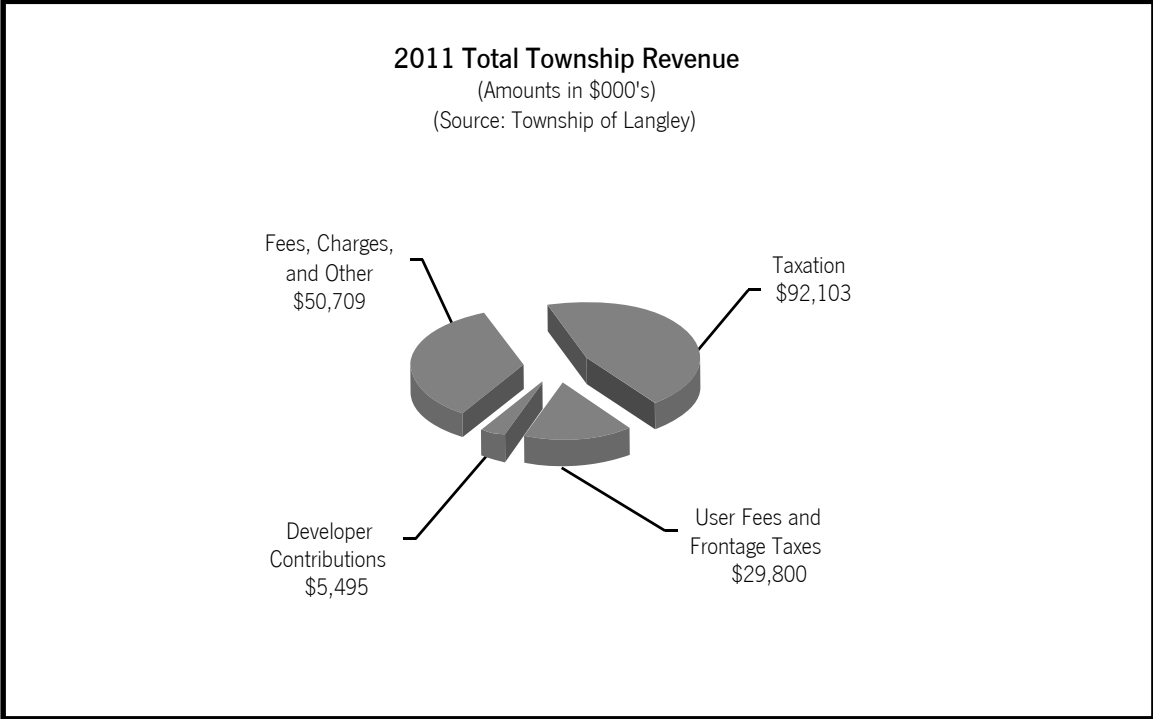
	<u>2011</u>	<u>2010</u>
REVENUE		
Donations, sales, and programs	\$ 85	\$ 146
Cultural services grant	46	63
Transfer from Museum Reserve	3	1
Transfer from capital surplus	7	23
Federal grants - other	27	33
Provincial grants	1	-
Other grants	-	-
Township of Langley funding	<u>466</u>	<u>411</u>
	<u>\$ 636</u>	<u>\$ 676</u>
EXPENSE		
Advertising	\$ 3	\$ 1
Building maintenance	8	21
Grounds maintenance	0	-
Insurance	13	13
Utilities	11	12
Office supplies and sundry	11	15
Telephone and internet	5	6
Travel	3	3
Salaries and benefits	510	528
Exhibit maintenance	20	26
Programs and events	14	11
Purchases for resale	17	15
Artifact additions	3	-
Amortization expense	<u>5</u>	<u>5</u>
Total operating expense	<u>623</u>	<u>656</u>
Transfer to Museum Reserve	<u>12</u>	<u>20</u>
	<u>\$ 636</u>	<u>\$ 676</u>
MUSEUM RESERVE		
Balance, beginning of year	\$ 376	\$ 288
Contribution from museum operations	23	86
Operating expense funded by the Reserve Fund	(3)	(1)
Capital expenditure funded by the Reserve Fund	<u>-</u>	<u>3</u>
Balance, end of year (Note 13)	<u>\$ 396</u>	<u>\$ 376</u>

2011
Statistical Information

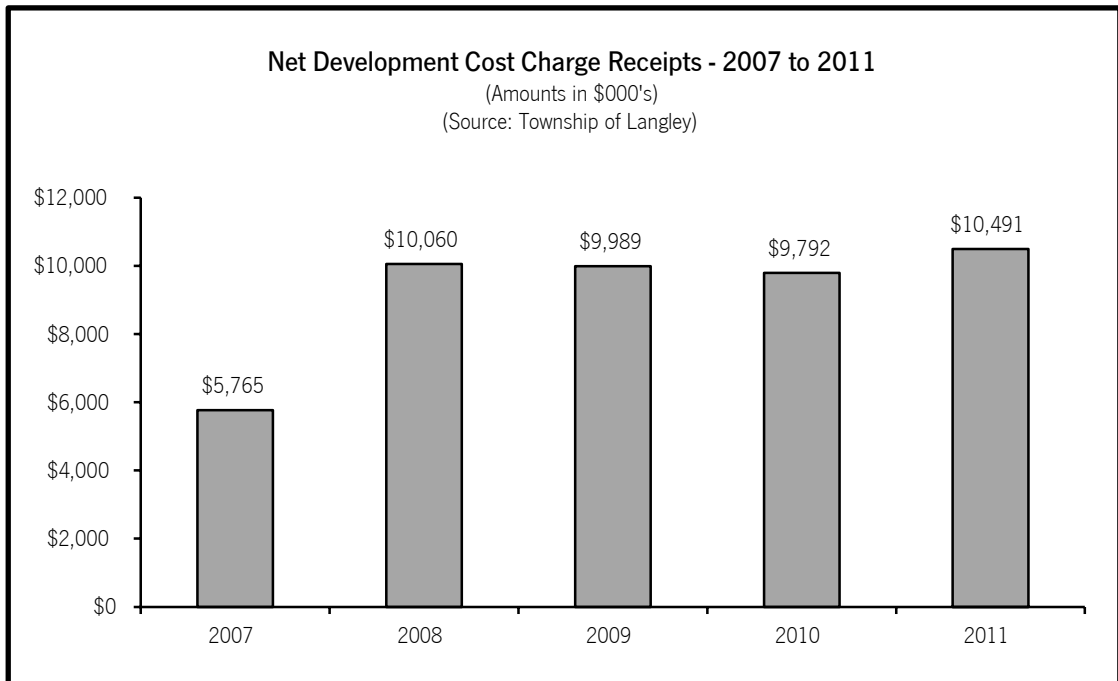
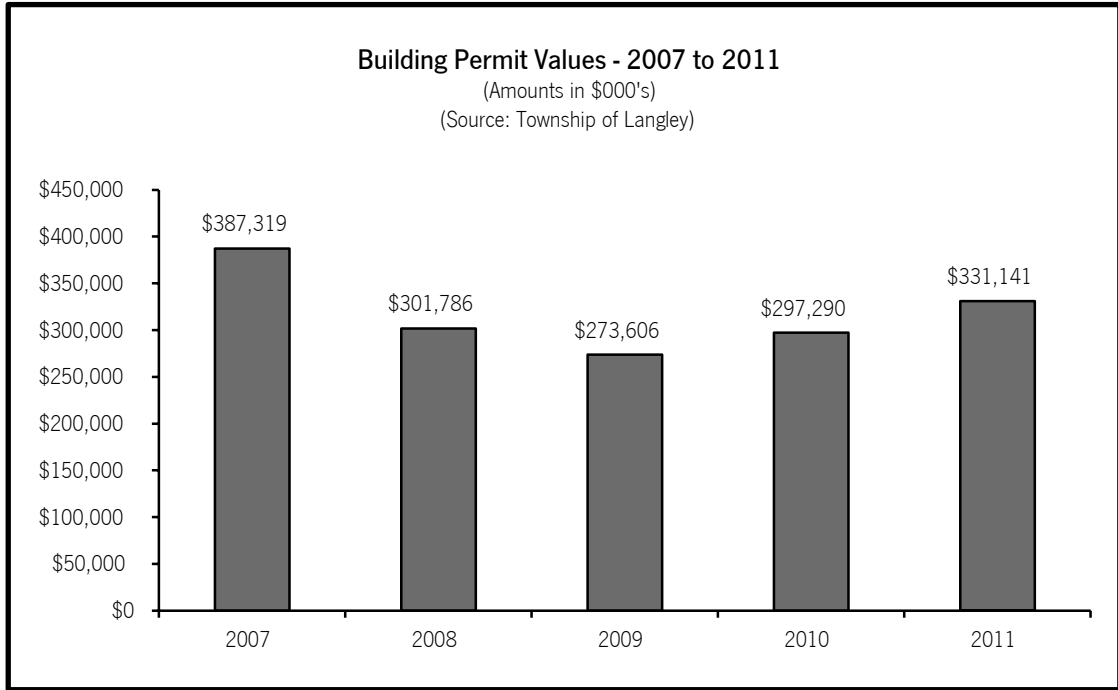
Statistical Information



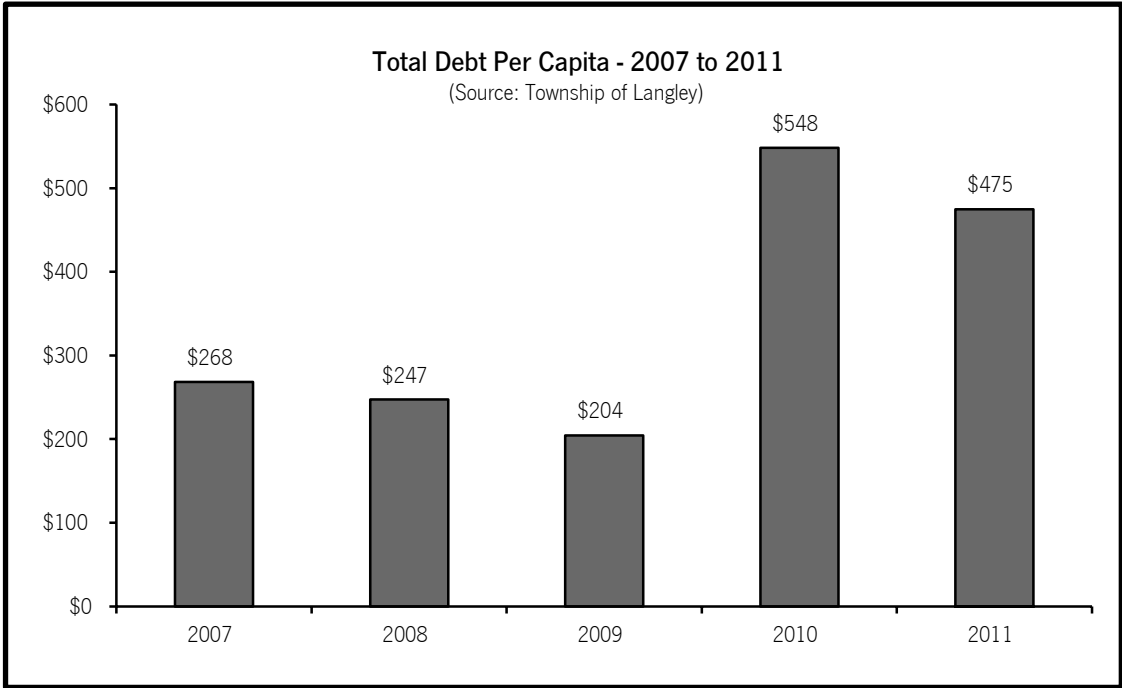
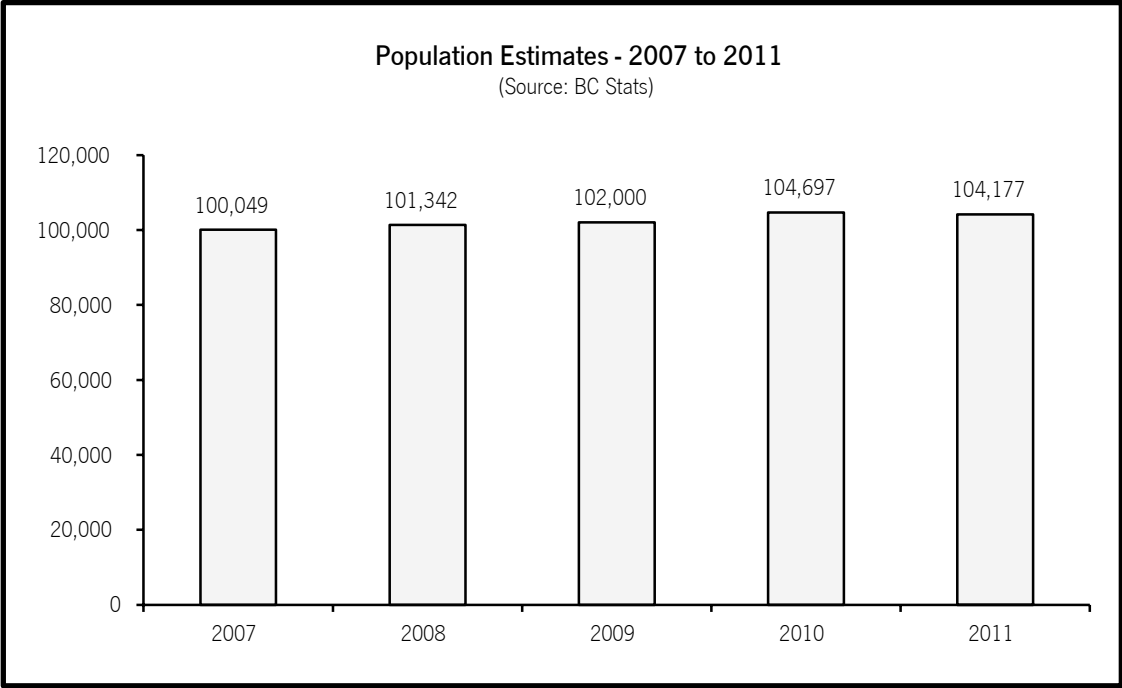
Statistical Information



Statistical Information

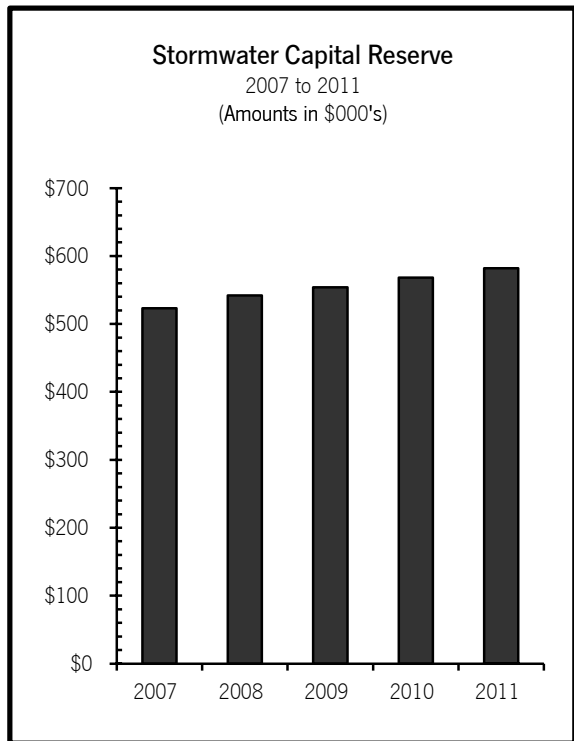
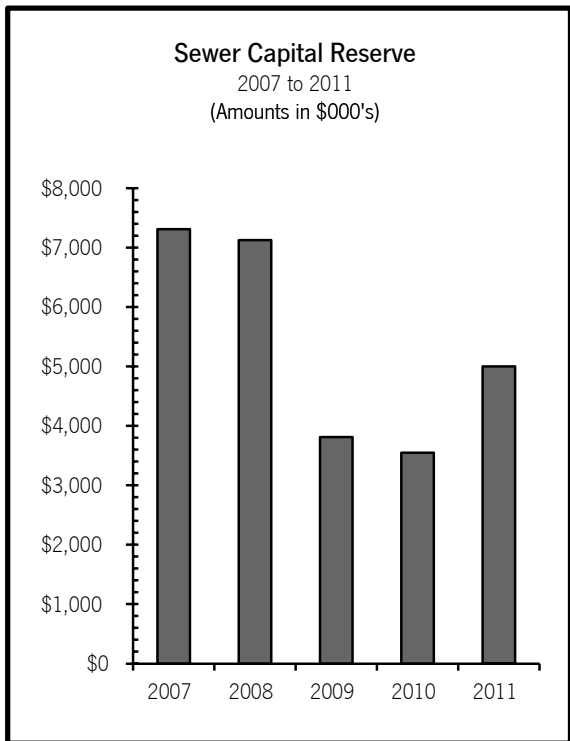
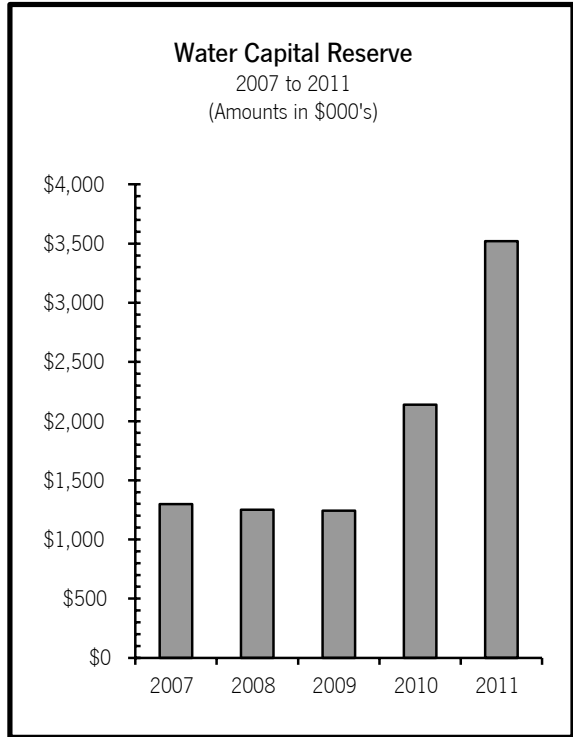
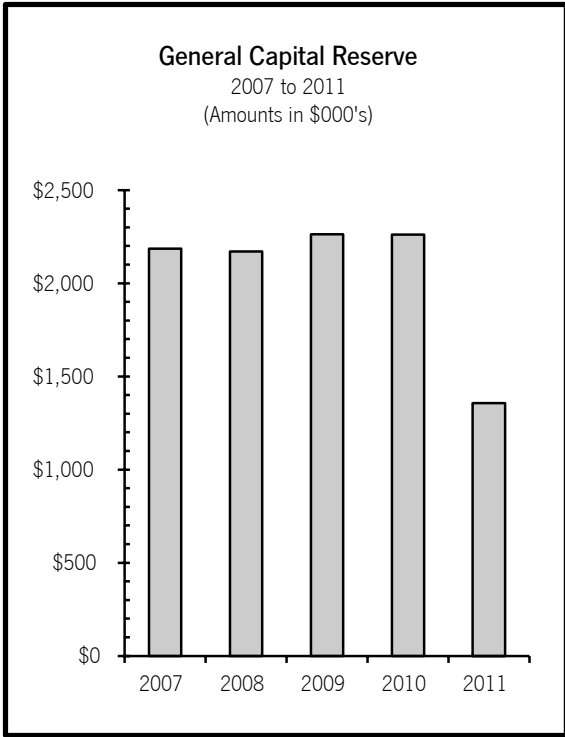


Statistical Information

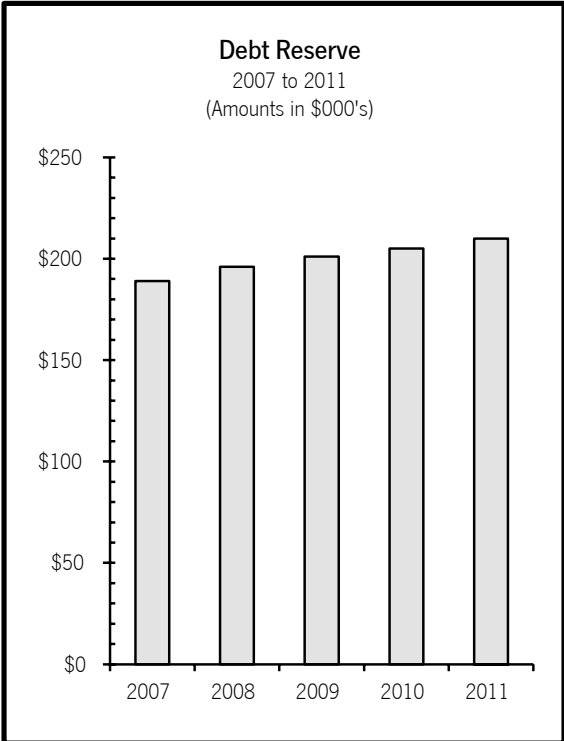
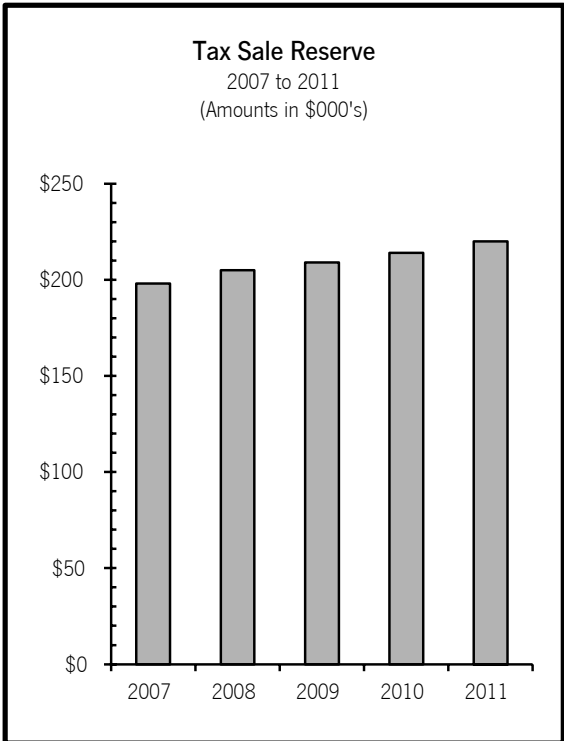
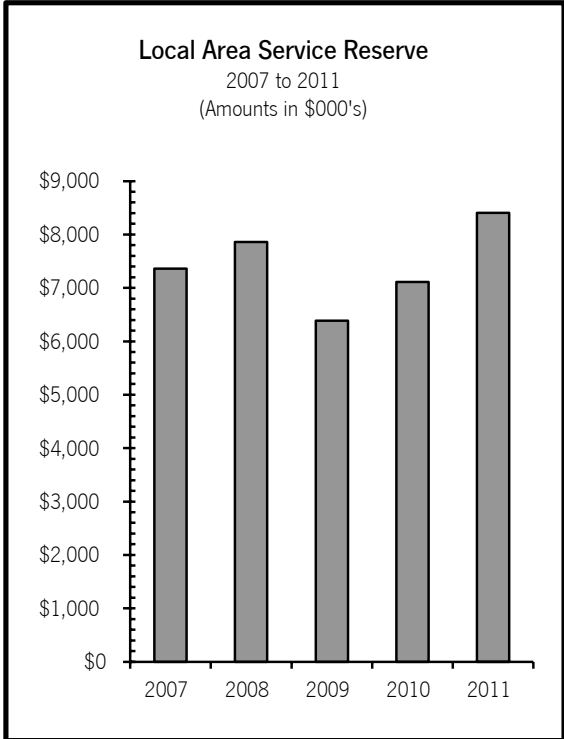
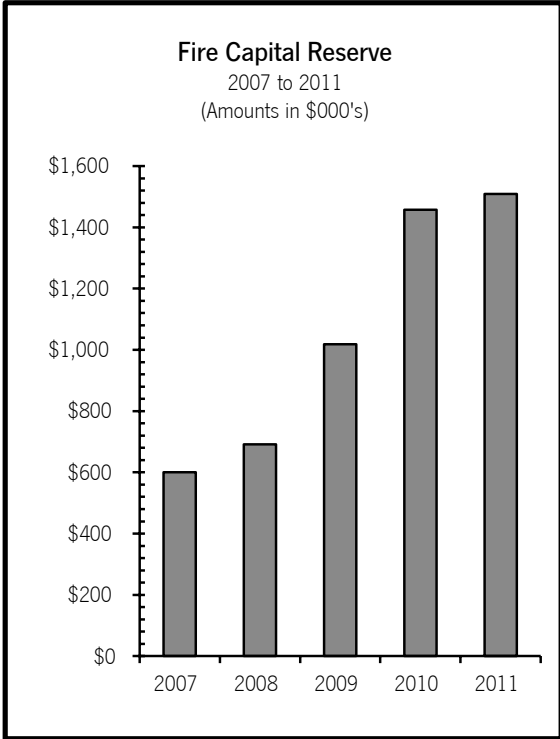


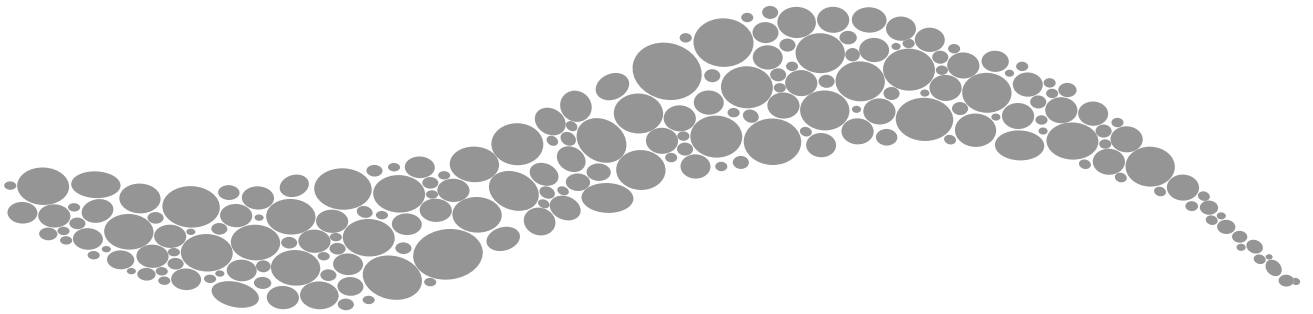
Note: Debt is repayable from Development Cost Charge reserves and future land sale proceeds. There is no outstanding debt repayable from general taxes.

Statistical Information



Statistical Information





Township of Langley

20338 - 65 Avenue, Langley, British Columbia V2Y 3J1

General Information

604.534.3211

Finance Division

604.533.6022

tol.ca

