

Township of  
Langley



Est. 1873

# 2015

## Annual Report Financial Section

For Fiscal Year Ending December 31





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## Report from the Director, Finance Division

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To Mayor Jack Froese and Council;

I am pleased to present the 2015 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 2015 Financial Statements are prepared by management in accordance with Public Sector Accounting Standards as recommended by the Public Sector Accounting Board (PASB) of the Chartered Professional Accountants of Canada. 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 Canadian generally accepted auditing standards, and to express their opinion on the financial statements. Their examination includes consideration 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.

KPMG LLP has given the Township an unmodified audit opinion on the Township's financial statements, stating that in their opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Township as at December 31, 2015, and its consolidated results of operations, its change in consolidated net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

The Township's Net Financial Assets increased by \$28 million to \$45.0 million as at December 31, 2015. Increased Development Cost Charges receipts, gain on sale of land, property tax increase, and fees, rates and service charge increases contributed to this increase in financial assets.

Debt and Agreements Payable balance decreased by \$3.8 million to \$76.8 million. Debt and Agreements Payable is repayable from a combination of Development Cost Charges, future land sales, and respective utility operating revenues.

Total Tangible Capital Assets for the Township, at historical cost, net of accumulative amortization expense, amount to \$1.30 billion.

Capital asset additions for 2015 amount to \$72.3 million. Each year developers construct capital infrastructure which is then contributed to the Township. For 2015 this contribution by developers amounted to \$36 million or 50% of the total capital asset additions. An additional \$11 million or 16% of the capital projects was funded from Development Cost Charges reserve.

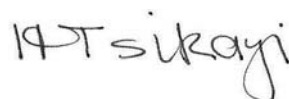
Under PSAB requirements, annual surplus of \$68.4 million includes operating surplus from operations and additional surplus from current investments in capital assets as follows:

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

Accumulated Surplus balance of \$1.35 billion is comprised of four categories as follows:

- Operating Surplus (\$78.80 million)
- Capital Surplus (\$23.80 million)
- Statutory Reserve (\$23.7 million)
- Investment in Tangible Capital Assets (\$1.22 billion)

The Township's economic goals include achieving fiscal stability and fiscal health, strengthening our economy, and investing in effective infrastructure. Our financial plans reflect these goals and this year's financial results are in line with the financial plans approved by Council.



H. Tsikayi B.Sc., CPA, CMA  
Director of Finance



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## **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, 2015, the consolidated statements of operations, change 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.

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.





*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, 2015, and its consolidated results of operations, its change in consolidated net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*KPMG LLP*

Chartered Professional Accountants  
June 7, 2016  
Burnaby, Canada







# FINANCIAL STATEMENTS

## Consolidated Statement of Financial Position

As at December 31, 2015 (in thousands of dollars)

	2015	2014
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents (Note 4)	\$ 25,610	\$ 59,168
Investments (Note 4)	178,302	125,281
Accounts receivable (Note 5)	41,056	32,710
Land held for resale	1,780	1,597
	<b>246,748</b>	<b>218,756</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 6)	39,260	43,250
Deposits and prepayments (Note 7)	24,417	25,114
Deferred revenue (Note 8)	14,841	16,238
Development cost charges (Note 9)	46,383	36,723
Debt and agreements payable (Note 10)	76,816	80,613
	<b>201,717</b>	<b>201,938</b>
<b>NET FINANCIAL ASSETS</b>	<b>45,031</b>	<b>16,818</b>
<b>NON-FINANCIAL ASSETS</b>		
Inventories of supplies	1,106	908
Prepaid expenses	1,473	1,282
Tangible capital assets (Note 11)	1,301,674	1,261,919
	<b>1,304,253</b>	<b>1,264,109</b>
<b>ACCUMULATED SURPLUS (Note 12)</b>	<b>\$ 1,349,284</b>	<b>\$ 1,280,927</b>

Contingencies and commitments (Note 15)  
See accompanying Notes to the Consolidated Financial Statements

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

**Jack Froese**  
Mayor, Township of Langley

## Consolidated Statement of Operations

For the year ended December 31, 2015 (in thousands of dollars)

	Budget 2015 (Note 2(a) and 21)	2015	2014
<b>REVENUE</b>			
Property taxes	\$ 113,061	\$ 112,612	\$ 106,698
Fees, rates and service charges	55,650	64,999	60,846
Grants and grants in lieu of taxes	10,963	8,928	5,694
Service cost recoveries	3,504	4,262	3,796
Gain on disposal of assets	-	9,051	1,282
Investment income	1,722	4,080	3,629
Local area service contributions	7,256	3,599	50
Contribution from development cost charges (Note 9)	50,236	11,327	10,377
Other developer contributions (Note 11(b))	10,391	36,316	31,520
Other income	10,847	3,528	3,399
	<u>263,630</u>	<u>258,702</u>	<u>227,291</u>
<b>EXPENSES</b>			
General government	24,484	21,003	23,748
Police protection	32,781	29,719	29,053
Fire protection	14,495	15,047	12,621
Facilities maintenance	6,490	6,117	4,285
Community planning and development	9,168	7,955	7,737
Recreation and culture	22,937	25,668	24,798
Parks	9,355	12,559	11,743
Transportation	21,132	29,718	30,367
Stormwater	5,512	8,415	8,387
Water	17,063	17,342	19,482
Sewer	10,482	11,122	12,564
Solid waste	5,938	5,680	5,219
	<u>179,837</u>	<u>190,345</u>	<u>190,004</u>
<b>ANNUAL SURPLUS</b>	83,793	68,357	37,287
<b>ACCUMULATED SURPLUS, beginning of year</b>	<u>1,280,927</u>	<u>1,280,927</u>	<u>1,243,640</u>
<b>ACCUMULATED SURPLUS, end of year</b>	<u>\$ 1,364,720</u>	<u>\$ 1,349,284</u>	<u>\$ 1,280,927</u>

See accompanying Notes to the Consolidated Financial Statements

## Consolidated Statement of Change in Net Financial Assets

For the year ended December 31, 2015 (in thousands of dollars)

	Budget 2015 <small>(Note 2(a) and 21)</small>	2015	2014
<b>ANNUAL SURPLUS</b>	\$ 83,793	\$ 68,357	\$ 37,287
Acquisition of tangible capital assets	(130,203)	<b>(36,887)</b>	(38,745)
Developer contributed tangible capital assets	(10,391)	<b>(35,422)</b>	(31,024)
Reclassification of land held for resale	-	<b>842</b>	985
Amortization of tangible capital assets	-	<b>31,536</b>	30,744
Gain on disposal of tangible capital assets	-	<b>(490)</b>	(1,282)
Proceeds on disposal of tangible capital assets	-	<b>666</b>	2,620
	(56,801)	<b>28,602</b>	585
Acquisition of inventories of supplies	(900)	<b>(1,106)</b>	(908)
Acquisition of prepaid expenses	(1,300)	<b>(1,473)</b>	(1,282)
Consumption of inventories of supplies	900	<b>908</b>	836
Use of prepaid expenses	1,300	<b>1,282</b>	1,390
	-	<b>(389)</b>	36
<b>CHANGE IN NET FINANCIAL ASSETS</b>	(56,801)	<b>28,213</b>	621
<b>NET FINANCIAL ASSETS, beginning of year</b>	16,818	<b>16,818</b>	16,197
<b>NET FINANCIAL ASSETS, end of year</b>	\$ (39,983)	\$ <b>45,031</b>	\$ 16,818

See accompanying Notes to the Consolidated Financial Statements

## Consolidated Statement of Cash Flows

For the year ended December 31, 2015 (in thousands of dollars)

	<u>2015</u>	<u>2014</u>
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATIONS</b>		
Annual surplus	\$ 68,357	\$ 37,287
Items not involving cash:		
Amortization of tangible capital assets	31,536	30,744
Gain on disposal of tangible capital assets	(490)	(1,282)
Developer contributed tangible capital assets	(35,422)	(31,024)
Change in non-cash operating working capital:		
Accounts receivable	(8,346)	(667)
Accounts payable and accrued liabilities	(3,990)	1,016
Deposits and prepayments	(697)	(1,406)
Deferred revenue	(1,397)	166
Development cost charges	9,660	5,337
Disposal of land held for resale	659	-
Inventories of supplies	(198)	(72)
Prepaid expenses	(191)	108
Net change in cash from operating activities	<u>59,481</u>	<u>40,207</u>
<b>CAPITAL ACTIVITIES</b>		
Cash used to acquire tangible capital assets	(36,887)	(38,745)
Proceeds on disposal of tangible capital assets	666	2,620
Net change in cash from capital activities	<u>(36,221)</u>	<u>(36,125)</u>
<b>FINANCING ACTIVITIES</b>		
Issuance of debt and agreements payable	200	19,865
Repayment of debt and agreements payable	(3,997)	(2,446)
Net change in cash from financing activities	<u>(3,797)</u>	<u>17,419</u>
<b>INVESTING ACTIVITIES</b>		
Change in investments	<u>(53,021)</u>	<u>(28,059)</u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(33,558)</b>	<b>(6,558)</b>
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<u>59,168</u>	<u>65,726</u>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u>\$ 25,610</u>	<u>\$ 59,168</u>

See accompanying Notes to the Consolidated Financial Statements

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2015 (in thousands of dollars)

The notes to the consolidated 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 (the “Township”) is incorporated under the Local Government Act of British Columbia. The Township’s principal activities include the provision of local government services to residents and businesses in the Township of Langley. 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 B.C. requires revenue and expenses 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 expenses 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 are prepared in accordance with Public Sector Accounting Standards as prescribed by the Public Sector Accounting Board (“PSAB”) of the Chartered Professional Accountants Canada.

#### a) Basis of Consolidation

The consolidated financial statements are comprised of the Township’s Operating, Capital and Reserve Funds consolidated with Langley Facilities Society (the “Society”). The Society, incorporated on March 12, 2009, was formed to operate the Langley Events Centre and is controlled by the Township. Other purposes of the Society include promotion of educational, recreational, heritage, and cultural activities and events within the Township of Langley. Ten Feet Sports and Entertainment Ltd., a wholly-owned subsidiary of the Society, operates the Langley Events Centre. Interfund and inter-entity transactions, fund balances, and activities have been eliminated on consolidation.

#### Budget Reporting

The budget information presented in the consolidated financial statements reflects the 2015 budget component of the Township 2015 – 2019 Five-Year Financial Plan adopted by Council Bylaw No. 5141 on April 27th, 2015. 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 tangible 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.

#### 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 20.

#### b) Basis of Accounting

The Township follows the accrual method of accounting for revenue and expenses. Revenue is recognized in the year in which it is 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’ decline in value.

## e) Land Held for Resale

Land held for resale includes properties which are ready and available to be sold and for which there is a market. They are valued at the lower of cost or expected net realizable value.

## f) 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.

## 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:

Assets	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

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 and the fair value 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 the 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.

## g) Deferred revenue

Deferred revenues represent licenses, 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.

## h) Government Transfers

Restricted transfers from governments are deferred and recognized as revenue as the related expenditures are incurred or the stipulations in the related agreement are met. Unrestricted transfers are recognized as revenue when received or if the amount to be received can be reasonably estimated and collection is reasonably assured.

## i) 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 the sick leave benefits are estimated based on actuarial calculations of years of service, retirement ages, and expected future salary and wage increases. These liabilities are accrued based on projected benefits as the employees render qualifying years of service. Other post-employment benefits liabilities are recognized as a liability and expense in the period when the event occurs that obligates the Township to provide the benefit.

## j) 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.



**k) Liability for Contaminated Sites**

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic, radioactive material or live organism that exceeds an environmental standard. Liabilities are recorded net of any expected recoveries.

A liability for remediation of contaminated sites is recognized when a site is not in productive use and the following criteria are met:

- i) An environmental standard exists;
- ii) Contamination exceeds the environmental standards;
- iii) The Township is directly responsible of accepts responsibility;
- iv) It is expected that future economic benefits will be given up and
- v) A reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance, and monitoring that are an integral part of the remediation strategy for a contaminated site.

**l) Use of Estimates**

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect amounts reported, including post-employment benefits, allowance for doubtful receivables, fair value of developer contributions of tangible capital assets, useful lives of tangible capital assets, provision for contingencies, liability for contaminated sites, 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.

**m) Segment Disclosure**

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. Financial information is presented in segmented format in Note 23.

### 3. ADOPTION OF NEW ACCOUNTING STANDARD

On January 1, 2015, the Township adopted PS 3260 Liability for Contaminated Sites. The standard was applied on a retroactive basis to January 1, 2014 and did not result in any adjustment to liabilities, tangible capital assets, or accumulated surplus of the Township.

### 4. CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash and cash equivalents are recorded at a cost of \$25,610 (2014 - \$59,168).

Investments with an initial maturity beyond three months are recorded at amortized cost of \$178,302 with a market value of \$179,357 (2014 - cost of \$125,281 with a market value of \$125,979).

Investments maturing within one year of December 31, 2015 have interest rates ranging from 1.20% to 4.63%; within two to four years have interest rates ranging from 1.60% to 3.62%; within five to seven years have interest rates ranging from 2.05% to 3.50% and within eight to ten years have interest rates ranging from 2.48% to 3.37%.

The following amounts are exclusive of Cemetery Funds (Note 20).

	<u>2015</u>	<u>2014</u>
Cash and cash equivalents	\$ 25,610	\$ 59,168
Investments	178,302	125,281
	<u>\$ 203,912</u>	<u>\$ 184,449</u>

### 5. ACCOUNTS RECEIVABLE

	<u>2015</u>	<u>2014</u>
Taxes	\$ 5,767	\$ 5,900
Federal Government	643	551
Provincial Government	135	280
Municipal Finance Authority	489	390
Other local government	3,927	4,016
Other accounts	4,686	2,219
Accrued interest and others	3,173	2,641
Recoverable work in progress	1,278	1,577
Receivables secured letters of credit (a)	14,026	11,292
Local Area Service levies receivable (b)	6,932	3,844
	<u>\$ 41,056</u>	<u>\$ 32,710</u>

- a) 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 9).
- b) The Local Area Service levies receivable balance represents amounts due from property owners for specific Local Area Service projects in their neighborhood. Amounts realized upon collection of these receivables are restricted for use on local improvement projects.

### 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2015</u>	<u>2014</u>
Trade and other liabilities	\$ 29,729	\$ 32,308
Payroll liabilities	4,000	5,756
Employee future benefits (Note 18)	4,486	4,327
Collections for other authorities	1,045	859
	<u>\$ 39,260</u>	<u>\$ 43,250</u>

## 7. 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>2015</u>	<u>2014</u>
Cash deposits held as security	\$ 10,813	\$ 12,105
Prepaid property tax	13,604	13,009
	<u>\$ 24,417</u>	<u>\$ 25,114</u>

The Township also holds irrevocable letters of credit in the amount of \$50,002 (2014 - \$45,797) 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 consolidated financial statements.

## 8. DEFERRED REVENUE

	<u>2015</u>	<u>2014</u>
Future works deposit	\$ 5,973	\$ 6,288
South Coast British Columbia Transportation Authority	1,342	2,128
Government grant	161	96
Langley School Board contribution	2,000	2,150
Trinity Western University contribution	2,333	2,508
Other	3,032	3,068
	<u>\$ 14,841</u>	<u>\$ 16,238</u>

## 9. DEVELOPMENT COST CHARGES

DCC 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 costs are incurred.

	<u>2015</u>	<u>2014</u>
Roads DCC	\$ 17,550	\$ 13,625
Drainage DCC	3,903	5,225
Park Land/Development/Interest DCC	13,908	8,735
Water DCC	7,388	5,896
Sewer DCC	3,634	3,242
	<u>\$ 46,383</u>	<u>\$ 36,723</u>
DCC, beginning of year	\$ 36,723	\$ 31,386
DCC spent in Operating Funds	(3,208)	(1,614)
DCC spent in Capital Funds	(8,119)	(8,763)
DCC collected (net)	20,392	15,176
Interest allocated	595	538
DCC, end of year	<u>\$ 46,383</u>	<u>\$ 36,723</u>

Investment in DCC consists of restricted investments as well as restricted accounts receivable.

Investments	\$ 32,357	\$ 25,431
Receivables secured letters of credit (Note 5)	14,026	11,292
	<u>\$ 46,383</u>	<u>\$ 36,723</u>

## 10. DEBT AND AGREEMENTS PAYABLE

		<u>2015</u>		<u>2014</u>
MFA debt, net of sinking fund deposits	a)	\$ 29,594	\$	22,203
Agreements payable	b)	17,522		20,210
Temporary borrowings	c)	29,700		38,200
		<u>\$ 76,816</u>	\$	<u>80,613</u>

Estimated future payments on debt and agreements payable for the next five years and thereafter are:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
<b>2016</b>	\$ 5,166	\$ 3,006	\$ 8,172
<b>2017</b>	4,905	2,940	7,845
<b>2018</b>	3,879	2,883	6,762
<b>2019</b>	3,857	2,865	6,722
<b>2020</b>	3,990	2,850	6,840
<b>Thereafter</b>	<u>55,019</u>		
	<u>\$ 76,816</u>		

## a) MFA Debt

The Township obtains debt instruments through the MFA pursuant to security issuing bylaws under authority of the Community Charter to finance certain expenditures. Sinking fund balances managed by MFA are netted against related debt.

	Interest Rate	Gross Debt Outstanding	Sinking Fund Balance	Net Debt	
				<u>2015</u>	<u>2014</u>
Stormwater, Bylaw 3420, due 2017	4.55%	\$ 1,675	\$ 1,425	\$ 250	\$ 366
Stormwater, Bylaw 4752, due 2030	4.50%	1,800	327	1,473	1,543
Stormwater, Bylaw 4829, due 2031	4.20%	2,292	327	1,965	2,052
Water, Bylaw 3950, due 2020	2.10%	1,200	788	412	484
General, Bylaw 4455, due 2027	4.82%	3,250	1,006	2,244	2,388
General, Bylaw 4556, due 2027	4.82%	11,000	3,404	7,596	8,082
Sewer, Bylaw 4750, due 2030	4.50%	8,500	1,546	6,954	7,288
Transportation, Bylaw 4751, due 2035	2.20%	8,700	-	8,700	-
		<u>\$ 38,417</u>	<u>\$ 8,823</u>	<u>\$ 29,594</u>	<u>\$ 22,203</u>

## b) Agreements payable

Parkland, due 2015	3.75%		\$ -	\$ 53
Parkland, due 2016	2.00%		365	865
Parkland, due 2017	0.00%		2,000	3,000
Parkland, due 2026	4.00%		1,217	1,352
Recreation facility, due 2029	2.70%		13,940	14,940
			<u>\$ 17,522</u>	<u>\$ 20,210</u>

## c) Temporary borrowings

As at December 31, 2015, the Township has secured temporary financing of \$29,700 from the MFA for various capital projects to be paid over 20 years pending the issuance of debt instruments through the MFA pursuant to security issuing bylaws in 2016 and 2017. The variable annual interest rate as at December 31, 2015 was 1.38% (2014 – 1.80%).

## 11. TANGIBLE CAPITAL ASSETS

<b>Cost</b>	Balance at December 31 2014	Additions (net of transfers)	Disposals and Reclass of Land Held for Resale	Balance at December 31 2015
Land and improvements	\$ 474,379	\$ 14,610	\$ 870	\$ 488,119
Building and building improvements	153,301	2,516	28	155,789
Vehicles, machinery and equipment	45,466	3,213	1,032	47,647
Parks infrastructure	72,639	2,159	198	74,600
Information technology	8,879	518	122	9,275
Roads	416,038	15,421	195	431,264
Stormwater	222,385	6,797	146	229,036
Sewer	121,660	3,407	6	125,061
Water	170,059	4,892	28	174,923
Assets under construction	55,567	18,776	-	74,343
<b>Total</b>	<b>\$ 1,740,373</b>	<b>\$ 72,309</b>	<b>\$ 2,625</b>	<b>\$ 1,810,057</b>

<b>Accumulated amortization</b>	Balance at December 31 2014	Amortization	Accumulated Amortization on Disposals	Balance at December 31 2015
Land and improvements	\$ 1,526	\$ 110	\$ -	\$ 1,636
Building and building improvements	55,773	5,200	28	60,945
Vehicles, machinery and equipment	26,305	2,826	1,021	28,110
Parks infrastructure	36,585	3,154	198	39,541
Information technology	6,764	855	122	7,497
Roads	197,770	10,850	172	208,448
Stormwater	63,546	3,588	48	67,086
Sewer	28,951	1,953	2	30,902
Water	61,234	3,000	16	64,218
<b>Total</b>	<b>\$ 478,454</b>	<b>\$ 31,536</b>	<b>\$ 1,607</b>	<b>\$ 508,383</b>

<b>Net book value</b>	Net Book Value December 31 2014	Net Book Value December 31 2015
Land and improvements	\$ 472,853	\$ 486,483
Building and building improvements	97,528	94,844
Vehicles, machinery and equipment	19,161	19,537
Parks infrastructure	36,054	35,059
Information technology	2,115	1,778
Roads	218,268	222,816
Stormwater	158,839	161,950
Sewer	92,709	94,159
Water	108,825	110,705
Assets under construction	55,567	74,343
<b>Total</b>	<b>\$ 1,261,919</b>	<b>\$ 1,301,674</b>

<b>Cost</b>	Balance at December 31 2013	Additions (net of transfers)	Disposals and Reclass of Land Held for Resale	Balance at December 31 2014
Land and improvements	\$ 449,240	\$ 26,227	\$ 1,088	\$ 474,379
Building and building improvements	152,909	650	258	153,301
Vehicles, machinery and equipment	44,292	2,467	1,293	45,466
Parks infrastructure	70,096	2,543	-	72,639
Information technology	8,254	702	77	8,879
Roads	398,561	17,477	-	416,038
Stormwater	213,557	9,808	980	222,385
Sewer	118,361	3,625	326	121,660
Water	168,985	1,465	391	170,059
Assets under construction	50,762	4,805	-	55,567
<b>Total</b>	<b>\$ 1,675,017</b>	<b>\$ 69,769</b>	<b>\$ 4,413</b>	<b>\$ 1,740,373</b>

<b>Accumulated amortization</b>	Balance at December 31 2013	Amortization	Accumulated Amortization on Disposals	Balance at December 31 2014
Land and improvements	\$ 1,421	\$ 105	\$ -	\$ 1,526
Building and building improvements	50,771	5,200	198	55,773
Vehicles, machinery and equipment	24,696	2,872	1,263	26,305
Parks infrastructure	33,685	2,900	-	36,585
Information technology	5,711	1,129	76	6,764
Roads	187,453	10,317	-	197,770
Stormwater	60,411	3,440	305	63,546
Sewer	27,171	1,864	84	28,951
Water	58,481	2,917	164	61,234
<b>Total</b>	<b>\$ 449,800</b>	<b>\$ 30,744</b>	<b>\$ 2,090</b>	<b>\$ 478,454</b>

<b>Net book value</b>	Net Book Value December 31 2013	Net Book Value December 31 2014
Land and improvements	\$ 447,819	\$ 472,853
Building and building improvements	102,138	97,528
Vehicles, machinery and equipment	19,596	19,161
Parks infrastructure	36,411	36,054
Information technology	2,543	2,115
Roads	211,108	218,268
Stormwater	153,146	158,839
Sewer	91,190	92,709
Water	110,504	108,825
Assets under construction	50,762	55,567
<b>Total</b>	<b>\$ 1,225,217</b>	<b>\$ 1,261,919</b>

## a) Assets under construction

Assets under construction having a value of \$74,343 (2014 - \$55,567) have not been amortized. Amortization of these assets will commence when the asset is available for productive use.

## b) Other Developer Contributions

Other developer contributions include contributed tangible capital assets and non-refundable deposit contributions used to fund capital. Contributed tangible capital assets have been recognized at fair market value at the date of contribution. Other developer contributions received during the year are as follows:

	<u>2015</u>	<u>2014</u>
Land and improvements	\$ 9,889	\$ 17,324
Road infrastructure	12,305	5,315
Parks infrastructure	761	844
Stormwater infrastructure	5,734	5,643
Water infrastructure	4,375	1,021
Sewer infrastructure	3,215	1,373
Equipment	37	-
<b>Total</b>	<u>\$ 36,316</u>	<u>\$ 31,520</u>
Developer contributed tangible capital assets	\$ 35,422	\$ 31,024
Non-refundable deposit contributions to tangible capital assets	894	496
<b>Total</b>	<u>\$ 36,316</u>	<u>\$ 31,520</u>

## c) 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.

## d) Write-down of Tangible Capital Assets

There was no write-down of tangible capital assets during the year (2014 - nil).

**12. ACCUMULATED SURPLUS**

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

	<u>Operating Funds</u>	<u>Capital Funds</u>	<u>Statutory Reserve Funds (Note 13)</u>	<u>Investment in Tangible Capital Assets (Note 14)</u>	<u>Total</u>
General Fund	\$ 34,309	\$ 4,527	\$ -	\$ 503,956	\$ 542,792
Parks Utility	18,884	1,190	-	97,189	117,263
Transportation Utility	3,642	4,077	-	253,148	260,867
Stormwater Utility	(362)	3,404	-	161,998	165,040
Solid Waste	2,955	-	-	-	2,955
Sewer Utility	6,514	4,568	-	91,290	102,372
Water Utility	12,854	6,036	-	115,376	134,266
Statutory Reserve Funds	-	-	23,729	-	23,729
<b>Total for 2015</b>	<u>\$ 78,796</u>	<u>\$ 23,802</u>	<u>\$ 23,729</u>	<u>\$ 1,222,957</u>	<u>\$ 1,349,284</u>
Total for 2014	<u>\$ 64,411</u>	<u>\$ 27,457</u>	<u>\$ 9,820</u>	<u>\$ 1,179,239</u>	<u>\$ 1,280,927</u>



**13. STATUTORY RESERVE FUNDS**

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

	<u>2015</u>	<u>2014</u>
General Capital	\$ 1,059	\$ 1,079
Stormwater Capital	546	622
Sewer Capital	6,496	7,390
Water Capital	5,511	5,633
Infrastructure Renewal & Replacement	2,822	1,401
Fire Equipment Capital	1,703	1,333
Land Capital Reserve – (deficit)	(12,654)	(18,808)
Tax Sale Land	240	235
Local Area Service	11,236	10,697
Off-Street Parking	13	13
Debt Retirement	6,757	225
	<u>\$ 23,729</u>	<u>\$ 9,820</u>
	<u>2015</u>	<u>2014</u>
Reserve funds, beginning of year	\$ 9,820	\$ 6,144
Contribution from operations	12,313	5,619
Other revenue and contributions	10,248	1,749
Interest allocated	859	848
Used for capital and operating expenses	<u>(9,511)</u>	<u>(4,540)</u>
<b>Reserve funds, end of year</b>	<u>\$ 23,729</u>	<u>\$ 9,820</u>

## 14. INVESTMENT IN TANGIBLE CAPITAL ASSETS

	<u>2015</u>	<u>2014</u>
<b>Balance, beginning of year</b>	\$ <b>1,179,239</b>	\$ 1,159,817
Additions of tangible capital assets	<b>72,309</b>	69,769
Reclassification of land held for resale	<b>(842)</b>	(985)
Proceeds on disposal of tangible capital assets	<b>(666)</b>	(2,620)
Gain on disposal of tangible capital assets	<b>490</b>	1,282
Recognition of deferred revenue	<b>325</b>	325
Amortization expense	<b>(31,536)</b>	(30,744)
Cash from issuance of debt and agreements payable	<b>(271)</b>	(19,968)
Repayment of debt and agreements payable	<b>3,909</b>	2,363
<b>Balance, end of year</b>	<b>\$ 1,222,957</b>	<b>\$ 1,179,239</b>

	<u>2015</u>	<u>2014</u>
<b>Net book value of tangible capital assets</b>	\$ <b>1,301,674</b>	\$ 1,261,919
Less:		
Debt and agreements payable	<b>(76,816)</b>	(80,613)
Deferred revenue – Trinity Western University	<b>(2,333)</b>	(2,508)
Deferred revenue – Langley School Board	<b>(2,000)</b>	(2,150)
Add:		
Debt for non-capital expenses	<b>1,965</b>	2,052
Debt not spent on tangible capital assets	<b>467</b>	539
<b>Investment in tangible capital assets</b>	<b>\$ 1,222,957</b>	<b>\$ 1,179,239</b>

## 15. 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, 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.
- f) The Township is a shareholder of the Emergency Communications for Southwest British Columbia Incorporated ("E-Comm") whose services provided include: regional 9-1-1 call centre for the Greater Vancouver Regional District; Wide Area Radio network; dispatch operations; and records management. The Township has three Class B shares (a total of 28 Class A shares and 23 Class B shares issued and outstanding as at December 31, 2015). 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.

## 16. 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.

	<u>2015</u>	<u>2014</u>
School District #35	\$ 64,126	\$ 62,695
Municipal Finance Authority	6	6
B.C. Assessment Authority	1,925	1,905
Greater Vancouver Regional District	1,796	1,775
South Coast British Columbia Transit Authority	<u>12,433</u>	<u>12,460</u>
	<u>\$ 80,286</u>	<u>\$ 78,841</u>

## 17. MUNICIPAL PENSION PLAN

The Township and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trustee 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 based on a formula. The Plan has about 185,000 active members and approximately 80,000 retired members. Active members include approximately 829 contributors from the Township.

The most recent actuarial valuation as at December 31, 2012 indicated a \$1,370 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2015 with results available in 2016. 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 with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

The Township paid \$5,131 (2014 - \$4,485) for employer contributions to the Plan, while employees contributed \$4,460 (2014 - \$3,939) to the Plan in fiscal 2015.

## 18. EMPLOYEE FUTURE BENEFITS

The Township provides certain benefits to its employees upon retirement. Sick Leave benefit accrues to eligible employees who retire from service with the Township at the age of 65. The eligible employees 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. Other post-employment benefits accrue to eligible employees as compensation related to additional hours worked beyond their contractual arrangement that are not payable until retirement, resignation or termination.

	<u>2015</u>	<u>2014</u>
Accrued benefit obligation, beginning of year	\$ 3,926	\$ 3,653
Current service cost	311	307
Interest cost	120	140
Long-term disability expense	29	(161)
Actual benefits paid	(282)	(146)
Amortization of actuarial loss (gain)	<u>(168)</u>	<u>133</u>
Accrued benefit obligation, end of year	3,936	3,926
Unamortized actuarial gain	<u>344</u>	<u>185</u>
Accrued sick leave benefit obligation, end of year	4,280	4,111
Other post-employment benefit liability	<u>206</u>	<u>216</u>
<b>Total Employee Future Benefits</b>	<b>\$ 4,486</b>	<b>\$ 4,327</b>

The actuarial gain 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 consolidated Statement of Financial Position (Note 6).

Other Post-employment benefit liability is calculated based on hours worked and accrued interest for 2015 at 2.26% (2014 - 2.36%). The Township's Sick Leave accrued liability is supported by a report from an independent actuarial consulting firm. Sick Leave liabilities were calculated as at December 31, 2015. The Actuary report is based on standard assumptions concerning salary scales, mortality rates, retirement age, and withdrawal rates at the following rates:

	<u>2015</u>	<u>2014</u>
Discount rate	3.10%	3.10%
Expected future inflation rate	2.50%	2.50%
Expected wage and salary inflation	2.50%	2.50%
Expected wage and salary increases	2.58% - 4.63%	2.58% - 4.63%

**19. SIGNIFICANT TAXPAYERS**

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

**20. TRUST FUNDS**

The Cemetery Care Trust Fund must be administered in accordance with the Cemetery and Funeral Services Act. In accordance with PSAB recommendations, trust funds are not included in the Township's consolidated financial statements.

<b>Assets</b>	<u>2015</u>	<u>2014</u>
Cash and investments	\$ 1,773	\$ 1,630
Accrued interest receivable	5	5
	<u>\$ 1,778</u>	<u>\$ 1,635</u>
<b>Equity</b>		
Balance, beginning of year	\$ 1,635	\$ 1,517
Contributions	113	89
Interest revenue	30	29
<b>Balance, end of year</b>	<u>\$ 1,778</u>	<u>\$ 1,635</u>

**21. BUDGET DATA**

The budget data presented in these consolidated financial statements is based upon the 2015 operating and capital budgets approved by Township Council on April 27, 2015. Amortization was not contemplated on development of the budget and, as such, has not been included. Other entities includes the budget for Langley Facilities Society and its subsidiary, excluding inter-company transactions. The chart below reconciles the approved budget to the budget figures reported in these consolidated financial statements.

<b>Revenue</b>	<u>2015 Budget</u>
Operating Budget Bylaw	\$ 202,410
Capital Budget Bylaw	134,463
Other entities	3,410
Less:	
Transfer from other funds	(69,246)
Proceeds from new debt	(7,406)
Other	(1)
<b>Total Revenue</b>	<u>\$ 263,630</u>
<b>Expenses</b>	
Operating Budget Bylaw	\$ 202,410
Capital Budget Bylaw	134,463
Other entities	2,353
Less:	
Transfer from other funds	(26,290)
Capital expenditures	(130,203)
Debt principal payments	(2,896)
Other	
<b>Total Expenses</b>	<u>\$ 179,837</u>
<b>Annual Surplus</b>	<u>\$ 83,793</u>

## 22. COMPARATIVE FIGURES

Certain 2014 figures have been reclassified to conform to the 2015 consolidated financial statement presentation.

## 23. SEGMENTED INFORMATION

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

- General Government Services
- Protective Services
- Facilities Maintenance Services
- Community Planning and Development Services
- Recreation, Culture, and Parks Services
- Engineering 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 Services

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, and emergency planning.

### Facilities Maintenance Services

The Facilities Maintenance Division of Engineering is responsible for maintenance on all Township facilities. Centralization of this function facilitates more effective prioritization of maintenance to protect significant assets critical for service delivery.

### Community Planning and Development Services

The Community Planning and Development Division provides Council, internal divisions, and the general public with professional advice on community planning and development issues. Community Development is also responsible for Bylaw Enforcement.

### Recreation, Culture, and Parks Services

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 Services

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.





## Consolidated Financial Activities - Segmented

For the year ended December 31, 2015 (in thousands of dollars)

	<u>Protective Service</u>				Community Planning and Development
	General Government	Police Protection	Fire Protection	Facilities Maintenance	
<b>REVENUE</b>					
Property taxes	\$ 12,098	\$ 28,799	\$ 15,332	\$ 6,283	\$ 2,151
Fees, rates and service charges	2,962	233	123	-	7,447
Grants and grants in lieu of taxes	994	1,479	-	-	-
Service cost recoveries	262	2,905	268	144	32
Gain on disposal of assets	9,098	-	-	-	-
Investment income	2,342	-	-	-	-
Local area service contributions	-	-	-	-	-
Contribution from development cost charges	-	-	-	-	-
Other developer contributions	9,911	-	9	-	-
Other income	1,960	2	-	-	182
	<u>39,627</u>	<u>33,418</u>	<u>15,732</u>	<u>6,427</u>	<u>9,812</u>
<b>EXPENSES</b>					
Salaries, wages and benefits	11,952	7,258	12,677	2,001	6,531
Service and maintenance contracts	1,021	295	428	1,710	380
RCMP contract	-	21,247	-	-	-
Consulting & professional services	1,156	-	1	224	664
Insurance	876	20	84	-	-
Material supplies & equipment	434	172	429	836	161
Information systems maintenance	1,255	4	23	15	7
Aviation and vehicle fuel	610	341	125	1	13
Advertising publications	148	2	3	-	5
Utilities	39	-	-	1,283	1
Sundry	985	62	91	27	169
Telephone & communications	223	85	59	58	19
Regional District charges	-	-	-	-	-
Municipal grants	326	-	-	-	4
Debt interest payments	16	-	-	-	-
Fiscal and other debt charges	114	5	2	-	-
Internal cost recoveries	(59)	21	-	(38)	1
Amortization	1,907	207	1,125	-	-
	<u>21,003</u>	<u>29,719</u>	<u>15,047</u>	<u>6,117</u>	<u>7,955</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>\$ 18,624</u>	<u>\$ 3,699</u>	<u>\$ 685</u>	<u>\$ 310</u>	<u>\$ 1,857</u>

Recreation, Culture  
& Parks

Engineering

Recreation and Culture	Parks	Transportation	Stormwater	Water	Sewer	Solid Waste	Reserve Funds	2015	2014
\$ 15,240	\$ 8,869	\$ 17,639	\$ 6,201	\$ -	\$ -	\$ -	\$ -	\$ 112,612	\$ 106,698
8,447	5,332	530	250	19,684	13,205	6,786	-	64,999	60,846
256	44	5,909	197	-	-	49	-	8,928	5,694
17	39	552	-	-	30	13	-	4,262	3,796
-	-	67	(98)	(11)	(5)	-	-	9,051	1,282
-	5	24	32	482	228	54	913	4,080	3,629
-	-	2,776	-	821	2	-	-	3,599	50
-	3,930	4,336	2,233	681	147	-	-	11,327	10,377
-	767	12,305	5,734	4,375	3,215	-	-	36,316	31,520
969	259	151	5	-	-	-	-	3,528	3,399
24,929	19,245	44,289	14,554	26,032	16,822	6,902	913	258,702	227,291
8,338	3,937	6,920	2,268	3,352	1,766	603	-	67,603	62,627
7,564	2,281	9,177	586	707	340	4,951	-	29,440	29,007
-	-	-	-	-	-	-	-	21,247	21,109
79	143	1,024	415	2,535	270	11	-	6,522	12,545
155	-	149	-	15	15	-	-	1,314	1,120
284	2,153	4,521	1,561	2,166	928	76	-	13,721	11,459
3	12	28	18	36	23	16	-	1,440	1,167
-	8	740	16	7	6	-	-	1,867	2,232
54	1	12	1	6	-	6	-	238	275
-	512	864	79	487	139	-	-	3,404	3,179
457	359	260	147	233	32	8	-	2,830	2,996
35	27	99	18	28	19	9	-	679	654
3,826	-	-	-	4,504	5,370	-	-	13,700	12,459
518	-	-	-	-	-	-	-	848	1,009
-	690	175	253	446	383	-	-	1,963	1,762
93	3	-	-	-	-	-	-	217	210
(92)	(776)	(6,444)	(534)	(181)	(122)	-	-	(8,224)	(4,550)
4,354	3,209	12,193	3,587	3,001	1,953	-	-	31,536	30,744
25,668	12,559	29,718	8,415	17,342	11,122	5,680	-	190,345	190,004
\$ (739)	\$ 6,686	\$ 14,571	\$ 6,139	\$ 8,690	\$ 5,700	\$ 1,222	\$ 913	\$ 68,357	\$ 37,287





# SCHEDULES

**Schedule 1**

**DEBT AND AGREEMENTS PAYABLE**

**AS AT DECEMBER 31, 2015 (in thousands of dollars)**

**MFA DEBT**

By-law	Date of Issue	Issued by	Purpose	Issue	Rate	Maturity
<b>DEBENTURE DEBT</b>						
<b>STORMWATER:</b>						
3420	April 24, 1997	M.F.A.	Drainage	65	4.55%	April 24, 2017
4752	April 8, 2010	M.F.A.	Drainage	110	4.50%	April 8, 2030
4829	April 4, 2011	M.F.A.	Drainage	116	4.20%	April 4, 2031
<b>WATER:</b>						
3950	November 7, 2000	M.F.A.	Langley Water Utility	73	2.10%	December 1, 2020
***4950		M.F.A.	Langley Water Utility			Temporary Borrowing
***4951		M.F.A.	Langley Water Utility			Temporary Borrowing
<b>TRANSPORTATION:</b>						
4751	April 8, 2015	M.F.A.	Transportation	131	2.20%	April 8, 2035
***4785		M.F.A.	Transportation			Temporary Borrowing
<b>SEWER:</b>						
4750	April 8, 2010	M.F.A.	Sewer	110	4.50%	April 8, 2030
<b>PARKS:</b>						
4455	November 2, 2007	M.F.A.	Land Acquisition	102	4.82%	December 1, 2027
4556	November 2, 2007	M.F.A.	Land Acquisition	102	4.82%	December 1, 2027
<b>Total debenture debt</b>						
<b>PROPERTY ACQUISITION AGREEMENTS</b>						
<b>GENERAL CAPITAL FUND:</b>						
*	Langley Facilities Society		Recreation Centre		2.70%	August 7, 2029
	May 1, 2014		Land Acquisition		2.00%	April 1, 2016
<b>PARKS UTILITY FUND:</b>						
**	January 3, 2006		Land Acquisition		4.00%	January 3, 2026
	July 20, 2010		Land Acquisition		3.75%	February 28, 2015
	May 1, 2014		Land Acquisition		0.00%	May 1, 2017
<b>Total agreements payable</b>						
<b>Total debt and agreements payable</b>						

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 been refinanced with a fixed rate structure in 2015. The rate will expire in 2018. For estimation purposes, future principal and interest payments assume constant 2015 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 (10 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 make annual repayments at an amount that is variable based on annual property taxes. Interest rates on related debt are approximately 4 to 6%.

\*\*\*As at December 31, 2015, the Township has also secured temporary financing of \$29,700,000 from the MFA for various capital projects to be repaid over 20 years pending the issuance of long term debenture securities in 2016. The variable annual interest rate as at December 31, 2015 was 1.38%.

Gross Debt	Estimated Sinking Fund Reserve	Net Debt 2015	Net Sinking Fund Earnings 2015	Principal Repayments 2015	Interest Expense 2015	Net Debt 2014
\$ 1,675	\$ 1,425	\$ 250	\$ 65	\$ 51	\$ 76	366
1,800	327	1,473	10	60	81	1,543
2,292	327	1,965	10	77	96	2,052
<u>5,767</u>	<u>2,079</u>	<u>3,688</u>	<u>85</u>	<u>188</u>	<u>253</u>	<u>3,961</u>
1,200	788	412	32	40	25	484
23,800	-	23,800	-	-	337	23,800
5,900	-	5,900	-	-	84	5,900
<u>30,900</u>	<u>788</u>	<u>30,112</u>	<u>32</u>	<u>40</u>	<u>446</u>	<u>30,184</u>
8,700	-	8,700	-	-	140	-
-	-	-	-	-	35	8,500
<u>8,700</u>	<u>-</u>	<u>8,700</u>	<u>-</u>	<u>-</u>	<u>175</u>	<u>8,500</u>
8,500	1,546	6,954	49	285	383	7,288
<u>8,500</u>	<u>1,546</u>	<u>6,954</u>	<u>49</u>	<u>285</u>	<u>383</u>	<u>7,288</u>
3,250	1,006	2,244	35	109	157	2,388
11,000	3,404	7,596	116	370	530	8,082
14,250	4,410	9,840	151	479	687	10,470
<u>68,117</u>	<u>8,823</u>	<u>59,294</u>	<u>317</u>	<u>992</u>	<u>1,944</u>	<u>60,403</u>
		13,940	-	1,000	403	14,940
		365	-	500	16	865
		<u>14,305</u>	<u>-</u>	<u>1,500</u>	<u>419</u>	<u>15,805</u>
		1,217	-	135	2	1,352
		-	-	53	2	53
		2,000	-	1,000	-	3,000
		<u>3,217</u>	<u>-</u>	<u>1,188</u>	<u>4</u>	<u>4,405</u>
		17,522	-	2,688	423	20,210
		<u>\$ 76,816</u>	<u>\$ 317</u>	<u>\$ 3,680</u>	<u>\$ 2,367</u>	<u>\$ 80,613</u>

**Schedule 2**

**LANGLEY CENTENNIAL MUSEUM  
STATEMENT OF FINANCIAL ACTIVITIES**

**For the year ended December 31, 2015 (in thousands of dollars)**

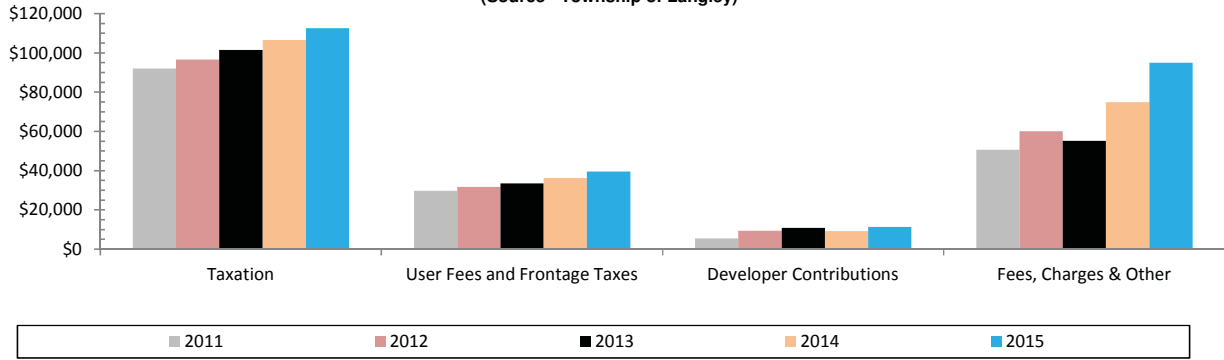
	<u>2015</u>	<u>2014</u>
<b>REVENUE</b>		
Donations, sales and programs	\$ 128	\$ 106
BC Arts Council grant	40	40
Transfer from Museum Reserve	3	1
Transfer from capital surplus	1	7
Federal grants - other	29	18
Provincial grants - other	1	-
Other grants	-	-
Township of Langley funding	<u>598</u>	<u>543</u>
	<u>\$ 799</u>	<u>\$ 716</u>
<b>EXPENSE</b>		
Salaries and benefits	598	575
Program and events	34	32
Exhibit maintenance	15	26
Insurance	15	15
Purchases for resale	15	10
Office supplies and sundry	12	9
Utilities	14	8
Telephone and internet	3	5
Amortization expense	5	5
Grounds maintenance	5	4
Advertising	4	3
Travel	2	3
Building maintenance	53	2
Artifact additions	<u>3</u>	<u>1</u>
Total operating expense	778	698
Transfer to Museum Reserve	<u>20</u>	<u>18</u>
	<u>\$ 799</u>	<u>\$ 716</u>
<b>MUSEUM RESERVE</b>		
Balance, beginning of year	\$ 484	\$ 456
Contribution from Museum operations	31	29
Operating expense funded by the Reserve Fund	<u>(4)</u>	<u>(1)</u>
<b>Balance, end of year</b>	<u>\$ 511</u>	<u>\$ 484</u>



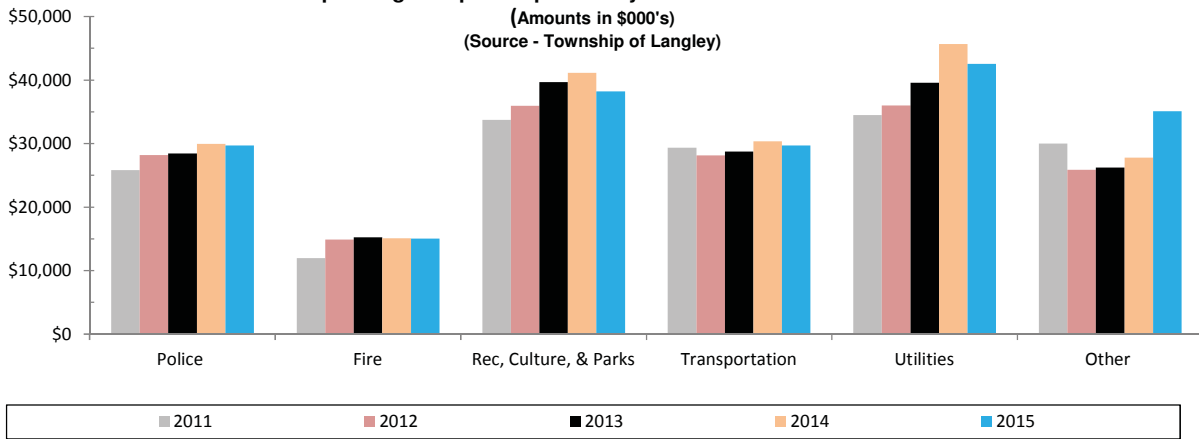


# STATISTICAL INFORMATION

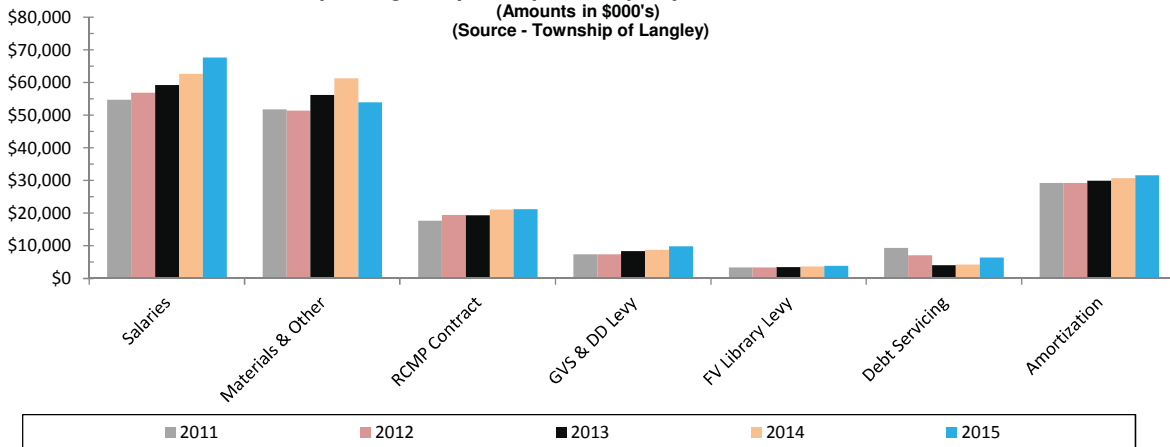
**Operating & Capital Revenue By Source - 2011 to 2015**  
 (Amounts in \$000's)  
 (Source - Township of Langley)



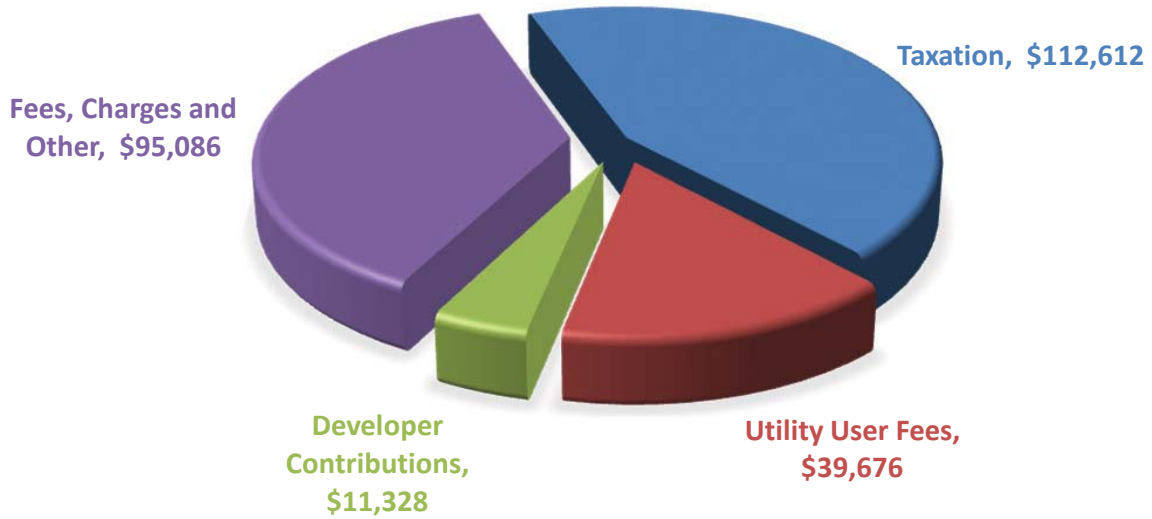
**Operating & Capital Expenses By Function - 2011 to 2015**  
 (Amounts in \$000's)  
 (Source - Township of Langley)



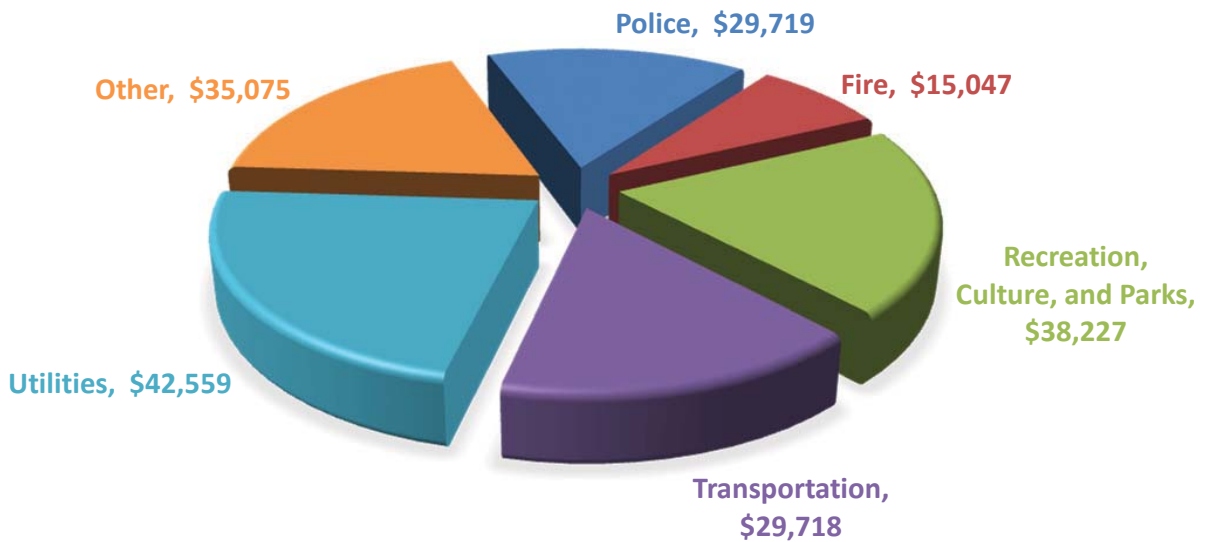
**Operating & Capital Expenses By Object - 2011 to 2015**  
 (Amounts in \$000's)  
 (Source - Township of Langley)



**2015 TOTAL TOWNSHIP REVENUE**  
(AMOUNTS IN \$000'S)

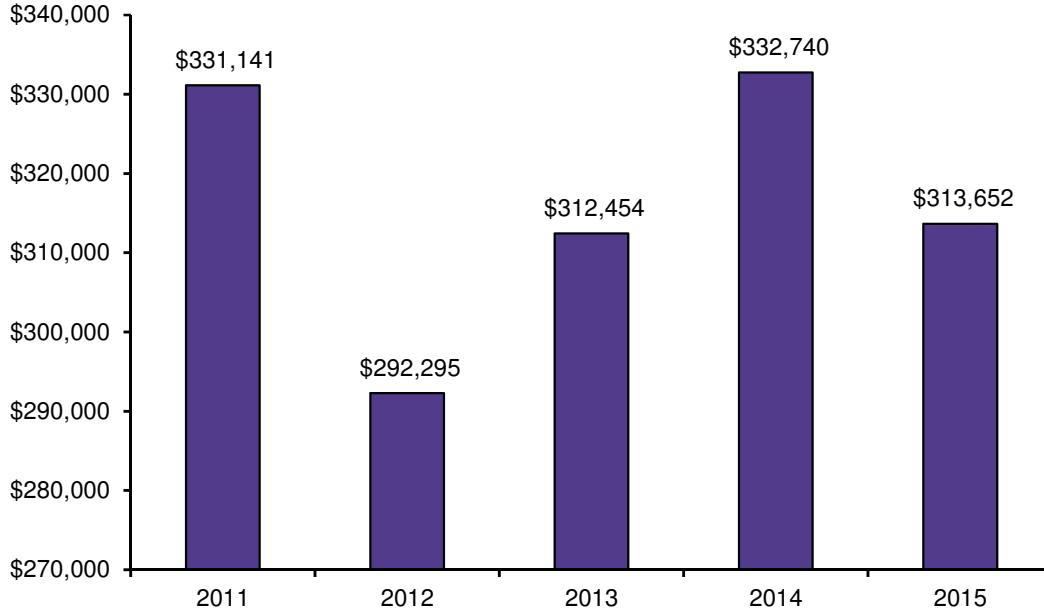


**2015 TOTAL TOWNSHIP EXPENSES**  
(AMOUNTS IN \$000'S)



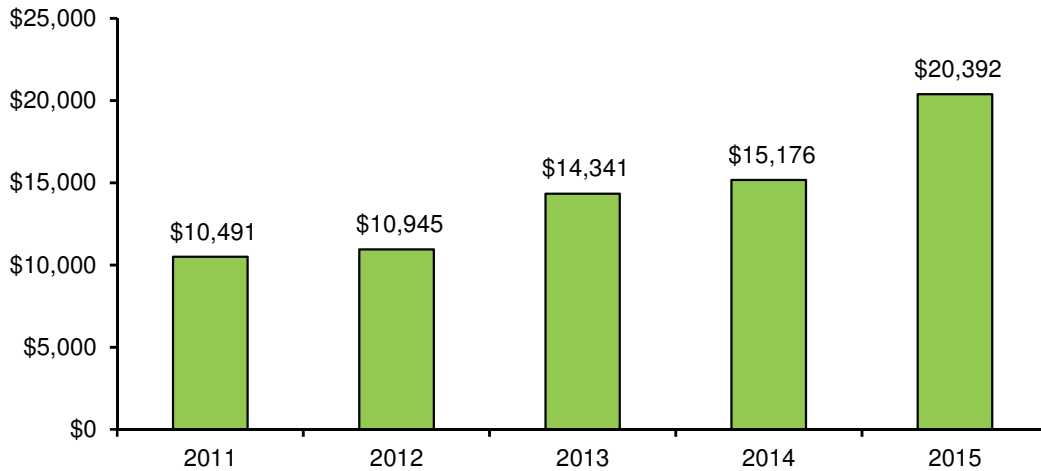
### Building Permit Values - 2011 to 2015

(Amounts in \$000's)  
(Source - Township of Langley)



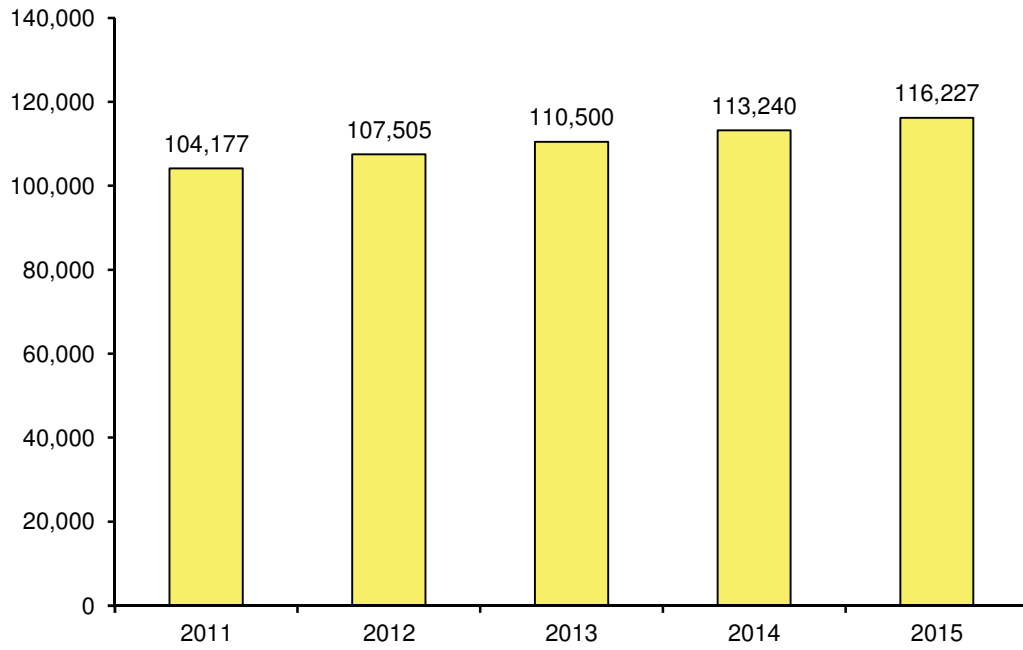
### Net Development Cost Charge Receipts - 2011 to 2015

(Amounts in \$000's)  
(Source - Township of Langley)



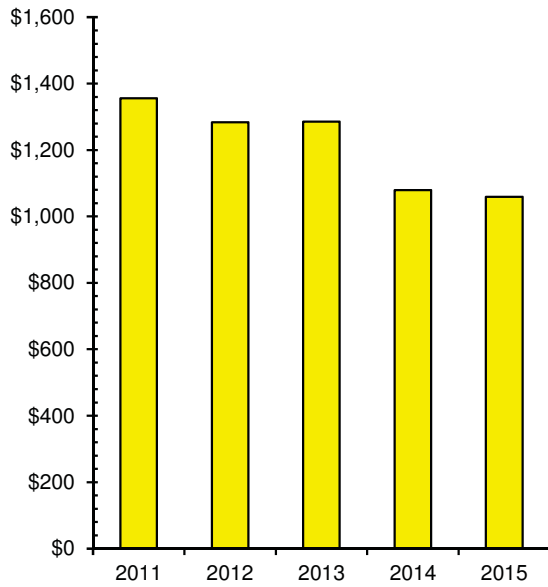
### Population Estimates - 2011 to 2015

(Source - BC Stats 2011, Township of Langley 2012, 2013, 2014, 2015)



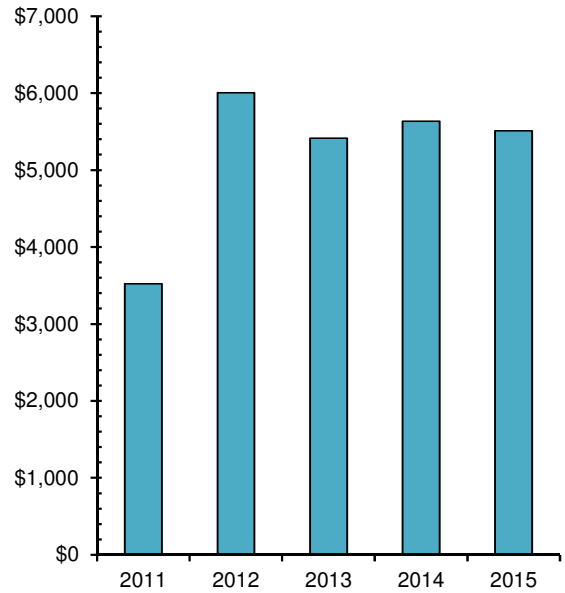
### General Capital Reserve

2011 to 2015  
(Amounts in \$000's)



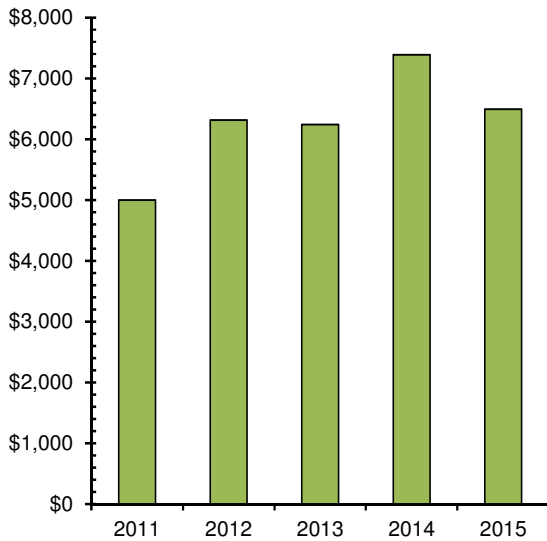
### Water Capital Reserve

2011 to 2015  
(Amounts in \$000's)



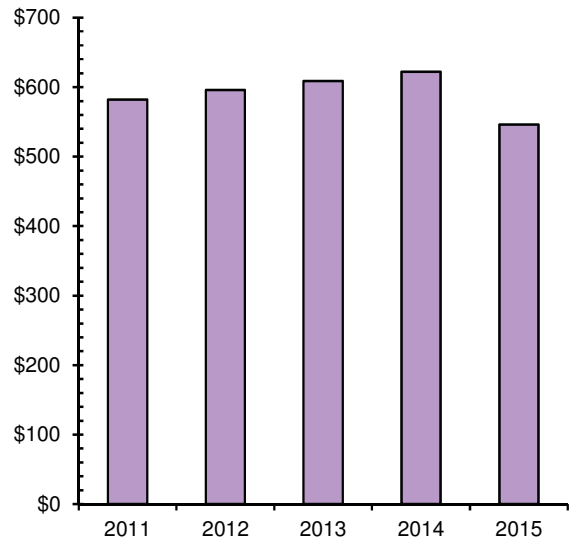
### Sewer Capital Reserve

2011 to 2015  
(Amounts in \$000's)

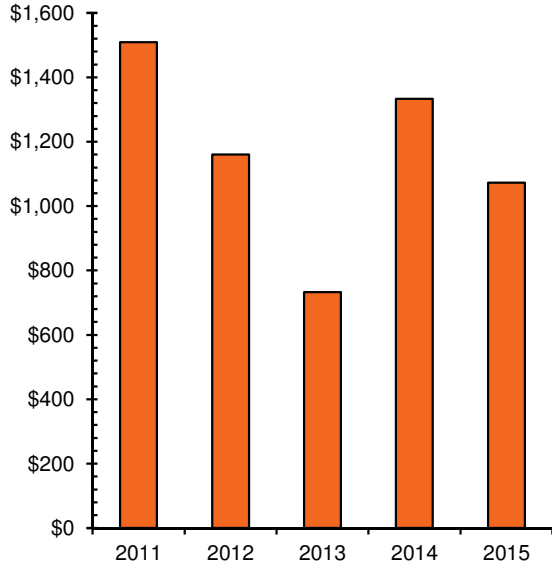


### Stormwater Capital Reserve

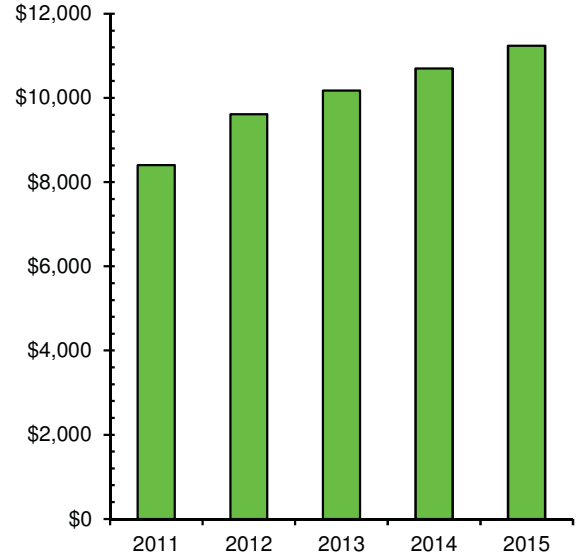
2011 to 2015  
(Amounts in \$000's)



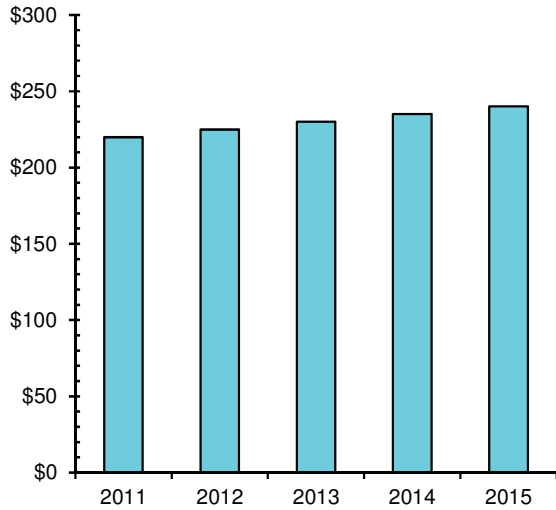
**Fire Capital Reserve**  
2011 to 2015  
(Amounts in \$000's)



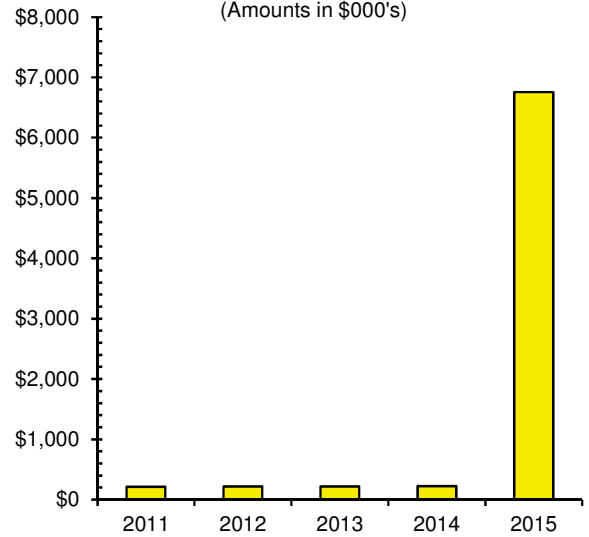
**Local Area Service Reserve**  
2011 to 2015  
(Amounts in \$000's)



**Tax Sale Reserve**  
2011 to 2015  
(Amounts in \$000's)



**Debt Reserve**  
2011 to 2015  
(Amounts in \$000's)









## Township of Langley

20338 - 65 Avenue  
Langley, British Columbia V2Y 3J1

General Information 604.534.3211  
Finance Division 604.533.6022

[tol.ca](http://tol.ca)

