

Message from the Chief Financial Officer



I am honoured to present, on behalf of the Finance Department, the 2017 Annual Report for the City of Maple Ridge. This report includes the Audit Report from BDO Canada LLP, the Consolidated Financial Statements and supplementary information for the fiscal year ended December 31, 2017.

Maple Ridge continues to demonstrate its commitment and expertise in financial management. Our 2016 Annual Report received the Government Finance Officer's Association's (GFOA) Canadian Award for Financial Reporting, an award that recognizes local governments across Canada that produce high quality financial reports. This was the 27th consecutive year that Maple Ridge received this award and the longest standing in Canada.

The purpose of the Annual Report is to provide insight into the financial results for our fiscal year ended December 31, 2017. For your convenience, it is divided into three sections:

1. **Introductory Section** – Provides an overview of Council's strategic direction and the economic and administrative context in which the City operates.
2. **Financial Section** – Presents the Consolidated Financial Statements, accompanying notes and supplementary information and the independent auditor's report.
3. **Statistics Section** – Presents statistical and financial information on a multi-year comparative basis.

Local government financial statements are intended to assist readers to evaluate how public resources are being managed. They compare the deployment of financial resources against budget and previous year's results.

As required under British Columbia's *Community Charter*, this Annual Report contains comprehensive information about the goals and objectives within the focus areas identified by Council.

The 2017 Strategic Direction & Progress Report on page 9 communicates performance towards the achievement of these goals and objectives during the year. We will continue to measure our performance in these areas and communicate our results.

Year in Review

2017 was the third year of City Council's four-year mandate. Maple Ridge met a number of challenges and the following highlights a few accomplishments:

- Launched the Open Government Portal
- Responded to record snowfall

- Named "Most Business Friendly Municipality" by the Metro Vancouver Chapter of the Commercial Real Estate Development Association (NAIOP) for the third consecutive year
- Approved the largest investment in Parks & Recreation infrastructure projects in the last quarter century
- Invested over \$15 million in infrastructure such as roads, drainage, water and sewer, including improvements on 128 Avenue

Economic Climate

2017 can best be described as tumultuous. Natural disasters and indications of increasing political tensions in some countries dominated news headlines during the year. The global economy improved in 2017 despite uncertainty around trade agreements and a trend towards more protectionist economic policies in the United States of America.

Canadian economic growth in 2017 exceeded early expectations, with real gross domestic product (GDP) increasing by approximately 3%. Uncertainty related to the current NAFTA talks, increasing interest rates and indications of decreasing private sector investment in infrastructure is tempering expectations for 2018. Early predictions suggest we can expect to see real GDP of approximately 2% for the year.

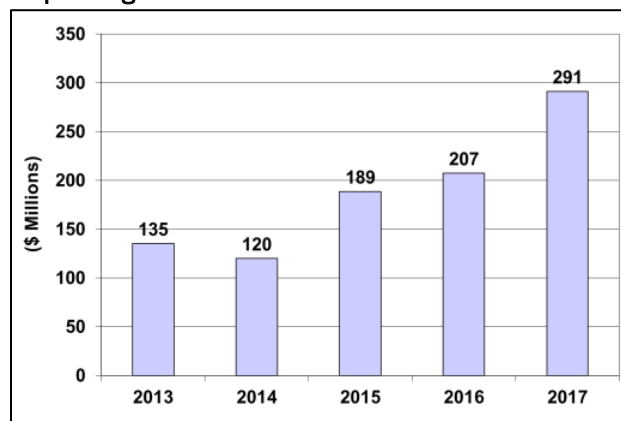
British Columbia's economic performance was stable in 2017 with real GDP growth estimated at approximately 3%. The job market in BC has performed very well for the past few years, with substantial increases in the number of people working. In 2017, there was an increase of approximately 3.5% in total employment. BC growth is projected to slow somewhat in 2018 as a result of expected reductions in consumer spending and a slower pace of export growth.

Locally, Maple Ridge received an award for the third consecutive year from the Metro Vancouver Chapter of the Commercial Real Estate Development Association (NAIOP) recognizing Maple Ridge as the most business friendly community in the region. Council's Employment Lands Investment Incentive Program, focussed on encouraging development on employment lands, is in effect until the end of 2018. To date, 15 eligible projects with an estimated construction value in excess of \$15 million are either in progress or complete.

The City issued 796 building permits in 2017, with an estimated construction value of \$291M, with the largest portion, 41% of that value attributable to apartment construction.

Message from the Chief Financial Officer

Maple Ridge Construction Values



The economic base in Maple Ridge has remained relatively stable over the past number of years. Maple Ridge issued 4,671 business licences in 2017, an increase of 270 from 2016. Business licences are issued for commercial, home-based and non-residential businesses. The renewal rate for business licences was 93% in 2017, similar to the renewal rates we have had for the past five years. The proportion of licences for each category has also remained constant with a 2017 distribution of 40% commercial, 34% home-based and 26% non-residential.

Risk Management

Risks to Municipal operations are assessed on an ongoing basis and risk management strategies are revised or developed in response to experience, changes in operations or relevant legislation. Each year, Council approves an inspection standard that sets the frequency and methodology for inspection of Municipal assets during the year within Financial Plan provisions. Maple Ridge insures its operations through a combination of risk transfer through purchased insurance, membership in the Municipal Insurance Association (MIA) and risk retention through the use of self-insurance reserves.

The following discussion identifies risks that could affect the City's financial position or future operations.

Regional Partnerships

Maple Ridge provides sewer and water services to residents through its membership in the Regional District (Metro Vancouver) and related entities. The City does not control the financial operations of Metro Vancouver, but is proportionately responsible for their costs through annual levies and service payments. Changes in the financial needs of these entities can affect the user fees charged to Maple Ridge taxpayers. Wherever possible, Maple Ridge attempts to smooth the potential impacts of cost increases from the Regional District by using a rate stabilization policy. This policy factors the effects of long-range regional plans into our rate structure.

Disaster Recovery

Events such as an earthquake, extreme weather or technology failure could have an impact on both the community and on City operations. As part of the City's Emergency Management Program, preparedness plans are in place and are exercised regularly to help us prepare for a disaster.

The Business and Financial Planning Process

Maple Ridge has developed comprehensive business planning guidelines for use in the financial planning process. These guidelines are updated annually and are intended to assist Council with the difficult task of resource allocation.

Departmental business plans communicate alignment with Council's priorities and identify:

- Goals and objectives
- Service levels and service delivery options
- Resource distribution (financial and human)
- Performance measures
- Capital program and associated operating costs
- Potential new revenue sources
- Incremental spending requests

The financial planning process is also guided by a Financial Sustainability Plan, a group of 13 policies designed to position the City to meet financial obligations, while ensuring that residents can look forward to equitable and affordable taxation.

Business and Financial Plan review sessions are open to the public and provide opportunities for individuals to ask questions of Council on decisions or to make submissions on all programs.

Under the British Columbia *Community Charter*, the City is required to adopt a Five-Year Financial Plan. This long-term approach to financial planning allows Council and the community to consider the impact that current decisions will have on future financial flexibility. Each year, Council adopts a Financial Plan based on the best information available at the time. The plan is updated each May, prior to setting the property tax rates, to reflect any changes that have occurred since the last plan was adopted.

Message from the Chief Financial Officer

The 2018-2022 Financial Plan adopted in May was developed using the following key information as included in the Financial Overview Report, and subsequently updated in the report to Council dated April 24, 2018.

- The new property tax revenue due to real growth is 1.99%
- Overall property tax increase for general purposes was set at 1.53%, with projected increases of 1.90% in 2019 and 2.00% per year 2020 through 2022
- Property tax increase for infrastructure replacement was set at 0.70% in 2018 through 2021 and 0.90% in 2022
- Parks, Recreation and Cultural Levy increase was set at 0.45% in 2018 and 0.60% for 2019 through 2022
- Storm Water Levy increase was set at 0.30% in 2018 through 2021 and 0.10% in 2022
- Water Levy increase was set at 4.50% annually
- Sewer Levy increase was set at 3.60% annually
- Recycling Levy Increase was set at 1.67% in 2018 and 2.75% per year in 2019 through 2022.

These assumptions were incorporated into a Financial Plan that provided for important services valued by our citizens.

The 2018-2022 Financial Plan reflects Council's continuing commitment to maintaining our infrastructure with property tax increases for infrastructure sustainability. In addition, Council has directed \$550,000 of gaming revenues towards infrastructure.

Outlook

In May of 2018 Council adopted a Financial Plan for 2018-2022 that reflected current information from BC Assessment about growth in the community. The plan includes \$63 million in planned capital expenditures to address infrastructure needs in the community. Added to this is approximately \$110M of expenditures approved in previous years for projects that are still in progress. Many of these expenditures are dependent on revenues from outside sources, such as grants from other levels of governments, contributions from other agencies or development cost charges. If those revenues are not realized, either through unsuccessful grant applications or as a result of changes to the economic situation, it may be necessary to adjust the Capital Program accordingly. Overall, the City's financial condition remains strong, with growth expected in the assessment base, projected revenues from the sale of surplus land holdings and available debt servicing capacity.

Challenges that we continue to monitor and address in our Financial Plans include:

- Impact of the economy on real growth and development related revenues
- Growth-driven increases in operating costs
- A predominately residential assessment base that continues to grow faster than the commercial and industrial sector
- Increasing costs from the Regional District for sewer and water
- Providing for the future replacement of infrastructure

Some items planned for 2018 are:

- Begin work on the Parks & Recreation projects that recently received borrowing approval
- Conduct the 2018 Civic Election
- Lougheed Highway Improvements between 224 Street and 226 Street

Conclusion

I would like to take this opportunity to thank members of Council, the Corporate Management Team and all City employees for their direction and dedications in achieving our 2017 results. The reason for our success is the strong commitment to excellence by our employees in all that they do.



Trevor Thompson, BBA, CPA, CGA
Chief Financial Officer

May 9, 2018

Message from the Corporate Controller



Financial Review – Overview

The City is committed to providing financial reports that enhance stakeholder trust. The following discussion and analysis provides information in support of the 2017 audited Consolidated Financial Statements and is intended to enhance understanding of the

economic resources and obligations of the City. It is supplementary to the Financial Statements and should be read in conjunction with the Consolidated Financial Statements, accompanying notes and supplemental information. For information on the terminology used in the discussion, please refer to the Glossary on page 77.

The City is responsible for the accuracy of the data and the completeness and fairness of presentation, including all disclosures. The report provides readers with an overview of ongoing financial and operational performance.

The Consolidated Financial Statements are required under the British Columbia *Community Charter* section 167 and are prepared in accordance with Canadian Public Sector Accounting Standards, using guidelines developed by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. The Consolidated Financial Statements include the operations of the General, Water, Sewer, Capital and Reserve Funds and the City's wholly-owned subsidiaries, C.D.M.R. Developments Ltd. and Maple Ridge Municipal Holdings Ltd. (MRMH Ltd).

Financial Statements in the public sector serve as a central feature of local government financial reporting. They report a local government's actual financial activities in comparison to planned activities and the resulting financial condition of the local government. They are not intended to replace a variety of other financial reports used in planning, analysis and decision-making, nor are they intended to be the sole measure of government performance in the period. Rather, they present financial information that is useful in evaluating the local government's financial condition at the end of the accounting period and its financial performance during the accounting period.

The External Audit

Included in the Consolidated Financial Statements is a report from the external auditor, BDO Canada LLP. The role of the external auditor is to present an independent opinion as to the fair presentation of the City's financial position and operating results and confirm that the

Financial Statements are free from any material misstatements. The auditor is responsible for advising management and the Audit & Finance Committee of any control or operational items that may have been identified during the audit procedure.

The Audit & Finance Committee is a committee of Council that oversees the financial and business affairs of the City. The Committee operates under adopted Terms of Reference. Meetings are open to the public and live streamed, except for those items deemed to be "in camera". The Committee is responsible for appointing and dismissing the external auditor, reviewing the terms of engagement, fees and scope of the audit and any non-audit services contracted and evaluating the performance of the auditor. The Committee reviews the Management Letter and financial reports of the City and its wholly-owned companies, and has the authority to request from management specific reports or analysis and to request the presence of other staff to report or answer questions.

The Financial Statements:

Following completion of the annual audit, the Consolidated Financial Statements are presented to Council for acceptance. During the year, the Audit & Finance Committee is provided with financial updates and meets periodically with the external auditor.

Financial Statement Composition

Revenue and Capital Funds have transactions with outside groups, with each other and with Reserve Funds.

Only transactions with outside groups are reported in Consolidated Financial Statements.

The Consolidated Statement of Financial Position:

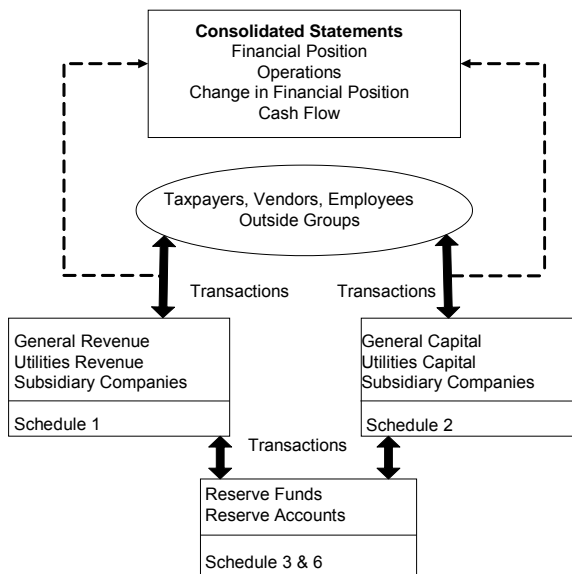
Provides information on the financial position of the City including Financial Assets, Liabilities, Net Financial Assets, Non-Financial Assets and Accumulated Surplus

The Consolidated Statement of Operations: Reports the extent to which expenses are offset by revenues, the annual surplus and the change in accumulated surplus.

The Consolidated Statement of Change in Net Financial Assets: Reports the change in Net Financial Assets.

The Consolidated Statement of Cash Flow: Reports the net change in cash resources and how the City financed its activities throughout the year.

Message from the Corporate Controller



2017 Consolidated Financial Statements

From a financial perspective, the results for 2017 are positive.

Generally Accepted Accounting Principles require that the actual financial results be compared to the budget that is adopted annually before setting the tax rates. Council adopted that budget in May of 2017.

The following sections provide an analysis of the 2017 Financial Statements and selected supplemental financial information. The dollars quoted are approximate and are intended to account only for the major part of variances being discussed. Some key highlights are:

- Net Financial Assets increased by \$18.26 million to \$104.6 million.
- Municipal debt decreased by \$2.9 million to \$28.27 million.
- Unused annual debt servicing capacity, based on our current financial position, is \$26.47 million. This capacity will be reduced in 2018 as a result of the recently approved debt for Parks & Recreation Facilities.

1 Consolidated Statement of Financial Position – Page 38

This statement reports the City's assets, both financial and non-financial and its liabilities. The difference between financial assets and total liabilities is Net Financial Assets if positive and Net Debt if negative. This figure provides the City with an indicator of financial flexibility and of future revenue requirements to finance activities and meet existing financial obligations. The difference between total assets, both financial and non-financial and total liabilities is Accumulated Surplus and provides an indication of the net economic resources available for service delivery. The majority of this number is comprised of the physical assets used in service delivery and does not represent a source of funding.

The City has a Net Financial Asset Position of \$104.6 million at the end of 2017, an increase of \$18.26 million over 2016. The change in Net Financial Assets is discussed in more detail in the Consolidated Statement of Change in Net Financial Assets. Accumulated Surplus at the end of 2017 is \$1.098 Billion.

Financial Assets:

- Financial assets increased by \$34 million over 2016.
- Cash and investments increased by \$37.23 million over 2016.
- Accounts receivable decreased by \$2.3 million over 2016.

Liabilities:

Total liabilities increased by approximately by \$15.8 million over 2016. The actuarially determined liability for future employee benefits is \$4.57 million. This liability will be settled over the longer term and does not impose an immediate claim on cash flow.

- Restricted revenues increased by \$6.23 million as a result of decreased capital expenditures in the year.
- Debt decreased by \$2.9 million as a result of planned pay down.

Non-Financial Assets:

Non-financial assets are comprised of the tangible capital assets held for use in service provision, undeveloped land bank properties, supplies inventories and prepaid expenses. These represent economic resources available to the City for service provision, rather than a funding source to support the day-to-day operations of the City.

In 2017 non-financial assets increased by \$15.8 million over 2016, due largely to a net increase in tangible capital assets of \$15.7 million.

2 Consolidated Statement of Operations – Page 39

This statement reports the City's changes in economic resources and accumulated surplus for 2017, compared with budget and with 2017 results. Since annual revenues exceeded expenses, the City increased its accumulated surplus during the year. Included in this statement, is information about the gain or loss on the disposal of capital assets. If tangible capital assets are disposed of before the end of their estimated useful life, any remaining book value associated with them is written off, resulting in an accounting loss, not a cash loss.

Message from the Corporate Controller

Consolidated Revenue

Compared to previous year (2016)

Revenues in 2017 decreased by \$15.75 million over 2016 through a combination of the following:

- Revenue from general taxation increased \$4.2 million through a combination of higher tax levies and growth of the assessment roll.
- User fees decreased by \$0.8 million over 2016 through a combination of decreased building permit revenues, the cessation of revenues associated with the cost share agreement for recreation services, offset by increases in planning fees and sewer and water revenues.
- Development revenues and senior government transfers, often linked to capital projects, decreased by \$9.1 over 2016. Typically, year-over-year changes in these revenues are related to changes in capital expenditures, reported on the Statement of Change in Net Financial Assets. Changes in grant revenues are affected by changes in funding programs available through senior governments.

Consolidated Revenue

Compared to budget (2017)

As in previous years, there were variances between budget and actual (\$37.2 million) and, as in previous years, a large part of this difference was related to the capital program. Development fees (earned DCCs) and senior government transfers were budgeted based on the expected completion of capital projects. As the capital expenditures did not occur there was no corresponding revenue recognized.

Consolidated Expenses

Compared to previous year (2016)

Consolidated expenses are comprised of operating expenses for goods and services, labour and debt servicing as well as the annual cost of using our tangible capital assets through amortization. Expenses increased by \$6 million over 2016 through a combination of increases in purchases of goods and services, including an approximate \$2.4 million increase in the RCMP contract, and an increase in amortization costs for the year.

Consolidated Expenses

Compared to budget (2017)

The consolidated expenses for 2017 reflect a positive variance of \$10.6 million compared to budget. Contributors to this positive variance include RCMP contract savings of approximately \$300,000, \$3.6 million for capital related projects, approximately \$4.8 million for projects that will proceed in 2018 and \$1.5 million in wages from a combination of vacancies and internal labour allocated to the capital program.

3 Consolidated Statement of Change in Net Financial Assets – Page 40

This statement begins with the annual surplus, shown on the Statement of Operations and adjusts for items, such as amortization and expenditures on tangible capital assets to derive the excess or deficiency of revenues over expenditures, which equals the change in financial position.

The City's net financial assets increased by \$18.26 million to \$104.6 million as at the end of 2017; had the activities in the Financial Plan been completed as planned, financial assets would have decreased by \$51.76 million, resulting in Net Financial Assets of \$34.6 million. Timing differences between planned and actual capital expenditures are the main reason for this variance.

4 Consolidated Statement of Cash Flow – Page 41

This statement represents financial resources (cash and investments of less than three months) that are available in the short-term to satisfy debt obligations and expenditures. The change in cash and cash equivalents is linked to, but is not identical to, the change in financial position, which is explained by the excess of revenues over expenditures. For example, when cash is received for a refundable deposit, cash is increased, but revenue is not.

Overall, the City's cash position at the end of 2017 increased to \$27.63 million from \$19.54M in 2016.

5 Schedule 1 – Page 58 Schedule of Change in Operating Accumulated Surplus

This schedule provides supplementary information about operating activities of the City in isolation and explains the change in both the Consolidated and Accumulated Surplus amounts attributable to operating activities. The variances discussed in Section 2 apply to this schedule as well.

Operating Expenses

Compared to previous year (2016)

Overall, operating expenses increased by approximately \$3.68 million over 2016, driven in large part by increases in contract costs such as RCMP & recycling, increases in costs related to snow and ice control, offset by a reduction of costs in recreation as a result of the exit from the cost share agreement with Pitt Meadows.

Operating Expenses

Compared to budget (2017)

Overall operating expenses came in under budget by \$11.4 million. Factors contributing to this variance were explained in Section 2.

Message from the Corporate Controller

6 Schedule 2 – Page 59

Schedule of Change in Capital Funds

This statement provides supplementary information about the revenues and expenses associated with the City's capital activities and the impact of those activities on both the City's Consolidated Annual and Accumulated Surplus amounts.

Capital activities and the related revenues can vary significantly from year to year. Planned capital revenues indicate the level of expected external investment in the City's capital program through sources such as senior government transfers or development revenues. Revenue is recognized as it is earned, so delays in the related capital projects results in delays in revenue recognition and a variance to budget, as is the case in most years.

Interest is allocated to the Reserves based on their balance after considering amounts due from them for capital expenditures incurred to date on their behalf.

The use of Reserve Funds and Reserve Accounts has allowed the City to effectively manage the needs of a growing community over time.

There is \$97.7 million in various reserves at year-end. However some of that amount relates to capital projects that were not completed before December 31, 2017. If these projects had been completed as planned, the Reserve balances would have been reduced by approximately \$43.3 million and Net Financial Assets would have decreased similarly.

7 Other

2017 Accumulated Surplus Distribution

i) Operating Accumulated Surplus (Schedule 1) – Page 58

The Operating Accumulated Surplus of \$31.8 million (as shown on Schedule 1) is itemized between General Revenue and the Utilities in Note 14 to the Financial Statements. These funds represent financial assets available to the City that Council has not earmarked for specific future use.

ii) Capital Funds (Schedule 2) – Page 59

The City has equity in the capital funds of \$968.5 million. This amount does not represent a source of funding, but rather equity in the physical assets used to provide services to the citizens of Maple Ridge.

iii) Reserve Accounts and Funds (Schedule 3 & 6) – Page 60 & 66

Reserve Accounts are appropriations of surplus, established informally and associated with both the Operating and Capital programs. These totalled \$56 million at December 31, 2017.

Reserve Funds are established by Council bylaw and are usually restricted for capital purposes. Financial assets within a reserve fund can only be used for the purpose for which it was established. These totalled \$41.6 million as at December 31, 2017.

Assessment of Trends

The City has Net Financial Assets of \$104.6 at the end of 2017. This position has improved from Net Debt of \$4.25M in 2004, which was the result of a planned reduction to acquire physical assets including The ACT Arts Centre, an expanded Leisure and Youth Centre, the Library and the office tower.

Based on current projections, we expect our financial position to be drawn down in 2018 to a net debt position, but to return to net financial assets by 2020.

Conclusion

The City of Maple Ridge is committed to the production of comprehensive financial information that meets the objective of providing open and transparent information to the reader and has been recognized by the Government Finance Officers Association for its efforts through receipt of the Canadian Award for Financial Reporting for 27 consecutive years.



Catherine Nolan, CPA, CGA
Corporate Controller

Introduction to Financial Statements

The accompanying Consolidated Financial Statements and all other financial information included within this financial report are the responsibility of the management of the City of Maple Ridge. The City's Financial Statements contained in this report have been prepared in accordance with the accounting principles and disclosure requirements of the Canadian Institute of Chartered Accountants guidelines contained in the Public Sector Accounting and Auditing Standards Manual.

The Corporate Finance Officer is responsible for submitting annually to the Audit Committee and Council audited Financial Statements. These Financial Statements include the consolidated results of the City of Maple Ridge for the fiscal year ending December 31, 2017.

The preparation of the annual Financial Statements is the responsibility of the Finance Department; this includes the preparation of working papers and providing support and related financial information to external auditors during the year-end audit.

The Consolidated Financial Statements of the City of Maple Ridge provide important information about the overall financial condition of the City. The purpose of the Consolidated Financial Statements is to present the effects of transactions of the City taking into consideration the accounting for all City Funds, MRMH Ltd. and CDMR Developments Ltd.

The audited 2017 Consolidated Financial Statements for the City include:

Consolidated Statements

- Management's Responsibility for Financial Reporting
- Auditors' Report
- Consolidated Statement of Financial Position
- Consolidated Statement of Operations
- Consolidated Statement of Change in Net Financial Assets
- Consolidated Statement of Cash Flow
- Summary of Significant Accounting Policies
- Notes to the Consolidated Financial Statements
- Consolidated Report of Segmented Revenue and Expenses

Supporting Statements & Schedules

- Schedule of Change in Operating Accumulated Surplus
- Schedule of Change in Capital Funds
- Schedule of Change in Reserves
- Continuity Schedule of Debenture Debt
- Schedule of Tangible Capital Assets
- Continuity Schedule of Reserves

Management's Responsibility for Financial Reporting

The information in this Annual Report is the responsibility of management. The consolidated financial statements have been prepared in accordance with Canadian Public Sector accounting guidelines as outlined under "Significant Accounting Policies". These include some amounts based on management's best estimates and careful judgment.

Management maintains a system of internal accounting controls to provide reasonable assurance that assets are safeguarded and that transactions are authorized, recorded, and reported properly. Management also administers a program of proper business compliance.

BDO Canada LLP, the Municipality's independent auditors have audited the accompanying financial statements. Their report accompanies this statement.

Council carries out its responsibility for the consolidated financial statements jointly with its Audit and Finance Committee. The Committee meets with management on a scheduled basis and at least semi-annually with BDO Canada LLP to review their activities and to discuss auditing, internal control, accounting policy, and financial reporting matters.

BDO Canada LLP has unrestricted access to the Municipality, the Audit and Finance Committee, and Council. Council approves the consolidated financial statements, the Audit and Finance Committee reviews the recommendations of the independent auditors for improvements to controls as well as the actions of management to implement such recommendations.



Paul Gill, BBA, CPA, CGA
Chief Administrative Officer



Trevor Thompson, BBA, CPA, CGA
Chief Financial Officer



Tel: 604 688 5421
Fax: 604 688 5132
vancouver@bdo.ca
www.bdo.ca

BDO Canada LLP
600 Cathedral Place
925 West Georgia Street
Vancouver BC V6C 3L2 Canada

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of the City of Maple Ridge

We have audited the accompanying consolidated financial statements of the City of Maple Ridge, which comprise the Consolidated Statement of Financial Position as at December 31, 2017, and the Consolidated Statements of Operations, Change in Net Financial Assets and Cash Flow for the year then ended, and 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.

Auditor's 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 the auditor's 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, the auditor considers 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.

Opinion

In our opinion, the consolidated financial statements present fairly in all material respects, the financial position of the City of Maple Ridge as at December 31, 2017 and its results of operations, changes in net financial assets and cash flows for the year then ended, in accordance with Canadian public sector accounting standards.

BDO Canada LLP

Chartered Professional Accountants

Vancouver, British Columbia
May 8, 2018

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

Consolidated Financial Statements

Consolidated Statement of Financial Position as at December 31, 2017

	2017	2016
Financial Assets		
Cash and cash equivalents (Note 1)	\$ 27,631,877	\$ 19,542,094
Portfolio investments (Note 2)	187,717,851	158,579,174
Accounts receivable (Note 3)	14,663,433	16,981,661
Recoverable local improvements (Note 4)	1,126,247	1,211,936
Other assets (Note 5)	763,208	779,296
Inventory available for resale	<u>3,579,094</u>	<u>4,304,688</u>
	235,481,710	201,398,849
Liabilities		
Accounts payable and accrued liabilities (Note 6)	20,795,751	18,649,403
Deferred revenue (Note 8)	14,198,182	11,238,972
Restricted revenue (Note 9)	39,633,654	33,401,914
Refundable performance deposits and other	23,403,713	15,853,204
Employee future benefits (Note 10)	4,567,300	4,704,700
Debt (Note 11, Schedule 4)	<u>28,273,707</u>	<u>31,204,532</u>
	130,872,307	115,052,725
Net Financial Assets	<u>104,609,403</u>	<u>86,346,124</u>
Non Financial Assets		
Tangible capital assets (Note 12, Schedule 5)	976,145,224	960,396,101
Undeveloped land bank properties (Note 13)	15,526,529	15,526,529
Supplies inventory	363,885	355,162
Prepaid expenses	<u>1,294,624</u>	<u>1,277,835</u>
	993,330,262	977,555,627
Accumulated Surplus (Note 14)	\$ <u>1,097,939,665</u>	\$ <u>1,063,901,751</u>



Paul Gill, BBA, CPA, CGA
Chief Administrative Officer



Trevor Thompson, BBA, CPA, CGA
Chief Financial Officer

The accompanying summary of significant accounting policies and notes to the Consolidated Financial Statements are an integral part of this statement.

Consolidated Financial Statements

Consolidated Statement of Operations

For the year ended December 31, 2017

	Actual 2017	Budget 2017 (Note 17)	Actual 2016
Revenue (Segment Report, Note 20)			
Taxes for municipal purposes (Note 15)	\$ 81,729,003	\$ 81,624,555	\$ 77,452,203
User fees and other revenue	42,409,361	40,289,865	43,211,346
Government transfers (Note 16)	3,434,531	7,232,253	2,775,735
Development revenue	8,155,007	40,056,557	17,893,281
Interest and investment income			
Investment Income	561,683		
Interest Income	2,984,982		
Less: Restricted amount	<u>(363,771)</u>		
Interest and investment income	3,182,894	1,898,004	2,478,388
Gaming revenues	1,561,090	1,050,000	1,338,678
Refinancing and asset disposal gains (losses)	(807,330)	1,500,000	(3,833,337)
Contributed tangible capital assets (Note 12)	<u>16,725,863</u>	<u>20,000,000</u>	<u>39,062,791</u>
	156,390,419	193,651,234	180,379,085
Expenses (Segment Report, Note 20)			
Protective services	38,065,340	40,620,751	35,844,566
Transportation services	19,511,458	21,090,430	15,835,722
Recreation and cultural	19,784,632	21,236,613	21,584,478
Water utility	13,305,309	14,560,540	12,628,882
Sewer utility	10,761,203	10,964,767	10,068,307
General government	15,106,167	17,876,072	14,821,099
Planning, public health and other	<u>5,818,396</u>	<u>6,616,582</u>	<u>5,518,328</u>
	122,352,505	132,965,755	116,301,382
Annual Surplus	<u>34,037,914</u>	<u>60,685,479</u>	<u>64,077,703</u>
Accumulated Surplus - beginning of year	<u>1,063,901,751</u>	<u>1,063,901,751</u>	<u>999,824,048</u>
Accumulated Surplus - end of year (Note 14)	<u>\$ 1,097,939,665</u>	<u>\$1,124,587,230</u>	<u>\$1,063,901,751</u>

The accompanying summary of significant accounting policies and notes to the Consolidated Financial Statements are an integral part of this statement.

Consolidated Financial Statements

Consolidated Statement of Change in Net Financial Assets

For the year ended December 31, 2017

	Actual 2017	Budget 2017 (Note 17)	Actual 2016
Annual Surplus	\$ 34,037,914	\$ 60,685,479	\$ 64,077,703
Add (Less):			
Change in Tangible Capital Assets			
Acquisition of tangible capital assets	(38,277,439)	(132,222,075)	(71,729,097)
Amortization	20,585,216	19,780,000	18,209,180
Proceeds from disposal of tangible capital assets	278,424	1,500,000	181,645
(Gain) loss on disposal of tangible capital assets	<u>1,664,676</u>	<u>(1,500,000)</u>	<u>3,833,337</u>
	(15,749,123)	(112,442,075)	(49,504,935)
Change in Other Non Financial Assets			
Decrease (increase) in supplies inventory	(8,723)	-	(4,357)
Reclassification of undeveloped land bank	-	-	53,499
Reclassification of tangible capital assets	-	-	-
Increase in prepaid expenses	<u>(16,789)</u>	<u>-</u>	<u>(328,910)</u>
	(25,512)	-	(279,768)
Increase (decrease) in Net Financial Assets	18,263,279	\$ (51,756,596)	14,293,000
Net Financial Assets beginning of the year	<u>86,346,124</u>	<u>86,346,121</u>	<u>72,053,124</u>
Net Financial Assets end of the year	<u>\$ 104,609,403</u>	<u>\$ 34,589,525</u>	<u>\$ 86,346,124</u>

The accompanying summary of significant accounting policies and notes to the Consolidated Financial Statements are an integral part of this statement

Consolidated Financial Statements

Consolidated Statement of Cash Flow

For the year ended December 31, 2017

	Actual 2017	Actual 2016
Operating transactions		
Annual surplus	\$34,037,914	\$64,077,703
Items not utilizing cash		
Amortization	20,585,216	18,209,180
Loss on disposal of assets	807,520	3,833,337
Contributed tangible capital assets	(16,725,863)	(39,062,791)
Restricted revenues recognized	<u>(7,606,470)</u>	<u>(17,026,027)</u>
	(2,939,597)	(34,046,301)
Change in non-cash operating items		
Increase in prepaid expenses	(16,789)	(328,909)
Decrease (increase) in supplies inventory	(8,723)	(4,357)
Decrease (increase) in accounts receivable	2,318,228	1,941,406
Decrease (increase) in recoverable local improvements	85,689	361,160
Decrease (increase) in other assets	16,088	(21,190)
Increase (decrease) in accounts payable and accrued liabilities	2,146,348	730,522
Increase (decrease) in deferred revenue	2,959,211	571,194
Increase (decrease) in refundable performance deposits	7,550,507	2,002,979
Increase (decrease) in employee future benefits	<u>(137,401)</u>	<u>(203,299)</u>
	14,913,158	5,049,506
Cash provided by operating transactions	<u>46,011,475</u>	<u>35,080,908</u>
Capital transactions		
Proceeds on disposal of assets	1,861,174	181,645
Acquisition of tangible capital assets	<u>(21,551,576)</u>	<u>(32,666,306)</u>
Cash applied to capital transactions	<u>(19,690,402)</u>	<u>(32,484,661)</u>
Investing transactions		
Decrease (increase) in portfolio investments	<u>(29,138,677)</u>	<u>916,766</u>
	(29,138,677)	916,766
Financing transactions		
Debt repayment	(2,930,825)	(2,859,107)
Collection of restricted revenues	<u>13,838,212</u>	<u>8,741,894</u>
Cash applied to financing transactions	<u>10,907,387</u>	<u>5,882,787</u>
Increase (decrease) in cash and cash equivalents	8,089,783	9,395,800
Cash and cash equivalents - beginning of year	<u>19,542,094</u>	<u>10,146,294</u>
Cash and cash equivalents - end of year	<u>\$27,631,877</u>	<u>\$19,542,094</u>
Supplementary information:		
Non-cash transactions:		
Transfer from tangible capital assets to undeveloped land bank	\$ -	\$ -
Transfer from tangible capital assets to inventory available for sale	\$ -	\$ -

The accompanying summary of significant accounting policies and notes to the Consolidated Financial Statements are an integral part of this statement

Consolidated Financial Statements

Summary of Significant Accounting Policies For the year ended December 31, 2017

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

(a) Reporting Entity and Basis of Consolidation

These financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards (PSAS) using guidelines developed by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

They consolidate the activities of all of the funds of the City and the City's wholly owned subsidiaries C.D.M.R. Developments Ltd. and Maple Ridge Municipal Holdings Ltd. Transactions between the City's funds and wholly owned subsidiaries have been eliminated and only transactions with outside entities are reported.

(b) Basis of Accounting

The basis of accounting followed in these financial statements is the accrual method and includes revenues in the period in which the transactions or events occurred that gave rise to the revenues and expenses in the period the goods and services were acquired and a liability was incurred.

(c) Non-financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of business.

(d) Tangible Capital Assets

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

Estimated useful lives of tangible capital assets are as follows:

Buildings (including building components)	7 to 50 years
Transportation network	10 to 75 years
Storm sewer system	10 to 75 years
Fleet and equipment	8 to 20 years
Technology	3 to 25 years
Water system	10 to 85 years
Sanitary sewer system	30 to 75 years
Furniture and fixtures	3 to 20 years
Structures	15 to 75 years

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Tangible capital assets do not include works of art or historical treasures. Costs related to the acquisition of such items are expensed in the year in which they are acquired.

(e) Liability for Contaminated Sites

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

A liability for remediation of a contaminated site 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 City is directly responsible or 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 best 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. Management has assessed its potential liabilities for contamination, including sites that are no longer in productive use and sites for which the City accepts responsibility. There were no such sites that had contamination in excess of an environmental standard requiring remediation at this time, therefore no liability was recognized at December 31, 2017 or December 31, 2016.

(f) Revenue Recognition

Taxation

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

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

User fees and other revenue

Charges for sewer and water usage are recorded as user fees and other revenue.

Government transfers

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

Development revenues

Receipts that are restricted by the legislation of senior governments or by agreement with external parties are a liability of the municipality and are reported as Restricted Revenues at

Consolidated Financial Statements

the time they are received. When qualifying expenditures are incurred Restricted Revenues are brought into revenue as development revenue. Restricted Revenues are comprised of the amounts shown in Note 9.

Investment income

Investment income is recorded on the accrual basis and recognized when earned. Investment income is allocated to various reserves and operating funds on a proportionate basis.

To the extent that financial instruments have no stated rate of return, investment income is recognized as it is received.

Contributed tangible capital assets

Subdivision developers are required to provide subdivision infrastructure such as streets, lighting, sidewalks, and drainage etc. Upon completion these assets are turned over to the City. Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

(g) Use of estimates/measurement uncertainty

The preparation of financial statements in accordance with Canadian PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring use of management estimates relate to the useful lives of tangible capital assets, determination of employee future benefits, the outcome of litigation and claims, and the percentage of completion of buildings and subdivision inspections. Actual results could differ from those estimates.

(h) Budget figures

The budget figures reported in the Consolidated Financial Statements represent the 2017 component of the Financial Plan Bylaw adopted by Council on May 9, 2017.

(i) Financial instruments

The City's financial instruments consist of cash and cash equivalents, portfolio investments, accounts receivable, recoverable local improvements, other assets, accounts payable and accrued liabilities, refundable performance deposits and debt. Unless otherwise indicated, it is management's opinion that the City is not exposed to any significant interest, credit or currency risks arising from these financial instruments.

(j) Cash and cash equivalents

Cash and cash equivalents are comprised of the amounts held in the City's bank accounts and investments with an original maturity date of three months or less.

(k) Portfolio Investments

Investments with an original maturity date of more than three month are reported as portfolio investments. Investments and pooled investments are reported using the cost method. Provisions for declines in the market value of investments are recorded when they are considered to be other than temporary. Declines in the market values of investments are considered to be other than temporary when the carrying value exceeds market value for more than three years.

Consolidated Financial Statements

(l) Basis of segmentation (Segment Report, Note 20)

Municipal services have been segmented by grouping services that have similar service objectives (by function). Revenues that are directly related to the costs of the function have been attributed to each segment. Interest expense is allocated to functions based on the purpose of specific borrowings.

(m) Employee future benefits

The City and its employees make contributions to the Municipal Pension Plan, and the employees accrue benefits under this plan based on service. The City's contributions are expensed as incurred. (Note 19)

Sick leave benefits and retirement severance benefits are also available to the City's employees. The costs of these benefits are actuarially determined based on service and best estimates of retirement ages and expected future salary and wage increases. The liabilities under these benefit plans are accrued based on projected benefits prorated as the employees render services necessary to earn the future benefits. (Note 10)

Consolidated Financial Statements

Notes to the Consolidated Financial Statements For the year ended December 31, 2017

1. Cash and cash equivalents

Cash and cash equivalents as at December 31, 2017 were comprised as follows:

	<u>Dec 31, 2017</u>	<u>Dec 31, 2016</u>
Cash	\$ 20,631,877	\$ 11,443,946
Cash equivalents	<u>7,000,000</u>	<u>8,098,148</u>
	<u>\$ 27,631,877</u>	<u>\$ 19,542,094</u>

Cash equivalents are comprised of BC Credit Union term deposits with effective interest rates of **1.5% - 1.9%** (1.5% - 1.6% for 2016). Additionally, the City holds cash and cash equivalents of **\$3,288,086** (\$2,633,511 for 2016) and agreements and interest receivable of **\$215,934** (\$187,345 for 2016) for trusts which are not reported elsewhere in the financial statements. They are held for the following trusts:

	Balance Dec 31, 2016	Interest Earned	Receipts	Disbursements	Balance Dec 31, 2017
Latecomer Fees	\$ 40,544	\$ -	\$ 152,478	\$ 108,187	\$ 84,835
Cemetery Perpetual Care	1,090,511	28,976	61,093	28,976	1,151,604
Greater Vancouver Sewer & Drainage District	535,147	-	1,362,049	942,091	955,105
Albion Dyking District	<u>1,154,654</u>	<u>585</u>	<u>262,117</u>	<u>104,880</u>	<u>1,312,476</u>
	<u>\$ 2,820,856</u>	<u>\$ 29,561</u>	<u>\$ 1,837,737</u>	<u>\$ 1,184,134</u>	<u>\$ 3,504,020</u>

2. Portfolio Investments

Portfolio investments include Canadian bank notes and BC Credit Union term deposits with effective interest rates of 1.65% - 2.91%. A portion of the bank notes held have interest payments linked to the performance of a set of equities or a financial index without stated or certain interest rates. For these investments, income is recognized as it is received; in 2017 returns were positive and ranged to 3.64%. Included in interest earnings are gains on investments sold before maturity. In 2017 gains were **\$71,498** (\$0 for 2016). The City does not hold any asset backed commercial paper or hedge funds.

The carrying value of securities is based on the cost method whereby the cost of the security is adjusted to reflect investment income that is accruing and any permanent decline in market value. During the term of individual investments there will be fluctuations in market values. Such fluctuations are considered normal, and if held to maturity, market value will be equal to face value.

The carrying value of Portfolio Investments at December 31, 2017 was **\$187,717,851** (\$158,579,174 for 2016). The market value at December 31, 2017 was **\$187,715,380** (\$158,703,643 for 2016).

3. Accounts Receivable

	<u>2017</u>	<u>2016</u>
Property Taxes	\$ 4,944,597	\$ 5,025,022
Other Governments	<u>2,450,382</u>	<u>4,197,992</u>
General and Accrued Interest	<u>3,856,276</u>	<u>3,920,849</u>
Development Cost Charges	<u>3,472,935</u>	<u>3,877,516</u>
	<u>14,724,190</u>	<u>17,021,379</u>
Less: Allowance for Doubtful Accounts	<u>(60,757)</u>	<u>(39,718)</u>
	<u>\$ 14,663,433</u>	<u>\$ 16,981,661</u>

Consolidated Financial Statements

4. Recoverable Local Improvements

The City provides interim financing for certain geographically localized capital projects. It recovers these amounts from benefiting property owners. Interest rates are established at the outset of the process and are a function of borrowing rates at the time. Repayment is typically made over fifteen years.

5. Other Assets

Debt Reserve Fund:

The Municipal Finance Authority of British Columbia (MFA) provides capital financing for regional districts and their member municipalities. The MFA is required to establish a Debt Reserve Fund. Each regional district, through its member municipalities who share in the proceeds of a debt issue, is required to pay into the Debt Reserve Fund certain amounts set out in the debt agreements. The MFA pays into the Debt Reserve Fund these monies from which interest earned thereon less administrative expenses becomes an obligation to the regional districts. It must then use this fund, if at any time there are insufficient funds, to meet payments on its obligations. If this occurs, the regional districts may be called upon to restore the fund.

Upon the maturity of a debt issue the unused portion of the Debt Reserve Fund established for that issue will be discharged to the City. The City has estimated that there is only a remote possibility that these funds will not be paid to it and therefore these funds have been included in Other Assets of **\$763,208** (\$779,296 for 2016).

6. Accounts Payable and Accrued Liabilities

	<u>2017</u>	<u>2016</u>
Accounts Payable:		
General	\$ 5,587,746	\$ 8,334,403
Other Governments	12,197,994	7,341,118
Salaries and Wages	<u>1,701,308</u>	<u>1,659,815</u>
	19,487,048	17,335,336
Accrued Liabilities:		
Vacation Pay	401,134	368,785
Other Vested Benefits	<u>907,569</u>	<u>945,282</u>
	<u>1,308,703</u>	<u>1,314,067</u>
	\$ 20,795,751	\$ 18,649,403

7. Contingencies, Commitments and Unrecognized Liabilities:

(a) Third Party Claims

Where losses related to litigation are possible and can be reasonably estimated management accrues its best estimate of loss. For 2017 this estimate is **\$171,236** (\$522,834 for 2016). These amounts are included in accounts payable and accrued liabilities.

There are various other claims by and against the City, the outcome of which cannot reasonably be estimated. Any ultimate settlements will be recorded in the year the settlements occur.

(b) Contractual Obligations

(i) Water

The City has entered into a cost share agreement with the Greater Vancouver Water District for the construction of infrastructure. Under this agreement the City expects to incur costs of approximately **\$400,000** by the time of project completion. The expense is recorded as the related costs are incurred.

(ii) Recreation and Cultural Services

In 1998 the City entered into an agreement to purchase ice sheet time for five years commencing in 1999, with three five-year renewal options. In 2013, the agreement was renewed for an additional five-year period. The minimum annual payment due for the provision of ice time is \$686,225. These payments are recorded as expenses when the ice time is provided.

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(c) Unrecognized Liability

The City holds shares in a non-profit organization that provides protective services to its members. Should the organization dissolve or management choose to withdraw from the organization the City would be liable for a proportionate share of any debt the organization held at that time. The liability is expected to be discharged over time through payments by the City and others for the provision of these services by the organization. Due to the ongoing operations of the organization the liability could only be quantified if the City chose to withdraw. Consequently no liability has been recognized in these financial statements.

8. Deferred Revenues

Deferred revenues held by the City were comprised as follows:

	Prepaid Taxes		Connection Revenues	
	2017	2016	2017	2016
Beginning balance	\$ 6,437,206	\$ 6,118,372	\$ 724,875	\$ 629,820
Deferred during the year	13,645,937	12,673,842	1,026,652	1,042,486
Revenue recognized	(13,218,876)	(12,355,008)	(716,490)	(947,431)
Ending balance	<u>\$ 6,864,267</u>	<u>\$ 6,437,206</u>	<u>\$ 1,035,037</u>	<u>\$ 724,875</u>

	Other		Total Deferred Revenues	
	2017	2016	2017	2016
Beginning balance	\$ 4,076,891	\$ 3,919,585	\$ 11,238,972	\$ 10,667,777
Deferred during the year	4,068,902	2,262,634	18,741,491	15,978,962
Revenue recognized	(1,846,915)	(2,105,328)	(15,782,281)	(15,407,767)
Ending balance	<u>\$ 6,298,878</u>	<u>\$ 4,076,891</u>	<u>\$ 14,198,182</u>	<u>\$ 11,238,972</u>

9. Restricted Revenues

Restricted revenues held by the City were comprised as follows:

	Development Cost Charges		Parkland Acquisition Charges	
	2017	2016	2017	2016
Beginning Balance	\$ 26,019,028	\$ 33,971,866	\$ 412,027	\$ 1,203,400
Collections and interest	10,988,859	7,923,252	779,225	209,463
Disbursements - operating	(118,685)	(406,180)	-	-
Disbursements - capital	(7,342,530)	(15,469,910)	(27,301)	(1,000,834)
Ending Balance	<u>\$ 29,546,672</u>	<u>\$ 26,019,028</u>	<u>\$ 1,163,951</u>	<u>\$ 412,029</u>

	Other Restricted Revenues		Total Restricted Revenues	
	2017	2016	2017	2016
Beginning Balance	\$ 6,970,857	\$ 6,510,781	\$ 33,401,912	\$ 41,686,047
Collections and interest	2,070,128	609,179	13,838,212	8,741,894
Disbursements - operating	(54,574)	(42,268)	(173,259)	(448,448)
Disbursements - capital	(63,380)	(106,835)	(7,433,211)	(16,577,579)
Ending Balance	<u>\$ 8,923,031</u>	<u>\$ 6,970,857</u>	<u>\$ 39,633,654</u>	<u>\$ 33,401,914</u>

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10. Employee Future Benefits

The City provides employee future benefits in the form of severance benefits and vested and non-vested sick leave to qualifying employees. These benefits are not separately funded.

Severance benefits are cash settlements paid to employees who cease their employment with the City after a specified period of time. Employees hired before February 11, 1999 qualify for five days pay per year of employment, provided they either work a minimum of 20 years with the City or retire as defined by the Public Sector Pension Plan Act. Full time employees hired after February 11, 1999 qualify for 20 days pay provided they work a minimum of 10 years with the City and retire as defined by the Public Sector Pension Plan Act.

The City permits regular employees to accumulate up to 18 days per year of service for future illnesses up to a maximum of 250 days. For certain qualifying employees a portion of this benefit vests; for the balance, this benefit does not vest and cannot be converted to any other type of benefit.

An actuarial valuation of these benefits was performed to determine the City's liability and accrued benefit obligation as at December 31, 2015 and updated for December 31, 2017. The valuation resulted in an unamortized actuarial loss of **\$364,900** (\$398,200 for 2016) at December 31, 2017. Actuarial gains or losses are amortized over the expected average remaining service life of employees. The benefit liability at December 31, 2017 was **\$4,567,300**, (\$4,704,700 for 2016) comprised as follows:

	<u>2017</u>	<u>2016</u>
Benefit Liability - Beginning of the year	\$ 4,704,700	\$ 4,908,000
Add: Current service costs	343,800	374,500
Interest on accrued benefit obligation	148,300	150,200
Less: Amortization of actuarial loss (gain)	33,300	35,600
Benefits paid during the year	<u>(662,800)</u>	<u>(763,600)</u>
Benefit Liability - End of the year	4,567,300	4,704,700
 Add (Less): Unamortized actuarial loss	 <u>364,900</u>	 <u>398,200</u>
Accrued benefit obligation - End of the year	4,932,200	5,102,900

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

	<u>2017</u>	<u>2016</u>
Discount rate (long-term borrowing rate)	2.90 %	2.90 %
Expected future inflation rate	2.00 %	2.00 %
Merit and inflationary wage and salary increases averaging	3.04 %	3.04 %
Estimated average remaining service life of employees (years)	13.0	13.0

Consolidated Financial Statements

11. Debt (Schedule 4)

The City 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. Debt is reported net of Sinking Fund balances and interest expense is reported net of Sinking Fund earnings.

The City carries no debt for others.

The following debenture debt amounts plus related interest are payable over the next five years and thereafter:

	<u>Debt Payments</u>
2018	\$ 2,129,744
2019	2,172,036
2020	2,215,521
2021	2,260,235
2022	2,306,211
Thereafter	12,253,117
Sinking Fund Contributions	<u>4,936,843</u>
Debt principal repayments	<u>\$ 28,273,707</u>

The City has the following authorized but un-issued long term debt as at December 31, 2017:

<u>L/A Bylaw</u>	<u>L/A Amount</u>
#6558	\$ 6,000,000
#6560	275,000
#6679	<u>1,100,000</u>
	<u>\$ 7,375,000</u>

12. Tangible Capital Assets

	<u>Net book value</u>	
	<u>2017</u>	<u>2016</u>
Land	\$ 226,003,706	\$ 215,898,649
Buildings	44,141,166	45,632,627
Transportation network	218,934,481	223,230,279
Storm sewer system	206,751,562	201,919,428
Fleet and equipment	14,680,214	13,625,491
Technology	4,516,466	4,751,490
Water system	116,201,245	113,622,225
Sanitary sewer system	128,186,305	126,551,687
Other	<u>16,730,081</u>	<u>15,164,227</u>
	<u>\$ 976,145,224</u>	<u>\$ 960,396,101</u>

For additional information, see the Schedule of Tangible Capital Assets (Schedule 5)

During the year there were no write-downs of assets (2016 - \$Nil) and no interest was capitalized (2016 - \$Nil). In addition, roads and related infrastructure, underground networks and land contributed to the City totaled **\$16,725,863** (\$39,062,791 for 2016) and were capitalized at their fair value at the time of receipt.

Works of art, artifacts, cultural and historic assets are not recorded as assets in the financial statements. The City controls various works of art and historical treasures including artifacts, paintings, sculptures and mosaics located at City sites and public display areas.

Consolidated Financial Statements

13. Undeveloped Land Bank

The City owns property in various areas identified for future growth in the Official Community Plan. These properties are not currently used in the provision of service to the citizens of Maple Ridge. The properties represent a strategic, non-renewable resource available for the advancement of Council's strategic plan.

14. Accumulated Surplus

Accumulated Surplus is comprised of operating surpluses and equity in tangible capital assets held in the general, sewer and water funds as well as reserves. Accumulated surplus for 2017 is **\$1,097,939,665** (\$1,063,091,751 for 2016) and is distributed as follows:

		<u>2017</u>	<u>2016</u>
Operating surplus (Schedule 1)	General	\$ 10,011,882	\$ 9,285,688
	Sewer	8,935,862	8,144,538
	Water	<u>12,840,034</u>	<u>11,296,039</u>
		<u>31,787,778</u>	<u>28,726,265</u>
Equity in the capital funds (Schedule 2)	General	721,401,366	709,048,629
	Sewer	129,423,192	127,032,307
	Water	<u>117,671,736</u>	<u>114,453,816</u>
		<u>968,496,294</u>	<u>950,534,752</u>
Reserves (Schedule 3)	Funds	41,639,403	38,755,844
	Accounts	<u>56,016,190</u>	<u>45,884,890</u>
		<u>97,655,593</u>	<u>84,640,734</u>
		<u>\$ 1,097,939,665</u>	<u>\$ 1,063,901,751</u>
Accumulated Surplus			

15. Property Tax Levies

In addition to its own tax levies, the City is required to levy taxes on behalf of various other taxing authorities. These include the provincial government for local school taxes, incorporated dyking districts located within the City and, organizations providing regional services in which the City has become a member. Taxes levied for other agencies are not included in City revenues. Total tax levies were comprised as follows:

	<u>2017</u>	<u>2017 Budget</u>	<u>2016</u>
Municipal Tax Levies	\$ 81,729,003	\$ 81,624,555	\$ 77,452,203
Levies for other authorities			
School taxes	34,552,104	33,447,351	32,805,061
Greater Vancouver Transit Authority	5,622,711	5,538,987	5,397,878
British Columbia Assessment	995,188	949,329	925,179
Greater Vancouver Regional District	958,555	915,066	892,390
Dyking Districts	616,936	523,716	558,943
Municipal Finance Authority	<u>4,328</u>	<u>3,358</u>	<u>3,272</u>
Total Collections for Others	<u>42,749,822</u>	<u>41,377,807</u>	<u>40,582,723</u>
Total Tax Levies	<u>\$ 124,478,825</u>	<u>\$ 123,002,362</u>	<u>\$ 118,034,926</u>

Consolidated Financial Statements

16. Government Transfers

Government transfers received during the year were comprised of the following:

	<u>2017</u>		<u>2016</u>	
	Capital	Operating	Capital	Operating
Federal Gov't	\$ 136,508	\$ 353,137	\$ 5,141	\$ 289,215
Provincial Gov't	186,465	1,293,903	233,219	1,167,396
TransLink	116,794	1,092,910	371,777	497,800
Other	<u>176,932</u>	<u>77,882</u>	<u>160,802</u>	<u>50,385</u>
Total	<u>\$ 616,699</u>	<u>\$ 2,817,832</u>	<u>\$ 770,939</u>	<u>\$ 2,004,796</u>

17. Budget

Budget amounts represent the Financial Plan Bylaw adopted by Council on May 9, 2017. The Financial Plan anticipated use of surpluses accumulated in previous years to balance against current year expenditures in excess of current year revenues.

The following shows how these amounts were combined:

	Financial Plan Bylaw	Financial Statement Budget
Revenue		
Taxation	\$ 81,624,555	\$ 81,624,555
User fees and other revenue	40,289,865	40,289,865
Other	51,736,814	51,736,814
Contributed subdivision infrastructure	<u>20,000,000</u>	<u>20,000,000</u>
Total Revenue	<u>193,651,234</u>	<u>193,651,234</u>
Expenses		
Protective services	40,620,751	40,620,751
Transportation services	21,090,430	21,090,430
Recreation and cultural	21,236,613	21,236,613
Water utility	14,560,540	14,560,540
Sewer utility	10,964,767	10,964,767
General Government	17,876,072	17,876,072
Planning, public health and other	<u>6,616,582</u>	<u>6,616,582</u>
Total expenses	<u>132,965,755</u>	<u>132,965,755</u>
Annual Surplus	<u>\$ 60,685,479</u>	<u>\$ 60,685,479</u>
Less:		
Capital expenditures	132,222,075	
Debt repayment	3,703,615	
Add:		
Interfund transfers	42,414,113	
Amortization	19,780,000	
Borrowing proceeds	<u>13,046,098</u>	
	<u>\$ -</u>	

Consolidated Financial Statements

18. Expenditures and Expenses by Object

	Operations	Capital Acquisitions	2017 Total	2017 Budget	2016 Total
Goods and services	\$ 57,540,668	\$ 20,669,161	\$ 78,209,829	\$ 179,304,581	\$ 85,967,417
Wages and salaries	42,506,084	882,415	43,388,499	44,097,000	42,941,796
Interest	<u>1,720,537</u>	<u>-</u>	<u>1,720,537</u>	<u>2,006,249</u>	<u>1,849,295</u>
Total Expenditures	101,767,289	21,551,576	123,318,865	225,407,830	130,758,508
Amortization expenses	20,585,216	-	20,585,216	19,780,000	18,209,180
Contributed tangible capital assets	<u>-</u>	<u>16,725,863</u>	<u>16,725,863</u>	<u>20,000,000</u>	<u>39,062,791</u>
Total Expenditures and Expenses	<u>\$ 122,352,505</u>	<u>\$ 38,277,439</u>	<u>\$ 160,629,944</u>	<u>\$ 265,187,830</u>	<u>\$ 188,030,479</u>

19. Pension Plan

The employer and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2016, the plan has about 193,000 active members and approximately 90,000 retired members. Active members include approximately 38,000 contributors from local governments.

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

The most recent valuation for the Municipal Pension Plan as of December 31, 2015, indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1.927 million was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rates remained unchanged.

The City of Maple Ridge paid **\$3,436,295** (2016 \$3,440,174) for employer contributions while employees contributed **\$2,817,284** (2016 \$2,778,065) to the plan in fiscal 2017.

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

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

Consolidated Financial Statements

20. Segmented Information

The City is a diversified municipal government entity in the province of British Columbia that provides a wide range of services to its citizens. Municipal services have been segmented by grouping activities that have similar service objectives (by function) and separately disclosed in the segment report. Where certain activities cannot be attributed to a specific segment they have been reported as unallocated. The segments and the services they provide are as follows:

Protective Services

Protective Services is comprised of the Ridge Meadows RCMP detachment, the Maple Ridge Fire Department, bylaw enforcement, inspection services and emergency services. Services provided by the segment are focused on protecting the citizens of Maple Ridge.

Transportation Services

Transportation Services is comprised of Engineering, Operations, Drainage and Roads. Services provided by the segment include the construction and maintenance of transportation related infrastructure.

Recreation and Cultural

Recreation and cultural services provides library services, access to recreation facilities and maintains and operates City parks.

Water Utility

The Water Utility, in conjunction with Metro Vancouver, provides safe, clean, reliable water to the residents and businesses of the City of Maple Ridge.

Sewer Utility

The Sewer Utility collects waste water and transports it to treatment plants operated by Metro Vancouver in addition to maintaining the sanitary sewer infrastructure.

General Government

General Government provides administrative, legislative and support services for the City. Functions include financial planning and reporting, information technology, economic development and communications.

Planning, Public Health and Other

This segment is comprised of Planning, Recycling, Cemetery and Social Planning. Activities include land use guidelines, development of the City's official community plan, management of the recycling contract and improving the social well-being of the community.

Unallocated

Unallocated includes revenues and expenses that cannot be directly attributed to the activities of an identified functional segment.



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Segment Report

Consolidated Report of Segmented Revenue and Expenses

For the year ended December 31, 2017

	Protective Services	Transportation Services	Recreation and Cultural	Water Utility	Sewer Utility
Revenue					
Tax revenue	\$ -	\$ -	\$ -	\$ 130,677	\$ 905,380
Other revenues	5,735,485	758,536	3,363,415	16,589,309	9,868,103
Government transfers	105,727	1,582,340	583,119	-	129,778
Development revenue	10,837	2,055,404	2,039,808	2,251,480	1,530,704
Interest and investment income	-	-	-	-	-
Gaming Revenues					
Refinancing & asset disposal gain(loss)	22,617	(1,176,533)	(37,975)	(176,025)	(245,604)
Contributed infrastructure	<u>-</u>	<u>10,484,830</u>	<u>3,060,831</u>	<u>1,246,034</u>	<u>1,893,166</u>
Total Revenue	5,874,666	13,704,577	9,009,198	20,041,475	14,081,527
Expenses					
Operating:					
Goods and services	21,323,878	3,208,702	8,602,356	9,727,741	7,683,698
Labour	15,393,349	5,857,899	8,060,999	1,465,461	570,559
Debt Servicing	<u>12,471</u>	<u>(22,198)</u>	<u>863,578</u>	<u>-</u>	<u>-</u>
Sub total	36,729,698	9,044,403	17,526,933	11,193,202	8,254,257
Amortization	<u>1,335,642</u>	<u>10,467,055</u>	<u>2,257,699</u>	<u>2,112,107</u>	<u>2,506,946</u>
Total Expenses	<u>38,065,340</u>	<u>19,511,458</u>	<u>19,784,632</u>	<u>13,305,309</u>	<u>10,761,203</u>
Excess (deficiency) of revenue over expenses	\$ <u>(32,190,674)</u>	\$ <u>(5,806,881)</u>	\$ <u>(10,775,434)</u>	\$ <u>6,736,166</u>	\$ <u>3,320,324</u>

Consolidated Financial Statements

General Government	Commercial Tower	Planning Public Health & Other	Unallocated	Total 2017 Actual	Total Budget	Total 2016 Actual
\$ -	\$ -	\$ 2,012,967	\$ 78,679,979	\$ 81,729,003	\$ 81,624,555	\$ 77,452,203
1,694,500	1,554,662	2,845,351	-	42,409,361	40,289,865	43,211,346
970,939	-	62,628	-	3,434,531	7,232,253	2,775,735
251,524	-	15,250	-	8,155,007	40,056,557	17,893,281
-	-	-	3,182,894	3,182,894	1,898,004	2,478,388
			1,561,090	1,561,090	1,050,000	1,338,678
812,583	-	(6,583)	190	(807,330)	1,500,000	(3,833,337)
<u>41,002</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,725,863</u>	<u>20,000,000</u>	<u>39,062,791</u>
3,770,548	1,554,662	4,929,613	83,424,153	156,390,419	193,651,234	180,379,085
3,640,736	510,892	2,842,665	-	57,540,668	67,082,506	54,224,117
8,459,391	-	2,698,426	-	42,506,084	44,097,000	42,018,791
<u>267,951</u>	<u>544,011</u>	<u>54,724</u>	<u>-</u>	<u>1,720,537</u>	<u>2,006,249</u>	<u>1,849,294</u>
12,368,078	1,054,903	5,595,815	-	101,767,289	113,185,755	98,092,202
<u>1,683,186</u>	<u>-</u>	<u>222,581</u>	<u>-</u>	<u>20,585,216</u>	<u>19,780,000</u>	<u>18,209,180</u>
<u>14,051,264</u>	<u>1,054,903</u>	<u>5,818,396</u>	<u>-</u>	<u>122,352,505</u>	<u>132,965,755</u>	<u>116,301,382</u>
\$ <u>(10,280,716)</u>	\$ <u>499,759</u>	\$ <u>(888,783)</u>	\$ <u>83,424,153</u>	\$ <u>34,037,914</u>	\$ <u>60,685,479</u>	\$ <u>64,077,703</u>

Consolidated Financial Statements

Schedule 1

Schedule of Change in Operating Accumulated Surplus

For the year ended December 31, 2017

	Actual 2017	Budget 2017	Actual 2016
Revenue			
Taxes for municipal purposes	\$ 81,729,003	\$ 81,624,555	\$ 77,452,203
User fees and other revenues	42,409,361	40,289,865	43,211,346
Government transfers	2,817,832	2,792,386	2,004,796
Development Revenue	612,917	(4,811,393)	1,003,410
Interest and investment income	2,334,227	1,323,004	1,717,684
Gaming revenues	1,561,090	1,050,000	1,338,678
Refinancing and other gains	<u>1,861,363</u>	<u>1,500,000</u>	<u>181,645</u>
	133,325,793	123,768,417	126,909,762
Expenses			
Protective services	36,729,698	39,270,751	34,523,641
Transportation services	9,044,403	11,130,430	8,362,432
Recreation and cultural	17,526,933	19,026,613	18,630,397
Water utilities	11,193,202	12,540,540	10,453,276
Sewer utilities	8,254,257	8,574,767	7,626,314
General government	13,422,981	16,286,072	13,225,196
Public and environmental health	<u>5,595,815</u>	<u>6,356,582</u>	<u>5,270,947</u>
	101,767,289	113,185,755	98,092,203
Annual Surplus	31,558,504	10,582,662	28,817,559
Internal transfers			
Transfers to capital funds	(6,317,213)	(12,722,488)	(7,851,339)
Transfers to reserves	<u>(22,179,779)</u>	<u>(2,924,522)</u>	<u>(16,867,657)</u>
Increase (decrease) in operating accumulated surplus	3,061,513	(5,064,348)	4,098,563
Operating accumulated surplus-beginning of year	<u>28,726,265</u>	<u>28,726,265</u>	<u>24,627,702</u>
Operating accumulated surplus-end of year (Note 14)	\$ <u>31,787,778</u>	\$ <u>23,661,917</u>	\$ <u>28,726,265</u>

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Schedule 2

Schedule of Change in Capital Funds For the year ended December 31, 2017

	Actual 2017	Budget 2017	Actual 2016
Revenue			
Subdivision infrastructure contributions	\$ 16,725,863	\$ 20,000,000	\$ 39,062,791
Government transfers	616,699	4,439,867	770,939
Development fees	7,412,371	42,789,766	16,470,744
Other capital contributions	129,719	2,078,184	419,127
Disposal of tangible capital assets	(2,668,693)	-	(4,014,982)
Total Revenue	22,215,959	69,307,817	52,708,619
Expenses			
Amortization	20,585,216	19,780,000	18,209,180
Total Expenses	20,585,216	19,780,000	18,209,180
Annual Surplus	1,630,743	49,527,817	34,499,439
Internal Transfers			
Transfers and principal payments from revenue funds	6,317,213	12,722,488	7,851,339
Transfers from reserves	10,013,587	46,849,285	10,019,157
Increase in capital funds	17,961,543	109,099,590	52,369,935
Capital funds - beginning of the year	950,534,751	950,534,751	898,164,816
Capital funds - end of the year (Note 14)	\$ 968,496,294	\$ 1,059,634,341	\$ 950,534,751

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Schedule 3

Schedule of Change in Reserves

For the year ended December 31, 2017

	Actual 2017	Budget 2017	Actual 2016
Revenue and Transfers			
Revenue			
Interest and investment income	\$ 848,667	\$ 575,000	\$ 760,704
Add (less)			
Internal transfers			
Transfers from revenue funds	22,179,779	2,924,522	16,867,657
Transfers to capital funds	<u>(10,013,587)</u>	<u>(46,849,285)</u>	<u>(10,019,157)</u>
Increase (decrease) in Reserved Accumulated Surplus	13,014,859	(43,349,763)	7,609,204
Reserved Accumulated Surplus - Beginning of the Year	<u>84,640,734</u>	<u>84,640,734</u>	<u>77,031,531</u>
Reserved Accumulated Surplus - End of Year (Note 14)	<u>\$ 97,655,593</u>	<u>\$ 41,290,971</u>	<u>\$ 84,640,734</u>



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Schedule 4

Continuity Schedule of Debenture Debt

For the Year Ended December 31, 2017

	Date of Issue/Maturity	Bylaw/MFA	Function/Purpose	Interest Rate
Long Term Debts				
	Apr 2005/2027	6246/93	Recreation/Downtown Civic Properties	5.7 %
	Apr 2005/2027	6246/93	General Government/Downtown Office Complex	5.7 %
	Dec 2006/2026	6246/99	General Government/Downtown Office Complex	5.0 %
	Oct 2012/2017	6562/121	General Government/River Road Drainage	2.1 %
	Oct 2012/2027	6560/121	Protective Services/Animal Shelter	2.9 %
	Oct 2012/2037	6559/121	Public Health/Cemetery Expansion	2.9 %
	Oct 2012/2037	6679/121	Public Health/Cemetery Expansion	2.9 %
			Subtotal	
LESS:				
Sinking Funds				
	Dec 2006/2026	6246/99	General Government/Downtown Office Complex	5.0 %
	Oct 2012/2017	6562/121	General Government/River Road Drainage	2.1 %
	Oct 2012/2027	6560/121	Protective Services/Animal Shelter	2.9 %
	Oct 2012/2037	6559/121	Public Health/Cemetery Expansion	2.9 %
	Oct 2012/2037	6679/121	Public Health/Cemetery Expansion	2.9 %
			Subtotal	
Net Amount				

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Dec 31, 2016 Balance Outstanding	New Debt Issued During the year	Principal/ Sinking Fund Payments	Sinking Fund Earnings	2017 Balance Outstanding	Interest Paid/ Earned For The Year
\$ 16,237,127	\$ -	\$ 1,279,312	\$ -	\$ 14,957,815	\$ 863,578
2,251,745	-	177,400	-	2,074,345	119,751
16,300,000	-	-	-	16,300,000	813,370
2,675,000	-	-	-	2,675,000	41,466
625,000	-	-	-	625,000	18,125
1,520,000	-	-	-	1,520,000	44,080
<u>700,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>700,000</u>	<u>20,300</u>
40,308,872	-	1,456,712	-	38,852,160	1,920,670
6,624,512	-	547,383	269,359	7,441,254	269,359
2,117,458	-	493,878	63,664	2,675,000	63,664
133,824	-	31,213	5,654	170,691	5,654
156,482	-	36,498	6,611	199,591	6,611
<u>72,064</u>	<u>-</u>	<u>16,808</u>	<u>3,045</u>	<u>91,917</u>	<u>3,045</u>
9,104,340	-	1,125,780	348,333	10,578,453	348,333
<u>\$ 31,204,532</u>	<u>\$ -</u>	<u>\$ 2,582,492</u>	<u>\$ 348,333</u>	<u>\$ 28,273,707</u>	<u>\$ 1,572,337</u>

Consolidated Financial Statements

Schedule 5

Schedule of Tangible Capital Assets

For the year ended December 31, 2017

	Land ²	Building	Transportation Network	Storm System
Historical Cost ¹				
Opening cost	\$ 215,898,649	\$ 92,096,017	\$ 338,970,711	\$ 260,890,240
Additions	10,105,057	1,202,662	2,881,900	8,888,275
Disposals	-	(162,261)	(3,215,524)	(663,274)
	<u>226,003,706</u>	<u>93,136,418</u>	<u>338,637,087</u>	<u>269,115,241</u>
Accumulated Amortization				
Opening balance	-	46,463,390	115,740,432	58,970,812
Amortization expense	-	2,683,929	6,363,052	3,596,721
Effect of disposals	-	(152,067)	(2,400,878)	(203,854)
	<u>-</u>	<u>48,995,252</u>	<u>119,702,606</u>	<u>62,363,679</u>
Net Book Value as at December 31, 2017	<u>\$ 226,003,706</u>	<u>\$ 44,141,166</u>	<u>\$ 218,934,481</u>	<u>\$ 206,751,562</u>
Net Book Value as at December 31, 2016	\$ 215,898,649	\$ 45,632,627	\$ 223,230,279	\$ 201,919,428

¹ Historical cost includes work in progress at December 31, 2017 of **\$5,004,065** (\$13,675,368 for 2016) comprised of: Land \$34,081 (\$24,177 for 2016); Buildings \$771,438 (\$2,716,945 for 2016); Transportation network \$987,757 (\$10,162,075 for 2016); Storm system \$1,479 (\$46,711 for 2016); Fleet and equipment \$32,836 (\$3,448 for 2016); Technology \$27,900 (\$3,000 for 2016); Water system \$1,355,848 (\$440,517 for 2016); Sanitary system \$238,912 (\$73,575 for 2016); and Other \$1,553,814 (\$204,919 for 2016). Work in progress is not amortized.

² Additions to land are net of \$-Nil (\$-Nil for 2016) of land reclassified to inventory available for sale.

³ "Other" at net book value includes Furniture and Fixtures at \$561,343 (\$495,795 for 2016) and structures at \$16,168,739 (\$14,668,431 for 2016)

Consolidated Financial Statements

Fleet and Equipment	Technology	Water System	Sanitary System	Other³	Total
\$ 27,642,620	\$ 10,859,758	\$ 146,977,903	\$ 170,811,020	\$ 30,612,410	\$ 1,294,759,326
2,668,476	729,341	4,794,069	4,281,695	2,725,964	38,277,439
<u>(1,087,438)</u>	<u>(120,781)</u>	<u>(357,264)</u>	<u>(375,930)</u>	<u>(337,962)</u>	<u>(6,320,434)</u>
29,223,658	11,468,318	151,414,708	174,716,785	33,000,412	1,326,716,331
14,017,129	6,108,268	33,355,678	44,259,333	15,448,184	334,363,226
1,441,824	933,380	2,038,242	2,401,473	1,126,595	20,585,216
<u>(915,509)</u>	<u>(89,796)</u>	<u>(180,457)</u>	<u>(130,326)</u>	<u>(304,448)</u>	<u>(4,377,335)</u>
<u>14,543,444</u>	<u>6,951,852</u>	<u>35,213,463</u>	<u>46,530,480</u>	<u>16,270,331</u>	<u>350,571,107</u>
<u>\$ 14,680,214</u>	<u>\$ 4,516,466</u>	<u>\$ 116,201,245</u>	<u>\$ 128,186,305</u>	<u>\$ 16,730,081</u>	<u>\$ 976,145,224</u>
\$ 13,625,491	\$ 4,751,490	\$ 113,622,225	\$ 126,551,687	\$ 15,164,227	\$ 960,396,101

Consolidated Financial Statements

Schedule 6

Continuity Schedule of Reserves

For the year ended December 31, 2017

	<u>Balance Dec. 31, 2016</u>	<u>Interest Allocated</u>
Reserve Funds		
Local Improvements	\$ 2,565,270	\$ 18,613
Equipment Replacement	15,143,197	210,281
Capital Works	10,727,978	150,866
Fire Department Capital Acquisition	8,404,264	121,204
Sanitary Sewer	1,636,239	21,742
Land	<u>278,896</u>	<u>3,884</u>
Total Reserve Funds	38,755,844	526,590
Reserve Accounts		
Specific Projects - Capital	8,327,760	-
Specific Projects - Operating	7,834,360	-
Self Insurance	848,971	11,464
Police Services	7,299,090	96,438
Core Development	1,780,335	25,284
Recycling	2,148,985	27,814
Building Inspections	3,119,544	41,449
Gravel Extraction	762,288	10,511
Community Works (Gas Tax)	-	-
Facility Maintenance	2,441,898	38,805
Snow Removal	473,061	-
Cemetery Maintenance	117,606	-
Infrastructure Sustainability (Town Centre Buildings)	373,206	-
Infrastructure Sustainability (Road Network)	1,673,167	32,443
Infrastructure Sustainability (Drainage)	1,311,875	20,900
Drainage Improvements	807,108	14,290
Critical Infrastructure	203,511	2,679
Infrastructure Grants Contribution	3,557	-
Gaming Revenues	1,336,791	-
Self Insurance (sewer utility)	141,377	-
Self Insurance (water utility)	119,732	-
Specific Projects (sewer utility)	2,319,380	-
Specific Projects (water utility)	<u>2,441,288</u>	<u>-</u>
Total Reserve Accounts	<u>45,884,890</u>	<u>322,077</u>
Total Reserves	<u>\$ 84,640,734</u>	<u>\$ 848,667</u>

Consolidated Financial Statements

<u>Transfers Revenue Funds</u>	<u>Transfers Capital Funds</u>	<u>Balance Dec 31, 2017</u>
\$ -	\$ -	\$ 2,583,883
2,889,903	(2,288,262)	15,955,119
1,948,383	(1,540,671)	11,286,556
1,534,071	(210,788)	9,848,751
-	-	1,657,981
<u>24,333</u>	<u>-</u>	<u>307,113</u>
6,396,690	(4,039,721)	41,639,403
4,156,291	(1,553,046)	10,931,005
132,480	-	7,966,840
16,115	-	876,550
171,375	(52,093)	7,514,810
193,085	(14,802)	1,983,902
418,441	(25,000)	2,570,240
172,250	-	3,333,243
24,784	-	797,583
283,437	(25,997)	257,440
601,471	(198,819)	2,883,355
377,000	-	850,061
172,999	(47,119)	243,486
112,400	(9,868)	475,738
2,849,277	(1,984,509)	2,570,378
560,165	(401,926)	1,491,014
870,795	(556,970)	1,135,223
-	(10,263)	195,927
-	-	3,557
798,339	(92,250)	2,042,880
6,504	-	147,881
6,504	-	126,236
1,273,598	(513,229)	3,079,749
<u>2,585,779</u>	<u>(487,975)</u>	<u>4,539,092</u>
<u>15,783,089</u>	<u>(5,973,866)</u>	<u>56,016,190</u>
<u>\$ 22,179,779</u>	<u>\$ (10,013,587)</u>	<u>\$ 97,655,593</u>