

City of Maple Ridge
Audit & Finance Committee

May 1, 2018

5:00 PM

Council Chambers

Chairperson: Councillor Masse

Committee Members: Mayor Read; Councillors C. Bell; K. Duncan; G. Robson; T. Shymkiw;
C. Speirs

Staff:	Chief Administrative Officer:	P. Gill
	GM – Public Works & Development	F. Quinn
	GM – Community Dev. Park & Rec	K. Swift
	Chief Financial Officer	T. Thompson
	Corporate Controller	C. Nolan

Recording Secretary: Amanda Gaunt

AGENDA

1. *Approval of agenda*
2. *Approval of minutes of March 6, 2018*
3. *2017 Consolidated Financial Statements (presentation)*
4. *Adjournment*

“Original signed by C. Nolan”

Agenda submitted by: C. Nolan, CPA, CGA
Corporate Controller

City of Maple Ridge

Audit & Finance Committee Meeting Minutes

March 6, 2018

The Minutes of the Audit and Finance Committee Meeting held in the Blaney Room of the Municipal Hall, 11995 Haney Place, Maple Ridge, BC on Tuesday, March 6, 2018 at 5:00 p.m.

PRESENT

Committee Members

Councillor Masse, Chair
Councillor Bell
Councillor Robson
Councillor Skymkiw
Councillor Speirs
Mayor Read

Municipal Staff

P. Gill, Chief Administration Officer
K. Swift, General Manager of Parks, Recreation & Culture
T. Thompson, Interim Director of Finance
C. Nolan, Manager of Accounting

Absent

Councillor Duncan

Note: These Minutes are also posted on the City's Website at www.mapleridge.ca

The meeting was live streamed and recorded by the City of Maple Ridge

Mayor Read attended the meeting via telephone

The meeting was called to order at 5:00 p.m.

1. *Approval of the Agenda*

It was moved and seconded

That the agenda for the March 6, 2018 Audit & Finance Committee meeting be approved as circulated.

CARRIED

2. *Approval of minutes of February 6, 2018*

It was moved and seconded

That the minutes of the Audit & Finance Committee of February 6, 2018 be adopted as circulated.

CARRIED

3. ***Preliminary 2017 year-end update***

The Manager of Accounting reviewed the Preliminary 2017 Year-End Update report with the Committee. Staff responded to committee questions.

NOTE: Councillor Shymkiw joined the meeting at 5:05

NOTE: Councillor Robson joined the meeting at 5:10

4. ***Council Compensation***

The Manager of Accounting provided a presentation illustrating the impact to Council remuneration from an upcoming change to the Income Tax Act announced as part of the 2017 Federal budget. The Committee directed staff to bring back information about the adjustment to base compensation that would be needed in 2019 to offset the overall impact of this change.

5. ***MSP Premiums***

The Interim Director of Finance reviewed a report regarding a transition from MSP premiums to a payroll tax announced in the Provincial budget.

It was moved and seconded

That a letter be sent to the Province highlighting the impact on municipalities of the Employer Health Tax including an appeal to attempt to make the change cost neutral to municipalities.

The motion was amended to read:

That a letter be sent to the Province highlighting the impact on municipalities of the Employer Health Tax including an appeal to attempt to make the change cost neutral to municipalities and that the letter also be sent to UBCM member municipalities & our MP.

CARRIED

6. ***Investment Report***

The Interim Director of Finance reviewed the investment report and answered questions from the committee.

7. ***Adjournment – 5:56 p.m.***

City of Maple Ridge

TO: Her Worship Mayor Nicole Read
and Members of Council
FROM: Chief Administrative Officer
SUBJECT: 2017 Consolidated Financial Statements

MEETING DATE: May 8, 2018
FILE NO:
MEETING: Council

EXECUTIVE SUMMARY:

The 2017 Financial Statements have been prepared using the accounting standards and reporting model mandated by the Public Sector Accounting Board (PSAB). BDO Canada LLP has conducted an audit of the financial statements and they will form an integral part of the 2017 Annual Report. In order to satisfy current audit rules, Council must formally accept the financial statements before BDO can issue their audit opinion.

Financial reporting in local government serves to communicate the fiscal health and well-being of a community and there are two main documents that form part of the City's financial reporting:

- The **Financial Plan**, a forward looking document that sets out planned expenditures and how they will be paid for over the next five years, and
- The **Financial Statements**, a retrospective document that reports on the City's financial condition at a point in time and financial performance during the year just ended.

There are a number of key terms included in the financial statements that are important to understand before drawing any conclusions about the City's financial results for 2017:

- **Net Financial Position:** provides a snapshot of where the City stands financially in terms of the resources it held and the debt it owed at December 31. It is the difference between our financial assets and our liabilities and provides an indication of financial flexibility. If Net Financial Position is negative it is referred to as Net Debt and indicates that revenues that will be collected in the future are needed to pay for liabilities that already exist. If it is positive, it is referred to as Net Financial Assets and indicates a greater degree of flexibility.
- **Accumulated Surplus:** is the total of all the City's assets, both financial and non-financial, less our liabilities. It represents the net economic resources available for service provision. The largest element of this number is the value of our tangible capital assets, the physical assets used in day-to-day service provision, meaning the accumulated surplus balance does not represent a source of cash available to finance our day-to-day operations.
- **Annual Surplus:** is the difference between annual revenues and expenses, as reported on the Statement of Operations. It is important to keep in mind that items included in revenue do not necessarily represent cash received during the year. For example, the value of contributed tangible capital assets is reported as a revenue, but does not represent cash the City received. On the expense side, only the annual cost of using those assets is recognized through amortization. The amounts expended for capital investment or renewal is not included, nor is the value of infrastructure contributed to the City through development. This accounting requirement results in a large reported annual surplus, but does not represent a cash surplus.

This report focuses on our Financial Statements for the 2017 fiscal year. Overall results for the year were positive. Our Net Financial Position increased by \$18.26 million to \$104.6 million and our Accumulated Surplus increased by \$34 million to \$1.097 billion.

RECOMMENDATION:

That the 2017 Financial Statements be accepted.

DISCUSSION:

Financial reporting in local government serves to communicate the fiscal health and well-being of a community and there are two main documents that accomplish this: the **Financial Plan** and the **Financial Statements**, each with very different objectives.

The **Financial Plan** is a forward looking document that sets out the City's planned expenditures and transfers to reserves for the next five years and identifies how those expenditures and transfers will be funded. The *Community Charter* requires that municipalities prepare a "balanced budget". This means that the total of any proposed expenditures or transfers to reserves must not exceed the total of proposed revenues or transfers from reserves. In simple terms, the Financial Plan answers the question: "what are we going to do and how are we going to pay for it?"

In contrast, the **Financial Statements**, are a retrospective document that look at the year just ended, comparing our actual financial performance in the year to the activities identified in the Financial Plan. The *Community Charter* requires municipalities to prepare the financial statements in accordance with generally accepted accounting principles for local governments. In Canada, those principles are set by the Public Sector Accounting Board (PSAB). The objective of a municipality's Financial Statements is to report on its financial condition at a point in time and its financial performance for the year.

The differing objectives of the Financial Plan and the Financial Statements, combined with the different rules guiding their preparation, can easily result in confusion when trying to compare the two documents. For example, the Financial Plan treats transfers to and from reserves as transactions, while the Financial Statements, at the consolidated level, ignore transfers as they take place within the corporate entity. It is important to keep the different rules and objectives in mind as we now look at financial results for 2016.

The 2017 Consolidated Financial Statements present the City's results of operations during the year and the financial position as at December 31, 2017. Financial performance is compared to the Financial Plan adopted in May of 2017 as this was the plan used to set property taxation rates, and to prior year results. The transactions included in the Financial Statements are those that took place between the City and outside parties, internal transactions, such as transfers between reserves, which are important for financial planning purposes, have been eliminated.

The City's auditors, BDO Canada LLP, have conducted an audit of the Statements and, pending Council's acceptance of the statements, will finalize their audit report. The audit report will be "unqualified". This is the highest form of assurance an auditor can provide and indicates the statements are free of material misstatements and that readers can rely on them for decision making purposes.

There are a number of key terms in the Financial Statements that are important to be familiar with before drawing any conclusions about the 2017 results:

- **Net Financial Position:** provides a snapshot of where the City stands financially in terms of the resources it held and the debt it owed at December 31. It is the difference between our financial assets and our liabilities and provides an indication of financial flexibility. If Net Financial Position

is negative it is referred to as Net Debt and indicates that revenues that will be collected in the future are needed to pay for liabilities that already exist. If it is positive, it is referred to as Net Financial Assets and indicates a greater degree of flexibility.

- **Accumulated Surplus:** is the total of all the City's assets, both financial and non-financial, less our liabilities. It represents the net economic resources available for service provision. The largest element of this number is the value of our tangible capital assets, the physical assets used in day-to-day service provision, meaning the accumulated surplus balance does not represent a source of cash available to finance our day-to-day operations.
- **Annual Surplus:** is the difference between annual revenues and expenses, as reported on the Statement of Operations. It is important to keep in mind that items included in revenue do not necessarily represent cash received during the year. For example, the value of contributed tangible capital assets is reported as a revenue, but does not represent cash the City received. On the expense side, only the annual cost of using those assets is recognized through amortization. The amounts expended for capital investment or renewal is not included, nor is the value of infrastructure contributed to the City through development. This accounting requirement results in a large reported annual surplus, but does not represent a cash surplus.

The City's Financial Statements are comprised of the following:

- Statement of Financial Position
- Statement of Operations
- Statement of Change in Net Financial Assets
- Statement of Cash Flow
- Significant Accounting Policies
- Notes to the Financial Statements
- Segment Report
- Supporting Schedules 1-6

The Notes to the Financial Statements provide additional information for the items found on the Statement of Financial Position and the Statement of Operations and are referenced on each of these statements.

A discussion of the Financial Statements follows:

Statement of Financial Position

The Statement of Financial Position is the public sector version of a balance sheet. One of the key indicators on this statement is the Net Financial Position. As noted above, it is calculated by subtracting our liabilities from our financial assets and is one piece of information available to assess the City's financial flexibility. At the end of 2017 the City had Net Financial Assets of \$104.6 million, an increase of \$18.26 million over 2016. The increase is the result of timing differences actual and planned expenditures, in addition, as part of our long-term financial planning processes, we may deliberately collect revenues over time to build the financial capacity needed for future expenditures. This practice will increase our financial assets, and our financial position, until the expenditures occur.

The other key indicator that appears on this statement is Accumulated Surplus. As noted above, this is the total of all our assets, both financial and non-financial, less our liabilities. This number represents the net economic resources available for service provision. The bulk of this number comes from the value of our tangible capital assets, meaning it does not represent cash that can be spent to support our operations. At the end of 2017, the City's accumulated surplus was \$1.097 billion compared to \$1.064 billion in 2016. Of this amount, \$976 million is the book value of the City's tangible capital assets, compared to \$960.4 million in 2016.

Key items to note on the Statement of Financial Position:

- Combined cash and cash equivalents, and portfolio investments increased by \$37.2 million. This is the result of increased cash balances available to invest due to timing differences between planned and actual expenditures, increases in development related deposits and collections.
- Debt decreased by \$2.93 million due to the scheduled repayment of debt, most of which relates to our Town Centre facilities.

Statement of Operations

The Statement of Operations is the public sector version of an income statement, reporting revenues and expenses for the year. The difference between revenues and expenses is referred to as the annual surplus if positive, or the annual deficit if negative. It is important to note that accounting rules require us to include in revenues items such as the value of infrastructure contributed to the city through development, but on the expense side we include only the cost of using those assets through amortization, not the value of the assets received. This results in a reported annual surplus that does not represent a cash surplus. In 2017, the City recorded contributed infrastructure with a value of \$16.7 million. This amount was recorded as revenue. On the expense side, the amortization recorded for these assets was \$172K. The City's Annual Surplus was \$34.04 million. Almost half of this amount comes from the transactions associated with contributed assets received during the year and, as noted previously, there is no cash received by the City related to these assets.

As noted earlier in the report, when the Financial Plan is prepared, we ensure that all planned sources of funding are equal to all planned uses of funding. This is referred to as a "balanced budget". Not all of the elements that result in a balanced budget are included in the Statement of Operations. Some Financial Plan transactions, such as transfers to and from reserves, are eliminated from the summary financial statements as they are internal transactions; other items are not included as they do not meet the definition of an expense. For example, our planned investment in tangible capital assets will result in an expenditure of resources, but not an expense. The annual cost of using our tangible capital assets, recorded as amortization, is an expense and is included on this statement. A reconciliation between the Financial Plan and the Financial Statements is shown in Note 17 to the Financial Statements.

The following discusses the Statement of Operations:

Consolidated Revenues: Actual \$156.4 million; Budget \$193.65 million

Not all monies the City receives are recorded as revenues at the time of receipt. Monies, such as Development Cost Charges, that are collected for specific capital works are recorded as a liability when received. When we budget for the capital expenditures that are funded from these sources we also budget to record the revenue, which results in a draw down of the liability. If capital expenditures do not occur, no revenue is recognized and the funds remain on hand, recorded as a liability.

In 2017, consolidated revenues were below budget by \$37.26 million. This is comprised of variances in a number of categories, particularly those related to capital. The following highlights some of the key variances:

- User fees and other revenues in excess of budget estimates by \$2 million. Key contributors include building permits (\$345,000) and planning fees (\$200,000) both driven by the continued brisk pace of development in the community; recycling revenues (\$265,000), as well as user fees in both the Sewer & Water Utilities (\$620,000).
- Development revenues below budget estimates by \$31.9 million, due in large part to factors such as DCC liabilities not being drawn down to fund the related work.
- Government Transfers (grants) revenues below budget estimates by \$3.8 million, due to timing differences between budget and actual

- Developer contributed assets less than budget estimates by \$3.3 million.

As noted above, revenues below budget estimates for development revenues do not represent a cash shortfall as the related expenditures did not occur. Similarly, the revenue amount recorded for contributed assets, does not represent a cash shortfall as this number represents the value of assets received, not a payment received by the City.

Consolidated Expenses – Actual \$122.35 million; Budget \$132.96 million

Expenses are comprised of general operating expenses for goods and services, labour, interest on debt and amortization of our tangible capital assets. The actual cash expended to invest in the replacement or acquisition of assets is not reflected on this statement.

In 2017, consolidated expenses were below budget by \$10.6 million. Some key items contributing to this result include:

- Approximately \$3.6 million in capital related projects
- \$300 thousand from the RCMP contract
- Approximately \$4.8 million in projects scheduled for 2017 that will proceed in 2017.
- Savings of approximately \$1.5 million on salary costs, due in part to recruitment challenges experienced in 2017.

Statement of Change in Net Financial Assets

The change in Net Financial Position in a year is explained by the difference between revenues and expenditures. If we recognize more revenue than we expend, then the net financial position will increase; if less then it will decrease. In 2017, the City's financial position increased by \$18.26 million to \$104.6 million. It is important to keep in mind that as part of the City's long-term financial planning processes, we may collect revenues over time to build capacity for future expenditures. This practice increases the City's financial assets, and the net financial position, until the related expenditures occur.

Statement of Cash Flow

The Statement of Cash Flow explains the change in the balance of cash and cash equivalents for the year, showing the impact of various types of transactions on the balance. For example the statement shows that \$46 million was generated from operating activities and that \$19.7 million was used for capital activities.

Segment Report

The Segment Report enhances the information found on the Consolidated Statement of Operations. The information is laid out in the same manner, but provides a greater level of detail. City services have been segmented by grouping activities by function, as directed by PSAB. For example, protection of the public is achieved by activities such as bylaw enforcement and inspection services in addition to police and fire fighting services, so all of these activities are reported as part of the Protective Services segment. Revenues that are directed related to the costs of a function have been reported in each segment, including revenues related to capital investment. Expenses are broken down to the categories of goods and services, labour, debt servicing, and amortization. The Segment Report allows us to see how much each segment contributes to the annual surplus before considering allocations of taxes and other municipal resources. As described earlier, annual surplus is the difference between annual revenues and expenses.

The following table shows the departments included in each segment:

Reporting Segments						
General Gov't	Protective Svc	Recreation	Planning; Public Health & Other	Transportation	Water	Sewer
Human Resources	Police	Parks	Planning	Engineering	Water	Sewer
Clerks	Fire	Leisure Svc	Recycling	Operations		
Administration	Bylaws	Youth Svc	Cemetery	Drainage		
Finance	Inspection Svc	Arts	Social Planning	Roads		
Purchasing	Emergency Svc	Library				
Information Svc						
Legislative Svc						
Economic Dev						
Communications						

The above discussion focuses on the Consolidated Financial Statements, and, as noted, consists of transactions only with outside parties; internal transactions, such as transfers are not included. It is useful to look at some areas of our organization in isolation, particularly the General Revenue Fund and the Sewer and Water Utilities. While the Financial Statements do not show each of these elements in isolation, aggregated information is shown on Schedules 1 and 3 to the Consolidated Financial Statements.

General Revenue

It is important to look at the General Revenue Fund in isolation, as to a large extent, the transactions that take place in this fund drive property taxation. The Audit and Finance Committee received a report on March 6, 2018, noting that preliminary results were favourable in comparison to budget, suggesting a General Revenue annual surplus of \$850,000. Now that results have been finalized, the General Revenue annual surplus is \$726,000 bringing the accumulated surplus balance to \$10 million.

Sewer and Water Utilities

The Sewer and Water Utilities are self-funded business units that manage the collection and distribution of water and liquid waste as well as the related infrastructure. A large portion of the costs in the utilities are driven by the Regional District and Council has used a rate stabilization policy for a number of years. Under this policy, accumulated surplus amounts are deliberately built in a systematic manner over a period of time in order to provide for our commitment towards larger regional projects as well as variations in our own annual infrastructure investment. This practice allows Council to smooth the impact of variations in annual spending levels on our rate payers.

The accumulated surplus balances in both utilities increased in 2017, as shown in Note 14 to the Financial Statements, in part due to work projects that will proceed in 2018, and in part to build the financial capacity to address future infrastructure renewal requirements. The accumulated surplus balance in the sewer utility is expected to be drawn down in 2018 and 2019 and then begin to accumulate again through 2022; in the water utility, the accumulated surplus balance is expected to continue to build through 2022.

The following shows the accumulated surplus amounts in each of the utilities:

	2017	2016
Sewer Utility	\$ 8,935,862	\$ 8,144,538
Water Utility	\$ 12,840,034	\$ 11,296,039

Reserves

The City's reserves are an important financial planning tool and provide a mechanism to build capacity over time to undertake strategic projects. They are reviewed on a regular basis to assess their adequacy, with adjustments made when capacity permits.

The term "reserve" is often applied to both our reserve funds and our reserve accounts and there are important distinctions between the two resources. Reserve funds are statutory, meaning they are established by bylaw for specific purposes. Once monies are transferred to a reserve fund, they can only be used for the purpose outlined in the establishing bylaw. Reserve accounts are appropriations of surplus, established to meet specific business needs. They can be established or dissolved as directed by Council, as long as identified business needs are met and risks managed appropriately.

At the beginning of 2017, the City had \$84.6 million in total reserves, as shown in Schedule 6 to the Financial Statements. At the end of 2017 the City has \$97.7 million in reserves, an increase of \$13.1 million. This variance is the combined result of planned capital investment that will occur in the future and end of year provisions for various operating projects and initiatives. A separate report will provide detailed information on our reserves.

CONCLUSIONS:

The City's reserves are sound and the long-term financial plans reflect the ability of the City to meet its future obligations. Overall results for 2017 are positive. We ended the year with an Annual Surplus amount of \$34 million, and an Accumulated Surplus balance of \$1.098 billion.

"Original signed by Catherine Nolan"

Prepared by: Catherine Nolan, CPA, CGA
Corporate Controller

"Original signed by Trevor Thompson"

Reviewed by: Trevor Thompson, CPA, CGA
Chief Financial Officer

"Original signed by Paul Gill"

Concurrence: Paul Gill, CPA, CGA
Chief Administrative Officer

City of Maple Ridge

Financial Statements and Auditor's Report

For the Year Ended December 31, 2017



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 and as well as the actions of management to implement such recommendations.



Paul Gill, BBA, CPA, CGA
Chief Administrative Officer



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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.

Chartered Professional Accountants

Vancouver, British Columbia

DATE of Council Approval

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>

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

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 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 Statement of Cash Flow

For the year ended December 31, 2017

	Actual	Actual
	2017	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>
	<u>(29,138,677)</u>	<u>916,766</u>
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

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

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

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.

(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)

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

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.

(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>

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

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.

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** (\$1,063,901,751 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>
		31,787,778	28,726,265
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>
		968,496,294	950,534,752
Reserves (Schedule 3)	Funds	41,639,403	38,755,844
	Accounts	<u>56,016,190</u>	<u>45,884,890</u>
		97,655,593	84,640,734
Accumulated Surplus		<u>\$ 1,097,939,665</u>	<u>\$ 1,063,901,751</u>

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>

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>	

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.

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.

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>

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>

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>

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

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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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				

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
700,000	-	-	-	700,000	20,300
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
72,064	-	16,808	3,045	91,917	3,045
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>

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	<u>-</u>	<u>(162,261)</u>	<u>(3,215,524)</u>	<u>(663,274)</u>
	226,003,706	93,136,418	338,637,087	269,115,241
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	<u>-</u>	<u>(152,067)</u>	<u>(2,400,878)</u>	<u>(203,854)</u>
	<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)

Fleet and Equipment	Technology	Water System	Sanitary System	Other ³	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

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><u>\$ 84,640,734</u></u>	<u><u>\$ 848,667</u></u>

<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>