



# 2021 Annual Report



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# Office of the Mayor

The rapidly changing global pandemic caused Langley City Council and staff to pause in 2021 and recognize the unique challenges facing our residents, property and business owners. It was a time to reprioritize how we would move forward on delivering high-quality services to those who call Langley City home, while always considering the health and safety of our citizens. It was also an opportunity to focus on the anticipated arrival of SkyTrain and the new Official Community Plan that supports the Nexus of Community vision.

Langley City Council made some challenging decisions at the Council table throughout the year, and we were proud to work closely with City staff who actively showed their resilience and professionalism, going above and beyond to keep our community operating smoothly.

While COVID-19 forced the City to postpone some community events and reinvent our programming, it was inspiring to witness citizens, stakeholders, business and property owners, City Council, and staff finding creative ways to work together and support one another.

In looking back, I could not be more grateful for our residents. You came together with kindness, compassion, and a collective resilience that showcased the spirit that is alive and well in the City of Langley. We as a community have emerged strengthened by our experiences and optimistic for our future.

I am proud of the City's achievements and milestones that are shared within this year's Annual Report. For more information on City initiatives, please connect with us at [www.langleycity.ca](http://www.langleycity.ca).

Sincerely,



Val van den Broek  
Langley City Mayor



# Office of the CAO

This year was an incredibly busy one for Council and staff at the City of Langley. The COVID-19 pandemic has dramatically altered all facets of life. Its impacts, in ways both large and small, will be lasting and felt for years to come. The community's response to the pandemic, however, has demonstrated the resiliency of our citizens and businesses and their willingness to pull together and do what is best and right to ensure the overall health of our community.

With the expiry of the current Strategic Plan in 2021, City Council decided to create an "interim" strategic plan to take Langley City through the COVID-19 recovery phase. This plan demonstrates that the City recognize and understands the unique challenges we face as a community and outlines how we will take action by focusing on programs and initiatives that benefit Langley City residents and businesses.

There is a growing sense of momentum, energy, and excitement with the pending arrival of SkyTrain to Langley City, which will be transformative to our community in many ways. With the new Official Community Plan now adopted, we want to assure residents that we are taking appropriate and balanced steps to create a transit-oriented community that will be less reliant on vehicles while providing infrastructure that will support transit, cycling, rolling, and walking. We will leverage SkyTrain to pursue economic development opportunities that will benefit our residents and the business community now and into the future.

Regardless of what is going on in the world around us, I am fortunate to be surrounded by our amazing, dedicated staff who consistently demonstrate their ability to pull together as a team when expectations and demands are the most challenging. Therefore, I am confident that, together, we can act according to whatever opportunities and challenges are ahead.

Sincerely,



Francis Cheung, P. Eng.  
Chief Administrative Officer





# City Council

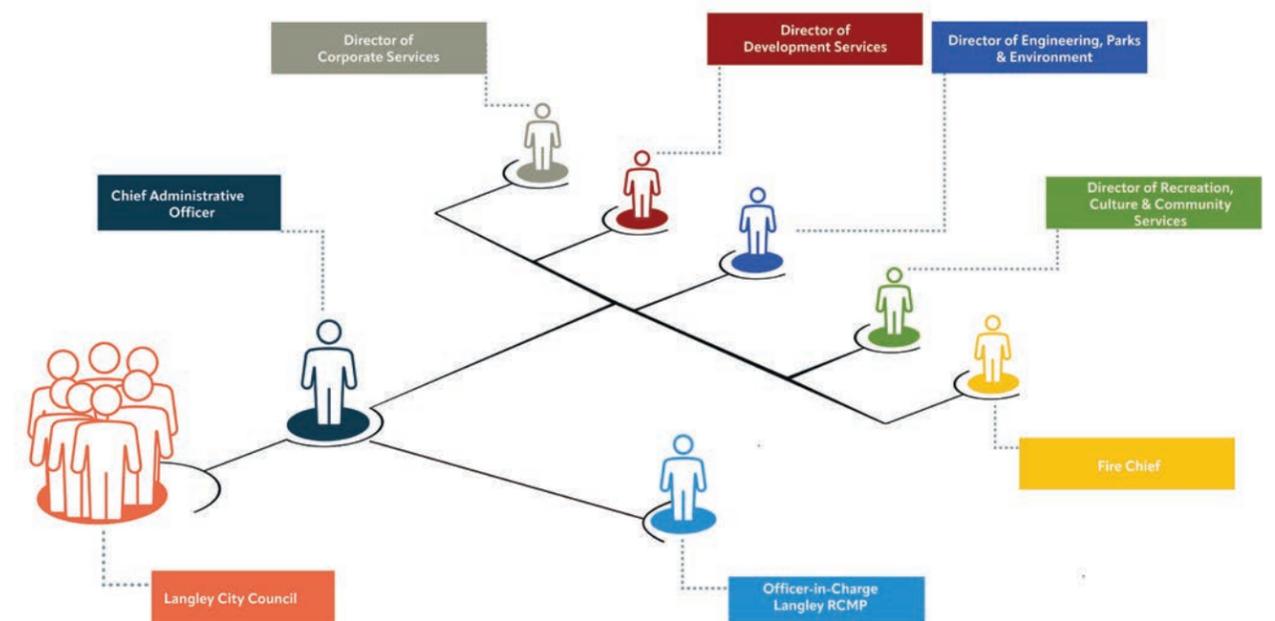
TOP LEFT TO BOTTOM RIGHT:  
 Councillor Paul Albrecht  
 Councillor Rudy Storteboom  
 Councillor Nathan Pachal  
 Councillor Gayle Martin  
 Mayor Val van den Broek  
 Councillor Teri James  
 Councillor Rosemary Wallace



SENIOR MANAGEMENT TEAM

TOP LEFT TO BOTTOM RIGHT: Rory Thompson, Kim Hilton, Rick Bomhof, Francis Cheung, Darrin Leite  
 Absent: Carl Johannsen, Beckett Zeller

# Organizational Structure



## Your City By the Numbers

### Where Does City Revenue Come From?

The City has a number of sources of revenue, the single largest being property taxes, which are used to fund the essential services the City provides. Water and Sewer charges contribute 17%, business licenses, building permit and inspection fees 3%, and interest income 2% of total revenues. Transfers from other governments, including casino proceeds, contributed 12%.

Casino proceeds primarily fund capital projects like road rehabilitation and replacement of aging water and sewer pipes.

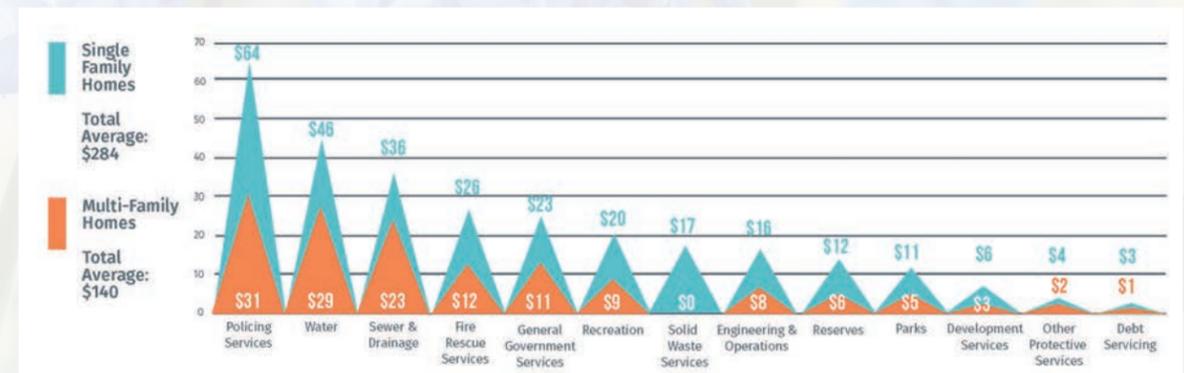
### Did You Know?

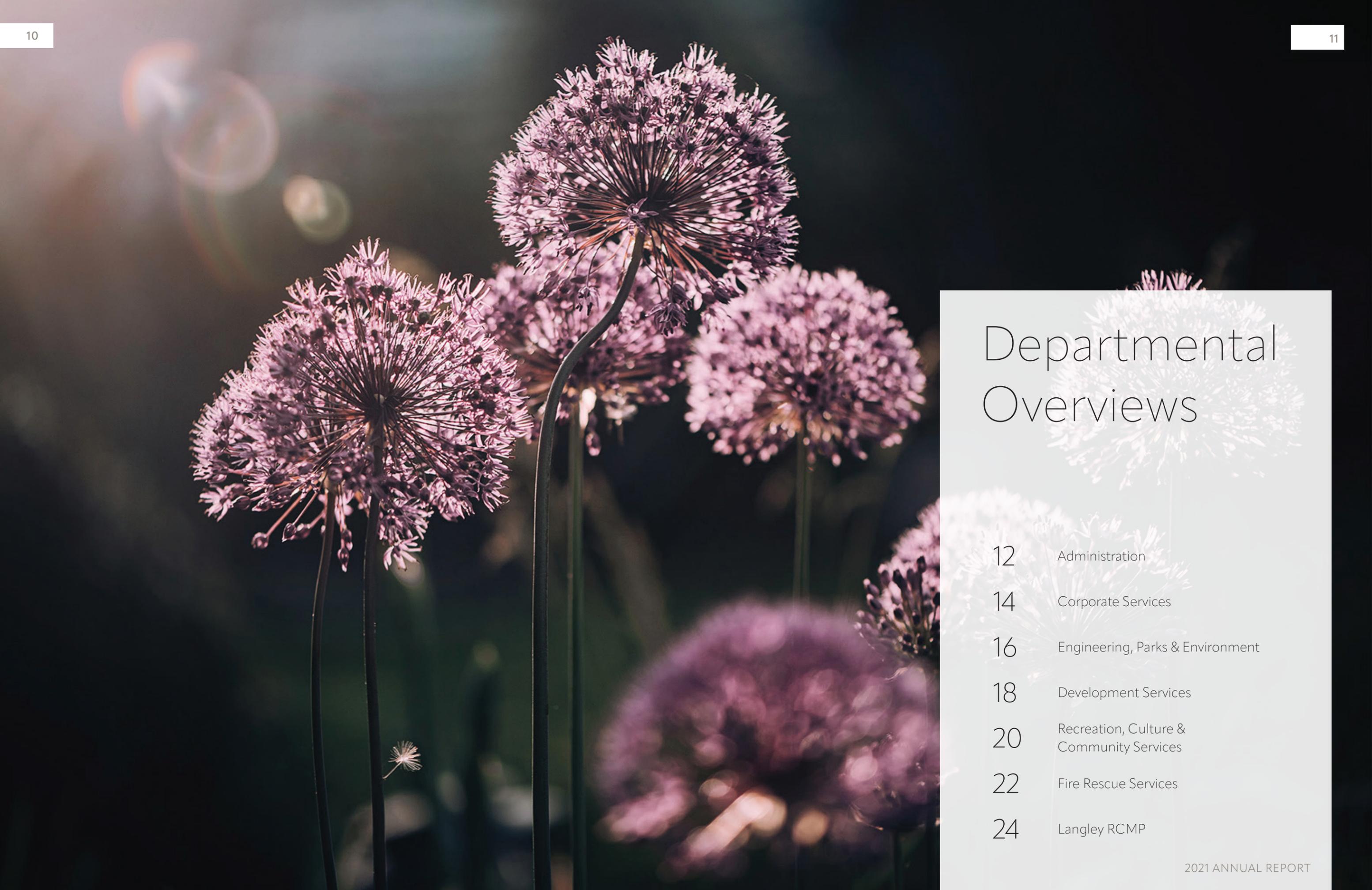
Langley City collects taxes on behalf of other levels of government. Only 66% of your taxes goes to the City with the remaining 34% going to Provincial School taxes, Translink, Metro Vancouver, BC Assessment Authority, Downtown Langley Business Association (DLBA) and Municipal Finance Authority.

## What do your tax dollars fund every month?

The City provides a range of services to its citizens, including critical infrastructure like streets, water, and sewer. The City also provides police and fire protection services, operates the recreation and cultural facilities and provides development services to developers and businesses. The charts below shows where the average single family home and multi-family home contributes each month for the City to provide services.

### Average Distribution of City Taxes Per Month





# Departmental Overviews

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- 22 Fire Rescue Services
- 24 Langley RCMP

## Administration

Informs, advises, and provides services to City Council, direction and assistance to City departments and services to the public, and leads the City's overall conduct in pursuing the vision and mission while maintaining City values.

The department executes policies and decisions of Council, oversees, and enforces all policies and City bylaws, facilitates, and coordinates the flow of information internally and externally, supports council and committee meetings, and processes requests for information under the Freedom of Information and Protection of Privacy Act. The Administration department also coordinates the recruitment process and labour relations activities, oversees corporate training, health and safety, human resources programs, and professional development initiatives, and manages all communication platforms, including the City's website, media relations, develops key messages for City spokespeople, and provides communications support to members of Council, City committees and all City departments. It is also responsible for conducting local government elections which are held every four years.

## Accomplishments

- Developed a new Interim Strategic Plan, and completed the new Official Community Plan (OCP) and the companion Nicomekl River District Neighbourhood Plan, to support the arrival of SkyTrain.
- Negotiated and ratified Collective Agreements for both IAFF and CUPE.
- Completed review of advisory bodies Council members serve on, from which a one-page reference/tracking document was created identifying advisory bodies Council members serve on and reporting requirements of each.
- Created new Advisory Bodies Policy to ensure consistency, transparency, and compliance with City's Council Procedure Bylaw and provincial legislation (Community Charter).
- Developed a new Bylaw Adjudication Bylaw and implemented a Bylaw Adjudication System for parking ticket disputes.
- Responded to 8,823 Requests for Service.

## Looking Forward

The City will focus on implementing the policies under the recently adopted Official Community Plan and the Districts plan. The updating of the Zoning Bylaw is well underway. The City will take appropriate measures to plan for transit-oriented development along SkyTrain corridor and stations and to leverage the economic development opportunities with the arrival of SkyTrain to Langley City. Continue to enhance Community safety through joint initiatives between the Langley City Community Safety Division and RCMP.

Legislative Services staff will be conducting the general local election to be held October 15, 2022. The option to vote by mail ballot will be offered for the first time during this election.

## Corporate Services

The Corporate Services department oversees the financial operation of the City and is responsible for the accounting, budgeting, and reporting functions, revenue collection, cash management and investments, insurance and risk management while providing advice to staff and Council to ensure strong fiscal management.

The department is responsible for the City's strategic direction for information technology and technological infrastructure and acts as the City's principal contact for contract partners like the Royal Canadian Mounted Police (Langley RCMP), Langley Youth and Family Services and the Fraser Valley Regional Library.

## Accomplishments

- Compiled the 2021 Financial Plan and Capital Improvement Plan.
- Updated the City's asset appraisals for insurance purposes.
- Implemented Multi-Factor Authentication (MFA) to VPN and External Access (Office Apps).
- Promoted the Tempest My City module, allowing residents to access property tax, utilities, dog and business licence accounts online, expanding the number of users from 2,648 to 3,434 in 2021.
- There are 341 new client referrals made to Langley Youth and Family Services during the year for a total of 531 different clients being seen and 3,360 direct counselling hours being provided.

## Looking Forward

In 2022, the Corporate Services department will upgrade the surveillance system with camera replacements and a new network switch. We will complete the payroll processing upgrade to allow for employee electronic timesheets entry and complete the roll out of Office 365, Microsoft Teams, One-Drive, and SharePoint.

# Engineering, Parks & Environment

The Engineering, Park and Environment Department ensure the safety and efficiency of the transportation network for the movement of people, goods, and services within Langley City. The department is responsible for underground assets including water distribution, sanitary and drainage conveyance, solid waste systems, pavement management, street lighting, sign and traffic operations, sidewalk infrastructure, and parks and trail infrastructures such as playgrounds, sports courts, off-leash dog parks, playfield maintenance, and trails.

Engineering Services provides technical expertise and supervision for municipal infrastructure projects, and provides technical support and mapping services. Engineering Operations performs maintenance and repair services for the City's road network, provides spills and contamination of watercourses response, manages the water supply network, sanitary sewer, and drainage infrastructure, operations Centre support such as Dispatch and the Maintenance Management Systems, and is responsible for fleet and equipment maintenance. Park Operations supervises and administers all park functions and activities such as master planning, park facilities, trail networks, irrigation and drainage systems and field maintenance.



## Accomplishments

- Developed new Engineering Design Criteria Manual for all projects in the City.
- Complete major update to City Subdivision and Development Servicing Bylaw.
- Replaced aging infrastructure such as 74 water meters throughout the city, Asbestos Cement watermain on 198th St south of 46th Ave and watermain and storm sewer on Glover Road, Fraser Hwy to Eastleigh Crescent .
- Repaved 200 Street between the CP Rail tracks and 62 Avenue, Industrial Street between 201A and 203 St. and 203 St. between Fraser Hwy and 56 Street.
- Completed traffic signal improvements such as new pedestrian signal, conduit installation, controller/cabinet replacement, and backup power supply at multiple intersections.
- Park upgrades such as replacement/addition of new picnic shelters at City Park, and new bleachers at Conder and Douglas Parks.

## Looking Forward

In 2022 the Engineering, Parks & Environment department will complete the following projects: transportation, water, and sanitary masterplans, and will use the findings to update its capital construction plan and Development Cost Charge (DCC) Bylaw; start work on the detailed design to replace the Operations Centre; replace the water and sanitary sewer mains on 56th Ave between 200th St and 203rd St.; and, upgrade the EV charging stations at City Hall and the Operations Centre, and expand the EV charging network.

## Development Services

Responsible for planning and development of the community following the direction provided by City Council. The department prepares policies, plans, and bylaws to manage growth and development, including the Official Community Plan (OCP) and Zoning Bylaw, and processes development applications that implement the OCP and Zoning Bylaw. The department also processes building permits for a range of building and development types, sizes and complexity, conducts building permit inspections through the phases of construction of new buildings and tenant improvements, and issues business licenses, all to ensure public health and safety in accordance with the B.C. Building Code, consistency with municipal bylaws and in support of local businesses. The department also assists in advancing economic development objectives in line with the City's Economic Development Strategy.

## Accomplishments

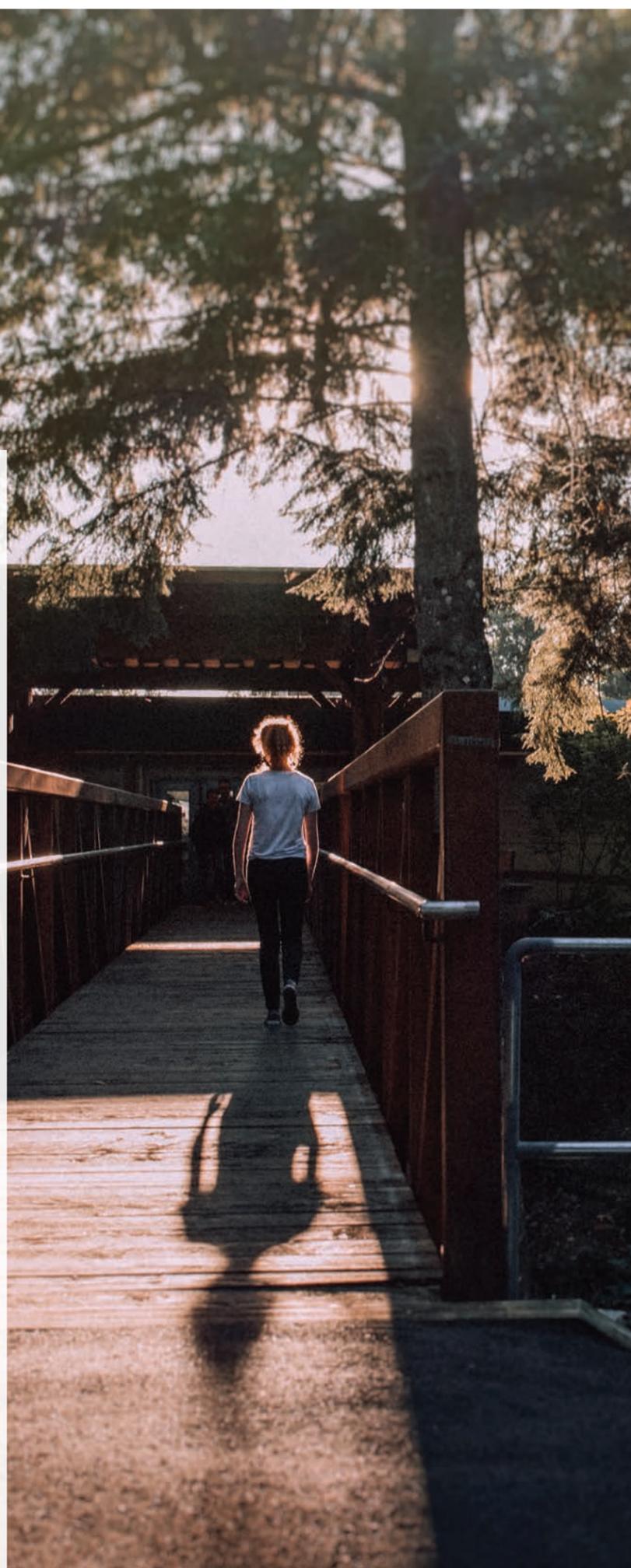
- 46 new development applications processed for 1,049 units, 7 single-detached lots, 4,249 m<sup>2</sup> (45,736 square feet) of commercial and 5,704 m<sup>2</sup> (61,397 square feet) of industrial floor space.
- 240 new Building Permit applications with a construction value of over \$90 million.
- 2,069 Business Licences issued (361 new applications).
- Completed the new Official Community Plan (OCP) and the companion Nicomekl River District Neighbourhood Plan, to support the arrival of SkyTrain, provide a broader range of housing and preserve and enhance the City's green heart – the Nicomekl River. Council adopted these key documents in November 2021.
- Completed a new Amenity and Bonus Contributions Policy, adopted by Council, that sets out amenity contribution rates for new developments, in order to ensure new and improved amenities are provided as the City grows.
- Early work and research was initiated on the Zoning Bylaw Update, which will seek to implement the policy directions in the new OCP, incorporate best practices and reflect the City's context.

## Looking Forward

The Department will continue to process a large amount of development applications and building permits, complete the Zoning Bylaw Update, assist in completing further planning and design work that supports the arrival of SkyTrain, and initiate the first phase of the Glover Road Innovation Boulevard Plan, which will set out a new economic development and planning vision for the corridor between KPU and the Downtown. Development Services will also be updating its supportive policies and bylaws and the City's website, improving access to information for investors, businesses, and residents and continuing to enhance development and building application processes.

## Recreation, Culture & Community Services

The Recreation Culture and Community Services Department creates recreational opportunities that nurture healthy individuals and families and build strong and unique neighbourhoods, contributing to a vibrant city and a thriving economy. The Recreation team manages programming and recreation facilities, organizes and coordinates community events, works with community partners groups and committees, and enriches Langley City's quality of life by facilitating diverse recreational, cultural and community experiences. The department plays a vital role in our City's social, economic, environmental, physical, and mental well-being.



## Accomplishments

- Opened Al Anderson Memorial Pool for a full season with reduced capacity and programming (no Grade 5 Operation Waterproof program) welcoming 23,417 visitors for Aquafit, Lane Swims and Public Swims as well as 753 registered participants for swim lessons.
- Applied for and received funding from UBCM for a community poverty reduction strategy; work on the strategy began in the fall of 2021 and is on-going.
- Remained operational for fitness, weight room, sports drop-in programs despite restrictions while following Public Health Guideline with many program operating at capacity.
- Al Anderson Memorial Pool received the 2021 Affiliate Award for the Most Total Candidates, Lower Mainland Seasonal from the B.C. & Yukon Branch of the Lifesaving Society.
- Installed a new piece of interactive art, a Glockenspiel, at the City Park Picnic shelters.
- Celebrated Arts and Culture in Langley City January 18 – 31, 2021 with a 29 artist, virtual showcase highlighting cultural performance, dance, artwork, music, traditional dress and recipes from around the world.

## Looking Forward

The department has been vital during COVID-19 and will help Langley City moving forward post-pandemic. Multiculturalism, arts, and culture continue to inform the work plans of the department. Phase 2 of the Performing Arts and Cultural Centre study remains a high priority, in addition to re-imagining how facilities and services will be provided to address the growth of the community through an updated Parks, Recreation and Culture Master Plan, Community Poverty Reduction Strategy, and a repurposing of Douglas Recreation Centre for an expanded childcare centre.



## Fire Rescue Service

Fire-Rescue Services protects life, property, and the environment through effective emergency management, fire protection, and prevention, including fire code inspections, education and training, and fire operations. Other roles include fire suppression, rescue service, and emergency medical services, working with our community emergency service partners, emergency planning, and providing community outreach.

## Accomplishments

- Development of a joint training program to work with industries to reduce Community Risk.
- Adjust departments premise inspection program to meet COVID 19 safety guidelines.
- Develop new testing procedures for the evaluation of potential new firefighters for the department.
- Enhanced existing training program for the on boarding of new firefighters.
- Continued participation in City COVID-19 Emergency Operations Centre.

## Looking Forward

In 2022 the Fire Rescue Service will begin work on planning for the future extension of SkyTrain and the growth that is anticipated to accompany this extension. That planning will include future training and equipment needs including a new Fire Engine to be designed and procured. The department will continue to work with new POC and career firefighters and the development of new Officers to meet the new challenges the department will face.



## Langley RCMP

The Langley Royal Canadian Mounted Police (RCMP) provides policing services to both the City and Township of Langley. These services include frontline and community policing, general investigations, serious crimes, drugs, gangs, and street enforcement, forensic identification, police dog services, and air support. Combined efforts amongst police and civilian staff strive toward public safety and crime prevention in the City of Langley.

# Accomplishments

In 2021, there were 13,450 calls for service plus 62 through online crime reporting (OCRe) for a total of 13,512, of which 11,691 were determined that the reported offence did occur or was attempted (even if the accused is unknown), or there is no credible evidence to confirm that the reported incident did not take place.

- The Community Policing Unit continued to conduct foot and bike patrols to keep the city streets clear of litter, tents, and homeless campers.
- A new community policing team, the Special Response Team (SRT), was created to deal with various community issues that fall outside the purview of the existing teams.
- The Langley Mental Health Liaison Unit continued to build and develop best practices while proactively engaging the most vulnerable citizens.
- Langley members have been assisting the Province to ensure public safety while combating wildfires in various regions of B.C as well as providing assistance to police protests in Fairy Creek.

## Looking Forward

Langley RCMP is further developing and will be expanding its social media presence to better engage and inform the community. The Mental Health Unit is expanding and is in the midst of developing a mobile nurse team (similar to that of Surrey RCMP's Car 67 program). SRT is building its team and comprehensively developing their strategic plans. Community policing has increased by four members, three going to the Community Liaison program and one going to the Mental Health Unit.

# 2021 Community Grants

## Animal Care

Langley 4H District Council	\$150.00
Langley Animal Protection Society	\$5,000.00
Valley Therapeutic Equestrian Association	\$4,497.60
<b>Total Awarded</b>	<b>\$8,647.60</b>

## Arts and Culture

Archway Community Services	\$1000.00
Bard in the Valley	\$14,948.19
Downtown Langley Business Association Festivals - Arts Alive & Fork 'n' Finger Foodie Event (KPU) Kiwanis Fraser Valley Music Festival Society - VAYA	\$10,000.00
Langley Arts Council	\$5,500.00
Langley Ukulele Association	\$2,500.00
	\$1,650.00
<b>Total Awarded</b>	<b>\$35,598.19</b>

## Children and Youth

Big Brothers Big Sisters	\$4,000.00
Boys and Girls Club of South Coast of BC	\$5000.00
Children of the Street Society	\$1,000.00
Fraser Region Community Justice Initiatives (CJI)	\$2,000.00
HD Stafford Middle School - PAC	\$3,500.00
Encompass Support Services Society (Best Babies Program)	\$4,570.00
Fraser Region Community Justice Initiatives	\$2,000.00
HD Stafford Middle School	\$3,000.00
KidSport Langley	\$2,500.00
Langley Children Committee	\$2,000.00
Langley Fundamental School Dry Grad	\$500.00
Langley Literacy Association (Christmas Bureau)	\$2,500.00
Langley Scholarship Committee	\$4,500.00
Youth Parliament	\$2,000.00
<b>Total Awarded:</b>	<b>\$28,500.00</b>

## Events

Lower Fraser Valley Aboriginal Society	\$3,500.00
Rotary RibFest Langley	\$2,500.00
<b>Total Awarded</b>	<b>\$6,000.00</b>

## Health and Social Support

Fraser Valley Cultural Diversity Awards - Archway Community Services	\$1,000.00
Langley Cancer Drivers Society	\$750.00
Langley Care Foundation - Langley Lodge	\$2,500.00
Langley Food Bank Society	\$4,168.00
Langley Meals on Wheels	\$5,000.00
Langley Pos-Abilities Society	\$2,500.00
Langley Senior Resources Society	\$15,000.00
Langley Volunteer Bureau	\$1,250.00
<b>Total Awarded</b>	<b>\$32,168.00</b>

## Sports

Langley Flippers Swim Club	\$2,100.00
Langley Lawn Bowling Club	\$2,000.00
Langley Mustangs Track Club	\$4,737.50
Silver Diamond Country Dancers Assoc.	\$1,000.00
<b>Total Awarded:</b>	<b>\$9,837.50</b>

## Other

Ecowaves Community Volunteer Club	\$500.00
Langley Amateur Radio Association	\$800.00
Pitch-In Langley	\$425.00
<b>Total Awarded</b>	<b>\$1,725.00</b>

**City Council Awarded**  
**\$122,476.29**

# Permissive Tax Exemptions

## Organization

Anglican Parish of St. Andrew	\$23,631
Bridge Community Church	\$16,751
Church of the Nazarene	\$21,255
City of Langley	\$65,276
Encompass Support Services Society	\$1,344
Evangelical Free	\$27,187
Global School Society	\$21,408
Inclusion Langley Society	\$1,454
Langley Care Society	\$48,492
Langley Community Music School	\$44,336
Langley Community Services Society	\$15,582
Langley Food Bank	\$21,942
Langley Hospice Society	\$6,329
Langley Lawn Bowling	\$34,353
Langley Memorial Hospital Auxiliary	\$75,681
Langley Seniors Resource Society	\$47,362
Langley Stepping Stones	\$13,465
New Apostolic Church	\$5,889
Roman Catholic	\$87,803
Salvation Army - Gateway of Hope	\$4,023
Vcr Global Mission Church	\$23,260
Vineyard Christian Fellowship	50,804

**Total Provided: \$657,627**

**City Council  
Provided  
\$657,627  
in 2021**

# Financial Statements

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# Director of Corporate Services Letter of Transmittal

## Director of Corporate Services Letter of Transmittal – May 27, 2022

I am pleased to present the Consolidated Financial Statements of the City of Langley for the year ended December 31, 2021.

### FINANCIAL STATEMENTS

The following statements are a requirement under Section 167 of the Community Charter and have been prepared by city staff in accordance with Canadian public sector accounting standards using guidelines developed by the Public Sector Accounting Board (PSAB) for the Canadian Institute of Chartered Accountants. It is the responsibility of the management of the City of Langley to prepare the Consolidated Financial Statements and to ensure the accounting procedures and systems of internal control are in place to safeguard the City's assets. The report is intended to provide reliable and accurate financial information of the City to residents, taxpayers and other readers.

The City's auditors, the public accounting firm of BDO Canada LLP, have given the city an unqualified audit opinion on the city's financial statements, stating in their opinion, that the statements present fairly, in all material respects, the financial position of the City as at December 31, 2021 and the results of its operations and its cash flows for the year then ended.

### FINANCIAL OVERVIEW

With the use of sound financial principles, the City of Langley has a solid financial position at the end of 2021. The City has a healthy net financial assets balance of \$48 million. This is a small decrease of \$0.6M from 2020 and provides a positive indicator of the City's financial flexibility, its ability to finance operating activities and meet current financial obligations.

The City's accumulated surplus includes \$272 million in tangible capital assets (land, buildings, equipment and engineering structures like roads and utility pipes) with a net increase of \$7.3 million after allowing for amortization expenses and the disposal of assets like vehicles being replaced.

With the exception of Parks, Sewer, Water and a larger transfer to reserves, all the City's departmental operating expenditures for the year 2021 met the budgeted projections. The City collected \$32 million in taxation revenues and a further \$10 million in water and sewer user rates. The three largest operating cost centers are policing, engineering services and general government services which includes an allocation for community grants.

The City will build upon our key strategic priorities to enhance the well-being of our residents and provide the high level of community services that make the City of Langley the Place to Be.

Respectfully submitted,



Darrin Leite, CPA, CA  
Director of Corporate Services

# Management's Responsibility

## CITY OF LANGLEY

Consolidated Financial Statements  
Year ended December 31, 2021

### MANAGEMENT'S RESPONSIBILITY

The management of the City of Langley (the "City") is responsible for the preparation of the accompanying consolidated financial statements and the preparation and presentation of all information in the Financial Report. The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards and are considered by management to present fairly the financial position and operating results of the City. The City's accounting procedures and related systems of internal control are designed to provide reasonable assurance that its assets are safeguarded and its financial records are reliable.

City Council accepts the consolidated financial statements and meets with management to determine that management has fulfilled its obligation in the preparation of the consolidated financial statements.

The City's independent auditor, BDO Canada LLP, has examined the consolidated financial statements and their report outlines the scope of their examination and their opinion on the consolidated financial statements of the City of Langley.



Darrin Leite, CPA, CA  
Director of Corporate Services



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## Independent Auditor's Report

To the Mayor and Council of the City of Langley

### Opinion

We have audited the consolidated financial statements of the City of Langley and its controlled entities (the "Entity"), which comprise the Consolidated Statement of Financial Position as at December 31, 2021 and the Consolidated Statements of Operations, Changes in Net Financial Assets, and the Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies ("financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2021 and its results of operations, its changes in net financial assets, and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.



## Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Entity to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*BDO Canada LLP*

Chartered Professional Accountants

Vancouver, British Columbia  
May 10, 2022

**CITY OF LANGLEY**  
**Consolidated Statement of Financial Position**  
**at December 31, 2021 with comparative figures for 2020**

	2021	2020
<b>Financial Assets</b>		
Cash & cash equivalents (Note 2)	\$ 31,298,391	\$ 38,242,672
Accounts receivable		
Taxes and utilities receivable	4,958,795	4,695,714
Receivables from other governments	5,411,223	1,466,584
Other receivables	3,459,923	2,716,350
Portfolio investments (Note 2)	59,000,000	52,000,000
	<u>104,128,332</u>	<u>99,121,320</u>
<b>Liabilities</b>		
Prepaid property taxes	5,712,822	4,172,830
Employee future benefits (Note 3)	400,406	377,026
Accounts payable and accrued liabilities		
Payables to other governments (Note 4)	11,917,072	13,832,165
Other payables	4,646,345	3,549,900
Deferred revenue	3,357,480	2,745,528
Deferred development cost charges (Note 5)	30,035,691	25,801,520
	<u>56,069,816</u>	<u>50,478,969</u>
<b>Net Financial Assets</b>	<u>48,058,516</u>	<u>48,642,351</u>
<b>Non-Financial Assets</b>		
Prepaid expenses	227,747	241,299
Supplies inventory	237,430	179,733
Tangible capital assets (Schedule 4)	272,261,728	264,913,669
	<u>272,726,905</u>	<u>265,334,701</u>
<b>Accumulated Surplus (Note 6)</b>	<u>\$ 320,785,421</u>	<u>\$ 313,977,052</u>

See accompanying notes to consolidated financial statements.

Darrin Leite, CPA, CA  
Director of Corporate Services

Val van den Broek  
Mayor

## CITY OF LANGLEY

### Consolidated Statement of Operations

Year ended December 31, 2021 with comparative figures for 2020

	2021 Financial Plan	2021	2020
	(Note 13)		
<b>Revenues</b> (Schedules 2 & 3)			
Property tax revenue (Note 7)	\$ 32,016,650	\$ 31,989,060	\$ 30,368,697
User fees and other revenue	13,988,290	14,797,258	14,208,891
Gaming proceeds	-	4,103,377	1,533,582
Government transfers (Note 8)	5,667,700	4,543,636	6,166,516
Investment earnings	574,000	907,665	1,280,883
DCC revenue recognized (Note 5)	884,670	1,130,277	912,211
Loss on disposal of tangible capital assets	-	(455,659)	(126,378)
Contributed tangible capital assets	-	2,692,587	2,090,095
	<u>53,131,310</u>	<u>59,708,201</u>	<u>56,434,497</u>
<b>Expenses</b> (Schedules 2 & 3)			
General government services	5,937,410	5,838,671	5,407,905
Police service	13,609,535	13,533,401	13,006,829
Fire service	5,714,710	5,405,448	5,192,210
Other protective services	881,435	798,241	789,379
Engineering operations	7,348,225	6,941,732	6,185,837
Water utility	4,639,490	5,570,458	4,330,410
Sewer and drainage utility	4,288,440	4,397,326	4,368,535
Development services	1,371,560	1,278,655	1,218,374
Solid waste	715,160	715,036	688,451
Recreation services	5,463,260	4,961,936	4,584,943
Parks	3,081,720	3,458,928	2,782,938
	<u>53,050,945</u>	<u>52,899,832</u>	<u>48,555,811</u>
<b>Annual Surplus</b>	<u>80,365</u>	<u>6,808,369</u>	<u>7,878,686</u>
<b>Accumulated Surplus - beginning of year</b>	313,977,052	313,977,052	306,098,366
<b>Accumulated Surplus - end of year</b> (Note 6)	<u>\$ 314,057,417</u>	<u>\$ 320,785,421</u>	<u>\$ 313,977,052</u>

See accompanying notes to consolidated financial statements.

## CITY OF LANGLEY

### Consolidated Statement of Change in Net Financial Assets

Year ended December 31, 2021 with comparative figures for 2020

	2021 Financial Plan	2021	2020
	(Note 13)		
<b>Annual Surplus</b>	\$ 80,365	\$ 6,808,369	\$ 7,878,686
<b>Change in Capital Assets</b>			
Acquisition of tangible capital assets	(15,915,140)	(11,558,475)	(8,816,837)
Contributed tangible capital assets	-	(2,692,587)	(2,090,095)
Amortization	6,000,000	6,425,833	5,967,313
Proceeds from sale of tangible capital assets	-	21,511	68,750
Loss on disposal of tangible capital assets	-	455,659	126,378
	<u>(9,915,140)</u>	<u>(7,348,059)</u>	<u>(4,744,491)</u>
<b>Change in Other Non Financial assets</b>			
Increase in prepaid expenses	-	13,552	(81,522)
Increase in supplies inventory	-	(57,697)	(28,675)
	<u>-</u>	<u>(44,145)</u>	<u>(110,197)</u>
<b>Increase (Decrease) in Financial Assets</b>	<u>(9,834,775)</u>	<u>(583,835)</u>	<u>3,023,998</u>
<b>Net Financial Assets - beginning of year</b>	48,642,351	48,642,351	45,618,353
<b>Net Financial Assets - end of year</b>	<u>\$ 38,807,576</u>	<u>\$ 48,058,516</u>	<u>\$ 48,642,351</u>

See accompanying notes to consolidated financial statements.

## CITY OF LANGLEY

### Consolidated Statement of Cash Flows

Year ended December 31, 2021 with comparative figures for 2020

	2021	2020
<b>Cash Provided By (Used For)</b>		
<b>Operating Transactions</b>		
Annual surplus	\$ 6,808,369	\$ 7,878,686
Items not involving cash:		
DCC revenue recognized	(1,130,277)	(912,211)
Amortization	6,425,833	5,967,313
Contributed tangible capital assets	(2,692,587)	(2,090,095)
Loss on disposal of tangible capital assets	455,659	126,378
Changes in non-cash working capital:		
Accounts receivable	(4,951,293)	66,435
Prepaid property taxes	1,539,992	(491,473)
Accounts payable and accrued liabilities	(795,268)	7,153,799
Prepaid expenses	13,552	(81,522)
Supplies inventory	(57,697)	(28,675)
Deferred revenue	611,952	614,570
	<u>6,228,235</u>	<u>18,203,205</u>
<b>Capital Transactions</b>		
Cash used to acquire tangible capital assets	(11,558,475)	(8,816,837)
Proceeds from sale of tangible capital assets	21,511	68,750
	<u>(11,536,964)</u>	<u>(8,748,087)</u>
<b>Financing Transactions</b>		
Receipt of deferred development cost charges and interest earned	5,364,448	5,812,323
<b>Investing Transactions</b>		
Purchase of investments	(59,000,000)	(52,000,000)
Redemption of investments	52,000,000	32,101,800
	<u>(7,000,000)</u>	<u>(19,898,200)</u>
<b>Decrease in Cash and Cash Equivalents</b>	<u>(6,944,281)</u>	<u>(4,630,759)</u>
<b>Cash and Cash Equivalents - beginning of year</b>	38,242,672	42,873,431
<b>Cash and Cash Equivalents - end of year</b>	<u>\$ 31,298,391</u>	<u>\$ 38,242,672</u>

See accompanying notes to consolidated financial statements.

## CITY OF LANGLEY

### Notes to the Consolidated Financial Statements

Year ended December 31, 2021 with comparative figures for 2020

#### 1. Significant accounting policies:

The City of Langley (the "City") is a municipality in the province of British Columbia and operates under the provision of the Community Charter. The City provides municipal services such as policing, fire protection, public works, planning, 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 developed by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. They consolidate the activities of all the funds of the City and the City's inactive wholly-owned subsidiary, Langley City Development Corporation.

#### (B) Basis of Accounting:

The City follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measured as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

#### (C) Non Financial Assets:

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

#### (D) Tangible Capital Assets:

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

Estimated useful lives of tangible capital assets are as follows:

Land Improvements	5 to 30 years
Buildings	10 to 50 years
Vehicles	7 to 20 years
Furniture & Equipment	3 to 20 years
Transportation Infrastructure	10 to 100 years
Sewer & Drainage Infrastructure	10 to 80 years
Water Infrastructure	12 to 80 years

#### (E) Revenue Recognition:

##### Property tax revenue

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

Through the British Columbia Assessment's appeal process, taxes may be adjusted by way of supplementary adjustments. The effects of these adjustments on taxes are recognized at the time they are known and can be reasonably estimated.

##### User fees and other revenue

Charges for licences and permits, solid waste fees, and sewer and water usage are recorded as user fees and revenue as services are utilized and revenue is earned.

## CITY OF LANGLEY

### Notes to the Consolidated Financial Statements

Year ended December 31, 2021 with comparative figures for 2020

#### (E) Revenue Recognition (Continued):

##### Gaming proceeds

Gaming proceeds, a specific type of government transfer, are recognized in the period in which they are earned.

##### Government transfers

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

##### Collection of taxes on behalf of other taxing authorities

The City collects taxation revenue on behalf of other entities. Such levies, other revenues, expenses, assets and liabilities with respect to the operations of the entities are not reflected in these financial statements.

##### Investment earnings

Investment income is recorded on the accrual basis and recognized when earned.

##### Development cost charges

Developers are required to pay funds to offset the cost of required infrastructure development. The amounts are recognized as a liability and accrue interest until spent on the required infrastructure. When qualifying expenditures are incurred, Development cost charges are recognized as revenue.

##### Contributed tangible capital assets

Developers are required to provide subdivision infrastructure such as streets, lighting, sidewalks, and drainage etc. Upon completion, these assets are turned over to the City and recognized at the estimated fair market value.

#### (F) Use of Estimates/Measurement Uncertainty:

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Significant areas requiring use of management estimates relate to the determination of employee future benefit liabilities, provisions for litigation and claims, collectibility of accounts receivable and the useful lives of tangible capital assets. Actual results could differ from those estimates.

#### (G) Basis of Segmentation (Schedule 2 & 3):

Municipal services have been segmented by grouping services that have similar objectives (by function). Revenues that are directly related to the costs of the function have been attributed to each segment.

#### (H) Contaminated Sites:

Governments are required to accrue a liability for the costs to remediate a contaminated site. Liabilities are recognized when an environmental standard exists, contamination exceeds the standard, the government has responsibility for remediation, future economic benefits will be given up and a reasonable estimate can be made.

Management has assessed its potential liabilities, including sites that are no longer in productive use and sites for which the City accepts responsibility. There are no such sites that had contamination in excess of an environmental standard requiring remediation at this time. Therefore, no liability was recognized as at December 31, 2021 or December 31, 2020.

## CITY OF LANGLEY

### Notes to the Consolidated Financial Statements

Year ended December 31, 2021 with comparative figures for 2020

#### 2. Cash, cash equivalents and portfolio investments:

	2021	2020
Cash and cash equivalents	\$ 31,298,391	\$ 38,242,672
Portfolio investments	59,000,000	52,000,000
	<u>\$ 90,298,391</u>	<u>\$ 90,242,672</u>
Amounts are held or restricted for the following purposes:		
Deferred development cost charges	\$ 27,471,604	\$ 24,071,236
Statutory reserves	15,143,624	14,891,748
Non-statutory reserves	29,458,114	30,213,266
Operating funds and working capital	18,225,049	21,066,422
	<u>\$ 90,298,391</u>	<u>\$ 90,242,672</u>

Cash and cash equivalents includes funds held in bank accounts at BMO Bank of Montreal earning interest of prime rate less 1.45% (2020 - prime rate less 1.45%).

Portfolio investments, which include term deposits, have effective interest rates between 1.05% and 1.65% (2020 - 1.30% and 2.65%) with varying maturity dates up to 12 months. Portfolio investments are recorded at amortized cost. The market value of the investments as at December 31, 2021 was \$59,000,000 (2020 - \$52,000,000). Investments are written down to net realizable value when there has been a decline other than a temporary one.

#### 3. Employee future benefits:

The City provides employee future benefits in the form of non-vested sick leave to qualifying employees. These benefits are accrued as earned and paid when taken by employees.

Employee sick leave is credited annually at 18 days per full year of service. Unused days are banked to a maximum of 120 days. The City does not pay out the value of the cumulative sick plan bank at retirement or termination of employment; however, the City could experience usage of these banks in periods leading up to retirement, resulting in a non-vested liability.

An actuarial evaluation of these benefits was performed to determine the City's estimated liability and accrued benefit obligation as at December 31, 2019 which was then extrapolated to December 31, 2021. The valuation resulted in an unamortized actuarial loss as of December 31, 2021 of \$73,694 (2020 - \$84,074). Actuarial losses are amortized over the estimated average remaining service life of employees. The next valuation will be as at December 31, 2023.

The employee future benefit liability at December 31, 2021 is comprised as follows:

	2021	2020
Benefit liability - beginning of year	\$ 377,026	\$ 363,046
Current service cost	42,500	41,500
Interest cost	13,000	12,800
Benefits paid	(42,500)	(50,700)
Amortization of actuarial loss	10,380	10,380
Benefit liability - end of year	<u>\$ 400,406</u>	<u>\$ 377,026</u>
Accrued benefit obligation - end of year	\$ 474,100	\$ 461,100
Unamortized actuarial loss	(73,694)	(84,074)
Benefit liability - end of year	<u>\$ 400,406</u>	<u>\$ 377,026</u>

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

	2021	2020
Discount rate	2.70%	2.70%
Expected future inflation rate	2.50%	2.50%
Merit and inflationary earnings increases	2.58-4.63%	2.58-4.63%
Estimated average remaining service life	10.1	10.1

## CITY OF LANGLEY

### Notes to the Consolidated Financial Statements

Year ended December 31, 2021 with comparative figures for 2020

#### 4. Payables to other governments:

In order to assist with potential cash flow requirements caused by the COVID-19 pandemic, the Province of BC allowed the City to hold onto the 2020 School Property Tax collected until January 2021. This deferred payment created a large one-time increase of \$5,773,809 in payables to other governments in 2020.

#### 5. Deferred development cost charges:

	2020	Contributions Received	Interest Earned	DCC Revenue Recognized	2021
Drainage	\$ 4,630,258	\$ 609,296	\$ 62,674	\$ -	\$ 5,302,228
Public Open Spaces	4,202,081	259,239	54,994	(59,400)	4,456,914
Roads	7,758,394	2,002,108	110,069	(392,792)	9,477,779
Sewer	6,835,085	1,653,317	96,781	(678,085)	7,907,098
Water	2,375,702	482,853	33,117	-	2,891,672
	<u>\$25,801,520</u>	<u>\$ 5,006,813</u>	<u>\$ 357,635</u>	<u>\$ (1,130,277)</u>	<u>\$ 30,035,691</u>

#### 6. Accumulated surplus:

Accumulated surplus is distributed as follows:

	2021	2020
Operating surplus		
General	\$ 1,411,792	\$ 1,389,417
Sewer & Drainage	1,156,284	1,153,473
Water	1,353,879	1,415,479
	<u>3,921,955</u>	<u>3,958,369</u>
Equity in tangible capital assets		
General	213,211,894	208,353,111
Sewer & Drainage	34,500,045	32,837,268
Water	24,549,789	23,723,290
	<u>272,261,728</u>	<u>264,913,669</u>
Reserves (Schedule 1)		
Statutory reserves	15,143,624	14,891,748
Non-statutory reserves	29,458,114	30,213,266
	<u>44,601,738</u>	<u>45,105,014</u>
	<u>\$ 320,785,421</u>	<u>\$ 313,977,052</u>

#### 7. Property tax revenue:

In addition to its own tax levies, the City is required to levy taxes on behalf of various other taxing authorities. These include the provincial government for local school taxes, and organizations providing regional services in which the Municipality has become a member. Total tax levies were comprised as follows:

	2021 Financial Plan	2021	2020
City property taxes	\$ 31,435,365	\$ 31,410,464	\$ 29,790,916
Grants in lieu of taxes	581,285	578,596	577,781
	<u>32,016,650</u>	<u>31,989,060</u>	<u>30,368,697</u>
Levies for other organizations			
School taxes		17,439,975	10,607,661
TransLink		3,786,398	3,551,844
British Columbia Assessment Authority		541,129	518,293
Metro Vancouver		711,738	619,484
Downtown Langley Merchants Assoc.		532,834	497,976
Municipal Finance Authority		2,543	2,429
Total collections for others		<u>23,014,617</u>	<u>15,797,687</u>
		<u>\$ 55,003,677</u>	<u>\$ 46,166,384</u>

## CITY OF LANGLEY

### Notes to the Consolidated Financial Statements

Year ended December 31, 2021 with comparative figures for 2020

#### 8. Government transfers:

	2021 Financial Plan	2021	2020
Federal Government			
Community works fund	\$ 133,880	\$ 271,456	\$ 132,591
	<u>133,880</u>	<u>271,456</u>	<u>132,591</u>
Provincial Government			
Hotel tax revenue	120,000	132,637	78,063
Carbon tax revenue sharing	22,800	27,569	22,809
Traffic fine revenue sharing	475,000	534,333	600,619
Canada-BC safe restart fund	792,565	-	4,151,000
	<u>1,410,365</u>	<u>694,539</u>	<u>4,852,491</u>
Municipalities and Regional Authorities			
Police building capital adjustment	40,200	31,459	51,233
Langley Youth & Family Services	381,190	353,619	361,809
Emergency preparedness	38,980	33,335	27,608
Major road network	633,000	672,000	96,000
Infrastructure funding	3,030,085	2,437,228	644,784
	<u>4,123,455</u>	<u>3,527,641</u>	<u>1,181,434</u>
	<u>\$ 5,667,700</u>	<u>\$ 4,493,636</u>	<u>\$ 6,166,516</u>

#### 9. Trust funds:

The City has excluded the following trust funds and associated cash and accounts receivable from the Consolidated Statement of Financial Position and related interest earnings and transactions from the Consolidated Statement of Operations as they are held on behalf of third parties.

	2021	2020
Langley Christmas Bureau	\$ 423,207	\$ 408,241
Refundable deposits	11,408,693	11,696,393
Road bond reserve	41,350	41,350
Translink	278,307	62,400
Metro Vancouver	884,505	636,427
	<u>\$ 13,036,062</u>	<u>\$ 12,844,811</u>

These funds were received from the public for specific purposes or are deposited by developers and held by the City until all aspects for the development permit have been fulfilled.

#### 10. Expenditures and expenses by object (Schedules 2 & 3):

	2021		2020	
	Operations	Capital	Total	Total
Salaries & benefits	\$ 15,062,836	\$ 117,349	\$ 15,180,185	\$ 14,160,299
Goods and services	31,411,163	11,441,126	42,852,289	37,245,036
Contributed tangible capital assets	-	2,692,587	2,692,587	2,090,095
Total expenditures	<u>46,473,999</u>	<u>14,251,062</u>	<u>60,725,061</u>	<u>53,495,430</u>
Amortization	6,425,833	-	6,425,833	5,967,313
Total expenditures & expenses	<u>\$ 52,899,832</u>	<u>\$ 14,251,062</u>	<u>\$ 67,150,894</u>	<u>\$ 59,462,743</u>

## CITY OF LANGLEY

### Notes to the Consolidated Financial Statements

Year ended December 31, 2021 with comparative figures for 2020

#### 11. Municipal pension plan:

The employer and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2020, the plan has about 220,000 active members and approximately 112,000 retired members. Active members include approximately 42,000 contributors from local governments.

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

The most recent valuation for the Municipal Pension Plan as at December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The City of Langley paid \$1,180,487 (2020 - \$1,105,259) for employer contributions while employees contributed \$976,741 (2020 - \$920,173) to the plan in fiscal 2021.

The next valuation will be as at December 31, 2021, with results available in 2022.

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

#### 12. Contingent liabilities:

A number of legal claims have been initiated against the City in varying and unspecified amounts. As none of the claims are likely to be successful and/or can not be reasonably estimated, no provisions have been recorded in the financial statements.

## CITY OF LANGLEY

### Notes to the Consolidated Financial Statements

Year ended December 31, 2021 with comparative figures for 2020

#### 13. Financial plan:

The financial plan reported on the Consolidated Statement of Operations represents the Financial Plan and Capital Improvement Plan bylaw adopted by City Council on February 22, 2021 and does not reflect any amendments approved after the original adoption.

The following reconciles the statutory financial plan and the financial plan surplus reported on the Consolidated Statement of Operations.

	<b>Financial Plan</b>
Surplus as per Financial Plan Bylaw No. 3151	\$ -
Capital asset additions	15,915,140
Amortization expense	(6,000,000)
Debt repayment	441,580
Borrowing proceeds	(7,500,000)
Net use of reserves to balance financial plan	
Transfer to non-statutory reserves	2,240,865
Transfer to statutory reserves	1,694,970
Transfer from non-statutory reserves	(5,719,420)
Transfer from statutory reserves	(952,770)
Transfer from surplus	(40,000)
	<u>(2,776,355)</u>
Financial Plan Surplus as per Consolidated Statement of Operations	<u>\$ 80,365</u>

#### 14. Contractual rights:

##### (A) Developer contributions:

The City has entered into a number of public works development agreements which require the developers to contribute various infrastructure assets to the City, including roads and underground utilities. The timing and extent of these future contributions vary depending on development activity and fair value of the assets received at time of contribution, which cannot be determined with certainty at this time.

##### (B) Gaming proceeds:

The City has a Host Financial Assistance Agreement with the Province of BC where the Province has agreed that 10% of the net gaming income from the Cascades Casino will be paid to the City of Langley, as financial assistance, for any purpose that would be of public benefit to the City. In 2021, the City recognized \$4,103,377 (2020 - \$1,533,582) in revenues from the Province. Due to COVID-19 the casino was temporarily closed from March 16, 2020 until July 1, 2021 when they resumed regular operations.

#### 15. COVID-19

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The pandemic caused significant impacts to the City's operations. The pandemic continues to provide some uncertainty and may have a significant impact on the City's future operations. Potential impacts on the City's business could include future decreases in revenue and delays in completing capital project work. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effects of the City is not known at this time.

# CITY OF LANGLEY

## Schedule 1

### Consolidated Schedule of Statutory and Non-statutory Reserves

Year ended December 31, 2021

Statutory Reserves	Balance at Dec. 31, 2020	Developer Contributions	Internal Transfer Additions	Interest	Internal Transfer Expenditures	Operational Expenditures	Capital Asset Additions	Balance at Dec. 31, 2021
Capital Works	\$ 11,923,793	\$ -	\$ 2,154,450	\$ 144,887	\$ -	\$ (566,062)	\$ (1,890,689)	\$ 11,766,379
Equipment Replacement-Fire Dept.	719,712	-	55,000	9,546	-	-	(47,821)	736,437
Lane Development	276,342	-	-	3,528	-	-	-	279,870
Machinery Replacement	1,309,628	-	482,646	17,807	-	-	(135,132)	1,674,949
Off-Street Parking	327,943	-	11,115	4,242	-	-	-	343,300
Office Equipment Replacement	14,304	-	46,500	484	-	(10,986)	(22,250)	28,052
Parks and Recreation	279,926	-	177,500	4,477	-	(104,204)	(83,674)	274,025
P&R Future Projects	40,100	-	-	512	-	-	-	40,612
<b>Total</b>	<b>\$ 14,891,748</b>	<b>\$ -</b>	<b>\$ 2,927,211</b>	<b>\$ 185,483</b>	<b>\$ -</b>	<b>\$ (681,252)</b>	<b>\$ (2,179,566)</b>	<b>\$ 15,143,624</b>

Non-statutory Reserves	Balance at Dec. 31, 2020	Developer Contributions	Internal Transfers Additions	Interest	Internal Transfer Expenditures	Operational Expenditures	Capital Asset Additions	Balance at Dec. 31, 2021
Community Works	\$ 6,097	\$ -	\$ 271,456	\$ 1,415	\$ -	\$ -	\$ (138,000)	\$ 140,968
Future Policing Costs	3,241,032	-	500,000	41,382	-	(2,234)	(476,235)	3,303,945
Gaming Proceeds	12,451,786	-	4,103,377	145,745	(598,682)	(1,026,417)	(2,524,468)	12,551,341
Major Road Network Rehab	1,727,795	-	393,685	22,069	-	-	(191,530)	1,952,019
Prosperity Fund	2,943,313	-	500,000	23,292	-	-	(1,900,000)	1,566,605
Sewer Future Capital	1,108,896	-	830,000	17,817	-	(443,941)	(456,205)	1,056,567
Sewer Insurance Claims	33,985	-	-	434	-	-	-	34,419
Special Bonds	5,744,657	(255,100)	-	71,702	-	(16,604)	(19,903)	5,524,752
Tax Stabilization	1,379,828	-	576,580	17,618	-	-	-	1,974,026
Water Future Capital	1,575,877	-	660,000	21,308	-	(894,503)	(9,210)	1,353,472
<b>Total</b>	<b>\$ 30,213,266</b>	<b>\$ (255,100)</b>	<b>\$ 7,835,098</b>	<b>\$ 362,782</b>	<b>\$ (598,682)</b>	<b>\$ (2,383,699)</b>	<b>\$ (5,715,551)</b>	<b>\$ 29,458,114</b>

**CITY OF LANGLEY****Schedule 2****Consolidated Report of Segmented Revenues and Expenses**

Year ended December 31, 2021

	General government	Police service	Fire service	Other protective services	Engineering operations	Water utility	Sewer & drainage utility	Development services	Solid waste	Recreation services	Parks	2021	2021 Financial Plan	
													Note 13	
<b>Revenue</b>														
Property tax revenue	\$ 31,989,060											\$ 31,989,060	\$ 32,016,650	
User fees and other revenue	913,440	675	8,800	66,338	196,649	5,569,961	4,624,415	2,231,762	714,927	18,672	451,619	14,797,258	13,988,290	
Gaming proceeds	4,103,377											4,103,377	-	
Government transfers	966,699	565,792		386,955	2,259,442	50,000	154,542	160,206				4,543,636	5,667,700	
Investment earnings	907,665											907,665	574,000	
DCC revenue recognized	-				392,792		678,085				59,400	1,130,277	884,670	
Gain (loss) on disposal of capital assets	-				(284,910)	(30,599)	(140,150)					(455,659)	-	
Contributed tangible capital assets	-				1,368,453	366,784	957,350					2,692,587	-	
<b>Total Revenue</b>	<b>38,880,241</b>	<b>566,467</b>	<b>8,800</b>	<b>453,293</b>	<b>3,932,426</b>	<b>5,956,146</b>	<b>6,274,242</b>	<b>2,391,968</b>	<b>714,927</b>	<b>18,672</b>	<b>511,019</b>	<b>59,708,201</b>	<b>53,131,310</b>	
<b>Expenses</b>														
Operating														
Salaries & benefits	3,219,681	9,818	4,391,882	132,771	1,894,911	675,201	451,302	1,002,486	20,856	1,858,018	1,405,910	15,062,836	16,568,580	
Goods and services	2,167,506	13,425,116	687,956	665,470	2,267,512	4,455,213	3,315,348	248,189	694,180	2,231,455	1,253,218	31,411,163	30,347,365	
Debt servicing	-	-	-	-	-	-	-	-	-	-	-	-	135,000	
	5,387,187	13,434,934	5,079,838	798,241	4,162,423	5,130,414	3,766,650	1,250,675	715,036	4,089,473	2,659,128	46,473,999	47,050,945	
Amortization	451,484	98,467	325,610	-	2,779,309	440,044	630,676	27,980	-	872,463	799,800	6,425,833	6,000,000	
<b>Total Expenses</b>	<b>5,838,671</b>	<b>13,533,401</b>	<b>5,405,448</b>	<b>798,241</b>	<b>6,941,732</b>	<b>5,570,458</b>	<b>4,397,326</b>	<b>1,278,655</b>	<b>715,036</b>	<b>4,961,936</b>	<b>3,458,928</b>	<b>52,899,832</b>	<b>53,050,945</b>	
<b>Annual Surplus (Deficit)</b>	<b>\$ 33,041,570</b>	<b>\$(12,966,934)</b>	<b>\$( 5,396,648)</b>	<b>\$( 344,948)</b>	<b>\$( 3,009,306)</b>	<b>\$ 385,688</b>	<b>\$ 1,876,916</b>	<b>\$ 1,113,313</b>	<b>\$ (109)</b>	<b>\$( 4,943,264)</b>	<b>\$( 2,947,909)</b>	<b>\$ 6,808,369</b>	<b>\$ 80,365</b>	

**CITY OF LANGLEY****Schedule 3****Consolidated Report of Segmented Revenues and Expenses**

Year ended December 31, 2020

	General government	Police service	Fire service	Other protective services	Engineering operations	Water utility	Sewer & drainage utility	Development services	Solid waste	Recreation services	Parks	2020	2020 Financial Plan
<b>Revenue</b>													
Property tax revenue	\$30,368,697	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$30,368,697	\$31,840,560
User fees and other revenue	1,650,540	1,485	6,963	66,057	451,158	4,934,841	4,139,616	1,886,983	693,653	18,713	358,882	14,208,891	12,770,840
Gaming proceeds	1,533,582	-	-	-	-	-	-	-	-	-	-	1,533,582	7,200,000
Government transfers	4,161,387	651,852	-	389,416	113,684	-	627,100	223,077	-	-	-	6,166,516	2,610,470
Investment earnings	1,280,883	-	-	-	-	-	-	-	-	-	-	1,280,883	742,500
DCC revenue recognized	-	-	-	-	402,800	-	150,608	-	-	-	358,803	912,211	1,372,890
Loss on disposal of capital assets	(81)	-	5,511	-	(14,005)	(26,494)	(90,609)	(700)	-	-	-	(126,378)	-
Contributed tangible capital assets	-	-	-	-	1,004,948	512,207	572,940	-	-	-	-	2,090,095	-
<b>Total Revenue</b>	<b>38,995,008</b>	<b>653,337</b>	<b>12,474</b>	<b>455,473</b>	<b>1,958,585</b>	<b>5,420,554</b>	<b>5,399,655</b>	<b>2,109,360</b>	<b>693,653</b>	<b>18,713</b>	<b>717,685</b>	<b>56,434,497</b>	<b>56,537,260</b>
<b>Expenses</b>													
Operating													
Salaries & benefits	3,108,145	10,529	4,185,221	127,779	1,806,513	524,750	484,991	909,398	17,253	1,516,628	1,142,255	13,833,462	16,336,840
Goods and services	1,799,707	12,917,422	713,191	661,600	1,868,377	3,375,954	3,246,768	280,720	671,198	2,240,754	979,345	28,755,036	30,618,650
Debt servicing	-	-	-	-	-	-	-	-	-	-	-	-	270,000
	4,907,852	12,927,951	4,898,412	789,379	3,674,890	3,900,704	3,731,759	1,190,118	688,451	3,757,382	2,121,600	42,588,498	46,955,490
Amortization	500,053	78,878	293,798	-	2,510,947	429,706	636,776	28,256	-	827,561	661,338	5,967,313	5,700,000
<b>Total Expenses</b>	<b>5,407,905</b>	<b>13,006,829</b>	<b>5,192,210</b>	<b>789,379</b>	<b>6,185,837</b>	<b>4,330,410</b>	<b>4,368,535</b>	<b>1,218,374</b>	<b>688,451</b>	<b>4,584,943</b>	<b>2,782,938</b>	<b>48,555,811</b>	<b>52,925,490</b>
<b>Annual Surplus (Deficit)</b>	<b>\$33,587,103</b>	<b>\$(12,353,492)</b>	<b>\$(5,179,736)</b>	<b>\$(333,906)</b>	<b>\$(4,227,252)</b>	<b>\$ 1,090,144</b>	<b>\$ 1,031,120</b>	<b>\$ 890,986</b>	<b>\$ 5,202</b>	<b>\$(4,566,230)</b>	<b>\$(2,065,253)</b>	<b>\$ 7,878,686</b>	<b>\$ 3,611,770</b>

## CITY OF LANGLEY

## Schedule 4

## Schedule of Tangible Capital Assets

Year ended December 31, 2021 with comparative figures for 2020

2021	Land	Land Improvements	Buildings	Vehicles	Furniture & Equipment	Transportation Infrastructure	Sewer & Drainage Infrastructure	Water Infrastructure	Total
<b>Historical cost<sup>1</sup></b>									
Opening cost	\$ 67,711,248	\$ 15,799,747	\$ 42,731,587	\$ 8,864,315	\$ 9,197,776	\$ 146,481,674	\$ 51,686,459	\$ 34,744,505	\$ 377,217,311
Additions	4,200,157	427,627	757,426	182,953	523,874	4,437,293	2,432,162	1,289,570	14,251,062
Disposals	-	-	-	(62,467)	(173,388)	(862,034)	(323,409)	(78,342)	(1,499,640)
	71,911,405	16,227,374	43,489,013	8,984,801	9,548,262	150,056,933	53,795,212	35,955,733	389,968,733
<b>Accumulated amortization</b>									
Opening balance	-	5,407,883	19,691,507	4,662,205	6,206,706	46,464,935	18,849,191	11,021,215	112,303,642
Amortization expense	-	631,738	1,418,959	508,511	373,514	2,431,404	629,235	432,472	6,425,833
Disposals	-	-	-	(61,214)	(173,388)	(556,866)	(183,259)	(47,743)	(1,022,470)
	-	6,039,621	21,110,466	5,109,502	6,406,832	48,339,473	19,295,167	11,405,944	117,707,005
<b>Net book value</b>	<b>\$ 71,911,405</b>	<b>\$ 10,187,753</b>	<b>\$ 22,378,547</b>	<b>\$ 3,875,299</b>	<b>\$ 3,141,430</b>	<b>\$ 101,717,460</b>	<b>\$ 34,500,045</b>	<b>\$ 24,549,789</b>	<b>\$ 272,261,728</b>
<b>2020</b>									
	Land	Land Improvements	Buildings	Vehicles	Furniture & Equipment	Transportation Infrastructure	Sewer & Drainage Infrastructure	Water Infrastructure	Total
<b>Historical cost<sup>1</sup></b>									
Opening cost	\$ 66,754,749	\$ 14,168,792	\$ 41,897,012	\$ 8,256,555	\$ 8,628,113	\$ 143,528,191	\$ 49,892,401	\$ 34,118,690	\$ 367,244,503
Additions	956,499	1,630,955	834,575	1,059,512	575,759	3,048,487	2,038,972	762,173	10,906,932
Disposals	-	-	-	(451,752)	(6,096)	(95,004)	(244,914)	(136,358)	(934,124)
	67,711,248	15,799,747	42,731,587	8,864,315	9,197,776	146,481,674	51,686,459	34,744,505	377,217,311
<b>Accumulated amortization</b>									
Opening balance	-	4,929,329	18,238,533	4,576,248	5,910,534	44,342,201	18,369,710	10,708,770	107,075,325
Amortization expense	-	478,554	1,452,974	477,710	302,096	2,199,884	633,786	422,309	5,967,313
Disposals	-	-	-	(391,753)	(5,924)	(77,150)	(154,305)	(109,864)	(738,996)
	-	5,407,883	19,691,507	4,662,205	6,206,706	46,464,935	18,849,191	11,021,215	112,303,642
<b>Net book value</b>	<b>\$ 67,711,248</b>	<b>\$ 10,391,864</b>	<b>\$ 23,040,080</b>	<b>\$ 4,202,110</b>	<b>\$ 2,991,070</b>	<b>\$ 100,016,739</b>	<b>\$ 32,837,268</b>	<b>\$ 23,723,290</b>	<b>\$ 264,913,669</b>

<sup>1</sup>Included in historical cost are assets under construction with a total cost of \$33,747,994 (2020 - \$39,477,646). No amortization has been recorded on these assets as they are in progress and not complete at year-end.

# 2021 Declaration of Disqualification

The following information is provided in accordance with Section 98(2)(e) of the Community Charter, S.B.C. 2003, c. 26, as amended. I hereby declare that there have been no applications for the declaration of disqualification of a Council member made pursuant to Section 111 of the Community Charter in 2021 pertaining to the City of Langley.



Kelly Kenney  
Corporate Officer



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