



20

**Annual
Report**

19





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Office of the Mayor



Langley City Council and staff have worked hard to balance the budget priorities and allocate resources while considering the needs of the community. In 2019, Langley City conducted an extensive Community Survey to obtain residents' feedback on municipal initiatives, community issues, and overall quality of life. Information from this survey helps the City respond effectively to public priorities and ensures that its programs and services are consistent with what the community wants.

City Council was happy to hear that a substantial majority (93%) of residents say they are satisfied with the overall level and quality of services provided by the City of Langley, and nearly all (95%) residents rate the City of Langley's overall quality of life as 'very good/good'. With residents' support, Langley City Council will continue to invest in City services, amenities, and facilities, so residents' can continue to have a high quality of life.

Langley City Council allocated funds to complete a number of projects in 2019. Some of the key accomplishments were a new dog off-leash area and field upgrades in City Park, many trail upgrades across the City, a seasonal display at Innes Corners Plaza, Douglas Park Community Garden, and installed red bus-only areas, in coordination with Translink, for better public transportation in Langley City and along Fraser Highway.

The City has also started some of the recommendations from the new vision strategy, Langley City: Nexus of Community, which includes updating the Official Community Plan (OCP) and Zoning Bylaw as well as the creation of Nicomekl River District Neighbourhood Plan. All of these projects are currently underway, and Council expects to share the outcomes of these initiatives with residents in 2020/2021. This bold new vision recognizes Langley City's unique opportunity to capitalize on the SkyTrain that will arrive in the next eight to ten years. The train is the catalyst for the vision, but the reason is people—those who are already here and those yet to come.

There is much more to say about the excellent work from Council and staff in 2019, but I would like to acknowledge the current circumstances that many are facing due to the COVID-19 global pandemic. While COVID-19 has forced the City to pause many priorities and cancel many programs and events due to the Provincial Health Officer's health orders, it has been inspiring to witness community members stepping up to support others during this challenging time.

To all in our community who are navigating this road alongside us – residents, businesses, stakeholders, and volunteers – we say thank you. You have demonstrated the true meaning of community, and I am very grateful and confident that we will move forward and successfully adapt to this new world together. Thank you!

Sincerely,

A handwritten signature in black ink, appearing to read 'Val', enclosed within a circular flourish.

Val van den Broek
Langley City Mayor

Office of the CAO



On behalf of Langley City employees, I am proud to present the 2019 Annual Report, which details the City's financial position and expands on many significant initiatives and accomplishments over the past year.

The City's Strategic Plan forms the foundation of our annual business plans and work plans and aligns with our mission of being a vibrant, healthy and safe community. City Council places great emphasis on offering a welcoming and diverse living environment to raise a family. We accomplish this by creating a desirable location for families, businesses, and industry, and that our policies and strategies create a vibrant economy that positions the City as the Regional Hub in the Fraser Valley for innovation, education, technology, shopping, health industry, leisure, and entertainment; and to be more active in achieving the Zero Waste goals.

We made significant progress with a number of key recommendations from the Langley City: Nexus of Community visioning document. The updating of the Official Community Plan (OCP) is essential to provide the desired policy direction, set the stage for the advent of Rapid Transit, broaden the zoning toolkit and regulate design quality. The updating of the Zoning Bylaw allow us to align with the objectives and policies of a new OCP and provide the tools to implement desired land-use changes. The creation of the Nicomekl River District Neighbourhood Plan will allow the introduction of gentle density and more housing options for the residential area south of the Nicomekl River. We have explored opportunities for the City to designate large sites for significant, comprehensively planned projects by large developers, who can help transform the City, leverage the SkyTrain investment, and advocate positive change by leadership and special projects.

Our Financial Plan, and related strategies and policies, continue to provide a stable foundation for all our capital and operational undertakings. We proactively monitor the long term funding strategy in relation to growth management, regional influences, and best practices to ensure both the City's financial resilience, and the ability to respond to opportunities for collaboration with private and public partners.

This is an exciting and transformational time for Langley City. We will continue working towards attaining our goals to enhance our community while being accountable to our citizens. Our talented and dedicated team is committed to delivering quality programs and services and improving the livability of our community, making Langley City "the Place to Be!"

Sincerely,

A handwritten signature in black ink, appearing to be 'Francis Cheung'.

Francis Cheung, P. Eng.
Chief Administrative Officer



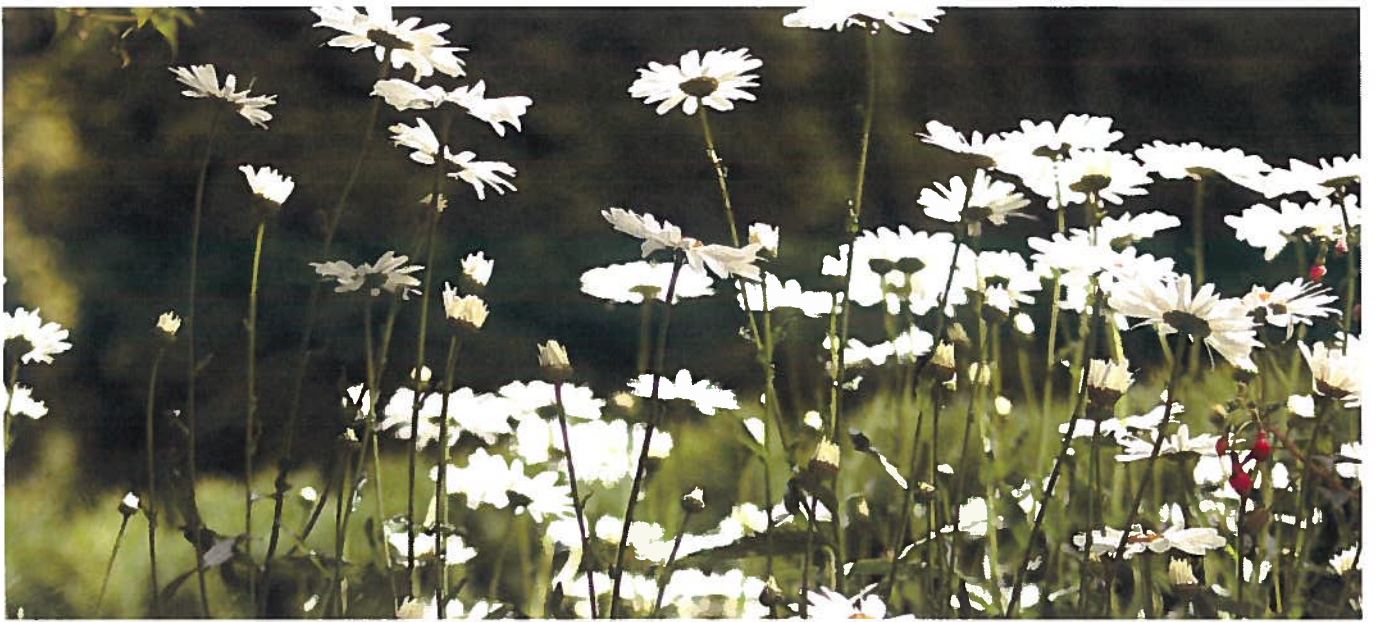
City Council

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

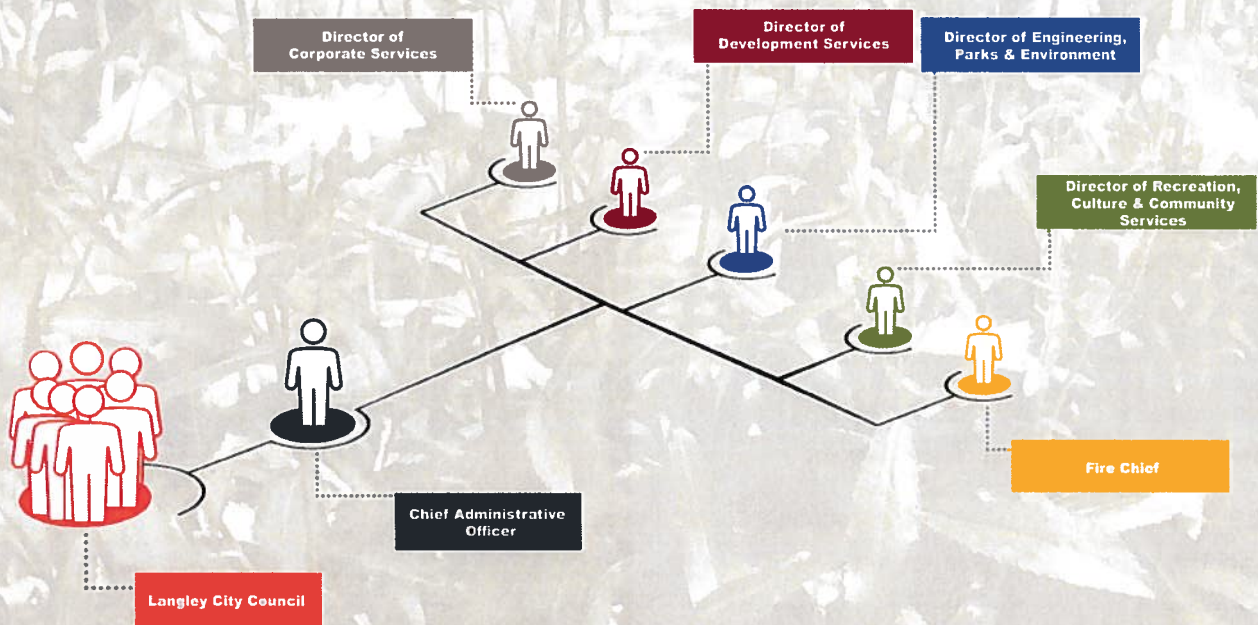


SENIOR MANAGEMENT TEAM

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



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 4%, and interest income 2% of total revenues. Transfers from other governments contributed 4%.

Casino proceeds primarily fund capital projects like road rehabilitation and replacement of aging water and sewer pipes contributed 14%.

Did You Know?

Langley City collects taxes on behalf of other levels of government. Only 69% of your taxes goes to the City with the remaining 31% going to Provincial School taxes, Translink, Metro Vancouver, BC Assessment Authority, Downtown Langley Business Association (DLBA) and Municipal Finance Authority.

Casino Proceeds Lower Your Taxes

Since 2005, the City has invested \$95 million of Casino Proceeds into the Community. Using Casino Proceeds to fund capital projects prevents borrowing and paying principal and interest charges, which has kept the City's tax rate 20% lower while maintaining a debt-free status.

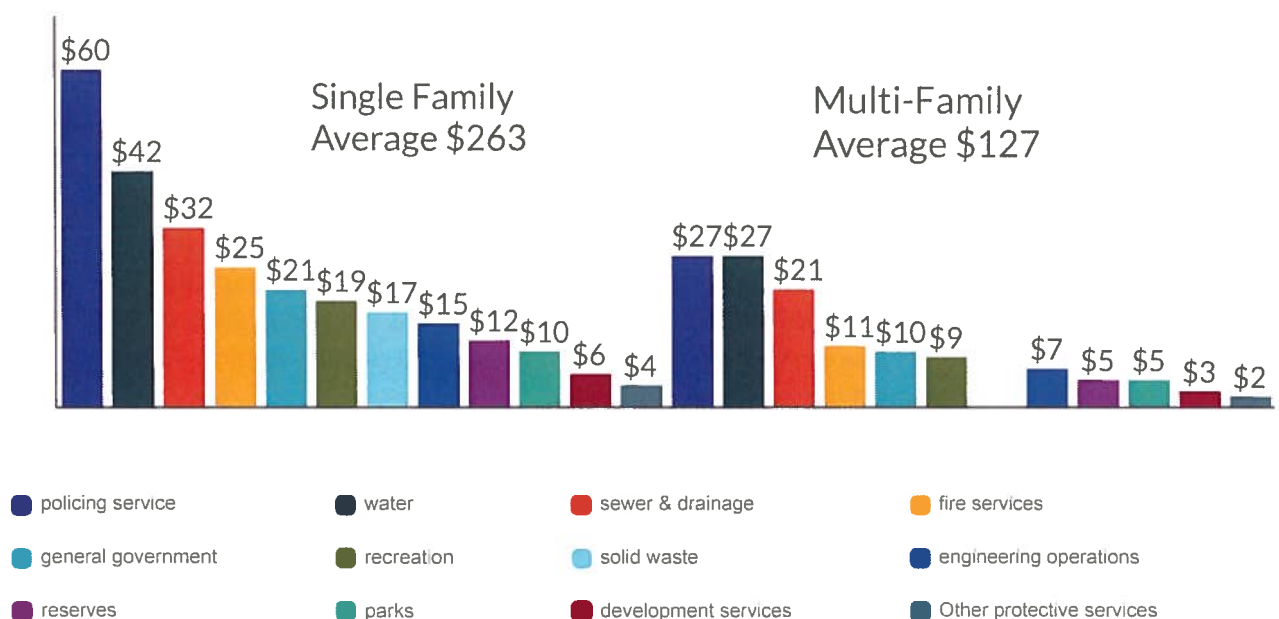


Traffic Calming Project



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 assist businesses. The charts below shows where the average single family home and multi-family home contributes each month for the City to provide services.



2017 - 2021 Strategic Plan

2019 Accomplishments



Infrastructure Renewal

Initiative: Support a Regional rapid transit system to downtown Langley under the Metro Vancouver Mayors' 10- Year Vision for Metro Vancouver Transit and Transportation.

Accomplishment: The City entered into an Memorandum of Understanding (MOU) with Translink, Metro Vancouver's Transit and Transportation organization, and will continue to work together in bringing SkyTrain to our community. In addition, after conducting public consultation, Langley City in coordination with Translink, has implemented Fraser Transit Priority Measures, which includes Red Bus Priority lanes. These improvements allow for more service along the Fraser Hwy corridor, reduces overcrowding, and bus only lanes to improve the speed and reliability of transit on this corridor.

Looking Ahead: The City will continue to monitor the impacts and assess if further adjustments are needed. This project is one more initiative that will support the increased ridership in the City and will help grow the demand for future fixed rapid transit (Skytrain).



Quality of Life

Initiative: Support community pride and civic engagement programs to promote neighbourhood identity and image.

Accomplishment: Created six unique banners to promote neighbourhood identity.

Looking Ahead: Langley City will continue to update the Neighbourhood Banners every two years to strengthen Neighbourhood identity.



Revitalization

Initiative: Access feasibility to create a hub for innovation, education, technology, health, and entertainment.

Accomplishment: Langley City initiated the update to the Official Community Plan (OCP), involving community consultation, workshops and background analysis. This resulted in the creation of a draft future Land Use Concept, which identifies Glover Road as an 'Innovation Boulevard'. Stretching between the Kwantlen Polytechnic University (KPU) campus and Downtown, this strategic gateway is envisioned to host new educational, tech/innovation uses and complementary residential and commercial development as the City and KPU grow.

Looking Ahead: Langley City will be completing the OCP update this year, which will solidify the Innovation Boulevard as a key economic development initiative, along a corridor that is already seeing new investment and initiatives that complement this vision.



Communication

Initiative: Conduct a Community Survey tri-annually.

Accomplishment: Langley City partnered with Ipsos, a professional public opinion research company, to conduct its 2019 Community Survey. Ipsos Reid phoned 500 random residents to ask about various issues including, quality of life, financial planning, services and communications. The telephone survey's goal is to get an equal representation of all ages and genders to ensure the survey results accurately represent the entire population of the City.

Looking Ahead: Langley City will continue to conduct a Community Survey every three years to evaluate the needs and wants of the community.



Environment

Initiative: Update Tree Inventory and Develop a Tree Asset Management Plan; Develop an Urban Forest Management Strategy

Accomplishment: In 2019 the City of Langley Council approved an arborist position which be focused on managing the city's tree inventory. Due to numerous factors, this position was delayed and went unfilled until 2020 however; the position will help to create an updated tree inventory date base, which will enable the city to move towards its goal of a Tree Asset Management Plan. The City is also updating the subdivision and development bylaw, which will improve the street tree-planting standard to improve tree health and appropriate species selection for long-term health and minimized impact of other city infrastructure, e.g. root/sidewalk conflicts.

Looking Ahead: The City plans to initiate the Urban Forest Management Strategy in 2021.



Protective Services

Initiative: On-going Partner with social service agencies to develop programs to mitigate social and homeless issues in the community.

Accomplishment: Through partnership with the Township of Langley and Fraser Health, obtained a Community Action Initiative Grant for \$50,000.

Looking forward: The Community Action Initiative Grant will be used to fund and enhance harm reduction, peer education, aboriginal cultural awareness and business engagement around the opioid crisis in the Langleys and in partnership with the Lookout Society.



Organizational Excellence

Initiative: Create performance metrics to ensure that progress are made with the recommendations under the Langley City: Nexus of Community visioning document.

Accomplishment: Provided a progress report ending 2019 on the recommendations from the Langley City Vision: Recommendations and Implementation Report to City Council. The recommendations provide implementation measures that address the four themes - 'community', 'connected', 'experiences' and 'integrated' - of the vision, a vision that includes aspirational goals and implementation measures to ensure that the City continues to move from dream to reality. City Council and staff have been steadfast with our commitment to the Vision with significant progress made on many of the recommendations.

Looking Ahead: City Council and staff will continue to provide an annual progress report cards to the public to facilitate ongoing publicity and show evidence of the City's commitment to its Vision.



Departmental Overviews

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Administration

Informs, advises and provides services to City Council, direction and assistance to City departments and services to the public, and leads the overall conduct of the City in pursuing the City's 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.



Accomplishments



Implemented a number of key recommendations from the visioning document, **Langley City: Nexus of Community** such as the Official Community Plan and Zoning Bylaw Updates and the Nicomekl River District Neighbourhood Plan.



Established a **Performing Arts and Cultural Centre Task Group** to carry out Phase 2 of the feasibility study



Established an **Environmental Task Group, and Arts and Culture Task Group**



Adopted the Use of Corporate Identity and Brand policy, and implemented Langley City's new corporate brand



Responded to 8,823 Requests for Service

Looking Forward

The Langley City: Nexus of Community vision describes a Langley City that has affordable and diverse housing, is highly walkable, is attractive to the present and future economy, and is environmentally sustainable. This will be achieved by the completion of the Official Community Plan Update, Zoning Bylaw Update and the Nicomekl River District Neighbourhood Plan. The Economic Development Task Group will be continue to support businesses in the community in 2020. The Performing Arts and Culture Centre Task Group will be developing the business case on a performing arts and culture centre to Langley City.

Corporate Services

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 also acts as the City's principal contact for contract partners like the Royal Canadian Mounted Police, Langley Youth and Family Services and the Fraser Valley Regional Library.

PROPERTY TAX
DUE DATE: Thursday, July
2% PENALTY IF NOT PAID OR GRANT NOT CLAIMED
ADDITIONAL 8% PENALTY ADDED TO ANY CURRENTLY OUTSTANDING BALANCE
FOR CLASS 5, 6, 8 THE PENALTY

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ACCESS

Accomplishments



Compiled the 2019 Financial Plan and Capital Improvement Plan.



411 new client referrals made to Langley Youth and Family Services during the year with **1,883 Counselling sessions** recorded.



Sponsored the annual **RCMP cadet camp for 100 kids** between 10 – 12 years old



Updated web streaming of Council meetings to eSCRIBE



Installed a **new fibre optic line on 203 St** connecting the Fire Hall to City Hall.



Promoted the Tempest My City module allowing residents on-line access to property tax, utility, dog and business licence accounts expanding the number of users from 1,792 to **2,117 in 2019**.

Looking Forward

In 2020, the Corporate Services department will update the online Tempest application allowing taxpayers to remotely access, sign permits and development inspections. We will update the payroll processing to allow for employee electronic time sheets entry and update the end user computers to Office 365.

Engineering, Parks & Environment

Ensures the safe and efficient movement of people, goods and services within Langley City. Functions include providing technical expertise and supervision for municipal infrastructure projects, road maintenance, environmental programs, transportation, sanitary, storm drainage, water, solid waste systems, traffic operations and signage. Engineering Services liaisons with various government partners, provide technical support, mapping services. Engineering Operations performs maintenance and repair services for the City's road network, responds to spills and contamination of watercourses, manages the water supply network, sanitary sewer and drainage infrastructure, and is responsible for fleet and equipment maintenance and Operations Centre support such as Dispatch and the Maintenance Management Systems. Park Operations supervises and administers all park functions and activities such as parks master planning, parks facilities, trail networks, irrigation and drainage systems and field maintenance.



Accomplishments



Completed Pipe Bursting project to **replace and upgrade a sewer main on 203 St**, Fraser Hwy to Logan Ave. This method save cost and reduced traffic disruption during construction.



Converted approximately 80% of the City street lights to **high efficiency LED**.



City Park and Dog Park construction and grand opening.



Construction of **Douglas Park Community Garden**



Responded to 3017 Requests for Service



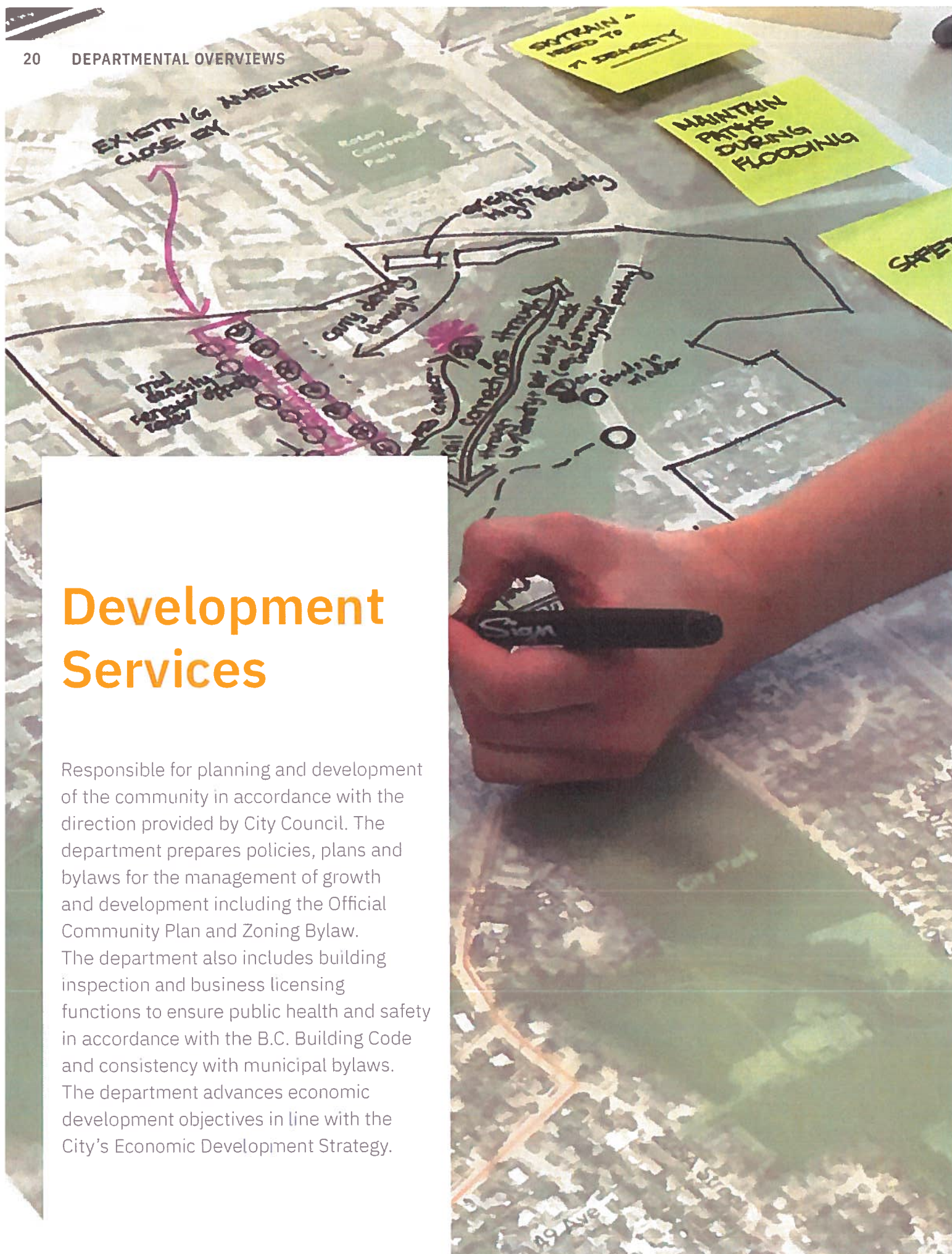
Completed **sidewalk improvements on Fraser Hwy** from Landmark Way to Langley Bypass and 206 St from 44 Ave to 44A Ave

Looking Forward

The Engineering, Parks & Environment department will complete the Douglas Park & Rotary Park Community Gardens, eliminate watermain pipe twinning on 207 Street, Douglas Crescent to 53A Avenue, streetlight conversion to LED project, construction of new washroom at Nicholas Park, construction of new retaining wall along Nicomekl River east of 203 Street, construction of Brydon park Off-Leash Dog Park and enhanced trail system and conversion of Douglas Park Tennis Courts to dedicated Pickle Ball Courts.

Responsible for planning and development of the community in accordance with the direction provided by City Council. The department prepares policies, plans and bylaws for the management of growth and development including the Official Community Plan and Zoning Bylaw. The department also includes building inspection and business licensing functions to ensure public health and safety in accordance with the B.C. Building Code and consistency with municipal bylaws. The department advances economic development objectives in line with the City's Economic Development Strategy.

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Accomplishments



13 new development applications processed for 825 multi-family residential units, and 2 single family lots



292 new Building Permit applications processed with a construction value of \$101 million



1886 Business Licences Issued; 329 new applications



Updated the Neighbourhoods Profiles and the "Getting to Know Langley City" educational workbook



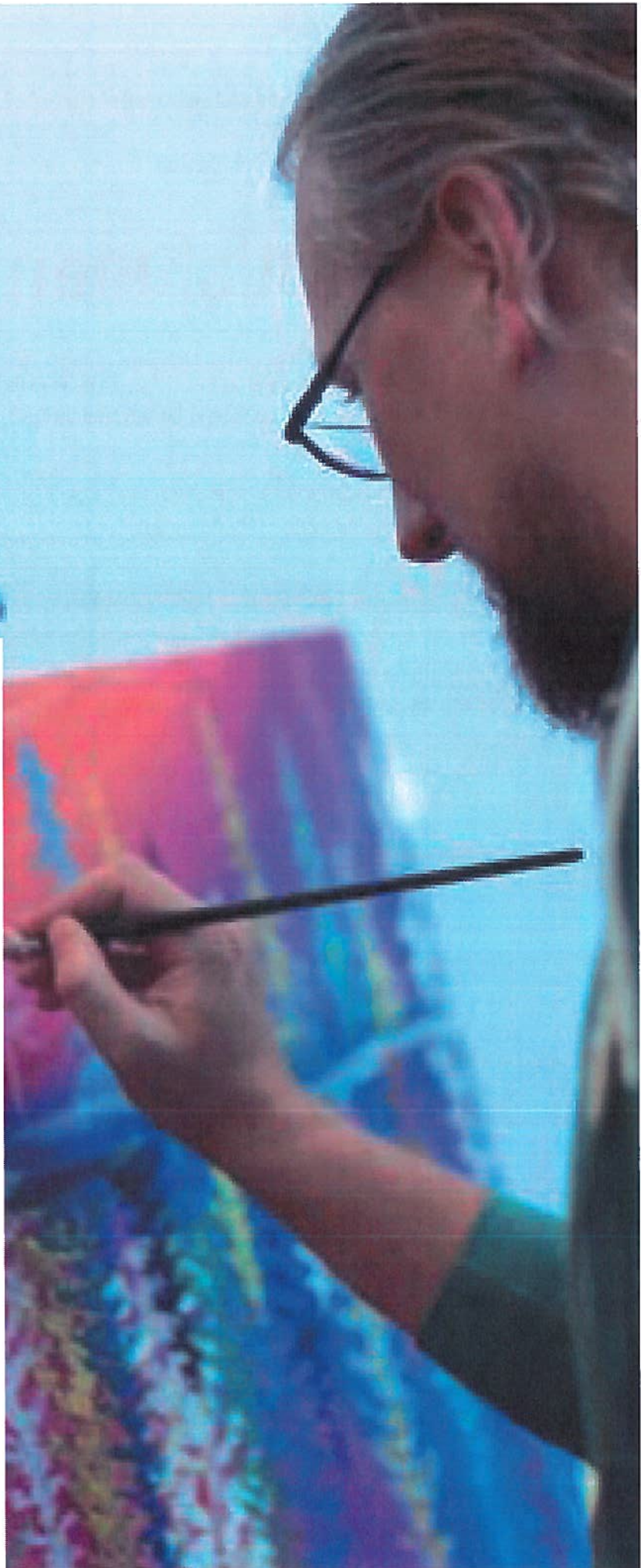
Conducted the 2019 Community Profile

Looking Forward

The Development Services Department will participate in UDI events, complete the New Official Community Plan (OCP), update Zoning Bylaw and Nicomekl River District Neighbourhood Plan, plan for the arrival of SkyTrain, continue to issue building permits and business licences, process development applications, and support the department's initiatives that aim to assist community recovery. The department will also be updating the City's website to highlight and support these initiatives and improve access to information for investors, businesses and residents.

Recreation, Culture & Community Services

Creates recreational opportunities that nurture healthy individuals and families, strong and unique neighbourhoods, 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 providing and facilitating diverse recreational, cultural and community experiences. Play a vital role in the social, economic, environmental, physical, and mental wellbeing of our city.



Accomplishments



36,326 hours rented at recreation facilities and park amenities, including sport fields



5,980 registered program participants and **176,679 drop-in** participants visited Al Anderson Memorial Pool, Douglas Recreation Centre and Timms Community Centre



Received a **\$25,000 UBCM grant** to create an action plan outlining actions by the city, service providers and other stakeholders and would lead to the creation of new childcare spaces over the next 10 years.



Hosted **92 Community Events and Sports Tournaments**; 51 Langley City events, 30 Community Organized events, and 11 Sport Tournaments



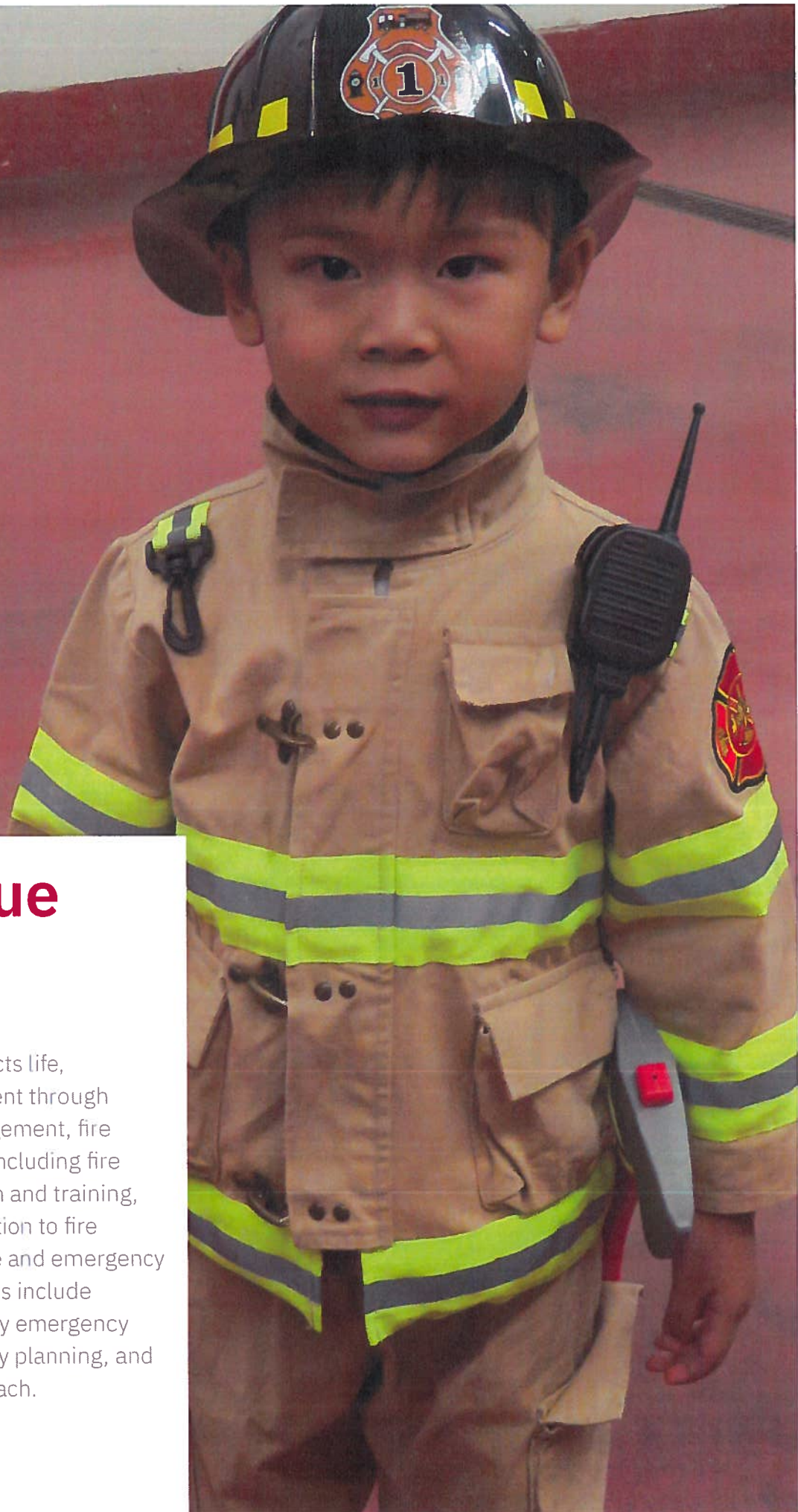
Launched the #LCLive! events branding and marketing campaign

Looking Forward

The recreation, health and wellness programs, services, activities and experiences offered by Langley City Recreation will play an increasingly important role by helping to support the aging population, increasing diversity, reducing rates of chronic disease; decreasing social isolation, improving mental wellness and ensuring affordability and access. 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 services will be provided going forward.

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. In addition to fire suppression, rescue service and emergency medical services, other roles include working with our community emergency service partners, emergency planning, and providing community outreach.



Accomplishments



On-going **training of city staff in Emergency Operations Centre (EOC) roles**



Ongoing **development and revision of department Operational Guidelines**



Continued **joint training with TOL Fire Department and Surrey Fire Departments**



Ongoing **fire inspector training** for career firefighters



Hosted a **High School student work experience** program



Fire Officer 1 training for Paid-on-Call officers and senior firefighters

Looking Forward

In 2020, the Fire Rescue Service will implement a risk-based fire inspection program; conduct joint Emergency Scene Management training with the Township of Langley; develop team leader Rapid Intervention Team training; adopt regional Mayday procedures; procure new self contained breathing apparatus and implement a daytime firefighter team.

Langley RCMP

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



Accomplishments



14,572 Calls for Service, of which 6,462 were founded.



Created **partnerships with Security staff and Retail outlets** in the Willowbrook area to address property crime and shoplifting in the area.



Arrest of a City resident with a criminal record stretching over 18 years and the subsequent civil forfeiture of 30% of his residential property, a value \$150,000.



Launched the **"Nothing to Steal but this Sign" campaign** and distributed mirror hangers with reminders for car owners to remove property from a parked car.



Langley members have been assisting the Province to ensure **public safety while combating wildfires** in various regions of BC.

Looking Forward

Langley RCMP will create a Criminal Crash Investigation Team to investigate and pursue appropriate charges on Serious, Injury or Fatal Collisions. The five-person team will fully engage with several high profile collision investigations and review of older collisions including the serious injury collision from six years ago.

2019 Community Grants

Animal Care

Critter Care Wildlife Society	\$2,500.00
Langley 4H District Council	\$150.00

Total Awarded: \$2,650.00

Arts and Culture

Bard in the Valley	\$11,285.40
Downtown Langley Business Association Festivals	\$10,000.00
Kwantlen Polytechnic University Kiwanis	\$5,500.00
Fraser Valley Music Festival Society	\$1,650.00
Langley Ukulele Association	

Total Awarded: \$28,435.40

**City Council
Awarded
\$166,488.99
in 2019**

Children and Youth

Big Brothers Big Sisters	\$3,000.00
Blacklock Elementary School PAC	\$1,500.00
Boys and Girls Club of South Coast of BC	\$7,250.00
Children of the Street Society	\$1,000.00
Douglas Park Community School Society	\$4,000.00
Elijah Place	\$3,465.00
Encompass Support Services Society Best Babies Program	\$6,187.59
Fraser Region Community Justice Initiatives	\$2,000.00
Langley Fastball Association	\$2,500.00
Langley Fundamental School Dry Grad	\$500.00
Langley Literacy Association Christmas Bureau	\$2,500.00
Langley Scholarship Committee	\$4,500.00
Langley Secondary School Dry Grad	\$500.00
Mountain Secondary School Dry Grad	\$500.00
Pucks Powerplay Foundation	\$2,500.00
Youth Parliament	\$1,000.00

Total Awarded: \$42,902.59

Events

Canadian Chili and BBQ Society	\$10,000.00
Langley Community Farmers Market Society	\$4,500.00
Langley Royal Canadian Legion Remembrance Day	\$4,750.00
Lower Fraser Valley Aboriginal Society	\$2,627.00
Rotary RibFest Langley	\$2,500.00
Southgate Church Back to School Event	\$4,500.00
Terry Fox Run Langley City	\$866.40

Total Awarded: \$29,743.40

Health and Social Support

Codependents Anonymous	\$999.80
Fibromyalgia Well Spring Foundation	\$1,000.00
Fraser Valley Cultural Diversity Awards	\$750.00
Langley Care Foundation - Langley Lodge	\$3,000.00
Langley Child and Youth Mental Health	\$1,500.00
Langley Community Services Society	\$5,000.00
Langley Division of Family Practice	\$1,500.00
Langley Food Bank Society	\$2,500.00
Langley Hospice Society	\$2,062.00
Langley Pos-Abilities Society	\$1,261.31
Langley Senior Resources Society	\$15,000.00
Parkinson's Society of British Columbia Langley	\$236.25
Seniors in Langley	\$355.00
Shape Your World Society	\$4,906.00
SMART Recovery	\$600.00
Triple A Senior Housing Society	\$547.00
Volunteer Cancer Drivers Society	\$1,000.00

Total Awarded: \$42,217.36

Other

Downtown Langley Business Association Remembrance Day Banners	\$886.64
Langley Amateur Radio Association	\$262.60
Langley Field Naturalists	\$1,600.00
Pitch-In Canada	\$425.00

Total Awarded: \$3,174.24

Sports

Canadian National Racquetball Championship	\$1,000.00
Douglas Park Charity Pickleball Tournament	\$4,000.00
Langley Baseball Association	\$8,000.00
Langley Flippers Swim Club	\$3,066.00
Langley Lawn Bowling Club	\$1,300.00

Total Awarded: \$17,366.00



Bard in the Valley



Douglas Park Charity Pickleball Tournament



DLBA Festivals

Permissive Tax Exemptions

Organization

Anglican Parish of St. Andrew	\$26,018
Bridge Community Church	\$20,679
Church of the Nazarene	\$23,397
City of Langley	\$97,583
Global School Society	\$9,748
Inclusion Langley Society	\$17,290
Langley Care Society	\$62,595
Langley Community Music School	\$46,952
Langley Community Services	\$14,489
Langley Evangelical Free Church	\$29,908
Langley Hospice Society	\$6,037
Langley Lawn Bowling Club	\$37,802
Langley Seniors Resource Society	\$54,416
Langley Stepping Stones	\$6,163
New Apostolic Church Canada	\$11,018
Salvation Army - Gateway of Hope	\$3,177
Southgate Christian Fellowship	\$19,606
St. Joseph Roman Catholic Church	\$59,414
United Church of Langley	\$18,542
Vineyard Christian Fellowship	\$42,436

Total Provided: \$607,270

**City Council
Provided
\$607,270
in 2019**

Financial Statements

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Director of Corporate Services Letter of Transmittal

June 1, 2020

Mayor van den Broek and Members of Council:

I am pleased to present the Consolidated Financial Statements of the City of Langley for the year ended December 31, 2019.

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, 2019 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 is debt free and in a solid financial position at the end of 2019. The City has a healthy net financial assets balance of \$46 million.

The City's accumulated surplus includes \$260 million in tangible capital assets (land, buildings, equipment and engineering structures like roads and utility pipes) with a net increase of \$2.2 million after allowing for amortization expenses and the disposal of assets like vehicles being replaced.

With the exception of the Development Services, Parks and a larger transfer to reserves, all the City's departmental operating expenditures for the year 2019 met the budgeted projections. The City collected \$29.6 million in taxation revenues and a further \$9.1 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 continue to 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

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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 Vancouver BC V6C 3L2 Canada

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 "Consolidated Entity"), which comprise the Consolidated Statement of Financial Position as at December 31, 2019 and the Consolidated Statement of Operations, Consolidated Changes in Net Financial Assets, and the Consolidated Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Consolidated Entity as at December 31, 2019 and its consolidated results of operations, consolidated changes in net financial assets, and consolidated 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 Consolidated Financial Statements section of our report. We are independent of the Consolidated Entity in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated 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 consolidated 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the consolidated financial statements, management is responsible for assessing the Consolidated 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 Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

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



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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Consolidated 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 Consolidated 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 consolidated 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 Consolidated Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated 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 Consolidated 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 25, 2020

CITY OF LANGLEY**Consolidated Statement of Financial Position
at December 31, 2019 with comparative figures for 2018**

	2019	2018
Financial Assets		
Cash & cash equivalents (Note 2)	\$ 42,873,431	\$ 22,159,086
Accounts receivable		
Taxes and utilities receivable	4,347,989	4,552,418
Receivables from other governments	2,439,712	2,168,321
Other receivables	2,157,382	2,090,225
Portfolio investments (Note 2)	32,101,800	42,098,460
	<u>83,920,314</u>	<u>73,068,510</u>
Liabilities		
Prepaid property taxes	4,664,303	4,323,597
Accounts payable and accrued liabilities	10,242,246	10,862,338
Employee future benefits (Note 3)	363,046	347,452
Deferred revenue	2,130,958	1,336,900
Deferred development cost charges (Note 4)	20,901,408	17,579,002
	<u>38,301,961</u>	<u>34,449,289</u>
Net Financial Assets	<u>45,618,353</u>	<u>38,619,221</u>
Non-Financial Assets		
Prepaid expenses	159,777	107,632
Supplies inventory	151,058	122,873
Tangible capital assets (Schedule 4)	260,169,178	257,942,522
	<u>260,480,013</u>	<u>258,173,027</u>
Accumulated Surplus (Note 5)	<u>\$ 306,098,366</u>	<u>\$ 296,792,248</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, 2019 with comparative figures for 2018

	2019 Financial Plan	2019	2018
	(Note 12)		
Revenues (Schedules 2 & 3)			
Property tax revenue (Note 6)	\$ 29,767,135	\$ 29,601,511	\$ 27,504,153
User fees and other revenue	13,343,245	13,410,968	15,772,694
Gaming proceeds	7,200,000	7,490,986	7,752,596
Government transfers (Note 7)	1,855,440	2,205,532	1,953,717
Investment earnings	714,500	1,596,503	1,186,465
Use of development cost charges (Note 4)	757,350	1,043,567	797,718
Gain (loss) on disposal of tangible capital assets	-	(31,860)	420,894
Contributed tangible capital assets	-	1,341,637	1,117,743
	<u>53,637,670</u>	<u>56,658,844</u>	<u>56,505,980</u>
Expenses (Schedules 2 & 3)			
General government services	6,067,635	5,509,973	5,126,883
Police service	13,036,380	12,107,298	12,004,352
Fire service	5,460,645	4,907,545	4,436,465
Other protective services	853,365	805,174	798,060
Engineering operations	6,885,930	6,135,382	5,820,568
Water utility	4,456,145	4,116,255	3,988,915
Sewer and drainage utility	3,876,170	3,645,034	3,710,405
Development services	1,506,890	1,579,381	1,159,947
Solid waste	689,770	683,060	655,515
Recreation services	5,087,600	5,056,626	4,784,063
Parks	2,793,900	2,806,998	2,765,268
	<u>50,714,430</u>	<u>47,352,726</u>	<u>45,250,441</u>
Annual Surplus	<u>2,923,240</u>	<u>9,306,118</u>	<u>11,255,539</u>
Accumulated Surplus - beginning of year	296,792,248	296,792,248	285,536,709
Accumulated Surplus - end of year (Note 5)	<u>\$ 299,715,488</u>	<u>\$ 306,098,366</u>	<u>\$ 296,792,248</u>

See accompanying notes to consolidated financial statements.

CITY OF LANGLEY**Consolidated Statement of Change in Net Financial Assets
Year ended December 31, 2019 with comparative figures for 2018**

	2019 Financial Plan	2019	2018
	(Note 12)		
Annual Surplus	\$ 2,923,240	\$ 9,306,118	\$ 11,255,539
Change in Capital Assets			
Acquisition of tangible capital assets	(7,470,250)	(6,883,395)	(12,373,678)
Contributed tangible capital assets	-	(1,341,637)	(1,117,743)
Amortization	5,541,940	5,959,166	5,657,083
Proceeds from sale of tangible capital assets	-	7,350	630,682
(Gain) loss on disposal of tangible capital assets	-	31,860	(420,894)
	(1,928,310)	(2,226,656)	(7,624,550)
Change in Other Non Financial assets			
(Increase) decrease in prepaid expenses	-	(52,145)	(14,490)
(Increase) decrease in supplies inventory	-	(28,185)	(2,520)
	-	(80,330)	(17,010)
Increase in Financial Assets	994,930	6,999,132	3,613,979
Net Financial Assets - beginning of year	38,619,221	38,619,221	35,005,242
Net Financial Assets - end of year	\$ 39,614,151	\$ 45,618,353	\$ 38,619,221

See accompanying notes to consolidated financial statements.

CITY OF LANGLEY

Consolidated Statement of Cash Flows

Year ended December 31, 2019 with comparative figures for 2018

	2019	2018
Cash Provided By (Used For)		
Operating Transactions		
Annual surplus	\$ 9,306,118	\$ 11,255,539
Items not involving cash:		
Development cost charge revenue recognized	(1,043,567)	(797,718)
Amortization	5,959,166	5,657,083
Amortization of investment premiums and discounts	(1,540)	(1,648)
Contributed tangible capital assets	(1,341,637)	(1,117,743)
(Gain) loss on disposal of tangible capital assets	31,860	(420,894)
Changes in non-cash working capital:		
Accounts receivable	(134,119)	2,307,440
Prepaid property taxes	340,706	72,576
Accounts payable and accrued liabilities	(604,498)	1,224,229
Prepaid expenses	(52,145)	(14,490)
Supplies inventory	(28,185)	(2,520)
Deferred revenue	794,058	179,069
	<u>13,226,217</u>	<u>18,340,923</u>
Capital Transactions		
Cash used to acquire tangible capital assets	(6,883,395)	(12,373,678)
Proceeds from sale of tangible capital assets	7,350	630,682
	<u>(6,876,045)</u>	<u>(11,742,996)</u>
Financing Transactions		
Receipt of deferred development cost charges and interest earned	4,365,973	4,541,521
Investing Transactions		
Purchase of investments	(32,101,800)	(52,100,000)
Redemption of investments	42,100,000	37,101,353
	<u>9,998,200</u>	<u>(14,998,647)</u>
Increase (Decrease) in Cash and Cash Equivalents	<u>20,714,345</u>	<u>(3,859,199)</u>
Balance - beginning of year	22,159,086	26,018,285
Balance - end of year	<u>\$ 42,873,431</u>	<u>\$ 22,159,086</u>

See accompanying notes to consolidated financial statements.

CITY OF LANGLEY

Notes to the Consolidated Financial Statements

Year ended December 31, 2019 with comparative figures for 2018

1. Significant accounting policies:

The City of Langley (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 policing, fire protection, 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 using guidelines 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 measurable 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 the 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 roll adjustments. The effects of these adjustments on taxes are recognized at the time they are awarded.

User fees and other revenue

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

CITY OF LANGLEY

Notes to the Consolidated Financial Statements

Year ended December 31, 2019 with comparative figures for 2018

(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.

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 as an offsetting funding source.

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 under the new standard, 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, 2019 or December 31, 2018.

CITY OF LANGLEY

Notes to the Consolidated Financial Statements

Year ended December 31, 2019 with comparative figures for 2018

2. Cash, cash equivalents and portfolio investments:

	2019	2018
Cash and cash equivalents	\$ 42,873,431	\$ 22,159,086
Portfolio investments	32,101,800	42,098,460
	<u>\$ 74,975,231</u>	<u>\$ 64,257,546</u>
Deferred development cost charges	\$ 19,826,761	\$ 16,614,332
Statutory reserves	10,039,764	8,964,086
Non-statutory reserves	31,942,541	25,959,140
Operating funds	13,166,165	12,719,988
	<u>\$ 74,975,231</u>	<u>\$ 64,257,546</u>

Cash and cash equivalents includes funds held in bank accounts at TD Canada Trust earning interest of prime rate less 1.65% (2018 - prime rate less 1.65%).

Portfolio investments, which include banker's acceptances and term deposits, have effective interest rates between 1.80% and 3.10% (2018 - 1.80% and 3.20%) with varying maturity dates up to 12 months. The market value of the investments as at December 31, 2019 was \$32,101,800 (2018 - \$42,108,376). Portfolio investments are recorded at amortized cost. 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. The valuation resulted in an unamortized actuarial loss as of December 31, 2019 of \$94,454 (2018 - \$79,048). 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, 2019 was \$363,046 (2018 - \$347,452), comprised as follows:

	2019	2018
Benefit liability - beginning of year	\$ 347,452	\$ 329,100
Current service cost	36,225	35,400
Interest cost	13,217	13,000
Benefits paid	(44,228)	(42,400)
Amortization of actuarial loss	10,380	12,352
Benefit liability - end of year	<u>\$ 363,046</u>	<u>\$ 347,452</u>
Accrued benefit obligation - end of year	\$ 457,500	\$ 426,500
Unamortized actuarial loss	(94,454)	(79,048)
Benefit liability - end of year	<u>\$ 363,046</u>	<u>\$ 347,452</u>

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

	2019	2018
Discount rate	2.70%	3.00%
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	10.4

CITY OF LANGLEY

Notes to the Consolidated Financial Statements

Year ended December 31, 2019 with comparative figures for 2018

4. Deferred development cost charges:

	Balance at Dec. 31, 2018	Contributions Received	Interest Earned	Use of Development Cost Charges	Balance at Dec. 31, 2019
Drainage	\$ 3,409,589	\$ 439,544	\$ 93,869	\$ -	\$ 3,943,002
Public Open Spaces	4,429,627	231,363	112,374	(569,169)	4,204,195
Roads	4,360,225	1,547,001	133,104	(180,201)	5,860,129
Sewer	3,779,741	1,277,603	114,272	(91,132)	5,080,484
Water	1,599,820	373,028	43,815	(203,065)	1,813,598
	<u>\$17,579,002</u>	<u>\$ 3,868,539</u>	<u>\$ 497,434</u>	<u>\$ (1,043,567)</u>	<u>\$ 20,901,408</u>

5. Accumulated surplus:

Accumulated surplus is distributed as follows:

	2019	2018
Operating surplus		
General	\$ 1,384,614	\$ 1,375,798
Sewer & Drainage	1,151,222	1,147,115
Water	1,411,047	1,403,587
	<u>3,946,883</u>	<u>3,926,500</u>
Equity in tangible capital assets		
General	205,236,567	204,063,676
Sewer & Drainage	31,522,691	30,846,489
Water	23,409,920	23,032,357
	<u>260,169,178</u>	<u>257,942,522</u>
Reserves (Schedule 1)		
Statutory reserves	10,039,764	8,964,086
Non-statutory reserves	31,942,541	25,959,140
	<u>41,982,305</u>	<u>34,923,226</u>
	<u>\$ 306,098,366</u>	<u>\$ 296,792,248</u>

6. 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:

	2019 Financial Plan	2019	2018
City property taxes	\$ 29,191,145	\$ 29,026,233	\$ 26,952,217
Grants in lieu of taxes	575,990	575,278	551,936
	<u>29,767,135</u>	<u>29,601,511</u>	<u>27,504,153</u>
Levies for other organizations			
School taxes		15,264,836	14,308,048
TransLink		3,161,991	2,872,013
British Columbia Assessment Authority		467,974	440,504
Metro Vancouver		461,938	473,148
Downtown Langley Merchants Assoc.		465,398	443,237
Municipal Finance Authority		2,311	1,991
Total collections for others		<u>19,824,448</u>	<u>18,538,941</u>
		<u>\$ 49,425,959</u>	<u>\$ 46,043,094</u>

CITY OF LANGLEY

Notes to the Consolidated Financial Statements

Year ended December 31, 2019 with comparative figures for 2018

7. Government transfers:

	2019 Financial Plan	2019	2018
Federal Government			
Community works fund	\$ 133,880	\$ 266,475	\$ 133,883
	133,880	266,475	133,883
Provincial Government			
Hotel tax revenue	170,000	200,269	171,404
Carbon tax revenue sharing	20,500	22,809	20,498
Traffic fine revenue sharing	450,000	475,823	452,388
Infrastructure funding	-	-	108,649
	640,500	698,901	752,939
Municipalities and Regional Authorities			
Police capital adjustment	40,200	49,423	40,227
Langley Youth & Family Services	371,160	363,221	356,090
Emergency preparedness	36,700	16,512	20,682
Major road network	633,000	645,000	641,000
Infrastructure funding	-	166,000	8,896
	1,081,060	1,240,156	1,066,895
	<u>\$ 1,855,440</u>	<u>\$ 2,205,532</u>	<u>\$ 1,953,717</u>

8. 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:

	2019	2018
Langley Christmas Bureau	\$ 214,826	\$ 280,265
Refundable deposits	11,662,955	14,278,015
Road bond reserve	41,350	41,350
GVS & DD development cost charges	206,607	100,265
	<u>\$ 12,125,738</u>	<u>\$ 14,699,895</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.

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

	2019			2018
	Operations	Capital	Total	Total
Salaries & benefits	\$ 14,350,873	\$ 300,709	\$ 14,651,582	\$ 13,566,848
Goods and services	27,042,687	6,582,686	33,625,373	38,400,188
Contributed tangible capital assets	-	1,341,637	1,341,637	1,117,743
Total expenditures	41,393,560	8,225,032	49,618,592	53,084,779
Amortization	5,959,166	-	5,959,166	5,657,083
Total expenditures & expenses	<u>\$ 47,352,726</u>	<u>\$ 8,225,032</u>	<u>\$ 55,577,758</u>	<u>\$ 58,741,862</u>

CITY OF LANGLEY

Notes to the Consolidated Financial Statements

Year ended December 31, 2019 with comparative figures for 2018

10. 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, 2018, the plan has about 205,000 active members and approximately 101,000 retired members. Active members include approximately 40,000 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 \$1,080,498 (2018 - \$1,038,327) for employer contributions while employees contributed \$898,597 (2018 - \$846,894) to the plan in fiscal 2019.

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.

11. 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, 2019 with comparative figures for 2018

12. 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 March 11, 2019 and does not reflect any amendments approved after the original adoption.

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

	Financial Plan
Surplus as per Financial Plan Bylaw No. 3099	\$ -
Capital asset additions	7,470,250
Transfer to non-statutory reserves	9,249,825
Transfer to statutory reserves	1,644,970
Amortization expense	(5,541,940)
Transfer from non-statutory reserves	(7,783,965)
Transfer from statutory reserves	(1,775,900)
Transfer from surplus	(340,000)
Financial Plan Surplus as per Consolidated Statement of Operations	<u>\$ 2,923,240</u>

13. 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 2019, the City recognized \$7,490,986 in revenues from the Province. Due to COVID-19 the casino has been temporarily closed so the 2020 revenues are expected to decline.

CITY OF LANGLEY

Notes to the Consolidated Financial Statements

Year ended December 31, 2019 with comparative figures for 2018

14. Subsequent events:

(A) COVID-19

Subsequent to year end, the impact of COVID-19 in Canada and on the global economy increased significantly. As the impacts of COVID-19 continue, there could be further impact on the City, its citizens, employees, suppliers and other third party business associates that could impact the timing and amounts realized on the City's assets and future ability to deliver services and projects. At this time, the full potential impact of COVID-19 on the City is not known. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of disruption and the related financial impact cannot be reasonably estimated at this time. The City's ability to continue delivering non-essential services and employ related staff, will depend on the legislative mandates from the various levels of government. The City will continue to focus on collecting receivables, managing expenditures, and leveraging existing reserves and available credit facilities to ensure it is able to continue providing essential services to its citizens.

(B) RCMP - Earned Retirement Benefits

On May 15, 2020, the Province of BC notified the City that they have agreed to pay the RCMP members' entitlement to accumulate severance pay for voluntary resignations and retirements as of March 31, 2012. This agreement creates an outstanding obligation of \$775,140 that must be paid by the City to the Province of BC by March 31, 2032. As the information was not known at year end and received subsequent to year end, no provision has been recorded in the consolidated financial statements.

CITY OF LANGLEY

Schedule 1

Consolidated Schedule of Statutory and Non-statutory Reserves

Year ended December 31, 2019

Statutory Reserves	Balance at Dec. 31, 2018	Developer Contributions	Internal Transfer Additions	Interest	Interna Exper
Capital Works	\$ 6,042,155	\$ -	\$ 1,424,450	\$ 165,975	\$
Equipment Replacement-Fire Dept.	695,997	-	55,000	18,548	
Lane Development	264,750	-	-	6,829	
Machinery Replacement	1,378,143	-	467,222	35,111	
Off-Street Parking	271,812	-	12,785	7,131	
Office Equipment Replacement	19,643	-	46,500	1,066	
Parks and Recreation	253,168	-	177,500	7,915	
P&R Future Projects	38,418	-	-	991	
Total	\$ 8,964,086	\$ -	\$ 2,183,457	\$ 243,566	\$

Non-statutory Reserves	Balance at Dec. 31, 2018	Developer Contributions	Internal Transfers Additions	Interest	Interna Exper
Community Works	\$ 11,985	\$ -	\$ 266,474	\$ 2,272	\$
Future Policing Costs	3,114,274	-	382,370	80,270	
Gaming Proceeds	12,260,304	-	7,490,986	358,728	
Major Road Network Rehab	1,500,008	-	342,082	38,713	
Prosperity Fund	1,350,000	-	525,000	34,820	
Sewer Future Capital	908,574	-	500,000	29,136	
Sewer Insurance Claims	32,559	-	-	840	
Special Bonds	4,822,558	94,085	-	125,099	
Tax Stabilization	347,095	-	1,000,000	8,952	
Water Future Capital	1,611,783	-	740,000	44,383	
Total	\$ 25,959,140	\$ 94,085	\$ 11,246,912	\$ 723,213	\$

Transfer ditures	Operational Expenditures	Capital Asset Additions	Balance at Dec. 31, 2019
-	\$ (336,905)	\$ (514,693)	\$ 6,780,982
-	-	(9,320)	760,225
-	-	-	271,579
-	-	(292,620)	1,587,856
-	-	-	291,728
-	-	(45,358)	21,851
-	(72,669)	(79,780)	286,134
-	-	-	39,409
-	\$ (409,574)	\$ (941,771)	\$ 10,039,764

Transfer ditures	Operational Expenditures	Capital Asset Additions	Balance at Dec. 31, 2019
-	\$ -	\$ (133,800)	\$ 146,931
-	-	(92,258)	3,484,656
(654,433)	(517,382)	(3,510,731)	15,427,472
-	-	-	1,880,803
-	-	-	1,909,820
-	(14,124)	(251,240)	1,172,346
-	-	-	33,399
-	-	(55,711)	4,986,031
-	-	-	1,356,047
-	(209,568)	(641,562)	1,545,036
(654,433)	\$ (741,074)	\$ (4,685,302)	\$ 31,942,541

CITY OF LANGLEY

Schedule 2

Consolidated Report of Segmented Revenues and Expenses

Year ended December 31, 2019

	2019 Financial Plan	General government	Police service	Fire service	Other protective services
	Note 12				
Revenue					
Property tax revenue	\$ 29,767,135	\$ 29,601,511	\$ -	\$ -	\$ -
User fees and other revenue	13,343,245	1,415,487	1,555	9,557	75,262
Gaming proceeds	7,200,000	7,490,986	-	-	-
Government transfers	1,855,440	266,475	525,246	-	379,734
Investment earnings	714,500	1,596,503	-	-	-
Use of development cost charges	757,350	-	-	-	-
Gain (loss) on disposal of capital assets	-	-	-	-	-
Contributed infrastructure	-	-	-	-	-
Total Revenue	53,637,670	40,370,962	526,801	9,557	454,996
Expenses					
Operating					
Salaries & benefits	15,861,065	3,054,104	10,007	3,895,057	101,022
Goods and services	29,311,425	1,854,195	12,017,963	715,021	704,152
	45,172,490	4,908,299	12,027,970	4,610,078	805,174
Amortization	5,541,940	601,674	79,328	297,467	-
Total Expenses	50,714,430	5,509,973	12,107,298	4,907,545	805,174
Annual Surplus (Deficit)	\$ 2,923,240	\$ 34,860,989	\$(11,580,497)	\$ (4,897,988)	\$ (350,178)

Engineering operations	Water utility	Sewer & drainage utility	Development services	Solid waste	Recreation services	Parks	2019
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,601,511
226,899	4,942,624	4,078,808	1,851,231	680,642	9,287	119,616	13,410,968
-	-	-	-	-	-	-	7,490,986
811,000	-	-	223,077	-	-	-	2,205,532
-	-	-	-	-	-	-	1,596,503
180,201	203,065	91,132	-	-	-	569,169	1,043,567
(2,277)	(18,676)	(9,060)	-	-	-	(1,847)	(31,860)
822,437	88,600	430,600	-	-	-	-	1,341,637
2,038,260	5,215,613	4,591,480	2,074,308	680,642	9,287	686,938	56,658,844
1,841,276	568,719	398,280	983,876	19,999	2,280,109	1,198,424	14,350,873
1,834,641	3,114,332	2,643,220	565,866	663,061	1,975,266	954,970	27,042,687
3,675,917	3,683,051	3,041,500	1,549,742	683,060	4,255,375	2,153,394	41,393,560
2,459,465	433,204	603,534	29,639	-	801,251	653,604	5,959,166
6,135,382	4,116,255	3,645,034	1,579,381	683,060	5,056,626	2,806,998	47,352,726
\$ (4,097,122)	\$ 1,099,358	\$ 946,446	\$ 494,927	\$ (2,418)	\$ (5,047,339)	\$ (2,120,060)	\$ 9,306,118

CITY OF LANGLEY

Schedule 3

Consolidated Report of Segmented Revenues and Expenses

Year ended December 31, 2018

	2018 Financial Plan	General government	Police service	Fire service	Other protective services
Revenue					
Property tax revenue	\$27,661,540	\$27,504,153	\$ -	\$ -	\$ -
User fees and other revenue	11,756,070	2,895,844	1,625	1,263	38,094
Gaming proceeds	6,800,000	7,314,631	-	-	-
Government transfers	1,754,190	123,883	492,615	2,600	376,772
Investment earnings	607,350	1,186,465	-	-	-
Use of development cost charges	1,098,900	-	-	-	-
Gain (loss) on disposal of capital assets	-	-	-	(31,418)	-
Contributed infrastructure	-	-	-	-	-
Total Revenue	49,678,050	39,024,976	494,240	(27,555)	414,866
Expenses					
Operating					
Salaries & benefits	14,338,370	2,865,098	6,650	3,567,145	108,548
Goods and services	26,920,095	1,654,606	11,914,980	575,173	689,512
	41,258,465	4,519,704	11,921,630	4,142,318	798,060
Amortization	5,278,040	607,179	82,722	294,147	-
Total Expenses	46,536,505	5,126,883	12,004,352	4,436,465	798,060
Annual Surplus (Deficit)	\$ 3,141,545	\$33,898,093	\$(11,510,112)	\$ (4,464,020)	\$ (383,194)

Engineering operations	Water utility	Sewer & drainage utility	Development services	Solid waste	Recreation services	Parks	2018
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$27,504,153
512,915	5,023,167	4,085,835	2,021,028	663,101	98,331	431,491	15,772,694
-	-	-	-	-	357,965	80,000	7,752,596
745,945	20,000	-	191,902	-	-	-	1,953,717
-	-	-	-	-	-	-	1,186,465
180,661	-	144,071	-	-	-	472,986	797,718
475,071	(12,954)	-	-	-	-	(9,805)	420,894
699,719	126,299	291,725	-	-	-	-	1,117,743
2,614,311	5,156,512	4,521,631	2,212,930	663,101	456,296	974,672	56,505,980
1,605,381	526,454	380,121	804,824	15,712	2,244,948	1,169,440	13,294,321
2,015,757	3,026,641	2,724,758	326,534	639,803	1,736,979	994,294	26,299,037
3,621,138	3,553,095	3,104,879	1,131,358	655,515	3,981,927	2,163,734	39,593,358
2,199,430	435,820	605,526	28,589	-	802,136	601,534	5,657,083
5,820,568	3,988,915	3,710,405	1,159,947	655,515	4,784,063	2,765,268	45,250,441
\$ (3,206,257)	\$ 1,167,597	\$ 811,226	\$ 1,052,983	\$ 7,586	\$ (4,327,767)	\$ (1,790,596)	\$ 11,255,539

CITY OF LANGLEY

Schedule 4

Schedule of Tangible Capital Assets

Year ended December 31, 2019 with comparative figures for 2018

2019	Land	Land Improvements	Buildings	V
Historical cost¹				
Opening cost	\$ 66,754,749	\$ 12,905,511	\$ 41,473,040	\$
Additions		1,263,281	423,972	
Disposals	-	-	-	
	66,754,749	14,168,792	41,897,012	
Accumulated amortization				
Opening balance	-	4,455,633	16,722,323	
Amortization expense	-	473,696	1,516,210	
Disposals	-	-	-	
	-	4,929,329	18,238,533	
Net book value	\$ 66,754,749	\$ 9,239,463	\$ 23,658,479	\$
2018	Land	Land Improvements	Buildings	V
Historical cost¹				
Opening cost	\$ 66,541,381	\$ 10,755,320	\$ 40,705,836	\$
Additions	217,879	2,150,191	767,204	
Disposals	(4,511)			
	66,754,749	12,905,511	41,473,040	
Accumulated amortization				
Opening balance	-	4,019,405	15,214,968	
Amortization expense	-	436,228	1,507,355	
Disposals	-			
	-	4,455,633	16,722,323	
Net book value	\$ 66,754,749	\$ 8,449,878	\$ 24,750,717	\$

¹Included in historical cost are assets under construction with a total cost of \$38,165,118 (2018 - \$44,739 year-end).

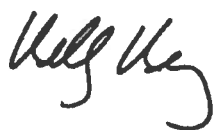
ehicles	Furniture & Equipment	Transportation Infrastructure	Sewer & Drainage Infrastructure	Water Infrastructure	Total
8,028,462	\$ 8,043,507	\$ 140,139,365	\$ 48,628,697	\$ 33,321,837	\$ 359,295,168
301,940	584,606	3,544,817	1,284,945	821,471	8,225,032
(73,847)	-	(155,991)	(21,241)	(24,618)	(275,697)
8,256,555	8,628,113	143,528,191	49,892,401	34,118,690	367,244,503
4,206,410	5,581,196	42,315,396	17,782,208	10,289,480	101,352,646
433,389	329,338	2,181,618	599,683	425,232	5,959,166
(63,551)	-	(154,813)	(12,181)	(5,942)	(236,487)
4,576,248	5,910,534	44,342,201	18,369,710	10,708,770	107,075,325
3,680,307	\$ 2,717,579	\$ 99,185,990	\$ 31,522,691	\$ 23,409,920	\$ 260,169,178

ehicles	Furniture & Equipment	Transportation Infrastructure	Sewer & Drainage Infrastructure	Water Infrastructure	Total
7,803,792	\$ 7,901,085	\$ 134,896,478	\$ 45,668,335	\$ 32,596,925	\$ 346,869,152
813,802	142,422	5,613,980	3,009,258	776,685	13,491,421
(589,132)	-	(371,093)	(48,896)	(51,773)	(1,065,405)
8,028,462	8,043,507	140,139,365	48,628,697	33,321,837	359,295,168
4,321,770	5,217,002	40,648,155	17,229,532	9,900,348	96,551,180
396,252	364,194	1,923,531	601,572	427,951	5,657,083
(511,612)	-	(256,290)	(48,896)	(38,819)	(855,617)
4,206,410	5,581,196	42,315,396	17,782,208	10,289,480	101,352,646
3,822,052	\$ 2,462,311	\$ 97,823,969	\$ 30,846,489	\$ 23,032,357	\$ 257,942,522

(249). No amortization has been recorded on these assets as they are in progress and not complete at

2019 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 2019 pertaining to the City of Langley.

A handwritten signature in black ink, appearing to read "Kelly Kenney". The signature is stylized with a large, looped "K" and a cursive "Kenney".

Kelly Kenney
Corporate Officer



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