

2020 Annual Report



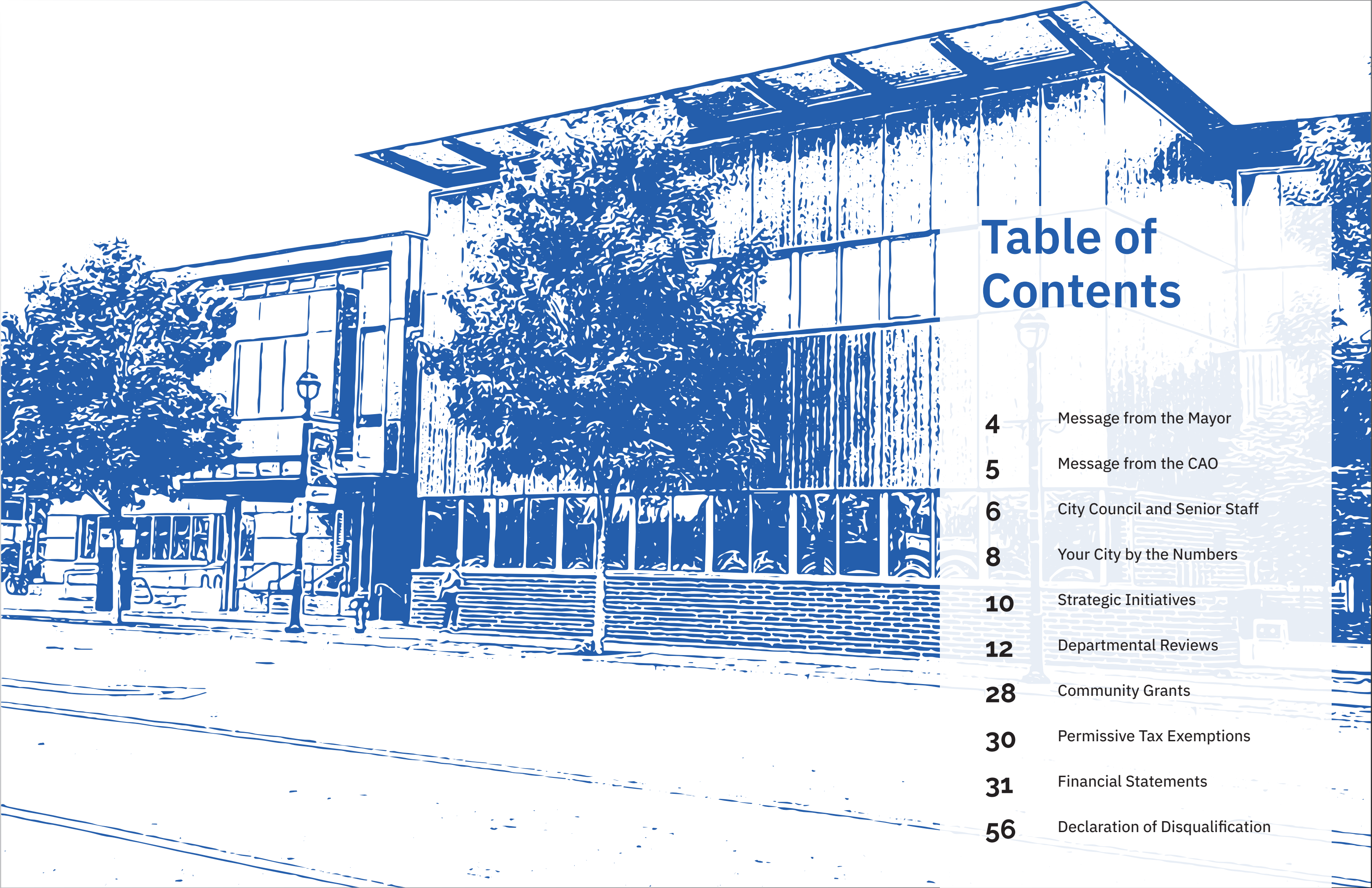


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Office of the Mayor

At the beginning of 2020, the City was excited to implement sections of our bold new vision, the Nexus of Community Plan, which recognizes the unique opportunity to capitalize on the arrival of SkyTrain in the next eight to ten years. However, the rapidly changing environment of the global COVID-19 pandemic caused Langley City Council to pause and recognize the current economic challenges for our residents, property owners, and business owners, and we reprioritized how we would move forward.

Langley City Council heard from our community, and we implemented several financial relief measures, including cancelling many of the approved 2020 capital projects and new positions, deferred borrowing, and reallocating funds to respond to COVID-19, which resulted in reducing the overall tax rate by amending the 2020-2024 Financial Plan to ensure business continuity and ease taxpayers' financial pressures.

Langley City Council also worked with staff to develop and implement Langley City Economic Restart Action Plan, which focuses on encouraging and supporting residents, businesses, investments, and job creation opportunities in the City to restart the economy.

Langley City Council made the challenging choices at the Council table. However, it was City's exceptional, diligent, and skilled staff who actively exhibited their resilience, professionalism, and integrity and went above and beyond to keep our community operating. They ensured residents were safe by taking some precautionary measures in City facilities and park amenities in the beginning and adapted their work environment to keep the City running smoothly.

Langley City staff continues to support our community by digitally activating the City's Emergency Operations Centre, maintaining the COVID-19 specific web page on langleycity.ca to provide real-time local, provincial, and federal updates. They continue to be an essential part of the City's spirit. While COVID-19 has forced the City to pause many priorities and cancel many programs and events, it has been inspiring to witness community members, stakeholders, business and property owners, City Council and staff stepping up to support others during this challenging time.

Sincerely,



Val van den Broek
Langley City Mayor



Office of the CAO

This March marks the one-year anniversary since a provincial state of emergency was declared due to the COVID-19 pandemic, and it goes without saying that the pandemic has dramatically altered many facets of Canadian life. Local governments initially responded rapidly out of an abundance of caution, closing playgrounds, park amenities, recreation facilities, cancelling programs and events, and turning to remote work. As we've learned more, we've adapted accordingly in order to protect our citizens and employees against the virus.

City Council and staff also considered the impact of the pandemic on the business community. The Langley City Restart Plan was developed to focus on encouraging and supporting businesses to stimulate investment and job creation opportunities in the City in an effort to shelter and support businesses and the local economy through this challenging time. The response to the pandemic has demonstrated the resiliency of our citizens and businesses and the willingness to pull

together and do what is best and right to ensure the overall health of our community. We are now in the final stretch of this marathon, with general immunizations being rolled out to the mass population over the next few months. We are all hopeful that we will indeed reach the other side stronger than ever.

The pandemic has changed us. And its impacts, in ways both large and small, will be lasting and felt for years to come. We have, however, the unique opportunity to start afresh with new lenses and ideas to reimagine the way we conduct our business. The pandemic has led to a tremendous increase in our understanding of the power and importance of virtual and digital technologies and our ability to use them effectively. We need to continue building resiliency and redundancy in the organization to ensure we are prepared to face the next crisis and adapt and move forward.

As the CAO, I am committed to working with City Council, City staff, community leaders, businesses, and our citizens to not only withstand today's unprecedented challenges but to develop strategies that make us a stronger community tomorrow.

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

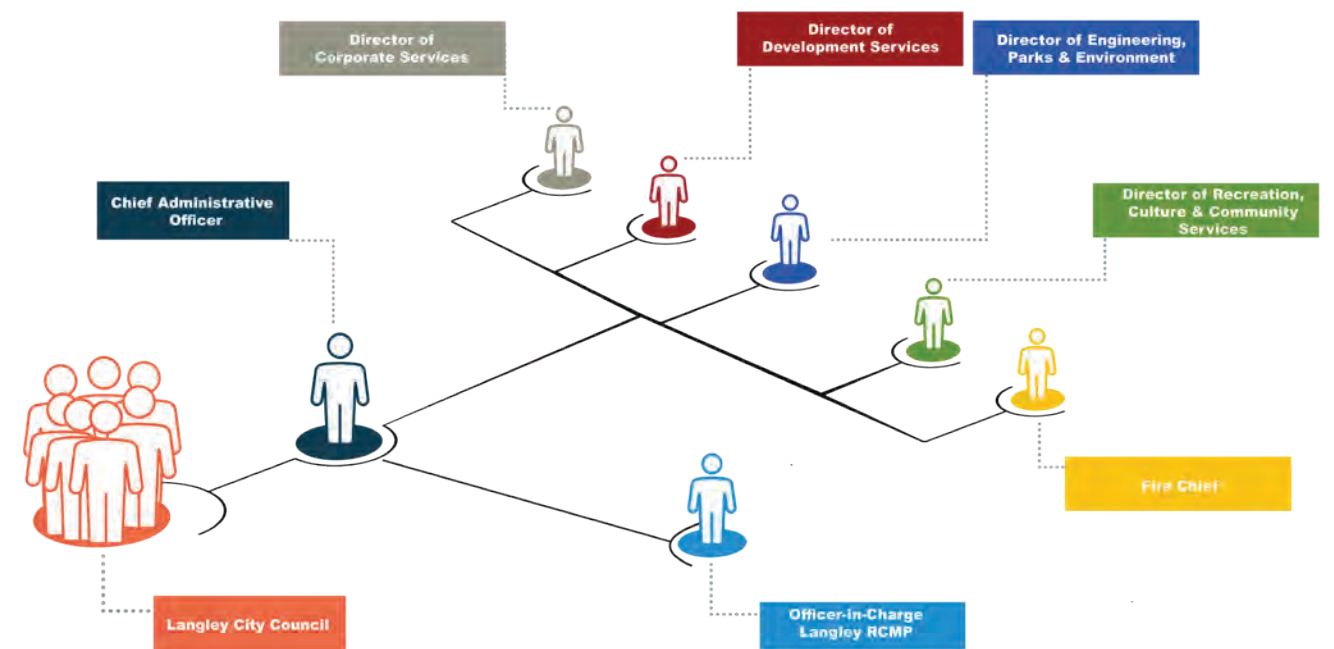


SENIOR MANAGEMENT TEAM

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



Organizational Structure



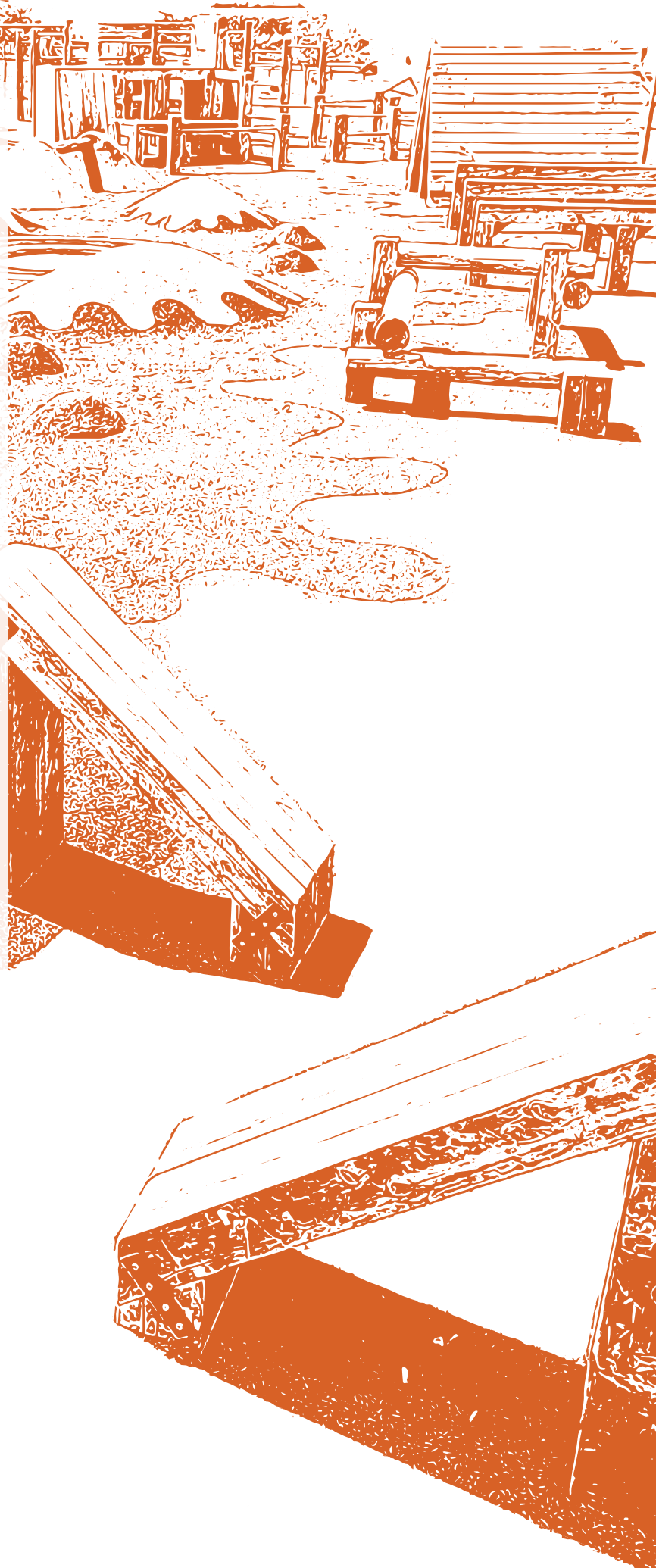
Your City By the Numbers

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 18%, business licenses, building permit and inspection fees 4%, and interest income 2% of total revenues. Transfers from other governments contributed 12%. Casino proceeds primarily fund capital projects like road rehabilitation and replacement of aging water and sewer pipes.

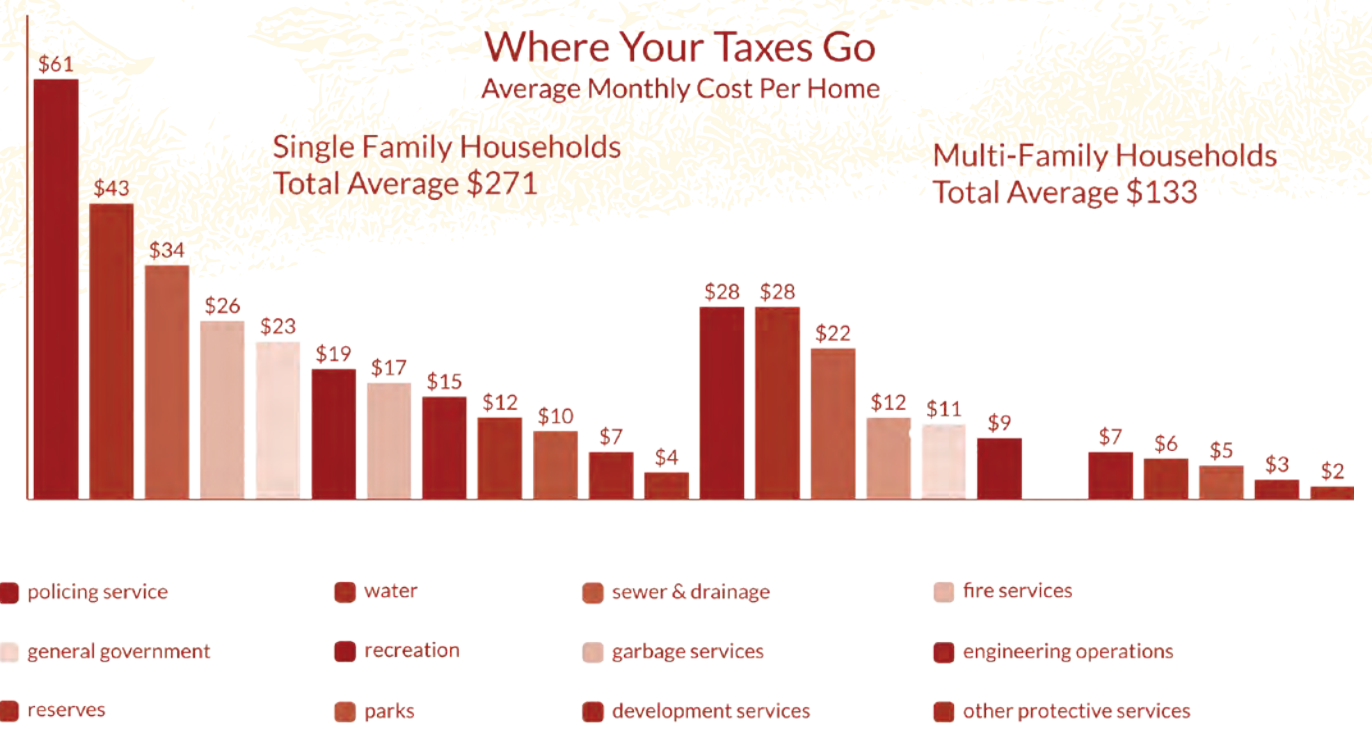
Did You Know?

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.



2017 - 2021 Strategic Plan

2020 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 has implemented Regional Transit Priority Lanes in five locations. These Business Access Transit (BAT) improvements allow for more service along the Fraser Highway corridor, reduce overcrowding, and improve transit speed and reliability on this corridor. The City of Langley entered a Memorandum of Understanding (MOU) with TransLink, Metro Vancouver's Transit and Transportation organization, to continue working together to bring SkyTrain to our community.

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 the SkyTrain in the future.

Quality of Life

Initiative: Partner with community groups to create culturally diverse programs in the community.

Accomplishment: The Cultural Connections Gallery in City Hall hosted Master Potter Jung Hong Kim and Han-ji Artist Michelle Kim from January 24 to February 21.

Looking Ahead: Celebrating Arts & Culture in Langley City Exhibition and Virtual Showcase highlighting cultural performance, dance artwork, music, traditional dress, and recipes from around the world. The exhibition will include limited 2-D & 3-D submissions displayed in local business windows and a digital presentation of the other submissions on the Langley City website.

Revitalization

Initiative: Update City Bylaws, such as zoning, land use contract, business license, sign, building & plumbing, subdivision & development servicing, to maintain economic competitiveness.

Accomplishment: Langley City developed a draft Official Community Plan (OCP) document in late 2020 and will be presented for public feedback in early 2021. The Building Division also updated forms and processes to enhance building permit reviews' efficiency and support the construction of high priority, job-generating projects amid the COVID-19 pandemic.

Looking Ahead: A key priority in 2021 is to adopt the new OCP and updated Zoning Bylaw, which will provide a clear and modern direction for new investment and growth in the City, especially with the anticipated future arrival of SkyTrain. The Department will also be reviewing its other supporting bylaws, such as the Building and Business Licencing Bylaws, to ensure they are up-to-date, and support continued great customer service.

Communication

Initiative: Hold regular neighbourhood meetings and other forums for City Council to communicate and interact directly with residents.

Accomplishment: During the COVID-19 pandemic, the Provincial Health Officer's restricted events and gatherings. The City communicated with residents virtually through videos, social media messages, webpages, and the monthly newsletter to keep residents informed and educated.

Looking Ahead: The City will continue to communicate virtually with residents until the Provincial Health Officer lifts restrictions and can safely host in-person meetings.

Environment

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

Accomplishment: An arborist position that is focused on managing the city's tree inventory was filled in 2020. The role will help create an updated tree inventory data base, enabling the city to move towards its goal of a Tree Asset Management Plan and Urban Forest 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 2023.

Protective Services

Initiative: Implement the strategies from the Crime Prevention Plan.

Accomplishment: In partnership with the RCMP and the City's Crime Prevention Task Group, an eight-part video series outlining Crime Prevention Through Environmental Design (CPTED) principals was created. The videos covered numerous CPTG topics, including target hardening and creating natural surveillance. The series was presented to the Langley Chamber of Commerce, the Downtown Langley Business Association and shared on the City's social media channels for dissemination to the business community.

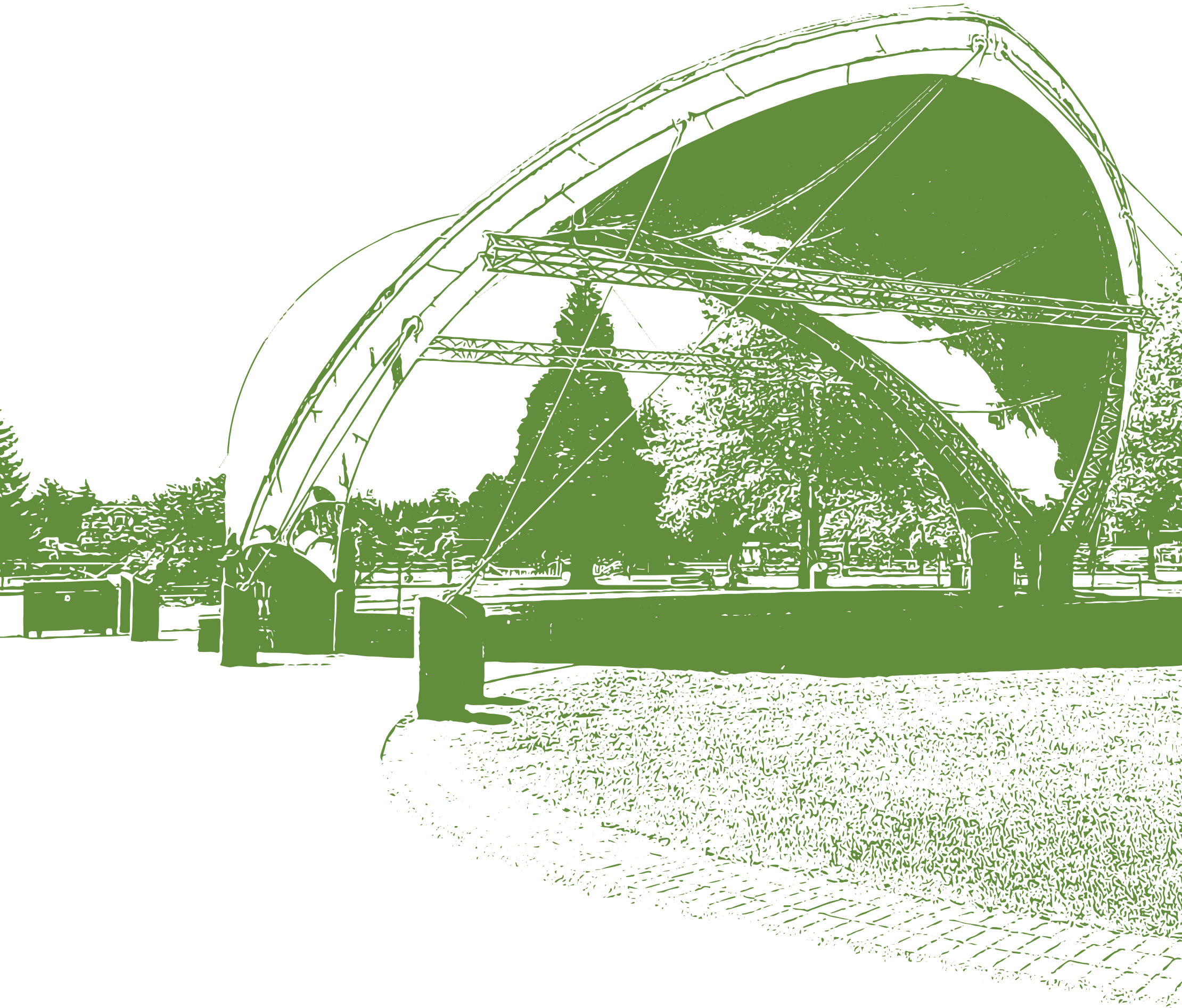
Looking forward: Langley Community Police officers will be attending downtown businesses door-to-door to promote the videos. In addition, business owners who have been the victim of crime will be given a handout that will direct them to the videos posted on the City of Langley website.

Organizational Excellence

Initiative: Explore partnership opportunities with other levels of government, public and private organizations, and service organizations to deliver services and programs to our citizens.

Accomplishment: The City partnered with Douglas Park Community School, School District Foundation, and Sources to provide space for the Mobile Food Bank that runs on Fridays weekly out of Douglas Recreation Centre.

Looking Ahead: Langley City is working with the Township of Langley and community agencies with funding from the provincial government to develop a community-based poverty reduction strategy starting in 2021.



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

- Provided advice to City Council to address community and corporate challenges due to the COVID-19 pandemic.
- Developed an Economic Development Restart Plan.
- Reached significant goals on the Official Community Plan and Zoning Bylaw update and the Nicomekl River District Neighbourhood Plan.
- 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

Langley City's Nexus of Community describes a vision of affordable and diverse housing in a community that is highly walkable, environmentally sustainable, and attractive to the present and future economy. We will achieve this vision by completing the Official Community Plan Update, Zoning Bylaw Update, and the Nicomekl River District Neighbourhood Plan. In 2021, Langley City Council will develop an interim Strategic Plan to assist residents and businesses in recovery from the COVID-19 pandemic. The Performing Arts and Culture Centre Task Group will also be developing the business case on a performing arts and culture centre in the City.

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 2020 Financial Plan and Capital Improvement Plan. Subsequently, amended plans to reflect the COVID-19 impacts.
- Provided a cash flow analysis to Council, given the uncertainties of property tax collection and closure of the casino.
- 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 2,117 to 2,648 in 2021.
- There are 333 new client referrals made to Langley Youth and Family Services during the year for a total of 560 different clients being seen and 3,027 direct counselling hours being provided.

Looking Forward

In 2021, the Corporate Services department will update the online Tempest application allowing taxpayers to remotely access dog licensing, sign permits, and development inspections. We will update the payroll processing to allow for employee electronic timesheets entry and modernize staff computers to Office 365, implement 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, 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

- Finished the Brydon Park off-leash dog park and trail enhancement project.
- Accomplished the final phase of installing high-efficiency LED streetlights.
- Updated the large-diameter Logan Creek culverts under the Langley Bypass.
- Constructed the Douglas Park and Rotary Centennial Park Community Gardens.
- Finished the Sendall Gardens lower gardens and trail enhancements project.
- Completed a sizable retaining wall replacement along the south side of Nicomekl River trail east of 203 Street.

Looking Forward

The Engineering, Parks & Environment department will complete pavement rehabilitation of 200 Street, Langley Bypass to Canadian Pacific Railway tracks, 200 Street from Nicomekl River to 49 Avenue, City Park picnic shelter replacements, Portage Park Sports Court construction and sanitary sewer replacement, Glover Road bike lanes and water main replacement, Fraser Highway to Langley Bypass crosswalk, rapid flashing beacons at 208 St and 45A Avenue.

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 and Zoning Bylaw. The department also includes building permitting, 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 also assists in advancing economic development objectives in line with the City's Economic Development Strategy.

Accomplishments

- 28 new development applications processed for 669 units and 8 single-detached lots, and 198 new Building Permit applications with a construction value of over \$128 million.
- Achieved approval-in-principle for the large-scale, multi-phase redevelopment of the Langley Lions Senior Housing complex.
- 2,025 Business Licences issued (298 new applications).
- Created new Economic Development section on City website to assist the business community
- Established Advisory Design Panel to enhance design quality of development applications.
- Developed 'Key Directions' policy frameworks for the new Official Community Plan (OCP) and Nicomekl River District Neighbourhood Plan, based on technical work and public input to date.

Looking Forward

The Development Services department will complete the Nicomekl River District Neighbourhood Plan, update and adopt the Zoning Bylaw and the New Official Community Plan (OCP), which will support the arrival of SkyTrain. The department will participate in UDI events, process development applications, and support economic development initiatives that aim to stimulate community recovery in the wake of COVID-19. 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 (one of the first pools to open during COVID) at the end of June 2020 welcoming 10,463 swimmers.
- Offered Funtastic Day Camps following COVID-19 Safety protocols, one of the only running in the summer.
- Started a new Park Ambassador program to connect with the community in the parks and trails.
- Offered a variety of programs virtually, outdoors and moving into the fall season, indoors at Timms Community Centre.

Looking Forward

The recreation, health, and wellness programs, services, activities, and experiences offered by Langley City Recreation play an increasingly important role by supporting the ageing population, increasing diversity, reducing chronic disease rates, decreasing social isolation, improving mental wellness, and ensuring affordability and access. 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 services will be provided post-COVID.

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

- Hired more personnel to staff a Rescue truck Tuesday to Friday from 7:30am to 6:00pm to respond to simultaneous calls, complete more fire inspections, offer more public education programs, and assist Engine 1 during significant events.
- Established COVID-19 safety protocols.
- Participated in the development of regional Mayday procedures, which will be a common procedure when a firefighter is in trouble during structure fires. By having common regional Mayday procedures during a mutual aid event, all fire departments will be using the same procedure.
- Participated in City's COVID-19 Emergency Operations Centre (EOC).
- Provided on-going Fire Officer I & II training for staff
- Provided on-going joint training with Township of Langley Fire Department.

Looking Forward

In 2021, the Fire Rescue Service will continue delivering the Resilient Minds mental health resiliency program; place new self-contained breathing apparatus in service; procure a new rescue truck, and recruit new career and paid-on-call firefighters.



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

- 13,040 calls for service, of which 5,253 were determined that the reported offence did occur or was attempted.
- Created, printed and distributed 10,000 Auto Crime notices to residents in the Langleys.
- In partnership with the City's Crime Prevention Task Group, the RCMP created an eight-part business crime prevention video series outlining CPTED principals. The series was presented to the Langley Chamber of Commerce, the Downtown Langley Business Association, and shared on the City's social media channels for dissemination to the business community.
- Langley members have been assisting the Province to ensure public safety while combating wildfires in various regions of B.C.

Looking Forward

Langley RCMP will be looking to increase our presence on different social media platforms to give the residents better and more timely insight into what is happening in the community.

2020 Community Grants

Animal Care

Langley 4H District Council	\$150.00
Langley Animal Protection Society	\$5,000.00

Total Awarded: \$5,150.00

Arts and Culture

Bard in the Valley	\$12,242.40
Downtown Langley Business Association Festivals	\$10,500.00
Kwantlen Polytechnic University	
Kiwanis Fraser Valley Music Festival Society	\$5,500.00
Langley Arts Council	\$1,500.00
Langley Ukulele Association	\$1,810.00
Langley Writer's Guild	\$500.00

Total Awarded: \$32,052.40

Children and Youth

Big Brothers Big Sisters	\$3,000.00
Boys and Girls Club of South Coast of BC	\$4,920.00
Brookwood Secondary School	\$500.00
Children of the Street Society	\$1,000.00
Douglas Park Community School Society	\$2,300.00
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	\$1,200.00
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
Special Olympics Langley	\$3,500.00
Youth Parliament	\$2,000.00

Total Awarded: \$38,490.00

Sports

Langley Flippers Swim Club	\$2,856.00
Langley Lawn Bowling Club	\$2,300.00

Total Awarded: \$5,156.00

City Council Awarded \$144,429.36 in 2020

Health and Social Support

Codependents Anonymous	\$1,223.75
Fibromyalgia Well Spring Foundation	\$858.40
Fraser Valley Cultural Diversity Awards	\$750.00
Langley Care Foundation - Langley Lodge	\$2,500.00
Langley Community Services Society	\$2,500.00
Langley Food Bank Society	\$5,361.74
Langley Meals on Wheels	\$3,243.00
Langley Pos-Abilities Society	\$1,231.90
Langley Senior Resources Society	\$15,000.00
Parkinson's Society of British Columbia Langley	\$236.25
Langley Volunteer Bureau	\$2,000.00

Total Awarded: \$34,905.04

Other

Human Dignity Coalition - Langley	\$2,500.00
Inclusion Langley (Pride)	\$2,500.00
Dutch Liberation 2020 Canadian Society	\$2,500.00
Langley Amateur Radio Association	\$262.50
Langley Field Naturalists	\$1,500.00
Pitch-In Langley	\$425.00
Soroptimist Interational of the Langleys	\$200.00

Total Awarded: \$9887.50

Events

Canadian Chili and BBQ Society	\$10,000.00
Lower Fraser Valley Aboriginal Society	\$750.00
Rotary RibFest Langley	\$2,500.00
Southgate Church Back to School Event	\$4,500.00
Terry Fox Run Langley City	\$1038.42

Total Awarded: \$18,788.42



Permissive Tax Exemptions

Organization

Anglican Parish of St. Andrew	\$16,297
Bridge Community Church	\$15,274
Church of the Nazarene	\$14,656
City of Langley	\$61,242
Global School Society	\$7,268
Inclusion Langley Society	\$17,632
Langley Care Society	\$69,776
Langley Community Music School	\$32,369
Langley Community Services	\$14,195
Langley Evangelical Free Church	\$18,740
Langley Hospice Society	\$6,848
Langley Lawn Bowling Club	\$23,721
Langley Seniors Resource Society	\$35,074
Langley Stepping Stones	\$6,819
New Apostolic Church Canada	\$8,138
Salvation Army - Gateway of Hope	\$3,721
St. Joseph Roman Catholic Church	\$46,009
United Church of Langley	\$15,897
Vineyard Christian Fellowship	\$39,189

Total Provided: \$452,865

**City Council
Provided
\$452,865
in 2020**



Financial Statements

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Director of Corporate Services Letter of Transmittal

I am pleased to present the Consolidated Financial Statements of the City of Langley for the year ended December 31, 2020. 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, 2020 and the results of its operations and its cash flows for the year then ended.

With the use of sound financial principles, the City of Langley has a solid financial position at the end of 2020. The City has a healthy net financial assets balance of \$49 million. There was a temporary increase in accounts payable to other governments. To assist with potential cash flow requirements caused by the COVID-19 pandemic, the Province of BC allowed the City to hold onto the School Property Tax collected until January 2021, while it would typically be remitted in July 2020. This deferred payment created a large one time increase of \$5.8 million in payables to other governments and an offsetting increase in cash and investments at year-end.

The City's accumulated surplus includes \$265 million in tangible capital assets (land, buildings, equipment and engineering structures like roads and utility pipes) with a net increase of \$4.7 million after allowing for amortization expenses and the disposal of assets like vehicles being replaced.

With the exception of the Policing, Sewer and a larger transfer to reserves, all the City's departmental operating expenditures for the year 2020 met the budgeted projections. The City collected \$30.4 million in taxation revenues and a further \$9.1 million in water and sewer user rates. The COVID-19 pandemic caused the gaming proceeds to be \$5.7 million lower than budget because the casino was closed for most of the year. The City did receive \$4.15 million from the Province of BC safe restart fund which helped offset the loss of the gaming proceeds during the year. 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, 2020

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



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

BDO Canada LLP
 Unit 1100 -Royal Centre
 1055 West Georgia Street P.O. Box 11101
 Vancouver, BC V6E 3P3 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, 2020 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, 2020 and its consolidated results of operations, its 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 this 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.

Unaudited Information

We have not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the Schedule 5 of the City's consolidated financial statements.

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 11, 2021

CITY OF LANGLEY
Consolidated Statement of Financial Position
at December 31, 2020 with comparative figures for 2019

	2020	2019
Financial Assets		
Cash & cash equivalents (Note 2)	\$ 38,242,672	\$ 42,873,431
Accounts receivable		
Taxes and utilities receivable	4,695,714	4,347,989
Receivables from other governments	1,466,584	2,439,712
Other receivables	2,716,350	2,157,382
Portfolio investments (Note 2)	52,000,000	32,101,800
	<u>99,121,320</u>	<u>83,920,314</u>
Liabilities		
Prepaid property taxes	4,172,830	4,664,303
Employee future benefits (Note 3)	377,026	363,046
Accounts payable and accrued liabilities		
Payables to other governments (Note 4)	13,832,165	6,949,490
Other payables	3,549,900	3,292,756
Deferred revenue	2,745,528	2,130,958
Deferred development cost charges (Note 5)	25,801,520	20,901,408
	<u>50,478,969</u>	<u>38,301,961</u>
Net Financial Assets	<u>48,642,351</u>	<u>45,618,353</u>
Non-Financial Assets		
Prepaid expenses	241,299	159,777
Supplies inventory	179,733	151,058
Tangible capital assets (Schedule 4)	264,913,669	260,169,178
	<u>265,334,701</u>	<u>260,480,013</u>
Accumulated Surplus (Note 6)	<u>\$ 313,977,052</u>	<u>\$ 306,098,366</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, 2020 with comparative figures for 2019

	2020 Financial Plan	2020	2019
	(Note 13)		
Revenues (Schedules 2 & 3)			
Property tax revenue (Note 7)	\$ 31,840,560	\$ 30,368,697	\$ 29,601,511
User fees and other revenue	12,770,840	14,208,891	13,410,968
Gaming proceeds	7,200,000	1,533,582	7,490,986
Government transfers (Note 8)	2,610,470	6,166,516	2,205,532
Investment earnings	742,500	1,280,883	1,596,503
DCC revenue recognized (Note 5)	1,372,890	912,211	1,043,567
Loss on disposal of tangible capital assets	-	(126,378)	(31,860)
Contributed tangible capital assets	-	2,090,095	1,341,637
	<u>56,537,260</u>	<u>56,434,497</u>	<u>56,658,844</u>
Expenses (Schedules 2 & 3)			
General government services	6,257,420	5,407,905	5,509,973
Police service	12,987,650	13,006,829	12,107,298
Fire service	5,675,060	5,192,210	4,907,545
Other protective services	878,285	789,379	805,174
Engineering operations	7,600,815	6,185,837	6,135,382
Water utility	4,819,020	4,330,410	4,116,255
Sewer and drainage utility	4,344,965	4,368,535	3,645,034
Development services	1,445,095	1,218,374	1,579,381
Solid waste	709,610	688,451	683,060
Recreation services	5,257,585	4,584,943	5,056,626
Parks	2,949,985	2,782,938	2,806,998
	<u>52,925,490</u>	<u>48,555,811</u>	<u>47,352,726</u>
Annual Surplus	<u>3,611,770</u>	<u>7,878,686</u>	<u>9,306,118</u>
Accumulated Surplus - beginning of year	306,098,366	306,098,366	296,792,248
Accumulated Surplus - end of year (Note 6)	<u>\$ 309,710,136</u>	<u>\$ 313,977,052</u>	<u>\$ 306,098,366</u>

CITY OF LANGLEY

Consolidated Statement of Change in Net Financial Assets

Year ended December 31, 2020 with comparative figures for 2019

	2020 Financial Plan	2020	2019
	(Note 13)		
Annual Surplus	\$ 3,611,770	\$ 7,878,686	\$ 9,306,118
Change in Capital Assets			
Acquisition of tangible capital assets	(15,685,830)	(8,816,837)	(6,883,395)
Contributed tangible capital assets	-	(2,090,095)	(1,341,637)
Amortization	5,700,000	5,967,313	5,959,166
Proceeds from sale of tangible capital assets	-	68,750	7,350
Loss on disposal of tangible capital assets	-	126,378	31,860
	<u>(9,985,830)</u>	<u>(4,744,491)</u>	<u>(2,226,656)</u>
Change in Other Non Financial assets			
Increase in prepaid expenses	-	(81,522)	(52,145)
Increase in supplies inventory	-	(28,675)	(28,185)
	<u>-</u>	<u>(110,197)</u>	<u>(80,330)</u>
Increase (Decrease) in Financial Assets	<u>(6,374,060)</u>	<u>3,023,998</u>	<u>6,999,132</u>
Net Financial Assets - beginning of year	45,618,353	45,618,353	38,619,221
Net Financial Assets - end of year	<u>\$ 39,244,293</u>	<u>\$ 48,642,351</u>	<u>\$ 45,618,353</u>

See accompanying notes to consolidated financial statements.

CITY OF LANGLEY

Consolidated Statement of Cash Flows

Year ended December 31, 2020 with comparative figures for 2019

	2020	2019
Cash Provided By (Used For)		
Operating Transactions		
Annual surplus	\$ 7,878,686	\$ 9,306,118
Items not involving cash:		
DCC revenue recognized	(912,211)	(1,043,567)
Amortization	5,967,313	5,959,166
Amortization of investment premiums and discounts	-	(1,540)
Contributed tangible capital assets	(2,090,095)	(1,341,637)
Loss on disposal of tangible capital assets	126,378	31,860
Changes in non-cash working capital:		
Accounts receivable	66,435	(134,119)
Prepaid property taxes	(491,473)	340,706
Accounts payable and accrued liabilities	7,153,799	(604,498)
Prepaid expenses	(81,522)	(52,145)
Supplies inventory	(28,675)	(28,185)
Deferred revenue	614,570	794,058
	<u>18,203,205</u>	<u>13,226,217</u>
Capital Transactions		
Cash used to acquire tangible capital assets	(8,816,837)	(6,883,395)
Proceeds from sale of tangible capital assets	68,750	7,350
	<u>(8,748,087)</u>	<u>(6,876,045)</u>
Financing Transactions		
Receipt of deferred development cost charges and interest earned	5,812,323	4,365,973
Investing Transactions		
Purchase of investments	(52,000,000)	(32,101,800)
Redemption of investments	32,101,800	42,100,000
	<u>(19,898,200)</u>	<u>9,998,200</u>
Increase (Decrease) in Cash and Cash Equivalents	<u>(4,630,759)</u>	<u>20,714,345</u>
Cash and Cash Equivalents - beginning of year	42,873,431	22,159,086
Cash and Cash Equivalents - end of year	<u>\$ 38,242,672</u>	<u>\$ 42,873,431</u>

See accompanying notes to consolidated financial statements.

CITY OF LANGLEY

Notes to the Consolidated Financial Statements

Year ended December 31, 2020 with comparative figures for 2019

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

CITY OF LANGLEY

Notes to the Consolidated Financial Statements

Year ended December 31, 2020 with comparative figures for 2019

(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 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, 2020 or December 31, 2019.

CITY OF LANGLEY

Notes to the Consolidated Financial Statements

Year ended December 31, 2020 with comparative figures for 2019

2. Cash, cash equivalents and portfolio investments:

	2020	2019
Cash and cash equivalents	\$ 38,242,672	\$ 42,873,431
Portfolio investments	52,000,000	32,101,800
	<u>\$ 90,242,672</u>	<u>\$ 74,975,231</u>

Amounts are held or restricted for the following purposes:

Deferred development cost charges	\$ 24,071,236	\$ 19,826,761
Statutory reserves	14,891,748	10,039,764
Non-statutory reserves	30,213,266	31,942,541
Operating funds and working capital	21,066,422	13,166,165
	<u>\$ 90,242,672</u>	<u>\$ 74,975,231</u>

Cash and cash equivalents includes funds held in bank accounts at BMO Bank of Montreal earning interest of prime rate less 1.45% (2019 - prime rate less 1.65%).

Portfolio investments, which include term deposits, have effective interest rates between 1.30% and 2.65% (2019 - 1.80% and 3.10%) 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, 2020 was \$52,000,000 (2019 - \$32,101,800). 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, 2020. The valuation resulted in an unamortized actuarial loss as of December 31, 2020 of \$84,074 (2019 - \$94,454). 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, 2020 was \$377,026 (2019 - \$363,046), comprised as follows:

	2020	2019
Benefit liability - beginning of year	\$ 363,046	\$ 347,452
Current service cost	41,500	36,225
Interest cost	12,800	13,217
Benefits paid	(50,700)	(44,228)
Amortization of actuarial loss	10,380	10,380
Benefit liability - end of year	<u>\$ 377,026</u>	<u>\$ 363,046</u>
Accrued benefit obligation - end of year	\$ 461,100	\$ 457,500
Unamortized actuarial loss	(84,074)	(94,454)
Benefit liability - end of year	<u>\$ 377,026</u>	<u>\$ 363,046</u>

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

CITY OF LANGLEY

Notes to the Consolidated Financial Statements

Year ended December 31, 2020 with comparative figures for 2019

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 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.

5. Deferred development cost charges:

	Balance at Dec. 31, 2019	Contributions Received	Interest Earned	Use of Development Cost Charges	Balance at Dec. 31, 2020
Drainage	\$ 3,943,002	\$ 613,875	\$ 73,381	\$ -	\$ 4,630,258
Public Open Spaces	4,204,195	283,049	73,640	(358,803)	4,202,081
Roads	5,860,129	2,184,145	116,920	(402,800)	7,758,394
Sewer	5,080,484	1,803,752	101,457	(150,608)	6,835,085
Water	1,813,598	526,688	35,416	-	2,375,702
	<u>\$20,901,408</u>	<u>\$ 5,411,509</u>	<u>\$ 400,814</u>	<u>\$ (912,211)</u>	<u>\$ 25,801,520</u>

6. Accumulated surplus:

Accumulated surplus is distributed as follows:

	2020	2019
Operating surplus		
General	\$ 1,389,417	\$ 1,384,614
Sewer & Drainage	1,153,473	1,151,222
Water	1,415,479	1,411,047
	<u>3,958,369</u>	<u>3,946,883</u>
Equity in tangible capital assets		
General	208,353,111	205,236,567
Sewer & Drainage	32,837,268	31,522,691
Water	23,723,290	23,409,920
	<u>264,913,669</u>	<u>260,169,178</u>
Reserves (Schedule 1)		
Statutory reserves	14,891,748	10,039,764
Non-statutory reserves	30,213,266	31,942,541
	<u>45,105,014</u>	<u>41,982,305</u>
	<u>\$ 313,977,052</u>	<u>\$ 306,098,366</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:

	2020 Financial Plan	2020	2019
City property taxes	\$ 31,267,750	\$ 29,790,916	\$ 29,026,233
Grants in lieu of taxes	572,810	577,781	575,278
	<u>31,840,560</u>	<u>30,368,697</u>	<u>29,601,511</u>
Levies for other organizations			
School taxes		10,607,661	15,264,836
TransLink		3,551,844	3,161,991
British Columbia Assessment Authority		518,293	467,974
Metro Vancouver		619,484	461,938
Downtown Langley Merchants Assoc.		497,976	465,398
Municipal Finance Authority		2,429	2,311
Total collections for others		<u>15,797,687</u>	<u>19,824,448</u>
		<u>\$ 46,166,384</u>	<u>\$ 49,425,959</u>

CITY OF LANGLEY

Notes to the Consolidated Financial Statements

Year ended December 31, 2020 with comparative figures for 2019

8. Government transfers:

	2020 Financial Plan	2020	2019
Federal Government			
Community works fund	\$ 133,880	\$ 132,591	\$ 266,475
	<u>133,880</u>	<u>132,591</u>	<u>266,475</u>
Provincial Government			
Hotel tax revenue	180,000	78,063	200,269
Carbon tax revenue sharing	22,800	22,809	22,809
Traffic fine revenue sharing	475,000	600,619	475,823
Canada-BC safe restart fund	-	4,151,000	-
	<u>677,800</u>	<u>4,852,491</u>	<u>698,901</u>
Municipalities and Regional Authorities			
Police building capital adjustment	40,200	51,233	49,423
Langley Youth & Family Services	378,890	361,809	363,221
Emergency preparedness	36,700	27,608	16,512
Major road network	633,000	96,000	645,000
Infrastructure funding	710,000	644,784	166,000
	<u>1,798,790</u>	<u>1,181,434</u>	<u>1,240,156</u>
	<u>\$ 2,610,470</u>	<u>\$ 6,166,516</u>	<u>\$ 2,205,532</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:

	2020	2019
Langley Christmas Bureau	\$ 408,241	\$ 214,826
Refundable deposits	11,696,393	11,662,955
Road bond reserve	41,350	41,350
SCBCTA development cost charges	62,400	-
GVS & DD development cost charges	636,427	206,607
	<u>\$ 12,844,811</u>	<u>\$ 12,125,738</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):

	2020		2019	
	Operations	Capital	Total	Total
Salaries & benefits	\$ 13,833,462	\$ 326,837	\$ 14,160,299	\$ 14,651,582
Goods and services	28,755,036	8,490,000	37,245,036	33,625,373
Contributed tangible capital assets	-	2,090,095	2,090,095	1,341,637
Total expenditures	<u>42,588,498</u>	<u>10,906,932</u>	<u>53,495,430</u>	<u>49,618,592</u>
Amortization	5,967,313	-	5,967,313	5,959,166
Total expenditures & expenses	<u>\$ 48,555,811</u>	<u>\$ 10,906,932</u>	<u>\$ 59,462,743</u>	<u>\$ 55,577,758</u>

CITY OF LANGLEY

Notes to the Consolidated Financial Statements

Year ended December 31, 2020 with comparative figures for 2019

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, 2019, the plan has about 213,000 active members and approximately 106,000 retired members. Active members include approximately 41,000 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 \$1,105,259 (2019 - \$1,080,498) for employer contributions while employees contributed \$920,173 (2019 - \$898,597) to the plan in fiscal 2020.

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, 2020 with comparative figures for 2019

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 24, 2020 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.

	<u>Financial Plan</u>
Surplus as per Financial Plan Bylaw No. 3120	\$ -
Capital asset additions	15,685,830
Amortization expense	(5,700,000)
Debt repayment	557,665
Borrowing proceeds	(10,000,000)
Net use of reserves to balance financial plan	
Transfer from surplus	-
Transfer to non-statutory reserves	9,343,135
Transfer to statutory reserves	1,744,970
Transfer from non-statutory reserves	(5,903,045)
Transfer from statutory reserves	<u>(2,116,785)</u>
	3,068,275
Financial Plan Surplus as per Consolidated Statement of Operations	<u>\$ 3,611,770</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 2020, the City recognized \$1,533,582 (2019 - \$7,490,986) in revenues from the Province. Due to COVID-19 the casino has been temporarily closed, so the 2021 gaming proceeds are not expected to resume until provincial health orders are lifted.

14. 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 2020 operations. The pandemic continues to provide uncertainty over the City's future cash flows, 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, reduction in investment income, 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.

Year ended December 31, 2020

Statutory Reserves	Balance at Dec. 31, 2019	Developer Contributions	Internal Transfer Additions	Interest	Internal Transfer Expenditures	Operational Expenditures	Capital Asset Additions	Balance at Dec. 31, 2020
Capital Works	\$ 6,780,982	\$ -	\$ 6,292,565	\$ 125,433	\$ -	\$ (509,676)	\$ (765,511)	\$ 11,923,793
Equipment Replacement-Fire Dept.	760,225	-	55,000	13,814	-	-	(109,327)	719,712
Lane Development	271,579	-	-	4,763	-	-	-	276,342
Machinery Replacement	1,587,856	-	631,080	24,184	-	-	(933,492)	1,309,628
Off-Street Parking	291,728	22,500	8,505	5,210	-	-	-	327,943
Office Equipment Replacement	21,851	-	46,500	793	-	-	(54,840)	14,304
Parks and Recreation	286,134	-	177,500	6,583	-	(69,446)	(120,845)	279,926
P&R Future Projects	39,409	-	-	691	-	-	-	40,100
Total	\$ 10,039,764	\$ 22,500	\$ 7,211,150	\$ 181,471	\$ -	\$ (579,122)	\$ (1,984,015)	\$ 14,891,748

Non-statutory Reserves	Balance at Dec. 31, 2019	Developer Contributions	Internal Transfers Additions	Interest	Internal Transfer Expenditures	Operational Expenditures	Capital Asset Additions	Balance at Dec. 31, 2020
Community Works	\$ 146,931	\$ -	\$ 132,591	\$ 1,575	\$ -	\$ -	\$ (275,000)	\$ 6,097
Future Policing Costs	3,484,656	-	494,583	61,111	(715,514)	-	(83,804)	3,241,032
Gaming Proceeds	15,427,472	-	1,557,693	280,399	-	(538,130)	(4,275,648)	12,451,786
Major Road Network Rehab	1,880,803	-	-	32,984	(185,992)	-	-	1,727,795
Prosperity Fund	1,909,820	-	1,000,000	33,493	-	-	-	2,943,313
Sewer Future Capital	1,172,346	-	420,000	25,854	-	(458,828)	(50,476)	1,108,896
Sewer Insurance Claims	33,399	-	-	586	-	-	-	33,985
Special Bonds	4,986,031	735,940	-	98,963	-	-	(76,277)	5,744,657
Tax Stabilization	1,356,047	-	-	23,781	-	-	-	1,379,828
Water Future Capital	1,545,036	-	480,000	32,924	-	(209,130)	(272,953)	1,575,877
Total	\$ 31,942,541	\$ 735,940	\$ 4,084,867	\$ 591,670	\$ (901,506)	\$ (1,206,088)	\$ (5,034,158)	\$ 30,213,266

CITY OF LANGLEY

Schedule 2

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
													Note 13
Revenue													
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
Gain (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	-
Total Revenue	38,995,008	653,337	12,474	455,473	1,958,585	5,420,554	5,399,655	2,109,360	693,653	18,713	717,685	56,434,497	56,537,260
Expenses													
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	47,225,490
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
Total Expenses	5,407,905	13,006,829	5,192,210	789,379	6,185,837	4,330,410	4,368,535	1,218,374	688,451	4,584,943	2,782,938	48,555,811	52,925,490
Annual Surplus (Deficit)	\$ 33,587,103	\$(12,353,492)	\$(5,179,736)	\$(333,906)	\$(4,227,252)	\$ 1,090,144	\$ 1,031,120	\$ 890,986	\$ 5,202	\$(4,566,230)	\$(2,065,253)	\$ 7,878,686	\$ 3,611,770

CITY OF LANGLEY

Schedule 3

Consolidated Report of Segmented Revenues and Expenses

Year ended December 31, 2019

	General government	Police service	Fire service	Other protective services	Engineering operations	Water utility	Sewer & drainage utility	Development services	Solid waste	Recreation services	Parks	2019	2019 Financial Plan
Revenue													
Property tax revenue	\$29,601,511	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$29,601,511	\$29,767,135
User fees and other revenue	1,415,487	1,555	9,557	75,262	226,899	4,942,624	4,078,808	1,851,231	680,642	9,287	119,616	13,410,968	13,343,245
Gaming proceeds	7,490,986	-	-	-	-	-	-	-	-	-	-	7,490,986	7,200,000
Government transfers	266,475	525,246	-	379,734	811,000	-	-	223,077	-	-	-	2,205,532	1,855,440
Investment earnings	1,596,503	-	-	-	-	-	-	-	-	-	-	1,596,503	714,500
DCC revenue recognized	-	-	-	-	180,201	203,065	91,132	-	-	-	569,169	1,043,567	757,350
Loss on disposal of capital assets	-	-	-	-	(2,277)	(18,676)	(9,060)	-	-	-	(1,847)	(31,860)	-
Contributed tangible capital assets	-	-	-	-	822,437	88,600	430,600	-	-	-	-	1,341,637	-
Total Revenue	40,370,962	526,801	9,557	454,996	2,038,260	5,215,613	4,591,480	2,074,308	680,642	9,287	686,938	56,658,844	53,637,670
Expenses													
Operating													
Salaries & benefits	3,054,104	10,007	3,895,057	101,022	1,841,276	568,719	398,280	983,876	19,999	2,280,109	1,198,424	14,350,873	15,861,065
Goods and services	1,854,195	12,017,963	715,021	704,152	1,834,641	3,114,332	2,643,220	565,866	663,061	1,975,266	954,970	27,042,687	29,311,425
Debt servicing	-	-	-	-	-	-	-	-	-	-	-	-	-
	4,908,299	12,027,970	4,610,078	805,174	3,675,917	3,683,051	3,041,500	1,549,742	683,060	4,255,375	2,153,394	41,393,560	45,172,490
Amortization	601,674	79,328	297,467	-	2,459,465	433,204	603,534	29,639	-	801,251	653,604	5,959,166	5,541,940
Total Expenses	5,509,973	12,107,298	4,907,545	805,174	6,135,382	4,116,255	3,645,034	1,579,381	683,060	5,056,626	2,806,998	47,352,726	50,714,430
Annual Surplus (Deficit)	\$34,860,989	\$(11,580,497)	\$(4,897,988)	\$(350,178)	\$(4,097,122)	\$1,099,358	\$946,446	\$494,927	\$(2,418)	\$(5,047,339)	\$(2,120,060)	\$9,306,118	\$2,923,240

CITY OF LANGLEY

Schedule 4

Schedule of Tangible Capital Assets

Year ended December 31, 2020 with comparative figures for 2019

2020	Land	Land Improvements	Buildings	Vehicles	Furniture & Equipment	Transportation Infrastructure	Sewer & Drainage Infrastructure	Water Infrastructure	Total
Historical cost¹									
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
Accumulated amortization									
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
Net book value	\$ 67,711,248	\$ 10,391,864	\$ 23,040,080	\$ 4,202,110	\$ 2,991,070	\$ 100,016,739	\$ 32,837,268	\$ 23,723,290	\$ 264,913,669
2019									
Historical cost¹									
Opening cost	\$ 66,754,749	\$ 12,905,511	\$ 41,473,040	\$ 8,028,462	\$ 8,043,507	\$ 140,139,365	\$ 48,628,697	\$ 33,321,837	\$ 359,295,168
Additions	-	1,263,281	423,972	301,940	584,606	3,544,817	1,284,945	821,471	8,225,032
Disposals	-	-	-	(73,847)	-	(155,991)	(21,241)	(24,618)	(275,697)
	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
Accumulated amortization									
Opening balance	-	4,455,633	16,722,323	4,206,410	5,581,196	42,315,396	17,782,208	10,289,480	101,352,646
Amortization expense	-	473,696	1,516,210	433,389	329,338	2,181,618	599,683	425,232	5,959,166
Disposals	-	-	-	(63,551)	-	(154,813)	(12,181)	(5,942)	(236,487)
	-	4,929,329	18,238,533	4,576,248	5,910,534	44,342,201	18,369,710	10,708,770	107,075,325
Net book value	\$ 66,754,749	\$ 9,239,463	\$ 23,658,479	\$ 3,680,307	\$ 2,717,579	\$ 99,185,990	\$ 31,522,691	\$ 23,409,920	\$ 260,169,178

¹Included in historical cost are assets under construction with a total cost of \$39,477,646 (2019 - \$38,165,118). No amortization has been recorded on these assets as they are in progress and not complete at year-end.

CITY OF LANGLEY

Schedule 5

Annual Report on COVID-19 Safe Restart Grant Spending - (Unaudited)

Year ended December 31, 2020

	2020	2019
COVID-19 Safe Restart Grant		
Balance, beginning of year	\$ -	\$ -
Safe Restart Grant Received November 2020	4,151,000	-
Total Grant Funds Available	4,151,000	-
Less: Revenue shortfall gaming proceeds	(4,151,000)	-
Balance, end of year	\$ -	\$ -

In November 2020, the City received the COVID-19 Safe Restart Grant of \$4.151 million from the Province of British Columbia. An annual report on the grant spending is a requirement of the Province and will be provided annually until the grant funds are fully spent. COVID-19 Safe Restart Funding is classified as an unconditional Provincial operating government transfer with revenue recognized on the Statement of Operations in the period in which the funds were received.

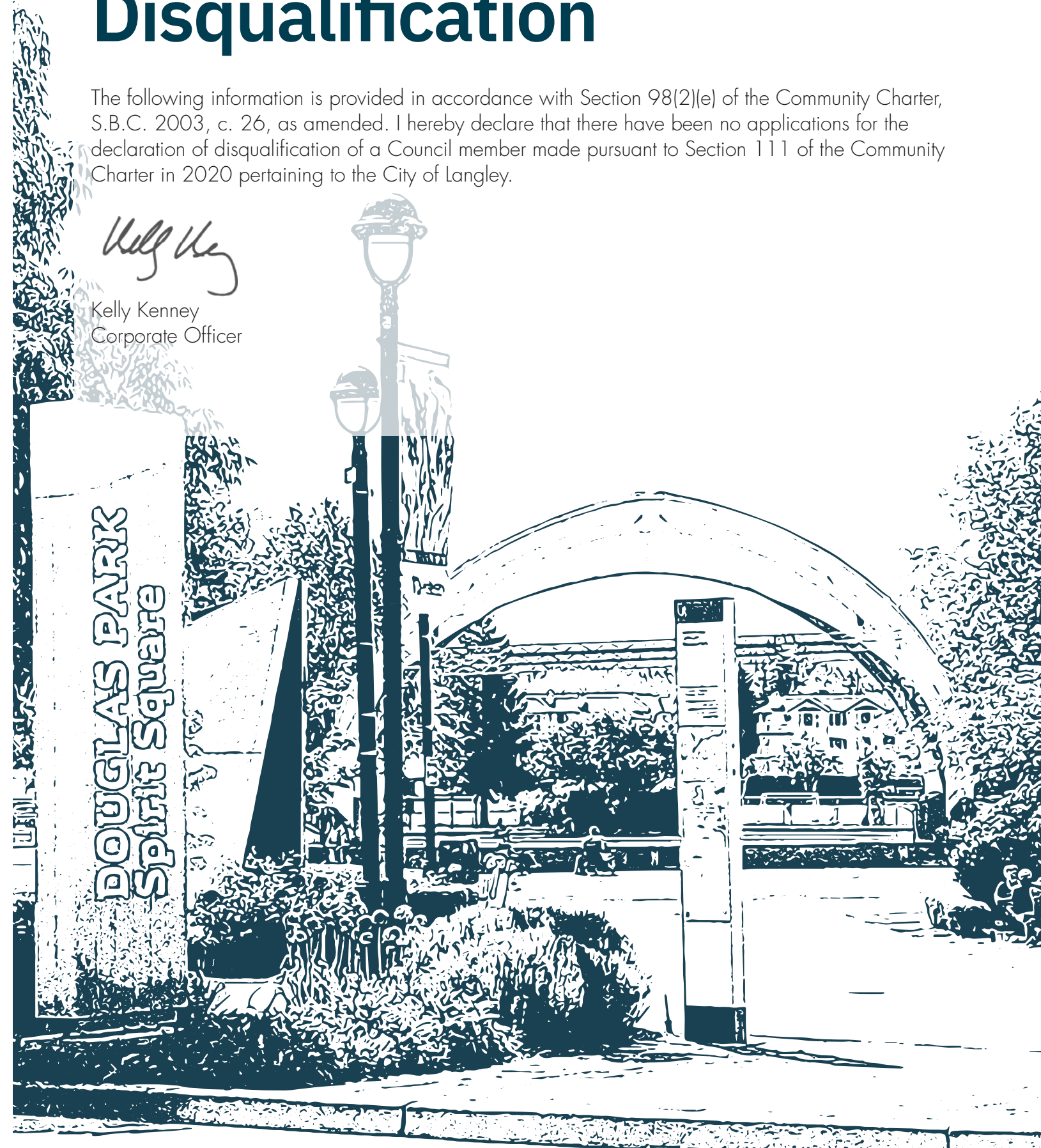
As at December 31, 2020, all grant funds were fully spent.

2020 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 2020 pertaining to the City of Langley.



Kelly Kenney
Corporate Officer





20399 Douglas Crescent
Langley, BC, Canada V3A 4B3
Phone: 604.514.2800
Fax: 604.530.4371
langleycity.ca