



2023 Annual Report



Contents

Message from the Mayor	1
Message from the CAO	3
Your City by the Numbers	5
Department Overviews	8
2023 Community Grants	23
Permissive Tax Exemptions	25
Financial Statements	27
2023 Declaration of Disqualification	52

Message from Mayor Nathan Pachal

On behalf of Langley City Council, I am proud to reaffirm our commitment to making great things happen in our municipality and to building a vibrant, safe and inclusive community for all generations. The 2023-2028 Strategic Plan was developed to reflect this mission, identifying core focus areas and a number of initiatives that will continue to propel our city forward over this five-year budgeting cycle.

Community engagement and fostering inclusivity are essential elements of a thriving society. In 2023, we proudly initiated the Dialogue Series and introduced pop-up Village Cafés throughout our community.

These initiatives, alongside the highly attended Neighbourhood Meetings, provide avenues for citizens to interact with City representatives and fellow residents, gaining insights into local services while contributing valuable input for future projects. Community consultation played a crucial role in shaping the updated Parks, Recreation, and Culture Plan, which Council endorsed in 2023 and remains instrumental as we finalize the Urban Forest Management Strategy.

Addressing housing needs is a top priority at the City, especially with the anticipated arrival of SkyTrain in 2028. We're taking proactive steps to further streamline our development process, including implementing a digital permit system for our development application process. Additionally, we are committed to ensuring that as our population grows, adequate levels of health, recreation, social services, employment and education opportunities are available to meet the current and future demands of our residents, newcomers, businesses and contributors to our community. As part of this commitment to improving and maintaining our infrastructure, the Fraser Highway One-Way Improvement Project is slated to begin this fall, which includes significant underground work.

With dedicated and knowledgeable staff, community partners and senior levels of government, Langley City Council remains committed to reviewing our own policies and plans to ensure we continue to advance our community.

Thank you,



Nathan Pachal, Mayor





*From left to right:
Councillor Leith White, Councillor Rosemary Wallace, Councillor Paul Albrecht, Mayor Nathan Pachal,
Councillor Mike Solyom, Councillor Teri James, Councillor Delaney Mack*

Message from the CAO

As the old saying goes, “If you don’t know where you are going, you are never going to get there.” In 2023, Langley City Council adopted the 2023-2028 Strategic Plan to guide decision making over the next five years. The new plan will inform Council and staff as we work toward our Langley City: Nexus of Community vision, and the arrival of SkyTrain in 2028. The plan incorporates new goals for advancing Truth and Reconciliation with First Nations; delivering a coordinated and compassionate response to the challenges of people experiencing homelessness, housing affordability and community safety for everyone; and attracting and retaining the best and brightest people as Langley City hires more staff to meet the needs of its growing community.



The new Strategic Plan inspires and emboldens us to conduct our business through new and different lenses. One example of this is the community dialogue process, involving several Village Café events connecting us within the community in various settings such as City parks, dinner dialogues, conversation circles, business walks and local coffee houses. These collaborative sessions invite the community to share their diverse perspectives about community issues like people experiencing homelessness, poverty reduction, social participation and inclusion, as well as community infrastructure like housing, health services and access to information. These conversations nurture and inform various City initiatives, including community social development; the formation of the Socio-Cultural and Economic Development Council Advisory Committee and its framework; a Sustainability Framework; the Citizens’ Assembly research and design; coordinated resources, referrals and access to services that aim to integrate diversity, equity and inclusion; and Provincial and Federal Government advocacy efforts. We also started the groundwork for key performance index measurements. This project will provide the City the means to monitor, measure, evaluate and report how its activities, investments and work will best benefit the community.

Langley City is undergoing a transformative period with much excitement and anticipation of the arrival of SkyTrain. With the support of City Council, we are building a roadmap to create a city that not only promises a better way of life but prioritizes the interwoven values of culture, inclusion and tolerance that reside in the fabric of our community identity. We envision a community that welcomes newcomers and helps them to adapt. We see difference and diversity as opportunities, not as threats. We seek to attract not just the wealthiest, but all those seeking a better life and we invite them to share their story and be a part of ours. We embrace all generations, new and old, from whom we draw energy, dynamism and a sense of constant renewal.

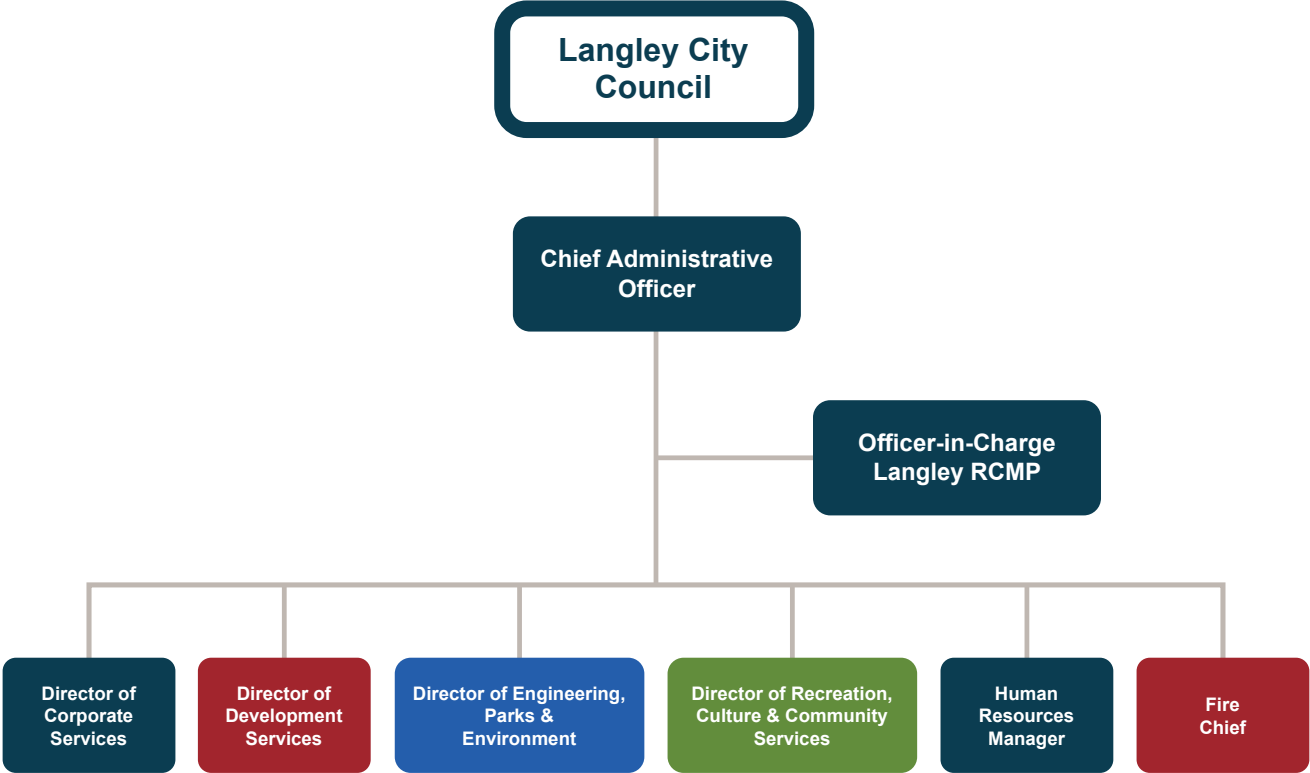
Finally, I wish to extend my sincere thanks to City Council for their trust and ongoing support and to our City staff for all their hard work to advance our strategic priorities.

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

Francis Cheung, P. Eng.
Chief Administrative Officer



Organizational Structure



Your City by the Numbers

Where Does City Revenue Come From?

The City has several sources of revenue which are used to fund the essential services the City provides. Property taxes, the largest contributed portion, represent 47% of total revenue; Water and Sewer charges contributed 14%; business licences, building permit and inspection fees represent 2%; and interest income contributed 6% of total revenues. Government transfers, including casino proceeds, contributed 22%.

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

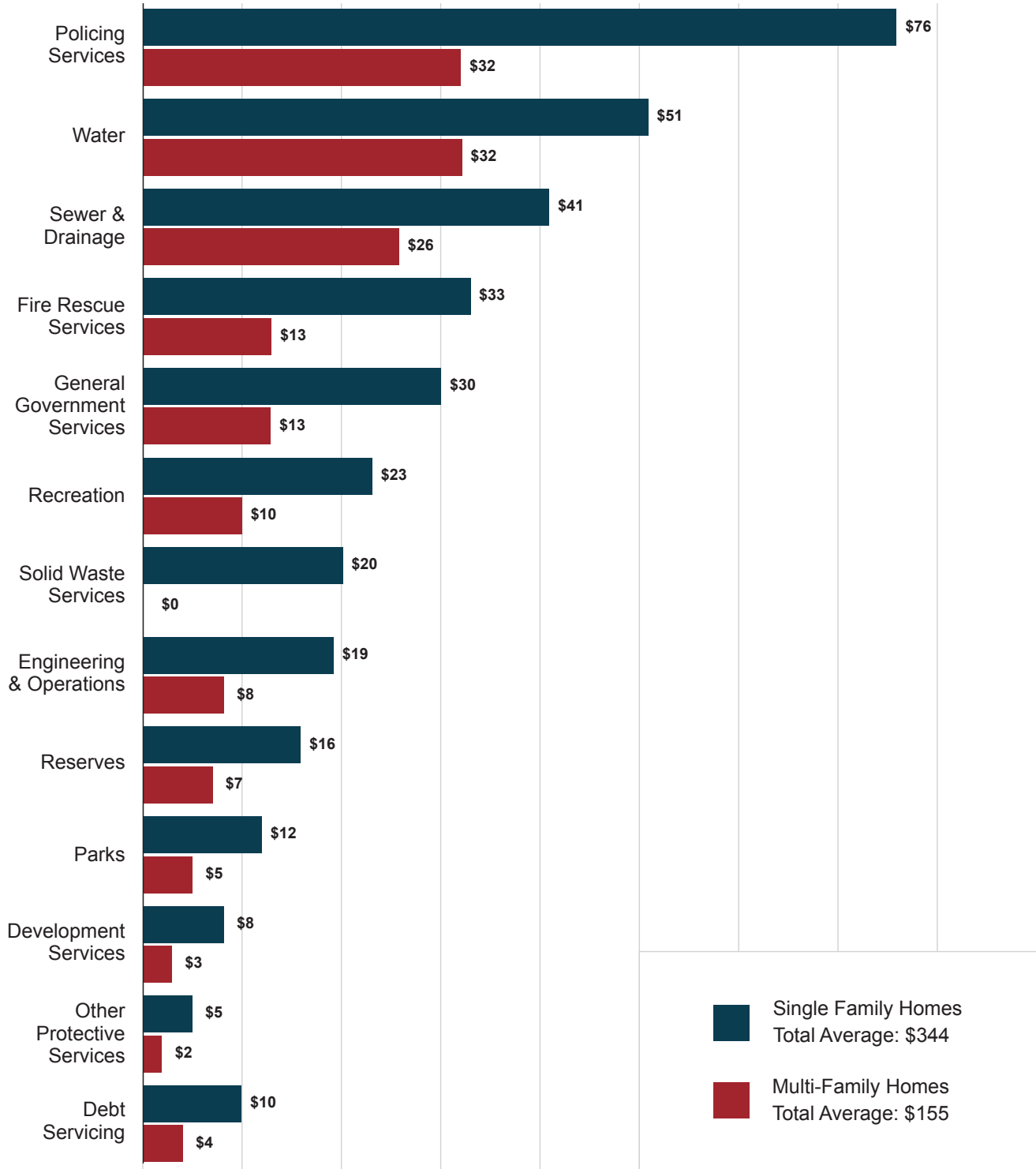
Did You Know?

Langley City collects property taxes on behalf of other levels of government. Only 58% of your property taxes go to the City, with the remaining 42% 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 recreation and cultural facilities, and provides development services to developers and businesses. The chart on the following page shows average monthly contributions from single family homes and multi-family homes for City services.

Average Distribution of City Taxes Per Month







Department Overviews

Administration	9
Corporate Services	11
Engineering, Parks & Environment	13
Development Services	15
Recreation, Culture & Community Services	17
Fire Rescue Services	19
Langley RCMP	21



Administration

The Administration department informs, advises and provides services to City Council, direction and assistance to other City departments, and services to the public, in addition to leading the City's overall conduct in pursuing the vision and mission while maintaining City values. The department executes Council's policies and decisions; 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 department also coordinates the recruitment process and labour relations activities; oversees corporate training, health and safety, human resources programs, and professional development initiatives; manages all communication platforms, including the City's website; provides media relations; develops key messages for City spokespeople; and provides communications support to members of Council, City committees and all City departments. It is also responsible for conducting local government elections, which are held every four years.

Accomplishments

- Developed a new five-year rolling Strategic Plan.
- Received the 2023 Organizational Safety Excellence Award from BC Municipal Safety Association.
- Supported the research, development and activation planning for a shared outcome approach to support vulnerable individuals and families to access housing, health, income assistance and community services through building active participation. The approach was in collaboration with the Ministry of Social Development-Poverty Reduction, Fraser Health, BC Housing and Greater Vancouver Community Entity; overseen by Lu'ma Native Housing Society; and possible through the launch of the Infrastructure Canada funded coordinated access-homelessness management information system. The system will go live in April 2024.
- Published 12 eNewsletters and grew the subscription list by 13.44%.

Looking Forward



In 2024, the City will develop long-term financial priorities and funding strategies for new municipal facilities. An Economic Development Strategy will be developed to focus on investment attraction, business retention and expansion, destination development, workforce attraction and retention, resident attraction and marketing. Additionally, we will continue to engage with the community and implement the recommendations from the Community Dialogue Project to complement the work of the Citizens' Assembly project on community safety reform. An overhaul of the City's website will be undertaken to enhance user experience and effectively engage with the community with a modernized layout, improved performance, and streamlined navigation. Langley City Council and staff are committed to, and will continue to be educated and seek learning opportunities on Truth and Reconciliation with Indigenous Nations.



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 2023 Financial Plan and Capital Improvement Plan.
- Implemented electronic funds transfer payments to suppliers.
- Replaced 20 workstations for staff and rolled out new Emergency Operations Centre (EOC) technology at the fire hall.
- Upgraded the fiber network from City Hall to the Engineering Operation Centre.
- Rolled out online timesheet entries for internal employees.
- Increased the number of users in the Tempest MyCity platform from 4,090 to 5,197 in 2023, which allows residents online access to property tax, utility, dog and business licence accounts.
- Referred 369 new clients to Langley Youth and Family Services during the year, for a total of 552 different clients being seen and 3,932 direct counselling hours being provided.

Looking Forward



In 2024, the City will establish a policy framework for governing fiscal management, ensuring the stewardship of community assets and the preparation of a long-term financial plan. Promotion of the Community Police Office's services to enhance community awareness and an annual report will be provided. We will also update the intranet with departmental pages alongside the external website upgrade, implement a training and onboarding platform, launch the online Business Licence eApply tool, and complete the Asset Retirement Obligation analysis.



Engineering, Parks & Environment

The Engineering, Parks and Environment department ensures 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 infrastructure such as playgrounds, sports courts, off-leash dog parks, playfield maintenance and trails.

Engineering Services provides technical expertise and supervision for municipal infrastructure projects and provides technical support and mapping services. Engineering Operations performs maintenance and repair services for the city's road network; provides response for spills and contamination of watercourses; manages the water supply network, sanitary sewer and drainage infrastructure; provides 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

- Completed the development and update of Sanitary and Watermain Servicing plans.
- Began updating the City's Strategic Transportation Plan (expected to be completed by July 2024).
- Updated the Asset Management database with the facilities inventory and bridge condition assessments from the inspection reports.
- Completed the annual Nicomekl River review and removed large woody debris and cleaned up other assorted debris piles.
- Repaired inflow and infiltration deficiencies throughout the city identified during smoke testing.
- Completed the new amphitheatre and upgrades to the baseball field and multi-use sand field at City Park.
- Completed drainage repairs at Conder Park and City Park.

Looking Forward



In 2024, the City will advance infrastructure asset management plans by coordinating and optimizing the 10- and 20-year Capital Plan. We will complete the Strategic Transportation Plan, focusing on expanding active transportation improvements, road safety, and climate resiliency. Additionally, we will prepare and award a Request for Proposal for curbside solid waste collection. Finalization of the Fraser Highway One-Way Project's civil and public realm design will be completed to inform businesses about the project and construction schedule, secure consents for work on private properties, and tender the project to start construction. The City will replace the street sweeper and woodchipper, complete the annual inflow and infiltration program, install high mast netting, replace the backstop at Barbour Diamond, and resurface the infield and pave the pathway at City Park.



Development Services

The Development Services department is responsible for the planning and development of the community. The department prepares policies, plans and bylaws to manage growth, including the Official Community Plan (OCP) and Zoning Bylaw, and processes development applications that implement the OCP. The department also processes building permits for a range of building and development types, sizes and complexity, conducts building permit

inspections through the phases of new building construction and tenant improvements, and issues business licences. The department ensures public health and safety according to the B.C. Building Code and municipal bylaws and supports local businesses. The department also assists in advancing economic development objectives in line with the City's Economic Development Strategy.

Accomplishments

- Processed 35 new development applications for 1,013 multi-family residential units, 5 single family lots, 1,094 m² (11,776 sq ft) of commercial floorspace and 9,681 m² (104,205 sq ft) of industrial floorspace.
- Completed an online survey to obtain public input on proposed update to the Zoning Bylaw, which will seek to implement the policy directions in the new OCP, incorporate best practices and reflect the City's context.
- Completed a public survey regarding townhomes and plex-homes south of the Nicomekl River and developed a Townhome and Plex-homes 'Best Practices Guide' that was approved by Council and is now used to inform the design of new townhome and plex-home development applications.
- Hosted Advisory Design Panel meetings to review new development applications prior to Council consideration.
- Processed 188 new Building Permit applications (construction value over \$107 million) and 469 new Business Licence applications and issued 2,450 Business Licences.
- Enhanced record management by scanning property files into a database to improve customer service.
- Participated in the Problem Property Task Group.
- Updated Development Services' strategic staffing plan and positions to respond to increased development activity and complexity, as well as prepare for the arrival of SkyTrain. Added a new full-time Planning position.
- Updated staff positions in the Building Division and recruited staff to fill vacancies.

Looking Forward



In 2024, the City will complete the Zoning Bylaw Update to align the bylaw with the Official Community Plan (OCP) and recent Provincial legislation to increase housing supply. We will update the Tenant Relocation Policy to ensure compensation levels and relocation requirements effectively support tenants in finding suitable accommodations when existing rental buildings are proposed for redevelopment. Completion of the first phase of the Innovation Boulevard workplan will provide a new land use plan for the area, located between the growing Kwantlen Polytechnic University campus, Langley City Centre SkyTrain Station and downtown. The development of a new Below Market Rental Housing Policy will guide potential new rental housing opportunities in new developments and align with new Provincial housing legislation. We will also update development-related bylaws to ensure that development and building permit application processes continue to be user-friendly, time efficient and align with new Provincial regulations.



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

- Increased program demand across age groups and activity types.
- Welcomed 27,696 participants at single session (drop-in) fitness classes, an increase from 19,910 participants in 2022.
- Increased youth drop-ins by 1,000 in 2023, both in social and sport activities.
- Continued to expand lesson registrations. Early morning swims, aquafit programs and special events are all in high demand at Al Anderson Memorial Outdoor Pool during its four-month season.
- Attracted thousands of families to the free Summer Pop Up Play to be active and enjoy our parks and public spaces.
- Provided the Summer Child Fun Pass to 4- to 18-year-old youths, offering 10 free visits to drop-in activities throughout the summer, including swimming at Al Anderson Memorial Pool, participating in a sports program at Timms Community Centre or joining in the fun at the Games Room.
- Held the annual Langley City Community Day in June and offered a wide variety of community booths, activities, crafts, entertainment and a variety of food trucks.
- Held the Magic of Christmas festival in December and offered live entertainment, variety of food, crafts, a visit with Mr. and Mrs. Claus, in addition to a holiday market hosted by the Langley Arts Council.

Looking Forward



In 2024, the City will continue renovating the Douglas Recreation Centre to increase the number of licenced, affordable childcare spaces, aligning with the 2020 Child Care Action Plan goals. We will collaborate with the Arts, Recreation, Culture and Heritage Committee to expand programming and activities throughout the year and throughout the city, including hosting the second Langley City Film Festival in October 2025 in partnership with Langley Community Music School and Langley Arts Council. Additionally, will work with the Accessibility Advisory Committee to establish an accessibility strategy. To support the objectives of the recently adopted Parks, Recreation and Culture Plan, a Sponsorship Strategy for community events will be implemented. We will also partner with other agencies and schools to expand programming such as the After 3 program to meet the demand for youth program offerings.



Fire Rescue Services

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, emergency medical services, working with our community emergency service partners, emergency planning and providing community outreach.

Accomplishments

- Implemented a new electronic system to record fire inspections and preplans on iPads. Inspection reports are filed instantly and an electronic copy is sent to the business owner.
- Developed and implemented an fleet records management system to complete fleet service requests electronically and track progress in real time.
- Developed equipment resources and procedures as part of the City's move to its own stand-alone EOC.
- Hired a new full-time Emergency Management Program Advisor to address the specific concerns of the City when dealing with emergency management education, preparation, mitigation and recovery processes, including Business Continuity Planning.
- Completed an in-house Aerial Apparatus driver/operator training program for staff.
- Delivered combined scenario-based training for Emergency Support Services volunteers and firefighters, who were invited to take part in a joint training exercise on how to setup and run a reception center.
- Delivered updated firefighter recruit training to follow the Firefighter Provincial Training Standards from the Office of the Fire Commissioner.

Looking Forward



In 2024, the City will develop an in-house mental health awareness app for firefighters and their families, serving both as a proactive tool and a resource for assistance. The department will participate in the Operational review process and develop a Business Continuity Plan to ensure the City is prepared to provide services during emergencies. Collaboration with neighbouring fire rescue services will be conducted to develop joint and stand-alone procedures and training to respond to emergencies related to the expansion of the Skytrain during its construction and while in operation. The department will also continue to develop Community Risk Reduction plans and strengthen partnerships with higher-risk industries and employers located within the city, to help reduce overall risk to the community through education, planning and training.



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,

street enforcement, forensic identification, police dog services and air support. The Langley RCMP and civilian staff members work together for public safety and crime prevention in the city.

Accomplishments

- Created the Langley Inter-agency Front-line Table (“LIFT”) initiative, bringing together 15 community based support groups to address the needs of individuals requiring assistance for substance abuse, health concerns, housing and other challenges.
- Secured \$186,140 of provincial Special Investigation & Targeted Enforcement (SITE) funding to support more visible policing on current “hot spot” locations.
- Launched the Repeat Violent Offending Intervention Initiative (ReVOII) to identify repeat violent offenders and initiate enforcement, Probation Officer assignment and prosecution, as well as interventions and community supports. To-date 10 individuals have been identified as ReVOII offenders.
- Participated in the Provincial Tactical Enforcement Priority program coordinated by the provincial Combined Forces Special Enforcement Unit, allowing Langley RCMP to receive \$85,363 in funding to support projects focused on high-level organized crime or gang targets.
- Participated in quarterly meetings with Chief Marilyn Gabriel of Kwantlen First Nation to establish protocols and build a strong relationship, assuring better service delivery and a learning environment for the RCMP.
- Created the Langley RCMP Vulnerable Persons Unit, which is a plain clothes team specialized in addressing child sexual and physical abuse.
- Attended over 100 events in 2023 as part of our community policing and management team ongoing community engagement goal.

Looking Forward



In 2024, the Langley RCMP will continue to offer the Junior Police Youth Program, providing high school students the opportunity to understand policing programs and meet their high school volunteer hours at various Langley RCMP community engagement events. The department will collaborate with local Bylaw staff to tighten regulations on catalytic converter thefts and with local businesses to allow autobody dealerships to offer a catalytic converter marking system. The RCMP will encourage Langley Memorial Hospital to continue expanding its Mental Health Unit to appropriately respond to mental illness cases. Continued participation in enhanced enforcement initiatives to support local businesses with chronic shoplifting issues will occur, including Project Bar Code, which was initiated by the Vancouver Police and provides extra enforcement to Loss Prevention Officers within the community.

2023 Community Grants

Organization	Grant Amount
Alano Club of Langley	\$ 2,000.00
Bard in the Valley	\$ 14,000.00
Big Brothers Big Sisters of Langley	\$ 5,000.00
Bosnian-Herzegovinian Cultural Centre Vancouver Canada	\$ 2,000.00
Boys and Girls Clubs (BGC)	\$ 4,500.00
Canadian Festival of Chili BBQ	\$ 1,840.00
Community Arts Council of Vancouver	\$ 1,500.00
Copper for Kids Foundation	\$ 1,000.00
DLBA Arts Alive	\$ 12,500.00
Douglas Park Pickleball	\$ 5,000.00
Douglas Park Temporary Washroom Facilities	\$ 2,500.00
Eco Waves Community Volunteer Club	\$ 600.00
Encompass - Best Babies	\$ 1,160.00
Encompass - Friends of Dorothy	\$ 2,500.00
Fairy Godmother Foundation	\$ 1,000.00
Family Services of Greater Vancouver	\$ 1,500.00
Fibromyalgia Well Spring Foundation	\$ 2,755.78
Fraser Region Community Justice Initiatives Association	\$ 1,000.00
Fraser Valley Cultural Diversity Awards	\$ 1,500.00
Langley 4H District Council	\$ 150.00
Langley Amateur Radio Association	\$ 250.00
Langley Animal Protection	\$ 5,000.00
Langley Arts Council	\$ 4,666.00
Langley Cares Foundation - Langley Lodge	\$ 5,000.00
Langley Community Farmers Market	\$ 2,500.00

2023 Community Grants continued

Organization	Grant Amount
Langley Community Services Society (Best Babies)	\$ 5,000.00
Langley Community Services Society (Langley Global Fest)	\$ 4,475.00
Langley Fastball Association	\$ 5,000.00
Langley Field Naturalists	\$ 2,500.00
Langley Flippers Swim Club	\$ 1,000.00
Langley Fundamental Middle & Secondary Dry Grad	\$ 500.00
Langley Lawn Bowling Club	\$ 2,500.00
Langley Literacy Association	\$ 2,500.00
Langley Pos-Abilities Society	\$ 4,000.00
Langley Rotary Clubs - RibFest Langley	\$ 5,000.00
Langley Scholarship Committee	\$ 4,500.00
Langley Senior Resources Society	\$ 15,000.00
Langley Ukulele	\$ 2,500.00
Langley Volunteer Bureau	\$ 1,650.00
Lower Fraser Valley Aboriginal Society	\$ 5,400.00
Parkinson Society BC	\$ 500.00
Pitch in Canada	\$ 425.00
PLEA - Children on the Street	\$ 1,000.00
Terry Fox Foundation	\$ 1,535.00
Terry Fox Run (No application yet)	\$ 1,500.00
Valley Therapeutic Equestrian Association	\$ 4,250.00
Vancouver Area Youth Arts Society - VAYA Music Festival	\$ 5,500.00
Volunteer Cancer Drivers	\$ 1,000.00
Youth Parliament	\$ 1,000.00
Zajac Ranch Society	\$ 5,600.00
Total	\$ 165,256.78

City Council Awarded
\$165,256.78
 in Community Grants

Permissive Tax Exemptions

Organization	Exemption
Anglican Parish of St Andrew's	\$ 27,489
Bridge Community Church	\$ 19,834
Church of the Nazarene	\$ 24,711
Community Police Office	\$ 16,439
Convention Centre	\$ 51,024
Encompass Support Services Society	\$ 25,720
Inclusion Langley Society	\$ 36,952
Langley Care Society	\$ 28,208
Langley Community Music School	\$ 47,802
Langley Community Services Society	\$ 16,976
Langley Food Bank	\$ 54,732
Langley Hospice Society	\$ 8,012
Langley Lawn Bowling	\$ 39,948
Langley Memorial Hospital Auxiliary	\$ 79,230
Langley Seniors Resource Society	\$ 49,180
Langley Stepping Stones	\$ 15,410
New Apostolic Church	\$ 7,369
Roman Catholic Church	\$ 103,911
Salvation Army - Gateway of Hope	\$ 4,374
Town & Field Church	\$ 31,609
Vancouver Global Mission Church	\$ 30,034
Vineyard Christian Fellowship	\$ 55,119
Total	\$ 774,083

City Council Provided
\$774,083
 in Tax Exemptions

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, 2023.

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) of the Chartered Professional Accountants of Canada. 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, 2023 and its results of operations, its changes in net financial assets, and cash flows for the year then ended.

FINANCIAL OVERVIEW: With the use of sound financial principles, the City of Langley has a solid financial position at the end of 2023. The City has a healthy net financial assets balance of \$53 million. This is a positive indicator of the City's financial flexibility, its ability to finance operating activities and meet current financial obligations.

The City's accumulated surplus includes \$301 million in tangible capital assets (land, buildings, equipment and engineering structures like roads and utility pipes) with a net increase of \$23.7 million after allowing for amortization expenses, the asset retirement obligation, debt and the disposal of assets like vehicles being replaced.

The City collected \$38 million in taxation revenues and a further \$12 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 2023 operating surpluses resulted primarily from an increase in interest earning due to the rapid interest rate increase along with lower departmental expenditures. These surpluses were allocated to reserves to provide funding for future capital infrastructure projects.

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



Financial Statements

Management’s Responsibility	28
Independent Auditor’s Report	29
Consolidated Statement of Financial Position	32
Consolidated Schedule of Statutory and Non-Statutory Reserves	47
Consolidated Schedule of Segmented Revenue and Expenses	48
Schedule of Tangible Capital Assets	50

Management's Responsibility

CITY OF LANGLEY

Consolidated Financial Statements

Year ended December 31, 2023

MANAGEMENT'S RESPONSIBILITY

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

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

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



Darrin Leite, CPA, CA
Director of Corporate Services



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Independent Auditor's Report

To the Mayor and Council of the City of Langley

Opinion

We have audited the consolidated financial statements of the City of Langley and its controlled entities (the "Entity"), which comprise the Consolidated Statement of Financial Position as at December 31, 2023 and the Consolidated Statements of Operations, Change in Net Financial Assets, and the Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies ("financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2023 and its results of operations, its changes in net financial assets, and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Unaudited Information

We have not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of 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 financial statements and our auditor's report thereon.

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

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

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



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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Entity to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

BDO Canada LLP

Chartered Professional Accountants
Vancouver, British Columbia

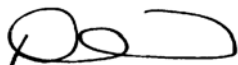
May 14, 2024

CITY OF LANGLEY

Consolidated Statement of Financial Position at December 31, 2023 with comparative figures for 2022

	2023	2022
Financial Assets		
Cash & cash equivalents (Note 2)	\$ 41,193,929	\$ 41,385,985
Accounts receivable		
Taxes and utilities receivable	6,054,613	5,732,726
Receivables from other governments	3,366,145	5,991,926
Deferred development cost charges receivable	475,530	2,197,402
Other receivables	1,019,937	973,096
Portfolio investments (Note 2)	91,472,683	79,166,882
	<u>143,582,837</u>	<u>135,448,017</u>
Liabilities		
Prepaid property taxes	6,327,566	5,739,955
Employee future benefits (Note 3)	427,459	417,186
Asset retirement obligation (Note 4)	933,728	-
Accounts payable and accrued liabilities		
Payables to other governments	13,741,186	13,204,785
Refundable deposits	13,123,321	10,313,558
Other payables	6,071,308	4,953,898
Deferred revenue	6,067,163	5,013,186
Deferred development cost charges (Note 5)	37,040,252	33,390,529
Debt (Note 6)	7,081,752	7,500,000
	<u>90,813,735</u>	<u>80,533,097</u>
Net Financial Assets	<u>52,769,102</u>	<u>54,914,920</u>
Non-Financial Assets		
Prepaid expenses	198,103	210,320
Supplies inventory	335,331	303,612
Tangible capital assets (Schedule 4)	300,745,856	277,071,340
	<u>301,279,290</u>	<u>277,585,272</u>
Accumulated Surplus (Note 7)	<u>\$ 354,048,392</u>	<u>\$ 332,500,192</u>

See accompanying notes to consolidated financial statements.



Darrin Leite, CPA, CA
Director of Corporate Services

CITY OF LANGLEY

Consolidated Statement of Operations

Year ended December 31, 2023 with comparative figures for 2022

	2023 Financial Plan	2023	2022
	(Note 14)		
Revenues (Schedules 2 & 3)			
Property tax revenue (Note 9)	\$ 38,344,745	\$ 38,038,593	\$ 33,866,252
User fees and other revenue	17,779,315	17,072,635	17,092,293
Gaming proceeds	7,500,000	7,990,632	8,070,079
Government transfers (Note 10)	5,149,665	10,155,913	3,584,648
Investment earnings	1,560,000	5,078,758	2,096,198
DCC revenue recognized (Note 5)	2,108,025	1,161,456	1,096,037
Gain (loss) on disposal of capital assets	-	13,247	(94,989)
Contributed tangible capital assets	-	1,439,277	870,342
	<u>72,441,750</u>	<u>80,950,511</u>	<u>66,580,860</u>
Expenses (Schedules 2 & 3)			
General government services	9,677,920	7,553,780	6,325,922
Police service	15,697,740	15,918,047	14,607,261
Fire service	6,938,040	6,286,793	5,795,066
Other protective services	934,945	807,467	779,914
Engineering operations	9,288,485	6,957,223	6,712,111
Water utility	6,826,420	5,197,381	5,119,111
Sewer and drainage utility	5,940,570	4,671,036	4,222,410
Development services	1,656,450	1,814,303	1,578,260
Solid waste	819,130	815,521	747,432
Recreation services	6,207,810	5,728,790	5,661,522
Parks	4,004,605	3,651,970	3,317,080
	<u>67,992,115</u>	<u>59,402,311</u>	<u>54,866,089</u>
Annual Surplus	<u>4,449,635</u>	<u>21,548,200</u>	<u>11,714,771</u>
Accumulated Surplus - beginning of year	332,500,192	332,500,192	320,785,421
Accumulated Surplus - end of year (Note 7)	<u>\$ 336,949,827</u>	<u>\$ 354,048,392</u>	<u>\$ 332,500,192</u>

See accompanying notes to consolidated financial statements.

CITY OF LANGLEY

Consolidated Statement of Change in Net Financial Assets Year ended December 31, 2023 with comparative figures for 2022

	2023 Financial Plan	2023	2022
	(Note 14)		
Annual Surplus	\$ 4,449,635	\$ 21,548,200	\$ 11,714,771
Change in Capital Assets			
Acquisition of tangible capital assets	(37,645,740)	(29,186,808)	(10,420,600)
Contributed tangible capital assets	-	(1,439,277)	(870,342)
Amortization	6,400,000	6,916,100	6,377,562
Proceeds from sale of tangible capital assets	-	48,716	8,779
(Gain) loss on disposal of capital assets	-	(13,247)	94,989
	<u>(31,245,740)</u>	<u>(23,674,516)</u>	<u>(4,809,612)</u>
Change in Other Non Financial assets			
Decrease in prepaid expenses	-	12,217	17,427
Increase in supplies inventory	-	(31,719)	(66,182)
	<u>-</u>	<u>(19,502)</u>	<u>(48,755)</u>
Increase (Decrease) in Net Financial Assets	<u>(26,796,105)</u>	<u>(2,145,818)</u>	<u>6,856,404</u>
Net Financial Assets - beginning of year	54,914,920	54,914,920	48,058,516
Net Financial Assets - end of year	<u>\$ 28,118,815</u>	<u>\$ 52,769,102</u>	<u>\$ 54,914,920</u>

See accompanying notes to consolidated financial statements.

CITY OF LANGLEY

Consolidated Statement of Cash Flows

Year ended December 31, 2023 with comparative figures for 2022

	2023	2022
Cash Provided By (Used For)		
Operating Transactions		
Annual surplus	\$ 21,548,200	\$ 11,714,771
Items not involving cash:		
DCC revenue recognized	(1,161,456)	(1,096,037)
Amortization	6,916,100	6,377,562
Contributed tangible capital assets	(1,439,277)	(870,342)
(Gain) loss on disposal of capital assets	(13,247)	94,989
Accrued investment interest earnings	(2,472,683)	(1,166,882)
Changes in non-cash working capital:		
Accounts receivable	3,978,925	(1,412,497)
Prepaid property taxes	587,611	27,133
Accounts payable and accrued liabilities	4,520,338	4,473,623
Deferred revenue	1,053,977	1,191,149
Prepaid expenses	12,217	17,427
Supplies inventory	(31,719)	(66,182)
	<u>33,498,986</u>	<u>19,284,714</u>
Capital Transactions		
Cash used to acquire tangible capital assets	(28,299,571)	(10,420,600)
Proceeds from sale of tangible capital assets	48,716	8,779
	<u>(28,250,855)</u>	<u>(10,411,821)</u>
Financing Transactions		
Proceeds from issuance of debt	-	7,500,000
Debt repayment	(418,248)	-
Receipt of deferred development cost charges and interest earned	4,811,179	4,450,875
	<u>4,392,931</u>	<u>11,950,875</u>
Investing Transactions		
Purchase of investments	(106,000,000)	(78,000,000)
Redemption of investments	96,166,882	59,347,288
	<u>(9,833,118)</u>	<u>(18,652,712)</u>
Increase (Decrease) in Cash and Cash Equivalents	<u>(192,056)</u>	<u>2,171,056</u>
Cash and Cash Equivalents - beginning of year	41,385,985	39,214,929
Cash and Cash Equivalents - end of year	<u>\$ 41,193,929</u>	<u>\$ 41,385,985</u>

Due to the implementation of PS 3280 (Note 4) the City also recorded an additional \$887,237 as tangible capital additions and asset retirement obligations.

See accompanying notes to consolidated financial statements.

CITY OF LANGLEY

Notes to the Consolidated Financial Statements

Year ended December 31, 2023 with comparative figures for 2022

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. Interest costs associated with debt to acquire tangible capital assets are expensed and not capitalized. 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 known and can be reasonably estimated.

User fees and other revenue

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

CITY OF LANGLEY

Notes to the Consolidated Financial Statements

Year ended December 31, 2023 with comparative figures for 2022

(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 (DCC)

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

Contributed tangible capital assets

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

(F) Use of Estimates/Measurement Uncertainty:

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

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

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

(H) Contaminated Sites:

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

Management has assessed its potential liabilities, including sites that are no longer in productive use and sites for which the City accepts responsibility. There are no such sites that had contamination in excess of an environmental standard requiring remediation at this time. Therefore, no liability was recognized as at December 31, 2023 or December 31, 2022.

(I) Comparative Figures:

Certain comparative figures have been reclassified to conform with the presentation adopted in the current year. These changes did not have an impact on the annual surplus.

CITY OF LANGLEY

Notes to the Consolidated Financial Statements

Year ended December 31, 2023 with comparative figures for 2022

(J) Financial Instruments:

The City adopted Public Sector Accounting Standard 3450, Financial Instruments, effective January 1, 2023, on a prospective basis.

Cash and equity instruments quoted in an active market are measured at fair value. All of the City's financial instruments are recorded at cost or amortized cost.

If applicable, unrealized gains and losses from changes in the fair value of financial instruments are recognized in a Statement of Remeasurement Gains and Losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the Consolidated Statement of Operations.

When investment income and realized and unrealized gains and losses from changes in the fair value of financial instruments are externally restricted, the investment income and fair value changes are recognized as revenue in the period in which the resources are used for the purpose specified.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

For portfolio measurements measured at cost, the cost method records the initial investment at cost and earnings from such investments are recognized only to the extent received or receivable. When an investment is written down to recognize an impairment loss, the new carrying value is deemed to be the new cost basis for subsequent accounting purposes.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the Consolidated Statement of Operations.

Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

(K) Asset Retirement Obligations:

The City adopted Public Sector Accounting Standard 3280, Asset Retirement Obligations, effective January 1, 2023, on a prospective basis. This new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets such as asbestos removal in retired buildings which the City owns or will assume responsibility for.

A liability is recognized when, at the financial reporting date:

- i) there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- ii) the past transaction or event giving rise to the liability has occurred;
- iii) it is expected that future economic benefits will be given up; and
- iv) a reasonable estimate of the amount can be made.

The resulting costs have been capitalized into the carrying amount of the related tangible capital assets and are being amortized on the same basis as the related tangible capital asset. Assumptions used in the calculations are reviewed annually.

CITY OF LANGLEY

Notes to the Consolidated Financial Statements

Year ended December 31, 2023 with comparative figures for 2022

2. Cash, cash equivalents and portfolio investments:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 41,193,929	\$ 41,385,985
Portfolio investments	91,472,683	79,166,882
	<u>\$ 132,666,612</u>	<u>\$ 120,552,867</u>

Amounts are held or restricted for the following purposes:

Deferred development cost charges	\$ 36,564,722	\$ 31,193,127
Statutory reserves	20,021,802	15,785,133
Non-statutory reserves	37,525,401	35,692,402
Operating funds and working capital	38,554,687	37,882,205
	<u>\$ 132,666,612</u>	<u>\$ 120,552,867</u>

Cash and cash equivalents includes funds held in bank accounts at BMO Bank of Montreal earning interest of prime rate less 1.45% (2022 - prime rate less 1.45%).

Portfolio investments, which include term deposits, have effective interest rates between 2.93% and 6.55% (2022 - 1.65% and 5.80%) 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, 2023 was \$91,472,683 (2022 - \$79,166,882). 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, 2023. The valuation resulted in an unamortized actuarial gain as of December 31, 2023 of \$52,059 (2021 - loss of \$63,314). Actuarial losses are amortized over the estimated average remaining service life of employees. The next valuation will be as at December 31, 2027.

The employee future benefit liability at December 31, 2023 is comprised as follows:

	<u>2023</u>	<u>2022</u>
Benefit liability - beginning of year	\$ 417,186	\$ 400,406
Current service cost	44,200	43,600
Interest cost	13,600	13,300
Benefits paid	(43,000)	(50,500)
Amortization of actuarial (gain) loss	(4,527)	10,380
Benefit liability - end of year	<u>\$ 427,459</u>	<u>\$ 417,186</u>
Accrued benefit obligation - end of year	\$ 375,400	\$ 480,500
Unamortized actuarial gain (loss)	52,059	(63,314)
Benefit liability - end of year	<u>\$ 427,459</u>	<u>\$ 417,186</u>

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

	<u>2023</u>	<u>2022</u>
Discount rate	4.10%	2.70%
Expected future inflation rate	2.50%	2.50%
Merit and inflationary earnings increases	2.50-4.50%	2.58-4.63%
Estimated average remaining service life	12.5	10.1

CITY OF LANGLEY

Notes to the Consolidated Financial Statements

Year ended December 31, 2023 with comparative figures for 2022

4. Asset Retirement Obligations:

The City owns several buildings known to have asbestos, which represents a health risk upon demolition of the building, and there is a legal obligation to remove it. The buildings have remaining estimated useful lives of 25-50 years. Estimated costs have been discounted to the present value using a discount rate of 5.24% per annum. Estimated future remediation was projected using current costs and an inflation rate of 4.1%.

The transition and recognition of asset retirement obligations involved an increase to the buildings tangible capital assets and the establishment of the corresponding liability as noted below.

Changes to the asset retirement obligation in the year are as follows:

	<u>2023</u>
Balance - beginning of year	\$ -
Recognition of Asset Retirement Obligation	887,237
Accretion expense	46,491
Balance - end of year	<u>\$ 933,728</u>

5. Deferred development cost charges:

	2022	Contributions Received	Interest Earned	DCC Revenue Recognized	2023
Drainage	\$ 5,913,185	\$ 352,069	\$ 298,281	\$ (185,625)	\$ 6,377,910
Public Open Spaces	4,534,232	161,345	224,592	(72,067)	4,848,102
Roads	10,660,731	1,246,716	558,502	(510,397)	11,955,552
Sewer	8,964,020	1,029,563	468,555	(393,367)	10,068,771
Water	3,318,361	300,651	170,905	-	3,789,917
	<u>\$33,390,529</u>	<u>\$ 3,090,344</u>	<u>\$ 1,720,835</u>	<u>\$ (1,161,456)</u>	<u>\$ 37,040,252</u>

6. Debt:

The City obtains debt instruments through the Municipal Finance Authority (MFA), pursuant to security issuing bylaws under authority of the Community Charter, to finance certain capital expenditures. Debt is reported net of sinking fund balances and interest expense is reported net of sinking fund earnings. During the year, the City's outstanding debt balance was reduced by a combination of direct principal payments and sinking fund earnings totaling \$418,248 (2022 - \$0).

The gross amount of debt less sinking fund installments and actuarial adjustments is as follows:

Bylaw number/Purpose	Maturity Date	Interest Rate	Authorized	Cumulative Repayments	2023	2022
3145 - Property Acquisition	2037	3.36%	\$ 7,500,000	\$ 418,248	\$ 7,081,752	\$ 7,500,000
			<u>\$ 7,500,000</u>	<u>\$ 418,248</u>	<u>\$ 7,081,752</u>	<u>\$ 7,500,000</u>

Total interest on the debt for the year ended December 31, 2023 was \$252,000 (2022 - \$184,145)

CITY OF LANGLEY

Notes to the Consolidated Financial Statements

Year ended December 31, 2023 with comparative figures for 2022

6. Debt (continued):

As a condition of these borrowings, a portion of the debt proceeds is withheld by the MFA in a debt reserve fund. If at any time the City does not have the sufficient funds to meet payments due on its obligations, the payments shall be made from the debt reserve fund. Amounts withheld for this purpose are as follows:

Bylaw number/Purpose	Debt Reserve Fund
3145 - Property Acquisition	\$ 75,000
	<u>\$ 75,000</u>

These cash deposits are included as part of accounts receivable in the Statement of Financial Position.

The following debenture debt amounts plus projected sinking fund earnings are payable over the next five years and thereafter are as follows:

2024	\$ 428,705
2025	439,422
2026	450,408
2027	461,668
2028	473,210
Thereafter	4,828,339
	<u>\$ 7,081,752</u>

The City has the following authorized but unissued financing available as at December 31, 2023:

Loan authorization Bylaw 3234	\$ 15,000,000
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7. Accumulated surplus:

Accumulated surplus is distributed as follows:

	<u>2023</u>	<u>2022</u>
Operating surplus		
General	\$ 1,445,380	\$ 1,421,924
Sewer & Drainage	1,172,730	1,164,318
Water	1,152,703	1,365,075
	<u>3,770,813</u>	<u>3,951,317</u>
Equity in tangible capital assets (Note 8)		
General	230,131,914	216,792,154
Sewer & Drainage	36,359,126	35,613,091
Water	26,239,336	24,666,095
	<u>292,730,376</u>	<u>277,071,340</u>
Reserves (Schedule 1)		
Statutory reserves	20,021,802	15,785,133
Non-statutory reserves	37,525,401	35,692,402
	<u>57,547,203</u>	<u>51,477,535</u>
	<u>\$ 354,048,392</u>	<u>\$ 332,500,192</u>

CITY OF LANGLEY

Notes to the Consolidated Financial Statements

Year ended December 31, 2023 with comparative figures for 2022

8. Equity in tangible capital assets:

	<u>2023</u>	<u>2022</u>
Balance - beginning of year	\$ 277,071,340	\$ 272,261,728
Addition of tangible capital assets	30,626,085	11,290,942
Proceeds on disposal of tangible capital assets	(48,716)	(8,779)
Gain on disposal of tangible capital assets	13,247	(94,989)
Asset retirement obligation	(887,237)	-
Amortization expense	(6,916,100)	(6,377,562)
Accretion expense	(46,491)	-
Cash spent from debt	(7,500,000)	-
Repayment of debt	418,248	-
Balance - end of year	<u>\$ 292,730,376</u>	<u>\$ 277,071,340</u>
Net book value of tangible capital assets	\$ 300,745,856	\$ 277,071,340
Asset retirement obligation	\$ (933,728)	\$ -
Debt	\$ (7,081,752)	\$ -
Equity in tangible capital assets	<u>\$ 292,730,376</u>	<u>\$ 277,071,340</u>

9. 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:

	2023 Financial		
	Plan	2023	2022
City property taxes	\$ 37,724,095	\$ 37,414,170	\$ 33,285,224
Grants in lieu of taxes	620,650	624,423	581,028
	<u>38,344,745</u>	<u>38,038,593</u>	<u>33,866,252</u>
Levies for other organizations			
School taxes		21,230,228	18,462,997
TransLink		4,506,944	4,031,349
British Columbia Assessment Authority		656,356	579,284
Metro Vancouver		961,675	807,693
Downtown Langley Merchants Assoc.		610,041	553,621
Municipal Finance Authority		3,739	3,109
Total collections for others		<u>27,968,983</u>	<u>24,438,053</u>
		<u>\$ 66,007,576</u>	<u>\$ 58,304,305</u>

CITY OF LANGLEY

Notes to the Consolidated Financial Statements

Year ended December 31, 2023 with comparative figures for 2022

10. Government transfers:

	2023 Financial		
	Plan	2023	2022
Federal Government			
Community works fund	\$ 133,880	\$ 145,375	\$ 138,864
Infrastructure funding	254,955	161,948	783,971
	<u>388,835</u>	<u>307,323</u>	<u>922,835</u>
Provincial Government			
Hotel tax revenue	220,000	434,331	294,018
Growing communities fund	-	7,186,000	-
Traffic fine revenue sharing	475,000	473,000	453,396
Infrastructure funding	170,080	171,682	37,827
	<u>865,080</u>	<u>8,265,013</u>	<u>785,241</u>
Municipalities and Regional Authorities			
Police building capital adjustment	40,200	106,387	38,128
Langley Youth & Family Services	408,690	398,385	363,909
Emergency preparedness	43,105	27,805	33,414
Major road network	684,000	705,000	684,000
Infrastructure funding	2,719,755	346,000	757,121
	<u>3,895,750</u>	<u>1,583,577</u>	<u>1,876,572</u>
	<u>\$ 5,149,665</u>	<u>\$ 10,155,913</u>	<u>\$ 3,584,648</u>

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

	2023			2022		
	Operations	Capital	Total	Operations	Capital	Total
Salaries & benefits	\$17,947,803	\$ 152,354	\$ 18,100,157	\$ 16,964,532	\$ 198,236	\$ 17,162,768
Goods and services	34,286,408	29,034,454	63,320,862	31,339,841	10,222,364	41,562,205
Debt servicing	252,000	-	252,000	184,154	-	184,154
Contributed tangible capital assets	-	1,439,277	1,439,277	-	870,342	870,342
Total expenditures	<u>52,486,211</u>	<u>30,626,085</u>	<u>83,112,296</u>	<u>48,488,527</u>	<u>11,290,942</u>	<u>59,779,469</u>
Amortization	6,916,100	-	6,916,100	6,377,562	-	6,377,562
Total expenditures & expenses	<u>\$59,402,311</u>	<u>\$ 30,626,085</u>	<u>\$ 90,028,396</u>	<u>\$ 54,866,089</u>	<u>\$ 11,290,942</u>	<u>\$ 66,157,031</u>

CITY OF LANGLEY

Notes to the Consolidated Financial Statements

Year ended December 31, 2023 with comparative figures for 2022

12. 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, 2022, the plan has about 240,000 active members and approximately 124,000 retired members. Active members include approximately 43,000 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, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The City of Langley paid \$1,076,244 (2022 - \$1,041,688) for employer contributions while employees contributed \$930,573 (2022 - \$905,735) to the plan in fiscal 2023.

The next valuation will be as at December 31, 2024, with results available in 2025.

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.

13. 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, 2023 with comparative figures for 2022

14. 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 6, 2023 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. 3233	\$ -
Capital asset additions	37,645,740
Amortization expense	(6,400,000)
Debt repayment	935,180
Borrowing proceeds	(15,000,000)
Net use of reserves to balance financial plan	
Transfer to non-statutory reserves	10,676,810
Transfer to statutory reserves	2,121,150
Transfer from non-statutory reserves	(18,276,130)
Transfer from statutory reserves	(7,253,115)
	<u>(12,731,285)</u>
Financial Plan Surplus as per Consolidated Statement of Operations	<u>\$ 4,449,635</u>

15. 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 2023, the City recognized \$7,990,632 (2022 - \$8,070,079) in revenues from the Province.

CITY OF LANGLEY

Notes to the Consolidated Financial Statements

Year ended December 31, 2023 with comparative figures for 2022

16. Financial instrument risk management:

The City is exposed to credit risk, liquidity risk, and interest rate risk from its financial instruments. This note describes the City's objectives, policies, and processes for managing those risks and the methods used to measure them.

There have not been any changes from the prior year in the Municipality's exposure to above risks or the policies, procedures and methods it uses to manage and measure the risks.

(A) Credit risk:

Credit risk is the risk of financial loss to the City if a customer or counterparty to a financial instrument fails to meet the contractual obligations. Such risks arise principally from cash and portfolio investments, accounts receivable made up of property tax and utilities and other non-property tax related balances.

The City's operating bank accounts are held at the Bank of Montreal a highly rated schedule "1" bank. The City's portfolio investments, including term deposits and guaranteed income certificates, are held at multiple different financial institutions (FIs) to spread any risk arising from an FIs inability to return the original value of the investment and related interest proceeds. In addition, the investments are either insured by the Credit Union Deposit Insurance Corporation for 100% of their value, or are insured by the Canadian Deposit Insurance Corporation for up to \$100,000 in value and restricted to highly rated schedule "1" banks or federal credit unions.

For property tax and utility balances, outstanding amounts are transferred to the property tax account associated with the invoiced real property at the end of each fiscal year and form all or part of the tax arrears for the property. The City is required by the Local Government Act to conduct an annual tax sale by offering for sale by public auction each parcel of real property on which taxes are delinquent. Registered charge holders have the full right to redeem the property. To redeem the property, the charge holder must remit the full upset price, plus interest on the purchase price at a rate set by the Province, within one year of the tax sale.

For other account receivable balances, the City maintains allowances for potential credit losses, with results to date within the City's expectations. In making estimates in respect of the allowance for doubtful accounts, current economic conditions, historical information, reasons for the accounts being past due, and operational nature of invoices are all considered in the determination.

(B) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The City is exposed to interest rate risk through its long-term debt and the value of portfolio investments. The City manages interest rate risk on its long-term debt by holding all debt through MFA at a fixed rate, with refinancing typically being completed at the ten or fifteen year mark. Therefore, fluctuations in market interest rates would not impact short term future cash flows and operations relating to long-term debt. See Note 6 for interest rates and maturity dates for long term debt.

The City's investments are in fixed interest rate products including term deposits and guaranteed income certificates, risk is limited to reinvesting at lower rates at maturity due to the shorter terms of the investments.

(C) Liquidity risk:

Liquidity risk is the risk that the City will encounter difficulty in meeting obligations associated with financial liabilities. The City is exposed to liquidity risk through its accounts receivable, accounts payable, long-term debt, and investments.

The City manages liquidity risk by holding assets that can be readily converted into cash and by continually monitoring actual and forecasted cash flows from operations and anticipated investing and financing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the City's reputation. If unforeseen events were to arise the City also maintains a credit facility with our primary banking institution to allow for short-term borrowing.

CITY OF LANGLEY

Schedule 1

Consolidated Schedule of Statutory and Non-statutory Reserves

Year ended December 31, 2023

Statutory Reserves	Balance at Dec. 31, 2022	Developer Contributions	Internal Transfer Additions	Interest	Internal Transfer Expenditures	Operational Expenditures	Capital Asset Additions	Balance at Dec. 31, 2023
Capital Works	\$ 12,219,435	\$ -	\$ 4,243,310	\$ 596,710	\$ (5,676,114)	\$ (542,428)	\$ (1,551,735)	\$ 9,289,178
Equipment Replacement-Fire Dept.	794,067	-	55,000	27,812	-	(15,821)	(505,000)	356,058
Lane Development	286,577	-	-	13,857	-	-	-	300,434
Machinery Replacement	1,683,524	-	515,268	67,791	-	-	(482,124)	1,784,459
Off-Street Parking	362,563	-	11,700	17,741	-	-	-	392,004
Office Equipment Replacement	20,719	-	46,500	1,711	-	(8,000)	(53,743)	7,187
Parks and Recreation	376,663	-	177,500	21,170	-	(54,748)	(128,056)	392,529
P&R Future Projects	41,585	-	-	2,011	-	-	-	43,596
Growing Communities (Schedule 5)	-	-	7,186,000	270,357	-	-	-	7,456,357
Total	\$ 15,785,133	\$ -	\$ 12,235,278	\$ 1,019,160	\$ (5,676,114)	\$ (620,997)	\$ (2,720,658)	\$ 20,021,802

Non-statutory Reserves	Balance at Dec. 31, 2022	Developer Contributions	Internal Transfers Additions	Interest	Internal Transfer Expenditures	Operational Expenditures	Capital Asset Additions	Balance at Dec. 31, 2023
Community Works	\$ 283,210	\$ -	\$ 145,375	\$ 13,713	\$ -	\$ -	\$ -	\$ 442,298
Future Policing Costs	3,755,796	-	-	181,604	(128,578)	(873)	-	3,807,949
Gaming Proceeds	17,095,301	-	7,990,632	800,551	-	(1,726,734)	(8,283,196)	15,876,554
Major Road Network Rehab	2,113,091	-	520,208	102,242	-	-	(10,007)	2,725,534
Prosperity Fund	604,088	-	-	20,466	-	(500,000)	-	124,554
Sewer Future Capital	1,502,286	-	1,350,000	93,812	-	(489,043)	(162,054)	2,295,001
Sewer Insurance Claims	35,244	-	-	1,704	-	-	-	36,948
Special Bonds	6,476,418	193,940	-	320,146	-	-	(46,039)	6,944,465
Tax Stabilization	2,441,097	-	1,003,722	118,035	-	-	-	3,562,854
Water Future Capital	1,385,871	-	1,000,000	86,683	-	(246,738)	(516,572)	1,709,244
Total	\$ 35,692,402	\$ 193,940	\$ 12,009,937	\$ 1,738,956	\$ (128,578)	\$ (2,963,388)	\$ (9,017,868)	\$ 37,525,401

CITY OF LANGLEY

Schedule 2

Consolidated Report of Segmented Revenues and Expenses

Year ended December 31, 2023

	General government	Police service	Fire service	Other protective services	Engineering operations	Water utility	Sewer & drainage utility	Development services	Solid waste	Recreation services	Parks	2023	2023 Financial Plan
													(Note 14)
Revenue													
Property tax revenue	\$ 38,038,593	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,038,593	\$ 38,344,745
User fees and other revenue	1,267,763	1,530	35,815	68,770	794,094	6,194,383	5,408,575	2,291,749	816,679	24,070	169,207	17,072,635	17,779,315
Gaming proceeds	7,990,632	-	-	-	-	-	-	-	-	-	-	7,990,632	7,500,000
Government transfers	7,394,573	579,387	-	426,190	1,051,000	-	-	434,331	-	270,432	-	10,155,913	5,149,665
Investment earnings	4,896,559	-	-	-	-	86,683	95,516	-	-	-	-	5,078,758	1,560,000
DCC revenue recognized	-	-	-	-	510,397	-	578,992	-	-	-	72,067	1,161,456	2,108,025
Gain (loss) on disposal of capital assets	-	-	-	-	-	(6,931)	(23,304)	4,481	-	-	39,001	13,247	-
Contributed tangible capital assets	-	-	-	-	624,136	185,040	630,101	-	-	-	-	1,439,277	-
Total Revenue	59,588,120	580,917	35,815	494,960	2,979,627	6,459,175	6,689,880	2,730,561	816,679	294,502	280,275	80,950,511	72,441,750
Expenses													
Operating													
Salaries & benefits	4,195,862	10,766	5,003,365	146,274	2,182,355	566,521	487,774	1,177,242	19,707	2,697,271	1,460,666	17,947,803	19,902,175
Goods and services	2,585,790	15,754,948	962,879	661,193	1,813,206	4,165,722	3,531,544	605,996	795,814	2,148,927	1,260,389	34,286,408	40,675,940
Debt servicing	252,000	-	-	-	-	-	-	-	-	-	-	252,000	1,014,000
	7,033,652	15,765,714	5,966,244	807,467	3,995,561	4,732,243	4,019,318	1,783,238	815,521	4,846,198	2,721,055	52,486,211	61,592,115
Amortization	520,128	152,333	320,549	-	2,961,662	465,138	651,718	31,065	-	882,592	930,915	6,916,100	6,400,000
Total Expenses	7,553,780	15,918,047	6,286,793	807,467	6,957,223	5,197,381	4,671,036	1,814,303	815,521	5,728,790	3,651,970	59,402,311	67,992,115
Annual Surplus (Deficit)	\$ 52,034,340	\$ (15,337,130)	\$ (6,250,978)	\$ (312,507)	\$ (3,977,596)	\$ 1,261,794	\$ 2,018,844	\$ 916,258	\$ 1,158	\$ (5,434,288)	\$ (3,371,695)	\$ 21,548,200	\$ 4,449,635

CITY OF LANGLEY

Schedule 3

Consolidated Report of Segmented Revenues and Expenses

Year ended December 31, 2022

	General government	Police service	Fire service	Other protective services	Engineering operations	Water utility	Sewer & drainage utility	Development services	Solid waste	Recreation services	Parks	2022	2022 Financial Plan
Revenue													
Property tax revenue	\$33,866,252	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$33,866,252	\$33,943,035
User fees and other revenue	1,872,987	1,325	5,425	49,755	589,042	6,121,507	5,120,416	2,021,568	772,112	42,938	495,218	17,092,293	15,553,135
Gaming proceeds	8,070,079	-	-	-	-	-	-	-	-	-	-	8,070,079	7,000,000
Government transfers	138,864	491,524	-	397,323	1,406,121	-	33,971	294,018	-	37,827	785,000	3,584,648	1,910,385
Investment earnings	2,026,424	-	-	-	-	36,880	32,894	-	-	-	-	2,096,198	625,750
DCC revenue recognized	-	-	-	-	522,728	-	352,930	-	-	-	220,379	1,096,037	2,867,285
Gain (loss) on disposal of capital assets	-	-	6,179	-	-	(51,332)	(49,836)	-	-	-	-	(94,989)	-
Contributed tangible capital assets	-	-	-	-	680,242	20,000	170,100	-	-	-	-	870,342	-
Total Revenue	45,974,606	492,849	11,604	447,078	3,198,133	6,127,055	5,660,475	2,315,586	772,112	80,765	1,500,597	66,580,860	61,899,590
Expenses													
Operating													
Salaries & benefits	3,722,572	9,390	4,698,525	141,892	2,186,401	578,675	502,088	1,152,843	21,645	2,582,946	1,367,555	16,964,532	17,502,510
Goods and services	1,975,952	14,465,664	762,980	638,022	1,796,163	4,103,793	3,109,296	397,437	725,787	2,216,263	1,148,484	31,339,841	35,187,235
Debt servicing	184,154	-	-	-	-	-	-	-	-	-	-	184,154	178,500
	5,882,678	14,475,054	5,461,505	779,914	3,982,564	4,682,468	3,611,384	1,550,280	747,432	4,799,209	2,516,039	48,488,527	52,868,245
Amortization	443,244	132,207	333,561	-	2,729,547	436,643	611,026	27,980	-	862,313	801,041	6,377,562	6,000,000
Total Expenses	6,325,922	14,607,261	5,795,066	779,914	6,712,111	5,119,111	4,222,410	1,578,260	747,432	5,661,522	3,317,080	54,866,089	58,868,245
Annual Surplus (Deficit)	\$39,648,684	\$(14,114,412)	\$(5,783,462)	\$(332,836)	\$(3,513,978)	\$1,007,944	\$1,438,065	\$737,326	\$24,680	\$(5,580,757)	\$(1,816,483)	\$11,714,771	\$3,031,345

CITY OF LANGLEY

Schedule 4

Schedule of Tangible Capital Assets

Year ended December 31, 2023 with comparative figures for 2022

2023	Land	Land Improvements	Buildings	Vehicles	Furniture & Equipment	Transportation Infrastructure	Sewer & Drainage Infrastructure	Water Infrastructure	Total
Historical cost¹									
Opening cost	\$ 73,264,290	\$ 18,500,255	\$ 43,760,030	\$ 9,268,008	\$ 10,104,663	\$ 154,206,297	\$ 55,406,733	\$ 36,448,417	\$ 400,958,693
Additions	21,143,649	576,921	1,202,667	1,628,610	603,294	2,045,441	1,419,991	2,005,512	30,626,085
Disposals	-	-	-	(123,849)	-	(2,417)	(42,774)	(26,512)	(195,552)
	94,407,939	19,077,176	44,962,697	10,772,769	10,707,957	156,249,321	56,783,950	38,427,417	431,389,226
Accumulated amortization									
Opening balance	-	6,662,645	22,559,260	5,576,608	6,786,041	50,726,835	19,793,642	11,782,322	123,887,353
Amortization expense	-	712,604	1,509,532	480,850	496,244	2,640,878	650,652	425,340	6,916,100
Disposals	-	-	-	(118,615)	-	(2,417)	(19,470)	(19,581)	(160,083)
	-	7,375,249	24,068,792	5,938,843	7,282,285	53,365,296	20,424,824	12,188,081	130,643,370
Net book value	\$ 94,407,939	\$ 11,701,927	\$ 20,893,905	\$ 4,833,926	\$ 3,425,672	\$ 102,884,025	\$ 36,359,126	\$ 26,239,336	\$ 300,745,856
2022									
	Land	Land Improvements	Buildings	Vehicles	Furniture & Equipment	Transportation Infrastructure	Sewer & Drainage Infrastructure	Water Infrastructure	Total
Historical cost¹									
Opening cost	\$ 71,911,405	\$ 16,227,374	\$ 43,489,013	\$ 8,984,801	\$ 9,548,262	\$ 150,056,933	\$ 53,795,212	\$ 35,955,733	\$ 389,968,733
Additions	1,352,885	2,272,881	271,017	309,921	556,401	4,157,846	1,772,841	597,150	11,290,942
Disposals	-	-	-	(26,714)	-	(8,482)	(161,320)	(104,466)	(300,982)
	73,264,290	18,500,255	43,760,030	9,268,008	10,104,663	154,206,297	55,406,733	36,448,417	400,958,693
Accumulated amortization									
Opening balance	-	6,039,621	21,110,466	5,109,502	6,406,832	48,339,473	19,295,167	11,405,944	117,707,005
Amortization expense	-	623,024	1,448,794	491,220	379,209	2,395,844	609,959	429,512	6,377,562
Disposals	-	-	-	(24,114)	-	(8,482)	(111,484)	(53,134)	(197,214)
	-	6,662,645	22,559,260	5,576,608	6,786,041	50,726,835	19,793,642	11,782,322	123,887,353
Net book value	\$ 73,264,290	\$ 11,837,610	\$ 21,200,770	\$ 3,691,400	\$ 3,318,622	\$ 103,479,462	\$ 35,613,091	\$ 24,666,095	\$ 277,071,340

¹Included in historical cost are assets under construction with a total cost of \$33,763,794 (2022 - \$42,867,610). No amortization has been recorded on these assets as they are in progress and not complete at year-end.

CITY OF LANGLEY

Schedule 5

Reserve Fund - Growing Communities - (Unaudited)

Year ended December 31, 2023

Growing Communities Fund (GCF)	2023	2022
Balance, beginning of year	\$ -	\$ -
GCF received March 2023	7,186,000	-
Interest	270,357	-
Eligible expenditures	-	-
Balance, end of year	<u>\$ 7,456,357</u>	<u>\$ -</u>

The Province of British Columbia distributed conditional Growing Community Fund (GCF) grants to communities at the end of March 2023 to help local governments build community infrastructure and amenities to meet the demands of population growth. The GCF provided a one-time total of \$1 billion in grants to all 161 municipalities and 27 regional districts in British Columbia.

The City of Langley received \$7,186,000 of GCF funding in March 2023.



2023 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 2023 pertaining to the City of Langley.

A handwritten signature in black ink, appearing to read 'Kelly K', is written over a white background.

Kelly Kenney
Corporate Officer



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