



# 2025 Annual Report

For the year ending December 31, 2025  
Langley City, British Columbia

This report was prepared by the Administration and  
Financial Services departments of Langley City.

70 YEAR

ANNIVERSARY

EST 1955



Unbroken Place By The River

 **Langley City**  
THE PLACE TO BE

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Langley City respectfully acknowledges that the land on which we gather is on the traditional unceded territory of the ǫíćəý (Katzie), qw̓ a:n̓ é̓ n̓ (Kwantlen), Mathxwí (Matsqui) and SEMYOME (Semiahmoo) First Nations.

# Message from Mayor Nathan Pachal



Langley City continues to grow and change, and with that growth comes the responsibility to make thoughtful decisions about how we invest in our community, engage residents and prepare for the future we are building together. Over the past year, Council focused on listening, strengthening trust and taking practical steps to support a safe and connected city.

A key focus in 2025 was creating meaningful opportunities for citizens to be part of important conversations. The Citizens' Assembly on Community Safety demonstrated what is possible when people come together in a thoughtful and informed way. Residents from across Langley City took the time to learn, listen and share their perspectives, helping shape recommendations on improving community safety and well-being. This work reinforced the value of genuine engagement and the importance of community voices in guiding Council decisions.

Throughout the year, Council also began important discussions about the long-term needs of our growing community. Through Invest Langley City, we launched a community-informed process to explore how the City can plan, prioritize and fund major capital investments over time. This work focuses on long-identified community needs, including recreation, culture and community spaces, and looks beyond the five-year financial plan to ensure future decisions are thoughtful, realistic and guided by public input. Invest Langley City is about delivering lasting value through practical, smart investments built within the community.

Community safety remained a priority with continued attention on practical measures that invest in first responders, emergency preparedness and safer public spaces. We recognize that safety is not defined by a single action. It is built through prevention, connection and ensuring people feel supported and safe in their neighbourhoods.

Looking ahead to 2026, Council will build on this work by advancing elements of the Citizens' Assembly recommendations with continued community involvement and by deepening community conversations through Invest Langley City. Together, these efforts will provide clear direction for future decision making, grounded in transparency, data and community priorities.

I thank residents, local businesses, community organizations, City staff and my Council colleagues for their dedication and engagement. Together, we are building a Langley City that is safe, connected and prepared for the future.



*From left to right:*

*Councillor Leith White, Councillor Rosemary Wallace, Councillor Mike Solyom, Mayor Nathan Pachal, Councillor Delaney Mack, Councillor Teri James, Councillor Paul Albrecht*

# Message from the CAO



This Annual Report highlights the achievements of Langley City in 2025 and outlines the strategies implemented to position Langley City for long-term growth and change.

Over the past year, our focus was on preparing both the organization and the community for significant transformation, while navigating a period of rapid change and increasing complexity. This includes the arrival of the Surrey–Langley SkyTrain, continued population growth and changing expectations for City services. Across departments, staff worked to strengthen the City’s foundations so that we are ready to respond to these changes in a thoughtful and coordinated way.

A key area of focus was strengthening the City’s organizational and financial baseline. We continued to modernize systems, improve internal processes and support data-based decision making. The development of the Key Performance Indicator system and Integrated Outcome Framework will help track progress, improve transparency and ensure resources are aligned with community priorities.

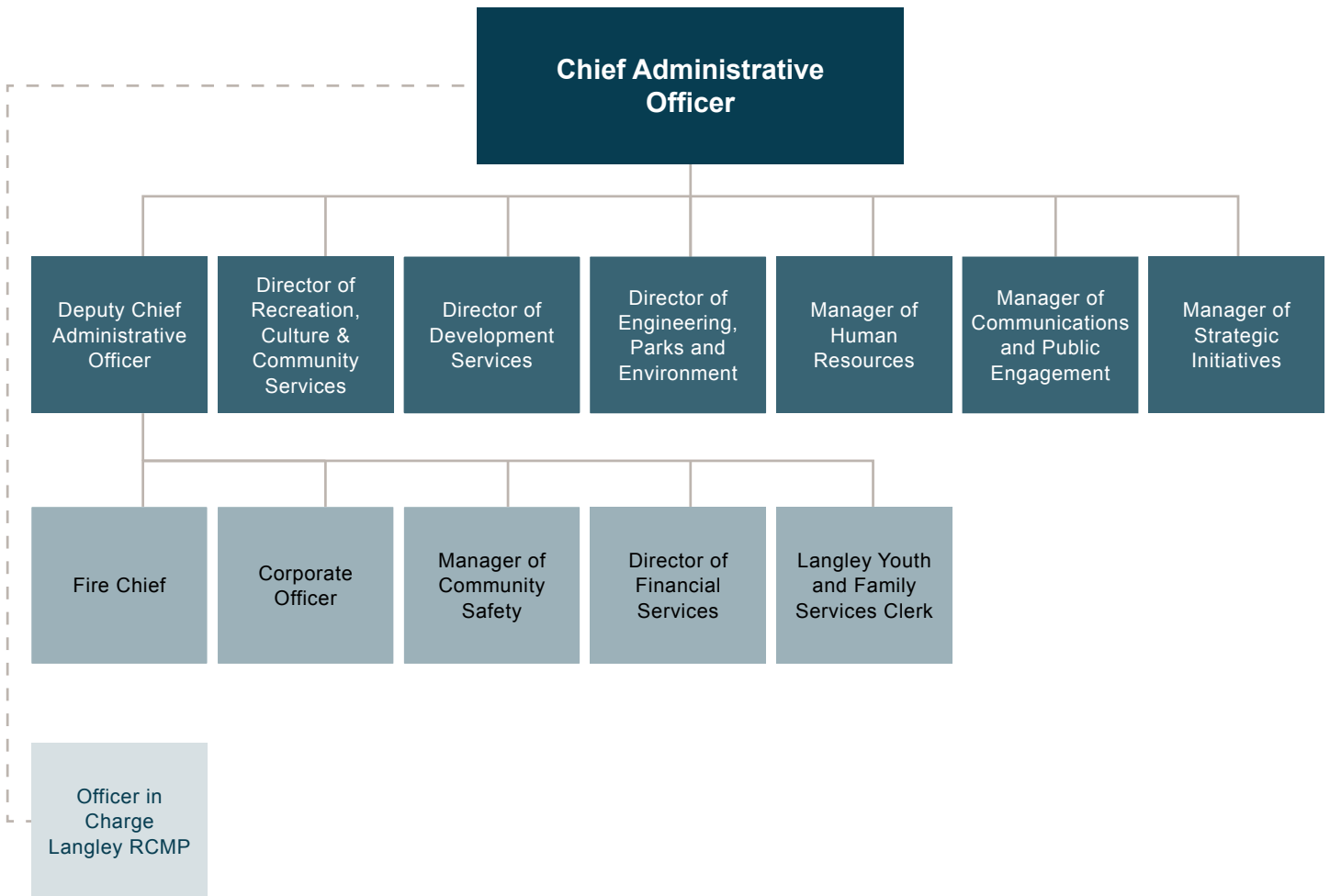
We also advanced long-term planning and infrastructure to support a growing city. We completed major capital projects, progressed long-range plans and prepared for future investment decisions through Invest Langley City. This work is helping ensure the City is planning ahead and making informed choices that deliver lasting value.

Investing in community well-being and engagement remained central to our work. In 2025, the City expanded inclusive engagement opportunities, both in person and online, and increased access to recreation, cultural programming and community events. Initiatives such as the Citizens’ Assembly on Community Safety and improvements to public engagement tools reinforced the importance of listening to residents and showing how community input helps shape decisions.

Looking ahead to 2026, the organization will continue to build on this foundation. Key priorities include launching performance measurement tools, strengthening service delivery, enhancing operational efficiency and effectiveness, advancing operational readiness for the Surrey-Langley SkyTrain and continuing to invest in community connection and well-being. These initiatives are made possible by the dedication of City employees, and I am proud of their ongoing commitment in serving Langley City every day.



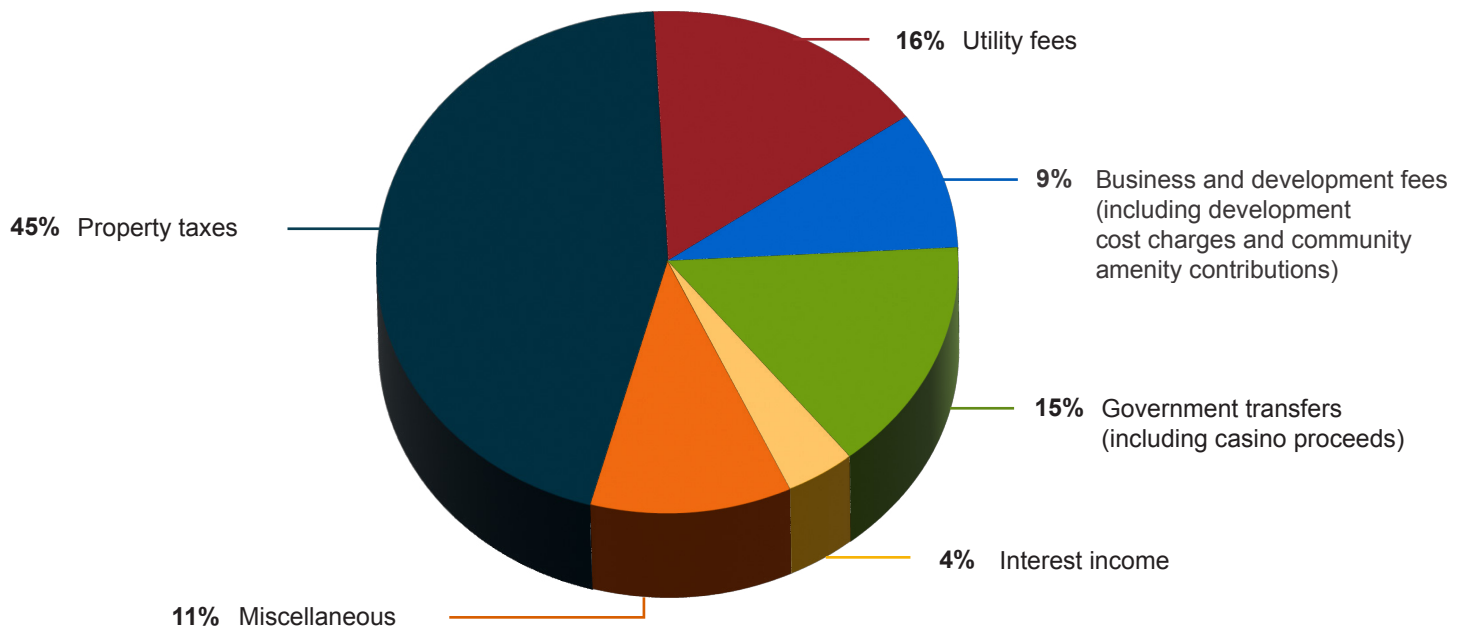
# Organization Structure



# 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 it provides.



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

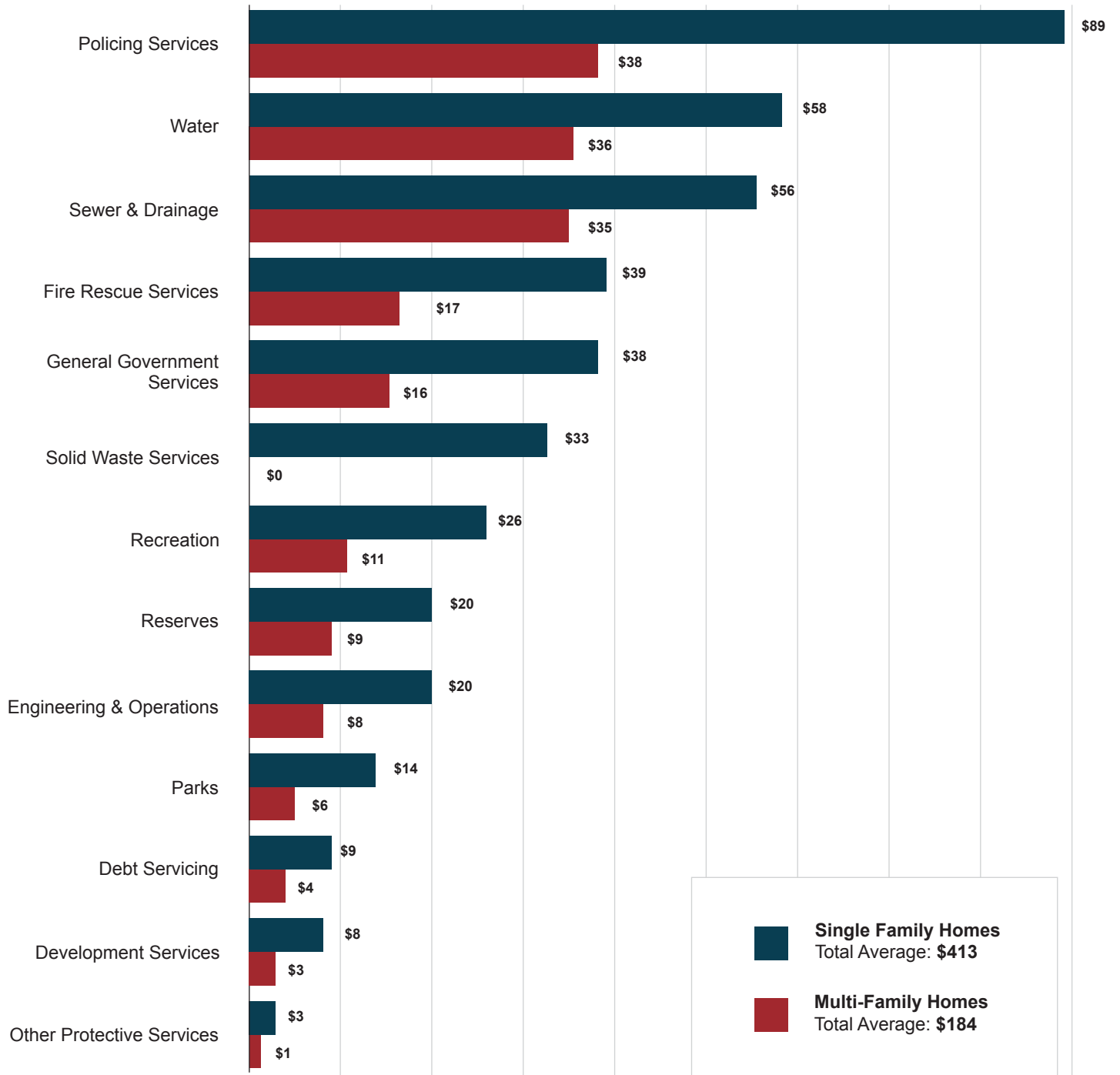
## Did You Know?

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 and Municipal Finance Authority.

## What Do Your Tax Dollars Fund Every Month?

The City provides a range of services to its residents, 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 below shows average monthly contributions from single family homes and multi-family homes for City services.

# Average Distribution of City Taxes Per Month





Explore LANGLEY CITY PARKS & TRAILS



Langley City  
2018

- City Legend**
- City Boundaries
  - Concrete Intersections
  - Paved Walkways
  - Gravel Pathways
  - Natural Trails
  - Restrooms
  - Parking
  - Covered Picnic Shelter
  - Playground
  - Waterpark

Visit [LANGLEYCITY.CA](http://LANGLEYCITY.CA)  
or call 604.514.2882 for more  
information about Langley City  
parks and trails.

Scale: 1 : 100 metres



# Department Overviews

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## Administration

The Administration department supports City Council, City departments and the community by providing leadership, advice and services that help serve residents and uphold the City's vision and values.

### The department is responsible for:

- Executing Council's policies and decisions, overseeing and enforcing all policies and City bylaws, supporting Council and committee meetings and processing requests under the Freedom of Information and Protection of Privacy Act
- Coordinating recruitment, labour relations, corporate training, health and safety, human resources programs and professional development initiatives
- Conducting local government elections every four years
- Managing all communication platforms, leading media relations, supporting public engagement activities, developing key messages and providing communications support to Council, City committees and City departments
- Providing a baseline assessment of community services to identify social service agencies, their roles and their responsibilities

## Accomplishments

- Implemented the Invest Langley City community engagement strategy to gather feedback on community priorities for two key city projects.
- Completed draft recommendations from the Citizens' Assembly on Community Safety and Well-Being to guide practical, compassionate and data-informed action for a thriving, inclusive and resilient Langley City.
- Completed the draft Key Performance Indicator (KPI) system and Integrated Outcome Framework to provide quantifiable measures for evaluating strategic and operational goals.
- Negotiated a new collective agreement with the Langley City Firefighters' Union, Local 3253.
- Launched a public engagement platform that supports two-way communication between the City and its residents, enables meaningful feedback and demonstrates how public input informs City decision-making.

## 2026 Priorities

- Launch the KPI system and public dashboard to begin measuring progress on strategic and operational goals.
- Develop operational and emergency response plans with the RCMP, Transit Police, Bylaw Enforcement and City Services to prepare for the Surrey–Langley SkyTrain Project and mitigate public safety concerns.
- Conduct regular service reviews to keep programs responsive to community needs and ensure resources are optimized to achieve strategic goals.
- Complete an operational review of Bylaw Enforcement Services, aligning its service structure and functions with community needs.
- Continue community engagement on Invest Langley City to keep the public informed about proposed initiatives and related tax implications.



## Financial Services

The Financial Services department, formerly the Corporate Services department, oversees the City's financial operations and provides strategic leadership for information technology and related infrastructure. The department also serves as the City's primary point of contact for contract partners like the Langley Royal Canadian Mounted Police (RCMP), Langley Youth and Family Services and the Fraser Valley Regional Library.

### The department is responsible for:

- Accounting, budgeting and reporting
- Revenue collection
- Cash management and investments
- Insurance and risk management
- Providing fiscal management advice to staff and Council
- Liaising with contract partners

## Accomplishments

- Successfully delivered the 2025 Annual Report on schedule and completed the year-end audit, reinforcing transparent and accountable financial reporting.
- Prepared the 2026 Financial Plan within a compressed timeline, enabling earlier hiring, procurement and awarding of contracts to keep priority work moving.
- Submitted all federal and provincial financial reports on time, supporting compliance and timely oversight.
- Collected 95% of property taxes and expanded the tax prepayment program, supporting stable revenues.
- Increased MyCity online service use by 17%, expanding convenient access for residents to key services without requiring an in-person visit to City Hall.
- Advanced cybersecurity and IT infrastructure modernization to strengthen resiliency, protect sensitive data, reduce the risk of breaches and minimize operational downtime.
- Introduced AI technologies to improve efficiency, enhance service delivery and support faster, better-informed decision-making across the organization.

## 2026 Priorities

- Modernize core processes and procedures using current technologies and industry best practices to strengthen governance, internal controls, service delivery and operational efficiency.
- Identify, pilot and implement AI technologies that deliver measurable productivity gains and improve service delivery.
- Review the City's annual financial planning process, including redesigning the financial plan document to improve clarity, accessibility and decision-making.
- Continue modernizing core information technology infrastructure to enhance reliability, strengthen security and support uninterrupted service delivery.



## Engineering, Parks and Environment

The Engineering, Parks and Environment department ensures the safety and efficiency of the transportation network and supervises all park functions and activities.

### The department is responsible for:

- Underground assets including water distribution, sanitary and drainage systems
- Pavement and street infrastructure, including lighting, signage, traffic operations and sidewalks
- Parks and trail infrastructure such as playgrounds, sports courts, off-leash dog parks and trails
- Solid waste systems
- Maintenance and repair of the City's road network
- Management of water supply, sanitary sewer and drainage infrastructure, including spill response

## Accomplishments

- Completed the Fraser Highway One-Way Underground Utilities and Public Realm Project on time and within budget, improving reliability of underground services and enhancing the streetscape for residents and visitors.
- Completed a comprehensive city-wide tree inventory and developed a Tree Protection and Management Bylaw to guide tree retention, replacement and long-term canopy health.
- Implemented the Residential Curbside Solid Waste Management contract, including a fall pilot to expand green waste collection and improve diversion from landfills.
- Represented the City in the multi-agency stakeholder group for the Surrey–Langley SkyTrain Project to help ensure City interests are reflected and local infrastructure is protected during design and construction.
- Substantially completed the Transportation 2050 Plan and advanced the Public Parking Strategy study to guide future transportation investments and parking management.
- Completed the 206A Pedestrian Bridge Replacement, the Douglas Park washrooms and a new urban plaza and pickleball courts, improving access and amenities in key public spaces.

## 2026 Priorities

- Develop a city-wide drainage analytical model to better manage the City's rainwater network and support flood risk planning.
- Finalize the Zero Waste Strategy for City operations and public events to reduce waste and improve recycling.
- Adopt Transportation 2050 and the Public Parking Strategy to guide near- and long-term transportation priorities and parking management.
- Begin design and procurement for the replacement Operations Centre building to support safe, reliable delivery of City services.
- Review the water system cross-connection program to protect drinking water quality and strengthen the integrity of the City's water distribution network.
- Develop a corporate Asset Management Plan to manage City assets through their lifecycles and ensure sustainable funding for maintenance, renewal and replacement.
- Upgrade park facilities, including the Portage Park shelter, Linwood Park shade sails, and the Uplands Dog Park washroom and dog wash to improve comfort, accessibility and amenities for park users.



## Development Services

The Development Services department guides community planning and development, ensures public health and safety under the BC Building Code and municipal bylaws and supports local businesses.

### The department is responsible for:

- Preparing policies, plans and bylaws including the Official Community Plan and Zoning Bylaw
- Processing development applications and building permits of various size and complexity
- Issuing business licences
- Conducting building inspections and enforcing building bylaw and code requirements
- Advancing economic development objectives

## Accomplishments

- Processed 13 development applications representing 233 multi-family units, two single-family lots, 50,000 square feet of commercial space, and 212,000 square feet of industrial space to help address housing need and support job creation and tax revenue.
- Completed a Zoning Bylaw update, including new density bonusing and inclusionary zoning policies to help improve development application processing times and support the creation of more affordable housing units in the community.
- Executed the first phase of the Glover Road Innovation District land use planning process to support future job growth and investment.
- Processed 159 building permits valued at over \$280 million and issued 436 new business licences, for a year-end total of 2,195 active licences, demonstrating strong economic activity in Langley City and significant amounts of new housing being brought to market.
- Implemented a new electronic plan application and review system to modernize and expedite building permit processing.
- Filled key planning and building official positions, strengthening capacity to process development and building permits and support new growth and businesses.

## 2026 Priorities

- Develop a detailed land use plan for the Glover Road Innovation District to solidify a land use vision for new high-tech and post-secondary investment into Langley City.
- Update the Development Application Procedures Bylaw and Building Bylaw to help implement the new Zoning Bylaw, streamline processing and approval of simple development applications and complement the modernization of the Zoning Bylaw and electronic plan review.
- Create an Affordable Housing Reserve Fund to help the City engage in partnerships to create new affordable housing in the City.
- Review the Airport Zoning Regulation to investigate the possibility of taller buildings around the SkyTrain, support long-term growth and create more housing opportunities.
- Consolidate and update construction-related policies to help ensure that new construction isn't negatively impacting residents and businesses.
- Develop and implement a building inspections and enforcement strategy to ensure new developments are safe and to discourage and remedy violations.
- Continue implementing the electronic plan review system and associated procedures to streamline processes and modernize the department's practices.



## Recreation, Culture and Community Services

The Recreation, Culture and Community Services department creates recreational opportunities that nurture healthy individuals and families and build strong neighbourhoods.

### The department is responsible for:

- Managing recreation programming and civic facilities
- Working with community partner groups and committees
- Organizing and coordinating community events
- Delivering diverse recreational, cultural and community experiences
- Serving as the central reception point for city hall, handling resident and visitor inquiries

## Accomplishments

- Expanded access to recreation by extending the Al Anderson Memorial Pool season through the end of September.
- Improved convenience for residents by introducing online registration for aquatics programs and online forms for picnic shelter bookings.
- Strengthened the local arts and culture scene by hosting the second annual Langley City Film Festival and investing in additional Arts, Culture and Heritage staffing.
- Enhanced communication and awareness with the community on recreation programming by launching the Recreation e-newsletter and new social media channels.

## 2026 Priorities

- Complete the Aquatic Centre Feasibility Study to identify year-round aquatic needs and inform future investment to support community health.
- Open the Douglas Recreation and Child Care Centre, adding 75 licensed childcare spaces, a new preschool space and multipurpose space for programs, events and rentals.
- Expand Arts, Culture and Heritage programming by increasing learning opportunities, offering culturally diverse social programs and developing a community heritage and art inventory.
- Complete Langley City's Accessibility Plan to identify, remove and prevent barriers and make programs, facilities, and the built environment more accessible for all residents.
- Introduce a farmers' market and the Langley City Christmas Market to create additional free opportunities for the community to gather and connect.



## Fire Rescue Services

Fire Rescue Services protects life, property and the environment through emergency management, fire protection and prevention.

**The department is responsible for:**

- Fire code inspections
- Education and training
- Fire operations and suppression
- Rescue services
- Emergency medical services
- Emergency planning and community outreach

## Accomplishments

- Responded to 4,675 calls for service, providing emergency response to the City for a wide range of incidents.
- Onboarded a new Deputy and Assistant Fire Chief to strengthen service delivery by adding expertise in Fire Prevention and Training.
- Implemented a new department response model to ensure two apparatus are staffed at all times and that appropriate resources are dispatched to calls for service.
- Conducted Emergency Operations Centre training for senior City staff to improve preparedness for large-scale emergencies and support stronger incident outcomes.
- Provided additional training and equipment support for Emergency Support Service (ESS) volunteers, supported by a Union of British Columbia Municipalities grant for ESS operational readiness.

## 2026 Priorities

- Develop a framework for the 2027 departmental master plan to guide future priorities as Langley City prepares for the SkyTrain and associated growth.
- Implement a Risk-Based Premise Inspection Program to align with B.C.'s new Fire Safety Act by prioritizing inspections for higher-risk premises to reduce overall community risk.
- Place three new fire apparatus into service—Squad 1 (mini pumper), Engine 1 (replacement fire engine) and Tower 1 (replacement 100-foot ladder platform)—to maintain reliable firefighting equipment for the safety of the community.
- Develop a “train-the-trainer” program for Community Champions to expand delivery of emergency preparedness education to local neighbourhood groups.
- Develop and implement an enhanced Emergency Notification System to deliver critical information to the community quickly and reliably through multiple channels, including app alerts, text messages, emails, automated phone calls and website notifications.



## Langley RCMP

The Langley Royal Canadian Mounted Police (RCMP) provide policing services to both the City and Township of Langley.

**The department is responsible for:**

- Frontline and community policing
- General investigations
- Enforcement of serious crimes, including drug and gang-related activities
- Street enforcement
- Forensic identification
- Police dog services
- Air support

## Accomplishments

- Partnered with the Langley School District, Canucks for Kids Fund and Hockey 4 Youth Foundation to deliver inclusive youth hockey programs.
- Launched the Code Blue Program to engage youth in grades 5 to 7 through relationship-building and mentorship.
- Supported the opening of the Langley Child and Youth Advocacy Centre to provide a coordinated response to crimes against children and youth.
- Launched the Remotely Piloted Aircraft Systems program to enhance operational effectiveness, situational awareness and community safety during investigations and events.
- Advanced implementation of the RCMP Auxiliary Program, preparing trained volunteers to support community events and policing operations.
- Took a proactive, intelligence-led approach to addressing street racing in collaboration with Fire Services.

## 2026 Priorities

- Participate in enhanced enforcement initiatives to support residents and businesses, including continued support of the Block Watch Program and the new Business Watch Program.
- Provide proactive, intelligence-led enforcement targeting prolific offenders including support for the Province of B.C.'s Chronic Property Offending Intervention Initiative.
- Roll out the Body-Worn Camera Project to strengthen transparency, accountability, trust, public interactions and evidence gathering.
- Expand the Police Mental Health Liaison Unit to include a registered mental health nurse partnered with police officers and develop a multi-agency response to mental health crises.
- Expand community engagement through participation in community events, including youth camps and organized sports, and by hosting the RCMP Musical Ride.

# 2025 Community Grants

2025 Community Grants that have been awarded by City Council are as follows:

Organization	Grant Amount
198A Street Neighbours	\$ 500
Alice Brown Parent Advisory Council	\$ 500
Bard in the Valley Society	\$ 8,500
Big Brothers Big Sisters of Langley	\$ 5,000
Brookwood Dry Grad	\$ 500
Douglas Park Charity Pickleball Tournament	\$ 7,500
Douglas Park Community School Society	\$ 1,742
Douglas Park Community School	\$ 500
Downtown Langley Business Association – Arts Alive Festival	\$ 16,935
Encompass Support Services - Best Babies	\$ 3,000
Fibromyalgia Well Spring Foundation	\$ 640
Fraser Region Community Justice Initiatives	\$ 1,000
Kat Moon Band	\$ 1,150
KidSport	\$ 2,000
Langley Animal Protection Society	\$ 5,000
Langley Community Farmers Market	\$ 2,600
Langley Community Services Society - Best Babies and Global Fest	\$ 8,000
Langley District 4-H Senior Council	\$ 2,650
Langley Environmental Partners Society	\$ 3,000
Langley Fastball Association	\$ 2,500
Langley Field Naturalists	\$ 2,000
Langley Fine Arts School Dry Grad	\$ 500
Langley Flippers Swim Club	\$ 2,500

# 2025 Community Grants continued

Organization	Grant Amount
Langley Lawn Bowling Club	\$ 3,400
Langley Literacy Association	\$ 2,500
Langley Pride Society	\$ 8,000
Langley Rotary Club (RibFest)	\$ 5,000
Langley School District Foundation	\$ 4,950
Langley Secondary School Dry Grad Committee	\$ 1,000
Langley Senior Resources Society	\$ 20,000
Latincouver Cultural & Business Society	\$ 5,000
Lower Fraser Valley Aboriginal Society	\$ 2,500
Men's Shed Langley Society	\$ 5,000
Nicholas Park Neighbourhood BBQ	\$ 5000
PLEA Community Services Society	\$ 1,000
Ron Cares Society	\$ 2,500
Scouts Canada – Camp McLean	\$ 1,500
Seamus Gee Legacy Project Foundation	\$ 1,000
stolaw Arts and Cultural Society	\$ 5,000
Terry Fox Run – Langley City	\$ 1,700
VAYA Youth Arts Society	\$ 6,000
VISAFF South Asian Film Festival Society	\$ 2,200
Volunteer Cancer Drivers Society	\$ 2,000
Waceyá Metis Society	\$ 10,000
Youth Parliament	\$ 1,000
<b>Total</b>	<b>\$ 169,967</b>

**\$169,967** Community grants awarded by City Council

# Permissive Tax Exemptions

Organization	Exemption Amount
Anglican Parish of St Andrew's	\$ 36,706
Bridge Community Church	\$ 26,166
Church of the Nazarene Canada Pacific District	\$ 33,000
Community Police Office	\$ 23,311
Convention Centre	\$ 64,094
Council of the Salvation Army	\$ 5,974
Encompass Support Services Society	\$ 38,746
Inclusion Langley Society	\$ 42,271
Langley Care Society	\$ 60,051
Langley Community Music School	\$ 49,078
Langley Community Services Society	\$ 18,852
Langley Food Bank	\$ 32,515
Langley Hospice Society	\$ 9,260
Langley Lawn Bowling	\$ 53,390
Langley Memorial Hospital Auxiliary	\$ 65,432
Langley Seniors Resource Society	\$ 64,270
Langley Stepping Stones	\$ 17,736
New Apostolic Church Canada	\$ 8,925
Roman Catholic Archbishop of Vancouver	\$ 96,119
Town & Field Church	\$ 42,207
Vancouver Global Mission Church	\$ 54,217
Vineyard Christian Fellowship	\$ 76,022
<b>Total</b>	<b>\$ 918,342</b>

**\$918,342** Tax exemptions provided by City Council

# Director of Financial Services

## Letter of Transmittal

I am pleased to present the Consolidated Financial Statements of the City of Langley for the year ended December 31, 2025.

**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, 2025 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 2025. The City has a healthy net financial assets balance of \$52 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 \$354 million in tangible capital assets (land, buildings, equipment and engineering structures like roads and utility pipes) with a net increase of \$18 million after allowing for amortization expenses, the asset retirement obligation, debt and the disposal of assets like vehicles being replaced.

The City collected \$45 million in taxation revenues and a further \$15 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 2025 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,



Alex Chang, CPA, CA, CISA  
Director of Financial Services



# Financial Statements

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# Management's Responsibility

## CITY OF LANGLEY

Consolidated Financial Statements  
Year ended December 31, 2025

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### 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 approves 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.



Alex Chang, CPA, CA, CISA  
Director of Financial Services



Tel: (604) 688-5421  
Fax: (604) 688-5132  
www.bdo.ca

BDO Canada LLP  
Royal Centre, 1055 West Georgia Street  
Unit 1100, P.O. Box 11101  
Vancouver, British Columbia  
V6E 3P3

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## Independent Auditor's Report

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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, 2025 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, 2025 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 and Schedule 6 of the City's consolidated financial statements.

### 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.

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.



### 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, 2026

# CITY OF LANGLEY

## Consolidated Statement of Financial Position

at December 31, 2025 with comparative figures for 2024

	2025	2024
<b>Financial Assets</b>		
Cash & cash equivalents (Note 2)	\$ 32,044,218	48,003,574
Accounts receivable		
Taxes and utilities receivable	\$ 9,062,381	7,926,225
Receivables from other governments	\$ 4,803,251	5,032,434
Deferred development cost charges receivable	\$ 6,633,473	2,447,056
Other receivables	\$ 3,808,886	1,747,788
Portfolio investments (Note 2)	\$ 116,960,046	100,185,222
	<u>\$ 173,312,255</u>	<u>165,342,299</u>
<b>Liabilities</b>		
Prepaid property taxes	\$ 7,598,751	7,128,544
Employee future benefits (Note 3)	\$ 440,429	430,794
Asset retirement obligation (Note 4)	\$ 1,031,165	984,124
Accounts payable and accrued liabilities		
Payables to other governments	\$ 12,915,470	16,270,572
Refundable deposits	\$ 15,098,283	17,180,341
Other payables	\$ 9,675,408	7,125,340
Deferred revenue	\$ 3,270,503	2,379,640
Deferred development cost charges (Note 5)	\$ 51,324,349	40,605,598
Debt (Note 6)	\$ 20,683,209	21,653,047
	<u>\$ 122,037,567</u>	<u>113,758,000</u>
<b>Net Financial Assets</b>	<u>\$ 51,274,688</u>	<u>51,584,299</u>
<b>Non-Financial Assets</b>		
Prepaid expenses	\$ 244,659	225,586
Supplies inventory	\$ 395,757	340,296
Tangible capital assets (Schedule 4)	\$ 354,042,630	326,369,942
	<u>\$ 354,683,046</u>	<u>326,935,824</u>
<b>Accumulated Surplus (Note 7)</b>	<u>\$ 405,957,734</u>	<u>378,520,123</u>

See accompanying notes to consolidated financial statements.



Alex Chang, CPA, CA, CISA  
Director of Financial Services

# CITY OF LANGLEY

## Consolidated Statement of Operations

Year ended December 31, 2025 with comparative figures for 2024

	2025 Financial Plan	2025	2024
	(Note 14)		
<b>Revenues</b> (Schedules 2 & 3)			
Property tax revenue (Note 9)	\$ 45,363,750	\$ 44,795,231	\$ 42,111,394
User fees and other revenue	22,071,730	28,656,599	23,212,400
Gaming proceeds	7,500,000	7,033,777	7,792,335
Government transfers (Note 10)	3,056,310	7,841,986	4,637,518
Investment earnings	1,842,000	4,484,063	6,014,383
DCC revenue recognized (Note 5)	2,794,875	1,253,245	2,546,897
Gain (loss) on disposal of tangible capital assets (Schedule 4)	-	4,866,621	(59,800)
Contributed tangible capital assets (Schedule 4)	-	1,347,627	704,800
	<u>82,628,665</u>	<u>100,279,149</u>	<u>86,959,927</u>
<b>Expenses</b> (Schedules 2 & 3)			
General government services	10,005,585	10,470,094	9,090,532
Police service	18,775,525	18,332,505	16,979,849
Fire service	8,280,802	8,067,930	6,933,162
Other protective services	1,087,960	991,362	912,182
Engineering operations	9,454,675	7,432,767	7,199,930
Water utility	5,978,252	6,131,944	5,410,519
Sewer and drainage utility	6,803,094	6,128,151	4,564,189
Development services	2,410,172	1,996,122	2,007,183
Solid waste	1,250,960	1,290,962	874,701
Recreation services	8,191,133	8,080,335	7,164,882
Parks	3,832,417	3,919,366	3,900,888
	<u>76,070,575</u>	<u>72,841,538</u>	<u>65,038,017</u>
<b>Annual Surplus</b>	<u>6,558,090</u>	<u>27,437,611</u>	<u>21,921,910</u>
<b>Accumulated Surplus - beginning of year</b>	378,520,123	378,520,123	356,598,213
<b>Accumulated Surplus - end of year</b> (Note 7)	<u>\$ 385,078,213</u>	<u>\$ 405,957,734</u>	<u>\$ 378,520,123</u>

See accompanying notes to consolidated financial statements.

# CITY OF LANGLEY

## Consolidated Statement of Change in Net Financial Assets

Year ended December 31, 2025 with comparative figures for 2024

	2025 Financial Plan	2025	2024
	(Note 14)		
<b>Annual Surplus</b>	\$ 6,558,090	\$ 27,437,611	\$ 21,921,910
<b>Change in Capital Assets</b>			
Acquisition of tangible capital assets	(12,013,065)	\$ (34,496,059)	(32,152,374)
Contributed tangible capital assets	-	\$ (1,347,627)	(704,800)
Amortization	7,000,000	\$ 7,346,026	7,168,443
Proceeds from sale of tangible capital assets	-	\$ 5,691,593	4,845
(Gain) loss on disposal of tangible capital assets	-	\$ (4,866,621)	59,800
	(5,013,065)	\$ (27,672,688)	(25,624,086)
<b>Change in Other Non Financial assets</b>			
Decrease in prepaid expenses	-	\$ (19,073)	(27,483)
Increase in supplies inventory	-	\$ (55,461)	(4,965)
	-	\$ (74,534)	(32,448)
<b>Decrease in Net Financial Assets</b>	1,545,025	\$ (309,611)	(3,734,624)
<b>Net Financial Assets - beginning of year</b>	51,584,299	\$ 51,584,299	55,318,923
<b>Net Financial Assets - end of year</b>	\$ 53,129,324	\$ 51,274,688	\$ 51,584,299

See accompanying notes to consolidated financial statements.

# CITY OF LANGLEY

## Consolidated Statement of Cash Flows

Year ended December 31, 2025 with comparative figures for 2024

	2025	2024
<b>Cash Provided By (Used For)</b>		
<b>Operating Transactions</b>		
Annual surplus	\$ 27,437,611	\$ 21,921,910
Items not involving cash:		
DCC revenue recognized	(1,253,245)	(2,546,897)
Amortization	7,346,026	7,168,443
Contributed tangible capital assets	(1,347,627)	(704,800)
(Gain) loss on disposal of capital assets	(4,866,621)	59,800
Actuarial adjustment on debt	(21,174)	(10,456)
Accrued investment interest earnings	(2,242,594)	(2,221,072)
Accretion on ARO obligations	47,041	50,396
Changes in non-cash working capital:		
Accounts receivable	(7,154,488)	(6,237,278)
Prepaid property taxes	470,207	800,978
Accounts payable and accrued liabilities	(2,887,092)	7,640,438
Employee future benefits	9,635	3,335
Deferred revenue	890,863	(1,137,702)
Prepaid expenses	(19,073)	(27,483)
Supplies inventory	(55,461)	(4,965)
	<u>16,354,008</u>	<u>24,754,647</u>
<b>Capital Transactions</b>		
Cash used to acquire tangible capital assets	(34,496,059)	(32,152,374)
Proceeds from sale of tangible capital assets	5,691,593	4,845
	<u>(28,804,466)</u>	<u>(32,147,529)</u>
<b>Financing Transactions</b>		
Proceeds from issuance of debt	-	15,000,000
Debt repayment	(948,665)	(418,249)
Receipt of deferred development cost charges and interest earned	11,971,996	6,112,243
	<u>11,023,331</u>	<u>20,693,994</u>
<b>Investing Transactions</b>		
Purchase of investments	(104,081,714)	(102,328,413)
Redemption of investments	89,549,485	95,836,946
	<u>(14,532,229)</u>	<u>(6,491,467)</u>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<u>(15,959,356)</u>	<u>6,809,645</u>
<b>Cash and Cash Equivalents - beginning of year</b>	48,003,574	41,193,929
<b>Cash and Cash Equivalents - end of year</b>	<u>\$ 32,044,218</u>	<u>\$ 48,003,574</u>

See accompanying notes to consolidated financial statements.

# CITY OF LANGLEY

## Notes to the Consolidated Financial Statements

Year ended December 31, 2025 with comparative figures for 2024

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### 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 wholly-owned inactive 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.

# CITY OF LANGLEY

## Notes to the Consolidated Financial Statements

Year ended December 31, 2025 with comparative figures for 2024

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

#### **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.

#### **Gaming proceeds**

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

#### **Revenue Recognition**

Revenues from transactions with performance obligations are recognized when (at a point in time) or as (over a period of time) the City satisfies the performance obligations, which occurs when control of the benefits associated with the promised goods or services has passed to the payor.

The City recognizes revenue from users of the water, sewer, solid waste disposal, building permits, and rentals of City property services over the period of time that the relevant performance obligations are satisfied by the City.

The City recognizes revenue from administrative services, development permits, sales of goods and other licenses and permits at the point in time that the City has performed the related performance obligations and control of the related benefits has passed to the payors.

Revenue from transactions without performance obligation is recognized at realizable value when the City has the authority to claim or retain an inflow of economic resources received or receivable and there is a past transaction or event that gives rise to the economic resources.

The City recognizes revenue from tax penalties and interest, parking ticket fines, and other revenue without associated performance obligations at the realizable value at the point in time when the City is authorized to collect these revenues.

#### **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, as a condition of a development permit, are required to provide subdivision infrastructure such as streets, lighting, sidewalks, and drainage etc. Upon completion of the capital project, these assets are turned over to the City and recognized at the estimated fair market value.

# CITY OF LANGLEY

## Notes to the Consolidated Financial Statements

### Year ended December 31, 2025 with comparative figures for 2024

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**(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, measurement of contributed tangible capital assets, measurement of certain revenue items associated with performance obligations of the City, 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 into service segments based on similar objectives. 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 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, 2025 or December 31, 2024.

**(I) Comparative Figures:**

Certain comparative figures have been reclassified to conform with the presentation adopted in 2024. These changes did not have an impact on the annual surplus.

**(J) Financial Instruments:**

Cash and equity instruments quoted in an active market are measured at fair value. All of the City's other 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 investments 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.

# CITY OF LANGLEY

## Notes to the Consolidated Financial Statements

### Year ended December 31, 2025 with comparative figures for 2024

#### (K) Asset Retirement Obligations:

The City is required to record 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.

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

	2025	2024
Cash and cash equivalents	32,044,218	\$ 48,003,574
Portfolio investments	116,960,046	100,185,222
	<u>149,004,264</u>	<u>\$ 148,188,796</u>
Amounts are held or restricted for the following purposes:		
Deferred development cost charges	44,690,876	\$ 38,158,542
Statutory reserves	22,430,773	22,651,235
Non-statutory reserves	47,365,639	42,075,215
Operating funds and working capital	34,516,977	45,303,804
	<u>149,004,264</u>	<u>\$ 148,188,796</u>

Cash and cash equivalents includes funds held in bank accounts at BMO Bank of Montreal earning interest of prime rate less 1.45% (2024 - prime rate less 1.45%).

Portfolio investments, which include term deposits, have effective interest rates between 3.40% and 4.00% (2024 - 4.25% and 6.05%) 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, 2025 was \$116,700,233 (2024 - \$100,185,222). Investments are written down to net realizable value when there has been a decline other than a temporary one.

# CITY OF LANGLEY

## Notes to the Consolidated Financial Statements

### Year ended December 31, 2025 with comparative figures for 2024

#### 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 which was extrapolated to December 31, 2025. The valuation resulted in an unamortized actuarial gain as of December 31, 2025 of \$43,729 (2024 - \$47,894). Actuarial gains 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, 2024 is comprised as follows:

	2025	2024
Benefit liability - beginning of year	430,794	\$ 427,459
Current service cost	33,700	32,900
Interest cost	16,300	15,900
Benefits paid	(36,200)	(41,300)
Amortization of actuarial gain	(4,165)	(4,165)
Benefit liability - end of year	440,429	\$ 430,794
Accrued benefit obligation - end of year	396,700	\$ 382,900
Unamortized actuarial gain	43,729	47,894
Benefit liability - end of year	440,429	\$ 430,794

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

	2025	2024
Discount rate	4.10%	4.10%
Expected future inflation rate	2.50%	2.50%
Merit and inflationary earnings increases	2.50-4.50%	2.50-4.50%
Estimated average remaining service life	12.5	12.5

#### 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 4.78% (2024 - 4.78%) per annum. Estimated future remediation was projected using current costs and an inflation rate of 3.0% (2024 - 3.00%).

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

	2025	2024
Balance - beginning of year	984,124	\$ 933,728
Accretion expense	47,041	50,396
Balance - end of year	1,031,165	\$ 984,124

#### 5. Deferred development cost charges:

	2024	Contributions Received	Interest Earned	DCC Revenue Recognized	2025
Drainage	\$ 7,226,068	\$ 1,212,810	296,165	\$ -	\$ 8,735,043
Public Open Spaces	4,858,029	\$ 537,527	197,935	(161,656)	5,431,835
Roads	13,092,325	\$ 4,131,688	547,123	(347,655)	17,423,481
Sewer	11,037,309	\$ 3,410,167	460,817	(308,584)	14,599,709
Water	4,391,867	\$ 996,285	181,479	(435,350)	5,134,281
	\$40,605,598	\$ 10,288,477	1,683,519	\$ (1,253,245)	\$ 51,324,349

# CITY OF LANGLEY

## Notes to the Consolidated Financial Statements

### Year ended December 31, 2025 with comparative figures for 2024

#### 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 \$969,838 (2024 - \$428,705).

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 & Actuarial Adjustments	2025	2024
3145 - Property Acquisition	2037	3.36%	7,500,000	\$ 1,286,375	\$ 6,213,625	\$ 6,653,047
3234 - Property Acquisition and Infrastructure Upgrade	2044	3.83%	15,000,000	\$ 530,416	\$ 14,469,584	\$ 15,000,000
				<u>22,500,000</u>	<u>\$ 1,816,791</u>	<u>\$ 20,683,209</u>
					<u>\$ 20,683,209</u>	<u>\$ 21,653,047</u>

Total interest on the debt for the year ended December 31, 2025 was \$805,326 (2024 - \$391,122)

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
3234 - Property Acquisition and Infrastructure Upgrade	\$ 150,000
	<u>\$ 225,000</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:

2026	\$ 948,664
2027	948,664
2028	948,664
2029	948,664
2030	948,664
Thereafter	10,332,394
Actuarial earnings	5,607,495
	<u>\$ 20,683,209</u>

# CITY OF LANGLEY

## Notes to the Consolidated Financial Statements

Year ended December 31, 2025 with comparative figures for 2024

### 7. Accumulated surplus:

Accumulated surplus is distributed as follows:

	2025	2024
Operating surplus		
General	921,703	\$ 916,027
Sewer & Drainage	1,250,642	1,242,819
Water	1,179,592	1,170,162
	<u>3,351,937</u>	<u>3,329,008</u>
Equity in tangible capital assets (Note 8)		
General	256,408,370	240,559,429
Sewer & Drainage	42,551,135	39,231,120
Water	33,849,880	30,674,116
	<u>332,809,385</u>	<u>310,464,665</u>
Reserves (Schedule 1)		
Statutory reserves	22,430,773	22,651,235
Non-statutory reserves	47,365,639	42,075,215
	<u>69,796,412</u>	<u>64,726,450</u>
	<u><u>405,957,734</u></u>	<u><u>\$ 378,520,123</u></u>

### 8. Equity in tangible capital assets:

	2025	2024
Balance - beginning of year	310,464,665	\$ 292,730,376
Addition of tangible capital assets	35,843,686	32,857,174
Proceeds on disposal of tangible capital assets	(5,691,593)	(4,845)
Gain (loss) on disposal of tangible capital assets	4,866,621	(59,800)
Amortization expense	(7,346,026)	(7,168,443)
Accretion expense	(47,041)	(50,396)
Debt financing utilized	(6,250,765)	(8,268,106)
Repayment of debt	969,838	428,705
	<u>332,809,385</u>	<u>\$ 310,464,665</u>
Balance - end of year		
Net book value of tangible capital assets	354,042,630	\$ 326,369,942
Asset retirement obligation	(1,031,165)	(984,124)
Debt	(20,683,209)	(21,653,047)
Unused Debt	481,129	6,731,894
	<u>332,809,385</u>	<u>\$ 310,464,665</u>
Equity in tangible capital assets		

### 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:

	2025 Financial Plan	2025	2024
City property taxes	44,778,430	\$ 44,204,896	\$ 41,530,983
Grants in lieu of taxes	585,320	590,335	580,411
	<u>45,363,750</u>	<u>44,795,231</u>	<u>42,111,394</u>
Levies for other organizations			
School taxes		24,259,666	23,233,390
TransLink		6,575,168	5,722,247
British Columbia Assessment Authority		736,377	707,883
Metro Vancouver		1,167,126	1,115,581
Downtown Langley Merchants Assoc.		372,534	652,744
Municipal Finance Authority		3,989	3,973
Total collections for others		<u>33,114,860</u>	<u>31,435,818</u>
		<u><u>\$ 77,910,091</u></u>	<u><u>\$ 73,547,212</u></u>

# CITY OF LANGLEY

## Notes to the Consolidated Financial Statements

Year ended December 31, 2025 with comparative figures for 2024

### 10. Government transfers:

	2025 Financial Plan	2025	2024
Federal Government			
Community works fund	157,000	\$ 157,059	\$ 157,060
Infrastructure funding	-	343,284	369,905
	<u>157,000</u>	<u>500,343</u>	<u>526,965</u>
Provincial Government			
Hotel tax revenue	450,000	372,534	614,944
Housing capacity fund	-	55,122	43,978
Traffic fine revenue sharing	500,000	496,000	504,000
Infrastructure funding	-	5,126,150	1,728,600
	<u>950,000</u>	<u>6,049,806</u>	<u>2,891,522</u>
Municipalities and Regional Authorities			
Police building capital adjustment	80,000	98,945	63,513
Langley Youth & Family Services	468,310	444,892	422,518
Major road network	696,000	748,000	733,000
	<u>1,244,310</u>	<u>1,291,837</u>	<u>1,219,031</u>
	<u>2,351,310</u>	<u>\$ 7,841,986</u>	<u>\$ 4,637,518</u>

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

	2025			2024		
	Operations	Capital	Total	Operations	Capital	Total
Salaries & benefits	\$21,334,619	\$ 85,850	21,420,469	\$ 19,481,061	\$ 108,768	\$ 19,589,829
Goods and services	43,355,567	34,410,209	77,765,776	37,997,391	32,043,606	70,040,997
Debt servicing	805,326	-	805,326	391,122	-	391,122
Contributed tangible capital assets	-	1,347,627	1,347,627	-	704,800	704,800
Total expenditures	<u>65,495,512</u>	<u>35,843,686</u>	<u>101,339,198</u>	<u>57,869,574</u>	<u>32,857,174</u>	<u>90,726,748</u>
Amortization	7,346,026	-	7,346,026	7,168,443	-	7,168,443
Total expenditures & expenses	<u>\$72,841,538</u>	<u>\$ 35,843,686</u>	<u>108,685,224</u>	<u>\$ 65,038,017</u>	<u>\$ 32,857,174</u>	<u>\$ 97,895,191</u>

# CITY OF LANGLEY

## Notes to the Consolidated Financial Statements

### Year ended December 31, 2025 with comparative figures for 2024

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#### 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, 2024, the plan has about 273,000 active members and approximately 133,000 retired members. Active members include approximately 47,000 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, 2024, indicated a \$2,675 million funding surplus for basic pension benefits on a going concern basis.

The City of Langley paid \$1,375,173 (2024 - \$1,253,681) for employer contributions while employees contributed \$1,180,246 (2024 - \$1,096,711) to the plan in fiscal 2025.

The next valuation will be as at December 31, 2027, with results available in 2028.

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:

Where losses related to litigation or contractual obligations are likely and can be reasonably estimated, management accrues its best estimate of the loss. These amounts are included in accounts payable and accrued liabilities. In May 2023, the City received a de-integration notice from the Township of Langley regarding police services. Since that time there have been disputes over the appropriate cost sharing allocation. The City has recorded its best estimate of their liabilities under the existing agreement and any additional information available. The parties are expected to proceed with mediation. At this time, any difference between the amount recorded and the ultimate settlement are not expected to be material.

There are various other claims by and against the City, the outcome of which cannot reasonably be determined. Any ultimate settlements will be recorded in the year the settlements can be determined and are not expected to be material.

# CITY OF LANGLEY

## Notes to the Consolidated Financial Statements

### Year ended December 31, 2025 with comparative figures for 2024

#### 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 4, 2024 and does not reflect any amendments approved after the original adoption.

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

	<b>2025</b>
	<b>Financial Plan</b>
Surplus as per Financial Plan Bylaw No. 3308	\$ -
Capital asset additions	12,013,065
Amortization expense	(7,000,000)
Debt repayment	948,670
Net use of reserves to balance financial plan	
Transfer to non-statutory reserves	10,048,130
Transfer to statutory reserves	2,974,150
Transfer from non-statutory reserves	(9,695,930)
Transfer from statutory reserves	(2,729,995)
	<u>596,355</u>
Financial Plan Surplus as per Consolidated Statement of Operations	<u>\$ 6,558,090</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 2025, the City recognized \$7,033,777 (2024 - \$7,792,335) in revenues from the Province.

##### (C) Lease revenues:

The City of Langley has contractual rights to future lease revenue from buildings leased to third parties under operating leases. Lease revenue recognized during the year ended December 31, 2025, was \$373,000 (2024 – \$343,000). Revenue is recognized on a straight-line basis in accordance with Public Sector Accounting Standards. Future lease revenues are expected to be approximately \$400,000 annually, subject to the continuation of current agreements. Lease terms generally range from 1 to 10 years.

# CITY OF LANGLEY

## Notes to the Consolidated Financial Statements

### Year ended December 31, 2025 with comparative figures for 2024

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#### 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 FI's 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, 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, 2025

Statutory Reserves	Balance at Dec. 31, 2024	Developer Contributions	Internal Transfer Additions	Interest	Operational Expenditures	Capital Asset Additions	Balance at Dec. 31, 2025
Capital Works	\$ 12,021,561	\$ -	\$ 9,235,708	\$ 637,624	\$ (825,961)	\$ (3,653,438)	\$ 17,415,494
Equipment Replacement-Fire Dept.	96,801	-	55,000	5,007	(2,882)	-	153,926
Lane Development	316,702	-	-	12,719	-	-	329,421
Machinery Replacement	1,695,141	-	402,602	74,221	-	(565,498)	1,606,466
Off-Street Parking	423,720	-	10,710	17,179	-	-	451,609
Office Equipment Replacement	24,280	-	46,500	1,916	-	(54,215)	18,481
Parks and Recreation	439,837	-	177,500	21,248	(101,501)	(155,328)	381,756
P&R Future Projects	45,957	-	-	1,846	-	-	47,803
Growing Communities (Schedule 5)	7,587,236	-	-	304,062	-	(5,865,481)	2,025,817
<b>Total</b>	<b>\$ 22,651,235</b>	<b>\$ -</b>	<b>\$ 9,928,020</b>	<b>\$ 1,075,822</b>	<b>\$ (930,344)</b>	<b>\$ (10,293,960)</b>	<b>\$ 22,430,773</b>

Non-statutory Reserves	Balance at Dec. 31, 2024	Developer Contributions	Internal Transfers Additions	Interest	Operational Expenditures	Capital Asset Additions	Balance at Dec. 31, 2025
Community Works	\$ 19,537	\$ -	\$ 157,059	\$ 785	\$ -	\$ (157,060)	\$ 20,321
Future Policing Costs	4,404,962	-	307,756	176,940	(232)	-	4,889,426
Gaming Proceeds	14,275,063	-	7,033,777	674,661	(1,223,286)	(6,864,146)	13,896,069
Major Road Network Rehab	3,323,636	-	538,655	133,509	(9,475)	(254,750)	3,731,575
Prosperity Fund	131,298	-	-	5,273	-	-	136,571
Sewer Future Capital	3,478,294	-	1,450,000	159,923	(15,636)	(1,096,434)	3,976,147
Sewer Insurance Claims	38,949	-	-	1,564	-	-	40,513
Special Bonds	8,001,140	189,650	-	328,175	-	(150,000)	8,368,965
Community Amenity	2,523,465	3,447,000	-	133,446	(52,780)	(681,233)	5,369,898
Tax Stabilization	4,885,299	-	-	196,196	-	-	5,081,495
Water Future Capital	993,572	-	1,080,000	60,227	(36,171)	(242,969)	1,854,659
<b>Total</b>	<b>\$ 42,075,215</b>	<b>\$ 3,636,650</b>	<b>\$ 10,567,247</b>	<b>\$ 1,870,699</b>	<b>\$ (1,337,580)</b>	<b>\$ (9,446,592)</b>	<b>\$ 47,365,639</b>

# CITY OF LANGLEY

## Schedule 2

### Consolidated Report of Segmented Revenues and Expenses

Year ended December 31, 2025

	General government	Police service	Fire service	Other protective services	Engineering operations	Water utility	Sewer & drainage utility	Development services	Solid waste	Recreation services	Parks	2025	2025 Financial Plan
													(Note 14)
<b>Revenue</b>													
Property tax revenue	44,795,231	-	-	-	-	-	-	-	-	-	-	44,795,231	\$ 45,363,750
User fees and other revenue	4,967,457	2,160	6,300	51,169	3,189,878	7,396,423	7,527,291	2,872,150	1,292,954	1,350,817	-	28,656,599	22,071,730
Gaming proceeds	7,033,777	-	-	-	-	-	-	-	-	-	-	7,033,777	7,500,000
Government transfers	3,288,663	594,945	-	444,892	748,000	-	-	427,656	-	2,337,830	-	7,841,986	3,056,310
Investment earnings	4,262,349	-	-	-	-	60,227	161,487	-	-	-	-	4,484,063	1,842,000
DCC revenue recognized	-	-	-	-	347,654	435,350	308,584	-	-	-	161,657	1,253,245	2,794,875
Gain (loss) on disposal of capital assets	5,057,028	-	-	-	(11,733)	(93,996)	(91,664)	-	-	-	6,986	4,866,621	-
Contributed tangible capital assets	-	-	-	-	727,671	139,956	480,000	-	-	-	-	1,347,627	-
<b>Total Revenue</b>	<b>69,404,505</b>	<b>597,105</b>	<b>6,300</b>	<b>496,061</b>	<b>5,001,470</b>	<b>7,937,960</b>	<b>8,385,698</b>	<b>3,299,806</b>	<b>1,292,954</b>	<b>3,688,647</b>	<b>168,643</b>	<b>100,279,149</b>	<b>82,628,665</b>
<b>Expenses</b>													
Operating													
Salaries & benefits	5,029,953	8,883	6,413,657	252,130	2,416,144	666,020	451,317	1,289,864	23,109	3,187,272	1,596,270	21,334,619	23,288,390
Goods and services	4,023,100	18,180,394	1,319,028	739,232	1,862,174	4,996,294	5,022,110	696,574	1,267,853	3,901,024	1,347,784	43,355,567	44,955,685
Debt servicing	805,326	-	-	-	-	-	-	-	-	-	-	805,326	826,500
	<b>9,858,379</b>	<b>18,189,277</b>	<b>7,732,685</b>	<b>991,362</b>	<b>4,278,318</b>	<b>5,662,314</b>	<b>5,473,427</b>	<b>1,986,438</b>	<b>1,290,962</b>	<b>7,088,296</b>	<b>2,944,054</b>	<b>65,495,512</b>	<b>69,070,575</b>
Amortization	611,715	143,228	335,245		3,154,449	469,630	654,724	9,684		992,039	975,312	7,346,026	7,000,000
<b>Total Expenses</b>	<b>10,470,094</b>	<b>18,332,505</b>	<b>8,067,930</b>	<b>991,362</b>	<b>7,432,767</b>	<b>6,131,944</b>	<b>6,128,151</b>	<b>1,996,122</b>	<b>1,290,962</b>	<b>8,080,335</b>	<b>3,919,366</b>	<b>72,841,538</b>	<b>76,070,575</b>
<b>Annual Surplus (Deficit)</b>	<b>\$ 58,934,411</b>	<b>\$ (17,735,400)</b>	<b>\$ (8,061,630)</b>	<b>\$ (495,301)</b>	<b>\$ (2,431,297)</b>	<b>\$ 1,806,016</b>	<b>\$ 2,257,547</b>	<b>\$ 1,303,684</b>	<b>\$ 1,992</b>	<b>\$ (4,391,688)</b>	<b>\$ (3,750,723)</b>	<b>\$ 27,437,611</b>	<b>\$ 6,558,090</b>

# CITY OF LANGLEY

## Schedule 3

### Consolidated Report of Segmented Revenues and Expenses

Year ended December 31, 2024

	General government	Police service	Fire service	Other protective services	Engineering operations	Water utility	Sewer & drainage utility	Development services	Solid waste	Recreation services	Parks	2024	2024 Financial Plan
<b>Revenue</b>													
Property tax revenue	\$ 42,111,394	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,111,394	\$ 42,360,805
User fees and other revenue	2,716,999	2,820	34,590	49,654	1,789,061	7,381,242	6,954,713	2,116,579	910,562	1,256,180	-	23,212,400	18,751,595
Gaming proceeds	7,792,335	-	-	-	-	-	-	-	-	-	-	7,792,335	7,500,000
Government transfers	542,443	567,513	-	422,518	733,000	-	-	644,944	-	1,727,100	-	4,637,518	2,239,450
Investment earnings	5,776,188	-	-	-	-	104,753	133,442	-	-	-	-	6,014,383	1,835,000
DCC revenue recognized	-	-	-	-	1,149,792	-	918,383	-	-	-	478,722	2,546,897	1,417,540
Gain (loss) on disposal of capital assets	-	-	1,845	-	-	(19,398)	(42,247)	-	-	-	-	(59,800)	-
Contributed tangible capital assets	-	-	-	-	464,200	9,600	231,000	-	-	-	-	704,800	-
<b>Total Revenue</b>	<b>58,939,359</b>	<b>570,333</b>	<b>36,435</b>	<b>472,172</b>	<b>4,136,053</b>	<b>7,476,197</b>	<b>8,195,291</b>	<b>2,761,523</b>	<b>910,562</b>	<b>2,983,280</b>	<b>478,722</b>	<b>86,959,927</b>	<b>74,104,390</b>
<b>Expenses</b>													
Operating													
Salaries & benefits	4,691,892	10,803	5,431,499	229,922	2,503,420	494,016	430,472	1,252,290	11,258	2,892,603	1,532,886	19,481,061	21,615,710
Goods and services	3,423,188	16,821,863	1,130,899	682,260	1,652,190	4,455,017	3,468,154	731,440	863,443	3,385,734	1,383,203	37,997,391	41,214,020
Debt servicing	391,122	-	-	-	-	-	-	-	-	-	-	391,122	1,014,000
	<b>8,506,202</b>	<b>16,832,666</b>	<b>6,562,398</b>	<b>912,182</b>	<b>4,155,610</b>	<b>4,949,033</b>	<b>3,898,626</b>	<b>1,983,730</b>	<b>874,701</b>	<b>6,278,337</b>	<b>2,916,089</b>	<b>57,869,574</b>	<b>63,843,730</b>
Amortization	584,330	147,183	370,764	-	3,044,320	461,486	665,563	23,453	-	886,545	984,799	7,168,443	6,400,000
<b>Total Expenses</b>	<b>9,090,532</b>	<b>16,979,849</b>	<b>6,933,162</b>	<b>912,182</b>	<b>7,199,930</b>	<b>5,410,519</b>	<b>4,564,189</b>	<b>2,007,183</b>	<b>874,701</b>	<b>7,164,882</b>	<b>3,900,888</b>	<b>65,038,017</b>	<b>70,243,730</b>
<b>Annual Surplus (Deficit)</b>	<b>\$ 49,848,827</b>	<b>\$ (16,409,516)</b>	<b>\$ (6,896,727)</b>	<b>\$ (440,010)</b>	<b>\$ (3,063,877)</b>	<b>\$ 2,065,678</b>	<b>\$ 3,631,102</b>	<b>\$ 754,340</b>	<b>\$ 35,861</b>	<b>\$ (4,181,602)</b>	<b>\$ (3,422,166)</b>	<b>\$ 21,921,910</b>	<b>\$ 3,860,660</b>

# CITY OF LANGLEY

## Schedule 4

### Schedule of Tangible Capital Assets

Year ended December 31, 2025 with comparative figures for 2024

2025	Land	Land Improvements	Buildings	Vehicles	Furniture & Equipment	Transportation Infrastructure	Sewer & Drainage Infrastructure	Water Infrastructure	Total
<b>Historical cost<sup>1</sup></b>									
Opening cost	\$ 103,096,234	\$ 21,495,044	\$ 46,942,004	\$ 12,823,346	\$ 11,462,760	\$ 164,709,504	\$ 60,260,260	\$ 43,222,553	\$ 464,011,705
Additions <sup>2</sup>	2,563,767	1,078,185	5,886,023	3,560,411	789,228	14,208,372	4,069,285	3,688,415	35,843,686
Disposals <sup>3</sup>	(627,580)	-	-	(23,532)	-	(53,851)	(244,736)	(358,147)	(1,307,846)
	105,032,421	22,573,229	52,828,027	16,360,225	12,251,988	178,864,025	64,084,809	46,552,821	498,547,545
<b>Accumulated amortization</b>									
Opening balance	-	8,165,391	25,538,888	6,423,479	7,887,172	56,049,256	21,029,140	12,548,437	137,641,763
Amortization expense	-	811,274	1,308,261	564,046	825,472	2,760,711	657,606	418,656	7,346,026
Disposals	-	-	-	(23,532)	-	(42,118)	(153,072)	(264,152)	(482,874)
	-	8,976,665	26,847,149	6,963,993	8,712,644	58,767,849	21,533,674	12,702,941	144,504,915
<b>Net book value</b>	<b>\$ 105,032,421</b>	<b>\$ 13,596,564</b>	<b>\$ 25,980,878</b>	<b>\$ 9,396,232</b>	<b>\$ 3,539,344</b>	<b>\$ 120,096,176</b>	<b>\$ 42,551,135</b>	<b>\$ 33,849,880</b>	<b>\$ 354,042,630</b>

2024	Land	Land Improvements	Buildings	Vehicles	Furniture & Equipment	Transportation Infrastructure	Sewer & Drainage Infrastructure	Water Infrastructure	Total
<b>Historical cost<sup>1</sup></b>									
Opening cost	\$ 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
Additions	8,688,295	2,417,868	1,979,307	2,082,518	754,803	8,480,083	3,579,004	4,875,296	32,857,174
Disposals	-	-	-	(31,941)	-	(19,900)	(102,694)	(80,160)	(234,695)
	103,096,234	21,495,044	46,942,004	12,823,346	11,462,760	164,709,504	60,260,260	43,222,553	464,011,705
<b>Accumulated amortization</b>									
Opening balance	-	7,375,249	24,068,792	5,938,843	7,282,285	53,365,296	20,424,824	12,188,081	130,643,370
Amortization expense	-	790,142	1,470,096	513,577	604,887	2,703,860	664,763	421,118	7,168,443
Disposals	-	-	-	(28,941)	-	(19,900)	(60,447)	(60,762)	(170,050)
	-	8,165,391	25,538,888	6,423,479	7,887,172	56,049,256	21,029,140	12,548,437	137,641,763
<b>Net book value</b>	<b>\$ 103,096,234</b>	<b>\$ 13,329,653</b>	<b>\$ 21,403,116</b>	<b>\$ 6,399,867</b>	<b>\$ 3,575,588</b>	<b>\$ 108,660,248</b>	<b>\$ 39,231,120</b>	<b>\$ 30,674,116</b>	<b>\$ 326,369,942</b>

<sup>1</sup>Included in historical cost are assets under construction with a total cost of \$80,349,388 (2024 - \$55,489,967). No amortization has been recorded on these assets as they are in progress and not complete at year-end.

<sup>2</sup>Tangible capital asset additions for the year include contributed tangible capital assets of \$1,347,627

<sup>3</sup>During the year, a portion of land was expropriated, resulting in the derecognition of the related carrying amount and the recognition of a gain based on compensation received. Infrastructure assets were also disposed of during the year and derecognized from the City's records. In addition, three land parcels were sold, resulting in the derecognition of the related land assets. Total gains recognized on these transactions amounted to \$4,866,621, representing the excess of proceeds and compensation over carrying values.

**CITY OF LANGLEY**

**Schedule 5  
Reserve Fund - Growing Communities - (Unaudited)  
Year ended December 31, 2025**

Growing Communities Fund (GCF)	2025	2024
Balance, beginning of year	\$ 7,587,236	\$ 7,456,357
GCF received March 2023	-	-
Interest	304,062	400,879
Eligible expenditures	(5,865,481)	(270,000)
Balance, end of year	\$ 2,025,817	\$ 7,587,236

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.

**CITY OF LANGLEY**

**Schedule 6**

**Local Government Housing Initiatives Funding - (Unaudited)**

**Year ended December 31, 2025**

<u>Local Government Housing Initiatives (LGHI)</u>	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 228,199	\$ -
LGHI received January 2024	-	288,390
Eligible expenditures	(164,143)	(60,191)
Balance, end of year	<u>\$ 64,056</u>	<u>\$ 228,199</u>

The Province of British Columbia distributed conditional Local Government Housing Initiatives (LGHI) grants to communities at the end of January 2024. The grant-based funding is to help facilitate implementation and support local governments to meet new legislative requirements of Bill 44 Housing Statutes (Residential Development) Amendment Act, Bill 46 Housing Statutes (Development Financing) Amendment Act, and Bill 47 Housing Statutes (Transit-Oriented Areas) Amendment Act. The LGHI provided a one-time total of \$51 million in grants to all 160 municipalities and 27 regional districts in British Columbia.



## 2025 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 2025 pertaining to the City of Langley.

Dated: May 20, 2026

Paula Kusack  
Deputy Corporate Officer



20399 Douglas Crescent  
Langley BC, Canada V3A 4B3

T 604.514.2800 W [langleycity.ca](http://langleycity.ca)