

2021

CITY OF LANGFORD
Statement of Financial Information
(Pursuant to the Financial Information Act)

City of Langford

Statement of Financial Information

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City of Langford

Statement of Financial Information

Statement of Financial Information Approval

The undersigned, as authorized by the Financial Information Regulation, Schedule 1, Subsection 9(2), approves all the statements and schedules included in this Statement of Financial Information, produced under the *Financial Information Act*.

Michael Dillabaugh, CPA, CA
Director of Finance

Matt Sahlstrom
Councillor
Chair, Administration and Finance Committee

City of Langford

Statement of Financial Information

Schedule of Debts

Information on all long term debts for this organization is included in Note 5 to the 2021 Audited Financial Statements.

City of Langford

Statement of Financial Information

Schedule of Guarantee and Indemnity Agreements

There are no Financial Guarantee and Indemnity Agreements in place which required government approval prior to being given under the Financial Administration Act.

Schedule of Grants or Contributions

The City of Langford does not consider grant-in-aid applications.

City of Langford

Statement of Financial Information

Schedule of Council Remuneration and Expenses

For the Year Ended December 31, 2021

Elected Officials		Remuneration	Expenses
Blackwell, Denise	Councillor	28,312.90	-
Sahlstrom, Matt	Councillor	28,668.22	-
Seaton, Lanny	Councillor	28,312.90	-
Stewart, Norma	Councillor	33,129.46	-
Szpak, Lillian	Councillor	28,312.90	-
Wade, Roger	Councillor	33,410.02	-
Young, Stewart	Mayor	78,614.95	-
Total		258,761.35	-

City of Langford

Statement of Financial Information

Schedule of Employee Remuneration and Expenses

For the Year Ended December 31, 2021

Employee Name	Job Title	Remuneration	Expenses
Adams, Steve	Fire Captain	126,271.95	799.00
Agland, Brian	Systems Administrator	87,435.71	188.91
Arnold, Graham	Firefighter	102,246.43	-
Aubrey, Christopher	Fire Chief	158,179.31	638.88
Auterhoff, Nicci	Manager of Police Services	90,952.18	-
Baldwin, Matthew	Director of Planning	168,698.50	1,076.96
Bate, Mitchell	GIS Technologist	81,053.47	-
Bell, Brian	Fire Captain	128,639.17	-
Booth, Travis	GIS Technologist	81,024.00	281.88
Buckingham, Julia	Planner II	80,585.82	528.94
Caven, Lance	Assistant Fire Chief	142,687.13	920.19
Chadwick, Simon	Fire Captain	133,417.86	399.99
Chapman, Conrad	Firefighter	78,695.75	-
Corpus, Ted	Senior Application Developer/Analyst	97,144.87	-
Cuckovich, Nicholas	Firefighter	77,545.04	-
Davidson, Scott	Deputy Fire Chief	155,977.02	255.00
Dillabaugh, Mike	Director of Finance	152,905.01	1,917.00
Dube, Kevin	Manager of Information Technology & GIS	123,676.59	1,200.00
Duncan, Ashley	Fire Communications Operator	84,558.17	-
Dykstra, Robert	Senior Planner	95,781.01	568.77
Edwards, Cam	Senior Building Inspector	97,333.10	641.53
Egli, Garrett	Firefighter	78,170.89	-
Fisher, Matthew	Firefighter	89,152.40	144.00
Fletcher, Lorne	Manager of Comm. Safety & Municipal Enforcement	115,085.61	133.75
Gillich, Rob	Systems Administrator	77,265.07	285.06
Goodwin, Seth	Firefighter	94,423.11	144.00
Henshall, George	Deputy Director of Engineering and Public Works	131,811.48	2,985.08
Higgins, Delayne	Senior Engineering Technologist	84,974.75	1,075.00
Howden, Howard	Firefighter	86,775.59	144.00
Humphrys, Kat	Communications Operator	107,416.58	-
Hutchins, Braden	Director of Corporate Services	138,698.80	267.00
Kay, Kyla	Senior Engineering Technologist	78,345.73	2,178.75
Kiedyk, Darren	Chief Administrative Officer	211,526.90	1,717.00
Kryklywyj, Audrey	Deputy Director of Finance	123,636.64	1,650.00
Lambert, Paul	Senior Bylaw Enforcement Officer	91,373.77	808.75
Lenton, David	Senior Engineering Technologist	83,013.89	380.00
Leung, Ivan	Manager of Engineering Construction	119,198.63	3,068.49
Lowe, Cate	IT Support Specialist	75,282.75	110.63
Mahovich, Michelle	Director of Engineering and Public Works	159,770.13	1,874.90
McLellan, Tara	Parks and Landscape Technician	77,122.13	-

City of Langford

Statement of Financial Information

Schedule of Employee Remuneration and Expenses (continued)

Employee Name	Job Title	Remuneration	Expenses
Miller, Shawn	GIS Technologist	80,952.24	281.88
Minifie, Daryl	Senior Land Development Technologist	88,176.47	380.00
Moen, Jeffrey	GIS Technologist	80,952.25	-
Moreau, Richard	RCMP - IT/IM Analyst/LAN Administrator	81,570.75	-
Moss, Leanna	Communications Operator	95,692.32	-
Nielsen, Yari	Manager of Parks & Recreation	102,617.71	6,340.89
Obersteller, Paul	Firefighter	126,293.21	514.99
Oliver, James	Senior Land Development Technologist	88,193.14	-
Petrie, Donna	Manager of Business Development and Events	115,979.07	1,413.18
Pighin, Darryl	Firefighter	78,542.13	-
Pinnock, Joanne	Communications Operator	103,833.54	-
Pozney, Chris	Building Inspector III	96,440.48	1,731.53
Robinson, Wayne	Building Inspector III	98,775.77	1,602.78
Sametz, David	Planner II - Long Range Planning	79,362.19	1,588.77
Spencer, Chris	Firefighter	99,005.86	1,092.33
Staniforth, Curtis	Financial Analyst	75,486.45	2,597.73
Stohmann, Leah	Deputy Director of Planning	129,519.61	902.72
Watmough, Marie	Acting Director of Corporate Services	128,546.32	3,398.81
Worobec, Jerry	Manager of Building	118,677.83	641.53
Yeo, Derek	Bylaw Officer	77,552.34	4,045.64
Total over \$75,000		6,314,022.62	52,916.24
Total under \$75,000		4,847,906.63	
Total Remuneration		11,161,929.25	

Notes to the reader:

Remuneration includes all forms of salary, wages, and taxable benefits paid to an employee during the year. Remuneration can differ from total salary because while an employee may earn wages, those wages may not be paid until a different financial period.

Employee expenses defined in the Financial Information Regulation includes travel expenses, memberships, tuition, relocation, vehicle leases, extraordinary hiring expenses, and registration fees and similar amounts which has not been included in the definition of remuneration.

City of Langford

Statement of Financial Information

Schedule of Employee Remuneration and Expenses (continued)

Statement of Reconciliation to Financial Statements Disclosure:

The remuneration schedule is prepared on a cash paid basis for employee related compensation; the Financial Statements are prepared on an accrual accounting basis, and include employer related costs for employment agreements and payroll related obligations.

City of Langford

Statement of Financial Information

Statement of Severance Agreements:

For the Year Ended December 31, 2021

There were three severance agreements under which payment commenced between The City of Langford and its non-unionized employees during the fiscal year 2021. These agreements represented from two weeks to eleven months of compensation.

City of Langford

Statement of Financial Information

Schedule of Payments to Suppliers for Provision of Goods and Services

For the Year Ended December 31, 2021

Supplier Name	Amount Paid
0676955 BC Ltd	100,000.00
0939916 BC Ltd	51,625.00
945 Developments LP	67,725.00
Accent Refrigeration	63,000.00
Achinback Industries And Foundry Ltd	30,611.59
ACO Systems Ltd	65,495.01
Advanced Subsea Services Ltd	159,920.25
Allied Power and Communication Ltd.	198,690.25
Allman Dirtworks	25,325.11
Allterra Construction Ltd	961,511.38
Anniko Hunter Law Corp in Trust	275,000.00
Arngask Developments	43,236.00
ASO/Desjardin	568,210.60
Associated Engineering Ltd	327,775.87
BC Assessment Authority	623,404.87
BC Hydro	1,320,684.12
BC Hydro Payment Controls Dept	65,833.23
BC Transit	3,336,449.23
BD Hall Constructors	73,159.85
Beecher Bay First Nation	47,187.33
Bell Mobility Inc.	66,606.11
Black Press Group	129,733.34
Bola Contracting	94,101.32
Bricklok Surfacing & Landscape Supply Ltd	163,038.54
Bunt & Associates Engineering Ltd.	26,895.75
Camosun Properties Ltd.	85,015.00
Capital City Paving Ltd.	1,053,439.63
Capital Region Emerg.Serv.Telecom(CREST)	110,114.54
Capital Regional District	10,919,628.40
Capital Regional District Water -Isld Hwy	996,870.48
Capital Regional District Water-Fisgard	275,843.33
Capital Regional District-Bylaw/Animal Control	259,947.70
Capital Regional Hospital District	2,616,983.37
CDW Canada Corp.	188,833.20
CentralSquare Canada Software Inc	44,075.76
Chrissy Shaw	37,147.64
Citta Construction Ltd	30,939.16
City of Colwood	132,294.17
Clark Wilson LLP	149,468.00
Colliers Project Leaders Inc	59,850.00

City of Langford

Statement of Financial Information

Schedule of Payments to Suppliers for Provision of Goods and Services (continued)

Supplier Name	Amount Paid
Commercial Lighting Products	28,157.20
Copcan Civil Ltd	46,958.22
Cottyn Development Ltd.	97,150.00
CRD Bylaw Enforcement	81,533.34
DB Services of Victoria Inc	279,725.38
Dekra-Lite Industries Inc.	58,189.95
Devon Properties Ltd.	45,060.48
Draycor Construction Ltd	789,988.53
Eager Beaver Tree Service	291,826.50
Eclipse Creative Inc.	160,331.16
Ecoasis Resort and Golf LLP	458,612.07
Enex Fuels Ltd	52,079.25
Era Law in Trust	731,993.24
Esquimalt, Township Of	96,878.43
Esri Canada	126,909.66
Fantastic Cleaning Ltd.	77,788.28
Fastrac Printing Ltd	35,815.34
Fortis BC Natural Gas	86,193.55
G & E Contracting LP	873,020.76
Galaxy Motors	32,100.00
GFL Environmental Inc	37,088.93
Ghotra Excavating & Trucking Ltd	103,726.00
Glenoak Ford	35,249.78
Goldstream Holdings Ltd Partnership	27,692.30
Golf Canada Foundation	50,000.00
Graphic Office Interiors	63,406.65
Greater Victoria Public Library	2,094,982.90
Greater Victoria Security	374,940.58
Gwail Engineering Ltd	31,724.97
H L Demolition & Waste Management Ltd	49,591.50
Habitat Systems Inc.	214,292.48
Harris Computer Corp	38,655.83
Hazelwood Construction Services	1,830,257.48
Highstreet Sky Gate (2020) LIM	359,922.00
Holland Avenue Nursery Ltd	25,625.60
Houston Sign 90 Ltd	38,797.50
HSM Insurance	458,847.00
Iconix Waterworks LP	164,176.94
Insurance Corporation Of BC	43,471.00
International Association of Firefighters	55,630.73
Ironclad Developments Inc.	1,058,086.20

City of Langford

Statement of Financial Information

Schedule of Payments to Suppliers for Provision of Goods and Services (continued)

Supplier Name	Amount Paid
Island Key Computer Ltd.	37,159.36
IWC Excavation Ltd.	141,579.59
Jacklin Property Ltd	43,941.08
Jawl Bundon LLP in Trust	1,000,000.00
JDparks	74,200.40
K. Wilson Contracting Ltd	158,031.03
Kashyap, Mukesh	27,201.58
Kerr Wood Leidal Consulting Engineers	200,656.03
KPMG LLP, T4348	37,275.00
Kroppmanns, Rebecca	326,563.33
KWJ Enterprises Inc	213,885.73
Ladkeen Canada Ltd	50,280.00
Langford Lanes Bowling Alley Inc.	2,833,432.22
Langford Volunteer Firefighters Assoc.	119,925.00
Le Gers Properties Inc.	141,857.02
Liberty Ridge Homes Inc	814,795.00
Limona Construction Ltd.	263,840.90
Lumca Inc.	468,526.80
Maglin	25,157.73
M'akola Housing Society	520,577.15
MasterCard	318,813.44
Mazzei Electric	37,523.37
McCormick Meadows Ltd	99,522.50
McElhanney Consulting Services Ltd	306,611.29
Metchosin, District Of	37,731.14
Microsoft Corporation	140,863.48
Milestone Equipment Contracting Inc	3,181,759.11
Modo Co-Operative	154,582.62
Motion Canada	62,378.67
Musco Sports Lighting, LLC	741,440.00
Nederman Canada Ltd.	27,006.31
Nick Bray Architecture	32,577.89
Northridge Excavating Ltd	124,325.98
Oakcrest Park Estates Ltd.	846,172.20
Ocean Pipe	116,008.45
OnPoint Project Engineers Ltd	95,594.15
Pacific Centre Family Services	150,000.00
Pacific East Developments Ltd	39,780.00
Pacific FC Sports Inc.	40,240.96
Pacific Football Club	57,802.63
PAW Pacific Audio Works Ltd	30,800.38

City of Langford

Statement of Financial Information

Schedule of Payments to Suppliers for Provision of Goods and Services (continued)

Supplier Name	Amount Paid
PBX Engineering Ltd	26,423.79
Performance Plus Hockey inc.	1,228,073.96
Pioneer Manufacturing Company	35,146.81
Powell & Associates Land Surveyors	25,510.73
Proscenium Architecture & Interiors Inc.	29,588.83
Protex Fence Services	319,543.98
Puttonen, Melanie	95,380.75
Randall & Murrell in Trust	45,000.00
Raylec Power LP	440,315.73
Receiver General for Canada - Source Deductions	3,359,375.52
Receiver General -RCMP contract	8,809,244.42
Richmond Property Group	90,548.82
Riptide Studios Inc.	43,923.01
Rocky Mountain Phoenix	25,731.09
Rugby Canada	47,000.00
Ryzuk Geotechnical	36,415.61
Scansa Construction	786,672.21
School District No.62	1,462,615.26
School Tax	23,278,297.96
Scho's Line Painting Service	38,563.56
Seacliff Properties (Langford) Ltd	1,179,322.91
Shaw Business Solutions Inc	25,444.76
Sheen Design Ltd	54,665.01
Sign Pad, The	147,141.19
Silverstream Investments Inc	103,730.52
Sooke, District Of	76,548.07
Southern Vancouver Island Nature Trails Society	46,120.91
Sowden, Rockell	136,316.22
Spencer Heights Inc	257,556.00
SSL-Sustainable Services Ltd	145,164.21
Stanborough, Maria	25,942.89
Suburban Motors	50,151.36
Superannuation	1,915,787.79
Superior City Contracting Services Ltd	295,534.05
Surespan Bridge Rental Ltd	43,792.00
Tarkett Sports Canada Inc.	217,320.90
TerraWest Environmental Inc	39,252.69
The Good Party	42,113.84
Tiger Fera Investment Inc	36,000.00
TL Housing Solutions Ltd	154,366.10
Top Shelf Productions Inc	81,446.63

City of Langford

Statement of Financial Information

Schedule of Payments to Suppliers for Provision of Goods and Services (continued)

Supplier Name	Amount Paid
Tran Sign 2019 Ltd.	25,451.42
Tri City Finishing	86,510.55
Triway Seniors Housing Ltd	226,370.00
Tri-X Excavating Ltd.	101,622.93
Tri-X Timber Corporation	109,945.86
Van Isle Bricklock Surfacing & Landscape	105,402.36
Verity Construction Ltd	528,587.52
Victoria Contracting & Municipal Maintenance Corp.	6,554,168.74
Victoria Shipping Containers	49,997.92
Victoria Single Horse Drawn Carriage Tours Inc.	30,175.25
Vimex Contracting Ltd	626,607.76
WA Architects Ltd.	47,902.60
Wang, Zheng	33,241.44
Watters, Brian	55,205.31
West Shore Arts Council	34,113.75
West Shore Environmental Services Limited Partnership	764,375.21
West Shore Parks & Recreation Society.	3,438,588.00
Westbrook Consulting Ltd.	29,078.58
Westhills Land Corp	243,615.00
Westhills Land Corp-Library Rent	156,377.03
Wheelhouse Cycling Society	25,000.00
Woodsmere Holding Corp	109,725.00
Workhorse Trail Design	139,440.83
Worksafe BC	178,969.44
WSP Canada Inc	70,449.40
Yan, Mei Hua	130,407.63
YMCA YWCA of Greater Victoria	1,047,499.96
Young Anderson in Trust	5,225,401.07
Young Anderson Barristers & Solicitors	409,081.92
 Total over \$25,000	 117,472,969.93
 Total under \$25,000	 3,252,819.68
 Total	 120,725,789.61

City of Langford

Statement of Financial Information

Schedule of Payments to Suppliers for Provision of Goods and Services (continued)

Reconciliation of Payments for Goods and Services to Financial Statements:

The Schedule of Payments to Suppliers for the Provision of Goods and Services has been prepared on a cash basis whereas the financial statements have been prepared on an accrual accounting basis, therefore no reconciliation of this schedule with the financial statements has been prepared.

Included in the above payments are taxes collected for and paid to other governments and agencies, refunds of deposits, and payroll and other statutory obligations.

2021

CITY OF LANGFORD
Consolidated Financial Statements
For the fiscal year ending December 31, 2021



City of Langford

www.cityoflangford.ca

Mayor:	Stewart Young
Councillors:	Denise Blackwell Matt Sahlstrom Lanny Seaton Norma Stewart Lillian Szpak Roger Wade
Chief Administrative Officer:	Darren Kiedyk, CPA, CGA
Director of Finance:	Michael Dillabaugh, CPA, CA
City Engineer:	Michelle Mahovlich, M.Eng., P.Geo., P.Eng.
City Planner:	Matthew Baldwin, MCIP, RPP
Fire Chief:	Christopher Aubrey
Auditors:	KPMG
Solicitors:	Young Anderson
Bankers:	Bank of Montreal
Police:	RCMP - West Shore

CITY OF LANGFORD

Consolidated Financial Statements

Year ended December 31, 2021

Financial Statements

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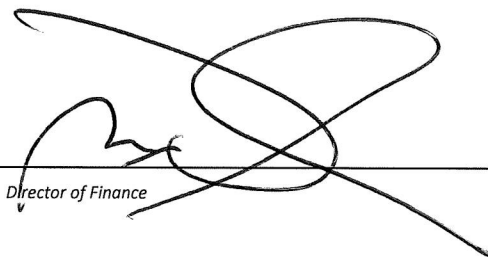
Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the City of Langford (the "City") are the responsibility of management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards for local governments as recommended by the Public Sector Accounting Board of The Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in note 2 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The City's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

City of Langford Council meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by KPMG LLP, independent external auditors appointed by the City. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the City's consolidated financial statements.


Chief Administrative Officer
Director of Finance



KPMG LLP
St. Andrew's Square II
800-730 View Street
Victoria BC V8W 3Y7
Canada
Telephone 250-480-3500
Fax 250-480-3539

INDEPENDENT AUDITORS' REPORT

To the Mayor and Councillors of The City of Langford

Opinion

We have audited the consolidated financial statements of The City of Langford (the "City"), which comprise:

- the consolidated statement of financial position as at December 31, 2021
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in net debt for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the City 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.

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 City'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 City or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' 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 the 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 City'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 City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the City 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 financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the City to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants

Victoria, Canada
May 2, 2022

CITY OF LANGFORD

Consolidated Statement of Financial Position

December 31, 2021, with comparative information for 2020

	2021	2020
Financial assets:		
Cash and cash equivalents (note 3)	\$ 53,531,675	\$ 54,580,004
Short term investments	10,253,140	15,138,042
Property taxes receivable	2,144,197	1,048,130
Accounts receivable	14,842,438	10,376,933
Other assets	667,020	634,830
	81,438,470	81,777,939
Financial liabilities:		
Accounts payable and accrued liabilities	16,554,332	22,795,533
Prepaid property taxes and licences	2,780,327	1,944,850
Deferred revenue (note 4)	15,578,925	20,808,221
Refundable deposits	19,038,083	13,866,337
Debt (note 5)	18,763,889	21,103,809
	72,715,556	80,518,750
Net financial assets	8,722,914	1,259,189
Non-financial assets:		
Tangible capital assets (note 6)	557,865,727	506,019,439
Sewer franchise agreement (note 7)	42,738,465	39,064,234
Prepaid expenses	543,876	569,382
	601,148,068	545,653,055
Commitments, contingencies and contractual rights (note 12 and 13)		
Accumulated surplus (note 8)	\$ 609,870,982	\$ 546,912,244

The accompanying notes are an integral part of these consolidated financial statements.

Director of Finance

CITY OF LANGFORD

Consolidated Statement of Operations

Year ended December 31, 2021, with comparative information for 2020

	Financial Plan (note 14)	2021	2020
Revenue:			
Taxation, net (note 9)	\$ 37,768,711	\$ 37,782,510	\$ 35,177,890
Development cost charges (note 4)	13,750,762	11,130,623	4,419,756
Sewer capital recovery fees	-	9,132,514	7,148,962
Utility charges	5,000	5,000	5,000
Other	4,666,242	9,896,416	7,151,795
Licences and permits	3,332,100	5,120,968	4,021,854
Penalties and interest	287,000	493,451	281,422
Government transfers (note 10)	9,911,441	6,967,768	8,750,632
Commercial leasing	5,185,500	4,905,596	3,921,434
Casino	-	759,073	277,283
Investment earnings	275,000	450,369	606,955
Developer and property owner contributions	1,694,831	44,875,719	34,645,468
Total revenue	76,876,587	131,520,007	106,408,451
Expenses:			
General government services:			
Legislative	566,595	441,560	547,469
Administrative	4,739,223	4,600,712	4,295,487
Other	2,556,194	2,204,297	2,063,369
	7,862,012	7,246,569	6,906,325
Protective services:			
Police and bylaw enforcement	13,182,623	12,964,349	13,107,352
Fire protection and emergency response	4,375,473	4,698,811	4,671,062
Building inspection and other	876,686	907,101	753,449
	18,434,782	18,570,261	18,531,863
Engineering and public works:			
Common services	1,785,719	1,298,767	1,391,223
Land development services	493,356	652,859	741,821
Roads, streets and storm drainage	6,053,494	12,372,986	10,766,075
	8,332,569	14,324,612	12,899,119
Community services:			
Environmental and development services	1,045,467	1,193,151	1,057,688
Recreation and cultural services	13,955,896	16,246,672	14,593,329
West Shore Parks and Recreation Society (note 15)	7,767,137	5,521,721	4,922,120
	22,768,500	22,961,544	20,573,137
Utility and enterprise services:			
Sewer infrastructure	-	5,458,283	4,769,350
Total expenses	57,397,863	68,561,269	63,679,794
Annual surplus	19,478,724	62,958,738	42,728,657
Accumulated surplus, beginning of year	546,912,244	546,912,244	504,183,587
Accumulated surplus, end of year	\$ 566,390,968	\$ 609,870,982	\$ 546,912,244

The accompanying notes are an integral part of these consolidated financial statements.

CITY OF LANGFORD

Consolidated Statement of Changes in Net Financial Assets

Year ended December 31, 2021, with comparative information for 2020

	Financial Plan (note 14)	2021	2020
Annual surplus	\$ 19,478,724	\$ 62,958,738	\$ 42,728,657
Acquisition of tangible capital assets	(21,369,993)	(28,582,783)	(13,347,653)
Amortization of tangible capital assets	-	10,304,149	9,747,860
Gain on sale of tangible capital assets	-	(3,277,008)	(470,545)
Proceeds on sale of tangible capital assets	-	6,530,302	3,737,500
Sewer capital recovery fees	-	(9,132,514)	(7,148,962)
Sewer capital agency fee	-	4,655,362	4,020,753
Developer contributions of tangible capital assets	-	(35,560,283)	(29,945,883)
Change in proportionate share of West Shore Parks & Rec Society	-	(457,744)	(240,062)
	(1,891,269)	7,438,219	9,081,665
Consumption of prepaid expenses	-	25,506	196,416
Change in net financial assets	(1,891,269)	7,463,725	9,278,081
Net financial assets (debt), beginning of year	1,259,189	1,259,189	(8,018,892)
Net financial assets, end of year	\$ (632,080)	\$ 8,722,914	\$ 1,259,189

The accompanying notes are an integral part of these consolidated financial statements.

CITY OF LANGFORD

Consolidated Statement of Cash Flows

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 62,958,738	\$ 42,728,657
Items not involving cash:		
Amortization of tangible capital assets	10,304,149	9,747,860
Gain on sale of tangible capital assets	(3,277,008)	(470,545)
Developer contributions of tangible capital assets	(35,560,283)	(29,945,883)
Sewer capital recovery fees	(9,132,514)	(7,148,962)
Sewer capital agency fee	4,655,362	4,020,753
Change in proportionate share of West Shore Parks & Rec Society	(457,744)	(240,062)
Changes in non-cash operating assets and liabilities:		
Property taxes receivable	(1,096,067)	740,801
Accounts receivable	(4,465,505)	2,221,087
Other assets	(32,190)	(107,044)
Accounts payable and accrued liabilities	(6,241,201)	9,680,067
Prepaid property taxes and licences	835,477	431,483
Deferred revenue	(5,229,296)	(459,126)
Refundable deposits	5,171,746	(719,717)
Prepaid expenses	25,506	196,416
	18,459,170	30,675,785
Capital activities:		
Acquisition of tangible capital assets	(28,582,783)	(13,347,653)
Proceeds on sale of tangible capital assets	6,530,302	3,737,500
	(22,052,481)	(9,610,153)
Financing activities:		
Debt payments	(2,339,920)	(2,197,016)
Sale of investments	4,884,902	17,841,740
	2,544,982	15,644,724
Increase (decrease) in cash and cash equivalents	(1,048,329)	36,710,356
Cash and cash equivalents, beginning of year	54,580,004	17,869,648
Cash and cash equivalents, end of year	\$ 53,531,675	\$ 54,580,004
Supplemental cash flow information:		
Cash paid for interest	\$ 229,896	\$ 463,040
Cash received from interest	459,577	618,904

The accompanying notes are an integral part of these consolidated financial statements.

CITY OF LANGFORD

Notes to Consolidated Financial Statements

Year ended December 31, 2021

The City of Langford (the "City") is incorporated and operates under the provisions of the British Columbia Local Government Act and the Community Charter of British Columbia.

1. Covid-19

In March 2020, the Covid-19 outbreak was declared a pandemic by the World Health Organization. The pandemic impacted the City's operations resulting in a decrease in certain types of revenue, and changes in expenses and cash flows. At this time this presents uncertainty over future cash flows. The City is closely monitoring the impact of the pandemic on all aspects of its operations and responding accordingly.

2. Significant accounting policies:

The consolidated financial statements of the City are prepared by management in accordance with Canadian public sector accounting standards for local governments as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the City are as follows:

(a) Reporting entity:

The consolidated financial statements include the assets, liabilities, revenues and expenses of the City. The consolidated financial statements also include the City's proportionate interest in the West Shore Parks and Recreation Society ("West Shore"), an organization jointly controlled by the City. The City does not administer any trust activities on behalf of external parties.

(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) Revenue recognition:

Government transfers are recognized in the consolidated financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made, except when and to the extent the transfer gives rise to an obligation that meets the definition of a liability.

Property tax revenue is recognized on an accrual basis using approved tax rates and the anticipated assessment for the current year. Parcel tax revenues are recognized in the year that they are levied.

(d) Deferred revenue:

Deferred revenue includes grants, contributions and other amounts received from third parties pursuant to legislation, regulation and agreement which may only be used in certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed, or the tangible capital assets are acquired thereby extinguishing any liability to the City.

Development cost charges are amounts which are restricted by government legislation or agreement with external parties. When qualifying expenditures are incurred, development cost charges are recognized as revenue in amounts which equal the associated expenses.

(e) Refundable deposits:

Receipts restricted by third parties are deferred and reported as refundable deposits under certain circumstances. Refundable deposits are returned when the third party meets their obligations or the deposits are recognized as revenue when qualifying expenditures are incurred.

(f) Investment income:

Investment income is reported as revenue in the period earned. When required by the funding government or related Act, investment income earned on deferred revenue is added to the investment and forms part of the deferred revenue balance.

CITY OF LANGFORD

Notes to Consolidated Financial Statements

(g) Cash equivalents:

Cash equivalents include short-term, highly liquid investments that are cashable on demand or have a term to maturity of 90 days or less at acquisition.

(h) Long-term debt:

Long-term debt is recorded net of related repayments.

(i) 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.

(i) Tangible capital assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land, are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful life - years
Land improvements	10-50
Buildings	25-70
Vehicles, machinery, equipment	5-25
Sewer and storm infrastructure	75-100
Road infrastructure	10-75

Non-financial assets are written down when conditions indicate that they no longer contribute to the City's ability to provide goods and services, or when the value of future economic benefits associated with the asset are less than the book value of the asset.

(ii) Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value and are recorded as revenue at the date of receipt.

(iii) Works of art and cultural and historic assets

Works of art and cultural and historic assets are not recorded as assets in these financial statements.

(iv) Leased tangible capital assets

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(v) Inventory of supplies

Inventory of supplies held for consumption is recorded at the lower of cost and replacement cost.

(vi) Contaminated sites

Contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. A liability for remediation of contaminated sites is recognized, net of any expected recoveries, when all of the following criteria are met:

- 1) an environmental standard exists
- 2) contamination exceeds the environmental standard
- 3) the City is directly responsible or accepts responsibility for the liability
- 4) future economic benefits will be given up, and
- 5) a reasonable estimate of the liability can be made

CITY OF LANGFORD

Notes to Consolidated Financial Statements

(j) Employee benefits:

The City and its employees make contributions to the Municipal Pension Plan. These contributions are expensed as incurred. The costs of a multi-employer defined contribution pension plan, such as the Municipal Pension Plan, are the employer's contributions due to the plan in the period.

(k) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Estimates include assumptions used in estimating historical cost and useful lives of tangible capital assets, estimating fair value of contributed tangible capital assets and in estimating provisions for accrued liabilities. Actual results could differ from these estimates.

3. **Cash and cash equivalents:**

	2021	2020
West Shore Parks and Recreation Society	\$ 1,079,721	\$ 2,226,266
Cash	52,451,954	37,302,356
Term deposits	-	15,051,382
	\$ 53,531,675	\$ 54,580,004

The City has an approved and undrawn operating line of credit of \$10,500,000.

4. **Deferred revenue:**

Deferred revenue, reported on the consolidated statement of financial position, is comprised of the following:

	2021	2020
Development cost charges	\$ 13,495,480	\$ 18,151,483
Hotel room tax	1,153,107	907,893
Other	930,338	1,748,845
	\$ 15,578,925	\$ 20,808,221

Development cost charges:

	2021	2020
Opening balance of unspent funds	\$ 18,151,483	\$ 19,434,367
Add:		
Development cost charges received during the year	6,447,448	2,964,979
Interest earned	27,172	171,893
	24,626,103	22,571,239
Less amount spent on projects and recorded as revenue	(11,130,623)	(4,419,756)
	\$ 13,495,480	\$ 18,151,483

CITY OF LANGFORD

Notes to Consolidated Financial Statements

5. Debt:

(a) Debt:

Debt from the TD Bank is comprised of an interim financing facility which bears interest at Bankers Acceptance Rate plus stamping fee of 60 basis points. The current rate of interest is 1.19%.

(b) Principal payments on debt for the next five years and thereafter are as follows:

2022	\$	1,491,400
2023		1,490,500
2024		1,498,100
2025		1,496,200
2026 and thereafter		12,787,689

Interest expense on debt during the year was \$229,896 (2020 - \$445,585).

6. Tangible capital assets:

(a) Assets under construction:

Assets under construction have a value of \$10,090,636 (2020 - \$5,635,799) and have not yet been amortized. Amortization of these assets will commence when the asset is put into service.

(b) Contributed tangible capital assets:

Contributed tangible capital assets have been recognized at fair market value at the date of contribution. The value of contributed capital assets received during the year is \$35,560,283 (2020 - \$29,945,883) comprised of land \$25,083,926 (2020 - \$16,275,416), land improvements \$495,814 (2020 - \$1,102,129), Vehicles, machinery, equipment \$nil (2020 - \$55,000), sewer and storm infrastructure \$3,804,536 (2020 - \$4,775,992) and roads infrastructure \$6,176,007 (2020 - \$7,737,346).

(c) Works of art and historical treasures:

The City manages and controls various works of art and non-operational historical cultural assets including buildings, artifacts, paintings and sculptures located at City sites and public display areas. These assets are not recorded as tangible capital assets and are not amortized.

(d) Write-down of tangible capital assets:

No tangible capital assets were written down in 2021 or 2020.

(e) West Shore Parks and Recreation Society:

The City's proportionate share of West Shore Parks and Recreation Society assets includes land, buildings, and equipment which are subject to amortization policies consistent with those of the City.

CITY OF LANGFORD

Notes to Consolidated Financial Statements

Note 6. Tangible Capital Assests (Continued)

		Land	Land Improvements	Buildings	Vehicles Machinery & Equipment	Sewer and Storm Infrastructure	Roads Infrastructure	Assets Under Construction	West Shore Parks & Recreation Society	2021	2020
Cost:											
Opening	\$	222,615,736	23,051,084	49,732,259	15,458,062	71,134,628	182,661,038	5,635,799	35,059,785	\$ 605,348,391	\$ 565,745,386
Additions		35,123,088	1,687,673	-	167,991	5,178,499	12,209,097	8,414,826	3,109,998	65,891,172	43,293,536
Transfers		-	835,194	-	66,671	1,913,466	1,144,658	(3,959,989)	-	-	-
Disposals		(4,893,893)	(157,350)	-	-	-	(81,734)	-	-	(5,132,977)	(4,047,126)
Change in share		-	-	-	-	-	-	-	691,415	691,415	356,595
Balance, end of year		252,844,931	25,416,601	49,732,259	15,692,724	78,226,593	195,933,059	10,090,636	38,861,198	666,798,001	605,348,391
Accumulated Amortization:											
Opening		-	7,497,903	9,870,075	8,904,912	13,457,398	47,749,854	-	11,848,810	99,328,952	90,993,327
Disposals		-	(62,932)	-	-	-	(68,645)	-	-	(131,577)	(780,171)
Amortization		-	1,174,681	1,043,405	975,025	1,158,772	4,431,111	-	718,234	9,501,228	8,999,263
Change in share		-	-	-	-	-	-	-	233,671	233,671	116,533
Balance, end of year		-	8,609,652	10,913,480	9,879,937	14,616,170	52,112,320	-	12,800,715	108,932,274	99,328,952
Net book value, end of year	\$	252,844,931	16,806,949	38,818,779	5,812,787	63,610,423	143,820,739	10,090,636	26,060,483	\$ 557,865,727	\$ 506,019,439

CITY OF LANGFORD

Notes to Consolidated Financial Statements

7. Sewer franchise agreement:

During 2004, the City entered into a franchise and partnering agreement with West Shore Environmental Services Inc. ("WSES") and Terasen Utility Services Inc. The term of the agreement is 21 years, with a single 21 year renewal. Under the agreement, the City grants an exclusive franchise to WSES to design, construct, finance, own, and operate and maintain sanitary sewers in the City. The City also grants an exemption from municipal property tax for sewer infrastructure and WSES has been granted an Order in Council to extend that exemption to property taxes for all other jurisdictions. Upon termination of the agreement, the sewer infrastructure constructed by WSES will be acquired by the City for a nominal payment.

WSES will recover its capital costs by imposition of a sewer capital recovery fee ("SCRF") on owners of property who wish to connect to the sewer. WSES will also bill and collect all user fees. WSES will pay the City franchise fees that are estimated to total \$11 million over the 21 year term of the agreement.

The City records the costs of sewer infrastructure constructed by WSES \$4,477,152 (2020 - \$3,128,209) and corresponding remaining cost to be recovered. The remaining cost to be recovered is reduced as SCRF's are collected by WSES.

The cost of WSES sewer infrastructure, less residual value, is amortized on a straight line basis over their estimated useful lives, 60 to 70 years. During the 2021 year, the remaining costs to be recovered were in excess of the amount owing. In accordance with the agreement, the City has recorded an agency fee of the excess in the amount of \$4,655,362 (2020 - \$4,020,753).

	Opening	Increase	Decrease	Closing
WSES sewer infrastructure				
Cost	\$ 47,926,083	5,852,920	(1,375,768)	\$ 52,403,235
Accumulated amortization	(8,861,849)	(802,921)	-	(9,664,770)
	39,064,234	5,049,999	(1,375,768)	42,738,465
Remaining cost to be recovered	-	(5,852,920)	5,852,920	-
	\$ 39,064,234	(802,921)	4,477,152	\$ 42,738,465

8. Accumulated surplus:

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	2021	2020
Surplus:		
Invested in tangible capital assets	\$ 581,840,303	\$ 523,979,864
Other	(4,481,971)	(7,096,134)
Total surplus	577,358,332	516,883,730
Reserves set aside by Council:		
Future operational contingencies	1,445,274	3,745,671
Future capital contingencies	1,279,734	1,279,734
Federal Gas Tax	6,277,148	4,662,989
West Shore Parks & Rec Society	877,975	500,927
Total reserves	9,880,131	10,189,321
Reserve funds set aside for specific purposes by Council:		
Capital works	7,828,900	8,153,786
Affordable housing	3,322,109	2,929,981
Parks and open space	2,470,246	1,458,309
Parkland improvement	3,060	3,054
General amenity	5,105,962	3,725,940
Equipment replacement	1,552,843	1,156,798
Sidewalk capital	44,030	21,215
Bear Mountain fire hall	1,496,368	1,434,969
Special police capital	30,022	-
Special police operating	654,310	905,586
Downtown parking	124,669	49,555
Total reserve funds	22,632,519	19,839,193
	\$ 609,870,982	\$ 546,912,244

CITY OF LANGFORD

Notes to Consolidated Financial Statements

9. Taxation:

Taxation revenue, reported on the consolidated statement of operations, is comprised of the following:

	2021	2020
General	\$ 35,306,433	\$ 32,676,780
Parcel tax	1,854,676	1,914,496
Revenue in lieu of taxes	144,904	129,586
Collections for other governments	36,878,325	31,196,447
1% utility taxes	476,497	457,028
	74,660,835	66,374,337
Less taxes levied for other authorities:		
Capital Regional District - General Operating	8,681,354	8,567,642
Revenue in lieu of taxes	123,213	74,939
Capital Regional Hospital District	2,615,002	2,631,540
School Authorities	21,365,741	15,997,226
BC Assessment Authority	621,701	586,180
Municipal Finance Authority	2,909	2,700
BC Transit	3,468,405	3,336,220
	36,878,325	31,196,447
	\$ 37,782,510	\$ 35,177,890

10. Government transfers:

The City recognizes the transfer of government funding as revenue when received and all related eligibility criteria and stipulations have been satisfied.

	2021	2020
Operating transfers:		
Federal	\$ -	\$ 33,908
Provincial	3,010,188	5,740,676
Other	761,351	828,442
	3,771,539	6,603,026
Capital transfers:		
Federal	3,166,049	1,542,306
Provincial	30,180	605,300
	3,196,229	2,147,606
	\$ 6,967,768	\$ 8,750,632

CITY OF LANGFORD

Notes to Consolidated Financial Statements

11. Municipal pension plan:

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

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

The most recent actuarial valuation as at December 31, 2018 indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2021 with results available later in 2022.

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

The City paid \$1,043,259 (2020 - \$945,970) for employer contributions while employees contributed \$870,767 (2020 - \$792,681) to the Plan in fiscal 2021.

12. Commitments and contingencies:

(a) Contingent liabilities:

The CRD debt, under provisions of the Local Government Act, is a direct, joint and several liability of the CRD and each member municipality within the CRD, including the City of Langford.

The City is a shareholder and member of the Capital Region Emergency Service Telecommunications (CREST) Incorporated who provides centralized emergency communications, and related public safety information services to municipalities, regional district, the provincial and federal governments and their agencies, and emergency services organizations throughout the Greater Victoria region and the Gulf Islands. Members' obligations to share in funding ongoing operations and any additional costs relating to capital assets are to be contributed pursuant to a Members' Agreement.

(b) Litigation liability:

From time to time, the City is subject to claims and other lawsuits that arise in the ordinary course of business, some of which may seek damages in substantial amounts. Liability for these claims and lawsuits are recorded to the extent that the probability of a loss is likely and it is estimable. It is considered that the potential claims against the City resulting from such litigation will be covered by insurance and therefore will not materially affect the consolidated financial statements of the City.

(c) Commitments:

The City entered into a long-term contract with the Royal Canadian Mounted Police (RCMP) for the provision of police services effective October 1, 1994. Under the terms of this contract, the City is responsible for 90% of policing costs. The 2022 estimated cost of this contract is \$10,238,992.

On February 7, 2013, the City entered into a purchase of service agreement with the YMCA/YWCA of Greater Victoria to provide access for Langford residents to an aquatic facility to be built in Langford. The City agreed to pay \$750,000 per year to be indexed by population every two years from the opening date to a maximum of \$950,000 per year for a period of 25 years.

In 2021, the City entered into agreements for various property purchases. The estimated commitment as of December 31, 2021 is \$5,324,095. Subsequent to December 31, 2021, the City has entered into agreements for property purchases and other capital projects with an estimated commitment of \$6,473,368.

Operating contracts includes a cost of living factor for subsequent years. These have not been included in the total amount of the contract as the cost of living factor for subsequent years is currently not determinable. As at December 31, 2021, the following major contracts were in progress:

	Total Amount of Contract	Paid or Accrued
Operating	\$ 23,488,914	\$ 6,656,489

CITY OF LANGFORD

Notes to Consolidated Financial Statements

13. Contractual rights:

The City has entered into various contracts for rental revenue within the normal course of operations. The estimated contractual rights under these contracts for the years ending December 31 are as follows:

2022	\$	531,247
2023		410,000
2024		410,000
2025		410,000
2026		410,000
	\$	2,171,247

In addition to these contractual rights, the City has agreements with other parties that provide payments to the City based on a percentage earned throughout the year.

14. Financial plan:

The financial plan data presented in these consolidated financial statements is based upon the 2021 operating and capital financial plans approved by Council on May 10, 2021. Amortization expense was not contemplated on development of the financial plan and, as such, has not been included. The chart below reconciles the approved financial plan to figures reported in these consolidated financial statements.

	Financial plan amount
Revenues:	
Operating	\$ 57,305,233
Capital	40,211,275
West Shore Parks & Rec Society	4,398,753
Less:	
Transfers from own funds	14,138,674
Proceeds on debt issue	10,900,000
Total revenue	76,876,587
Expenses:	
Operating	57,305,233
Capital	40,211,275
West Shore Parks & Rec Society	4,369,667
Less:	
Capital expenditures	40,211,275
Transfer to own funds	2,780,737
Debt principal payments	1,496,300
Total expenses	57,397,863
Annual surplus	\$ 19,478,724

CITY OF LANGFORD

Notes to Consolidated Financial Statements

15. West Shore Parks and Recreation Society:

(a) Capital asset transfer:

The Capital Regional District (the "CRD") transferred the lands and facilities comprising the Juan de Fuca Recreation Centre to the following municipal members (the "Municipalities") effective January 2, 2002; City of Langford, City of Colwood, District of Highlands, District of Metchosin and the CRD (on behalf of a portion of the Juan de Fuca Electoral Area). Effective January 1, 2007 the Town of View Royal became a member of the Society. Effective January 1, 2018, the CRD is no longer a member of the Society.

In 2002 the lands and facilities were transferred to the Municipalities in their proportionate share, as specified in the Co-Owners' Agreement. The lands and facilities were reallocated amongst the members on January 1, 2007 when the Town of View Royal became a member. Future improvements are allocated among the members as per the cost sharing formula in effect each year for each service or facility, as outlined in a Members' Agreement. For 2021, the City's share of improvements purchased by the Society on its behalf is \$2,948,796.

Under the terms of an Operating, Maintenance and Management Agreement with the Members, the Society is responsible for the equipping, maintenance, management and operation of the facilities comprising the Juan de Fuca Recreation Centre and Centennial Park Recreation Centre. The current agreement has a term of March 1, 2020 to February 28, 2025.

Because the cost sharing formula in the Members' Agreement produces different cost shares for the members from year-to-year, there is a gain or loss on the opening fund balances. In 2021, the City of Langford's change in cost share is \$457,744.

The Municipalities have each become members in the Society, which was incorporated to provide parks, recreation and community services to the Municipalities under contract. Under terms of an Operating, Maintenance and Management Agreement, the Society is responsible to equip, maintain, manage and operate the facilities located at the recreation centre.

(b) Consolidation:

Financial results and budget for the Society are consolidated into the City's financial statements proportionately, based on the cost sharing formula outlined in the Members' Agreement. In 2021 the City's proportion for consolidation purposes was 53.66% (2020 - 52.62%).

Condensed financial information for the Society is as follows:

	2021	2020
Financial assets	\$ 4,128,433	\$ 4,767,787
Financial liabilities	2,755,185	4,211,496
Net financial assets	1,373,248	556,291
Non-financial assets	1,112,757	1,042,698
Accumulated surplus	\$ 2,486,005	\$ 1,598,989
Invested in tangible capital assets	\$ 1,056,306	\$ 987,218
Reserve funds	1,864,050	1,098,559
Other	(434,351)	(486,788)
	\$ 2,486,005	\$ 1,598,989
Revenues	\$ 11,161,070	\$ 4,439,706
Requisition from members	5,268,639	5,071,039
	16,429,709	9,510,745
Expenses	10,274,054	5,266,407
Requisition from members	5,268,639	5,071,039
	15,542,693	10,337,446
Annual deficit	\$ 887,016	\$ (826,701)

CITY OF LANGFORD

Notes to Consolidated Financial Statements

16. Segmented information:

The City is a diversified municipal government institution that provides a wide range of services to its citizens, including General Government Services, Protective Services, Engineering and Public Works Services, Community Services and Utility and Enterprise Services. Service Areas were created for the purpose of recording specific activities to attain certain objectives in accordance with regulations, restrictions or limitations.

City services are provided by departments and their activities are reported in these Service Areas. Departments disclosed in the Segmented Information, along with the services they provide are as follows:

General Government Services

The Departments within General Government Services are responsible for adopting bylaws; adopting administrative policy; levying taxes; acquiring, disposing and managing City assets; ensuring effective financial management; monitoring performance and ensuring that high quality City services standards are met.

Protective Services

The Departments within Protective Services are Police and Bylaw Enforcement; Fire Protection and Emergency Response; and Building Inspection. The mandates of these departments are to enforce laws, prevent crime, maintain peace, order and security by protecting life, property and the environment.

Engineering and Public Works

The Engineering Department is responsible for the transportation services within the City. This includes roads, storm drains, sidewalks, street lighting and trolley.

Community Services

The Departments within Community Services include Environmental and Development Services and Recreation and Cultural Services. The Environmental and Development Services Department is responsible for preparing land use plans, bylaws and policies for sustainable development of the City and for reviewing and approving new development. The Recreation and Cultural Services Department is responsible for providing, facilitating the development of, and maintaining high quality parks, recreation facilities and cultural services.

Utility and Enterprise Services

This Department is responsible for administering the Sewer Franchise Agreement (note 7) for the City.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 2. The following table provides additional financial information for the foregoing segments. Taxation and grants in lieu of taxes are apportioned to the functions based on their share of the net budgeted expenditures in the Financial Plan.

CITY OF LANGFORD

Notes to Consolidated Financial Statements

Note 16 2021 Segmented Information (Continued)

	General Government Services	Protective Services	Engineering and Public Works	Community Services	Utility and Enterprise Services	Total
Revenue:						
Taxation	\$ 2,887,736	\$ 14,891,482	\$ 6,927,719	\$ 13,075,573	\$ -	\$ 37,782,510
Utility charges	-	-	-	-	5,000	5,000
Government transfers	825,346	1,013,520	2,146,405	2,982,497	-	6,967,768
Commercial leasing	62,044	60,285	-	4,783,267	-	4,905,596
Other	6,786,280	55,448	347,990	3,650,518	9,132,514	19,972,750
Licences and permits	38,040	3,469,679	326,909	1,286,340	-	5,120,968
Developer and property owner contributions	11,588,628	59,150	17,061,564	12,345,893	3,820,484	44,875,719
Development cost charges	-	-	7,484,365	3,646,258	-	11,130,623
Casino	759,073	-	-	-	-	759,073
Total Revenue	22,947,147	19,549,564	34,294,952	41,770,346	12,957,998	131,520,007
Expenses:						
Salaries, wages and employee benefits	3,656,521	6,391,173	1,938,725	1,981,503	-	13,967,922
Contracted and general services	2,182,066	10,882,793	6,019,991	15,888,534	4,655,362	39,628,746
Materials, goods, supplies and utilities	911,864	625,865	506,705	1,049,271	-	3,093,705
Other	222,135	206,404	336,925	801,283	-	1,566,747
Amortization	273,983	464,026	5,522,266	3,240,953	802,921	10,304,149
Total Expenses	7,246,569	18,570,261	14,324,612	22,961,544	5,458,283	68,561,269
Annual surplus (deficit)	\$ 15,700,578	\$ 979,303	\$ 19,970,340	\$ 18,808,802	\$ 7,499,715	\$ 62,958,738

CITY OF LANGFORD

Notes to Consolidated Financial Statements

Note 16 2020 Segmented Information (Continued)

	General Government Services	Protective Services	Engineering and Public Works	Community Services	Utility and Enterprise Services	Total
Revenue:						
Taxation	\$ 3,489,051	\$ 13,595,380	\$ 6,366,900	\$ 11,726,559	\$ -	\$ 35,177,890
Utility charges	-	-	-	-	5,000	5,000
Government transfers	5,390,586	1,013,014	1,921,888	425,144	-	8,750,632
Commercial leasing	56,470	183,162	-	3,681,802	-	3,921,434
Other	4,754,378	76,935	442,278	2,766,581	7,148,962	15,189,134
Licences and permits	32,490	2,684,436	454,694	850,234	-	4,021,854
Developer and property owner contributions	2,998,972	22,500	21,197,181	5,812,403	4,614,412	34,645,468
Development cost charges	-	-	2,368,340	2,051,416	-	4,419,756
Casino	-	-	277,283	-	-	277,283
Total Revenue	16,721,947	17,575,427	33,028,564	27,314,139	11,768,374	106,408,451
Expenses:						
Salaries, wages and employee benefits	3,494,105	5,988,438	2,022,459	2,128,984	-	13,633,986
Contracted and general services	2,135,604	11,068,399	4,627,576	13,364,109	4,020,753	35,216,441
Materials, goods, supplies and utilities	723,590	807,162	556,548	1,013,724	-	3,101,024
Other	249,144	191,553	548,680	991,106	-	1,980,483
Amortization	303,882	476,311	5,143,856	3,075,214	748,597	9,747,860
Total Expenses	6,906,325	18,531,863	12,899,119	20,573,137	4,769,350	63,679,794
Annual surplus (deficit)	\$ 9,815,622	\$ (956,436)	\$ 20,129,445	\$ 6,741,002	\$ 6,999,024	\$ 42,728,657

CITY OF LANGFORD

Notes to Consolidated Financial Statements

17. Safe Restart Grant Schedule (Unaudited)

The City of Langford received \$4,878,000 under the COVID-19 Safe Restart Grant for Local Governments in 2020.

	2021	2020
Funds Received, November 19, 2020	\$ -	4,878,000
Balance of unspent funds, beginning of year	2,803,000	-
Utilized to cover reduced revenues and increased expenses		
Transferred to Capital Works Reserve (loss of Casino Funds)	1,400,000	1,130,000
Direct Expenses related to Covid Compliance	200,000	580,000
Lost Operating Revenues (estimate)	570,605	150,000
Reduced Hotel Tax - due to reduced travel	158,367	215,000
Total Grant Funds Spent	2,328,972	2,075,000
Balance, end of year	\$ 474,028	\$ 2,803,000

The balance remaining at December 31, 2021 will be for use in future years to compensate for reduction in revenues and increased expenditures as a result of Covid Compliance.