

THE CORPORATION OF THE  
**CITY OF WHITE ROCK**  
CORPORATE REPORT



**DATE:** May 13, 2024  
**TO:** Mayor and Council  
**FROM:** Candice Gartry, Director, Financial Services  
**SUBJECT:** Draft 2023 Audited Financial Statements

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**RECOMMENDATIONS**

THAT Council receive the May 13, 2024, corporate report from the Director of Financial Services, titled "Draft 2023 Audited Financial Statements;" and

1. Accept the Draft 2023 Audited Financial Statements, which have been included in Appendix A, as "approved;" and
  2. Direct the Mayor and Director, Financial Services, to sign the Statement of Financial Position contained within the Draft 2023 Audited Financial Statements and forward the complete audited financial statements to the province.
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**EXECUTIVE SUMMARY**

In accordance with Section 167 of the *Community Charter (the "Charter")*, annual municipal financial statements must be presented to Council for acceptance.

**INTRODUCTION/BACKGROUND**

The preparation of the annual financial statements and related information is the responsibility of City Council and the management of the City of White Rock. It is intended to provide reliable and accurate financial information on the state and health of the City's finances.

Annual financial statements must be, and have been, prepared in accordance with generally accepted accounting principles for local governments as per Section 167 of the *Charter*. Section 98 of the *Charter* requires that the audited financial statements be a mandatory component of the annual report, which is to be prepared prior to June 30<sup>th</sup> each year.

During the months of January to April 2023 Financial Services staff, along with support of other City departments, performed a variety of year-end processes that culminated into the preparation of the Draft 2023 Audited Financial Statement package. The draft statements were provided to the City's auditors, KPMG LLP, who conducted their audit.

The objective of the audit is to obtain reasonable assurance that the financial statements are free from material misstatement. Therefore, an audit requires testing transactions and balances, review of internal control systems, as well as discussions with staff at various levels throughout the City.

KPMG have issued an unqualified opinion and audit report on the City's 2023 financial statements.

The 2023 Draft Audited Financial Statements, including the associated report from the City's auditors, KPMG LLP, are attached as Appendix "A." These financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards as prescribed by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

Additionally, the Chief Financial Officer Letter of Transmittal for the Financial Statements provides more details on the financial statement results and has been attached as Appendix "B."

At Council's regular meeting of April 15, 2024, in the corporate report titled "2023 General Fund Operating Surplus Allocation" Table 3, it was reported that the 2023 Adjusted Unallocated Operating Surplus was \$5.5M. This number has since been revised to \$6.2M due to various adjustments during the year-end review process and updated assumptions on amounts needing to be carried forward. In order to finalize the 2023 financial statements, this \$700K was left in accumulated surplus. However, Council may reallocate these funds if it so chooses. Annual financial statements must be presented to Council for acceptance in accordance with Section 167 of the *Community Charter*.

### **OPTIONS / RISKS / ALTERNATIVES**

The following options are available for Council's consideration:

1. Accept the 2023 Annual Financial Statements as presented; or
2. Not accept the 2023 Annual Financial Statements as presented which would result in the City of White Rock not being in compliance with the *Community Charter*.

### **CONCLUSION**

Staff recommend acceptance of the 2023 Annual Financial Statements as presented.

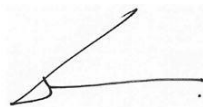
Respectfully submitted,



Candice Gartry, CPA, CGA  
Director, Financial Services

### **Comments from the Chief Administrative Officer**

I concur with the recommendations of this corporate report.



Guillermo Ferrero  
Chief Administrative Officer