

Financial Statements of

**THE CORPORATION OF THE  
CITY OF WHITE ROCK**

And Independent Auditor's Report thereon

Year ended December 31, 2023

# The Corporation of the City of White Rock

Financial Statements

Year ended December 31, 2023

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## MAYOR AND COUNCIL

### Management's Responsibility for Financial Reporting

The management of the City of White Rock (the "City") is responsible for the preparation and presentation of the financial statements and related information. The financial statements have been prepared in accordance with the Canadian Public Sector Accounting Standards established by the Chartered Professional Accountants of Canada. This involves the use of management's best estimates and careful judgement. The City maintains a system of internal accounting controls designed to provide reasonable assurances for the safeguarding of assets and the reliability of financial records.

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

The City's independent auditor, KPMG LLP, have given the City an unqualified audit opinion on the City's financial statements, stating in their opinion, that the financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2023, the results of its operations, changes in net financial assets and its cash flows for the year then ended.



Candice Gartry, CPA, CGA  
**Director, Financial Services**



**KPMG LLP**

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## **INDEPENDENT AUDITOR'S REPORT**

To Mayor and Council of The Corporation of the City of White Rock

### ***Opinion***

We have audited the financial statements of The Corporation of the City of White Rock (the "City"), which comprise:

- the statement of financial position as at December 31, 2023
- the statement of operations for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2023, and its results of operations, its changes in net financial assets and its 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 our auditor's 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.

### ***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 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 controls 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 controls.



*The Corporation of the City of White Rock*

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- 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 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 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.

Chartered Professional Accountants

Vancouver, Canada  
May 13, 2024

# THE CORPORATION OF THE CITY OF WHITE ROCK

## Statement of Financial Position

December 31, 2023, with comparative information for 2022

	2023	2022
<b>Financial Assets</b>		
Cash and cash equivalents (note 3)	\$ 137,781,972	\$ 131,823,185
Investments (note 3)	33,547,054	23,043,483
Accounts receivable (note 4)	5,967,650	5,905,655
	<u>177,296,676</u>	<u>160,772,323</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (note 5)	8,791,345	16,448,530
Post-employment benefits (note 6)	1,823,842	1,763,299
Asset retirement obligation (note 7)	473,800	-
Refundable performance deposits (note 3(b))	13,334,889	13,452,903
Capital lease obligations (note 8)	72,178	98,702
Debt (note 9)	20,378,409	21,151,841
Deferred revenue (note 10)	30,822,374	29,855,530
	<u>75,696,837</u>	<u>82,770,805</u>
Net Financial Assets	101,599,839	78,001,518
<b>Non-Financial Assets</b>		
Tangible capital assets (note 11)	168,732,243	168,945,011
Prepaid expenses	1,314,059	1,168,600
Inventories of supplies	245,916	238,059
	<u>170,292,218</u>	<u>170,351,670</u>
Accumulated surplus (note 12)	<u>\$ 271,892,057</u>	<u>\$ 248,353,188</u>

Commitments and contingencies (note 15)

Contractual rights (note 20)

See accompanying notes to financial statements.



**Candice Gartry, CPA, CGA**  
Director, Financial Services

# THE CORPORATION OF THE CITY OF WHITE ROCK

## Statement of Operations

Year ended December 31, 2023, with comparative information for 2022

	2023 Budget	2023	2022
	(notes 1(b) and 21)		
<b>Revenue:</b>			
Property taxes:			
General purposes	\$ 29,220,500	\$ 29,208,048	\$ 26,781,615
Regional library levy	1,042,800	1,042,070	1,015,222
Business improvement levy	357,000	353,894	374,905
	<u>30,620,300</u>	<u>30,604,012</u>	<u>28,171,742</u>
Receipts in lieu of taxes	23,900	27,633	23,851
Development cost charges (note 10(a))	1,306,100	75,903	19,615
Sanitary sewer fees and parcel tax	3,930,000	3,945,369	3,716,945
Drainage user fees	3,033,000	3,043,875	2,902,625
Water user fees	6,155,400	6,374,490	5,774,013
Sales of services and other revenue (note 18)	20,363,000	20,986,799	14,637,547
Government grants (note 19)	15,095,400	6,490,179	775,316
Developers' contributions of tangible capital assets (note 11(b))	-	1,112,786	9,826,904
	<u>80,527,100</u>	<u>72,661,046</u>	<u>65,848,558</u>
<b>Expenses:</b>			
General government	10,890,902	8,394,340	7,909,111
Police protection	7,540,528	6,851,932	6,944,411
Fire protection	5,216,947	5,741,200	5,550,369
Other protection services	1,815,100	1,422,019	1,246,092
Transportation, engineering and operations	8,301,121	7,851,751	7,162,474
Parks, recreation and cultural services	11,757,402	10,590,989	9,908,618
Solid waste services	1,056,600	1,048,821	1,042,741
Sanitary sewer system	4,088,000	2,718,648	2,644,238
Drainage system	1,123,900	550,416	785,710
Water system	4,990,800	3,952,061	3,964,580
	<u>56,781,300</u>	<u>49,122,177</u>	<u>47,158,344</u>
Annual surplus	23,745,800	23,538,869	18,690,214
Accumulated surplus, beginning of year	248,353,188	248,353,188	229,662,974
<b>Accumulated surplus, end of year</b>	<b>\$ 272,098,988</b>	<b>\$ 271,892,057</b>	<b>\$ 248,353,188</b>

See accompanying notes to financial statements.

# THE CORPORATION OF THE CITY OF WHITE ROCK

## Statement of Changes in Net Financial Assets

Year ended December 31, 2023, with comparative information for 2022

	2023 Budget (notes 1(b) and 21)	2023	2022
Annual surplus	\$ 23,745,800	\$ 23,538,869	\$ 18,690,214
Acquisition of tangible capital assets	(56,295,500)	(5,099,817)	(8,732,429)
Recognition of asset retirement obligation	-	(473,800)	-
Developers' contributions of tangible capital assets	-	(1,112,786)	(9,826,904)
Amortization of tangible capital assets	7,652,000	6,868,884	6,655,816
Gain on disposal of tangible capital assets	-	(20,036)	(82,550)
Proceeds on disposal of tangible capital assets	-	50,323	163,201
	(24,897,700)	23,751,637	6,867,348
Acquisition of prepaid expenses	-	(1,314,059)	(1,168,600)
Acquisition of inventories of supplies	-	(245,916)	(238,059)
Use of prepaid expenses	-	1,168,600	1,006,934
Consumption of inventories of supplies	-	238,059	172,569
Change in net financial assets	(24,897,700)	23,598,321	6,640,192
Net financial assets, beginning of year	78,001,518	78,001,518	71,361,326
Net financial assets, end of year	\$ 53,103,818	\$ 101,599,839	\$ 78,001,518

See accompanying notes to financial statements.



# THE CORPORATION OF THE CITY OF WHITE ROCK

## Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operating:		
Annual surplus	\$ 23,538,869	\$ 18,690,214
Items not involving cash:		
Amortization	6,868,884	6,655,816
Gain on disposal of tangible capital assets	(20,036)	(82,550)
Developers' contributions of tangible capital assets	(1,112,786)	(9,826,904)
Changes in non-cash operating items:		
Accounts receivable	(61,995)	73,530
Prepaid expenses	(145,459)	(161,666)
Inventories of supplies	(7,857)	(65,490)
Accounts payable and accrued liabilities *	(7,657,185)	740,226
Post-employment benefits	60,543	63,049
Refundable performance deposits	(118,014)	38,964
Deferred revenue	966,844	(49,987)
Net cash provided by operating activities	22,311,808	16,075,202
Capital activities:		
Cash used to acquire tangible capital assets *	(5,088,851)	(6,087,429)
Proceeds on disposal of tangible capital assets	50,323	163,201
Net cash used in capital activities	(5,038,528)	(5,924,228)
Financing activities:		
Principal payments on debt	(773,432)	(748,996)
Principal payments on capital lease obligations	(37,490)	(33,478)
Net cash used in financing activities	(810,922)	(782,474)
Investing activities:		
Change in investments	(10,503,571)	(9,187,487)
Net cash used in investing activities	(10,503,571)	(9,187,487)
Net change in cash and cash equivalents	5,958,787	181,013
Cash and cash equivalents, beginning of year	131,823,185	131,642,172
Cash and cash equivalents, end of year	\$ 137,781,972	\$ 131,823,185
Non-cash transactions:		
Acquisition of tangible capital assets under capital lease	\$ 10,966	\$ -
Recognition of asset retirement obligation	473,800	-

\* The denoted lines have been adjusted by \$2,645,000 in 2022 related to a tangible capital asset acquired through accounts payable and accrued liabilities.

See accompanying notes to financial statements.

# THE CORPORATION OF THE CITY OF WHITE ROCK

## Notes to Financial Statements

Year ended December 31, 2023

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The Corporation of the City of White Rock (the “City”) is incorporated under the Local Government Act of British Columbia. The City’s principal activities include the provision of local government services to residents, businesses and visitors of the incorporated area. These include legislative, operational and administrative support, protective services, infrastructure, transportation, engineering and municipal operations, parks, recreation and culture, solid waste, water system, drainage system, and sanitary sewer services.

### 1. Significant accounting policies:

The City follows Canadian Public Sector Accounting Standards as prescribed by the Public Sector Accounting Board (“PSAB”) of the Chartered Professional Accountants of Canada, including the following significant policies:

(a) Basis of presentation:

These financial statements present the resources and operations including all accounts and funds of the City. All inter-fund transactions, assets and liabilities have been eliminated.

(b) Budget reporting:

The budget figures reported in the statement of operations and statement of changes in net financial assets represent the 2023 component of the White Rock Financial Plan (2023-2027) Bylaw 2458, 2023, Amendment No. 1, No. 2474 adopted by the City Council on July 10, 2023.

(c) Cash and cash equivalents:

Cash and cash equivalents include short-term highly liquid investments with maturity dates within three months of acquisition that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

(d) Revenue:

Revenue is recorded on an accrual basis and is recognized when it is earned and measurable. Revenue relating to future periods, including prepaid property taxes, government grants and certain facility upgrade contributions, are reported as deferred revenue and recognized as revenue when earned.

(e) Development cost charges (“DCCs”):

DCCs collected under the City's Development Cost Charge Bylaw (“DCC Bylaw”), plus interest earned thereon, are recorded as deferred revenue. DCCs are recognized as revenue when related tangible capital assets are acquired.

(f) Deferred revenue:

Deferred revenues represent the receipt of funds for which the provision of services occurs in the future. These revenues may only be used in the conduct of certain services, in the completion of specific work, or for the purchase of tangible capital assets. These amounts will be recognized as revenues in the year in which the expenditures are incurred.

# THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2023

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## 1. Significant accounting policies (continued):

(g) Refundable performance deposits:

Refundable performance deposits represent cash collected by the City as security against work performed by property developers. The security is returned to the property developer upon satisfactory completion of the work, or recognized into revenue if the work is not performed in accordance with applicable bylaws.

(h) Capital lease obligation:

Capital lease obligations are recorded at the present value of the minimum lease payments excluding executor costs e.g., insurance, maintenance costs etc. The discount rate used to determine the present value of the lease payments is the City's interest rate implicit in the lease.

(i) Expenses:

Expenses are recorded on an accrual basis and are recognized as they are incurred. This is upon the receipt of goods or services and/or the creation of a legal obligation. Interest expense on debt and capital lease obligations is accrued to the end of the reporting period.

(j) Government transfers:

Restricted transfers from governments are deferred and recognized as revenue as the related expenditures are incurred or the stipulations in the related agreements are met. Unrestricted transfers are recognized as revenue when received or if the amount to be received can be reasonably estimated and collection is reasonably assured.

(k) Debt:

Debt is recorded net of sinking fund credits and actuarial adjustments.

(l) 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 initially 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, is amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Useful Life - Years
Land improvements	5 to 100
Buildings and facilities	10 to 50
Machinery and equipment	4 to 25
Roads and sidewalks	10 to 50
Sanitary sewer infrastructure	10 to 80
Storm sewer infrastructure	5 to 80
Water system infrastructure	4 to 80

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# THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2023

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## 1. Significant accounting policies (continued):

### (l) Non-financial assets (continued):

#### (i) Tangible capital assets (continued):

Leasehold improvements are amortized using the lesser of the remaining term of the lease, including all renewal terms, or the life of the asset.

Annual amortization is charged commencing when the asset is available for use. Assets under construction are not amortized until the asset is put into productive use.

#### (ii) Contributions of tangible capital assets:

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

#### (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) Interest capitalization:

The City does not capitalize interest costs associated with the acquisition or construction of tangible capital assets.

#### (v) 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.

#### (vi) Inventories of supplies:

Inventories of supplies held for consumption are recorded at the lower of cost and replacement cost.

### (m) Employee future benefits:

(i) The City and its employees make contributions to the Municipal Pension Plan. The Municipal Pension Plan is a multi-employer defined benefit pension plan. The City's contributions are expensed as incurred.

(ii) Sick leave and post-employment benefits accrue to certain City's employees. The liability relating to these benefits is actuarially determined based on service and best estimates of retirement ages and expected future salary and wage increases. The liabilities under these benefit plans are accrued based on projected benefits prorated as employees render services necessary to earn the future benefits.

# THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2023

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## 1. Significant accounting policies (continued):

### (n) Asset retirement obligation:

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- (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 liability is based on requirements in existing agreements, contracts, legislation or legally enforceable obligations, and technology expected to be used in asset retirement activities.

The liability is at the best estimate of the costs directly attributable to asset retirement activities. Costs will include post-retirement operation, maintenance and monitoring that are an integral part of the retirement of the tangible capital asset. Directly attributable costs will include, but are not limited to, payroll and benefits, equipment and facilities, materials, legal and other professional fees, and overhead costs directly attributable to the asset retirement activity.

Upon initial recognition of a liability for an asset retirement obligation, the City will recognize an asset retirement cost by increasing the carrying amount of the related tangible capital asset (or a component thereof) by the same amount as the liability if the asset is recognized and in productive use.

Where the obligation relates to an asset which is no longer in service, and not providing economic benefit, or to an item not recorded by the City as an asset, the obligation is expensed upon recognition.

This liability is subsequently reviewed at each financial reporting date and adjusted for any revisions to the timing or amount required to settle the obligation. The changes in the liability for the passage of time are recorded as accretion expense in the statement of operations and all other changes are adjusted to the tangible capital asset. The cost is amortized over the useful life of the tangible capital asset (note 1(l)(i)).

Recoveries related to asset retirement obligations are recognized when the recovery can be appropriately measured, a reasonable estimate of the amount can be made and it is expected that future economic benefits will be obtained. A recovery is recognized on a gross basis from the asset retirement obligations liability.

### (o) Use of accounting estimates:

The preparation of financial statements 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 these financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Areas requiring the use of management estimates relate to the determination of the value of contributed assets, useful lives of tangible capital assets for amortization, asset retirement obligation, collectability of receivables, accrued sick and other post-employment benefits, and provision for contingencies. Adjustments, if any, will be reflected in the financial statements in the period of settlement or change in the amount of the estimate.

# THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2023

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## 1. Significant accounting policies (continued):

### (p) Segment disclosures:

A segment is defined as a distinguishable activity or group of activities of government for which it is appropriate to separately report financial information. The City has provided definitions of segments used by the City, as well as presented financial information in segmented format (note 23).

### (q) Contaminated sites:

Contaminated sites are a result of contamination being introduced into air, soil, water, or sediment of a chemical, organic or radioactive material, or a live organism that exceeds an environmental standard. Liabilities are recorded net of any expected recoveries.

A liability for remediation of contaminated sites is recognized when a site is not in productive use and the following criteria are met:

- (i) An environmental standard exists;
- (ii) Contamination exceeds the environmental standards;
- (iii) The City is directly responsible or accepts responsibility;
- (iv) It is expected that future economic benefits will be given up; and
- (v) A reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

### (r) Financial instruments:

Financial instruments include cash and cash equivalent, investments, accounts receivable, accounts payable and accrued liabilities and debt.

Financial instruments are recorded at fair value on initial recognition. Equity instruments quoted in an active market and derivatives are subsequently measured at fair value as at the reporting date. All other financial instruments are subsequently recorded at cost or amortized cost unless management elects to carry the financial instrument at fair value. The City has not elected to carry any other financial instruments at fair value.

Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses. They are recorded in the statement of operations when they are realized. There are no unrealized changes in fair value as at December 31, 2023. As a result, the City does not have a statement of remeasurement gains and losses.

Transaction costs incurred on the acquisition of financial instruments subsequently measured at fair value are expensed as incurred. Transaction costs incurred on the acquisition of financial instruments recorded at cost are included in the cost.

# THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2023

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## 1. Significant accounting policies (continued):

### (r) Financial instruments (continued):

Sales and purchases of investments are recorded on the trade date.

Accounts receivables, investments, accounts payable and accrued liabilities, and debt are measured at amortized cost using the effective interest rate method.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations.

## 2. Adoption of new accounting standards:

### (a) PS 3280 Asset Retirement Obligations:

On January 1, 2023, the City adopted Canadian Public Sector Accounting Standard PS 3280 Asset Retirement Obligations ("PS 3280"). The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities. The standard was adopted on the prospective basis.

### (b) PS 3450 Financial Instruments and related standards:

On January 1, 2023, the City adopted Canadian Public Sector Accounting Standard PS 3450 Financial Instruments, PS 2601 Foreign Currency Translation, PS 1201 Financial Statement Presentation and PS 3041 Portfolio Investments. The standards were adopted prospectively from the date of adoption. The new standards provide comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments and foreign currency transactions.

Under PS 3450 Financial Instruments, all financial instruments are included on the statement of financial position and are measured at either fair value or amortized cost based on the characteristics of the instrument and the City's accounting policy choices (note 1(r)).

The adoption of these standards did not have any impact on the amounts presented in these financial statements.

# THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2023

### 3. Cash and cash equivalents, and investments:

	2023	2022
Cash balances	\$ 133,229,588	\$ 127,489,899
Cash equivalents:		
Municipal Finance Authority Money Market Fund	4,552,384	4,333,286
Total Cash and cash equivalents (a) (b)	137,781,972	131,823,185
Investments consist of term deposits maturing within 1 year of inception	33,547,054	23,043,483
Total Cash and cash equivalents and investments	\$ 171,329,026	\$ 154,866,668

As at December 31, 2023, cash equivalents and investments including the Municipal Finance Authority Money Market Fund, have annual yields that range from 5.07% to 6.12% (2022 – 1.94% to 5.00%).

(a) Included in cash and cash equivalents is an amount of \$17,806,995 (2022 - \$16,923,557) that can only be used for the acquisition of tangible capital assets as provided for by the DCC Bylaw (note 10(a)).

(b) Included in cash and cash equivalents is an amount of \$13,334,889 (2022 - \$13,452,903) which consists of refundable performance deposits.

### 4. Accounts receivable:

	2023	2022
Property taxes	\$ 1,889,314	\$ 1,519,146
Water user fees	1,665,700	1,586,713
Government grants	188,055	-
Loan receivable	9,079	25,979
Other (note 9)	2,215,502	2,773,817
	\$ 5,967,650	\$ 5,905,655

### 5. Accounts payable and accrued liabilities:

	2023	2022
Trade accounts payable and other	\$ 4,054,630	\$ 10,160,896
Due to governments and agencies	2,483,306	4,769,713
Other payroll liabilities	2,253,409	1,517,921
	\$ 8,791,345	\$ 16,448,530



# THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2023

## 6. Post-employment benefits:

The City provides certain post-employment and sick leave benefits to certain of its employees. These benefits include accumulated non-vested sick leave, post-employment gratuity and time-in-lieu benefits, and certain vacation benefits. The accrued benefit obligation and the net periodic benefit cost were estimated as at December 31, 2023 by an actuarial valuation.

	2023	2022
Accrued benefit obligation:		
Balance, beginning of year	\$ 1,393,409	\$ 1,869,625
Current service cost	111,022	154,941
Interest cost	62,090	48,650
Benefits paid	(93,113)	(163,981)
Actuarial gain	(63,997)	(515,826)
Balance, end of year	\$ 1,409,411	\$ 1,393,409

	2023	2022
Accrued benefit obligation, end of year	\$ 1,409,411	\$ 1,393,409
Unamortized net actuarial gain	414,431	369,890
Accrued benefit liability, end of year	\$ 1,823,842	\$ 1,763,299

Actuarial gains and losses are amortized over the expected average remaining service period of the related employee group, commencing the year after the gain or loss arises. In 2023, the expected average remaining service period of the related employee group is 12 years (2022 - 12 years).

The significant actuarial assumptions used to determine the City's accrued benefit obligation are as follows:

	2023	2022
Discount rate	4.10%	4.40%
Expected future inflation rate	2.50%	2.50%
Expected wage and salary increases	2.50% to 5.90%	2.50% to 5.90%

# THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2023

## 7. Asset retirement obligation:

The City's asset retirement obligation consists of several obligations as follows.

	2023
Initial recognition on January 1, 2023:	
Asbestos removal (a)	\$ 368,800
Well decommissioning (b)	105,000
<b>Balance, end of year</b>	<b>\$ 473,800</b>

### (a) Asbestos removal:

The City owns and operates buildings that are known to have asbestos. The obligation to remove asbestos is outlined under the Canada Occupational Health and Safety Regulations, specifically sections 10.26.1, 10.26.2, 10.26.4, 10.26.6, 10.26.8, and 10.26.11 and WorkSafe BC OHS regulations, Part 20: Demolition and Part 6: Asbestos. These regulations govern the requirements for asbestos removal, decontamination, and disposal. These regulations ensure that employees are protected from inhaling or encountering asbestos fibers. Following adoption of PS3280, the City recognized an obligation relating to the removal and post-removal care of the asbestos in these buildings as estimated at January 1, 2023. The buildings were originally purchased in 1963 and 1967 and are fully amortized but are expected to remain in use for an additional 7 and 12 years respectively. The expected cost of remediation was estimated at January 1, 2023, and will be amortized over the same period.

### (b) Well decommissioning:

If a well is deemed to be no longer in service, the well owner must ensure that the well is decommissioned. This obligation is outlined under the Water Sustainability Act, Groundwater Protection Regulation sections 56.1, 56.2, 56.3, 56.4, 56.5 and 56.6. Under this regulation an owner of a well which is not in service must ensure that the well is deactivated or decommissioned as soon as practicable. The process of decommissioning a well involves completely filling in the well by a qualified professional. Following adoption of PS3280, the City recognized an obligation relating to the cost of decommissioning each of the seven wells as estimated as of January 1, 2023. The wells have not been fully amortized, and the asset retirement obligation will be amortized over the remaining useful life of each well, which is between 21.5 to 34.6 years.

# THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2023

## 8. Capital lease obligations:

The City has financed certain equipment by entering into four capital leasing arrangements. Two of the arrangements expire on June 30, 2025, the third arrangement expires on June 30, 2026, and the fourth arrangement expires on June 30, 2027. The leases are repayable in monthly blended installments of \$3,347 including principal and interest until June 30, 2025. The amount of interest incurred on the leases in the current year was \$2,673 (2022 - \$3,419). Minimum lease payments due under the capital leases are:

Year ending December 31:

2024	\$	40,164
2025		24,481
2026		7,165
2027		2,767
Minimum capital lease payments		74,577
Less amounts representing interest (2.24% to 2.85%)		2,399
		\$ 72,178

## 9. Debt:

The City issues debt instruments through the Municipal Finance Authority ("MFA") to finance certain capital acquisitions. Sinking fund credits and actuarial adjustments are netted against related long-term debts. Details are as follows:

Bylaw number	Purpose	Maturity date	Interest rate	Refinancing year *	Authorized amount	Sinking fund credits		
						2023	2022	
1667	Sanitary Sewers-Local Improvement	2023	5.95%	n/a	\$ 224,580	\$ 224,580	\$ -	\$ 17,163
2098	Water Utility Acquisition Advance Payment	2046	2.60%	2026	14,250,000	2,147,440	12,102,560	12,441,886
2163	Water System Infrastructure Construction	2027	2.80%	n/a	440,000	248,266	191,734	236,228
2163	Water System Infrastructure Construction	2047	2.80%	2027	5,779,000	785,719	4,993,281	5,134,098
2178	Water System Infrastructure Construction	2027	3.15%	n/a	1,662,000	937,771	724,229	892,297
2178	Water System Infrastructure Construction	2047	3.15%	2027	400,000	54,385	345,615	355,362
2179	Water Treatment Facilities Construction	2048	3.15%	2028	2,274,850	253,860	2,020,990	2,074,807
\$ 25,030,430						\$ 4,652,021	\$ 20,378,409	\$ 21,151,841

\* During the refinancing year, the City will have the option to retire part or all of the debt early or refinance the borrowing at a new interest rate.

Total interest on the debt for the year ended December 31, 2023 was \$686,899 (2022 - \$694,606).

# THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2023

## 9. Debt (continued):

As a condition of these borrowings, a portion of the debt proceeds is withheld by the MFA in a debt reserve fund. If at any time the City does not have 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
2098	Water Utility Acquisition Advance Payment	\$ 142,500
2163	Water System Infrastructure Construction	62,190
2178	Water System Infrastructure Construction	20,620
2179	Water Treatment Facilities Construction	22,749
		\$ 248,059

These cash deposits are included as part of other accounts receivable in the statement of financial position (note 4).

Principal payments and estimated actuarial adjustments anticipated on the outstanding debt over the following five years and thereafter assuming are as follows:

2024	\$ 780,652
2025	805,830
2026	831,820
2027	858,656
2028	639,945
Thereafter	16,461,506
\$ 20,378,409	

## 10. Deferred revenue:

	2023	2022
Property taxes	\$ 3,558,066	\$ 3,440,013
Contributions for future capital works	4,172,970	3,884,980
Development cost charges (a)	17,806,995	16,923,557
Utility service connections	1,172,500	1,521,600
Deferred revenue - facility upgrades (note 13)	299,196	342,171
Deferred revenue - building permits	1,080,460	1,461,680
Other	2,732,187	2,281,529
\$ 30,822,374		\$ 29,855,530

# THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2023

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## 10. Deferred revenue (continued):

### (a) Development cost charges:

	Highways	Drainage	Parkland	Sanitary	Water	2023	2022
Balance, beginning of year	\$ 3,936,875	\$ 3,421,184	\$ 7,100,435	\$ 981,861	\$ 1,483,202	\$ 16,923,557	\$ 16,490,205
Add:							
Amounts received	14,289	34,411	35,401	5,087	7,285	96,473	38,590
Investment income	200,374	175,132	362,035	50,032	75,295	862,868	414,377
Deduct:							
Acquisition of tangible capital assets	29,812	16,092	1,624	10,941	17,434	75,903	19,615
Balance, end of year	\$ 4,121,726	\$ 3,614,635	\$ 7,496,247	\$ 1,026,039	\$ 1,548,348	\$ 17,806,995	\$ 16,923,557

# THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2023

## 11. Tangible capital assets:

	Land	Land improvements	Buildings and facilities	Machinery and equipment	Roads and sidewalks	Sanitary sewer infrastructure	Storm sewer infrastructure	Water system infrastructure	Assets under construction	Total
<b>Cost:</b>										
Balance, beginning of year	\$ 28,280,365	\$ 29,373,270	\$ 43,170,070	\$ 16,510,450	\$ 48,613,707	\$ 21,957,944	\$ 24,626,425	\$ 38,782,732	\$ 3,634,037	\$254,949,000
Additions	(705,000)	592,602	658,903	995,169	1,131,115	592,350	114,879	691,026	2,615,359	6,686,403
Transfers	-	105,704	1,176,377	31,857	26,253	-	129,827	121,808	(1,591,826)	-
Disposals	-	-	(65,755)	(455,948)	(129,145)	(8,064)	(15,644)	(11,485)	-	(686,041)
<b>Balance, end of year</b>	<b>\$ 27,575,365</b>	<b>\$ 30,071,576</b>	<b>\$ 44,939,595</b>	<b>\$ 17,081,528</b>	<b>\$ 49,641,930</b>	<b>\$ 22,542,230</b>	<b>\$ 24,855,487</b>	<b>\$ 39,584,081</b>	<b>\$ 4,657,570</b>	<b>\$260,949,362</b>
<b>Accumulated amortization:</b>										
Balance, beginning of year	\$ -	\$ 9,967,452	\$ 19,849,360	\$ 8,022,024	\$ 24,075,977	\$ 8,105,397	\$ 10,414,274	\$ 5,569,505	\$ -	\$ 86,003,989
Amortization expense	-	1,343,525	1,400,921	1,218,159	1,142,129	334,750	317,250	1,112,150	-	6,868,884
Disposals	-	-	(56,585)	(449,675)	(123,907)	(8,064)	(8,734)	(8,789)	-	(655,754)
<b>Balance, end of year</b>	<b>\$ -</b>	<b>\$ 11,310,977</b>	<b>\$ 21,193,696</b>	<b>\$ 8,790,508</b>	<b>\$ 25,094,199</b>	<b>\$ 8,432,083</b>	<b>\$ 10,722,790</b>	<b>\$ 6,672,866</b>	<b>\$ -</b>	<b>\$ 92,217,119</b>
<b>Net book value, end of year</b>	<b>\$ 27,575,365</b>	<b>\$ 18,760,599</b>	<b>\$ 23,745,899</b>	<b>\$ 8,291,020</b>	<b>\$ 24,547,731</b>	<b>\$ 14,110,147</b>	<b>\$ 14,132,697</b>	<b>\$ 32,911,215</b>	<b>\$ 4,657,570</b>	<b>\$168,732,243</b>
<b>Net book value, beginning of year</b>	<b>\$ 28,280,365</b>	<b>\$ 19,405,818</b>	<b>\$ 23,320,710</b>	<b>\$ 8,488,426</b>	<b>\$ 24,537,730</b>	<b>\$ 13,852,547</b>	<b>\$ 14,212,151</b>	<b>\$ 33,213,227</b>	<b>\$ 3,634,037</b>	<b>\$168,945,011</b>

# THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2023

## 11. Tangible capital assets (continued):

(a) Assets under construction:

Assets under construction have not been amortized. Amortization of these assets will commence when the asset is put into productive use.

(b) Contributed tangible capital assets:

Contributed tangible capital assets have been recognized at fair value at the date of contribution. The value of developers' contributions of tangible capital assets received during the year ended December 31 was comprised of:

	2023	2022
Land improvements	\$ -	\$ 8,325,000
Roads and sidewalks	25,300	931,428
Sanitary sewers	592,350	-
Storm sewers	70,286	363,119
Water system	424,850	207,357
<b>Developers' contributions of tangible capital assets</b>	<b>\$ 1,112,786</b>	<b>\$ 9,826,904</b>

(c) Tangible capital assets disclosed at nominal values:

Where an estimate of fair value could not be made, the tangible capital asset was recognized at a nominal value.

(d) Works of art and historical treasures:

The City manages and controls various works of art and non-operational historical cultural assets including totem poles, sculptures and paintings located at City sites and public display areas. These assets are not reflected in the financial statements.

(e) Write-down of tangible capital assets:

There were no write-downs of a tangible capital assets during the year. The City disposed of assets as part of planned replacement capital projects in the year.

(f) Leased tangible capital assets:

The City has leased radio equipment for RCMP and Fire operations. Total cost of the leased assets is \$248,299. As at December 31, 2023, \$191,127 (2022 - \$155,067) of accumulated amortization has been recorded, with \$36,060 (2022 - \$32,927) of amortization related to the current fiscal year.

# THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2023

## 12. Accumulated surplus:

	Reserves established by bylaw (note 14(a))	Other reserves (note 14(b))	Other surplus funds	Investment in tangible capital assets (note 13)	Total
General Fund	\$ 33,407,822	\$ 37,580,507	\$ 8,458,526	\$ 104,246,778	\$ 183,693,633
Sanitary Sewer Fund	-	16,550,056	1,138,515	14,796,883	32,485,454
Drainage Fund	-	14,977,659	869,817	15,548,745	31,396,221
Water Fund	-	9,174,095	1,752,600	13,390,054	24,316,749
<b>Total for 2023</b>	<b>\$ 33,407,822</b>	<b>\$ 78,282,317</b>	<b>\$ 12,219,458</b>	<b>\$ 147,982,460</b>	<b>\$ 271,892,057</b>
<b>Total for 2022</b>	<b>\$ 28,537,275</b>	<b>\$ 62,537,256</b>	<b>\$ 9,926,360</b>	<b>\$ 147,352,297</b>	<b>\$ 248,353,188</b>

## 13. Investment in tangible capital assets:

	2023	2022
Tangible capital assets (note 11)	\$ 168,732,243	\$ 168,945,011
Deduct:		
Capital lease obligations (note 7)	(72,178)	(98,702)
Debt (note 9)	(20,378,409)	(21,151,841)
Deferred revenue - facility upgrades (note 10)	(299,196)	(342,171)
	<b>\$ 147,982,460</b>	<b>\$ 147,352,297</b>

## 14. Reserves:

(a) The following reserves were established, by bylaw, in accordance with BC municipal legislation:

	2023	2022
General Fund:		
Land sale reserve	\$ 736,671	\$ 458,094
Equipment replacement reserve	5,734,790	4,773,693
Capital works, machinery and equipment reserve	8,807,288	8,051,652
Local improvement reserve	36,584	34,817
Community amenity reserve	10,031,619	10,117,875
Affordable housing reserve	8,060,870	5,101,144
	<b>\$ 33,407,822</b>	<b>\$ 28,537,275</b>



# THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2023

## 14. Reserves (continued):

(b) The following additional reserve amounts are set aside for specific purposes:

	2023	2022
General Fund:		
Infrastructure reserve	\$ 8,336,563	\$ 6,489,705
Roadworks reserve	7,204,240	6,365,581
Secondary suite service fee reserve	2,271,825	1,882,318
Density bonus/amenity contribution reserve	176,029	183,029
Incomplete asset improvement projects	4,674,900	4,630,100
COVID-19 safe restart reserve	499,196	796,628
Growing community fund reserve	511,000	-
Community hub reserve	4,000,000	-
Pier preservation reserve	3,113,990	585,021
Community building fund reserve	1,130,953	978,634
Other reserves	5,661,811	4,101,026
	<u>37,580,507</u>	<u>26,012,042</u>
Sanitary Sewer Fund:		
Infrastructure reserve	15,300,856	14,332,771
Terry Road local improvement reserve	-	11,777
Incomplete asset improvement projects	1,249,200	1,477,100
	<u>16,550,056</u>	<u>15,821,648</u>
Drainage Fund:		
Infrastructure reserve	12,086,359	10,232,621
Operating reserve	25,000	25,000
Incomplete asset improvement projects	2,866,300	2,856,900
	<u>14,977,659</u>	<u>13,114,521</u>
Water Fund:		
Infrastructure reserve	7,647,334	6,389,077
Debt retirement reserve	43,661	34,868
Operating reserve	1,483,100	1,165,100
	<u>9,174,095</u>	<u>7,589,045</u>
	<u>\$ 78,282,317</u>	<u>\$ 62,537,256</u>

## 15. Commitments and contingencies:

(a) Borrowing liability:

The City has a contingent liability with respect to debentures of the Metro Vancouver Sewerage and Drainage District and the Metro Vancouver Regional District, to the extent provided for in their respective Enabling Acts, Acts of Incorporation and Amending Acts. Management does not consider payment under this contingency to be likely and therefore no amounts have been accrued.

# THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2023

## 15. Commitments and contingencies (continued):

### (b) Third party claims:

There are various lawsuits and claims pending by and against the City. The outcome of these claims is undeterminable, and it is the opinion of management that final determination of these claims will not materially affect the financial statements of the City.

### (c) Lease commitments:

The City entered into a 5-year agreement, initially ended July 31, 2008, to lease certain parcels of real property from The Burlington Northern and Santa Fe Railway Company. Under the terms of this agreement, the City is committed to annual rent payments as well as the costs of all taxes, utilities, insurance, repairs and maintenance of the leased premises. This is accounted for as an operating lease. This agreement provides for renewal options consisting of 5 additional 5-year terms. In April 2023, the City exercised its third option to renew this lease for the 5-year term ending July 31, 2028. During this period, the City is committed to annual base rent payments of \$500,000.

The City has also entered into various leases for office and other operating equipment.

Total annual commitments for the next five years, net of applicable taxes are approximately as follows:

2024	\$	526,091
2025		520,638
2026		511,848
2027		501,964
2028		520,833
Thereafter		2,520,833
	\$	5,102,207

### (d) Agreements and contractual commitments:

In addition to the leases described in note 15(c), the City has entered into various agreements and contracts for services and construction with periods ranging from one to 5-years, including the following:

	Total contractual commitment	Total contractual commitment remaining at year end
Marine Drive & Nichol Road Intersection Improvements	\$ 480,291	\$ 480,291
RCMP Exterior Improvements	477,051	477,051
2023 Open Cut Storm & Sanitary Program	605,964	102,965
2023 Trenchless Storm & Sanitary Program	1,760,079	1,455,894
Centennial Park North Wall & Sidewalk Replacement	715,144	58,035
Janitorial Services	1,232,582	1,086,296
Daytime Warming Shelter and Associated Services	330,750	218,359

# THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2023

## 15. Commitments and contingencies (continued):

### (d) Agreements and contractual commitments (continued):

The City records the capital costs incurred to the end of the year on incomplete projects as tangible capital assets under construction. The City's 5-year financial plan is amended as necessary to reflect the carryover of the required expenditure budgets and the financing of these obligations to the following year.

### (e) Debt agreement with the MFA:

The City issues debt instruments through the MFA. As a condition of these borrowings the City is required to execute demand notes in connection with each debenture whereby the City may be required to loan certain amounts to the MFA. The debt agreement with the MFA provides that if at any time the scheduled payments provided for in the agreement are not sufficient to meet the MFA's obligations in respect to such borrowing, the resulting deficiency becomes the joint and several liability of the City and all other participants to the agreement through the MFA. The City is similarly liable on a contingent basis for the debt of other municipalities secured through the MFA. Details of the contingent demand notes are as follows:

Bylaw number	Purpose	2023	2022
1667	Sanitary Sewers - Local Improvement	\$ -	\$ 7,364
2098	Water Utility Acquisition Advance Payment	180,771	180,771
2163	Water System Infrastructure Construction	104,802	104,802
2178	Water System Infrastructure Construction	88,549	88,549
2179	Water Treatment Facilities Construction	36,988	36,988
		<u>\$ 411,110</u>	<u>\$ 418,474</u>

These contingent demand loans are not recorded in the City's financial statements as they are not likely to be paid.

### (f) E-Comm Emergency Communications for British Columbia Incorporated:

The City is a shareholder of E-Comm Emergency Communications for British Columbia Incorporated ("E-Comm"). The City receives services for the regional 9-1-1 call centre for Metro Vancouver Regional District and the Wide Area Radio network from E-Comm. The City has two Class A shares (of a total 37 Class A and 18 Class B shares issued and outstanding as at December 31, 2023).

As a Class A shareholder, the City is committed to paying levies for services received under a cost-sharing formula to fund operating and capital costs of the E-Comm operations. In addition, the City is contingently liable to cover its proportionate share of such costs should any member be unable to fulfill its funding obligations. Annual levy amounts fluctuate based on various factors under the cost sharing formula.

# THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2023

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## 15. Commitments and contingencies (continued):

(g) Municipal Insurance Association of British Columbia (the "Association"):

The City is a participant in the Association. Should the Association pay out claims in excess of premiums received, it is possible that the City, along with the other participants, would be required to contribute towards the deficit. Management does not consider payment under this contingency to be likely and therefore no amounts have been accrued.

## 16. 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 of December 31, 2023, the Plan has about 240,000 active members and approximately 124,000 retired members. Active members include approximately 43,000 contributors from local government and 160 contributors from the City.

Every 3-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, 2021 indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis. The next valuation will be at December 31, 2024.

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 the individual employers participating in the Plan.

The City paid \$1,344,000 (2022 - \$1,211,000) for employer contributions to the Plan in fiscal 2023.

## 17. Collections for other governments:

The City collects certain taxation revenue on behalf of other government bodies. These funds are excluded from the City's financial statements as they are not revenue of the City. Such taxes collected and remitted to other government bodies during the year are as follows:

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	2023	2022
Province of British Columbia - school tax	\$ 15,624,349	\$ 14,117,386
South Coast BC Transportation Authority - TransLink tax	3,252,362	2,977,052
Other regional bodies	1,258,524	1,142,627
	<hr/>	<hr/>
	\$ 20,135,235	\$ 18,237,065

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# THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2023

## 18. Sales of services and other revenue:

	2023	2022
Parking	\$ 4,493,043	\$ 3,590,628
Parks, recreation and cultural services	1,808,930	1,343,450
Licences and permits	2,241,531	2,425,419
Solid waste services	1,666,217	1,670,118
Utility service connection fees	549,549	333,215
Interest and penalties	7,949,224	3,286,446
Contributions toward tangible capital asset improvements	231,374	84,307
Other	2,046,931	1,903,964
	<u>\$ 20,986,799</u>	<u>\$ 14,637,547</u>

## 19. Government grants:

Government grant revenue is comprised of the following government transfers:

	2023	2022
Federal	\$ 147,800	\$ 153,571
Provincial	6,342,379	621,745
	<u>\$ 6,490,179</u>	<u>\$ 775,316</u>

## 20. Contractual rights:

The City's contractual rights arise from rights to receive payments under lease, license, rental, grant and other agreements. The City has contractual rights to receive the following amounts in the next 5-years and thereafter:

2024	\$ 843,063
2025	136,248
2026	37,624
2027	30,984
2028	1,200
Thereafter	1,200
	<u>\$ 1,050,319</u>

The City is entitled to receive revenue from certain other grants and agreements which is difficult to quantify. The contractual rights from these agreements have not been included in the amounts noted above.

# THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2023

## 21. Budget figures:

The original budget, Bylaw 2458, was approved by Council on May 1, 2023. The amended budget figures included in these financial statements were approved by Council through the adoption of an amended annual bylaw, Bylaw 2474, on July 10, 2023 and reflect more current estimates on revenues and expenditures.

	Original budget	Amended budget	Change
Revenues per budget	\$ 69,356,200	\$ 80,944,000	\$ 11,587,800
Less: Internal reclassifications	(416,900)	(416,900)	-
	68,939,300	80,527,100	11,587,800
Expenses per budget	44,787,800	46,274,300	1,486,500
Add:			
Amortization	-	7,652,000	7,652,000
Asset operating expenses	1,206,000	3,592,500	2,386,500
Less:			
Internal reclassifications	(737,500)	(737,500)	-
	45,256,300	56,781,300	11,525,000
Annual surplus per statement of operations	23,683,000	23,745,800	62,800
Add:			
Amortization	-	7,652,000	7,652,000
Transfers from reserves	26,791,000	49,255,700	22,464,700
Less:			
Capital expenditures (net of asset operating expenses)	(26,116,000)	(56,295,500)	(30,179,500)
Debt principal repayments	(807,800)	(807,800)	-
Transfers to reserves	(23,229,600)	(23,229,600)	-
Internal adjustments	(320,600)	(320,600)	-
Approved budget	\$ -	\$ -	\$ -

## 22. Financial risk management:

The City has exposure to certain risks from its financial instruments:

### (a) Credit risk:

Credit risk is the risk of economic loss should the counterparty to a transaction default or otherwise fail to meet its obligation. The City is exposed to credit risk through its cash and cash equivalent and accounts receivables. The maximum exposure to credit risk on these instruments is their carrying value.

Credit risk associated with cash and cash equivalent is minimized by ensuring that these assets are held at financial institutions with a high credit quality. The City has deposited cash with a reputable financial institution, from which management believes the risk of loss to be remote.

# THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2023

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## 22. Financial risk management (continued):

### (a) Credit risk (continued):

The City assess, on a continuous basis, accounts receivables and provides for any amounts that are not collectible.

### (b) Market risk:

Market risk is the risk that changes in market prices will affect the City's value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing return on investments. Market risk comprises interest rate risk, currency risk, and other price risk.

Interest rate risk relates to the risk that changes in interest rates will affect the fair value or future cash flows of financial instruments held by the City. The City exposed to interest rate risk related to its investments.

The City has no significant exposure to currency risk or other price risk.

### (c) Liquidity risk:

Liquidity risk is the risk that the City will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The City manages its liquidity risk by monitoring its operating and capital requirements. The City prepares budget and cash flow forecasts to ensure it has sufficient funds to fulfill its obligations.

There has been no significant change to the risk exposure from 2022.

## 23. Segmented information:

The City is a diversified municipal government institution that provides a wide range of services to its citizens, visitors and many others. In compliance with PS2700, Segment Disclosures, certain financial information is required to be reported for major activities involving these services. Each of these major activities is comprised of various City departments and/or divisions as noted below.

**General Government - Mayor and Council, Chief Administrative Officer, Corporate Administration, Communications, Financial Services, Human Resources, Planning and Development, and Information Services.** These departments are responsible for many legislative, operational and administrative support services including but not limited to City Council, bylaw and procedural matters, levying and collecting property taxes, hiring City staff, supporting the City's information technology infrastructure, preparing land use plans and approving new development in the City.

**Protection Services - Police, Fire, Building and Bylaw Enforcement (non-parking related).** These departments are responsible for ensuring public safety and security, preventing crimes as well as enforcing various laws.

# THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2023

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## 23. Segmented information (continued):

**Transportation, Engineering and Municipal Operations - Public Works, Engineering and Parking.** These areas are responsible for providing and maintaining the systems that enable the community to use transportation facilities such as roads, sidewalks and parking lots. This category also includes management and administrative services of the City's engineering and municipal operations department.

**Parks, Recreation and Cultural Services** - These areas are responsible for providing, facilitating the development of, and maintaining high quality parks, recreation facilities and cultural services such as the public library.

**Solid Waste Services** - These services include the City's garbage collection, green waste collection and recycling programs.

**Sanitary Sewer System** - These services include the provision and maintenance of all systems related to the distribution and disposal of sanitary sewage.

**Drainage System** - These services include the provision and maintenance of all systems involving the distribution of storm water run-off in the City.

**Water System** - These services include the provision and treatment of water supply, as well as the provision and maintenance of all other systems involving the distribution of water.



# THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2023

## 23. Segmented information (continued):

	General Government	Protection Services	Transportation, Engineering and Operations Services	Parks, Recreation and Cultural Services	Solid Waste Services	Sanitary Sewer System	Drainage System	Water System	Reclassifications	2023	2022
<b>Revenue:</b>											
<b>Property taxes:</b>											
General purposes	\$ 29,208,048	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,208,048	\$ 26,781,615
Regional library levy	-	-	-	1,042,070	-	-	-	-	-	1,042,070	1,015,222
Business improvement levy	353,894	-	-	-	-	-	-	-	-	353,894	374,905
	29,561,942	-	-	1,042,070	-	-	-	-	-	30,604,012	28,171,742
Receipts in lieu of taxes	27,633	-	-	-	-	-	-	-	-	27,633	23,851
Development cost charges	-	-	31,436	-	-	10,941	16,092	17,434	-	75,903	19,615
Sanitary sewer fees and parcel tax	-	-	-	-	-	3,974,861	-	-	(29,492)	3,945,369	3,716,945
Drainage user fees	-	-	-	-	-	-	3,043,875	-	-	3,043,875	2,902,625
Water user fees	-	-	-	-	-	-	-	6,587,144	(212,654)	6,374,490	5,774,013
Sales of services and other revenue:											
Parking	-	-	4,493,043	-	-	-	-	-	-	4,493,043	3,590,628
Parks, recreation, an cultural services	-	-	-	1,808,930	-	-	-	-	-	1,808,930	1,343,450
Licenses and permits	36,786	2,204,745	-	-	-	-	-	-	-	2,241,531	2,425,419
Solid waste services	-	-	-	-	1,666,217	-	-	-	-	1,666,217	1,670,118
Utility service connection fees	-	-	-	-	-	182,100	164,895	202,554	-	549,549	333,215
Interest and penalties	7,759,724	-	-	-	-	100,671	40,000	48,829	-	7,949,224	3,286,446
Contributions toward tangible capital asset improvements	-	-	57,320	174,054	-	-	-	-	-	231,374	84,307
Other	3,445,150	284,945	606,945	42,975	52,891	21,369	-	213,908	(2,621,252)	2,046,931	1,903,964
Government grants	6,176,581	268,797	-	44,801	-	-	-	-	-	6,490,179	775,316
Developers' contributions of tangible capital assets	-	-	-	25,300	-	592,350	70,286	424,850	-	1,112,786	9,826,904
	47,007,816	2,758,487	5,188,744	3,138,130	1,719,108	4,882,292	3,335,148	7,494,719	(2,863,398)	72,661,046	65,848,558
<b>Expenses:</b>											
Salaries, wages and benefits	4,985,616	6,982,480	3,153,868	3,204,129	698,014	391,002	388,169	1,438,048	(1,372,292)	19,869,034	18,768,874
Contracted services	2,100,498	6,355,189	2,003,356	4,130,665	629,517	2,424,575	286,296	1,030,697	(770,074)	18,190,719	17,486,846
Supplies and other	1,056,130	310,127	845,542	1,128,649	217,989	116,321	118,359	431,883	(721,032)	3,503,968	3,548,783
Amortization	310,189	376,044	1,867,335	2,334,779	196,769	334,751	317,249	1,131,768	-	6,868,884	6,655,816
Interest	2,673	-	-	-	-	5,656	-	681,243	-	689,572	698,025
	8,455,106	14,023,840	7,870,101	10,798,222	1,742,289	3,272,305	1,110,073	4,713,639	(2,863,398)	49,122,177	47,158,344
Annual surplus (deficit)	\$ 38,552,710	\$ (11,265,353)	\$ (2,681,357)	\$ (7,660,092)	\$ (23,181)	\$ 1,609,987	\$ 2,225,075	\$ 2,781,080	\$ -	\$ 23,538,869	\$ 18,690,214

# THE CORPORATION OF THE CITY OF WHITE ROCK

Unaudited Schedules

Year ended December 31, 2023

## COVID-19 Safe Restart Grant:

The COVID-19 Safe Restart Grant was received November 2020 from the Province of British Columbia. A requirement of the COVID-19 Safe Restart Grant is to include a schedule to the financial statements presenting the amount of funding received, use of funds and year-end balance of unused funds. A schedule will continue to be reported annually until funds are fully drawn down.

	2023
COVID-19 Safe Restart Grant received	\$ 3,769,000
COVID-19 Safe Restart Grant funds used 2020	(1,182,612)
COVID-19 Safe Restart Grant funds used 2021	(1,443,772)
COVID-19 Safe Restart Grant funds used 2022	(345,988)
COVID-19 Safe Restart Grant funds used 2023:	
Increased expenses:	
IT hardware & software purchases from COVID-19	(297,432)
Year-end COVID-19 Safe Restart Grant funds available as at December 31, 2023	\$ 499,196

## Growing Community Fund Grant:

The Province of British Columbia distributed conditional Growing Community Funds (“CGF”) grants to communities to help local governments build community infrastructure and amenities to meet the demands of population growth. The City received \$5,711,000 of CGF funding in March 2023. These funds have since been allocated to the reserve funds listed in the table below. A requirement of the CGF grant is to include a schedule to the financial statements presenting the amount of funding received, use of funds and year-end balance of unused funds. A schedule will continue to be reported annually until funds are fully drawn down.

	Growing Community Fund Reserve	Community Hub Reserve	Pier Reservation Reserve	Affordable Housing Reserve	2023
Balance, beginning of year	\$ -	\$ -	\$ -	\$ -	-
Amount received	5,711,000	-	-	-	5,711,000
Transfers between reserve funds	(5,200,000)	2,000,000	1,500,000	1,700,000	-
Balance, end of year	\$ 511,000	\$ 2,000,000	\$ 1,500,000	\$ 1,700,000	\$ 5,711,000