

Financial Statements of

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

And Independent Auditor's Report thereon

Year ended December 31, 2024

The Corporation of the City of White Rock

Financial Statements

Year ended December 31, 2024

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, 2024, the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.



Candice Gartry, CPA, CGA
Director, Financial Services



KPMG LLP

PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada
Telephone 604 691 3000
Fax 604 691 3031

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, 2024
- 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, 2024, 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.
- 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.



The Corporation of the City of White Rock
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- 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.

DRAFT

Chartered Professional Accountants

Vancouver, Canada
May 12, 2025

THE CORPORATION OF THE CITY OF WHITE ROCK

Statement of Financial Position

December 31, 2024, with comparative information for 2023

	2024	2023
Financial Assets		
Cash and cash equivalents (note 3)	\$ 165,092,894	\$ 137,781,972
Investments (note 3)	20,000,000	33,547,054
Accounts receivable (note 4)	8,167,242	5,967,650
	193,260,136	177,296,676
Liabilities		
Accounts payable and accrued liabilities (note 5)	9,550,744	8,791,345
Post-employment benefits (note 6)	1,814,864	1,823,842
Asset retirement obligation (note 7)	473,800	473,800
Refundable performance deposits (note 3(b))	13,439,012	13,334,889
Capital lease obligations (note 8)	33,624	72,178
Debt (note 9)	19,597,755	20,378,409
Deferred revenue (note 10)	32,235,025	30,822,374
	77,144,824	75,696,837
Net Financial Assets	116,115,312	101,599,839
Non-Financial Assets		
Tangible capital assets (note 11)	172,161,198	168,732,243
Prepaid expenses	1,347,154	1,314,059
Inventories of supplies	194,876	245,916
	173,703,228	170,292,218
Accumulated surplus (note 12)	\$ 289,818,540	\$ 271,892,057

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, 2024, with comparative information for 2023

	2024 Budget	2024	2023
	(notes 1(b) and 21)		
Revenue:			
Property taxes:			
General purposes	\$ 31,064,300	\$ 31,079,008	\$ 29,208,048
Regional library levy	1,112,900	1,111,555	1,042,070
Business improvement levy	364,000	364,239	353,894
	32,541,200	32,554,802	30,604,012
Receipts in lieu of taxes	28,100	28,139	27,633
Development cost charges (note 10(a))	1,512,800	425,233	75,903
Sanitary sewer fees and parcel tax	4,153,400	4,193,579	3,945,369
Drainage user fees	3,215,000	3,215,165	3,043,875
Water user fees	6,664,500	6,745,251	6,374,490
Sales of services and other revenue (note 18)	21,544,600	23,137,430	20,986,799
Government grants (note 19)	14,418,500	1,502,728	6,490,179
Developers' contributions of tangible capital assets (note 11(b))	-	1,759,360	1,112,786
	84,078,100	73,561,687	72,661,046
Expenses:			
General government	11,265,100	8,876,154	7,023,139
Police protection	8,107,750	7,045,319	6,842,642
Fire protection	5,480,200	6,379,663	5,734,548
Other protection services	1,922,500	1,316,142	1,422,019
Transportation, engineering and operations	5,500,700	6,929,911	6,835,757
Parks, recreation and cultural services	10,293,950	11,969,481	10,478,657
Solid waste services	1,656,600	1,726,226	1,689,398
Sanitary sewer system	3,724,700	4,042,905	3,272,597
Drainage system	1,543,000	1,528,543	1,110,073
Water system	5,060,600	5,820,860	4,713,347
	54,555,100	55,635,204	49,122,177
Annual surplus	29,523,000	17,926,483	23,538,869
Accumulated surplus, beginning of year	271,892,057	271,892,057	248,353,188
Accumulated surplus, end of year	\$ 301,415,057	\$ 289,818,540	\$ 271,892,057

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, 2024, with comparative information for 2023

	2024 Budget (notes 1(b) and 21)	2024	2023
Annual surplus	\$ 29,523,000	\$ 17,926,483	\$ 23,538,869
Acquisition of tangible capital assets	(69,347,000)	(8,761,199)	(5,099,817)
Recognition of asset retirement obligation	-	-	(473,800)
Developers' contributions of tangible capital assets	-	(1,759,360)	(1,112,786)
Amortization of tangible capital assets	-	6,969,020	6,868,884
Loss (gain) on disposal of tangible capital assets	-	90,634	(20,036)
Proceeds on disposal of tangible capital assets	-	31,950	50,323
	(39,824,000)	14,497,528	23,751,637
Acquisition of prepaid expenses	-	(1,347,154)	(1,314,059)
Acquisition of inventories of supplies	-	(194,876)	(245,916)
Use of prepaid expenses	-	1,314,059	1,168,600
Consumption of inventories of supplies	-	245,916	238,059
Change in net financial assets	(39,824,000)	14,515,473	23,598,321
Net financial assets, beginning of year	101,599,839	101,599,839	78,001,518
Net financial assets, end of year	\$ 61,775,839	\$ 116,115,312	\$ 101,599,839

See accompanying notes to financial statements.

THE CORPORATION OF THE CITY OF WHITE ROCK

Statement of Cash Flows

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operating:		
Annual surplus	\$ 17,926,483	\$ 23,538,869
Items not involving cash:		
Amortization	6,969,020	6,868,884
Loss (gain) on disposal of tangible capital assets	90,634	(20,036)
Developers' contributions of tangible capital assets	(1,759,360)	(1,112,786)
Changes in non-cash operating items:		
Accounts receivable	(2,199,592)	(61,995)
Prepaid expenses	(33,095)	(145,459)
Inventories of supplies	51,040	(7,857)
Accounts payable and accrued liabilities	759,399	(7,657,185)
Post-employment benefits	(8,978)	60,543
Refundable performance deposits	104,123	(118,014)
Deferred revenue	1,412,651	966,844
Net cash provided by operating activities	23,312,325	22,311,808
Capital activities:		
Cash used to acquire tangible capital assets	(8,761,199)	(5,088,851)
Proceeds on disposal of tangible capital assets	31,950	50,323
Net cash used in capital activities	(8,729,249)	(5,038,528)
Financing activities:		
Repayment of debt	(780,654)	(773,432)
Principal payments on capital lease obligations	(38,554)	(37,490)
Net cash used in financing activities	(819,208)	(810,922)
Investing activities:		
Change in investments	13,547,054	(10,503,571)
Net cash provided by (used in) investing activities	13,547,054	(10,503,571)
Net change in cash and cash equivalents	27,310,922	5,958,787
Cash and cash equivalents, beginning of year	137,781,972	131,823,185
Cash and cash equivalents, end of year	\$ 165,092,894	\$ 137,781,972
Non-cash transactions:		
Acquisition of tangible capital assets under capital lease	\$ -	\$ 10,966
Recognition of asset retirement obligation	-	473,800

See accompanying notes to financial statements.

THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements

Year ended December 31, 2024

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 2024 component of the White Rock Financial Plan (2024-2028) Bylaw, 2024, No. 2496 Amendment No. 2, No. 2507 adopted by the City Council on July 29, 2024.

(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 recognition:

(i) Taxation (including grants in lieu):

Annual taxation revenues are recognized in the year they are levied and are calculated using the approved tax rates in the annual tax rates bylaw. Property taxes paid in advance of the year to which they relate are recorded in deferred revenue. Property taxes imposed by other taxing authorities are not included as taxes for municipal purposes.

(ii) 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.

THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(d) Revenue recognition (continued):

(iii) Fees, sales of services and other revenue:

Revenue from exchange transactions with a single performance obligation that is satisfied at a point in time, including certain sale of services, permits and licenses, and other revenue, is recognized when the City satisfies the performance obligation by providing the promised goods or services to a payor. Revenue from exchange transactions with performance obligations satisfied over a period of time, including utility fees (sanitary sewer, drainage, water), certain sale of services, permits, and other revenue, is recognized as the City satisfies the performance obligations by providing the promised goods or services to a payor. For transactions with multiple performance obligation, including certain types of permits, revenue is allocated between the performance obligations based on the estimated effort to satisfy each performance obligation.

Revenue from transactions with no performance obligations, including penalties and fines, is recognized when the City has the authority to claim or retain an inflow of economic resources; and identifies a past transaction or event that gives rise to an asset.

If a performance obligation has not been fulfilled, the related amount is recorded in deferred revenue.

(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 revenues are recognized in the future. These amounts will be recognized when services are provided, when performance obligations are fulfilled, when specific works are completed, or when tangible capital assets are acquired.

(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.

THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(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) Debt:

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

(k) 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 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

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.

THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(k) Non-financial assets (continued):

(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.

(l) 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.

(m) 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.

THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(m) Asset retirement obligation (continued):

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.

(n) 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.

(o) 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).

(p) 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.

THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(p) Contaminated sites (continued):

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.

(q) 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, 2024. 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.

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.

THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2024

2. Adoption of new accounting standard:

(a) Adoption of PS3400 - Revenue:

On January 1, 2024, the City adopted Canadian Public Sector Accounting Standard PS 3400 – *Revenue*. The standard applies to all revenues, except for taxation revenues, government transfers, income from investments in GBE and other revenues which are covered in other Public Sector Accounting Standards. This standard establishes a framework for categorizing revenue into two types: transactions with performance obligations and transactions without performance obligations.

The standard was adopted prospectively from the date of adoption. As a result, the City's building permits revenue decreased by \$36,080, and other revenues decreased by \$19,530 with a corresponding increase in deferred revenue. In addition, the City's business licenses revenue increased by \$256,768, with a corresponding decrease in deferred revenue.

(b) Adoption of PS 3160 - Public Private Partnerships:

On January 1, 2024, the City adopted Canadian Public Sector Accounting Standard PS 3160 - *Public Private Partnerships*. The standard addresses the recognition, measurement, presentation, and disclosure of infrastructure procured by public sector entities through certain types of public private partnership arrangements. This standard was adopted on a prospective basis. The adoption of this standard did not have any impact on the amounts presented in these financial statements.

(c) Adoption of PSG-8 - Purchased Intangibles:

On January 1, 2024, the City adopted Public Sector Guideline PSG-8 - *Purchased Intangibles*. The guideline defines purchased intangibles as identifiable non-monetary economic resources without physical substance acquired through an arm's length exchange transaction between knowledgeable, willing parties who are under no compulsion to act. Intangibles acquired through a transfer, contribution, or inter-entity transaction, are not purchased intangibles. This guideline was adopted on a prospective basis. The adoption of this guideline did not have any impact on the amounts presented in these financial statements.

3. Cash and cash equivalents and investments:

	2024	2023
Cash balances	\$ 160,321,528	\$ 133,229,588
Cash equivalents:		
Municipal Finance Authority Money Market Fund	4,771,366	4,552,384
Total cash and cash equivalents (a), (b)	165,092,894	137,781,972
Investments consist of term deposits maturing between March 3, 2025 and November 20, 2026	20,000,000	33,547,054
Total cash and cash equivalents and investments	\$ 185,092,894	\$ 171,329,026

THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2024

3. Cash and cash equivalents and investments (continued):

As at December 31, 2024, cash equivalents and investments including the Municipal Finance Authority Money Market Fund, have annual yields that range from 3.71% to 5.70% (2023 - 5.07% to 6.12%).

(a) Included in cash and cash equivalents is an amount of \$19,175,906 (2023 - \$17,806,995) 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 \$13,439,012 (2023 - \$13,334,889) which consists of refundable performance deposits.

4. Accounts receivable:

	2024	2023
Property taxes	\$ 3,539,703	\$ 1,889,314
Water user fees	2,001,431	1,665,700
Government grants	301,682	188,055
Amount secured by letters of credit (a)	412,621	-
Loan receivable	-	9,079
Other (note 9)	1,911,805	2,215,502
	<u>\$ 8,167,242</u>	<u>\$ 5,967,650</u>

(a) Included in accounts receivable are amounts receivable secured by letters of credit of \$412,621 (2023 - nil) that can only be used for the acquisition of tangible capital assets as provided for by the DCC Bylaw (note 10(a)).

5. Accounts payable and accrued liabilities:

	2024	2023
Trade accounts payable and other	\$ 3,822,484	\$ 4,054,630
Due to governments and agencies	4,065,194	2,483,306
Other payroll liabilities	1,663,066	2,253,409
	<u>\$ 9,550,744</u>	<u>\$ 8,791,345</u>

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, 2024 by an actuarial valuation.

THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2024

6. Post-employment benefits (continued):

	2024	2023
Accrued benefit obligation:		
Balance, beginning of year	\$ 1,409,411	\$ 1,393,409
Current service cost	117,472	111,022
Interest cost	60,098	62,090
Benefits paid	(161,635)	(93,113)
Actuarial loss (gain)	19,654	(63,997)
Balance, end of year	\$ 1,445,000	\$ 1,409,411

	2024	2023
Accrued benefit obligation, end of year	\$ 1,445,000	\$ 1,409,411
Unamortized net actuarial gain	369,864	414,431
Accrued benefit liability, end of year	\$ 1,814,864	\$ 1,823,842

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 2024, the expected average remaining service period of the related employee group is 12 years (2023 - 12 years).

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

	2024	2023
Discount rate	4.30%	4.10%
Expected future inflation rate	2.50%	2.50%
Expected wage and salary increases	2.50% to 5.90%	2.50% to 5.90%

7. Asset retirement obligation:

The City has recognized Asset Retirement Obligations ("ARO") as follows.

	2024	2023
Asbestos removal	\$ 368,800	\$ 368,800
Well decommissioning	105,000	105,000
Accrued benefit liability, end of year	\$ 473,800	\$ 473,800

THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2024

7. Asset retirement obligation (continued):

(a) Asbestos removal:

Once disturbed, the City has a legal obligation to properly remove and dispose of asbestos. As such, asset retirement obligations have been recognized for various City buildings that are known and/or suspected of containing asbestos. Estimates for the abatement of asbestos are based on 3rd party quotes for its removal. Alternatively, estimates may also be based on inspections that quantify the identified asbestos in buildings, allowing the cost to be extrapolated using 3rd party abatement cost rates.

In the absence of such information, estimates are determined by referring to the known cost of abatement for a similar reference building and pro-rating that cost based on the building's relative size. 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. Once established, capitalized ARO costs are amortized using the straight-line method beginning with the year the ARO was first recognized and ending with its anticipated year of abatement.

(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. Once established, capitalized ARO costs are amortized using the straight-line method beginning with the year the ARO was first recognized and ending with the well's anticipated year of decommissioning, which is between 21.5 to 34.6 years.

There was no accretion or revision to the liability in fiscal 2024.

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 \$2,040 including principal and interest until June 30, 2025. The amount of interest incurred on the leases in the current year was \$1,610 (2023 - \$2,673).

THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2024

8. Capital lease obligations (continued):

Minimum lease payments due under the capital leases are:

Year ending December 31:		
2025	\$	24,481
2026		7,165
2027		2,767
Minimum capital lease payments		34,413
Less amounts representing interest (2.24% to 2.85%)		789
	\$	33,624

9. Debt:

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

Bylaw number	Purpose	Maturity date	Interest rate	Refinancing year *	Authorized amount	Sinking fund credits	2024	2023
2098	Water Utility Acquisition Advance Payment	2046	2.60%	2026	\$ 14,250,000	\$ 2,498,641	\$ 11,751,359	\$ 12,102,560
2163	Water System Infrastructure Construction	2027	2.80%	n/a	440,000	294,095	145,905	191,734
2163	Water System Infrastructure Construction	2047	2.80%	2027	5,779,000	930,761	4,848,239	4,993,281
2178	Water System Infrastructure Construction	2027	3.15%	n/a	1,662,000	1,110,881	551,119	724,229
2178	Water System Infrastructure Construction	2047	3.15%	2027	400,000	64,425	335,575	345,615
2179	Water Treatment Facilities Construction	2048	3.15%	2028	2,274,850	309,292	1,965,558	2,020,990
					\$ 24,805,850	\$ 5,208,095	\$ 19,597,755	\$ 20,378,409

* 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, 2024 was \$681,243 (2023 - \$686,899).

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.

THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2024

9. Debt (continued):

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 refinancing are as follows:

2025	\$ 805,830
2026	831,820
2027	858,656
2028	639,945
2029	661,158
Thereafter	15,800,346
	\$ 19,597,755

10. Deferred revenue:

	2024	2023
Property taxes	\$ 3,655,330	\$ 3,558,066
Contributions for future capital works	3,874,582	4,172,970
Development cost charges (a)	19,588,527	17,806,995
Utility service connections	936,340	1,172,500
Facility upgrades (note 13)	256,221	299,196
Building permits	1,291,700	1,080,460
Other	2,632,325	2,732,187
	\$ 32,235,025	\$ 30,822,374

(a) Development cost charges:

	Highways	Drainage	Parkland	Sanitary	Water	2024	2023
Balance, beginning of year	\$ 4,121,726	\$ 3,614,635	\$ 7,496,247	\$ 1,026,039	\$ 1,548,348	\$ 17,806,995	\$ 16,923,557
Add:							
Amounts received	230,229	196,422	548,720	78,855	112,905	1,167,131	96,473
Investment income	238,742	210,179	440,404	59,806	90,503	1,039,634	862,868
Deduct:							
Acquisition of tangible capital assets	92,552	47,405	16,356	36,356	232,564	425,233	75,903
Balance, end of year	\$ 4,498,145	\$ 3,973,831	\$ 8,469,015	\$ 1,128,344	\$ 1,519,192	\$ 19,588,527	\$ 17,806,995

The balance as of December 31, 2024 includes \$412,621 (2023 - nil) in amounts receivable secured by letters of credit (note 4(a)).

THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2024

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
Cost:										
Balance, beginning of year	\$ 27,575,365	\$ 30,071,576	\$ 44,939,595	\$ 17,081,528	\$ 49,641,930	\$ 22,542,230	\$ 24,855,487	\$ 39,584,081	\$ 4,657,570	\$260,949,362
Additions	-	565,834	368,529	495,518	2,693,179	1,549,512	1,409,795	1,241,422	2,196,770	10,520,559
Transfers	-	497,302	212,372	96,335	596,718	590,540	424,698	11,290	(2,429,255)	-
Disposals	-	(23,421)	(67,301)	(343,047)	(71,770)	(135,654)	(117,748)	(4,497)	-	(763,438)
Balance, end of year	\$ 27,575,365	\$ 31,111,291	\$ 45,453,195	\$ 17,330,334	\$ 52,860,057	\$ 24,546,628	\$ 26,572,232	\$ 40,832,296	\$ 4,425,085	\$270,706,483

	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
Accumulated amortization:										
Balance, beginning of year	\$ -	\$ 11,310,977	\$ 21,193,696	\$ 8,790,508	\$ 25,094,199	\$ 8,432,083	\$ 10,722,790	\$ 6,672,866	\$ -	\$ 92,217,119
Amortization expense	-	1,313,477	1,431,347	1,239,399	1,189,530	352,402	328,794	1,114,071	-	6,969,020
Disposals	-	(23,284)	(67,301)	(333,351)	(61,997)	(74,563)	(79,790)	(568)	-	(640,854)
Balance, end of year	\$ -	\$ 12,601,170	\$ 22,557,742	\$ 9,696,556	\$ 26,221,732	\$ 8,709,922	\$ 10,971,794	\$ 7,786,369	\$ -	\$ 98,545,285
Net book value, end of year	\$ 27,575,365	\$ 18,510,121	\$ 22,895,453	\$ 7,633,778	\$ 26,638,325	\$ 15,836,706	\$ 15,600,438	\$ 33,045,927	\$ 4,425,085	\$172,161,198
Net book value, beginning of year	\$ 27,575,365	\$ 18,760,599	\$ 23,745,899	\$ 8,291,020	\$ 24,547,731	\$ 14,110,147	\$ 14,132,697	\$ 32,911,215	\$ 4,657,570	\$168,732,243

THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2024

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:

	2024	2023
Roads and sidewalks	\$ 1,234,901	\$ 25,300
Sanitary sewers	-	592,350
Storm sewers	69,756	70,286
Water system	454,703	424,850
Developers' contributions of tangible capital assets	\$ 1,759,360	\$ 1,112,786

(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 tangible capital assets during 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 \$259,265. As at December 31, 2024, \$227,188 (2023 - \$191,127) of accumulated amortization has been recorded, with \$36,060 (2023 - \$36,060) 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, 2024

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	\$ 36,136,269	\$ 46,228,472	\$ 8,803,526	\$ 104,814,503	\$ 195,982,770
Sanitary Sewer Fund	-	15,879,046	1,453,215	15,969,697	33,301,958
Drainage Fund	-	16,049,928	918,517	16,688,165	33,656,610
Water Fund	-	9,830,969	2,245,000	14,801,233	26,877,202
Total for 2024	\$ 36,136,269	\$ 87,988,415	\$ 13,420,258	\$ 152,273,598	\$ 289,818,540
Total for 2023	\$ 33,407,822	\$ 78,282,317	\$ 12,219,458	\$ 147,982,460	\$ 271,892,057

13. Investment in tangible capital assets:

	2024	2023
Tangible capital assets (note 11)	\$ 172,161,198	\$ 168,732,243
Deduct:		
Capital lease obligations (note 8)	(33,624)	(72,178)
Debt (note 9)	(19,597,755)	(20,378,409)
Deferred revenue - facility upgrades (note 10)	(256,221)	(299,196)
	\$ 152,273,598	\$ 147,982,460

14. Reserves:

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

	2024	2023
General Fund:		
Land sale reserve	\$ 778,676	\$ 736,671
Equipment replacement reserve	6,933,268	5,734,790
Capital works, machinery and equipment reserve	9,426,708	8,807,288
Local improvement reserve	38,671	36,584
Community amenity reserve	9,444,410	10,031,619
Affordable housing reserve	9,514,536	8,060,870
	\$ 36,136,269	\$ 33,407,822

THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2024

14. Reserves (continued):

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

	2024	2023
General Fund:		
Infrastructure reserve	\$ 10,536,809	\$ 8,336,563
Roadworks reserve	7,414,634	7,204,240
Secondary suite service fee reserve	2,625,768	2,271,825
Density bonus/amenity contribution reserve	-	176,029
Incomplete asset improvement projects	5,176,100	4,674,900
COVID-19 safe restart reserve	135,913	499,196
Growing community fund reserve	428,316	511,000
Local government housing initiatives reserve	191,060	-
Community hub reserve	10,463,140	4,000,000
Pier preservation reserve	3,095,956	3,113,990
Community building fund reserve	762,802	1,130,953
Other reserves	5,397,974	5,661,811
	46,228,472	37,580,507
Sanitary Sewer Fund:		
Infrastructure reserve	15,502,946	15,300,856
Incomplete asset improvement projects	376,100	1,249,200
	15,879,046	16,550,056
Drainage Fund:		
Infrastructure reserve	13,758,028	12,086,359
Operating reserve	25,000	25,000
Incomplete asset improvement projects	2,266,900	2,866,300
	16,049,928	14,977,659
Water Fund:		
Infrastructure reserve	8,728,649	7,647,334
Debt retirement reserve	53,820	43,661
Operating reserve	1,048,500	1,483,100
	9,830,969	9,174,095
	\$ 87,988,415	\$ 78,282,317

15. Commitments and contingencies:

(a) Borrowing liability:

The City has a contingent liability with respect to debentures of the Greater 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, 2024

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:

2025	\$	526,922
2026		518,132
2027		508,248
2028		527,117
2029		554,563
Thereafter		1,970,833
		<hr/>
		\$ 4,605,815

THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2024

15. Commitments and contingencies (continued):

(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 1 to 5 years, including the following:

	Total contractual commitment	Total contractual commitment remaining at year end
2024-2025 White Rock Paving Program	\$ 965,677	\$ 965,677
RCMP Exterior Improvements	600,804	288,027
BC Hydro Transformer Replacement	507,650	507,650
Cypress-Pacific Watermain PH1	467,880	179,202
New Financial System – Implementation	1,306,409	1,095,953
New Financial System – Software	1,075,000	844,950
New Well #5 Completion and Site Work – Build	1,420,000	1,420,000
New Well #5 Completion and Site Work – Engineering	305,800	48,911
Guardrail & Retaining Wall Repairs-Beachview & Vidal	294,018	126,024
Janitorial Services	1,232,582	699,765
Daytime Warming Centre	333,703	245,695
Dispatch Contract Services Agreement	742,835	742,835
Audit Contract Services 2025-2029	391,500	391,500

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 borrows debt from MFA. As a condition of these borrowings the City is required to execute demand notes in connection with each debt 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 CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2024

15. Commitments and contingencies (continued):

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

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	2024	2023
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
		\$ 411,110	\$ 411,110

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, 2024).

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.

(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 trusteesd 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 256,000 active members and approximately 129,000 retired members. Active members include approximately 45,000 contributors from local government and 160 contributors from the City.

THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2024

16. Pension plan (continued):

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 \$1,530,000 (2023 - \$1,344,000) for employer contributions to the Plan in fiscal 2024.

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:

	2024	2023
Province of British Columbia - school tax	\$ 16,228,788	\$ 15,624,349
South Coast BC Transportation Authority - TransLink tax	4,027,094	3,252,362
Other regional bodies	1,353,416	1,258,524
	<u>\$ 21,609,298</u>	<u>\$ 20,135,235</u>

18. Sales of services and other revenue:

	2024	2023
Parking	\$ 4,321,147	\$ 4,493,043
Parks, recreation and cultural services	1,974,787	1,808,930
Licenses and permits	2,567,451	2,241,531
Solid waste services	1,906,219	1,666,217
Utility service connection fees	1,065,452	549,549
Interest and penalties	8,483,099	7,949,224
Contributions toward tangible capital asset improvements	717,492	231,374
Other	2,101,783	2,046,931
	<u>\$ 23,137,430</u>	<u>\$ 20,986,799</u>

THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2024

19. Government grants:

Government grant revenue is comprised of the following government transfers:

	2024	2023
Federal	\$ 9,900	\$ 21,800
Provincial	1,341,181	6,182,379
Regional	151,647	286,000
	<u>\$ 1,502,728</u>	<u>\$ 6,490,179</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:

2025	\$ 429,397
2026	352,866
2027	330,080
2028	316,771
2029	299,679
	<u>\$ 1,728,793</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.

21. Budget figures:

The original budget, Bylaw 2496, was approved by Council on March 11, 2024. The amended budget figures included in these financial statements were approved by Council through the adoption of an amended annual bylaw, Bylaw 2507, on July 29, 2024 and reflect more current estimates on revenues and expenditures.

THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2024

21. Budget figures (continued):

	Original budget	Amended budget	Change
Revenues per budget	\$ 72,277,600	\$ 84,701,900	\$ 12,424,300
Less: Internal reclassifications	(623,800)	(623,800)	-
	71,653,800	84,078,100	12,424,300
Expenses per budget	50,545,900	52,801,100	2,255,200
Add: Asset operating expenses	1,313,000	2,972,000	1,659,000
Less: Internal reclassifications	(1,218,000)	(1,218,000)	-
	50,640,900	54,555,100	3,914,200
Annual surplus per statement of operations	21,012,900	29,523,000	8,510,100
Add: Transfers from reserves	21,087,400	58,406,800	37,319,400
Less:			
Capital expenditures (net of asset operating expenses)	(23,832,000)	(69,347,000)	(45,515,000)
Debt principal repayments	(816,000)	(816,000)	-
Transfers to reserves	(16,858,100)	(17,172,600)	(314,500)
Internal adjustments	(594,200)	(594,200)	-
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 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.

THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2024

22. Financial risk management (continued):

(b) Market risk (continued):

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 2023.

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.

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.

THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2024

23. Segmented information (continued):

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, 2024

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	2024	2023
Revenue:											
Property taxes:											
General purposes	\$ 31,079,008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,079,008	\$ 29,208,048
Regional library levy	-	-	-	1,111,555	-	-	-	-	-	1,111,555	1,042,070
Business improvement levy	364,239	-	-	-	-	-	-	-	-	364,239	353,894
	31,443,247	-	-	1,111,555	-	-	-	-	-	32,554,802	30,604,012
Receipts in lieu of taxes	28,139	-	-	-	-	-	-	-	-	28,139	27,633
Development cost charges	-	-	108,908	-	-	36,356	47,405	232,564	-	425,233	75,903
Sanitary sewer fees and parcel tax	-	-	-	-	-	4,226,843	-	-	(33,264)	4,193,579	3,945,369
Drainage user fees	-	-	-	-	-	-	3,215,165	-	-	3,215,165	3,043,875
Water user fees	-	-	-	-	-	-	-	6,940,279	(195,028)	6,745,251	6,374,490
Sales of services and other revenue:											
Parking	-	-	4,321,147	-	-	-	-	-	-	4,321,147	4,493,043
Parks, recreation, and cultural services	-	-	-	1,974,787	-	-	-	-	-	1,974,787	1,808,930
Licenses and permits	13,774	2,553,677	-	-	-	-	-	-	-	2,567,451	2,241,531
Solid waste services	-	-	-	-	1,906,219	-	-	-	-	1,906,219	1,666,217
Utility service connection fees	-	-	-	-	-	287,966	290,966	486,520	-	1,065,452	549,549
Interest and penalties	8,287,883	-	-	-	-	100,000	40,000	55,216	-	8,483,099	7,949,224
Contributions toward tangible capital asset improvements	-	-	234,082	148,965	-	199,145	125,640	9,660	-	717,492	231,374
Other	1,198,185	286,851	332,924	42,975	-	9,099	-	231,749	-	2,101,783	2,046,931
Government grants	1,116,355	338,284	-	48,089	-	-	-	-	-	1,502,728	6,490,179
Developers' contributions of tangible capital assets	-	-	-	1,234,901	-	-	69,756	454,703	-	1,759,360	1,112,786
	42,087,583	3,178,812	4,997,061	4,561,272	1,906,219	4,859,409	3,788,932	8,410,691	(228,292)	73,561,687	72,661,046
Expenses:											
Salaries, wages and benefits	5,491,219	7,544,422	2,914,870	3,657,507	718,008	387,443	433,537	1,576,253	-	22,723,259	19,869,034
Contracted services	2,104,141	6,524,043	1,547,248	5,014,767	570,049	3,118,753	598,465	1,109,165	-	20,586,631	18,190,719
Supplies and other	986,356	294,721	564,400	1,146,814	241,400	184,307	167,747	1,315,988	(228,292)	4,673,441	3,503,968
Amortization	301,211	386,329	1,917,526	2,347,471	196,769	352,402	328,794	1,138,518	-	6,969,020	6,868,884
Interest	1,610	-	-	-	-	-	-	681,243	-	682,853	689,572
	8,884,537	14,749,515	6,944,044	12,166,559	1,726,226	4,042,905	1,528,543	5,821,167	(228,292)	55,635,204	49,122,177
Annual surplus (deficit)	\$ 33,203,046	\$ (11,570,703)	\$ (1,946,983)	\$ (7,605,287)	\$ 179,993	\$ 816,504	\$ 2,260,389	\$ 2,589,524	\$ -	\$ 17,926,483	\$ 23,538,869

THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2024

24. Comparative information:

Certain comparative information has been reclassified to conform to the financial statement presentation adopted for the current year. These reclassifications do not impact the annual surplus reported in the prior year or accumulated surplus.

THE CORPORATION OF THE CITY OF WHITE ROCK

Unaudited Schedules

Year ended December 31, 2024

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.

	2024
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	(297,432)
COVID-19 Safe Restart Grant funds used 2024:	
Increased expenses:	
IT hardware and software purchases from COVID-19	(33,789)
Warming centre expenses	(329,494)
COVID-19 Safe Restart Grant funds available as at December 31, 2024	\$ 135,913

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	2024
Balance, beginning of year	\$ 511,000	\$ 2,000,000	\$ 1,500,000	\$ 1,700,000	\$ 5,711,000
Deduct:					
Pier Accessibility Mat project	82,684	-	-	-	82,684
Community Hub project	-	74,860	-	-	74,860
Balance, end of year	\$ 428,316	\$ 1,925,140	\$ 1,500,000	\$ 1,700,000	\$ 5,553,456

THE CORPORATION OF THE CITY OF WHITE ROCK

Unaudited Schedules

Year ended December 31, 2024

Local Government Housing Initiatives Grant:

The Province of British Columbia distributed conditional Local Government Housing Initiative (“LGHI”) grant to communities to support local government activities and projects to meet local government housing initiatives legislative requirements, specifically, small-scale multi-unit housing (“SSMUH”), pro-active planning and transit-orientated development areas, and to adopt new authorities and tools, such as amenity cost charges, and inflationary zoning or tenant protect bylaws. The City received \$246,896 of LGHI funding in February 2024.

A requirement of the LGHI 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.

	2024
Local Government Housing Initiatives Grant received	\$ 246,896
Local Government Housing Initiatives funds used 2024: Implementation of SSMUH zoning requirements	(55,836)
Local Government Housing Initiatives funds available as at December 31, 2024	\$ 191,060
