

Financial Statements of

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

And Independent Auditors' Report thereon

Year ended December 31, 2020

## MAYOR AND COUNCIL

I am pleased to present to you the financial statements for the City of White Rock for the fiscal year ended December 31, 2020 to meet the requirements of Section 167 of the Community Charter ("Charter").

These financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada and meet the requirements of the Ministry of Municipal Affairs and Housing.

The City maintains a system of internal controls for the purpose of financial statement reliability and protection of City assets. The system includes expending funds in accordance with the Council approved budget; appropriate receipt of monies paid to the municipality; safekeeping of City funds; and ensuring accurate and full accounting of all financial transactions. A review of these internal controls has been performed by the City's external auditors and management has received a report on their findings.

KPMG LLP, the City's independent external auditors, have examined these financial statements of the City, in accordance with Canadian Generally Accepted Auditing Standards and in their opinion as expressed in the attached audit report, these financial statements, prepared by management, present fairly the financial position of the City and the results of its operation for 2020.

### FINANCIAL OVERVIEW

#### 2020 Financial Position

The Statement of Financial Position provides a snapshot of the City's financial assets, liabilities, non-financial assets and accumulated surplus as at December 31, 2020. Information for 2019 is provided for comparison purposes. The following is an abbreviated version of the Statement of Financial Position contained in the City's 2020 Financial Statements.

#### Summary of Statement of Financial Position

As at December 31, 2020

(Expressed in thousands of dollars)

	2020	2019
Financial assets:		
Cash and investments	\$ 127,773	\$ 111,400
Accounts receivable	8,946	12,184
	136,719	123,584
Liabilities:		
Accounts payable, accrued liabilities and refundable deposits	23,991	23,941
Debt	22,626	23,329
Deferred revenue	29,101	28,434
	75,718	75,704
Net financial assets	61,001	47,880
Non-financial assets	157,495	157,416
	\$ 218,496	\$ 205,296
Accumulated surplus:		
Financial equity	\$ 85,284	\$ 72,229
Investment in non-financial equity	133,212	133,067
	\$ 218,496	\$ 205,296

As at December 31, 2020, the financial assets of the City totaled \$137 million, an increase of approximately \$13 million over the prior year. The overall increase relates to monies set aside in reserves and development cost charges for future capital work. Liabilities have remained constant at \$76 million with a \$0.7 million decrease in debt offset by an increase in deferred revenues largely from receipt of development cost charges. Overall, the City's net financial assets of approximately \$61 million indicates a healthy financial position for the 2020 fiscal year-end.

Non-financial assets, primarily tangible capital assets, totaled \$157 million in 2020. During 2020, the City invested approximately \$6 million to replace and maintain existing infrastructure and equipment. Offsetting the 2020 capital additions was approximately \$6 million representing the annual amortization of existing tangible capital assets and the net amount written off on disposal of tangible capital assets taken out of service.

The major projects in 2020 related to the annual transportation infrastructure program, land improvements, and the water and sewer / drainage infrastructure replacement programs. In addition, the City received \$0.7 million in contributed tangible capital assets relating to City infrastructure through development.

The City's accumulated surplus increased by approximately \$13 million to \$218 million. Of this total, financial equity, including unrestricted operating surplus and reserves make up \$85 million and investment in non-financial assets make up \$133 million.

## 2020 Operations

The Statement of Operations provides an overview of the City's annual revenues, expenses and surplus resulting from operations throughout 2020. The 2020 budget and 2019 figures are provided for comparison purposes. The following is an abbreviated version of the Statement of Operations contained in the City's 2020 Financial Statements.

### Summary of Statement of Operations

Year ended December 31, 2020

(Expressed in thousands of dollars)

	Budget 2020	2020	2019
Revenue:			
Property taxes and other levies	\$ 25,021	\$ 24,966	\$ 23,924
Sale of services and other revenue	18,115	14,926	25,883
Grants and contributions	13,141	6,184	5,383
Utility fees and charges	11,283	11,362	10,748
	67,560	57,438	65,938
Expenses:			
General government	9,033	7,401	7,409
Protective services	12,159	12,395	11,117
Transportation, engineering and operations	7,860	6,783	6,439
Parks, recreation and culture	11,521	9,177	10,752
Utility operations	9,832	8,482	7,977
	50,405	44,238	43,694
Accumulated surplus	17,155	13,200	22,244
Accumulated surplus, beginning of year	205,296	205,296	183,052
Accumulated surplus, end of year	\$ 222,451	\$ 218,496	\$ 205,296

For 2020, operating revenues totaled approximately \$57 million; \$9 million less than the previous year which is largely due to the impacts of the COVID-19 pandemic. Increases in rates and utility usage were offset by decreases in parking and recreational revenues as the City shut services to mitigate the pandemic. Included in the revenues is a \$3.7 million COVID-19 Safe Restart grant provided by the Province to assist with shortfalls resulting from the pandemic. The 2020 revenues are \$10 million less than budget mainly due to the pandemic and capital grant funding the City was trying to secure for the White Rock Pier.

Operating expenses totaled approximately \$44 million, approximately \$1 million more than the previous year and \$6 million less than the 2020 budget. The year over year increase is a combination of increases due to annual salary adjustments and additional staffing resources approved for 2020 offset by decreases from recreation and cultural programs that were shut down due to the pandemic. The pandemic also impacted total expenses as the City adjusted its workforce and capital program to address emergent issues.

The net annual surplus of \$13 million primarily represents an increase in financial equity (reserves) and additional investment in non-financial assets (primarily tangible capital assets).

## 2020 Net Financial Assets

The Statement of Change in Net Financial Assets presents the financial resources, clear of liabilities including debt, that are available for future investment.

### Summary of Change in Net Financial Assets

Year ended December 31, 2020

(Expressed in thousands of dollars)

	Budget 2020	2020	2019
Annual surplus	\$ 17,155	\$ 13,200	\$ 22,244
Exclude non-cash items:			
Amortization of tangible capital assets	8,819	6,405	6,751
Net gain / loss of disposal of assets and contributed to tangible capital assets	-	(903)	(189)
Use of inventory and prepaids	-	975	821
	8,819	6,477	7,383
Include cash items:			
Capital expenses	(42,778)	(5,854)	(19,569)
Proceeds on disposal of assets	-	367	40
Acquisition of inventory and prepaids	-	(1,069)	(975)
	(42,778)	(6,556)	(20,504)
Change in net financial assets	(16,804)	13,121	9,123
Net financial assets, beginning of year	47,880	47,880	38,757
Net financial assets, end of year	\$ 31,076	\$ 61,001	\$ 47,880

In 2020, the City had budgeted to decrease its net financial assets by \$17 million to invest in capital infrastructure that was to be funded by annual revenues, grants, and reserves. The delay of capital work to 2021, mainly due to the pandemic, has resulted in a \$13 million increase to the City's net financial assets.

**Future Outlook**

The City of White Rock is committed to providing high levels of civic services to our citizens and businesses. Maintaining high service levels requires planning and a commitment to financially sustainable practices. In support of the City's Strategic Plan and its strategic goals, the City continues to refine, develop, and implement financial policies that promote sound financial practices and long-term financial sustainability.

Respectfully submitted,

Colleen Ponzini, CPA, CGA  
**Director of Financial Services**



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## INDEPENDENT AUDITORS' REPORT

To the 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, 2020;
- 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, 2020, 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 "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the City's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the City or to cease operations, or has no realistic alternative but to do so.

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

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause 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 10, 2021



# THE CORPORATION OF THE CITY OF WHITE ROCK

## Statement of Financial Position

December 31, 2020, with comparative information for 2019

	2020	2019
<b>Financial Assets</b>		
Cash and cash equivalents (note 2)	\$ 127,772,639	\$ 111,400,431
Accounts receivable (note 3)	8,946,234	12,183,802
	136,718,873	123,584,233
<b>Liabilities</b>		
Accounts payable and accrued liabilities (note 4)	11,039,468	11,357,197
Refundable performance deposits (note 2(b))	12,785,980	12,584,597
Capital lease obligations (note 6)	164,718	-
Debt (note 7)	22,626,177	23,328,618
Deferred revenue (note 8)	29,101,355	28,434,092
	75,717,698	75,704,504
Net Financial Assets	61,001,175	47,879,729
<b>Non-Financial Assets</b>		
Tangible capital assets (note 9)	156,425,967	156,440,877
Prepaid expenses	884,797	742,851
Inventories of supplies	184,267	232,598
	157,495,031	157,416,326
Accumulated surplus (note 10)	\$ 218,496,206	\$ 205,296,055

Commitments and contingencies (note 13)

See accompanying notes to financial statements.

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**COLLEEN PONZINI, CPA, CGA**  
Director of Financial Services

# THE CORPORATION OF THE CITY OF WHITE ROCK

## Statement of Operations

Year ended December 31, 2020, with comparative information for 2019

	2020 Budget (notes 1(b) and 19)	2020	2019
Revenue:			
Property taxes:			
General purposes	\$ 23,683,900	\$ 23,631,761	\$ 22,578,634
Regional library levy	977,800	975,183	963,402
Business improvement levy	337,000	336,779	356,190
	24,998,700	24,943,723	23,898,226
Receipts in lieu of taxes	22,400	22,356	25,564
Development cost charges (note 8(a))	1,214,800	61,005	598,562
Sanitary sewer fees and parcel tax	3,537,106	3,562,975	3,444,316
Drainage user fees	2,657,800	2,658,487	2,531,498
Water user fees	5,087,600	5,139,529	4,772,497
Sales of services and other revenue (note 16)	18,115,334	14,926,479	25,882,629
Government grants (note 17)	11,925,700	5,459,271	4,571,934
Developers' contributions of tangible capital assets (note 9(b))	-	663,861	212,917
	67,559,440	57,437,686	65,938,143
Expenses:			
General government	9,032,710	7,401,407	7,409,060
Protection services	12,158,632	12,395,323	11,116,870
Transportation, engineering and operations	7,859,936	6,782,642	6,438,768
Parks, recreation and cultural services	11,521,122	9,177,189	10,752,082
Solid waste services	1,099,000	1,057,036	866,587
Sanitary sewer system	3,480,163	2,655,801	2,499,576
Drainage system	945,100	857,446	808,161
Water system	4,307,600	3,910,691	3,803,230
	50,404,263	44,237,535	43,694,334
Annual surplus	17,155,177	13,200,151	22,243,809
Accumulated surplus, beginning of year	205,296,055	205,296,055	183,052,246
Accumulated surplus, end of year	\$ 222,451,232	\$ 218,496,206	\$ 205,296,055

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, 2020, with comparative information for 2019

	2020 Budget (notes 1(b) and 19)	2020	2019
Annual surplus	\$ 17,155,177	\$ 13,200,151	\$ 22,243,809
Acquisition of tangible capital assets	(42,778,000)	(5,853,630)	(19,568,528)
Developers' contributions of tangible capital assets	-	(663,861)	(212,917)
Amortization of tangible capital assets	8,819,000	6,404,914	6,751,247
(Gain) loss on disposal of tangible capital assets	-	(239,580)	23,850
Proceeds on disposal of tangible capital assets	-	367,067	39,910
	(16,803,823)	13,215,061	9,277,371
Acquisition of prepaid expenses	-	(884,797)	(742,851)
Acquisition of inventories of supplies	-	(184,267)	(232,598)
Use of prepaid expenses	-	742,851	609,061
Consumption of inventories of supplies	-	232,598	211,835
Change in net financial assets	(16,803,823)	13,121,446	9,122,818
Net financial assets, beginning of year	47,879,729	47,879,729	38,756,911
Net financial assets, end of year	\$ 31,075,906	\$ 61,001,175	\$ 47,879,729

See accompanying notes to financial statements.

# THE CORPORATION OF THE CITY OF WHITE ROCK

## Statement of Cash Flows

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operating:		
Annual surplus	\$ 13,200,151	\$ 22,243,809
Items not involving cash:		
Amortization	6,404,914	6,751,247
(Gain) loss on disposal of tangible capital assets	(239,580)	23,850
Developers' contributions of tangible capital assets	(663,861)	(212,917)
Changes in non-cash operating working capital:		
Accounts receivable	3,237,568	1,285,289
Prepaid expenses	(141,946)	(133,790)
Inventories of supplies	48,331	(20,763)
Accounts payable		
and accrued liabilities	(317,729)	(1,723,723)
Refundable performance deposits	201,383	(635,479)
Deferred revenue	667,263	4,166,253
Net change in cash provided by operating activities	22,396,494	31,743,776
Capital activities:		
Cash used to acquire tangible capital assets	(5,605,331)	(19,568,528)
Proceeds on disposal of tangible capital assets	367,067	39,910
Net change in cash used in capital activities	(5,238,264)	(19,528,618)
Financing activities:		
Principal payments on debt	(702,441)	(680,272)
Principal payments on capital lease obligations	(83,581)	(4,478)
Net change in cash used in financing activities	(786,022)	(684,750)
Net change in cash and cash equivalents	16,372,208	11,530,408
Cash and cash equivalents, beginning of year	111,400,431	99,870,023
Cash and cash equivalents, end of year	\$ 127,772,639	\$ 111,400,431
Non-cash transactions:		
Acquisition of tangible capital assets under capital lease	\$ 248,299	\$ -

See accompanying notes to financial statements.

# THE CORPORATION OF THE CITY OF WHITE ROCK

## Notes to Financial Statements

Year ended December 31, 2020

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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.

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This resulted in governments worldwide, including the Canadian federal and provincial governments, enacting emergency measures to combat the spread of the virus. The economic conditions and the City’s response to the pandemic had a material impact on the City’s operating results in 2020. The City temporarily closed civic facilities, managed workforce challenges, including the implementation of systems and processes to facilitate remote work, and workforce adjustments, such as delayed hiring and reallocation of staff resources. This affected both revenues and expenses for the City and included mitigation measures to reduce the overall financial impact. The primary impact was on parking services, recreation and culture, parks, bylaw enforcement, and general government services. The situation is still dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the City is not known at this time.

### 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 2020 component of White Rock Financial Plan (2020-2024) Bylaw, 2020, No. 2330 Amendment No. 1, 2020, No. 2340 adopted by the City Council on May 4, 2020.

#### (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 the 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.

# THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2020

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## 1. Significant accounting policies (continued):

### (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.

### (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 the 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 repayments and actuarial adjustments.

# THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2020

## 1. Significant accounting policies (continued):

### (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	3 to 100
Buildings and facilities	2 to 50
Machinery and equipment	2 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.

#### (iv) Interest capitalization:

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

# THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2020

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## 1. Significant accounting policies (continued):

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

#### (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 also accrue to the 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.

### (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 developer contributed assets, useful lives of tangible capital assets for amortization, valuation 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 21).



# THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2020

## 1. Significant accounting policies (continued):

### (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.

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.

## 2. Cash and cash equivalents:

	2020	2019
Cash balances	\$ 123,528,131	\$ 103,214,873
Cash equivalents:		
Money market securities and term deposits maturing within 90-days of inception	-	3,976,701
Municipal Finance Authority Money Market Fund	4,244,508	4,208,857
	\$ 127,772,639	\$ 111,400,431

During the year ended December 31, 2020, cash equivalents including the Municipal Finance Authority Money Market Fund, have annual yields of 0.89% (2019 - 1.86% to 2.35%).

- (a) Included in cash and cash equivalents is an amount of \$12,532,028 (2019 - \$8,416,789) that can only be used for the acquisition of tangible capital assets as provided for by the DCC Bylaw.
- (b) Included in cash and cash equivalents is an amount of \$12,785,980 (2019 - \$12,584,597) which consists of refundable performance deposits.

# THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2020

## 3. Accounts receivable:

	2020	2019
Property taxes	\$ 1,757,625	\$ 1,768,832
Water user fees	1,419,170	1,293,864
Government grants	1,071,503	1,092,236
Amounts receivable secured by letters of credit (a)	2,415,733	4,625,743
Insurance proceeds	-	1,232,054
Loan receivable	7,000	10,500
Other	2,275,203	2,160,573
	<b>\$ 8,946,234</b>	<b>\$ 12,183,802</b>

(a) Included in accounts receivable are amounts receivable secured by letters of credit of \$2,415,733 (2019 - \$4,625,743) that can only be used for the acquisition of tangible capital assets as provided for by the DCC Bylaw (note 8(a)).

## 4. Accounts payable and accrued liabilities:

	2020	2019
Trade accounts payable and other	\$ 5,581,833	\$ 5,707,845
Due to governments and agencies	3,080,164	2,979,080
Post-employment benefits (note 5)	1,540,864	1,605,503
Other payroll liabilities	836,607	1,064,769
	<b>\$ 11,039,468</b>	<b>\$ 11,357,197</b>

## 5. Post-employment benefits:

The City provides certain post-employment and sick leave benefits to its employees. These benefits include accumulated non-vested sick leave, post-employment gratuity and time-in-lieu benefits, and certain vacation benefits.

	2020	2019
Accrued benefit obligation:		
Balance, beginning of year	\$ 1,755,977	\$ 1,582,900
Current service cost	145,837	138,600
Interest cost	47,236	53,000
Benefits paid	(274,537)	(113,285)
Actuarial loss	183,093	94,762
Balance, end of year	<b>\$ 1,857,606</b>	<b>\$ 1,755,977</b>

# THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2020

## 5. Post-employment benefits (continued):

	2020	2019
Accrued benefit obligation, beginning of year	\$ 1,857,606	\$ 1,755,977
Unamortized net actuarial loss	(316,742)	(150,474)
Accrued benefit liability, end of year	\$ 1,540,864	\$ 1,605,503

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 2020, the expected average remaining service period of the related employee group is 11 years (2019 - 11 years). Post-employment liabilities are included in accounts payable and accrued liabilities (note 4).

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

	2020	2019
Discount rate	2.00%	2.60%
Expected future inflation rate	2.50%	2.50%
Expected wage and salary increases	2.58% to 5.90%	2.58% to 5.90%

## 6. Capital lease obligation:

The City has financed certain equipment by entering into three capital leasing arrangements. Two of the arrangements expire on June 30, 2025, and the third arrangement expires on June 30, 2027. The leases are repayable in monthly blended installments of \$3,075 including principal and interest. Minimum lease payments due under the capital leases are:

Year ending December 31:		
2021	\$	36,897
2022		36,897
2023		36,897
2024		36,897
2025		21,215
Thereafter		8,299
Minimum capital lease payments		177,102
Less amounts representing interest (2.85%)		12,384
	\$	164,718

# THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2020

## 7. Debt:

	2020	2019
Debentures, net of repayments and actuarial adjustments	\$ 22,626,177	\$ 23,328,618

The City issues debt instruments through the Municipal Finance Authority ("MFA") to finance certain capital acquisitions. Repayments 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	2020	2019
1667	Sanitary Sewers-Local Improvement	2023	5.95%	n/a	\$ 224,580	\$ 175,506	\$ 49,074	\$ 63,900
2098	Water Utility Acquisition Advance Payment	2046	2.60%	2026	14,250,000	1,163,498	13,086,502	13,392,554
2163	Water System Infrastructure Construction	2027	2.80%	n/a	440,000	118,633	321,367	362,086
2163	Water System Infrastructure Construction	2047	2.80%	2027	5,779,000	375,452	5,403,548	5,532,416
2178	Water System Infrastructure Construction	2027	3.15%	n/a	1,662,000	448,110	1,213,890	1,367,696
2178	Water System Infrastructure Construction	2047	3.15%	2027	400,000	25,988	374,012	382,932
2179	Water Treatment Facilities Construction	2048	3.15%	2028	2,274,850	97,066	2,177,784	2,227,034
						\$ 25,030,430	\$ 2,404,253	\$ 22,626,177
								\$ 23,328,618

\* 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, 2020 was \$694,606 (2019 - \$694,606).

As a condition of these borrowings, a portion of the debt proceeds is withheld by the MFA in a Debt Reserve Fund. Amounts withheld for this purpose are as follows:

Bylaw number	Purpose	Debt reserve fund
1667	Sanitary Sewers - Local Improvement	\$ 2,246
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
		\$ 250,305

These cash deposits are included as part of accounts receivable in the Statement of Financial Position.

# THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2020

## 7. Debt (continued):

Principal payments on the outstanding debt over the following five years and thereafter are as follows:

2021	\$ 725,341
2022	748,996
2023	773,431
2024	780,652
2025	805,830
Thereafter	18,791,927
	<b>\$ 22,626,177</b>

## 8. Deferred revenue:

	2020	2019
Property taxes	\$ 3,218,594	\$ 3,383,933
Contributions for future capital works	3,731,110	3,098,841
Development cost charges (a)	14,947,761	13,042,532
Utility service connections	1,151,750	1,434,950
Deferred revenue - facility upgrades	428,121	471,096
Deferred revenue - building permits	4,386,140	5,873,470
Other	1,237,879	1,129,270
	<b>\$ 29,101,355</b>	<b>\$ 28,434,092</b>

### (a) Development cost charges:

	Highways	Drainage	Parkland	Sanitary	Water	Total
Balance, beginning of year	\$ 3,049,192	\$ 2,732,485	\$ 5,427,016	\$ 754,750	\$ 1,079,089	\$ 13,042,532
Add:						
Amounts received	428,795	339,832	683,244	137,229	196,455	1,785,555
Investment income	42,265	39,637	74,646	9,863	14,268	180,679
Deduct:						
Acquisition of tangible capital assets	14,800	26,205	-	20,000	-	61,005
Balance, end of year	\$ 3,505,452	\$ 3,085,749	\$ 6,184,906	\$ 881,842	\$ 1,289,812	\$ 14,947,761

The balance as of December 31, 2020 includes \$2,415,733 (2019 - \$4,625,743) in amounts receivable secured by letters of credit.

# THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2020

## 9. 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	\$ 17,312,185	\$ 24,216,491	\$ 42,436,153	\$ 14,003,181	\$ 45,533,121	\$ 21,090,317	\$ 23,380,339	\$ 36,333,615	\$ 2,568,985	\$ 226,874,387
Additions	-	458,136	407,287	943,097	977,775	311,041	316,958	376,163	2,727,034	6,517,491
Transfers	-	83,645	61,801	186,359	36,534	139,549	170,692	437,658	(1,116,238)	-
Disposals	(1,800)	(59,883)	(49,000)	(1,063,317)	(65,310)	(43,066)	(27,853)	(70,185)	-	(1,380,414)
Balance, end of year	\$ 17,310,385	\$ 24,698,389	\$ 42,856,241	\$ 14,069,320	\$ 46,482,120	\$ 21,497,841	\$ 23,840,136	\$ 37,077,251	\$ 4,179,781	\$ 232,011,464
<b>Accumulated amortization:</b>										
Balance, beginning of year	\$ -	\$ 6,805,942	\$ 15,970,784	\$ 7,034,108	\$ 21,425,130	\$ 7,197,157	\$ 9,570,777	\$ 2,429,612	\$ -	\$ 70,433,510
Amortization expense	-	1,091,846	1,410,577	1,156,801	1,044,189	322,106	334,237	1,045,158	-	6,404,914
Disposals	-	(44,855)	(49,000)	(994,672)	(52,773)	(20,137)	(24,709)	(66,781)	-	(1,252,927)
Balance, end of year	\$ -	\$ 7,852,933	\$ 17,332,361	\$ 7,196,237	\$ 22,416,546	\$ 7,499,126	\$ 9,880,305	\$ 3,407,989	\$ -	\$ 75,585,497
Net book value, end of year	\$ 17,310,385	\$ 16,845,456	\$ 25,523,880	\$ 6,873,083	\$ 24,065,574	\$ 13,998,715	\$ 13,959,831	\$ 33,669,262	\$ 4,179,781	\$ 156,425,967
Net book value, beginning of year	\$ 17,312,185	\$ 17,410,549	\$ 26,465,369	\$ 6,969,073	\$ 24,107,991	\$ 13,893,160	\$ 13,809,562	\$ 33,904,003	\$ 2,568,985	\$ 156,440,877

# THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2020

## 9. 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:

	2020	2019
Roads and sidewalks	\$ 464,171	\$ 120,283
Sanitary sewers	50,569	-
Storm sewers	100,356	-
Water system	48,765	92,634
Developers' contributions of tangible capital assets	\$ 663,861	\$ 212,917

### (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. 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, 2020, \$89,213 of accumulated amortization has been recorded, with \$19,283 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, 2020

## 10. Accumulated surplus:

	Reserves established by bylaw (note 12(a))	Other reserves (note 12(b))	Other surplus funds	Investment in tangible capital assets (note 11)	Total
General Fund	\$ 26,632,385	\$ 20,955,235	\$ 5,919,425	\$ 92,197,198	\$ 145,704,243
Sanitary Sewer Fund	-	14,164,233	1,107,116	14,030,398	29,301,747
Drainage Fund	-	9,973,496	751,317	14,854,938	25,579,751
Water Fund	-	4,787,906	993,200	12,129,359	17,910,465
<b>Total for 2020</b>	<b>\$ 26,632,385</b>	<b>\$ 49,880,870</b>	<b>\$ 8,771,058</b>	<b>\$ 133,211,893</b>	<b>\$ 218,496,206</b>
<b>Total for 2019</b>	<b>\$ 20,804,694</b>	<b>\$ 43,321,852</b>	<b>\$ 8,102,569</b>	<b>\$ 133,066,940</b>	<b>\$ 205,296,055</b>

Included in the water fund investment in tangible capital assets is an adjustment in the amount of \$4,942 (2019 - \$425,777) for unspent debt proceeds which have been earmarked for use in future years (note 11).

## 11. Investment in tangible capital assets:

	2020	2019
Tangible capital assets (note 9)	\$ 156,425,967	\$ 156,440,877
Deduct:		
Capital lease obligations (note 6)	(164,718)	-
Debt (note 7)	(22,626,177)	(23,328,618)
Deferred revenue - facility upgrades (note 8)	(428,121)	(471,096)
Add:		
Unspent debt proceeds (note 10)	4,942	425,777
	<b>\$ 133,211,893</b>	<b>\$ 133,066,940</b>

## 12. Reserves:

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

	2020	2019
General Fund:		
Land sale reserve	\$ 413,013	\$ 101,846
Equipment replacement reserve	5,339,079	4,724,133
Capital works, machinery and equipment reserve	6,547,194	5,609,236
Local improvement reserve	33,665	33,110
Community amenity reserve	14,299,434	10,336,369
	<b>\$ 26,632,385</b>	<b>\$ 20,804,694</b>



# THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2020

## 12. Reserves (continued):

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

	2020	2019
General Fund:		
Infrastructure reserve	\$ 4,656,217	\$ 4,209,679
Roadworks reserve	4,407,146	3,644,835
Secondary suite service fee reserve	1,189,107	909,601
Density bonus/amenity contribution reserve	214,634	236,483
Incomplete asset improvement projects	3,272,500	3,009,800
COVID-19 Safe Restart Reserve	2,586,388	-
Other reserves	4,629,243	5,594,326
	<u>20,955,235</u>	<u>17,604,724</u>
Sanitary Sewer Fund:		
Infrastructure reserve	13,055,437	12,209,702
Terry Road local improvement reserve	39,096	52,184
Incomplete asset improvement projects	1,069,700	1,068,700
	<u>14,164,233</u>	<u>13,330,586</u>
Drainage Fund:		
Infrastructure reserve	7,069,996	5,905,003
Operating reserve	25,000	25,000
Incomplete asset improvement projects	2,878,500	2,518,400
	<u>9,973,496</u>	<u>8,448,403</u>
Water Fund:		
Infrastructure reserve	4,026,448	3,419,468
Debt retirement reserve	24,058	18,571
Operating reserve	737,400	500,100
	<u>4,787,906</u>	<u>3,938,139</u>
	<u>\$ 49,880,870</u>	<u>\$ 43,321,852</u>

## 13. 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.

(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.

# THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2020

## 13. Commitments and contingencies (continued):

### (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 2018, the City exercised its third option to renew this lease for the 5-year term ending July 31, 2023. During this period, the City is committed to annual base rent payments of \$472,500.

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:

2021	\$ 471,592
2022	475,331
2023	495,505
2024	515,405
2025	509,951
Thereafter	4,043,741
	<u>\$ 6,511,525</u>

### (d) Agreements and contractual commitments:

In addition to the leases described in note 13(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 retaining wall stabilization	\$ 1,717,610	\$ 548,054
Solid waste recycling trucks	838,569	838,569
Solid waste residential collection vehicles	1,131,801	1,131,801
Janitorial services	1,240,481	206,747

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.

# THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2020

## 13. Commitments and contingencies (continued):

### (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	2020	2019
1667	Sanitary Sewers - Local Improvement	\$ 7,364	\$ 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
		\$ 418,474	\$ 418,474

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 35 Class A and 20 Class B shares issued and outstanding as at December 31, 2020).

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.

# THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2020

## 14. 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. The Plan has about 213,000 active members and approximately 106,000 retired members. Active members include approximately 41,000 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, 2018 indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis. The next valuation will be at December 31, 2021 with results available in 2022. Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate, 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 \$1,269,600 (2019 - \$1,224,200) for employer contributions to the Plan in fiscal 2020.

## 15. 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:

	2020	2019
Province of British Columbia - school tax	\$ 11,671,297	\$ 12,644,936
South Coast BC Transportation Authority - TransLink tax	2,612,455	2,418,125
Other regional bodies	963,477	864,395
	<u>\$ 15,247,229</u>	<u>\$ 15,927,456</u>

# THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2020

## 16. Sales of services and other revenue:

	2020	2019
Parking	\$ 2,206,698	\$ 2,590,243
Parks, recreation and cultural services	745,032	1,725,394
Licences and permits	2,737,882	2,441,300
Solid waste services	1,569,079	1,547,475
Utility service connection fees	647,672	567,315
Community amenity contributions	3,386,000	8,430,000
Interest and penalties	1,433,641	2,586,756
Contributions toward tangible capital asset improvements	450,882	4,254,141
Other	1,749,593	1,740,005
	<b>\$ 14,926,479</b>	<b>\$ 25,882,629</b>

## 17. Government grants:

Government grant revenue is comprised of the following government transfers:

	2020	2019
Federal	\$ 157,061	\$ 2,453,684
Provincial	5,302,210	2,118,250
	<b>\$ 5,459,271</b>	<b>\$ 4,571,934</b>

## 18. 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:

2021	\$ 359,346
2022	296,431
2023	260,426
2024	268,870
2025	2,200
Thereafter	5,800
	<b>\$ 1,193,073</b>

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, 2020

## 19. Budget figures:

The original budget, Bylaw 2330, was approved by Council on March 9, 2020. The amended budget figures included in these financial statements were approved by Council through the adoption of an amended annual bylaw, Bylaw 2340, on May 4, 2020 and reflect more current estimates on revenues and expenditures.

	Original budget	Amended budget	Change
Revenues	\$ 69,127,240	\$ 67,942,240	\$ (1,185,000)
Less: internal adjustments	(382,800)	(382,800)	-
	68,744,440	67,559,440	(1,185,000)
Expenses	49,885,763	51,132,963	1,247,200
Less: internal adjustments	(728,700)	(728,700)	-
	49,157,063	50,404,263	1,247,200
Annual surplus per statement of operations	19,587,377	17,155,177	(2,432,200)
Add:			
Amortization	9,288,000	8,819,000	(469,000)
Transfers from reserves	857,949	17,852,149	16,994,200
	10,145,949	26,671,149	16,525,200
	29,733,326	43,826,326	14,093,000
Less:			
Capital expenditures	(28,685,000)	(42,778,000)	(14,093,000)
Debt principal repayments	(702,426)	(702,426)	-
Internal adjustments	(345,900)	(345,900)	-
	(29,733,326)	(43,826,326)	(14,093,000)
Approved budget	\$ -	\$ -	\$ -

## 20. Comparative information:

Certain comparative information has been reclassified to conform to these financial statement presentations adopted for the current year.

## 21. 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.

# THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2020

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## 21. Segmented information (continued):

**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.

**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, 2020

## 21. 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	Adjustments	2020	2019
Revenue:											
Property taxes:											
General purposes	\$ 23,631,761	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,631,761	\$ 22,578,634
Regional library levy	-	-	-	975,183	-	-	-	-	-	975,183	963,402
Business improvement levy	336,779	-	-	-	-	-	-	-	-	336,779	356,190
	23,968,540	-	-	975,183	-	-	-	-	-	24,943,723	23,898,226
Receipts in lieu of taxes	22,356	-	-	-	-	-	-	-	-	22,356	25,564
Development cost charges	-	-	14,800	-	-	20,000	26,205	-	-	61,005	598,562
Sanitary sewer fees and parcel tax	-	-	-	-	-	3,592,415	-	-	(29,440)	3,562,975	3,444,316
Drainage user fees	-	-	-	-	-	-	2,658,487	-	-	2,658,487	2,531,498
Water user fees	-	-	-	-	-	-	-	5,323,314	(183,785)	5,139,529	4,772,497
Sales of services and other revenue:											
Parking	-	-	2,206,698	-	-	-	-	-	-	2,206,698	2,590,243
Parks, recreation, and cultural services	-	-	-	745,032	-	-	-	-	-	745,032	1,725,394
Licenses and permits	29,460	2,708,422	-	-	-	-	-	-	-	2,737,882	2,441,300
Solid waste services	-	-	-	-	1,569,079	-	-	-	-	1,569,079	1,547,475
Utility service connection fees	-	-	-	-	-	236,550	228,550	182,572	-	647,672	567,315
Community amenity contributions	3,386,000	-	-	-	-	-	-	-	-	3,386,000	8,430,000
Interest and penalties	1,331,821	-	-	-	-	51,860	20,000	29,960	-	1,433,641	2,586,756
Contributions toward tangible capital asset improvements	-	-	349,415	57,613	-	12,389	21,538	9,927	-	450,882	4,254,141
Other	2,788,458	153,539	654,519	42,975	32,069	8,034	-	110,660	(2,040,661)	1,749,593	1,740,005
Government grants	5,047,398	308,410	26,619	73,413	-	1,152	2,279	-	-	5,459,271	4,571,934
Developers' contributions of tangible capital assets	-	-	464,171	-	-	50,569	100,356	48,765	-	663,861	212,917
	36,574,033	3,170,371	3,716,222	1,894,216	1,601,148	3,972,969	3,057,415	5,705,198	(2,253,886)	57,437,686	65,938,143
Expenses:											
Salaries, wages and benefits	4,782,638	5,705,206	2,619,092	2,722,471	635,165	298,266	397,114	1,382,306	(1,131,563)	17,410,695	17,419,667
Contracted services	1,244,196	6,018,741	2,072,388	3,538,872	729,118	2,372,198	581,125	869,284	(611,195)	16,814,727	15,722,050
Supplies and other	1,128,464	273,216	338,029	943,681	136,071	89,691	97,792	400,731	(511,128)	2,896,547	3,106,703
Amortization	272,094	406,840	1,770,451	2,149,430	76,510	322,106	334,237	1,073,246	-	6,404,914	6,751,247
Interest	16,046	-	-	-	-	13,363	-	681,243	-	710,652	694,667
	7,443,438	12,404,003	6,799,960	9,354,454	1,576,864	3,095,624	1,410,268	4,406,810	(2,253,886)	44,237,535	43,694,334
Annual surplus (deficit)	\$ 29,130,595	\$ (9,233,632)	\$ (3,083,738)	\$ (7,460,238)	\$ 24,284	\$ 877,345	\$ 1,647,147	\$ 1,298,388	\$ -	\$ 13,200,151	\$ 22,243,809



# THE CORPORATION OF THE CITY OF WHITE ROCK

## Unaudited Statement of the COVID-19 Safe Restart Grant

Year ended December 31, 2020

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.

	2020
COVID-19 Safe Restart Grant received	\$ 3,769,000
COVID-19 Safe Restart Grant funds used:	
Decreased revenues:	
Parking services	(1,309,179)
Recreation and culture	(778,400)
Miscellaneous	(68,544)
	(2,156,123)
Decreased expenses:	
Parking services	14,747
Recreation and culture	851,687
General government	218,756
Miscellaneous	60,038
	1,145,228
Increased expenses:	
Parks and facilities	(239,847)
Recoveries:	
Provincial Government Emergency Management BC	68,130
Total COVID-19 Safe Restart Grant funds used	(1,182,612)
Year end COVID-19 Safe Restart Grant funds available as at December 31, 2020	\$ 2,586,388