

PRICE: \$5.00

**CITY OF WHITE ROCK
2017
STATEMENT OF FINANCIAL INFORMATION**

In accordance with the Financial Information Act (RSBC 1996 Chapter 140)

PARTS I & II

THE CORPORATION OF THE CITY OF WHITE ROCK
STATEMENT OF FINANCIAL INFORMATION APPROVAL
FOR THE YEAR ENDED DECEMBER 31, 2017

The undersigned, represents the Council of the Corporation of the City of White Rock and approves all the statements and schedules included in this Statement of Financial Information, prepared in accordance with the Financial Information Act.



Wayne Baldwin
Mayor
June 25, 2018

The undersigned, as authorized by the Financial Information Regulation, Schedule 1, subsection 9(2), approves all the statements and schedules included in this Statement of Financial Information, prepared in accordance with the Financial Information Act.



Sandra Kurylo, B. Comm., CPA, CMA
Director of Financial Services
June 15, 2018

THE CORPORATION OF THE CITY OF WHITE ROCK
STATEMENT OF FINANCIAL INFORMATION PARTS I & II
(in accordance with the Financial Information Act - (RSBC 1996 Chapter 140))
For the Year Ended December 31, 2017

Table of Contents

<u>Required Statement</u>	<u>Page Reference</u>
<u>PART I - Audited Requirements</u>	
Auditor's Report	Financial Information Regulation Schedule 1, Section 1,2, and 3
(a) Statement of Assets and Liabilities	} This information can be found in the statements and schedules that make up the Audited Financial Statements
(b) Operational statement	

PART II - Other Requirements

<u>Required Statements</u>	<u>Page Reference</u>
(c) Schedule of Debts	Part II Page 1
(d) Schedule of Guarantee and Indemnity Agreements	Part II Page 2
(e) Schedule of Employee Remuneration and Expenses	Part II Page 3
(f) Schedule of Payments to Suppliers of Goods and Services	Part II Page 6
(g) Management Report	Part II Page 10

**PART I - CITY OF WHITE ROCK 2017
STATEMENT OF FINANCIAL INFORMATION
(2017 AUDITED FINANCIAL STATEMENTS)**

Financial Statements of

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

Year ended December 31, 2017

MAYOR AND COUNCIL

It is my pleasure to present The Corporation of the City of White Rock's Financial Statements for the fiscal year ended December 31, 2017 pursuant to Section 167 of the *Community Charter*. The statements have been prepared in accordance with the Canadian Public Sector Accounting Standards established by the Chartered Professional Accountants of Canada.

The preparation and presentation of the financial statements and related information are the responsibility of management of The Corporation of the City of White Rock. 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.

The City's auditors, KPMG LLP, have given the City an unqualified audit opinion on the City's financial statements, stating in their opinion, that the statements present fairly, in all material respects, the financial position of the City as at December 31, 2017 and the results of its operations and its cash flows for the year then ended.

Financial Summary

Operating activities during the year contributed a surplus of \$10,519,360. This is mainly comprised of an increase in the City's investment in tangible capital assets and of planned contributions to reserves. The total accumulated surplus was \$149,377,744 as of December 31, 2017. Like most local governments, the largest component of accumulated surplus is the City's investment in tangible capital assets, which amounted to \$86,889,910 at the end of 2017. The remainder of accumulated surplus includes reserves and other surplus funds.

Net financial assets increased by \$4,907,414 to \$40,926,128 as of December 31, 2017. This is a positive indicator of the City's financial position.

Debt, net of sinking funds, outstanding as of December 31, 2017 was \$22,346,427, compared to \$20,573,276 on December 31, 2016. It is comprised of long-term debenture debt mainly attributed to the purchase of property and assets of the local water utility and subsequent water system infrastructure improvements.

The City ended the year 2017 in a sound financial position.



Sandra Kurylo, B. Comm., CPA, CMA
Director of Financial Services



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INDEPENDENT AUDITORS' REPORT

To the Mayor and Council

We have audited the accompanying financial statements of The Corporation of the City of White Rock, which comprise the statement of financial position as at December 31, 2017, the statements of operations, changes in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Corporation of the City of White Rock as at December 31, 2017 and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants

KPMG LLP

May 7, 2018
Burnaby, Canada

THE CORPORATION OF THE CITY OF WHITE ROCK

Statement of Financial Position

December 31, 2017, with comparative information for 2016

	2017	2016
Financial Assets		
Cash and cash equivalents (note 2)	\$ 89,501,440	\$ 75,673,724
Temporary investments (note 2)	7,472,842	4,908,698
Accounts receivable (note 3)	6,001,646	3,140,489
Loans receivable (note 4)	17,500	21,000
	<u>102,993,428</u>	<u>83,743,911</u>
Liabilities		
Accounts payable and accrued liabilities (note 5)	8,533,568	6,138,120
Refundable performance deposits (note 2(b))	11,288,606	8,569,173
Capital lease obligation (note 7)	20,182	42,066
Debt (note 8)	22,346,427	20,573,276
Deferred revenue (note 9)	19,878,517	12,402,562
	<u>62,067,300</u>	<u>47,725,197</u>
Net Financial Assets	40,926,128	36,018,714
Non-Financial Assets		
Tangible capital assets (note 10)	107,674,895	102,029,614
Prepaid expenses	584,347	581,847
Inventories of supplies	192,374	228,209
	<u>108,451,616</u>	<u>102,839,670</u>
Accumulated surplus (note 11)	<u>\$ 149,377,744</u>	<u>\$ 138,858,384</u>

Commitments and contingencies (note 14)
Water utility acquisition (note 18)

See accompanying notes to financial statements.



SANDRA KURYLO, B. Comm., CPA, CMA
Director of Financial Services

THE CORPORATION OF THE CITY OF WHITE ROCK

Statement of Operations

Year ended December 31, 2017, with comparative information for 2016

	2017 Budget (Note 1(b))	2017	2016
Revenue:			
Property taxes:			
General purposes	\$ 20,607,360	\$ 20,446,775	\$ 19,732,564
Regional library levy	904,465	897,392	869,666
Business improvement levy	318,000	270,575	311,702
	<u>21,829,825</u>	<u>21,614,742</u>	<u>20,913,932</u>
Receipts in lieu of taxes	18,900	18,886	14,990
Development cost charges (note 9(b))	2,652,500	87,274	27,596
Sanitary sewer fees and parcel tax	3,504,506	3,590,860	3,509,856
Drainage user fees	2,148,600	2,150,175	2,048,559
Water user fees	4,364,000	4,302,249	3,617,327
Sales of services and other revenue (note 17)	17,057,015	17,120,957	11,499,622
Government grants	10,172,840	1,768,102	617,852
Developers' contributions of tangible capital assets (note 10(b))	-	764,587	63,879
	<u>61,748,186</u>	<u>51,417,832</u>	<u>42,313,613</u>
Expenses:			
General government	7,978,394	6,851,759	6,599,971
Protection services	11,250,831	11,180,436	9,946,419
Transportation, engineering and operations	5,982,996	6,155,764	5,044,827
Parks, recreation and cultural services	8,988,543	8,605,535	7,196,089
Solid waste services	1,080,800	822,498	794,707
Sanitary sewer system	2,548,468	2,438,697	2,077,330
Drainage system	852,400	1,025,233	753,642
Water system	3,628,556	3,818,550	2,377,049
	<u>42,310,988</u>	<u>40,898,472</u>	<u>34,790,034</u>
Annual surplus	19,437,198	10,519,360	7,523,579
Accumulated surplus, beginning of year	138,858,384	138,858,384	131,334,805
Accumulated surplus, end of year	\$ 158,295,582	\$ 149,377,744	\$ 138,858,384

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, 2017, with comparative information for 2016

	2017 Budget	2017	2016
Annual surplus	\$ 19,437,198	\$ 10,519,360	\$ 7,523,579
Acquisition of tangible capital assets	(54,766,000)	(10,040,502)	(9,635,518)
Contribution of tangible capital assets	-	(764,587)	(63,879)
Amortization of tangible capital assets	5,362,500	4,453,875	4,237,467
Loss (gain) on disposal of tangible capital assets	-	646,159	(479,051)
Proceeds on disposal of tangible capital assets	-	59,774	511,175
	(29,966,302)	4,874,079	2,093,773
Acquisition of prepaid expenses	-	(584,347)	(581,847)
Acquisition of inventories of supplies	-	(192,374)	(228,209)
Use of prepaid expenses	-	581,847	542,889
Consumption of inventories of supplies	-	228,209	170,471
Change in net financial assets	(29,966,302)	4,907,414	1,997,077
Net financial assets, beginning of year	36,018,714	36,018,714	34,021,637
Net financial assets, end of year	\$ 6,052,412	\$ 40,926,128	\$ 36,018,714

See accompanying notes to financial statements.

THE CORPORATION OF THE CITY OF WHITE ROCK

Statement of Cash Flows

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Cash provided by (used in):		
Operating:		
Annual surplus	\$ 10,519,360	\$ 7,523,579
Items not involving cash:		
Amortization	4,453,875	4,237,467
Loss (gain) on disposal of tangible capital assets	646,159	(479,051)
Developers' contributions of tangible capital assets	(764,587)	(63,879)
Changes in non-cash operating working capital:		
Increase in accounts receivable	(2,861,157)	(506,892)
Increase in prepaid expenses	(2,500)	(38,958)
Decrease (increase) in inventories of supplies	35,835	(57,738)
Decrease in loans receivable	3,500	9,500
Increase (decrease) in accounts payable and accrued liabilities	2,395,448	(597,382)
Increase in refundable performance deposits	2,719,433	1,456,132
Increase in deferred revenue	7,475,955	34,932
Net change in cash from operating activities	24,621,321	11,517,710
Capital activities:		
Cash recovery for water utility acquisition (note 18)	600,000	-
Cash used to acquire tangible capital assets	(10,640,502)	(9,635,518)
Proceeds on disposal of tangible capital assets	59,774	511,175
Net change in cash from capital activities	(9,980,728)	(9,124,343)
Financing activities:		
New debt issued (note 8)	8,281,000	20,469,000
Principal payments on debt	(6,507,849)	(14,034,197)
Principal payments on capital leases	(21,884)	(20,892)
Net change in cash from financing activities	1,751,267	6,413,911
Investing activities:		
Change in temporary investments	(2,564,144)	19,867
Net change in cash and cash equivalents	13,827,716	8,827,145
Cash and cash equivalents, beginning of year	75,673,724	66,846,579
Cash and cash equivalents, end of year	\$ 89,501,440	\$ 75,673,724

See accompanying notes to financial statements.

THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements

Year ended December 31, 2017

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.

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:

The 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 represent the 2017 component of Financial Plan (2017-2021) Bylaw, 2016, No. 2175, Amendment No. 1, Bylaw 2017, No. 2204 adopted by the City Council on May 8, 2017.

(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) Temporary investments:

Temporary investments are recorded at cost which approximates market value and are comprised of term deposits and bankers' acceptances.

(e) 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.

(f) Development cost charges ("DCC's"):

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

THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2017

1. Significant accounting policies (continued):

(g) 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 December 31, 2017.

(h) 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.

(i) Debt:

Debt is recorded net of repayments and actuarial adjustments.

(j) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets:

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

<u>Asset</u>	<u>Useful Life - Years</u>
Land improvements	10 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	30 to 80
Water system infrastructure	5 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.

THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2017

1. Significant accounting policies (continued):

(j) Non-financial assets (continued):

(ii) Contributions of tangible capital assets:

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

(iii) Works of art and cultural and historic assets:

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

(iv) Interest capitalization:

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

(v) Leased tangible capital assets:

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

(vi) Inventories of supplies:

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

(k) 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.

THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2017

1. Significant accounting policies (continued):

(l) 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 the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant 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.

(m) 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 20).

(n) 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 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.

THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2017

2. Cash and cash equivalents and temporary investments:

	2017	2016
Cash balances	\$ 71,490,793	\$ 60,173,846
Cash equivalents:		
Money market securities and term deposits maturing within 90 days of inception	13,945,749	11,474,184
MFA Money Market Fund	4,064,898	4,025,694
	89,501,440	75,673,724
Temporary investments maturing within 365 days of inception	7,472,842	4,908,698
	\$ 96,974,282	\$ 80,582,422

Cash equivalents and temporary investments, including the MFA Money Market Fund, have annual yields that range from 0.97% to 1.90% (2016 – 0.79% to 1.20%).

(a) Included in cash and cash equivalents is an amount of \$4,718,780 (2016 - \$4,251,001) that can only be used for the acquisition of tangible capital assets as provided for by the DCC Bylaw (note 9(b)).

(b) Included in cash and cash equivalents is an amount of \$11,288,606 (2016 - \$8,569,173) which consists of refundable performance deposits.

3. Accounts receivable:

	2017	2016
Property taxes	\$ 1,777,113	\$ 1,241,151
Water user fees	1,125,370	970,059
Government grants	770,021	67,886
Amounts secured by letters of credit	1,054,093	200,000
Other	1,275,049	661,393
	\$ 6,001,646	\$ 3,140,489

(a) Included in accounts receivable are letters of credit of \$854,093 (2016 - \$nil) that can only be used for the acquisition of tangible capital assets as provided for by the DCC Bylaw (note 9(b)).

THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2017

4. Loans receivable:

The City has a loan receivable in the amount of \$17,500 (2016 - \$21,000) from The Peace Arch Curling Club to assist in financing the purchase and installation of kitchen equipment. The loan receivable bears a variable per annum interest rate which is the average annual rate of return the City has achieved on its investments in the twelve months preceding the anniversary date of the loan agreement. The remaining principal will be paid in five equal annual instalments of \$3,500 each. The interest is paid semi-annually.

5. Accounts payable and accrued liabilities:

	2017	2016
Trade accounts payable and other	\$ 4,885,915	\$ 2,907,105
Due to governments and agencies	1,423,570	1,306,874
Post-employment benefits (note 6)	1,604,950	1,285,750
Other payroll liabilities	619,133	638,391
	<u>\$ 8,533,568</u>	<u>\$ 6,138,120</u>

6. 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 lieu time benefits, and certain vacation benefits.

	2017	2016
Accrued benefit obligation:		
Balance, beginning of year	\$ 1,394,500	\$ 1,423,500
Immediate recognition of Work Safe BC benefits liability	214,900	(139,900)
Current service cost	129,300	106,900
Interest cost	48,000	40,500
Benefits paid	(76,700)	(161,600)
Plan amendment	-	37,300
Actuarial loss (gain)	46,000	87,800
Balance, end of year	<u>\$ 1,756,000</u>	<u>\$ 1,394,500</u>

THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2017

6. Post-employment benefits (continued):

	2017	2016
Accrued benefit obligation, end of year	\$ 1,756,000	\$ 1,394,500
Unamortized net actuarial loss	(151,050)	(108,750)
Accrued benefit liability, end of year	\$ 1,604,950	\$ 1,285,750

Actuarial gains and losses for accumulating benefits are amortized over the expected average remaining service period of the related employee group, commencing the year after the gain or loss arises. Post-employment liabilities are included in accounts payable and accrued liabilities.

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

	2017	2016
Discount rates	2.90%	3.30%
Expected future inflation rates	2.50%	2.50%
Expected wage and salary increases	2.58% - 4.63%	2.58% - 4.63%

7. Capital lease obligation:

The City has financed certain equipment by entering into capital leasing arrangements. There are three capital leases repayable in monthly blended installments of \$1,948 including principal and interest. Minimum lease payments due under the capital lease are:

Year ending December 31:

2018	\$ 16,227
2019	4,539
Minimum capital lease payments	20,766
Less amounts representing interest	584
	\$ 20,182

THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2017

8. Debt:

	2017	2016
Debentures, net of repayments and actuarial adjustments (a)	\$ 22,346,427	\$ 14,354,276
Interim financing (b)	-	6,219,000
	\$ 22,346,427	\$ 20,573,276

(a) Debentures:

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 assets		
						2017	2016	
1667	Sanitary Sewers-Local Improvement	2023	5.95%	n/a	\$ 224,580	\$ 133,112	\$ 91,468	\$ 104,276
2098	Water Utility Acquisition Advance Payment	2046	2.60%	2026	14,250,000	276,041	13,973,959	14,250,000
2163	Water System Infrastructure Construction	2027	2.80%	n/a	440,000	-	440,000	-
2163	Water System Infrastructure Construction	2047	2.80%	2027	5,779,000	-	5,779,000	-
2178	Water System Infrastructure Construction	2027	3.15%	n/a	1,662,000	-	1,662,000	-
2178	Water System Infrastructure Construction	2047	3.15%	2027	400,000	-	400,000	-
\$ 22,755,580						\$ 409,153	\$ 22,346,427	\$ 14,354,276

* 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 debenture debt for the year was \$527,183 (2016 - \$272,713).

As a condition of these borrowings, a portion of the debenture 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
\$		227,556

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, 2017

8. Debt (continued):

(a) Debentures (continued):

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

2018	\$ 612,387
2019	632,456
2020	653,191
2021	674,613
2022	696,747
Thereafter	19,077,033
	<u>\$ 22,346,427</u>

(b) Interim financing:

In the prior year the City obtained a temporary loan in the amount of \$6,219,000, at a variable interest rate, from the MFA to finance water system infrastructure construction and improvements. In April of 2017 this temporary loan was converted to debenture debt for a period of 10 and 30 years at an interest rate of 2.80% for the first 10 years. The interest rate for the next 10 years will be determined in 2027 and for the last 10 years in 2037.

9. Deferred revenue:

	2017	2016
Property taxes	\$ 3,426,722	\$ 3,646,498
Contributions for future capital works	1,180,686	1,217,410
Government grants for future capital works (a)	3,380,037	-
Development cost charges (b)	5,572,873	4,251,001
Utility service connections	808,050	507,200
Deferred revenue - facility upgrades	557,046	600,021
Deferred revenue - building permits	4,023,070	1,269,470
Other	930,033	910,962
	<u>\$ 19,878,517</u>	<u>\$ 12,402,562</u>

(a) Government grants for future capital works:

In the current year, the City entered into a cost sharing agreement with the Province of British Columbia ("the Province"), wherein the Province and the Federal Government of Canada ("the Federal Government") are to provide assistance for the construction of a water treatment facility. A portion of the Provincial contribution was received upfront, with the remainder to be funded upon completion of the project and approval of a final report. The Federal Government's contribution will be reimbursed to the City as costs are incurred and approved.

THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2017

9. Deferred revenue (continued):

(b) Development cost charges:

	Highways	Drainage	Parkland	Sanitary	Water	Total
Balance, beginning of year	\$ 622,078	\$ 765,543	\$ 2,863,380	\$ -	\$ -	\$ 4,251,001
Add:						
Amounts received	244,142	206,026	844,613	3,052	57,233	1,355,066
Investment income	7,616	9,769	36,597	18	80	54,080
Deduct:						
Acquisition of tangible capital assets	73,971	9,887	3,416	-	-	87,274
Balance, end of year	\$ 799,865	\$ 971,451	\$ 3,741,174	\$ 3,070	\$ 57,313	\$ 5,572,873

The balance as of December 31, 2017 includes \$854,093 secured by letters of credit.

THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2017

10. Tangible capital assets:

	Land	Land	Buildings	Machinery	Roads	Sanitary	Storm	Water	Assets	Total
	Improvements	and	and	and	and	Sewer	Sewer	System	Under	
		Facilities	Equipment	Sidewalks	Infrastructure	Infrastructure	Infrastructure	Infrastructure	Construction	
Cost:										
Balance, beginning of year	\$ 10,812,203	\$ 8,286,867	\$ 30,898,574	\$ 11,454,022	\$ 39,955,119	\$ 18,509,667	\$ 20,230,245	\$ 14,503,696	\$ 6,945,815	\$ 161,596,208
Additions	-	222,487	201,313	787,986	1,546,652	358,270	363,196	1,326,522	6,598,666	11,405,092
Transfers	-	108,529	76,180	153,976	237,403	687,805	168,758	4,544,798	(5,977,449)	-
Disposals	(18)	(76,596)	(62,323)	(538,411)	(238,345)	(169,761)	(48,281)	(536,580)	-	(1,670,315)
Adjustments (note 18)	-	-	-	-	-	-	-	(600,000)	-	(600,000)
Balance, end of year	\$ 10,812,185	\$ 8,541,287	\$ 31,113,744	\$ 11,857,573	\$ 41,500,829	\$ 19,385,981	\$ 20,713,918	\$ 19,238,436	\$ 7,567,032	\$ 170,730,985
Accumulated Amortization:										
Balance, beginning of year	\$ -	\$ 5,456,558	\$ 12,822,675	\$ 6,553,251	\$ 19,052,528	\$ 6,430,832	\$ 8,757,575	\$ 493,175	\$ -	\$ 59,566,594
Disposals	-	(73,617)	(62,322)	(538,411)	(184,091)	(52,302)	(32,812)	(20,824)	-	(964,379)
Amortization expense	-	280,743	1,201,123	859,751	968,258	295,979	317,502	530,519	-	4,453,875
Balance, end of year	\$ -	\$ 5,663,684	\$ 13,961,476	\$ 6,874,591	\$ 19,836,695	\$ 6,674,509	\$ 9,042,265	\$ 1,002,870	\$ -	\$ 63,056,090
Net book value, end of year	\$ 10,812,185	\$ 2,877,603	\$ 17,152,268	\$ 4,982,982	\$ 21,664,134	\$ 12,711,472	\$ 11,671,653	\$ 18,235,566	\$ 7,567,032	\$ 107,674,895
Net book value, beginning of year	\$ 10,812,203	\$ 2,830,309	\$ 18,075,899	\$ 4,900,771	\$ 20,902,591	\$ 12,078,835	\$ 11,472,670	\$ 14,010,521	\$ 6,945,815	\$ 102,029,614

THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2017

10. 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 market value at the date of contribution. The value of contributed assets received during the year was comprised of:

	2017	2016
Roads and sidewalks	\$ 437,107	\$ -
Sanitary sewers	186,362	-
Storm sewers	141,118	63,879
Developers' contributions of tangible capital assets	\$ 764,587	\$ 63,879

(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.

11. Accumulated surplus:

	Reserves established by bylaw (note 13(a))	Other reserves (note 13(b))	Other surplus funds	Investment in tangible capital assets (note 12)	Total
General Fund	\$ 16,419,746	\$ 17,089,611	\$ 4,801,287	\$ 60,141,367	\$ 98,452,011
Sanitary Sewer Fund	-	12,179,625	1,107,116	13,219,007	26,505,748
Drainage Fund	-	7,273,154	554,218	13,033,004	20,860,376
Water Fund	-	2,465,678	597,399	496,532	3,559,609
Total for 2017	\$ 16,419,746	\$ 39,008,068	\$ 7,060,020	\$ 86,889,910	\$ 149,377,744
Total for 2016	\$ 11,390,650	\$ 38,315,408	\$ 6,579,247	\$ 82,573,079	\$ 138,858,384

THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2017

11. Accumulated surplus (continued):

Included in the water fund investment in tangible capital assets is an adjustment in the amount of \$2,138,670 (2016 - \$1,758,828) for unspent debt proceeds which have been earmarked for use in future years.

12. Investment in tangible capital assets:

	2017	2016
Tangible capital assets	\$ 107,674,895	\$ 102,029,614
Deduct:		
Capital lease obligation	(20,182)	(42,066)
Debt	(22,346,427)	(20,573,276)
Deferred revenue - facility upgrades	(557,046)	(600,021)
Add:		
Unspent debt proceeds	2,138,670	1,758,828
	<u>\$ 86,889,910</u>	<u>\$ 82,573,079</u>

13. Reserves:

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

	2017	2016
General Fund:		
Land sale reserve	\$ 2,479,123	\$ 2,444,607
Equipment replacement reserve	4,786,946	4,784,458
Capital works, machinery & equipment reserve	4,933,155	4,121,545
Off-street parking facilities reserve	6,659	7,687
Local improvement reserve	32,353	32,353
Community amenity reserve	4,181,510	-
	<u>\$ 16,419,746</u>	<u>\$ 11,390,650</u>

THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2017

13. Reserves (continued):

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

	2017	2016
General Fund:		
Infrastructure reserve	\$ 4,024,920	\$ 4,597,957
Roadworks reserve	3,394,702	3,005,537
Secondary suite service fee reserve	1,001,997	880,598
Density bonus/amenity contribution reserve	529,679	998,985
Incomplete asset improvement projects	3,281,000	3,322,600
<u>Other reserves</u>	<u>4,857,313</u>	<u>5,145,274</u>
	17,089,611	17,950,951
Sanitary Sewer Fund:		
Infrastructure reserve	11,454,407	10,668,241
Terry Road local improvement reserve	77,318	89,401
<u>Incomplete asset improvement projects</u>	<u>647,900</u>	<u>378,700</u>
	12,179,625	11,136,342
Drainage Fund:		
Infrastructure reserve	5,025,154	5,361,431
Operating reserve	25,000	25,000
<u>Incomplete asset improvement projects</u>	<u>2,223,000</u>	<u>2,068,100</u>
	7,273,154	7,454,531
Water Fund:		
Infrastructure reserve	1,997,506	1,430,075
Debt retirement reserve	7,072	3,209
<u>Operating reserve</u>	<u>461,100</u>	<u>340,300</u>
	2,465,678	1,773,584
	<u>\$ 39,008,068</u>	<u>\$ 38,315,408</u>

14. 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 Greater 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, 2017

14. Commitments and contingencies (continued):

(c) Lease Commitments:

The City entered into a five-year agreement, initially ending 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 three additional five-year terms.

In January 2013, the City exercised its second option to renew this lease for the five-year term ending July 31, 2018. During this period the City is committed to annual base rent payments of \$400,000.

The City has entered into various leases for office and other operating equipment. Total annual commitments for the next four years, net of applicable taxes are approximately as follows:

Year ended December 31:	
2018	\$ 37,977
2019	24,068
2020	17,696
2021	6,574
	<hr/>
	\$ 86,315

(d) Agreements and contractual commitments:

In addition to the leases described above, the City has entered into various agreements and contracts for services and construction with periods ranging from one to five years, including the following:

Water Treatment Plant	\$ 12,611,000
Waterfront Parking Facility	7,503,077
Memorial Park & Pier Washroom	4,508,490
Johnston Road Reconstruction Phase 1	3,197,796

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 five 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, 2017

14. 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	2017	2016
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	-
2178	Water System Infrastructure Construction	88,549	-
		\$ 381,486	\$ 188,135

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 Southwest British Columbia Incorporated ("E-Comm"):

The City is a shareholder of the Emergency Communications for Southwest British Columbia Incorporated ("E-Comm"). The City receives services for the regional 9-1-1 call centre for Greater Vancouver Regional District and the Wide Area Radio network from E-Comm. The City has two Class A shares (of a total 29 Class A and 23 Class B shares issued and outstanding as at December 31, 2017). As a Class A shareholder, the City shares in both funding the future operations and capital obligations of E-Comm (in accordance with a cost sharing formula), including any lease obligations committed to by E-Comm up to the shareholder's withdrawal date. Class B shareholders are only obligated to share in funding of the ongoing operating costs. The City has recorded its proportionate obligations.

(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, 2017

15. 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 193,000 active members and approximately 90,000 retired members. Active members include approximately 38,000 contributors from local government and 150 contributors from the City.

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

The most recent actuarial valuation as at December 31, 2015 indicated a \$2,224 million funding surplus for basic pension benefits. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1,927 million was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rates remained unchanged. The next valuation will be at December 31, 2018 with results available in 2019. 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 \$1,123,100 (2016 - \$1,174,500) for employer contributions to the Plan in fiscal 2017.

16. 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:

	2017	2016
Province of British Columbia - school tax	\$ 12,331,880	\$ 11,588,672
South Coast BC Transportation Authority - Translink tax	2,210,261	2,110,615
Other regional bodies	823,692	752,888
	<u>\$ 15,365,833</u>	<u>\$ 14,452,175</u>

THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2017

17. Sales of services and other revenue:

	2017	2016
Parking	\$ 2,973,884	\$ 3,219,355
Parks, recreation and cultural services	1,641,419	1,607,602
Licences and permits	1,796,746	1,633,607
Solid waste services	1,543,018	1,567,670
Utility service connection fees	669,642	768,660
Community amenity contributions	4,488,471	-
Interest and penalties	1,362,206	967,949
Contributions toward tangible capital asset improvements	305,532	96,586
Other	2,340,039	1,638,193
	<u>\$ 17,120,957</u>	<u>\$ 11,499,622</u>

18. Water utility acquisition:

In August 2015 the City entered into an asset purchase agreement with EPCOR White Rock Water Inc. (the "vendor") to purchase the property and assets of the vendor which were used in the operation of the water distribution utility owned and operated by them. This agreement also required the City to assume certain obligations and liabilities related to the water distribution utility which provides water supply, treatment and distribution service within the municipal boundaries of the City of White Rock and within certain areas of the City of Surrey. At that time, the City paid cash of \$13,848,770 in accordance with the agreement and the final purchase price was subject to negotiation and possible arbitration. The final purchase price was settled on September 29th, 2017, with an adjustment cash payment from the vendor to the City in the amount of \$600,000.

The City adjusted the allocation of tangible capital assets initially recorded in 2015 for this cash settlement, professional fees incurred on the acquisition, and a reduction in provincial sales tax.

19. Comparative information:

Certain components of the comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2017

20. 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.

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, 2017

20. 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	2017	2016
Revenue:											
Property taxes:											
General purposes	\$ 20,446,775	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,446,775	\$ 19,732,564
Regional library levy	-	-	-	897,392	-	-	-	-	-	897,392	869,666
Business improvement levy	270,575	-	-	-	-	-	-	-	-	270,575	311,702
	20,717,350	-	-	897,392	-	-	-	-	-	21,614,742	20,913,932
Receipts in lieu of taxes	18,886	-	-	-	-	-	-	-	-	18,886	14,990
Development cost charges	-	-	73,971	3,416	-	-	9,887	-	-	87,274	27,596
Sanitary sewer fees and parcel tax	-	-	-	-	-	3,618,534	-	-	(27,674)	3,590,860	3,509,856
Drainage user fees	-	-	-	-	-	-	2,150,175	-	-	2,150,175	2,048,559
Water user fees	-	-	-	-	-	-	-	4,459,087	(156,848)	4,302,249	3,617,327
Sales of services and other revenue:											
Parking	-	-	2,973,864	-	-	-	-	-	-	2,973,864	3,219,355
Parks, recreation, and cultural services	-	-	-	1,641,419	-	-	-	-	-	1,641,419	1,607,602
Licences and permits	21,200	1,775,546	-	-	-	-	-	-	-	1,796,746	1,633,607
Solid waste services	-	-	-	-	1,543,018	-	-	-	-	1,543,018	1,587,670
Utility service connection fees	-	-	-	-	-	192,250	203,525	273,867	-	669,642	788,660
Community amenity contributions	4,488,471	-	-	-	-	-	-	-	-	4,488,471	-
Interest and penalties	1,335,655	-	-	-	-	2,864	-	23,687	-	1,362,206	967,949
Contributions toward tangible capital asset improvements	-	5,000	198,467	91,365	-	-	6,200	4,500	-	305,532	96,586
Other	2,607,635	365,325	483,128	57,575	23,757	444,316	87,072	73,410	(1,802,179)	2,340,039	1,638,193
Government grants	268,853	266,756	-	301,678	-	-	-	930,815	-	1,768,102	617,852
Developers' contributions of tangible capital assets	-	-	437,107	-	-	186,362	141,118	-	-	764,587	63,879
	29,458,050	2,412,627	4,166,557	2,992,845	1,566,775	4,444,326	2,597,977	5,765,376	(1,986,701)	51,417,832	42,313,613
Expenses:											
Salaries, wages and benefits	4,102,905	5,723,871	2,369,827	2,521,777	544,965	311,099	357,302	1,066,463	(923,456)	16,094,753	14,679,082
Contracted services	1,328,481	4,972,968	1,869,815	3,974,891	514,741	2,016,493	712,021	1,182,522	(553,626)	16,018,306	13,032,245
Supplies and other	1,121,710	257,400	591,989	941,293	140,491	206,994	119,641	909,702	(509,619)	3,779,601	2,489,435
Amortization	329,379	234,687	1,316,631	1,322,657	94,015	295,379	317,502	543,025	-	4,453,875	4,237,467
Interest on debt	1,494	-	-	-	-	13,362	-	537,081	-	551,937	351,805
	6,883,969	11,188,926	6,168,262	8,760,618	1,294,212	2,843,927	1,506,466	4,238,793	(1,986,701)	40,898,472	34,790,034
Annual surplus (deficit)	\$ 22,574,081	\$ (8,776,299)	\$ (2,001,705)	\$ (5,767,773)	\$ 272,563	\$ 1,600,399	\$ 1,091,511	\$ 1,526,583	\$ -	\$ 10,519,360	\$ 7,523,579

**PART II - CITY OF WHITE ROCK 2017
STATEMENT OF FINANCIAL INFORMATION**

**SUPPLEMENTARY INFORMATION
(SCHEDULE OF REMUNERATION AND EXPENSES,
SCHEDULE OF PAYMENTS TO SUPPLIERS OF
GOODS AND SERVICES, ETC.)**

THE CORPORATION OF THE CITY OF WHITE ROCK
FOR THE YEAR ENDED DECEMBER 31, 2017
SCHEDULE OF DEBTS

For information on the long-term debt and all other debt owed by the City of White Rock as of December 31, 2017, refer to the 2017 Audited Financial Statements Note 8, "Debt", included in Part 1 of the Statement of Financial Information.

THE CORPORATION OF THE CITY OF WHITE ROCK
FOR THE YEAR ENDED DECEMBER 31, 2017
SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS

This organization has not given any guarantees or indemnities under the Guarantees and Indemnities Regulation.

THE CORPORATION OF THE CITY OF WHITE ROCK

SCHEDULE SHOWING THE REMUNERATION AND EXPENSES PAID TO OR ON BEHALF OF EACH EMPLOYEE

YEAR ENDED DECEMBER 31, 2017

1. Elected Officials

Name	Position	Remuneration	Expenses
Baldwin, Wayne	Mayor	\$ 78,730	\$ 3,279
Chesney, David	Councillor	31,490	-
Fathers, Helen	Councillor	34,634	523
Knight, Megan	Councillor	34,634	738
Lawrence, William	Councillor	34,634	8,046
Meyer, Grant	Councillor	34,634	1,189
Sinclair, Lynne	Councillor	34,634	666
Totals		\$ 283,390	\$ 14,441

The above expense figures are based on the criteria defined in the Financial Information Act.

2. Employees

The schedule below shows:

- i) In respect to each employee earning more than \$75,000, the total remuneration paid to the employee and the total amount paid for his/her expenses and
- ii) A consolidated total of all remuneration paid to all other employees.

Remuneration includes gross salaries (including taxable benefits, vehicle allowances, retroactive pay, overtime, vacation and other banked time paid out, etc). The amounts noted with an " * " below include unused vacation and other banked time paid out.

Expenses include travel, memberships, training, registration fees and other similar perquisites and amounts.

Name	Position	Remuneration	Expenses
Abt, Dustin William	Manager, Public Works	\$ 108,933 *	\$ 1,440
Agustin, Arturo	Water Operator	84,311 *	1,017
Almeida, Paulo	Labourer III	82,827 *	1,072
Ambardar, Robert	Manager, Engineering	124,376 *	602
Armstrong, Michael	Firefighter	87,214	26
Arthur, Tracey	Director, Corporate Administration	135,938	1,141
Bancroft, Michael	Firefighter	116,102 *	186
Baragar, Teresa	Manager, RCMP Support Services	89,148	2,148
Bindra, Raghbir	Firefighter	111,988 *	26
Bird, Evan	Firefighter	111,069	1,694
Booth, Scott	Firefighter	109,254 *	26
Bottrill, Daniel	Chief Administrative Officer	229,893 *	6,657
Bowman, Vania	Arboricultural/Horticultural Foreman	86,870 *	2,397
Brierley-Green, Janene	Manager, Revenue Services	115,071	4,076
Brown, Dean	Water Operator	89,282 *	1,575
Cram, Andrew	Firefighter	114,052	26

continued on following page

Name	Position	Remuneration	Expenses
continued from previous page			
Davison, James	Firefighter, Captain	\$ 161,321 *	\$ 1,276
Farrant, Paul	Firefighter	105,921	26
Farrokhi, Farnaz	Manager, Communications & Government Relations	94,870 *	8,604
Fulton, Cordell	Firefighter, Captain	131,250	1,021
Gareau, Guy	Building Official I	94,252 *	1,324
Goulet, Thomas	Firefighter	80,178 *	26
Guraliuk, Mike	Facilities Maintenance Worker	85,671 *	238
Hamilton, Scott	Firefighter, Captain	137,852 *	108
Isaak, Carl	Manager, Planning	109,239 *	5,798
Jasim, Saad	Manager, Utilities	131,940 *	11,228
Johannsen, Carl	Director, Planning & Development Services	97,441 *	1,007
Johnston, Shannon	Manager, Budgets & Accounting	127,596 *	3,162
Johnstone, Jacqueline	Director, Human Resources	138,852 *	1,027
Kameka, Eric	Firefighter	104,602	26
Koleszar, Neil	Foreman Operations	88,799	1,871
Kurylo, Sandra	Director, Financial Services	176,151 *	3,584
Lam, Stephanie	Deputy Corporate Officer	82,720 *	1,327
Lemire, Philip	Fire Chief	161,056 *	407
Lin, Ying	GIS Applications Developer	95,757 *	250
Lo, Hiep	Engineering Technologist	86,503	605
Madsen, Birk	Engineering Technologist	91,467 *	470
Magnus, Christina	Executive Assistant to Mayor & CAO	78,676	85
Mann, Richard	Firefighter	118,089 *	26
McBeath, Christopher	Planner	75,241 *	82
McKinnon, Cory	Firefighter	102,921	26
McMahon, Connor	Firefighter	91,249	26
Meneghin, Matthew	Firefighter	82,922 *	26
Mollan, Kenneth	Firefighter	107,375 *	2,484
Mossop, David	Firefighter	108,074 *	2,045
Nono, Tiburcio	Water Operator	80,645 *	2,142
Nyhus, James	Manager, Building & Bylaw Enforcement	111,994	1,057
Passas, Michael	Firefighter	102,291	726
Pither, Simon	Leadhand Operator Water Distribution	108,917 *	1,116
Roffe, Candice	Health & Safety Advisor	86,659	2,089
Ryan, Patrick	Firefighter	101,845	26
Schlase, Bob	Deputy Fire Chief	165,246 *	659
Siver, Beverley	Manager, Cultural Development	82,257 *	871
Smith, Christopher	Building Maintenance Worker	76,949 *	159
Smith, Douglas	Firefighter, Captain	136,516 *	2,703
St. Louis, Gregory	Director, Engineering & Municipal Operations	162,601 *	1,951
Stark, Mike	Firefighter, Captain	111,300 *	-
Stepura, Eric	Director, Recreation and Culture	151,438 *	3,152
Volkens, Ralph	Manager, Parking Services	84,106 *	2,811
Waddington, Jenine	Capital Asset Analyst	79,293 *	82
Watson, Scott	Manager, Parks	89,910	1,875
Wolfe, Edward	Deputy Fire Chief	173,969 *	6,904
Yee, Sylvia	Manager, Community Recreation	100,395	1,087
Zanic, Boris	GIS Specialist	91,945	324
Zota, Chris	Manager, Information Services	133,645 *	3,254
Consolidated total of all remuneration paid to other employees		5,763,322	52,497
Total Employees		\$ 12,939,556	\$ 157,779

3. Reconciliation

Total remuneration - elected officials	\$ 283,390
Total remuneration - employees	12,939,556
Subtotal	13,222,946
Differences:	
There are differences due to inconsistent reporting formats and accounting treatments required by Canadian Public Sector Accounting Standards for the Financial Statements versus the Financial Information Act for the Statement of Financial Information. For example:	
a) This schedule is prepared on a cash basis of accounting versus the Salaries, Wages and Benefits from Note 20 in the Financial Statements which is prepared on an accrual accounting basis.	124,174
b) This schedule does not include the employer portion of contributions to Work Safe BC, registered pension plans, extended health, and dental plans and other employee benefits that are included in "Salaries, Wages and Benefits" in the Financial Statements Note 20.	2,151,459
c) This schedule does not include the employer portion of Employment Insurance and Canada Pension Plan remittances paid to the Canada Revenue Agency that are included in "Salaries, Wages and Benefits" in the Financial Statement Note 20.	596,174
Total per Financial Statements Note 20, Salaries, Wages & Benefits	\$ 16,094,753
Variance	\$ -

4. Statement of Severance Agreements

There were no severance agreements in accordance with the Financial Information Act made between the City of White Rock and its non-unionized employees during fiscal year 2017

THE CORPORATION OF THE CITY OF WHITE ROCK

SCHEDULE SHOWING PAYMENTS MADE FOR THE PROVISION OF GOODS OR SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2017

Schedule showing the aggregate of amounts paid to all suppliers of goods and services who received more than \$25,000 during the year ended December 31, 2017. This schedule also includes payments for the purposes of grants or contributions.

1. Suppliers > \$25,000

SUPPLIER NAME	AMOUNT PAID
0892230 BC LTD. DBA PJ CONTRACTING	\$ 611,192
A & A TESTING LTD.	131,763
ABSOLUTE INDUSTRIAL MECHANICAL LTD.	35,295
ADCENTIVES ENTERPRISES LTD.	29,718
ANDERSON CREEK SITE DEVELOPING LTD.	284,669
AON REED STENHOUSE	172,765
ASTROGRAPHIC INDUSTRIES LTD.	56,927
AVANTE CONCRETE LTD.	27,825
B & B CONTRACTING (2012) LTD.	111,202
BARNES WHEATON	30,711
BAY HILL CONTRACTING LTD.	449,867
BC HYDRO	800,282
BC PLANT HEALTH CARE INC.	26,641
BINGHAM HILL ARCHITECTS	41,527
BLACK PRESS GROUP LTD.	102,866
BLACKRETE PAVING LTD.	127,678
BNSF RAILWAY COMPANY	446,159
BULL HOUSSER & TUPPER LLP	159,869
CANADA REVENUE AGENCY	596,174
CANADA TICKET	29,847
CASCADE RAIDER HOLDINGS LTD.	66,651
CHUCK CAMERON HOMEYARDCARE	35,170
CITY OF SURREY	487,991
COBRA ELECTRIC LTD.	30,910
COLLINS MANUFACTURING COMPANY LTD.	25,443
CORE CONCEPT CONSULTING LTD.	333,417
CRAVEN HUSTON POWERS ARCHITECTS	31,958
CRESCENT ELECTRICAL CONTRACTORS LTD.	231,672
CROCKER EQUIPMENT CO LTD.	184,501
CUMMINS WESTERN CANADA	25,330
DAVIES ANDY	28,250
DEAD LEVEL CONSTRUCTION LTD.	126,291
DEKRA-LITE INDUSTRIES INCORPORATED	42,017
DELL CANADA INC.	85,130
DIALOG BC INC.	98,363
DIAMOND HEAD CONSULTING LTD.	103,552
DMD & ASSOCIATES LTD.	46,560
DOUGNESS HOLDING LTD.	43,927
DRILLWELL ENTERPRISES LTD.	216,738
DYNAMIC FACILITY SERVICES LTD.	211,234
E-COMM EMERGENCY COMMUNICATIONS FOR BC INC.	80,751
EMCO CORPORATION	156,053
ESRI CANADA LTD.	33,040
ETA LANDSCAPE ARCHITECTURE INC.	30,652
EUROVIA BRITISH COLUMBIA INC.	1,105,292
EXOVA CANADA INC.	47,829
FINNING CANADA	34,995
FORTIS BC	80,790
continued on following page	

SUPPLIER NAME	AMOUNT PAID
continued from previous page	
FRASER HEALTH AUTHORITY	197,171
FRASER VALLEY REGIONAL LIBRARY	904,465
FRED SURRIDGE LTD.	72,082
FRICIA CONSTRUCTION INC.	137,025
GFL ENVIRONMENTAL INC.	46,149
GOODBYE GRAFFITI SURREY	122,168
GRAHAM INFRASTRUCTURE LP	657,406
GREATER VANCOUVER REGIONAL SEWERAGE & DRAINAGE DISTRICT	1,461,058
GREGG DISTRIBUTORS (B.C.) LTD.	45,684
HALEY DODGE	28,681
HARVEST FRASER RICHMOND ORGANICS LTD.	45,071
HETEK SOLUTIONS INC.	27,794
HOOMAN MEHDIZADEHJAFARI	94,500
HUGH & MCKINNON REALTY - IN TRUST	50,605
HYLAND EXCAVATING LTD.	492,910
HYTEK MECHANICAL INC.	40,469
ICC (WESTERN) CONSTRUCTION LTD.	150,386
IMPARK	63,947
INFINITE ROAD MARKING LTD.	140,796
INSURANCE CORP OF BC	102,132
JETT NETWORKS CORP	72,056
JONKER NISSAN	25,902
KERR WOOD LEIDAL CONSULTING ENGINEERS	444,485
KIKHOSROWKIANY FEREDON	45,614
KNV PROPERTIES	36,663
KPMG LLP	100,879
LAFARGE CANADA INC.	35,617
LIDSTONE & COMPANY BARRISTERS & SOLICITORS	326,052
LONG VIEW SYSTEMS	30,451
M2K CONSTRUCTION LTD.	212,383
MAINROAD CONTRACTING LTD.	94,896
MCELHANNEY CONSULTING SERVICES LTD.	43,321
METRO MOTORS LTD.	120,040
METRO VANCOUVER	115,287
MICROSOFT LICENSING GP	63,239
MILLS BASICS	32,433
MINISTER OF FINANCE	135,420
MUNICIPAL INSURANCE ASSOCIATION OF BC	163,386
MUNICIPAL PENSION PLAN	1,162,064
MUSSON CATTELL MACKAY PARTNERSHIP	372,947
NORTH AMERICA CONSTRUCTION (1993) LTD.	555,667
NORTH WEST INTEGRITY CONTRACTING LTD.	109,765
NORTON ROSE FULBRIGHT CANADA LLP	42,623
OCEAN PARK FORD SALES LTD.	49,439
ODGERS BERNDTSON CANADA INC.	53,920
OPUS INTERNATIONAL CONSULTANT (CANADA)	169,030
PACIFIC BLUE CROSS	427,168
PARKLAND REFINING (BC) LTD.	161,891
PIONEER PAVING LTD.	28,833
POSTAGE BY PHONE - PITNEY BOWES	38,617
PRECISION SERVICE & PUMPS INC.	78,057
PROGRESSIVE FENCE INSTALLATIONS LTD.	147,729
PW TRENCHLESS CONSTRUCTION INC.	544,603
R F BINNIE & ASSOCIATES LTD.	411,135
READ JONES CHRISTOFFERSEN LTD.	30,026
REC TEC INDUSTRIES INC.	38,381
RECEIVER GENERAL FOR CANADA	4,138,012
RIOT OF COLOUR BASKETS	35,454
ROYAL CITY FIRE SUPPLIES LTD.	64,400
continued on following page	

SUPPLIER NAME	AMOUNT PAID
continued from previous page	
SANDPIPER CONTRACTING LTD.	120,326
SCOTT PARAGON SIGNS	123,055
SMITHRITE DISPOSAL LTD.	45,626
STANTEC CONSULTING LTD.	103,858
STEEVES AND ASSOCIATES	55,138
STREAMLINE CIVIL CONTRACTORS LTD.	111,040
SUN LIFE ASSURANCE COMPANY OF CANADA	40,720
SUNRISE LANDSCAPING LTD.	67,841
T & S POWER DIGGING	101,456
TELUS	93,524
TELUS MOBILITY	45,109
TEMPEST DEVELOPMENT GROUP	106,592
THE OWNERS, STRATA PLAN BCS 3236	35,866
THE RUSTIC GOURMET	26,430
THE VANCOUVER TROLLEY COMPLANY LTD.	43,092
TOURISM WHITE ROCK ASSOCIATION	103,400
TRITECH GROUP LTD.	25,802
TYBO CONTRACTING LTD.	486,616
UNIVERSITY OF BRITISH COLUMBIA	50,000
VALLEY TRAFFIC SYSTEMS INC.	64,015
VENTEK INTERNATIONAL	54,045
WASTE CONNECTIONS OF CANADA INC.	131,466
WEB EXPRESS	37,322
WESTCOAST COMMUNICATIONS INC.	42,052
WHITESTAR PROPERTY SERVICES LTD.	216,918
WINVAN PAVING LTD.	407,337
WISHBONE INDUSTRIES LIMITED	31,332
WORK SAFE BC	383,681
WORLEY PARSONS CANADA SERVICES LTD.	56,409
WSP CANADA GROUP LIMITED	139,259
XEROX CANADA LTD.	36,386
YMCA OF GREATER VANCOUVER	30,745
TOTAL AMOUNT	\$ 27,352,326

2. Other Suppliers

CONSOLIDATED TOTAL PAID TO SUPPLIERS WHO RECEIVED AGGREGATE PAYMENTS OF \$25,000 OR LESS	\$ 3,253,254
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3. Payments of Grants and Contributions

SUPPLIER NAME	AMOUNT PAID
WHITE ROCK BUSINESS IMPROVEMENT ASSOCIATION	318,000
WHITE ROCK MUSEUM & ARCHIVES SOCIETY (EXCLUDES GRANTS IN AID)	115,600
AGGREGATE GRANT AND CONTRIBUTION PAYMENTS OF \$25,000 OR LESS:	
FUNDING ASSISTANCE	25,000
GRANTS IN AID	46,900
TOTAL GRANTS AND CONTRIBUTIONS	\$ 505,500

4. Reconciliation

Total of payments exceeding \$25,000 paid to suppliers	\$	27,352,326
Total of payments of \$25,000 or less paid to suppliers		3,253,254
Total of grants and contributions		505,500
Subtotal	\$	31,111,080
Differences:		
There are differences due to inconsistent reporting formats and accounting treatments required by Canadian Public Sector Accounting Standards for the Financial Statements versus the Financial Information Act for the Statement of Financial Information. For example:		
a) This schedule includes the employer portion of contributions to Work Safe BC, registered pension plans, extended health, and dental plans and other employee benefits that are not included in "Contracted Services, and Supplies and Other" in the Financial Statements Note 20.		(2,151,459)
b) This schedule includes the employer portion of Employment Insurance and Canada Pension Plan remittances paid to the Canada Revenue Agency that are not included in "Contracted Services, and Supplies and Other" in the Financial Statements Note 20.		(596,174)
c) This schedule does not include the items categorized as employee expenses and shown on the Statement of Remuneration. These items are included in "Contracted Services, and Supplies and Other" in the Financial Statements Note 20.		172,220
d) This schedule does not include the loss on disposal of tangible capital assets that is included in "Contracted Service, and Supplies and Other" in the Financial Statements Note 20.		646,159
e) This schedule is prepared on a cash basis versus the "Contracted Services, and Supplies and Other" amount from Note 20 in the Financial Statements which is prepared on an accrual accounting basis. This schedule also includes payments for the acquisition of tangible capital assets that are not included in "Contracted Services, and Supplies and Other" in the Financial Statements Note 20. There are also different accounting treatments for other items such as GST.		(9,383,919)
Total per Financial Statements Note 20, Contracted Services, and Supplies and Other	\$	19,797,907
Variance	\$	-

Prepared in accordance with the Financial Information Regulation, Schedule 1, section 7 and the Financial Information Act, section 2.

THE CORPORATION OF THE CITY OF WHITE ROCK
FOR THE YEAR ENDED DECEMBER 31, 2017
MANAGEMENT REPORT REQUIRED BY SECTION 9(3)
OF SCHEDULE 1 TO THE REGULATIONS UNDER THE
FINANCIAL INFORMATION ACT (RSBC 1996 Chapter 140)

Notes:

Financial Management Report

1. The financial management report required under Section 9(3) follows this page.

Information required under Section 9(4)

2. The roles of the following regarding the preparation and approval of the Statement of Financial Information ("Statement") hereunder:

City Council - approval of the Statement

Finance and Audit Committee – acceptance of Part I, 2017 Financial Statements

Management/Director of Financial Services - preparation and approval of the Statement

Auditors - audit of the Part I, 2017 Financial Statements.



Sandra Kurylo, B. Comm., CPA, CMA
Director of Financial Services

Prepared in accordance with the Financial Information Regulation, Schedule 1, section 9

THE CORPORATION OF THE CITY OF WHITE ROCK
STATEMENT OF FINANCIAL INFORMATION - FINANCIAL MANAGEMENT
REPORT

YEAR ENDED DECEMBER 31, 2017

Part I of the Statement of Financial Information contains the City's 2017 Financial Statements. As indicated in the Director of Financial Services Report, these Statements were prepared by management of the City of White Rock and audited by the City's auditors.

This report provides a synopsis of the City's 2017 financial results and its financial position as of December 31, 2017.

2017 Financial Results

Details on 2017 financial results are provided in the Statement of Operations.

Revenues

Revenues for 2017 were \$51,417,832. They were \$10,330,354 lower than the budget of \$61,748,186. Major variances from budget are explained below.

The main revenue sources that were under budget for the year are government grants and development cost charges (DCCs), which are funding sources for certain capital projects. Even though these funds may be on-hand, Canadian Public Sector Accounting Standards require that they not be recorded as revenue in the City's Financial Statements until associated expenditures are incurred. While construction of a new water treatment plant is underway, the progress completed at the end of 2017 was not to the level planned when the budget was prepared. A significant portion (83%) of the project cost is funded by a government grant. As a result, related expenditures and recorded grant revenue were under budget in 2017. This explains \$7.8 million of the above revenue variance. Similarly, DCCs were budgeted as a funding source for a parkland acquisition that did not occur during the year, and as well for work on other projects such as Memorial Park, that did not proceed as quickly as planned. This explains why DCC revenue was \$2.6 million under budget for the year. In these cases, the unspent budgets were carried forward to 2018 to complete the work, and these revenues will be reflected in the Financial Statements as the projects proceed. These items were partially offset by other revenues that exceeded budget, such as developers' contributions of tangible capital assets and investment income.

Expenses

Overall, expenses totalled \$40,898,472 and were \$1,412,516 lower than the budget shown of \$42,310,988.

This was a result of temporarily vacant staff positions, budgeted contingency funds that were not fully required, and savings in other departmental operating budgets. As well,

amortization expense for capital assets was lower than budget due to some capital projects that were not completed when planned.

Accumulated Surplus

Accumulated surplus is a combination of the City's investment in tangible capital assets, reserves and other surplus funds. As of December 31, 2017 the total accumulated surplus was \$149,377,744, compared to \$131,334,805 at the end of 2016. Like most local governments, the largest component of accumulated surplus is investment in capital assets, which amounted to \$86,889,910 at the end of 2017. Details on the City's reserves, which totalled \$55,427,814 on December 31, 2017, are provided in notes 11 and 13 of the 2017 Financial Statements. Other surplus funds amounted to \$7,060,020, on December 31, 2017.

Outstanding Debt

Debt outstanding as of December 31, 2017 was \$22,347,427, compared to \$20,573,276 on December 31, 2016. It is comprised of long-term debenture debt mainly attributed to the purchase of property and assets of the local water utility and subsequent water system infrastructure improvements.

In summary, the City ended the year 2017 in a sound financial position.



Sandra Kurylo, B. Comm., CPA, CMA
Director of Financial Services

June 15, 2018