

Appendix A

PRICE: \$5.00

**CITY OF WHITE ROCK
2016
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, 2016

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 26, 2017

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 12, 2017

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, 2016

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**PART I - CITY OF WHITE ROCK 2016
STATEMENT OF FINANCIAL INFORMATION
(2016 AUDITED FINANCIAL STATEMENTS)**

Financial Statements of

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

Year ended December 31, 2016

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, 2016 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.

KPMG LLP, the City's independent auditor, has audited the financial statements contained herein and their report accompanies the statements.

Operating activities during the year contributed a surplus of \$7,523,579. The total accumulated surplus was \$138,858,384 as of December 31, 2016. This figure is comprised of reserves, the City's investment in tangible capital assets and other surplus funds.

Net financial assets increased by \$1,997,077 to \$36,018,714 as of December 31, 2016. This is a positive indicator of the City's financial position.

Debt, net of sinking funds, outstanding as of December 31, 2016 was \$20,573,276, compared to \$14,138,473 on December 31, 2015. It is comprised of long-term debenture debt in the amount of \$14,354,276 and new interim financing of \$6,219,000. Long-term debt of \$14,250,000 is attributed to an advance payment on the purchase of property and assets of the local water distribution utility. The new financing is comprised of a temporary loan in the amount of \$6,219,000 that was obtained to finance subsequent water system infrastructure construction and improvements. This temporary loan was converted to debenture debt in April 2017.

In summary, the City ended the year 2016 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, 2016, 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, 2016 and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Professional Accountants

May 8, 2017

Burnaby, Canada

THE CORPORATION OF THE CITY OF WHITE ROCK

Statement of Financial Position

December 31, 2016, with comparative information for 2015

	2016	2015
Financial Assets		
Cash and cash equivalents (note 2)	\$ 75,673,724	\$ 66,846,579
Temporary investments (note 2)	4,908,698	4,928,565
Accounts receivable (note 3)	3,140,489	2,633,597
Loans receivable (note 4)	21,000	30,500
	<u>83,743,911</u>	<u>74,439,241</u>
Liabilities		
Accounts payable and accrued liabilities (note 5)	6,138,120	6,735,502
Refundable performance deposits (note 2(b))	8,569,173	7,113,041
Capital lease obligation (note 7)	42,066	62,958
Debt (note 8)	20,573,276	14,138,473
Deferred revenue (note 9)	12,402,562	12,367,630
	<u>47,725,197</u>	<u>40,417,604</u>
Net Financial Assets	36,018,714	34,021,637
Non-Financial Assets		
Tangible capital assets (note 10)	102,029,614	96,599,808
Prepaid expenses	581,847	542,889
Inventories of supplies	228,209	170,471
	<u>102,839,670</u>	<u>97,313,168</u>
Accumulated surplus (note 11)	<u>\$ 138,858,384</u>	<u>\$ 131,334,805</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, 2016, with comparative information for 2015

	2016 Budget (Note 1(b))	2016	2015
Revenue:			
Property taxes:			
General purposes	\$ 19,747,460	\$ 19,732,564	\$ 19,642,298
Regional library and fire protection levies	870,288	869,311	1,419,353
Business improvement levy	312,000	311,702	306,000
	<u>20,929,748</u>	<u>20,913,577</u>	<u>21,367,651</u>
Receipts in lieu of taxes	15,000	14,990	18,358
Development cost charges (note 9(a))	648,700	27,596	11,049
Sanitary sewer fees and parcel tax	3,505,906	3,536,470	3,460,471
Drainage user fees	2,046,400	2,048,559	1,979,649
Water user fees	3,700,400	3,733,479	524,746
Sales of services and other revenue (note 17)	17,939,705	11,499,977	11,088,196
Government grants	1,139,840	617,852	637,012
Developers' contributions of tangible capital assets (note 10(b))		63,879	280,373
	<u>49,925,699</u>	<u>42,456,379</u>	<u>39,367,505</u>
Expenses:			
General government	7,857,851	6,607,044	6,001,336
Protection services	10,139,427	9,954,682	9,995,432
Transportation, engineering and operations	5,899,881	5,056,465	5,322,158
Parks, recreation and cultural services	8,013,179	7,311,881	7,095,413
Solid waste services	1,137,600	794,707	1,111,759
Sanitary sewer system	2,577,042	2,077,330	2,073,483
Drainage system	843,500	753,642	673,997
Water system	3,003,765	2,377,049	446,518
	<u>39,472,245</u>	<u>34,932,800</u>	<u>32,720,096</u>
Annual surplus	10,453,454	7,523,579	6,647,409
Accumulated surplus, beginning of year	131,334,805	131,334,805	124,687,396
Accumulated surplus, end of year	<u>\$ 141,788,259</u>	<u>\$ 138,858,384</u>	<u>\$ 131,334,805</u>

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, 2016, with comparative information for 2015

	2016 Budget	2016	2015
Annual surplus	\$ 10,453,454	\$ 7,523,579	\$ 6,647,409
Acquisition of tangible capital assets	(28,390,000)	(9,635,518)	(18,493,249)
Contribution of tangible capital assets	-	(63,879)	(280,373)
Amortization of tangible capital assets	5,022,500	4,237,467	3,810,631
Loss (gain) on disposal of tangible capital assets	-	(479,051)	65,233
Proceeds on disposal of tangible capital assets	-	511,175	30,870
	(12,914,046)	2,093,773	(8,219,479)
Acquisition of prepaid expenses	-	(581,847)	(542,889)
Acquisition of inventories of supplies	-	(228,209)	(170,471)
Use of prepaid expenses	-	542,889	517,052
Consumption of inventories of supplies	-	170,471	70,402
Change in net financial assets	(12,914,046)	1,997,077	(8,345,385)
Net financial assets, beginning of year	34,021,637	34,021,637	42,367,022
Net financial assets, end of year	\$ 21,107,591	\$ 36,018,714	\$ 34,021,637

See accompanying notes to financial statements.

THE CORPORATION OF THE CITY OF WHITE ROCK

Statement of Cash Flows

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Cash provided by (used in):		
Operating:		
Annual surplus	\$ 7,523,579	\$ 6,647,409
Items not involving cash:		
Amortization	4,237,467	3,810,631
Loss (gain) on disposal of tangible capital assets	(479,051)	65,233
Developers' contributions of tangible capital assets	(63,879)	(280,373)
Changes in non-cash operating working capital:		
Increase in accounts receivable	(506,892)	(760,324)
Increase in prepaid expenses	(38,958)	(25,837)
Increase in inventories of supplies	(57,738)	(2,069)
Decrease in loans receivable	9,500	13,500
Increase (decrease) in accounts payable and accrued liabilities	(597,382)	335,273
Increase in refundable performance deposits	1,456,132	1,170,197
Increase in deferred revenue	34,932	1,789,011
Net change in cash from operating activities	11,517,710	12,762,651
Capital activities:		
Cash consideration for water utility acquisition	-	(13,848,770)
Cash used to acquire tangible capital assets	(9,635,518)	(4,356,905)
Proceeds on disposal of tangible capital assets	511,175	30,870
Net change in cash from capital activities	(9,124,343)	(18,174,805)
Financing activities:		
New debt issued (note 8)	20,469,000	14,022,000
Principal payments on debt	(14,034,197)	(11,616)
Principal payments on capital leases	(20,892)	(19,944)
Net change in cash from financing activities	6,413,911	13,990,440
Investing activities:		
Change in temporary investments	19,867	4,025,810
Net change in cash and cash equivalents	8,827,145	12,604,096
Cash and cash equivalents, beginning of year	66,846,579	54,242,483
Cash and cash equivalents, end of year	\$ 75,673,724	\$ 66,846,579

See accompanying notes to financial statements.

THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements

Year ended December 31, 2016

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 2016 component of *Financial Plan (2016-2020) Bylaw, 2016, No. 2132, Amendment No. 1, Bylaw 2016, No. 2143* adopted by the City Council on April 25, 2016.

(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.

(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, 2016

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, 2016.

(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:

Asset	Useful Life - Years
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	30 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, 2016

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) Arts and heritage assets:

Arts and heritage assets are not recorded as assets in these financial statements as stipulated by PSAB standards.

(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, 2016

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, 2016

2. Cash and cash equivalents and temporary investments:

	2016	2015
Cash balances	\$ 60,173,846	\$ 43,906,039
Cash equivalents:		
Money market securities and term deposits maturing within 90 days of inception	11,474,184	18,946,587
MFA Money Market Fund	4,025,694	3,993,953
	75,673,724	66,846,579
Temporary investments consisting of term deposits maturing within 365 days of inception	4,908,698	4,928,565
	\$ 80,582,422	\$ 71,775,144

Cash equivalents and temporary investments, including the MFA Money Market Fund, have annual yields that range from 0.79% to 1.20% (2015 - 0.85% to 1.35%).

- (a) Included in financial assets are cash and cash equivalents of \$4,251,001 (2015 - \$4,046,293) that can only be used for the acquisition of tangible capital assets as provided for by the DCC Bylaw (note 9(a)).
- (b) Included in cash and cash equivalents is an amount of \$8,569,173 (2015 - \$7,113,041) which consists of refundable performance deposits.

3. Accounts receivable:

	2016	2015
Property taxes	\$ 1,241,151	\$ 955,233
Water user fees	970,059	520,051
Government grants	67,886	68,835
Amount secured by letters of credit	200,000	200,000
Water utility transition, due from EPCOR White Rock Water Inc.	-	329,213
Other	661,393	560,265
	\$ 3,140,489	\$ 2,633,597

4. Loans receivable:

The City had a loan receivable in the amount of \$6,000 in 2015 from The White Rock Lawn Bowling Club (the "Club") to assist in financing the purchase and installation of the Club's artificial green. The loan was fully repaid in 2016.

THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2016

4. Loans receivable (continued):

The City has a loan receivable in the amount of \$21,000 (2015 - \$24,500) 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 six equal annual instalments. The interest is paid semi-annually.

5. Accounts payable and accrued liabilities:

	2016	2015
Trade accounts payable and other	\$ 2,907,105	\$ 3,277,291
Due to governments and agencies	1,306,874	1,532,548
Post-employment benefits (note 6)	1,285,750	1,405,250
Other payroll liabilities	638,391	520,413
	<u>\$ 6,138,120</u>	<u>\$ 6,735,502</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.

	2016	2015
Accrued benefit obligation:		
Balance, beginning of year	\$ 1,423,500	\$ 1,421,500
Immediate recognition of Work Safe BC benefits liability	(139,900)	(22,400)
Current service cost	106,900	100,300
Interest cost	40,500	39,800
Benefits paid	(161,600)	(72,446)
Plan amendment	37,300	(26,900)
Actuarial loss (gain)	87,800	(16,354)
Balance, end of year	<u>\$ 1,394,500</u>	<u>\$ 1,423,500</u>

THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2016

6. Post-employment benefits (continued):

	2016	2015
Accrued benefit obligation, end of year	\$ 1,394,500	\$ 1,423,500
Unamortized net actuarial loss	(108,750)	(18,250)
Accrued benefit liability, end of year	\$ 1,285,750	\$ 1,405,250

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:

	2016	2015
Discount rates	3.30%	3.10%
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:		
2017	\$	23,378
2018		16,227
2019		4,539
Minimum capital lease payments		44,144
Less amounts representing interest		2,078
	\$	42,066

THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2016

8. Debt:

	2016	2015
Debentures, net of repayments and actuarial adjustments (a)	\$ 14,354,276	\$ 116,473
Interim financing (b)	6,219,000	14,022,000
	\$ 20,573,276	\$ 14,138,473

(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		
						2016	2015	
1667	Sanitary Sewers-Local Improvement	2023	5.95%	n/a	\$ 224,580	\$ 120,304	\$ 104,276	\$ 116,473
2098	Water Utility Acquisition Advance Payment	2046	2.60%	2026	14,250,000	-	14,250,000	-
					\$ 14,474,580	\$ 120,304	\$ 14,354,276	\$ 116,473

* 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 \$272,713 (2015 - \$13,363).

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
		\$ 144,746

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, 2016

8. Debt (continued):

(a) Debentures (continued):

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

2017	\$	288,848
2018		299,150
2019		309,823
2020		320,878
2021		332,331
Thereafter		12,803,246
		<hr/>
		\$ 14,354,276

(b) Interim financing:

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 2017, this temporary loan was converted to debenture debt for periods of ten and thirty years at an interest rate of 2.80% for the first ten years. After this time the City will have the option to retire part or all of the debt early, or refinance the borrowing at a new interest rate.

9. Deferred revenue:

	2016	2015
Property taxes	\$ 3,646,498	\$ 3,951,726
Contributions for future capital works	1,217,410	1,152,590
Development cost charges (a)	4,251,001	4,046,293
Utility service connections	507,200	659,900
Deferred revenue - facility upgrades	600,021	642,996
Deferred revenue - building permits	1,269,470	1,242,660
Other	910,962	671,465
	<hr/>	<hr/>
	\$ 12,402,562	\$ 12,367,630

THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2016

9. Deferred revenue:

(a) Development cost charges:

	Highways	Drainage	Parkland	Total
Balance, beginning of year	\$ 590,470	\$ 733,737	\$ 2,722,086	\$ 4,046,293
Add:				
Amounts received	27,962	25,097	122,985	176,044
Investment income	8,232	10,160	37,868	56,260
Deduct:				
Acquisition of tangible capital assets	4,586	3,451	19,559	27,596
Balance, end of year	\$ 622,078	\$ 765,543	\$ 2,863,380	\$ 4,251,001

THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2016

10. Tangible capital assets:

	Land Improvements	Land	Buildings and Facilities	Machinery and Equipment	Roads and Sidewalks	Sanitary Sewer Infrastructure	Storm Sewer Infrastructure	Water System Infrastructure	Assets Under Construction	Total
Cost:										
Balance, beginning of year	\$ 9,594,395	\$ 7,986,095	\$ 30,673,574	\$ 10,395,685	\$ 39,250,883	\$ 18,204,584	\$ 19,980,807	\$ 8,768,050	\$ 7,486,787	\$ 152,340,860
Additions	1,195,700	163,510	225,000	1,231,410	273,693	303,535	91,790	295,185	5,919,583	9,699,396
Transfers	22,500	137,262	-	161,501	496,030	23,722	179,079	5,440,461	(6,460,555)	-
Disposals	(392)	-	-	(334,574)	(65,487)	(22,174)	(21,421)	-	-	(444,048)
Balance, end 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
Accumulated Amortization:										
Balance, beginning of year	-	5,193,097	11,601,636	6,080,385	18,174,025	6,151,305	8,459,818	80,786	-	55,741,052
Disposals	-	-	-	(333,894)	(54,966)	(7,502)	(15,563)	-	-	(411,925)
Amortization expense	-	263,461	1,221,039	806,760	933,469	287,029	313,320	412,389	-	4,237,467
Balance, end 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
Net book value, end 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
Net book value, beginning of year	\$ 9,594,395	\$ 2,792,998	\$ 19,071,938	\$ 4,315,300	\$ 21,076,858	\$ 12,053,279	\$ 11,520,989	\$ 8,667,264	\$ 7,486,787	\$ 96,599,808

THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2016

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 service.

(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:

	2016	2015
Roads and sidewalks	\$ -	\$ 180,031
Sanitary sewers	-	43,000
Storm sewers	63,879	57,342
Developers' contributions of tangible capital assets	\$ 63,879	\$ 280,373

(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 recorded as tangible capital assets.

(e) Write-down of tangible capital assets:

There were no write-downs of tangible capital assets during the year.

11. Accumulated surplus:

	Statutory reserves (note 13(a))	Non- statutory reserves (note 13(b))	Other surplus funds	Investment in tangible capital assets (note 12)	Total
General Fund	\$ 11,390,650	\$ 17,950,951	\$ 4,563,711	\$ 58,151,815	\$ 92,057,127
Sanitary Sewer Fund	89,401	11,046,941	1,107,116	12,677,928	24,921,386
Drainage Fund	-	7,454,531	518,320	11,796,014	19,768,865
Water Fund	-	1,773,584	390,100	(52,678)	2,111,006
Total for 2016	\$ 11,480,051	\$ 38,226,007	\$ 6,579,247	\$ 82,573,079	\$ 138,858,384
Total for 2015	\$ 11,443,841	\$ 32,494,426	\$ 5,641,157	\$ 81,755,381	\$ 131,334,805

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

THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2016

12. Investment in tangible capital assets:

	2016	2015
Tangible capital assets	\$ 102,029,614	\$ 96,599,808
Deduct:		
Capital lease obligation	(42,066)	(62,958)
Debt	(20,573,276)	(14,138,473)
Deferred revenue - facility upgrades	(600,021)	(642,996)
Add:		
Unspent debt proceeds	1,758,828	-
	\$ 82,573,079	\$ 81,755,381

13. Reserves:

(a) Statutory reserves:

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

	2016	2015
General Fund:		
Land sale reserve	\$ 2,444,607	\$ 3,320,787
Equipment replacement reserve	4,784,458	4,532,831
Capital works, machinery & equipment reserve	4,121,545	3,449,100
Off-street parking facilities reserve	7,687	7,584
Local improvement reserve	32,353	32,353
	11,390,650	11,342,655
Sanitary Sewer Fund:		
Terry Road local improvement reserve	89,401	101,186
	\$ 11,480,051	\$ 11,443,841

THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2016

13. Reserves (continued):

(b) Non-statutory reserves:

	2016	2015
General Fund:		
Infrastructure reserve	\$ 4,681,857	\$ 4,637,313
Computer replacement reserve	170,532	166,550
Economic development reserve	99,190	72,390
Pier preservation reserve	202,211	190,369
Police equipment reserve	220,464	211,541
Roadworks reserve	3,005,537	2,448,352
Density bonus/amenity contribution reserve	998,985	953,566
Public art contribution reserve	6,108	116,108
Parking reserve	748,014	503,000
Community Works Fund agreement reserve	327,789	215,708
Secondary suite service fee reserve	880,598	677,864
Solid waste operating reserve	416,319	87,514
Other operating reserves	2,870,747	2,591,866
<u>Incomplete asset improvement projects</u>	<u>3,322,600</u>	<u>2,383,400</u>
	17,950,951	15,255,541
Sanitary Sewer Fund:		
Infrastructure reserve	10,668,241	8,113,065
Pump station reserve	-	1,273,919
<u>Incomplete asset improvement projects</u>	<u>378,700</u>	<u>967,900</u>
	11,046,941	10,354,884
Drainage Fund:		
Infrastructure reserve	5,361,431	4,764,357
Operating reserve	25,000	25,000
<u>Incomplete asset improvement projects</u>	<u>2,068,100</u>	<u>1,471,600</u>
	7,454,531	6,260,957
Water Fund:		
Infrastructure reserve	1,430,075	262,344
Debt retirement reserve	3,209	-
<u>Operating reserve</u>	<u>340,300</u>	<u>360,700</u>
	1,773,584	623,044
	<u>\$ 38,226,007</u>	<u>\$ 32,494,426</u>

THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2016

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.

(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 five years, net of applicable taxes, are approximately as follows:

Year ending December 31:		
2017	\$	33,442
2018		31,526
2019		17,617
2020		11,245
2021		2,811
	\$	96,641

THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2016

14. Commitments and contingencies (continued):

(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. These commitments are in the normal course of operations.

(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	2016	2015
1667	Sanitary Sewers - Local Improvement	\$ 7,364	\$ 7,364
2098	Water Utility Acquisition Advance Payment	180,771	
		\$ 188,135	\$ 7,364

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 28 Class A and 23 Class B shares issued and outstanding as at December 31, 2016). 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.

THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2016

14. Commitments and contingencies (continued):

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

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

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 189,000 active members and approximately 85,000 retired members. Active members include approximately 37,000 contributors from local government and 140 contributors from the City.

The most recent actuarial valuation as at December 31, 2015 indicated a \$2,224 million funding surplus for basic pension benefits. 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 with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

The City paid \$1,174,500 (2015 - \$1,011,600) for employer contributions to the Plan in fiscal 2016.

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:

	2016	2015
Province of British Columbia - school tax	\$ 11,588,672	\$ 11,219,954
South Coast BC Transportation Authority - Translink tax	2,110,615	2,114,382
Other regional bodies	752,888	733,906
	<u>\$ 14,452,175</u>	<u>\$ 14,068,242</u>

THE CORPORATION OF THE CITY OF WHITE ROCK

Notes to Financial Statements (continued)

Year ended December 31, 2016

17. Sales of services and other revenue:

	2016	2015
Parking	\$ 3,219,355	\$ 3,202,849
Parks, recreation and cultural services	1,607,602	1,573,413
Licences and permits	1,633,607	1,614,452
Solid waste services	1,567,670	981,917
Utility service connection fees	768,660	523,450
Density bonus/amenity contributions	-	640,000
Interest and penalties	967,949	959,979
Contributions toward tangible capital asset improvements	96,586	89,163
Other	1,638,548	1,502,973
	<u>\$ 11,499,977</u>	<u>\$ 11,088,196</u>

18. Water utility acquisition:

On August 28, 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. As at December 31, 2015, the City paid cash of \$13,848,770, in accordance with this agreement. The final purchase price is subject to negotiation and possible arbitration. Any adjustments as a result of this process will be recorded at the time of determination. As of the effective date of acquisition, which was October 30, 2015, the cash paid was allocated based on the estimated fair market value of the acquired assets and liabilities, as follows:

Tangible capital assets including assets under construction	\$ 14,136,344
Other assets	457,352
Liabilities	(744,926)
	<u>\$ 13,848,770</u>

19. Comparative information:

Certain components of the comparative information 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, 2016

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, City Clerk, 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 involve the City's garbage collection, green waste collection and recycling programs.

Sanitary Sewer System – These services involve 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, 2016

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	2016	2015
Revenue:											
Property taxes:											
General purposes	\$ 19,732,564	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,732,564	\$ 19,642,298
Regional library and fire protection levies		(355)								869,311	1,419,353
Business improvement levy	311,702			869,666						311,702	306,000
	20,044,266	(355)		869,666						20,913,577	21,367,651
Receipts in lieu of taxes	14,990									14,990	18,358
Development cost charges	24,145						3,451			27,596	11,049
Sanitary sewer fees and parcel tax						3,536,470				3,536,470	3,460,471
Drainage user fees							2,048,559			2,048,559	1,979,649
Water user fees								3,733,479		3,733,479	524,746
Sales of services and other revenue:											
Parking			3,219,355							3,219,355	3,202,849
Parks, recreation, and cultural services				1,607,602						1,607,602	1,573,413
Licences and permits	31,230	1,602,377			1,567,670					1,633,607	1,614,452
Solid waste services						277,850	261,850	228,960		1,567,670	981,917
Utility service connection fees										768,660	523,450
Density bonus/amenity contributions											
Interest and penalties	956,301					11,648				967,949	640,000
Contributions toward tangible capital asset improvements	7,347	408	43,160	11,271		15,600				96,566	89,163
Other	2,638,079	68,298	452,133	42,975	31,309	17,272	18,800	119,024	(1,770,336)	1,638,548	1,502,973
Government grants	499,235	35,973		82,644			39,794			617,852	637,012
Developers' contributions of tangible capital assets											
	24,215,593	1,706,701	3,714,648	2,614,158	1,598,979	3,858,840	2,436,333	4,081,463	(1,770,336)	42,456,379	39,367,505
Expenses:											
Salaries, wages and benefits	3,924,933	4,938,577	2,338,368	2,348,600	530,234	345,804	392,776	856,917	(997,127)	14,679,082	13,651,803
Contracted services	1,255,014	4,441,648	1,433,285	2,889,756	494,106	1,749,571	4,18,825	884,366	(534,325)	13,032,245	12,613,273
Supplies and other	1,116,675	342,937	39,980	773,517	113,834	83,822	88,073	311,247	(238,884)	2,632,201	2,609,756
Amortization	339,246	231,520	1,244,832	1,300,008	94,015	287,032	313,320	427,494		4,237,467	3,810,631
Interest on debt	2,486					13,363		335,956		351,805	34,633
	6,636,354	9,954,682	5,056,465	7,311,881	1,232,189	2,479,592	1,213,994	2,815,979	(1,770,336)	34,932,800	32,720,096
Annual surplus (deficit)	\$ 17,577,239	\$ (8,247,981)	\$ (1,341,817)	\$ (4,697,723)	\$ 366,790	\$ 1,379,248	\$ 1,222,339	\$ 1,265,484	\$ -	\$ 7,523,579	\$ 6,647,409

**PART II - CITY OF WHITE ROCK 2016
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, 2016
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, 2016, refer to the 2016 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, 2016
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, 2016

1. Elected Officials

Name	Position	Remuneration	Expenses
Baldwin, Wayne	Mayor	\$ 78,730	\$ 3,368
Chesney, David	Councillor	31,490	3,688
Fathers, Helen	Councillor	34,625	909
Knight, Megan	Councillor	34,625	4,031
Lawrence, William	Councillor	34,625	10,761
Meyer, Grant	Councillor	34,625	4,270
Sinclair, Lynne	Councillor	34,668	4,149
Totals		\$ 283,388	\$ 31,176

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
Ambardar, Robert	Manager Engineering	\$ 135,144 *	\$ 361
Armstrong, Michael	Firefighter	84,527	720
Arthur, Tracey	City Clerk	127,809 *	2,399
Bancroft, Michael	Firefighter	130,795	1,230
Baragar, Teresa	Manager RCMP Support Services	85,337	194
Bindra, Raghbir	Firefighter	124,273 *	719
Bird, Evan	Firefighter	127,543	1,444
Booth, Scott	Firefighter	130,813 *	719
Bottrill, Daniel	Chief Administrative Officer	215,230 *	7,688
Brierley-Green, Janene	Manager Revenue Services	107,725	2,813
Cooper, Karen	Director Planning & Development	94,218	4,237
Cram, Andrew	Firefighter	121,944	491
Davison, James	Firefighter, Captain	151,343 *	490
Dawson Halpern, Claire	Manager Cultural Development	75,970	1,409
Farrant, Paul	Firefighter	98,200	720
Fulton, Cordell	Firefighter, Captain	151,626 *	3,508
continued on following page			

Name	Position	Remuneration	Expenses
continued from previous page			
Gareau, Guy	Building Official I	\$ 103,460 *	\$ 1,470
Guraliuk, Mike	Facilities Maintenance Worker	79,861 *	184
Hamilton, Scott	Firefighter, Captain	156,298 *	3,046
Isaak, Carl	Manager Planning	90,322 *	3,807
Johnston, Shannon	Manager Accounting & Budgets	121,164 *	3,493
Johnstone, Jacqueline	Director Human Resources	131,852 *	2,511
Kameka, Eric	Firefighter	122,307	720
Koleszar, Neil	Foreman Operations	78,021 *	586
Kurylo, Sandra	Director of Financial Services	175,977 *	4,084
Lemire, Philip	Fire Chief	189,834 *	2,022
Lin, Ying	GIS Applications Developer	91,328 *	2,734
Lo, Hiep	Engineering Technologist	80,491 *	876
Low, Robert	Network Administrator	83,965 *	192
Magnus, Christina	Executive Assistant to Mayor & CAO	76,991	-
Mann, Richard	Firefighter	136,071 *	720
McBeath, Christopher	Planner	97,428	3,103
McKinnon, Cory	Firefighter	126,162	719
McMahon, Connor	Firefighter	83,448	719
Miller, Nicholas	Foreman Trades Mechanic	83,453 *	1,074
Mollan, Kenneth	Firefighter	123,340	720
Mossop, David	Firefighter	123,940	1,101
Passas, Michael	Firefighter	130,434	719
Pither, Simon	Leadhand Operator Water Distribution	98,646 *	980
Roffe, Candice	Health & Safety Advisor	83,566	518
Ryan, Patrick	Firefighter	124,313	719
Schlase, Bob	Deputy Fire Chief	174,061 *	1,025
Slack, Paul	Manager Operations	150,501 *	-
Smith, Douglas	Firefighter	139,067 *	2,146
St. Louis, Gregory	Director Engineering & Municipal Operations	158,409 *	3,016
Stark, Mike	Firefighter, Captain	153,374 *	720
Stepura, Eric	Director of Recreation and Culture	142,811 *	2,281
Volkens, Ralph	Manager Parking Services	75,050	3,413
Waddington, Jenine	Capital Asset Analyst	78,477 *	1,492
Wolfe, Edward	Deputy Fire Chief	184,454 *	2,270
Yee, Sylvia	Manager Community Recreation	94,536 *	2,383
Zanic, Boris	GIS Specialist	87,636	291
Zota, Chris	Manager Information Services	113,942	3,209
Consolidated total of all remuneration paid to other employees		6,034,452	52,328
Total Employees		\$ 12,341,939	\$ 140,533

3. Reconciliation

Total remuneration - elected officials	\$ 283,388
Total remuneration - employees	12,341,939
Subtotal	12,625,327
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.	(644,260)
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.	2,105,658
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.	592,357
Total per Financial Statements Note 20, Salaries, Wages & Benefits	\$ 14,679,082
Variance	\$ -

4. Statement of Severance Agreements

There were two severance agreements in accordance with the Financial Information Act made between the City of White Rock and its non-unionized employees upon which payment commenced during fiscal year 2016. These agreements represent eight to twenty months of compensation.

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, 2016**

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, 2016. This schedule includes payments for the purposes of grants or contributions.

1. Suppliers > \$25,000

SUPPLIER NAME	AMOUNT PAID
AECOM CANADA LIMITED	\$ 59,163
AON REED STENHOUSE	184,964
ASTROGRAPHIC INDUSTRIES LTD	33,868
ATS TRAFFIC BC	71,173
B & B CONTRACTING (2012) LTD	165,888
BA BLACKTOP LTD	307,101
BC HYDRO	743,495
BC PLANT HEALTH CARE INC.	29,857
BLACK PRESS GROUP LTD.	50,635
BLUE PINE ENTERPRISES LTD	60,937
BNSF RAILWAY COMPANY	428,871
BULL HOUSSER & TUPPER LLP	25,723
CANADA REVENUE AGENCY	592,357
CEDAR CREST LANDS (BC) LTD	49,785
CHEVRON CANADA LTD	153,771
CHUCK CAMERON HOMEYARDCARE	39,044
CITY OF SURREY	586,652
CITY SPACES	25,046
COBRA ELECTRIC LTD	26,490
CORE CONCEPT CONSULTING LTD	42,214
CORIOLIS CONSULTING CORP	60,432
CRESCENT ELECTRICAL CONTRACTORS LTD	221,669
DEAD LEVEL CONSTRUCTION LTD	125,221
DELL CANADA INC.	48,437
DIAMOND HEAD CONSULTING LTD	88,872
DOUGNESS HOLDING LTD.	147,732
DYNAMIC FACILITY SERVICES LTD	260,396
E-COMM EMERGENCY COMMUNICATIONS FOR BC INC	77,404
E. LEES AND ASSOCIATES CONSULTING LTD.	41,558
EMCO CORPORATION	164,626
ESRI CANADA LTD.	33,040
EXOVA CANADA INC	33,701
FIRST TRUCK CENTRE VANCOUVER INC	225,335
FONTANA LANDSCAPES LTD.	26,712
FORTIS BC	68,490
FRASER VALLEY REGIONAL LIBRARY	870,288
FRED SURRIDGE LTD.	163,711
GRAHAM INFRASTRUCTURE LP	3,455,140
GREATER VANCOUVER SEWERAGE & DRAINAGE DISTRICT	1,348,036
GREGG DISTRIBUTORS (BC) LTD	58,587
HALLMARK CARPETS LTD	27,115
HARVEST FRASER RICHMOND ORGANICS LTD	64,257
HILL & KNOWLTON STRATEGIES	36,287
HUI BECKY	27,848
HYTEK MECHANICAL INC	33,359
IMPARK	63,947
INSURANCE CORP OF BC	91,968
JETT NETWORKS CORP	104,895
continued on following page	

SUPPLIER NAME	AMOUNT PAID
continued from previous page	
KERR WOOD LEIDAL CONSULTING ENGINEERS	305,015
KNV PROPERTIES	87,046
KPMG LLP	55,073
KURT ALBERTS BES MCIP RPP	54,075
LAFARGE CANADA INC.	45,537
LIDSTONE & COMPANY BARRISTERS & SOLICITORS	142,793
LIDSTONE & COMPANY LAW CORPORATION IN TRUST	1,380,000
LLW HOLDINGS LTD	783,649
LONG VIEW SYSTEMS	147,980
MEDICAL SERVICES PLAN OF B.C.	130,165
METRO MOTORS LTD	33,740
METRO VANCOUVER	53,504
MICROSOFT LICENSING GP	60,695
MILLS BASICS	38,433
MMM GROUP LIMITED	27,997
MUNICIPAL INSURANCE ASSOCIATION OF BC	211,399
MUNICIPAL PENSION PLAN	1,187,997
PACIFIC BLUE CROSS	372,151
PONTE BROS.CONTRACTING LTD.	271,997
POSTAGE BY PHONE - PITNEY BOWES	36,511
POWER CIVIL CONTRACTORS LTD	30,883
PRAIRIE COAST EQUIPMENT	57,711
PRECISION SERVICE & PUMPS INC	51,624
PROGRESSIVE WASTE SOLUTIONS CANADA INC	219,163
R F BINNIE & ASSOCIATES LTD	334,857
RECEIVER GENERAL FOR CANADA	3,822,442
RICHARD FINLAY LANDSCAPE ARCHITECT INC	57,914
SANDPIPER CONTRACTING LTD.	46,845
SCOTT PARAGON SIGNS	113,383
SEMIAMMOO BULLDOZING & TRUCKING LTD.	69,449
SMITHRITE DISPOSAL LTD.	45,198
STAGELINE MOBILE STAGE INC	100,363
STANTEC CONSULTING LTD	242,133
STEVE MURRAY TRUCKING	25,272
STUDIO PARSONS	31,392
SUN LIFE ASSURANCE COMPANY OF CANADA	33,977
SUNRISE LANDSCAPING LTD.	172,758
SUPERIOR CITY SERVICES LTD	363,582
T & S POWER DIGGING	103,331
TELUS	103,436
TELUS MOBILITY	41,730
TEMPEST DEVELOPMENT GROUP	88,728
THE OWNERS, STRATA PLAN BCS 3236	35,833
TOURISM WHITE ROCK	120,000
TRITECH GROUP LTD	481,699
UNIVERSITY OF BRITISH COLUMBIA	50,000
URBAN GROVE TREE CARE & CONSULTING	84,040
VADIM COMPUTER MANAGEMENT GROUP LTD.	44,116
VALLEY TRAFFIC SYSTEMS INC	87,437
WEB EXPRESS	33,892
WESTCOAST COMMUNICATIONS INC	71,891
WESTVAC INDUSTRIAL LTD	50,800
WINVAN PAVING LTD	627,860
WORK SAFE BC	379,292
WORLEY PARSONS CANADA SERVICES LTD	39,585
WSP CANADA INC	119,326
XEROX CANADA LTD.	36,105
YARDMASTERS LANDSCAPE SERVICES LTD	35,847
TOTAL AMOUNT	\$ 25,525,748

2. Other Suppliers

CONSOLIDATED TOTAL PAID TO SUPPLIERS WHO RECEIVED AGGREGATE PAYMENTS OF \$25,000 OR LESS	\$ 2,734,874
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3. Payments of Grants and Contributions

SUPPLIER NAME	AMOUNT PAID
WHITE ROCK BUSINESS IMPROVEMENT ASSOCIATION	311,702
WHITE ROCK MUSEUM & ARCHIVES SOCIETY (EXCLUDES GRANTS IN AID)	112,200
AGGREGATE GRANT AND CONTRIBUTION PAYMENTS OF \$25,000 OR LESS:	
FUNDING ASSISTANCE	32,750
GRANTS IN AID	45,000
TOTAL GRANTS AND CONTRIBUTIONS	\$ 501,652

4. Reconciliation

Total of payments exceeding \$25,000 paid to suppliers	\$ 25,525,748
Total of payments of \$25,000 or less paid to suppliers	2,734,874
Total of grants and contributions	501,652
Subtotal	\$ 28,762,274
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.	(2,105,658)
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.	(592,357)
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.	171,709
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.	(479,051)
e) This schedule is prepared on a cash basis versus the Contracted Services, and Supplies and Other 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.	(10,092,471)
Total per Financial Statements Note 20, Contracted Services, and Supplies and Other	\$ 15,664,446
Variance	\$ -

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

THE CORPORATION OF THE CITY OF WHITE ROCK
FOR THE YEAR ENDED DECEMBER 31, 2016
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, 2016 Financial Statements

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

Auditors - audit of the Part I, 2016 Financial Statements.



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

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

YEAR ENDED DECEMBER 31, 2016

Part I of the Statement of Financial Information contains the City's 2016 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 2016 financial results and its financial position as of December 31, 2016.

2016 Financial Results

Details on 2016 financial results are provided in the Statement of Operations.

Revenues

Revenues for 2016 were \$42,456,379. They were \$7,469,320 lower than the budget of \$49,925,699. Major variances from budget are explained below.

The budget included \$7 million in community amenity contributions from developers that were not received. This is the main reason for the variance. As well some significant capital projects that were budgeted for the year were not completed as of December 31, 2016. In some of these cases the funding sources were included in the budget as revenue, but were not recorded as actual revenues because the work was not done. This contributed to the above variance. Examples include grants and contributions for the Bay and Finlay Street railway pedestrian crossing upgrades as well as development cost charges for certain road and sewer projects. This revenue will be reflected in future 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, investment income, utility service connection fees, and revenues from parking and building permits.

Expenses

Overall, expenses totalled \$34,932,800 and were \$4,539,445 lower than the budget shown of \$39,472,245.

This was a result of infrastructure maintenance projects that were deferred, staff positions that were temporarily vacant, and savings in the RCMP contract and other City operating budgets. As well, contingency funds that were budgeted were not required during the year.

Accumulated Surplus

Accumulated surplus is a combination of the City's reserves, investment in tangible capital assets and other surplus funds. As of December 31, 2016 the total accumulated surplus was \$138,858,384, compared to \$131,334,805 at the end of 2015. Details on the City's reserves, which totalled \$49,706,058 on December 31, 2016, are provided in notes 11 and 13 of the 2016 Financial Statements. Investment in tangible capital assets amounted to \$82,573,079, and other surplus funds amounted to \$6,579,247, on December 31, 2016.

Outstanding Debt

Debt outstanding as of December 31, 2016 was \$20,573,276, compared to \$14,138,473 on December 31, 2015. It is comprised of long-term debenture debt in the amount of \$14,354,276 and new interim financing of \$6,219,000. Long-term debt of \$14,250,000 is attributed to an advance payment on the purchase of property and assets of the local water distribution utility. The new financing is comprised of a temporary loan in the amount of \$6,219,000 that was obtained to finance subsequent water system infrastructure construction and improvements. This temporary loan was converted to debenture debt in April 2017.

In summary, the City ended the year 2016 in a sound financial position.



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

June 12, 2017