

The Corporation of the
City of White Rock

2006 Annual Report

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Prepared by the Communications Office
at the City of White Rock.

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Design: Yuni Wong



Mayor's Message

On behalf of White Rock City Council, I am pleased to present the 2006 City of White Rock Annual Report.

2006 was a year of transition and change in the City of White Rock. Not only did we welcome two new Council members, James Coleridge and Catherine Ferguson, but we also experienced several significant staffing changes.

In the spring, Fire Chief Brian McMurdo and Director of Permits and Licenses Colin Atchison both retired after 32 years with the City. A few months later, we also said goodbye to longtime Chief Administrative Officer Wayne Baldwin, who retired after 23 years of service.

In August, we welcomed new City Manager Peggy Clark to White Rock. Formerly Director of Community Services in Regina, Saskatchewan, Peggy has brought a wealth of experience to the position, as well as a fresh perspective on many issues.

One of her first challenges was the record snowfall that occurred in November. More than 35 cm fell in White Rock in one day making the city's streets difficult to navigate for even the most experienced drivers. Our outside workers put in many hours of overtime and used more than 120 tonnes of salt and sand to help keep key routes through the city passable.

2006 also saw a change in leadership at the White Rock RCMP detachment. In October, Staff Sergeant Todd Fookes took over for Staff Sergeant Tom Forster, who transferred to the RCMP Review Services Unit.

There were also significant changes to the City's streetscape during the year including the demolition of the former Town Centre Hall and the first phases of construction at Miramar Village. As well, the Coast Capital Playhouse opened on Johnston Road, a project to which the City proudly contributed \$225,000.

But amidst all the change, there were also many constants including White Rock's community spirit. Once again, the City played host to a variety of exciting community events over the summer including Canada Day by the Bay and the Tour de White Rock. The 57th annual Spirit of the Sea Festival was particularly noteworthy, drawing 100,000 people to the waterfront over two days. On behalf of Council, I want to thank each one of the staff, volunteers and sponsors who helped make these and so many other events possible. Your hard work and generosity have not gone unnoticed.

I want to say a special word of thanks as well to White Rock's Communities in Bloom Committee. White Rock placed second in this year's national Communities in Bloom competition, receiving a score of 82.7%, just 1.4 points behind the winner, the City of Parksville.

Finally, my thanks to my colleagues on Council. Your dedication and commitment to the community is greatly appreciated. To each one of you, my sincere thanks.

JUDY FORSTER
Mayor

City Manager's Message

Whenever a new Council is elected, optimism runs high. Add a new administrator to the mix, and the expectations often get even higher.

As the Mayor mentioned in her message, 2006 was a year of transition and change in the City of White Rock. It was also a year of strategizing and planning for the future.

When I arrived in August, a number of important planning documents were already on Council's radar including a Transportation Plan, Economic Strategy, Tourism Plan, Parks Master Plan, Leisure Services Master Plan and Environmental Strategy. In addition, the City's Official Community Plan was also due for review.

When complete, these plans will provide an important foundation for future decision-making and help ensure that the City is in touch with the needs of its residents.

As for my role as City Manager, I'm committed to helping Council achieve its goal of demonstrating excellence and accountability in government, and I'm looking forward to working with my colleagues to ensure that the City is more responsive to its citizens in the days ahead.

I want to thank Council for their support, as well as the residents of White Rock who've made me feel so welcome and at home in such a short time. Your kindness is most appreciated.

PEGGY CLARK
City Manager



Mission Statement



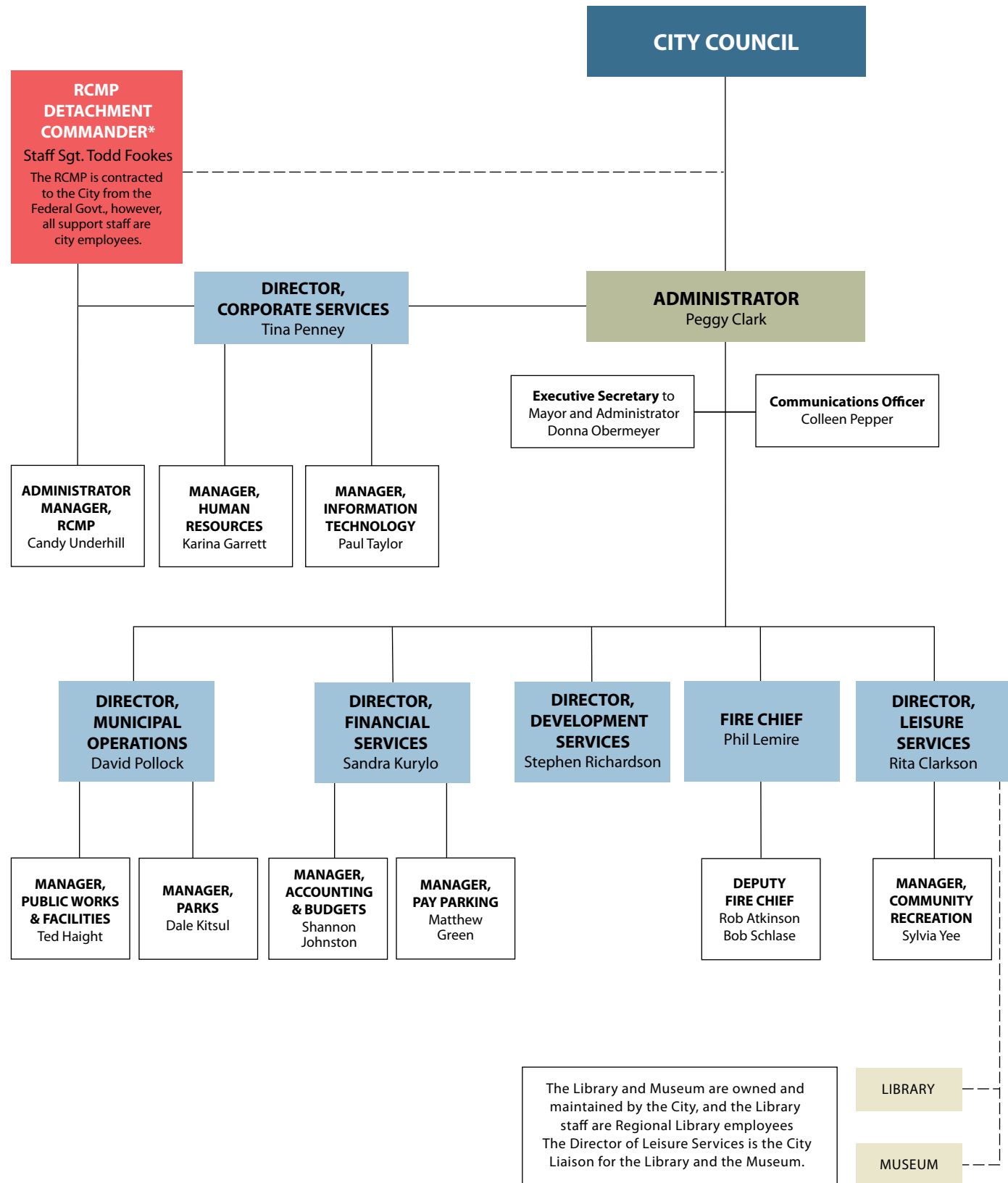
*Building community
excellence through
effective
stewardship of all
community resources.*



Councillors: James Coleridge, Mary Wade Anderson, Stewart Peddemors, Doug McLean, Catherine Ferguson, Mayor Judy Forster, Matt Todd

2006 Declarations of Disqualification In 2006, there were no declarations of disqualification under Section 111 of the Community Charter.

2006 City Organizational Chart



Council Strategic Goals

Develop and promote unique community character

White Rock is often referred to as “a charming seaside community” but what will White Rock look like in the future? How will White Rock grow and change over the next 5-10 years?

In late 2006, the City began reviewing its Official Community Plan (OCP) to ensure that the document reflects the community’s vision of the future. The OCP update includes a review of the city’s existing Development Permit Area guidelines including those affecting streetscapes. Neighbourhood-related policies are also under consideration. One key part of the update will be amending the population projections. The review is expected to be complete by early 2008. An extensive public consultation process will ensure that the views of White Rock citizens are incorporated in the plan.

In 2006, The Development Cost Charges bylaw was also updated to bring White Rock’s fees into line with those charged in other cities.

Other accomplishments included:

- Ranking second in the national Communities in Bloom competition
- Installing five heritage stones along the promenade to highlight points of historical significance along the waterfront
- Being named one of the most walkable communities in the Lower Mainland according to a University of British Columbia study



Sustain and support economic diversity

Unlike most municipalities, the City of White Rock has virtually no industrial land and relatively few commercial properties. This poses significant challenges when it comes to promoting economic development.

In addition, the community is primarily considered a summer destination for tourists, with business patterns in the area tending to be seasonal. Further complicating the situation, a number of new retail developments have opened in South Surrey drawing local shoppers away from the city's core.

In 2006, White Rock took several steps to address this situation including working with a facilitator to develop a tourism plan for the City. Funding for the project was provided by Tourism BC under its Community Foundations program. The City expects to work with the Business Improvement Association (BIA) over the coming months to implement the first stages of the plan.

In December, the City also hired Intervistas Consulting to develop a comprehensive Economic Strategic Plan. When complete (summer 2007), the plan will outline tangible steps the City can take to build on its strengths and better position itself in the broader economic marketplace.

Other accomplishments included:

- Working with the Business Improvement Association and White Rock-South Surrey Chamber of Commerce to develop a marketing campaign promoting White Rock in the off-season. The campaign included advertising in community newspapers as well as on The Weather Network website
- Drawing more than 167,000 spectators and participants to 15 special events including Canada Day, Spirit of the Sea, Tour de White Rock and Semiahmoo Bay Regatta
- Allocating \$20,000 annually toward the renewal and marketing of the Marine Drive area and the community as a whole



Enhance environmental sustainability in both land and sea

There's no question Semiahmoo Bay and the Semiahmoo Peninsula are among the Lower Mainland's great treasures.

In 2006, the City continued to make environmental sustainability—in both land and sea—a priority. Not only were bacteria counts in the Bay monitored regularly in partnership with the Fraser Health Authority, but the City also began considering how to work with other governmental and non-governmental agencies to establish additional environmental benchmarks.

The City also continued to look at ways to minimize the environmental impact of City-owned facilities. Both the Mel Edwards Cardiac Rehab Centre and the new civic space at the Town Centre are expected to incorporate a variety of eco-friendly technologies and energy systems in their design. The White Rock Operations Centre, built in 2003, was the first LEED Gold certified building in Canada.

In addition, routine maintenance projects were also carried out with an eye on the environment. The Stayte Road reconstruction project, for instance, was designed to maximize permeable surfaces and reduce pressure on the drainage system. The project utilized a narrower roadway to minimize runoff, as well as bio-swales and grassed boulevards to help treat storm water. Other highlights included permeable parking pads and a meandering multi-use pathway.

Finally, the City commenced an update of the Parks Master Plan. A series of open houses and workshop sessions were held with community groups to help identify future needs and priorities. The plan, when finalized, will serve as the City's parks blueprint for 10 to 15 years.

Other accomplishments included:

- Installing eight additional recycling containers on the promenade at East Beach to reduce the number of cans and bottles being deposited into the trash
- Authorizing the development of an Environmental Strategic Plan for 2007
- Completing the third phase of the rehabilitation of Duprez Ravine, including slope stabilization and extensive planting



Create a community of excellence for health and wellness



Although Canadians are generally living longer than ever before, many are surprisingly inactive. The City of White Rock is attempting to change those statistics by promoting healthy lifestyle choices and making fitness opportunities more accessible to its residents. In fact, the City is aiming to get 20 per cent more residents to exercise daily by 2010.

In 2006, White Rock Leisure Services increased its program offerings to 885 courses (up 40 from last year), and welcomed more than 8600 people to public skating sessions at Centennial Leisure Centre. At the Kent Street Activity Centre, the numbers were also up, with more than 5,900 people visiting the facility each month. One of the most popular programs was Nordic Walking. Some 200 people registered for the class, and more than half were first-time Leisure Services participants.

Other accomplishments included:

- Providing support for the Mel Edwards Cardiac Rehab Centre including selecting an architect, developing construction and operating budgets and assisting with fundraising efforts
- Constructing a new walking path in Duprez Ravine
- Hosting a public forum on Crystal Meth

Increase diverse housing opportunities

As housing prices continue to soar in the Lower Mainland, finding affordable housing has become increasingly difficult. In 2006, the City responded to this challenge by establishing a Housing Diversity Task Force to help ensure that White Rock remains accessible to people with limited means, including those with special needs.

In addition, the City's Bonus Density Policy continued to encourage new housing options. The Policy allows developers to increase density in their projects in exchange for providing a community amenity, or affordable housing.

The City was also pleased to issue an occupancy permit in 2006 for 86 new independent living units at Evergreen Baptist Care Facility.

Over the course of the year, 53 single family dwelling building permits were issued, as well as one multi-family building permit (for a five-unit strata).



Improve and increase transportation and mobility options

White Rock's hillside location may make for stunning views, but it poses significant challenges when it comes to transportation routes within the City.

In 2006, the City adopted a new Strategic Transportation Plan in an effort to address ongoing mobility issues in the City, including the linkage between the Town Centre and the waterfront. Recommended options in the plan include enhancing frequencies of local bus service, running a frequent circulator shuttle between the Town Centre and the waterfront and expanding the bicycle network. The City has presented these recommendations to Translink and is currently lobbying for improvements to the public transit system throughout the Peninsula.

Meanwhile, the Strategic Transportation Plan also identified a number of intersections that should be improved to complement the proposed sidewalk enhancement program. The first of these upgrades is expected to be complete in the summer of 2007 and will result in better street and sidewalk access for strollers, scooters and walkers.

Other accomplishments included:

- Creating a draft Traffic Calming Policy and establishing a process whereby residents can request traffic calming measures be considered on their street
- Constructing new stairs that start at Semiahmoo Avenue and end at Moffat Lane north of Pacific Avenue

Promote and provide for a demographically balanced population

Many people see White Rock as a retirement community. However, the city is also home to young families, working professionals and young adults. Meeting the needs of these diverse groups requires careful planning.

In 2006, the City updated its Leisure Services Master Plan with input from more than 700 residents. Included in the plan are a number of insights into current and potential users of the City's recreational facilities, as well recommendations on how to better engage the community in the future. In particular, the plan will help ensure that programming matches residents' interests and new facilities are designed to meet the expressed needs of citizens.

The City also initiated its first resident satisfaction survey in 2006. Facilitated by well-known public opinion firm Ipsos-Reid, the survey polled residents on a variety of topics including satisfaction with City services, the performance of City staff and Council, perceived value for taxes, preferred funding options as well as communication and information needs. Overall, the results were positive with 98% of residents surveyed stating that their quality of life was "very good" or "good." The survey will be repeated every three years to enable the City to track trends, monitor performance and ensure that resources are allocated appropriately.

According to the 2006 Census, White Rock's population increased 2.76% over the last five years, with a current reported population of 18,755.

Other accomplishments included:

- Planning for future facility improvements including an expansion of the coffee shop at the Kent Street Activity Centre
- Recommending that the Town Centre civic space be a multi-purpose facility suitable for a variety of recreational activities



Support Local Preparations for the 2010 Winter Olympics

It's not every day that the world's best athletes, their friends, family and thousands of media pass by your city en route to an international sporting spectacle--and White Rock is determined to make the most of the opportunity.

Although the 2010 Olympic and Paralympic Games are still four years away, the City has already begun preparing. One exciting possibility is "adopting" a country for the duration of the Games. In 2006, staff the Spirit of BC Committee began researching this type of program, as well other hosting opportunities (i.e. becoming the home base for an Olympic team prior to the Games).

A number of 2010-related legacy projects are also under consideration.

Other accomplishments included:

- Considering how to increase the quality of accommodations in the City by licensing Bed and Breakfast properties. Staff have been working with the Economic Committee on preliminary amendments to the City's bylaws to advance this item.
- Working with the Ministry of Transportation to have directional and wayfinding signage improved along Highway 99

Demonstrate excellence and accountability in governance

Throughout 2006, the City of White Rock continued to make efforts to be more responsive to the needs of the community.

A number of strategies were implemented to provide information on important projects and issues in the city including the 2006 Capital Program and the Official Community Plan Review.

In the Goggs Avenue neighbourhood, the City initiated design charette workshops with residents to help ensure that the look, feel and function of the new streetscape would meet the needs of residents. In addition, the City continued to work toward improved communication with residents generally through ongoing website improvements and more frequent media releases.

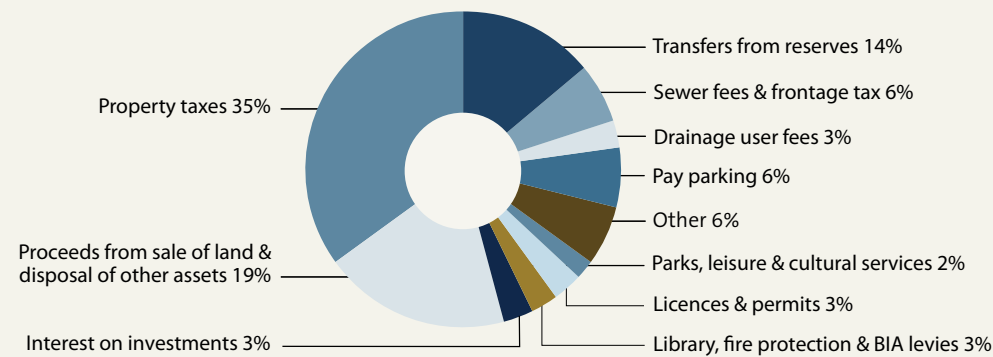
A number of strategic plans were also initiated during the year and together, these documents will help guide the City's decision making and budgeting over the next five to ten years. However, to be most effective, these plans need to be integrated into a comprehensive document, with priorities established and budgets allocated. This work will continue in 2007.

Other accomplishments included:

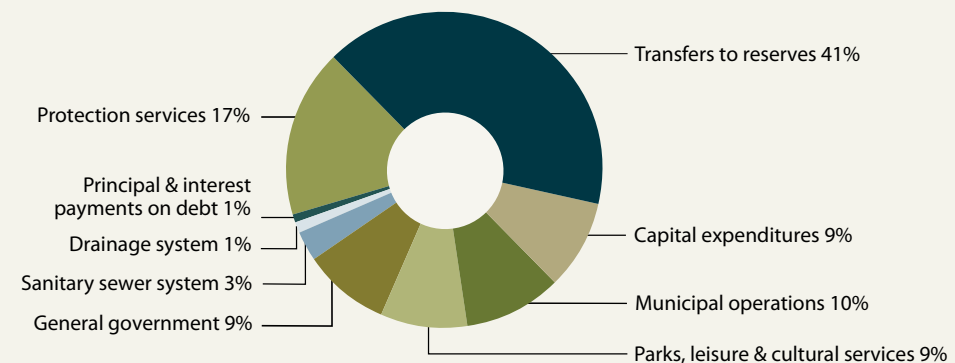
- Receiving the Government Finance Officers' Association of BC Innovative Idea Award for the new waterfront pay parking system
- Responding to the Business Improvement Association's request for a 15 minute parking option at the beach as well as support for a valet parking service
- Commissioning a tri-annual Resident Satisfaction Survey



2006 Revenue – Where It Came From



2006 Expenditures – Where It Went



Looking Ahead: Council's Goals for 2007

Develop and promote unique community character

- Adopt the updated Official Community Plan to guide community development
- Consider neighbourhood planning/impact in Single Family Zones
- Amend the population projections in the OCP
- Maintain "no call is too small" policy for emergency services
- Foster partnerships for the beautification of the community

Sustain and support economic diversity

- Maintain and attract a dynamic mix of businesses
- Establish baseline data to monitor trends over time
- Finalize Economic Strategic Plan and Tourism Plan working in partnership with Chamber of Commerce and BIA
- Identify parking options for city centre and Marine Drive in consultation with the BIA

Create a community of excellence for health and wellness

- Provide diverse leisure and life-long learning opportunities
- Encourage active living for all ages
- Promote volunteerism
- Provide support for the Mel Edwards Wellness Centre Project

Enhance environmental sustainability in both land and sea

- Encourage the establishment of environmental benchmarks to monitor Semiahmoo Bay
- Adopt and begin implementing the Environmental Strategic Plan and the Parks Master Plan
- Encourage feasibility studies on the use of emerging energy technologies in the community
- Reinforce sustainability of the community's seaside character

Improve and increase transportation and mobility options

- Improve effectiveness of transportation to and from the waterfront
- Provide mobility options for the movement of people and goods to meet the needs of citizens, businesses, and tourists
- Address residential and multi-family parking problems examining options for improvements

Promote and provide a demographically balanced population

- Identify all present arts, cultural and heritage attributes and activities in the community
- Plan for future space requirements to meet the needs of the population

Increase diverse housing opportunities

- Facilitate the provision of diverse housing options to meet the needs of citizens
- Encourage property owners to meet and maintain standards for properties

Support local preparations for the 2010 Winter Olympics

- Participate in the Adopt-a-Country program
- Encourage the Bed & Breakfast program through B & B licensing and promotion

Demonstrate excellence and accountability in governance

- Develop a communication strategy
- Increase communication with the public through various means including meetings, print and electronic media
- Integrate all strategic plans into a corporate strategic plan for the City
- Maintain a positive fiscal status for the City and develop a financial plan in line with strategic priorities
- Foster a positive working environment for employees



Financial Statements

Year ended December 31, 2006



Director of Financial Services Report

Mayor and Council

It is my pleasure to present The Corporation of the City of White Rock's Consolidated Financial Statements for the fiscal year ended December 31, 2006 pursuant to Section 167 of the *Community Charter*. The statements have been prepared in accordance with the Public Sector Accounting Board principles established by the Canadian Institute of Chartered Accountants.

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 auditors, have audited the financial statements contained herein and their reports accompany the statements.

Financial activities during the year contributed to an increase of \$10,493,264 in the City's financial equity, which is a combination of reserves and surpluses. This increase is greater than a typical year due mainly to the City's sale of its property in the town centre area. Total financial equity was \$23,273,955 as of December 31, 2006 and a significant portion of this amount will be used to fund capital projects in future years.

Debt, net of sinking funds, outstanding as of December 31, 2006 was \$504,175, compared to \$803,860 on December 31, 2005. It is comprised of \$388,175 in long-term debenture debt and \$116,000 in short-term financing. Of the long-term debenture debt, \$185,006 will be fully repaid in April 2007. Annual payments on the remaining long-term debt are being recovered from the residents of the local area served by a new sanitary sewer service. The short-term financing relates to the 2003 acquisition of certain properties and will also be fully repaid in 2007.

In summary, the City ended the year 2006 in a sound financial position.

A handwritten signature in black ink, appearing to read 'Sandra Kurylo', is positioned above the printed name.

SANDRA KURYLO, B. Comm., C.M.A.
Director of Financial Services

Auditor's Report



KPMG LLP
Chartered Accountants
 Metrotower II
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 Burnaby BC V5H 4N2
 Canada

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 Fax (604) 527-3636
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To the Mayor and Council

We have audited the statement of financial position of The Corporation of the City of White Rock (the "City") as at December 31, 2006 and the statements of financial activities and changes in financial position for the year then ended. These financial statements are the responsibility of the City's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2006 and the results of its financial activities and changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

Burnaby, Canada
 March 27th, 2007

KPMG LLP, a Canadian limited liability partnership is the Canadian member firm of KPMG International, a Swiss cooperative.

Statement of Financial Position

December 31, 2006

	2006	2005
Financial Assets		
Cash and cash equivalents (notes 3 and 4)	\$ 30,000,882	\$ 23,678,072
Accounts receivable (note 5)	1,596,515	1,188,007
Mortgages receivable (note 6)	3,650,694	-
	<u>35,248,091</u>	<u>24,866,079</u>
Liabilities		
Accounts payable and accrued liabilities	2,876,930	3,719,449
Refundable performance deposits (notes 4 and 15)	3,528,515	3,545,538
Capital lease obligation (note 8)	6,894	24,213
Debt, net of sinking fund deposits (note 9)	504,175	803,860
Deferred revenue (note 10)	5,568,691	4,820,401
	<u>12,485,205</u>	<u>12,913,461</u>
Net Financial Assets	22,762,886	11,952,618
Capital assets (note 11)	84,946,264	82,077,376
	<u>\$ 107,709,150</u>	<u>\$ 94,029,994</u>
Equity		
Financial equity:		
Reserves	\$ 20,472,555	\$ 10,679,291
Surplus (note 12)	2,801,400	2,101,400
	<u>23,273,955</u>	<u>12,780,691</u>
Capital equity (note 13)	84,435,195	81,249,303
	<u>\$ 107,709,150</u>	<u>\$ 94,029,994</u>

Commitments and contingencies (note 14)

See accompanying notes to financial statements.

SANDRA KURYLO
 Director of Financial Services

Statement of Financial Activities

Year ended December 31, 2006

	2006 Budget (note 2(b)(vii))	2006	2005
Revenue:			
Property taxes:			
General and debt purposes	\$ 13,665,402	\$ 13,660,174	\$ 13,038,590
Regional library and fire protection levies	823,354	823,020	870,124
Business improvement levy	250,000	249,957	180,001
	14,738,756	14,733,151	14,088,715
Receipts in lieu of taxes	14,475	14,476	13,652
Development levies	250,006	184,261	179,456
Sanitary sewer fees and frontage tax	2,413,000	2,420,898	2,271,648
Drainage user fees	1,160,950	1,163,841	1,087,675
Sales of services and other revenue from own sources:			
Pay parking	2,567,000	2,549,575	2,349,445
Parks, leisure and cultural services	797,430	925,407	872,957
Licences and permits	746,770	1,116,568	1,089,012
Interest and penalties	664,000	1,081,609	633,361
Other	803,001	1,678,228	1,040,538
Government grants	335,962	374,590	312,139
Proceeds from sale of land and disposal of other capital assets (note 15)	4,900,000	7,529,625	24,200
	29,391,350	33,772,229	23,962,798
Expenditures:			
General government	3,939,396	3,471,491	2,876,805
Protection services	7,245,443	6,744,492	6,590,109
Transportation, engineering and operations	2,859,598	2,762,656	2,666,998
Parks, leisure and cultural services	3,724,489	3,718,210	3,530,229
Solid waste services	880,011	998,109	941,120
Sanitary sewer system	1,374,163	1,341,291	1,316,674
Drainage system	332,680	216,661	257,955
Interest on debt	128,004	126,998	134,145
Capital expenditures	7,847,526	3,585,971	4,410,554
	28,331,310	22,965,879	22,724,589
Excess of revenue over expenditures	1,060,040	10,806,350	1,238,209
Principal payments on debt	(299,685)	(299,685)	(405,257)
Principal payments on capital leases	(17,320)	(13,401)	(6,291)
Increase in financial equity	743,035	10,493,264	826,661
Financial equity, beginning of year	12,780,691	12,780,691	11,954,030
Financial equity, end of year	\$ 13,523,726	\$ 23,273,955	\$ 12,780,691

See accompanying notes to financial statements.

Statement of Changes in Financial Position

Year ended December 31, 2006

	2006	2005
Cash provided by (used in):		
Operations:		
Excess of revenue over expenditures	\$ 10,806,350	\$ 1,238,209
Changes in non-cash operating working capital:		
Decrease (increase) in accounts receivable	(408,508)	415,977
Increase in mortgages receivable	(3,650,694)	-
Increase (decrease) in accounts payable and accrued liabilities	(842,519)	817,122
Increase (decrease) in refundable performance deposits	(17,023)	2,491,304
Increase in deferred revenue	748,290	764,999
	6,635,896	5,727,611
Financing:		
Principal payments on debt	(299,685)	(405,257)
Principal payments on capital leases	(13,401)	(6,291)
	(313,086)	(411,548)
Increase in cash and cash equivalents	6,322,810	5,316,063
Cash and cash equivalents, beginning of year	23,678,072	18,362,009
Cash and cash equivalents, end of year	\$ 30,000,882	\$ 23,678,072

See accompanying notes to financial statements.

Notes to Financial Statements

Year ended December 31, 2006

1. Operations:

The Corporation of the City of White Rock (the "City") is incorporated under the Local Government Act of British Columbia.

2. Significant accounting policies:

The City follows Canadian generally accepted accounting principles as prescribed by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants, 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) Basis of accounting:

(i) Cash and cash equivalents:

Cash and cash equivalents include investments which are carried at the lower of cost and market value, and are comprised of money market fund investments and term deposits.

(ii) Capital assets:

Capital assets are recorded at cost, net of disposal of capital assets. Parkland contributed in lieu of paying Development Cost Charges ("DCCs") is also capitalized. No provision has been made for the amortization of capital assets in the accounts.

(iii) Capital equity:

Capital equity reflects the accumulated historical cost of capital assets acquired, constructed or developed by the City for which no outstanding debt, including capital lease obligation, remains. Except for parkland contributed in lieu of DCCs, the value of infrastructure constructed by developers and transferred to the City at no cost is not included in equity. The costs for repairs and upgrading of capital assets, which do not materially add to the value or the life of the capital assets, are not included as capital assets or capital equity.

(iv) Revenue recognition:

Revenue is recorded on the accrual basis and is recognized when it is earned. Revenue, relating to future periods, including prepaid property taxes, is reported on the statement of financial position as deferred revenue.

(v) Development cost charges:

DCCs collected under the City's Development Cost Charge Bylaw, plus interest earned thereon, are recorded as deferred revenue. DCCs are recognized as revenue when the related development costs are incurred.

(vi) Expenditures:

Expenditures are recognized as they are incurred as a result of the receipt of goods and services or the creation of an obligation to pay. Interest expense on debenture and other debt is accrued to December 31, 2006.

(vii) Budget reporting:

The unaudited budget figures reported in the statement of financial activities represent the 2006 component of the Financial Plan Bylaw 1788 adopted by the City Council on April 24, 2006.

Notes to Financial Statements

Year ended December 31, 2006

(viii) Employee future benefits:

The City and its employees make contributions to the Municipal Pension Plan. The City's contributions are expensed as paid.

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 benefits plans are accrued based on projected benefits prorated as employees render services necessary to earn the future benefits.

(ix) 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 expenditures during the reporting period. Actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to the determination of accrued sick benefits, allowance for doubtful accounts 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.

3. Cash and cash equivalents:

	2006	2005
Cash balances	\$ 4,708,354	\$ 2,323,660
Money market securities and term deposits maturing within 90 days of inception	22,293,878	18,355,762
MFA Money Market Fund	2,998,650	2,998,650
	<u>\$ 30,000,882</u>	<u>\$ 23,678,072</u>

Short-term investments, including the MFA Money Market Fund, have annual yields that range from 4.2% to 4.4%.

4. Restricted assets:

Included in cash and cash equivalents is an amount of \$1,417,313 (2005 - \$1,321,711) that can only be used for expenditures as provided for by the DCC Bylaw (note 10).

Also included in cash and cash equivalents is an amount of \$3,528,515 (2005 - \$3,545,538) which consists of refundable performance deposits.

5. Accounts receivable:

	2006	2005
Property taxes	\$ 816,511	\$ 667,062
Government grants	7,500	-
Other	772,504	520,945
	<u>\$ 1,596,515</u>	<u>\$ 1,188,007</u>

Notes to Financial Statements

Year ended December 31, 2006

6. Mortgages receivable:

The City received three mortgages receivable in the amounts of \$3,414,080, \$146,317 and \$90,297 on the sale of certain land to Bosa Properties Inc. ("Bosa") (note 15).

The first mortgage receivable of \$3,414,080 does not bear interest until after the issuance by the City of an occupancy certificate for the first phase of the development and thereafter will accrue interest at the rate of 25% per annum. All principal and accrued interest will be paid on the earlier of the due date applicable to the construction mortgage or 12 months after the issuance of occupancy permit.

The other two mortgages receivable totalling \$236,614 do not bear interest until the earlier of 30 days after the issuance by the City of an occupancy certificate for the first phase of the development; the first day on which a resident takes legal occupancy of one of the strata lots; and the date which is 22 months after the land was transferred to Bosa and thereafter will accrue interest at the rate of prime rate plus 2% for 90 days and at the rate of 25% per annum thereafter. All principal and interest will be paid on the earlier of the due date applicable to the construction mortgage or 30 months after the date the land was transferred to Bosa.

7. Post-employment obligations:

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

	2006	2005
Accrued benefit liability:		
Balance, beginning of year	\$ 811,678	\$ 734,409
Plan amendment	-	91,300
Prior year adjustment recognized in 2006	12,700	-
Immediate recognition of event driven	65,700	-
Current service cost	71,400	56,200
Interest cost	40,100	35,600
Benefits paid	(212,545)	(105,831)
Amortized actuarial loss	3,400	-
Balance, end of year	\$ 792,433	\$ 811,678

	2006	2005
Accrued benefit obligation:		
Liability, end of year	\$ 792,433	\$ 811,678
Unamortized net actuarial loss	160,500	50,000
Balance, end of year	\$ 952,933	\$ 861,678

Starting in 2006, this actuarial loss will be amortized over a period of 11 years which is equal to the employees' average remaining service lifetime. Post-employment obligations are included in accounts payable and accrued liabilities.

Notes to Financial Statements

Year ended December 31, 2006

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

	2006	2005
Discount rates	4.50%	4.50%
Expected future inflation rates	2.50%	2.50%
Expected wage and salary increases	2.50%	2.50%

8. Capital lease obligation:

The City has the following capital lease obligations as of December 31, 2006:

Year ending December 31:		
2007	\$	6,942
Minimum capital lease payments		6,942
Less amounts representing interest		48
	\$	6,894

9. Debt, net of sinking fund deposits:

The following debt is outstanding as of December 31, 2006:

	2006	2005
Debentures, net of sinking fund deposits	\$ 388,175	\$ 571,860
Short-term financing	116,000	232,000
	\$ 504,175	\$ 803,860

(a) Debentures:

The City obtains debt instruments through the Municipal Finance Authority (the "Authority") to finance certain capital expenditures. Sinking fund balances, managed through the Authority, are netted against related long-term debts. Details are as follows:

Bylaw number	Purpose	Maturity date	Interest rate	Authorized amount	Sinking Fund Assets	2006	2005
General Fund:							
1407	Roads	2007	6.90%	\$ 1,500,000	\$ 1,314,994	\$ 185,006	\$ 361,203
Sanitary Sewer Fund:							
1667	Sanitary Sewers	2023	5.95%	224,580	21,411	203,169	210,657
						\$ 388,175	\$ 571,860

Total interest on debt is \$116,863 in 2006 (2005 - \$116,863).

The above sanitary sewer fund debt was borrowed under a Local Improvement Construction Bylaw to finance an expansion of sanitary sewer services. Annual principal and interest payments on this debt are being fully recovered from the local area residents and are recorded as other revenue.

Notes to Financial Statements

Year ended December 31, 2006

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

	General	Sanitary	Total
2007	\$ 185,006	\$ 7,862	\$ 192,868
2008	-	8,256	8,256
2009	-	8,668	8,668
2010	-	9,102	9,102
2011	-	9,557	9,557
Thereafter		159,724	159,724
	\$ 185,006	\$ 203,169	\$ 388,175

(b) Short-term financing:

In 2003, the City entered into two contracts for the acquisition of certain lands and premises. These contracts require annual principal payments to 2007. The outstanding debt balance relating to these agreements totals \$116,000 as of December 31, 2006.

10. Deferred revenue:

Included in deferred revenue are DCCs in the amount of \$1,417,313 (2005 - \$1,321,711).

11. Capital assets:

	General	Sanitary Sewer	Drainage	2006 Total	2005 Total
General Government	\$ 7,435,272	\$ -	\$ -	\$ 7,435,272	\$ 7,594,116
Fire Protection	3,442,278	-	-	3,442,278	3,431,754
Police Protection	1,949,107	-	-	1,949,107	1,881,361
Public Works	32,755,336	11,588,828	10,066,421	54,410,585	51,727,435
Recreation	14,453,996	-	-	14,453,996	14,363,496
Parks Development	3,255,026	-	-	3,255,026	3,079,214
	\$ 63,291,015	\$ 11,588,828	\$ 10,066,421	\$ 84,946,264	\$ 82,077,376

12. Surplus – Operating Funds:

	General	Sanitary Sewer	2006 Total	2005 Total
Balance, beginning of year	\$ 1,000,000	\$ 1,101,400	\$ 2,101,400	\$ 2,101,400
Surplus for the year	700,000	-	700,000	-
Balance, end of year	\$ 1,700,000	\$ 1,101,400	\$ 2,801,400	\$ 2,101,400

Notes to Financial Statements

Year ended December 31, 2006

13. Capital equity:

	2006	2005
Balance, beginning of year	\$ 81,249,303	\$ 76,516,201
Capital expenditures	3,585,971	4,410,554
Principal payments on debt	299,685	405,257
Principal payments on capital leases	13,401	6,291
Decrease in capital lease obligation	3,918	-
Disposal of capital assets	(717,083)	(89,000)
Balance, end of year	\$ 84,435,195	\$ 81,249,303

14. Commitments and contingencies:

(a) Agreements and contractual commitments:

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 and are not individually material.

(b) Borrowing liability:

The City, as a member of the Greater Vancouver Sewerage and Drainage District and the Greater Vancouver Regional District, is jointly and severally liable for the net capital liabilities of these Districts.

(c) Pension liability:

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 overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The Plan has about 140,000 active members and approximately 51,000 retired members. Active members include approximately 31,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of Plan funding. The most recent valuation as at December 31, 2003 indicated an unfunded liability of \$789 million for basic pension benefits. The next valuation will be as at December 31, 2006 with results available in 2007. The Joint Trust Agreement specifies how surplus assets can be used. The actuary does not attribute portions of the unfunded liability to individual employers. The City paid \$581,330 (2005 - \$535,820) for employer contributions to the Plan in fiscal 2006.

(d) Third party claims:

- (i) A claim in the amount of \$1.0 million was issued against the City and fourteen other parties relating to leaky condo damages. Management is currently unable to determine how this matter will be resolved and no accrual for potential liability has been recorded.
- (ii) There are various other 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.

Notes to Financial Statements

Year ended December 31, 2006

(e) Lease commitment:

The City entered into a five-year agreement 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 of \$300,000 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.

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:	
2007	\$ 35,207
2008	35,207
2009	31,892
2010	24,411
2011	17,267
	<u>\$ 143,984</u>

(f) Debt agreement with the Authority:

The City obtains debt instruments through the Authority. 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 Authority. The debt agreement with the Authority provides that if at anytime the scheduled payments provided for in the agreement are not sufficient to meet the Authority'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 Authority. The City is similarly liable on a contingent basis for the debt of other municipalities secured through the Authority. Details of the contingent demand notes at December 31, 2006 are as follows:

	2006	2005
Operating funds:		
General	\$ 96,378	\$ 96,378
Sanitary sewer	7,364	7,364
	<u>\$ 103,742</u>	<u>\$ 103,742</u>

(g) 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 of 23 Class A and 25 Class B shares issued and outstanding as at December 31, 2006). 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.

Notes to Financial Statements

Year ended December 31, 2006

(h) Other commitments and contingencies:

- i) The City has budgeted to spend approximately \$4.5 million of its land sale proceeds on the construction of 7,800 square feet of community shell space, the finishing of 12,507 square feet of community space and the construction of 40 parking stalls (note 15).
- ii) In 2006, the City committed to contributing a maximum of \$350,000 towards the renovation and expansion of the Peace Arch Curling Club. The funding for the City's contingent commitment is included in reserves. This commitment is subject to the Peace Arch Curling Club receiving a Canada-British Columbia Municipal Rural Infrastructure Program grant that it has applied for. At the time this commitment was made, it was also understood that matching funds would be contributed by the Peace Arch Curling Club. If these conditions are not met, the City's funding commitment for this purpose is subject to be revisited.
- iii) In March 2007, the City approved a capital project in the amount of \$458,902 to expand the Kent Street Activity Centre kitchen and undertake the necessary code improvements triggered by this project. This approval is subject to certain conditions including the Kent Street Seniors' Society receiving a provincial grant of \$100,000 and contributing this amount and an additional \$31,000 towards the project. Another condition of this project approval is that \$69,000 of the City funding be recovered from the Kent Street Senior's Society with terms still to be negotiated. Included in reserves is an amount of \$327,902 to fund this contingent commitment. If the approval conditions are not met, the City's funding commitment for this purpose is subject to be revisited.

15. Proceeds from sale of land and disposal of other capital assets:

	2006	2005
Proceeds from sale of land	\$ 7,502,880	\$ -
Proceeds from disposal of other capital assets	26,745	24,200
	<u>\$ 7,529,625</u>	<u>\$ 24,200</u>

During the year, the City sold certain land to Bosa. Proceeds consisted of cash of \$3,852,186 and mortgages receivable of \$3,650,694 (note 6). In addition, the City will receive 12,507 square feet of community space and 60 parking stalls, of which 4,707 square feet of the community shell space and 20 of the parking stalls will be built by Bosa at no additional cost to the City. The contributed construction of the shell space and 20 parking stalls will be recorded as revenue when the assets are constructed. As part of the agreement, Bosa also agreed to provide \$300,000 as a Public Art Contribution; \$436,471 for a Sanitary Sewer Pump Diversion; and \$969,731 for other improvements during the phasing of the development. These developer contributions will be recorded as revenue when the assets are constructed.

A \$2.1 million security deposit has been received from Bosa with respect to the provision of certain offsite works to support the planned development of the town centre land. This deposit is included in refundable performance deposits on the Statement of Financial Position.

Notes to Financial Statements

Year ended December 31, 2006

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:

	2006	2005
Province of British Columbia - school tax	\$ 9,252,418	\$ 8,796,868
Other regional bodies	2,453,883	2,166,716
	\$ 11,706,301	\$ 10,963,584

17. Expenditures by object:

	2006	2005
Salaries, wages and benefits	\$ 9,152,129	\$ 8,503,453
Contracted services	7,627,770	7,534,530
Supplies and other	2,600,009	2,276,052
Total operating expenses	19,379,908	18,314,035
Capital expenditures	3,585,971	4,410,554
	\$ 22,965,879	\$ 22,724,589

18. Comparative figures:

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

Auditor's Report on Supplementary Information



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Chartered Accountants
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 Canada

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 Internet www.kpmg.ca

To the Mayor and Council

We have audited and reported separately herein on the financial statements of The Corporation of the City of White Rock as at and for the year ended December 31, 2006.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The current year's supplementary information included in Schedules 1 through 11 is presented for purposes of additional analysis and is not a required part of the financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Chartered Accountants

Burnaby, Canada
 March 27th, 2007

KPMG LLP, a Canadian limited liability partnership is the Canadian member firm of KPMG International, a Swiss cooperative.

General Fund – Statement of Financial Position

Schedule 1

December 31, 2006

	2006	2005
Financial assets		
Cash and cash equivalents	\$ 25,424,335	\$ 20,262,435
Accounts receivable	1,593,859	1,185,468
Mortgages receivable	3,650,694	-
	30,668,888	21,447,903
Liabilities		
Accounts payable and accrued liabilities	2,861,625	3,772,496
Refundable performance deposits	3,528,515	3,545,538
Capital lease obligation	6,894	24,213
Debt	301,006	593,203
Deferred revenue	4,836,123	4,464,774
	11,534,163	12,400,224
Net Financial Assets	19,134,725	9,047,679
Capital assets (schedule 7)	63,291,015	61,680,356
	\$ 82,425,740	\$ 70,728,035
Financial Equity		
Reserves	\$ 17,742,625	\$ 8,665,095
Surplus	1,700,000	1,000,000
	19,442,625	9,665,095
Capital equity	62,983,115	61,062,940
	\$ 82,425,740	\$ 70,728,035

General Fund – Statement of Financial Activities

Schedule 2

Year ended December 31, 2006

	2006 Budget	2006	2005
Revenue:			
Property taxes:			
General and debt purposes	\$ 13,665,402	\$ 13,660,174	\$ 13,038,590
Regional library and fire protection levies	823,354	823,020	870,124
Business improvement area levy	250,000	249,957	180,001
	14,738,756	14,733,151	14,088,715
Grants in lieu of taxes	14,475	14,476	13,652
Development levies	164,780	101,946	11,619
Sales of services and other revenue from own sources:			
Pay parking	2,567,000	2,549,575	2,349,445
Parks, leisure and cultural services	797,430	925,407	872,957
Licences and permits	746,770	1,116,568	1,089,012
Interest on investments	533,000	934,775	490,162
Penalties and interest on taxes	131,000	143,400	143,199
Other	1,139,120	2,005,088	1,304,646
Government grants	335,962	374,590	312,139
Proceeds from sale of land and disposal of other capital assets	4,900,000	7,529,625	24,200
	26,068,293	30,428,601	20,699,746
Expenditures:			
General government	3,939,396	3,471,491	2,876,805
Police protection	3,850,790	3,370,599	3,297,840
Fire protection	2,828,733	2,877,814	2,761,092
Other protection services	565,919	496,079	531,177
Transportation, engineering and operations	2,859,598	2,762,656	2,666,998
Parks, leisure and cultural services	3,724,489	3,718,210	3,530,229
Solid waste services	880,011	998,109	941,120
Interest on debt	114,641	113,635	120,782
Capital expenditures	4,829,126	2,327,742	2,496,399
	23,592,703	20,136,335	19,222,442
Excess of revenue over expenditures	2,475,590	10,292,266	1,477,304
Principal payments on short-term debt	(116,000)	(116,000)	(230,320)
Principal payments on long-term debt	(176,197)	(176,197)	(167,806)
Principal payments on capital leases	(17,320)	(13,401)	(6,291)
Transfer to other funds	-	(25,000)	(46,500)
Increase in financial equity	2,166,073	9,961,668	1,026,387
Financial equity, beginning of year	9,665,095	9,665,095	8,824,393
Financial equity, transferred to other funds	(199,015)	(184,138)	(185,685)
Financial equity, end of year	\$ 11,632,153	\$ 19,442,625	\$ 9,665,095

Sanitary Sewer Fund – Statement of Financial Position

Schedule 3

December 31, 2006

	2006	2005
Financial Assets		
Cash and cash equivalents	\$ 3,544,834	\$ 2,898,093
Accounts receivable	2,656	2,539
	3,547,490	2,900,632
Liabilities		
Accounts payable and accrued liabilities	11,181	12,314
Debt	203,169	210,657
Deferred revenue	529,166	158,691
	743,516	381,662
Net Financial Assets	2,803,974	2,518,970
Capital assets (schedule 7)	11,588,828	10,910,967
	\$ 14,392,802	\$ 13,429,937
Financial Equity		
Reserves	\$ 1,905,743	\$ 1,628,227
Surplus	1,101,400	1,101,400
	3,007,143	2,729,627
Capital equity	11,385,659	10,700,310
	\$ 14,392,802	\$ 13,429,937

Sanitary Sewer Fund – Statement of Financial Activities

Schedule 4

Year ended December 31, 2006

	2006 Budget	2006	2005
Revenue:			
Sewer user charges	\$ 2,259,600	\$ 2,267,020	\$ 2,115,544
Frontage tax	153,400	153,878	156,104
Local improvement parcel tax	20,155	20,154	20,154
Sewer connection fees and other	60,696	59,831	86,786
Development levies	63,490	63,490	22,375
	2,557,341	2,564,373	2,400,963
Expenditures:			
Greater Vancouver Sewerage & Drainage District Assessment	1,099,980	1,099,980	1,067,439
Sewer system maintenance and connections	521,633	488,165	491,187
Interest on debt	13,363	13,363	13,363
Capital expenditures	1,893,800	677,861	801,640
	3,528,776	2,279,369	2,373,629
Excess (deficiency) of revenue over expenditures	(971,435)	285,004	27,334
Principal payments on long-term debt	(7,488)	(7,488)	(7,131)
Increase (decrease) in financial equity	(978,923)	277,516	20,203
Financial equity, beginning of year	2,729,627	2,729,627	2,709,424
Financial equity, end of year	\$ 1,750,704	\$ 3,007,143	\$ 2,729,627

Drainage Fund – Statement of Financial Position

Schedule 5

December 31, 2006

	2006	2005
Financial Assets		
Cash and cash equivalents	\$ 1,036,339	\$ 592,905
Liabilities		
Accounts payable and accrued liabilities	8,750	10,000
Deferred revenue	203,402	196,936
	212,152	206,936
Net Financial Assets	824,187	385,969
Capital assets (schedule 7)	10,066,421	9,486,053
	\$ 10,890,608	\$ 9,872,022
Financial Equity		
Reserves	\$ 824,187	\$ 385,969
Capital equity	10,066,421	9,486,053
	\$ 10,890,608	\$ 9,872,022

Drainage Fund – Statement of Financial Activities

Schedule 6

Year ended December 31, 2006

	2006 Budget	2006	2005
Revenue:			
Drainage user charges	\$ 1,160,950	\$ 1,163,841	\$ 1,087,675
Drainage connection fees and other	60,000	73,220	90,102
Contributions	-	-	5,965
Development levies	21,736	18,825	145,462
	1,242,686	1,255,886	1,329,204
Expenditures:			
Drainage system maintenance and connections	562,200	446,438	483,118
Capital expenditures	1,124,600	580,368	1,112,515
	1,686,800	1,026,806	1,595,633
Excess (deficiency) of revenue over expenditures	(444,114)	229,080	(266,429)
Transfer from other funds	-	25,000	46,500
Increase (decrease) in financial equity	(444,114)	254,080	(219,929)
Financial equity, beginning of year	385,969	385,969	420,213
Financial equity transferred from General Fund January 1	199,015	184,138	185,685
Financial equity, end of year	\$ 140,870	\$ 824,187	\$ 385,969

Capital Assets

Schedule 7

December 31, 2006

	2006	2005
General Fund		
Buildings and facilities	\$ 14,431,024	\$ 13,937,538
Engineering structures	4,073,908	3,948,504
Land	5,805,586	6,420,906
Machinery and equipment	9,899,263	9,621,266
Parks development	4,685,576	4,509,764
Roads and sidewalks	24,395,658	23,242,378
	63,291,015	61,680,356
Sanitary Sewer Fund		
Sanitary sewer	11,588,828	10,910,967
Drainage Fund		
Storm sewer	10,066,421	9,486,053
	\$ 84,946,264	\$ 82,077,376

Development Cost Charges

Schedule 8

Year ended December 31, 2006

	Highways	Drainage	Parkland	Sanitary	Total
Balance, beginning of year	\$ 229,848	\$ 196,936	\$ 830,616	\$ 64,311	\$ 1,321,711
Add:					
Amounts received	6,092	17,150	198,046	-	221,288
Investment income	7,859	8,141	42,080	495	58,575
Deduct:					
Capital expenditures	99,964	18,825	1,982	63,490	184,261
Balance, end of year	\$ 143,835	\$ 203,402	\$ 1,068,760	\$ 1,316	\$ 1,417,313

General Fund – Statutory Reserve Fund Balances

Schedule 9

Year ended December 31, 2006

	Land Sale Reserve	Equipment Replacement Reserve	Capital Works Machinery and Equipment Reserve	Off-Street Parking Facilities Reserve	Local Improvement Reserve	Total
Balance, beginning of year	\$ 2,228,123	\$ 1,749,132	\$ 752,950	\$ 6,230	\$ 24,196	\$ 4,760,631
Add:						
Cash proceeds received from sale of land	3,852,186	-	-	-	-	3,852,186
Mortgages receivable from sale of land	3,650,694	-	-	-	-	3,650,694
Transfers from general operating fund	-	-	437,900	-	-	437,900
Appropriation for vehicle replacement	-	412,400	-	-	-	412,400
Other amounts received	-	14,781	-	-	2,348	17,129
Investment income	225,711	77,513	34,171	258	-	337,653
Deduct:						
Capital expenditures	14,218	211,919	258,052	-	-	484,189
Balance, end of year	\$ 9,942,496	\$ 2,041,907	\$ 966,969	\$ 6,488	\$ 26,544	\$ 12,984,404

General Fund – Operating Reserve Fund Balance

Schedule 10

Year ended December 31, 2006

	Balance beginning of year	Transfers from General Fund	Transfers to General Fund	Transfers to Drainage Fund	Balance, end of year
Capital project reserve	\$ 798,825	\$ 674,954	\$ (263,603)	\$ -	\$ 1,210,176
Computer replacement reserve	46,615	65,750	(22,068)	-	90,297
Damage claim reserve	25,800	-	(25,000)	-	800
Debt retirement reserve	246,022	-	(125,621)	-	120,401
Development works reserve	292,737	70,845	(7,020)	-	356,562
Economic development reserve	30,513	10,960	-	-	41,473
Goggs park reserve	45,955	8,600	-	-	54,555
Pier preservation reserve	69,578	53,600	(80,220)	-	42,958
Police equipment reserve	129,000	15,000	-	-	144,000
Roadworks reserve	622,492	300,049	(380,866)	-	541,675
Density bonus policy reserve	3,632	300,000	-	-	303,632
Other operating reserve	839,494	958,000	(598,744)	(25,000)	1,173,750
Incomplete capital projects	753,801	433,542	(509,401)	-	677,942
Total	\$ 3,904,464	\$ 2,891,300	\$ (2,012,543)	\$ (25,000)	\$ 4,758,221

Leisure and Cultural Services

Schedule 11

Year ended December 31, 2006

	Revenue	Expenditures	2006 Net subsidy	2005 Net subsidy
Leisure services administration	\$ 117	\$ 141,400	\$ (141,283)	\$ (125,011)
Recreation	326,438	562,927	(236,489)	(242,770)
Kent Street Activity Centre	170,008	343,391	(173,383)	(182,974)
Centennial Arena	417,323	606,883	(189,560)	(201,600)
White Rock Library	-	732,025	(732,025)	(680,888)
White Rock Museum	-	132,557	(132,557)	(126,446)
Total	\$ 913,886	\$ 2,519,183	\$ (1,605,297)	\$ (1,559,689)

Comparative General Statistics

(Unaudited)

Year ended December 31, 2006

Date of incorporation - April 15, 1957

	2006	2005	2004	2003	2002
Population (2006 Census)	18,755	18,250	18,250	18,250	18,250
Area in hectares					
Land	505	505	505	505	505
Water	897	897	897	897	897
Taxable hectares					
Land	335	335	335	335	335
Water	8	8	8	8	8
Kilometers of road					
Paved	80.1	80.1	79.4	81.0	81.0
Gravelled	2.0	2.0	2.0	2.2	2.2
Building permits					
Number	147	170	169	139	168
Value	\$ 57,046,799	\$ 75,019,611	\$ 33,845,110	\$ 59,370,473	\$ 33,121,882
Comparative debt statistics:					
Debenture and other debt	\$ 504,175	\$ 803,860	\$ 1,209,117	\$ 1,465,005	\$ 1,200,610
Debt per capita	\$ 27	\$ 44	\$ 66	\$ 80	\$ 66

Tax rates for municipal purposes, includes General, Debt, Fire Protection and Fraser Valley Regional Library Levies:

(stated in dollars per \$1,000 of assessed taxable value)

Residential	4.10337	4.56382	5.34388	6.26686	6.51599
Utility	26.18505	29.5481	34.4966	38.73681	40.00000
Business & other	10.90978	11.15732	11.85822	12.54421	12.83633
Recreational/nonprofit	3.63423	3.59682	3.89921	4.0347	3.98811

Tax rates for school purposes:

(stated in dollars per \$1,000 of assessed taxable value)

Residential	2.47050	2.70360	3.13930	3.40050	3.60550
Utility	14.90000	14.90000	15.00000	15.00000	15.00000
Business & other	9.20000	9.60000	9.90000	9.90000	9.90000
Recreational/nonprofit	4.20000	4.50000	4.50000	4.50000	4.50000

Continued next page

Comparative General Statistics (cont'd)

(Unaudited)

December 31, 2006

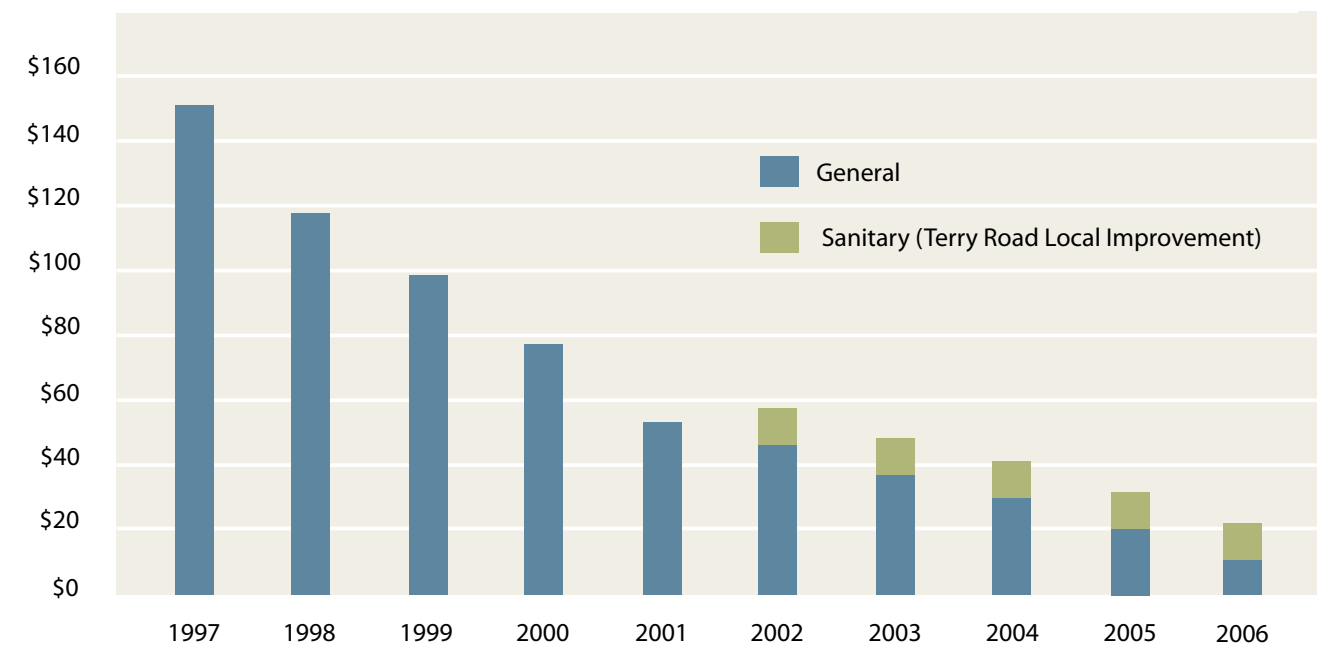
	2006	2005	2004	2003	2002
Comparative taxation statistics:					
Residential	\$ 21,939,322	\$ 20,862,470	\$ 19,841,376	\$ 19,253,531	\$ 18,483,510
Utility	540,553	526,835	478,974	469,933	460,442
Business & other	3,348,130	3,184,307	3,057,952	2,969,638	2,710,724
Recreational/nonprofit	51,320	52,352	26,749	26,929	26,190
Utility levy in lieu of taxes	249,229	246,335	249,301	252,402	223,657
Business area improvement levy	249,957	180,001	-	-	-
Translink Parking Tax	60,941	-	-	-	-
Sanitary sewer frontage tax	153,878	156,104	152,980	153,529	152,469
Total current taxes including school and other government levies	26,593,330	25,208,404	23,807,332	23,125,962	22,056,992
Sanitary sewer user fees	2,267,020	2,115,544	2,097,037	1,977,014	1,857,858
Drainage user fees	1,163,841	1,087,675	696,140	-	-
Total taxes and Utility fees	\$ 30,024,191	\$ 28,411,623	\$ 26,600,509	\$ 25,102,976	\$ 23,914,850
Taxes and utility fees per capita	\$ 1,601	\$ 1,557	\$ 1,458	\$ 1,376	\$ 1,310
Assessment for general purposes (taxable value)					
Land	2,356,116,710	1,983,411,310	1,609,965,755	1,333,789,710	1,209,227,500
Improvements	1,011,384,700	941,318,200	867,944,200	810,661,600	765,257,550
	\$ 3,367,501,410	\$ 2,924,729,510	\$ 2,477,909,955	\$ 2,144,451,310	\$ 1,974,485,050
Deduct					
Exempt land	71,811,777	59,269,829	49,264,800	44,352,286	42,539,425
Exempt improvements	92,729,100	87,598,300	82,339,600	81,602,114	81,051,875
	\$ 3,202,960,533	\$ 2,777,861,381	\$ 2,346,305,555	\$ 2,018,496,910	\$ 1,850,893,750
Assessment per capita	\$ 170,779	\$ 152,212	\$ 128,565	\$ 110,603	\$ 101,419
Assessment for school purposes	\$ 3,222,633,805	\$ 2,797,438,513	\$ 2,364,489,411	\$ 2,036,193,662	\$ 1,868,365,790

2006 Permissive Tax Exemptions

Estimated Property Taxes

Property Roll	Name	Address	General & Debt Purposes	Fraser Valley Regional Library Levy	Fire Protection (Hydrant) Levy
1290.002	Peace Arch Curling Club	14560 North Bluff Road	\$3,841	\$ 184	\$ 52
1403.000	Church on Oxford Hill	1519 Oxford St	\$1,124	\$ 54	\$ 15
1779.000	Fellowship Baptist Church	15138 Prospect Ave	\$1,339	\$ 64	\$ 18
2136.000	Parish of the Holy Trinity	15115 Roper Ave	\$3,174	\$ 152	\$ 43
2146.000	Hilltop Gospel Church	15110 Thrift Ave	\$1,082	\$ 52	\$ 15
2876.000	St. John's Presbyterian Church	1480 George St	\$2,036	\$ 98	\$ 27
2995.000	Salvation Army	15417 Roper Ave	\$2,055	\$ 98	\$ 28
3743.000	United Church	15385 Semiahmoo Ave	\$1,419	\$ 68	\$ 19
3754.000	First Church of Christian Scientist	1174 Fir St	\$ 845	\$ 40	\$ 11
3762.000	White Rock Community Church	15276 Pacific Ave	\$ 793	\$ 38	\$ 11
3763.000	White Rock Community Church	15282 Pacific Ave	\$1,171	\$ 56	\$ 16
3886.000	Roman Catholic Church	15262 Pacific Ave	\$6,580	\$ 315	\$ 89

Long-term Debt per Capita



The Corporation of the
City of White Rock

15322 Buena Vista Avenue
White Rock, British Columbia V4B 1Y6



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