



**City of Abbotsford  
British Columbia**

**2014**

**CONSOLIDATED  
FINANCIAL STATEMENTS**

*Fiscal Year Ending December 31, 2014*

*Prepared by Corporate Services Finance Division*

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# City of Abbotsford

*Consolidated Financial Statements for the Year Ended December 31, 2014*

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## **INDEPENDENT AUDITORS' REPORT**

To the Mayor and Council of the City of Abbotsford

We have audited the accompanying consolidated financial statements of the City of Abbotsford which comprise the consolidated statement of financial position as at December 31, 2014, the consolidated statements of operations, change in net financial assets (debt) 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 consolidated financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of consolidated 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 consolidated 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 an audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of the City of Abbotsford as at December 31, 2014, and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Other Matters*

Our audit was made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information included in Exhibits 1 through 5 and Schedules A through T is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

*KPMG LLP*

Chartered Accountants

April 20, 2015


Abbotsford, British Columbia

**CITY OF ABBOTSFORD**  
**Consolidated Statement of Financial Position**

*As at December 31, 2014, with comparative information as at December 31, 2013*  
*In thousands*

	2014	2013
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents (Note 2)	\$ 42,785	\$ 21,701
Accounts receivable (Note 3)	37,220	36,897
Portfolio investments (Note 4)	155,098	144,402
	<u>235,103</u>	<u>203,000</u>
<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 5)	58,746	58,811
Restricted revenue (Note 6)	40,847	35,320
Deferred revenue (Note 7)	2,344	21,093
	<u>101,937</u>	<u>115,224</u>
Long-term debt (Note 8)	69,777	78,349
	<u>171,714</u>	<u>193,573</u>
	<u>63,389</u>	<u>9,427</u>
<b>NET FINANCIAL ASSETS / (DEBT)</b>		
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 10)	1,410,580	1,436,174
Inventories (Note 11)	1,141	1,224
Pre-paid expenses (Note 12)	365	4,531
	<u>1,412,086</u>	<u>1,441,929</u>
	<u>\$ 1,475,475</u>	<u>\$ 1,451,356</u>

  
 HENRY BRAUN, MAYOR

  
 LISA PLEADWELL,  
 DIRECTOR OF FINANCE/CFO

See notes to consolidated financial statements.

**CITY OF ABBOTSFORD**  
**Consolidated Statement of Operations**

*For the Year Ended December 31, 2014, with comparative information for 2013*

*In thousands*

	<b>2014 Plan (Note 18)</b>	<b>2014 Actual</b>	<b>2013 Actual</b>
<b>REVENUE</b>			
Municipal taxation	\$ 126,671	\$ 125,453	\$ 124,543
Fees and charges	71,298	74,046	74,442
Developer charges earned	10,094	9,914	3,567
Contributed tangible capital assets	-	3,950	4,100
Grants	32,947	29,769	14,289
Investment income	2,939	3,807	4,429
Rent	3,932	4,029	3,818
Other	524	205	105
	248,405	251,173	229,293
<b>EXPENSE</b>			
General government	15,409	15,205	14,083
Planning & development services	4,164	4,065	3,146
Protective services	66,960	69,124	67,713
Parks, recreation, culture & libraries	33,285	48,065	41,203
Transit	10,807	10,650	10,021
Engineering	25,770	41,705	43,361
Dyking, drainage & irrigation	5,674	6,052	3,272
Waterworks	8,278	13,898	15,252
Sanitary sewer	10,443	11,615	11,958
Airport	4,612	6,675	7,081
	185,402	227,054	217,090
<b>ANNUAL SURPLUS</b>	63,003	24,119	12,203
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	1,451,356	1,451,356	1,439,153
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	\$1,514,359	\$1,475,475	\$1,451,356

See notes to consolidated financial statements.

**CITY OF ABBOTSFORD**  
**Consolidated Statement of Cash Flows**

*For the Year Ended December 31, 2014, with comparative information for 2013*  
*In thousands*

	<b>2014</b>	<b>2013</b>
<b>OPERATING ACTIVITIES</b>		
Annual surplus	\$ 24,119	\$ 12,203
Non-cash items included in annual surplus:		
Amortization expense	43,488	42,726
Contributed tangible capital assets	(3,950)	(4,100)
Loss on disposal of tangible capital assets	399	859
Recognition of restricted revenue	(13,500)	(11,242)
Changes in non-cash operating items:		
Accounts receivable	(323)	2,778
Inventories	83	(93)
Pre-paid expenses	4,166	(630)
Accounts payable and accrued liabilities	(65)	(7,788)
Deferred revenue	(18,749)	2,579
	<u>35,668</u>	<u>37,292</u>
<b>INVESTING ACTIVITIES</b>		
Increase in portfolio investments	(10,696)	(63,849)
<b>FINANCING ACTIVITIES:</b>		
Collection of and interest on restricted revenue	19,027	18,291
Debt principal repaid	(8,572)	(9,314)
	<u>10,455</u>	<u>8,977</u>
<b>CAPITAL ACTIVITIES:</b>		
Proceeds from disposal of tangible capital assets	976	825
Acquisition of tangible capital assets	(15,319)	(29,966)
	<u>(14,343)</u>	<u>(29,141)</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	21,084	(46,721)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>21,701</u>	<u>68,422</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 42,785</u>	<u>\$ 21,701</u>

See notes to consolidated financial statements.

# CITY OF ABBOTSFORD

## Consolidated Statement of Change in Net Financial Assets/(Debt)

For the Year Ended December 31, 2014, with comparative information for 2013

In thousands

	2014 Plan (Note 18)	2014 Actual	2013 Actual
<b>ANNUAL SURPLUS</b>	\$ 63,003	\$ 24,119	\$ 12,203
<b>TANGIBLE CAPITAL ASSETS:</b>			
Acquisition of tangible capital assets	(74,151)	(15,319)	(29,966)
Contributed tangible capital assets	-	(3,950)	(4,100)
Amortization	-	43,488	42,726
Proceeds from disposal of tangible capital assets	-	976	825
Loss on disposal of tangible capital assets	-	399	859
	(74,151)	25,594	10,344
<b>OTHER NON-FINANCIAL ASSETS:</b>			
(Increase)/decrease in inventory	-	83	(93)
(Increase)/decrease in pre-paid expenses	-	4,166	(630)
	-	4,249	(723)
<b>INCREASE/(DECREASE) IN NET FINANCIAL ASSETS</b>	(11,148)	53,962	21,824
<b>NET FINANCIAL DEBT, BEGINNING OF YEAR</b>	9,427	9,427	(12,397)
<b>NET FINANCIAL ASSETS/(DEBT), END OF YEAR</b>	\$ (1,721)	\$ 63,389	\$ 9,427

See notes to consolidated financial statements.





**CITY OF ABBOTSFORD**  
**Notes to Consolidated Financial**  
**Statements**

*For the Year Ended December 31, 2014*  
*(Tabular amounts are in thousands of dollars)*

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The Notes to the Consolidated Financial Statements are an integral part of the financial statements. They explain the significant accounting and reporting policies and principles underlying these statements. They also provide relevant supplementary information and explanations.

**1. SIGNIFICANT ACCOUNTING POLICIES:**

The accounting policies of the City conform to generally accepted accounting policies for local government financial reporting in British Columbia. The Consolidated Financial Statements have been prepared in accordance with current standards issued by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

**(a) Principles of Consolidation:**

With the exception of the Cemetery Care Trust Fund, the Consolidated Financial Statements include all of the funds of the City and of Ledgeview Properties Ltd., the City's wholly-owned company. Inter-fund transactions, fund balances, and activities have been eliminated on consolidation. The funds of the City include General, Water, Sewer, Airport, Operating, Capital, and Reserve Funds. The Cemetery Care Trust Fund is excluded from the Consolidated Financial Statements and is reported separately. The regional waterworks (supply) and sanitary sewer (treatment plant) utilities, whose ownership transferred from the Fraser Valley Regional District (FVRD) jointly to the City of Abbotsford and District of Mission on January 1, 2005, are consolidated in the City's financial statements, with the District of Mission's minority interest removed.

**(b) Fund Accounting:**

The resources and operations of the City have been segregated for accounting and financial reporting purposes into the following funds, which are presented as supplementary information:

Operating Funds: Operating funds report the principal activities of General, Water, Sewer, and Airport operations.

Capital Funds: Capital funds report the acquisition and disposal of property and equipment and their related financing.

Reserve Funds: Reserve funds report the assets held for specific future requirements.



**CITY OF ABBOTSFORD**  
**Notes to Consolidated Financial**  
**Statements**

*For the Year Ended December 31, 2014*  
*(Tabular amounts are in thousands of dollars)*

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**1. SIGNIFICANT ACCOUNTING POLICIES: CONTINUED**

**(c) Financial Plan:**

The Community Charter (Section 165) requires revenues and expenses to be in accordance with the five-year financial plan adopted annually by Council. The 2014 Plan amounts in the financial statements reflect the first year of the five-year financial plan adopted by Council on April 14, 2014, with the exception of adjustments detailed in Note 18 to the Consolidated Statements.

**(d) Cash and Cash Equivalents:**

Cash and cash equivalents include cash as well as deposits in the Municipal Finance Authority short-term money market investment pool. These investments are highly liquid and are readily convertible to known amounts of cash.

**(e) Portfolio Investments:**

Portfolio investments are carried at cost, with the exception of Municipal Finance Authority pooled investments, which are carried at market value. When, in the opinion of management, there is a permanent decline in value, investments are written down to their net realizable value.



**CITY OF ABBOTSFORD**  
**Notes to Consolidated Financial**  
**Statements**

*For the Year Ended December 31, 2014*  
*(Tabular amounts are in thousands of dollars)*

**1. SIGNIFICANT ACCOUNTING POLICIES: CONTINUED**

**(f) Non-Financial Assets:**

Tangible capital assets, inventories and pre-paid expenses are recorded as non-financial assets. Non-financial assets are not available to discharge existing liabilities and are held to provide City services in future periods. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

Intangible capital assets, such as water rights and mineral resources, are not recorded in the financial statements.

**Tangible Capital Assets**

Capital assets are recorded at cost, net of capital asset disposals, write-downs and amortization. The useful life is applied on a straight-line basis to calculate amortization.

	Major Asset Category	Useful Life Range (years)
General	Land	n/a
	Land improvements	10 - 20
	Park improvements	10 - 50
	Buildings	10 - 50
	Machinery, equipment, vehicles	4 - 20
Infrastructure	Airport	20 - 125
	Water	20 - 75
	Sewer	20 - 75
	Transportation	15 - 75
	Storm drainage and detention	50 - 100
	Dyking, drainage and irrigation	20 - 100

Tangible capital assets, including construction-in-progress, are recorded at cost. Amortization on tangible capital assets begins at the point in time the asset is substantially complete and ready for use. Contributed tangible capital assets are recorded at fair value at the date of contribution.



**CITY OF ABBOTSFORD**  
**Notes to Consolidated Financial**  
**Statements**

*For the Year Ended December 31, 2014*  
*(Tabular amounts are in thousands of dollars)*

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**1. SIGNIFICANT ACCOUNTING POLICIES: CONTINUED**

**(g) Accrued Liabilities:**

Liabilities can arise from contracts and agreements, government legislation, constructive obligations, and equitable obligations.

**(h) Financial Instruments:**

The City's financial instruments consist of cash, accounts receivable, portfolio investments, accounts payable and accrued liabilities, and long-term debt. Unless otherwise indicated, it is management's opinion that the City is not exposed to any significant interest, credit or currency risks arising from these financial instruments. Unless otherwise noted, fair values approximate carrying values.

**(i) Revenue Recognition:**

Sources of revenue are recorded on the accrual basis and recognized when earned. Revenue unearned in the current period is reported on the balance sheet as deferred revenue. Property taxes are recognized as revenue in the year to which they pertain, as authorized by the Council by adoption of the tax rate bylaw.

**(j) Expense Recognition:**

Expenses are recognized on the accrual basis in the period they are incurred.

**(k) Government Transfers:**

Government transfers received by the City are recognized as revenue once the transfer has been authorized by the transferring government and the City has met any eligibility requirements (e.g. completion of agreed-upon capital works). However, in cases where stipulations have been imposed by the transferring government on the City with respect to the use or retention of funds already transferred, and those stipulations have not yet been met, a liability is recognized.

Transfers from the City to other agencies are normally granted only in return for services provided to the community. As such, they would be recognized on the same basis as other expenses.



**CITY OF ABBOTSFORD**  
**Notes to Consolidated Financial**  
**Statements**

*For the Year Ended December 31, 2014*  
*(Tabular amounts are in thousands of dollars)*

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**1. SIGNIFICANT ACCOUNTING POLICIES: CONTINUED**

**(l) Use of Estimates:**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported revenue and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of employee post-retirement benefits, liability claims, landfill restoration costs, allowance for doubtful accounts receivable, provision for contingencies, tangible capital asset historical costs pre-2008, and timing of new asset recognition. Actual results could differ from management's best estimates as additional information becomes available. Adjustments, if any, are recorded or disclosed in the financial statements in the period that the change in estimate is made, as well as in the period of settlement.

**(m) Comparative Figures:**

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior surplus.



**CITY OF ABBOTSFORD**  
**Notes to Consolidated Financial**  
**Statements**

*For the Year Ended December 31, 2014*  
*(Tabular amounts are in thousands of dollars)*

**2. CASH AND CASH EQUIVALENTS:**

	<b>2014</b>	<b>2013</b>
Cash	\$ 33,720	\$ 12,734
MFA short-term money-market investment pools	9,065	8,967
	<b>\$ 42,785</b>	<b>\$ 21,701</b>

**3. ACCOUNTS RECEIVABLE:**

	<b>2014</b>	<b>2013</b>
Fees and charges	\$ 13,696	\$ 16,405
Taxes	7,702	7,666
Grants	486	1,980
Development cost charges	9,165	4,305
Local improvement charges	6,171	6,541
	<b>\$ 37,220</b>	<b>\$ 36,897</b>

All accounts receivable are reported net of allowances for doubtful accounts.



**CITY OF ABBOTSFORD**  
**Notes to Consolidated Financial**  
**Statements**

*For the Year Ended December 31, 2014*  
*(Tabular amounts are in thousands of dollars)*

**4. PORTFOLIO INVESTMENTS:**

The investment portfolio includes bonds of Chartered Banks, Government of Canada and Provincial Governments; deposits and notes of Chartered Banks, Credit Unions, Government of Canada and Provincial Governments; and deposits in the Municipal Finance Authority long-term investment pools.

	2014		2013	
	Cost	Market	Cost	Market
Portfolio investments	\$ 155,098	\$ 155,487	\$ 144,402	\$ 144,537

	Short-term	Long-term	Short-term	Long-term
	less than 2 years	2 - 10 years	less than 2 years	2 - 10 years
Average holdings	116,495	29,881	85,215	29,409
Annual yield	1.98 %	2.92 %	1.98 %	4.67 %

**5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES:**

	2014	2013
Accounts payable:		
Trade payables	\$ 16,457	\$ 20,249
Deposits	10,219	9,045
Tax prepayments	11,691	11,362
Salaries and wages	5,399	3,455
Due to Cemetery Care Trust Fund	217	177
Accounts payable and accrued liabilities:		
Retirement allowance liability	10,497	9,925
Liability claims	559	887
Vacation pay	1,444	1,145
Landfill restoration liability	1,171	1,272
Long-term payables	1,092	1,294
	<b>\$ 58,746</b>	<b>\$ 58,811</b>



**CITY OF ABBOTSFORD**  
**Notes to Consolidated Financial**  
**Statements**

*For the Year Ended December 31, 2014*  
*(Tabular amounts are in thousands of dollars)*

**5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES: CONTINUED**

**(a) Retirement Allowance Liability:**

The City provides certain earned benefits at retirement, including post-employment service pay, accumulated vested sick leave (only applicable to Police Association members), and additional vacation in the year of retirement.

The post-employment service pay is estimated for individual employees, based on projected salary costs at the time of anticipated retirement, and discounting expected pay-outs over estimated years of service. The expected liability is accrued based on a normal retirement age or actual age, whichever is greater. The retirement liability requires no contribution from employees.

In 2014, an independent actuarial valuation of the retirement liability was performed. The actuarial valuation for these benefits was performed to determine the City's benefit obligation as at December 31, 2014. The difference between the actuarially determined benefit obligation of \$10,778,000 and the accrued benefit liability of \$10,497,000 as at December 31, 2014, was an unamortized actuarial loss of \$281,000, (2013 gain - \$393,000) which is being amortized over a period equal to the employees' average remaining service lifetime. The next actuarial valuation will be as at December 31, 2015.

	<b>2014</b>	<b>2013</b>
Actuarial benefit obligation	\$ 10,778	\$ 9,532
Unamortized actuarial gain/(loss)	(281)	393
Accrued benefit liability	<u>\$ 10,497</u>	<u>\$ 9,925</u>





**CITY OF ABBOTSFORD**  
**Notes to Consolidated Financial**  
**Statements**

*For the Year Ended December 31, 2014*  
*(Tabular amounts are in thousands of dollars)*

**5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES: CONTINUED**

**(a) Retirement Allowance Liability: continued**

Accrued benefit liability :

	2014	2013
Balance, beginning of year	\$ 9,925	\$ 9,163
Current service cost	786	912
Interest cost	398	333
Benefits paid	(582)	(544)
Amortization of net actuarial loss/(gain)	(30)	61
Balance, end of year	<u>\$ 10,497</u>	<u>\$ 9,925</u>

Actuarial Assumptions used to determine the benefit obligation:

	2014	2013
Discount rate	3.1 %	4.0 %
Expected average annual wage and salary increase - Fire & Police	2.5 %	2.5 %
Expected average annual wage and salary increase - all others	2.5 %	2.5 %

**(b) Landfill Restoration Liability:**

Closure and post-closure care requirements are established by a number of regulations: British Columbia's Contaminated Sites Regulation and Hazardous Waste Regulation, both under the Environmental Management Act; and BC Ministry of Environment Permits.

The two most recent landfills that were operated and closed to various stages from 1978 to 1989 were the Valley Road Landfill and Trethewey Street Landfill. The Trethewey site has been inactive since 1985. The Valley Road site recently re-opened its permit to deposit sediment dredged from the Sumas River.

Costs related to closure activities at these sites include drainage control, leachate monitoring and collection, gas monitoring and recovery, final ground cover, closure assessment and planning, and regulatory approvals.



**CITY OF ABBOTSFORD**  
**Notes to Consolidated Financial**  
**Statements**

*For the Year Ended December 31, 2014*  
*(Tabular amounts are in thousands of dollars)*

**5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES: CONTINUED**

**(b) Landfill Restoration Liability: continued**

The Trethewey Street Landfill site is expected to require care up to and including the year 2040, primarily for gas collection. Further care requirements may be determined from a closure plan prepared by a qualified independent consultant, as required by BC Ministry of Environment permits. The closure plan should be completed by the end of 2016.

The Valley Road Landfill Closure Plan was largely complete at the end of 2014 and should be finalized in early 2015. The Valley Road Landfill site is expected to require care up to, and including, the year 2030, primarily for environmental monitoring and for construction of final cover over the cells now accepting Sumas River sediment. The capacity of the site for river sediment is estimated by the closure plan at 67,500 cubic meters, none of which had been used at the end of 2014. This capacity is projected to be fully used by 2025.

The liability of \$1,171,000, at December 31, 2014 (2013 - \$1,272,000), is calculated based on the discounted estimated future cash flows associated with closure and post-closure activities for existing waste at the two landfills. An additional \$734,000 (present value) is estimated to be required for closure activities related to future sediment deposits at the Valley Road site. The total of the current liability and unrecognized closure costs is \$1,905,000.

The discount rate used in 2014 was 3.1% (2013 – 3.5%) and the inflation rate used in 2014 was 2.0% (2013 - 2.0%). Landfill closure costs in 2014 were \$56,008 (2013 - \$56,768). There are no assets designated for settling the post-closure care liability.

	<b>2014</b>	<b>2013</b>
Restoration liability, beginning of year	\$ 1,272	\$ 1,291
Adjustment to liability	(101)	(19)
Restoration liability, end of year	<u>\$ 1,171</u>	<u>\$ 1,272</u>

**(c) Liability for Contaminated Sites:**

The City has determined that as of December 31, 2014, no contamination in excess of an environmental standard exists related to land not in productive use for which the City is responsible.



**CITY OF ABBOTSFORD**  
**Notes to Consolidated Financial**  
**Statements**

*For the Year Ended December 31, 2014*  
*(Tabular amounts are in thousands of dollars)*

**6. RESTRICTED REVENUE LIABILITY:**

	<b>Development cost charges</b>	<b>Development fees</b>	<b>Airport fees</b>	<b>2014 Total</b>	<b>2013 Total</b>
Balance December 31, 2013	\$ 14,896	\$ 19,259	\$ 1,165	\$ 35,320	\$ 28,271
Add:					
Current year contributions	14,323	1,630	2,340	18,293	17,638
Interest	339	351	44	734	653
	<u>29,558</u>	<u>21,240</u>	<u>3,549</u>	<u>54,347</u>	<u>46,562</u>
Deduct amounts recognized as revenue in current year					
Developer charges earned:					
Capital expenditures	8,451	2,672	-	11,123	9,040
Airport fees:					
Eligible airport expenditures	-	-	2,377	2,377	2,202
	<u>8,451</u>	<u>2,672</u>	<u>2,377</u>	<u>13,500</u>	<u>11,242</u>
Balance, December 31, 2014	\$ <u>21,107</u>	\$ <u>18,568</u>	\$ <u>1,172</u>	\$ <u>40,847</u>	\$ <u>35,320</u>

The restricted revenue liability primarily represents funds received from developers for capital infrastructure and minor capital expenditures required as a result of their development projects. As these funds are expended, the liability will be reduced and the amount expended will be recorded as revenue.

**(a) Development Cost Charges (DCC)**

Developers are entitled to pay development cost charges (DCCs) in equal installments over three years if the total amount payable is equal to, or greater than, \$50,000. Installments due for the next two years are recorded as accounts receivable and are guaranteed by the developer by providing a letter of credit payable on demand to the City of Abbotsford for the remaining amount of DCCs owing. As at December 31, 2014, the amount of DCCs due over the next two years is \$9,165,425 (2013 - \$4,304,860).

Assets are not physically segregated to meet the requirements of the restricted revenues. The liability will be settled with the proceeds of accounts receivable and/or investments.



**CITY OF ABBOTSFORD**  
**Notes to Consolidated Financial**  
**Statements**

*For the Year Ended December 31, 2014*  
*(Tabular amounts are in thousands of dollars)*

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**6. RESTRICTED REVENUE LIABILITY: CONTINUED**

**(a) Development Cost Charges (DCC) continued**

	<u>2014</u>	<u>2013</u>
Development cost charges:		
Storm drainage	\$ 11,278	\$ 10,892
Parks	6,031	3,342
Waterworks - supply	2,558	211
Sanitary sewer - collection	1,240	451
	<u>\$ 21,107</u>	<u>\$ 14,896</u>

**(b) Development Fees**

Development fees are charges collected from developers to fund specified improvements related to proposed developments.

**(c) Airport Fees**

Airport fees consist of airport improvement fees collected from passengers, and customer facility charges collected from the car rental companies, used to fund the passenger terminal and other capital improvements to airport facilities and grounds.



**CITY OF ABBOTSFORD**  
**Notes to Consolidated Financial**  
**Statements**

*For the Year Ended December 31, 2014*  
*(Tabular amounts are in thousands of dollars)*

**7. DEFERRED REVENUE:**

	December 31, 2013	Externally restricted inflows	Revenue earned	December 31, 2014
Fees and charges	\$ 4,015	\$ 6,398	\$ (8,798)	\$ 1,615
Grants:				
Community Works Funds	14,694	-	(14,694)	-
Other	1,663	3,126	(4,512)	277
UFV library lease	721	-	(269)	452
	<u>\$ 21,093</u>	<u>\$ 9,524</u>	<u>\$ (28,273)</u>	<u>\$ 2,344</u>

Community Works Funds (CWF) are transfers of gas taxes from the federal government to local governments in British Columbia, via the Union of British Columbia Municipalities (UBCM). The program was renewed on April 1, 2014 for a five year term. The renewed agreement significantly expanded the range of projects eligible for funding and these new criteria were applied retroactively to all funds received prior to April 1 but unspent as of that date. The widened scope of eligibility effectively means that the City is not likely to ever have to return funds to the UBCM; any project funding deemed ineligible would simply be reallocated to eligible projects. As a result, all funds on hand have now been reclassified from a liability to revenue.



**CITY OF ABBOTSFORD**  
**Notes to Consolidated Financial**  
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*For the Year Ended December 31, 2014*  
*(Tabular amounts are in thousands of dollars)*

**8. LONG-TERM DEBT:**

The City carries no debt for others. Debenture debt principal is reported net of repayments and actuarial adjustments balances, and interest expense is reported net of actuarial earnings. All long-term debt is payable in Canadian dollars. Amounts of principal payments estimated to be required in each of the next five years are listed below:

	General	Waterworks - supply	Sanitary sewer - treatment	Total
2015	\$ 3,005	\$ 157	\$ 51	\$ 3,213
2016	3,125	165	53	3,343
2017	3,250	173	56	3,479
2018	3,380	182	58	3,620
2019	3,515	191	61	3,767
2020 and thereafter	51,810	413	132	52,355
	<u>\$ 68,085</u>	<u>\$ 1,281</u>	<u>\$ 411</u>	<u>\$ 69,777</u>

Interest rates on borrowed funds are disclosed in the accompanying debt schedules (see Exhibit 5). The City's interest expense on long-term debt totaled \$3,833,400 in 2014 (2013 - \$4,260,000).



**CITY OF ABBOTSFORD**  
**Notes to Consolidated Financial**  
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*For the Year Ended December 31, 2014*  
*(Tabular amounts are in thousands of dollars)*

**9. INTERNAL FINANCING:**

To achieve more financial flexibility and minimize borrowing costs to the fullest extent possible, borrowing between capital reserves is sometimes used in accordance with the legal authority provided under the Community Charter (Section 189). Interest charges equivalent to the interest that would have been earned on the borrowed funds had they remained in the reserve fund are applied annually. However, interest charges are applied to development cost charges only to the extent those interest charges have been authorized by Development Cost Charge (DCC) Bylaw.

From 2009 to 2012, internal borrowing was provided for three road projects which will subsequently be funded through the roads DCC program as DCC contributions are received. The internal financing on two of the road projects enabled the City to take advantage of significant Federal and Provincial infrastructure stimulus grant funding. Internal financing has also been utilized for projects in the waterworks distribution DCC program, to account for timing differences between DCC funds collected and actual expenditures.

In 2013, internal financing was used for projects in the sanitary sewer (treatment plant) DCC program, in order to take advantage of significant grant funds.

	<b>2014</b>	<b>2013</b>
Roads DCC	\$ 15,163	\$ 21,574
Waterworks DCC - distribution	-	149
Sanitary sewer DCC - treatment plant	1,878	2,838
	<b>\$ 17,041</b>	<b>\$ 24,561</b>



**CITY OF ABBOTSFORD**  
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*For the Year Ended December 31, 2014*  
*(Tabular amounts are in thousands of dollars)*

**10. TANGIBLE CAPITAL ASSETS:**

Tangible Capital Assets consist of the following:

	<b>2014</b>	<b>2013</b>
General		
Land	379,569	378,906
Land improvements	7,079	7,490
Park improvements	18,771	20,668
Buildings	122,004	128,431
Machinery & equipment	10,642	11,722
Vehicles	12,859	14,198
Infrastructure		
Airport	29,037	30,080
Waterworks	231,253	232,623
Sanitary sewer	164,352	152,163
Transportation	219,775	230,241
Storm drainage and detention	183,951	185,300
Dyking, drainage & irrigation	22,164	21,567
Assets under construction	9,124	22,785
	<b>\$ 1,410,580</b>	<b>\$ 1,436,174</b>

See Exhibit 3 for a continuity schedule of Tangible Capital Assets.

The value of contributed capital assets received and recognized in the year from developers, for various infrastructure works and related land and parks is \$3,950,000 (2013 – \$4,100,000).

Art and historic treasures are held by the City in its museum and arts centre. Due to the subjective nature of the assets, they are not included in the values shown on the financial statements.





**CITY OF ABBOTSFORD**  
**Notes to Consolidated Financial**  
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*For the Year Ended December 31, 2014*  
*(Tabular amounts are in thousands of dollars)*

**11. INVENTORIES:**

Inventories are valued at the lower of cost and net realizable value, on a weighted average basis. The Tradex inventory represents the base operating items transferred from BC Pavilion Corporation (PavCo) to the City in 2004. The following table represents the inventory values:

	<b>2014</b>	<b>2013</b>
Stock	\$ 378	\$ 400
Fuel	50	42
Gravel	607	676
Tradex	106	106
	<b>\$ 1,141</b>	<b>\$ 1,224</b>

**12. PRE-PAID EXPENSES:**

Pre-paid expenses are cash disbursements that have been made prior to the related benefits being received. Examples include insurance and software licensing. With the termination of the Abbotsford Heat agreement, Abbotsford Centre hockey supply pre-paid expenses have been eliminated.

	<b>2014</b>	<b>2013</b>
General	\$ 365	\$ 708
Abbotsford Centre	-	3,823
	<b>\$ 365</b>	<b>\$ 4,531</b>



**CITY OF ABBOTSFORD**  
**Notes to Consolidated Financial**  
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*For the Year Ended December 31, 2014*  
*(Tabular amounts are in thousands of dollars)*

**13. ACCUMULATED SURPLUS:**

	<b>2014</b>	<b>2013</b>
Unappropriated Balance		
General operations	\$ 14,779	\$ 13,178
Waterworks operations	2,232	1,900
Sanitary sewer operations	4,002	4,002
Airport operations	1,176	1,176
	<u>22,189</u>	<u>20,256</u>
Appropriated Surplus		
General operations reserve	33,260	14,986
Statutory capital reserves	96,301	79,111
	<u>129,561</u>	<u>94,097</u>
Investment in tangible capital assets	1,322,219	1,331,248
Investment in other non-financial assets	1,506	5,755
Total Accumulated Surplus	<u><u>\$1,475,475</u></u>	<u><u>\$1,451,356</u></u>

The Unappropriated Surplus is the amount of Accumulated Surplus remaining after deducting the Investment in Tangible Capital Assets, Investment in Other Non-Financial Assets and the Appropriated Surplus balances. Where this amount is supported by cash and net short-term receivables, it is available to temporarily finance operations until planned revenues (i.e., property taxes, grants, etc.) are received, or for other operating or capital purposes as determined by Council.

Appropriated Surplus is the amount of Accumulated Surplus, supported by a portion of the City's cash and receivables that has been set aside for a specified purpose. The Statutory Capital Reserves have been established by bylaw in accordance with the Community Charter, and their use is restricted by the legislation. In the normal course of operations, these funds will be used to finance the future services or capital works for which they have been appropriated.



**CITY OF ABBOTSFORD**  
**Notes to Consolidated Financial**  
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*For the Year Ended December 31, 2014*  
*(Tabular amounts are in thousands of dollars)*

**14. SUPPLEMENTAL CASH FLOW INFORMATION:**

The net operating revenue of the City includes the following cash flows relating to interest received and paid:

	<b>2014</b>	<b>2013</b>
Interest paid	\$ 3,972	\$ 4,519
Interest received	\$ 3,813	\$ 3,378

**15. EXPENSE BY OBJECT:**

	<b>2014</b>	<b>2013</b>
Salaries and benefits	\$ 95,987	\$ 91,551
Operating goods and services	59,024	53,340
Minor capital projects	10,105	10,927
Amortization	43,488	42,726
Loss/(gain) on disposal of tangible capital assets	399	859
Transfer payments to other governments and agencies	14,218	13,427
Long-term debt interest	3,833	4,260
Total expense by object	<u>\$ 227,054</u>	<u>\$ 217,090</u>

**16. CONTINGENT LIABILITIES:**

**(a) Fraser Valley Regional District (FVRD):**

The City, as a member of the FVRD, is jointly and severally liable for the net capital liabilities of the FVRD.

**(b) Third party claims:**

The City is involved in certain legal actions. Although the actual outcome of these claims is currently indeterminable, in 2014 the City reports a liability of \$559,155 (2013 – \$887,006) which, at this time, is management’s best estimate of expected future settlements.



**CITY OF ABBOTSFORD**  
**Notes to Consolidated Financial**  
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*For the Year Ended December 31, 2014*  
*(Tabular amounts are in thousands of dollars)*

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**16. CONTINGENT LIABILITIES: continued**

**(c) Municipal Pension Plan:**

The municipality and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trusted 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 based on a formula. The Plan has about 182,000 active members and approximately 75,000 retired members. Active members include approximately 900 contributors from the City of Abbotsford.

The most recent actuarial valuation as at December 31, 2012 indicated a \$1,370,000,000 funding deficit for basic pension benefits. The next valuation will be as at December 31, 2015, with results available in 2016. Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution 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 of Abbotsford paid \$8,300,806 (2013 - \$7,296,724) for employer contributions while employees contributed \$6,726,651 (2013 - \$5,995,379) to the plan in fiscal 2014.

**(d) Municipal Finance Authority:**

The loan agreements with the Municipal Finance Authority provide that, if the Authority does not have sufficient funds to meet payments on its obligations, it shall make payments from the Debt Reserve Fund which is established by a similar Debt Reserve Fund in the municipality and all other borrowing participants. If the Debt Reserve Fund is deficient, the Authority's obligations become a liability of the Regional District and may become a liability of the participating municipalities.

The Debt Reserve Fund related to any particular debt issue is equal to one-half the average annual principal and interest installment. This amount is payable to the Authority at the time of issue, either in full or in an amount equal to one percent of the principal amount borrowed. The balance is secured by a non-interest-bearing demand note. The monies paid into the Debt Reserve Fund and interest that the fund earns are obligations of the Authority to its clients.

The City has a cash receivable with the Authority, from the one percent paid to the Debt Reserve Fund, totaling \$1,157,771 (2013 - \$1,312,379). The balance of the City's portion of the Debt Reserve Fund totals \$2,565,801 (2013 - \$2,964,107), for which the City has also executed demand notes in connection with each debenture totaling \$2,565,801 (2013 -



**CITY OF ABBOTSFORD**  
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*For the Year Ended December 31, 2014*  
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**16. CONTINGENT LIABILITIES: continued**

**(d) Municipal Finance Authority: continued**

\$2,964,107), whereby the City may be required to loan extra amounts to the Authority.

**(e) Abbotsford International Airport:**

The City of Abbotsford acquired the Abbotsford International Airport from Transport Canada on January 1, 1997, for the nominal cost of ten dollars. Property and equipment transferred to the City were recorded at fair value. Conditions of the transfer agreement require that the property and equipment transferred to the City must be used for the operation of the airport. In the event the City ceases to operate the airport, the property and equipment will transfer back to Transport Canada for proceeds of ten dollars.

**(f) Agricultural Land Commission:**

In 2005, the City applied to the Agricultural Land Commission (ALC) for a permit (No. MM-36161) to extract aggregate on airport property located in the Agricultural Land Reserve. The application proposed the extraction of approximately 150,000 cubic metres of aggregate over approximately 9 hectares of the site. After extraction is complete, the property will be reclaimed as specified in a report from a Professional Agrologist. To ensure successful reclamation, the ALC required a financial security of \$250,000 be posted in favour of the ALC.

**17. CONTRACTUAL OBLIGATIONS:**

Contracts entered into and not complete at the end of the fiscal year will become liabilities once the terms of the contracts are met. The nature and extent of the related expenditures are as follows:

	<b>Extent of Contracts</b>	<b>Estimated Remaining Expenditure</b>
Airport services	\$ 322	\$ 78
Planning & development services	312	204
Road construction	341	189
Sanitary sewer construction	2,251	316
Waterworks construction	3,751	2,675
	<b>\$ 6,977</b>	<b>\$ 3,462</b>



**CITY OF ABBOTSFORD**  
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**18. 2014 PLAN:**

The budget data presented in these consolidated financial statements was included in the City of Abbotsford 2014-2018 Financial Plan, adopted through Bylaw No. 2316-2014 on April 14, 2014. The following table reconciles the approved budget to the budget figures in these consolidated financial statements:

	<u>2014</u>
Revenues:	
Consolidated budget	\$ 253,490
Expenses:	
Consolidated budget	<u>171,427</u>
Annual surplus per approved budget	82,063
Less:	
Minor capital expenses	(16,070)
Collections for other governments	<u>(2,990)</u>
Annual surplus per Statement of Operations	<u><u>\$ 63,003</u></u>

**19. CEMETERY CARE TRUST FUND:**

The Cemetery Care Trust Fund is excluded from the Consolidated Financial Statements and is reported separately. The City administers the Cemetery Care Trust Fund for the perpetual care and maintenance of City-owned cemeteries. As at December 31, 2014, the trust fund balance is \$3,462,549 (2013 - \$3,371,653).



**CITY OF ABBOTSFORD**  
**Notes to Consolidated Financial**  
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*(Tabular amounts are in thousands of dollars)*

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**20. CITY SERVICES FINANCIAL INFORMATION:**

This information enhances the transparency of financial reporting and supplements broader-based fund information. The service information helps with understanding the City organization and how it discharges its accountability obligations, and helps to understand performance and to make informed judgments about the major services provided. Major services and their functional responsibilities are described below:

**General Government Services**

- Legislative and support services
- Legal services
- Strategic planning, corporate communications & marketing
- Human resources
- Financial services
- Business & technology solutions
- Purchasing & supply services
- Risk management
- Economic development

**Police Protection**

- Community policing
- Criminal investigations
- Patrol
- Victim services
- Traffic safety
- Crime prevention
- Community outreach

**Fire Rescue Service & Other Protective Services**

- Emergency incident response
- Firefighter training
- Fire inspections and investigations
- Fire safety programs
- Medical assistance
- Animal control
- Search and rescue
- Restorative justice
- Building inspections
- Bylaw enforcement

**Parks, Recreation & Culture**

- Recreation facilities and programs
- Parks and open space
- Health and wellness
- Cemeteries
- Cultural Centre



**CITY OF ABBOTSFORD**  
**Notes to Consolidated Financial**  
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*For the Year Ended December 31, 2014*  
*(Tabular amounts are in thousands of dollars)*

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**20. CITY SERVICES FINANCIAL INFORMATION: continued**

**Engineering**

Transportation infrastructure  
(plan, design, construct, maintain)  
Mapping and survey  
Fleet vehicles  
Soil, gravel and rock removal management

**Solid Waste**

Collection and disposal  
Composting and recycling  
Environmental education

**Dyking & Irrigation**

Dyking and irrigation infrastructure  
Water management of City dyking &  
drainage areas  
Irrigation services

**Sanitary Sewer**

Sewer infrastructure (plan, design, construct,  
maintain)  
Collecting and treating liquid waste

**Planning & Development Services**

Building construction regulations  
Business licensing  
Environmental protection  
Land development  
Long-range and social planning

**Transit**

Planning and management  
Conventional transit  
Custom transit (Handi-dart)

**Drainage**

Urban storm drainage infrastructure and water  
management  
Rural storm drainage infrastructure and water  
management

**Waterworks**

Water infrastructure  
(plan, design, construct, maintain)  
Potable water distribution  
Conservation education

**Airport**

National and international flights  
Passenger and cargo services





**CITY OF ABBOTSFORD**  
**Notes to Consolidated Financial**  
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*For the Year Ended December 31, 2014*  
*(Tabular amounts are in thousands of dollars)*

**21. SEGMENT INFORMATION – REVENUES & EXPENSES BY FUNCTION:**

	2014 Plan	2014 Actual	2013 Actual
REVENUE			
GENERAL OPERATING FUND			
General government services	\$ 82,372	\$ 102,417	\$ 83,752
Planning & development services	1,606	1,898	2,166
Police services	47,696	47,203	47,184
Fire rescue services	200	251	222
Other protective services	3,727	3,609	4,710
Parks, recreation & culture services	6,704	6,548	6,794
Abbotsford Centre	3,721	4,718	3,701
Library services	4,287	4,287	4,125
Transit services	7,222	7,112	6,915
Engineering services	2,775	3,118	2,886
Solid waste services	7,537	7,381	7,050
Storm drainage services	3,551	3,553	3,559
Dyking, drainage and irrigation services	2,113	2,109	2,106
	173,511	194,204	175,170
WATERWORKS	16,889	16,699	16,786
SANITARY SEWER	11,510	12,636	11,278
AIRPORT	6,105	6,144	6,472
CAPITAL FUNDS	39,198	19,377	17,781
RESERVE FUNDS	1,581	2,358	2,095
	248,794	251,418	229,582
CONSOLIDATION ADJUSTMENTS	(389)	(245)	(289)
	248,405	251,173	229,293



**CITY OF ABBOTSFORD**  
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*For the Year Ended December 31, 2014*  
*(Tabular amounts are in thousands of dollars)*

**21. SEGMENT INFORMATION – REVENUES & EXPENSES BY FUNCTION: continued**

	2014 Plan	2014 Actual	2013 Actual
<b>EXPENSES</b>			
<b>GENERAL OPERATING FUND</b>			
General government services	14,639	14,862	13,738
Planning & development services	4,164	4,065	3,146
Police services	47,151	48,431	48,166
Fire rescue services	15,496	16,840	15,401
Other protective services	3,793	3,291	4,011
Parks, recreation & culture services	19,962	24,036	24,094
Abbotsford Centre	8,820	19,234	12,620
Library services	3,987	4,187	4,030
Transit services	10,807	10,650	10,021
Engineering services	9,757	24,210	23,877
Solid waste services	7,155	7,259	6,767
Storm drainage services	2,203	5,283	5,136
Dyking, drainage and irrigation services	2,635	3,263	3,208
	150,569	185,611	174,215
<b>WATERWORKS</b>	7,794	13,703	14,398
<b>SANITARY SEWER</b>	6,879	11,293	10,922
<b>AIRPORT</b>	4,479	6,588	6,917
<b>CAPITAL FUNDS</b>	16,070	10,104	10,927
	185,791	227,299	217,379
<b>CONSOLIDATION ADJUSTMENTS</b>	(389)	(245)	(289)
	185,402	227,054	217,090
<b>ANNUAL SURPLUS</b>	\$ 63,003	\$ 24,119	\$ 12,203



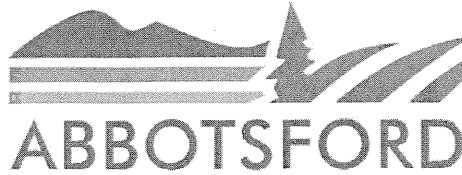
**CITY OF ABBOTSFORD**  
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**22. REVENUES & EXPENSES BY FUNCTION LESS AMORTIZATION:**

For the 2014 operating expenses, the City did not budget for amortization and gain/loss, non-cash expenses. The following table provides information on all City revenues and expenses compared to budget.

	<b>2014 Plan</b>	<b>2014 Actual (less Amortization)</b>	<b>2013 Actual (less Amortization)</b>
<b>REVENUE</b>			
<b>GENERAL OPERATING FUND</b>			
General government services	\$ 82,372	\$ 102,417	\$ 83,752
Planning & development services	1,606	1,898	2,166
Police services	47,696	47,203	47,184
Fire rescue services	200	251	222
Other protective services	3,727	3,609	4,710
Parks, recreation & culture services	6,704	6,548	6,794
Entertainment and Sports Centre	3,721	4,718	3,701
Library services	4,287	4,287	4,125
Transit services	7,222	7,112	6,915
Engineering services	2,775	3,118	2,886
Solid waste services	7,537	7,381	7,050
Storm drainage services	3,551	3,553	3,559
Dyking, drainage and irrigation services	2,113	2,109	2,106
	<b>173,511</b>	<b>194,204</b>	<b>175,170</b>
<b>WATERWORKS</b>	<b>16,889</b>	<b>16,699</b>	<b>16,786</b>
<b>SANITARY SEWER</b>	<b>11,510</b>	<b>12,636</b>	<b>11,278</b>
<b>AIRPORT</b>	<b>6,105</b>	<b>6,144</b>	<b>6,472</b>
<b>CAPITAL FUNDS</b>	<b>39,198</b>	<b>19,377</b>	<b>17,781</b>
<b>RESERVE FUNDS</b>	<b>1,581</b>	<b>2,358</b>	<b>2,095</b>
	<b>248,794</b>	<b>251,418</b>	<b>229,582</b>
<b>CONSOLIDATION ADJUSTMENTS</b>	<b>(389)</b>	<b>(245)</b>	<b>(289)</b>
	<b>248,405</b>	<b>251,173</b>	<b>229,293</b>



**CITY OF ABBOTSFORD**  
**Notes to Consolidated Financial**  
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*For the Year Ended December 31, 2014*  
*(Tabular amounts are in thousands of dollars)*

**22. REVENUES & EXPENSES BY FUNCTION LESS AMORTIZATION: continued**

	2014 Plan	2014 Actual (less Amortization)	2013 Actual (less Amortization)
EXPENSES			
GENERAL OPERATING FUND			
General government services	14,639	13,761	13,141
Planning & development services	4,164	4,065	3,146
Police services	47,151	47,517	47,311
Fire rescue services	15,496	15,825	14,425
Other protective services	3,793	3,290	4,011
Parks, recreation & culture services	19,962	19,577	19,623
Entertainment and Sports Centre	8,820	16,445	9,831
Library services	3,987	3,982	3,825
Transit services	10,807	10,617	9,987
Engineering services	9,757	8,997	8,412
Solid waste services	7,155	7,204	6,682
Storm drainage services	2,203	1,818	1,553
Dyking, drainage and irrigation services	2,635	2,548	2,557
	150,569	155,646	144,504
WATERWORKS	7,794	7,245	7,685
SANITARY SEWER	6,879	6,345	6,299
AIRPORT	4,479	4,072	4,379
CAPITAL FUNDS	16,070	10,104	10,927
AMORTIZATION	-	43,488	42,726
LOSS/(GAIN) ON DISPOSAL OF TANGIBLE CAPITAL ASSETS	-	399	859
	185,791	227,299	217,379
CONSOLIDATION ADJUSTMENTS	(389)	(245)	(289)
	185,402	227,054	217,090
ANNUAL SURPLUS	\$ 63,003	\$ 24,119	\$ 12,203

# CITY OF ABBOTSFORD

## Statement of Financial Position - By Fund

As at December 31, 2014, with comparative information as at December 31, 2013

Exhibit 1

In thousands

	Operating Funds				Reserve Funds
	General	Waterworks	Sanitary Sewer	Airport	
<b>FINANCIAL ASSETS</b>					
Cash and cash equivalents	\$ 42,785	\$ -	\$ -	\$ -	\$ -
Due from other funds	1,115	-	4,855	1,976	129,561
Internal borrowing	17,041	-	-	-	-
Accounts receivable	29,984	5,098	1,541	597	-
Portfolio investments	155,098	-	-	-	-
	<u>246,023</u>	<u>5,098</u>	<u>6,396</u>	<u>2,573</u>	<u>129,561</u>
<b>FINANCIAL LIABILITIES</b>					
Accounts payable and accrued liabilities	58,069	214	327	136	-
Due to other funds	136,412	3	-	-	-
Restricted revenue	34,960	2,649	2,066	1,172	-
Deferred revenue	1,803	-	-	89	-
	<u>231,244</u>	<u>2,866</u>	<u>2,393</u>	<u>1,397</u>	<u>-</u>
Long-term debt	-	-	-	-	-
Internal financing	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>231,244</u>	<u>2,866</u>	<u>2,393</u>	<u>1,397</u>	<u>-</u>
<b>NET FINANCIAL ASSETS</b>	<u>14,779</u>	<u>2,232</u>	<u>4,002</u>	<u>1,176</u>	<u>129,561</u>
<b>NON-FINANCIAL ASSETS</b>					
Tangible capital assets	-	-	-	-	-
Inventories	1,141	-	-	-	-
Pre-paid expenses	365	-	-	-	-
	<u>1,506</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 16,285</u>	<u>\$ 2,232</u>	<u>\$ 4,002</u>	<u>\$ 1,176</u>	<u>\$ 129,561</u>

See notes to consolidated financial statements.

# CITY OF ABBOTSFORD

## Statement of Financial Position - By Fund

As at December 31, 2014, with comparative information as at December 31, 2013

Exhibit 1

In thousands

					Capital Funds			
General	Waterworks	Sanitary Sewer	Airport	Consolidation Adjustments	Total 2014	Total 2013		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,785	\$ 21,701		
(1,092)	-	-	-	(136,415)	-	-		
-	-	-	-	(17,041)	-	-		
-	-	-	-	-	37,220	36,897		
-	-	-	-	-	155,098	144,402		
(1,092)	-	-	-	(153,456)	235,103	203,000		
-	-	-	-	-	58,746	58,811		
-	-	-	-	(136,415)	-	-		
-	-	-	-	-	40,847	35,320		
452	-	-	-	-	2,344	21,093		
452	-	-	-	(136,415)	101,937	115,224		
68,085	1,281	411	-	-	69,777	78,349		
15,163	-	1,878	-	(17,041)	-	-		
83,248	1,281	2,289	-	(17,041)	69,777	78,349		
83,700	1,281	2,289	-	(153,456)	171,714	193,573		
(84,792)	(1,281)	(2,289)	-	-	63,389	9,427		
929,631	234,056	175,326	71,567	-	1,410,580	1,436,174		
-	-	-	-	-	1,141	1,224		
-	-	-	-	-	365	4,531		
929,631	234,056	175,326	71,567	-	1,412,086	1,441,929		
\$ 844,839	\$ 232,775	\$ 173,037	\$ 71,567	\$ -	\$ 1,475,475	\$ 1,451,356		

See notes to consolidated financial statements.

**CITY OF ABBOTSFORD**  
**Statement of Financial Activities - By Fund**

For the year ended December 31, 2014, with comparative information for 2013  
 In thousands

Exhibit 2

	Operating Funds				Reserve
	General Schedule A	Waterworks Schedule B	San Sewer Schedule C	Airport Schedule D	Funds Schedule S
<b>REVENUE</b>					
Municipal taxation	\$ 125,453	\$ -	\$ -	\$ -	-
Fees and charges	38,346	16,638	12,457	4,051	-
Developer charges earned	-	-	-	-	-
Contributed tangible capital assets	-	-	-	-	-
Grants	26,988	-	-	-	-
Investment income	1,441	27	179	75	2,330
Rent	1,977	34	-	2,018	-
Other sources	-	-	-	-	28
Contributions (to)/from other funds	-	-	-	-	-
	<u>194,205</u>	<u>16,699</u>	<u>12,636</u>	<u>6,144</u>	<u>2,358</u>
<b>EXPENSE</b>					
General government services	13,761	-	-	-	-
Planning & development services	4,065	-	-	-	-
Protective services	66,632	-	-	-	-
Parks, recreation, culture, libraries	40,004	-	-	-	-
Transit services	10,617	-	-	-	-
Engineering services	18,019	-	-	-	-
Dyking, drainage and irrigation services	2,548	-	-	-	-
Waterworks services	-	7,246	-	-	-
Sanitary sewer services	-	-	6,345	-	-
Airport services	-	-	-	4,072	-
Amortization	29,831	6,105	4,935	2,617	-
Loss/(gain) on disposal of TCA	134	353	13	(101)	-
	<u>185,611</u>	<u>13,704</u>	<u>11,293</u>	<u>6,588</u>	<u>-</u>
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<u>8,594</u>	<u>2,995</u>	<u>1,343</u>	<u>(444)</u>	<u>2,358</u>
<b>RECONCILE TO BUDGET BASIS SURPLUS/(DEFICIT)</b>					
Operating reserve	(17,940)	-	-	-	17,940
General capital reserve	(20,016)	-	-	-	8,072
Storm drainage capital reserve	(842)	-	-	-	(32)
Waterworks capital reserve	-	(7,563)	-	-	4,900
Sanitary sewer capital reserve	-	-	(2,168)	-	(1,340)
Airport capital reserve	-	-	-	(2,294)	3,568
Eliminate amortization and loss/gain	22,625	6,459	4,949	2,739	-
Internal borrowing (from general fund)	8,090	-	-	-	-
	<u>(8,083)</u>	<u>(1,104)</u>	<u>2,781</u>	<u>445</u>	<u>33,108</u>
Debt principal repayments	(3,158)	(1,559)	(4,124)	-	-
<b>CHANGE IN INVENTORY/PRE-PAID EXPENSES</b>	<u>(4,248)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<u>1,601</u>	<u>332</u>	<u>-</u>	<u>-</u>	<u>35,466</u>
<b>SURPLUS, BEGINING OF YEAR</b>	<u>18,933</u>	<u>1,900</u>	<u>4,002</u>	<u>1,176</u>	<u>94,097</u>
<b>SURPLUS, END OF YEAR</b>	<u>\$ 16,285</u>	<u>\$ 2,232</u>	<u>\$ 4,002</u>	<u>\$ 1,176</u>	<u>\$ 129,561</u>

See notes to consolidated financial statements.

# CITY OF ABBOTSFORD

## Statement of Financial Activities - By Fund

For the year ended December 31, 2014, with comparative information for 2013

In thousands

Exhibit 2

Capital Funds								
General	Waterworks	San Sewer	Airport		Consolidation	Total	Total	
Schedule R	Schedule R	Schedule R	Schedule R	SUBTOTAL	Adjustments	2014	2013	
\$ -	\$ -	\$ -	\$ -	\$ 125,453	\$ -	\$ 125,453	\$ 124,543	
147	31	-	2,376	74,046	-	74,046	74,442	
6,966	489	2,459	-	9,914	-	9,914	3,567	
2,512	1,193	245	-	3,950	-	3,950	4,100	
2,781	-	-	-	29,769	-	29,769	14,289	
-	-	-	-	4,052	(245)	3,807	4,429	
-	-	-	-	4,029	-	4,029	3,818	
137	3	37	-	205	-	205	105	
1,462	-	-	(1,462)	-	-	-	-	
14,005	1,716	2,741	914	251,418	(245)	251,173	229,293	
341	-	-	-	14,101	-	14,101	13,487	
-	-	-	-	4,065	-	4,065	3,146	
563	-	-	-	67,195	-	67,195	65,881	
609	-	-	-	40,613	-	40,613	33,739	
-	-	-	-	10,617	-	10,617	9,987	
5,121	-	-	-	23,140	(168)	22,972	24,227	
2,788	-	-	-	5,336	-	5,336	2,621	
-	199	-	-	7,445	(3)	7,442	8,539	
-	-	396	-	6,741	(74)	6,667	7,334	
-	-	-	87	4,159	-	4,159	4,543	
-	-	-	-	43,488	-	43,488	42,727	
-	-	-	-	399	-	399	859	
9,422	199	396	87	227,299	(245)	227,054	217,090	
4,583	1,517	2,345	827	24,119	-	24,119	12,203	
-	-	-	-	-	-	-	-	
12,027	(75)	(8)	-	-	-	-	-	
874	-	-	-	-	-	-	-	
-	2,664	-	-	-	-	-	-	
-	-	3,508	-	-	-	-	-	
-	-	-	(1,274)	-	-	-	-	
(24,304)	(6,309)	(3,989)	(2,740)	(570)	-	(570)	(637)	
(6,411)	(149)	(960)	-	570	-	570	637	
(17,814)	(3,869)	(1,449)	(4,014)	-	-	-	-	
3,158	1,559	4,124	-	-	-	-	-	
-	-	-	-	(4,248)	-	(4,248)	723	
(10,073)	(793)	5,020	(3,187)	24,119	-	24,119	12,203	
854,911	233,566	168,016	74,754	1,451,356	-	1,451,356	1,439,153	
\$ 844,839	\$ 232,775	\$ 173,037	\$ 71,567	\$ 1,475,475	\$ -	\$ 1,475,475	\$ 1,451,356	

See notes to consolidated financial statements.



**CITY OF ABBOTSFORD**  
**Schedule of Tangible Capital Assets**

As at December 31, 2014, with comparative information for 2013  
 In thousands

Exhibit 3

	Cost						Closing Balance
	Opening Balance	Add		Less			
		Additions	Transfer from asset class	Disposals	Transfer to asset class		
<b>General</b>							
Land	\$ 378,906	\$ 1,240	\$ -	\$ (577)	\$ -	\$ 379,569	
Land improvements	15,392	2	(7)	-	-	15,387	
Park improvements	54,637	6	(342)	(195)	-	54,106	
Buildings	222,744	840	(42)	(671)	-	222,871	
Machinery & equipment	31,179	1,027	424	(147)	-	32,483	
Vehicles	29,601	623	426	(1,147)	-	29,503	
<b>Infrastructure</b>							
Airport	37,141	-	-	-	-	37,141	
Waterworks	317,346	2,636	2,400	(2,061)	-	320,321	
Sanitary sewer	234,293	2,709	14,345	(265)	-	251,082	
Transportation	518,501	2,578	545	(202)	-	521,422	
Storm drainage	253,102	1,873	333	(5)	-	255,303	
Dyking, drainage, & irrigation	49,941	306	1,006	(4)	-	51,249	
<b>Assets under construction</b>	22,785	5,427	-	-	(19,088)	9,124	
	<u>\$2,165,568</u>	<u>\$ 19,267</u>	<u>\$ 19,088</u>	<u>\$ (5,274)</u>	<u>\$ (19,088)</u>	<u>\$ 2,179,561</u>	

See notes to consolidated financial statements.

**CITY OF ABBOTSFORD**  
**Schedule of Tangible Capital Assets**

*As at December 31, 2014, with comparative information for 2013*  
*In thousands*

**Exhibit 3**

Opening Balance	Accumulated Amortization		Closing Balance	Net Book Value Dec 31, 2014	Net Book Value Dec 31, 2013
	Add Amortization	Less Accumulated Amortization on Disposals			
\$ -	\$ -	\$ -	\$ -	\$ 379,569	\$ 378,906
7,902	406	-	(8,308)	7,079	7,490
33,969	1,464	(98)	(35,335)	18,771	20,668
94,313	7,078	(523)	(100,868)	122,003	128,431
19,456	2,513	(128)	(21,841)	10,642	11,722
15,403	2,276	(1,035)	(16,644)	12,859	14,198
7,061	1,043	-	(8,104)	29,037	30,080
84,723	6,051	(1,707)	(89,067)	231,253	232,623
82,129	4,852	(251)	(86,730)	164,352	152,163
288,259	13,539	(151)	(301,647)	219,775	230,241
67,802	3,551	-	(71,353)	183,951	185,300
28,373	715	(4)	(29,084)	22,165	21,567
-	-	-	-	9,124	22,785
<b>\$ 729,390</b>	<b>\$ 43,488</b>	<b>\$ (3,897)</b>	<b>\$ (768,981)</b>	<b>\$ 1,410,580</b>	<b>\$ 1,436,174</b>

See notes to consolidated financial statements.

# CITY OF ABBOTSFORD

## Appropriated Surplus (Reserves) Continuity Schedule

For the Year Ended December 31, 2014, with comparative information as at 2013

Exhibit 4

In thousands

	Balance December 31, 2013	(To)/From Operating Fund	(To)/From Other Funds	Other Contributions	Interest Earned	Balance December 31, 2014
<b>STATUTORY CAPITAL RESERVES</b>						
General	\$ 18,664	\$ 19,947	\$ (11,948)	\$ 27	\$ 553	\$ 27,243
Storm drainage	12,584	915	(874)	-	293	12,918
Waterworks	13,279	7,564	(2,664)	-	368	18,547
Sanitary sewer	29,319	2,169	(3,508)	-	651	28,631
Airport	5,021	2,290	1,275	1	123	8,710
Affordable housing	246	-	-	-	6	252
	<u>79,111</u>	<u>32,885</u>	<u>(17,719)</u>	<u>28</u>	<u>1,994</u>	<u>96,301</u>
<b>GENERAL OPERATING RESERVE</b>						
<b>Planned Transfers</b>						
New facility operations	2,190	-	-	-	54	2,244
Water system contingency	-	-	700	-	17	717
Insurance	2,901	-	(700)	-	65	2,266
Tradex operating reserve	703	95	-	-	17	815
Election	269	(269)	-	-	-	-
Community Works Fund	-	19,456	-	-	-	19,456
Sister city	54	10	-	-	2	66
Climate action	701	186	(4)	-	16	899
Community projects	397	-	-	-	10	407
	<u>7,215</u>	<u>19,478</u>	<u>(4)</u>	<u>-</u>	<u>181</u>	<u>26,870</u>
<b>Operating Surplus Transfers</b>						
Police	1,106	(373)	-	-	18	751
Winter operations	1,100	-	-	-	26	1,126
Storm drainage	1,650	405	-	-	52	2,107
Sumas Prairie DDI	80	33	-	-	3	116
Matsqui Prairie DDI	69	24	-	-	3	96
Solid waste	575	-	-	-	14	589
	<u>4,580</u>	<u>89</u>	<u>-</u>	<u>-</u>	<u>116</u>	<u>4,785</u>
<b>Other Transfers</b>						
Economic Dev Commission startup	40	-	-	-	1	41
General government	1,104	(913)	-	-	4	195
Communications	10	-	-	-	-	10
Human resources	63	-	-	-	2	65
LT financial plan/Core services review	237	-	-	-	7	244
Traffic fine revenue	977	(797)	-	-	5	185
Rate stabilization	512	-	-	-	12	524
Planning - Watercourse mapping	-	37	-	-	1	38
Park & recreation	68	(53)	-	-	-	15
Arbitrated settlements	179	-	-	-	5	184
BTS/Finance - Amanda upgrade	-	101	-	-	3	104
	<u>3,190</u>	<u>(1,625)</u>	<u>-</u>	<u>-</u>	<u>40</u>	<u>1,605</u>
	<u>14,986</u>	<u>17,942</u>	<u>(4)</u>	<u>-</u>	<u>337</u>	<u>33,260</u>
<b>Total</b>	<b>\$ 94,097</b>	<b>\$ 50,827</b>	<b>\$ (17,723)</b>	<b>\$ 28</b>	<b>\$ 2,331</b>	<b>\$ 129,561</b>

See notes to consolidated financial statements.

# CITY OF ABBOTSFORD

## Debt Outstanding and Debt Servicing by Fund and Function

For the Year Ended December 31, 2014, with comparative information for 2013  
In thousands

Exhibit 5

	Bylaw Number	MFA Issue Number	Year of Maturity	Interest Rate (%)	Debt Outstanding December 31 2013	2014 Debt Servicing			Debt Outstanding December 31 2014
						Principal	Interest	Total	
<b>GENERAL FUND</b>									
<b>Parks, recreation and culture</b>									
Abbotsford Centre	1586	102/103	2032	5.00	\$ 47,044	\$ 1,639	\$ 2,407	\$ 4,046	\$ 45,405
Cultural Centre	1587	102/103	2027	5.00	7,976	417	413	830	7,559
Community Centre	1588	102/103	2027	5.00	15,954	833	825	1,658	15,121
					<u>70,974</u>	<u>2,889</u>	<u>3,645</u>	<u>6,534</u>	<u>68,085</u>
<b>SANITARY SEWER FUND</b>									
<b>Sanitary sewer - treatment plant</b>									
	558-533	63	2016	3.00	263	263	15	278	-
	326-125	71	2019	3.15	272	272	3	275	-
	326-164	71	2019	3.15	1,307	1,307	13	1,320	-
	326-533	71	2019	3.15	898	898	9	907	-
	455	75	2021	3.05	459	48	6	54	411
	655-325	85	2024	4.98	1,336	1,336	61	1,397	-
					<u>4,535</u>	<u>4,124</u>	<u>107</u>	<u>4,231</u>	<u>411</u>
<b>WATERWORKS FUND</b>									
<b>Waterworks - supply</b>									
	454	75	2021	3.05	1,431	150	17	167	1,281
	655-393	85	2024	4.98	1,409	1,409	64	1,473	-
					<u>2,840</u>	<u>1,559</u>	<u>81</u>	<u>1,640</u>	<u>1,281</u>
<b>Total Long-term Debt</b>					<u>\$ 78,349</u>	<u>\$ 8,572</u>	<u>\$ 3,833</u>	<u>\$12,405</u>	<u>\$ 69,777</u>

See notes to consolidated financial statements.

# CITY OF ABBOTSFORD

## Segment Information - Revenues by Type & Expenses by Function

### General Operating Fund

For the Year Ended December 31, 2014, with comparative information for 2013

Schedule A

In thousands

	2014 Plan	2014 Actual	2013 Actual
<b>REVENUE</b>			
Municipal taxation:			
General	\$ 72,492	\$ 72,654	\$ 72,687
Police	42,358	42,358	41,663
Library	4,287	4,287	4,125
Dyking, drainage & irrigation	1,952	1,963	1,964
Utility tax	1,762	1,823	1,762
Business improvement assessment	237	254	237
Hotel tax	250	240	254
Grants in lieu of taxes:			
Federal government	1,073	1,006	1,034
Provincial governments and agencies	859	869	859
Fees and charges:			
Transit	2,615	2,553	2,631
Police	3,159	3,446	4,136
User rates	7,537	7,381	7,050
Storm drainage	3,551	3,553	3,559
Parks, recreation and culture	6,684	6,538	6,654
Abbotsford Centre	2,721	3,830	2,886
Other	3,493	4,302	5,018
Licenses and permits:			
Building permits	1,532	1,680	1,927
Soil removal fees	2,340	2,304	2,243
Business licences	940	921	921
Dog licences	250	197	232
Municipal licence plates	35	40	39
Secondary suite fees	1,226	1,230	1,214
Other licences and permits	400	372	419
Rental:			
Police	33	41	41
Other	1,810	1,933	1,682
Investment income	1,600	1,411	1,700
Municipal Finance Authority refunds	36	30	773
Grants:			
Transit	4,607	4,560	4,285
Police	2,146	1,353	1,340
Other	1,526	21,076	1,835
	<u>173,511</u>	<u>194,205</u>	<u>175,170</u>

See notes to consolidated financial statements.

# CITY OF ABBOTSFORD

## Segment Information - Revenues by Type & Expenses by Function

### General Operating Fund

For the Year Ended December 31, 2014, with comparative information for 2013

Schedule A

In thousands

	2014 Plan	2014 Actual	2013 Actual
<b>EXPENSE</b>			
General government services (Schedule E)	14,639	13,761	13,139
Planning & development services (Schedule F)	4,164	4,065	3,146
Protective services			
Police services (Schedule G)	47,151	47,517	47,311
Fire rescue services (Schedule H)	15,496	15,825	14,425
Other protective services (Schedule I)	3,793	3,290	4,011
Parks, recreation & culture services (Schedule J)	19,961	19,577	19,623
Abbotsford Centre (Schedule K)	8,820	16,445	9,831
Library services (Schedule L)	3,987	3,982	3,825
Transit services (Schedule M)	10,807	10,617	9,987
Engineering services (Schedule N)	9,756	8,997	8,412
Solid waste services (Schedule O)	7,155	7,204	6,682
Storm drainage services (Schedule P)	2,203	1,818	1,553
Dyking, drainage and irrigation services			
Matsqui Prairie (Schedule Q)	1,022	959	1,001
Sumas Prairie (Schedule Q)	1,614	1,589	1,556
	<u>150,568</u>	<u>155,646</u>	<u>144,502</u>
<b>ANNUAL SURPLUS/(DEFICIT) BEFORE AMORTIZATION</b>	22,943	38,559	30,668
Amortization (All Schedules)	-	29,831	29,685
Loss/(gain) on disposal of tangible capital assets (All Schedules)	-	134	28
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<u>22,943</u>	<u>8,594</u>	<u>955</u>
<b>RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS</b>			
Transfer to general capital reserve (asset sales)	-	(750)	(825)
Transfer to general capital reserve	(19,312)	(19,265)	(20,194)
Storm drainage capital reserve	(842)	(842)	(818)
Transfer to operating reserve	(280)	(20,346)	(2,818)
Transfer from operating reserve	668	2,406	2,197
Debt principal repayments	(3,177)	(3,158)	(3,419)
Inventory and pre-paid expenses	-	4,248	(723)
Eliminate amortization and loss/gain	-	30,714	30,539
<b>CHANGE IN UNAPPROPRIATED SURPLUS</b>	<u>\$ -</u>	<u>\$ 1,601</u>	<u>\$ 4,894</u>

See notes to consolidated financial statements.

**CITY OF ABBOTSFORD**  
**Segment Information - Revenues by Type & Expenses by Function**  
**Waterworks Operating Fund**

*For the Year Ended December 31, 2014, with comparative information for 2013*  
*In thousands*

**Schedule B**

	2014 Plan	2014 Actual	2013 Actual
<b>REVENUE</b>			
Fees and charges:			
User rates	\$ 16,300	\$ 15,938	\$ 16,163
Other fees and charges	554	700	564
Rent	35	34	22
Municipal Finance Authority refunds	-	27	37
	<u>16,889</u>	<u>16,699</u>	<u>16,786</u>
<b>EXPENSE</b>			
Abbotsford-Mission supply and transmission	2,931	2,476	2,857
Administration	2,363	2,016	2,158
Local supply and distribution	1,572	1,834	1,635
Meters	488	384	378
Hydrants	247	268	223
Maintenance	100	183	128
Long-term debt interest	88	82	282
Internal borrowing interest	5	3	25
	<u>7,794</u>	<u>7,246</u>	<u>7,686</u>
<b>ANNUAL SURPLUS/(DEFICIT) BEFORE AMORTIZATION</b>	<u>9,095</u>	<u>9,453</u>	<u>9,100</u>
Amortization	-	6,105	5,965
Loss/(gain) on disposal of tangible capital assets	-	353	747
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<u>9,095</u>	<u>2,995</u>	<u>2,388</u>
<b>RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS</b>			
Transfer to waterworks capital reserve	(7,536)	(7,563)	(2,625)
Debt principal repayments	(1,559)	(1,559)	(5,593)
Eliminate amortization and loss/gain	-	6,459	6,713
<b>CHANGE IN UNAPPROPRIATED SURPLUS</b>	<u>\$ -</u>	<u>\$ 332</u>	<u>\$ 883</u>

See notes to consolidated financial statements.

**CITY OF ABBOTSFORD**  
**Segment Information - Revenues by Type & Expenses by Function**  
**Sanitary Sewer Operating Fund**

*For the Year Ended December 31, 2014, with comparative information for 2013*  
*In thousands*

**Schedule C**

	2014 Plan	2014 Actual	2013 Actual
<b>REVENUE</b>			
Fees and charges:			
User rates	\$ 9,900	\$ 10,711	\$ 9,587
Industrial surcharges	990	1,102	1,011
Other fees and charges	2,798	3,329	4,044
Investment income	75	107	79
Municipal Finance Authority refunds	-	72	19
Grants	-	-	36
	<u>13,763</u>	<u>15,321</u>	<u>14,776</u>
<b>EXPENSE</b>			
Joint Abbotsford-Mission Environmental Systems (JAMES) treatment plant	3,717	3,445	3,394
Administration	1,701	1,635	1,664
Maintenance	1,248	1,084	1,103
Long-term debt interest	88	107	121
Internal borrowing interest	125	74	16
	<u>6,879</u>	<u>6,345</u>	<u>6,298</u>
<b>ANNUAL SURPLUS/(DEFICIT) BEFORE AMORTIZATION</b>	<u>6,884</u>	<u>8,976</u>	<u>8,478</u>
Amortization	-	4,935	4,539
Loss/(gain) on disposal of tangible capital assets	-	13	85
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<u>6,884</u>	<u>4,028</u>	<u>3,854</u>
<b>RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS</b>			
Transfer to sanitary sewer capital reserve	(678)	(2,168)	(4,403)
Debt principal repayments	(3,953)	(4,124)	(576)
Eliminate amortization and loss/gain	-	4,949	4,623
<b>CHANGE IN UNAPPROPRIATED SURPLUS</b>	<u>\$ 2,253</u>	<u>\$ 2,685</u>	<u>\$ 3,498</u>

See notes to consolidated financial statements.



# CITY OF ABBOTSFORD

## Segment Information - Revenues by Type & Expenses by Function

### Airport Operating Fund

For the Year Ended December 31, 2014, with comparative information for 2013

Schedule D

In thousands

	2014 Plan	2014 Actual	2013 Actual
<b>REVENUE</b>			
Fees and charges:			
Aeronautical fees	\$ 1,379	\$ 1,375	\$ 1,427
Public parking fees	1,561	1,554	1,600
Concessions	909	960	919
Other fees and charges	167	162	340
Rent	2,053	2,018	2,073
Investment income	36	75	48
Grants	-	-	65
	<u>6,105</u>	<u>6,144</u>	<u>6,472</u>
<b>EXPENSE</b>			
Administration	1,658	1,463	1,369
Marketing	143	75	365
Terminal building	525	522	544
Airside	1,531	1,417	1,588
Mobile equipment	249	226	198
Parking	355	369	248
Internal borrowing interest	19	-	67
	<u>4,480</u>	<u>4,072</u>	<u>4,379</u>
<b>ANNUAL SURPLUS/(DEFICIT) BEFORE AMORTIZATION</b>	<u>1,625</u>	<u>2,072</u>	<u>2,093</u>
Amortization	-	2,617	2,538
Loss/(gain) on disposal of tangible capital assets	-	(101)	-
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<u>1,625</u>	<u>(444)</u>	<u>(445)</u>
<b>RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS</b>			
Debt principal repayments	(1,000)	-	(2,500)
Transfer to airport capital reserve (asset sales)	-	(223)	-
Transfer to airport capital reserve	(625)	(2,072)	407
Eliminate amortization and loss/gain	-	2,739	2,538
<b>CHANGE IN UNAPPROPRIATED SURPLUS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to consolidated financial statements.

# CITY OF ABBOTSFORD

## Segment Information - Revenues by Type & Expenses by Function

### General Operating Fund - General Government Services

For the Year Ended December 31, 2014, with comparative information for 2013

Schedule E

In thousands

	2014 Plan	2014 Actual	2013 Actual
<b>REVENUE</b>			
Municipal taxation	\$ 76,673	\$ 76,845	\$ 76,832
Fees and charges	2,077	2,451	2,435
Rent	1,810	1,928	1,677
Investment income	1,600	1,402	1,685
Grants	175	19,762	350
Municipal Finance Authority refunds	36	30	773
	<u>82,371</u>	<u>102,418</u>	<u>83,752</u>
<b>EXPENSE</b>			
<b>LEGISLATIVE SERVICES</b>	651	588	583
<b>CITY MANAGER'S OFFICE</b>			
City manager	912	1,047	812
Corporate communications and marketing	884	887	719
Human resources	1,583	1,331	1,308
<b>FINANCE &amp; CORPORATE SERVICES</b>			
City Clerk	1,109	1,051	996
Elections	313	315	2
Finance & purchasing	3,562	3,159	3,131
Risk management	1,180	934	938
Business technology solutions	3,582	3,546	3,285
Economic development	367	263	869
Real estate services	244	274	112
<b>OTHER</b>			
General municipal buildings	1,676	1,678	1,657
Transfer to other agencies	567	612	592
Common services	582	653	576
Less: Cost recoveries	(2,572)	(2,577)	(2,441)
	<u>14,640</u>	<u>13,761</u>	<u>13,139</u>
<b>ANNUAL SURPLUS/(DEFICIT) BEFORE AMORTIZATION</b>	67,731	88,657	70,613
Amortization	-	1,113	1,028
Loss/(gain) on disposal of tangible capital assets	-	(12)	(431)
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<u>67,731</u>	<u>87,556</u>	<u>70,016</u>
<b>RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS</b>			
Transfer to general capital reserve (asset sales)	-	(86)	(493)
Transfer to general capital reserve	(3,497)	(3,622)	(4,236)
Transfer to operating reserve	(280)	(19,780)	(1,548)
Transfer from operating reserve	323	517	580
Debt principal repayments	(288)	(269)	(274)
Inventory and pre-paid expenses	-	4,248	(723)
Eliminate amortization and loss/gain	-	1,187	1,089
<b>CHANGE IN UNAPPROPRIATED SURPLUS</b>	<u>\$ 63,989</u>	<u>\$ 69,751</u>	<u>\$ 64,411</u>

See notes to consolidated financial statements.

# CITY OF ABBOTSFORD

## Segment Information - Revenues by Type & Expenses by Function

### General Operating Fund - Planning & Development Services

For the Year Ended December 31, 2014, with comparative information for 2013

In thousands

Schedule F

	2014 Plan	2014 Actual	2013 Actual
<b>REVENUE</b>			
Licences and permits:			
Business licences	\$ 940	\$ 921	\$ 921
Development permit application fees	130	118	119
Rezoning application fees	130	149	170
Subdivision application fees	65	39	70
Other licences and permits	61	55	50
Fees and charges:			
Development fees on Engineering projects	210	469	270
Other fees and charges	71	143	342
Grants	-	4	225
	<u>1,607</u>	<u>1,898</u>	<u>2,167</u>
<b>EXPENSE</b>			
Development approvals	3,919	3,824	2,957
Licence inspection	245	241	189
	<u>4,164</u>	<u>4,065</u>	<u>3,146</u>
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<u>(2,557)</u>	<u>(2,167)</u>	<u>(979)</u>
<b>RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS</b>			
Transfer to operating reserve	-	(105)	(170)
<b>CHANGE IN UNAPPROPRIATED SURPLUS</b>	<u>\$ (2,557)</u>	<u>\$ (2,272)</u>	<u>\$ (1,149)</u>

See notes to consolidated financial statements.

# CITY OF ABBOTSFORD

## Segment Information - Revenues by Type & Expenses by Function General Operating Fund - Police Services

For the Year Ended December 31, 2014, with comparative information for 2013  
In thousands

Schedule G

	2014 Plan	2014 Actual	2013 Actual
<b>REVENUE</b>			
Municipal taxation	\$ 42,358	\$ 42,358	\$ 41,663
Fees and charges:			
Salary recoveries	2,044	2,329	2,964
Other revenue	1,115	1,118	1,172
Government grants:			
Traffic fine revenue - sharing	2,000	1,203	1,197
Other government grants	146	150	143
Rent	33	45	45
	<u>47,696</u>	<u>47,203</u>	<u>47,184</u>
<b>EXPENSE</b>			
Finance and budgets	487	534	482
Executive administration	2,000	1,801	1,797
Operations support	6,281	6,192	5,825
Support services	5,142	5,182	4,683
Criminal investigations	7,874	8,319	9,239
Patrol	14,823	13,214	14,194
Operations control	3,598	5,449	2,118
Police building	535	548	538
Human resources	1,773	1,657	1,878
Vehicle maintenance	1,209	1,054	1,172
Common services & secondment	3,429	3,567	5,385
	<u>47,151</u>	<u>47,517</u>	<u>47,311</u>
<b>ANNUAL SURPLUS/(DEFICIT) BEFORE AMORTIZATION</b>	545	(314)	(127)
Amortization	-	901	851
Loss/(gain) on disposal of tangible capital assets	-	14	4
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<u>545</u>	<u>(1,229)</u>	<u>(982)</u>
<b>RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS</b>			
Transfer to general capital reserve (asset sales)	-	(13)	(25)
Transfer from operating reserve	280	1,169	1,021
Transfer to general capital reserve	(825)	(855)	(894)
Eliminate amortization and loss/gain	-	928	880
<b>CHANGE IN UNAPPROPRIATED SURPLUS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to consolidated financial statements.

# CITY OF ABBOTSFORD

## Segment Information - Revenues by Type & Expenses by Function

### General Operating Fund - Fire Rescue Services

For the Year Ended December 31, 2014, with comparative information for 2013

Schedule H

In thousands

	2014 Plan	2014 Actual	2013 Actual
<b>REVENUE</b>			
Fees and charges	\$ 190	\$ 244	\$ 213
Licences and permits	10	6	9
	<u>200</u>	<u>250</u>	<u>222</u>
<b>EXPENSE</b>			
Administration	540	485	516
Fire life and safety education	172	175	158
Fire prevention and inspection	596	604	449
Emergency response	13,508	13,939	12,613
Fire halls and ground maintenance	471	413	499
Fire flows and hydrants	209	209	190
	<u>15,496</u>	<u>15,825</u>	<u>14,425</u>
<b>ANNUAL SURPLUS/(DEFICIT) BEFORE AMORTIZATION</b>	<u>(15,296)</u>	<u>(15,575)</u>	<u>(14,203)</u>
Amortization	-	1,016	976
Loss/(gain) on disposal of tangible capital assets	-	(1)	-
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<u>(15,296)</u>	<u>(16,590)</u>	<u>(15,179)</u>
<b>RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS</b>			
Transfer to general capital reserve (asset sales)	-	(20)	-
Transfer from operating reserve	-	668	-
Transfer to general capital reserve	(797)	(797)	(797)
Eliminate amortization and loss/gain	-	1,035	976
<b>CHANGE IN UNAPPROPRIATED SURPLUS</b>	<u>\$ (16,093)</u>	<u>\$ (15,704)</u>	<u>\$ (15,000)</u>

See notes to consolidated financial statements.

# CITY OF ABBOTSFORD

## Segment Information - Revenues by Type & Expenses by Function

### General Operating Fund - Other Protective Services

For the Year Ended December 31, 2014, with comparative information for 2013

Schedule I

In thousands

	2014 Plan	2014 Actual	2013 Actual
<b>REVENUE</b>			
Licenses and permits:			
Building permits	\$ 1,532	\$ 1,680	\$ 1,927
Secondary suite fees	1,226	1,230	1,214
Dog licences	250	197	232
Fees and charges	389	169	1,006
Grants	331	331	331
	<u>3,728</u>	<u>3,607</u>	<u>4,710</u>
<b>EXPENSE</b>			
Animal control	319	262	276
Restorative Justice	149	149	149
Emergency services	278	249	246
Building inspections	2,014	1,902	1,967
Bylaw enforcement	1,033	715	1,282
Public safety inspection	-	13	91
	<u>3,793</u>	<u>3,290</u>	<u>4,011</u>
<b>ANNUAL SURPLUS/(DEFICIT)</b>	(65)	317	699
<b>RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS</b>			
Transfer from operating reserve	-	-	40
<b>CHANGE IN UNAPPROPRIATED SURPLUS</b>	<u>\$ (65)</u>	<u>\$ 317</u>	<u>\$ 739</u>

See notes to consolidated financial statements.

# CITY OF ABBOTSFORD

## Segment Information - Revenues by Type & Expenses by Function

### General Operating Fund - Parks, Recreation & Culture Services

For the Year Ended December 31, 2014, with comparative information for 2013

Schedule J

In thousands

	2014	2014				2014	2013
	Plan	General	Parks	Recreation	Culture	Actual	Actual
<b>REVENUE</b>							
Fees and charges	\$ 6,684	\$ 179	\$ 1,135	\$ 5,227	\$ -	\$ 6,541	\$ 6,670
Rent	-	3	2	-	-	5	1
Grants	20	3	-	-	-	3	122
	<u>6,704</u>	<u>185</u>	<u>1,137</u>	<u>5,227</u>	<u>-</u>	<u>6,549</u>	<u>6,793</u>
<b>EXPENSE</b>							
Operations	18,705	1,348	7,256	8,946	789	18,339	18,237
Long-term debt interest	1,257	-	-	825	413	1,238	1,386
	<u>19,962</u>	<u>1,348</u>	<u>7,256</u>	<u>9,771</u>	<u>1,202</u>	<u>19,577</u>	<u>19,623</u>
<b>ANNUAL SURPLUS/(DEFICIT) BEFORE AMORTIZATION</b>							
	(13,258)	(1,163)	(6,119)	(4,544)	(1,202)	(13,028)	(12,830)
Amortization	-	5	1,946	1,958	452	4,361	4,370
Loss/(gain) on disposal of tangible capital assets	-	-	97	-	-	97	102
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<u>(13,258)</u>	<u>(1,168)</u>	<u>(8,162)</u>	<u>(6,502)</u>	<u>(1,654)</u>	<u>(17,486)</u>	<u>(17,302)</u>
<b>RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS</b>							
Debt principal repayments	(1,250)	-	-	(833)	(417)	(1,250)	(1,569)
Transfer to general capital reserve	(1,541)	(107)	(816)	(545)	(73)	(1,541)	(1,541)
Transfer to cemetery capital reserve	(160)	-	(160)	-	-	(160)	(195)
Transfer to operating reserve	-	-	-	-	-	-	(65)
Transfer from operating reserve	65	52	-	-	-	52	53
Eliminate amortization and loss/gain	-	5	2,043	1,958	452	4,458	4,471
<b>CHANGE IN UNAPPROPRIATED SURPLUS</b>	<u>\$ (16,144)</u>	<u>\$ (1,218)</u>	<u>\$ (7,095)</u>	<u>\$ (5,922)</u>	<u>\$ (1,692)</u>	<u>\$ (15,927)</u>	<u>\$ (16,148)</u>

See notes to consolidated financial statements.

# CITY OF ABBOTSFORD

## Segment Information - Revenues by Type & Expenses by Function

### General Operating Fund - Abbotsford Centre

For the Year Ended December 31, 2014, with comparative information for 2013

Schedule K

In thousands

	2014 Plan	2014 Actual	2013 Actual
<b>REVENUE</b>			
Fees and charges	\$ 2,721	\$ 3,830	\$ 2,886
Investment income	-	9	15
Grants	1,000	879	800
	<u>3,721</u>	<u>4,718</u>	<u>3,701</u>
<b>EXPENSE</b>			
AESC Facility			
Operations	4,588	5,625	5,214
Long-term debt interest	2,432	2,407	2,471
Other	-	414	-
	<u>7,020</u>	<u>8,446</u>	<u>7,685</u>
AESC Facility annual surplus/(deficit)	(3,299)	(3,728)	(3,984)
Hockey revenue sharing / (supply fee)	(1,800)	(1,774)	(2,146)
Abbotsford Heat - settlement payment	-	(5,500)	-
Other	-	(725)	-
	<u>(1,800)</u>	<u>(7,999)</u>	<u>(2,146)</u>
<b>ANNUAL SURPLUS/(DEFICIT) BEFORE AMORTIZATION</b>	(5,099)	(11,727)	(6,130)
Amortization	-	2,789	2,789
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<u>(5,099)</u>	<u>(14,516)</u>	<u>(8,919)</u>
<b>RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS</b>			
Transfer from operating reserve	-	-	500
Debt principal repayments	(1,639)	(1,639)	(1,576)
Eliminate amortization and loss/gain	-	2,789	2,789
<b>CHANGE IN UNAPPROPRIATED SURPLUS</b>	<u>\$ (6,738)</u>	<u>\$ (13,366)</u>	<u>\$ (7,206)</u>

See notes to consolidated financial statements.



# CITY OF ABBOTSFORD

## Segment Information - Revenues by Type & Expenses by Function

### General Operating Fund - Library Services

For the Year Ended December 31, 2014, with comparative information for 2013

Schedule L

In thousands

	2014 Plan	2014 Actual	2013 Actual
<b>REVENUE</b>			
Municipal tax for regional library	\$ 4,287	\$ 4,287	\$ 4,125
<b>EXPENSE</b>			
Transfer to Fraser Valley Regional Library	3,692	3,691	3,531
Library operating costs	295	291	294
	<u>3,987</u>	<u>3,982</u>	<u>3,825</u>
<b>ANNUAL SURPLUS/(DEFICIT) BEFORE AMORTIZATION</b>	300	305	300
Amortization	-	205	205
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<u>300</u>	<u>100</u>	<u>95</u>
<b>RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS</b>			
Transfer to general capital reserve	(300)	(305)	(300)
Eliminate amortization and loss/gain	-	205	205
<b>CHANGE IN UNAPPROPRIATED SURPLUS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to consolidated financial statements.

# CITY OF ABBOTSFORD

## Segment Information - Revenues by Type & Expenses by Function

### General Operating Fund - Transit Services

For the Year Ended December 31, 2014, with comparative information for 2013

In thousands

Schedule M

	2014 Plan	2014 Actual	2013 Actual
<b>REVENUE</b>			
Grants	\$ 4,607	\$ 4,560	\$ 4,285
Fares	1,960	1,902	1,962
BC bus pass program	482	485	496
Advertising and other	173	165	172
	<u>7,222</u>	<u>7,112</u>	<u>6,915</u>
<b>EXPENSE</b>			
Transfer to BC Transit	10,656	10,526	9,896
Other	151	91	91
	<u>10,807</u>	<u>10,617</u>	<u>9,987</u>
<b>ANNUAL SURPLUS/(DEFICIT) BEFORE AMORTIZATION</b>	<u>(3,585)</u>	<u>(3,505)</u>	<u>(3,072)</u>
Amortization	-	33	34
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<u>(3,585)</u>	<u>(3,538)</u>	<u>(3,106)</u>
<b>RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS</b>			
Eliminate amortization and loss/gain	-	33	34
<b>CHANGE IN UNAPPROPRIATED SURPLUS</b>	<u>\$ (3,585)</u>	<u>\$ (3,505)</u>	<u>\$ (3,072)</u>

See notes to consolidated financial statements.

# CITY OF ABBOTSFORD

## Segment Information - Revenues by Type & Expenses by Function General Operating Fund - Engineering Services

For the Year Ended December 31, 2014, with comparative information for 2013  
In thousands

Schedule N

	2014 Plan	2014 Actual	2013 Actual
<b>REVENUE</b>			
Fees and charges:			
Engineering capital recoveries	\$ 140	\$ 318	\$ 188
Recoveries	177	240	305
Parking lot tickets	80	73	86
Other	34	66	55
Licenses and permits:			
Soil removal fees	2,340	2,304	2,243
Other	4	2	2
Grants	-	97	7
Developer Contributions	-	18	-
	<u>2,775</u>	<u>3,118</u>	<u>2,886</u>
<b>EXPENSE</b>			
ADMINISTRATION	2,268	2,134	2,209
ENGINEERING	2,289	2,098	1,999
TRANSPORTATION			
Services	2,402	2,397	2,352
Operations - roads	4,653	4,035	3,683
EQUIPMENT FLEET			
Operations	3,438	3,477	3,523
Internal recoveries	(5,133)	(4,911)	(5,087)
INTERNAL BORROWING INTEREST	240	168	181
COST RECOVERIES	(401)	(401)	(448)
	<u>9,756</u>	<u>8,997</u>	<u>8,412</u>
<b>ANNUAL SURPLUS/(DEFICIT) BEFORE AMORTIZATION</b>	<u>(6,981)</u>	<u>(5,879)</u>	<u>(5,526)</u>
Amortization	-	15,181	15,259
Loss/(gain) on disposal of tangible capital assets	-	32	206
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<u>(6,981)</u>	<u>(21,092)</u>	<u>(20,991)</u>
<b>RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS</b>			
Transfer to general capital reserve (asset sales)	-	(632)	(307)
Transfer to general capital reserve	(11,525)	(11,525)	(11,565)
Transfer to operating reserve	-	-	(290)
Eliminate amortization and loss/gain	-	15,844	15,772
<b>CHANGE IN UNAPPROPRIATED SURPLUS</b>	<u>\$ (18,506)</u>	<u>\$ (17,405)</u>	<u>\$ (17,381)</u>

See notes to consolidated financial statements.

# CITY OF ABBOTSFORD

## Segment Information - Revenues by Type & Expenses by Function

### General Operating Fund - Solid Waste Services

For the Year Ended December 31, 2014, with comparative information for 2013

Schedule O

In thousands

	2014 Plan	2014 Actual	2013 Actual
<b>REVENUE</b>			
Fees and charges:			
Solid waste user fees	\$ 5,864	\$ 5,843	\$ 5,795
Garbage stickers	35	22	25
Recycling, compost and yard waste fees	-	-	5
Recoveries & other	1,639	1,516	1,225
	<u>7,538</u>	<u>7,381</u>	<u>7,050</u>
<b>EXPENSE</b>			
Planning, design and management	762	682	635
Collection	2,612	2,757	2,608
Disposal	3,781	3,765	3,439
	<u>7,155</u>	<u>7,204</u>	<u>6,682</u>
<b>ANNUAL SURPLUS/(DEFICIT) BEFORE AMORTIZATION</b>	<u>383</u>	<u>177</u>	<u>368</u>
Amortization	-	56	85
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<u>383</u>	<u>121</u>	<u>283</u>
<b>RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS</b>			
Transfer to general capital reserve	(383)	(177)	(368)
Eliminate amortization and loss/gain	-	56	85
<b>CHANGE IN UNAPPROPRIATED SURPLUS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to consolidated financial statements.

**CITY OF ABBOTSFORD**  
**Segment Information - Revenues by Type & Expenses by Function**  
**General Operating Fund - Storm Drainage Services**

*For the Year Ended December 31, 2014, with comparative information for 2013*  
*In thousands*

**Schedule P**

	2014 Plan	2014 Actual	2013 Actual
<b>REVENUE</b>			
Fees and charges:			
Storm drainage user fees	\$ 3,541	\$ 3,541	\$ 3,542
Other	12	11	17
	<u>3,553</u>	<u>3,552</u>	<u>3,559</u>
<b>EXPENSE</b>			
Storm sewers and detention	1,773	1,398	1,120
Urban watercourses	130	129	130
Rural drainage	300	291	302
	<u>2,203</u>	<u>1,818</u>	<u>1,552</u>
<b>ANNUAL SURPLUS/(DEFICIT) BEFORE AMORTIZATION</b>	1,350	1,734	2,007
Amortization	-	3,461	3,437
Loss/(gain) on disposal of tangible capital assets	-	4	147
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<u>1,350</u>	<u>(1,731)</u>	<u>(1,577)</u>
Matsqui Prairie (Schedule Q)	(305)	(472)	(495)
Sumas Prairie (Schedule Q)	(218)	(682)	(607)
<b>TOTAL ANNUAL SURPLUS / (DEFICIT)</b>	<u>827</u>	<u>(2,885)</u>	<u>(2,679)</u>
<b>RECONCILE TO CHANGE IN UNAPPROPRIATED SURPLUS</b>			
Storm drainage capital reserve	(842)	(842)	(818)
Transfer to operating reserve	-	(405)	(712)
Reconcile to contribution from storm drainage-Matsqui Prairie	(137)	49	71
Reconcile to contribution from storm drainage-Sumas Prairie	(148)	327	253
Eliminate amortization and loss/gain	-	3,465	3,583
<b>CHANGE IN UNAPPROPRIATED SURPLUS</b>	<u>\$ (300)</u>	<u>\$ (291)</u>	<u>\$ (302)</u>

See notes to consolidated financial statements.

# CITY OF ABBOTSFORD

## Segment Information - Revenues by Type & Expenses by Function General Operating Fund - Dyking, Drainage and Irrigation Services

For the Year Ended December 31, 2014, with comparative information for 2013

Schedule Q

In thousands

	2014 Plan	2014 Actual	2013 Actual	2014 Plan	2014 Actual	2013 Actual
	Matsqui Prairie			Sumas Prairie		
<b>REVENUE</b>						
Fees and charges:						
General tax levy	\$ 701	\$ 688	\$ 702	\$ 1,252	\$ 1,275	\$ 1,262
Other revenue	16	8	8	144	138	134
	<u>717</u>	<u>696</u>	<u>710</u>	<u>1,396</u>	<u>1,413</u>	<u>1,396</u>
<b>EXPENSE</b>						
Dyking	53	55	61	63	45	67
Drainage	556	518	533	685	710	704
Storm	182	164	178	-	-	-
Irrigation	111	111	118	86	102	83
Administration	112	111	111	157	157	156
Pump stations	-	-	-	615	565	546
Recoverable work	8	-	-	8	10	-
	<u>1,022</u>	<u>959</u>	<u>1,001</u>	<u>1,614</u>	<u>1,589</u>	<u>1,556</u>
<b>ANNUAL SURPLUS/(DEFICIT) BEFORE AMORTIZATION</b>	(305)	(263)	(291)	(218)	(176)	(160)
Amortization	-	209	205	-	506	446
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<u>(305)</u>	<u>(472)</u>	<u>(496)</u>	<u>(218)</u>	<u>(682)</u>	<u>(606)</u>
<b>RECONCILE TO CONTRIBUTION FROM STORM DRAINAGE</b>						
Transfer to general capital reserve	(137)	(137)	(137)	(148)	(148)	(161)
Transfer to operating reserve	-	(24)	-	-	(32)	(32)
Transfer from operating reserve	-	-	2	-	-	-
Eliminate amortization and loss/gain	-	209	205	-	506	446
<b>CONTRIBUTION FROM STORM DRAINAGE</b>	<u>\$ (442)</u>	<u>\$ (424)</u>	<u>\$ (426)</u>	<u>\$ (366)</u>	<u>\$ (356)</u>	<u>\$ (353)</u>

See notes to consolidated financial statements.

# CITY OF ABBOTSFORD

## Segment Information - Revenues by Type & Expenses by Function

### Capital Fund

For the Year Ended December 31, 2014, with comparative information for 2013

Schedule R

In thousands

	2014		Sanitary			2014	2013
	Plan	General	Waterworks	Sewer	Airport	Actual	Actual
<b>REVENUE</b>							
Municipal taxation	\$ 1,401	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (41)
Other fees and charges	300	147	31	-	246	424	1,197
Airport improvement fees	2,211	-	-	-	2,130	2,130	2,159
Developer charges earned	10,094	6,966	489	2,459	-	9,914	3,567
Contributed tangible capital assets	-	2,512	1,193	245	-	3,950	4,100
Grants	24,668	2,781	-	-	-	2,781	6,728
Other sources	524	137	3	37	-	177	71
Contributions (to)/from other funds	-	1,462	-	-	(1,462)	-	-
	<b>39,198</b>	<b>14,005</b>	<b>1,716</b>	<b>2,741</b>	<b>914</b>	<b>19,376</b>	<b>17,781</b>
<b>EXPENSE</b>							
<b>Minor capital projects</b>							
General government	770	341	-	-	-	341	347
Police services	-	45	-	-	-	45	123
Fire services	520	518	-	-	-	518	11
Park services	191	322	-	-	-	322	555
Recreation services	325	287	-	-	-	287	(95)
Transportation services	5,662	4,500	-	-	-	4,500	7,193
Equipment fleet services	-	-	-	-	-	-	12
Solid waste services	154	19	-	-	-	19	55
Storm drainage services	1,081	602	-	-	-	602	502
Dyking, drainage & irrigation	3,039	2,788	-	-	-	2,788	64
Waterworks	489	-	199	-	-	199	879
Sanitary sewer	3,689	-	-	396	-	396	1,051
Airport	150	-	-	-	87	87	230
	<b>16,070</b>	<b>9,422</b>	<b>199</b>	<b>396</b>	<b>87</b>	<b>10,104</b>	<b>10,927</b>
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<b>23,128</b>	<b>4,583</b>	<b>1,517</b>	<b>2,345</b>	<b>827</b>	<b>9,272</b>	<b>6,854</b>
<b>RECONCILE TO CHANGE IN CAPITAL EQUITY</b>							
Assets sale	-	83	(75)	(8)	-	-	-
General capital reserve	20,813	11,946	-	-	-	11,946	16,306
Storm drainage reserve	4,746	874	-	-	-	874	724
Waterworks capital reserve	11,886	-	2,664	-	-	2,664	6,563
Sanitary sewer capital reserve	10,028	-	-	3,508	-	3,508	4,200
Airport capital reserve	555	-	-	-	(1,274)	(1,274)	(650)
Tangible capital assets	-	(24,305)	(6,309)	(3,989)	(2,740)	(37,343)	(43,184)
Debt principal repayment	9,689	3,158	1,559	4,124	-	8,841	12,088
Internal borrowing (from general fund)	-	(6,981)	(149)	(960)	-	(8,090)	(1,863)
Internal borrowing interest	-	569	-	-	-	569	638
<b>CHANGE IN CAPITAL EQUITY</b>	<b>\$ 80,845</b>	<b>\$ (10,073)</b>	<b>\$ (793)</b>	<b>\$ 5,020</b>	<b>\$ (3,187)</b>	<b>\$ (9,033)</b>	<b>\$ 1,676</b>

See notes to consolidated financial statements.

# CITY OF ABBOTSFORD

## Segment Information - Revenues by Type & Expenses by Function

### Reserve Fund

For the Year Ended December 31, 2014, with comparative information for 2013  
In thousands

Schedule S

	2014 Plan	2014 Actual	2013 Actual
<b>REVENUE</b>			
Investment income	\$ 1,581	\$ 2,330	\$ 2,061
Other sources	-	28	34
	<u>1,581</u>	<u>2,358</u>	<u>2,095</u>
<b>ANNUAL SURPLUS/(DEFICIT)</b>	1,581	2,358	2,095
<b>RECONCILE TO CHANGE IN APPROPRIATED SURPLUS</b>			
Operating reserve	(388)	17,940	620
General capital reserve	(1,502)	8,072	4,713
Storm drainage reserve	(3,905)	(32)	94
Waterworks capital reserve	(4,350)	4,900	(3,938)
Sanitary sewer capital reserve	(9,351)	(1,340)	202
Airport capital reserve	70	3,568	242
<b>CHANGE IN APPROPRIATED SURPLUS</b>	<u>\$ (17,845)</u>	<u>\$ 35,466</u>	<u>\$ 4,028</u>

See notes to consolidated financial statements.



**CITY OF ABBOTSFORD**  
**Ledgeview Properties Ltd.**  
**Statement of Financial Position**

*For the Year Ended December 31, 2014, with comparative information for 2013*  
*In thousands*

**Schedule T**

	<b>2014</b>	<b>2013</b>
	<b>Actual</b>	<b>Actual</b>
<b>FINANCIAL ASSETS</b>		
Lease agreement receivable	\$ 54	\$ 58
	54	58
<b>FINANCIAL LIABILITIES</b>		
Due to City of Abbotsford	54	58
	54	58
<b>NET FINANCIAL ASSETS</b>		
	-	-
<b>NON-FINANCIAL ASSETS</b>		
Land	2,845	2,845
Land improvements	9	10
Buildings	36	40
	2,890	2,895
<b>ACCUMULATED SURPLUS</b>		
<b>BALANCE, BEGINNING OF YEAR</b>	2,896	2,904
Lease revenue	54	58
Amortization	(5)	(8)
Transfers to City of Abbotsford	(54)	(58)
<b>BALANCE, END OF YEAR</b>	<b>\$ 2,891</b>	<b>\$ 2,896</b>

See notes to consolidated financial statements.



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## INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of the City of Abbotsford

We have audited the accompanying financial statements of the City of Abbotsford Cemetery Care Trust Fund which comprise the statement of financial position as at December 31, 2014, 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 an 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 Cemetery Care Trust Fund as at December 31, 2014 in accordance with Canadian public sector accounting standards.

Chartered Accountants

April 20, 2015

Abbotsford, British Columbia

**CITY OF ABBOTSFORD**  
**Cemetery Care Trust Fund**  
**Statement of Financial Position**

*For the Year Ended December 31, 2014, with comparative information for 2013*  
*In thousands*

	2014	2013
	Actual	Actual
<b>FINANCIAL ASSETS</b>		
Portfolio investments	\$ 3,245	\$ 3,195
Accounts receivable	218	177
<b>NET FINANCIAL ASSETS</b>	<u>3,463</u>	<u>3,372</u>
<b>ACCUMULATED SURPLUS</b>		
Balance, beginning of year	3,372	3,272
Contributions	91	100
Investment earnings	98	102
Transfer to general operating fund	(98)	(102)
Balance, end of year	<u>\$ 3,463</u>	<u>\$ 3,372</u>

See notes to consolidated financial statements.



**City of Abbotsford**  
**Notes to the Cemetery Care Trust Fund**  
*For the Year Ended December 31, 2014*

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**1. SIGNIFICANT ACCOUNTING POLICIES:**

The Cemetery Care Trust Fund is administered by the City of Abbotsford for the perpetual care and maintenance of the City-owned and operated cemeteries. The accounting policies of the Cemetery Care Trust Fund conform to generally accepted accounting policies for municipal financial reporting in British Columbia.

**(a) Basis of accounting:**

The operations of the Trust are accounted for on an accrual basis.

**(b) Portfolio Investments:**

Portfolio investments are carried at cost.

**(c) Financial Instruments:**

The City's financial instruments consist of portfolio investments, accounts receivable and accounts payable. Unless otherwise indicated, it is management's opinion that the City is not exposed to significant interest rate, currency or credit risks arising from these financial instruments.

**2. ACCOUNTS RECEIVABLE/PAYABLE:**

All accounts receivable/payable are the amounts due from, or to, the General Fund of the City of Abbotsford. The amounts accrue interest at the average rate of return of the investments held by the consolidated investment portfolio held in the City's General Fund.



**City of Abbotsford**  
**Notes to the Cemetery Care Trust Fund**  
*For the Year Ended December 31, 2014*

**3. INVESTMENTS:**

Investments for 2014 are comprised of corporate and government investments.

(in thousands)	2014		2013	
	Cost	Market	Cost	Market
Portfolio investments	\$3,245	\$3,342	\$3,195	\$3,252

	Long-term	Long-term
Duration	2 – 10 Years	2 – 10 Years
Average holdings	\$3,219	\$3,109
Annual yield	2.95%	3.17%

**4. STATEMENT OF FINANCIAL ACTIVITIES:**

In 2002, the Cemetery Care Trust Fund began expending funds on the perpetual care and maintenance of the City's cemeteries. In 2014, \$98,000 (2013 - \$102,000) was transferred to the general operating fund for cemetery operations. Contributions and investment earnings for the year ended December 31, 2014, are recorded directly to equity. A Statement of Financial Activities has not been prepared, as it would not provide further information since the changes to equity are reported in the Statement of Financial Position.